**Louisville Gas and Electric Company**
**Case No. 2018-00295**
**Forecasted Test Period Filing Requirements**
**(Forecasted Test Period 12ME 4/30/20; Base Period 12ME 12/31/18)**

**Filing Requirement**
**807 KAR 5:001 Sections 14(1), 14(2), 14(3), 14(4)**
**Sponsoring Witness: Robert M. Conroy**

## Description of Filing Requirement:

*Section 14(1)*
- *Full name, mailing address, and e-mail address of applicant.*
- *A reference to the particular provision of law requiring Commission approval.*

*Section 14(2)*
- *If applicant is a corporation, the applicant shall identify in the application the state in which it is incorporated and the date of its incorporation, attest that it is currently in good standing in the state in which it is incorporated, and, if it is not a Kentucky corporation, state whether it is authorized to transact business in Kentucky.*

*Section 14(3)*
- *If applicant is a limited liability company, the applicant shall identify in the application the state in which it is organized and the date on which it was organized, attest that it is in good standing in the state in which it is organized, and, if it is not a Kentucky limited liability company, state whether it is authorized to transact business in Kentucky.*

*Section 14(4)*
- *If applicant is a limited partnership, a certified copy of its limited partnership agreement and all amendments, or a written statement that its partnership agreement and all amendments have been filed with the Commission in a prior proceeding and a reference to the case number of that proceeding.*

## Response:

Section 14(1)
See Application Paragraph Nos. 1, 5, 6, and 8.

Section 14(2)
See Application Paragraph No. 3 and attached Certificate.

Section 14(3)
LG&E is not a limited liability company and, therefore, compliance with this filing requirement is not necessary.

Section 14(4)
LG&E is not a limited partnership and, therefore, compliance with this filing requirement is not necessary.

# Commonwealth of Kentucky
## Alison Lundergan Grimes, Secretary of State

Alison Lundergan Grimes
Secretary of State
P. O. Box 718
Frankfort, KY 40602-0718
(502) 564-3490
http://www.sos.ky.gov

## Certificate of Existence

Authentication number: 206211
Visit https://app.sos.ky.gov/ftshow/certvalidate.aspx to authenticate this certificate.

I, Alison Lundergan Grimes, Secretary of State of the Commonwealth of Kentucky, do hereby certify that according to the records in the Office of the Secretary of State,

**LOUISVILLE GAS AND ELECTRIC COMPANY**

is a corporation duly incorporated and existing under KRS Chapter 14A and KRS Chapter 271B, whose date of incorporation is July 2, 1913 and whose period of duration is perpetual.

I further certify that all fees and penalties owed to the Secretary of State have been paid; that Articles of Dissolution have not been filed; and that the most recent annual report required by KRS 14A.6-010 has been delivered to the Secretary of State.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Official Seal at Frankfort, Kentucky, this 27th day of August, 2018, in the 227th year of the Commonwealth.


Alison Lundergan Grimes

Alison Lundergan Grimes
Secretary of State
Commonwealth of Kentucky
206211/0032196

**Louisville Gas and Electric Company**
**Case No. 2018-00295**
**Forecasted Test Period Filing Requirements**
**(Forecasted Test Period 12ME 4/30/20; Base Period 12ME 12/31/18)**

**Filing Requirement**
**807 KAR 5:001 Section 16(1)(b)(1)**
**Sponsoring Witness: Robert M. Conroy**

**Description of Filing Requirement:**

*A statement of the reason the adjustment is required.*

**Response:**

See Application.

**Louisville Gas and Electric Company**
**Case No. 2018-00295**
**Forecasted Test Period Filing Requirements**
**(Forecasted Test Period 12ME 4/30/20; Base Period 12ME 12/31/18)**

**Filing Requirement**
**807 KAR 5:001 Section 16(1)(b)(2)**
**Sponsoring Witness: Robert M. Conroy**

**Description of Filing Requirement:**

*A certified copy of a certificate of assumed name as required by KRS 365.015 or a statement that a certificate is not necessary.*

**Response:**

The legal name of LG&E is Louisville Gas and Electric Company. It has never done business in any state under an assumed name and has never filed a Certificate of Assumed Name as may be required by KRS 365.015. Therefore, the filing of a copy of any such certificate as required by this Filing Requirement is not necessary.

**Louisville Gas and Electric Company**
**Case No. 2018-00295**
**Forecasted Test Period Filing Requirements**
**(Forecasted Test Period 12ME 4/30/20; Base Period 12ME 12/31/18)**

**Filing Requirement**
**807 KAR 5:001 Section 16(1)(b)(3)**
**Sponsoring Witness: Robert M. Conroy**

**Description of Filing Requirement:**

*New or revised tariff sheets, if applicable in a format that complies with 807 KAR 5:011 with an effective date not less than thirty (30) days from the date the application is filed.*

**Response:**

See attached.

# Louisville Gas and Electric Company

220 West Main Street
Louisville, Kentucky
www.lge-ku.com

Rates, Terms, and Conditions for Furnishing

# ELECTRIC SERVICE

In all territory served as stated on Tariff Sheet No. 1.2 of this Book

# PUBLIC SERVICE COMMISSION

# OF KENTUCKY

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**DATE OF ISSUE**: September 28, 2018

**DATE EFFECTIVE:** With Service Rendered
On and After November 1, 2018

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

# Louisville Gas and Electric Company



**General Index**
**Rates, Terms, and Conditions** T



**DATE OF ISSUE:** September 28, 2018

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**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**General Index**
**Rates, Terms, and Conditions** T

**General Index**
**Territory Served**

LG&E generates and purchases electricity, and distributes and sells electricity at retail in all or portions of the following counties:

Bullitt
Hardin
Henry
Jefferson
Meade
Oldham
Shelby
Spencer
Trimble

All references hereinafter to “territory served” shall be determined by the Counties listed above.

**Standard Rate** **RS**

**Residential Service**

**APPLICABLE**

In all territory served.

**AVAILABILITY** T

Available for single-phase secondary delivery to single family residential service subject to the terms and conditions on Sheet No. 100 of this Tariff.

**RATE**

| | | | | |
|---|---|---|---|---|
| Basic Service Charge per day: | $0.53 | | | T/I |
| Plus an Energy Charge per kWh: | Infrastructure | Variable | Total | N |
| | $0.06214 | $0.03206 | $0.09420 | N/I |

**ADJUSTMENT CLAUSES**

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

| | | |
|---|---|---|
| Demand-Side Management Cost Recovery Mechanism | Sheet No. 86 | T |
| Fuel Adjustment Clause | Sheet No. 85 | T |
| Off-System Sales Adjustment Clause | Sheet No. 88 | T |
| Environmental Cost Recovery Surcharge | Sheet No. 87 | D/T |
| Home Energy Assistance Program | Sheet No. 92 | T |
| Franchise Fee | Sheet No. 90 | T |
| School Tax | Sheet No. 91 | T |

**MINIMUM CHARGE**

The Basic Service Charge shall be the minimum charge.

**DUE DATE OF BILL**

Customer's payment will be due within sixteen (16) business days (no less than twenty-two (22) calendar days) from the date of the bill.

**LATE PAYMENT CHARGE**

If full payment is not received by the due date of the bill, a 3% late payment charge will be assessed on the current month's charges. Residential Customers who receive a pledge for or notice of low income energy assistance from an authorized agency will not be assessed or required to pay a late payment charge for the bill for which the pledge or notice is received, nor will they be assessed or required to pay a late payment charge in any of the eleven (11) months following receipt of such pledge or notice. T

Beginning May 1, 2019, Residential Service Customers in good standing by not having been assessed a Late Payment Charge for the previous eleven (11) months have the option of waiving one (1) late payment charge upon request. This option may only be used once every twelve (12) months as long as the Customer remains in good standing. N N N N

**TERMS AND CONDITIONS**

Service will be furnished under Company's Terms and Conditions applicable hereto.


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Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00295 dated ____**

**Standard Rate** **RTOD-Energy**

**Residential Time-of-Day Energy Service**

**APPLICABLE**

In the territory served.

**AVAILABILITY** T

Available as an option to Customers otherwise served under Rate RS. T

1. Service under this rate schedule is limited to a maximum of five hundred (500) Customers taking service on Rates RTOD-Energy and RTOD-Demand combined that are eligible for Rate RS. Company will accept Customers on a first-come-first-served basis. T
2. This service is also available to Customers on Rate GS (where the Rate GS service is used in conjunction with a Rate RS service to provide service to a detached garage and energy usage is no more than 300 kWh per month) who demonstrate power delivered to such detached garage is consumed, in part, for the powering of low emission vehicles licensed for operation on public streets or highways. Such vehicles include: T T
   a) battery electric vehicles or plug-in hybrid electric vehicles recharged through a charging outlet at Customer's premises,
   b) natural gas vehicles refueled through an electric-powered refueling appliance at Customer's premises.
3. A Customer electing to take service under this rate schedule who subsequently elects to take service under Rate RS may not be allowed to return to this optional rate for twelve (12) months from the date of exiting this rate schedule. T

**RATE**

| | | | | |
|---|---|---|---|---|
| Basic Service Charge per day: | $0.53 | | | T/I |
| Plus an Energy Charge per kWh: | Infrastructure | Variable | Total | N |
| Off-Peak Hours: | $0.03676 | $0.03206 | $0.06882 | N |
| On-Peak Hours: | $0.20852 | $0.03206 | $0.24058 | N/I |

**ADJUSTMENT CLAUSES**

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

| | | |
|---|---|---|
| Demand Side Management Cost Recovery Mechanism | Sheet No. 86 | T |
| Fuel Adjustment Clause | Sheet No. 85 | T |
| Off-System Sales Adjustment Clause | Sheet No. 88 | T |
| Environmental Cost Recovery Surcharge | Sheet No. 87 | D/T |
| Home Energy Assistance Program | Sheet No. 92 | T |
| Franchise Fee | Sheet No. 90 | T |
| School Tax | Sheet No. 91 | T |

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

**RATING PERIODS**

The rating periods are established in Eastern Standard Time year-round by season for weekdays and weekends throughout Company's service territory, and shall be as follows: T T T

Summer Months of April through October

| | Off-Peak | On-Peak |
|---|---|---|
| Weekdays | 5 PM - 1 PM | 1 PM - 5 PM |
| Weekends | All Hours | |

All Other Months of November continuously through March

| | Off-Peak | On-Peak |
|---|---|---|
| Weekdays | 11 AM - 7 AM | 7 AM - 11 AM |
| Weekends | All Hours | |

If a legal holiday falls on a weekday, it will be considered a weekday. N

**MINIMUM CHARGE**

The Basic Service Charge shall be the Minimum Charge.

**DUE DATE OF BILL**

Customer's payment will be due within sixteen (16) business days (no less than twenty-two (22) calendar days) from the date of the bill.

**LATE PAYMENT CHARGE**

If full payment is not received by the due date of the bill, a 3% late payment charge will be assessed on the current month's charges.

Beginning May 1, 2019, RTOD-Energy Customers in good standing by not having been assessed a Late Payment Charge for the previous eleven (11) months have the option of waiving one (1) late payment charge upon request. This option may only be used once every twelve (12) months as long as the Customer remains in good standing. N N N N

**TERMS AND CONDITIONS**

Service will be furnished under Company's Terms and Conditions applicable hereto. Customers served under this optional residential rate will not be eligible for Company's Budget Payment Plan. Company shall install metering equipment capable of accommodating the Time of Use rate described herein.

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Louisville, Kentucky

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# Louisville Gas and Electric Company



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

**APPLICABLE**
In the territory served.

**AVAILABILITY** T
Available as an option to customers otherwise served under Rate RS. T
1. Service under this rate schedule is limited to a maximum of five hundred (500) Customers taking service on Rates RTOD-Demand and RTOD-Energy combined that are eligible for Rate RS. Company will accept Customers on a first-come-first-served basis. T
2. This service is also available to Customers on Standard Rate GS (where the Rate GS service is used in conjunction with a Rate RS service to provide service to a detached garage and energy usage is no more than 300 kWh per month) who demonstrate power delivered to such detached garage is consumed, in part, for the powering of low emission vehicles licensed for operation on public streets or highways. Such vehicles include: T T
   a. battery electric vehicles or plug-in hybrid electric vehicles recharged through a charging outlet at Customer's premises,
   b. natural gas vehicles refueled through an electric-powered refueling appliance at Customer's premises.
3. A Customer electing to take service under this rate schedule who subsequently elects to take service under Rate RS may not be allowed to return to this optional rate for twelve (12) months from the date of exiting this rate schedule. T

**RATE**

| | | | | |
|---|---|---|---|---|
| Basic Service Charge per day: | $0.53 | | | T/I |
| Plus an Energy Charge per kWh: | Infrastructure | Variable | Total | N |
| | $0.01977 | $0.03206 | $0.05183 | N |
| Plus a Demand Charge per kW: | | | | |
| Base Hours: | $ 3.48 | | | R |
| Peak Hours: | $ 7.62 | | | R |

**ADJUSTMENT CLAUSES**
The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

| | | |
|---|---|---|
| Demand Side Management Cost Recovery Mechanism | Sheet No. 86 | T |
| Fuel Adjustment Clause | Sheet No. 85 | T |
| Off-System Sales Adjustment Clause | Sheet No. 88 | T |
| Environmental Cost Recovery Surcharge | Sheet No. 87 | D/T |
| Home Energy Assistance Program | Sheet No. 92 | T |
| Franchise Fee | Sheet No. 90 | T |
| School Tax | Sheet No. 91 | T |

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Louisville, Kentucky

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**RATING PERIODS** T
The rating periods are established in Eastern Standard Time year-round by season for weekdays T
and weekends throughout Company's service territory, and shall be as follows: T

Summer Months of April through October

| | Base | Peak |
|---|---|---|
| Weekdays | All Hours | 1 PM - 5 PM |
| Weekends | All Hours | |

All Other Months of November continuously through March

| | Base | Peak |
|---|---|---|
| Weekdays | All Hours | 7 AM - 11 AM |
| Weekends | All Hours | |

If a legal holiday falls on a weekday, it will be considered a weekday. N

**MINIMUM CHARGE**
The Basic Service Charge shall be the minimum charge.

**DETERMINATION OF MAXIMUM LOAD**
The load will be measured and will be the average kW demand delivered to the Customer during the 15-minute period of maximum use during the month.

**DUE DATE OF BILL**
Customer's payment will be due within sixteen (16) business days (no less than twenty-two (22) calendar days) from the date of the bill.

**LATE PAYMENT CHARGE**
If full payment is not received by the due date of the bill, a 3% late payment charge will be assessed on the current month's charges.

Beginning May 1, 2019, RTOD-Demand Customers in good standing by not having been N
assessed a Late Payment Charge for the previous eleven (11) months have the option of waiving N
one (1) late payment charge upon request. This option may only be used once every twelve (12) N
months as long as the Customer remains in good standing. N

**TERMS AND CONDITIONS**
Service will be furnished under Company's Terms and Conditions applicable hereto. Customers served under this optional residential rate will not be eligible for Company's Budget Payment Plan. Company shall install metering equipment capable of accommodating the Time of Use rate described herein.

**Standard Rate** **VFD**

## Volunteer Fire Department Service

**APPLICABLE**

In all territory served.

**AVAILABILITY** T

Available for single-phase delivery, in accordance with the provisions of KRS 278.172, to any volunteer fire department qualifying for aid under KRS 95A.262. Service under this rate schedule is at the option of Customer with Customer determining whether service will be provided under this schedule or any other schedule applicable to this load. T

**DEFINITION**

To be eligible for this rate a volunteer fire department is defined as:

1) having at least 12 members and a chief;
2) having at least one firefighting apparatus; and
3) half the members must be volunteers.

**RATE**

| | | | | |
|---|---|---|---|---|
| Basic Service Charge per day: | $0.53 | | | T/I |
| Plus an Energy Charge per kWh: | Infrastructure | Variable | Total | N |
| | $0.06214 | $0.03206 | $0.09420 | N/I |

**ADJUSTMENT CLAUSES**

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

| | | |
|---|---|---|
| Demand-Side Management Cost Recovery Mechanism | Sheet No. 86 | T |
| Fuel Adjustment Clause | Sheet No. 85 | T |
| Off-System Sales Adjustment Clause | Sheet No. 88 | T |
| Environmental Cost Recovery Surcharge | Sheet No. 87 | D/T |
| Franchise Fee | Sheet No. 90 | T |
| School Tax | Sheet No. 91 | |

**MINIMUM CHARGE**

The Basic Service Charge shall be the minimum charge.

**DUE DATE OF BILL**

Customer's payment will be due within sixteen (16) business days (no less than twenty-two (22) calendar days) from the date of the bill.

**LATE PAYMENT CHARGE**

If full payment is not received by the due date of the bill, a 3% late payment charge will be assessed on the current month's charges.

**TERMS AND CONDITIONS**

Service will be furnished under Company's Terms and Conditions applicable hereto.

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State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00295 dated ____**

**Standard Rate** **GS**

**General Service**

**APPLICABLE**

In all territory served.

**AVAILABILITY** T

To general lighting and small power loads for secondary service.

Service under this schedule will be limited to Customers whose twelve (12)-month-average monthly maximum loads do not exceed 50 kW. Existing Customers with twelve (12)-month-average maximum monthly loads exceeding 50 kW who are receiving service under P.S.C. Electric No. 6, Fourth Revision of Original Sheet No. 10 as of February 6, 2009, will continue to be served under this rate at their option. If Customer is taking service under this rate schedule and subsequently elects to take service under another rate schedule, Customer may not again take service under this rate schedule unless and until Customer meets the Availability requirements that would apply to a new Customer. T T

**RATE**

| | | | | |
|---|---|---|---|---|
| Basic Service Charge per day: | $1.04 single-phase service | | | T/I |
| | $1.66 three-phase service | | | T/I |
| Plus an Energy Charge per kWh: | Infrastructure | Variable | Total | N |
| | $0.07354 | $0.03283 | $0.10637 | N/I |

**ADJUSTMENT CLAUSES**

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

| | | |
|---|---|---|
| Demand-Side Management Cost Recovery Mechanism | Sheet No. 86 | T |
| Fuel Adjustment Clause | Sheet No. 85 | T |
| Off-System Sales Adjustment Clause | Sheet No. 88 | T |
| Environmental Cost Recovery Surcharge | Sheet No. 87 | D/T |
| Franchise Fee | Sheet No. 90 | T |
| School Tax | Sheet No. 91 | |

**DETERMINATION OF LOAD**

Service hereunder will be metered except when, by mutual agreement of Company and Customer, an unmetered installation will be more satisfactory from the standpoint of both parties. In the case of unmetered service, billing will be based on a calculated consumption taking into account the types of equipment served.

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**DETERMINATION OF MAXIMUM LOAD**

If Company determines based on Customer's usage history that Customer may be exceeding the maximum load permitted under Rate GS, Company may, at its discretion, equip Customer with a meter capable of measuring demand to determine Customer's continuing eligibility for Rate GS. If Customer is equipped with a demand-measuring meter, Customer's load will be measured and will be the average kW demand delivered to Customer during the 15-minute period of maximum use T
during the month.

**MINIMUM CHARGE**

The Basic Service Charge shall be the Minimum Charge.

**DUE DATE OF BILL**

Customer's payment will be due within sixteen (16) business days (no less than twenty-two (22) calendar days) from the date of the bill.

**LATE PAYMENT CHARGE**

If full payment is not received by the due date of the bill, a 3% late payment charge will be assessed on the current month's charges.

**TERMS AND CONDITIONS**

Service will be furnished under Company's Terms and Conditions applicable hereto.

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**APPLICABLE**

In all territory served.

**AVAILABILITY** T

Available for secondary or primary service and limited to Customers whose twelve (12)-month-average monthly minimum secondary loads exceed 50 kW and whose twelve (12)-month-average monthly maximum loads do not exceed 250 kW. Secondary or primary Customers receiving service under P.S.C. of Ky. Electric No. 6, Fourth Revision of Original Sheet No. 15, Large Commercial Rate LC, and Fourth Revision of Original Sheet No. 25, Large Power Industrial Rate LP, as of February 6, 2009, with loads not meeting these criteria will continue to be served under this rate at their option. If Customer is taking service under this rate schedule and subsequently elects to take service under another rate schedule, Customer may not again take service under this rate schedule unless and until Customer meets the Availability requirements that would apply to a new Customer. T T

| **RATE** | Secondary | Primary | |
|---|---|---|---|
| Basic Service Charge per day: | $2.96 | $7.89 | T/I/I |
| Plus an Energy Charge per kWh: | $ 0.03306 | $ 0.03223 | R/R |
| Plus a Demand Charge per kW: | | | |
| Summer Rate: | | | |
| (Five Billing Periods of May through September) | $24.80 | $21.89 | I/I |
| Winter Rate: | | | |
| (All other months) | $21.83 | $19.04 | I/I |

Where the monthly billing demand is the greater of:

a. the maximum measured load in the current billing period but not less than 50 kW for secondary service or 25 kW for primary service, or
b. a minimum of 50% of the highest measured load in the preceding eleven (11) monthly billing periods, or
c. if applicable, a minimum of 60% of the contract capacity based on the maximum load expected on the system or on facilities specified by Customer.

**ADJUSTMENT CLAUSES**

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

| | | |
|---|---|---|
| Demand-Side Management Cost Recovery Mechanism | Sheet No. 86 | T |
| Fuel Adjustment Clause | Sheet No. 85 | T |
| Off-System Sales Adjustment Clause | Sheet No. 88 | T |
| Environmental Cost Recovery Surcharge | Sheet No. 87 | D/T |
| Franchise Fee | Sheet No. 90 | T |
| School Tax | Sheet No. 91 | |

**DETERMINATION OF MAXIMUM LOAD**

The load will be measured and will be the average kW demand delivered to the Customer during the 15-minute period of maximum use during the month.

Company reserves the right to place a kVA meter and base the billing demand on the measured kVA. The charge will be computed on the measured kVA times ninety (90) percent of the applicable kW charge. T

In lieu of placing a kVA meter, Company may adjust the measured maximum load for billing purposes when the power factor is less than ninety (90) percent in accordance with the following formula: (based on power factor measured at the time of maximum load) T

$$\text{Adjusted Maximum kW Load for Billing Purposes} = \frac{\text{Maximum kW Load Measured X 90\%}}{\text{Power Factor (in Percent)}}$$

**DUE DATE OF BILL**

Customer's payment will be due within sixteen (16) business days (no less than twenty-two (22) calendar days) from the date of the bill.

**LATE PAYMENT CHARGE**

If full payment is not received by the due date of the bill, a 1% late payment charge will be assessed on the current month’s charges.

**TERM OF CONTRACT**

Contracts under this rate shall be for an initial term of one (1) year, remaining in effect from month to month thereafter until terminated by notice of either party to the other.

**TERMS AND CONDITIONS**

Service will be furnished under Company's Terms and Conditions applicable hereto.

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Louisville, Kentucky

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**Public Service Commission in Case No.**
**2018-00295 dated ____**

# Louisville Gas and Electric Company



**Standard Rate** **TODS**

**Time-of-Day Secondary Service**

**APPLICABLE**

In all territory served.

**AVAILABILITY** T

Available for secondary service to Customers whose twelve (12)-month-average monthly minimum loads exceed 250 kVA and whose twelve (12)-month-average monthly maximum loads do not exceed 5,000 kVA. T T T

**RATE**

| | | |
|---|---|---|
| Basic Service Charge per day: | $ 6.58 | T/I |
| Plus an Energy Charge per kWh: | $ 0.03263 | R |
| Plus a Maximum Load Charge per kVA: | | T |
| Peak Demand Period: | $ 8.91 | I |
| Intermediate Demand Period: | $ 6.74 | I |
| Base Demand Period: | $ 3.61 | R |

Where:

the monthly billing demand for the Peak and Intermediate Demand Periods is the greater of:

1. the maximum measured load in the current billing period, or T
2. a minimum of 50% of the highest measured load in the preceding eleven (11) monthly billing periods, and T

the monthly billing demand for the Base Demand Period is the greater of:

1. the maximum measured load in the current billing period but not less than 250 kVA, or T
2. the highest measured load in the preceding eleven (11) monthly billing periods, or T
3. the contract capacity based on the maximum load expected on the system or on facilities specified by Customer. T

**ADJUSTMENT CLAUSES**

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

| | | |
|---|---|---|
| Demand-Side Management Cost Recovery Mechanism | Sheet No. 86 | T |
| Fuel Adjustment Clause | Sheet No. 85 | T |
| Off-System Sales Adjustment Clause | Sheet No. 88 | T |
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**DETERMINATION OF MAXIMUM LOAD**

The load will be measured and will be the average kVA demand delivered to Customer during the 15-minute period of maximum use during the appropriate rating period each month. T

D
D

**RATING PERIODS**

The rating periods applicable to the Maximum Load charges are established in Eastern Standard Time year-round by season for weekdays and weekends throughout Company's service area, and shall be as follows:

Summer peak months of May through September

| | Base | Intermediate | Peak |
|---|---|---|---|
| Weekdays | All Hours | 10 A.M. – 10 P.M. | 1 P.M. – 7 P.M. |
| Weekends | All Hours | | |

All other months of October continuously through April

| | Base | Intermediate | Peak |
|---|---|---|---|
| Weekdays | All Hours | 6 A.M. – 10 P.M. | 6 A.M. – 12 Noon |
| Weekends | All Hours | | |

If a legal holiday falls on a weekday, it will be considered a weekday. N

**DUE DATE OF BILL**

Customer's payment will be due within sixteen (16) business days (no less than twenty-two (22) calendar days) from the date of the bill.

**LATE PAYMENT CHARGE**

If full payment is not received by the due date of the bill, a 1% late payment charge will be assessed on the current month's charges.

**DATE OF ISSUE**: September 28, 2018

**DATE EFFECTIVE:** With Service Rendered
On and After November 1, 2018

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the**
**Public Service Commission in Case No.**
**2018-00295 dated ____**

**TERM OF CONTRACT**

Service will be furnished under this schedule only under contract for a fixed term of not less than one (1) year, and for yearly periods thereafter until terminated by either party giving written notice to the other party ninety (90) days prior to termination. Company, however, may require a longer fixed term of contract and termination notice because of conditions associated with the Customer's requirements for service. T

**TERMS AND CONDITIONS**

Service will be furnished under Company's Terms and Conditions applicable hereto.

**DATE OF ISSUE**: September 28, 2018

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**Standard Rate** **TODP**
**Time-of-Day Primary Service**

**APPLICABLE**
In all territory served.

**AVAILABILITY** T
Available for primary service to Customers whose twelve (12)-month-average monthly minimum demands exceeding 250 kVA, and whose new or additional load receives any required approval of Company's transmission operator. T T

**RATE**

| | | |
|---|---|---|
| Basic Service Charge per day: | $ 10.84 | T/R |
| Plus an Energy Charge per kWh: | $ 0.03193 | R |
| Plus a Maximum Load Charge per kVA: | | |
| Peak Demand Period: | $ 8.21 | I |
| Intermediate Demand Period: | $ 6.16 | I |
| Base Demand Period: | $ 3.46 | R |

Where:
the monthly billing demand for the Peak and Intermediate Demand Periods is the greater of:
1. the maximum measured load in the current billing period, or T
2. a minimum of 50% of the highest measured load in the preceding eleven (11) monthly billing periods, and T

the monthly billing demand for the Base Demand Period is the greater of:
1. the maximum measured load in the current billing period but not less than 250 kVA, or T
2. the highest measured load in the preceding eleven (11) monthly billing periods, or T
3. the contract capacity based on the maximum load expected on the system or on facilities specified by Customer. T

**ADJUSTMENT CLAUSES**
The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

| | | |
|---|---|---|
| Demand-Side Management Cost Recovery Mechanism | Sheet No. 86 | T |
| Fuel Adjustment Clause | Sheet No. 85 | T |
| Off-System Sales Adjustment Clause | Sheet No. 88 | T |
| Environmental Cost Recovery Surcharge | Sheet No. 87 | D/T |
| Franchise Fee | Sheet No. 90 | T |
| School Tax | Sheet No. 91 | |

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**DETERMINATION OF MAXIMUM LOAD**

The load will be measured and will be the average kVA demand delivered to the Customer during the 15-minute period of maximum use during the appropriate rating period each month.

Customers who own and operate onsite generation of one (1) MW or larger that is not for emergency backup will be provided a 60-minute exemption from measuring load for billing purposes following a Company-system fault, but not a Company energy spike, a fault on a Customer's system, or other causes or events that result in the Customer's generation coming offline. The 60-minute exemption will begin after Company's SCADA system indicates service has been restored. T

**RATING PERIODS**

The rating periods applicable to the Maximum Load charges are established in Eastern Standard Time year-round by season for weekdays and weekends throughout Company's service area, and shall be as follows:

Summer peak months of May through September

| | Base | Intermediate | Peak |
|---|---|---|---|
| Weekdays | All Hours | 10 A.M. – 10 P.M. | 1 P.M. – 7 P.M. |
| Weekends | All Hours | | |

All other months of October continuously through April

| | Base | Intermediate | Peak |
|---|---|---|---|
| Weekdays | All Hours | 6 A.M. – 10 P.M. | 6 A.M. – 12 Noon |
| Weekends | All Hours | | |

If a legal holiday falls on a weekday, it will be considered a weekday. N

**DUE DATE OF BILL**

Customer's payment will be due within sixteen (16) business days (no less than twenty-two (22) calendar days) from the date of the bill.

**LATE PAYMENT CHARGE**

If full payment is not received by the due date of the bill, a 1% late payment charge will be assessed on the current month's charges.

**TERM OF CONTRACT**

Service will be furnished under this schedule only under contract for a fixed term of not less than one (1) year, and for yearly periods thereafter until terminated by either party giving written notice to the other party 90 days prior to termination. Company, however, may require a longer fixed term of contract and termination notice because of conditions associated with the Customer's requirements for service.

**TERMS AND CONDITIONS**

Service will be furnished under Company's Terms and Conditions applicable hereto.

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**Standard Rate** **RTS**

**Retail Transmission Service**

**APPLICABLE**

In all territory served.

**AVAILABILITY** T

Available for transmission service to any Customer: (1) who has a twelve (12)-month-average monthly minimum demand exceeding 250 kVA; and (2) whose new or additional load receives any required approval of Company's transmission operator. T

**RATE**

| | | |
|---|---|---|
| Basic Service Charge per day: | $ 49.28 | T/R |
| Plus an Energy Charge per kWh: | $ 0.03152 | R |
| Plus a Maximum Load Charge per kVA: | | |
| Peak Demand Period: | $ 8.01 | I |
| Intermediate Demand Period: | $ 6.01 | I |
| Base Demand Period: | $ 1.92 | I |

Where:

the monthly billing demand for the Peak and Intermediate Demand Periods is the greater of:

1. the maximum measured load in the current billing period, or T
2. a minimum of 50% of the highest measured load in the preceding eleven (11) monthly billing periods, and T

the monthly billing demand for the Base Demand Period is the greater of:

1. the maximum measured load in the current billing period but not less than 250 kVA, or T
2. the highest measured load in the preceding eleven (11) monthly billing periods, or T
3. the contract capacity based on the maximum load expected on the system or on facilities specified by Customer. T

**ADJUSTMENT CLAUSES**

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

| | | |
|---|---|---|
| Demand-Side Management Cost Recovery Mechanism | Sheet No. 86 | T |
| Fuel Adjustment Clause | Sheet No. 85 | T |
| Off-System Sales Adjustment Clause | Sheet No. 88 | T |
| Environmental Cost Recovery Surcharge | Sheet No. 87 | D/T |
| Franchise Fee | Sheet No. 90 | T |
| School Tax | Sheet No. 91 | |

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**DETERMINATION OF MAXIMUM LOAD**

The load will be measured and will be the average kVA demand delivered to the Customer during the 15-minute period of maximum use during the appropriate rating period each month.

**RATING PERIODS**

The rating periods applicable to the Maximum Load charges are established in Eastern Standard Time year-round by season for weekdays and weekends throughout Company's service area, and shall be as follows:

Summer peak months of May through September

| | Base | Intermediate | Peak |
|---|---|---|---|
| Weekdays | All Hours | 10 A.M. – 10 P.M. | 1 P.M. – 7 P.M. |
| Weekends | All Hours | | |

All other months of October continuously through April

| | Base | Intermediate | Peak |
|---|---|---|---|
| Weekdays | All Hours | 6 A.M. – 10 P.M. | 6 A.M. – 12 Noon |
| Weekends | All Hours | | |

If a legal holiday falls on a weekday, it will be considered a weekday. N

**DUE DATE OF BILL**

Customer's payment will be due within sixteen (16) business days (no less than twenty-two (22) calendar days) from the date of the bill.

**LATE PAYMENT CHARGE**

If full payment is not received by the due date of the bill, a 1% late payment charge will be assessed on the current month's charges.

**TERM OF CONTRACT**

Service will be furnished under this schedule only under contract for a fixed term of not less than one (1) year, and for yearly periods thereafter until terminated by either party giving written notice to the other party ninety (90) days prior to termination. Company, however, may require a longer fixed term of contract and termination notice because of conditions associated with the Customer's requirements for service. T

**TERMS AND CONDITIONS**

Service will be furnished under Company's Terms and Conditions applicable hereto.

**Standard Rate** **FLS**
**Fluctuating Load Service**

**APPLICABLE**
In all territory served.

**AVAILABILITY** T
Available for primary or transmission service to Customers up to an aggregate of two hundred (200) MVA for all Customers taking service under this schedule and under the Fluctuating Load Service Rate FLS schedule of Kentucky Utilities Company. This schedule is restricted to T individual Customers whose monthly demand is twenty (20) MVA or greater. A Customer is defined as a fluctuating load if that Customer's load either increases or decreases twenty (20) MVA or more per minute or seventy (70) MVA or more in ten (10) minutes when such increases or decreases exceed one (1) occurrence per hour during any hour of the billing month.

Subject to the above aggregate limit of two hundred (200) MVA, this schedule is mandatory for all Customers whose load is defined as fluctuating and not served on another rate schedule as T of July 1, 2004.

**BASE RATE**

| | Primary | Transmission | |
|---|---|---|---|
| Basic Service Charge per day: | $ 10.84 | $ 49.28 | T/R/R |
| Plus an Energy Charge per kWh: | $ 0.03193 | $ 0.03152 | R/R |
| Plus a Maximum Load Charge per kVA: | | | |
| Peak Demand Period: | $ 7.80 | $ 7.61 | I/I |
| Intermediate Demand Period: | $ 5.80 | $ 5.66 | I/I |
| Base Demand Period: | $ 3.24 | $ 1.80 | I/I |

Where:
the monthly billing demand for the Peak and Intermediate Demand Periods is the greater of:
1. the maximum measured load in the current billing period, or T
2. a minimum of 50% of the highest measured load in the preceding eleven (11) monthly billing periods, and T

the monthly billing demand for the Base Demand Period is the greater of:
1. the maximum measured load in the current billing period but not less than 20,000 kVA, or T
2. the highest measured load in the preceding eleven (11) monthly billing periods, or T
3. the contract capacity based on the maximum load expected on the system or on facilities specified by Customer. T

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Louisville, Kentucky

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**ADJUSTMENT CLAUSES**

The amount computed at the charges specified above shall be increased or decreased in accordance with the following:

| | | |
|---|---|---|
| Demand-Side Management Cost Recovery Mechanism | Sheet No. 86 | |
| Fuel Adjustment Clause | Sheet No. 85 | |
| Off-System Sales Adjustment Clause | Sheet No. 88 | |
| Environmental Cost Recovery Surcharge | Sheet No. 87 | D |
| Franchise Fee | Sheet No. 90 | T |
| School Tax | Sheet No. 91 | |

**DETERMINATION OF MAXIMUM LOAD**

The load will be measured and will be the average kVA demand delivered to the Customer during the 5-minute period of maximum use during the appropriate rating period each month.

**RATING PERIODS**

The rating periods applicable to the Maximum Load charges are established in Eastern Standard Time year-round by season for weekdays and weekends throughout Company's service area, and shall be as follows:

Summer peak months of May through September

| | Base | Intermediate | Peak |
|---|---|---|---|
| Weekdays | All Hours | 10 A.M. – 10 P.M. | 1 P.M. – 7 P.M. |
| Weekends | All Hours | | |

All other months of October continuously through April

| | Base | Intermediate | Peak |
|---|---|---|---|
| Weekdays | All Hours | 6 A.M. – 10 P.M. | 6 A.M. – 12 Noon |
| Weekends | All Hours | | |

If a legal holiday falls on a weekday, it will be considered a weekday. N

**DUE DATE OF BILL**

Customer's payment will be due within sixteen (16) business days (no less than twenty-two (22) calendar days) from the date of the bill.

**LATE PAYMENT CHARGE**

If full payment is not received by the due date of the bill, a 1% late payment charge will be assessed on the current month's charges.

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**TERM OF CONTRACT**

Unless terminated by mutual agreement, the initial term of contract for service shall be for a fixed term of five (5) years with successive one (1) year term renewal until canceled by either party giving at least one (1) year written notice to the other prior to the end of the initial term or the then current annual renewal period, as applicable.

**PROTECTION OF SERVICE**

Where Customer's use of service is intermittent, subject to violent or extraordinary fluctuations, or produces unacceptable levels of harmonic current, in each case as determined by Company in its reasonable discretion, Company reserves the right to require Customer to furnish, at Customer's own expense, suitable equipment (as approved by Company in its reasonable discretion) to meter and limit such intermittence, fluctuation, or harmonics to the extent reasonably requested by Company. Without limiting the foregoing, Company may require such equipment if, at any time, the megavars, harmonics, and other undesirable electrical characteristics produced by the Customer exceed the limits set forth in the IEEE standards for such characteristics. In addition, if the Customer's use of Company's service under this schedule causes such undesirable electrical characteristics in an amount exceeding those IEEE standards, such use shall be deemed to cause a dangerous condition which could subject any person to imminent harm or result in substantial damage to the property of Company or others, and Company shall therefore terminate service to the Customer in accordance with 807 KAR 5:006, Section 15(1)(b). Such a termination of service shall not be considered a cancellation of the service agreement or relieve Customer of any minimum billing or other guarantees. Company shall be held harmless for any damages or economic loss resulting from such termination of service. If requested by Company, Customer shall provide all available information to Company that aids Company in enforcing its service standards. If Company at any time has a reasonable basis for believing that Customer's proposed or existing use of the service provided will not comply with the service standards for interference, fluctuations, or harmonics, Company may engage such experts and/or consultants as Company shall determine are appropriate to advise Company in ensuring that such interference, fluctuations, or harmonics are within acceptable standards. Should such experts and/or consultants determine Customer's use of service is unacceptable, Company's use of such experts and/or consultants will be at the Customer's expense.

**SYSTEM CONTINGENCIES AND INDUSTRY SYSTEM PERFORMANCE CRITERIA**

Company reserves the right to interrupt up to 95% of Customer's load to facilitate Company compliance with system contingencies and with industry performance criteria. Customer will permit Company to install electronic equipment and associated real-time metering to permit Company interruption of Customer's load. Such equipment will immediately notify Customer five (5) minutes before an electronically initiated interruption that will begin immediately thereafter and last no longer than ten (10) minutes nor shall the interruptions exceed twenty (20) per month. Such interruptions will not be accumulated nor credited against annual hours, if any, under either Rider CSR-1 or CSR-2. Company's right to interrupt under this provision is restricted to responses to unplanned outage or de-rates of LG&E and KU Energy LLC System ("LKE System") owned or purchased generation or when Automatic Reserve Sharing is invoked. LKE System, as used herein, shall consist of LG&E and KU. At Customer's request, Company shall provide documentation of the need for interruption under this provision within sixty (60) days of the end of the applicable billing period.

**LIABILITY**

In no event shall Company have any liability to the Customer or any other party affected by the electrical service to the Customer for any consequential, indirect, incidental, special, or punitive damages, and such limitation of liability shall apply regardless of claim or theory. In addition, to the extent that Company acts within its rights as set forth herein and/or any applicable law or regulation, Company shall have no liability of any kind to the Customer or any other party. In the event that the Customer's use of Company's service causes damage to Company's property or injuries to persons, the Customer shall be responsible for such damage or injury and shall indemnify, defend, and hold Company harmless from any and all suits, claims, losses, and expenses associated therewith.

**TERMS AND CONDITIONS**

Service will be furnished under Company's Terms and Conditions applicable hereto.

**APPLICABLE**

In all territory served.

**AVAILABILITY** T

Available under the conditions set out hereinafter for lighting applications such as, but not limited to, the illumination of streets, driveways, yards, lots, and other outdoor areas where secondary voltage of 120/240 is available. T

Service will be provided under written contract, signed by Customer prior to service commencing, when additional facilities are required.

D

**OVERHEAD SERVICE**

Based on Customer's lighting choice, Company will furnish, own, install, and maintain the lighting unit. A basic overhead service includes lamp, fixture, photoelectric control, mast arm, and, if needed, up to 150 feet of conductor per fixture on existing wood poles (fixture only).

D

**RATE**

| Rate Code | Type of Fixture | Lumen Range | kW Per Light | Monthly Charge Fixture Only | |
|---|---|---|---|---|---|
| | | | | | T |
| | | | | | T |
| | | | | | D |
| **Light Emitting Diode (LED)** | | | | | |
| 490 | Cobra Head | 5,500-8,200 | 0.071 | $ 9.63 | T/R |
| 491 | Cobra Head | 13,000-16,500 | 0.122 | 11.65 | T/R |
| 492 | Cobra Head | 22,000-29,000 | 0.194 | 13.65 | T/R |
| 493 | Open Bottom | 4,500-6,000 | 0.048 | 8.74 | T/R |
| LC1 | Cobra Head | 2,500-4,000 | 0.022 | 8.40 | N |
| LF1 | Directional (Flood) | 4,500-6,000 | 0.030 | 11.21 | N |
| LF2 | Directional (Flood) | 14,000-17,500 | 0.090 | 13.01 | N |
| LF3 | Directional (Flood) | 22,000-28,000 | 0.175 | 15.36 | N |
| LF4 | Directional (Flood) | 35,000-50,000 | 0.297 | 21.93 | N |

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Louisville, Kentucky

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D

**UNDERGROUND SERVICE**

Based on Customer's lighting choice, Company will furnish, own, install, and maintain poles, fixtures, and any necessary circuitry up to 200 feet. All poles and fixtures furnished by Company will be standard stocked materials. Company may decline to install equipment and provide service thereto in locations deemed by Company as unsuitable for underground installation. D

**RATE**

| Rate Code | Type of Fixture | Lumens Range | kW Per Light | Fixture Charge | |
|---|---|---|---|---|---|
| | | | | | T T |
| **Light Emitting Diode (LED)** | | | | | N |
| LC2 | Cobra Head | 2,500-4,000 | 0.022 | $3.94 | N |
| 496 | Cobra Head | 5,500-8,200 | 0.071 | $5.17 | T/R |
| 497 | Cobra Head | 13,000-16,500 | 0.122 | $7.19 | T/R |
| 498 | Cobra Head | 22,000-29,000 | 0.194 | $10.36 | T/R |
| 499 | Colonial, 4-Sided | 4,000-7,000 | 0.044 | $7.25 | T/R |
| LA1 | Acorn | 4,000-7,000 | 0.040 | $6.75 | N |
| LN1 | Contemporary | 4,000-7,000 | 0.057 | $6.74 | N |
| LN2 | Contemporary | 8,000-11,000 | 0.087 | $7.85 | N |
| LN3 | Contemporary | 13,500-16,500 | 0.143 | $9.56 | N |
| LN4 | Contemporary | 21,000-28,000 | 0.220 | $13.86 | N |
| LN5 | Contemporary | 45,000-50,000 | 0.380 | $20.91 | N |
| LF5 | Directional (Flood) | 4,500-6,000 | 0.030 | $7.86 | N |
| LF6 | Directional (Flood) | 14,000-17,500 | 0.096 | $9.66 | N |
| LF7 | Directional (Flood) | 22,000-28,000 | 0.175 | $12.01 | N |
| LF8 | Directional (Flood) | 35,000-50,000 | 0.297 | $18.58 | N |

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**RATE (continued)** N

| Rate Code | Type of Fixture | Lumen Range | kW Per Light | Monthly Charge | |
|---|---|---|---|---|---|
| | | | | | N |
| | | | | | N |
| **High Pressure Sodium** | | | | | T |
| 427 | London* | 5,800 | 0.083 | $39.09 | T/I |
| 429 | London* | 9,500 | 0.117 | $39.13 | T/I |
| 431 | Victorian* | 5,800 | 0.083 | $36.71 | T/I |
| 433 | Victorian* | 9,500 | 0.177 | $38.92 | T/I |

N

Colonial and Acorn "Post Top" lights must include one of two pole options, a Decorative Smooth pole or a Historic Fluted pole. Underground fed Cobra LEDs must include a Cobra pole charge. Underground fed Contemporary LEDs must include a short Contemporary pole charge or a tall Contemporary pole charge. The Underground fed Directional (Flood) LEDs must include a Cobra or Contemporary pole charge.

**Pole Charges**

| Rate Code | Pole Type | Monthly Pole Charge |
|---|---|---|
| PL1 | Cobra | $30.99 |
| PL2 | Contemporary (Short) | $14.94 |
| PL3 | Contemporary (Tall) | $21.93 |
| PL4 | Post Top – Decorative Smooth | $14.73 |
| PL5 | Post Top – Historic Fluted | $20.50 |

**CONVERSION FEE**

Customer will be required to pay a monthly conversion fee for 60 months if Customer requests to change current functioning non-LED fixture to an LED fixture. This conversion fee represents the remaining book value of the current working non-LED fixture.

Conversion Fee: $ 7.49 per month for 60 months

**DUE DATE OF BILL** T

Customer's payment will be due within sixteen (16) business days (no less than twenty-two (22) calendar days) from the date of the bill. Billing for this service to be made a part of bill rendered for other electric service.

**DETERMINATION OF ENERGY CONSUMPTION**

The kilowatt-hours will be determined as set forth on Sheet No. 67 of this Tariff.

**ADJUSTMENT CLAUSES**

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

| | |
|---|---|
| Fuel Adjustment Clause | Sheet No. 85 |
| Off-System Sales Adjustment Clause | Sheet No. 88 |
| Environmental Cost Recovery Surcharge | Sheet No. 87 |
| Franchise Fee | Sheet No. 90 |
| School Tax | Sheet No. 91 |

**TERM OF CONTRACT**

For a fixed term of not less than five (5) years and for such time thereafter until terminated by either party giving thirty (30) days prior written notice to the other when additional facilities are required. Cancellation by Customer prior to the initial five (5) year term will require Customer to pay to Company a lump sum equal to the monthly charge times the number of months remaining on the original five (5) year term. T

**TERMS AND CONDITIONS**

1. Service shall be furnished under Company's Terms and Conditions, except as set out herein.

2. All service and maintenance will be performed only during regular scheduled working hours of Company. Customer will be responsible for reporting outages and other operating faults. Company shall initiate service corrections within two (2) business days after such notification by Customer.

3. Customer shall be responsible for the cost of fixture replacement or repairs where such replacement or repairs are caused from willful damage, vandalism, or causes other than normal burnouts. Company may decline to provide or continue service in locations where, in Company's judgment, such facilities will be subject to unusual hazards or risk of damage.

4. Company shall have the right to make other attachments and to further extend the conductors, when necessary, for the further extension of its electric service.

5. If any permit is required from any municipal or other governmental authority with respect to installation and use of any of the lighting units provided hereunder, Company will seek such permits, but the ultimate responsibility belongs with Customer. T

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# Louisville Gas and Electric Company



T

**TERMS AND CONDITIONS (continued)**

6. If Customer requests the removal of an existing lighting system, including, but not limited to, fixtures, poles, or other supporting facilities, Customer agrees to pay to Company its cost of labor to remove existing facilities. Customer will be required to pay Conversion Fee if Customer requests installation of LED replacement within five (5) years.

7. Temporary suspension of lighting service is not permitted. Upon permanent discontinuance of service, lighting units and other supporting facilities solely associated with providing service under this tariff, except underground facilities and pedestals, will be removed.

N

8. Should Customer request underground service, Customer shall make a non-refundable cash contribution prior to the time of installation, or, at the option of Company, make a work contribution to Company for the difference in the installed cost of the system requested and the cost of the overhead lighting system.

   Where the location of existing poles is not suitable or where there are no existing poles for mounting of lights, and Customer requests service under these conditions, Company may furnish the requested facilities at an additional charge to be determined under the Excess Facilities Rider.

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# Louisville Gas and Electric Company



**Standard Rate** **RLS**

**Restricted Lighting Service**

**APPLICABLE**

In all territory served.

**AVAILABILITY** T

Availability is restricted to those lighting fixtures/poles in service as of January 1, 2013, except T
where a spot replacement maintains the continuity of multiple fixtures/poles in a neighborhood T
lighting system or continuity is desired for a subdivision being developed in phases. Spot placement of restricted fixtures/poles is contingent on the restricted fixtures/poles being available from manufacturers. Spot replacement of restricted units will be made under the terms and conditions provided for under non-restricted Lighting Service Rate LS. Spot replacements will not be available for Mercury Vapor and Incandescent rate codes.

In the event restricted fixtures/poles fail and replacements are unavailable, Customer will be given the choice of having Company remove the failed fixture/pole or replacing the failed fixture/pole with other available fixture/pole.

Units marked with an asterisk (*) are not available for use in residential neighborhoods except by municipal authorities.

**OVERHEAD SERVICE**

Based on Customer's lighting choice, Company has furnished, installed, and maintained the lighting unit complete with lamp, fixture, photoelectric control, mast arm, and, if needed, up to 150 feet of conductor per fixture on existing wood poles (fixture only).

**RATE**

| | | | | Monthly Charge | | | |
|---|---|---|---|---|---|---|---|
| **Rate Code** | **Type of Fixture** | **Approximate Lumens** | **kW Per Light** | **Fixture Only** | **Fixture & Wood Pole** | **Fixture & Orn. Pole** | |
| **Mercury Vapor** | | | | | | | |
| 252 | Cobra/Open Bottom | 8,000 | 0.210 | $11.20 | | | I |
| 203 | Cobra Head | 13,000 | 0.298 | 12.73 | | | I |
| 204 | Cobra Head | 25,000 | 0.462 | 15.57 | | | I |
| 209 | Cobra Head | 60,000* | 1.180 | 31.48 | | | I |
| 207 | Directional | 25,000 | 0.462 | $17.70 | | | I |
| 210 | Directional | 60,000* | 1.180 | 32.74 | | | I |
| 201 | Open Bottom | 4,000 | 0.100 | $ 9.71 | | | I |
| **Metal Halide** | | | | | | | |
| 470/471 | Directional | 12,000 | 0.150 | $14.93 | $17.68 | | I/I |
| 474/475 | Directional | 32,000* | 0.350 | | 23.62 | $31.30 | I/I |
| 476/477 | Directional | 107,800* | 1.080 | 44.51 | 47.80 | | I/I |
| 473 | Directional | 32,000* | 0.350 | 21.26 | | | N/I |

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**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00295 dated ____**

**Standard Rate** **RLS**
**Restricted Lighting Service**

**RATE (continued)**

| Rate Code | Type of Fixture | Approximate Lumens | kW Per Light | Monthly Charge: Fixture Only | Monthly Charge: Fixture & Wood Pole | Monthly Charge: Fixture & Orn. Pole | T T T |
|---|---|---|---|---|---|---|---|
| **High Pressure Sodium** | | | | | | | N |
| 452 | Cobra Head | 16,000 | 0.181 | $14.87 | | | N/I |
| 453 | Cobra Head | 28,500 | 0.294 | 17.35 | | | N/I |
| 454 | Cobra Head | 50,000* | 0.471 | 19.77 | | | N/I |
| 455 | Directional | 16,000 | 0.181 | $15.85 | | | N/I |
| 456 | Directional | 50,000* | 0.471 | 20.62 | | | N/I |
| 457 | Open Bottom | 9,500 | 0.117 | $13.16 | | | N/I |
| **Wood Pole** | | | | | | | T |
| 958 | Installed Before 3/1/2010 | | | $11.66 | | | T/I |
| 900 | Installed Before 7/1/2004 | | | 2.21 | | | T/I |

**UNDERGROUND SERVICE**

Based on Customer's lighting choice, Company has furnished, installed, and maintained the lighting unit complete with lamp, fixture, photoelectric control, mast arm, and, if needed, up to 200 feet of conductor per fixture on appropriate poles.

**RATE**

| Rate Code | Type of Fixture | Approximate Lumens | kW Per Light | Monthly Charge: Fixture Only | Monthly Charge: Decorative Smooth | |
|---|---|---|---|---|---|---|
| **High Pressure Sodium** | | | | | | |
| 275 | Cobra/Contemporary | 16,000 | 0.181 | | $28.46 | I |
| 266 | Cobra/Contemporary | 28,500 | 0.294 | | 31.25 | I |
| 267 | Cobra Contemporary | 50,000* | 0.471 | | 35.67 | I |
| 276 | Coach/Acorn | 5,800 | 0.083 | | 17.19 | I |
| 274 | Coach/Acorn | 9,500 | 0.117 | | 20.49 | I |
| 277 | Coach/Acorn | 16,000 | 0.181 | | 25.06 | I |
| 279/278 | Contemporary | 120,000* | 1.000 | $48.86 | 80.91 | I/I |
| 417 | Acorn, Bronze | 9,500 | 0.117 | | 27.00 | I |
| 419 | Acorn, Bronze | 16,000 | 0.180 | | 28.91 | I |
| 280 | Victorian | 5,800 | 0.083 | $22.78 | | I |
| 281 | Victorian | 9,500 | 0.117 | 23.88 | | I |
| 282 | London | 5,800 | 0.083 | 22.95 | | I |
| 283 | London | 9,500 | 0.117 | 24.39 | | I |
| 426 | London | 5,800 | 0.083 | | $37.01 | T/I |
| 428 | London | 9,500 | 0.117 | | 37.99 | T/I |
| 430 | Victorian | 5,800 | 0.083 | | 36.00 | T/I |
| 432 | Victorian | 9,500 | 0.117 | | 38.23 | T/I |

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Louisville, Kentucky

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**Standard Rate** **RLS**

**Restricted Lighting Service**

**UNDERGROUND SERVICE** (continued)

**RATE**

| Rate Code | Type of Fixture | Approximate Lumens | kW Per Light | Monthly Charge Fixture Only | Monthly Charge Decorative Smooth | |
|---|---|---|---|---|---|---|
| **High Pressure Sodium** (continued) | | | | | | N |
| 412 | Colonial, 4-Sided | 5,800 | 0.083 | | $22.83 | N/I |
| 413 | Colonial, 4-Sided | 9,500 | 0.117 | | 23.62 | N/I |
| 444 | Colonial, 4-Sided | 16,000 | 0.181 | | 23.56 | N/I |
| 415 | Acorn | 5,800 | 0.083 | | 23.24 | N/I |
| 416 | Acorn | 9,500 | 0.117 | | 25.80 | N/I |
| 445 | Acorn | 16,000 | 0.181 | | 25.61 | N/I |
| 400 | Dark Sky | 4,000 | 0.060 | | 27.35 | N/I |
| 401 | Dark Sky | 9,500 | 0.117 | | 27.63 | N/I |
| 423 | Cobra Head | 16,000 | 0.181 | | 30.03 | N/I |
| 424 | Cobra Head | 28,500 | 0.294 | | 32.45 | N/I |
| 425 | Cobra Head | 50,000* | 0.471 | | 38.50 | N/I |
| 439/420 | Contemporary | 16,000 | 0.181 | $18.62 | 33.84 | N/I/I |
| 440/421 | Contemporary | 28,500* | 0.294 | 20.65 | 36.53 | N/I/I |
| 441/422 | Contemporary | 50,000* | 0.471 | 24.86 | 42.41 | N/I/I |
| **Mercury Vapor** | | | | | | T |
| 318 | Cobra Head | 8,000 | 0.210 | | $19.47 | T/I |
| 314 | Cobra Head | 13,000 | 0.298 | | 21.43 | T/I |
| 315 | Cobra Head | 25,000 | 0.462 | | 25.53 | T/I |
| 206 | Coach | 4,000 | 0.100 | | 14.26 | T/I |
| 208 | Coach | 8,000 | 0.210 | | 16.13 | T/I |
| **Metal Halide** | | | | | | T |
| 479/480 | Contemporary | 12,000 | 0.150 | $16.62 | $27.41 | T/I/I |
| 483/484 | Contemporary | 107,800* | 1.080 | 47.57 | 59.00 | T/I/I |
| 481/482 | Contemporary | 32,000* | 0.350 | 23.10 | 34.55 | N/I/I |
| **Incandescent** | | | | | | T |
| 349 | Continental Jr. | 1,500 | 0.102 | | $10.26 | T/I |
| 348 | Continental Jr. | 6,000 | 0.447 | | 14.62 | T/I |
| **Victorian/London Bases** | | | | | | T |
| 950 | Old Town | | | | $ 3.73 | T/I |
| 951 | Chesapeake | | | | 3.94 | T/I |
| 956 | Victorian/London (Westchester/Norfolk) | | | | 3.82 | N/I |
| **Poles** | | | | | | T |
| 901 | 10' Smooth Pole | | | | $11.14 | T/I |
| 902 | 10' Fluted Pole | | | | 13.29 | T/I |

Where Customer's location required the installation of additional facilities, Company may have furnished the requested facilities at an additional charge per month to be determined under the Excess Facilities Rider.

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Louisville, Kentucky

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**DUE DATE OF BILL**

Payment is due within sixteen (16) business days (no less than twenty-two (22) calendar days) from the date of the bill. Billing for this service to be made a part of the bill rendered for other electric service.

**DETERMINATION OF ENERGY CONSUMPTION**

The kilowatt-hours will be determined as set forth on Sheet No. 67 of this Tariff.

**ADJUSTMENT CLAUSES**

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

| | | |
|---|---|---|
| Fuel Adjustment Clause | Sheet No. 85 | |
| Off-System Sales Adjustment Clause | Sheet No. 88 | |
| Environmental Cost Recovery Surcharge | Sheet No. 87 | D |
| Franchise Fee | Sheet No. 90 | T |
| School Tax | Sheet No. 91 | |

**TERM OF CONTRACT**

For a fixed term of not less than five (5) years and for such time thereafter until terminated by either party giving thirty (30) days prior written notice to the other when additional facilities are required. Cancellation by Customer prior to the initial five-year term will require Customer to pay to Company a lump sum equal to the monthly charge times the number of months remaining on the original five (5) year term.

**TERMS AND CONDITIONS**

1. Service shall be furnished under Company's Terms and Conditions, except as set out herein.
2. All service and maintenance will be performed only during regular scheduled working hours of Company. Customer will be responsible for reporting outages and other operating faults. Company shall initiate service corrections within two (2) business days after such notification by Customer.
3. Customer shall be responsible for the cost of fixture replacement or repairs where such replacement or repairs are caused from willful damage, vandalism, or causes other than normal burnouts. Company may decline to provide or continue service in locations where, in Company’s judgment, such facilities will be subject to unusual hazards or risk of damage.
4. Company shall have the right to make other attachments and to further extend the conductors, when necessary, for the further extension of its electric service.
5. Temporary suspension of lighting service is not permitted. Upon permanent discontinuance of service, lighting units and other supporting facilities solely associated with providing service under this tariff, except underground facilities and pedestals, will be removed.

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Louisville, Kentucky

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# Louisville Gas and Electric Company



**Standard Rate** **LE**

**Lighting Energy Service**

**APPLICABLE**

In all territory served.

**AVAILABILITY** T

Available to municipalities, county governments, divisions or agencies of the state or Federal governments, civic associations, and other public or quasi-public agencies for service to public street and highway lighting systems, where the municipality or other agency owns and maintains all street lighting equipment and other facilities on its side of the point of delivery of the energy supplied hereunder.

**RATE**

$0.07046 per kWh

**ADJUSTMENT CLAUSES**

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

| | | |
|---|---|---|
| Fuel Adjustment Clause | Sheet No. 85 | |
| Off-System Sales Adjustment Clause | Sheet No. 88 | |
| Environmental Cost Recovery Surcharge | Sheet No. 87 | D |
| Franchise Fee | Sheet No. 90 | T |
| School Tax | Sheet No. 91 | |

**DUE DATE OF BILL**

Customer's payment will be due within sixteen (16) business days (no less than twenty-two (22) calendar days) from the date of the bill.

**CONDITIONS OF DELIVERY**

1. Service hereunder will be metered except when, by mutual agreement of Company and Customer, an unmetered installation will be more satisfactory from the standpoint of both parties. In the case of unmetered service, billing will be based on a calculated consumption taking into account the types of equipment served.

2. The location of the point of delivery of the energy supplied hereunder and the voltage at which such delivery is effected shall be mutually agreed upon by Company and the Customer in consideration of the type and size of Customer's street lighting system and the voltage which Company has available for delivery.

**TERMS AND CONDITIONS**

Service will be furnished under Company's Terms and Conditions applicable hereto.

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**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

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# Louisville Gas and Electric Company



**Standard Rate** **TE**

**Traffic Energy Service**

**APPLICABLE**

In all territory served.

**AVAILABILITY** T

Available to municipalities, county governments, divisions of the state or Federal governments or any other governmental agency for service on a 24-hour all-day every-day basis, where the governmental agency owns and maintains all equipment on its side of the point of delivery of the energy supplied hereunder. In the application of this rate each point of delivery will be considered as a separate Customer.

This service is limited to traffic control devices including, but not limited to, signals, cameras, or other traffic lights, electronic communication devices, emergency sirens, and gunshot triangulation N
devices. N

**RATE**

| | | |
|---|---|---|
| Basic Service Charge per day: | $0.13 per delivery point | T/R |
| Plus an Energy Charge per kWh: | $0.08409 | I |

**ADJUSTMENT CLAUSES**

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

| | | |
|---|---|---|
| Fuel Adjustment Clause | Sheet No. 85 | |
| Off-System Sales Adjustment Clause | Sheet No. 88 | |
| Environmental Cost Recovery Surcharge | Sheet No. 87 | D |
| Franchise Fee | Sheet No. 90 | T |
| School Tax | Sheet No. 91 | |

**MINIMUM CHARGE**

The Basic Service Charge shall be the minimum charge.

**DUE DATE OF BILL**

Customer's payment will be due within sixteen (16) business days (no less than twenty-two (22) calendar days) from the date of the bill.

**CONDITIONS OF SERVICE** T

1. Service hereunder will be metered except when, by mutual agreement of Company and Customer, an unmetered installation will be more satisfactory from the standpoint of both parties. In the case of unmetered service, billing will be based on a calculated consumption, taking into account the size and characteristics of the load, or on meter readings obtained from a similar installation.

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T

**CONDITIONS OF SERVICE (continued)** T

2. The location of each point of delivery of energy supplied hereunder shall be mutually agreed upon by Company and Customer. Where attachment of Customer's devices is made to Company facilities, Customer must have an attachment agreement with Company. T

3. Loads not operated on an all-day every-day basis will be served under the appropriate rate.

**TERMS AND CONDITIONS**

Service will be furnished under Company's Terms and Conditions applicable hereto.

**Standard Rate** **PSA** T

**Pole and Structure Attachment Charges**

**APPLICABLE**

In all territory served.

**AVAILABILITY**

Available to the facilities of Governmental units, Educational Institutions, Cable Television System Operators and Telecommunications Carriers as provided below except: (1) facilities of local exchange carriers ("ILECs") with joint use agreements with Company; (2) facilities subject to a fiber exchange agreement; and (3) Macro Cell Facilities. Nothing in this tariff expands the right to attach to Company's structures beyond the rights otherwise conveyed by law.

**APPLICABILITY OF SCHEDULE TO CURRENT LICENSE AGREEMENTS**

Any Telecommunications Carrier that executed a license agreement permitting attachments to Company's Structures prior to the July 1, 2017 shall be subject to the rates, terms, and conditions of this Pole and Structure Attachment Charges Schedule ("this Schedule") upon expiration or termination of its license agreement**.** Any Governmental Unit or Educational Institution that executed a license agreement permitting attachments to Company's Structures prior to May 1, 2019 shall be subject to the rates, terms and conditions of this Schedule upon expiration or termination of its license agreement, unless such license agreement provides otherwise.

**DEFINITIONS**

"Affiliate" means, with respect to an entity, any entity controlling, controlled by, or under common control with such entity.

"Approved Contractor" means a contractor approved by Company for a particular purpose.

"Attachment" means the Cable or Wireless Facilities and all associated appliances including without limitation any overlashed cable, guying, small splice panels and vertical overhead to underground risers but shall not include power supplies, equipment cabinets, meter bases, and other equipment that impedes accessibility or otherwise conflicts with Company's electric design and construction standards.

"Attachment Customer" means a Customer that attaches its facilities to one or more of Company's Structures and has executed a Contract for Attachment to Company Structures with Company.

"Contract for Attachment to Company Structures" or "Contract" means the written agreement provided by Company and executed between Attachment Customer and Company incorporating the terms and conditions of this Schedule.

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"Business Day" means a calendar day unless it is a Saturday, a Sunday or a legal holiday.

"Cable" means the fiber optic or coaxial cable, or any other type of cable, as well as any messenger wire or support strand.

"Cable Television System Operator" means a Person who operates a system that transmits television signals, for distribution to subscribers of its services for a fee, by means of wires or cables connecting its distribution facilities with its subscriber's television receiver or other equipment connecting to the subscriber's television receiver, and not by transmission of television signals through the air, and subscription to the system's service is available to the public.

"Communication Space" means the area below the Communication Worker Safety Zone to the limit of allowable NESC clearance, department of transportation or other governmental requirements, and Company's internal construction standards on poles.

"Communication Worker Safety Zone" means the space between the facilities located in the Supply Space and facilities located in the Communications Space on poles.

"Contractor" means any Person employed or engaged by Attachment Customer to perform work or render services upon or in the immediate vicinity of Company's Structures or associated facilities other than Attachment Customer and Attachment Customer's employees.

"Credit Rating" means, with respect to any entity, the rating then assigned to such entity's unsecured, senior long-term debt obligations (not supported by third party credit enhancements) by Standard and Poor's Rating Group or its successor ("S&P"), or Moody's Investor Services, Inc. or its successor ("Moody's"), or if such entity does not have a rating for its senior unsecured long-term debt, then the rating then assigned to such entity as its "corporate credit rating" assigned by S&P, or the "long-term issuer rating" assigned by Moody's.

"Distribution Pole" means a utility pole supporting electric supply facilities, all of which operate at less than 69 kV, but does not include a non-wood street light pole or a wood street light pole that is not located in a public right-of-way.

"Duct" means a pipe, tube, conduit, manhole, or other structure made for supporting and protecting electric and/or communications wires or cables and in which wires, cables and conduits may be placed for support or protection but excluding (1) any pipe now or previously used for the transmission or distribution of natural gas, (2) any duct system supporting electric supply lines operated at 69kV or greater, and (3) any vault.

"Educational Institution" means a public or private, non-profit university, college or community college

T

**Pole and Structure Attachment Charges**

"Governmental Unit" means an agency or department of the Federal Government, a department, agency, or other unit of the Commonwealth of Kentucky, a county or city,, special district, or other political subdivision of the Commonwealth of Kentucky.

"High Volume Application" means an application or applications for Attachments to more than 300 poles or to place Cable or conduit through more than 10 manholes submitted to Company within a thirty (30) day period.

"Letter(s) of Credit means one or more irrevocable, transferable standby letters of credit issued by a U.S. commercial bank or a foreign bank with a U.S. branch in a form acceptable to the Company. Costs of a Letter of Credit shall be borne by the applicant for such Letter of Credit.

"Macro Cell Facility" means a wireless communications system site that is typically high-power and high-sited, and capable of covering a large physical area, as distinguished from a distributed antenna system (DAS), small cell, or WiFi attachment, by way of example. Macro Cell Facilities are typically, but not exclusively, co-located on Transmission Poles and communications monopoles and towers.

"Make-Ready Survey" means a survey, in the form prescribed by Company from time to time, prepared by Company or an Approved Contractor describing in reasonable detail the make-ready engineering requirements, and such other information as Company may require, for the installation of an Attachment or group of Attachments on a Structure or group of Structures.

"NEC" means the National Electrical Code.

"NESC" means the National Electrical Safety Code.

"Performance Assurance" means collateral in the form of cash, surety bond, Letter(s) of Credit, or other security acceptable to the Company.

"Person" is defined by KRS 278.010(2).

"Service Drop" means a Cable, attached to a pole with a J-hook or other similar hardware that connects the trunk line to an end user's premises.

"Structure" means any Company pole, conduit, duct, or other facility normally used by Company to support or protect its electric conductors but shall not include (1) any Transmission Pole with electric supply lines operated at 138kV or above; (2) any Transmission Pole with electric supply lines operated at less than 138kV other than Transmission Poles to which Company has also attached electric supply lines operated at less than 69kV; (3) any street light pole that is not a wood pole located in a public right-of-way; or (4) any pole that Company has leased to a third party.

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"Supply Space" means the space above the Communications Worker Safety Zone used for the installation of electric supply lines.

"Telecommunications carrier" means a Person who operates a system that (1) transmits by wire or wireless means, between or among points specified by the user, information of the user's choosing without change in the form or content of the information as sent or received, and (2) provides such transmission services for a fee directly to or for the public, or to such classes of users as to be effectively available directly to or for the public.

"Transmission Pole" means any utility pole or tower supporting electric supply facilities designed to operate at 69 kV or greater.

"Wireless Facility" means, without limitation, antennas, risers, transmitters, receivers, and all other associated equipment used in connection with Attachment Customer's provision of wireless communications services and the transmission and reception of radiofrequency signals, but shall not include power supplies, equipment cabinets, meter bases, and other equipment that impedes accessibility or that conflicts with Company's electric design and construction standards.

**ATTACHMENT CHARGES**

$ 7.25 per year for each wireline pole attachment.
$ 0.81 per year for each linear foot of duct.
$36.25 per year for each Wireless Facility located on the top of a Company pole.

The attachment charge for any other Wireless Facility shall be agreed upon by Attachment Customer and Company and set forth in a special contract to be filed with the Commission.

**BILLING**

All attachment charges for use of Structures will be billed semi-annually based upon the type and number of Attachment Customer's Attachments reflected in Company's records on December 1 and June 1. A bill issued under this Schedule shall be due upon its issuance. Any bill not paid in full within sixty (60) days of its issuance shall be assessed a late payment charge of three (3) percent on the bill's current charges. If Attachment Customer fails to pay all charges and fees billed within six (6) months of the bill's issuance, Company may remove any or all of Attachment Customer's Attachments. In lieu of or in addition to removal of Attachments, Company may exercise any other remedies available under law to address Attachment Customer's failure to make timely payment of any charges assessed under this Schedule.

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**TERM OF SERVICE**

An executed Contract shall be for a term of 10 (ten) years and shall thereafter automatically renew for successive one (1) year periods unless Company or Attachment Customer provides the other with written notice of termination at least sixty (60) days prior to the renewal date.

**TERMS AND CONDITIONS OF ATTACHMENT**

Attachments to Company's Structures that do not interfere with Company's electric service requirements and the Attachments of existing Customers and joint users shall be permitted in accordance with the terms and conditions of this Schedule. The Terms and Conditions set forth in Section 5 of the Company's Electric Service Tariff shall also be applicable to the extent they are not in conflict with or inconsistent with this Schedule's provisions.

1. **CONTRACT FOR ATTACHMENT TO COMPANY STRUCTURES**

   No Attachments shall be made to Company's Structures until Attachment Customer has executed a Contract for Attachment to Company Structures, in a form substantially similar to that which is included at the end of this Schedule.. The Contract shall incorporate the terms and conditions set forth in this Schedule.

2. **NO PROPERTY RIGHTS**

   No use, however extended, of Company Structures shall create or vest in Attachment Customer any right, title or interest in the Structures. A Contract confers only a non-exclusive right to affix and install Attachments to and on Company's Structures. Company is not required to maintain any Structure for a period longer than demanded by its electric service requirements.

3. **USE OF COMPANY'S FACILITIES BY OTHERS**

   Nothing in this Schedule shall affect the rights or privileges previously conferred by Company to others. The rights granted under this Schedule and the Contract shall at all times be subject to such previously conferred privileges and shall not affect the rights or privileges that may be conferred by Company in the future to others.

4. **TRANSFER OF RIGHTS**

   Except as provided in this Schedule, Attachment Customer's rights under the Contract are non-delegable, non-transferable and non-assignable. Any delegation, transfer or assignment of any interest created by the Contract or this Schedule without Company's prior written consent is voidable at Company's option. Company shall not unreasonably withhold its consent to Attachment Customer's delegation, transfer or assignment of rights under the Contract upon notice of the delegation, transfer or assignment and if adequate evidence is provided of transferee's compliance with Term 23 (Insurance) and Term 24 (Performance Assurance).

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Attachment Customer shall not permit a third party to overlash or utilize any Attachment without Company's prior written consent. Company may condition its consent upon such third party's compliance with all provisions of the Contract, this Schedule, and such other terms as Company may reasonably require.

**5. COMPANY'S ABANDONMENT OF STRUCTURE**

Company shall provide an Attachment Customer with a minimum of 180 days' notice before abandoning a Structure to which Attachment Customer has made an Attachment unless state or local law, easement provisions, or contractual obligations to a third party requires the Structure to be abandoned in a shorter period, in which case Company shall provide as much notice as is reasonably practicable.

**6. FRANCHISES AND EASEMENTS**

Attachment Customer shall secure at its own expense any right-of-way, easement, license, franchise or permit from any Person that may be required for the construction or maintenance of Attachments by or for Attachment Customer. If requested by Company, Attachment Customer shall submit to Company satisfactory evidence of such right-of-way, easement, license, franchise or permit. Company's approval of Attachments shall not constitute any representation or warranty regarding Attachment Customer's right to occupy or use any public or private right-of-way.

Upon an Attachment Customer's written request, Company may provide to Attachment Customer such non-private information as Company may have regarding the name of the record landowners from which Company obtained easements for Structures. Such information is provided without representation or warranty as to its accuracy or completeness. Company has no obligation to correct or supplement any information so provided. If Company provides assistance to Attachment Customer in obtaining easements or other property rights, Attachment Customer shall reimburse Company's cost of providing such assistance within thirty (30) days of its receipt of an invoice from Company.

Attachment Customer shall indemnify and save harmless Company from all claims, including the expenses incurred by Company to defend itself against such claims, resulting from or arising out of the failure of Attachment Customer to secure any right of way, easement, license, franchise or permit.

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**7. ATTACHMENT APPLICATIONS AND PERMITS**

a. Unless waived by Company, Attachment Customer shall make written application, in the form and manner prescribed by Company for permission to install Attachments on or in any Structure. Each application shall include: (1) in the case of poles, the owner, number and location of all Structures for which license to attach is sought and the amount of space required thereon; (2) in the case of Ducts, the number of linear feet of Duct space and the specific location of each such Duct to be utilized, the amount of requested space, the nature of any changes or inner Duct or Ducts proposed to be installed and any other construction that might be required by the proposed Attachments; (3) the physical attributes of all proposed Attachments; (4) the proposed start date for installation of the Attachments; (5) any issues then known to Attachment Customer regarding space, engineering, access or other matters that might require resolution before installation of Attachments; and (6) proposed make ready drawings. Company may request additional information be included with the application at its reasonable discretion. Company may perform a pole loading study or request Attachment Customer to submit such study based upon a visual inspection or other information held by Company. If Company conducts a visual inspection of the pole to ascertain the need for a pole loading analysis, Company may assess the cost of such inspection to the Attachment Customer. If Company determines a pole loading study is required, no application shall be considered completed until submission of such study. Attachment Customer may perform the pole loading study or request Company to perform the study with cost to be borne by Attachment Customer. Nothing contained herein shall preclude Attachment Customer from submitting a pole loading study with its application without Company performing a visual inspection or otherwise requesting such study to expedite Company's review.

b. Attachment Customer shall be responsible for all costs associated with the application, a Make Ready Survey, engineering analysis, and Company's review of the application. Attachment Customer shall reimburse Company upon presentation of an invoice for such costs. If Attachment Customer does not request Attachments to a Transmission Pole or Duct, Company shall complete a Make Ready Survey within sixty (60) days of its receipt of Attachment Customer's completed application. If Attachment Customer's application requests Attachments to a Transmission Pole or Duct, Attachment Customer and Company shall mutually agree to a time period for completion of a Make-Ready Survey.

**Pole and Structure Attachment Charges**

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c. Upon completion of the Make Ready Survey, Company shall notify Attachment Customer in writing whether its application for use of Company's Structures has been granted, of any necessary changes to the proposed construction drawings, and the conditions, if any, imposed on the installation or use of Attachments. Company reserves the right to deny access to any Structure based upon lack of capacity, safety, reliability or engineering standards. Company may deny access to Transmission Poles in its discretion for any reason; provided that such denials shall be determined in a non-discriminatory manner. The following types of Transmission Poles that do not support electric supply lines operated at less than 69kV are not available for Attachments under this Schedule: (1) Transmission Poles that do not support electric supply lines operated at less than 69kV; (2) any Transmission Poles that support electric supply lines operated at 138kV or above.

d. Within fifteen (15) days of notifying Attachment Customer of the approval of its application, Company shall provide Attachment Customer a written statement of the costs of any necessary Company make-ready work, including but not limited to rearrangement of electric supply facilities and pole change out. Attachment Customer shall indicate its approval of this statement by submitting payment of the statement amount within fifteen (15) days of receipt. If facilities of a third party are required to be rearranged or transferred, Attachment Customer shall coordinate with the third party for such rearrangement or transfer and shall pay the costs related thereto. If Attachment Customer's application requests attachments to a Transmission Pole or Duct, Attachment Customer and Company shall mutually agree to a time period for preparation of a written statement of the costs of any necessary Company make-ready work.

e. If an existing Structure is replaced or a new Structure is erected solely to provide adequate capacity for Attachment Customer's proposed Attachments, Attachment Customer shall pay a sum equal to the actual material and labor cost of the new Structure, as well as any replaced appurtenances, plus the cost of removal of the existing Structure minus its salvage value, within thirty (30) days of receipt of an invoice. The new Structure shall be Company's property regardless of any Attachment Customer payments toward its cost. Attachment Customer shall acquire no right, title or interest in or to such Structure.

**DATE OF ISSUE**: September 28, 2018

**DATE EFFECTIVE:** With Service Rendered
On and After November 1, 2018

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00295 dated ____**

**Pole and Structure Attachment Charges**

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f. If Company is unable to perform the Make Ready Survey and engineering analysis within the time period established under Section 7b, Company shall advise Attachment Customer and promptly meet with Attachment Customer to develop a mutually agreeable plan of performance.

g. If Company fails to perform the make-ready work within sixty (60) days of receipt of Attachment Customer's payment of the make-ready costs, Attachment Customer may perform such work at its expense using an Approved Contractor, except that Attachment Customer may not perform such work with respect to Transmission Poles or Ducts.. The Approved Contractor shall provide notice to Company at least one week prior to performing any make-ready. During the performance of any make-ready by Approved Contractors, an inspector designated by Company shall accompany the Approved Contractor(s). The inspector, in his or her sole discretion, may direct that work be performed in a manner other than as approved in an application, based on the then-existing circumstances in the field. The cost of such inspector(s) shall be reimbursed by Attachment Customer within 30 days of receipt of an invoice from Company. Company shall refund any unexpended make-ready fees within 30 days of notice that Attachment Customer has performed the work.

h. If Attachment Customer submits to Company within a thirty (30) day period an application or applications for Attachments to more than 300 poles or to place Cable or conduit through more than ten (10) manholes, such application or applications shall be considered a High Volume Application. The provisions set forth in Sections 7b through 7g that relate to time period and cost-reimbursement of Company's performance of application review, engineering analysis, and a Make Ready Survey, and the performance of make-ready work, shall not apply to High Volume Applications. Company and Attachment Customer submitting a High Volume Application shall develop a mutually agreeable plan of performance and cost reimbursement for Company's performance of application review, engineering analysis, and a Make Ready Survey, and the performance of make ready work, shall set this plan to writing and shall file it with the Commission as a special contract.

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i. No written application to Company to affix and attach a Service Drop to Company's poles is required but Attachment Customer shall provide notice to Company within sixty (60) days of attachment of such Service Drop. This notice shall include the Service Drop location address (or a description of the location if the address is not available), the date of the attachment, the pole number of the pole to which the Service Drop is affixed or attached, and a statement as to whether the Service Drop constitutes a new Attachment to Company's pole for billing purposes. Any Service Drop affixed to a pole more than six (6) inches above or below a through-bolt shall be considered a separate Attachment for billing purposes. On drop or lift poles only, all Service Drops affixed within one foot of usable space shall be considered a single Attachment for billing purposes. Company may conduct an inspection of any Service Drop Attachments, and Attachment Customer shall reimburse Company within 30 days of presentation of an invoice for such inspections. The provisions of this Pole Structure Attachment Schedule shall not apply to an ILEC service drop if the ILEC has a joint use agreement with the Company and the service drop is located in the area covered by the joint use agreement.

**8. CONSTRUCTION AND MAINTENANCE REQUIREMENTS AND SPECIFICATIONS**

a. Attachment Customer shall not construct or install any Attachments until: (1) Company has approved in writing the design, construction, and installation practices for Attachment Customer's Attachments; (2) all Company make-ready work, if any, has been completed (and, if such make-ready work has been performed by an Approved Contractor pursuant to Section 7g above, inspected by Company); and (3) any necessary third party rearrangements or transfers have been completed. Any Attachment that fails to comply with this provision shall be deemed an Unauthorized Attachment for purposes of Section 19 of this Schedule

b. All Attachments shall be constructed and installed in a manner reasonably satisfactory to Company and so as not to interfere with Company's present or future use of its Structures. Attachments in Ducts shall not include any splice enclosures or excess cable. Attachment Customer shall maintain, operate and construct all Attachments in such manner as to ensure Company's full and free access to all Company facilities. All Attachments shall conform to Company's electric design and construction standards and applicable requirements of the NESC, NEC, and all other applicable codes and laws. In the event of a conflict, the more stringent standard shall apply.

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c. Attachment Customer shall identify each of its Attachments with a tag, approved in advance by Company, that includes Attachment Customer's name, 24-hour contact telephone number, and such other information as Company may require. All Cable placed by Attachment Customer within a Company-owned or controlled Duct shall be enclosed within Attachment Customer furnished inner-duct and shall be clearly marked and identified as belonging to Attachment Customer at all access points. Service drops do not need to be tagged. Attachment Customer shall tag an Attachment at the time of construction. Any untagged Attachment existing as of the date of execution of the Contract or the effective date of this Schedule, whichever is earlier, shall be tagged by Attachment Customer when Attachment Customer or its agents perform work on the Attachment. . If the Company is required to relocate or remove an Attachment or otherwise contact the owner of an Attachment to effect repairs and the Attachment is untagged and cannot be readily identified, any expense incurred by Company to identify the Attachment owner shall be borne by the Attachment Customer. Further, the Company shall be considered to have provided notice to the owner of an untagged Attachment required under Section 16 of this Schedule upon inspecting the Attachment and determining that it is untagged.

d. In the design, installation and maintenance of its Attachments, Attachment Customer shall comply with all Company standards and all federal, state and local government laws, rules, regulations, ordinances, or other lawful directives applicable to the work of constructing and installing the Attachments. All work shall be performed in accordance with the applicable standards of the NESC and the NEC, including amendments thereto adopted. Attachment Customer shall take all necessary precautions, by the installation of protective equipment or other means, to protect all Persons and property of all kinds against injury or damage caused by or occurring by reason of the construction, installation or existence of Attachments.

e. Attachment Customer shall immediately report to Company (1) any damage caused to property of Company or others when installing or maintaining Attachments, (2) any Attachment Customer's failure to meet the requirements set forth in this Schedule for assuring the safety of Persons and property and compliance with laws and regulations of public authorities and standard-setting bodies, and (3) any unsafe condition relating to Company's Structures identified by Attachment Customer.

f. Attachment Customer shall complete installation of its Attachments within sixty (60) days of the later of approval of the application for such Attachments or, if make-ready work is required under such approval, completion of make-ready work, and shall notify Company in writing upon its completion. If Attachment Customer fails to complete the installation within this time period, Company may revoke its permit for the Attachment. Prior to revoking the permit for the Attachment, Company shall provide written notice of the revocation to Attachment Customer. Company may conduct a post-construction inspection of such Attachments. Attachment Customer shall reimburse Company within thirty (30) days of presentation of an invoice for such inspections.

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g. Attachment Customer may use qualified contractors of its own choice to perform work below the Communication Worker Safety Zone. For any work in or above the Communication Worker Safety Zone that Company allows Attachment Customer to perform, Attachment Customer shall use an Approved Contractor who may, at Company's discretion, be required to be accompanied by a Company-designated inspector. For any work in Company's Ducts, Attachment Customer shall use an Approved Contractor, who must be accompanied by a Company-designated inspector. Company shall schedule a Company-designated inspector to accompany an Approved Contractor within fifteen (15) days of its receipt of such request for such inspector. Attachment Customer shall reimburse Company for the actual cost associated with providing inspection services within 30 days of receipt of an invoice.

h. Company may also monitor Attachment Customer's construction and installation of Attachments below the Communication Worker Safety Zone. If the need for a monitor is caused by Attachment Customer's failure to comply with the terms of this Schedule, the Contract, or any applicable law or regulation, Attachment Customer shall reimburse Company for the actual cost of any such monitoring within thirty (30) days of receipt of an invoice for such cost. For locations where Attachment Customer's construction and installation are within Company underground facilities, Attachment Customer shall reimburse Company for the actual cost associated with providing inspection services within thirty (30) days of receipt of an invoice.

i. Attachment Customer shall comply with all applicable federal, state, and local laws, rules and regulations with respect to environmental practices undertaken pursuant to the construction, installation, operation and maintenance of its Attachments. Attachment Customer shall not bring, store or utilize any hazardous materials on any Company site without Company's prior express written consent. To the extent reasonably practicable, Attachment Customer shall restore any property altered pursuant to this Schedule or the Contract to its condition existing immediately prior to the alteration. Company has no obligation to correct or restore any property altered by Attachment Customer and bears no responsibility for Attachment Customer's compliance with applicable environmental regulations.

j. If Attachment Customer fails to install any Attachment in accordance with the standards and terms set forth in this Schedule and Company provides written notice to Attachment Customer of such failure, Attachment Customer, at its own expense, shall make necessary adjustments within thirty (30) days of receipt of such notice. Subject to Section 15 of this Schedule, if Attachment Customer fails to make such adjustments within such time period, Company may make the repairs or adjustments, and Attachment Customer shall pay Company for the actual cost thereof plus a penalty of 50% of actual costs within thirty (30) days of receipt of an invoice.

k. Attachment Customer is responsible for any damage, fines or penalties resulting from any noncompliance with the construction and maintenance requirements and specifications set forth in this Section 8, except when Attachment Customer demonstrates that noncompliance is due to the actions of Company or another Attachment Customer. Company undertakes no duty to require any specific action by Attachment Customer and assumes no responsibility by requiring such compliance or by requiring Attachment Customer to meet any specifications or to make any corrections, modifications, additions or deletions to any work or planned work by Attachment Customer.

l. Within fifteen (15) days of completion of the installation of the Attachment, Attachment Customer shall furnish Company with complete "as-built" drawings in a computer generated electronic format (or such other format as is agreeable to Company). Hand drawings shall not be submitted.

**9. ADDITIONAL REQUIREMENTS FOR WIRELESS FACILITIES**

a. Wireless Facilities Attachments may be attached to Distribution Poles only.

b. Company may require Attachment Customer to furnish with any written application for permission to install a Wireless Facilities Attachment a mock-up of the proposed Attachment.

c. Attachment Customer is solely responsible for ensuring that the radiofrequency ("RF") radiation emitted by its Wireless Facilities, alone and/or in combination with any and all sources of RF radiation in the vicinity, is within the limits permitted under all applicable governmental and industry standard safety codes for general population/uncontrolled exposure. Attachment Customer shall install appropriate signage on the poles to which Wireless Facilities have been attached, to warn line workers or the general public of the presence of RF radiation and the need for precautionary measures. Attachment Customer shall periodically inspect the signage and replace the signage if necessary to ensure that the signage, including text and warning symbols, remains clearly visible.

d. Each Wireless Facility installation shall include a switch that operates to disconnect and de-energize the antenna. In non-emergency circumstances, Company employees or contractors will make reasonable efforts to contact Attachment Customer at a telephone number that Attachment Customer has marked on the Wireless Facility installation to request a temporary power shut-down. Company personnel or those of other entities working on the pole will operate the power disconnect switch to ensure that the antenna is not energized while work on the pole is in progress. In emergency circumstances, Company personnel and those of other entities working on Company poles may accomplish the power-down by operation of the power disconnect switch without advance notice to Attachment Customer.

e. Attachment Customer is solely responsible for ensuring compliance with all Federal Communication Commission antenna registration requirements, Federal Aviation Administration air hazard requirements, or similar requirements with respect to the location of Attachment Customer's Wireless Facilities on Company's poles.

f. Attachment Customer shall not operate its Wireless Facility in a way that causes interference with Company-owned wireless facilities. Attachment Customer shall, after receiving notice from Company of such interference, immediately cease operating its Wireless Facility until it can be operated without causing such interference

g. All power supplies, equipment cabinets, meter bases and other equipment associated with the Wireless Facilities that are large enough to impede accessibility shall be installed off-pole, consistent with the applicable standards of the NESC, Company standards, and all applicable laws, rules, regulations, ordinances, and other applicable governmental directives.

h. Attachment Customer shall not perform any construction, including but not limited to the initial installation of its Wireless Facilities or any maintenance thereof, above the Communications Space without receiving prior approval from Company as to the design, installation, and construction practices, which approval Company shall not unreasonably withhold.

**10. OVERLASHING OF CABLE**

An Attachment Customer may make an initial overlash of an existing attachment if the overlash is not greater than one-half inch in diameter without any advance notice or application to the Company. No application or advance notice is required for the replacement of an existing cable with a cable that is no greater than one-half inch in diameter. With all other overlashing, Attachment Customer shall provide Company with advance notice to permit Company to visually inspect its Structures to determine the need for a pole loading analysis. For projects involving more than ten (10) spans, the Attachment Customer must provide at least fifteen (15) business days' advance notice. For projects involving ten (10) spans or less, Attachment Customer shall provide at least seven (7) business days' advance notice. Notwithstanding the foregoing, no bundle of Attachment Customer's Cable shall exceed two inches in diameter without Company's express written approval.

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**11. STRAND-MOUNTED WIRELESS COMMUNICATION DEVICES**

A strand-mounted wireless communication device shall be considered part of wireline attachment and not subject to permitting or an additional attachment charge if it is located within the one (1) foot vertical space occupied by Attachment Customer's cable and meets all applicable loading, clearance, and RF emission requirements. Before deploying any strand-mounted wireless communications devices other than strand-mounted wi-fi access points, Attachment Customer shall at least sixty (60) days prior to planned deployment notify Company of the proposed deployment and provide sufficient information regarding the nature of device to permit Company to assess the safety and loadbearing implications of the proposed deployment.

**12. MAINTENANCE OF ATTACHMENTS AND STRUCTURES**

Attachment Customer shall maintain Attachments in safe condition and in good repair, in a manner reasonably suitable to Company and so as not to conflict with any use of Company facilities (including Structures) by Company or any other Person using such facilities pursuant to any license or permit by Company. Attachment Customer shall not interfere with the working use of any other Person's property on or in such facilities or any such property, which may be placed on or near the Structures and other facilities. Company reserves to itself, its successors, Affiliates and assigns, the right to maintain Structures and other Company property and to operate its business and maintain its property in such a manner as will, in its own judgment, best enable it to fulfill its own service requirements. Company shall not be liable to Attachment Customer for any interference with the operation of Attachment Customer's facilities, or loss of business arising in any manner out of the use of Company's Structures or other property.

**13. NATIONAL JOINT UTILITIES NOTIFICATION SYSTEM**

Within thirty (30) days of executing a Contract, and prior to making application for any Attachment, Attachment Customer will join National Joint Utilities Notification System ("NJUNS"), a web-based system developed to improve joint use communication, and will actively participate during the term of service, by entering field information into the NJUNS system within the times required by the system. Should Attachment Customer fail to actively participate in NJUNS and should such failure cause Company to incur expense or liability to others, Attachment Customer shall reimburse Company its expense and indemnify and hold Company harmless from any damages or liability arising out of such failure. If Company at a later date elects to use a different system for purposes of the communication currently facilitated by NJUNS, Company, shall notify Attachment Customer at least sixty (60) days in advance of such change and Attachment Customer shall make arrangements to participate in that system.

**14. INSPECTIONS/AUDITS**

Company may make periodic inspections for the purpose of determining compliance with this Schedule and with the Contract. Neither Company's right to make inspections nor any inspection made by Company shall relieve an Attachment Customer of any responsibility, obligation or liability assumed under this Schedule.

Upon thirty (30) days' prior notice to Attachment Customer, Company may conduct an audit of its Structures to verify the number, location and type of Attachment Customer's Attachments. Company shall make available to Attachment Customer the report of such audit. Such report shall indicate the location and pole number of all attachments of the Attachment Customer. If the audit reveals that the number of Attachments exceeds the number of Attachments shown in Company's existing records, the excess number of Attachments shall be presumed to be Unauthorized Attachments. Attachment Customer shall have the right to rebut this presumption and demonstrate that the Attachments at issue were authorized. Attachment Customer shall reimburse Company for the expense of such audit, or its pro rata share of such expense if the Attachments of other Attachment Customers are included within the scope of the audit, within thirty (30) days of an invoice for such expenses.

**15. INTERFERENCE OR HAZARD**

If Company notifies Attachment Customer in writing or orally with written confirmation that the Attachment Customer's Attachments or the condition of Attachment Customer's Attachments on or in any Structure (i) interfere with the use of such Structure or the operation of Company facilities or equipment, (ii) constitute a hazard to the service rendered by Company or any other Persons permitted by Company to use such Structures, (iii) cause a danger to employees of Company or other Persons, or (iv) fail to comply with Company's standards and applicable requirements of the NESC, NEC, and all other applicable codes, laws and regulations, Attachment Customer shall, within a reasonable period, remove, rearrange, repair or change its Attachments as needed or as directed by Company. In the case of any immediate hazard or danger, such period shall not exceed twenty-four (24) hours from Attachment Customer's receipt of such notice. In case of a hazardous condition or other emergency which requires the immediate removal or relocation of the Attachment Customer's Attachments, Company may at Attachment Customer's expense, without prior notice and with no liability therefor, remove or relocate such Attachments; provided however, that Company shall notify Attachment Customer of such action as soon as reasonably possible by any appropriate means, including by telephone.

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**16. REARRANGEMENT; RELOCATION OF STRUCTURES; NEW STRUCTURES**

a. If Attachment Customer's Attachments can be accommodated on or in existing Structures only by rearranging Company facilities, or if because of Attachment Customer's proposed Attachments, Company rearranges or transfers its facilities on or in any facility not owned by it, Attachment Customer shall reimburse Company for the actual expense incurred in making such rearrangement or transfer.

b. Upon forty-five (45) days prior written notice delivered to Attachment Customer, Company may replace, relocate, or remove any Structure and cause the alteration, relocation or removal of any Attachment, consistent with normal operating, maintenance and development procedures and prudent utility practices. In cases of emergency or dangerous situations, Company shall give only as much prior notice as practical under the circumstances. Likewise, in situations where the Company is required to replace, relocate or remove any Structure in less than 45 days by state or local law, easement provisions, contractual obligations to third parties or to meet the Company's obligation to provide electric service to another customer, Company need provide only as much prior notice as reasonably practical under the circumstances, Company shall bear all costs and expenses of any relocation of the Structures not attributable to or caused by Attachment Customer or its Attachments. Attachment Customer shall bear all costs and expenses of any relocation and removal of the Attachments and all costs and expenses attributable to or caused by Attachment Customer or its Attachments. Attachment Customer shall be solely responsible for any losses occasioned by the interruption of Attachment Customer's business or operations and shall indemnify and hold Company harmless in connection with same.

c. Company may reserve space on its poles in accordance with a bona fide development plan for electric service. Company may direct, by written notice to Attachment Customer, that Attachment Customer's attachments in such reserve space may be removed from the Structures. Company shall use reasonable efforts to make space available as close in proximity as possible to the former Structures or to offer Attachment Customer the option to perform make-ready work to create additional space on the Structure in question. Attachment Customer shall make such relocation within sixty (60) days of Company's request.

d. In the event a Person other than Attachment Customer applies to make an Attachment to a Structure on which Attachment Customer has placed an Attachment, and such application requires that Attachment Customer rearrange, transfer or relocate its Attachments, then Attachment Customer shall perform such rearrangement, transfer or relocation within sixty (60) days of notice of such need to rearrange, transfer or relocate. Attachment Customer may condition its rearrangement, transfer or relocation upon reimbursement for the cost of such rearrangement, transfer or relocation. In the event Attachment Customer fails to perform such rearrangement, transfer or relocation within the time frame described above, the affected Attachments may be subject to rearrangement, transfer or relocation by the Person whose application necessitated the rearrangement, transfer or relocation to the extent permitted by law.

**17. REMOVAL OF ATTACHMENT**

Attachment Customer may at any time voluntarily remove its Attachments from any Structure, but shall immediately give Company written notice of such removal on Company-prescribed form. Attachment Customer shall bear all cost of removal and any costs that Company incurs as a result of such removal and shall pay such costs within thirty (30) days of receipt of an invoice. No refund of any amount paid for use of such Structure will result from Attachment Customer's voluntary removal nor shall such voluntary removal affect any other obligation or liability of Attachment Customer under this Schedule or the Contract.

**18. INDEMNITIES**

Attachment Customer shall protect, defend, indemnify and save harmless Company, its Affiliates, their officers, directors, employees and representatives from and against all damage, loss, claim, demand, suit, liability, penalty or forfeiture of every kind and nature, including but not limited to costs and expenses of defending against the same, payment of any settlement or judgment therefor and reasonable attorney's fees that are incurred in such defense, by reason of any claims arising from Attachment Customer's activities under this Schedule, or the Contract, or from Attachment Customer's presence on Company's premises, or from or in connection with the construction, installation, operation, maintenance, presence, replacement, enlargement, use or removal of any facility of Attachment Customer attached or in the process or being attached to or removed from any Company Structure by Attachment Customer, its employees, agents, or other representatives, including but not limited to claims alleging (1) injuries or deaths to Persons; (2) damage to or destruction of property including loss of use thereof; (3) power or communications outage, interruption or degradation; (4) pollution, contamination of or other adverse effects on the environment; (5) violation of governmental laws, regulations or orders; or (6) rearrangement, transfer, or removal of any third party attachment on, from, or to any Company Structure whether suffered directly by Company itself or indirectly by reason of claims, demands or suits against it by third parties, resulting or alleged to have resulted from Attachment Customer's activities under this Schedule, or the Contract, or from Attachment Customer's presence on

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Company's premises, or from or in connection with the construction, installation, operation, maintenance, presence, replacement, enlargement, use or removal of any facility of Attachment Customer attached or in the process or being attached to or removed from any Company Structure by Attachment Customer, its employees, agents, or other representatives. The indemnity set forth in this section shall include indemnity for any claims arising out of the joint negligence of Attachment Customer and Company; provided however, the indemnity set forth in this section, but not Attachment Customer's duty to defend, shall be reduced to the extent it is established by final adjudication or mutual agreement of Attachment Customer and Company that the liability to which such indemnity applies was caused by the negligence or willful misconduct of Company. If Attachment Customer is required under this provision to indemnify Company, Attachment Customer shall have the right to select defense counsel and to direct the defense or settlement of any such claim or suit.

**19. UNAUTHORIZED ATTACHMENTS**

If Attachment Customer makes any Attachment that requires Company approval or advance notice under this Schedule or the Contract and has not obtained such approval or provided such advance notice, such Attachment shall be deemed an "Unauthorized Attachment," and shall be presumed to have been affixed to Company Structures for two years or since completion of the most recent audit, whichever is occurring earlier. Attachment Customer shall be liable for attachment charges for this time period. In addition to the attachment charges for the period of unauthorized attachment, Attachment Customer shall pay a penalty for each Unauthorized Attachment in the amount of $25.00. Attachment Customer shall also submit to Company an application for approval of the Unauthorized Attachment within thirty (30) days of the attachment's discovery. If Attachment Customer fails to submit the required applications or fails to timely remit any necessary payments to Company in connection with the application process (including but not limited to any make-ready fees necessary to accommodate the Unauthorized Attachments), Company may remove any or all such Unauthorized Attachments at Attachment Customer's expense.

**20. DEFAULT**

a. If Attachment Customer fails to pay any undisputed fee required, perform any material obligations undertaken or satisfy any warranty or representation made under the Contract comply with any of the provisions of this rate schedule or default in any of its obligations under this Schedule, including Section 5 of the Company's Electric Tariff, and shall fail within thirty (30) days after written notice from Company to correct such default or non-compliance, Company may, at its option, terminate the license covering the Structures to which such default or non-compliance is applicable; remove, relocate or rearrange at Attachment Customer's expense the Attachments to which the default or non-compliance relates; or decline to permit additional Attachments until the failure or default is cured. Company shall give written notice to Attachment Customer of said termination. In the event of material or repeated default, Company may terminate the Contract and recover from Attachment Customer all costs and expenses incurred as a result of related to the defaults. No refund of any attachment charge will be due on account of such termination.

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**21. TERMINATION**

Attachment Customer may terminate a Contract by providing Company written notice of termination at least sixty (60) days prior to the end of the term of service.

Upon termination, Attachment Customer shall remove all Attachments from Structures and other Company property within 180 days. Attachment Customer shall bear all costs of such removal and shall exercise precautions to avoid damage to all Persons and to facilities of Company and other parties in so removing Attachments and assumes all responsibility for all damage it causes. If Attachment Customer's Attachments and other property are not removed within 180 days of termination of this Agreement, unless the time is extended by mutual agreement, Company may remove Attachment Customer's Attachments without liability and Attachment Customer shall pay Company the cost of such removal within thirty (30) days of receipt of an invoice.

Company may terminate a Contract without liability to Attachment Customer, upon giving sixty (60) days advance written notice to Attachment Customer that it has a reasonable belief that Company's performance under the Contract would be illegal under applicable law or regulation or under any order or ruling issued by the PSC, or any other federal, state or local agency having regulatory jurisdiction over Company and same cannot be cured by Company without unreasonable expense or without materially and substantially altering the terms and conditions of the Contract; or that termination is required to preserve Company's rights under any franchise, right-of-way, permit, easement or other similar right which is material and substantial to Company's business or operations. In the event of such termination, Company and Attachment Customer shall pay and perform obligations that have arisen prior to the effective date of termination, but shall not be obligated to pay and perform obligations, which arise after the effective date of termination.

**22. WAIVER**

Failure by Company to enforce or insist upon compliance with any of the terms or conditions of this Schedule or the Contract shall not constitute a general waiver or relinquishment of any such terms or conditions, but the same shall be and remain at all times in full force and effect.

**23. INSURANCE**

a. Throughout the term of service and so long as Attachment Customer's Attachments are on or in Company Structures, Attachment Customer shall, at its own expense, maintain and carry in full force and effect insurance that meets at least the following requirements (these minimum limits should not be deemed to replace Attachment Customer's full obligation under this Schedule or the Contract):

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(1) Workers' Compensation and Employer's Liability Policy, which shall include: (a) Workers' Compensation (Coverage A); (b) Employer's Liability (Coverage B) with minimum limits of $1,000,000 Bodily Injury by Accident, each Accident, $1,000,000 Bodily Injury by Disease, each Employee; (c) Thirty (30) Day Cancellation Endorsement; and (d) All States Endorsement.

(2) Commercial General Liability Policy, which shall have minimum limits of $1,000,000 each occurrence; $1,000,000 Products/Completed Operations Aggregate each occurrence; $1,000,000 Personal and Advertising Injury each occurrence, in all cases subject to $2,000,000 in the General Aggregate for all such claims, and including: (a) Thirty (30) Day Cancellation Endorsement; (b) Blanket Written Contractual Liability to the extent covered by the policy against liability assumed by Company under the Attachment Customer Agreement; (c) Broad Form Property Damage; (d) General Aggregate Limit – Per Project Endorsement (CG2503); (e) Include Additional Insured Endorsement GC 2010 or CG2037, or its equivalent; and (f) Insurance for liability arising out of blasting, collapse, and underground damage (deletion of X, C, U Exclusions).

(3) Commercial Automobile Liability Insurance covering the use of all owned, non-owned, and hired automobiles, with a bodily injury, including death, and property damage combined single minimum limit of $1,000,000 each occurrence.

(4) Umbrella/Excess Liability Insurance with minimum limits of $5,000,000 per occurrence; $5,000,000 aggregate, to apply to employer's liability, commercial general liability, and commercial automobile liability; including: (a) "Follow Form" provisions; and (b) Note that Total Limits can be met by any combination of primary and umbrella/excess policies.

(5) Aircraft Public Liability - Required at all times when there will be use of any type of fixed wing, rotor, or any type aircraft to perform any work required under this Schedule or the Contract. Aircraft Public Liability Insurance covering such aircraft whether owned, non-owned, leased, hired or assigned with a combined single minimum limit for bodily injury and property damage of $5,000,000 including passenger liability coverage.

(6) Drones – Required at all times if any Unmanned Aircraft Systems (UAS) will be used by Contractor or Subcontractor in performing the work required under this Schedule or the Contract, Drone Liability Insurance covering such aircraft whether owned, non-owned, leased, hired or assigned with a
$1,000,000 per occurrence combined single limit for bodily injury, property damage and personal injury.

(7) Professional Liability - To the extent the work required under this Schedule or the Contract includes any professional services that falls within a professional liability exclusion from the policy provided under Section 23a.(2). Coverage required with limits of Five Million Dollars ($5,000,000) per claim and Five Million Dollars ($5,000,000) in the aggregate, which insurance shall be on a claims made basis. Policy to remain in force continuously for three (3) years or an extended discovery period will be exercised for a period of three (3) years beginning from the time the services under this contract are completed.

b. Attachment Customer shall require its Contractors and subcontractors to provide and maintain the same insurance coverage as required of Attachment Customer.

c. Except with regard to workers' compensation and professional liability, each policy required under this Schedule shall name Company and all its Affiliates as an additional insured and shall waive rights of subrogation against Company, all its Affiliates, and Company's insurance carrier(s). All policies shall be primary and non-contributory. Condition applies to Attachment Customer and its Contractors and Subcontractors.

d. All policies shall be written by insurance companies that are either satisfactory to Company or have an A.M. Best Rating of not less than "A-, VII". These policies shall not be materially changed or canceled except with thirty (30) days written notice to Company from Attachment Customer and the insurance carrier. Attention: Manager, Project Manager – Third Party Attachments, LG&E and KU Services Company, P.O. Box 32020, Louisville, Kentucky 40232.

e. Company may request a summary of coverage of any of the required policies or endorsements; but is not obligated to review any of Attachment Customer's certificates of insurance, insurance policies, or endorsements, or to advise Attachment Customer of any deficiencies in such documents. Company's receipt or review of such documents shall not relieve Attachment Customer from or be deemed a waiver of Attachment Customer's obligations to maintain insurance as provided. Attachment Customer shall provide a summary of coverage within (thirty) 30 days of its request by the Company.

f. Attachment Customer shall provide Certificates of Insurance to Company for each policy of insurance required above and evidence the items noted hereafter: (1) Each Certificate shall properly identify the certificate holder as Company; (2) Under no circumstances shall Attachment Customer begin any work (or allow any Subcontractor to begin any work) prior to submitting Certificate(s) (evidencing the required insurance of Contractor or Subcontractor, as applicable) acceptable to Company. Company retains the right to waive this requirement at its sole discretion; (3) Certificate shall evidence (thirty) 30 days prior notice of cancellation; (4) Certificate shall verify additional insured status on all coverage including the endorsements required by Section 23a.(2); (5) Certificate shall verify Blanket Waiver of subrogation - All policies of insurance shall include waivers of subrogation, under subrogation or otherwise, against Company. Except where not applicable by law; (6) Certificate shall verify Primary/Non-contributory wording in favor of Company; and (7) Certificate shall identify policies which are written on a Claims Made coverage form and state the retro date.

g. Attachment Customer shall notify Company, prior to the commencement of any work pursuant to this rate Schedule or the Contract , of any threatened, pending and/or paid off claims to third parties, individually or in the aggregate, which otherwise affects the availability of the limits of such coverage(s) inuring to Company's benefit.

h. Attachment Customer shall provide notice of any accidents, occurences, or claims involving Attachment Customer's Attachment or Attachment Customer's work under this Schedule and the Contract to the LKS Manager, Risk Management at LG&E and KU Services Company, P.O. Box 32030, Louisville, Kentucky 40232.

i. Each policy of insurance required to be maintained by Attachment Customer under this Section 23 (except the Workers' Compensation and Employer's Liability Policy) shall cover all losses and claims of Attachment Customer regardless of whether they arise directly to Attachment Customer or indirectly through Subcontractors (e.g., Attachment Customer's CGL policy must cover Attachment Customer and additional insureds against negligent acts of a Subcontractor, etc.). Section 23 only represents minimum insurance requirements; it does not mitigate or reduce liability required by the indemnity provisions in this Schedule or the Contract. Nor should it be deemed to be the full responsibility of the contractor or subcontractor for liability. Attachment Customer is responsible for their subcontractor's insurance meeting the requirements of Section 23 of this Schedule.

j. Attachment Customer may elect not to comply with sections (a) through (i) of this Section 23 if it provides proof of equivalent levels of self-insurance and:

   1. Attachment Customer has been in business at least three (3) years and has a corporate credit rating or a senior unsecured rating of at least Baa2 (Moody's) or BBB (Standard & Poor's); or

   2. Attachment Customer has been in business at least three (3) years, and provides its most recent audited financial statements to Company which demonstrates that Attachment Customer meets standards that are at least equivalent to the standards underlying the credit ratings of Baa2 (Moody's) or BBB (Standard and Poor's); or,

T

3. A corporate entity affiliated with Attachment Customer (“Guarantor”) meets the criteria set out in (1) or (2) above, and Guarantor provides a written guarantee (in a form acceptable to Company, that the corporate affiliate will guarantee all financial obligations associated with Attachment Customer's use of Company’s Structures.)

**24. PERFORMANCE ASSURANCE**

a. Attachment Customer shall furnish Performance Assurance in the following amounts to guarantee the payment of any sums which may become due for attachment charges, inspections, or work performed by the Company under this Schedule or the Contract, including the removal of attachments upon termination of the Contract by any of its provisions:

| Number of Attachments | Amount per Attachment | Maximum Total |
|---|---|---|
| 1-5,000 | $20/Attachment | $100,000 |
| 5,001-10,000 | $10/Attachment | $150,000 |
| 10,001+ | $5/Attachment | $1,000,000 |

The above-stated amounts are incremental. By way of example, 7,500 Attachments would require Performance Assurance in the amount of $125,000 ($20 per Attachment for the first 5000 Attachments; $10 per Attachment for the next 2,500 Attachments); 15,000 Attachments would require Performance Assurance in the amount of $175,000 ($20 per Attachment for the first 5000 Attachments; $10 per Attachment the next 5,000 Attachments; and $5 per Attachment for the last 5,000 Attachments).

The amount of the Performance Assurance shall be calculated by the Company annually based on the Attachment Customer’s then-existing number of Attachments. Attachment Customer shall provide the Performance Assurance within 30 days of its request by the Company.

If Attachment Customer proposes to attach a Wireless Facility or Facilities to a Structure, Attachment Customer shall post Performance Assurance in the amount of $1,500 for each pole to which a wireless attachment is attached. The amount of the Performance Assurance shall not be reduced upon completion of installation or other event.

In the event the Customer provides Performance Assurance in the form of a surety bond or Letter of Credit, each bond or Letter of Credit shall contain the provision that it shall not be terminated prior to six (6) months after Company’s receipt of written notice of the desire of the bonding or insurance company, or bank, to terminate such bond or Letter of Credit. Company may waive this requirement if an acceptable replacement is received before the six (6) months has ended. Upon termination of such surety bond or Letter of

Credit, , Company shall request Attachment Customer to immediately remove its Cables, Wireless Facilities, Attachments and all other facilities from Company Structures. If Attachment Customer should fail to complete the removal of all of its facilities from Company's Structures within (thirty) 30 days after receipt of such request, then Company may remove Attachment Customer's facilities at Attachment Customer's expense and without liability for any damage to Attachment Customer's facilities.

Each surety bond shall be issued by an entity having a minimum A.M. Best rating of A- and/or Letter of Credit shall be issued by an entity having a minimum Credit Rating of A- by S&P or A3 by Moody's at the time of issuance and at all times the relevant instrument is outstanding.

b. Attachment Customer may elect not to provide Performance Assurance if:

1. Attachment Customer has been in business at least one (1) year and has a corporate credit rating or a senior unsecured rating of at least Baa2 (Moody's) or BBB (S&P's); or

2. Attachment Customer has been in business at least one (1) year, and provides its most recent audited financial statements to Company which demonstrates that Attachment Customer meets standards that are at least equivalent to the standards underlying the credit ratings of Baa2 (Moody's) or BBB (S&P's); or,

3. A corporate affiliate of Attachment Customer ("Guarantor") meets the criteria set out in (1) or (2) above, and Guarantor provides a written guarantee (in a form acceptable to Company, that the corporate affiliate will guarantee all financial obligations associated with Attachment Customer's use of Company's Structures).

Annually, upon the Company's request, an Attachment Customer electing not to provide Performance Assurance under one of the options in c. above shall provide Company with such information as Company requires to determine whether Attachment Customer remains eligible to make such election.

**25. CERTIFICATION OF NOTICE REQUIREMENTS**

Attachment Customer's highest ranking officer located in Kentucky shall certify under oath on or before January 31 of each year that the Attachment Customer has complied with all notification requirements of this Schedule. The certification shall be in the form prescribed by Company from time to time, and Company shall provide the current version of such form on or after January 1 of each year. If Attachment Customer does not have an officer located in Kentucky, then the certification shall be provided by the officer with responsibility for Attachment Customer's operations in Kentucky.

**DATE OF ISSUE**: September 28, 2018

**DATE EFFECTIVE:** With Service Rendered
On and After November 1, 2018

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

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**26. NOTICES**

Any notice, or request, required by this Schedule or the Attachment Customer Agreement shall be deemed properly given if sent overnight by nationally recognized overnight courier, sent by certified U.S. mail, return receipt requested, postage prepaid, or sent by telecopier with confirmed receipt, to Company's and Attachment Customer's designated representative. The designation of the representative to be notified, his address and/or telecopier number may be changed at any time by similar notice.

**27. LIENS**

To the extent permitted by law, in the event any construction lien or other encumbrance shall be placed on the Attachments as a result of the actions or omissions of Attachment Customer or its Contractor, Attachment Customer shall promptly, in accordance with applicable laws, discharge such lien or encumbrance without cost or expense to Company. Attachment Customer shall indemnify Company for any and all actual damages that may be suffered or incurred by Company in discharging or releasing said lien or encumbrance.

**28. FORCE MAJEURE**

In the event Attachment Customer or Company is delayed in or prevented from performing any of its respective obligations under an Attachment Customer Agreement or this Schedule due to acts of God, war, riots, civil insurrection, acts of the public enemy, strikes, lockouts, acts of civil or military authority, government shutdown, fires, floods, earthquakes, storms and other major disruptive events, fiber, cable or other material failures, shortages or unavailability, delay in delivery not resulting from its failure to timely place orders therefor, lack or delay in transportation, or due to any other causes beyond its reasonable control, then such delay or nonperformance shall be excused.

**29. LIMITATION OF LIABILITY**

IN NO EVENT SHALL COMPANY OR ANY OF ITS REPRESENTATIVES BE LIABLE UNDER A CONTRACT OR THIS SCHEDULE TO ATTACHMENT CUSTOMER FOR CONSEQUENTIAL, INDIRECT, INCIDENTAL, SPECIAL, EXEMPLARY, PUNITIVE OR ENHANCED DAMAGES, LOST PROFITS OR REVENUES OR DIMINUTION IN VALUE, ARISING OUT OF, OR RELATING TO, OR IN CONNECTION WITH ACONTRACT OR THIS SCHEDULE, REGARDLESS OF (A) WHETHER SUCH DAMAGES WERE FORESEEABLE, (B) WHETHER OR NOT COMPANY WAS ADVISED OF THE POSSIBILITY OF SUCH DAMAGES AND (C) THE LEGAL OR EQUITABLE THEORY (CONTRACT, TORT OR OTHERWISE) UPON WHICH THE CLAIM IS BASED. THE LIMITATIONS SET FORTH IN THIS SECTION 29 SHALL NOT APPLY TO DAMAGES OR LIABILITY ARISING FROM THE GROSSLY NEGLIGENT ACTS OR OMISSIONS OR WILLFUL MISCONDUCT OF COMPANY IN PERFORMING ITS OBLIGATIONS UNDER AN ATTACHMENT CUSTOMER AGREEMENT OR THIS SCHEDULE.

**Standard Rate** **EVSE**
**Electric Vehicle Supply Equipment**

**APPLICABLE**
In all territory served.

**AVAILABILITY** T
Available to Customers to be served or currently being served under Rates GS (with energy usage of 500 kWh or higher per month), PS, TODS, TODP, RTS, and FLS, for the purpose of charging electric vehicles. T T

Charging station is offered under the conditions set out hereinafter for electric vehicle supply equipment such as, but not limited to, the charging of electric vehicles via street parking, parking lots, and other outdoor areas.

A basic underground service includes the charging station, existing transformer (or secondary pedestal) and 208/240 volt single-phase service, and necessary conductor and equipment typical of an underground service drop. Said service drop can originate from underground or overhead equipment. Company will furnish, own, install, and maintain the charging unit and cable. Customer will furnish, own and install all duct systems and associated equipment.

Where the location of existing facilities is not suitable, and Customer requests service under these conditions, Company may furnish the requested facilities at an additional charge to be determined under the Excess Facilities Rider.

Company will coordinate charging station installation with Company's current charging station supplier and Customer. Customer shall be responsible for the charging equipment installation costs. T T

Service will be provided under written contract, signed by Customer prior to service commencing.

| **RATE** | Single Charger | Dual Charger | |
|---|---|---|---|
| Monthly Charging Unit Fee: | $135.83 | $198.85 | R/R |

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**ADJUSTMENT CLAUSES**

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

| | | |
|---|---|---|
| Fuel Adjustment Clause | Sheet No. 85 | |
| Off-System Sales Adjustment Clause | Sheet No. 88 | |
| Environmental Cost Recovery Surcharge | Sheet No. 87 | D |
| Franchise Fee | Sheet No. 90 | |
| School Tax | Sheet No. 91 | |

**ENERGY CONSUMPTION**

Determination of energy applies to the non-metered charging station. The applicable fuel clause charge or credit will be based on an annual 5,852 kilowatt-hours.

**PAYMENT**

The EVSE charges shall be incorporated with the bill for electric service and will be subject to the same payment provisions.

**TERM OF CONTRACT**

For a fixed term of not less than five (5) years and for such time thereafter until terminated by either party giving thirty (30) days prior written notice. Cancellation by Customer prior to the expiration of the initial term will require Customer to pay to Company a lump sum equal to the monthly charge times the number of months remaining on the initial term of the contract.

**TERMS AND CONDITIONS**

1. Service shall be furnished under Company's Terms and Conditions in this Tariff Book, except as set out herein.

2. Company may decline to install equipment and provide service thereto in locations deemed by Company as unsuitable for installation.

3. The location of each point of delivery of energy supplied hereunder shall be mutually agreed upon by Company and Customer. Where attachment of Customer's devices and/or equipment is made to Company facilities, Customer must have an attachment agreement with Company. T

4. All service and maintenance will be performed only during regular scheduled working hours of Company. Customer will be responsible for reporting outages and other operating faults.

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**TERMS AND CONDITIONS (continued)** T

5. Customer shall be responsible for the cost of charging station replacement or repairs where such replacement or repairs are caused from willful damage, vandalism, or causes other than normal wear and tear. Company may decline to provide or to continue service in locations where, in Company's judgment, such facilities will be subject to unusual hazards or risk of damage.

6. If Customer requests the removal of an existing charging station, including, but not limited to, poles, or other supporting facilities that were in service less than twenty (20) years, and requests installation of replacement facilities within five (5) years of removal, Customer agrees to pay to Company its cost of labor to install the replacement facilities.

7. Temporary suspension of charging station is not permitted. Upon permanent discontinuance of service, charging station and other supporting facilities solely associated with providing service under this tariff, except underground facilities and pedestals, will be removed.

8. Electric energy furnished under Company's standard application or contract is for the use of Customer only and Customer shall not resell such energy to any other person, firm, or corporation on Customer's premises or for use on any other premises. This does not preclude Customer from allocating Company's billing to Customer to any other person, firm, or corporation provided the sum of such allocations does not exceed Company's billing.

9. Notwithstanding the provisions of 807 KAR 5:006, Section 14(4), a reasonable time shall be allowed subsequent to Customer's service application to enable Company to construct or install the facilities required for such service. In order that Company may make suitable provision for enlargement, extension or alteration of its facilities, each applicant for service shall furnish Company with realistic estimates of prospective electricity requirements.

10. Customer shall agree to permit Company to obtain specific charging station usage data directly from the Charging Station Supplier.

**MINIMUM CHARGE**

The Monthly Charging Unit Fee shall be the minimum charge.

**DUE DATE OF BILL**

Customer's payment will be due within sixteen (16) business days (no less than twenty-two (22) calendar days) from the date of the bill.

# Louisville Gas and Electric Company



**Standard Rate** **EVC**
**Electric Vehicle Charging**

**APPLICABLE**
In all territory served.

**AVAILABILITY** T
Available to operators of licensed electric vehicles (EV). EV Customer is defined as the party who owns/operates a licensed electric vehicle, connects that vehicle for the purpose of receiving vehicle charging service to a Company-owned charging station providing service under this schedule, and willingly accepts Company's fee structure for the vehicle charging service. EVC is offered under the conditions set out hereinafter for the purpose of charging EVs via street parking, parking lots, and other outdoor areas. EV Customers' charging systems must meet applicable charging standards. Service under this rate schedule is limited to a maximum of ten stations. Company will accept Customers on a first-come-first-served basis. T N N

Company assumes no liability or responsibility for any potential automotive-related incidents that occur at specific charging locations. EV Customer accepts all restrictions related to the temporary parking space.

**RATE**

| | | |
|---|---|---|
| Fee for First Two (2) Hours: | $0.75 per Hour | T/R |
| Fee for Every Hour After First Two (2) Hours: | $1.00 per Hour | N/R |

Charging Unit Fee includes an Energy Charge, adjustment clauses, and applicable franchise fee and tax. T T

Charging sessions of less than a full hour will be prorated.

**ADJUSTMENT CLAUSES**
The bill amount computed at the charges specified above includes the following:

| | |
|---|---|
| Fuel Adjustment Clause | Sheet No. 85 |
| Off-System Sales Adjustment Clause | Sheet No. 88 |
| Environmental Cost Recovery Surcharge | Sheet No. 87 |

The bill amount specified above will be increased or decreased in accordance with the following:

| | | |
|---|---|---|
| Franchise Fee | Sheet No. 90 | D |
| School Tax | Sheet No. 91 | |

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State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00295 dated ____**

**TERMS AND CONDITIONS**

1. Service shall be furnished under the following Terms and Conditions and excludes Company's Terms and Conditions set out in this Tariff Book. T

2. EV Customer is required to pay by means of credit card or Charging Station Supplier account.
    a. Credit Card must be chip enabled (if card is not chip enabled, Customer must call the Charging Station Supplier at toll-free number provided at station), or
    b. EV Customer is required to open a Charging Station Supplier account and accepts all terms and conditions of Charging Station Supplier.

3. Company will exercise reasonable care and diligence in an endeavor to supply service continuously and without interruption but does not guarantee continuous service and shall not be liable for any loss or damage resulting from interruption, reduction, delay, or failure of electric service not caused by the willful negligence of Company, or resulting from any cause or circumstance beyond the reasonable control of Company.

4. Company is merely a supplier of electricity delivered to the point of connection of Company's and charging station facilities, and shall not be liable for and shall be protected and held harmless for any injury or damage to persons or property of EV Customer or of third persons resulting from the presence, use or abuse of electricity or resulting from defects in or accidents to any of EV Customer's wiring, equipment, or vehicle, or resulting from any cause whatsoever other than the negligence of Company.

5. In no event shall Company have any liability to EV Customer, the owner of a vehicle receiving charging service, or any other party affected by the electrical service to EV Customer for any consequential, indirect, incidental, special, or punitive damages, and such limitation of liability shall apply regardless of claim or theory. In addition, to the extent that Company acts within its rights as set forth herein and/or any applicable law or regulation, Company shall have no liability of any kind to EV Customer, the owner of a vehicle receiving charging service, or any other party. In the event that EV Customer's use of Company's service causes damage to Company's property or injuries to persons, EV Customer shall be responsible for such damage or injury and shall indemnify, defend, and hold Company harmless from any and all suits, claims, losses, and expenses associated therewith.

6. By connecting a vehicle to the Charging Station, the EV Customer represents that the EV Customer is authorized to operate that vehicle and to connect it to the Charging Station for the purpose of receiving vehicle charging service.

7. All service and maintenance will be performed only during regular scheduled working hours of Company.

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## Special Charges

The following charges will be applied uniformly throughout Company's service territory. Each charge, as approved by the Public Service Commission, reflects only that revenue required to cover associated expenses.

**RETURNED PAYMENT CHARGE**

In those instances where a Customer renders payment to Company which is not honored upon deposit by Company, the Customer will be charged $3.00 to cover the additional processing costs. R

**METER TEST CHARGE**

Where the test of a meter is performed during normal working hours upon the written request of a Customer, pursuant to 807 KAR 5:006, Section 19, and the results show the meter is within the limits allowed by 807 KAR 5:041, Section 17(1), the Customer will be charged $75.00 to cover the test and transportation costs.

**DISCONNECT/RECONNECT SERVICE CHARGE**

A charge of $28.00 will be made to cover disconnection and reconnection of electric service when discontinued for non-payment of bills or for violation of Company's Terms and Conditions, such charge to be made before reconnection occurs. If both gas and electric services are reconnected T at the same time, the total charge for restoration of both services shall be $28.00. No charge will be made for Customers qualifying for service reconnection pursuant to 807 KAR 5:006, Section 16. Winter Hardship Reconnection.

Residential and general service Customers may request and be granted temporary suspension of electric service. In the event of such temporary suspension, Company will make a charge of $28.00 to cover disconnection and reconnection of electric service, such charge to be made before reconnection occurs. T

**METER PULSE CHARGE**

Where a Customer desires and Company is willing to provide data meter pulses, a charge of $25.00 I per month per installed set of pulse-generating equipment will be made to those data pulses. Time pulses will not be supplied.


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## Special Charges

**UNAUTHORIZED RECONNECT CHARGE**

When Company determines that Customer has tampered with a meter, reconnected service without authorization from Company that previously had been disconnected by Company, or connected service without authorization from Company, then the following charges shall be assessed for each instance of such tampering or unauthorized reconnection or connection of service: T

1. A charge of $70.00 for tampering or an unauthorized connection or reconnection that does not require the replacement of the meter;

2. A charge of $90.00 for tampering or an unauthorized connection or reconnection that requires the replacement of a single-phase standard meter;

3. A charge of $110.00 for tampering or an unauthorized connection or reconnection that requires the replacement of a single-phase Automatic Meter Reading (AMR) meter;

4. A charge of $174.00 for tampering or an unauthorized connection or reconnection that requires the replacement of a single-phase Advanced Metering System (AMS) meter; or T

5. A charge of $177.00 for tampering or an unauthorized connection or reconnection that requires the replacement of a three-phase meter.


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**Standard Rate Rider** **CSR-1**
**Curtailable Service Rider-1**

**APPLICABLE**
In all territory served.

**AVAILABILITY** T
Availability limited to Customers served under applicable rate schedules who contract for not less than 1,000 kVA individually, and executed a contract under this rider or gave notice of interest in participating in this rider prior to July 1, 2017. Those customers giving notice of interest by July 1, 2017 may elect to begin participating in this rider no later than January 1, 2019. No additional customers or additional load of existing customers may participate in this rider after January 1, 2019. The aggregate service under CSR1 and CSR2 for Louisville Gas and Electric Company is limited to 100 MVA in addition to the contracted curtailable load under P.S.C. No. 7, CSR1 for Louisville Gas and Electric Company as of August 1, 2010. As used herein, the term "Companies" refers collectively to Louisville Gas and Electric Company and Kentucky Utilities Company. T

**CONTRACT OPTION**
Customer may, at Customer's option, contract with Company to curtail service upon notification by Company. Requests for curtailment shall not exceed 375 hours per year nor shall any single request for curtailment be for less than thirty (30) minutes or for more than fourteen (14) hours per calendar day, with no more than two (2) requests for curtailment per calendar day within these parameters. A curtailment is a continuous event with a start and stop time. Company may request or cancel a curtailment at any time during any hour of the year, but shall give no less than sixty (60) minutes notice when either requesting or canceling a curtailment. T

Company may request at its sole discretion up to 100 hours of physical curtailment per year. Company will request physical curtailment only when (1) all available units have been dispatched or are being dispatched and (2) all off-system sales have been or are being curtailed. Company may also request at its sole discretion up to 275 hours of curtailment per year with a buy-through option, whereby Customer may, at its option, choose either to curtail service in accordance with this Rider or to continue to purchase its curtailable requirements by paying the Automatic Buy-Through Price, as set forth below, for all kilowatt hours of curtailable requirements. Customer's choosing to curtail rather than buy through during any of the 275 hours of Company-requested curtailment with a buy-through option each year shall not reduce, diminish, or detract from the 100 hours of physical curtailment Company may request each year.

Curtailable load and compliance with a request for curtailment shall be measured in one of the following ways:

Option A -- Customer may contract for a given amount of firm demand in kVA. During a request for physical curtailment, Customer shall reduce its demand to the firm demand designated in the contract. During a request for curtailment with a buy-through option, T

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the Automatic Buy-Through Price, as applicable, shall apply to the difference in the actual kWh during any requested curtailment and the contracted firm demand multiplied by the time period (hours) of curtailment [Actual kWh – (firm kVA x hours curtailed)]. The measured kVA demand in excess of the firm load during each requested physical curtailment in the billing period shall be the measure of non-compliance. T

Option B -- Customer may contract for a given amount of curtailable load in kVA by which Customer shall agree to reduce its demand at any time by such Designated Curtailable Load. During a request for physical curtailment, Customer shall reduce its demand to a level equal to the maximum demand in kVA immediately prior to the curtailment less the designated curtailable load. During a request for curtailment with a buy-through option, the Automatic Buy-Through Price shall apply to the difference in the actual kWh during any requested curtailment and the product of Customer's maximum load immediately preceding curtailment less Customer's designated curtailable load designated in the contract multiplied by the time period (hours) of a requested curtailment {Actual kWh – [(Max kVA preceding – Designated Curtailable kVA) x hours of requested curtailment]}.

Non-compliance for each requested physical curtailment shall be the measured positive value in kVA determined by subtracting (i) Customer's designated curtailable load from (ii) Customer's maximum demand immediately preceding the curtailment and then subtracting such difference from (iii) Customer's maximum demand during such curtailment.

**RATE**

Customer will receive the following credits for curtailable service during the month:

| | |
|---|---|
| Transmission Voltage Service: | $ 3.56 per kVA of Curtailable Billing Demand |
| Primary Voltage Service: | $ 3.67 per kVA of Curtailable Billing Demand |

Non-Compliance Charge: $16.00 per kVA

Failure of Customer to curtail when requested to do so may result in termination of service under this rider. Customer will be charged for the portion of each requested curtailment not met at the applicable standard charges. The Company and Customer may arrange to have installed, at Customer's expense, the necessary telecommunication and control equipment to allow the Company to control Customers' curtailable load. Non-compliance charges will be waived if failure to curtail is a result of failure of Company's equipment; however, non-compliance charges will not be waived if failure to curtail is a result of Customer's equipment. If arrangements are made to have telecommunication and control equipment installed, then backup arrangements must also be established in the event either Company's or Customer's equipment fails.

**CURTAILABLE BILLING DEMAND**

For a Customer electing Option A, Curtailable Billing Demand shall be the difference between (a) Customer's measured maximum demand during the billing period for any billing interval during the following time periods: (i) for the summer peak months of May through September, from 10 A.M. to 10 P.M., (EST) and (ii) for the months October continuously through April, from 6 A.M. to 10 P.M., (EST) and (b) the firm contract demand. T

For a Customer electing Option B, Curtailable Billing Demand shall be Customer Designated Curtailable Load, as described above. T

**AUTOMATIC BUY-THROUGH PRICE**

The Automatic Buy-Through Price per kWh shall be determined daily in accordance with the following formula:

Automatic Buy-Through Price = NGP x .012000 MMBtu/kWh

Where: NGP is the Cash Price for "Natural Gas, Henry Hub" as posted in *The Wall Street Journal* on-line for the most recent day for which a price is posted that precedes the day in which the buy-through occurred.

**CERTIFICATION**

Upon commencement of service hereunder, Customer shall be required to demonstrate or certify to Company's satisfaction the ability to comply with physical curtailment. On an annual basis, Customer will be required to certify continued capability to reduce its demand pursuant to the amount designated in the contract in the event of a request for curtailment. Failure to demonstrate or certify the capability to reduce demand pursuant to the amount designated in the contract may result in termination of service under this rider. T T

**TERM OF CONTRACT**

The minimum original contract period shall be one (1) year and thereafter until terminated by giving at least six (6) months previous written notice, but Company may require that contract be executed for a longer initial term when deemed reasonably necessary by the size of the load or other conditions.

**TERMS AND CONDITIONS**

When the Company requests curtailment, upon request by Customer, Company shall provide a good-faith, non-binding estimate of the duration of requested curtailment. In addition, upon request by Company, Customer shall provide to the Company a good-faith, non-binding short-term operational schedule for their facility. T T

Except as specified above, all other provisions of the power rate to which this schedule is a rider shall apply.

**APPLICABLE**

In all territory served.

**AVAILABILITY** T

Availability limited to Customers served under applicable power schedules who contract for not less than 1,000 kVA individually, and executed a contract under this rider or gave notice of interest in participating in this rider prior to July 1, 2017. Those customers giving notice of interest by July 1, 2017 may elect to begin participating in this rider no later than January 1, 2019. No additional customers or additional load of existing customers may participate in this rider after January 1, 2019. The aggregate service under CSR1 and CSR2 for Louisville Gas and Electric Company is limited to 100 MVA in addition to the contracted curtailable load under P.S.C. No. 7, CSR1 for Louisville Gas and Electric Company as of August 1, 2010. As used herein, the term "Companies" refers collectively to Louisville Gas and Electric Company and Kentucky Utilities Company. T

**CONTRACT OPTION**

Customer may, at Customer's option, contract with Company to curtail service upon notification by Company. Requests for curtailment shall not exceed 375 hours per year nor shall any single request for curtailment be for less than thirty (30) minutes or for more than fourteen (14) hours per calendar day, with no more than two (2) requests for curtailment per calendar day within these parameters. A curtailment is a continuous event with a start and stop time. Company may request or cancel a curtailment at any time during any hour of the year. T

Company may request at its sole discretion physical curtailment no more than twenty (20) times per calendar year totaling no more than 100 hours. Company will request physical curtailment only when more than ten (10) of the Companies' primary combustion turbines (CTs) (those with a capacity greater than 100 MW) are being dispatched, irrespective of whether the Companies are making off-system sales. However, to avoid a physical curtailment a CSR Customer may buy through a requested curtailment at the Automatic Buy-Through Price. Any buy-through of a physical curtailment request will not count toward the 100-hour limit or 20-curtailment-request limit, but will count toward the 275 hours under the buy-through option discussed below. If all available units have been dispatched or are being dispatched, Company may request physical curtailment without a buy-through option. After receiving a physical curtailment request from Company where a buy-through option is available, a CSR Customer will have 10 minutes to inform Company whether the Customer elects to buy through or physically curtail. If the customer elects to physically curtail, the Customer will have 30 minutes to carry out the required physical curtailment (i.e., a total of 40 minutes from the time Company requests curtailment to the time the Customer must implement the curtailment). If a Customer does not respond within 10 minutes of notice of a curtailment request from Company, the Customer will be assumed to have elected to buy through the requested curtailment, subject to any prior written agreement with the Customer. After receiving a physical curtailment request from Company when no buy-through option is available, a CSR Customer will have 40 minutes to carry out the required physical curtailment. T T T T T

Company may also request at its sole discretion up to 275 hours of curtailment per year with a buy-through option, whereby Customer may, at its option, choose either to curtail service in accordance with this Rider or to continue to purchase its curtailable requirements by paying the Automatic Buy-Through Price, as set forth below, for all kilowatt hours of curtailable requirements. Customers choosing to curtail rather than buy through during any of the 275 hours of Company-requested curtailment with a buy-through option each year shall not reduce, diminish, or detract from the 100 hours of physical curtailment Company may request each year. For such curtailments, Company will give no less than sixty (60) minutes notice when either requesting or canceling a curtailment.

Curtailable load and compliance with a request for curtailment shall be measured in one of the following ways:

Option A -- Customer may contract for a given amount of firm demand in kVA. During a request for physical curtailment, Customer shall reduce its demand to the firm demand designated in the contract. During a request for curtailment with a buy-through option, the Automatic Buy-Through Price, as applicable, shall apply to the difference in the actual kWh during any requested curtailment and the contracted firm demand multiplied by the time period (hours) of curtailment [Actual kWh – (firm kVA x hours curtailed)]. The measured kVA demand in excess of the firm load during each requested physical curtailment in the billing period shall be the measure of non-compliance.

Option B -- Customer may contract for a given amount of curtailable load in kVA by which Customer shall agree to reduce its demand at any time by such Designated Curtailable Load. During a request for physical curtailment, Customer shall reduce its demand to a level equal to the maximum demand in kVA immediately prior to the curtailment less the designated curtailable load. During a request for curtailment with a buy-through option, the Automatic Buy-Through Price shall apply to the difference in the actual kWh during any requested curtailment and the product of Customer's maximum load immediately preceding curtailment less Customer's designated curtailable load designated in the contract multiplied by the time period (hours) of a requested curtailment {Actual kWh – [(Max kVA preceding – Designated Curtailable kVA) x hours of requested curtailment]}.

Non-compliance for each requested physical curtailment shall be the measured positive value in kVA determined by subtracting (i) Customer's designated curtailable load from (ii) Customer's maximum demand immediately preceding the curtailment and then subtracting such difference from (iii) Customer's maximum demand during such curtailment. T

**RATE**

Customer will receive the following credits for curtailable service during the month:

| | |
|---|---|
| Transmission Voltage Service: | $ 5.90 per kVA of Curtailable Billing Demand |
| Primary Voltage Service: | $ 6.00 per kVA of Curtailable Billing Demand |
| Non-Compliance Charge: | $16.00 per kVA |

Failure of Customer to curtail when requested to do so may result in termination of service under this rider. Customer will be charged for the portion of each requested curtailment not met at the applicable standard charges. Company and Customer may arrange to have installed, at T
Customer's expense, the necessary telecommunication and control equipment to allow Company T
to control Customer's curtailable load. Non-compliance charges will be waived if failure to curtail is a result of failure of Company's equipment; however, non-compliance charges will not be waived if failure to curtail is a result of Customer's equipment. If arrangements are made to have telecommunication and control equipment installed, then backup arrangements must also be established in the event either Company's or Customer's equipment fails.

**CURTAILABLE BILLING DEMAND**

For a Customer electing Option A, Curtailable Billing Demand shall be the difference between (a) Customer's measured maximum demand during the billing period for any billing interval during T
the following time periods: (i) for the summer peak months of May through September, from 10 A.M. to 10 P.M., (EST) and (ii) for the months October continuously through April, from 6 A.M. to 10 P.M., (EST) and (b) the firm contract demand.

For a Customer electing Option B, Curtailable Billing Demand shall be the Customer Designated Curtailable Load, as described above.

**AUTOMATIC BUY-THROUGH PRICE**

The Automatic Buy-Through Price per kWh shall be determined daily in accordance with the following formula:

Automatic Buy-Through Price = NGP x .012000 MMBtu/kWh

Where: NGP is the Cash Price for "Natural Gas, Henry Hub" as posted in *The Wall Street Journal* on-line for the most recent day for which a price is posted that precedes the day in which the buy-through occurred.

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State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00295 dated ____**

**CERTIFICATION**

Upon commencement of service hereunder, Customer shall be required to demonstrate or certify to Company's satisfaction the ability to comply with physical curtailment. On an annual basis, Customer will be required to certify continued capability to reduce its demand pursuant to the amount designated in the contract in the event of a request for curtailment. Failure to demonstrate or certify the capability to reduce demand pursuant to the amount designated in the contract may result in termination of service under this rider. T T

**TERM OF CONTRACT**

The minimum original contract period shall be two (2) years and thereafter until terminated by giving at least six (6) months previous written notice, but Company may require that contract be executed for a longer initial term when deemed reasonably necessary by the size of the load or other conditions.

**TERMS AND CONDITIONS**

When Company requests curtailment, upon request by Customer, Company shall provide a good-faith, non-binding estimate of the duration of requested curtailment. In addition, upon request by Company, Customer shall provide to Company a good-faith, non-binding short-term operational schedule for their facility. T T T

Except as specified above, all other provisions of the power rate to which this schedule is a rider shall apply.

**Small Capacity Cogeneration and Small Power Production Qualifying Facilities**

**APPLICABLE**

In all territory served.

**AVAILABILITY** T

This rate and the terms and conditions set out herein are available for and applicable to Company's purchases of energy only from the owner of qualifying cogeneration or small power production facilities of 100 kW or less (such owner being hereafter called "Seller") installed on Seller's property to provide all or part of its requirements of electrical energy, or from which facilities Seller may elect to sell to Company all or part of such output of electrical energy.

Company will permit Seller's generating facilities to operate in parallel with Company's system under conditions set out below under Parallel Operation.

Company will purchase such energy from Seller at the Rate, A or B, set out below and selected as hereafter provided, and under the terms and conditions stated herein. Company reserves the right to change the said Rates, upon proper filing with and acceptance by the jurisdictional Commission.

**RATE A: TIME-DIFFERENTIATED RATE**

| | |
|---|---|
| 1. For summer billing months of June, July, August and September (on-peak hours) | $0.03229 per kWh |
| 2. For winter billing months of December, January and February (on-peak hours) | $0.02852 per kWh |
| 3. During all other hours (off-peak hours) | $0.02666 per kWh |

On-peak hours for summer billing months of June through September are defined as weekdays (exclusive of holidays) from 8:01 A.M. to 9:00 P.M., Eastern Standard Time (under 1 above).

On-peak hours for winter billing months of December through February are defined as weekdays (exclusive of holidays) from 6:01 A.M. to 9:00 P.M., Eastern Standard Time (under 2 above).

Off-peak hours are defined as all hours other than those listed as on-peak (under 3 above).

Company reserves the right to change the hours designated as on-peak from time to time as conditions indicate to be appropriate.

**RATE B: NON-TIME-DIFFERENTIATED RATE**

| | |
|---|---|
| For all kWh purchased by Company | $0.02758 per kWh |

**SELECTION OF RATE AND METERING**

Subject to provisions hereafter in this Section relative to payment of costs of metering equipment, either Seller or Company may select Rate A, the Time-Differentiated Rate, for application to Company's said purchases of energy from Seller. If neither Seller nor Company selects Rate A, then Rate B, the Non-Time-Differentiated Rate, shall apply.

If neither Seller nor Company selects Rate A, and Rate B therefore is to apply to such purchases, Company, at Seller's cost, will install, own and operate a non-time-differentiated meter and associated equipment, at a location selected by Company, measuring energy, produced by Seller's generator, flowing into Company's system. Such meter will be tested at intervals prescribed by Commission Regulation, with Seller having a right to witness all such tests; and Seller will pay to Company its fixed cost on such meter and equipment, expense of such periodic tests of the meter and any other expenses (all such costs and expenses, together, being hereafter called "costs of non-time-differentiated metering").

If either Seller or Company selects Rate A to apply to Company's said purchases of energy from Seller, the party (Seller or Company) so selecting Rate A shall pay (a) the cost of a time-differentiated recording meter and associated equipment, at a location selected by Company, measuring energy, produced by Seller's generator, flowing into Company's system, required for the application of Rate A, in excess of (b) the costs of non-time-differentiated metering which shall continue to be paid by Seller.

In addition to metering referred to above, Company at its option and cost may install, own and operate, on Seller's generator, a recording meter to record the capacity, energy and reactive output of such generator at specified time intervals.

Company shall have access to all such meters at reasonable times during Seller's normal business hours, and shall regularly provide to Seller copies of all information provided by such meters.

**PAYMENT**

Any payment due from Company to Seller will be due within sixteen (16) business days (no less than twenty-two (22) calendar days) from date of Company's reading of meter; provided, however, that, if Seller is a Customer of Company, in lieu of such payment Company may offset its payment due to Seller hereunder, against Seller's next bill and payment due to Company for Company's service to Seller as Customer.

**PARALLEL OPERATION**

Company hereby permits Seller to operate its generating facilities in parallel with Company's system, under the following conditions and any other conditions required by Company where unusual conditions not covered herein arise:

1. Prior to installation in Seller's system of any generator and associated facilities which are intended to be interconnected and operated in parallel with Company's system, or prior to the inter-connection to Company's system of any such generator and associated facilities already installed in Seller's system, Seller will provide to Company plans for such generator and facilities. Company may, but shall have no obligation to, examine such plans and disapprove them in whole or in part, to the extent Company believes that such plans and proposed facilities will not adequately assure the safety of Company's facilities or system. Seller acknowledges and agrees that the sole purpose of any Company examination of such plans is the satisfaction of Company's interest in the safety of Company's own facilities and system, and that Company shall have no responsibility of any kind to Seller or to any other party in connection with any such examination. If Seller thereafter proposes any change from such plans submitted to Company, prior to the implementation thereof Seller will provide to Company new plans setting out such proposed change(s).

2. Seller will own, install, operate and maintain all generating facilities on its plant site, such facilities to include, but not be limited to, (a) protective equipment between the systems of Seller and Company and (b) necessary control equipment to synchronize frequency and voltage between such two systems. Seller's voltage at the point of interconnection will be the same as Company's system voltage. Suitable circuit breakers or similar equipment, as specified by Company, will be furnished by Seller at a location designated by Company to enable the separation or disconnection of the two electrical systems. Except in emergencies, the circuit breakers, or similar equipment, will be operated only by, or at the express direction of, Company personnel and will be accessible to Company at all times. In addition, a circuit breaker or similar equipment shall be furnished and installed by Seller to separate or disconnect Seller's generator.

3. Seller will be responsible for operating the generator and all facilities owned by Seller, except as hereafter specified. Seller will maintain its system in synchronization with Company's system.

4. Seller will (a) pay Company for all damage to Company's equipment, facilities or system, and (b) save and hold Company harmless from all claims, demands and liabilities of every kind and nature for injury or damage to, or death of, persons and/or property of others, including costs and expenses of defending against the same, arising in any manner in connection with Seller's generator, equipment, facilities or system or the operation thereof.

5. Seller will construct any additional facilities, in addition to generating and associated (interface) facilities, required for interconnection unless Company and Seller agree to Company's constructing such facilities, at Seller's expense, where Seller is not a Customer of Company. When Seller is a Customer of Company and Company is required to construct facilities different than otherwise required to permit interconnection, Seller shall pay such additional cost of facilities. Seller agrees to reimburse Company, at the time of installation,

or, if agreed to by both parties, over a period of up to three (3) years, for any facilities including any hereafter required (but exclusive of metering equipment, elsewhere herein provided for) constructed by Company to permit Seller to operate interconnected with Company's system. When interconnection costs are repaid over a period of time, such payments will be made monthly and include interest on the unpaid balance at the percentage rate equal to the capital costs that Company would experience at such time by new financing, based on Company's then existing capital structure, with return on equity to be at the rate allowed in Company's immediately preceding rate case.

6. Company will have the continuing right to inspect and approve Seller's facilities, described herein, and to request and witness any tests necessary to determine that such facilities are installed and operating properly; but Company will have no obligation to inspect or approve facilities, or to request or witness tests; and Company will not in any manner be responsible for Seller's facilities or any operation thereof.
7. Seller assumes all responsibility for the electric service upon Seller's premises at and from the point of any delivery or flow of electricity from Company, and for the wires and equipment used in connection therewith; and Seller will protect and save Company harmless from all claims for injury or damage to persons or property, including but not limited to property of Seller, occurring on or about Seller's premises or at and from the point of delivery or flow of electricity from Company, occasioned by such electricity or said wires and equipment, except where said injury or damage is proved to have been caused solely by the negligence of Company.
8. Each, Seller and Company, will designate one or more Operating Representatives for the purpose of contacts and communications between the parties concerning operations of the two systems.
9. Seller will notify Company's Energy Control Center prior to each occasion of Seller's generator being brought into or (except in cases of emergencies) taken out of operation.
10. Company reserves the right to curtail a purchase from Seller when:
    (a) the purchase will result in costs to Company greater than would occur if the purchase were not made but instead Company, itself, generated an equivalent amount of energy; or
    (b) Company has a system emergency and purchases would (or could) contribute to such emergency.

    Seller will be notified of each curtailment.

**TERMS AND CONDITIONS**

Except as provided herein, conditions or operations will be as provided in Company's Terms and Conditions.

**Standard Rate Rider** **LQF**

**Large Capacity Cogeneration and Small Power Production Qualifying Facilities**

**APPLICABLE** T

In all territory served.

**AVAILABILITY** T

Available to any small power production or cogeneration "qualifying facility" with capacity over 100 kW as defined by the Kentucky Public Service Commission Regulation 807 KAR 5:054, and which contracts to sell energy or capacity or both to Company. T

**RATES FOR PURCHASES FROM QUALIFYING FACILITIES**

**Energy Component Payments**

The hourly avoided energy cost (AEC) in $ per MWh, which is payable to a QF for delivery of energy, shall be equal to Company's actual variable fuel expenses, for Company-owned coal and natural gas-fired production facilities, divided by the associated megawatt-hours of generation, as determined for the previous month. The total amount of the avoided energy cost payment to be made to a QF in an hour is equal to [AEC x $E_{QF}$], where $E_{QF}$ is the amount of megawatt-hours delivered by a QF in that hour and which are determined by suitable metering.

**Capacity Component Payments**

The hourly avoided capacity cost (ACC) in $ per MWh, which is payable to a QF for delivery of capacity, shall be equal to the effective purchase price for power available to Company from the inter-utility market (which includes both energy and capacity charges) less Company's actual variable fuel expense (AEC). The total amount of the avoided capacity cost payment to be made to a QF in an hour is equal to [ACC x $CAP_i$], where $CAP_i$, the capacity delivered by the QF, is determined on the basis of the system demand ($D_i$) and Company's need for capacity in that hour to adequately serve the load.

**Determination of $CAP_i$**

For the following determination of $CAP_i$, $C_{LG\&E}$ represents Company's installed or previously arranged capacity at the time a QF signs a contract to deliver capacity; $C_{QF}$ represents the actual capacity provided by a QF, but no more than the contracted capacity; and $C_M$ represents capacity purchased from the inter-utility market.

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**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00295 dated ____**

1. System demand is less than or equal to Company's capacity:
   $D_1 \leq C_{LG\&E}$; $CAP_i = 0$

2. System demand is greater than Company's capacity but less than or equal to the total of Company's capacity and the capacity provided by a QF:

   $C_{LG\&E} < D_i \leq [C_{LG\&E} + C_{QF}]$ ; $CAP_i = C_M$

3. System demand is greater than the total of Company's capacity and the capacity provided by a QF:

   $D_i > [C_{LG\&E} + C_{QF}]$ ; $CAP_i = C_{QF}$

**PAYMENT**

Company shall pay each bill for electric power rendered to it in accordance with the terms of the contract, within sixteen (16) business days (no less than twenty-two (22) calendar days) of the date the bill is rendered. In lieu of such payment plan, Company will, upon written request, credit Customer's account for such purchases. T

**TERM OF CONTRACT**

For contracts which cover the purchase of energy only, the term shall be one (1) year, and shall be self-renewing from year-to-year thereafter, unless canceled by either party on one (1) year's written notice.

For contracts which cover the purchase of capacity and energy, the term shall be five (5) years.

**TERMS AND CONDITIONS**

1. Qualifying facilities shall be required to pay for any additional interconnection costs, to the extent that such costs are in excess of those that Company would have incurred if the qualifying facility's output had not been purchased.
2. A qualifying facility operating in parallel with Company must demonstrate that its equipment is designed, installed, and operated in a manner that insures safe and reliable interconnected operation. A qualifying facility should contact Company for assistance in this regard.
3. The purchasing, supplying and billing for service, and all conditions applying hereto, shall be specified in the contract executed by the parties, and are subject to the jurisdiction of the Kentucky Public Service Commission, and to Company's Terms and Conditions currently in effect, as filed with the Commission.

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**Standard Rate Rider** **NMS**

**Net Metering Service**

**APPLICABLE**

In all territory served.

**AVAILABILITY** T

Available to any Customer-generator who owns and operates a generating facility located on Customer's premises that generates electricity using solar, wind, biomass or biogas, or hydro energy in parallel with Company's electric distribution system to provide all or part of Customer's electrical requirements, and who executes Company's written Application for Interconnection and Net Metering. The generation facility shall be limited to a maximum rated capacity of 30 kilowatts. Standard Rate Rider is intended to comply with all provisions of the Interconnection and Net T Metering Guidelines approved by the Kentucky Public Service Commission, which can be found on-line at www.psc.ky.gov as Appendix A to the January 8, 2009 Order in Administrative Case No. 2008-00169.

**DEFINITIONS**

"Billing period" shall be the time period between the dates on which Company issues the Customer's bills.

"Billing Period Credit" shall be the electricity generated by the Customer that flows into the electric system and which exceeds the electricity supplied to the Customer from the electric system during any billing period. A billing period credit is a kWh-denominated electricity credit only, not a monetary credit.

**METERING AND BILLING**

Net metering service shall be measured using a single meter or, as determined by Company, additional meters and shall be measured in accordance with standard metering practices by metering equipment capable of registering power flow in both directions for each time period defined by the applicable rate schedule. This net metering equipment shall be provided without any cost to Customer. This provision does not relieve Customer's responsibility to pay metering costs T embedded in Company's Commission-approved base rates. Additional meters, requested by T Customer, will be provided at Customer's expense.

If electricity generated by Customer and fed back to Company's system exceeds the electricity supplied to Customer from the system during a billing period, Customer shall receive a billing-period credit for the net delivery on Customer's bill for the succeeding billing periods. If Customer takes service a under time-of-use or time-of-day rate schedule, Company will apply billing-period credits Customer creates in a particular time-of-day or time-of-use block only to offset net energy consumption in the same time-of-day or time-of-use block; such credits will not be used to offset T net energy consumption in other time-of-day or time-of-use blocks in any billing period. Any such T unused excess billing-period credits will be carried forward and drawn on by Customer as needed. Unused excess billing-period credits existing at the time Customer's service is terminated end with Customer's account and are not transferrable between Customers or locations.

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**NET METERING SERVICE INTERCONNECTION GUIDELINES**

General – Customer shall operate the generating facility in parallel with Company's system under the following conditions and any other conditions required by Company where unusual circumstances arise not covered herein:

1. Customer to own, operate, and maintain all generating facilities on their premises. Such facilities shall include, but not be limited to, necessary control equipment to synchronize frequency, voltage, etc., between Customer's and Company's system as well as adequate protective equipment between the two systems. Customer's voltage at the point of interconnection will be the same as Company's system voltage.
2. Customer will be responsible for operating all generating facilities owned by Customer, except as specified hereinafter. Customer will maintain its system in synchronization with Company's system.
3. Customer will be responsible for any damage done to Company's equipment due to failure of Customer's control, safety, or other equipment.
4. Customer agrees to inform Company of any changes it wishes to make to its generating or associated facilities that differ from those initially installed and described to Company in writing and obtain prior approval from Company.
5. Company will have the right to inspect and approve Customer's facilities described herein, and to conduct any tests necessary to determine that such facilities are installed and operating properly; however, Company will have no obligation to inspect, witness tests, or in any manner be responsible for Customer's facilities or operation thereof.
6. Customer assumes all responsibility for the electric service on Customer's premises at and from the point of delivery of electricity from Company and for the wires and equipment used in connection therewith, and will protect and save Company harmless from all claims for injury or damage to persons or property occurring on Customer's premises or at and from the point of delivery of electricity from Company, occasioned by such electricity or said wires and equipment, except where said injury or damage will be shown to have been occasioned solely by the negligence or willful misconduct of Company.

Level 1 – A Level 1 installation is defined as an inverter-based generator certified as meeting the requirements of Underwriters Laboratories Standard 1741 and meeting the following conditions:

1. The aggregated net metering generation on a radial distribution circuit will not exceed 15% of the line section’s most recent one hour peak load. A line section is the smallest part of the primary distribution system the generating facility could remain connected to after operation of any sectionalizing devices.
2. The aggregated net metering generation on a shared singled-phase secondary will not exceed 20 kVA or the nameplate rating of the service transformer.
3. A single-phase net metering generator interconnected on the center tap neutral of a 240 volt service shall not create an imbalance between the two sides of the 240 volt service of more than 20% of the nameplate rating of the service transformer.

**NET METERING SERVICE INTERCONNECTION GUIDELINES (continued)**

4. A net metering generator interconnected to Company's three-phase, three-wire primary distribution lines, shall appear as a phase-to-phase connection to Company's primary distribution line.
5. A net metering generator interconnected to Company's three-phase, four-wire primary distribution lines, shall appear as an effectively grounded source to Company's primary distribution line.
6. A net metering generator will not be connected to an area or spot network.
7. There are no identified violations of the applicable provisions of IEEE 1547, "Standard for Interconnecting Distributed Resources with Electric Power Systems".
8. Company will not be required to construct any facilities on its own system to accommodate the net metering generator.

Customer desiring a Level 1 interconnection shall submit a "LEVEL 1 - Application for Interconnection and Net Metering." Company shall notify Customer within 20 business days as to whether the request is approved or, if denied, the reason(s) for denial. If additional information is required, Company will notify Customer, and the time between notification and submission of the information shall not be counted towards the 20 business days. Approval is contingent upon an initial inspection and witness test at the discretion of Company. T

Level 2 – A Level 2 installation is defined as generator that is not inverter-based; that uses equipment not certified as meeting the requirements of Underwriters Laboratories Standard 1741; or that does not meet one or more of the conditions required of a Level 1 net metering generator. A Level 2 Application will be approved if the generating facility meets Company's technical interconnection requirements. Those requirements are available on line at www.lge-ku.com and upon request. T

Customer desiring a Level 2 interconnection shall submit a "LEVEL 2 - Application for Interconnection and Net Metering." Company shall notify Customer within 30 business days as to whether the request is approved or, if denied, the reason(s) for denial. If additional information is required, Company will notify Customer, and the time between notification and submission of the information shall not be counted towards the 30 business days. Approval is contingent upon an initial inspection and witness test at the discretion of Company. T

Customer submitting a "Level 2 - Application for Interconnection and Net Metering" will provide a non-refundable inspection and processing fee of $100, and in the event that Company determines an impact study to be necessary, shall be responsible for any reasonable costs of up to $1,000 of documented costs for the initial impact study. T

Additional studies requested by Customer shall be at Customer's expense.

**CONDITIONS OF INTERCONNECTION**

Customer may operate his net metering generator in parallel with Company's system when complying with the following conditions:

1. Customer shall install, operate, and maintain, at Customer's sole cost and expense, any control, protective, or other equipment on Customer's system required by Company's technical interconnection requirements based on IEEE 1547, NEC, accredited testing laboratories, and the manufacturer's suggested practices for safe, efficient and reliable operation of the net metering generating facility in parallel with Company's system. Customer bears full responsibility for the installation, maintenance and safe operation of the net metering generating facility. Upon reasonable request from Company, Customer shall demonstrate compliance.
2. Customer shall represent and warrant compliance of the net metering generator with:
   a. any applicable safety and power standards established by IEEE and accredited testing laboratories;
   b. NEC, as may be revised from time-to-time;
   c. Company's rules and regulations and Terms and Conditions, as may be revised by time-to-time by the Kentucky Public Service Commission;
   d. the rules and regulations of the Kentucky Public Service Commission, as may be revised by time-to-time by the Kentucky Public Service Commission:
   e. all other local, state, and federal codes and laws, as may be in effect from time-to-time.
3. Any changes or additions to Company's system required to accommodate the net metering generator shall be Customer's financial responsibility and Company shall be reimbursed for such changes or additions prior to construction.
4. Customer shall operate the net metering generator in such a manner as not to cause undue fluctuations in voltage, intermittent load characteristics or otherwise interfere with the operation of Company's electric system. Customer shall so operate the generating facility in such a manner that no adverse impacts will be produced thereby to the service quality rendered by Company to any of its other Customers or to any electric system interconnected with Company's electric system.
5. Customer shall be responsible for protecting, at Customer's sole cost and expense, the net metering generating facility from any condition or disturbance on Company's electric system, including, but not limited to, voltage sags or swells, system faults, outages, loss of a single phase of supply, equipment failures, and lightning or switching surges, except that Company T
   shall be responsible for repair of damage caused to the net metering generator resulting T
   solely from the negligence or willful misconduct on the part of Company. T
6. Following the initial testing and inspection of the generating facility and upon reasonable advance notice to Customer, Company shall have access at reasonable times to the generating facility to perform reasonable on-site inspections to verify that the installation, maintenance and operation of the net metering generator comply with the requirements of
   this rider. T

**CONDITIONS OF INTERCONNECTION** (continued)

7. Where required by Company, Customer shall furnish and install on Customer's side of the point of interconnection a safety disconnect switch which shall be capable of fully disconnecting Customer's net metering generator from Company's electric service under the full rated conditions of Customer's net metering generator. The external disconnect switch (EDS) shall be located adjacent to Company's meters or the location of the EDS shall be noted by placing a sticker on the meter, and shall be of the visible break type in a metal enclosure which can be secured by a padlock. If the EDS is not located directly adjacent to the meter, Customer shall be responsible for ensuring the location of the EDS is properly and legibly identified for so long as the net metering generator is operational. T

   The disconnect switch shall be accessible to Company personnel at all times. Company may waive the requirement for an external disconnect switch for a net metering generator at its sole discretion, and on a case by case basis.
8. Company shall have the right and authority at Company's sole discretion to isolate the generating facility or require Customer to discontinue operation of the net metering generator if Company believes that: T
   a. continued interconnection and parallel operation of the net metering generator with Company's electric system creates or contributes (or may create or contribute) to a system emergency on either Company's or Customer's electric system;
   b. the net metering generator is not in compliance with the requirements of this rider and the non-compliance adversely affects the safety, reliability or power quality of Company's electric system; or T
   c. the net metering generator interferes with the operation of Company's electric system.

   In non-emergency situations, Company shall give Customer notice of noncompliance including a description of the specific noncompliance condition and allow Customer a reasonable time to cure the noncompliance prior to isolating the Generating Facilities. In emergency situations, where Company is unable to immediately isolate or cause Customer to isolate only the net metering generator, Company may isolate Customer's entire facility. T
9. Customer agrees that, without the prior written permission from Company, no changes shall be made to the generating facility as initially approved. Increases in net metering generator capacity will require a new "Application for Interconnection and Net Metering" which will be evaluated on the same basis as any other new application. Repair and replacement of existing generating facility components with like components that meet UL 1741 certification requirements for Level 1 facilities and not resulting in increases in net metering generator capacity is allowed without approval.
10. Customer shall protect, indemnify and hold harmless Company and its directors, officers, employees, agents, representatives and contractors against and from all loss, claims, actions or suits, including costs and attorneys' fees, for or on account of any injury or death

**CONDITIONS OF INTERCONNECTION** (continued)

of persons or damage to property caused by Customer or Customer's employees, agents, representatives and contractors in tampering with, repairing, maintaining or operating Customer's net metering generator or any related equipment or any facilities owned by Company, except where such injury, death or damage was caused or contributed to by the fault or negligence of Company or its employees, agents, representatives or contractors. The liability of Company to Customer for injury to person and property shall be governed by the tariff(s) for the class of service under which Customer is taking service.

11. Customer shall maintain general liability insurance coverage (through a standard homeowner's, commercial or other policy) for generating facilities. Customer shall upon request provide Company with proof of such insurance at the time that application is made for net metering.
12. By entering into an Interconnection Agreement, or by inspection, if any, or by non-rejection, or by approval, or in any other way, Company does not give any warranty, express or implied, as to the adequacy, safety, compliance with applicable codes or requirements, or as to any other characteristics, of the generating facility equipment, controls, and protective relays and equipment.
13. Customer's generating facility is transferable to other persons or service locations only after notification to Company has been made and verification that the installation is in compliance T
with this tariff. Upon written notification that an approved generating facility is being transferred to another person, Customer, or location, Company will verify that the installation T
is in compliance with this tariff and provide written notification to the Customer(s) within 20 business days. If the installation is no longer in compliance with this tariff, Company will T
notify Customer in writing and list what must be done to place the facility in compliance.
14. Customer shall retain any and all Renewable Energy Credits (RECs) generated by Customer's generating facilities.

**TERMS AND CONDITIONS**

Except as provided herein, service will be furnished under Company's Terms and Conditions applicable hereto.

## LEVEL 1

Application for Interconnection and Net Metering

*Use this application form only for a generating facility that is inverter based and certified by a nationally recognized testing laboratory to meet the requirements of UL 1741.*

Submit this Application to:

Louisville Gas and Electric Company, Attn: Customer Commitment,
P. O. Box 32010, Louisville, KY 40232

If you have questions regarding this Application or its status, contact LG&E at:

502-627-2202 or Customer.commitment@lge-ku.com

Customer Name: ______________________ Account Number: ______________

Customer Address: ______________________________________

Customer Phone No.: ______________ Customer E-mail Address: ______________________

Project Contact Person: ______________________________________

Phone No.: ______________ E-mail Address (Optional): ______________________

Provide names and contact information for other contractors, installers, or engineering firms involved in the design and installation of the generating facilities:

______________________________________________________________

Energy Source: ____Solar ____Wind ____Hydro ____Biogas ____Biomass

Inverter Manufacturer and Model #: ______________________________

Inverter Power Rating: ______________ Inverter Voltage Rating: ______________

Power Rating of Energy Source (i.e., solar panels, wind turbine): ______________________

Is Battery Storage Used: ____No _____Yes If Yes, Battery Power Rating: ______________

Attach documentation showing that inverter is certified by a nationally recognized testing laboratory to meet the requirements of UL 1741.

Attach site drawing or sketch showing location of Utility's meter, energy source, *(optional: Utility accessible disconnect switch)* and inverter.

Attach single line drawing showing all electrical equipment from the Utility's metering location to the energy source including switches, fuses, breakers, panels, transformers, inverters, energy source, wire size, equipment ratings, and transformer connections.

Expected Start-up Date: ______________________

**DATE OF ISSUE**: September 28, 2018

**DATE EFFECTIVE:** With Service Rendered
On and After November 1, 2010

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2009-00549 dated July 30, 2010 and 2010-00204 dated September 30, 2010**

## LEVEL 2

Application for Interconnection and Net Metering

*Use this application form when a generating facility is not inverter-based or is not certified by a nationally recognized testing laboratory to meet the requirements of UL 1741 or does not meet any of the additional conditions under Level 1.*

Submit this Application, along with an application fee of $100, to:

Louisville Gas and Electric Company, Attn: Customer Commitment,
P. O. Box 32010, Louisville, KY 40232

If you have questions regarding this Application or its status, contact LG&E at:

502-627-2202 or Customer.commitment@lge-ku.com

Customer Name: ____________________ Account Number: ____________

Customer Address: ____________________

Project Contact Person: ____________________

Phone No.: ____________ E-mail Address (Optional): ____________

Provide names and contact information for other contractors, installers, or engineering firms involved in the design and installation of the generating facilities:

____________________

Total Generating Capacity of Generating Facility: ____________________

Type of Generator: ____Inverter-Based ____Synchronous ____Induction

Power Source: ____Solar ____Wind ____Hydro ____Biogas ____Biomass

Adequate documentation and information must be submitted with this application to be considered complete. Typically this should include the following:

1. Single-line diagram of Customer's system showing all electrical equipment from the generator to the point *of* interconnection with the Utility's distribution system, including generators, transformers, switchgear, switches, breakers, fuses, voltage transformers, current transformers, wire sizes, equipment ratings, and transformer connections. T
2. Control drawings for relays and breakers.
3. Site Plans showing the physical location of major equipment.
4. Relevant ratings of equipment. Transformer information should include capacity ratings, voltage ratings, winding arrangements, and impedance.
5. If protective relays are used, settings applicable to the interconnection protection. If programmable relays are used, a description of how the relay is programmed to operate as applicable to interconnection protection.
6. A description of how the generator system will be operated including all modes of operation.
7. For inverters, the manufacturer name, model number, and AC power rating. For certified inverters, attach documentation showing that inverter is certified by *a* nationally recognized testing laboratory to meet the requirements of UL 1741.
8. For synchronous generators, manufacturer and model number, nameplate ratings, and impedance data (Xd, Xd, & Xd).
9. For induction generators, manufacturer and model number, nameplate ratings, and locked rotor current.

Customer Signature: ____________________ Date: ____________

**Standard Rate Rider** **EF**

**Excess Facilities**

**APPLICABLE** T

In all territory served.

**AVAILABILITY** T

Available for non-standard service facilities which are considered to be in excess of the standard facilities that would normally be provided by Company. This rider does not apply to line extensions or to other facilities which are necessary to provide basic electric service. Company reserves the right to decline to provide service hereunder for any project (a) that exceeds $100,000 or (b) where Company does not have sufficient expertise to install, operate, or maintain the facilities or (c) where the facilities do not meet Company's safety requirements, or (d) where the facilities are likely to become obsolete prior to the end of the initial contract term. T

**DEFINITION OF EXCESS FACILITIES**

Excess facilities are lines and equipment which are installed in addition to or in substitution for the normal facilities required to render basic electric service and where such facilities are dedicated to a specific Customer. Applications of excess facilities include, but are not limited to, emergency backup feeds, automatic transfer switches, redundant transformer capacity, and duplicate or check meters.

**EXCESS FACILITIES CHARGE**

Company shall provide normal operation and maintenance of the excess facilities. Should the facilities suffer failure, Company will provide for replacement of such facilities and the monthly charge will be adjusted to reflect the installed cost of the replacement facilities. No adjustment in the monthly charge for a replacement of facilities will be made during the initial five (5) year term of contract.

Customer shall pay for excess facilities by:

a. making a monthly Excess Facilities Charge payment equal to the installed cost of the excess facilities times the following percentage:

| | | |
|---|---|---|
| Percentage With No Contribution-in-Aid-of-Construction | 1.26% | R |

b. making a one-time Contribution–in-Aid-of-Construction equal to the installed cost of the excess facilities plus a monthly Excess Facilities charge payment equal to the installed cost of the excess facilities times the following percentage:

| | | |
|---|---|---|
| Percentage With Contribution-in-Aid-of-Construction | 0.53% | R |

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State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00295 dated ____**

**PAYMENT**

The Excess Facilities Charges shall be incorporated with the bill for electric service and will be subject to the same payment provisions.

**TERM OF CONTRACT**

The initial term of contract to Customer under this schedule shall be not less than five (5) years. The term shall continue automatically until terminated by either party upon at least one (1) month's written notice. T

# Louisville Gas and Electric Company



**Standard Rate Rider** **RC**
**Redundant Capacity**

**APPLICABLE**
In all territory served. T

**AVAILABILITY**
Available to customers served under Company's rate schedules which include a demand charge T
or a special contract including a demand charge. T

Available to Customers requesting the reservation of capacity on Company's facilities which are shared by other Customers when Company has and is willing to reserve such capacity. Such facilities represent a redundant delivery to provide electric service to Customer's facility in the event that an emergency or unusual occurrence renders Customer's principal delivery unavailable for providing service. Where Customer desires to split a load between multiple meters on multiple feeds and contract for Redundant Capacity on those feeds, service is contingent on the practicality of metering to measure any transferred load to the redundant feed.

**RATE:**

Capacity Reservation Charge

| | | |
|---|---|---|
| Secondary Distribution | $1.84 per kW/kVA per Month | I |
| Primary Distribution | $1.41 per kW/kVA per Month | R |

Applicable to the greater of:
1. the highest average load in kW/kVA (as is appropriate for the demand basis of the rate T
schedule on which Customer is billed) recorded at either the principal distribution feed T
metering point or at the redundant distribution feed metering point during any 15-minute interval in the monthly billing period,
2. 50% of the maximum demand similarly determined for any of the eleven (11) preceding months, or
3. the contracted capacity reservation.

**TERM OF CONTRACT**
The minimum contract term shall be five (5) years, and shall be renewed for one (1) year periods until either party provides the other with ninety (90) days written notice of a desire to terminate the arrangement. Company may require that a contract be executed for a longer initial term when deemed necessary by the difficulty and/or high cost associated with providing the redundant feed or other special conditions.

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**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the**
**Public Service Commission in Case No.**
**2018-00295 dated ____**

**Standard Rate Rider** **IL**
**Intermittent Loads**

**APPLICABLE**
In all territory served.

**AVAILABILITY** T
This schedule applies to all loads having a detrimental effect upon the electric service rendered to other Customers of Company or upon Company's facilities.

Where Customer's use of service is intermittent, subject to violent or extraordinary fluctuations, or produces unacceptable levels of harmonic current, in each case as determined by Company, in its reasonable discretion, Company reserves the right to require Customer to furnish, at Customer's own expense, suitable equipment (as approved by Company in its reasonable discretion) to meter and limit such intermittence, fluctuation, or harmonics to the extent reasonably requested by Company. Without limiting the foregoing, Company may require such equipment if, at any time, the megavars, harmonics, and other desirable electrical characteristics produced by Customer exceed T the limits set forth in the IEEE standards for such characteristics. In addition, if Customer's use of T Company's service under this schedule causes such undesirable electrical characteristics in an amount exceeding those IEEE standards, such use shall be deemed to cause a dangerous condition which could subject any person to imminent harm or result in substantial damage to the property of Company or others, and Company shall therefore terminate service to Customer in accordance with T 807 KAR 5:006, Section 15(1)(b). Such a termination of service shall not be considered a cancellation of the service agreement or relieve Customer of any minimum billing or other guarantees. Company shall be held harmless for any damages or economic loss resulting from such termination of service. If requested by Company, Customer shall provide all available information to Company that aids Company in enforcing its service standards. If Company at any time has a reasonable basis for believing that Customer's proposed or existing use of the service provided will not comply with the service standards for interference, fluctuations, or harmonics, Company may engage such experts and/or consultants as Company shall determine are appropriate to advise Company in ensuring that such interference, fluctuations, or harmonics are within acceptable standards. Should such experts and/or consultants determine Customer's use of service is unacceptable, Company's use of such experts and/or consultants will be at Customer's expense. T

**RATE**
1. A contribution in aid of construction or an excess facilities charge shall be required for all special or added facilities, if any, necessary to serve such loads, as provided under the Excess Facilities Rider.
2. Plus the charges provided for under the rate schedule applicable, including any Basic Service Charge if applicable, Energy Charge, Maximum Load Charge (if load charge rate is used), Fuel Adjustment Clause and the Minimum Charge under such rate adjusted in accordance with (a) or T (b) herein.

**RATE** (continued)

a. If rate schedule calls for a minimum based on the total kW of connected load, each kVA of such special equipment shall be counted as one kW connected load for minimum billing purposes.
b. If rate schedule calls for a minimum based on the 15-minute integrated load, and such loads operate only intermittently so that the kW registered on a standard 15-minute integrated demand meter is small in comparison to the instantaneous load such equipment is capable of imposing, each kVA of such special equipment shall be counted as one-third kW load for minimum billing purposes.

**MINIMUM CHARGE**
As determined by this rider and the rate schedule to which it is attached.

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**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the**
**Public Service Commission in Case No.**
**2016-00371 dated June 22, 2017 and modified June 29, 2017**

**Standard Rate Rider** **TS**

**Temporary-to-Permanent and Seasonal Service** T

**APPLICABLE**

In all territory served.

**AVAILABILITY** T

This rider is available at the option of the Company where:

1. Customer's business requires service provided for construction of permanent delivery points for residences and commercial buildings; or N N

2. Customer's business does not require permanent installation of Company's facilities and is of such nature to require only seasonal service or temporary service; or T

3. Customer's service is over 50 kW, provided for construction purposes, and where in the judgment of Company the local and system electrical facility capacities are adequate to serve the load without impairment of service to other Customers; or T

4. Customer has need for temporary intermittent use of Company facilities and Company has facilities it is willing to provide Customer for installation and operational testing of Customer's equipment. T

This service is available for not less than one (1) month (approximately thirty (30) days), but when service is used longer than one (1) month, any fraction of a month's use will be prorated for billing purposes. Where this service is provided under 3 or 4, above, Company will determine the term of service, which shall not exceed three (3) years. T T T

**CONDITIONS**

Company may permit such electric loads to be served on the rate schedule normally applicable, but without requiring a yearly contract and minimum, substituting therefore the following conditions and agreements:

D

1. For Temporary-to-Permanent service which requires service for construction of permanent delivery points for residences and commercial buildings, the Company will provide a temporary electric service upon request by the customer for a non-refundable charge. This charge, which will be subject to an annual review and revision, shall depend on the facilities which must be installed (and removed) by the Company in order to connect service. N N N N N

   The standard charge shall be 15% of the estimated installation and removal cost where the facilities to provide service are already in place. It also applies where all of the installed facilities will be utilized, without modification, as part of a future permanent service. N/R N N

**DATE OF ISSUE**: September 28, 2018

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On and After November 1, 2018

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00295 dated ____**

**Standard Rate Rider** **TS**

**Temporary-to-Permanent and Seasonal Service**

N

**CONDITIONS (continued)**

2. For Seasonal Service where facilities are installed for temporary service that will not be utilized as part of a future permanent service, the customer shall pay Company for all costs of making temporary connections, including cost of installing necessary transformers, meters, poles, wire and any other material, and any cost of material which cannot be salvaged, and the cost of removing such facilities when load has ceased.

Temporary services for underground or overhead installations are to be constructed as specified by Company standards. Customer will furnish and install material and equipment, including mast for service entrance, conductors, meter base, main disconnect, breaker assembly and grounding. Once the temporary service is no longer needed, the Customer must contact the Company for removal.

For such cases where a temporary service is written upon a refundable contract, the customer will be refunded back the deposit paid for the temporary service after three years of continuous service.

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State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00295 dated ____**

# Louisville Gas and Electric Company



**Standard Rate Rider**

**Kilowatt-Hours Consumed By Lighting Units**

**APPLICABLE**

In all territory served to determine energy consumption applied to the Company's non-metered lighting rate schedules. T

**DETERMINATION OF ENERGY CONSUMPTION**

The applicable Fuel Adjustment Clause charge or credit will be based on the kilowatt-hours calculated by multiplying the kilowatt load of each light times the number of hours that light is in use during the billing month. The kilowatt load of each light is shown in the section titled RATE. The number of hours a light will be in use during a given month is from dusk to dawn as shown in the following Hours Use Table. T

HOURS USE TABLE

| Month | Hours Light Is In Use |
|---|---|
| JAN | 407 |
| FEB | 344 |
| MAR | 347 |
| APR | 301 |
| MAY | 281 |
| JUN | 257 |
| JUL | 273 |
| AUG | 299 |
| SEP | 322 |
| OCT | 368 |
| NOV | 386 |
| DEC | 415 |
| TOTAL FOR YEAR | 4,000 HRS. |

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State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00295 dated ____**

N

**Standard Rate Rider** **GT**

**Green Tariff**

**APPLICABLE**

In all territory served.

**AVAILABILITY**

Option #1: Renewable Energy Certificates (RECs)

Available as a rider to customers receiving service under Company's standard RS, RTOD, GS, PS, TODS, TODP, RTS, or FLS rate schedules as an option to participate in Company's "Green Energy Program" whereby Company will aggregate the resources provided by the participating customers to develop green power, purchase green power, or purchase Renewable Energy Certificates.

Participation in this option may be limited by the ability of the Company to procure RECs from Renewable Resources at a price equal to $13 or less per REC. If the total of all kWh under contract under this tariff equals or exceeds the Company's ability to economically procure RECs (more than $13 per REC), the Company may suspend the availability of this tariff to new participants.

Option #2: Business Solar

Available as a rider to customers receiving service under Company's standard GS, PS, TODS, TODP, RTS, or FLS rate schedules. Service under Option #2 requires Company and Customer to enter into a special contract, which must be filed with and approved by the Kentucky Public Service Commission.

Participation in this option will be limited to Customers who wish to have the Company develop, procure, construct, maintain, manage, and own a solar array. The electrical energy produced by the array will be assigned to the Customer.

Option #3: Renewable Power Agreement

Available as a rider to customers to be served under Company's Standard Rate Schedules TODS, TODP, and RTS. Service under the Renewable Power requires Company and Customer to enter into a special contract, which must be filed with and approved by the Kentucky Public Service Commission.

Customers who wish to purchase the electrical output and all associated environmental attributes from a renewable energy generator may contract bilaterally with the Company. In addition this option is limited to:

1. A customer contracting for a minimum monthly billing load of 10 MVA (or MW as is appropriate).
2. Any agreement must be greater than 10 MW nameplate AC, capped at a system cumulative 50 MW name plate AC and for a term that equals the generation purchase agreement for a minimum period of 5 years.
3. Agreement must be for energy delivered to the Company's transmission system.
4. Energy serving this option must be generated from a renewable resource developed on or after the Kentucky Public Service Commission special contract approval date.

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State Regulation and Rates
Louisville, Kentucky

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**Standard Rate Rider** **GT** N

**Green Tariff**

**DEFINITIONS**

1. Green power is that electricity generated from renewable sources including but not limited to: solar, wind, hydroelectric, geothermal, landfill gas, biomass, biodiesel used to generate electricity, agricultural crops or waste, all animal and organic waste, all energy crops and other renewable resources. The locations of these sources are limited to Kentucky, Indiana, Tennessee, Ohio, West Virginia, Virginia, Missouri, and Illinois that are certified for the creation of Renewable Energy Credits by definition 2 and 3 below.
2. A Renewable Energy Certificate ("REC") is the tradable unit which represents the commodity formed by unbundling the environmental-benefit attributes of a unit of green power from the underlying electricity. One REC is equivalent to the environmental benefits and attributes of one MWh of green power. RECs may only be purchased from facilities located in Kentucky, Indiana, Tennessee, Ohio, West Virginia, Virginia, Missouri, and Illinois.
3. Eligible RECs are created from renewable facilities verified and approved by the proven renewable asset tracking systems associated with the major regional Independent System Operators (ISO) operators, PJM's Generation Attribute Tracking System (GATS) or MISO's Midwest Renewable Energy Tracking System (MRETS). The legal ownership of every REC so created is recorded and tracked by GATS or MRETS to assure its authenticity and single ownership.

**RATE**

Option #1: RECs

Customers who wish to support the development of electricity generated by Renewable Resources may contract to purchase each month a specific number of incremental blocks. All RECs purchased to support Option #1 of this tariff shall be retired by the Company on behalf of the customers.

Rate Schedules RS and GS:
Voluntary monthly contributions of any amount in $5.00 increments

Rate Schedules PS, TODS, TODP, RTS, or FLS:
Voluntary monthly contributions of any amount in $13.00 increments

Option #2: Business Solar

Charges and energy credits for this service will be set forth in the written agreement between the Company and the Customer and will reflect a combination of the firm service rates otherwise available to the Customer and the cost of the business solar facility being directly contracted for by the Customer.

N

**RATE (continued)**

Option #3: Renewable Power Agreement

Charges and energy credits for this service will be set forth in the written agreement between the Company and the Customer and will reflect a combination of the firm service rates otherwise available to the Customer and the cost of the renewable energy resource, including appropriate transmission costs to deliver the energy to the Customer, being directly contracted for by the Customer.

**TERM**

Option #1: Customers may participate through a one-time purchase or an automatic monthly purchase agreement. Customer may terminate service under this rider by notifying the Company through its Call Center or Business Office. The charges will be removed on the Customer's next bill after their request to terminate.

Option #2: The term will be agreed upon in a separate written bilateral agreement between the Company and the Customer. Contract to be filed with and approved by the Kentucky Public Service Commission.

Option #3: The term will be agreed upon in the separate written bilateral agreement between the Company and the Customer. Contract to be filed with and approved by the Kentucky Public Service Commission.

**TERMS AND CONDITIONS**

1. Customers participating in Option #1 may contribute as much as they like in the dollar increments outlined above. (RS, GS - $5, $10, $15, $20, etc), (PS, TODS, TODP, RTS, FLS - $13, $26, $39, etc.)
2. An eligible Customer may participate in the Company's "Green Tariff" by making a request to Company's Call Center, Business Office, or through Company's website enrollment form. Funds provided by Customer to Company are not refundable.
3. Customers may not owe any arrearage prior to participating in the "Green Tariff". Any customer failing to pay the amount the customer pledged to contribute in Option #1 may be removed from the "Green Tariff". Any customer removed from or withdrawing Option #1 of the "Green Tariff" will not be allowed to re-apply for one year.
4. Customer will be billed monthly under the "Green Tariff". Such billing will be added to Customer's billing under any standard rate schedules plus applicable riders plus applicable adjustment clauses.

**Standard Rate Rider** **EDR**

**Economic Development Rider**

**APPLICABLE**

In all territory served.

**AVAILABILITY** T

Available as a rider to Customers to be served or being served under Rates TODS, TODP, and T
RTS to encourage Brownfield Development or Economic Development (as defined herein). Service under EDR is conditional on approval of a special contract for such service filed with and approved by the Kentucky Public Service Commission.

**RATE**

A Customer taking service under EDR shall be served according to all of the rates, terms, and conditions of the normally applicable rate schedule subject to the following:

D

For the twelve (12) consecutive monthly billings and the subsequent four consecutive twelve (12) N
monthly billing periods thereafter, the Total Demand Charge shall be reduced by 50%, 40%, 30%, N
20%, 10% in the order of Customer's choosing at time of contract filing. All subsequent billing N
shall be at the full charges stated in the applicable rate schedule after this five (5) year period. N

"Total Demand Charge" is the sum of all demand charges, including any credits provided under any other demand applicable rider, before the EDR discounts described above are applied.

**TERMS AND CONDITIONS**

<u>Brownfield Development</u>

1. Service under EDR for Brownfield Development is available to Customers locating at sites that have been submitted to, approved by, and added to the Brownfield Inventory maintained by the Kentucky Energy and Environment Cabinet (or by any successor entity created and authorized by the Commonwealth of Kentucky).
2. EDR for Brownfield Development is available only to minimum monthly billing loads of 500 kVA or greater where the Customer takes service from existing Company facilities with no T
material changes. T

<u>Economic Development</u>

3. Service under EDR for Economic Development is available to:
   a. new Customers contracting for a minimum monthly billing load of 1,000 kVA, and at T
   least a 50% load factor; and T

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**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00295 dated ____**

**TERMS AND CONDITIONS**

Economic Development

   b. Existing Customers contracting for a minimum monthly billing load of 1,000 kVA above their Existing Base Load, and at least a 50% load factor to be determined as follows: T
      i. Company and the existing Customer will determine Customer's Existing Base Load by calculating a twelve (12) month rolling average of measured demand. T
      ii. Company and the existing Customer must agree upon the Existing Base Load, which shall be an explicit term of the special contract submitted to the Commission for approval before the Customer can take service under EDR. Once the Existing Base Load's value is thus established, it will not be subject to variation or eligible for service under EDR.
      iii. This provision is not intended to reduce or diminish in any way EDR service already being provided to all or a portion of a Customer's Existing Base Load. Such EDR service would continue under the terms of the contract already existing between the Company and the Customer concerning the affected portion of the Customer's Existing Base Load.

4. A Customer desiring service under EDR for Economic Development must submit an application for service that includes:
   a. a description of the new load to be served;
   b. the number of new employees, if any, Customer anticipates employing associated with the new load;
   c. the capital investment Customer anticipates making associated with the EDR load;
   d. a certification that Customer has been qualified by the Commonwealth of Kentucky for benefits under the Kentucky Business Investment Program (KBI), or the Kentucky Industrial Revitalization Act (KIRA), or the Kentucky Jobs Retention Act (KJRA), or other comparable programs approved by the Commonwealth of Kentucky.
5. Should Company determine a refundable contribution for the capital investment in Customer-specific facilities required by Company to serve the EDR load would ordinarily be required as set out under Company's Line Extension Plan, I. Special Cases, that amount shall be determined over a fifteen (15) year period and payable at the end of the fifteen (15) year period.

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N

Economic Re-Development

6. Service under EDR for Economic Re-Development is available to:
   a. Customers locating at vacant commercial or industrial properties in the Company's service territory which have been unoccupied for at least twelve (12) consecutive months. Verification of vacancy will constitute evidence of minimal to no electrical use during the unoccupied timeframe as determined by the company. Development of green space or undeveloped properties or sites are excluded from the Re-Development rider.
   b. EDR for Economic Re-Development is available only to minimum monthly billing loads of 500 kVA or greater where Customer takes service from the existing electrical infrastructure with no material changes and at least a 50% load factor.
   c. A customer desiring service under must submit an application for service that includes:
      i. a description of the new load to be served;
      ii. the number of new employees, if any, Customer anticipates employing associated with the new load; and
      iii. the capital investment Customer anticipates making associated with the EDR load.
   d. Customers relocating their operations from another premise within the Company's service territory and maintaining the same demand load as indicated on the customer's Load Data Sheet are ineligible to participate in this tariff.
   e. Customers relocating their operations from another premise within the Company's service territory and increasing the demand load as indicated on the customer's Load Data Sheet are eligible to participate in this tariff for the increased demand of 500 kVA minimum and at least a 50% load factor.
   f. Should Company determine a refundable contribution for the capital investment in Customer-specific facilities required by Company to serve the EDR load would ordinarily be required as set forth under Company's Line Extension Plan, that amount shall be determined over a fifteen (15) year period and payable at the end of the fifteen (15) year period.

General

7. Company may offer EDR to qualifying new load only when Company has generating capacity available and the new load will not accelerate Company's plans for additional generating capacity over the life of the EDR contract.
8. Customer may request an EDR effective initial billing date that is no later than twelve (12) months after the date on which the Kentucky Public Service Commission approves the customer agreement.
9. Neither the demand charge reduction nor any unjustified capital investment in facilities will be borne by Company's other Customers during the term of the EDR contract.

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**Standard Rate Rider** **EDR**

**Economic Development Rider** N

10. Company may offer differing terms, as appropriate, under special contract to which this rider is a part depending on the circumstances associated with providing service to a particular Customer and subject to approval by the Kentucky Public Service Commission.
11. No credit under EDR will be calculated or applied to Customer's billing in any billing month in which Customer's metered load is less than the load required to be eligible for either Brownfield Development, Economic Development, or Economic Re-Development.
12. EDR is not available to a new customer that results solely from a change in ownership of a previous customer's account. However, if a change in ownership occurs after the previous customer had entered into an EDR special contract, the successor customer may be allowed to fulfil the balance of the EDR special contract.

**TERM OF CONTRACT**

Service will be furnished under the applicable rate schedule and this rider, filed as a special contract with the Commission, for a fixed term of not less than ten (10) years and for such time thereafter under the terms stated in the rate schedule. A greater term of contract or termination notice may be required because of conditions associated with a Customer's requirements for service. Service will be continued under conditions provided for under the rate schedule to which this rider is attached after the original term of contract. T T T T T T

**Standard Rate Rider** **SSP**

**Solar Share Program Rider**

**APPLICABLE**

In all territory served.

**AVAILABILITY** T

This optional, voluntary service is available to Customers taking service under Rates RS, RTOD- T
Energy, RTOD-Demand, VFD, GS, PS, TODS, and TODP. The terms and conditions set out T
herein are available for and applicable to participation in Company's Solar Share Program.

**RATE:** N

A customer may subscribe to capacity in the Solar Share Facilities by paying a One-Time Solar N
Capacity Charge or a Monthly Solar Capacity Charge—but not both—for each quarter-kW N
increment subscribed. The customer need not subscribe to all desired capacity using only one N
subscription approach, but the customer will pay only one kind of charge for each increment of N
capacity subscribed. For example, a customer subscribing to two quarter-kW increments may N
pay the One-Time Solar Capacity Charge for one increment and the Monthly Solar Capacity N
Charge for the other increment. N

**One-Time Solar Capacity Charge** N

A customer subscribing to capacity by paying the One-Time Solar Capacity Charge will receive N
Solar Energy Credit values subject to the terms and conditions of this Rider for a period of 25 N
years beginning with and including the first full billing period immediately following the customer's N
payment in full of the Capacity Charge. N

The One-Time Solar Capacity Charge is only available for subscription on Solar Share Facilities N
that have not begun construction. Any one-time solar capacity subscription that becomes N
unsubscribed will be made available for subscription under the Monthly Solar Capacity Charge. N

One-Time Solar Capacity Charge $790.00 per quarter-kW subscribed N

**Monthly Solar Capacity Charge** T

Solar Capacity Charge $5.68 per quarter-kW subscribed R

D

**Solar Energy Credit** N

Each billing period during which the Subscriber has paid in full for subscribed capacity under either N
option above, Company will compare a subscribing customer's pro rata AC energy produced by N
the Solar Share Facilities (truncated to a whole kWh value) to the subscribing customer's energy N
consumption (in kWh) every 15 minutes. If consumption exceeded production, Company will bill N
Customer for the net energy consumed in accordance with Customer's standard rate schedule. N
If production equaled or exceeded consumption in any relevant period, Company will bill N
Customer for zero energy consumption for that period and provide a bill credit for each kWh of N
net production, if any, at the then-applicable non-time-differentiated rate for Company's Standard N
Rate Rider SQF (Small Capacity Cogeneration and Small Power Production Qualifying Facilities) N
Original Sheet No 55. N

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**PROGRAM DESCRIPTION** N

The Solar Share Program is an optional, voluntary program that allows customers to subscribe to capacity in the Solar Share Facilities. Each Solar Share Facility will have an approximate direct-current (DC) capacity of 500 kW and will be available for subscription in nominal 250 W (quarter-kW) DC increments. Each subscribing customer ("Subscriber") may subscribe capacity up to an aggregate amount of 500 kW DC, though no Subscriber may subscribe more than 250 kW DC in any single Solar Share Facility.

There are two mutually exclusive options for subscribing to each increment of capacity.

**Option 1: Capacity Subscribed by Paying Only the One-Time Solar Capacity Charge**

For capacity subscribed by paying the One-Time Solar Capacity Charge, the One-Time Solar Capacity Charge will be included on the Subscriber's bill for the first billing period in which the subscribed capacity achieves commercial operation.

A customer choosing to pay the One-Time Solar Capacity Charge may transfer subscribed capacity between the customer's own accounts or may assign subscribed capacity to another customer. Once assigned, the assigning customer forfeits all rights to the assigned capacity.

A customer who ceases taking service from Company will have 60 calendar days to assign subscribed capacity to another customer within Company's service area. Any capacity such a customer does not assign within 60 days of ceasing to take service will be forfeited and made available to other customers under Option 2: Capacity Subscribed by Paying Only the Monthly Solar Capacity Charge.

**Option 2: Capacity Subscribed by Paying Only the Monthly Solar Capacity Charge**

For capacity subscribed by paying the Monthly Solar Capacity Charge, the Solar Capacity Charge will be included on the Subscriber's bill beginning with the bill for the first billing period in which the subscribed capacity achieves commercial operation.

Monthly subscriptions of less than 50 kW DC will not require a contract; however, a customer may not reduce or cancel a monthly subscription earlier than 12 months from the date of the customer's most recent change to the customer's monthly subscription level. Therefore, a customer subscribing monthly less than 50 kW has a 12-month commitment from the date of the customer's initial monthly subscription or initial solar facility commercial operation, whichever is later, and may have a longer commitment if the customer subsequently increases monthly subscribed capacity (which a customer may do at any time) or if the customer chooses to decrease but not cancel the monthly subscription after the initial 12 months. Monthly subscriptions of 50 kW DC or more require a 5-year contract with Company.

**TERMS AND CONDITIONS**

1. Individual subscriptions are available in nominal 250 W DC (quarter-kW) increments. N

2. Customer may subscribe as much solar capacity as desired up to an aggregate amount of 500 kW DC (nominal). No customer may subscribe more than 250 kW DC (nominal) in any single Solar Share Facility.

3. All One-Time Solar Capacity Charges are non-refundable.

4. Subject to the restrictions above, Company will fill subscriptions as capacity in the Solar Share Facilities becomes available, and will fill subscriptions in the chronological order in which the subscriptions were made. A Subscriber whose subscription the Company can fulfill only partially may either accept the available capacity and await additional capacity, or decline the partial fulfillment, allowing the next awaiting Subscriber(s) to accept the available capacity. Accepting or declining available capacity will not affect a Subscriber's place in the queue of Subscribers awaiting capacity.

5. Customers may not owe any arrearage prior to participating in the Solar Share Program.

6. Subscribers' pro-rata share of the AC electricity produced by the Solar Share Facilities will be determined on a billing-cycle basis. The corresponding Solar Energy Credit will be calculated and appear on the Subscriber's bill.

7. Unless constrained by contract (see Term of Contract below), Subscriber may decrease or terminate a monthly subscription any time after 12 months following the date of the most recent change to Subscriber's monthly subscription capacity at any time.

8. Unless constrained by contract (see Term of Contract below) or condition #2 above. Subscriber may also increase monthly subscribed capacity at any time.

9. Subscriptions made by paying the One-Time Solar Capacity Charge may be transferred between a Subscriber's accounts no more than once per billing period (Solar Energy Credit values do not transfer between accounts or customers). A subscription transfer between a Subscriber's accounts takes effect in the billing period following the billing period in which the Subscriber requests the transfer. A Subscriber may transfer a subscription at any time prior to or including 60 calendar days after the Subscriber terminated service on the account to which the subscription attached. If the Subscriber whose account has been terminated does not transfer the subscription within 60 calendar days, the Subscriber forfeits the subscription.

**TERMS AND CONDITIONS** (continued)

10. Capacity subscribed by paying the Monthly Solar Capacity Charge is not transferrable or assignable between customers. N

11. Capacity subscribed by paying the One-Time Solar Capacity Charge may be assigned between customers, but only within the same Company service territory, at any time prior to or including 60 calendar days after the assigning Subscriber terminated service on the account to which the subscription attached. Once assigned, the assigning customer loses all rights regarding future credits and the ability to subsequently assign the capacity; those rights become the rights of the assignee upon assignment. Assigned capacity cannot be reassigned by the assignee to any other Customer, including the Customer who originally subscribed the assigned capacity. For all purposes other than the Solar Energy Credit, all capacity assignments become effective immediately upon assignment. For the purpose of the Solar Energy Credit, the assignor will receive Solar Energy Credits for the entire billing period in which the assignment occurs; the assignee will receive Solar Energy Credits beginning in the first billing period following the assignment.

12. Unused Solar Energy Credit value is not transferrable between customers or customer accounts. Therefore, a Subscriber's closing a customer account terminates any unused Solar Energy Credit value associated with that account.

13. Participants in SSP are required to have an advanced meter capable of collecting and communicating at least 15 minute interval data.

14. All Renewable Energy Credits ("RECs") related to energy produced by subscribed portions of the Solar Share Facilities will be retired.

15. Use of any images of the Solar Share Facilities or use any other of Company's intellectual property requires Company licensing prior to use.

16. Service will be furnished under Company's Terms and Conditions except as provided herein.

**TERM OF CONTRACT**

Subscriptions of 50 kW DC or more will require a five (5) year non-transferrable, non-assignable contract between Subscriber and Company.

**Standard Rate Rider** **EVSE-R**
**Electric Vehicle Supply Equipment**

**APPLICABLE**
In all territory served.

**AVAILABILITY** T
Available as a rider to Customers to be served or currently being served under Rates GS (with energy usage of 500 kWh or higher per month), PS, TODS, TODP, RTS, and FLS, for the purpose of charging electrical vehicles, whereby Customer installs and owns facilities on its side of the point of delivery of the energy supplied hereunder necessary to serve Company-provided charging station. T T

Charging station under this rider is offered under the conditions set out hereinafter for electric vehicle supply equipment such as, but not limited to, the charging of electric vehicles via street parking, parking lots, and other outdoor areas. Customer is responsible for providing the appropriate voltage levels and connections necessary to operate Company-provided charger.

Company will coordinate charging station installation with Company's current charging station supplier and Customer. Customer shall be responsible for the charging equipment installation costs. T T

Service will be provided under written contract, signed by Customer prior to service commencing.

| RATE | Single Charger | Dual Charger | |
|---|---|---|---|
| Monthly Charging Unit Fee: | $125.14 | $177.49 | R/R |

**ADJUSTMENT CLAUSES**
The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

| | |
|---|---|
| Franchise Fee | Sheet No. 90 |
| School Tax | Sheet No. 91 |

**PAYMENT**
The EVSE-R charges shall be incorporated with the bill for electric service and will be subject to the same payment provisions.

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**TERM OF CONTRACT**

For a fixed term of not less than five (5) years and for such time thereafter until terminated by either party giving thirty (30) days prior written notice. Cancellation by Customer prior to the expiration of the initial term will require Customer to pay to Company a lump sum equal to the monthly charge times the number of months remaining on the initial term of the contract.

**TERMS AND CONDITIONS**

1. Service shall be furnished under Company's Terms and Conditions set out in this Tariff Book, except as set out herein.

2. Company may decline to install equipment and provide service thereto in locations deemed by Company as unsuitable for installation.

3. The location of each point of delivery of energy supplied hereunder shall be mutually agreed upon by Company and the Customer. Where attachment of Customer's devices and/or equipment is made to Company facilities, Customer must have an attachment agreement with Company.

4. All service and maintenance will be performed only during regular scheduled working hours of Company. Customer will be responsible for reporting outages and other operating faults.

5. Customer shall be responsible for the cost of charging station replacement or repairs where such replacement or repairs are caused from willful damage, vandalism, or causes other than normal wear and tear. Company may decline to provide or to continue service in locations where, in Company's judgment, such facilities will be subject to unusual hazards or risk of damage.

6. If Customer requests the removal of an existing charging station, including, but not limited to, poles, or other supporting facilities that were in service less than twenty (20) years, and requests T
installation of replacement facilities within five (5) years of removal, Customer agrees to pay to T
Company its cost of labor to install the replacement facilities.

7. Temporary suspension of charging station is not permitted. Upon permanent discontinuance of service, charging station and other supporting facilities solely associated with providing service under this tariff, except underground facilities and pedestals, will be removed.

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8. Electric energy furnished under Company's standard application or contract is for the use of Customer only and Customer shall not resell such energy to any other person, firm, or corporation on Customer's premises or for use on any other premises. This does not preclude Customer from allocating Company's billing to Customer to any other person, firm, or corporation provided the sum of such allocations does not exceed Company's billing.

9. Notwithstanding the provisions of 807 KAR 5:006, Section 14(4), a reasonable time shall be allowed subsequent to Customer's service application to enable Company to construct or install the facilities required for such service. In order that Company may make suitable provision for enlargement, extension or alteration of its facilities, each applicant for service shall furnish Company with realistic estimates of prospective electricity requirements.

10. Customer shall agree to permit Company to obtain specific charging station usage data directly from the Charging Station Supplier.

**MINIMUM CHARGE**

As determined by this rider and the rate schedule to which it is attached.

**DUE DATE OF BILL**

Customer's payment will be due within sixteen (16) business days (no less than twenty-two (22) calendar days) from the date of the bill.

**Standard Rate Pilot** **OSL** T

**Outdoor Sports Lighting Service** T

**APPLICABLE**

In all territory served.

**AVAILABILITY** T

Available as an optional pilot program for secondary and primary service used by a Customer for lighting specifically designed for outdoor fields which are normally used for organized competitive sports. Service under this rate schedule is limited to a maximum of twenty Customers. Company will accept Customers on a first-come-first-served basis. T

**RATE**

| | Secondary | Primary | |
|---|---|---|---|
| Basic Service Charge per day: | $ 2.96 | $ 7.89 | T/I/I |
| Plus an Energy Charge per kWh of: | $ 0.03306 | $ 0.03627 | R |
| Plus a Maximum Load Charge per kW of: | | | |
| Peak Demand Period ............................................ | $ 22.52 | $ 20.26 | I/I |
| Base Demand Period ............................................ | $ 4.89 | $ 3.46 | R |

Where:

the monthly billing demand for the Peak Demand Period is the greater of:

1. the maximum measured load in the billing period, or T
2. a minimum of 50% of the highest billing demand in the preceding eleven (11) monthly billing periods. T

the monthly billing demand for the Base Demand Period is the greater of:

1. the maximum measured load in the billing period, or T
2. the highest measured load in the preceding eleven (11) monthly billing periods, or T
3. if applicable, the contract capacity based on the maximum load expected on the system or on facilities specified by Customer. T

**ADJUSTMENT CLAUSES**

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

| | | |
|---|---|---|
| Demand-Side Management Cost Recovery Mechanism | Sheet No. 86 | T |
| Fuel Adjustment Clause | Sheet No. 85 | T |
| Off-System Sales Adjustment Clause | Sheet No. 88 | T |
| Environmental Cost Recovery Surcharge | Sheet No. 87 | D |
| Franchise Fee | Sheet No. 90 | T |
| School Tax | Sheet No. 91 | |


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**DETERMINATION OF MAXIMUM LOAD**

The load will be measured and will be the average kW demand delivered to the Customer during the 15-minute period of maximum use during the appropriate rating period each month.

**RATING PERIODS**

The rating periods applicable to the Maximum Load charges are established in Eastern Standard Time year round by season for weekdays and weekends, throughout Company's service area, and shall be as follows:

Summer peak months of May through September

| | Base | Peak |
|---|---|---|
| Weekdays | All Hours | 1 P.M. – 7 P.M. |
| Weekends | All Hours | |

All other months of October continuously through April

| | Base | Peak |
|---|---|---|
| Weekdays | All Hours | 6 A.M. – 12 Noon |
| Weekends | All Hours | |

If a legal holiday falls on a weekday, it will be considered a weekday. N

**DUE DATE OF BILL**

Customer's payment will be due within sixteen (16) business days (no less than twenty-two (22) calendar days) from the date of the bill.

**LATE PAYMENT CHARGE**

If full payment is not received by the due date of the bill, a 1% late payment charge will be assessed on the current month's charges.

**TERM OF CONTRACT**

Service will be furnished under this schedule only under contract for a fixed term of not less than one (1) year, and for yearly periods thereafter until terminated by either party giving written notice to the other party ninety (90) days prior to termination. Company, however, may require a longer fixed term of contract and termination notice because of conditions associated with the Customer's requirements for service. T

**TERMS AND CONDITIONS**

Service will be furnished under Company's Terms and Conditions applicable hereto.

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## Fuel Adjustment Clause

**APPLICABLE.**
In all territory served.

**AVAILABILITY** T
This schedule is mandatory to all electric rate schedules.

1. The charge per kWh delivered under the rate schedules to which this fuel clause is applicable shall be increased or decreased during each month in accordance with the following formula:

$$\text{Adjustment Factor} = \frac{F(m)}{S(m)} - \frac{F(b)}{S(b)}$$

   Where “F” is the expense of fossil fuel and “S” is the kWh sales in the base (b) and current (m) periods as defined in 807 KAR 5:056, all as set out below:

2. Fuel costs (F) shall be the most recent actual monthly cost of:

   a. Fossil fuel consumed in the utility’s own plants, plus the cost of fuel which would have been used in plants suffering forced generation or transmission outages, but less the cost of fuel related to substitute generation, plus

   b. The actual identifiable fossil and nuclear fuel costs associated with energy purchased for reasons other than identified in paragraph (c) below, but excluding the cost of fuel related to purchases to substitute for the forced outages, plus

   c. The net energy cost of energy purchases, exclusive of capacity or demand charges (irrespective of the designation assigned to such transaction) when such energy is purchased on an economic dispatch basis. Included therein may be such costs as the charges for economy energy purchases and the charges as a result of scheduled outages, all such kinds of energy being purchased by the buyer to substitute for its own higher cost energy; and less

   d. The cost of fossil fuel recovered through inter-system sales including the fuel costs related to economy energy sales and other energy sold on an economic dispatch basis.

   e. All fuel costs shall be based on weighted average inventory costing.

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3. Forced Outages are all non-scheduled losses of generation or transmission which require substitute power for a continuous period in excess of six (6) hours. Where forced outages are not as a result of faulty equipment, faulty manufacture, faulty design, faulty installations, faulty operation, or faulty maintenance, but are Acts of God, riot, insurrection or acts of the public enemy, then the utility may, upon proper showing, with the approval of the Commission, include the fuel cost of substitute energy in the adjustment. Until such approval is obtained, in making the calculations of fuel cost (F) in subsection (2)(a) and (b) above, the forced outage costs to be subtracted shall be no less than the fuel cost related to the lost generation.

4. Sales (S) shall be all kWh sold, excluding inter-system sales. Where, for any reason, billed system sales cannot be coordinated with fuel costs for the billing period, sales may be equated to the sum of (i) generation, (ii) purchases, (iii) interchange in, less (iv) energy associated with pumped storage operations, less (v) inter-system sales referred to in subsection (2)(d) above, less (vi) total system losses. Utility used energy shall not be excluded in the determination of sales (S).

5. The cost of fossil fuel shall include no items other than the invoice price of fuel less any cash or other discounts. The invoice price of fuel includes the cost of the fuel itself and necessary charges for transportation of the fuel from the point of acquisition to the unloading point, as listed in Account 151 of FERC Uniform System of Accounts for Public Utilities and Licensees.

6. Base (b) period shall be April 2016 and the base fuel factor is $0.02428 per kWh.

7. Current (m) period shall be the second month preceding the month in which the Fuel Clause Adjustment Factor is billed.

**Demand-Side Management Cost Recovery Mechanism**

**APPLICABLE**

In all territory served.

**AVAILABILITY OF SERVICE**

This schedule is mandatory to Residential Service Rate RS, Residential Time-of-Day Energy Service Rate RTOD-Energy, Residential Time of Day Demand Service Rate RTOD-Demand, Volunteer Fire Department Service Rate VFD, General Service Rate GS, Power Service Rate PS, Time-of-Day Secondary Service Rate TODS, Time-of-Day Primary Service Rate TODP, Retail Transmission Service Rate RTS, and Outdoor Sports Lighting Service Rate OSL. T
Industrial customers who elect not to participate in a demand-side management program hereunder shall not be assessed a charge pursuant to this mechanism. For purposes of rate application hereunder, non-residential customers will be considered "industrial" if they are primarily engaged in a process or processes that create or change raw or unfinished materials into another form or product, and/or in accordance with the North American Industry Classification System, Sections 21, 22, 31, 32, and 33. All other non-residential customers will be defined as "commercial."

**RATE**

The monthly amount computed under each of the rate schedules to which this Demand-Side Management Cost Recovery Mechanism is applicable shall be increased or decreased by the DSM Cost Recovery Component (DSMRC) at a rate per kilowatt hour of monthly consumption in accordance with the following formula:

**DSMRC = DCR + DRLS + DSMI + DBA + DCCR**

Where:

**DCR = DSM COST RECOVERY**

The DCR shall include all expected costs that have been approved by the Commission for each twelve-month period for demand-side management programs that have been developed through a collaborative advisory process ("approved programs"). Such program costs shall include the cost of planning, developing, implementing, monitoring, and evaluating DSM programs. Program costs will be assigned for recovery purposes to the rate classes whose customers are directly participating in the program. In addition, all costs incurred by or on behalf of the collaborative process, including but not limited to costs for consultants, employees, and administrative expenses, will be recovered through the DCR. Administrative costs that are allocable to more than one rate class will be recovered from those classes and allocated by rate class on the basis of the estimated budget from each program. The cost of approved programs shall be divided by the expected kilowatt-hour sales for the upcoming twelve-month period to determine the DCR for each such rate class.

**DRLS = DSM REVENUE FROM LOST SALES**

Revenues from lost sales due to DSM programs implemented on and after the effective date of this tariff will be recovered as follows:

**RATE** (continued)

1) For each upcoming twelve-month period, the estimated reduction in customer usage (in kWh) as determined for the approved programs shall be multiplied by the non-variable revenue requirement per kWh for purposes of determining the lost revenue to be recovered hereunder from each customer class. The non-variable revenue requirement for the Residential, Residential Time-of-Day Energy Service, Volunteer Fire Department, and General Service customer classes is defined as the weighted average price per kWh of expected billings under the energy charges contained in the RS, RTOD-Energy, VFD, and GS rate schedules in the upcoming twelve-month period after deducting the variable costs included in such energy charges. The non-variable revenue requirement for each of the customer classes that are billed under demand and energy rates (rate schedules RTOD-Demand, PS, TODS, TODP, RTS, and OSL) T is defined as the weighted average price per kWh represented by the composite of the expected billings under the respective demand and energy charges in the upcoming twelve-month period, after deducting the variable costs included in the energy charges.

2) The lost revenues for each customer class shall then be divided by the estimated class sales (in kWh) for the upcoming twelve-month period to determine the applicable DRLS surcharge. Recovery of revenue from lost sales calculated for a twelve-month period shall be included in the DRLS for thirty-six (36) months or until implementation of new rates pursuant to a general rate case, whichever comes first. Revenues from lost sales will be assigned for recovery purposes to the rate classes whose programs resulted in the lost sales.

Revenues collected hereunder are based on engineering estimates of energy savings, expected program participation, and estimated sales for the upcoming twelve-month period. At the end of each such period, any difference between the lost revenues actually collected hereunder and the lost revenues determined after any revisions of the engineering estimates and actual program participation are accounted for shall be reconciled in future billings under the DSM Balance Adjustment (DBA) component.

A program evaluation vendor will be selected to provide evaluation criteria against which energy savings will be estimated for that program. Each program will be evaluated after implementation and any revision of the original engineering estimates will be reflected in both (a) the retroactive true-up provided for under the DSM Balance Adjustment and (b) the prospective future lost revenues collected hereunder.

**DSMI = DSM INCENTIVE**

For all Energy Impact Programs except Direct Load Control, the DSM incentive amount shall be computed by multiplying the net resource savings expected from the approved programs that are to be installed during the upcoming twelve-month period times fifteen (15) percent, not to exceed five (5) percent of program expenditures. Net resource savings are defined as program benefits less utility program costs and participant costs where program benefits will be calculated on the basis of the present value of Company's avoided costs over the expected life of the program, and will include both capacity and energy savings. For the Energy Education Program, the DSM incentive amount shall be computed by multiplying the annual cost of the approved program times five (5) percent.

The DSM incentive amount related to programs for Residential Service Rate RS, Residential Time-of-Day Energy Service Rate RTOD-Energy, Residential Time-of-Day Demand Service Rate RTOD-Demand, Volunteer Fire Department Service Rate VFD, General Service Rate GS, Power Service Rate PS, Time-of-Day Secondary Service Rate TODS, Time-of-Day Primary Service Rate TODP, Retail Transmission Service Rate RTS, and Outdoor Sports T
Lighting Service Rate OSL shall be divided by the expected kilowatt-hour sales for the T
upcoming twelve-month period to determine the DSMI for such rate class. DSM incentive amounts will be assigned for recovery purposes to the rate classes whose programs created the incentive.

**DBA = DSM BALANCE ADJUSTMENT**

The DBA shall be calculated on a calendar-year basis and is used to reconcile the difference between the amount of revenues actually billed through the DCR, DRLS, DSMI, DCCR, and previous application of the DBA and the revenues that should have been billed, as follows:

1) For the DCR, the balance adjustment amount will be the difference between the amount billed in a twelve-month period from the application of the DCR unit charge and the actual cost of the approved programs during the same twelve-month period.
2) For the DRLS the balance adjustment amount will be the difference between the amount billed during the twelve-month period from application of the DRLS unit charge and the amount of lost revenues determined for the actual DSM measures implemented during the twelve-month period.
3) For the DSMI, the balance adjustment amount will be the difference between the amount billed during the twelve-month period from application of the DSMI unit charge and the incentive amount determined for the actual DSM measures implemented during the twelve-month period.
4) For the DBA, the balance adjustment amount will be the difference between the amount billed during the twelve-month period from application of the DBA and the balance adjustment amount established for the same twelve-month period.

The balance adjustment amounts determined on the basis of the above paragraphs (1)-(4) shall include interest applied to the monthly amounts, such interest to be calculated at a rate equal to the average of the “Three-Month Commercial Paper Rate” for the immediately preceding twelve-month period. The total of the balance adjustment amounts shall be divided by the expected kilowatt-hour sales for the upcoming twelve-month period to determine the DBA for such rate class. DSM balance adjustment amounts will be assigned for recovery purposes to the rate classes for which over- or under-recoveries of DSM amounts were realized.

**DCCR = DSM CAPITAL COST RECOVERY**

The DCCR component is the means by which the Company recovers its capital investments made for DSM programs, as well as an approved rate of return on such capital investments. The Company calculates the DCCR component as follows:

$$DCCR = [(RB)\ (ROR + (ROR - DR)\ (TR\ /\ (1 - TR))] + OE$$

a. RB is the total rate base for DCCR projects.
b. ROR is the overall rate of return on DSM Rate Base (RB).
c. DR is the composite debt rate (i.e., the cost of short- and long-term debt) embedded in ROR.
d. TR is the composite federal and state income tax rate that applies to the equity return component of ROR.
e. OE is the sum of the capital-related operating expenses (i.e., depreciation and amortization expense, property taxes, and insurance expense) of the DSM projects to which DCCR applies.

The Company then allocates the DCCR component to the rate class(es) benefitting from the Company’s various DSM-related capital investment(s).

**CHANGES TO DSMRC**

Modifications to components of the DSMRC shall be made at least thirty (30) days prior to the effective period for billing. Each filing shall include the following information as applicable:

1. A detailed description of each DSM program developed by the collaborative process, the total cost of each program over the twelve-month period, an analysis of expected resource savings, information concerning the specific DSM or efficiency measures to be installed, and any applicable studies that have been performed, as available.
2. A statement setting forth the detailed calculation of the DCR, DRLS, DSMI, DBA, DCCR, and DSMRC.

Each change in the DSMRC shall be placed into effect with bills rendered on and after the effective date of such change.

## PROGRAMMATIC CUSTOMER CHARGES

### Residential Customer Program Participation Incentives:

The following Demand Side Management programs are available to residential customers receiving service from the Company on the RS, RTOD-Energy, RTOD-Demand, and VFD Standard Electric Rate Schedules.

#### Residential Load Management / Demand Conservation

The Residential Load Management / Demand Conservation Program employs switches in homes to help reduce the demand for electricity during peak times. The program communicates with the switches to cycle central air conditioning units, heat pumps, electric water heaters, and pool pumps off and on through a predetermined sequence. This program has an approved flexible incentive structure. The current program offering is defined on Sheet No 86.8.

#### Residential Conservation / Home Energy Performance Program

The on-site audit offers a comprehensive audit from a certified auditor and incentives for residential customers to support the implementation of energy saving measures for a fee of $25. For on-site audits conducted prior to April 1, 2018, customers are eligible for incentives of $150 or $1,000 based on customer purchased and installed energy efficiency measures and validated through a follow-up test. The follow-up test must be scheduled by September 1, 2018. No follow-up tests or incentives will be available related to on-site audits conducted on or after April 1, 2018.

#### Residential Low Income Weatherization Program (WeCare)

The Residential Low Income Weatherization Program (WeCare) is an education and weatherization program designed to reduce energy consumption of LG&E's low-income customers. The program provides energy audits, energy education, and blower door tests, and installs weatherization and energy conservation measures. Qualified customers could receive energy conservation measures ranging from $0 to $2,100 based upon the customer's most recent twelve-month energy usage and results of an energy audit.

#### Smart Energy Profile

The Smart Energy Profile Program provides a portion of LG&E's highest consuming residential customers with a customized report of tips, tools and energy efficiency programming recommendations based on individual household energy consumption. These reports are benchmarked against similar local properties. The report will help the customer understand and make better informed choices as it relates to energy usage and the associated costs. Information presented in the report will include a comparison of the customer's energy usage to that of similar houses (collectively) and a comparison to the customer's own energy usage in the prior year. The Company will cease offering this program effective April 1, 2018.

**Residential Incentives Program**

The Residential Incentives Program encourages customers to purchase and install various ENERGY STAR® appliances, HVAC equipment, or window films that meet certain requirements, qualifying them for an incentive as noted in the table below. The Company will cease offering this program effective April 1, 2018. All incentives will go to $0 at that time. A customer desiring an incentive must purchase a qualified item and request an application from the Company prior to April 1, 2018. All incentive applications, including proofs of purchase, must be received by September 1, 2018.

| Category | Item | Incentive |
|---|---|---|
| Appliances | Heat Pump Water Heaters (HPWH) | $300 per qualifying item purchased |
| | Washing Machine | $75 per qualifying item purchased |
| | Refrigerator | $100 per qualifying item purchased |
| | Freezer | $50 per qualifying item purchased |
| | Dishwasher | $50 per qualifying item purchased |
| Window Film | Window Film | Up to 50% of materials cost only; max of $200 per customer account; product must meet applicable criteria. |
| HVAC | Central Air Conditioner | $100 per Energy Star item purchased plus an additional $100 per SEER improvement above minimum |
| | Electric Air-Source Heat Pump | $100 per Energy Star item purchased plus additional $100 per SEER improvement above minimum |

**Residential Refrigerator Removal Program**

The Residential Refrigerator Removal Program is designed to provide removal and recycling of working, inefficient secondary refrigerators and freezers from LG&E customer households. Customers participating in this program will be provided a one-time incentive. This program has an approved flexible incentive structure. The current program offering is defined on Sheet No 86.8.

**Customer Education and Public Information**

This program helps customers make sound energy-use decisions, increase control over energy bills and empower them to actively manage their energy usage. Customer Education and Public Information is accomplished through three processes: a mass-media campaign, an elementary- and middle-school program, and training for home construction professionals. The mass media campaign includes public-service advertisements that encourage customers to implement steps to reduce their energy usage. The elementary and middle school program provides professional development and innovative materials to K-8 schools to teach concepts such as basic energy and energy efficiency concepts. The training for home construction professionals provides education about new building codes, standards and energy efficient construction practices which support high performance residential construction.

**Residential Advanced Metering Systems Incentives:**
The following Demand Side Management offering is available to residential customers receiving service from the Company on the RS Rate Schedule.

**Advanced Metering Systems**
The Advanced Metering Systems offering is designed to provide energy consumption data to customers on a more frequent basis than is traditionally available through monthly billing. The Program employs advanced meters to communicate hourly consumption data to customers through a website.

**Commercial Customer Program Participation Incentives:**
The following Demand Side Management programs are available to commercial customers receiving service from the Company on the GS, PS, TODS, TODP, RTS, and OSL Standard Electric Rate Schedules. T

**Commercial Load Management / Demand Conservation**
The Commercial Load Management / Demand Conservation Program employs switches or interfaces to customer equipment in small and large commercial businesses to help reduce the demand for electricity during peak times. The Program communicates with the switches or interface to cycle equipment. This program has an approved flexible incentive structure. The current program offering is defined on Sheet No. 86.9.

**Commercial Conservation / Commercial Incentives**
The Commercial Conservation / Commercial Incentive Program is designed to increase the implementation of energy efficiency measures by providing financial incentives to assist with the replacement of aging and less efficient equipment and for new construction built beyond code requirements. The Program also offers an online tool providing recommendations for energy-efficiency improvements. Incentives available to all commercial customers are based upon a $100 per kW removed for calculated efficiency improvements completed by March 31, 2018. Effective April 1, 2018, the incentives will be based upon a $0.03 per kWh of energy saved for calculated efficiency improvements. A prescriptive list provides customers with incentive values for various efficiency improvement projects. Additionally, a custom rebate is available based upon company engineering validation of sustainable energy savings. New construction rebates are available on savings over code plus bonus rebates for LEED certification.

- Maximum annual incentive per facility is $50,000
- Customers can receive multi-year incentives in a single year where such multi-year incentives do not exceed the aggregate of $100,000 per facility and no incentive was provided in the immediately preceding year
- Applicable for combined Prescriptive, Custom, and New Construction Rebates

**Customer Education and Public Information**
This program helps customers make sound energy-use decisions, increase control over energy bills and empower them to actively manage their energy usage. Customer Education and Public Information is accomplished through three processes: a mass-media campaign and an elementary- and middle-school program, and training for home construction professionals. The mass media campaign includes public-service advertisements that encourage customers to implement steps to reduce their energy usage. The elementary and middle school program provides professional development and innovative materials to K-8 schools to teach concepts such as basic energy and energy efficiency concepts. The training for home construction professionals provides education about new building codes, standards and energy efficient construction practices which support high performance residential construction.

**School Energy Management Program**
The School Energy Management program will facilitate the hiring and retention of qualified, trained energy specialists by public school districts to support facilitation of energy efficiency measures for public and independent schools under KRS 160.325.

**Commercial Advanced Metering Systems Incentives:**
The following Demand Side Management offering is available to residential customers receiving service from the Company on the GS Rate Schedule.

**Advanced Metering Systems**
The Advanced Metering Systems offering is designed to provide energy consumption data to customers on a more frequent basis than is traditionally available through monthly billing. The Program employs advanced meters to communicate hourly consumption data to customers through a website.

**Current Program Incentive Structures**

**Residential Load Management / Demand Conservation**
**Switch Option:**
- $3/month bill credit for June, July, August, and September per air conditioning unit or heat pump on single family home.
- $2/month bill credit for June, July, August, and September per electric water heater (40 gallon minimum) or swimming pool pump on single family home.

**Multi-family Option:**
- Tenant - $2/month bill credit per customer for June, July, August, and September per air conditioning unit or heat pump.

**Residential Refrigerator Removal Program**
The program provides $50 per working refrigerator or freezer.

### Commercial Load Management / Demand Conservation

**Switch Option**

- $3 per month bill credit for June, July, August, and September for air conditioning units up to 5 tons.

**Customer Equipment Interface Option**

The Company will offer a Load Management / Demand Response program tailored to a commercial customer's ability to reduce load. Program participants must commit to a minimum of 50 kW demand reduction per control event.

- $15 per kW for verified load reduction during June, July, August, and September.
- The customer will have access to at least hourly load data for every month of the year which they remain enrolled in the program.
- Additional customer charges may be incurred for metering equipment necessary for this program at costs under other tariffs.

# Louisville Gas and Electric Company



**Adjustment Clause** **DSM**

**Demand-Side Management Cost Recovery Mechanism**

**Monthly Adjustment Factors**

| Residential Service Rate RS, Residential Time-of-Day Energy Service Rate RTOD-Energy, Residential Time-of-Day Demand Service Rate RTOD-Demand and Volunteer Fire Department Service Rate VFD | Energy Charge | |
|---|---|---|
| DSM Cost Recovery Component (DCR) | $ 0.00131 per kWh | |
| DSM Revenues from Lost Sales (DRLS) | $ 0.00013 per kWh | |
| DSM Incentive (DSMI) | $ 0.00001 per kWh | |
| DSM Capital Cost Recovery Component (DCCR) | $ 0.00102 per kWh | |
| DSM Balance Adjustment (DBA) | $ 0.00007 per kWh | |
| Total DSMRC for Rates RS, RTOD-Energy, RTOD-Demand, and VFD | $ 0.00254 per kWh | |

| General Service Rate GS* | Energy Charge | |
|---|---|---|
| DSM Cost Recovery Component (DCR) | $ 0.00090 per kWh | |
| DSM Revenues from Lost Sales (DRLS) | $ 0.00034 per kWh | |
| DSM Incentive (DSMI) | $ 0.00001 per kWh | |
| DSM Capital Cost Recovery Component (DCCR) | $ 0.00015 per kWh | |
| DSM Balance Adjustment (DBA) | $ 0.00009 per kWh | |
| Total DSMRC for Rate GS | $ 0.00149 per kWh | |

| Power Service Rate PS* | Energy Charge | T |
|---|---|---|
| DSM Cost Recovery Component (DCR) | $ 0.00036 per kWh | |
| DSM Revenues from Lost Sales (DRLS) | $ 0.00014 per kWh | |
| DSM Incentive (DSMI) | $ 0.00000 per kWh | |
| DSM Capital Cost Recovery Component (DCCR) | $ 0.00031 per kWh | |
| DSM Balance Adjustment (DBA) | $ (0.00012) per kWh | |
| Total DSMRC for Rates PS | $ 0.00069 per kWh | T |

| Time-of-Day Secondary Service Rate TODS*, Time-of-Day Primary Service Rate TODP*, Retail Transmission Service Rate RTS*, and Outdoor Sports Lighting Service Rate OSL | Energy Charge | T T |
|---|---|---|
| DSM Cost Recovery Component (DCR) | $ 0.00014 per kWh | |
| DSM Revenues from Lost Sales (DRLS) | $ 0.00004 per kWh | |
| DSM Incentive (DSMI) | $ 0.00000 per kWh | |
| DSM Capital Cost Recovery Component (DCCR) | $ 0.00003 per kWh | |
| DSM Balance Adjustment (DBA) | $ (0.00006) per kWh | |
| Total DSMRC for Rates TODS, TODP, RTS, and OSL | $ 0.00015 per kWh | T |

* These charges do not apply to industrial customers taking service under these rates because the Company currently does not offer industrial DSM programs.

**DATE OF ISSUE**: September 28, 2018

**DATE EFFECTIVE:** With Service Rendered
On and After November 1, 2018

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00295 dated ____**

**Adjustment Clause** **ECR**

**Environmental Cost Recovery Surcharge**

**APPLICABLE**

In all territory served.

**AVAILABILITY** T

This schedule is mandatory to all rate schedules listed in Section 1 of the General Index except Rate PSA and Special Charges, all Pilot Programs listed in Section 3 of the General Index, and the FAC (including OSS) and DSM Adjustment Clauses. Rate schedules subject to this adjustment clause are divided into Group 1 or Group 2 as follows: T T T T

Group 1: Rates RS; RTOD-Energy; RTOD-Demand; VFD; LS; RLS; LE; and TE. T
Group 2: Rates GS; PS; TODS; TODP; RTS; FLS; EVSE; EVC; and OSL. T

**RATE**

The monthly billing amount under each of the schedules to which this mechanism is applicable, shall be increased or decreased by a percentage factor calculated in accordance with the following formula.

Group Environmental Surcharge Billing Factor = Group E(m) / Group R(m)

As set forth below, Group E(m) is the sum of Jurisdictional E(m) of each approved environmental compliance plan revenue requirement of environmental compliance costs for the current expense month allocated to each of Group 1 and Group 2. Group R(m) for Group 1 is the twelve (12) month average revenue for the current expense month and for Group 2 it is the twelve (12) month average non-fuel revenue for the current expense month. T T

**DEFINITIONS**

1. For all Plans, E(m) = [(RB/12) (ROR + (ROR – DR) (TR / (1 – TR))] + OE – EAS + BR
   a. RB is the Total Environmental Compliance Rate Base.
   b. ROR is the Rate of Return on Environmental Compliance Rate Base, designated as the overall rate of return [cost of short-term debt, long-term debt, preferred stock, and common equity].
   c. DR is the Debt Rate [cost of short-term debt and long-term debt].
   d. TR is the Composite Federal and State Income Tax Rate.
   e. OE is the Operating Expenses. OE includes operation and maintenance expense recovery authorized by the K.P.S.C. in all approved ECR Plan proceedings.
   f. EAS is the total proceeds from emission allowance sales.
   g. BR is the operation and maintenance expenses, and/or revenues if applicable, associated with Beneficial Reuse.
   h. Plans are the environmental surcharge compliance plans submitted to and approved by the Kentucky Public Service Commission pursuant to KRS 278.183.

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**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the**
**Public Service Commission in Case No.**
**2018-00295 dated ____**

**DEFINITIONS (continued)**

2. Total E(m) (sum of each approved environmental compliance plan revenue requirement) is multiplied by the Jurisdictional Allocation Factor. Jurisdictional E(m) is adjusted for any (Over)/Under collection or prior period adjustment and by the subtraction of the Revenue Collected through Base Rates for the Current Expense month to arrive at Adjusted Net Jurisdictional E(m). Adjusted Net Jurisdictional E(m) is allocated to Group 1 and Group 2 on the basis of Revenue as a Percentage of Total Revenue for the twelve (12) months ending with the Current Month to arrive at Group 1 E(m) and Group 2 E(m). T

3. The Group 1 R(m) is the average of total Group 1 monthly base revenue for the twelve (12) months ending with the current expense month. Base revenue includes Customer, energy, and lighting charges for each rate schedule included in Group 1 to which this mechanism is applicable and automatic adjustment clause revenues for the Fuel Adjustment Clause and the Demand-Side Management Cost Recovery Mechanism as applicable for each rate schedule in Group 1. T T

4. The Group 2 R(m) is the average of total Group 2 monthly base non-fuel revenue for the twelve (12) months ending with the current expense month. Base non-fuel revenue includes Customer, non-fuel energy, and demand charges for each rate schedule included in Group 2 to which this mechanism is applicable and automatic adjustment clause revenues for the Demand-Side Management Cost Recovery Mechanism as applicable for each rate schedule in Group 2. Non-fuel energy is equal to the tariff energy rate for each rate schedule included in Group 2 less the base fuel factor as defined on Sheet No. 85.1, Paragraph 6. T T T

5. Current expense month (m) shall be the second month preceding the month in which the Environmental Surcharge is billed.

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**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00295 dated ____**

**Off-System Sales Adjustment Clause**

**APPLICABLE.**
In all territory served.

**AVAILABILITY** T
Mandatory to all electric rate schedules that are subject to Adjustment Clause FAC. T

**RATE**

The monthly OSS Adjustment Factor per kWh delivered under each of the schedules to which this mechanism is applicable shall be calculated in accordance with the following formula:

OSS Adjustment Factor = 0.75 x [(P(m) / S(m)]

Where "P" is the net eligible margins from off-system power sales and "S" is the kWh sales in the current period (m) as defined in 807 KAR 5:056. The OSS Adjustment Factor will be applied as set out below.

1. The monthly OSS Adjustment Factor will be combined with the monthly FAC factor and billed as one.

2. Current expense month (m) shall be the second month preceding the month in which the combined FAC and OSS factor is billed.

3. The combined monthly FAC and OSS factor shall be filed with the Commission ten (10) days before it is scheduled to go into effect, along with all the necessary supporting data to justify the amount of the adjustments, which shall include data and information as may be required by the Commission.


**DATE OF ISSUE**: September 28, 2018

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On and After November 1, 2018

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00295 dated ____**

**Adjustment Clause** **FF**

**Franchise Fee** T

**APPLICABLE**

In all territory served.

**AVAILABILITY** T

Available as an option for collection of revenues within governmental jurisdictions which impose on Company franchise fees, permitting fees, local taxes or other charges by ordinance, franchise, or other governmental directive and not otherwise collected in the charges of Company's rate schedules. T

D

**BILLING**

a. The franchise charge will be applied exclusively to the base rate and all riders of bills of customers receiving service within the franchising governmental jurisdiction, before taxes. T
b. The franchise charge will appear as a separate line item on the Customer's bill and show the unit of government requiring the franchise. T
c. Payment of the collected franchise charges will be made to the governmental franchising body as agreed to in the franchise agreement. T
d. At its option, a government body imposing a franchise fee shall not be billed for that portion of a franchise fee, applied to services designated by the governmental body that would ultimately be repaid to the governmental body. T/N N N

**TERM OF CONTRACT**

As agreed to in the franchise agreement. Company will not calculate or collect any such fees, taxes, or charges pursuant to expired, lapsed, or otherwise invalid, ineffective or inapplicable ordinances, franchise agreements, or other governmental enactment. T T T

**Adjustment Clause** **ST**

**School Tax**

**APPLICABLE**

In all territory served.

**AVAILABILITY OF SERVICE**

This schedule is applied as a rate increase to all other schedules pursuant to KRS 160.617 for the recovery by the utility of school taxes in any county requiring a utility gross receipts license tax for schools under KRS 160.613.

**RATE**

The utility gross receipts license tax authorized under state law.

**Adjustment Clause** **HEA**

**Home Energy Assistance Program**

**APPLICABLE**

In all territory served.

**AVAILABILITY**

To all residential Customers.

**RATE**

$0.25 per month.

**BILLING**

The HEA charge shall be shown as a separate item on Customer bills.

**PURPOSE**

Proceeds from this charge will be used to fund residential low-income Home Energy Assistance T
programs which have been designed through a collaborative advisory process and approved by T
the Commission.

**Terms and Conditions**
**Customer Bill of Rights**

As a residential Customer of a regulated public utility in Kentucky, you are guaranteed the following rights subject to Kentucky Revised Statutes and the provisions of the Kentucky Public Service Commission Administrative Regulations:

- You have the right to service, provided you (or a member of your household whose debt was accumulated at your address) are not indebted to the utility.
- You have the right to inspect and review the utility's rates and tariffed operating procedures during the utility's normal office hours.
- You have the right to be present at any routine utility inspection of your service conditions.
- You must be provided a separate, distinct disconnect notice alerting you to a possible disconnection of your service, if payment is not received.
- You have the right to dispute the reasons for any announced termination of your service.
- You have the right to negotiate a partial payment plan when your service is threatened by disconnection for non-payment.
- You have the right to participate in equal, budget payment plans for your natural gas and electric service, unless any rate or rider under which you take service explicitly states otherwise.
- You have the right to maintain your utility service for up to thirty (30) days upon presentation of a medical certificate issued by a health official.
- You have the right to prompt (within 24 hours) restoration of your service when the cause for discontinuance has been corrected.
- If you have not been disconnected, you have the right to maintain your natural gas and electric service for up to thirty (30) days, provided you present a Certificate of Need issued by the Kentucky Cabinet for Human Resources between the months of November and the end of March.
- If you have been disconnected due to non-payment, you have the right to have your natural gas or electric service reconnected between the months of November through March provided you:
  1) Present a Certificate of Need issued by the Kentucky Cabinet for Human Resources, and
  2) Pay one third (1/3) of your outstanding bill ($200 maximum), and
  3) Accept referral to the Human Resources' Weatherization Program, and
  4) Agree to a repayment schedule that will cause your bill to become current by October 15.
- You have the right to contact the Public Service Commission regarding any dispute that you have been unable to resolve with your utility (call Toll Free 1-800-772-4636).

**Terms and Conditions**
**General**

**COMMISSION RULES AND REGULATIONS**

All electric service supplied by Company shall be in accordance with the applicable rules and regulations of the Kentucky Public Service Commission.

**COMPANY TERMS AND CONDITIONS.**

In addition to the rules and regulations of the Commission, all electric service supplied by Company shall be in accordance with these Terms and Conditions to the extent that such Terms and Conditions are not in conflict, nor inconsistent, with the specific provisions in each rate schedule, and which shall constitute a part of all applications and contracts for service.

**COMPANY AS A FEDERAL CONTRACTOR**

The United Nations Convention on Contracts for the International Sale of Goods is specifically disclaimed and excluded and will not apply to or govern agreements between Customers and Company.

To the extent Company is a federal contractor, Company and its subcontractors shall abide by the requirements of 41 CFR 60-741.5(a). This regulation prohibits discrimination against qualified individuals on the basis of disability, and requires affirmative action by covered prime contractors and subcontractors to employ and advance in employment qualified individuals with disabilities.

To the extent Company is a federal contractor, Company and its subcontractors shall abide by the requirements of 41 CFR 60-300.5(a). This regulation prohibits discrimination against qualified protected veterans, and requires affirmative action by covered prime contractors and subcontractors to employ and advance in employment qualified protected veterans.

**RATES, TERMS AND CONDITIONS ON FILE**

A copy of the rate schedules, terms, and conditions under which electric service is supplied is on file with the Kentucky Public Service Commission. A copy of such rate schedules, terms and conditions, together with the law, rules, and regulations of the Commission, is available for public inspection in each office of Company where bills may be paid.

**CUSTOMER GENERATION**

All existing and future installations of equipment for the purpose of electric generation that is intended to run in parallel with utility service, regardless of the length of parallel operation, shall be reported by the Customer (or the Customer's Representative) to the Company in conjunction with the "Notice to Company of Changes in Customer's Load" set out in the Customer Responsibilities section of the Terms and Conditions of the Company's Tariff.

**ASSIGNMENT**

No order for service, agreement or contract for service may be assigned or transferred without the written consent of Company.

**Terms and Conditions**
**General**

**RENEWAL OF CONTRACT**

If, upon the expiration of any service contract for a specified term, Customer continues to use the service, the contract (unless otherwise provided therein) will be automatically renewed for successive periods of one (1) year each, subject to termination at the end of any year upon thirty (30) days prior written notice by either party.

**AGENTS CANNOT MODIFY AGREEMENT WITHOUT CONSENT OF P.S.C. OF KY.**

No agent has power to amend, modify, alter, or waive any of these Terms and Conditions, or to bind Company by making any promises or representations not contained herein.

**SUPERSEDE PREVIOUS TERMS AND CONDITIONS**

These Terms and Conditions supersede all terms and conditions under which Company has previously supplied electric service.

**DATE OF ISSUE**: September 28, 2018

**DATE EFFECTIVE:** With Service Rendered
On and After July 1, 2015

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2014-00372 dated June 30, 2015**

Terms and Conditions
Customer Responsibilities

**APPLICATION FOR SERVICE**

A written, in-person, electronic, or oral application or contract, properly executed, will be required before Company is obligated to render electric service. Company may require any party applying for service to provide some or all of the following information for the party desiring service: full legal name, address, full Social Security Number or other taxpayer identification number, date of birth (if applicable), relationship of the applying party to the party desiring service, and any other information Company deems necessary for legal, business, or debt-collection purposes. Company shall have the right to reject for valid reasons any such application or contract, including the applying party's refusal to provide requested information.

All applications for service shall be made in the legal name of the party desiring the service.

Where an unusual expenditure for construction or equipment is necessary or where the proposed manner of using electric service is clearly outside the scope of Company's rate schedules, T
Company may establish special contracts giving effect to such unusual circumstances. Customer accepts that non-standard service may result in the delay of required maintenance or, in the case of outages, restoration of service.

**TRANSFER OF APPLICATION**

Applications for electric service are not transferable and new occupants of premises will be required to make application for service before commencing the use of electricity. Customers who have been receiving electric service shall notify Company when discontinuance of service is desired, and shall pay for all electric service furnished until such notice has been given and final meter readings made by Company.

**CONTRACTED DEMANDS**

For rate applications where billing demand minimums are determined by the Contract Demand Customer shall execute written Contract prior to rendering of service. At Company's sole discretion, in lieu of a written contract, a completed load data sheet or other written load specification, as provided by Customer, can be used to determine the maximum load on Company's system for determining Contract Demand minimum.

If Company or Customer terminates Customer's service under a rate schedule that contains demand charges and Customer subsequently applies to Company to reestablish service to the same premise or facility, Company must determine monthly billing demand for the reestablished service as though Customer had continuously taken service from the time of service termination through the reestablishing of service to Customer. For the purpose of determining the monthly billing demand described in the preceding sentence, the demand to be used for the period during which Customer did not take service from Company shall be the actually recorded demand, if any, for the premise or facility during that period. The preceding two sentences will not apply if Company determines, in its sole discretion, that material changes to Customer's facilities, processes, or practices justify establishing a new Contract Demand for the reestablished service.

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On and After November 1, 2018

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00295 dated ____**

**Terms and Conditions**
**Customer Responsibilities**

**OPTIONAL RATES**

If two or more rate schedules are available for the same class of service, it is Customer's responsibility to determine the options available and to designate the schedule under which Customer desires to receive service.

Company will, at any time, upon request, advise any Customer as to the most advantageous rate for existing or anticipated service requirements as defined by Customer, but Company does not assume responsibility for the selection of such rate or for the continuance of the lowest annual cost under the rate selected.

In those cases in which the most favorable rate is difficult to predetermine, Customer will be given the opportunity to change to another schedule, unless otherwise prevented by the rate schedule under which Customer is currently served, after trial of the schedule originally designated; however, after the first such change, Company shall not be required to make a change in schedule more often than once in twelve months.

From time to time, Customer should investigate Customer's operating conditions to determine a desirable change from one available rate to another. Company, lacking knowledge of changes that may occur at any time in Customer's operating conditions, does not assume responsibility that Customer will at all times be served under the most beneficial rate.

In no event will Company make refunds covering the difference between the charges under the rate in effect and those under any other rate applicable to the same class of service.

**CUSTOMER'S EQUIPMENT AND INSTALLATION**

Customer shall furnish, install and maintain at Customer's expense all electrical apparatus and wiring to connect with Company's service drop or service line. All such apparatus and wiring shall be installed and maintained in conformity with applicable statutes, laws or ordinances and with the rules and regulations of the constituted authorities having jurisdiction. Customer shall not install wiring or connect and use any motor or other electricity-using device which in the opinion of Company is detrimental to its electric system or to the service of other Customers of Company. Company assumes no responsibility whatsoever for the condition of Customer's electrical wiring, apparatus, or appliances, nor for the maintenance or removal of any portion thereof.

In the event Customer builds or extends its own transmission or distribution system over property Customer owns, controls, or has rights to, and said system extends or may extend into the service territory of another utility company, Customer will notify Company of their intention in advance of the commencement of construction.

**OWNER'S CONSENT TO OCCUPY**

Customer shall grant easements and rights-of-way on and across Customer's property at no cost to Company.

**DATE OF ISSUE**: September 28, 2018

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State Regulation and Rates
Louisville, Kentucky

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**Public Service Commission in Case No.**
**2016-00371 dated June 22, 2017 and modified June 29, 2017**

**Terms and Conditions**
**Customer Responsibilities**

**ACCESS TO PREMISES AND EQUIPMENT**

Company shall have the right of access to Customer's premises at all reasonable times for the purpose of installing, meter reading, inspecting, repairing, or removing its equipment used in connection with its supply of electric service or for the purpose of turning on and shutting off the supply of electricity when necessary and for all other proper purposes. Customer shall not construct or permit the construction of any structure or device which will restrict the access of Company to its equipment for any of the above purposes.

**PROTECTION OF COMPANY'S PROPERTY**

Customers will be held responsible for tampering, interfering with, breaking of seals of meters, or other equipment of Company installed on Customer's premises, and will be held liable for same according to law. Customer hereby agrees that no one except the employees of Company shall be allowed to make any internal or external adjustments of any meter or any other piece of apparatus which shall be the property of Company.

**POWER FACTOR**

Company installs facilities to supply power to its customers at or near unity power factor.

Company expects any customer to use apparatus which shall result in a power factor near unity However, Company will permit the use of apparatus which shall result, during normal operation, in a power factor not lower than 90 percent either lagging or leading.

Where Customer's power factor is less than 90 percent, Company reserves the right to require Customer to furnish, at Customer's own expense, suitable corrective equipment to maintain a power factor of 90 percent or higher. T

**EXCLUSIVE SERVICE ON INSTALLATION CONNECTED**

Except in cases where Customer has contracted with Company for reserve or auxiliary service, no other electric light or power service will be used by Customer on the same installation in conjunction with Company's service, either by means of a throw-over switch or any other connection.

**LIABILITY**

Customer assumes all responsibility for the electric service upon Customer's premises at and from the point of delivery of electricity and for the wires and equipment used in connection therewith, and will protect and save Company harmless from all claims for injury or damage to persons or property occurring on Customer's premises or at and from the point of delivery of electricity, occasioned by such electricity or said wires and equipment, except where said injury or damage will be shown to have been occasioned solely by the negligence of Company.

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**Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00295 dated ____**

**Terms and Conditions**
**Customer Responsibilities**

## NOTICE TO COMPANY OF CHANGES IN CUSTOMER'S LOAD

The service connections, transformers, meters, and appurtenances supplied by Company for the rendition of electric service to its Customers have a definite capacity which may not be exceeded without damage. In the event that Customer contemplates any material increase in Customer's connected load, whether in a single increment or over an extended period, Customer shall immediately give Company written notice of this fact so as to enable it to enlarge the capacity of such equipment. In case of failure to give such notice, Customer may be held liable for any damage done to meters, transformers, or other equipment of Company caused by such material increase in the Customer's connected load. Should Customer make a permanent change in the operation of electrical equipment that materially reduces the maximum load required by Customer, Company may reduce Customer's contract capacity.

## PERMITS

Customer shall obtain or cause to be obtained all permits, easements, or certificates, except street permits, necessary to give Company or its agents access to Customer's premises and equipment and to enable its service to be connected therewith. In case Customer is not the owner of the premises or of intervening property between the premises and Company's distribution lines, Customer shall obtain from the property owner or owners the necessary consent to the installation and maintenance in said premises and in or about such intervening property of all such wiring or other Customer-owned electrical equipment as may be necessary or convenient for the supply of electric service to Customer. Provided, however, to the extent permits, easements, or certificates are necessary for the installation and maintenance of Company-owned facilities, Company shall obtain the aforementioned consent.

The construction of electric facilities to provide service to a number of Customers in a manner consistent with good engineering practice and the least public inconvenience sometimes requires that certain wires, guys, poles, or other appurtenances on a Customer's premises be used to supply service to neighboring Customers. Accordingly, each customer taking Company's electric service shall grant to Company such rights on or across his or her premises as may be necessary to furnish service to neighboring premises, such rights to be exercised by Company in a reasonable manner and with due regard for the convenience of Customer.

Company shall make or cause to be made application for any necessary street permits, and shall not be required to supply service under Customer's application until a reasonable time after such permits are granted.

## CHANGES IN SERVICE

Where Customer is receiving service and desires relocation or change in facilities not supported by additional load, Customer is responsible for the cost of the relocation or change in facilities through a Non-Refundable Advance.

**Terms and Conditions**
**Company Responsibilities**

**METERING**

The electricity used will be measured by a meter or meters to be furnished and installed by Company at its expense and all bills will be calculated upon the registration of said meters. Company has the right to install any meter or meters it deems in its sole discretion to be necessary or prudent to serve any Customer, including without limitation a digital, automated meter reading, automated metering infrastructure, or advanced metering systems meter or meters. When service is supplied by Company at more than one delivery point on the same premises, each delivery point will be metered and billed separately on the rate applicable. Meters include all measuring instruments. Meters will be located outside whenever possible. Otherwise, meters will be located as near as possible to the service entrance and on the ground floor of the building, in a clean, dry, safe and easily accessible place, free from vibration, agreed to by Company.

**POINT OF DELIVERY OF ELECTRICITY**

The point of delivery of electrical energy supplied by Company shall be at the point, as designated by Company, where Company's facilities are connected with the facilities of Customer, irrespective of the location of the meter

**EXTENSION OF SERVICE**

The main transmission lines of Company, or branches thereof, will be extended to such points as provide sufficient load to justify such extensions or in lieu of sufficient load, Company may require such definite and written guarantees from a Customer, or group of Customers, in addition to any minimum payments required by the Tariff as may be necessary. This requirement may also be made covering the repayment, within a reasonable time, of the cost of tapping such existing lines for light or power service or both.

**COMPANY'S EQUIPMENT AND INSTALLATION**

Company will furnish, install, and maintain at its expense the necessary overhead service drop or service line required to deliver electricity at the voltage contracted for, to Customer's electric facilities.

Company will furnish, install, and maintain at its expense the necessary meter or meters. (The term meter as used here and elsewhere in these rules and regulations shall be considered to include all associated instruments and devices, such as current and potential transformers installed for the purpose of measuring deliveries of electricity to Customer.) Suitable provision for Company's meter, including an adequate protective enclosure for the same if required, shall be made by Customer. Title to the meter shall remain with Company, with the right to install, operate, maintain, and remove same. Customer shall protect such property of Company from loss or damage, and no one who is not an agent of Company shall be permitted to remove, damage, or tamper with the same. Customer shall execute such reasonable form of easement agreement as may be required by Company.

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**Terms and Conditions**
**Company Responsibilities**

Notwithstanding the provisions of 807 KAR 5:006, Section 14(4), a reasonable time shall be allowed subsequent to Customer's service application to enable Company to construct or install the facilities required for such service. In order that Company may make suitable provision for enlargement, extension or alteration of its facilities, each applicant for commercial or industrial service shall furnish Company with realistic estimates of prospective electricity requirements.

**COMPANY NOT LIABLE FOR INTERRUPTIONS**

Company will exercise reasonable care and diligence in an endeavor to supply service continuously and without interruption but does not guarantee continuous service and shall not be liable for any loss or damage resulting from interruption, reduction, delay, or failure of electric service not caused by the willful negligence of Company, or resulting from any cause or circumstance beyond the reasonable control of Company.

**COMPANY NOT LIABLE FOR DAMAGE ON CUSTOMER'S PREMISES**

Company is merely a supplier of electricity delivered to the point of connection of Company's and Customer's facilities, and shall not be liable for and shall be protected and held harmless for any injury or damage to persons or property of Customer or of third persons resulting from the presence, use or abuse of electricity on Customer's premises or resulting from defects in or accidents to any of Customer's wiring, equipment, apparatus, or appliances, or resulting from any cause whatsoever other than the negligence of Company

**LIABILITY**

In no event shall Company have any liability to Customer or any other party affected by the electrical service to Customer for any consequential, indirect, incidental, special, or punitive damages, and such limitation of liability shall apply regardless of claim or theory. In addition, to the extent that Company acts within its rights as set forth herein and/or any applicable law or regulation, Company shall have no liability of any kind to Customer or any other party. In the event that Customer's use of Company's service causes damage to Company's property or injuries to persons, Customer shall be responsible for such damage or injury and shall indemnify, defend, and hold Company harmless from any and all suits, claims, losses, and expenses associated therewith.

**FIRM SERVICE**

Where a Customer-generator supplies all or part of the Customer-generator's own load and desires Company to provide service for that load, the Customer-generator must contract for such service, otherwise Company has no obligation to supply the non-firm service.

**Terms and Conditions**
**Character of Service**

Electric service, under the rate schedules herein, will be 60 cycle, alternating current delivered from Company's various load centers and distribution lines at typical nominal voltages and phases, as available in a given location, as follows:

**SECONDARY VOLTAGES**

Residential Service -

Single phase 120/240 volts three-wire service or 120/208Y volts three-wire service where network system is available.

Non-Residential Service -

1. Single phase 120/240 volts three-wire service or 120/208Y three-wire service where network system is available.
2. Three phase 240 volts three-wire, 480 volts three-wire service, 120/208Y volts four-wire service, or 277/480Y volts four-wire service.

**PRIMARY VOLTAGES**

According to location, 2400/4160Y volts, 7200/12,470Y volts, 13,800 volts, or 34,500 volts.

**TRANSMISSION VOLTAGES**

According to location, 69,000 volts, 138,000 volts, 161,000 volts, or 345,000 volts. T

The voltage available to any individual Customer shall depend upon the voltage of Company's lines serving the area in which such Customer's electric load is located.

**RESTRICTIONS**

1. Except for minor loads, with approval of the Company, two-wire service is restricted to those Customers on service July 1, 2004.
2. To be eligible for the rate applicable to any delivery voltage other than secondary voltage, a Customer must furnish and maintain complete substation structure, transformers, and other equipment necessary to take service at the primary or transmission voltage available at point of connection.
   a. In the event Company is required to provide transformation to reduce an available voltage to a lower voltage for delivery to Customer, Customer shall be served at the rate applicable to the lower voltage; provided, however, that if the same rate is applicable to both the available voltage and the delivery voltage, Customer may be required to make a non-refundable payment to reflect the additional investment required to provide service.
   b. The available voltage shall be the voltage on that distribution or transmission line which the Company designates as being suitable from the standpoint of capacity and other operating characteristics for supplying the requirements of Customer.

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**Public Service Commission in Case No.**
**2018-00295 dated ____**

**Terms and Conditions**
**Residential Rate Specific Terms and Conditions**

Residential electric service is available for uses customarily associated with residential occupation, including lighting, cooking, heating, cooling, refrigeration, household appliances, and other domestic purposes.

1. **DEFINITION OF RESIDENTIAL RATE** - Residential rates are based on service to single family units served through a single meter. Such service may include incidental usage of electricity for home occupations, such as the office of a physician, surgeon, dentist, musician or artist when such occupation is practiced by Customer in his residence. Service to both a single family unit and a detached structure may both be served through a single meter, regardless of the meter location, and qualify for the residential service provided the consumption in the non-residential portion of the detached structure is incidental.

2. **DEFINITION OF SINGLE FAMILY UNIT** - A single family unit is a structure or part of a structure used or intended to be used as a home, residence, or sleeping place by one or more persons maintaining a common household. Residential service is not available to transient multi-family structures including, but not limited to, hotels, motels, studio apartments, college dormitories, or any structure without a permanent foundation or attached to sanitation facilities. Fraternity or sorority organizations associated with educational institutions may be classified as residential and billed at the residential rate.

3. **DETACHED STRUCTURES** - If Customer has detached structures that are located at such distance from Customer's residence as to make it impracticable to supply service through customer's residential meter, the separate meter required to measure service to the detached structures will be considered a separate service and billed as a separate customer.

4. **POWER REQUIREMENT** - Single-phase power service used for domestic purposes will be permitted under Residential Rates RS, RTOD-Energy, and RTOD-Demand when measured through the residential meter subject to the conditions set forth below:

   a. Single-phase motors may be served at 120 volts if the locked-rotor current at rated voltage does not exceed 50 amperes. Motors with locked-rotor current ratings in excess of 50 amperes must be served at 240 volts.

   b. Single-phase motors of new central residential cooling installations with total locked-rotor ratings of not to exceed 125 amperes (inclusive of any auxiliary motors arranged for simultaneous starting with the compressor) may be connected for across-the-line starting provided the available capacity of Company's electric distribution facilities at desired point of supply is such that, in Company's judgment, the starting of such motors will not result in excessive voltage dips and undue disturbance of lighting service and television reception of

**Terms and Conditions**
**Residential Rate Specific Terms and Conditions**

nearby electric Customers. However, except with Company's express written consent, no new single-phase central residential cooling unit having a total lock-rotor rating in excess of 125 amperes inclusive of auxiliary motors arranged for simultaneous starting with the compressor) shall hereafter be connected to Company's lines, or be eligible for electric service therefrom, unless it is equipped with an approved type of current-limiting device for starting which will reduce the initial and incremental starting current inrush to a maximum of 100 amperes per step. Company shall be furnished with reasonable advance notice of any proposed central residential cooling installation.

c. In the case of multi-motored devices arranged for sequential starting of the motors, the above rules are considered to apply to the locked-rotor currents of the individual motors; if arranged for simultaneous starting of the motors, the rules apply to the sum of the locked-rotor currents of all motors so started.

d. Any motor or motors served through a separate meter will be billed as a separate Customer.

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**Public Service Commission in Case No.**
**2014-00372 dated June 30, 2015**

**Terms and Conditions**
**Billing**

**METER READINGS AND BILLS**

As used in the entirety of this Tariff, “meter reading” and similar terms shall include data collected remotely from automated meter reading, automated meter infrastructure, advanced metering systems, and other electronic meter equipment or systems capable of delivering usage data to Company. A physical, manual reading of a meter is not required to constitute a “meter reading.”

Each bill for utility service shall be issued in compliance with 807 KAR 5:006, Section 7.

All bills will be based upon meter readings made in accordance with Company's meter reading schedule. Company, except if prevented by reasons beyond its control, shall read Customer’s meters at least quarterly, except that customer-read meters shall be read at least once during the calendar year.

In the case of opening and closing bills when the total period between regular and special meter readings is less than thirty days, the minimum charges of the applicable rate schedules will be prorated on the basis of the ratio of the actual number of days in such period to thirty (30) days, T unless an applicable rate schedule has a daily Basic Service Charge, in which case a full daily N Basic Service Charge will be charged to a customer for each day or partial day during which the N customer’s account was open and served under that rate schedule. N

When Company is unable to read Customer's meter after reasonable effort, or when Company experiences circumstances which make actual meter readings impossible or impracticable, Customer may be billed on an estimated basis and the billing will be adjusted as necessary when the meter is read.

In the event Company's meter fails to register properly by reason of damage, accident, etc., Company shall have the right to estimate Customer's consumption during the period of failure on the basis of such factors as Customer's connected load, heating degree days, and consumption during a previous corresponding period and during a test period immediately following replacement of the defective meter.

Where Company serves a customer with both electric and gas service at the same service location, Company will render a combined bill. Provided, however, a residential customer may request, and Company will render, separate bills under the following conditions: (1) Customer is being threatened with disconnection for non-payment or has already been disconnected for that reason and (2) Customer would be able to pay either the gas or electric portion of his bill and thus retain one service.

Bills are due and payable at the office of Company during business hours, or at other locations designated by Company, within sixteen (16) business days (no less than twenty-two (22) calendar days) from date of rendition thereof. If full payment is not received by the due date of the bill, a late payment charge will be assessed on the current month’s charges. Beginning October 1, 2010, residential customers who receive a pledge for or notice of low income energy

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assistance from an authorized agency will not be assessed or required to pay a late payment charge for the bill for which the pledge or notice is received, nor will they be assessed or required to pay a late payment charge in any of the eleven (11) months following receipt of such pledge or notice. There will be no adverse credit impact on the customer's payment and credit record, including credit scoring, both internally and externally, and the account will not be considered delinquent for any purpose if the Company receives the customer's payment within fifteen days after the date on which the Company issues the customer's bill.

Failure to receive a bill does not exempt Customer from these provisions of Company's Terms and Conditions.

**READING OF SEPARATE METERS NOT COMBINED**

For billing purposes, each meter upon Customer's premises will be considered separately and readings of two (2) or more meters will not be combined except where Company's operating convenience requires the installation of two (2) or more meters upon Customer's premises instead of one (1) meter.

**CUSTOMER RATE ASSIGNMENT**

If Customer takes service under a rate schedule the eligibility for which contains a minimum or maximum demand parameter (or both), Company will review Customer's demand and usage data at least once annually to determine the rate schedule under which Customer will take service until the next review and rate determination. Company will also conduct such a review and determination upon Customer's request. Company shall not be obligated to change Customer's rate determination based upon detection of a substantial deviation of Customer's demand or usage if, after consultation with Customer, Company determines in its sole discretion that such deviation is not indicative of Customer's likely long-term demand. Similarly, Company may assign Customer to a rate schedule for which Customer would not be eligible based solely on Customer's historical demand or usage, but Company may do so only as part of a review and rate determination that involves consulting with Customer about Customer's likely future demand, as well as Customer's special contract demand, if applicable.

Any such review and rate determination shall be deemed conclusively to be the correct rate determination for Customer for all purposes and for all periods until Company conducts the next such review and determination for Customer. Therefore, Company shall not be liable for any refunds to Customer based upon Customer's rate assignment, and Company shall not seek to back-bill Customer based upon Customer's rate assignment, for any periods between and including such reviews and determinations unless, and only in the event that, a particular review and rate determination are shown to have been materially erroneous at the time they were conducted, in which case Company may be liable for a refund, or may back-bill Customer, only for the period from the erroneous review and determination to the present or the next non-erroneous review and determination, whichever is shorter.

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**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2012-00222 dated December 20, 2012**

**Terms and Conditions**
**Billing**

If Company determines during a review as described above that Customer is eligible to take service under more than one rate schedule and that Customer is then taking service under such a rate schedule, Company will not change Customer's rate assignment; it will remain Customer's responsibility to choose between optional rates, as stated in the Optional Rates section of Customer Responsibilities at Original Sheet Nos. 97 and 97.1.

If Company determines during a review as described above that Customer is eligible to take service under more than one rate schedule and that Customer is not then taking service under such a rate schedule, Company will (1) provide reasonable notice to Customer of the options available and (2) assign Customer to the rate schedule Company reasonably believes will be most financially beneficial to Customer based on Customer's historical demand and usage, which assignment Company will change upon Customer's request to take service under another rate schedule for which Customer is eligible. Company shall have no refund obligation or bear any other liability or responsibility for its initial assignment of Customer to a rate for which Customer is eligible; it is at all times Customer's responsibility to choose between optional rates, as stated in the Optional Rates section of Customer Responsibilities at Original Sheet Nos. 97 and 97.1.

Nothing in this section is intended to curtail or diminish Customer's responsibility to choose among optional rates, as stated in the Optional Rates section of Customer Responsibilities at Original Sheet Nos. 97 and 97.1. Likewise, except as explicitly stated in the paragraph above, nothing in this section creates an obligation or responsibility for Company to assign Customer to a particular rate schedule for which Customer is eligible if Customer is eligible for more than one rate schedule.

**CUSTOMER RATE MIGRATION**

A change from one rate to another will be effective with the first full billing period following a Customer's request for such change, or with a rate change mandated by changes in a Customer's load. In cases where a change from one rate to another necessitates a change in metering, the change from one rate to another will be effective with the first full billing period following the meter change.

**CLASSIFICATION OF CUSTOMERS**

For purposes of rate application hereunder, non-residential customers will be considered "industrial" if they are primarily engaged in a process or processes which create or change raw or unfinished materials into another form or product, and/or in accordance with the North American Industry Classification System, Sections 21, 22, 31, 32 and 33. All other non-residential customers will be defined as "commercial."

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### MONITORING OF CUSTOMER USAGE

In order to detect unusual deviations in individual Customer consumption, Company will monitor the usage of each customer at least once quarterly. In addition, Company may investigate usage deviations brought to its attention as a result of its ongoing meter reading or billing processor customer inquiry. Should an unusual deviation in Customer's consumption be found which cannot be attributed to a readily identified cause, Company may perform a detailed analysis of Customer's meter reading and billing records. If the cause for the usage deviation cannot be determined from analysis of the Customer's meter reading and billing records, Company may contact Customer to determine whether there have been changes such as different number of household members or work staff, additional or different appliances, changes in business volume. Where the deviation is not otherwise explained, Company will test Customer's meter to determine whether the results show the meter is within the limits allowed by 807 KAR 5:041, Section 17(1). Company will notify Customer of the investigation, its findings, and any refunds or back-billing in accordance with 807 KAR 5:006, Section 11(4) and (5).

### RESALE OF ELECTRIC ENERGY

Electric energy furnished under Company's standard application or contract is for the use of Customer only and Customer shall not resell such energy to any other person, firm, or corporation on Customer's premises or for use on any other premises. This does not preclude Customer from allocating Company's billing to Customer to any other person, firm, or corporation provided the sum of such allocations does not exceed Company's billing.

### MINIMUM CHARGE

Without limiting the foregoing, the Basic Service Charge and Demand Charge shall apply and be due for all times during which a customer's account is open, regardless of any event or occurrence that might limit (a) Customer's ability or interest in operating Customer's facility, including but without limitation any acts of God, fires, floods, earthquakes, acts of government, terrorism, severe weather, riot, embargo, changes in law, or strikes or (b) Company's ability to serve customer. T T

**Terms and Conditions**
**Deposits**

**GENERAL**

1. Company may require a cash deposit or other guaranty from Customers to secure payment of bills in accordance with 807 KAR 5:006, Section 8 except for Customers qualifying for service reconnection pursuant to 807 KAR 5:006, Section 16, Winter Hardship Reconnection.
2. Deposits may be required from all Customers not meeting satisfactory credit and payment criteria. Satisfactory credit for Customers will be determined by utilizing independent credit sources (primarily utilized with new Customers having no prior history with Company), as well as historic and ongoing payment and credit history with Company.
   a. Examples of independent credit scoring resources include credit scoring services, public record financial information, financial scoring and modeling services, and information provided by independent credit/financial watch services.
   b. Satisfactory payment criteria with Company may be established by paying all bills rendered, having no disconnections for nonpayment, having no late notices, having no defaulted credit arrangements, having no returned payments, having no meter diversion or theft of service
3. Company may offer residential or general service customers the option of paying all or a portion of their deposits in installments over a period not to exceed the first six (6) normal billing periods. Service may be refused or discontinued for failure to pay and/or maintain the requested deposit.
4. Interest on deposits will be calculated at the rate prescribed by law, from the date of deposit, and will be paid annually either by refund or credit to Customer's bills, except that no refund or credit will be made if Customer's bill is delinquent on the anniversary date of the deposit. If interest is paid or credited to Customer's bill prior to twelve (12) months from the date of deposit, the payment or credit will be on a prorated basis. Upon termination of service, the deposit, any principal amounts, and interest earned and owing will be credited to the final bill, with any remainder refunded to Customer.

**RESIDENTIAL**

1. Residential Customers are those Customers served under Residential Service Rate RS - Sheet No. 5, Residential Time-of-Day Energy Service Rate RTOD-Energy – Sheet No. 6, and Residential Time-of-Day Demand Service Rate RTOD-Demand – Sheet No. 7.
2. The deposit for a residential Customer is in the amount of $160.00, which is calculated in accordance with 807 KAR5:006, Section 8(1)(d)(2). For combination gas and electric Customers, the total deposit will be $260.00.
3. Company shall retain Customer’s deposit for a period not to exceed twelve (12) months, provided Customer has met satisfactory payment and credit criteria.
4. If a deposit is held longer than eighteen (18) months, the deposit will be recalculated, at Customer’s request, and based on Customer’s actual usage. If the deposit on account differs from the recalculated amount by more than $10.00, Company may collect any underpayment and shall refund any overpayment by check or credit to Customer's bill. No refund will be made if Customer's bill is delinquent at the time of the recalculation.


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**DATE EFFECTIVE:** With Service Rendered
On and After July 1, 2015

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2014-00372 dated June 30, 2015**

**Terms and Conditions**
**Deposits**

**RESIDENTIAL (Continued)**

5. If Customer fails to maintain a satisfactory payment or credit record, or otherwise becomes a new or greater credit risk, as determined by Company in its sole discretion, Company may require a new or additional deposit from Customer.

**GENERAL SERVICE**

1. General service Customers are those Customers served under General Service Rate GS, Sheet No. 10.
2. The deposit for a general service customer is in the amount of $240.00, which is calculated in accordance with 807 KAR5:006, Section 8(1)(d)(2).The deposit for a General Service Customer may be waived when the General Service delivery is to a detached building used in conjunction with a Residential Service and the General Service energy usage is no more than 300 kWh per month.
3. Company shall retain Customer's deposit as long as Customer remains on service.
4. For a deposit held longer than eighteen (18) months, the deposit will be recalculated, at Customer's request, and based on Customer's actual usage. If the deposit on account differs from the recalculated amount by more than ten percent (10%), Company may collect any underpayment and shall refund any overpayment by check or credit to Customer's bill. No refund will be made if Customer's bill is delinquent at the time of the recalculation.
5. If Customer fails to maintain a satisfactory payment or credit record, or otherwise becomes a new or greater credit risk, as determined by Company in its sole discretion, Company may require a new or additional deposit from Customer.

**OTHER SERVICE**

a. The deposit for all other Customers, those not classified herein as residential or general service, shall not exceed 2/12 of Customer's actual or estimated annual bill where bills are rendered monthly in accordance with 807 KAR5:006, Section 8(1)(d)(1).
b. For Customers not meeting the parameters of GENERAL SERVICE ¶ 2, above, Company may retain Customer's deposit as long as Customer remains on service.
c. For a deposit held longer than eighteen (18) months, the deposit will be recalculated, at Customer's request, and based on Customer's actual usage. If the deposit on account differs from the recalculated amount by more than ten percent (10%), Company may collect any underpayment and shall refund any overpayment by check or credit to Customer's bill. No refund will be made if Customer's bill is delinquent at the time of the recalculation.
d. If Customer fails to maintain a satisfactory payment or credit record, or otherwise becomes a new or greater credit risk, as determined by Company in its sole discretion, Company may require a new or additional deposit from Customer.

**DATE OF ISSUE**: September 28, 2018

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On and After July 1, 2015

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the**
**Public Service Commission in Case No.**
**2014-00372 dated June 30, 2015**

**Terms and Conditions**
**Budget Payment Plan**

Company's Budget Payment Plan is available to any residential Customer served under Residential Service Rate RS or any general service Customer served under General Service Rate GS. If a residential Customer, who is currently served under Residential Service Rate RS and is currently enrolled in the Budget Payment Plan, elects to take service under Residential Time-of-Day Energy Service Rate RTOD-Energy or Residential Time-of-Day Demand Service Rate RTOD-Demand, such Customer would be removed from the Budget Payment Plan and restored to regular billing.

Under this plan, a Customer may elect to pay, each billing period, a budgeted amount in lieu of billings for actual usage. A Customer may enroll in the plan at any time.

The budgeted amount will be determined by Company, and will be based on one-twelfth of Customer's usage for either an actual or estimated twelve (12) months. The budgeted amount will be subject to review and adjustment by Company at any time during Customer's budget year. If actual usage indicates Customer's account will not be current with the final payment in Customer's budget year, Customer will be required to pay their Budget Payment Plan account to $0 prior to the beginning of Customer's next budget year.

If Customer fails to pay bills as agreed under the Budget Payment Plan, Company reserves the right to remove Customer from the plan, restore the Customer to regular billing and require immediate payment of any deficiency. A Customer removed from the Budget Payment Plan for non-payment may be prohibited from further participation in the plan for twelve (12) months.

Failure to receive a bill in no way exempts Customer from the provisions of these terms and conditions.

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**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2014-00372 dated June 30, 2015**

# Louisville Gas and Electric Company



**Terms and Conditions**
**Bill Format**

T

Mailed **9/17/18** for Account # **3000-0000-0001**

LG&E
a PPL company

| AMOUNT DUE | DUE DATE |
|---|---|
| $100.44 | 10/12/18 |

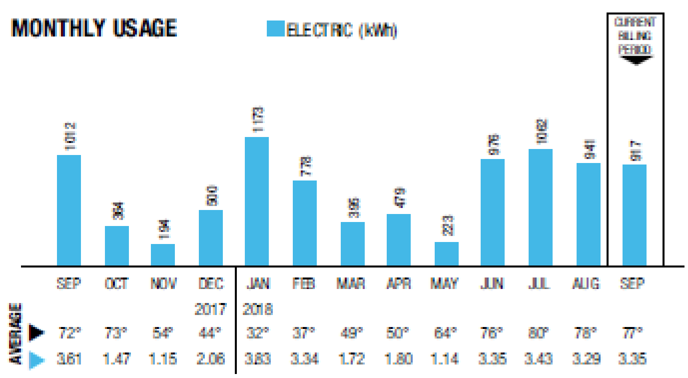
**BILLING SUMMARY**

| | |
|---|---|
| Previous Balance | 95.46 |
| Payment(s) Received | -95.46 |
| **Balance as of 9/14/18** | **$0.00** |
| Current Electric Charges | 100.44 |
| **Total Current Charges as of 9/14/18** | **$100.44** |
| **Total Amount Due** | **$100.44** |

| | |
|---|---|
| **Account Name:** | JANE DOE |
| **Service Address:** | 220 W Main St<br>LOUISVILLE KY |
| **Online Payments:** | lge-ku.com |
| **Telephone Payments:** | (502) 589-1444, press 1-2-3<br>24 hours a day; $2.00 fee |
| **Customer Service:** | (502) 589-1444<br>M-F, 7am-7pm ET |
| **Walk-in Center:** | 820 W. Broadway<br>Louisville, KY 40202<br>M-F, 8am-5pm ET |

Next read will occur 10/16/18 - 10/18/18 (Meter Read Portion 11)

**MONTHLY USAGE**




**BILLING PERIOD AT-A-GLANCE**

| | THIS YEAR | LAST YEAR |
|---|---|---|
| **Average Temperature** | **77°** | **72°** |
| Number of Days Billed | 30 | 30 |
| **Avg. Electric Charges per Day** | **$3.35** | **$3.61** |
| Avg. Electric Usage per Day (kWh) | 30.57 | 33.73 |

Please return only this portion with your payment. Make checks payable to LG&E and write your account number on your check.

| | |
|---|---|
| Amount Due **10/12/18** | **$100.44** |
| **After Due Date, Pay this Amount:** | **$103.45** |
| **Winterhelp** Donation: | |
| **Total Amount Enclosed:** | **AUTOPAY** |

$100.44 will be deducted from your account on payment due date

Account # **3000-0000-0001**
Service Address: 220 W Main St

#9160900017#

JANE DOE
220 W MAIN ST
LOUISVILLE, KY 40202-1006

LG&E
a PPL company

PO Box 25211
Lehigh Valley, PA 18002-5211

**DATE OF ISSUE**: September 28, 2018

**DATE EFFECTIVE:** With Service Rendered
On and After November 1, 2018

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00295 dated ____**

## Terms and Conditions
## Bill Format

Page 2 | Account # **3000-0000-0001** T

### CURRENT USAGE

| ELECTRIC | |
|---|---|
| **Meter Reading Information** | **Meter # 700000** |
| Actual (R) kWh Reading on 9/14/18 | 53555 |
| Actual (R) kWh Reading on 8/15/18 | 52638 |
| Current kWh Usage | 917 |
| Meter Multiplier | 1 |
| **Metered kWh Usage** | **917** |

### CURRENT CHARGES

| ELECTRIC | **Rate:** Residential Electric Service |
|---|---|
| Basic Service Charge ($0.53 x 30 days) | 15.90 |
| Energy Charge ($0.09420 x 917 kWh) | 86.38 |
| Electric DSM ($0.00254 x 917 kWh) | 2.33 |
| Electric Fuel Adjustment ($-0.00070 x 917 kWh) | -0.64 |
| Environmental Surcharge (3.640% CR x $103.97) | -3.78 |
| Home Energy Assistance Fund Charge | 0.25 |
| **Total Charges** | **$100.44** |

### BILLING INFORMATION

**Late Payment Charge**
Late Charge to be Assessed After Due Date $3.01

**Rate Schedules**
For a copy of your rate schedule, visit lge-ku.com/rates or call our Customer Service Department.

**NATIONAL PREPAREDNESS MONTH**

DISASTERS HAPPEN. PREPARE NOW. LEARN HOW.
lge-ku.com/safety/preparedness

OFFICE USE ONLY:
MRU11802700, G000000
P95.46
PF:N eB:E

**DATE OF ISSUE:** September 28, 2018

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On and After November 1, 2018

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00295 dated ____**

**Terms and Conditions**
**Bill Format**

T

Mailed **9/17/18** for Account # **3000-0000-0002**

| AMOUNT DUE | DUE DATE |
|---|---|
| **$165.87** | **10/11/18** |

a PPL company

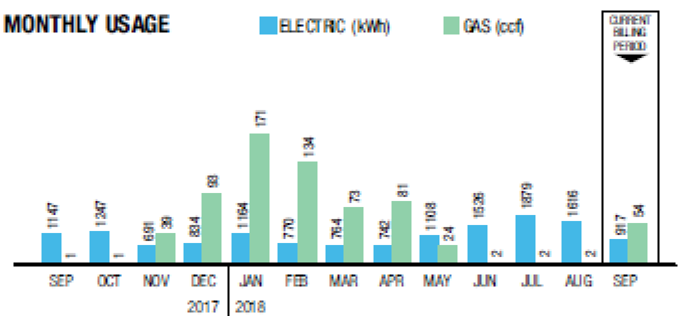
**BILLING SUMMARY**

| | |
|---|---|
| Previous Balance | 173.93 |
| Payment(s) Received | -173.93 |
| **Balance as of 9/14/18** | **$0.00** |
| Current Electric Charges | 100.44 |
| Current Gas Charges | 65.43 |
| **Total Current Charges as of 9/14/18** | **$165.87** |
| **Total Amount Due** | **$165.87** |

| | |
|---|---|
| **Account Name:** | JANE DOE |
| **Service Address:** | 220 W Main St<br>LOUISVILLE KY |
| **Online Payments:** | lge-ku.com |
| **Telephone Payments:** | (800) 331-7370, press 1-2-3<br>24 hours a day; $2.00 fee |
| **Customer Service:** | (800) 331-7370<br>M-F, 7am-7pm ET |
| **Walk-in Center:** | 820 W. Broadway<br>Louisville, KY 40202<br>M-F, 8am-5pm ET |

Next read will occur 10/15/18 - 10/17/18 (Meter Read Portion 10)

**MONTHLY USAGE**




| AVERAGE | SEP | OCT | NOV | DEC | JAN | FEB | MAR | APR | MAY | JUN | JUL | AUG | SEP |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| ▶ | 72° | 73° | 53° | 43° | 31° | 38° | 49° | 47° | 63° | 76° | 80° | 78° | 77° |
| ▶ | 4.18 | 4.04 | 2.77 | 3.13 | 3.81 | 3.31 | 3.01 | 2.93 | 3.46 | 5.00 | 5.77 | 5.35 | 3.35 |
| ▶ | 0.62 | 0.57 | 1.70 | 3.08 | 4.37 | 4.55 | 2.99 | 2.47 | 1.05 | 0.60 | 0.58 | 0.65 | 2.16 |

**BILLING PERIOD AT-A-GLANCE**

| | THIS YEAR | LAST YEAR |
|---|---|---|
| **Average Temperature** | **77°** | **72°** |
| Number of Days Billed | 30 | 29 |
| **Avg. Electric Charges per Day** | **$3.35** | **$4.18** |
| **Avg. Gas Charges per Day** | **$2.18** | **$0.62** |
| Avg. Electric Usage per Day (kWh) | 30.57 | 39.55 |
| Avg. Gas Usage per Day (ccf) | 1.80 | 0.03 |

Please return only this portion with your payment. Make checks payable to LG&E and write your account number on your check.

| | |
|---|---|
| Amount Due **10/11/18** | **$165.87** |
| **After Due Date, Pay this Amount:** | **$170.85** |
| **Winterhelp** Donation: | |
| **Total Amount Enclosed:** | |

Account # **3000-0000-0002**
Service Address: 220 W Main St

#9160900025#

JANE DOE
220 W MAIN ST
LOUISVILLE, KY 40202-1000

a PPL company

PO Box 25211
Lehigh Valley, PA 18002-5211

**DATE OF ISSUE**: September 28, 2018

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**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00295 dated ____**

## Terms and Conditions
## Bill Format

T

### CURRENT USAGE

**ELECTRIC**

| Meter Reading Information | Meter # 900000 |
|---|---|
| Actual (R) kWh Reading on 9/14/18 | 37615 |
| Actual (R) kWh Reading on 8/15/18 | 36698 |
| Current kWh Usage | 917 |
| Meter Multiplier | 1 |
| **Metered kWh Usage** | **917** |

**GAS**

| Meter Reading Information | Meter # 700000 |
|---|---|
| Actual (R) ccf Reading on 9/14/18 | 1639 |
| Actual (R) ccf Reading on 8/15/18 | 1585 |
| Current ccf Usage | 54 |
| Meter Multiplier | 1 |
| **Metered ccf Usage** | **54** |

### CURRENT CHARGES

**ELECTRIC** **Rate:** Residential Electric Service

| | |
|---|---|
| Basic Service Charge ($0.53 x 30 days) | 15.90 |
| Energy Charge ($0.09420 x 917 kWh) | 86.38 |
| Electric DSM ($0.00254 x 917 kWh) | 2.33 |
| Electric Fuel Adjustment ($-0.00070 x 917 kWh) | -0.64 |
| Environmental Surcharge (3.640% CR x $103.97) | -3.78 |
| Home Energy Assistance Fund Charge | 0.25 |
| **Total Charges** | **$100.44** |

**GAS** **Rate:** Residential Gas Service

| | |
|---|---|
| Basic Service Charge ($0.65 x 30 days) | 19.50 |
| Gas Distribution Charge ($0.39076 x 54 ccf) | 21.10 |
| Gas Supply Component ($0.41446 x 54 ccf) | 22.38 |
| Gas DSM ($0.02404 x 54 ccf) | 1.30 |
| Gas Line Tracker ($0.60 + ($0.00547 x 54 ccf)) | 0.90 |
| Home Energy Assistance Fund Charge | 0.25 |
| **Total Charges** | **$65.43** |

### BILLING INFORMATION

**Late Payment Charge**
Late Charge to be Assessed After Due Date $4.98

**Rate Schedules**
For a copy of your rate schedule, visit lge-ku.com/rates or call our Customer Service Department.

OFFICE USE ONLY:
MRU10831029, G000000
P173.93
PF:N eB:E

**NATIONAL PREPAREDNESS MONTH**

DISASTERS HAPPEN. PREPARE NOW. LEARN HOW.

lge-ku.com/safety/preparedness

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**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00295 dated ____**

**Terms and Conditions**
**Discontinuance of Service**

In accordance with and subject to the rules and regulations of the Kentucky Public Service Commission, Company shall have the right to refuse or discontinue service to an applicant or Customer under the following conditions:

1. When Company's or Commission's rules and regulations have not been complied with. However, service may be discontinued or refused only after Company has made a reasonable effort to induce Customer to comply with its rules and then only after Customer has been given at least ten (10) days written notice of such intention, mailed or otherwise delivered, including, but not limited to, electronic mail, to Customer's last known address.

2. When a dangerous condition is found to exist on Customer's or applicant's premises. In such case service will be discontinued without notice or refused, as the case might be. Company will notify the customer or applicant immediately of the reason for the discontinuance or refusal and the corrective action to be taken before service can be restored or initiated.

3. When Customer or Applicant refuses or neglects to provide reasonable access and/or easements to and on Customer's or Applicant's premises for the purposes of installation, operation, meter reading, maintenance, or removal of Company's property. Customer shall be given fifteen (15) days written notice (either mailed or otherwise delivered, including, but not limited to, electronic mail), of Company's intention to discontinue or refuse service.

4. When Applicant is indebted to Company for service furnished. Company may refuse to serve until indebtedness is paid.

5. When Customer or Applicant does not comply with state, municipal or other codes, rules and regulations applying to such service.

6. When directed to do so by governmental authority.

7. Service will not be supplied to any premises if Applicant or Customer is indebted to Company for service previously supplied at the same or any other premises until payment of such indebtedness shall have been made. Service will not be continued to any premises if Applicant or Customer is indebted to Company for service previously supplied at the same premises in accordance with 807 KAR 5:006, Section 15(1)(f). Unpaid balances of previously rendered Final Bills may be transferred to any account for which Customer has responsibility and may be included on initial or subsequent bills for the account to which the transfer was made. Such transferred Final Bills, if unpaid, will be a part of the past due balance of the account to which they are transferred. When there is no lapse in service, such transferred final bills will be subject to Company's collections and disconnect procedures in accordance with 807 KAR 5:006, Section 15(1)(f). Final Bills transferred following a

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**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the**
**Public Service Commission in Case No.**
**2016-00371 dated June 22, 2017 and modified June 29, 2017**

lapse in service will not be subject to disconnection unless: (1) such service was provided pursuant to a fraudulent application submitted by Customer; (2) Customer and Company have entered into a contractual agreement which allows for such a disconnection; or (3) the current account is subsequently disconnected for service supplied at that point of delivery, at which time, all unpaid and past due balances must be paid prior to reconnect. Company shall have the right to transfer Final Bills between residential and commercial with residential characteristics (e.g., service supplying common use facilities of any apartment building) revenue classifications.

Service will not be supplied or continued to any premises if at the time of application for service Applicant is merely acting as an agent of a person or former customer who is indebted to Company for service previously supplied at the same or other premises until payment of such indebtedness shall have been made. Service will not be supplied where the Applicant is a partnership or corporation whose general partner or controlling stockholder is a present or former Customer who is indebted to Company for service previously supplied at the same premises until payment of such indebtedness shall have been made.

8. For non-payment of bills. Company shall have the right to discontinue service for non-payment of bills after Customer has been given at least ten days written notice separate from Customer’s original bill. Cut-off may be effected not less than twenty-seven (27) days after the mailing date of original bills unless, prior to discontinuance, a residential Customer presents to Company a written certificate, signed by a physician, registered nurse, or public health officer, that such discontinuance will aggravate an existing illness or infirmity on the affected premises, in which case discontinuance may be effected not less than thirty (30) days from the original date of discontinuance. Company shall notify Customer, in writing, (either mailed or otherwise delivered, including, but not limited to, electronic mail), of state and federal programs which may be available to aid in payment of bills and the office to contact for such possible assistance.

9. For fraudulent or illegal use of service. When Company discovers evidence that by fraudulent or illegal means Customer has obtained unauthorized service or has diverted the service for unauthorized use or has obtained service without same being properly measured, the service to Customer may be discontinued without notice. Within twenty-four (24) hours after such termination, Company shall send written notification to Customer of the reasons for such discontinuance of service and of Customer's right to challenge the termination by filing a formal complaint with the Kentucky Public Service Commission. Company's right of termination is separate from and in addition to any other legal remedies which the utility may pursue for illegal use or theft of service.


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**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

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**Public Service Commission in Case No.**
**2016-00371 dated June 22, 2017 and modified June 29, 2017**

**Terms and Conditions**
**Discontinuance of Service**

Company shall not be required to restore service until Customer has complied with all rules of Company and regulations of the Commission and Company has been reimbursed for the estimated amount of the service rendered, and assessment of the charges under the Unauthorized Reconnect Charge provision of Special Charges incurred by reason of the fraudulent use.

When service has been discontinued for any of the above reasons, Company shall not be responsible for any damage that may result therefrom.

Discontinuance or refusal of service shall be in addition to, and not in lieu of, any other rights or remedies available to Company.

Company may defer written notice (either mailed or otherwise delivered, including, but not limited to, electronic mail), based on Customer's payment history provided Company continues to provide the required ten (10) days written notice prior to discontinuance of service.

**Terms and Conditions**
**Line Extension Plan**

1. **AVAILABILITY** T
   In all territory served by where Company does not have existing facilities to meet Customer's electric service needs.

2. **DEFINITIONS** T
   a. "Company" shall mean Louisville Gas and Electric Company. T
   b. "Customer" shall mean the applicant for service. When more than one electric service is requested by an applicant on the same extension, such request shall be considered one Customer under this plan when the additional service request(s) is only for incidental or minor convenience loads or when the applicant for service is the developer of a subdivision. T
   c. "Line Extension" shall mean the single phase facilities required to serve Customer by the shortest route most convenient to Company from the nearest existing adequate Company facilities to Customer's delivery point, approved by Company, and excluding transformers, service drop, and meters, if required and normally provided to like customers. T
   d. "Permanent Service" shall mean service contracted for under the terms of the applicable rate schedule but not less than one year and where the intended use is not seasonal, intermittent, or speculative in nature. T
   e. "Commission" shall mean the Kentucky Public Service Commission. T

3. **GENERAL** T
   a. All extensions of service will be made through the use of overhead facilities except as provided in these rules. T
   b. Customer requesting service which requires an extension(s) shall furnish to Company, at no cost, properly executed easement(s) for right-of-way across Customer's property to be served. T
   c. Customer requesting extension of service into a subdivision, subject to the jurisdiction of a public commission, board, committee, or other agency with authority to zone or otherwise regulate land use in the area and require a plat (or Plan) of the subdivision, Customer shall furnish, at no cost, Company with the plat (or plan) showing street and lot locations with utility easement and required restrictions. Plats (or plans) supplied shall have received final approval of the regulating body and recorded in the office of the appropriate County Court Clerk when required. Should no regulating body exist for the area into which service is to be extended, Customer shall furnish Company the required easement. T
   d. The title to all extensions, rights-of way, permits, and easements shall be and remain with Company. T

**Terms and Conditions**
**Line Extension Plan**

**3. GENERAL** (continued) T

e. Customer must agree in writing to take service when the extension is completed and have Customer's building or other permanent facility wired and ready for connection. T

f. Nothing herein shall be construed as preventing Company from making electric line extensions under more favorable terms than herein prescribed provided the potential revenue is of such amount and permanency as to warrant such terms and render economically feasible the capital expenditure involved and provided such extensions are made to other Customers under similar conditions. T

g. Company may require a non-refundable deposit in cases where Customer does not have a real need or in cases where the estimated revenue does not justify the investment. T

h. The Company shall not be obligated to extend its lines in cases where such extensions, in the good judgment of Company, would be infeasible, impractical, or contrary to good engineering or operating practice, unless otherwise ordered by Commission. T

**4. NORMAL LINE EXTENSIONS** T

a. In accordance with 807 KAR 5:041, Section 11(1), Company will provide, at no cost, a line extension of up to 1,000 feet to Customer requesting permanent service where the installed transformer capacity does not exceed 25kVA. T

b. Where Customer requires poly-phase distribution service or transformer capacity in excess of 25 kVA and Company provides such facilities, Company shall provide at its own expense the requested line extension, but only to the extent that the cost of the requested extension does not exceed the lesser of (i) the cost of a comparable overhead extension (if an underground extension is requested) or (ii) five (5) times Customer's estimated annual net revenue, where "net revenue" is defined as Customer's total revenue less base fuel, Fuel Adjustment Clause, Off-System Sales, Demand Side Management, franchise fees, and school taxes. Company may require Customer to pay in advance a non-refundable amount for the additional cost above the five (5) times net revenue calculation to Company in providing facilities above that required in NORMAL LINE EXTENSIONS ¶ a. above. Customer must commit to a minimum contract term of five (5) years. T N N N N N N N N N N

**5. OTHER LINE EXTENSIONS** T

a. In accordance with 807 KAR 5:041, Section 11(2), Company shall provide to Customer requesting permanent service a line extension in excess of 1,000 feet per Customer but Company may require the total cost of the footage in excess of 1,000 feet per Customer, based on the average cost per foot of the total extension, be deposited with Company by Customer. T

b. After the ten (10) year period following the line extension, Company shall refund to Customer, who made the deposit for excess footage, the cost of 1,000 feet of extension for each additional customer connected during the first ten (10) year period directly to the original extension for which the deposit was made. T T

c. After the ten (10) year period following the line extension, Company shall refund to Customer, who made the deposit for excess footage, the cost of 1,000 feet of extension less the length of the lateral or extension for each additional Customer connected during the first ten (10) year period by a lateral or extension to the original extension for which the deposit was made. T T T

d. The total amount refunded shall not exceed the amount originally deposited nor shall any refund be made after the ten (10) year refund period ends. T

**DATE OF ISSUE**: September 28, 2018

**DATE EFFECTIVE:** With Service Rendered
On and After November 1, 2018

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00295 dated ____**

**Terms and Conditions**
**Line Extension Plan**

**5. OTHER LINE EXTENSIONS (continued)**

e. Where Customer requires poly-phase distribution service or transformer capacity in excess of 25 kVA and Company provides such facilities, Company shall provide at its own expense the requested line extension, but only to the extent that the cost of the requested extension does not exceed the lesser of (i) the cost of a comparable overhead extension (if an underground extension is requested) or (ii) five (5) times Customer's estimated annual net revenue, where "net revenue" is defined as Customer's total revenue less base fuel, Fuel Adjustment Clause, Demand Side Management, franchise fees, and school taxes. Company may require Customer to pay in advance a non-refundable amount for the additional cost above the five (5) times net revenue calculation to Company in providing facilities above that required in NORMAL LINE EXTENSIONS ¶ a. above. T T N N N N N N N N

**6. OVERHEAD LINE EXTENSIONS FOR SUBDIVISIONS** T

a. In accordance with 807 KAR 5:041, Section 11(3), Customer desiring service extended for and through a subdivision may be required by Company to deposit the total cost of the extension. T

b. After the ten (10) year period following the line extension, Company shall refund to Customer, the cost of 1,000 feet of extension for each additional Customer connected during the first ten (10) year period directly to the original extension for which the deposit was made. T T T

c. The total amount refunded shall not exceed the amount originally deposited nor shall any refund be made after the ten-year refund period ends. T

**7. MOBILE HOME LINE EXTENSIONS** T

a. Company will make line extensions for service to mobile homes in accordance with 807 KAR 5:041, Section 12, and Commission's Orders.

b. Company shall provide, at no cost, a line extension of up to 300 feet to Customer requesting permanent service for a mobile home.

c. Company shall provide to Customer requesting permanent service for a mobile home a line extension in excess of 300 feet and up to 1,000 feet but Company may require the total cost of the footage in excess of 300 feet, based on the average cost per foot of the total extension, be deposited with Company by Customer. Beyond 1,000 feet the policies set forth in OTHER LINE EXTENSIONS shall apply. T T

d. Each year for four (4) years Company shall refund to Customer equal amounts of the deposit for the extension from 300 feet to 1,000 feet. T

e. If service is disconnected for sixty (60) days, if the original mobile home is removed and not replaced by another mobile home or a permanent structure in sixty (60) days, the remainder of the deposit is forfeited. T T T

f. No refund will be made except to the original Customer.

**8. UNDERGROUND LINE EXTENSIONS** T

**a. General** T

i. Company will make underground line extensions for service to new residential customers and subdivisions in accordance with 807 KAR 5:041, Section 21. T

**DATE OF ISSUE**: September 28, 2018

**DATE EFFECTIVE:** With Service Rendered
On and After November 1, 2018

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00295 dated ____**

**Terms and Conditions**
**Line Extension Plan**

8. **UNDERGROUND EXTENSIONS** T

**a. General** (continued) T

ii. In order that Company may make timely provision for materials, and supplies, Company may require Customer to execute a contract for an underground extension under these Terms and Conditions with Company at least six (6) months prior to the anticipated date service is needed and Company may require Customer to deposit with Company at least 10% of any amounts due under the contract at the time of execution. Customer shall deposit the balance of any amounts due under the contract with Company prior to ordering materials or commencement of actual construction by Company of facilities covered by the contract. T

iii. Customer shall give Company at least 120 days written notice prior to the anticipated date service is needed and Company will undertake to complete installation of its facilities at least thirty (30) days prior to that date. However, nothing herein shall be interpreted to require Company to extend service to portions of subdivisions not under active development. T

iv. At Company's discretion, Customer may perform a work contribution, to Company's specifications, including but not limited to conduit, setting pads, or any required trenching and backfilling, and Company shall credit amounts due from Customer for underground service by Company's estimated cost for such work contribution. T

v. Customer will provide, own, operate and maintain all electric facilities on Customer's side of the point of delivery including the service and with the exception of Company's meter. T

vi. The normal point of delivery shall be at a junction device at the corner of the lot nearest Company's facilities. Customer shall bring Customer's service line to a point within 1 1/2 feet of the junction device with a sufficient length of service conductor left coiled above grade for completion of installation and connection by Company. T

D

vii. Unit charges, where specified herein, are determined from Company's estimate of Company's average unit cost of such construction and the estimated cost differential between underground and overhead distribution systems in representative residential subdivisions. T

viii. Three phase primary required to supply either individual loads or the local distribution system may be overhead unless Customer chooses underground construction and deposits with Company a non-refundable deposit for the cost differential. T

**b. Individual Premises** T

i. Within the City of Louisville underground district or in those cases where Company's engineering or operating convenience requires the construction of an underground extension to an individual premise, the excess of the cost of an underground extension over that of an overhead extension will be at no cost. T

**Terms and Conditions**
**Line Extension Plan**

8. **UNDERGROUND EXTENSIONS** T

**b. Individual Premises** (continued) T

ii. In cases other than those specified in 1) above, where Customer requests and Company agrees to supply underground service to an individual premise, Company may require Customer to pay, in advance, a non-refundable amount for the additional cost of the underground extension (including all associated facilities) over the cost of an overhead extension of equivalent capacity. T

**c. Medium Density Subdivisions** T

i. A medium density residential subdivision is defined as containing ten or more lots for the construction of new residential buildings each designed for less than five (5)-family occupancy. T

ii. Customer shall provide any required trenching and backfilling or at Company's discretion be required to deposit with Company a non-refundable amount determined by a unit charge of $6.94 per aggregate lot front-foot along all streets contiguous to the lots to be served through an underground extension. T

D
D

iii. In no case shall the refunds provided for herein exceed the amounts deposited less any non-refundable charges applicable to the project nor shall any refund be made after a ten-year refund period ends. T

**d. High Density Subdivisions**

i. A high density residential subdivision is defined as building complexes consisting of two or more buildings each not more than three stories above grade and each designed for five (5) or more family occupancy. T

D

**e. Other Underground Subdivisions** T

In cases where a particular residential subdivision does not meet the conditions provided for above and where Customer requests and Company agrees to supply underground service, Company may require Customer to pay in advance a non-refundable amount for the additional cost of the underground extension (including all associated facilities) over the cost of an overhead extension of equivalent capacity.

**9. SPECIAL CASES**

a. Where Customer requests service that is seasonal, intermittent, speculative in nature, at voltages of 34.5kV or greater, or where the facilities requested by Customer do not meet the Terms and Conditions outlines in previous sections of LINE EXTENSION PLAN and the anticipated revenues do not justify Company's installing facilities required to meet Customer's needs, Company may request that Customer deposit with Company a refundable amount to justify Company's investment.

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State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00295 dated ____**

**Terms and Conditions**
**Line Extension Plan**

**9. SPECIAL CASES (continued)** T

b. Each year for ten (10) years, Company shall refund to Customer, an amount calculated by: T

i. Adding the sum of Customer's annual base rate monthly electric demand billing for that year to the sum of the annual base rate monthly electric demand billing of the monthly electric billing for that year of any customer(s), who connects directly to the facilities provided for in this agreement and requiring no further investment by Company T

ii. times the refundable amount divided by the estimated total ten-year base rate electric demand billing required to justify the investment. T

c. The total amount refunded shall not exceed the amount originally deposited nor shall any refund be made after the ten-year refund period ends. T

**Terms and Conditions**
**Energy Curtailment and Service Restoration Procedures**

## PURPOSE

To provide procedures for reducing the consumption of electric energy on the Louisville Gas and Electric Company ("Company") system in the event of a capacity shortage and to restore service following an outage. Notwithstanding any provisions of these Energy Curtailment and Service Restoration Procedures, Company shall have the right to take whatever steps, with or without notice and without liability on Company's part, that Company believes necessary, in whatever order consistent with good utility practices and not on an unduly discriminatory basis, to preserve system integrity and to prevent the collapse of Company's electric system or interconnected electric network or to restore service following an outage. Such actions will be taken giving priority to maintaining service to Company's retail and full requirements Customers relative to other sales whenever feasible and as allowed by law.

## ENERGY CURTAILMENT PROCEDURE

## PRIORITY LEVELS

For the purpose of these procedures, the following Priority Levels have been established:

I. Essential Health and Safety Uses -- to be given special consideration in these procedures shall, insofar as the situation permits, include the following types of use

A. "Hospitals", which shall be limited to institutions providing medical care to patients.

B. "Life Support Equipment", which shall be limited to kidney machines, respirators, and similar equipment used to sustain the life of a person.

C. "Police Stations and Government Detention Institutions", which shall be limited to essential uses required for police activities and the operation of facilities used for the detention of persons.

D. "Fire Stations", which shall be limited to facilities housing mobile fire-fighting apparatus.

E. "Communication Services", which shall be limited to essential uses required for telephone, telegraph, television, radio and newspaper operations, and operation of state and local emergency services.

F. "Water and Sewage Services", which shall be limited to essential uses required for the supply of water to a community, flood pumping and sewage disposal.

**Terms and Conditions**
**Energy Curtailment and Service Restoration Procedures**

**PRIORITY LEVELS** (continued)

G. "Transportation and Defense-related Services", which shall be limited to essential uses required for the operation, guidance control and navigation of air, rail and mass transit systems, including those uses essential to the national defense and operation of state and local emergency services. These uses shall include essential street, highway and signal-lighting services.

Although, when practical, these types of uses will be given special consideration when implementing the manual load-shedding provisions of this program, any Customer may be affected by rotating or unplanned outages and should install emergency generation equipment if continuity of service is essential. Where the emergency is system-wide in nature, consideration will be given to the use of rotating outages as operationally practicable. In case of Customers supplied from two utility sources, only one source will be given special consideration. Also, any other Customers who, in their opinion, have critical equipment should install emergency generation equipment.

Company maintains lists of Customers with life support equipment and other critical needs for the purpose of curtailments and service restorations. Company, lacking knowledge of changes that may occur at any time in Customer's equipment, operation, and backup resources, does not assume the responsibility of identifying customers with priority needs. It shall, therefore, be Customer's responsibility to notify Company if Customer has critical needs.

II. Critical Commercial and Industrial Uses -- Except as described in Section III below, these uses shall include commercial or industrial operations requiring regimented shutdowns to prevent conditions hazardous to the general population, and to energy utilities and their support facilities critical to the production, transportation, and distribution of service to the general population. Company shall maintain a list of such customers for the purpose of curtailments and service restoration.

III Residential Use -- The priority of residential use during certain weather conditions (for example severe winter weather) will receive precedence over critical commercial and industrial uses. The availability of Company service personnel and the circumstances associated with the outage will also be considered in the restoration of service.

IV. Non-critical commercial and industrial uses.

V. Nonessential Uses -- The following and similar types of uses of electric energy shall be considered nonessential for all Customers:

**Terms and Conditions**
**Energy Curtailment and Service Restoration Procedures**

**PRIORITY LEVELS** (continued)

A. Outdoor flood and advertising lighting, except for the minimum level to protect life and property, and a single illuminated sign identifying commercial facilities when operating after dark.

B. General interior lighting levels greater than minimum functional levels.

C. Show-window and display lighting.

D. Parking-lot lighting above minimum functional levels.

E. Energy use to lower the temperature below 78 degrees during operation of cooling equipment and above 65 degrees during operation of heating equipment.

F. Elevator and escalator use in excess of the minimum necessary for non-peak hours of use.

G. Energy use greater than that which is the minimum required for lighting, heating, or cooling of commercial or industrial facilities for maintenance cleaning or business-related activities during non-business hours.

Non-jurisdictional Customers will be treated in a manner consistent with the curtailment procedures contained in the service agreement between the parties or the applicable tariff.

**CURTAILMENT PROCEDURES**

In the event Company's load exceeds internal generation, transmission, or distribution capacity, or other system disturbances exist, and internal efforts have failed to alleviate the problem, including emergency energy purchases, the following steps may be taken, individually or in combination, in the order necessary as time permits:

1. Customers having their own internal generation capacity will be curtailed, and Customers on curtailable contracts will be curtailed for the maximum hours and load allowable under their contract. Nothing in this procedure shall limit Company's rights under the Curtailable Service Rider tariff.

2. Power output will be maximized at Company's generating units.

3. Company use of energy at its generating stations will be reduced to a minimum.

**Terms and Conditions**
**Energy Curtailment and Service Restoration Procedures**

**CURTAILMENT PROCEDURES** (continued)

4. Company's use of electric energy in the operation of its offices and other facilities will be reduced to a minimum.

5. The Kentucky Public Service Commission will be advised of the situation.

6. An appeal will be made to Customers through the news media and/or personal contact to voluntarily curtail as much load as possible. The appeal will emphasize the defined priority levels as set forth above.

7. Customers will be advised through the use of the news media and personal contact that load interruption is imminent.

8. Implement procedures for interruption of selected distribution circuits.

**SERVICE RESTORATION PROCEDURES**

Where practical, priority uses will be considered in restoring service and service will be restored in the order I through IV as defined under PRIORITY LEVELS. However, because of the varieties of unpredictable circumstances which may exist or precipitate outages, it may be necessary to balance specific individual needs with infrastructure needs that affect a larger population. When practical, Company will attempt to provide estimates of repair times to aid customers in assessing the need for alternative power sources and temporary relocations.

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**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the**
**Public Service Commission in Case No.**
**2009-00549 dated July 30, 2010**

# Special Contracts
# Electric

**Summary of Proposed Charges Under Electric Special Contracts**

| | | |
|---|---|---|
| Customer 1 | Demand Charge: | $17.06 per kW of billing demand per month |
| | Energy Charge: | $0.03175 |

# Louisville Gas and Electric Company

220 West Main Street
Louisville, Kentucky
www.lge-ku.com

Rates, Terms, and Conditions for Furnishing

# NATURAL GAS SERVICE

In all territory served as stated on Tariff Sheet No. 1.2 of this Book

# PUBLIC SERVICE COMMISSION

# OF KENTUCKY

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**DATE OF ISSUE:** September 28, 2018

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On And After November 1, 2018

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

# Louisville Gas and Electric Company



**General Index**
**Rates, Terms, and Conditions** T



**DATE OF ISSUE:** September 28, 2018

**DATE EFFECTIVE:** Effective with Service Rendered
On And After November 1, 2018

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00295 dated ____**

**General Index**
**Rates, Terms, and Conditions** T

## General Index
## Territory Served

LG&E purchases, stores, and transports natural gas and distributes and sells natural gas at retail in all or portions of the following counties:

Barren
Bullitt
Green
Hardin
Hart
Henry
Jefferson
Larue
Marion
Meade
Metcalfe
Nelson
Oldham
Shelby
Spencer
Trimble
Washington

All references hereinafter to “territory served” shall be determined by the counties listed above.

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**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Standard Rate** **RGS**

**Residential Gas Service**

**APPLICABLE**

In all territory served.

**AVAILABILITY** T

Applicable to firm natural gas sales service to residential customers for all domestic purposes in private residences, single occupancy apartments, and common-use areas of multi-purpose occupancy buildings when supplied at a single point of delivery and where distribution mains are adjacent to the premises to be served. Such customers also include tenants billed for natural gas consumption or use by other tenants at the same premises that are metered separately.

The term “residential” customers shall include customers using gas in a single-family residential dwelling or unit for space-heating, air conditioning, cooking, water-heating, incineration, refrigeration, laundry drying, lighting, incidental heating, personal vehicle fueling, or other domestic purposes, including the use of gas in standby electric generation in domestic applications. If an additional separate point of delivery is requested by a residential customer to provide gas for use in standby electric generation, customer shall be served under Standard Rate DGGS. Company shall not be obligated to install an additional service to a residential customer for the purpose of the customer installing equipment for either electric standby generation or personal vehicle fueling.

All existing and future installations of equipment for the purpose of providing gas for use in standby electric generation or personal vehicle fueling shall be reported by the Customer (or the Customer’s Representative) to the Company in conjunction with the “Notice to Company of Changes in Customer’s Load” set out in the Customer Responsibilities section of the Company’s Terms and Conditions. Additionally, service for gas for use in standby electric generation and personal vehicle fueling shall be subject to the availability of adequate capacity on Company’s gas system to perform such service without detriment to its other Customers.

**RATE**

| | | |
|---|---|---|
| Basic Service Charge per day: | $0.65 per delivery point | T/I |
| Plus a Charge per 100 cubic feet: | | |
| Distribution Charge | $ 0.39076 | I |
| Gas Supply Cost Component | $ 0.41446 | |
| Total Gas Charge per 100 cubic feet: | $ 0.80522 | I |

The "Gas Supply Cost Component" as shown above is the cost per 100 cubic feet determined in accordance with the Gas Supply Clause set forth on Sheet No. 85 of this Tariff. The Performance-Based Ratemaking Mechanism, set forth on Sheet No. 87, is included as a component of the Gas Supply Clause as shown on Sheet No. 85 of this Tariff.


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State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the**
**Public Service Commission in Case No.**
**2018-00295 dated ____**

**ADJUSTMENT CLAUSES**

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

| | | |
|---|---|---|
| Weather Normalization Adjustment | Sheet No. 88 | T |
| Demand-Side Management Cost Recovery Mechanism | Sheet No. 86 | T |
| Gas Line Tracker | Sheet No. 84 | T |
| Home Energy Assistance Program | Sheet No. 92 | D/T |
| Franchise Fee | Sheet No. 90 | T |
| School Tax | Sheet No. 91 | T |

**MINIMUM CHARGE**

The Basic Service Charge shall be the minimum charge.

**DUE DATE OF BILL**

Customer's payment will be due within sixteen (16) business days (no less than twenty-two (22) calendar days) from the date of the bill.

**LATE PAYMENT CHARGE**

If full payment is not received by the due date of the bill, a 3% late payment charge will be assessed on the current month's charges. Beginning October 1, 2010, residential Customers who receive a pledge for or notice of low income energy assistance from an authorized agency will not be assessed or required to pay a late payment charge for the bill for which the pledge or notice is received, nor will they be assessed or required to pay a late payment charge in any of the eleven (11) months following receipt of such pledge or notice.

Beginning May 1, 2019, Residential Gas Service Customers in good standing by not having been N
assessed a Late Payment Charge for the previous eleven (11) months have the option of waiving N
one (1) late payment charge upon request. This option may only be used once every twelve (12) N
months as long as the Customer remains in good standing. N

**TERMS AND CONDITIONS**

Service will be furnished under Company's Terms and Conditions applicable hereto.

**Standard Rate** **VFD**

**Volunteer Fire Department Service**

**APPLICABLE**

In all territory served.

**AVAILABILITY** T

Available, in accordance with the provisions of KRS 278.172, to any volunteer fire department qualifying for aid under KRS 95A.262. Service under this rate schedule is at the option of the customer with the customer determining whether service will be provided under this schedule or any other schedule applicable to this load. If an additional separate point of delivery is requested by a volunteer fire department qualifying for aid under KRS 95A.262 to provide gas for use in standby electric generation, customer shall be served under Standard Rate DGGS.

All existing and future installations of equipment for the purpose of providing gas for use in standby electric generation or personal vehicle fueling shall be reported by the Customer (or the Customer's Representative) to the Company in conjunction with the "Notice to Company of Changes in Customer's Load" set out in the Customer Responsibilities section of the Company's Terms and Conditions. Additionally, service for gas for use in standby electric generation and personal vehicle fueling shall be subject to the availability of adequate capacity on Company's gas system to perform such service without detriment to its other Customers. Company shall not N
be obligated to install an additional service for the purpose of customer installing equipment for N
either electric standby generation or personal vehicle fueling. N

**DEFINITION**

To be eligible for this rate a volunteer fire department is defined as:

1. having at least 12 members and a chief,
2. having at least one fire fighting apparatus, and
3. half the members must be volunteers.

**RATE**

| | | |
|---|---|---|
| Basic Service Charge per day: | $0.65 per delivery point | T/I |
| Plus a Charge per 100 cubic feet: | | |
| Distribution Charge | $ 0.39076 | I |
| Gas Supply Cost Component | $ 0.41446 | |
| Total Gas Charge per 100 cubic feet: | $ 0.80522 | I |

The "Gas Supply Cost Component" as shown above is the cost per 100 cubic feet determined in accordance with the Gas Supply Clause set forth on Sheet No. 85 of this Tariff. The Performance-Based Ratemaking Mechanism, set forth on Sheet No. 87, is included as a component of the Gas Supply Clause as shown on Sheet No. 85 of this Tariff.

**DATE OF ISSUE:** September 28, 2018

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**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00295 dated ____**

**ADJUSTMENT CLAUSES**

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

| | | |
|---|---|---|
| Weather Normalization Adjustment | Sheet No. 88 | T |
| Demand-Side Management Cost Recovery Mechanism | Sheet No. 86 | T |
| Gas Line Tracker | Sheet No. 84 | D/T |
| Franchise Fee | Sheet No. 90 | T |
| School Tax | Sheet No. 91 | T |

**MINIMUM CHARGE**

The Basic Service Charge shall be the minimum charge.

**DUE DATE OF BILL**

Customer's payment will be due within sixteen (16) business days (no less than twenty-two (22) calendar days) from the date of the bill.

**LATE PAYMENT CHARGE**

If full payment is not received by the due date of the bill, a 3% late payment charge will be assessed on the current month’s charges.

**TERMS AND CONDITIONS**

Service will be furnished under Company’s Terms and Conditions applicable hereto.

**Standard Rate** **CGS**

**Firm Commercial Gas Service**

**APPLICABLE**

In all territory served.

**AVAILABILITY** T

Applicable to firm natural gas sales service to customers engaged in commercial activities such as apartment buildings, rooming and boarding dwellings, residential hotels, multi-family row housing, duplexes, other situations where gas is supplied to consumers in two or more dwelling units designed for the primary purposes of residences, and other commercial activities when supplied at a single point of delivery and where distribution mains are adjacent to the premises to be served.

Combination commercial and residential accounts shall be considered commercial if usage for commercial purposes is half or more than half of the total service over the course of a year.

The term “commercial” customers shall include customers using gas in activities related to warehousing, distributing, or selling commodities, providing professional services, wholesale and retail stores, offices, office buildings, hotels, retail bakeries, hospitals, schools, churches, religious or charitable institutions, governmental agencies, other institutions or the like (including local, state, and federal governmental agencies) and for uses other than those involved in manufacturing. Applications related to the use of gas in standby or other electric generation in commercial applications shall not be served under this rate schedule unless (1) such facilities were installed and operating under this Standard Rate CGS before ninety (90) days after August 1, 2010, or (2) such facilities have a total connected load of less than 2,000 cubic feet per hour and are not for the generation of electricity for further distribution, for sale in the open market, or for any purpose other than to provide Customer with standby electric supplies during emergency situations.

All existing and future installations of equipment for the purpose of providing gas for use in standby electric generation shall be reported by the Customer (or the Customer’s Representative) to the Company in conjunction with the “Notice to Company of Changes in Customer’s Load” set out in the Customer Responsibilities section of the Company’s Terms and Conditions. Additionally, service for gas for use in standby electric generation shall be subject to the availability of adequate capacity on Company’s gas system to perform such service without detriment to its other Customers.

Service to Customer at multiple delivery points for the purpose of avoiding the threshold of 2,000 cubic feet per hour under Rate DGGS shall not be permitted.

This schedule is also applicable to natural gas service for street lighting to such entities as certificated homeowners associations, businesses, and local, state, and federal governmental agencies.

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**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00295 dated ____**

**Standard Rate** **CGS**

**Firm Commercial Gas Service**

**RATE**

| | | |
|---|---|---|
| Basic Service Charge per day: | | T |
| If all of the customer's meters have a capacity < 5,000 cf/hr: | $ 1.97 per delivery point | R |
| If any of the customer's meters have a capacity ≥ 5,000 cf/hr: | $ 9.37 per delivery point | I |
| Plus a Charge per 100 cubic feet: | | |
| Distribution Charge | $ 0.32525 | I |
| Gas Supply Cost Component | 0.41446 | |
| Total Charge per 100 cubic feet: | $ 0.73971 | I |

The "Gas Supply Cost Component" as shown above is the cost per 100 cubic feet determined in accordance with the Gas Supply Clause set forth on Sheet No. 85 of this Tariff. The Performance-Based Ratemaking Mechanism, set forth on Sheet No. 87, is included as a component of the Gas Supply Clause as shown on Sheet No. 85 of this Tariff.

Off-Peak Pricing Provision:
The Distribution Charge applicable to monthly usage in excess of 100,000 cubic feet shall be reduced by $0.05 per 100 cubic feet during the seven off-peak billing periods of April through October. The first 100,000 cubic feet per month during such period shall be billed at the rate set forth above.

**ADJUSTMENT CLAUSES**

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

| | | |
|---|---|---|
| Weather Normalization Adjustment | Sheet No. 88 | T |
| Demand-Side Management Cost Recovery Mechanism | Sheet No. 86 | T |
| Gas Line Tracker | Sheet No. 84 | D/T |
| Franchise Fee | Sheet No. 90 | T |
| School Tax | Sheet No. 91 | T |

**MINIMUM CHARGE**

The Basic Service Charge shall be the minimum charge.

**DUE DATE OF BILL**

Customer's payment will be due within sixteen (16) business days (no less than twenty-two (22) calendar days) from the date of the bill.

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State Regulation and Rates
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**Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00295 dated ____**

**LATE PAYMENT CHARGE**

If full payment is not received by the due date of the bill, a 3% late payment charge will be assessed on the current month’s charges.

**TERMS AND CONDITIONS**

Service will be furnished under Company’s Terms and Conditions applicable hereto.

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State Regulation and Rates
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**Issued by Authority of an Order of the Public Service Commission in Case No. 2012-00222 dated December 20, 2012**

**Standard Rate** **IGS**

**Firm Industrial Gas Service**

**APPLICABLE**

In all territory served.

**AVAILABILITY** T

Applicable to firm natural gas sales service to customers engaged in industrial activities that involve manufacturing or other activities that process, create or change raw or unfinished materials into another form or product when supplied at a single point of delivery and where distribution mains are adjacent to the premises to be served.

Combination industrial and commercial accounts shall be considered industrial if usage for industrial purposes is half or more than half of the total service over the course of a year.

The term “industrial” customers shall include customers involved in activities using gas primarily in a process or processes which either involve the extraction of raw materials from the earth, or a change of raw or unfinished materials into another form or product through the application of heat or heat treating, steam agitation, evaporation, baking, extraction, drying, distilling, asphalt production, vehicular fueling of internal combustion engines, and for other similar uses. Customers using natural gas for vehicular fueling of internal combustion engines must also elect service under Rider NGV. Applications related to the use of gas in standby or other electric generation in industrial applications shall not be served under this rate schedule unless (1) such facilities were installed and operating under this Standard Rate IGS before ninety (90) days after August 1, 2010, or (2) such facilities have a total connected load of less than 2,000 cubic feet per hour and are not for the generation of electricity for further distribution, for sale in the open market, or for any purpose other than to provide Customer with standby electric supplies during emergency situations.

All existing and future installations of equipment for the purpose of providing gas for use in standby electric generation shall be reported by the Customer (or the Customer’s Representative) to the Company in conjunction with the “Notice to Company of Changes in Customer’s Load” set out in the Customer Responsibilities section of the Company’s Terms and Conditions. Additionally, Service for gas for use in standby electric generation shall be subject to the availability of adequate capacity on Company’s gas system to perform such service without detriment to its other Customers.

Service to Customer at multiple delivery points for the purpose of avoiding the threshold of 2,000 cubic feet per hour under Rate DGGS shall not be permitted.


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State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00295 dated ____**

# Louisville Gas and Electric Company



**Standard Rate** **IGS**
**Firm Industrial Gas Service**

**RATE**

| | | |
|---|---|---|
| Basic Service Charge per day: | | T |
| If all of the customer's meters have a capacity < 5,000 cf/hr: | $ 5.42 per delivery point | R |
| If any of the customer's meters have a capacity ≥ 5,000 cf/hr: | $ 24.64 per delivery point | R |

| | |
|---|---|
| Plus a Charge per 100 cubic feet: | |
| Distribution Charge | $ 0.21929 |
| Gas Supply Cost Component | $ 0.41446 |
| Total Charge per 100 cubic feet: | $ 0.63375 |

The "Gas Supply Cost Component" as shown above is the cost per 100 cubic feet determined in accordance with the Gas Supply Clause set forth on Sheet No. 85 of this Tariff. The Performance-Based Ratemaking Mechanism, set forth on Sheet No. 87, is included as a component of the Gas Supply Clause as shown on Sheet No. 85 of this Tariff.

Off-Peak Pricing Provision:
The Distribution Charge applicable to monthly usage in excess of 100,000 cubic feet shall be reduced by $0.05 per 100 cubic feet during the seven off-peak billing periods of April through October. The first 100,000 cubic feet per month during such period shall be billed at the rate set forth above.

**ADJUSTMENT CLAUSES**
The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

| | | |
|---|---|---|
| Demand-Side Management Cost Recovery Mechanism | Sheet No. 86 | T |
| Gas Line Tracker | Sheet No. 84 | T |
| Franchise Fee | Sheet No. 90 | D/T |
| School Tax | Sheet No. 91 | T |

**MINIMUM CHARGE**
The Basic Service Charge shall be the minimum charge.

**DUE DATE OF BILL** T
Customer's payment will be due within sixteen (16) business days (no less than twenty-two (22) T
calendar days) from the date of the bill. T

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State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00295 dated ____**

T

**LATE PAYMENT CHARGE**

If full payment is not received by the due date of the bill, a 3% late payment charge will be assessed on the current month’s charges.

**TERMS AND CONDITIONS**

Service will be furnished under Company's Terms and Conditions applicable hereto.

**Standard Rate** **AAGS**
**As-Available Gas Service**

**APPLICABLE**
In all territory served.

**AVAILABILITY** T
This rate schedule is designed to make available to commercial and industrial customers quantities of natural gas that Company may from time to time have available for sale without impairment of service to customers served under other higher priority rate schedules, and which can be supplied from Company's existing distribution system, subject to the provisions of this rate schedule.

This rate shall not be available for gas loads which are predominantly space heating in character. In order to ensure that this rate schedule shall not be available for loads which are predominantly space heating in character and which do not consume substantial quantities of gas throughout the year, customers served hereunder shall be required to consume, when gas is available, at least 50 Mcf each day during each billing cycle at each individual delivery point.

Customers served under Rate G-6 and Rate G-7 as of the first effective date of this Rate AAGS shall have the right to elect service under Rate AAGS, Rate CGS, or Rate IGS. Such Customers that elect to transfer from either Rate G-6 or Rate G-7 to service under Rate AAGS may do so without complying with the requirement set forth above that customers served hereunder shall be required to consume, when gas is available, at least 50 Mcf each day during each billing cycle at each individual delivery point. Customers not electing service under either Rate CGS or Rate IGS shall receive service hereunder upon the first effective date hereof, irrespective of the November 1 start-date set forth in “Contract-Term” below.

**COMPANY NOT OBLIGATED TO CONTINUE SERVICE**
Company shall have the right to discontinue the supply of natural gas wholly or in part for such period or periods as, in the sole judgment of Company, may be necessary or advisable to enable it to supply the full gas requirements of its customers served under higher priority rate schedules. Nothing herein shall prevent Company from expanding its obligations under such other rate schedules. Company may decline to accept any additional contracts for service hereunder.

**CONTRACT TERM**
Customers served under Rate AAGS shall enter a written contract with Company more fully described in the Special Terms and Conditions of this rate schedule. The minimum contract term for service hereunder shall be for a period of at least one (1) year and shall commence on
November 1 and be effective through the following October 31, and year to year thereafter, unless T
terminated by either Company or Customer upon prior written notice on or before the April 30 T
preceding the October 31 termination date. T

**CONTRACT TERM** (continued)

Any customer served under Rate CGS or Rate IGS shall provide notice to Company by April 30 of its request for service to be effective commencing on the following November 1. T

**RATE**

Basic Service Charge per month: $500.00 per delivery point

Plus a Charge per Mcf:

| | |
|---|---|
| Distribution Charge | $ 1.0644 |
| Gas Supply Cost Component | $ 4.1446 |
| Total Charge Per Mcf | $ 5.2090 |

The "Gas Supply Cost Component" as shown above is the cost per Mcf determined in accordance with the Gas Supply Clause set forth on Sheet Nos. 85 of this Tariff. The Performance-Based Ratemaking Mechanism, set forth on Sheet Nos. 87, is included as a component of the Gas Supply Clause as shown on Sheet No. 85 of this Tariff.

**ADJUSTMENT CLAUSES**

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

| | | |
|---|---|---|
| Demand-Side Management Cost Recovery Mechanism | Sheet No. 86 | T |
| Gas Line Tracker | Sheet No. 84 | T |
| Franchise Fee | Sheet No. 90 | D/T |
| School Tax | Sheet No. 91 | T |

**PENALTY FOR FAILURE TO INTERRUPT**

Company shall have the right to interrupt sales service under this rate schedule upon eighteen (18) hours' prior notice. Provision of oral notice by telephone to Customer shall be deemed proper notice of interruption of service under this rate schedule.

In addition to the charges set forth above, if the Customer fails to discontinue the consumption of natural gas at its facility at the conclusion of the eighteen- (18-) hour notice period, Company may charge the Customer the following penalty for each Mcf used during the period of interruption in addition to any other remedy available to Company, including, but not limited to, immediate termination of service under this rate schedule, irrespective of the provisions set forth on "Contract Term", and immediate transfer by Company to either Rate CGS or Rate IGS, as applicable T T T T T T T

**Standard Rate** **AAGS**
**As-Available Gas Service**

**PENALTY FOR FAILURE TO INTERRUPT** (continued) T

Customer shall be charged a per Mcf penalty charge applicable to any unauthorized takes of gas during the period of interruption (excluding Pilot Light Requirements where applicable) equal to $15.00 plus the higher of the following: either (a) the highest daily mid-point price posted in "*Platts Gas Daily*" for Texas Gas Zone 1 adjusted for Fuel Retention applicable to deliveries to Zone 4 under Texas Gas Transmission, LLC's Rate NNS plus the Commodity Charge and any surcharges applicable to deliveries to Zone 4 under Texas Gas Transmission, LLC's Rate NNS during the period of interruption that falls into each monthly billing cycle, or (b) the highest daily mid-point price posted in "*Platts Gas Daily*" for Lebanon-Hub adjusted for Fuel Retention applicable to deliveries to Zone 4 under Texas Gas Transmission, LLC's Rate NNS plus the Commodity Charge and any surcharges applicable to deliveries to Zone 4 under Texas Gas Transmission, LLC's Rate NNS during the period of interruption that falls into each monthly billing cycle. Such penalty for failure to interrupt shall be in addition to any other charges under this rate schedule for such unauthorized usage by Customer that occurs following the conclusion of the eighteen- (18-) hour notice of interruption by Company to Customer.

Company shall not be required to provide service under this rate schedule for any Customer that does not comply with the terms or conditions of this rate schedule. Payment of penalty charges hereunder shall not be considered an exclusive remedy for failure to comply with the notice of interruption, nor shall the payment of such charges be considered a substitute for any other remedy available to Company.

**SPECIAL TERMS AND CONDITIONS**

1. Service under this rate schedule will be furnished under Company's Terms and Conditions applicable hereto, to the extent that such Terms and Conditions are not in conflict, nor inconsistent, with the specific provisions hereof.

2. Service shall be supplied hereunder only at such times and in such volumes as Company, in its sole judgment, determines that gas is available for such service without impairment of service supplied under other rate schedules.

3. Each customer served hereunder shall be required to enter into a written contract specifying, among other things, realistic monthly requirements for gas under this rate schedule. Such volumes shall be used as the basis for apportionment of gas when the total customer requirements exceed the quantity of gas available for service hereunder.

4. The customer shall contract under this rate schedule for a specified quantity of gas stated in terms of maximum required deliveries in Mcf per day. On no day shall Company be obligated to supply gas in excess of such contract quantity. In no case will Company be obligated to supply gas to Customer at greater volumes and greater rates of flow than those historically delivered by Company to Customer. T T T T T

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**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

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**SPECIAL TERMS AND CONDITIONS** (continued)

T

5. Customer shall discontinue taking service upon applicable notice by Company to do so.

6. No gas service whatsoever to Customer's equipment or process served hereunder shall be supplied or permitted to be taken under any other of Company's gas rate schedules during periods of interruption.

7. Upon commencement of service hereunder, Customer shall be required to certify that Customer's alternate fuel facilities are operational and alternate fuel is on site and capable of use. Company may, at its discretion, verify such certification through physical inspection of Customer's facility. In the event that Customer does not have alternate fuel facilities, Customer shall certify that the processes which utilize gas delivered hereunder are capable of complete discontinuance of natural gas use. Company may request Customer to verify either of the foregoing alternatives on an annual basis on or before October 1 of each year. Failure of Customer to annually certify either of the above alternatives shall result, in the sole discretion of Company, in immediate termination of service under this rate schedule and the immediate transfer to the appropriate firm sales rate schedule, either Rate CGS or Rate IGS.

8. Service hereunder must be supplied through a separate meter and physically isolated from any other service provided by Company under other rate schedules.

9. Company shall not be obligated to install or construct any facilities (other than necessary meters and regulators) in order to provide service hereunder.

10. Any Customer contracting for service hereunder, other than a Customer transferring from either Rate G-6 or Rate G-7 as stipulated above, may be required, in the sole discretion of Company, either prior to electing service hereunder or at any time thereafter, to have appropriate remote metering devices. The remote metering devices allow Company to monitor the Customer's usage and determine compliance with notice of interruption of service hereunder. The Customer shall reimburse Company for the cost of the remote metering equipment, for any modifications to Company facilities, and for the replacement of any existing meters required in order to facilitate the functioning of the remote metering.

Any Customer required to have remote metering as described above shall be responsible for making any necessary modifications to its facilities, including, but not limited to, any modifications of Customer's piping, in order to facilitate the installation and operation of such remote metering. T T T

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**SPECIAL TERMS AND CONDITIONS** (continued)

T

Any Customer required to have remote metering shall be responsible for providing the necessary and adequate electric and telephone service to provide this metering within thirty (30) days of Company's notice to Customer that such remote metering shall be required. Electric and telephone services installed for this equipment shall conform to Company's specifications. The Customer shall be responsible for maintaining the necessary and adequate electric and telephone service to provide such remote metering.

**DUE DATE OF BILL**

Customer's payment will be due within sixteen (16) business days (no less than twenty-two (22) calendar days) from the date of the bill.

**LATE PAYMENT CHARGE**

If full payment is not received by the due date of the bill, a 1% late payment charge will be assessed on the current month's charges.


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**Standard Rate** **SGSS**

**Substitute Gas Sales Service**

**APPLICABLE**

In all territory served.

**AVAILABILITY** T

Service under this rate schedule is required for any commercial or industrial customer that is physically connected to the facilities of any other provider of natural gas, bio-gas, native gas, methane, or other gaseous fuels, such other providers to include, but not be limited to, another natural gas local distribution company, public, private, or municipal; a producer, gatherer, or transmitter of natural gas; an interstate or intrastate natural gas pipeline; or any other entity (including the Customer itself acting in any one or more of these roles) that provides natural gas or natural gas service to residential, commercial, industrial, public authority, or any other type of customers which might otherwise receive natural gas from Company. In the event that such Customer desires to continue to receive natural gas service from Company and/or declines to allow Company to remove Company's facilities hitherto used to provide natural gas service to Customer, then Customer shall be obligated to take service under Rate SGSS.

Company shall not be obligated to make modifications or additions to its gas system to serve loads under this rate schedule.

Company may decline to serve customers using gas to generate electricity in standby or other applications under this rate schedule.

Customers shall be classified as commercial or industrial in accordance with the definitions set forth in either Rate CGS or Rate IGS, as applicable to customer's primary gas use.

**RATE**

For commercial customers, the following charges shall apply:

| | | |
|---|---|---|
| Basic Service Charge per month: | $285.00 per delivery point | |
| Plus a Demand Charge per Mcf of Monthly Billing Demand: | $6.7300 | I |
| Plus a Charge per Mcf: | | |
| Distribution Charge | $0.3603 | I |
| Gas Supply Cost Component | 4.1446 | |
| Total Charge per Mcf: | $4.5049 | I |

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**RATE** (continued)

For industrial customers, the following charges shall apply:

| | |
|---|---|
| Basic Service Charge per month: | $750.00 per delivery point |
| Plus a Demand Charge per Mcf of Monthly Billing Demand: | $10.90 |
| Plus a Charge per Mcf: | |
| Distribution Charge | $0.2992 |
| Gas Supply Cost Component | 4.1446 |
| Total Charge per Mcf: | $4.4438 |

The "Gas Supply Cost Component" as shown above is the cost per Mcf determined in accordance with the Gas Supply Clause set forth on Sheet Nos. 85 of this Tariff. The Performance-Based Ratemaking Mechanism, set forth on Sheet Nos. 87, is included as a component of the Gas Supply Clause as shown on Sheet No. 85 of this Tariff.

**MAXIMUM DAILY QUANTITY**

Company shall provide firm natural gas sales service to Customer at a single Point of Delivery up to the Maximum Daily Quantity ("MDQ"). The MDQ for any Customer taking service under this rate schedule when it first becomes effective will be 70% of the highest daily volume projected by Company for the Customer in the forecasted test year used by Company in Case No. 2016-00371. For all other Customers taking service under this rate schedule, Customer and Company may mutually agree to establish the level of the MDQ; provided, however, that in the event that Customer and Company cannot agree upon the MDQ, then the level of the MDQ shall be equal to 70% of the highest daily volume used by Customer during the twelve (12) months prior to the date that Customer began receiving natural gas from another supplier with which Customer is physically connected; in the event that such daily gas usage is not available, then the MDQ shall be equal to the Customer's average daily use for the highest month's gas use in the twelve (12) months prior to the date that Customer began receiving natural gas from another supplier with which Customer is physically connected; in no case shall the MDQ be greater than 5,000 Mcf/day.

Service by Company to Customer in excess of the MDQ shall be provided by Company on an interruptible basis. The maximum hourly volume that Company shall be obligated to deliver to Customer shall not exceed 1/16th of the MDQ.

**MONTHLY BILLING DEMAND**

The Monthly Billing Demand shall be the greater of (1) the MDQ, (2) the highest daily volume of gas delivered during the current month, or (3) the highest daily volume of gas delivered during T
the previous eleven (11) monthly billing periods. The term "day" or "daily" shall mean the period of time corresponding to the gas day as observed by the Pipeline Transporter as adjusted for local time.

T

**MONTHLY BILLING DEMAND (continued)**

Regardless of the Monthly Billing Demand established by Customer, Company's obligation to provide firm natural gas sales service up to the MDQ shall be limited to the MDQ T T T

**MINIMUM CHARGE**

The minimum monthly bill shall be equal to all of the charges under this rate schedule, including, but not limited to, the basic service charge, the monthly demand charge, any volumetric charges, and any adjustment clauses.

**DUE DATE OF BILL**

Customer's payment will be due within sixteen (16) business days (no less than twenty-two (22) calendar days) from the date of the bill.

**LATE PAYMENT CHARGE**

If full payment is not received by the due date of the bill, a 3% late payment charge will be assessed on the current month's charges.

**ADJUSTMENT CLAUSES**

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

| | | |
|---|---|---|
| Demand-Side Management Cost Recovery Mechanism | Sheet No. 86 | T |
| Gas Line Tracker | Sheet No. 84 | T |
| Franchise Fee | Sheet No. 90 | D/T |
| School Tax | Sheet No. 91 | T |

**SPECIAL TERMS AND CONDITIONS**

1. Service under this rate schedule will be furnished under Company's Terms and Conditions applicable hereto, to the extent that such Terms and Conditions are not in conflict, nor inconsistent, with the specific provisions hereof.

2. Service under this rate schedule shall be performed under a written contract between Customer and Company setting forth specific arrangements as to the MDQ, Delivery Point, delivery pressure, and any other matters relating to individual Customer circumstances.

3. On no day shall Company be obligated to supply gas in excess of Customer's MDQ. In order to effectuate Company's obligation, Company may install such remote flow equipment as it determines to be necessary in order to control and limit the amount of gas taken by Customer from Company, such facilities to be installed by Company at Customer's expense.

4. Company shall not be obligated to install or construct any facilities (other than necessary meters and regulators) in order to provide service hereunder.

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**SPECIAL TERMS AND CONDITIONS** (continued)

5. Any Customer contracting for service hereunder shall be required, prior to commencing service hereunder, to have appropriate remote metering devices. The remote metering devices allow Company to monitor Customer's usage. The Customer shall reimburse Company for the cost of this remote metering equipment and the cost of its installation, including any modifications to Company facilities and the replacement of any existing meters required in order to facilitate the functioning of the remote metering. Company may also install at Customer's expense, any backflow protection devices and/or flow control equipment as may be required in sole discretion of Company. The Customer shall be responsible for making any necessary modifications to its facilities, including, but not limited to, any modifications of Customer's piping, in order to facilitate the installation and operation of such remote metering or other facilities determined to be the installation and operation of such remote metering or other facilities determined to be necessary by Company. The Customer shall be responsible for providing the necessary and adequate electric and telephone service to provide this metering within thirty (30) days of Company's notice to Customer that such remote metering shall be required. Electric and telephone services installed for this equipment shall conform to Company's specifications. The Customer shall be responsible for maintaining the necessary and adequate electric and telephone service to provide remote metering.

6. Company will have the right to curtail or interrupt the delivery of gas to any Customer hereunder when, in Company's judgment, such curtailment is necessary to enable Company to respond to an emergency or force majeure condition.

**TERM OF CONTRACT**

The minimum term for service hereunder shall be for a period of one (1) year, but Company may require that a contract be executed for a longer initial term when deemed necessary by the size of MDQ or other special circumstances. After the expiration of the primary term, the contract may be terminated by either Company or Customer upon one year's prior written notice.

**Standard Rate** **FT**

**Firm Transportation Service (Transportation Only)**

**APPLICABLE**

In all territory served.

**AVAILABILITY** T

Available to existing commercial and industrial customers who consume at least 50 Mcf each day at each individual Delivery Point during each month of the twenty-four (24) months prior to the March 31 service request date, have purchased natural gas elsewhere, obtained all requisite authority to transport such gas to Company's system through the system of Company's Pipeline Transporter, and have requested Company to utilize its system to transport, by displacement, such customer-owned gas to Customer's place of utilization. Customers electing to transfer from another service shall notify Company on or before March 31 and execute a contract by April 30 in order to receive service hereunder beginning November 1 of that same year. The Contract Year shall include the twelve monthly billing periods from November 1 through October 31, of the following calendar year. Service under this rate schedule shall be for a term of one (1) year and year to year thereafter. Unless otherwise permitted herein, Customer or Company may terminate service hereunder effective November 1 by giving written notice to the other by the preceding April 30.

For new customers who have no historical gas consumption, Company will determine Customer's eligibility for service hereunder based upon data provided by Customer and such other information as may be available to Company. Company may allow such new customers to begin service hereunder prior to the November 1 date specified above for existing customers. A new customer is responsible for presenting its request to Company for service hereunder at least six (6) months prior to first receiving natural gas from Company under any of Company's rate schedules. T N N N N

Customers using natural gas for vehicular fueling of internal combustion engines must also elect service under Rider NGV.

Any such transportation service hereunder shall be conditioned on Company being granted a reduction in billing demands by its Pipeline Transporter corresponding to the Customer's applicable transportation quantities.

Transportation service hereunder will be subject to the provisions herein set forth and to the availability of adequate capacity on Company's system to perform such service without detriment to its other customers.

Service under this rate schedule shall not be available to customers with a Maximum Daily Quantity ("MDQ") in excess of 20,000 Mcf/day. In the event that Customer's MDQ exceeds 20,000 Mcf/day, Company may terminate service under this rate schedule upon thirty (30) days prior written notice. Additionally, customers using gas to generate electricity for use other than as standby electric service, irrespective of the size of the Customer's MDQ, are not eligible for service under this rate schedule.

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**Standard Rate** **FT**

**Firm Transportation Service (Transportation Only)**

**CHARACTER OF SERVICE**

Transportation service under this rate schedule shall be considered firm from the Receipt Point at Company's interconnection with its Pipeline Transporter (“Receipt Point”) to the Delivery Point at the Customer's place of utilization (“Delivery Point”), subject to paragraph 7 of the Special Terms and Conditions.

Due to the physical configuration of Company’s system, and in order to maintain system integrity and reliability, unless otherwise permitted or directed by Company in its sole discretion, the Pipeline Transporter shall be Texas Gas Transmission, LLC.

Company's sole obligation hereunder is to redeliver Customer's gas from the Receipt Point to the Delivery Point. Accordingly, Company has no obligation to deliver to the Customer a volume of gas, either daily or monthly, which differs from the volume delivered to Company at the Receipt Point.

Company will provide service to meet imbalances only on an as-available basis. For purposes used herein, “Imbalances” are defined as the difference between the volume of gas delivered by the Customer to the Receipt Point and the volume of gas taken by Customer at the Delivery Point. When Company can provide such service, the Utilization Charge for Daily Imbalances shall apply to daily imbalances in excess of ±5% of the delivered volume of gas as set forth herein. Company shall issue an Operational Flow Order as set forth herein during periods when service cannot be provided to meet daily imbalances.

Customers served under this rate may elect to become a member of an FT Pool pursuant to Rider PS-FT.

**RATE**

In addition to any and all charges billed directly to Company by other parties related to the transportation of customer-owned gas, and any other charges set forth herein, the following charges shall apply:

| | | |
|---|---|---|
| Administrative Charge per month: | $550.00 per Delivery Point | |
| Plus a Basic Service Charge per month | $750.00 per Delivery Point | N |
| Plus a Distribution Charge per Mcf: | $ 0.0380 | T/R |
| Plus a Demand Charge per Mcf<br>of Monthly Billing Demand: | $4.89 | N<br>N |

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**Standard Rate** **FT**

**Firm Transportation Service (Transportation Only)**

**RATE** (continued)

Where the Monthly Billing Demand is the greater of: N

a. the maximum volume of gas measured on any day during the current billing period, N

b. the highest volume of gas measured on any day in the preceding eleven (11) billing periods, N N

c. 50% of the Customer's MDQ. N

However, in no case will the Monthly Billing Demand be less than 50 Mcf/day. N

**Gas Cost True-Up Charge:** The Gas Cost True-Up Charge is applicable only to a former sales Customer that has elected transportation service hereunder. Such Customer shall pay this charge for the first eighteen billing periods that Customer is served under Rate FT. The charge (or credit) per Mcf shall be applied to all volumes delivered by Company pursuant to Rate FT in order to recover from (or refund to) transferring sales customers any under- or over-collected gas costs as reflected in the GCAA, GCBA, and PBRRC components of the Gas Supply Clause ("GSC") applicable to gas sold during those periods when the transferring customer was a sales customer. The Gas Cost True-Up Charge amount shall be revised with each of Company's quarterly Gas Supply Clause filings. T T T T T T

For customers electing service under Rate FT effective November 1, 2016, the Gas Cost True-Up Charge shall be:

$0.0000 per Mcf for Bills Rendered On and After August 1, 2018

For customers electing service under Rate FT effective November 1, 2017, the Gas Cost True-Up Charge shall be:

$0.0339 per Mcf for Bills Rendered On and After August 1, 2018

**Minimum Daily Threshold Requirement and Charge:** When Customer's daily usage falls below the Minimum Daily Threshold Requirement, Customer will be charged a Minimum Daily Threshold Charge equal to the difference between the Minimum Daily Threshold Requirement and the Customer's actual consumption in Mcf for that day multiplied by the Distribution Charge hereunder. The Minimum Daily Threshold Requirement is equal to the minimum daily volume of 50 Mcf. Such Minimum Daily Threshold Charge shall be accumulated for each day of the applicable month and billed during that month in accordance with the following formula:

Minimum Daily Threshold Charge =

(Minimum Daily Threshold minus Customer Usage on Given Day) times the Distribution Charge

Such daily amount shall be accumulated for each day of the month and the total will be applied to Customer's bill.

T

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**Firm Transportation Service (Transportation Only)**

**RATE** (continued)

Payment of the Minimum Daily Threshold Charge is not a remedy for Customer's failure to meet the Minimum Daily Threshold Requirement for service under Rate FT. In the event that Customer does not meet the Minimum Daily Threshold Requirement for one-hundred twenty (120) days during a given Contract Year, service to Customer under Rate FT may be discontinued by Company. Customer will receive thirty (30) days prior written notice that Customer will be removed from Rate FT and returned to firm sales service under either Rate CGS or IGS as applicable. T T T T T T T

**Other:** In the event that Customer is determined to be the cause of any billing disadvantages or other penalties imposed on Company by Pipeline Transporter, then Customer shall pay such penalties, fees, or charges as determined by Company and in accordance with the payment provisions of this rate schedule in addition to any and all other charges due hereunder.

**ADJUSTMENT CLAUSES**

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

| | | |
|---|---|---|
| Demand-Side Management Cost Recovery Mechanism | Sheet No. 86 | T |
| Gas Line Tracker | Sheet No. 84 | T |
| Franchise Fee | Sheet No. 90 | D/T |
| School Tax | Sheet No. 91 | T |

**DUE DATE OF BILL**

Customer's payment will be due within sixteen (16) business days (no less than twenty-two (22) calendar days) from the date of the bill.

**LATE PAYMENT CHARGE**

If full payment is not received by the due date of the bill, a 1% late payment charge will be assessed on the current month's charges.

**IMBALANCES**

Company will calculate on a daily and monthly basis the Customer's imbalance resulting from the difference between the metered usage of the Customer and the volumes that the Customer has delivered into Company's system. This will be calculated as follows:

Imbalance = Metered Usage - Delivered Volume

T

**IMBALANCES** (continued)

Company will also determine the imbalance percentage. This percentage will be calculated as follows: T T

$$\text{Imbalance \%} = \frac{\text{(Metered Usage - Delivered Volumes)}}{\text{Delivered Volume}}$$ T T T T

The term “day” or “daily” shall mean the period of time corresponding to the gas day as observed by the Pipeline Transporter as adjusted for local time. T T

**CASH-OUT PROVISION FOR MONTHLY IMBALANCES**

If the monthly imbalance is negative (an over-delivery into Company's system), Company shall purchase the monthly imbalance from Customer at a price per Mcf which is determined by multiplying the appropriate percentage specified below times the lower of the following: either (a) the lowest daily mid-point price posted in "*Platts Gas Daily*" for Texas Gas Zone 1 adjusted for Fuel Retention applicable to deliveries to Zone 4 under Texas Gas Transmission, LLC’s Rate NNS plus the Commodity Charge and any surcharges applicable to deliveries to Zone 4 under Texas Gas Transmission, LLC’s Rate NNS during the month in which the imbalance occurred, or (b) the lowest daily mid-point price posted in "*Platts Gas Daily*" for Lebanon-Hub adjusted for Fuel Retention applicable to deliveries to Zone 4 under Texas Gas Transmission, LLC’s Rate NNS plus the Commodity Charge and any surcharges applicable to deliveries to Zone 4 under Texas Gas Transmission, LLC’s Rate NNS during the month in which the imbalance occurred.

The appropriate percentage shall be dependent on the Customer's monthly imbalance percentage to be applied as follows:

| When Total Net Negative Imbalance Percentage is: | The following percentage shall be multiplied by the above-determined amount: |
|---|---|
| 0% to ≤5% | 100% |
| >5% to ≤10% | 90% |
| >10% to ≤15% | 80% |
| >15% to ≤20% | 70% |
| >20% | 60% |

If the monthly imbalance is positive (an under-delivery into Company's system), Customer shall purchase the monthly imbalance from Company at a price per Mcf which is determined by multiplying the appropriate percentage specified below times the higher of the following: either (a) the highest daily mid-point price posted in "*Platts Gas Daily*" for Texas Gas Zone 1 adjusted for Fuel Retention applicable to deliveries to Zone 4 under Texas Gas Transmission, LLC’s Rate NNS plus the Commodity Charge and any surcharges applicable to deliveries to Zone 4 under Texas Gas T

**CASH-OUT PROVISION FOR MONTHLY IMBALANCES (continued)** T
Transmission, LLC's Rate NNS during the month in which the imbalance occurred, or (b) the T
highest daily mid-point price posted in "*Platts Gas Daily*" for Lebanon-Hub adjusted for Fuel T
Retention applicable to deliveries to Zone 4 under Texas Gas Transmission, LLC's Rate NNS plus T
the Commodity Charge and any surcharges applicable to deliveries to Zone 4 under Texas Gas T
Transmission, LLC's Rate NNS during the month in which the imbalance occurred. T

The appropriate percentage shall be dependent on the Customer's monthly imbalance percentage to be applied as follows:

| When Total Net Negative Imbalance Percentage is: | The following percentage shall be multiplied by the above-determined amount: |
|---|---|
| 0% to ≤5% | 100% |
| >5% to ≤10% | 110% |
| >10% to ≤15% | 120% |
| >15% to ≤20% | 130% |
| >20% | 140% |

The monthly imbalance percentages stated above will be used to calculate the cash-out price for imbalances that fall within each category. For example, a Customer with a monthly imbalance percentage of 9% will cash-out at the 0% to 5% price for 5% of the imbalance and at the 5% to 10% price for 4% of the imbalance.

All such adjustments shall be shown and included on the Customer's monthly bill. The billing of these charges shall not be construed as a waiver by Company of any other rights or remedies it has under law, the regulations of the PSC of Kentucky, or this rate schedule, nor shall it be construed as an exclusive remedy for failure to comply with the provisions of this rate schedule.

**VARIATIONS IN MMBTU CONTENT**

All gas delivered by Company will be measured and billed on an Mcf basis. Pipeline Transporter delivers to and bills Company on an MMBtu basis. The reconciliation of the actual deliveries by Pipeline Transporter and the Customer's estimated deliveries by Pipeline Transporter occurs through the operation of the cash-out provision. Changes in billings of the cash-out provision caused by variations in the MMBtu content of the gas shall be corrected on the following bill.

**UTILIZATION CHARGE FOR DAILY IMBALANCES**

Should an imbalance exceed ±5% of the delivered volume of gas on any day when an Operational Flow Order (as described below) has not been issued, then Company shall charge the Utilization Charge for Daily Imbalances times the recorded imbalance greater than ±5% of the delivered volume of gas for each daily occurrence. The Utilization Charge for Daily Imbalances is the sum of the following:

**UTILIZATION CHARGE FOR DAILY IMBALANCES (continued)**

| | | |
|---|---|---|
| Daily Demand Charge: | $0.1657 per Mcf | |
| Daily Storage Charge: | $0.3797 | I |
| Utilization Charge for Daily Imbalances: | $0.5454 per Mcf | I |

Note: The Daily Demand Charge may change with each filing of the GSCC.

These charges are in addition to any other charges set forth herein. The Utilization Charge for Daily Imbalances will not be applied to daily imbalances which do not exceed ±5% of the delivered volume unless an OFO has been issued. If an OFO has been issued, the Utilization Charge for Daily Imbalances shall apply to daily imbalances which exceed 0% for customers in violation of the OFO directive, either “condition (1)” or “condition (2)” as applicable and further described below under “Operational Flow Orders.” Customers not in violation of the OFO directive, either “condition (1)” or “condition (2)” as applicable, will continue to be assessed the Utilization Charge for Daily Imbalances on volumes which exceed the 5% daily tolerance. Company shall not have an obligation to provide balancing service for any volumes of gas hereunder. T T T

**OPERATIONAL FLOW ORDERS**

Company shall have the right to issue an Operational Flow Order (“OFO”) which will require actions by Customer to alleviate conditions that, in the sole judgment of Company, jeopardize the operational integrity of Company's system. Customer shall be responsible for complying with the directives contained in the OFO.

Notice of an OFO shall be provided to Customer at least twenty-four (24) hours prior to the beginning of the gas day for which the OFO is in effect and shall include information related to the OFO. Customer shall respond to an OFO by adjusting its deliveries to Company's system as directed in the OFO within the specified timeframe. If Customer is a member of an FT Pool, it is the responsibility of the FT Pool Manager, not Company, to convey OFOs to Customers in its FT Pool.

Upon issuance of an OFO, Company will direct Customer to comply with one of the following conditions: (1) Customer must take delivery of an amount of natural gas from Company that is no more than the daily amount being delivered by the Pipeline Transporter to Company for Customer; or (2) Customer must take delivery of an amount of natural gas from Company that T T

**OPERATIONAL FLOW ORDERS** (continued)

is no less than the daily amount being delivered by the Pipeline Transporter to Company for Customer. Customer shall respond to an OFO by either adjusting its deliveries to Company's system or its consumption at its facility. All volumes taken by Customer in excess of volumes delivered by Pipeline Transporter to Company for Customer in violation of the above “condition (1)” OFO shall constitute an unauthorized receipt by Customer from Company. All volumes taken by Customer less than volumes delivered by Pipeline Transporter to Company for Customer in violation of the above “condition (2)” OFO shall constitute an unauthorized delivery by Customer to Company. Unauthorized receipts or deliveries during the effectiveness of an OFO shall be subject to an OFO Charge per Mcf for each Mcf of unauthorized receipts or deliveries, as applicable. Customer shall be subject to the OFO Charge on the day for which the OFO was violated, plus the applicable UCDI charges and any other charges under this rate schedule for such unauthorized receipts or deliveries that occur. T T

Company may, in its sole discretion, issue an OFO to an individual Customer or an individual Pool Manager taking service under Rider PS-FT without issuing an OFO to all Customers taking service under Rate FT or without issuing an OFO to all Pool Managers taking service under Rider PS-FT.

The OFO Charge per Mcf shall be equal to $15.00 plus the higher of the following: either (1) the daily mid-point price posted in "*Platts Gas Daily*" for Texas Gas Zone 1 adjusted for Fuel Retention applicable to deliveries to Zone 4 under Texas Gas Transmission, LLC’s Rate NNS plus the Commodity Charge and any surcharges applicable to deliveries to Zone 4 under Texas Gas Transmission, LLC’s Rate NNS for the day on which the OFO was violated, or (2) the daily mid-point price posted in "*Platts Gas Daily*" for Lebanon-Hub adjusted for Fuel Retention applicable to deliveries to Zone 4 under Texas Gas Transmission, LLC’s Rate NNS plus the Commodity Charge and any surcharges applicable to deliveries to Zone 4 under Texas Gas Transmission, LLC’s Rate NNS for the day on which the OFO was violated. Such OFO Charge shall be in addition to any other charges under this rate schedule. T T

Company will not be required to provide service under this rate schedule for any Customer that does not comply with the terms or conditions of an OFO. Payment of OFO Charges hereunder shall not be considered an exclusive remedy for failure to comply with the OFO, nor shall the payment of such charges be considered a substitute for any other remedy available to Company.

**OPTIONAL SALES AND PURCHASE TRANSACTION**

Customer may agree to sell its natural gas supplies to Company, and Company may agree to purchase natural gas supplies from Customer pursuant to Company’s Curtailment Rules. If Company purchases natural gas from Customer, such gas will not be redelivered to Customer, and Customer shall discontinue or otherwise interrupt the usage of such natural gas.


**DATE OF ISSUE:** September 28, 2018

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On And After November 1, 2018

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00295 dated ____**

**RETURN TO FIRM SALES SERVICE**

Return to firm sales service is contingent upon the ability of Company to secure the appropriate quantities of gas supply and transportation capacity with Company's Pipeline Transporter, as determined solely by Company.

**REMOTE METERING**

Remote metering service shall be required as a prerequisite to the Customer obtaining service under this rate schedule. The remote metering devices will allow Company and Customer to monitor the Customer's usage on a daily basis and allow Company to bill the Customer.

The Customer shall reimburse Company for the cost of this remote metering equipment and the cost of its installation, including any modifications to Company facilities and the replacement of any existing meters required in order to facilitate the functioning of the remote metering.

The Customer shall be responsible for making any necessary modifications to its facilities, including, but not limited to, any modifications of Customer's piping, in order to facilitate the installation and operation of such remote metering.

The Customer shall be responsible for providing the necessary and adequate electric and telephone service to provide remote metering by October 1 of the year that the Customer's Rate FT service becomes effective. Electric and telephone services installed for this equipment shall conform to Company's specifications. The Customer shall be responsible for maintaining the necessary and adequate electric and telephone service to provide remote metering.

**SPECIAL TERMS AND CONDITIONS**

1. Service under this rate schedule will be furnished under Company's Terms and Conditions applicable hereto, to the extent that such Terms and Conditions are not in conflict, nor inconsistent, with the specific provisions hereof.

2. Service under this rate schedule shall be performed under a written contract between Customer and Company setting forth specific arrangements as to the volumes to be transported by Company for Customer, Delivery Points, timing of receipts and deliveries of gas by Company, and any other matters relating to individual Customer circumstances.

   Customer may appoint only one PS-FT Pool Manager for a given period. If Customer elects N
   to change its PS-FT Pool Manager, Customer shall notify Company and execute and return N
   the required documentation of its election to change its PS-FT Pool Manager at least thirty N
   (30) days prior to the beginning of the billing period for which the change is to become N
   effective. In appointing a PS-FT Pool Manager, Customer acknowledges that it has appointed N
   the designated PS-FT Pool Manager to act as its limited agent in the performance of certain N
   stated functions and to assume certain stated responsibilities with regard to transportation N
   under Rate FT, N

**SPECIAL TERMS AND CONDITIONS** (continued)

including the requesting and receiving of information, the scheduling of gas flows, and all related duties. Customer will continue to be responsible for any and all costs, fees, and other liabilities as the result of the actions or inactions of PS-FT Pool Manager as its limited agent. Customer shall indemnify, defend, and hold Company harmless from any costs (including, but not limited to, reasonable attorney fees), expenses, losses, or liabilities, incurred (a) as a result of Company's performance when relying upon the authority of the PS-FT Pool Manager, (b) as a result of Company's reliance upon Customer's representation that it has express authority to appoint said PS-FT Pool Manager as its limited agent, and (c) due to the Customer's or PS-FT Pool Manager's failure to strictly comply with the provisions of Rate FT or Rider PS-FT. N N N N N N N N N N

3. As further described below, Customer shall specify to Company the daily volume of gas required by Customer. Such volume shall be stated in Mcf/day and converted to MMBtu/day using a standard conversion factor as may be specified by Company from time to time. At least ten (10) days prior to the beginning of each month, Customer shall provide Company with a schedule setting forth daily volumes of gas to be delivered into Company's system for Customer's account. T T T T T T

   Any changes in nominated volumes, as well as any other information required to effectuate the delivery of such gas to Company by the Pipeline Transporter, shall be provided by Customer to Company no later than 10:00 a.m. Eastern Clock Time on the day prior to the day(s) for which volumes are scheduled to flow. Only those volumes actually confirmed by Company and scheduled on the Pipeline Transporter are considered nominated volumes. Company shall not be obligated to accept from Customer daily nominations, or changes thereto, that are made after the daily deadline for such nominations as set forth above or that are made on weekend days or holidays as such are observed by Company. Company will not be obligated to utilize its underground storage capacity for purposes of this service.

4. In no case will Company be obligated to deliver gas, including both gas transported and gas sold, to Customer in greater volumes or at greater rates of flow than those specified in the written contract between Customer and Company. The maximum daily volume that Company shall be obligated to deliver shall be set forth in the contract and referred to as the Maximum Daily Quantity ("MDQ"). T The maximum hourly volume that Company shall be obligated to deliver shall not exceed 1/24$^{th}$ of the MDQ. The MDQ is the maximum daily volume of gas, as determined by Company, based on Customer's historical daily metered volumes. In the event that historical daily metered volumes are not available, Company will determine the MDQ based upon data provided by Customer; and/or historical monthly metered data; and/or T historical daily metered data (if available). T Once 12 months of historical daily metered data becomes available, the MDQ will be subject to revision by Company on an annual basis.

T

**SPECIAL TERMS AND CONDITIONS** (continued)

5. Volumes of gas transported hereunder will be determined in accordance with Company's measurement base as set forth in the Company's Terms and Conditions.
6. All volumes of natural gas received by Company for Customer shall meet the specifications established by Pipeline Transporter.
7. Company will have the right to curtail or interrupt the transportation or delivery of gas to any Customer hereunder when, in Company's judgment, such curtailment is necessary to enable Company to respond to an emergency or force majeure condition.
8. Should Customer be unable to deliver sufficient volumes of transportation gas to Company's system, Company will not be obligated hereunder to provide standby quantities for purposes of supplying such Customer requirements.
9. Company shall not be required to render service under this rate schedule to any Customer that fails to comply with any and all of the provisions of this rate schedule.
10. Customer shall enter into a Website Subscriber Agreement if Customer desires to access telemetry data.

# Louisville Gas and Electric Company



**Standard Rate** **DGGS**

**Distributed Generation Gas Service**

**APPLICABLE**

In all territory served.

**AVAILABILITY** T

Applicable to firm natural gas service to customer-owned electric generation facilities except T
when (i) such natural gas is limited to the production of electricity for Customer’s own use during
emergency situations during which Customer’s normal supply of electricity is not otherwise T
available, and (ii) such electric generation facilities have a total connected load of less than 2,000 T
cubic feet per hour. All natural gas generation facilities (including, but not limited to, those facilities T
used for standby generation) with a total connected load of 2,000 or more cubic feet per hour T
shall be served hereunder subject to the availability of adequate capacity as provided for herein. T
Natural gas purchased to generate electricity for further distribution, for sale in the open market,
or for any purpose other than standby generation shall be served hereunder regardless of the T
size of Customer’s total connected load. Additionally, service under this Standard Rate DGGS T
shall be applicable only to electric generation facilities described above and installed and
operating on and after ninety (90) days after August 1, 2010, (and therefore not eligible for service
under Standard Rates CGS or IGS) by commercial and industrial customers.

Service hereunder shall be at a single delivery (custody transfer) point and where distribution mains are adjacent to the premises to be served. Gas service provided hereunder shall be metered and billed separately from gas service provided under any other rate schedule.

Service to Customer at multiple delivery points for the purpose of avoiding the threshold of 2,000 cubic feet per hour under Rate DGGS shall not be permitted.

Service hereunder shall be subject to the terms and conditions herein set forth and to the availability of adequate capacity on Company's gas system to perform such service without detriment to its other customers. Company may decline to accept customers under this rate schedule with a connected load of more than 8,000 cubic feet per hour. Availability of gas service under this rate schedule shall be determined by Company on a case-by-case basis, which determination shall be within Company’s sole discretion. Company shall not be obligated to make modifications or additions to its gas system to serve loads under this rate schedule.

If an additional separate point of delivery is requested by a residential customer to provide gas for use in standby electric generation, such residential customer shall be served under Rate DGGS.

**CHARACTER OF SERVICE**

Service under this rate schedule shall be considered firm.

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**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the
Public Service Commission in Case No.
2018-00295 dated ____**

**Standard Rate** **DGGS**

**Distributed Generation Gas Service**

**RATE**

In addition to any other charges set forth herein, the following charges shall apply:

| | |
|---|---|
| Basic Service Charge per month: | |
| If all of the customer's meters have a capacity < 5,000 cf/hr: | $165.00 per delivery point |
| If any of the customer's meters have a capacity ≥ 5,000 cf/hr: | $750.00 per delivery point |
| Plus a Demand Charge per 100 cubic feet of Monthly Billing Demand: | $1.08978 |
| Plus a Charge per 100 cubic feet: | |
| Distribution Charge | $0.02992 |
| Gas Supply Cost Component | 0.41446 |
| Total Charge per 100 cubic feet: | $0.44438 |

The "Gas Supply Cost Component" as shown above is the cost per 100 cubic feet determined in accordance with the Gas Supply Clause set forth on Sheet No. 85 of this Tariff. The Performance-Based Ratemaking Mechanism, set forth on Sheet No. 87, is included as a component of the Gas Supply Clause as shown on Sheet No. 85 of this Tariff.

The total monthly minimum bill shall be the sum of the minimum Demand Charge and the Basic Service Charge.

In no case shall Company be obligated to deliver greater volumes hereunder than those specified in the written contract between Customer and Company. Payment of any and all charges hereunder shall not be considered an exclusive remedy for takes in excess of the maximum daily quantity ("MDQ"), nor shall the payment of such charges be considered a substitute for any other remedy (including, but not limited to, physical discontinuance or suspension of service hereunder) available to Company.

**ADJUSTMENT CLAUSES**

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

| | | |
|---|---|---|
| Gas Line Tracker | Sheet No. 84 | |
| Franchise Fee | Sheet No. 90 | D/T |
| School Tax | Sheet No. 91 | |

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**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00295 dated ____**

**DUE DATE OF BILL**

Customer's payment will be due within sixteen (16) business days (no less than twenty-two (22) calendar days) from the date of the bill.

**LATE PAYMENT CHARGE**

If full payment is not received by the due date of the bill, a 1% late payment charge will be assessed on the current month’s charges.

**SPECIAL TERMS AND CONDITIONS**

1. Service under this rate schedule will be furnished under Company’s Terms and Conditions applicable hereto, to the extent that such Terms and Conditions are not in conflict, nor inconsistent, with the specific provisions hereof.

2. Service under this rate schedule shall be performed under a written contract between Customer and Company setting forth specific arrangements as to the volumes to be sold by Company to Customer, and any other matters relating to individual customer circumstances.

3. The minimum contract term for service hereunder shall be for a period not less than five (5) years commencing from the effective date thereof.

4. Such written contract shall specify the minimum delivery pressure, the maximum hourly rate (“MHR”), and the maximum daily quantity (“MDQ”). The MHR is the maximum hourly gas load in 100 cubic feet that the Customer’s installation will require when operating at full capacity. The MDQ shall be twenty-four (24) times the MHR. The MDQ is the Monthly Billing Demand and shall not be less than 480 (four hundred and eighty) Ccf.

5. In no case shall Company be obligated to make deliveries hereunder at a pressure greater than thirty (30) psig, or the prevailing line pressure, whichever is less.

6. Increases in the MDQ may be requested annually by Customer. Customer may request Company to increase the MDQ at least ninety (90) days in advance of the anniversary date of the written contract. Such increases in the MDQ that are acceptable to Company in its sole discretion shall be effective on the anniversary date of the effective date of the written contract.

7. In the event that Company agrees to install any Company-owned facilities required to serve Customer, such facilities to be installed by Company shall be specified in the written contract and the cost of such facilities and installation thereof shall be paid by Customer to Company.

# Louisville Gas and Electric Company



**Standard Rate** **LGDS**
**Local Gas Delivery Service**

**APPLICABLE**
In all territory served.

**AVAILABILITY** T

Service under this rate schedule is available to any party who contracts with Company to provide firm transportation service of local gas (including landfill gas, bio-gas, synthetic gas, and locally produced natural gas) where and when such transportation will not, in the sole discretion of Company, interfere with the operation of Company's storage or other facilities, or the delivery of gas to Company's retail sales or end-use gas transportation customers. Customer must meet the eligibility requirements further described hereunder and shall deliver gas meeting the gas quality standards incorporated into this rate schedule.

Customer shall request Company to utilize its system to transport, by displacement, such local gas to the Delivery Point. In addition, transportation service hereunder will be subject to the terms and conditions herein set forth and to the availability of adequate capacity on Company's system to perform such service without detriment to its other customers.

Company shall not be required to install any facilities of any kind to serve a Customer under this rate schedule. In the event that Company is agreeable to the installation or alteration of any facilities as may be required to serve Customer, then Customer shall execute a separate contract for the construction of such facilities and shall pay for all costs of those facilities prior to LG&E T
commencing construction of those facilities. Company shall not be obligated to extend its mains T
to facilitate service hereunder. Company's "Gas Main Extension Rules" shall not apply to service under this rate schedule.

Company and Customer shall enter into an Interconnect Facility Agreement covering the design, ownership, operation, and maintenance of the Interconnect Facility, including, but not limited to, any cost reimbursement provisions. Company shall own and operate the Interconnect Facility (including, but not limited to, regulation, meters, chromatograph, control valves, taps, insulators, rights-of-way, and related facilities) as are required to effectuate service hereunder. The Interconnect Facility shall be designed and constructed in accordance with Company's specifications. Company shall own and install facilities downstream of the Interconnect Facility required to connect the Interconnect Facility to Company's mainline gas system. Company shall be reimbursed by Customer for the costs of such downstream facilities and their installation as well as the costs to construct, operate, and maintain the Interconnect Facility. Customer may be required by Company to provide adequate surety to cover the costs incurred by Company related to either the Interconnect Facility or the related downstream facilities. The outlet of the Interconnect Facility shall be the Receipt Point as the latter term is used herein.

Customer shall warrant, in its Service Agreement, that all gas transported under this rate schedule shall be consumed within the Commonwealth of Kentucky. If Customer is unable to warrant that such gas is so consumed, then Company's transportation service shall be deemed interstate service and may only be provided pursuant to authorization from the Federal Energy Regulatory Commission ("FERC") and subject to the terms and conditions of Company's Statement of Operating Conditions as filed with FERC. Customer shall not be allowed to combine interstate services with intrastate services. Any Customer requesting interstate and intrastate transportation service shall have separate contracts for each activity. Only one service, either interstate service or intrastate service, shall apply to a Receipt Point.

**CHARACTER OF SERVICE**

Transportation service under this rate schedule shall be considered firm from the Receipt Point to the Delivery Point. The Delivery Point shall be a pool operating under either Rider PS-TS-2 or Rider PS-FT. Company shall receive gas from Customer for transportation at the Receipt Point and deliver that gas by displacement to the Delivery Point. Company's sole obligation hereunder is to redeliver Customer's gas from the Receipt Point to the Delivery Point. Accordingly, Company has no obligation to deliver a volume of gas to the Delivery Point, either daily or monthly, which differs from the volume of gas delivered to Company at the Receipt Point. Company will provide service to meet imbalances only on an as-available basis, as set forth herein.

Company shall not be obligated to deliver gas to the Delivery Point in excess of the Maximum Daily Quantity ("MDQ") as further defined herein. Customer and Company shall mutually agree to establish the level of the MDQ; provided, however, that the MDQ shall not be less than 50 Mcf/day.

Company may decline to deliver volumes to the Delivery Point in excess of the MDQ or accept volumes from the Receipt Point that are in excess of the MDQ plus applicable Lost and Unaccounted for Gas ("LAUFG") as further defined herein.

Company may deliver volumes of gas to the Delivery Point in excess of the MDQ; provided, however, that such deliveries to the Delivery Point in excess of the MDQ shall establish a new Monthly Billing Demand as further defined herein. Regardless of the Monthly Billing Demand established by Customer, Company's obligation to provide firm natural gas transportation service shall be limited to the MDQ.

Volumes shall be delivered by Customer to Company at the Receipt Point as nearly as practicable at uniform daily rates of flow, that is, 1/24$^{th}$ of the daily Gross Nominated Volume as further defined herein.

**Standard Rate** **LGDS**
**Local Gas Delivery Service**

**RATE**

| | | |
|---|---|---|
| Administrative Charge per month: | $550.00 per Receipt Point | |
| Plus a Basic Service Charge per month: | $750.00 per Receipt Point | R |
| Plus a Demand Charge: | $4.89 per Mcf of Monthly Billing Demand | I |
| Plus a Distribution Charge: | $0.0380 per Mcf of Net Nominated Volumes at the Delivery Point | R |

The Monthly Billing Demand shall be the greater of (1) the MDQ, or (2) the highest daily volume of gas delivered to the Delivery Point during the current month or the previous eleven (11) monthly billing periods.

In the event that Customer is determined to be the cause of any billing disadvantages or other penalties imposed on Company by Company's Pipeline Transporter(s), then Customer shall pay such penalties, fees, or charges as determined by Company and in accordance with the payment provisions of this rate schedule in addition to any and all other charges due hereunder.

**ADJUSTMENT CLAUSES**

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

| | | |
|---|---|---|
| Gas Line Tracker | Sheet No. 84 | |
| Franchise Fee | Sheet No. 90 | D/T |
| School Tax | Sheet No. 91 | |

**DUE DATE OF BILL**

Customer's payment will be due within sixteen (16) business days (no less than twenty-two (22) calendar days) from the date of the bill.

**LATE PAYMENT CHARGE**

If full payment is not received by the due date of the bill, a 1% late payment charge will be assessed on the current month's charges.

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**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00295 dated ____**

**MAXIMUM DAILY QUANTITY, NOMINATIONS AND NOMINATED VOLUMES**

The MDQ shall represent the maximum volume which Customer shall be entitled to nominate and Company shall be obligated to deliver to the Delivery Point.

As further described below, Customer shall specify to Company the daily volumes of gas to be received at the Receipt Point (the “Gross Nominated Volume”). From such Gross Nominated Volume shall be deducted an allowance for Company’s system average LAUFG expressed as a percentage and based on historical levels. Effective November 1, 2017, such LAUFG percentage is 2.53%. Such LAUFG percentage shall be revised annually each November 1 with notice provided to Customer at least thirty (30) days prior to such November 1.

The Net Nominated Volume (the Gross Nominated Volume less applicable LAUFG) shall be stated in Mcf/day and converted to MMBtu/day using the conversion factor specified by Company. The Net Nominated Volume is the amount that shall be delivered to the Delivery Point.

For example, if Customer requests Company to receive 342 Mcf on a given day at the Receipt Point (the Gross Nominated Volume), and the LAUFG percentage is 5.0%, then the Net Nominated Volume shall be 325 Mcf [342 – (342 x 0.05)]. The Net Nominated Volume of 325 Mcf shall be converted to MMBtu using the conversion factor specified by Company.

At least ten (10) days prior to the beginning of each calendar month, Customer shall provide Company with a schedule setting forth daily volumes of gas to be delivered into Company’s system for the month. Any changes in daily nominated volumes, as well as any other information required to effectuate the delivery of such gas to Company, shall be provided by Customer to Company no later than 10:00 a.m. Eastern Clock Time (“ECT”) on the day prior to the day(s) for which volumes are scheduled to flow. Only those volumes actually confirmed by Company and scheduled at the Delivery Point by an authorized Pool Manager are considered Net Nominated Volumes. Company shall not be obligated to accept from Customer daily nominations or changes thereto that are made after the daily deadline for such nominations as set forth above or that are made on weekend days or holidays observed by Company.

Customer shall submit in writing to Company the daily nominated volumes and such other information as may be required to effectuate the transportation of natural gas by using the appropriate Nomination Schedule as may be specified by Company from time to time and by giving appropriate notice as designated by Company.

Customer agrees to inform Company promptly of any changes in the delivery rate to Company of gas transported under this rate schedule or any other information with regard to scheduling of deliveries that Company reasonably requests or as may be required by proper regulatory authorities.

**LOCAL GAS FLOW ORDERS**

Company shall have the right to issue a Local Gas Flow Order ("LGFO") which will require actions by Customer to alleviate conditions that, in the sole judgment of Company, jeopardize the operational integrity of Company's system. Customer shall be responsible for complying with the directives contained in the LGFO.

Notice of an LGFO shall be provided to Customer at least four (4) hours prior to the beginning of the gas day for which the LGFO is in effect and shall include information related to the LGFO. A shorter notice period may be given where necessary to protect the integrity of Company's gas system. Customer shall respond to an LGFO by adjusting its deliveries to Company's system as directed in the LGFO within the specified timeframe.

Upon issuance of an LGFO, Company will direct Customer to comply with one of the following conditions: (a) Customer must nominate at the Receipt Point a Gross Nominated Volume that is no more than the daily amount being received by Company from Customer at the Receipt Point (Metered Receipts); or (b) Customer must nominate at the Receipt Point a Gross Nominated Volume that is no less than the daily amount being received by Company from Customer at the Receipt Point (Metered Receipts). Customer shall respond to an LGFO either by adjusting its Gross Nominated Volume at the Receipt Point or by adjusting volumes being received by Company from Customer at the Receipt Point. All volumes nominated by Customer at the Receipt Point in excess of volumes received by Company from Customer at the Receipt Point in violation of the above "condition (a)" LGFO shall constitute an unauthorized under-delivery by Customer to Company at the Receipt Point. All volumes nominated by Customer at the Receipt Point less than volumes received by Company from Customer at the Receipt Point in violation of the above "condition (b)" LGFO shall constitute an unauthorized over-delivery from Customer to Company at the Receipt Point. Unauthorized under-deliveries or over-deliveries during the effectiveness of an LGFO shall be subject to an LGFO Charge per Mcf for each Mcf of unauthorized under-deliveries or over-deliveries, as applicable. Customer shall be subject to the LGFO Charge on the day for which the LGFO was violated, plus the applicable UCDI charges and any other charges under this rate schedule for such unauthorized under-deliveries or over-deliveries that occur.

Company may, in its sole discretion, issue an LGFO to an individual Customer taking service under this rate schedule without issuing an LGFO to all Customers taking service under this rate schedule.

The LGFO Charge per Mcf shall be equal to $15.00 plus the higher of either (a) the daily mid-point price posted in "Platts Gas Daily" for Texas Gas Zone 1 adjusted for Fuel Retention applicable to deliveries to Zone 4 under Texas Gas Transmission, LLC's Rate NNS plus the Commodity Charge and any surcharges applicable to deliveries to Zone 4 under Texas Gas Transmission, LLC's Rate NNS for the day on which the LGFO was violated, or (b) the daily mid-point price posted in "Platts Gas Daily" for Lebanon-Hub adjusted for Fuel Retention applicable to deliveries to Zone 4 under Texas Gas Transmission, LLC's Rate NNS plus the Commodity T

Charge and any surcharges applicable to deliveries to Zone 4 under Texas Gas Transmission, LLC's Rate NNS for the day on which the LGFO was violated. Such LGFO Charge shall be in addition to any other charges under this rate schedule. T T T

Company will not be required to provide service under this rate schedule if Customer does not comply with the terms or conditions of an LGFO. Payment of LGFO Charges hereunder shall not be considered an exclusive remedy for failure to comply with the LGFO, nor shall the payment of such charges be considered a substitute for any other remedy available to Company. As a result of Customer's failure to comply with the terms or conditions of service, including an LGFO, Company may take such actions as it deems necessary to suspend service to Customer.

If Customer fails to manage its use of Company's transportation service in strict conformance with the directives of an LGFO, then Company may at its sole discretion do one or more of the following immediately upon delivering oral or written notice to Customer: (1) suspend all gas transportation service to the extent necessary to protect the operational integrity of Company's system, (2) decline to deliver to the extent necessary the gas provided by Customer, (3) decline to receive to the extent necessary the volume tendered by Customer at the Receipt Point, and (4) permanently terminate service under this rate schedule. Any suspension or termination under this section shall be without prejudice to and in addition to any other rights and remedies of Company.

**IMBALANCES**

The terms "Imbalance" or "Imbalances" as used herein mean the difference between Customer's Gross Nominated Volume in Mcf of gas to be received by Company at the Receipt Point and the metered volume of gas in Mcf actually received by Company from Customer at the Receipt Point (Metered Receipts).

When Company can provide such balancing service, the Utilization Charge for Daily Imbalances shall apply to daily imbalances in excess of +/-5% of the Gross Nominated Volume. Company shall issue an LGFO as set forth herein during periods when service cannot be provided to meet daily imbalances.

Company shall calculate on a daily and monthly basis Customer's imbalance resulting from the difference between Customer's Gross Nominated Volume in Mcf for receipt by Company at the Receipt Point and the Metered Receipts of gas in Mcf from Customer at the Receipt Point. This will be calculated as follows:

Imbalance = Gross Nominated Volumes - Metered Receipts

T

Company will also determine the imbalance percentage. This percentage will be calculated as follows: T T

$$\text{Imbalance \%} = \frac{\text{(Gross Nominated Volumes - Metered Receipts)}}{\text{Gross Nominated Volumes}}$$ T T T

The term “day” or “daily” shall mean the period of time corresponding to the gas day as observed by Company. T T

If the monthly imbalance is negative (an over-delivery into Company’s system), Company shall purchase the monthly imbalance from Customer at a price per Mcf which is determined by multiplying the appropriate percentage specified below times the lower of the following: either (a) the lowest daily mid-point price posted in “Platts Gas Daily” for Texas Gas Zone 1 adjusted for Fuel Retention applicable to deliveries to Zone 4 under Texas Gas Transmission, LLC’s Rate NNS plus the Commodity Charge and any surcharges applicable to deliveries to Zone 4 under Texas Gas Transmission, LLC’s Rate NNS during the month in which the imbalance occurred, or (b) the lowest daily mid-point price posted in “Platts Gas Daily” for Lebanon-Hub adjusted for Fuel Retention applicable to deliveries to Zone 4 under Texas Gas Transmission, LLC’s Rate NNS plus the Commodity Charge and any surcharges applicable to deliveries to Zone 4 under Texas Gas Transmission, LLC’s Rate NNS during the month in which the imbalance occurred.

The appropriate percentage shall be dependent on Customer’s monthly imbalance percentage to be applied as follows:

| When Total Net Negative Imbalance Percentage is: | The following percentage shall be multiplied by the above-determined amount: |
|---|---|
| 0% to ≤ 5% | 100% |
| > 5% to ≤ 10% | 90% |
| >10% to ≤ 15% | 80% |
| >15% to ≤ 20% | 70% |
| >20% | 60% |

If the monthly imbalance is positive (an under-delivery into Company’s system), Customer shall purchase the monthly imbalance from Company at a price per Mcf which is determined by multiplying the appropriate percentage specified below times the higher of the following: either (a) the highest daily mid-point price posted in “Platts Gas Daily” for Texas Gas Zone 1 adjusted for Fuel Retention applicable to deliveries to Zone 4 under Texas Gas Transmission, LLC’s Rate NNS plus the Commodity Charge and any surcharges applicable to deliveries to Zone 4 under Texas Gas Transmission, LLC’s Rate NNS during the month in which the imbalance occurred, or (b) the highest daily mid-point price T posted in "Platts Gas Daily" for Lebanon-Hub adjusted for Fuel Retention applicable to deliveries to Zone 4 under Texas Gas Transmission, LLC's Rate NNS plus the Commodity Charge and any surcharges applicable to deliveries to Zone 4 under Texas Gas Transmission, LLC's Rate NNS during the month in which the imbalance occurred. T T T T

The appropriate percentage shall be dependent on Customer's monthly imbalance percentage to be applied as follows:

| When Total Net Positive Imbalance Percentage is: | The following percentage shall be multiplied by the above-determined amount: |
|---|---|
| 0% to ≤ 5% | 100% |
| > 5% to ≤ 10% | 110% |
| >10% to ≤ 15% | 120% |
| >15% to ≤ 20% | 130% |
| >20% | 140% |

The monthly imbalance percentages stated above will be used to calculate the cash-out price for imbalances that fall within each category. For example, a Customer with a monthly imbalance percentage of 9% will cash-out at the 0% to 5% price for 5% of the imbalance and at the 5% to 10% price for 4% of the imbalance.

All such cash-out charges or credits, as applicable, shall be shown and included on Customer's monthly bill. The billing of these cash-out charges or credits shall not be construed as a waiver by Company of any other rights or remedies it has under law, the regulations of the PSC of Kentucky, or this rate schedule, nor shall it be construed as an exclusive remedy for failure to comply with the provisions of this rate schedule.

**DATE OF ISSUE:** September 28, 2018

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On And After November 1, 2018

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00295 dated ____**

**VARIATION IN MMBTU CONTENT**

The reconciliation of the actual deliveries to the Delivery Point and Company's receipt of gas from Customer at the Receipt Point, including any variation in MMBtu content, occurs through the operation of the cash-out provision. If not reflected on the current month's bill, changes in billings of the cash-out provision caused by variations in the MMBtu content of the gas shall be corrected on the following month's bill.

**UTILIZATION CHARGE FOR DAILY IMBALANCES**

Should an imbalance as calculated herein exceed +/- 5% of the Gross Nominated Volume on any day when an LGFO (as described below) has not been issued, then Company shall charge the Utilization Charge for Daily Imbalances times the imbalance in Mcf greater than +/- 5% of Gross Nominated Volume for each daily occurrence.

The Utilization Charge for Daily Imbalances is the sum of the following:

| | | |
|---|---|---|
| Daily Demand Charge: | $0.1657 per Mcf | |
| Daily Storage Charge: | $0.3797 | I |
| Utilization Charge for Daily Imbalances: | $0.5454 per Mcf | I |

Note: The Daily Demand Charge may change with each filing of the GSCC.

These charges are in addition to any other charges set forth herein. The Utilization Charge for Daily Imbalances will not be applied to daily imbalances which do not exceed the +/- 5% unless an LGFO has been issued. If an LGFO has been issued, the Utilization Charge for Daily Imbalances shall apply to daily imbalances which exceed 0% for customers in violation of the LGFO directive, either "condition (a)" or "condition (b)" as applicable and further described above under "Local Gas Flow Orders". Customers not in violation of the LGFO directive, either "condition (a)" or "condition (b)" as applicable, will continue to be assessed the Utilization Charge for Daily Imbalances on volumes which exceed the 5% daily tolerance. Company shall not have an obligation to provide balancing service for any volumes of gas hereunder.

**MEASUREMENT OF GAS**

Volumes of gas transported hereunder will be determined in accordance with Company's measurement base as set forth in the Company's Terms and Conditions. All gas delivered by Customer to Company pursuant to this rate schedule shall be measured by Company using such gas meters, chromatograph, and other instrumentation as Company deems appropriate.

**REMOTE METERING**

Any Customer contracting for service hereunder shall be required, prior to commencing service hereunder, to have appropriate remote metering devices. The remote metering devices allow Company to monitor receipts of gas from Customer.

Customer shall reimburse Company for the cost of this remote metering equipment and the cost of its installation, including any modifications to Company facilities required in order to facilitate the functioning of the remote metering. Company may also install at Customer's expense, any backflow protection devices, remote flow equipment, and the like, as may be required in sole discretion of Company, in order to protect the integrity of Company's gas system. Customer shall be responsible for making any necessary modifications to its facilities, including, but not limited to, any modifications of Customer's piping, in order to facilitate the installation and operation of such remote metering or other facilities determined to be necessary by Company. Customer shall be responsible for providing the necessary and adequate electric and telecommunications service to provide this metering within thirty (30) days of Company's notice to Customer that such remote metering shall be required. Electric and telephone services installed for this equipment shall conform to Company's specifications. Customer shall be responsible for maintaining the necessary and adequate electric and telecommunications service to provide remote metering.

**GAS QUALITY**

Gas received hereunder shall be merchantable gas, commercially free from toxins, odors, dust, solids, gums, gum-forming constituents, gasoline, water, or any other foreign substances of any kind, including liquid matter and hydrocarbon liquids which may become separated from the gas in the course of transportation through Company's system, and which might interfere with its merchantability or cause injury to or interference with proper operation of lines, regulators, meters, or other appliances.

Furthermore, such receipts shall not contain, either in the gas or in any liquids with the gas, any microbiological organism, pathogen, active bacteria, or bacterial agent capable of producing or contributing to corrosion, operational problems, or other problems, or are injurious to utility facilities or cause the gas to be unmarketable. Microbiological organisms, bacteria or bacterial agents include, but are not limited to, sulfate reducing bacteria and acid producing bacteria.

Customer agrees that it will indemnify Company and save it harmless from all suits, actions, debts, accounts, damages, costs, losses, and expenses arising from or out of any claim by any other persons or entity related to or arising from gas tendered by Customer to Company not meeting the quality specifications herein.

If the gas tendered by Customer for transport by Company fails at any time to conform to any of the specifications set forth herein, then Company shall so notify Customer and Company may, at its sole option and in addition to any other remedies available to Company, refuse to accept delivery pending correction by Customer.

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**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the
Public Service Commission in Case No.
2016-00371 dated June 22, 2017 and modified June 29, 2017**

**Standard Rate** **LGDS**
**Local Gas Delivery Service**

The table below sets forth the applicable specifications for the gas received hereunder by Company from Customer.

| Component | Units | Low | High |
|---|---|---|---|
| Total Heating Value | Btu per scf | 967 | 1,110 |
| Wobbe Index | Calculated by dividing the Total Heating Value (dry) of the gas (at standard conditions of 14.73 psia and 60 degrees Fahrenheit) by the square root of the specific gravity of the gas | 1,314 | 1,400 |
| Carbon Dioxide | Percent by volume (mole%) | 0.00% | 2.00% |
| Hydrogen | Percent by volume (mole%) | 0.00% | 0.00% |
| Water (or water vapor) | lbs. per MMscf | 0 | 7 |
| Ammonia | ppm | 0 | 3 |
| Hydrogen Sulfide | grains per 100 scf | 0 | 0.25 |
| Total Sulphur (not including any mercaptan sulphur) | grains per 100 scf | 0 | 5 |
| Oxygen | Percent by volume (mole%) | 0.00% | 0.10% |
| All non-hydrocarbon gases such as carbon dioxide, nitrogen, and oxygen (Total Dilutents and Inerts) | Percent by volume (mole%) | 0.00% | 4.00% |
| Non-methane Hydrocarbons (C2+) such as ethane | Percent by volume (mole%) | 0.00% | 12.00% |
| Heavier Hydrocarbons (C3, C4, C6, +) such as propane, propylene, butanes, hexanes | Percent by volume (mole%) | 0.00% | 1.50% |
| Delivery Temperature | degrees Fahrenheit | 40 | 90 |
| Hydrocarbon Dewpoint | degrees Fahrenheit | Less than 10 | |

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Louisville, Kentucky

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**Public Service Commission in Case No.**
**2016-00371 dated June 22, 2017 and modified June 29, 2017**

Company shall have the unqualified right to commingle gas received for service hereunder with gas from other sources. Accordingly, gas received by Company shall be subject to such changes as may result from such commingling and Company shall, notwithstanding any other provisions herein, be under no obligation to deliver for Customer's account gas identical to that received by Company.

**CREDITWORTHINESS**

Customer shall upon request of Company agree to maintain an irrevocable letter of credit, cash prepayment, or such other financial instrument satisfactory to Company ("credit support") in order to assure Customer's performance of its obligations hereunder. In determining the level of the security to be required of Customer, Company shall consider such factors, including, but not limited to, the following: the volume of natural gas to be transported on behalf of Customer, the MDQ, the general creditworthiness of Customer, and Customer's prior credit record with Company, if any. The amount of the credit support shall not exceed two twelfths (2/12) of Customer's estimated annual bill. In the event that Customer defaults on its obligations under this rate schedule, Company shall have the immediate right to draw on such credit support to satisfy Customer's obligation hereunder. Such credit requirements shall be administered by Company in a nondiscriminatory manner.

**SPECIAL TERMS AND CONDITIONS**

1. Service under this rate schedule will be furnished under Company's Terms and Conditions applicable hereto, to the extent that such Terms and Conditions are not in conflict, nor inconsistent, with the specific provisions hereof.

2. Service under this rate schedule shall be performed under a written contract between Customer and Company ("Service Agreement") which shall set forth specific arrangements as to the MDQ, volumes to be transported, Receipt Point, Delivery Point, Receipt Pressure, timing of receipts and deliveries of gas by Company, term, and any other matters relating to individual Customer circumstances.

3. Should Customer be unable to provide an amount of gas to Company at the Receipt Point equivalent to the Gross Nominated Volume (the Net Nominated Volume plus applicable LAUFG), Company will not be obligated hereunder to provide standby quantities of gas. Company will not be obligated to utilize its underground storage capacity for purposes of this service.

4. Company will have the right to curtail or interrupt the delivery of gas hereunder when, in Company's judgment, such curtailment is necessary to enable Company to respond to an emergency or force majeure condition.

5. It is at all times the responsibility of Customer to deliver gas to the Receipt Point at a pressure ("Receipt Pressure") sufficient to cause the delivery of gas into the system of Company. Company shall not be obligated to modify either its facilities or its prevailing system operating pressures in order to effectuate the receipt of gas from Customer at the Receipt Point.

**SPECIAL TERMS AND CONDITIONS**

6. Customer hereby agrees to reimburse Company for all Kentucky sales tax, if any, assessed on the charges specified in this rate schedule. Customer's Kentucky Sales Tax Permit Account Number shall be provided to Company pursuant to Company's request.

7. As between Company and Customer, Customer shall be in exclusive control and possession of the gas until such gas has been delivered to Company at the Receipt Point and after such gas has been delivered to the Delivery Point. Company shall be in exclusive control and possession of such gas while it is in Company's system between the Receipt Point and the Delivery Point. Company shall have no liability while the gas is in the exclusive control of Customer and Customer shall have no liability (except for damage, loss, or injury caused by Company's transportation of gas that does not meet the quality standards set forth herein or that is delivered to Company in violation of any other provision of this Rate Schedule) while the gas is in the exclusive control of Company. Title to all gas delivered by Customer to Company for transportation under this rate schedule shall remain with Customer at all times during transportation by Company. Company shall not acquire or take title to the gas transported hereunder with the exception of any over-deliveries purchased through the operation of the cash-out mechanism described hereunder.

8. In no event shall Company be liable to Customer for consequential, indirect, special, punitive, or exemplary damages arising out of service provided hereunder.

9. Customer shall enter into a Website Subscriber Agreement if Customer desires to access telemetry data.

**TERM OF CONTRACT**

The minimum term for service hereunder shall be for a period of one (1) year or through the following October 31, whichever period is shorter. Company, in its sole discretion, may require that a contract be executed for a longer initial term when deemed necessary by the size of MDQ or other special circumstances. After such initial term, service under this rate schedule automatically shall continue in full force and effect and from year to year (from November 1 through October 31, which period shall be defined as a "Contract Year"), until terminated by either Party hereto for any reason, or no reason, pursuant to written notice of termination given by one Party to the other Party by the April 30th prior to the next available November 1st termination date.

When the Parties have agreed upon the terms required to complete the contract for service hereunder, Company shall tender a Service Agreement to Customer reflecting such agreed upon terms. The Service Agreement shall be invalid unless signed by the requesting Party and returned to Company within thirty (30) days after Company provides such Service Agreement to Customer for execution.

### Special Charges

The following charges will be applied uniformly throughout Company's service territory. Each charge, as approved by the Public Service Commission, reflects only that revenue required to cover associated expenses.

**RETURNED PAYMENT CHARGE**

In those instances where a Customer renders payment to Company which is not honored upon deposit by Company, the Customer will be charged $3.00 to cover the additional processing costs. R

**METER TEST CHARGE**

Where the test of a meter is performed during normal working hours upon the written request of a Customer, pursuant to 807 KAR 5:006, Section 19, and the results show the meter is within the limits allowed by 807 KAR 5:022, Section 8(3)(a)1, and Section 8(3)(b)1, the Customer will be charged $90.00 to cover the test and transportation costs.

**DISCONNECT/RECONNECT SERVICE CHARGE**

A charge of $28.00 will be made to cover disconnection and reconnection of gas service when discontinued for non-payment of bills or for violation of Company's Terms and Conditions, such charge to be made before reconnection is effected. If both gas and electric services are reconnected at the same time, the total charge for both services shall be $28.00. No charge will be made for customers qualifying for service reconnection pursuant to 807 KAR 5:006, Section 16, Winter Hardship Reconnection.

Customers under Rate Schedules RGS, VFD, CGS, IGS, and AAGS may request and be granted temporary suspension of gas service. In the event of such temporary suspension, Company will make a charge of $28.00 to cover disconnection and reconnection of gas service, such charge to be made before reconnection is effected. If both gas and electric services are reconnected at the same time, the total charge for both services shall be $28.00. Customers taking service under Riders TS-2, GMPS, and EF shall not be eligible for such temporary suspension of service.

**INSPECTION CHARGE**

With respect to Customer's service line and house line inspections prior to initiation or resumption of gas service, Company will make two such inspections without charge. When more than two trips are necessary to complete the inspections at any one location, a charge of $150.00 will be made for each additional trip.

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State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the
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2018-00295 dated ____**

**Special Charges**

**CHARGE FOR TEMPORARY AND SHORT TERM SERVICE**

The customer shall pay the cost of all material, labor and expense incurred by Company in supplying gas service for any temporary or short term use, in addition to the regular rates for service without pro-rating of rate blocks or minimum charges for service of less than thirty days in a regular meter reading period.

**ADDITIONAL TRIP CHARGE**

Under Rate FT, Rider TS-2, and Rider GMPS, if the Company is required to make additional visits to the meter site due to the Company's inability to gain access to the meter location, or the necessary Communication Link (such as electric and telephone service) has not been properly installed by Customer, or the Customer's Communication Link is not working properly, the Company may charge the Customer for any additional trip to the site at a per-visit rate of $150.00.

**UNAUTHORIZED RECONNECT CHARGE**

When the Company determines that Customer has tampered with a meter, reconnected service without authorization from Company that previously had been disconnected by Company, or connected service without authorization from Company, then the following charges shall be assessed for each instance of such tampering or unauthorized reconnection or connection of service:

1. A charge of $70.00 for tampering or an unauthorized connection or reconnection that does not require the replacement of the meter;

2. A charge of $132.00 for tampering or an unauthorized connection or reconnection that requires the replacement of a meter.

**Standard Rate Rider** **TS-2**

**Gas Transportation Service/Firm Balancing Service**

**APPLICABLE**

In all territory served.

**AVAILABILITY** T

Available to existing commercial and industrial customers served under Rates AAGS, CGS, DGGS, and IGS who consume at least 15,000 Mcf annually at each individual Delivery Point during the two (2) years ending with the March 31 service request date.

Customers electing service under this rider shall notify Company on or before March 31 and execute a contract by April 30 in order to receive service hereunder beginning November 1 of that same year. The Contract Year shall include the twelve monthly billing periods from November 1 through October 31, of the following calendar year. Service under this rider shall be for a term of one (1) year and year to year thereafter. Unless otherwise permitted herein, Customer or Company may terminate service hereunder effective November 1 by giving written notice to the other by the preceding April 30.

For new customers who have no historical gas consumption, Company will determine Customer's eligibility for service hereunder based upon data provided by Customer and such other information as may be available to Company. Company may allow such new customers to begin service hereunder prior to the November 1 date specified above for existing customers. A new customer is responsible for presenting its request to Company for service hereunder at least six (6) months prior to first receiving natural gas from Company under any of Company's rate schedules. T N N N N

Customer shall have purchased natural gas elsewhere, and request Company to utilize its system to transport, by displacement, such customer-owned gas to place of utilization.

In addition, transportation service hereunder will be subject to the provisions herein set forth and to the availability of adequate capacity on Company's system to perform such service without detriment to its other customers.

Service under this rider shall not be available to Customers with a Maximum Daily Quantity ("MDQ") in excess of 5,000 Mcf/day. In the event that Customer's MDQ exceeds 5,000 Mcf/day, Company may terminate service under this rider upon thirty (30) days prior written notice.

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Louisville, Kentucky

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### CHARACTER OF SERVICE

Transportation service under this rider shall be considered firm from the Receipt Point at Company's interconnection with its Pipeline Transporter ("Receipt Point") to the Delivery Point at the Customer's place of utilization ("Delivery Point"), subject to paragraph 7 of the Special Terms and Conditions.

Due to the physical configuration of Company's system, and in order to maintain system integrity and reliability, unless otherwise permitted or directed by Company in its sole discretion, the Pipeline Transporter shall be Texas Gas Transmission, LLC.

Company will provide service to meet imbalances on a firm basis. For purposes used herein, "Imbalances" are defined as the difference between the volume of gas delivered by the Customer to the Receipt Point and the volume of gas taken by Customer at the Delivery Point.

Customers served under this rider must designate a third-party TS-2 Pool Manager and become a member of a TS-2 Pool pursuant to Rider PS-TS-2.

Company shall issue an Action Alert as set forth in Rider PS-TS-2 when, in Company's sole discretion, such Action Alert is required to manage loads served under Rider TS-2. It is the responsibility of the TS-2 Pool Manager, not Company, to convey Action Alerts to Customers in the TS-2 Pool.

Any imbalances (over- or under-deliveries) incurred by TS-2 Pool Manager on behalf of Customer shall be resolved through the application of the cash-out mechanism incorporated in Rider PS-TS-2.

### RATE

In addition to any and all charges billed directly to Company by other parties related to the transportation of customer-owned gas, or any and all charges billed by Company under the applicable sales rate to which this service is a rider, including, the basic service charge, any demand charges, any adjustment clauses, or the like, the following charges shall apply:

Administrative Charge per month: $550.00 per Delivery Point

| | CGS | IGS | AAGS | DGGS | |
|---|---|---|---|---|---|
| Distribution Charge Per Mcf | $3.2525 | $2.1929 | $1.0644 | $0.2992 | I |
| Pipeline Supplier's Demand Component | 0.8500 | 0.8500 | 0.8500 | 0.8500 | |
| Total | $4.1025 | $3.0429 | $1.9144 | $1.1492 | I |

**RATE** (continued)

The **"Distribution Charge"** applicable to Rate CGS and IGS monthly quantities in excess of 100 Mcf shall be reduced by $0.50 per Mcf during the seven off-peak billing periods of April through October. The first 100 Mcf per month during such period shall be billed at the rate set forth above.

**Pipeline Supplier's Demand Component**: Average demand cost per Mcf of all gas, including transported gas, delivered to Company by its pipeline supplier as determined from Company's Gas Supply Clause.

**Gas Cost True-Up Charge:** The Gas Cost True-Up Charge is applicable only to a former sales Customer that has elected transportation service hereunder and not previously served under Rate FT. Such Customer shall pay this charge for the first eighteen billing periods that Customer is served under Rider TS-2. The charge (or credit) per Mcf shall be applied to all volumes delivered by Company pursuant to Rider TS-2 in order to recover from (or refund to) transferring sales customers any under- or over-collected gas costs as reflected in the GCAA, GCBA, and PBRRC components of the Gas Supply Clause ("GSC") applicable to gas sold during those periods when the transferring customer was a sales customer. The Gas Cost True-Up Charge amount shall be revised with each of Company's quarterly Gas Supply Clause filings.

For customers electing service under Rider TS-2 effective November 1, 2016,
the Gas Cost True-Up Charge shall be:

$0.0000 per Mcf for Bills Rendered On and After August 1, 2018

For customers electing service under Rider TS-2 effective November 1, 2017,
the Gas Cost True-Up Charge shall be:

$0.0339 per Mcf for Bills Rendered On and After August 1, 2018

**Minimum Annual Threshold Requirement and Charge:** When Customer's annual usage falls below the Minimum Annual Threshold Requirement, Customer will be charged a Minimum Annual Threshold Charge equal to the difference between the Minimum Annual Threshold Requirement of 15,000 Mcf and the Customer's actual consumption in Mcf during each Contract Year which difference shall be multiplied by the peak period Distribution Charge of the applicable sales rate schedule. Such Minimum Annual Threshold Charge shall be billed during the month following the close of the Contract Year in accordance with the following formula

Minimum Annual Threshold Charge =

(Minimum Annual Threshold minus Customer's Annual Usage) times the Peak Period Distribution Charge


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**RATE** (continued)

Such amount shall be applied to Customer's November bill.

Payment of the Minimum Annual Threshold Charge is not a remedy for Customer's failure to meet the Minimum Annual Threshold Requirement for service under Rider TS-2. In the event that Customer does not meet the Minimum Annual Threshold Requirement for two (2) consecutive years (as determined for the 12 months ended October), service to Customer under this rider may be discontinued. Customer and its TS-2 Pool Manager will receive notice by December 1 that Customer will be removed from the TS-2 Pool and returned to firm sales service effective April 1 of the following year.

New customers qualifying for service hereunder and who begin service prior to the November 1 date specified above shall not be subject to any Minimum Annual Threshold Charge for service prior to the November 1 date immediately following the commencement of service hereunder.

**Optional Monthly Telemetry Charge:** $300.00 per Delivery Point per month

**REMOTE METERING**

Remote metering service shall be required as a prerequisite to the Customer obtaining service under this rider. The remote metering devices will allow Company and Customer to monitor the Customer's usage on a daily basis and allow Company to bill the Customer.

At the time that the Customer executes a contract for service hereunder, Customer shall elect to either (1) pay for the cost of this remote metering equipment and the cost of its installation in an up-front lump sum payment, or (2) pay the Optional Monthly Telemetry Charge specified herein. Under either option, Customer shall reimburse Company for the cost of any modifications to Company facilities and the replacement of any existing meters required in order to facilitate the functioning of the remote metering.

The Customer shall be responsible for making any necessary modifications to its facilities, including, but not limited to, any modifications of Customer's piping, in order to facilitate the installation and operation of such remote metering.

The Customer shall be responsible for providing the necessary and adequate electric and telephone service to provide remote metering by October 1 of the year that Customer's service under Rider TS-2 becomes effective. Electric and telephone services installed for this equipment shall conform to Company's specifications. The Customer shall be responsible for maintaining the necessary and adequate electric and telephone service to provide remote metering.


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**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2014-00372 dated June 30, 2015**

**SPECIAL TERMS AND CONDITIONS**

1. Service under this rider will be furnished under Company's Terms and Conditions applicable hereto, to the extent that such Terms and Conditions are not in conflict, nor inconsistent, with the specific provisions hereof.

2. Service under this rider shall be performed under a written contract between Customer and Company setting forth specific arrangements as to volumes to be transported by Company for Customer, TS-2 Pool Manager designated by Customer, points of delivery, timing of receipts and deliveries of gas by Company, and any other matters relating to individual customer circumstances.

   Customer may appoint only one TS-2 Pool Manager for a given period. If Customer elects to change its TS-2 Pool Manager, Customer shall notify Company and execute and return the required documentation of its election to change its TS-2 Pool Manager at least thirty (30) days prior to the beginning of the billing period for which the change is to become effective. Except as provided for in Rider TS-2, no customer may transfer from one TS-2 Pool to another more frequently than once during a Contract Year. In appointing a TS-2 Pool Manager, Customer acknowledges that it has appointed the designated TS-2 Pool Manager to act as its limited agent in the performance of certain stated functions and to assume certain stated responsibilities with regard to transportation under Rider TS-2, including the requesting and receiving of information, the scheduling of gas flows, and all related duties. Customer will continue to be responsible for any and all costs, fees, and other liabilities as the result of the actions or inactions of TS-2 Pool Manager as its limited agent. Customer shall indemnify, defend, and hold Company harmless from any costs (including, but not limited to, reasonable attorney fees), expenses, losses, or liabilities, incurred (a) as a result of Company's performance when relying upon the authority of the TS-2 Pool Manager, (b) as a result of Company's reliance upon Customer's representation that it has express authority to appoint said TS-2 Pool Manager as its limited agent, and (c) due to the Customer's or TS-2 Pool Manager's failure to strictly comply with the provisions of Rider TS-2 or Rider PS-TS-2.

3. In no case will Company be obligated to deliver gas to Customer in greater volumes or at greater rates of flow than those specified in the written contract between Customer and Company. The maximum daily volume that Company shall be obligated to deliver shall be referred to as the Maximum Daily Quantity ("MDQ"). The maximum hourly volume that Company shall be obligated to deliver shall not exceed 1/24th of the MDQ. The MDQ is the maximum daily volume of gas, as determined by Company, based on Customer's historical daily metered volumes. In the event that historical daily metered volumes are not available, Company will determine Customer's MDQ based upon data provided by Customer and/or monthly metered data. Once historical daily metered data becomes available, the MDQ will be subject to revision by Company on an annual basis. In the case of customers served under Rate DGGS, the MDQ under this rider shall be the same as the MDQ established under Rate DGGS. Company may require customers served under Rate DGGS and provided with gas transportation service through this rider to provide notice of not less than two (2) hours of changes in the hourly rates of gas consumption. N N N

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State Regulation and Rates
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**SPECIAL TERMS AND CONDITIONS** (continued)

4. Volumes of gas transported hereunder will be determined in accordance with Company's measurement base as set forth in the Company's Terms and Conditions.

5. All volumes of natural gas received by Company for Customer shall meet the specifications established by Pipeline Transporter.

6. Company will have the right to curtail or interrupt the transportation or delivery of gas to any Customer hereunder when, in Company's judgment, such curtailment is necessary to enable Company to respond to an emergency or force majeure condition.

7. In the event of an interruption of service to a Customer served under Rate AAGS, as provided for in that rate schedule, Customer shall discontinue the use of natural gas as specified therein, be subject to the penalties set forth therein, and discontinue deliveries of natural gas hereunder.

8. Customer shall enter into a Website Subscriber Agreement if Customer desires to access telemetry data.

**APPLICABLE**

In all territory served.

**AVAILABILITY** T

Applicable to all commercial and industrial customers that request the Company to install a gas meter pulse generator which is a meter-related service not otherwise provided by the Company. This service is only available for customer metering sites using positive displacement meters, orifice meters, or ultrasonic metering technology, so long as the meter capacity is 3,000 cubic feet per hour or greater.

**CHARACTER OF SERVICE**

The service provided hereunder is a pulse generator (dry electrical contact closure) suitable for generating electrical pulses.

For customers not served under Rate Schedule FT or Rider TS-2, a separate pulse generator will be provided for each gas meter installed at the customer's metering site. Each contact closure cycle on a pulse generator represents a pre-determined natural gas volume. The volume will vary at different meter installations, and will thus be communicated to the Customer at the time of installation. Pressure and temperature correcting factors may need to be applied by the Customer.

For customers served under Rate Schedule FT or Rider TS-2, a separate pulse generator will be totalized for gas meters at the customer's metering site. Each contact closure cycle on a pulse generator represents a pre-determined natural gas volume. The volume will vary at different meter installations, and will thus be communicated to the Customer at the time of installation. Pressure and temperature correcting factors are applied to the volumes provided and need not be applied by the Customer.

The Customer shall be responsible for providing and maintaining the necessary and adequate electric and telephone service ("Communication Links") per the Company's specifications.

The Company will provide the pulse generator(s). Customer Installed Equipment is any equipment or wiring installed by the Customer, or someone other than Company acting on behalf of Customer, and could include, but would not be limited to, any device such as a data concentrator, totalizer, programmable logic controller, remote terminal unit, or similar equipment used for the purpose of collecting the pulse data. Customer is responsible for installation of wiring to the pulse generator(s) and is responsible for providing the wetting voltage necessary to generate electrical pulses, as well as all dielectric isolation fittings, surge protection and electrical barriers. The wetting voltage must be a regulated DC voltage of 30 volts or less and 10 mA or less, or as otherwise determined by the

**CHARACTER OF SERVICE** (continued)

Company. If Customer Installed Equipment is located within fifteen (15) feet of any gas pipeline flanges, gas regulators, or gas pressure relief devices; or if gas meters are installed in an enclosed space, then Customer Installed Equipment must be installed in accordance with National Electrical Code Class 1 Division 2 requirements.

A failure of the pulse generator will not be detected by Company on any routine meter reading nor necessarily during other operations. Therefore, Customer is required to recognize and report any problems with the pulse generator.

**RATE**

In addition to any other charges set forth herein, the following charges shall apply:

| | |
|---|---|
| For Customers Served Under Rate Schedule FT or Rider TS-2: | |
| Monthly Charge: | $ 7.17 |
| For Customers Not Served Under Rate Schedule FT or Rider TS-2: | |
| Monthly Charge: | $24.34 |

If replacement of the Gas Meter(s) is necessary for the installation of a pulse generator, then Customer shall be responsible for the actual meter and meter installation cost of such Gas Meter(s). Customer shall be responsible for making at its cost any necessary modifications to its facilities, including, but not limited to, any modifications of Customer’s piping, in the event a replacement Gas Meter is necessary or as otherwise required by Company to facilitate this service.

**SPECIAL TERMS AND CONDITIONS**

1. Service under this rider will be furnished under Company’s Terms and Conditions applicable hereto, to the extent that such Terms and Conditions are not in conflict, nor inconsistent, with the specific provisions hereof.

2. All Customer Installed Equipment shall be owned, maintained and operated by Customer at its sole cost, including the installation thereof. Dielectric isolation fittings, surge protection and electrical barriers will be used by Customer at Customer’s cost when connecting to Company’s meter facilities. There may be instances where Company determines, in its sole discretion, that dielectric isolation fittings are not necessary. If such fittings are not determined to be necessary, Company shall notify the Customer in writing. All connections of Customer Installed Equipment to Company facilities and equipment will be made by Company or witnessed by Company’s representatives. If applicable, all of Customer’s Installed Equipment must be installed within fifty feet of Company’s metering telemetry equipment. The Company has the right to inspect Customer’s installed equipment, prior to initiating the pulse out service, but has no obligation to do so, and in conducting any inspection the Company is not undertaking or accepting any obligation, responsibility or duty whatsoever with regard to Customer Installed Equipment.

**SPECIAL TERMS AND CONDITIONS** (continued)

3. Customer agrees and understands that pulse data generated by service under this tariff shall not be used for purposes of billing by Company for natural gas volumes used by the Customer. Furthermore, Customer agrees and understands the pulse generator(s) supplied do not represent a rate of flow, but only a total volume, and should not be used for process control or other purposes.

4. Customer warrants that Customer will not use pulse data in a manner that could result in or create an unsafe condition of any kind or type should the data signal from Company's natural gas metering equipment be lost or inaccurate for any reason whatsoever. Customer further warrants that any installation, operation, maintenance, repair, replacement or removal of Customer Installed Equipment shall not interfere with Company's access to or operation and maintenance of its facilities or equipment.

5. Company shall not be required to restore any lost data signal. Company reserves the right to upgrade, change, alter or remove any portion or all of Company's facilities, discontinue the data signal or require removal or disconnection of Customer's Installed Equipment, for any reason and without liability to Customer, with prior written notice to Customer. Customer may report data loss or interruptions during normal working hours to the Company. If Customer fails to comply within the time set forth in Company's written request, Company shall have the right to immediately remove Customer Installed Equipment without liability to Customer, and Customer shall reimburse Company for the actual cost of removing said Equipment. All costs associated with responding to Customer's calls and problems relating to service hereunder (including but not limited to call-out, overtime and call-back) shall be paid by Customer upon receipt of Company's invoice.

6. Company makes no representation and provides no warranty or guarantee relating to the operation of, or accuracy or availability of, the data signal provided through Company's equipment. Data received is for informational purposes only, and Company shall not be liable for Customer's use of Company's equipment or data taken therefrom for any purpose.

7. Either party may terminate service under this Rate Schedule upon sixty (60) days prior written notice. Customer shall immediately disconnect and remove Customer's Installed Equipment upon termination, or shall request Company to do so at Customer's sole cost.

T

**SPECIAL TERMS AND CONDITIONS** (continued) T

8. Customer shall indemnify, defend and hold Company, its parents, affiliates and subsidiaries and their officers, directors, and employees harmless, to the extent allowed by law, from and against any and all claims, suits, causes of action, liabilities, losses, damages, penalties, fines, fees, assessments, costs and expenses (including attorney's fees and costs incurred in any action or proceeding between Company and Customer or Company and a third party) whatsoever for damages to property or injuries or death to persons (including but not limited to Company's and/or Customer's employees or contractors), arising directly or indirectly from the installation, operation, maintenance, repair, removal, or use of Customer Installed Equipment or involving any inaccurate pulse data or the reliance of Customer or any third party on any pulse data provided pursuant to service hereunder. T T T T T T T T T T

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State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00295 dated ____**

## Pooling Service – Rider-TS-2

**APPLICABLE**

In all territory served.

**AVAILABILITY** T

Available to TS-2 Pool Managers.

Service under this rider shall not be available for new pool managers until the November 1 following the effective date of this rider.

For the purpose of this rider, a "TS-2 Pool Manager" is defined as an entity which has been appointed by a customer or group of customers served under Rider TS-2 to perform the functions and responsibilities of requesting and receiving information, nominating supply, and other related duties. A customer served under Rider TS-2 must join a Rider PS-TS-2 pool managed by a third-party Pool Manager.

**RATE**

In addition to any charges billed directly to TS-2 Pool Manager as a result of the application of this rider or to Customer as a result of the application of Rider TS-2, the following charge shall apply to the TS-2 Pool Manager:

PS-TS-2 Pool Administrative Charge: $75 per Customer in TS-2 Pool per month

**Other:** In the event that TS-2 Pool Manager is determined to be the cause of any billing disadvantages or other penalties imposed on Company by Pipeline Transporter, then TS-2 Pool Manager shall pay such penalties, fees, or charges as determined by Company and in accordance with the payment provisions of this rate schedule in addition to any and all other charges due hereunder.

**CHARACTER OF SERVICE**

Service under this rider allows a TS-2 Pool Manager to deliver to Company, on an aggregated basis, those natural gas supplies that are needed to satisfy the full requirements of one or more transportation customers that comprise a PS-TS-2 Pool.

The TS-2 Pool Manager will be responsible for arranging for volumes of transportation gas to meet the daily and monthly requirements of the Customers in the TS-2 Pool.

The TS-2 Pool Manager must secure its own upstream capacity from Pipeline Transporter to meet the requirements of the Customers in the TS-2 Pool, up to the total Maximum Daily Quantity of the Customers who are in the TS-2 Pool.

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**ACTION ALERTS**

Company shall have the right to issue an Action Alert (“AA”) which will require actions by the TS-2 Pool Manager to alleviate conditions that, in the sole judgment of Company, jeopardize the operational integrity of Company's system. It is the responsibility of the Pool Manager, not Company, to convey an AA to Customers in its TS-2 Pool. Pool Manager shall be responsible for complying with the directives contained in the AA.

Notice of an AA shall be provided to TS-2 Pool Manager at least eighteen (18) hours prior to the beginning of the gas day for which the AA is in effect. In the case of a TS-2 Pool Manager with one (1) or more Rider TS-2 customers served under Rate DGGS, the notice of an AA shall be provided to TS-2 Pool Manager at least four (4) hours prior to the beginning of the gas day for which the AA is in effect. TS-2 Pool Manager shall respond to an AA by adjusting its deliveries to Company's system as directed in the AA within the specified timeframe.

Upon issuance of an AA, Company will direct TS-2 Pool Manager to deliver to Company from 0% to 100% of the total MDQ of those Customers in the TS-2 Pool (the PMDQ as defined hereafter). Each Mcf delivered by TS-2 Pool Manager that differs (either more or less) from the volume specified in the AA shall be subject to an Action Alert Charge.

Company may, in its sole discretion, issue an AA to an individual Pool Manager taking service under Rider PS-TS-2 without issuing an AA to all Pool Managers taking service under Rider PS-TS-2.

The Action Alert Charge per Mcf shall be equal to $5.00 plus the higher of the following: either (a) the daily mid-point price posted in "*Platts Gas Daily*" for Texas Gas Zone 1 adjusted for Fuel Retention applicable to deliveries to Zone 4 under Texas Gas Transmission, LLC’s Rate NNS plus the Commodity Charge and any surcharges applicable to deliveries to Zone 4 under Texas Gas Transmission, LLC’s Rate NNS for the day on which the AA was violated, or (b) the daily mid-point price posted in "*Platts Gas Daily*" for Lebanon-Hub adjusted for Fuel Retention applicable to deliveries to Zone 4 under Texas Gas Transmission, LLC’s Rate NNS plus the Commodity Charge and any surcharges applicable to deliveries to Zone 4 under Texas Gas Transmission, LLC’s Rate NNS for the day on which the AA was violated. Such Action Alert Charge shall be in addition to any other charges under this rider.

Company will not be required to provide service under this rider for any TS-2 Pool Manager that does not comply with the terms or conditions of an AA. Payment of Action Alert Charges hereunder shall not be considered an exclusive remedy for failure to comply with an AA, nor shall the payment of such charges be considered a substitute for any other remedy available to Company.

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**Public Service Commission in Case No.**
**2016-00371 dated June 22, 2017 and modified June 29, 2017**

**Pooling Service – Rider TS-2**

### IMBALANCES

Company will calculate on a daily and monthly basis the TS-2 Pool Manager's imbalance resulting from the difference between the metered usage of the Customers in the TS-2 Pool and the volumes that the TS-2 Pool Manager has delivered into Company's system for the Customers in the TS-2 Pool. This will be calculated as follows:

Imbalance = Metered Usage - Delivered Volumes

Company will also determine the imbalance percentage. This percentage will be calculated as follows:

$$\text{Imbalance \%} = \frac{\text{(Metered Usage - Delivered Volumes)}}{\text{Delivered Volumes}}$$

The term "day" or "daily" shall mean the period of time corresponding to the gas day as observed by the Pipeline Transporter as adjusted for local time.

### CASH-OUT PROVISION FOR MONTHLY IMBALANCES

The cash-out provision shall be applied against the aggregate volume of all Customers in a specific TS-2 Pool. The TS-2 Pool Manager will be responsible for the payment of the cash-out charges incurred by the TS-2 Pool as a result of imbalances under Rider TS-2.

If the monthly imbalance is negative (an over-delivery into Company's system), Company shall purchase the monthly imbalance from TS-2 Pool Manager at a price per Mcf which is determined by multiplying the appropriate percentage specified below times the lower of the following: either (a) the lowest daily mid-point price posted in "*Platts Gas Daily*" for Texas Gas Zone 1 adjusted for Fuel Retention applicable to deliveries to Zone 4 under Texas Gas Transmission, LLC's Rate NNS plus the Commodity Charge and any surcharges applicable to deliveries to Zone 4 under Texas Gas Transmission, LLC's Rate NNS during the month in which the imbalance occurred, or (b) the lowest daily mid-point price posted in "*Platts Gas Daily*" for Lebanon-Hub adjusted for Fuel Retention applicable to deliveries to Zone 4 under Texas Gas Transmission, LLC's Rate NNS plus the Commodity Charge and any surcharges applicable to deliveries to Zone 4 under Texas Gas Transmission, LLC's Rate NNS during the month in which the imbalance occurred.

The appropriate percentage shall be dependent on the TS-2 Pool Manager's monthly negative imbalance percentage to be applied as follows:


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**CASH-OUT PROVISION FOR MONTHLY IMBALANCES** (continued)

| When Total Net Negative Balance Percentage is: | The following percentage shall be multiplied by the above-determined amount: |
|---|---|
| 0% to ≤5% | 100% |
| >5% to ≤10% | 90% |
| >10% to ≤15% | 80% |
| >15% to ≤20% | 70% |
| >20% | 60% |

If the monthly imbalance is positive (an under-delivery into Company's system), TS-2 Pool Manager shall purchase the monthly imbalance from Company at a price per Mcf which is determined by multiplying the appropriate percentage specified below times the higher of the following: either (a) the highest daily mid-point price posted in "*Platts Gas Daily*" for Texas Gas Zone 1 adjusted for Fuel Retention applicable to deliveries to Zone 4 under Texas Gas Transmission, LLC’s Rate NNS plus the Commodity Charge and any surcharges applicable to deliveries to Zone 4 under Texas Gas Transmission, LLC’s Rate NNS during the month in which the imbalance occurred, or (b) the highest daily mid-point price posted in "*Platts Gas Daily*" for Lebanon-Hub adjusted for Fuel Retention applicable to deliveries to Zone 4 under Texas Gas Transmission, LLC’s Rate NNS plus the Commodity Charge and any surcharges applicable to deliveries to Zone 4 under Texas Gas Transmission, LLC’s Rate NNS during the month in which the imbalance occurred.

The appropriate percentage shall be dependent on the TS-2 Pool Manager's monthly imbalance percentage to be applied as follows:

| When Total Net Positive Imbalance Percentage is: | The following percentage shall be multiplied by the above-determined amount: |
|---|---|
| 0% to ≤5% | 100% |
| >5% to ≤10% | 110% |
| >10% to ≤15% | 120% |
| >15% to ≤20% | 130% |
| >20% | 140% |


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**CASH-OUT PROVISION FOR MONTHLY IMBALANCES** (continued)

The monthly imbalance percentages stated above will be used to calculate the cash-out price for imbalances that fall within each category. For example, a TS-2 Pool Manager with a negative monthly imbalance percentage of 9% will cash-out at the 0% to 5% price for 5% of the imbalance and at the 5% to 10% price for 4% of the imbalance.

All such adjustments shall be shown and included on the TS-2 Pool Manager's bill. The billing of these charges shall not be construed as a waiver by Company of any other rights or remedies it has under law, the regulations of the PSC of Kentucky, or this rate schedule, nor shall it be construed as an exclusive remedy for failure to comply with the provisions of this rider.

**VARIATIONS IN MMBTU CONTENT**

All gas delivered by Company will be measured and billed on an Mcf basis. Pipeline Transporter delivers to and bills Company on an MMBtu basis. The reconciliation of the actual deliveries by Pipeline Transporter and the Customer’s estimated deliveries by Pipeline Transporter occurs through the operation of the monthly cash-out provision. Changes in billings of the cash-out provision caused by variations in the MMBtu content of the gas shall be corrected on the following bill.

**NOMINATIONS AND NOMINATED VOLUME**

As further described below, TS-2 Pool Manager shall specify to Company the daily volume of gas required by the Customers in the TS-2 Pool. Such volume shall be stated in Mcf/day and converted to MMBtu/day.

At least ten (10) days prior to the beginning of each calendar month, TS-2 Pool Manager shall provide Company with a schedule setting forth daily volumes of gas to be delivered into Company's system for the Pool Manager’s TS-2 Pool.

Any changes in nominated volumes, as well as any other information required to effectuate the delivery of such gas to Company by the Pipeline Transporter, shall be provided by TS-2 Pool Manager to Company no later than 10:00 a.m. Eastern Clock Time on the day prior to the day(s) for which volumes are scheduled to flow. Only those volumes actually confirmed by Company and scheduled on the Pipeline Transporter are considered nominated volumes. Company shall not be obligated to accept from TS-2 Pool Manager daily nominations or changes thereto that are made after the daily deadline for such nominations as set forth above or that are made on weekend days or holidays as such are observed by Company.

**NOMINATIONS AND NOMINATED VOLUME** (continued)

Such volumes nominated by TS-2 Pool Manager shall include an allowance for Company's system average lost and unaccounted for gas ("LAUFG") expressed as a percentage and based on historical levels. Effective November 1, 2017, such LAUFG percentage is 2.53%. Such LAUFG percentage shall be revised annually each November 1 with notice provided to TS-2 Pool Manager at least thirty (30) days prior to such November 1. The volumes delivered by the TS-2 Pool Manager to Company for redelivery to Customers in the TS-2 Pool will be increased by TS-2 Pool Manager to cover the effective LAUFG percentage. For example, if the Customers in a TS-2 Pool require 325 Mcf on a given day, and the LAUFG percentage is 5.0%, then the Mcf nominated shall be 342 Mcf [325 / (1 - 0.05)]. The 342 Mcf shall be converted to MMBtu using a standard conversion factor as may be specified by Company from time to time. Such amount does not include any retention by the Pipeline Transporter. The volume nominated by the TS-2 Pool Manager to cover LAUFG shall not be considered in determining whether or not the TS-2 Pool Manager has exceeded the Pool Maximum Daily Quantity ("PMDQ") for the TS-2 Pool.

**SUPPLIER CODE OF CONDUCT**

Each PS-TS-2 Pool Manager participating in the Company's transportation program under Rider PS-TS-2 must:

1. communicate to participating Customers in clear, understandable terms the Customer's rights and responsibilities. This communication must include (a) the PS-TS-2 Pool Manager's customer service address and local or toll-free telephone number; and (b) a statement describing the PS-TS-2 Pool Manager's dispute resolution procedures;

2. provide in writing pricing and payment terms that are clearly defined and understandable and that inform consumers whether the price that the Customer will pay is inclusive or exclusive of applicable taxes, and Company approved tariff riders and surcharges;

3. refrain from engaging in communications or promotional practices which are fraudulent, deceptive, or misleading;

4. deliver gas to the Company on a firm basis on behalf of the Customers enrolled in the PS-TS-2 Pool Manager's pool in accordance with the requirements of the PS-TS-2 Pool Management Agreement;

**SUPPLIER CODE OF CONDUCT**

5. establish and maintain a credit-worthy financial position that enables PS-TS-2 Pool Manager to indemnify the Company and the Customers for costs incurred as a result of any failure by the PS-TS-2 Pool Manager to deliver gas in accordance with the requirements of Rider PS-TS-2 and to assure payment of any applicable charges for any such failure;

6. refrain from requesting customer-specific billing, payment, and usage history without first having received the Customer's written approval allowing PS-TS-2 Pool Manager to access such information.

Failure to fulfill any of these obligations shall be considered a violation of the Supplier Code of Conduct.

If the PS-TS-2 Pool Manager fails to comply with the Supplier Code of Conduct, the Company will have the discretion to temporarily suspend or terminate such PS-TS-2 Pool Manager from further participation in the transportation program under Rider PS-TS-2. If service to the PS-TS-2 Pool Manager is suspended or terminated, Customer(s) in the PS-TS-2 Pool Manager's Pool will be returned to sales service under the applicable rate schedule (CGS, IGS, DGGS, or AAGS) until said Customer(s) join another PS-TS-2 Pool Manager's Pool. If the Company seeks to suspend or terminate service to a PS-TS-2 Pool Manager, Company shall first notify the PS-TS-2 Pool Manager of the alleged violations which merit suspension or termination. Such notice must be in writing and must be sent to the PS-TS-2 Pool Manager as specified in the notice provisions of the PS-TS-2 Pool Management Agreement at least five (5) business days prior to the effective date of the suspension or termination.

**SPECIAL TERMS AND CONDITIONS**

1. No customer shall participate in a TS-2 Pool that does not individually meet the conditions set forth in the "Availability of Service" under Rider TS-2, and no Customer shall participate in more than one pool concurrently. Except as provided for in Section 4 below, no Customer may transfer from one TS-2 Pool to another more frequently than once during a Contract Year.

2. To receive service hereunder, the PS-TS-2 Pool Manager shall enter into a PS-TS-2 Pool Management Agreement with Company. The PS-TS-2 Pool Management Agreement shall set forth the specific obligations of the TS-2 Pool Manager and Company under this rider.

**SPECIAL TERMS AND CONDITIONS** (continued)

The TS-2 Pool Manager shall submit a signed PS-TS-2 Pool Management Agreement at least thirty (30) days prior to the beginning of a billing period when service under this rider shall commence. Company shall notify the TS-2 Pool Manager of the date when service hereunder will commence. The Customers in the TS-2 Pool shall be set forth in Exhibit A of the PS-TS-2 Pool Management Agreement. In order to join a TS-2 Pool, Customer must have designated in writing its TS-2 Pool Manager as its agent pursuant to Rider TS-2. In order to modify the Customers in the pool, the Pool Manager must request a revised Exhibit A from Company and execute and return said exhibit at least thirty (30) days prior to the beginning of the billing period for which the change is to become effective.

The PMDQ shall be set forth in the Pool Management Agreement. The PMDQ shall be equal to the total of the MDQs of all the Customers in the TS-2 Pool. Company is not obligated to accept volumes for re-delivery on any day in excess of the PMDQ.

3. The TS-2 Pool Manager shall upon request of Company agree to maintain an irrevocable letter of credit or such other financial instrument satisfactory to Company in order to assure TS-2 Pool Manager's performance of its obligations under the PS-TS-2 Pool Management Agreement. In determining the level of the bond or other security to be required of a TS-2 Pool Manager, Company shall consider such factors, including, but not limited to, the following: the volume of natural gas to be transported on behalf of Customers in the TS-2 Pool, the general creditworthiness of the TS-2 Pool Manager, and the TS-2 Pool Manager's prior credit record with Company, if any. In the event that the TS-2 Pool Manager defaults on its obligations under this rider or the PS-TS-2 Pool Management Agreement, Company shall have the right to use the proceeds from such bond, irrevocable letter of credit, or other financial instrument to satisfy TS-2 Pool Manager's obligation hereunder. Specific terms and conditions regarding credit requirements shall be included in the PS-TS-2 Pool Management Agreement. Such credit requirements shall be administered by Company in a non-discriminatory manner.

4. The PS-TS-2 Pool Management Agreement may be terminated by Company upon thirty (30) days written notice if a TS-2 Pool Manager fails to meet any condition of this rider and/or Rider TS-2. The PS-TS-2 Pool Management Agreement may also be terminated by Company upon thirty (30) days written notice if the TS-2 Pool Manager has payments in arrears. Written notice of termination of the PS-TS-2 Pool Management Agreement shall be provided both to the TS-2 Pool Manager and to the individual Customers in the TS-2 Pool by Company.

   Customers in the TS-2 Pool will be returned to sales service under the applicable rate schedule (CGS, IGS, DGGS, or AAGS), or will be allowed to enroll in another TS-2 Pool.

**SPECIAL TERMS AND CONDITIONS** (continued)

5. Company shall directly bill the TS-2 Pool Manager for the PS-TS-2 Pool Administrative Charge, Action Alert Charges, and cash-out charges or payments contained in Rider TS-2. The monthly bill will be rendered at these net charges plus an amount equivalent to 1% thereof, which amount will be deducted provided bill is paid within fifteen (15) days from the date of the bill. If payment is not made within twenty-seven (27) days from the date of the bill then the TS-2 Pool Manager will be considered in default.

6. Company shall directly bill the individual Customers in the TS-2 Pool for all Administrative Charges, Distribution Charges, Demand Charges, Pipeline Supplier's Demand Component Charges, Gas Cost True-Up Charges, Basic Service Charges, Minimum Annual Threshold Charges, Monthly Telemetry Charges, and other remote metering charges, as provided for in either Rider TS-2 or Customer's otherwise applicable sales rate schedule to which Rider TS-2 is a rider.

7. All volumes of natural gas received by Company for Customer shall meet the specifications established by Pipeline Transporter.

8. Pool Manager shall enter into a Website Subscriber Agreement if Pool Manager desires to access telemetry data.


**DATE OF ISSUE:** September 28, 2018

**DATE EFFECTIVE:** Effective with Service Rendered
On And After July 1, 2017

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2016-00371 dated June 22, 2017 and modified June 29, 2017**

**Standard Rate Rider** **PS-FT**

**Pooling Service – Rate FT**

**APPLICABLE**

In all territory served.

**AVAILABILITY** T

Available to "FT Pool Managers".

For the purpose of this rider, a "FT Pool Manager" is defined as an entity which has been appointed by a customer or group of customers served under Rate FT to perform the functions and responsibilities of requesting and receiving information, nominating supply, and other related duties.

**RATE**

In addition to any charges billed directly to FT Pool Manager as a result of the application of this rider or to Customer as a result of the application of Rate FT, the following charge shall apply to FT Pool Manager:

PS-FT Pool Administrative Charge: $75 per Customer in FT Pool per month

**Other:** In the event that FT Pool Manager is determined to be the cause of any billing disadvantages or other penalties imposed on Company by Pipeline Transporter, then FT Pool Manager shall pay such penalties, fees, or charges as determined by Company and in accordance with the payment provisions of this rate schedule in addition to any and all other charges due hereunder.

**CHARACTER OF SERVICE**

Service under this rider allows an FT Pool Manager to deliver to Company, on an aggregated basis, those natural gas supplies that are needed to satisfy the full requirements of one or more firm transportation customers that comprise a PS-FT Pool. Company may, in its sole discretion, issue an OFO to an individual Customer or an individual Pool Manager taking service under Rider PS-FT without issuing an OFO to all Customers taking service under Rate FT or without issuing an OFO to all Pool Managers taking service under Rider PS-FT. It is the responsibility of the FT Pool Manager to convey OFOs to Customers in its FT Pool.

The FT Pool Manager will be responsible for arranging for volumes of transportation gas to meet the daily and monthly requirements of Customers in the FT Pool. The FT Pool Manager shall be subject to the same nomination deadlines as set forth in Rate FT. The Daily Utilization Charge, OFO Penalty and cash-out provision of Rate FT shall be applied against the aggregate volume of all Customers in a specific FT Pool. The FT Pool Manager will be responsible for the payment of the PS-FT Pool Administrative Charge and any Daily Utilization Charges, OFO penalties or monthly cash-out payments incurred by a specific FT Pool as a result of imbalances under Rate FT.

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State Regulation and Rates
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**Issued by Authority of an Order of the**
**Public Service Commission in Case No.**
**2018-00295 dated ____**

**CHARACTER OF SERVICE** (continued)

Company shall issue an Operational Flow Order as set forth in Rate FT to the FT Pool Manager during periods when service cannot be provided to meet daily imbalances.

**VARIATIONS IN MMBTU CONTENT**

All gas delivered by Company will be measured and billed on an Mcf basis. Pipeline Transporter delivers to and bills Company on an MMBtu basis. The reconciliation of the actual deliveries by Pipeline Transporter and the Customer's estimated deliveries by Pipeline Transporter occurs through the operation of the monthly cash-out provision. Changes in billings of the cash-out provision caused by variations in the MMBtu content of the gas shall be corrected on the following bill.

**SPECIAL TERMS AND CONDITIONS**

1. No customer shall participate in an FT Pool that does not individually meet the conditions set forth in the "Availability of Service" under Rate FT, and no customer shall participate in more than one FT Pool concurrently. Unless a Customer meets the provisions of the Remote Metering requirement under Rate FT, that Customer shall not participate in an FT Pool.

2. To receive service hereunder, the FT Pool Manager shall enter into a PS-FT Pool Management Agreement with Company. The PS-FT Pool Management Agreement shall set T
forth the specific obligations of the FT Pool Manager and Company under this rider. T

   The FT Pool Manager shall submit a signed PS-FT Pool Management Agreement at least T
thirty (30) days prior to the beginning of a billing period when service under this rider shall commence. Company shall notify the FT Pool Manager of the date when service hereunder will commence. A Customer who terminates service under this rider or who desires to change FT Pool Managers shall likewise provide Company with a written notice at least thirty (30) days prior to the end of a billing period.

   The Pool Maximum Daily Quantity ("PMDQ") shall be set forth in the Pool Management Agreement. The PMDQ shall be equal to the total of the MDQs of all the Customers in the FT Pool. Company is not obligated to accept volumes for re-delivery on any day in excess of the PMDQ.

**SPECIAL TERMS AND CONDITIONS** (continued)

3. The FT Pool Manager shall upon request of Company agree to maintain an irrevocable letter of credit, or such other financial instrument satisfactory to Company in order to assure FT Pool Manager’s performance of its obligations under the PS-FT Pool Management Agreement. In determining the level of the bond or other security to be required of an FT Pool Manager, Company shall consider such factors, including, but not limited to, the following: the natural gas to be transported on behalf of Customers in the FT Pool, the general creditworthiness of the FT Pool Manager, and the FT Pool Manager’s prior credit record with Company, if any. In the event that the FT Pool Manager defaults on its obligations under this rider or the PS-FT Pool Management Agreement, Company shall have the right to use the proceeds from such bond, irrevocable letter of credit, or other financial instrument to satisfy FT Pool Manager’s obligation hereunder. Specific terms and conditions regarding credit requirements shall be included in the PS-FT Pool Management Agreement. Such credit requirements shall be administered by Company in a non-discriminatory manner.

4. The FT Pool Manager shall provide in a form specified by Company the Customers in the FT Pool (or any changes thereto) at least thirty (30) days prior to the beginning of the first billing period that would apply to the FT Pool. Only those customers served under Rate FT and designating Pool Manager as provided for in Rate FT shall be members of the Pool Manager’s pool. T T T T D

5. The PS-FT Pool Management Agreement may be terminated by Company upon thirty (30) days written notice if an FT Pool Manager fails to meet any condition of this rider and/or Rate FT. The PS-FT Pool Management Agreement may also be terminated by Company upon thirty (30) days written notice if the FT Pool Manager has payments in arrears. Written notice of termination of the PS-FT Pool Management Agreement shall be provided both to the FT Pool Manager and to the individual Customers in the FT Pool by Company.

6. Company shall directly bill the FT Pool Manager for the PS-FT Pool Administrative Charge, Utilization Charge for Daily Imbalances, cash-out charges or payments, and OFO Charges contained in Rate FT. The bill will be rendered at these net charges plus an amount equivalent to 1% thereof, which amount will be deducted provided bill is paid within fifteen (15) days from the date of the bill. If payment is not made within twenty seven (27) days from the date of the bill, then the FT Pool Manager will be considered in default.

7. Company shall directly bill the individual customers in the FT Pool for all Distribution Charges, Administrative Charges, Gas Cost True-Up Charges, Minimum Daily Threshold Charges, and remote metering charges or payments provided for in Rate FT.

8. Pool Manager shall enter into a Website Subscriber Agreement if Pool Manager desires to access telemetry data.

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State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the**
**Public Service Commission in Case No.**
**2018-00295 dated ____**

# Louisville Gas and Electric Company



**Standard Rate Rider** **EF**

**Excess Facilities**

**APPLICABLE** T

In all territory served.

**AVAILABILITY** T

This rider is available for nonstandard service facilities which are considered to be in excess of the standard facilities that would normally be provided by Company. This rider does not apply to main extensions or to other facilities which are necessary to provide basic gas service. Company reserves the right to decline to provide service hereunder for any project (a) that exceeds $100,000 or (b) where Company does not have sufficient expertise to install, operate, or maintain the facilities or (c) where the facilities do not meet Company's safety requirements, or (d) where the facilities are likely to become obsolete prior to the end of the initial contract term. Customers currently being served under the Excess Facilities Rider pursuant to Original Sheet No. 52 of LG&E's Tariff PSC. of Ky. Gas No. 6, shall continue to be served thereunder.

**DEFINITION OF EXCESS FACILITIES**

Excess facilities are equipment and devices which are installed in addition to or in substitution for the normal facilities required to render basic gas service and where such facilities are dedicated to a specific customer. Applications of excess facilities include, but are not limited to, redundant gas regulator capacity; gas filters/separators; odorant removal systems; gas compression equipment; indirect heaters; gas purification systems; additional facilities required for the customer to take service from a high-pressure gas line; and any other equipment/systems not normally installed to provide gas service to a customer.

**EXCESS FACILITIES CHARGE**

Company shall provide normal operation and maintenance of the excess facilities. Should the facilities suffer failure, Company will provide for replacement of such facilities and the monthly charge will be adjusted to reflect the installed cost of the replacement facilities. No adjustment in the monthly charge for a replacement of facilities will be made during the initial five (5) year term of contract.

Customer shall pay for excess facilities by:

a. making a monthly Excess Facilities Charge payment equal to the installed cost of the excess facilities times the following percentage:

| | | |
|---|---|---|
| Percentage With No Contribution-in-Aid-of-Construction | 1.19% | R |

b. making a one-time Contribution-in-Aid-of-Construction equal to the installed cost of the excess facilities plus a monthly Excess Facilities Charge payment equal to the installed cost of the excess facilities times the following percentage:

| | | |
|---|---|---|
| Percentage With Contribution-in-Aid-of-Construction | 0.46% | R |

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**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00295 dated ____**

**PAYMENT**

The Excess Facilities Charges shall be incorporated with the bill for gas service and will be subject to the same payment provisions.

**TERM OF CONTRACT**

The initial term of contract to Customer under this schedule shall be not less than five (5) years. The term shall continue automatically until terminated by either party upon at least one (1) month's written notice.

**Standard Rate Rider** **NGV**

**Natural Gas Vehicle Service**

**APPLICABLE**

In all territory served.

**AVAILABILITY** T

Applicable to municipal, utility, corporate and other fleet operators and public fueling stations meeting the qualifications of, and served under, either Rate IGS or Rate FT for the sole purpose of providing natural gas for use as a fuel in vehicular internal combustion engines. Availability of gas service under this rate schedule shall be determined by Company on a case-by-case basis, which determination shall be within Company's sole discretion. Company shall not be obligated to make modifications or additions to its gas system to serve loads under this Rider.

Service provided under this Rider shall be separately metered. Service for any use of natural gas other than as natural gas for vehicle fuel, such as space heating, water heating, or any direct processing or boiler fuel use, is not permitted under this Rider or through the meter through which service under this Rider is provided.

**CHARACTER OF SERVICE**

Company will provide Customer with uncompressed natural gas pursuant to either Rate IGS or Rate FT, as applicable. A customer served under Rate IGS that meets the qualifications for service under Rider TS-2 may also transport gas pursuant to Rider TS-2.

Customer shall be responsible for installing, owning, and maintaining all facilities required to operate its fueling station.

The compression of natural gas to the pressure required for use as a motor vehicle fuel will be conducted by Customer using facilities installed, owned and operated by Customer.

**RATE**

The rates, provisions, and special terms and conditions of Rate IGS, Rider TS-2, or Rate FT as applicable to the Customer shall apply.

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**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the
Public Service Commission in Case No.
2018-00295 dated ____**

**SPECIAL TERMS AND CONDITIONS**

1. Service will be furnished under Company's Terms and Conditions applicable hereto, to the extent that such Terms and Conditions are not in conflict, nor inconsistent, with the specific provisions hereof.

2. Company reserves the right to inspect customer's premises to ensure gas provided pursuant to this Rider is only used for vehicular fuel. Any other use of gas by Customer may result in termination of service.

3. Service under this Rider shall be performed under a written contract between Customer and Company containing such provisions regarding delivery pressure, indemnification, and other matters as the Company deems necessary or desirable with respect to a particular customer.

4. Customer shall be responsible for and shall reimburse the Company for all taxes (including, but not limited to, any motor vehicle taxes) payable by the Company to any governmental body on sales of gas and/or for services rendered under this Rider. Customer shall be solely responsible for the reporting and payment of all applicable federal and state motor fuel taxes including, but not limited to, any federal special fuel excise tax and any state motor fuel tax.

5. The Resale of Gas provision set forth in the Company's Terms and Conditions shall not apply to service provided under this Rider. Customer may resell gas received from Company under this Rider for use as a fuel in vehicular internal combustion engines.

6. Customer is solely responsible for compliance with codes and standards, permitting requirements, regulations, and laws related to the use of compressed natural gas and the operation of a natural gas vehicle fueling station, whether as a fleet operation or as a public fueling station. Company is not responsible for vehicle fueling.

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**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

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**2016-00371 dated June 22, 2017 and modified June 29, 2017**

**Standard Rate Rider** **SFC**

## Standard Facility Contribution Rider

N

**APPLICABLE**

In all territory served.

**AVAILABILITY**

This rider is available for gas main extensions made pursuant to Company's "Gas Main Extension Rules" that are necessary to provide basic gas service when the revenue credit received by the customer under the Company's "Gas Main Extension Rules" does not cover the cost of the gas main extension. Company reserves the right to decline to provide service under this rider to an individual customer for any gas main extension costs that are in excess of those covered by Company's Gas Main Extension Rules (i) where the excess costs are less than $500,000 or greater than $2,000,000, or (ii) where the gas main extension is likely to become obsolete prior to the end of the contract term.

Company shall not be obligated to provide service under this rider when the total gas main extension costs subject to this rider are greater than $4,000,000 per calendar year.

Any customer receiving service under this rider shall be eligible for refunds (if any) available pursuant to Company's Gas Main Extension Rules when the customer's obligation under this rider is fulfilled at the end of the five (5) year contract term.

**DEFINITION OF STANDARD FACILITIES**

Standard facilities are limited to gas main extensions used to provide service to a customer. Customer will not be required to pay for facilities installed by Company that are in excess of those required to provide service to customer unless customer requests such facilities. Company's Excess Facilities Rider (Standard Rate Rider EF) applies to customer-requested excess facilities.

**STANDARD FACILITIES CHARGE**

Company shall provide normal operation and maintenance of the standard facilities. If the facilities suffer failure, Company will provide for replacement of such facilities. No adjustment in the monthly charge for a replacement of facilities will be made during the term of the contract.

Customer shall pay for standard facilities by making a monthly Standard Facilities Charge payment for 60 months equal to the installed cost of the standard facilities times the following factor:

$$\text{Standard Facility Contribution Factor} = \frac{i(1+i)^{60}}{(1+i)^{60}-1}$$

Where the interest rate (*i*) in the above formula is the 5-year Treasury constant maturity rate published in the latest Federal Reserve Statistical Release H-15 as of the day immediately preceding the date when the agreement under this rider is executed with the Customer, plus 100 basis points, divided by 12 months.

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Louisville, Kentucky

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N

**PAYMENT**

The Standard Facilities Charges will be incorporated with the bill for gas service and will be subject to the same payment provisions.

**CREDITWORTHINESS**

Customer shall upon request of Company agree to maintain an irrevocable letter of credit, cash prepayment, or such other financial instrument satisfactory to Company ("credit support") in order to assure Customer's performance of its obligations hereunder. In determining the level of the security to be required of Customer, Company shall consider such factors, including, but not limited to, the following: the cost of the main extension to be paid by Customer, the general creditworthiness of Customer, and Customer's prior credit record with Company, if any. In the event that Customer defaults on its obligations under this rate schedule, Company shall have the immediate right to draw on such credit support to satisfy Customer's obligation hereunder. Such credit requirements shall be administered by Company in a nondiscriminatory manner.

**CONTRACT**

Service under this rider shall be performed under a written contract between Company and Customer. The term of the contract shall be five (5) years.

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State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00295 dated ____**

# Louisville Gas and Electric Company



**Adjustment Clause** **GLT**
**Gas Line Tracker**

**APPLICABLE**

Applicable to all customers receiving service under the Company's Rate Schedules RGS, VFD, CGS, IGS, AAGS, FT, SGSS, DGGS, and LGDS.

**CALCULATION OF THE GAS LINE TRACKER REVENUE REQUIREMENT**

The GLT Revenue Requirement includes the following:

a. GLT related Plant In-Service not included in base gas rates minus the associated GLT related accumulated depreciation and accumulated deferred income taxes;
b. Retirement and removal of plant related to GLT construction;
c. The rate of return on the net rate base is the overall rate of return on capital authorized in the Company's latest base gas rate case, grossed up for federal and state income taxes;
d. Depreciation expense on the GLT-related Plant In-Service less retirement and removals;
e. Incremental Operation and Maintenance; and
f. Property Taxes

**GLT PROGRAM FACTORS**

After the Company replaces a gas service riser or a gas service line under this program, it will assume ownership and responsibility for the plant and equipment. The allocation of the program cost to customers will be in proportion to their relative base revenue share approved in the Company's most recent general rate case.

A filing to update the projected program costs will be submitted annually. The filing will reflect the anticipated impact on the Company's revenue requirements of net plant additions expected during the current year. At the same time, the Company will submit a balancing adjustment to true up the actual costs with the projected program costs for the preceding year. Such adjustment to the GLT will become effective for services rendered on and after the first day of the following month after the effective date of such change.

**RATES**

The charges for the respective gas service schedules are:

| | Distribution Projects ($/delivery point) | Transmission Projects ($/Ccf) |
|---|---|---|
| RGS, VFD | $ 0.60 | $0.00547 |
| CGS, SGSS | 2.99 | 0.00444 |
| IGS, AAGS, DGGS | 37.67 | 0.00266 |
| FT, LGDS | 0.00 | 0.00031 |

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**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00057 dated April 24, 2018**

**Gas Supply Clause**

**APPLICABLE TO**

All gas sold.

**GAS SUPPLY COST COMPONENT (GSCC)**

| | |
|---|---|
| Gas Supply Cost | $0.39640 |
| Gas Cost Actual Adjustment (GCAA) | 0.01437 |
| Gas Cost Balance Adjustment (GCBA) | 0.00023 |
| Refund Factors (RF) continuing for twelve months from the effective date of each or until Company has discharged its refund obligation thereunder: | |
| None | |
| Performance-Based Rate Recovery Component (PBRRC) | 0.00346 |
| Total Gas Supply Cost Component Per 100 Cubic Feet (GSCC) | $0.41446 |

# Louisville Gas and Electric Company



**Adjustment Clause** **GSC**

**Gas Supply Clause**

The bill amount computed under each of the rate schedules to which this Gas Supply Clause is applicable shall include a Gas Supply Cost Component per 100 cubic feet of consumption calculated for each three-month period in accordance with the following formula:

GSCC = Gas Supply Cost + GCAA + GCBA + RF + PBRRC

where:

Gas Supply Cost is the expected average cost per 100 cubic feet for each three-month period (beginning February 1, May 1, August 1, or November 1, as the case may be) determined by dividing the sum of the monthly gas supply costs by the expected deliveries to customers. Monthly gas supply cost is composed of the following:

a. Expected purchased gas costs (gas supply and pipeline transportation) for system supply, minus

b. Portion of such expected purchased gas costs expected to be used for non-Gas Department purposes, minus

c. Portion of such expected purchased gas cost expected to be injected into underground storage, plus

d. Expected underground storage withdrawals at the average unit cost of working gas contained therein;

(GCAA) is the Gas Cost Actual Adjustment per 100 cubic feet which compensates for differences between the previous three-month period's expected gas cost and the actual cost of gas during that three-month period, plus net uncollectible gas cost portion of bad debt.

(GCBA) is the Gas Cost Balance Adjustment per 100 cubic feet which compensates for any under- or over-collections which have occurred as a result of prior adjustments.

(RF) is the sum of the Refund Factors set forth on Sheet No. 85 of this Tariff.

(PBRRC) is the amount per 100 cubic feet calculated pursuant to the Experimental Performance-Based Rate Mechanism contained in the Adjustment Clause PBR. The PBRRC is determined for each 12-month PBR period ended October 31.

Company shall file a revised Gas Supply Cost Component (GSCC) every three months giving effect to known changes in the wholesale cost of all gas purchases and the cost of gas deliveries from underground storage. The Company may make out-of-time filings when warranted. Such filing shall be made at least thirty (30) days prior to the beginning of each three-month period and shall include the following information:

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**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2012-00222 dated December 20, 2012**

**Adjustment Clause** **GSC**

**Gas Supply Clause**

1. A copy of the tariff rate(s) of Company's pipeline transporter(s) applicable to such three-month period.

2. A statement, through the most recent three-month period for which figures are available, setting out the accumulated costs recovered hereunder compared to actual gas supply costs recorded on the books.

3. A statement setting forth the supporting calculations of the Gas Supply Cost and the Gas Cost Actual Adjustment (GCAA) and the Gas Cost Balance Adjustment (GCBA) applicable to such three-month period.

To allow for the effect of Company's cycle billing, each change in the GSCC shall be placed into effect with service rendered on and after the first day of each three-month period.

In the event that Company receives from its supplier a cash refund of amounts paid to such supplier with respect to a prior period, Company will make adjustments in the amounts charged to its customers under this provision, as follows:

1. The "Refundable Amount" shall be the amount received by Company as a refund less any portion thereof applicable to gas purchased for electric energy production plus interest at a rate equal to the average of the "3-month commercial paper rate" for the immediately preceding 12-month period, less ½ of 1 percent to cover the cost of refunding in accordance with the Order of the Commission in Case No. 7799-D. Such Refundable Amount shall be divided by the number of hundred cubic feet of gas that Company estimates it will sell to its customers during the twelve-month period which commences with implementation of the next Gas Supply Clause filing, thus determining a "Refund Factor."

2. Effective with the implementation of the next Gas Supply Clause filing, Company will reduce, by the Refund Factor so determined, the Gas Supply Cost Component that would otherwise be applicable during the subsequent twelve-month period. Provided, however, that the period of reduced Gas Supply Cost Component will be adjusted, if necessary, in order to refund, as nearly as possible, the Refundable Amount.

3. In the event of any large or unusual refunds, Company may apply to the Kentucky Public Service Commission for the right to depart from the refund procedure herein set forth.

## APPLICABLE

In all territory served.

## AVAILABILITY OF SERVICE

This schedule is mandatory to Residential Gas Service Rate RGS, Volunteer Fire Department Service Rate VFD, Firm Commercial Gas Service Rate CGS, Firm Industrial Gas Service Rate IGS, As-Available Gas Service Rate AAGS, Substitute Gas Sales Service Rate SGSS, and Firm Transportation Rate FT.

## RATE

The monthly amount computed under each of the rate schedules to which this Demand-Side Management Cost Recovery Mechanism is applicable shall be increased or decreased by the DSM Cost Recovery Component (DSMRC) at a rate per 100 cubic feet (Ccf) of monthly gas consumption in accordance with the following formula:

**DSMRC = DCR + DRLS + DSMI + DBA + DCCR**

Where:

**DCR = DSM COST RECOVERY**

The DCR shall include all expected costs that have been approved by the Commission for each twelve-month period for demand-side management programs that have been developed through a collaborative advisory process (“approved programs”). Such program costs shall include the cost of planning, developing, implementing, monitoring, and evaluating DSM programs. Program costs will be assigned for recovery purposes to the rate classes whose customers are directly participating in the program. In addition, all costs incurred by or on behalf of the collaborative process, including but not limited to costs for consultants, employees and administrative expenses, will be recovered through the DCR. Administrative costs that are allocable to more than one rate class will be recovered from those classes and allocated by rate class on the basis of the estimated budget from each program. The cost of approved programs shall be divided by the expected Ccf sales for the upcoming twelve-month period to determine the DCR for such rate class.

**DRLS = DSM REVENUE FROM LOST SALES**

Revenues from lost sales due to DSM programs implemented on and after the effective date of this tariff will be recovered as follows:

**Adjustment Clause** **DSM**

**Demand-Side Management Cost Recovery Mechanism**

**DRLS = DSM REVENUE FROM LOST SALES** (continued)

1. For each upcoming twelve-month period, the estimated reduction in customer usage (in Ccf) as determined for the approved programs shall be multiplied by the non-variable revenue requirement per Ccf for purposes of determining the lost revenue to be recovered hereunder for each customer class. The non-variable revenue requirement is defined as the weighted average price per Ccf of expected Distribution Charge billings for the customer classes.

2. The lost revenues for each customer class shall then be divided by the estimated class sales (in Ccf) for the upcoming twelve-month period to determine the applicable DRLS surcharge. Recovery of revenues from lost sales calculated for a twelve-month period shall be included in the DRLS for thirty-six (36) months or until implementation of new rates pursuant to a general rate case. For recovery purposes, the lost sales revenues will be assigned to the rate classes whose programs resulted in the lost sales.

Revenues collected hereunder are based on engineering estimates of energy savings, expected program participation and estimated sales for the upcoming twelve-month period. At the end of each such period, any difference between the lost revenues actually collected hereunder and the lost revenues determined after any revisions of the engineering estimates and actual program participation are accounted for shall be reconciled in future billings under the DSM Balance Adjustment (DBA) component.

A program evaluation vendor will be selected to provide evaluation criteria against which energy savings will be estimated for that program. Each program will be evaluated after implementation and any revision of the original engineering estimates will be reflected in both (a) the retroactive true-up provided for under the DSM Balance Adjustment and (b) the prospective future lost revenues collected hereunder.

**DSMI = DSM INCENTIVE**.

For all Energy Impact Programs except Direct Load Control, the DSM incentive amount shall be computed by multiplying the net resource savings expected from the approved programs that are to be installed during the upcoming twelve-month period times fifteen (15) percent, not to exceed five (5) percent of program expenditures. Net resource savings are defined as program benefits less utility program costs and participant costs where program benefits will be calculated on the basis of the present value of Company's avoided costs over the expected life of the program, and will include both capacity and energy savings. For the Energy Education Program, the DSM incentive amount shall be computed by multiplying the annual cost of the approved program times five (5) percent.

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Louisville, Kentucky

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**DSMI = DSM INCENTIVE** (continued)

The DSM incentive amount shall be divided by the expected Ccf sales for the upcoming twelve-month period to determine the DSMI. DSM incentive amounts will be assigned for recovery purposes to the rate classes whose programs created the incentive.

**DBA = DSM BALANCE ADJUSTMENT**.
The DBA shall be calculated on a calendar year basis and is used to reconcile the difference between the amount of revenues actually billed through the DCR, DRLS, DSMI, DCCR, and previous application of the DBA and the revenues that should have been billed, as follows:

1. For the DCR, the balance adjustment amount will be the difference between the amount billed in a twelve-month period from the application of the DCR unit charge and the actual cost of the approved programs during the same twelve-month period.

2. For the DRLS the balance adjustment amount will be the difference between the amount billed during the twelve-month period from application of the DRLS unit charge and the amount of lost revenues determined for the actual DSM measures implemented during the twelve-month period.

3. For the DSMI, the balance adjustment amount will be the difference between the amount billed during the twelve-month period from application of the DSMI unit charge and the incentive amount determined for the actual DSM measures implemented during the twelve-month period.

4. For the DBA, the balance adjustment amount will be determined by calculating the difference between the amount billed during the twelve-month period from application of the DBA unit charges and the balance adjustment amount established for the same twelve-month period.

The balance adjustment amounts determined on the basis of the above paragraphs (1)-(4) shall include interest to be calculated at a rate equal to the average of the “Three-Month Commercial Paper Rate” for the immediately preceding twelve-month period. The balance adjustment amounts, plus interest, shall be divided by the expected Ccf sales for the upcoming twelve-month period to determine the DBA for each rate class. DSM balance adjustment amounts will be assigned for recovery purposes to the rate classes for which over- or under-recoveries of DSM amounts were realized.

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**DCCR = DSM CAPITAL COST RECOVERY**
The DCCR component is the means by which the Company recovers its capital investments made for DSM programs, as well as an approved rate of return on such capital investments. The Company calculates the DCCR component as follows:

$$DCCR = [(RB)\ (ROR + (ROR – DR)\ (TR / (1 – TR))] + OE$$

a) RB is the total rate base for DCCR projects.
b) ROR is the overall rate of return on DSM Rate Base (RB).
c) DR is the composite debt rate (i.e., the cost of short- and long-term debt) embedded in ROR.
d) TR is the composite federal and state income tax rate that applies to the equity return component of ROR.
e) OE is the sum of the capital-related operating expenses (i.e., depreciation and amortization expense, property taxes, and insurance expense) of the DSM projects to which DCCR applies.

The Company then allocates the DCCR component to the rate class(es) benefitting from the Company's various DSM-related capital investment(s).

**CHANGES TO DSMRC**

The filing of modifications to the DSMRC that require changes in the DCR component shall be made at least two (2) months prior to the beginning of the effective period for billing. Modifications to other components of the DSMRC shall be made at least thirty (30) days prior to the effective period for billing. Each filing shall include the following information as applicable:

(1) A detailed description of each DSM program developed by the collaborative process, the total cost of each program over the twelve-month period, an analysis of expected resource savings, information concerning the specific DSM or efficiency measures to be installed, and any applicable studies that have been performed, as available.

(2) A statement setting forth the detailed calculation of the DCR, DRLS, DSMI, DBA and DSMRC.

Each change in the DSMRC shall be placed into effect with bills rendered on and after the effective date of such change.

**PROGRAMMATIC CUSTOMER CHARGES**

**Residential Customer Program Participation Incentives:**
The following Demand Side Management programs are available to residential customers receiving service from the Company on the RGS and VFD Standard Gas Rate Schedules.

**Residential Conservation / Home Energy Performance Program**
The on-site audit offers a comprehensive audit from a certified auditor and incentives for residential customers to support the implementation of energy saving measures for a fee of $25. For on-site audits conducted prior to April 1, 2018, customers are eligible for incentives of $150 or $1,000 based on customer purchased and installed energy efficiency measures and validated through a follow-up test. The follow-up test must be scheduled by September 1, 2018. No follow-up tests or incentives will be available related to on-site audits conducted on or after April 1, 2018.

**Residential Low Income Weatherization Program (WeCare)**
The Residential Low Income Weatherization Program (WeCare) is an education and weatherization program designed to reduce energy consumption of LG&E's low-income customers. The program provides energy audits, energy education, and blower door tests, and installs weatherization and energy conservation measures. Qualified customers could receive energy conservation measures ranging from $0 to $2,100 based upon the customer's most recent twelve month energy usage and results of an energy audit.

**Smart Energy Profile**
The Smart Energy Profile Program provides a portion of LG&E's highest consuming residential customers with a customized report of tips, tools and energy efficiency programming recommendations based on individual household energy consumption. These reports are benchmarked against similar local properties. The report will help the customer understand and make better informed choices as it relates to energy usage and the associated costs. Information presented in the report will include a comparison of the customer's energy usage to that of similar houses (collectively) and a comparison to the customer's own energy usage in the prior year. The Company will cease offering this program effective April 1, 2018.

**PROGRAMMATIC CUSTOMER CHARGES** (continued)

**Customer Education and Public Information**
This program help customers make sound energy-use decisions, increase control over energy bills and empower them to actively manage their energy usage. Customer Education and Public Information is accomplished through three processes: a mass-media campaign, an elementary- and middle-school program, and training for home construction professionals. The mass media campaign includes public-service advertisements that encourage customers to implement steps to reduce their energy usage. The elementary and middle school program provides professional development and innovative materials to K-8 schools to teach concepts such as basic energy and energy efficiency concepts. The training for home construction professionals provides education about new building codes, standards and energy efficient construction practices which support high performance residential construction.

**Commercial Customer Program Participation Incentives:**
The following Demand Side Management programs are available to commercial customers receiving service from the Company on the CGS, IGS, AAGS, SGSS, and FT Standard Gas Rate Schedules.

**Customer Education and Public Information**
This program helps customers make sound energy-use decisions, increase control over energy bills and empower them to actively manage their energy usage. Customer Education and Public Information is accomplished through three processes: a mass-media campaign, an elementary- and middle-school program, and training for home construction professionals. The mass media campaign includes public-service advertisements that encourage customers to implement steps to reduce their energy usage. The elementary and middle school program provides professional development and innovative materials to K-8 schools to teach concepts such as basic energy and energy efficiency concepts. The training for home construction professionals provides education about new building codes, standards and energy efficient construction practices which support high performance residential construction.

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# Louisville Gas and Electric Company



**Adjustment Clause** **DSM**
**Demand-Side Management Cost Recovery Mechanism**

**Monthly Adjustment Factors:**

| Residential Gas Service Rate RGS and Volunteer Fire Department Service Rate VFD | Energy Charge | |
|---|---|---|
| DSM Cost Recovery Component (DCR) | $ 0.02120 | per Ccf |
| DSM Revenues from Lost Sales (DRLS) | $ 0.00059 | per Ccf |
| DSM Incentive (DSMI) | $ 0.00024 | per Ccf |
| DSM Capital Cost Recovery Component (DCCR) | $ 0.00000 | per Ccf |
| DSM Balance Adjustment (DBA) | $ 0.00201 | per Ccf |
| Total DSMRC for Rates RGS and VFD | $ 0.02404 | per Ccf |

| Firm Commercial Gas Service Rate CGS, Firm Industrial Gas Service Rate IGS*, As-Available Gas Service Rate AAGS,* Substitute Gas Sales Service Rate SGSS* and Firm Transportation Service Rate FT* | Energy Charge | |
|---|---|---|
| DSM Cost Recovery Component (DCR) | $ 0.00104 | per Ccf |
| DSM Revenues from Lost Sales (DRLS) | $ 0.00000 | per Ccf |
| DSM Incentive (DSMI) | $ 0.00000 | per Ccf |
| DSM Capital Cost Recovery Component (DCCR) | $ 0.00000 | per Ccf |
| DSM Balance Adjustment (DBA) | $ 0.00013 | per Ccf |
| Total DSMRC for Rates CGS, IGS, AAGS, SGSS, and FT | $ 0.00117 | per Ccf |

* This charge does not apply to industrial customers taking service under these rates because the Company currently does not offer industrial DSM programs.

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**Experimental Performance Based Rate Mechanism**

**APPLICABLE**

To all gas sold.

**RATE MECHANISM**

The monthly amount computed under each of the rate schedules to which this Performance Based Ratemaking Mechanism is applicable shall be increased or decreased by the Performance Based Rate Recovery Component **(PBRRC)** at a rate per 100 cubic feet (Ccf) of monthly gas consumption. Demand costs and commodity costs shall be accumulated separately and included in the Pipeline Supplier's Demand Component and the Gas Supply Cost Component of the Gas Supply Clause (GSC), respectively. The PBRRC shall be determined for each 12-month period ended October 31 during the effective term of this experimental performance based ratemaking mechanism, which 12-month period shall be defined as the PBR period.

The PBRRC shall be computed in accordance with the following formula:

$$\mathbf{PBRRC} = \frac{\mathbf{CSPBR + BA}}{\mathbf{ES}}$$

Where:

**ES** = Expected Ccf sales, as reflected in Company's GSC filing for the upcoming 12-month period beginning February 1.

**CSPBR** = Company Share of Performance Based Ratemaking Mechanism savings or expenses. The CSPBR shall be calculated as follows:

$$\mathbf{CSPBR = TPBRR \times ACSP}$$

Where:

**TPBRR** = Total Performance Based Ratemaking Results. The TPBRR shall be savings or expenses created during the PBR Period. TPBRR shall be calculated as follows:

$$\mathbf{TPBRR = (GAIF + TIF + OSSIF)}$$

Where: T

**GAIF** = Gas Acquisition Index Factor. The GAIF shall be calculated by comparing the total annual Benchmark Gas Costs **(BGC)** for system supply natural gas purchases for the PBR period to the total annual Actual Gas Costs **(AGC)** for system supply natural gas purchases during the same period to determine if any Shared Expenses or Shared Savings exist.

The BGC shall include the benchmark component as follows:

**BGC = TABMGCC**

Where:

**TABMGCC** represents the Total Annual Benchmark Gas Commodity Costs and is the annual sum of the monthly Benchmark Gas Commodity Costs **(BMGCC)** of gas purchased for system supply; and

**BMGCC** represents Benchmark Gas Commodity Costs and shall be calculated on a monthly basis and accumulated for the PBR period. BMGCC shall be calculated as follows:

**BMGCC = Sum {[SZFQE%i x (APV - PEFDCQ)x SAIi]} + [PEFDCQ x DAI]**

Where:

**SZFQE%** is the Supply Zone Firm Quantity Entitlement Percentage derived from Company's firm seasonal entitlements by pipeline and by zone for which indices are posted. The seasonal percentages represent the pro-rata portion of Company's firm lateral and mainline receipt point quantity entitlements by zone for each transportation contract by pipeline.

**i** represents each supply area.

**APV** is the actual purchased volumes of natural gas for system supply for the month. The APV shall include purchases necessary to cover retention volumes required by the pipeline as fuel.

**PEFDCQ** are the Purchases In Excess of Firm Daily Contract Quantities delivered to Company's city gate. Firm Daily Contract Quantities are the maximum daily contract quantities which Company can deliver to its city gate under its various firm transportation agreements and arrangements.

**SAI** is the Supply Area Index factor to be established for each supply area in which Company may have firm transportation entitlements used to transport its natural gas purchases and for which price postings are available. The five supply areas are TGT-SL (Texas Gas Transmission - Zone SL), TGT-1 (Texas Gas Transmission - Zone 1), TGT-4 (Texas Gas Transmission – Zone 4), TGPL-0 (Tennessee Gas Pipeline - Zone 0), and TGPL-1 (Tennessee Gas Pipeline - Zone 1).

The monthly SAI for TGT-SL, TGT-1, TGT-4, TGPL-0 and TGPL-1 shall be calculated using the following formula:

**SAI = [I(1) + I(2) + I(3)] / 3**

Where:
**I** represents each index reflective of both supply area prices and price changes throughout the month in these various supply areas.

The indices for each supply zone are as follows:

**SAI (TGT-SL)**

I(1) is the average of weekly *Natural Gas Week* postings for Louisiana, Gulf Coast, Onshore as Delivered to Pipeline.

I(2) is the *Platts Gas Daily* midpoint postings for Louisiana - Onshore South, Texas Gas, Zone SL averaged for the month.

I(3) is the *Platts Inside FERC's Gas Market Report* first-of-the-month posting for Texas Gas, Zone SL.

**SAI (TGT-1)**

I(1) is the average of weekly *Natural Gas Week* postings for Louisiana, North as Delivered to Pipeline.

I(2) is the *Platts Gas Daily* midpoint postings for East Texas - North Louisiana Area, Texas Gas, zone 1 averaged for the month.

I(3) is the *Platts Inside FERC's Gas Market Report* first-of-the-month posting for Texas Gas, Zone 1.


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**SAI (TGT-4)**

I(1) is the average of weekly *Natural Gas Week* postings for Spot Prices on Interstate Pipeline Systems for Appalachia, Lebanon Hub.

I(2) is the *Platts Gas Daily* midpoint postings for Appalachia – Lebanon Hub averaged for the month.

I(3) is the *Platts Inside FERC's - Gas Market Report* first-of-the-month posting for Northeast, Lebanon Hub.

**SAI (TGPL-0)**

I(1) is the average of weekly *Natural Gas Week* postings for Texas, Gulf Coast, Onshore Delivered to Pipeline.

I(2) is the *Platts Gas Daily* midpoint postings for South – Corpus Christi, Tennessee, Zone 0 averaged for the month.

I(3) is the *Platts Inside FERC's - Gas Market Report* first-of-the-month posting for Tennessee, Texas, Zone 0.

**SAI (TGPL-1)**

I(1) is the average of weekly *Natural Gas Week* postings for Louisiana, Gulf Coast, Onshore as Delivered to Pipeline.

I(2) is the *Platts Gas Daily* midpoint postings for Louisiana – Onshore South, Tennessee, 500 Leg averaged for the month.

I(3) is the *Platts Inside FERC's - Gas Market Report* first-of-the-month posting for Tennessee, Louisiana, 500 leg.

**DAI (TGT-4) and (TGPL-2)**

**DAI** is the Delivery Area Index to be established for **PEFDCQ** made by Company on the day(s) when Company has arranged for deliveries to Company's city gate that are in excess of its total firm pipeline quantity entitlements.


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**Experimental Performance Based Rate Mechanism**

The daily DAI applicable to the daily purchases made for city-gate delivery shall be the higher of the following, either

**DAI = DAI (TGT-1) / (1 – FR%) + CCS + DDCS**

or

**DAI = DAI (TGT-4) / (1 – FR%) + CCS + DDCS**

Where:
**DAI (TGT-1)** represents the highest daily midpoint posting by *Platts Gas Daily* for East Texas – North Louisiana Area, Texas Gas, zone 1.

**DAI (TGT-4)** represents the highest daily midpoint posting by *Platts Gas Daily* for Appalachia – Lebanon Hub.

**FR%** is the tariffed Fuel Retention Percentage under Texas Gas Transmission, LLC's Rate NNS.

**CCS** are the tariffed NNS Commodity Charge and Surcharges under Texas Gas Transmission, LLC's Rate NNS.

**DDCS** are the tariffed Daily Demand Charge and Surcharges under Texas Gas Transmission, LLC's Rate NNS.

If an index ceases to exist or fails to report, the Company may use a suitable replacement index and report that change in writing to the Commission in the applicable quarterly report. If the Company elects not to select a replacement index, the average is adjusted accordingly.

**AGC** represents Company's total annual Actual Gas Costs of natural gas purchased for system supply and is equal to the total monthly actual gas commodity costs (excluding any supply reservation fees) plus the gains and/or losses from the use of financial hedging instruments and the financial transaction costs associated with such instruments paid by Company to its suppliers accumulated for the PBR period. Such costs shall exclude labor-related or other expenses typically classified as operating and maintenance expenses.

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**Experimental Performance Based Rate Mechanism**

To the extent that AGC exceeds BGC for the PBR period, then the GAIF Shared Expenses shall be computed as follows:

**Shared Expenses = AGC - BGC**

To the extent that AGC is less than BGC for the PBR period, then the GAIF Shared Savings shall be computed as follows:

**Shared Savings = BGC – AGC**

## <u>TIF</u>

**TIF** = Transportation Index Factor. The Transportation Index Factor shall be calculated by comparing the Total Annual Benchmark Monthly Gas Transportation Costs **(TABMGTC)** of natural gas transportation services during the PBR period, to the Total Annual Actual Gas Transportation Costs **(TAAGTC)** applicable to the same period to determine if any Shared Expenses or Shared Savings exist.

The Total Annual Benchmark Monthly Gas Transportation Costs **(TABMGTC)** are calculated as follows:

**TABMGTC = Annual Sum of Monthly BMGTC**

Where:
**BMGTC** is the Benchmark Monthly Gas Transportation Costs which include both demand and volumetric costs associated with natural gas pipeline transportation services. The BMGTC shall be accumulated for the PBR period and shall be calculated as follows:

**BMGTC = Sum [BM(TGT) + BM(TGPL) + BM(PPL)]**

Where:
**BM(TGT)** is the benchmark associated with Texas Gas Transmission, LLC.

**BM(TGPL)** is the benchmark associated with Tennessee Gas Pipeline Company, LLC.

**BM(PPL)** is the benchmark associated with a proxy pipeline. The appropriate benchmark, which will be determined at the time of purchase, will be used to benchmark purchases of transportation capacity from non-traditional sources.

The benchmark associated with each pipeline shall be calculated as follows:

**BM(TGT)** = (TPDR x DQ) + (TPCR x AV) + S&DB

**BM(TGPL)** = (TPDR x DQ) + (TPCR x AV) + S&DB

**BM(PPL)** = (TPDR x DQ) + (TPCR x AV) + S&DB

Where:
**TPDR** is the applicable Tariffed Pipeline Demand Rate.

**DQ** is the Demand Quantities contracted for by Company from the applicable transportation provider.

**TPCR** is the applicable Tariffed Pipeline Commodity Rate.

**AV** is the Actual Volumes delivered at Company's city-gate by the applicable transportation provider for the month.

**S&DB** represents Surcharges, Direct Bills and other applicable amounts approved by the Federal Energy Regulatory Commission (FERC). Such amounts are limited to FERC-approved charges such as surcharges, direct bills, cashouts, take-or-pay amounts, Gas Supply Realignment and other Order 636 transition costs.

The Total Annual Actual Gas Transportation Costs (**TAAGTC)** paid by Company for the PBR period shall include both demand and volumetric costs associated with natural gas pipeline transportation services as well as all applicable FERC-approved surcharges, direct bills and cash-outs included in S&DB, plus the gains and/or losses from the use of financial hedging instruments and the financial transaction costs associated with such instruments. Such costs shall exclude labor-related or other expenses typically classified as operating and maintenance expenses.

To the extent that TAAGTC exceeds TABMGTC for the PBR period, then the TIF Shared Expenses shall be computed as follows:

**Shared Expenses = TAAGTC – TABMGTC**

To the extent that TAAGTC is less than TABMGTC for the PBR period, then the TIF Shared Savings shall be computed as follows:

**Shared Savings = TABMGTC - TAAGTC**

Should one of Company's pipeline transporters file a rate change effective during any PBR period and bill such proposed rates subject to refund, the period over which the benchmark comparison is made for the relevant transportation costs will be extended for one or more 12-month periods, until the FERC has approved final settled rates, which will be used as the appropriate benchmark. Company will not share in any of the savings or expenses related to the affected pipeline until final settled rates are approved.

## OSSIF

**OSSIF** = Off-System Sales Index Factor. The Off-System Sales Index Factor shall be equal to the Net Revenue from Off-System Sales **(NR)**.

Net Revenue is calculated as follows:

**NR = OSREV - OOPC**

Where:
**OSREV** is the total revenue associated with off-system sales and storage service transactions.

**OOPC** is the out-of-pocket costs associated with off-system sales and storage service transactions, and shall be determined as follows:

**OOPC = OOPC(GC) + OOPC(TC) + OOPC(SC) + OOPC(UGSC) + Other Costs**

Where:
**OOPC(GC)** is the Out-of-Pocket Gas Costs associated with off-system sales transactions. For off-system sales utilizing Company's firm supply contracts, the OOPC(GC) shall be the incremental cost to purchase the gas available under Company's firm supply contracts. For off-system sales not using Company's firm supply contracts, the OOPC(GC) shall be the incremental costs to purchase the gas from other entities.

**OOPC(TC)** is the Out-of-Pocket Transportation Costs associated with off-system sales transactions. For off-system sales utilizing Company's firm transportation agreements, the OOPC(TC) shall be the incremental cost to use the transportation available under Company's firm transportation contracts. For off-system sales not using Company's firm transportation agreements, the OOPC(TC) shall be the incremental costs to purchase the transportation from other entities.

**OOPC(SC)** is the Out-of-Pocket Storage Costs associated with off-system sales of storage. If this is gas in Company's own storage it shall be priced at the average price of the gas in Company's storage during the month of the sale. If this is gas from the storage component of Texas Gas's No-Notice Service, this gas shall be priced at the replacement cost.

**OOPC(UGSC)** is the Out-of-Pocket Underground Storage Costs associated with off-system sales of storage services. For the off-systems sales of storage services utilizing Company's on-system storage, the OOPC(UGSC) shall include incremental storage losses, odorization, and other fuel-related costs such as purification, dehydration, and compression. Such costs shall exclude labor-related expenses.

**Other Costs** represent all other incremental costs and include, but are not limited to, costs such as applicable sales taxes and excise fees plus the gains and/or losses from the use of financial hedging instruments and the transaction costs associated with such instruments. Such costs shall exclude labor-related or other expenses typically classified as operating and maintenance expenses.

## ACSP

**ACSP** = Applicable Company Sharing Percentage. The ACSP shall be determined based on the PTAGSC.

Where:
**PTAGSC** = Percentage of Total Actual Gas Supply Costs. The PTAGSC shall be the TPBRR stated as a Percentage of Total Actual Gas Supply Costs and shall be calculated as follows:

$$\mathbf{PTAGSC} = \frac{\mathbf{TPBRR}}{\mathbf{TAGSC}}$$

Where:
**TAGSC** = Total Actual Gas Supply Costs. The TAGSC shall be calculated as follows:

$$\mathbf{TAGSC = AGC + TAAGTC}$$

If the absolute value of the PTAGSC is less than or equal to 3.0%, then the ACSP of 25% shall be applied to TPBRR to determine CSPBR. If the absolute value of the PTAGSC is greater than 3.0%, then the ACSP of 25% shall be applied to the amount of TPBRR that is equal to 3.0% of TAGSC to determine a portion of CSPBR, and the ACSP of 50% shall be applied to the amount of TPBRR that is in excess of 3.0% of TAGSC to determine a portion of CSPBR. These two portions are added together to produce the total CSPBR.

## BA

**BA** = Balance Adjustment. The BA is used to reconcile the difference between the amount of revenues billed or credited through the CSPBR and previous application of the BA and revenues which should have been billed or credited, as follows:

1. For the CSPBR, the balance adjustment amount will be the difference between the amount billed in a 12-month period from the application of the CSPBR and the actual amount used to establish the CSPBR for the period.

2. For the BA, the balance adjustment amount will be the difference between the amount billed in a 12-month period from the application of the BA and the actual amount used to establish the BA for the period.

## Review

Within 60 days of the end of the fourth year of the five-year extension, Company will file an assessment and review of the PBR mechanism for the first four years of the five-year extension period. In that report and assessment, Company will make any recommended modifications to the PBR mechanism.

**Weather Normalization Adjustment Clause**

### APPLICABLE

The sales under Rate Schedules RGS, VFD, and CGS shall be increased or decreased monthly by an amount hereinafter described as the WNA. T

### DETERMINATION OF WNA

Weather normalized volumes shall be utilized during the November through April billing periods to calculate the applicable Distribution Charges for Customers served under Rate Schedules RGS, VFD and CGS. During the remainder of the year, May through October, the bills shall be computed based on actual consumption.

WNA will be calculated using the following formula:

**WNA = [(Actual Mcf - Base Load Mcf) * (Normal Degree Days/Actual Degree Days)]**

Each Customer's base load will be determined individually, and will be recomputed annually. Rates used in the computation of the WNA shall be determined based on the applicable Distribution Charge as set forth in Rates RGS, VFD, and CGS. T

**Adjustment Clause** **FF**

**Franchise Fee**

**APPLICABLE** T

In all territory served. N

**AVAILABILITY**

Available as an option for collection of revenues within governmental jurisdictions which impose on Company franchise fees, permitting fees, local taxes or other charges by ordinance, franchise, or other governmental directive and not otherwise collected in the charges of Company's base schedules

**BILLING**

1. The franchise charge will be applied exclusively to the base rate and all riders of bills of Customers receiving service within the franchising governmental jurisdiction, before taxes.
2. The franchise charge will appear as a separate line item on Customer's bill and show the unit of government requiring the franchise.
3. Payment of the collected franchise charges will be made to the governmental franchising body as agreed to in the franchise agreement.
4. At its option, a governmental body imposing a franchise fee shall not be billed for that portion of a franchise fee, applied to services designated by the governmental body that would ultimately be repaid to the governmental body.

**TERM OF CONTRACT**

As agreed to in the franchise agreement. Company will not calculate or collect any such fees, taxes, or charges pursuant to expired, lapsed, or otherwise invalid, ineffective or inapplicable ordinances, franchise agreements, or other governmental enactment.

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**Adjustment Clause** **ST**

**School Tax**

**APPLICABLE**

In all territory served.

**AVAILABILITY** T

This schedule is applied as a rate increase to all other schedules pursuant to KRS 160.617 for the recovery by the utility of school taxes in any county requiring a utility gross receipts license tax for schools under KRS 160.613.

**RATE**

The utility gross receipts license tax authorized under state law.


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**HEA**
**Home Energy Assistance**

**APPLICABLE**
In all territory served.

**AVAILABILITY**
To all residential customers.

**RATE**
$0.25 per month.

**BILLING**
The HEA charge shall be shown as a separate item on customer bills.

**PURPOSE**
Proceeds from this charge will be used to fund residential low-income demand-side management Home Energy Assistance programs which have been designed through a collaborative advisory process and then filed with, and approved by, the Commission.


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**Terms and Conditions**

## Customer Bill of Rights

As a residential Customer of a regulated public utility in Kentucky, you are guaranteed the following rights subject to Kentucky Revised Statutes and the provisions of the Kentucky Public Service Commission Administrative Regulations:

- You have the right to service, provided you (or a member of your household whose debt was accumulated at your address) are not indebted to the utility.
- You have the right to inspect and review the utility's rates and tariffed operating procedures during the utility's normal office hours.
- You have the right to be present at any routine utility inspection of your service conditions.
- You must be provided a separate, distinct disconnect notice alerting you to a possible disconnection of your service, if payment is not received.
- You have the right to dispute the reasons for any announced termination of your service.
- You have the right to negotiate a partial payment plan when your service is threatened by disconnection for non-payment.
- You have the right to participate in equal, budget payment plans for your natural gas and electric service, unless any rate or rider under which you take service explicitly states otherwise.
- You have the right to maintain your utility service for up to thirty (30) days upon presentation of a medical certificate issued by a health official.
- You have the right to prompt (within 24 hours) restoration of your service when the cause for discontinuance has been corrected.
- If you have not been disconnected, you have the right to maintain your natural gas and electric service for up to thirty (30) days, provided you present a Certificate of Need issued by the Kentucky Cabinet for Human Resources between the months of November and the end of March.
- If you have been disconnected due to non-payment, you have the right to have your natural gas or electric service reconnected between the months of November through March provided you:
  1. Present a Certificate of Need issued by the Kentucky Cabinet for Human Resources, and
  2. Pay one third (1/3) of your outstanding bill ($200 maximum), and
  3. Accept referral to the Human Resources' Weatherization Program, and
  4. Agree to a repayment schedule that will cause your bill to become current by October 15.
- You have the right to contact the Public Service Commission regarding any dispute that you have been unable to resolve with your utility (call Toll Free 1-800-772-4636).

**Terms and Conditions**
**General**

**COMMISSION RULES AND REGULATIONS**

All gas service supplied by Company shall be in accordance with the applicable rules and regulations of the Kentucky Public Service Commission.

**COMPANY TERMS AND CONDITIONS**

In addition to the rules and regulations of the Commission, all gas service supplied by Company shall be in accordance with these Terms and Conditions to the extent that such Terms and Conditions are not in conflict, nor inconsistent, with the specific provisions in each rate schedule and which shall constitute a part of all applications and contracts for service.

**COMPANY AS A FEDERAL CONTRACTOR**

The United Nations Convention on Contracts for the International Sale of Goods is specifically disclaimed and excluded and will not apply to or govern agreements between Customers and Company.

To the extent Company is a federal contractor, Company and its subcontractors shall abide by the requirements of 41 CFR 60-741.5(a). This regulation prohibits discrimination against qualified individuals on the basis of disability, and requires affirmative action by covered prime contractors and subcontractors to employ and advance in employment qualified individuals with disabilities.

To the extent Company is a federal contractor, Company and its subcontractors shall abide by the requirements of 41 CFR 60-300.5(a). This regulation prohibits discrimination against qualified protected veterans, and requires affirmative action by covered prime contractors and subcontractors to employ and advance in employment qualified protected veterans.

**RATES, TERMS AND CONDITIONS ON FILE**

A copy of the rate schedules, terms, and conditions under which gas service is supplied is on file with the Kentucky Public Service Commission. A copy of such rate schedules, terms and conditions, together with the law, rules, and regulations of the Commission, is available for public inspection in each office of Company where bills may be paid.

**ASSIGNMENT**

No order for service, agreement or contract for service may be assigned or transferred without the written consent of Company.

**Terms and Conditions**
**General**

**RENEWAL OF CONTRACT**

If, upon the expiration of any service contract for a specified term, the customer continues to use the service, the contract (unless otherwise provided therein) will be automatically renewed for successive periods of one (1) year each, subject to termination at the end of any year upon thirty (30) days prior written notice by either party.

**AGENTS CANNOT MODIFY AGREEMENT WITHOUT CONSENT OF P.S.C. OF KY.**

No agent has power to amend, modify, alter, or waive any of these Terms and Conditions, or to bind Company by making any promises or representations not contained herein.

**SUPERSEDE PREVIOUS TERMS AND CONDITIONS**

These Terms and Conditions supersede all terms and conditions under which Company has previously supplied gas service.

**Terms and Conditions**
**Customer Responsibilities**

### APPLICATION FOR SERVICE

A written, in-person, electronic, or oral application or contract, properly executed, will be required before Company is obligated to render gas service. Company may require any party applying for service to provide some or all of the following information for the party desiring service: full legal name, address, full Social Security Number or other taxpayer identification number, date of birth (if applicable), relationship of the applying party to the party desiring service, and any other information Company deems necessary for legal, business, or debt-collection purposes. Company shall have the right to reject for valid reasons any such application or contract, including the applying party’s refusal to provide requested information.

All applications for service shall be made in the legal name of the party desiring the service.

Where an unusual expenditure for construction or equipment is necessary or where the proposed manner of using gas service is clearly outside the scope of Company's standard rate schedules, Company may establish special terms and require special contracts giving effect to such unusual circumstances.

### TRANSFER OF APPLICATION

Applications for gas service are not transferable and new occupants of premises will be required to make application for service before commencing the use of gas. Customers who have been receiving gas service shall notify Company when discontinuance of service is desired, and shall pay for all gas service furnished until such notice has been given and final meter readings made by Company.

### OPTIONAL RATES

If two or more rate schedules are available for the same class of service, it is Customer’s responsibility to determine the options available and to designate the schedule under which Customer desires to receive service.

Company will, at any time, upon request, advise any Customer as to the most advantageous rate for existing or anticipated service requirements as defined by the Customer, but Company does not assume responsibility for the selection of such rate or for the continuance of the lowest annual cost under the rate selected.

In those cases in which the most favorable rate is difficult to predetermine, the Customer will be given the opportunity to change to another schedule, unless otherwise prevented by the rate schedule under which Customer is currently served, after trial of the schedule originally designated; however, after the first such change, Company shall not be required to make a change in schedule more often than once in twelve months.

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**Terms and Conditions**
**Customer Responsibilities**

**OPTIONAL RATES (continued)** T

From time to time, Customer should investigate Customer's operating conditions to determine a desirable change from one available rate to another. Company, lacking knowledge of changes that may occur at any time in Customer's operating conditions, does not assume responsibility that Customers will at all times be served under the most beneficial rate. T T T T

In no event will Company make refunds covering the difference between the charges under the rate in effect and those under any other rate applicable to the same class of service. T T

**CUSTOMER'S EQUIPMENT AND INSTALLATION**.

Company will install at its own expense a service pipe of suitable capacity extending from its gas main to the gas meter serving Customer, beyond which point all necessary piping shall be installed by and at the expense of Customer. N N N D

**OWNER'S CONSENT TO OCCUPY**

Customer shall grant easements and rights-of-way on and across Customer's property at no cost to Company.

**ACCESS TO PREMISES AND EQUIPMENT**

Company shall have the right of access to Customer's premises at all reasonable times for the purpose of installing, meter reading, inspecting, repairing, or removing its equipment used in connection with its supply of gas service or for the purpose of turning on and shutting off the gas supply when necessary and for all other proper purposes. Customer shall not construct or permit the construction of any structure or device which will restrict the access of Company to its equipment for any of the above purposes.

**PROTECTION OF COMPANY'S PROPERTY**

Customers will be held responsible for tampering, interfering with, breaking of seals of meters, or other equipment of Company installed on Customer's premises, and will be held liable for same according to law. Customer hereby agrees that no one except the employees of Company shall be allowed to make any internal or external adjustments of any meter or any other piece of apparatus which shall be the property of Company.

**EXCLUSIVE SERVICE ON INSTALLATION CONNECTED**

Gas service shall not be used for purposes other than as set forth in customer's application or contract.

**DATE OF ISSUE:** September 28, 2018

**DATE EFFECTIVE:** Effective with Service Rendered
On And After November 1, 2018

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00295 dated ____**

**Terms and Conditions**
**Customer Responsibilities**

**EXCLUSIVE SERVICE ON INSTALLATION CONNECTED (continued)**

Company shall not be obligated to provide natural gas or natural gas service under any standard natural gas rate schedule on a standby, back-up, supplemental or other basis to any Customer that is physically connected to the facilities of any other provider of natural gas service, such other providers to include, but not be limited to, another natural gas local distribution company, public, private, or municipal; a producer, gatherer, or transmitter of natural gas; an interstate or intrastate natural gas pipeline; or any other entity (including the Customer itself acting in any one or more of these roles) that provides natural gas or natural gas service to residential, commercial, industrial, public authority, or any other type of customers which might otherwise receive natural gas from Company. In the event that such Customer desires to continue to receive natural gas service from Company and/or declines to allow Company to remove Company's facilities hitherto used to provide natural gas service to Customer, then Customer shall be obligated to take service under Rate SGSS.

**LIABILITY**

Customer assumes all responsibility for the gas service upon Customer's premises at and from the point of delivery of gas and for the pipes and equipment used in connection therewith, and will protect and save Company harmless from all claims for injury or damage to persons or property occurring on Customer's premises or at and from the point of delivery of gas, occasioned by such gas or said pipes and equipment, except where said injury or damage will be shown to have been occasioned solely by the negligence of Company.

**NOTICE TO COMPANY OF CHANGES IN CUSTOMER'S LOAD**

The service pipes, meters, and appurtenances supplied by Company for the rendition of gas service to its customers have a definite capacity. In the event that Customer contemplates any material increase in Customer's connected load, whether in a single increment or over an extended period, Customer shall immediately give Company written notice of this fact so as to enable it to enlarge the capacity of such equipment. In case of failure to give such notice, Customer may be held liable for any damage done to meters, regulators, or other equipment of Company caused by such material increase in Customer's connected load.

**PERMITS**

Customer shall obtain or cause to be obtained all permits, easements, or certificates, except street permits, necessary to give Company or its agents access to Customer's premises and equipment and to enable its service to be connected therewith. In case Customer is not the owner of the premises or of intervening property between the premises and Company's distribution mains, Customer shall obtain from the property owner or owners the necessary consent to the T
installation and maintenance in said premises and across such intervening property of Customer's piping and facilities required for the supply of gas service to Customer. Provided, however, to the extent permits, easements, or certificates are necessary for the installation and maintenance of Company-owned facilities, Company shall obtain the aforementioned consent.

**DATE OF ISSUE:** September 28, 2018

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On And After November 1, 2018

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00295 dated ____**

## Terms and Conditions
## Customer Responsibilities

**PERMITS (continued)**

Company shall make or cause to be made application for any necessary street permits, and shall not be required to supply service under Customer's application until a reasonable time after such permits are granted.

**COMPANY-OWNED SERVICE LINES**

The Company will install, own, operate and maintain the service line at the premises of residential and commercial customers, if such premises are not connected to a Company main by a service line. With respect to residential and commercial customers that occupy premises already connected to a Company main by a service line that the Company has installed, repaired, or replaced, the Company shall be responsible for operating and maintaining the customer service line and when the Company determines that replacement of such customer service line is necessary the Company shall be responsible for installing the service line and shall thereafter own the service line.

Any customer accepting gas service under this section shall be deemed to have granted the Company an easement across his property for such service. No service line shall be installed across private property other than the premises of the building to be supplied with gas, except after special investigation and approval by the Company.

When the length of the service pipe required between the property line and the meter is 100 feet or less, the Company will assess no charge for the service pipe installation.

When the length of required service pipe exceeds 100 feet, the Company may require the applicant to contribute toward the cost of the service line installation an amount equal to the estimated cost per foot for each lineal foot of service beyond 100 feet. Contributions by customers toward the Company's cost of furnishing and installing service lines in accordance with this section are non-refundable.

In the event that the Company is required to undertake any excavation on a customer's property in connection with the installation, repair, maintenance or replacement of a service line, the Company shall make reasonable efforts to restore the property to its original condition pursuant to generally accepted utility standards for such construction operations.

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On And After January 1, 2013

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2012-00222 dated December 20, 2012**

**Terms and Conditions**
**Company Responsibilities**

**METERING**

The gas used will be measured by a meter or meters to be furnished and installed by Company at its expense and all bills will be calculated upon the registration of said meters. Company has the right to install any meter or meters it deems in its sole discretion to be necessary or prudent to serve any customer, including without limitation a digital, automated meter reading, automated metering infrastructure, or advanced metering systems meter or meters. When service is supplied by Company at more than one delivery point on the same premises, each delivery point will be metered and billed separately on the rate applicable. Meters include all measuring instruments. Meters will be located outside whenever possible. Otherwise, meters will be located as near as possible to the service entrance and on the ground floor of the building, in a clean, dry, safe and easily accessible place, free from vibration, agreed to by Company.

**POINT OF DELIVERY OF GAS**

The point of delivery of gas supplied by Company shall be at the point where the gas passes from the pipes of Company's Service Connection into Customer's Service Line, irrespective of the location of the metering and regulating equipment.

If the Service Line is owned by the Customer, the point of delivery of gas supplied by the Company shall be at the point where the gas passes from the pipes of Company's Service Connection into Customer's Service Line, irrespective of the location of the metering and regulation equipment.

If the Service Line is owned by the Company, the point of delivery of gas supplied by the Company shall be at the point where the gas passes from the outlet of the meter to the Customer's yard line or house piping.

**COMPANY'S EQUIPMENT AND INSTALLATION**

The Company shall furnish, install, and maintain at its expense the necessary service connection. The location of this service connection will be made at the discretion and judgment of the Company.

The Company will furnish, install, and maintain at its expense the necessary meter, regulator, and connections which will be located at or near the building, at the discretion or judgment of the Company. Suitable site or location for the meter, meter stand (including meter riser), and regulator and connections shall be provided by the Customer and title to this equipment shall remain with the Company with the right to install, operate, maintain, and remove same and no charge shall be made by the Customer for use of the premises as occupied or used. Customer shall protect such property of Company from loss or damage, and no one who is not an agent of Company shall be permitted to remove, damage or tamper with the same. Customer shall execute a reasonable form of easement agreement, if requested by Company. T

**DATE OF ISSUE:** September 28, 2018

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On And After November 1, 2018

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00295 dated ____**

**Terms and Conditions**
**Company Responsibilities**

**COMPANY'S EQUIPMENT AND INSTALLATION** (continued)

Notwithstanding the provisions of 807 KAR 5:006, Section 14(4), a reasonable time shall be allowed subsequent to Customer's service application to enable Company to construct or install the facilities required for such service. In order that Company may make suitable provision for enlargement, extension or alteration of its facilities, each applicant for commercial or industrial service shall furnish Company with realistic estimates of prospective gas requirements.

**COMPANY NOT LIABLE FOR INTERRUPTIONS**

Company will exercise reasonable care and diligence in an endeavor to supply gas service continuously and without interruption, except as provided in the terms of certain rate schedules; however, Company does not guarantee continuous service and shall not be liable for any loss or damage resulting from interruption, reduction, delay or failure of gas service not caused by the willful negligence of Company, or resulting from any cause or circumstance beyond the reasonable control of Company.

**COMPANY NOT LIABLE FOR DAMAGE ON CUSTOMER’S PREMISES**

Company is merely a supplier of gas service delivered at Company’s property line, and shall not be liable for and shall be protected and held harmless for any injury or damage to persons or property of the Customer or of third persons resulting from the presence, use or abuse of gas on the Customer’s premises or resulting from defects in or accidents to any of Customer’s piping, equipment, apparatus or appliances, or resulting from any cause whatsoever other than the negligence of Company.

**LIABILITY**

In no event shall Company have any liability to the Customer or any other party affected by the gas service to the Customer for any consequential, indirect, incidental, special, or punitive damages, and such limitation of liability shall apply regardless of claim or theory. In addition, to the extent that Company acts within its rights as set forth herein and/or any applicable law or regulation, Company shall have no liability of any kind to the Customer or any other party. In the event that the Customer’s use of Company’s service causes damage to Company’s property or injuries to persons, the Customer shall be responsible for such damage or injury and shall indemnify, defend, and hold Company harmless from any and all suits, claims, losses, and expenses associated therewith.

**OBLIGATION TO SERVE**

Company shall not be obligated to provide natural gas or natural gas service under any standard natural gas rate schedule on a standby, back-up, supplemental or other basis to any

Terms and Conditions
Company Responsibilities

Customer that is physically connected to the facilities of any other provider of natural gas service, such other providers to include, but not be limited to, another natural gas local distribution company, public, private, or municipal; a producer, gatherer, or transmitter of natural gas; an interstate or intrastate natural gas pipeline; or any other entity (including the Customer itself acting in any one or more of these roles) that provides natural gas or natural gas service to residential, commercial, industrial, public authority, or any other type of customers which might otherwise receive natural gas from Company. Company and Customer may mutually agree to enter into a special contract for standby, back-up, supplemental or other service subject to the approval of the Kentucky Public Service Commission.

**SPECIAL RULES FOR CUSTOMERS SERVED FROM HIGH PRESSURE MAINS, GAS TRANSMISSION MAINS, AND STORAGE GATHERING LINES**

In order to ensure the integrity, safe operations, and reliability of the Company's gas system, these special rules apply to customers served from high pressure mains, gas transmission mains, and storage gathering lines.

When a customer requests service from a high pressure main, gas transmission main, or storage gathering line under Rate RGS, VFD, CGS, IGS, AAGS, SGSS, or FT, Company shall determine, in its sole discretion, if service is justified, feasible, and consistent with good operating practice.

Upon approval by Company of a request by a customer (or group of customers) for service from a high pressure main, gas transmission main, or storage gathering line, then Company may charge the customer (or group of customers) in addition to the charges under the applicable rate schedule, the estimated installed cost of the tap, any regulation equipment, piping, and any other equipment or facilities determined by Company, in its sole discretion, to be necessary to provide such service consistent with good operating practice.

In no case, shall Company be obligated to provide service to customers served under Rate DGGS from a high pressure main, gas transmission main, or storage gathering line.

**PURCHASE OF CERTAIN CUSTOMER-OWNED GAS SERVICE ENTRANCES AND RISERS.**

LG&E will reimburse its gas customers who have replaced their service entrances or gas risers (or both) between January 1, 2011 and December 31, 2012. Customers must notify LG&E if they desire such reimbursement. LG&E has no obligation to seek out such customers. LG&E will post on its website a notice of the availability of this reimbursement. The reimbursement will be in the amount of the customers' reasonable costs of replacing such service entrances or gas risers (or both), which must be demonstrated to LG&E's reasonable satisfaction. Customers disputing the amount of reimbursement may contact the Commission. LG&E will reimburse only owners of affected properties, each of whom must have owned the affected property at the time of the replacement of the service entrance or gas riser.

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On And After July 1, 2017

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2016-00371 dated June 22, 2017 and modified June 29, 2017**

**Terms and Conditions**
**Character of Service**

**HEATING VALUE**

Company will normally supply natural gas having an average heating value of approximately 1,050 Btu per cubic foot for any twelve (12) month period. All gas received into the system of Company from interstate pipelines shall meet the applicable quality standards of the respective interstate pipeline delivering natural gas to Company  All gas received into the system of Company from sources other than an interstate pipeline shall meet the quality standards prescribed in Local Gas Delivery Service Rate LGDS. When it is necessary to supplement the supply of natural gas, Company reserves the right, at its discretion, to supplement its supply of natural gas with a mixture of vaporized liquefied petroleum gas and air. T T

**STANDARD PRESSURE AND MEASUREMENT BASE**

The standard distribution pressure of the gas supplied by Company is four ounces per square inch above atmospheric pressure.

Atmospheric pressure shall be assumed in all cases to be 14.5 pounds per square inch and temperature shall be assumed to be 60 degrees Fahrenheit; provided, however, Company reserves the right for billing purposes to correct as necessary the actual temperature to a 60 degree Fahrenheit basis in the case of large volume customers.

All gas measured at pressures higher than the standard pressure shall be converted to a pressure base of 14.73 pounds per square inch absolute for billing purposes.

**DELIVERY PRESSURE**

Company shall not be obligated to provide gas service to any Customer at a minimum delivery pressure greater than 50 psig or the expected minimum pipeline pressure, whichever is less.

**DATE OF ISSUE:** September 28, 2018

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On And After November 1, 2018

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00295 dated ____**

**METER READINGS AND BILLS**

As used in the entirety of this Tariff, “meter reading” and similar terms shall include data collected remotely from automated meter reading, automated meter infrastructure, advanced metering systems, and other electronic meter equipment or systems capable of delivering usage data to Company. A physical, manual reading of a meter is not required to constitute a “meter reading.”

Each bill for utility service shall be issued in compliance with 807 KAR 5:006, Section 7.

All bills will be based upon meter readings made in accordance with Company's meter reading schedule. Company, except if prevented by reasons beyond its control, shall read customers meters at least quarterly, except that customer-read meters shall be read at least once during the calendar year.

In the case of opening and closing bills when the total period between regular and special meter readings is less than thirty days, the minimum charges of the applicable rate schedules will be prorated on the basis of the ratio of the actual number of days in such period to thirty days, unless N
an applicable rate schedule has a daily Basic Service Charge, in which case a full daily Basic N
Service Charge will be charged to a customer for each day or partial day during which the N
customer’s account was open and served under that rate schedule. N

When Company is unable to read Customer's meter after reasonable effort, or when Company experiences circumstances which make actual meter readings impossible or impracticable, Customer may be billed on an estimated basis and the billing will be adjusted as necessary when the meter is read.

In the event Company's electric or gas meter fails to register properly by reason of damage, accident, etc., Company shall have the right to estimate Customer's consumption during the period of failure on the basis of such factors as Customer's connected load, heating degree days, and consumption during a previous corresponding period and during a test period immediately following replacement of the defective meter.

Where Company serves a customer with both electric and gas service at the same service location, Company will render a combined bill. However, a residential customer may request, and Company will render, separate bills under the following conditions: (1) Customer is being threatened with disconnection for non-payment or has already been disconnected for that reason and (2) Customer would be able to pay either the gas or electric portion of his bill and thus retain one service.

Bills are due and payable at the office of Company during business hours, or at other locations designated by Company, within sixteen (16) business days (no less than twenty-two (22) calendar days) from the date of rendition thereof. If full payment is not received by the due date of the bill, a late payment charge will be assessed on the current month’s charges. Beginning October 1, 2010, residential customers who receive a pledge for or notice of low income energy T

**Terms and Conditions**
**Billing**

**METER READINGS AND BILLS** (continued)

assistance from an authorized agency will not be assessed or required to pay a late payment charge for the bill for which the pledge or notice is received, nor will they be assessed or required to pay a late payment charge in any of the eleven (11) months following receipt of such pledge or notice. There will be no adverse credit impact on the customer's payment and credit record, including credit scoring, both internally and externally, and the account will not be considered delinquent for any purpose if the Company receives the customer's payment within fifteen days after the date on which the Company issues the customer's bill. T T

Failure to receive a bill does not exempt Customer from these provisions of Company's Terms and Conditions.

**READING OF SEPARATE METERS NOT COMBINED**

For billing purposes, each meter upon Customer's premises will be considered separately and readings of two or more meters will not be combined except where Company's operating convenience requires the installation of two or more meters upon Customer's premises instead of one meter.

**CUSTOMER RATE MIGRATION**

Unless otherwise specified in the applicable rate schedule or rider, a change from one rate to another will be effective with the first full billing period following a customer's request for such change or with a rate change mandated by changes in a customer's load. In cases where a change from one rate to another necessitates a change in metering, the change from one rate to another will be effective with the first full billing period following the meter change.

**MONITORING OF CUSTOMER USAGE**

In order to detect unusual deviations in individual Customer consumption, Company will monitor the usage of each Customer at least once quarterly. In addition, Company may investigate usage deviations brought to its attention as a result of its ongoing meter reading or billing processor customer inquiry. Should an unusual deviation in the Customer's consumption be found which cannot be attributed to a readily identified cause, Company may perform a detailed analysis of the Customer's meter reading and billing records. If the cause for the usage deviation cannot be determined from analysis of the Customer's meter reading and billing records, Company may contact Customer by telephone or in writing to determine whether there have been changes such as different number of household members or work staff, additional or different appliances, changes in business volume, or known leaks in the Customer's service line. Where the deviation is not otherwise explained, Company will test Customer's meter to determine whether the results show the meter is within the limits allowed by 807 KAR 5:022, Section 8(3)(a)1, and Section 8(3)(b)1. Company will notify the customers of the investigation, its findings, and any refunds or back-billing in accordance with 807 KAR 5:006, Section 11(4) and (5).

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On And After November 1, 2018

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00295 dated ____**

**Terms and Conditions**
**Billing**

### RESALE OF GAS

Gas service furnished under Company's standard application or contract is for the use of Customer only and Customer shall not resell such gas to any other person, firm, or corporation on Customer's premises or for use on any other premises. This does not preclude Customer from allocating Company's billing to Customer to any other person, firm, or corporation provided the sum of such allocations does not exceed Company's billing.

**Terms and Conditions**
**Deposits**

**GENERAL**

1. Company may require a cash deposit or other guaranty from customers to secure payment of bills in accordance with 807 KAR 5:006, Section 8 except for customers qualifying for service reconnection pursuant to 807 KAR 5:006, Section 16, Winter Hardship Reconnection.
2. Deposits may be required from all customers not meeting satisfactory credit and payment criteria. Satisfactory credit for customers will be determined by utilizing independent credit sources (primarily utilized with new customers having no prior history with Company), as well as historic and ongoing payment and credit history with Company.
   a. Examples of independent credit scoring resources include credit scoring services, public record financial information, financial scoring and modeling services, and information provided by independent credit/financial watch services.
   b. Satisfactory payment criteria with Company may be established by paying all bills rendered, having no disconnections for nonpayment, having no late notices, having no defaulted credit arrangements, having no returned payments, having no meter diversion or theft of service
3. Company may offer residential customers the option of paying all or a portion of their deposits in installments over a period not to exceed the first six (6) normal billing periods. Service may be refused or discontinued for failure to pay and/or maintain the requested deposit.
4. Interest on deposits will be calculated at the rate prescribed by law, from the date of deposit, and will be paid annually either by refund or credit to Customer's bills, except that no refund or credit will be made if Customer's bill is delinquent on the anniversary date of the deposit. If interest is paid or credited to Customer's bill prior to twelve (12) months from the date of deposit, the payment or credit will be on a prorated basis. Upon termination of service, the deposit, any principal amounts, and interest earned and owing will be credited to the final bill, with any remainder refunded to Customer.
5. The General Terms and Conditions regarding Deposits set forth above shall not apply to, and shall be superseded by, the requirements set forth in Section 3 of the Special Terms and Conditions contained in Standard Rate Rider PS-TS-2 (Sheet No. 59.7), Standard Rate Rider PS-FT (Sheet No. 61.2), and the CREDITWORTHINESS section of Rate LGDS (Sheet No. 36.11).

**RESIDENTIAL**

1. Residential customers are those customers served under Residential Gas Service, Sheet No. 5.
2. The deposit for a residential customer is in the amount of $100.00, which is calculated in accordance with 807 KAR5:006, Section 8(1)(d). For combination gas and electric customers, the total deposit will be $260.00.
3. Company shall retain Customer’s deposit for a period not to exceed twelve (12) months, provided Customer has met satisfactory payment and credit criteria.

**Terms and Conditions**
**Deposits**

**RESIDENTIAL** (continued)

4. If a deposit is held longer than eighteen (18) months, the deposit will be recalculated, at Customer’s request, and based on Customer’s actual usage. If the deposit on account differs from the recalculated amount by more than $10.00, Company may collect any underpayment and shall refund any overpayment by check or credit to Customer's bill. No refund will be made if Customer's bill is delinquent at the time of the recalculation.
5. If Customer fails to maintain a satisfactory payment or credit record, or otherwise becomes a new or greater credit risk, as determined by Company in its sole discretion, Company may require a new or additional deposit from Customer.

**OTHER SERVICE**

1. The deposit for all other customers, those not classified herein as residential, shall not exceed 2/12 of Customer's actual or estimated annual bill where bills are rendered monthly in accordance with 807 KAR5:006, Section 8(1)(d).
2. For customers not meeting the parameters of GENERAL ¶ 2, Company may retain Customer’s deposit as long as Customer remains on service.
3. For a deposit held longer than eighteen (18) months, the deposit will be recalculated, at Customer’s request, and based on Customer’s actual usage. If the deposit on account differs from the recalculated amount by more than ten percent (10%), Company may collect any underpayment and shall refund any overpayment by check or credit to Customer's bill. No refund will be made if Customer's bill is delinquent at the time of the recalculation.
4. If Customer fails to maintain a satisfactory payment or credit record, or otherwise becomes a new or greater credit risk, as determined by Company in its sole discretion, Company may require a new or additional deposit from Customer.

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On And After January 4, 2013

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2012-00222 dated December 20, 2012**

**Terms and Conditions**
**Budget Payment Plan**

Company's Budget Payment Plan is available to residential customers and to small commercial customers served under Rates CGS. Small business customers with combined gas and electric services must be served exclusively under General Service Rate GS for their electric service. Under this plan, a customer may elect to pay, each billing period, a budgeted amount in lieu of billings for actual usage. A customer may enroll in the plan at any time.

The budgeted amount will be determined by Company and will be based on one-twelfth of the customer's usage for either an actual or estimated twelve (12) months. The budgeted amount will be subject to review and adjustment by Company at any time during the customer's budget year. If actual usage indicates the customer's account will not be current with the final payment in the customer's budget year, the customer will be required to pay their Budget Payment Plan account to $0 prior to the beginning of the customer's next budget year.

If a customer fails to pay bills as agreed under the Budget Payment Plan, Company reserves the right to remove the customer from the plan, restore the customer to regular billing and require immediate payment of any deficiency. A customer removed from the Budget Payment Plan for non-payment may be prohibited from further participation in the Plan for twelve (12) months.

Failure to receive a bill in no way exempts a customer from the provisions of these terms and conditions.

## Terms and Conditions
## Bill Format

T

Mailed **9/17/18** for Account # **3000-0000-0003**

LG&E
a PPL company

**AMOUNT DUE**
**$65.43**

**DUE DATE**
**10/11/18**

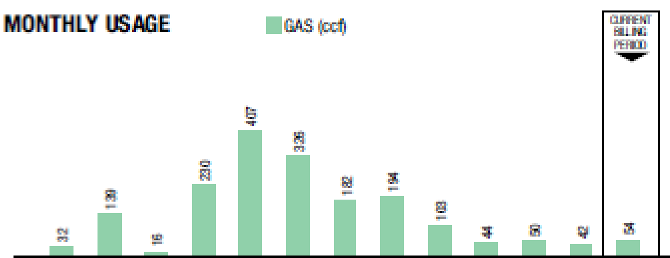
### BILLING SUMMARY

| | |
|---|---|
| Previous Balance | 48.27 |
| Payment(s) Received | -48.27 |
| **Balance as of 9/14/18** | **$0.00** |
| Current Gas Charges | 65.43 |
| **Total Current Charges as of 9/14/18** | **$65.43** |
| **Total Amount Due** | **$65.43** |

| | |
|---|---|
| **Account Name:** | **JANE DOE** |
| **Service Address:** | 220 W Main St<br>LOUISVILLE KY |
| **Online Payments:** | lge-ku.com |
| **Telephone Payments:** | (502) 589-1444, press 1-2-3<br>24 hours a day; $2.00 fee |
| **Customer Service:** | (502) 589-1444<br>M-F, 7am-7pm ET |
| **Walk-in Center:** | 820 W. Broadway<br>Louisville, KY 40202<br>M-F, 8am-5pm ET |

Next read will occur 10/15/18 - 10/17/18 (Meter Read Portion 10)

### MONTHLY USAGE




| | SEP | OCT | NOV | DEC 2017 | JAN 2018 | FEB | MAR | APR | MAY | JUN | JUL | AUG | SEP |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| AVERAGE ▶ | 72° | 73° | 54° | 44° | 32° | 36° | 49° | 48° | 63° | 76° | 81° | 78° | 77° |
| AVERAGE ▶ | 1.39 | 4.48 | 1.00 | 6.57 | 10.43 | 9.29 | 6.36 | 5.06 | 2.88 | 1.58 | 1.84 | 1.46 | 2.18 |

### BILLING PERIOD AT-A-GLANCE

| | THIS YEAR | LAST YEAR |
|---|---|---|
| **Average Temperature** | **77°** | **72°** |
| Number of Days Billed | 30 | 31 |
| **Avg. Gas Charges per Day** | **$2.18** | **$1.39** |
| Avg. Gas Usage per Day (ccf) | 1.80 | 1.03 |

Please return only this portion with your payment. Make checks payable to LG&E and write your account number on your check.

| | |
|---|---|
| Amount Due **10/11/18** | **$65.43** |
| **After Due Date, Pay this Amount:** | **$67.39** |
| **Winterhelp** Donation: | |
| **Total Amount Enclosed:** | **AUTOPAY** |

$65.43 will be deducted from your account on payment due date

Account # **3000-0000-0003**
Service Address: 220 W Main St

#9160900033#

JANE DOE
220 W MAIN ST
LOUISVILLE, KY 40202-1000

LG&E
a PPL company

PO Box 25211
Lehigh Valley, PA 18002-5211

**DATE OF ISSUE:** September 28, 2018

**DATE EFFECTIVE:** Effective with Service Rendered
On And After November 1, 2018

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00295 dated ____**

## Terms and Conditions
## Bill Format

T

Page 2 Account # **3000-0000-0003**

### CURRENT USAGE

**GAS**

| **Meter Reading Information** | **Meter # 600000** |
|---|---|
| Actual (R) ccf Reading on 9/17/18 | 8207 |
| Actual (R) ccf Reading on 8/16/18 | 8153 |
| Current ccf Usage | 54 |
| Meter Multiplier | 1 |
| **Metered ccf Usage** | **54** |

### CURRENT CHARGES

**GAS** **Rate:** Residential Gas Service

| | |
|---|---|
| Basic Service Charge ($0.65 x 30 days) | 19.50 |
| Gas Distribution Charge ($0.39076 x 54 ccf) | 21.10 |
| Gas Supply Component ($0.41446 x 54 ccf) | 22.38 |
| Gas DSM ($0.02404 x 54 ccf) | 1.30 |
| Gas Line Tracker ($0.60 + ($0.00547 x 54 ccf)) | 0.90 |
| Home Energy Assistance Fund Charge | 0.25 |
| **Total Charges** | **$65.43** |

### BILLING INFORMATION

**Late Payment Charge**
Late Charge to be Assessed After Due Date $1.96

**Rate Schedules**
For a copy of your rate schedule, visit lge-ku.com/rates or call our Customer Service Department.

OFFICE USE ONLY:
MRU10811022, G000000
P48.27
PF:Y eB:P



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State Regulation and Rates
Louisville, Kentucky

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# Louisville Gas and Electric Company

P.S.C. Gas No. 12, Original Sheet No. 104.2

## Terms and Conditions
## Bill Format

T

Mailed **9/17/18** for Account # **3000-0000-0002**

| AMOUNT DUE | DUE DATE |
|---|---|
| **$165.87** | **10/11/18** |

a PPL company

**Account Name:** JANE DOE
**Service Address:** 220 W Main St
LOUISVILLE KY

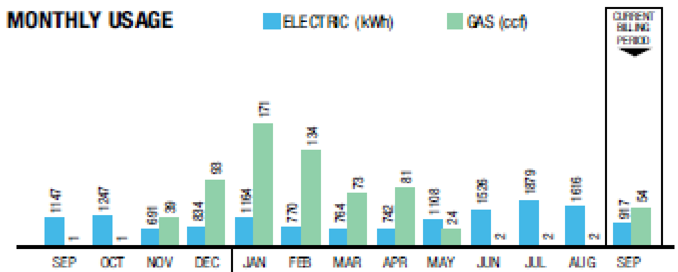
**Online Payments:** lge-ku.com
**Telephone Payments:** (800) 331-7370, press 1-2-3
24 hours a day; $2.00 fee
**Customer Service:** (800) 331-7370
M-F, 7am-7pm ET
**Walk-in Center:** 820 W. Broadway
Louisville, KY 40202
M-F, 8am-5pm ET

Next read will occur 10/15/18 - 10/17/18 (Meter Read Portion 10)

### BILLING SUMMARY

| | |
|---|---|
| Previous Balance | 173.93 |
| Payment(s) Received | -173.93 |
| **Balance as of 9/14/18** | **$0.00** |
| Current Electric Charges | 100.44 |
| Current Gas Charges | 65.43 |
| **Total Current Charges as of 9/14/18** | **$165.87** |
| **Total Amount Due** | **$165.87** |

### MONTHLY USAGE




| AVERAGE | SEP | OCT | NOV | DEC | JAN | FEB | MAR | APR | MAY | JUN | JUL | AUG | SEP |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | 2017 | 2018 | | | | | | | | |
| ▶ | 72° | 73° | 53° | 43° | 31° | 38° | 49° | 47° | 63° | 76° | 80° | 78° | 77° |
| ▶ | 4.18 | 4.04 | 2.77 | 3.13 | 3.81 | 3.31 | 3.01 | 2.93 | 3.46 | 5.00 | 5.77 | 5.35 | 3.35 |
| ▶ | 0.62 | 0.57 | 1.70 | 3.08 | 4.37 | 4.55 | 2.99 | 2.47 | 1.05 | 0.60 | 0.58 | 0.65 | 2.16 |

### BILLING PERIOD AT-A-GLANCE

| | THIS YEAR | LAST YEAR |
|---|---|---|
| **Average Temperature** | **77°** | **72°** |
| Number of Days Billed | 30 | 29 |
| **Avg. Electric Charges per Day** | **$3.35** | **$4.18** |
| **Avg. Gas Charges per Day** | **$2.18** | **$0.62** |
| Avg. Electric Usage per Day (kWh) | 30.57 | 39.55 |
| Avg. Gas Usage per Day (ccf) | 1.80 | 0.03 |

Please return only this portion with your payment. Make checks payable to LG&E and write your account number on your check.

| | |
|---|---|
| Amount Due **10/11/18** | **$165.87** |
| **After Due Date, Pay this Amount:** | **$170.85** |
| **Winterhelp** Donation: | |
| **Total Amount Enclosed:** | |

Account # **3000-0000-0002**
Service Address: 220 W Main St

#916090002 5#

JANE DOE
220 W MAIN ST
LOUISVILLE, KY 40202-1000

a PPL company

PO Box 25211
Lehigh Valley, PA 18002-5211

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**Terms and Conditions**
**Bill Format**

T

Page 2 | Account # **3000-0000-0002**

### CURRENT USAGE

**ELECTRIC**

| **Meter Reading Information** | **Meter # 900000** |
|---|---|
| Actual (R) kWh Reading on 9/14/18 | 37615 |
| Actual (R) kWh Reading on 8/15/18 | 36698 |
| Current kWh Usage | 917 |
| Meter Multiplier | 1 |
| **Metered kWh Usage** | **917** |

**GAS**

| **Meter Reading Information** | **Meter # 700000** |
|---|---|
| Actual (R) ccf Reading on 9/14/18 | 1639 |
| Actual (R) ccf Reading on 8/15/18 | 1585 |
| Current ccf Usage | 54 |
| Meter Multiplier | 1 |
| **Metered ccf Usage** | **54** |

### CURRENT CHARGES

**ELECTRIC** **Rate:** Residential Electric Service

| | |
|---|---|
| Basic Service Charge ($0.53 x 30 days) | 15.90 |
| Energy Charge ($0.09420 x 917 kWh) | 86.38 |
| Electric DSM ($0.00254 x 917 kWh) | 2.33 |
| Electric Fuel Adjustment ($-0.00070 x 917 kWh) | -0.64 |
| Environmental Surcharge (3.640% CR x $103.97) | -3.78 |
| Home Energy Assistance Fund Charge | 0.25 |
| **Total Charges** | **$100.44** |

**GAS** **Rate:** Residential Gas Service

| | |
|---|---|
| Basic Service Charge ($0.65 x 30 days) | 19.50 |
| Gas Distribution Charge ($0.39076 x 54 ccf) | 21.10 |
| Gas Supply Component ($0.41446 x 54 ccf) | 22.38 |
| Gas DSM ($0.02404 x 54 ccf) | 1.30 |
| Gas Line Tracker ($0.60 + ($0.00547 x 54 ccf)) | 0.90 |
| Home Energy Assistance Fund Charge | 0.25 |
| **Total Charges** | **$65.43** |

### BILLING INFORMATION

**Late Payment Charge**
Late Charge to be Assessed After Due Date $4.98

**Rate Schedules**
For a copy of your rate schedule, visit lge-ku.com/rates or call our Customer Service Department.


OFFICE USE ONLY:
MRU10831029, G000000
P173.93
PF:N eB:E

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State Regulation and Rates
Louisville, Kentucky

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**Terms and Conditions**
**Discontinuance of Service**

In accordance with and subject to the rules and regulations of the Kentucky Public Service Commission, Company shall have the right to refuse, or to discontinue, service to an applicant or customer under the following conditions:

1.. When Company's or Commission's rules and regulations have not been complied with. However, service may be discontinued or refused only after Company has made a reasonable effort to induce Customer to comply with its rules and then only after Customer has been given at least 10 days written notice of such intention, mailed or otherwise delivered, including, but not limited to, electronic mail, to Customer's last known address. T

2. When a dangerous condition is found to exist on Customer's or Applicant's premises. In such case service will be discontinued without notice or refused, as the case might be. Company will notify Customer or Applicant immediately of the reason for the discontinuance or refusal and the corrective action to be taken before service can be restored or initiated. T

3. When Customer or Applicant refuses or neglects to provide reasonable access and/or easements to and on Customer's or Applicant's premises for the purposes of installation, operation, meter reading, maintenance, or removal of Company's property. Customer shall be given 15 days written notice (either mailed or otherwise delivered, including, but not limited to, electronic mail), of Company's intention to discontinue or refuse service. T

4. When Applicant is indebted to Company for service furnished. Company may refuse to serve until indebtedness is paid. T

5. When Customer or Applicant does not comply with state, municipal or other codes, rules and regulations applying to such service. T

6. When directed to do so by governmental authority. T

7. Service will not be supplied to any premises if Applicant or Customer is indebted to Company for service previously supplied at the same or any other premises until payment of such indebtedness shall have been made. Service will not be continued to any premises if Applicant or Customer is indebted to Company for service previously supplied at the same premises in accordance with 807 KAR 5:006, Section 15(1)(f). Unpaid balances of previously rendered Final Bills may be transferred to any account for which Customer has responsibility and may be included on initial or subsequent bills for the account to which the transfer was made. Such transferred Final Bills, if unpaid, will be a part of the past due balance of the account to which they are transferred. When there is no lapse in service, such transferred Final Bills will be subject to Company's collections and disconnect procedures in accordance with 807 KAR 5:006, Section 15(1)(f). Final Bills transferred following a T

**Terms and Conditions**
**Discontinuance of Service**

lapse in service will not be subject to disconnection unless: (1) such service was provided pursuant to a fraudulent application submitted by Customer; (2) Customer and Company have entered into a contractual agreement which allows for such a disconnection; or (3) the current account is subsequently disconnected for service supplied at that point of delivery, at which time, all unpaid and past due balances must be paid prior to reconnect. Company shall have the right to transfer Final Bills between residential and commercial with residential characteristics (e.g., service supplying common use facilities of any apartment building) revenue classifications.

Service will not be supplied or continued to any premises if at the time of application for service Applicant is merely acting as an agent of a person or former customer who is indebted to Company for service previously supplied at the same or other premises until payment of such indebtedness shall have been made. Service will not be supplied where Applicant is a partnership or corporation whose general partner or controlling stockholder is a present or former customer who is indebted to Company for service previously supplied at the same premises until payment of such indebtedness shall have been made.

8. For non-payment of bills. Company shall have the right to discontinue service for non-payment of bills after Customer has been given at least ten days written notice separate from Customer's original bill. Cut-off may be effected not less than twenty-seven (27) days after the mailing date of original bills unless, prior to discontinuance, a residential customer presents to Company a written certificate, signed by a physician, registered nurse, or public health officer, that such discontinuance will aggravate an existing illness or infirmity on the affected premises, in which case discontinuance may be effected not less than thirty (30) days from the original date of discontinuance. Company shall notify Customer, in writing, (either mailed or otherwise delivered, including, but not limited to, electronic mail), of state and federal programs which may be available to aid in payment of bills and the office to contact for such possible assistance. T

9. For fraudulent or illegal use of service. When Company discovers evidence that by fraudulent or illegal means Customer has obtained unauthorized service or has diverted the service for unauthorized use or has obtained service without same being properly measured, the service to Customer may be discontinued without notice. Within twenty-four (24) hours after such termination, Company shall send written notification to Customer of the reasons for such discontinuance of service and of the customer's right to challenge the termination by filing a formal complaint with the Kentucky Public Service Commission. Company's right of termination is separate from and in addition to any other legal remedies which the utility may pursue for illegal use or theft of service. Company shall not be required to restore service until Customer has complied with all rules of Company and regulations of the Commission and Company has been reimbursed for the estimated amount of the service rendered, and assessment of the charges under the Unauthorized Reconnect Charge provision of Special Charges incurred by reason of the fraudulent use. T

**Terms and Conditions**
**Discontinuance of Service**

When service has been discontinued for any of the above reasons, Company shall not be responsible for any damage that may result therefrom.

Discontinuance or refusal of service shall be in addition to, and not in lieu of, any other rights or remedies available to Company.

Company may defer written notice (either mailed or otherwise delivered, including, but not limited to, electronic mail), based on Customer's payment history provided Company continues to provide the required ten (10) days written notice prior to discontinuance of service.

**Terms and Conditions**
**Gas Main Extension Rules**

1. Company will extend its gas distribution mains at its own expense for a distance of one hundred (100) feet to each bona-fide applicant who agrees in writing to take service within one (1) year after the extension is completed and who has a suitable Customer's Service Line installed and ready for connection provided the following criteria are met:
   a. The existing main is of sufficient capacity to properly supply the additional customer(s);
   b. The customer(s) contracts to use gas on a continuous basis for one (1) year or more; and,
   c. The potential consumption and revenue will be of such amount and permanence as to warrant the capital expenditures involved to make the investment economically feasible.
2. Company shall provide to Customer requesting permanent service a line extension in excess of one hundred (100) feet per Customer to the extent that the cost of such line extension does not exceed five (5) times the Customer's estimated annual net revenue, where "net revenue" is defined as the customer's total revenue (excluding franchise fees and school taxes) less gas supply costs (i.e., the Gas Supply Cost Component of the Company's rates). In such cases, Company shall require the Customer to provide a guarantee of the estimated annual net revenue not less than five years, after taking into consideration any ramping up of the customer's demand and energy. N N N N N N N N
3. Company will extend its gas mains in excess of the above distance provided the applicant for service advances to Company an amount equal to the estimated cost of such excess portion of the extension. Company shall have the right to determine the length of the extension and to specify the pipe size and location of the extension, as well as the timing of its construction. T
4. Where funds were advanced in accordance with paragraph 3 for extensions into developed residential neighborhoods and notwithstanding paragraph 1, any customer that subsequently connects to the main during a ten-year period from the effective date of the main extension contract shall advance to Company a pro rata share of the cost of the extension over 100 feet per connected customer. T
5. For each new year-round customer connected to an extension in accordance with paragraph 4, Company will refund to the previous applicant(s) who advanced funds an amount equal to the difference between the refundable amount advanced and the amount of the advance so determined for the new applicant. T
6. Company will extend its gas mains to serve a proposed real estate subdivision provided the applicant for such extension advances to Company an amount equal to the estimated cost of the total extension. Company shall have the right to determine the length of the extension and to specify the pipe size and the location of the extension, as well as the timing of its construction. T
7. For each new year-round customer actually connected to the extension within a ten-year period following the effective date of the gas main extension contract, but not to extensions or laterals therefrom, Company will refund to applicant(s) who advanced funds in accordance with paragraph 6 above an amount equal to 100 times the average unit cost per foot of extension advanced by such applicant(s); provided that such refunds shall not exceed, in the aggregate, the amount originally advanced to Company. T T

**DATE OF ISSUE:** September 28, 2018

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**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00295 dated ____**

**Terms and Conditions**
**Gas Main Extension Rules**

8. Company will install at its own expense, subject to paragraph 1 above, a service pipe of suitable capacity extending from its gas main to the gas meter serving Customer, beyond which point all necessary piping shall be installed by and at the expense of Customer. T T T
9. Company will install at its own expense the necessary meter together with the regulator required to convert from medium pressure to service pressure. When a high pressure gas line is tapped to serve a customer or group of customers, Company may charge the customer or customers for the estimated installed cost of the tap, any regulation equipment, piping, and any other equipment or facilities determined by Company, in its sole discretion, to be necessary to provide such service consistent with good operating practice. T
10. In the event Company is required to make a further extension of its mains to serve a customer, Company reserves the right to tap any extension constructed under these rules and to make connections from such additional extensions without application of the refunds referred to in paragraph 5 or 7 above. T
11. The title to all extensions herein provided for, together with all necessary rights-of-way, permits and easements, shall be and remain in Company. T
12. Company shall not be obligated to make service connections or to extend its gas mains in cases where such extensions or connections, in the sole judgment of Company would be infeasible, impractical, or contrary to good operating practice, or where such extensions are not in accordance with the terms of the applicable rate schedule. T
13. A Customer may request the installation of an Excess Flow Valve (EFV) pursuant to Federal Pipeline Hazardous Materials Safety Administration regulation 49 CFR 192.383. All EFV installations requested by Customer shall be at the Customer's sole expense. The Company and Customer shall mutually agree upon the timing of such installation with regard to any necessary permitting that may be required. The Customer requesting the installation of an excess flow valve shall be responsible for the actual total cost of such installation and the Company shall provide Customer with a written estimated cost of such installation prior to performing the installation. A deposit of fifty (50) percent of the estimated cost of installation shall be required prior to the commencement of the installation. The balance of the actual cost of installation shall be due upon completion. T

The Company shall not be required to install an EFV if one or more of the following conditions is present:

a. The service line does not operate at a pressure of 10 psig or greater throughout the year;
b. Company has prior experience with contaminants in the gas stream that could interfere with the excess flow valve's operation or cause loss of service to a customer;
c. The excess flow valve could interfere with necessary maintenance and operation activities;
d. An excess flow valve meeting applicable performance standards is not commercially available; or
e. Gas deliveries on the line exceed 1,000 cubic feet per hour.

**Terms and Conditions**
**Gas Service Restrictions**

By Order dated September 5, 1973, in Case Nos. 5829 and 5839, the Kentucky Public Service Commission authorized Company to incorporate in its gas tariff restrictions on the supply of gas service, occasioned by the inadequacy of gas supplies to meet customer demands. These restrictions have been modified from time to time by tariff filings authorized or approved by the Commission. Uncertainty as to future gas supply makes it necessary that Company continue to exercise control over the addition of gas loads to its system, as set forth in these rules.

1. **GENERAL**. Except as specifically provided in these rules, Company will not (a) initiate service to any new customer, location, or service point; (b) permit any commercial customer (including any governmental agency or institution) or any industrial customer to increase its connected load or to expand its gas requirements in any manner; or (c) permit any customer to change to another rate schedule for the purpose of obtaining a higher priority under Company's Tariff.

2. **NEW CUSTOMERS**. Until further notice, Company will accept applications for gas service to new customers as set forth below. Main extensions will be made in accordance with the Gas Main Extension Rules contained in this Tariff.
   a. **FOR SERVICE UNDER RATES RGS, VFD, CGS, DGGS, IGS, SGSS, and FT**. Single family dwelling units individually metered. Commercial and industrial customers and multi-family residences served through a single meter. Company will have the right to limit the total connected load to a maximum of 8,000 cubic feet per hour, when in Company's judgment such is necessary in order to enable it to continue to supply reliable service to existing customers.
   b. F**OR SERVICE UNDER OTHER RATE SCHEDULES**. Company may undertake to serve new customers with requirements in excess of those allowable under Rates RGS, VFD, CGS, DGGS, IGS, SGSS, and FT when in its judgment actual and potential gas supplies are sufficient to enable it to do so. Company will designate the applicable rate schedule under which such service will be supplied.

3. **INCREASE IN SERVICE TO EXISTING CUSTOMERS**. Until further notice, Company will, upon application, permit increases in the connected gas load or the gas usage of commercial and industrial customers existing as of the effective date of these rules, as follows:
   a. ADDITIONAL SERVICE UNDER RATES RGS, VFD, CGS, DGGS, IGS, SGSS, and FT. Company will permit the addition of connected gas loads under Rates RGS, VFD, CGS, DGGS, IGS, SGSS, and FT. Company will have the right to limit the total connected load to a maximum of 8,000 cubic feet per hour, when in Company's judgment such is necessary in order to enable it to continue to supply reliable service to existing customers.
   b. ADDITIONAL SERVICE UNDER OTHER RATE SCHEDULES. Company may undertake to serve existing customers with additional requirements in excess of those allowable under Rates RGS, VFD, CGS, DGGS, IGS, SGSS, and FT when in its judgment actual and potential gas supplies are sufficient to enable it to do so. Company will designate the applicable rate schedule under which such service will be supplied. T T T T T


**DATE OF ISSUE:** September 28, 2018

**DATE EFFECTIVE:** Effective with Service Rendered
On And After November 1, 2018

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00295 dated ____**

**Terms and Conditions**
**Gas Service Restrictions**

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4. **LOAD ADDITIONS TO BE AGGREGATED**. Limitations on new or additional gas loads as specified herein refer to the aggregate of loads added subsequent to the effective date of these rules, and not to individual increments made from time to time.

5. **VOLUMES OF GAS USAGE**. Daily and monthly volumes of gas usage may be established or increased to reflect additions of connected load or increased usage of connected load existing as of the effective date of these rules. For customers subject to curtailment under Company's Curtailment Rules, Monthly Base Period Volumes will be established or adjusted accordingly.

6. **TRANSFERS BETWEEN LOCATIONS**. Company may permit any customer to transfer his own gas entitlement from one location to another; provided, however, that transfers of service cannot be aggregated so as to exceed the limitations on connected load set forth in Paragraphs 2 and 3 above with respect to Rates RGS, VFD, CGS, DGGS, IGS, SGSS, and FT.

7. **PRIORITY CONSIDERATIONS**. If at any time, Company is required to select among applicants for service as provided for in Paragraphs 2(b) or 3(b) above, it will, to the extent practicable, observe the following priorities in the order named:
   a. Schools, hospitals and similar institutions.
   b. Other commercial establishments.
   c. Industrial process and feedstock uses.
   d. Other industrial applications.

8. **LAPSE OF APPLICATIONS**. If any applicant for new or increased service under these rules is not ready to take such service within twelve (12) months from the date of application, such application shall be void. Any reapplication shall be subject to Company's rules in effect at the time thereof.

9. Applicants may make application for gas service beyond that provided for in these rules, to be initiated at such time as these rules may be terminated or modified so as to enable Company to provide the service applied for. Company will file such applications in the order of receipt and dispose of them as circumstances dictate.

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Louisville, Kentucky

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**Terms and Conditions**
**Curtailment Rules**

These rules are established to govern Company's available supply of gas to sales and transportation customers during periods of shortage or substantial reduction in the gas available to Company. These rules are designed to provide for curtailment or discontinuance of service made necessary by a deficiency in gas supply, capacity, or unforeseen emergency circumstances. These rules are designed to enable Company to continue to supply reliable gas service for residential and other human welfare purposes. These rules shall apply and continue in effect until lawfully modified or superseded under the regulatory jurisdiction of the Kentucky Public Service Commission.

1. **DEFINITIONS** (for purposes of these Rules).

**COMMERCIAL CUSTOMERS**: Customers engaged primarily in the sale of goods or services, including institutions and local, state and Federal governmental agencies, for uses other than those involving manufacturing as further described in Rate CGS.

**HUMAN NEEDS**: Residential and other customers whose facilities are used for residential dwellings on either a permanent or temporary basis or a facility providing critical emergency services (including, but not limited to, apartment buildings, correctional institutions, hospitals, nursing homes, assisted living facilities, hotels, motels, fire department stations, police stations, national guard facilities, and emergency response agency facilities).

**INDUSTRIAL CUSTOMERS**: Customers engaged primarily in a process or processes which create or change raw or unfinished materials into another form or product, including, but not limited to, the generation of electric power as further described in Rate IGS and Rate DGGS.

**SMALL INDUSTRIAL CUSTOMER**: Any industrial customer whose aggregate of twelve Monthly Base Period Volumes is 10,000 Mcf or less.

**LARGE INDUSTRIAL CUSTOMER**: Any industrial customer whose aggregate of twelve Monthly Base Period Volumes exceeds 10,000 Mcf.

**PILOT LIGHT REQUIREMENTS**: Gas used on either a continuous or intermittent basis only for the ignition of the fuel in the main burner; does not include any gas used to preheat or atomize solid or liquid fuels.

**BASE PERIOD**: The twelve (12) months ending on the October 31 preceding the calendar year which is the subject of the implementation of any curtailments hereunder.

**DATE OF ISSUE:** September 28, 2018

**DATE EFFECTIVE:** Effective with Service Rendered
On And After January 4, 2013

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2012-00222 dated December 20, 2012**

**MONTHLY BASE PERIOD VOLUMES**: Monthly volumes assigned to each customer determined from its gas consumption (including sales and transportation volumes) during the Base Period.

**AUTHORIZED MONTHLY VOLUME**: The volume of gas authorized to be taken during a month and determined by deducting from the Monthly Base Period Volume the curtailment amount applicable for the month.

Some customers may have usage falling within more than one (1) of the above categories; as such, these customers may be required to segregate their total usage accordingly.

2. **COMBINATION OF AUTHORIZED MONTHLY VOLUMES**. Subject to a written application by a customer and acceptance thereof by Company, Company may permit any customer served through more than one point of delivery at any location, or any person, corporation or entity served with gas at more than one location, to take gas through the points or at the locations of its choosing, provided that the gas so taken will not exceed the combined Authorized Monthly Volumes applicable to such points of delivery, and provided that only volumes purchased under rate schedules subject to Pro-Rata Curtailment may be so combined. Gas taken through each individual point of delivery will be billed at the rate applicable to such point of delivery.

   The right to combine Authorized Monthly Volumes as herein described is limited to individual customers or individual persons, corporations or entities and such right will not extend to similar combinations between or among unrelated customers. Nor shall such combinations be employed by any customer for the purpose of obtaining a lower overall cost of gas.

   Provided, however, in the case of Industrial Customers provided with sales service under Rate IGS or Special Contracts, which have requested and received approval to combine Authorized Monthly Volumes, Monthly Base Period Volumes for such combined Industrial Customers must aggregate to not less than 10,000 Mcf for a twelve-month period and such combination shall be treated as a Large Industrial Customer for the purpose of implementing either Pro-Rata or Emergency Curtailment.

   For the purpose of assessment of penalties, the point of delivery will be considered on a combined basis, so that the actual combined takes will be measured against combined Authorized Monthly Volumes. It will be the responsibility of any applicant for this treatment to advise Company in writing as to the party or entity to be held accountable for the payment of such penalty.


**DATE OF ISSUE:** September 28, 2018

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On And After January 4, 2013

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2012-00222 dated December 20, 2012**

**Terms and Conditions**
**Curtailment Rules**

3. **PRO-RATA CURTAILMENT**. In order to meet seasonal and daily sendout requirements, to preserve underground storage deliverability, and to provide for adequate and timely underground storage injections, Company will implement pro-rata curtailment with respect to the classes of customers here listed:
   a. All customers served under Rate AAGS.
   b. Large Industrial Customers provided with sales service under Rate IGS, Rate SGSS, or Special Contracts.

   Company will assign Monthly Base Period Volumes to each customer in the above two classes. Except in the case of an Emergency Curtailment, Company will provide as much notice as practicable to each of these customers that curtailment is being implemented. Such notice will include the percentage curtailment applicable to customer's Monthly Base Period Volume and the Authorized Monthly Volume such customer is authorized to take during said billing period.

   Except in the case of Emergency Curtailment, such Pro-Rata Curtailment may only be implemented after Company issues an Operational Flow Order to customers served under Rate FT and takes similar actions applicable to transportation customers served under Special Contracts.

   During each month, Pro-Rata Curtailment will be first applied to Rate AAGS customers until such curtailment reaches 100% of Monthly Base Period Volumes (allowing, however, for continuation of Pilot Light Requirements used in connection with alternate fuels). When Rate AAGS customers are 100% curtailed, any additional curtailment required will be apportioned at a uniform percentage to other customers subject to pro-rata curtailment under this Section 3.

4. **EMERGENCY CURTAILMENT**. In the event of an emergency, Company will initiate the following actions, individually or in combination, in the order necessary as time permits so that service may continue to be supplied for residential and other human health, safety and welfare needs.
   a. Issue Operational Flow Orders to customers served under Rate FT, and take similar actions applicable to transportation customers served under Special Contracts. Customers that fail to comply with Operational Flow Orders will be required to discontinue the use of natural gas. T
   b. Issue Action Alerts to Pool Managers under Rider PS-TS-2 serving customers under Rider TS-2, and take similar actions applicable to transportation customers served under Special Contracts. Customers of Pool Managers that fail to comply with Action Alerts may be required to terminate service under Rider PS-TS-2 and Rider TS-2 and return to firm sales service. T
   c. Discontinue service to customers served under Rate AAGS. T
   d. Implement curtailment of all or a portion of the gas usage by Large Industrial Customers served under either Rate IGS, Rate SGSS, or Special Contracts for gas sales service. T T

**DATE OF ISSUE:** September 28, 2018

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On And After November 1, 2018

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00295 dated ____**

e. Once curtailment in level 4 (above) has reached 100% of usage (excluding Pilot Light Requirements), implement curtailment of all or a portion of gas usage to the remaining Small Industrial and non-human needs commercial use customers. T

f. Company may request that transportation customers served under Rate FT and Special Contracts allow Company's use of customer-owned gas to supply higher priority end-use customers. Company shall negotiate compensation for such gas with any customer that complies with such request. T

g. Once curtailment of customers in level 5 (above) has reached 100% of usage (excluding Pilot Light Requirements), request reduction of gas usage by human needs commercial, residential, and other human needs customers. T

h. Implement forced curtailment of gas usage through the isolation of gas distribution load centers from the gas distribution system network. T

**5. PENALTY CHARGES**. Company may, in its sole discretion, apply a penalty for all gas taken during a period of either Pro-Rata or Emergency Curtailment.

Any customer subject to Pro-Rata curtailment in accordance with Section 3 above, who at the end of a month has taken gas in excess of its Authorized Monthly Volumes (excluding Pilot Light Requirements where applicable) for such month, may, in the sole discretion of Company, be subject to a penalty charge applicable to such excess takes of gas at the rate of $15.00 per Mcf plus the higher of the following: either (a) the highest daily mid-point price posted in "*Platts Gas Daily*" for Texas Gas Zone 1 adjusted for Fuel Retention applicable to deliveries to Zone 4 under Texas Gas Transmission, LLC's Rate NNS plus the Commodity Charge and any surcharges applicable to deliveries to Zone 4 under Texas Gas Transmission, LLC's Rate NNS during each month of the period of curtailment, or (b) the highest daily mid-point price posted in "*Platts Gas Daily*" for Lebanon-Hub adjusted for Fuel Retention applicable to deliveries to Zone 4 under Texas Gas Transmission, LLC's Rate NNS plus the Commodity Charge and any surcharges applicable to deliveries to Zone 4 under Texas Gas Transmission, LLC's Rate NNS during each month of the period of curtailment. Such penalty shall be in addition to the established rate for service.

Any customer subject to Emergency Curtailment in accordance with Section 4 above, who uses quantities of gas in excess of authorized quantities (excluding Pilot Light Requirements where applicable) during a period of such Emergency Curtailment, may, in the sole discretion of Company, be subject to a penalty charge applicable to such unauthorized takes of gas at the rate of $15.00 per Mcf plus the higher of the following: either (a) the highest daily mid-point price posted in "*Platts Gas Daily*" for Texas Gas Zone 1 adjusted for Fuel Retention applicable to deliveries to Zone 4 under Texas Gas Transmission, LLC's Rate NNS plus the Commodity Charge and any surcharges applicable to deliveries to Zone 4 under Texas Gas Transmission, LLC's Rate NNS during each month of the period of curtailment, or (b) the highest daily mid-point price posted in "*Platts Gas Daily*" for Lebanon-Hub adjusted for Fuel Retention applicable to deliveries to Zone 4 under Texas Gas Transmission, LLC's Rate NNS plus the Commodity Charge and any surcharges applicable to deliveries to Zone 4 under T T T T T T T T T T T T

**Terms and Conditions**
**Curtailment Rules**

T
Texas Gas Transmission, LLC's Rate NNS during each month of the period of curtailment. Such penalty shall be in addition to the established rate for service. T
T

The payment of penalty charges for takes of gas in excess of Authorized Monthly Volumes or authorized quantities shall not be considered as giving any customer the right to make unauthorized takes of gas, nor shall such penalty charges be considered as a substitute for any other remedy available to Company.

Company shall return to all customers through Company's Gas Supply Clause any penalty charges collected from customers under this Section 5 net of any penalty charges incurred from Company's supplier(s).

6. **DISCONTINUANCE OF SERVICE.** If any customer subject to curtailment under these rules fails to limit its use of gas as provided for herein, then Company shall have the right to immediately discontinue all gas supply to such customer.

**DATE OF ISSUE:** September 28, 2018

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**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00295 dated ____**

# Special Contracts
# Gas

# Summary of Proposed Charges Under Gas Special Contracts

Intra-Company Sales

| | |
|---|---|
| Sales Rate: | |
| Customer Charge: | $750.00 per month |
| Monthly Demand Charge: | $10.8978 per Mcf |
| Distribution Charge : | $0.2992 per Mcf Delivered |
| Gas Supply Cost Component: | Per Rate IGS |

**Louisville Gas and Electric Company**
**Case No. 2018-00295**
**Forecasted Test Period Filing Requirements**
**(Forecasted Test Period 12ME 4/30/20; Base Period 12ME 12/31/18)**

**Filing Requirement**
**807 KAR 5:001 Section 16(1)(b)(4)**
**Sponsoring Witness: Robert M. Conroy**

## Description of Filing Requirement:

*New or revised tariff sheets, if applicable, identified in compliance with 807 KAR 5:011, shown either by providing: (a) The present and proposed tariffs in comparative form on the same sheet side by side or on facing sheets side by side; or (b) A copy of the present tariff indicating proposed additions by italicized inserts or underscoring and striking over proposed deletions.*

## Response:

See attached present and proposed tariffs in comparative form on the same sheet side-by-side. Please note that on each sheet of the side-by-side comparison the present tariff is on the left and the proposed tariff is on the right.

P.S.C. Electric No. 11
Canceling P.S.C. Electric No.10

**Louisville Gas and Electric Company**
220 West Main Street
Louisville, Kentucky
www.lge-ku.com

Rates, Terms and Conditions for Furnishing

**ELECTRIC SERVICE**

In all territory served as stated on Tariff Sheet No. 1.2 of this Book T

**PUBLIC SERVICE COMMISSION**

**OF KENTUCKY**

**DATE OF ISSUE**: July 7, 2017

**DATE EFFECTIVE:** July 1, 2017

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

P.S.C. Electric No. 12
Canceling P.S.C. Electric No.11

**Louisville Gas and Electric Company**
220 West Main Street
Louisville, Kentucky
www.lge-ku.com

Rates, Terms, and Conditions for Furnishing

**ELECTRIC SERVICE**

In all territory served as stated on Tariff Sheet No. 1.2 of this Book

**PUBLIC SERVICE COMMISSION**

**OF KENTUCKY**

**DATE OF ISSUE**: September 28, 2018

**DATE EFFECTIVE:** With Service Rendered
On and After November 1, 2018

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

## Louisville Gas and Electric Company



**GENERAL INDEX**
**Standard Electric Rate Schedules – Terms and Conditions**



**DATE OF ISSUE:** July 7, 2017

**DATE EFFECTIVE:** July 1, 2017

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

## Louisville Gas and Electric Company



**General Index**
**Rates, Terms, and Conditions** T



**DATE OF ISSUE:** September 28, 2018

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On and After November 1, 2018

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

## Louisville Gas and Electric Company

**P.S.C. Electric No. 11, First Revision of Original Sheet No. 1.1**
**Canceling P.S.C. Electric No. 11, Original Sheet No. 1.1**

**GENERAL INDEX**
**Standard Electric Rate Schedules – Terms and Conditions**



**DATE OF ISSUE:** April 5, 2018

**DATE EFFECTIVE:** April 1, 2018

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the
Public Service Commission in Case No.
2018-00034 dated March 20, 2018 and modified March 28, 2018**

## Louisville Gas and Electric Company

**P.S.C. Electric No. 12, Original Sheet No. 1.1**

**General Index**
**Rates, Terms, and Conditions** T



**DATE OF ISSUE:** September 28, 2018

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State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the
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2018-00295 dated ____**

## Louisville Gas and Electric Company

**P.S.C. Electric No. 11, Original Sheet No. 1.2** N

**GENERAL INDEX**
**Territory Served**

LG&E generates and purchases electricity, and distributes and sells electricity at retail in all or portions of the following counties:

Bullitt
Hardin
Henry
Jefferson
Meade
Oldham
Shelby
Spencer
Trimble

All references hereinafter to “territory served” shall be determined by the Counties listed above.

**DATE OF ISSUE:** July 7, 2017

**DATE EFFECTIVE:** July 1, 2017

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

## Louisville Gas and Electric Company

**P.S.C. Electric No. 12, Original Sheet No. 1.2**

**General Index**
**Territory Served**

LG&E generates and purchases electricity, and distributes and sells electricity at retail in all or portions of the following counties:

Bullitt
Hardin
Henry
Jefferson
Meade
Oldham
Shelby
Spencer
Trimble

All references hereinafter to “territory served” shall be determined by the Counties listed above.

**DATE OF ISSUE:** September 28, 2018

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State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00295 dated ____**

## Louisville Gas and Electric Company

**P.S.C. Electric No. 11, Third Revision of Original Sheet No. 5**
**Canceling P.S.C. Electric No. 11, Second Revision of Original Sheet No. 5**

**Standard Rate** **RS**
**Residential Service**

**APPLICABLE**
In all territory served.

**AVAILABILITY OF SERVICE**
Available for single-phase secondary delivery to single family residential service subject to the terms and conditions on Sheet No. 100 of this Tariff.

**RATE**

| | |
|---|---|
| Basic Service Charge per month: | $12.25 |
| Plus an Energy Charge per kWh: | $ 0.09382 |

**ADJUSTMENT CLAUSES**
The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

| | | |
|---|---|---|
| Fuel Adjustment Clause | Sheet No. 85 | |
| Off-System Sales Adjustment Clause | Sheet No. 88 | |
| Demand-Side Management Cost Recovery Mechanism | Sheet No. 86 | |
| Tax Cuts and Jobs Act Surcredit | Sheet No. 89 | N |
| Environmental Cost Recovery Surcharge | Sheet No. 87 | |
| Franchise Fee Rider | Sheet No. 90 | |
| School Tax | Sheet No. 91 | |
| Home Energy Assistance Program | Sheet No. 92 | |

**MINIMUM CHARGE**
The Basic Service Charge shall be the minimum charge.

**DUE DATE OF BILL**
Customer's payment will be due within sixteen (16) business days (no less than twenty-two (22) calendar days) from the date of the bill.

**LATE PAYMENT CHARGE**
If full payment is not received by the due date of the bill, a 3% late payment charge will be assessed on the current month's charges. Beginning October 1, 2010, residential customers who receive a pledge for or notice of low income energy assistance from an authorized agency will not be assessed or required to pay a late payment charge for the bill for which the pledge or notice is received, nor will they be assessed or required to pay a late payment charge in any of the eleven (11) months following receipt of such pledge or notice.

**TERMS AND CONDITIONS**
Service will be furnished under Company's Terms and Conditions applicable hereto.

**DATE OF ISSUE**: April 5, 2018

**DATE EFFECTIVE:** April 1, 2018

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the**
**Public Service Commission in Case No.**
**2018-00034 dated March 20, 2018 and modified March 28, 2018**

## Louisville Gas and Electric Company

**P.S.C. Electric No. 12, Original Sheet No. 5**

**Standard Rate** **RS**
**Residential Service**

**APPLICABLE**
In all territory served.

**AVAILABILITY** T
Available for single-phase secondary delivery to single family residential service subject to the terms and conditions on Sheet No. 100 of this Tariff.

**RATE**

| | | | | |
|---|---|---|---|---|
| Basic Service Charge per day: | $0.53 | | | T/I |
| Plus an Energy Charge per kWh: | Infrastructure | Variable | Total | N |
| | $0.06214 | $0.03206 | $0.09420 | N/I |

**ADJUSTMENT CLAUSES**
The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

| | | |
|---|---|---|
| Demand-Side Management Cost Recovery Mechanism | Sheet No. 86 | T |
| Fuel Adjustment Clause | Sheet No. 85 | T |
| Off-System Sales Adjustment Clause | Sheet No. 88 | T |
| Environmental Cost Recovery Surcharge | Sheet No. 87 | D/T |
| Home Energy Assistance Program | Sheet No. 92 | T |
| Franchise Fee | Sheet No. 90 | T |
| School Tax | Sheet No. 91 | T |

**MINIMUM CHARGE**
The Basic Service Charge shall be the minimum charge.

**DUE DATE OF BILL**
Customer's payment will be due within sixteen (16) business days (no less than twenty-two (22) calendar days) from the date of the bill.

**LATE PAYMENT CHARGE**
If full payment is not received by the due date of the bill, a 3% late payment charge will be assessed on the current month's charges. Residential Customers who receive a pledge for or notice of low income energy assistance from an authorized agency will not be assessed or required to pay a late payment charge for the bill for which the pledge or notice is received, nor will they be assessed or required to pay a late payment charge in any of the eleven (11) months following receipt of such pledge or notice. T

Beginning May 1, 2019, Residential Service Customers in good standing by not having been assessed a Late Payment Charge for the previous eleven (11) months have the option of waiving one (1) late payment charge upon request. This option may only be used once every twelve (12) months as long as the Customer remains in good standing. N N N N

**TERMS AND CONDITIONS**
Service will be furnished under Company's Terms and Conditions applicable hereto.

**DATE OF ISSUE**: September 28, 2018

**DATE EFFECTIVE:** With Service Rendered
On and After November 1, 2018

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the**
**Public Service Commission in Case No.**
**2018-00295 dated ____**

## Louisville Gas and Electric Company

**P.S.C. Electric No. 11, Third Revision of Original Sheet No. 6**
**Canceling P.S.C. Electric No. 11, Second Revision of Original Sheet No. 6**

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

**APPLICABLE**
In the territory served.

**AVAILABILITY OF SERVICE**
RTOD-Energy shall be available as an option to customers otherwise served under rate schedule RS.

1) Service under this rate schedule is limited to a maximum of five hundred (500) customers taking service on RTOD-Energy and RTOD-Demand combined that are eligible for Rate RS. Company will accept customers on a first-come-first-served basis.
2) This service is also available to customers on rate schedule GS (where the GS service is used in conjunction with an RS service to provide service to a detached garage and energy usage is no more than 300 kWh per month) who demonstrate power delivered to such detached garage is consumed, in part, for the powering of low emission vehicles licensed for operation on public streets or highways. Such vehicles include:
   a) battery electric vehicles or plug-in hybrid electric vehicles recharged through a charging outlet at Customer's premises,
   b) natural gas vehicles refueled through an electric-powered refueling appliance at Customer's premises.
3) A customer electing to take service under this rate schedule who subsequently elects to take service under the standard Rate RS may not be allowed to return to this optional rate for 12 months from the date of exiting this rate schedule.

**RATE**

| | |
|---|---|
| Basic Service Charge per month: | $12.25 |
| Plus an Energy Charge per kWh: | |
| Off-Peak Hours: | $ 0.06882 |
| On-Peak Hours: | $ 0.23483 |

**ADJUSTMENT CLAUSES**
The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

| | | |
|---|---|---|
| Fuel Adjustment Clause | Sheet No. 85 | |
| Off-System Sales Adjustment Clause | Sheet No. 88 | |
| Demand Side Management Cost Recovery Mechanism | Sheet No. 86 | |
| Tax Cuts and Jobs Act Surcredit | Sheet No. 89 | N |
| Environmental Cost Recovery Surcharge | Sheet No. 87 | |
| Franchise Fee Rider | Sheet No. 90 | |
| School Tax | Sheet No. 91 | |
| Home Energy Assistance Program | Sheet No. 92 | |

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State Regulation and Rates
Louisville, Kentucky

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**2018-00034 dated March 20, 2018 and modified March 28, 2018**

## Louisville Gas and Electric Company

**P.S.C. Electric No. 12, Original Sheet No. 6**

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

**APPLICABLE**
In the territory served.

**AVAILABILITY** T
Available as an option to Customers otherwise served under Rate RS. T

1. Service under this rate schedule is limited to a maximum of five hundred (500) Customers taking service on Rates RTOD-Energy and RTOD-Demand combined that are eligible for Rate RS. Company will accept Customers on a first-come-first-served basis. T
2. This service is also available to Customers on Rate GS (where the Rate GS service is used in conjunction with a Rate RS service to provide service to a detached garage and energy usage is no more than 300 kWh per month) who demonstrate power delivered to such detached garage is consumed, in part, for the powering of low emission vehicles licensed for operation on public streets or highways. Such vehicles include: T T
   a) battery electric vehicles or plug-in hybrid electric vehicles recharged through a charging outlet at Customer's premises,
   b) natural gas vehicles refueled through an electric-powered refueling appliance at Customer's premises.
3. A Customer electing to take service under this rate schedule who subsequently elects to take service under Rate RS may not be allowed to return to this optional rate for twelve (12) months from the date of exiting this rate schedule. T

**RATE**

| | | | | |
|---|---|---|---|---|
| Basic Service Charge per day: | $0.53 | | | T/I |
| Plus an Energy Charge per kWh: | Infrastructure | Variable | Total | N |
| Off-Peak Hours: | $0.03676 | $0.03206 | $0.06882 | N |
| On-Peak Hours: | $0.20852 | $0.03206 | $0.24058 | N/I |

**ADJUSTMENT CLAUSES**
The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

| | | |
|---|---|---|
| Demand Side Management Cost Recovery Mechanism | Sheet No. 86 | T |
| Fuel Adjustment Clause | Sheet No. 85 | T |
| Off-System Sales Adjustment Clause | Sheet No. 88 | T |
| Environmental Cost Recovery Surcharge | Sheet No. 87 | D/T |
| Home Energy Assistance Program | Sheet No. 92 | T |
| Franchise Fee | Sheet No. 90 | T |
| School Tax | Sheet No. 91 | T |

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State Regulation and Rates
Louisville, Kentucky

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**2018-00295 dated ____**

## Louisville Gas and Electric Company

P.S.C. Electric No. 11, Original Sheet No. 6.1

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

**DETERMINATION OF PRICING PERIODS**

Pricing periods are established in Eastern Standard Time year round by season for weekdays and weekends. The hours of the pricing periods for the price levels are as follows:

Summer Months of April through October

| | Off-Peak | On-Peak |
|---|---|---|
| Weekdays | 5 PM - 1 PM | 1 PM - 5 PM |
| Weekends | All Hours | |

All Other Months of November continuously through March

| | Off-Peak | On-Peak | |
|---|---|---|---|
| | | | T |
| Weekdays | 11 AM - 7 AM | 7 AM - 11 AM | |
| Weekends | All Hours | | |

**MINIMUM CHARGE**

The Basic Service Charge shall be the minimum charge.

**DUE DATE OF BILL**

Customer's payment will be due within sixteen (16) business days (no less than twenty-two (22) calendar days) from the date of the bill.

**LATE PAYMENT CHARGE**

If full payment is not received by the due date of the bill, a 3% late payment charge will be assessed on the current month's charges.

**TERMS AND CONDITIONS**

Service will be furnished under Company's Terms and Conditions applicable hereto. Customers served under this optional residential rate will not be eligible for Company's Budget Payment Plan. Company shall install metering equipment capable of accommodating the Time of Use rate described herein.

**DATE OF ISSUE**: July 7, 2017

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**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2016-00371 dated June 22, 2017 and modified June 29, 2017**

## Louisville Gas and Electric Company

P.S.C. Electric No. 12, Original Sheet No. 6.1

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

**RATING PERIODS** T

The rating periods are established in Eastern Standard Time year-round by season for weekdays T
and weekends throughout Company's service territory, and shall be as follows: T

Summer Months of April through October

| | Off-Peak | On-Peak |
|---|---|---|
| Weekdays | 5 PM - 1 PM | 1 PM - 5 PM |
| Weekends | All Hours | |

All Other Months of November continuously through March

| | Off-Peak | On-Peak |
|---|---|---|
| Weekdays | 11 AM - 7 AM | 7 AM - 11 AM |
| Weekends | All Hours | |

If a legal holiday falls on a weekday, it will be considered a weekday. N

**MINIMUM CHARGE**

The Basic Service Charge shall be the Minimum Charge.

**DUE DATE OF BILL**

Customer's payment will be due within sixteen (16) business days (no less than twenty-two (22) calendar days) from the date of the bill.

**LATE PAYMENT CHARGE**

If full payment is not received by the due date of the bill, a 3% late payment charge will be assessed on the current month's charges.

Beginning May 1, 2019, RTOD-Energy Customers in good standing by not having been assessed N
a Late Payment Charge for the previous eleven (11) months have the option of waiving one (1) N
late payment charge upon request. This option may only be used once every twelve (12) months N
as long as the Customer remains in good standing. N

**TERMS AND CONDITIONS**

Service will be furnished under Company's Terms and Conditions applicable hereto. Customers served under this optional residential rate will not be eligible for Company's Budget Payment Plan. Company shall install metering equipment capable of accommodating the Time of Use rate described herein.

**DATE OF ISSUE**: September 28, 2018

**DATE EFFECTIVE:** With Service Rendered
On and After November 1, 2018

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00295 dated ____**

## Louisville Gas and Electric Company

**P.S.C. Electric No. 11, Third Revision of Original Sheet No. 7**
**Canceling P.S.C. Electric No. 11, Second Revision of Original Sheet No. 7**

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

**APPLICABLE**
In the territory served.

**AVAILABILITY OF SERVICE**
RTOD-Demand shall be available as an option to customers otherwise served under rate schedule RS.

1) Service under this rate schedule is limited to a maximum of five hundred (500) customers taking service on RTOD-Demand and RTOD-Energy combined that are eligible for Rate RS. Company will accept customers on a first-come-first-served basis.
2) This service is also available to customers on rate schedule GS (where the GS service is used in conjunction with an RS service to provide service to a detached garage and energy usage is no more than 300 kWh per month) who demonstrate power delivered to such detached garage is consumed, in part, for the powering of low emission vehicles licensed for operation on public streets or highways. Such vehicles include:
   a) battery electric vehicles or plug-in hybrid electric vehicles recharged through a charging outlet at Customer's premises,
   b) natural gas vehicles refueled through an electric-powered refueling appliance at Customer's premises.
3) A customer electing to take service under this rate schedule who subsequently elects to take service under the standard Rate RS may not be allowed to return to this optional rate for 12 months from the date of exiting this rate schedule.

**RATE**

| | |
|---|---|
| Basic Service Charge per month: | $12.25 |
| Plus an Energy Charge per kWh: | $ 0.05183 |
| Plus a Demand Charge per kW: | |
| Base Hours: | $ 3.51 |
| Peak Hours: | $ 7.68 |

**ADJUSTMENT CLAUSES**
The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

| | | |
|---|---|---|
| Fuel Adjustment Clause | Sheet No. 85 | |
| Off-System Sales Adjustment Clause | Sheet No. 88 | |
| Demand Side Management Cost Recovery Mechanism | Sheet No. 86 | |
| Tax Cuts and Jobs Act Surcredit | Sheet No. 89 | N |
| Environmental Cost Recovery Surcharge | Sheet No. 87 | |
| Franchise Fee Rider | Sheet No. 90 | |
| School Tax | Sheet No. 91 | |
| Home Energy Assistance Program | Sheet No. 92 | |

**DATE OF ISSUE**: April 5, 2018

**DATE EFFECTIVE:** April 1, 2018

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00034 dated March 20, 2018 and modified March 28, 2018**

## Louisville Gas and Electric Company

**P.S.C. Electric No. 12, Original Sheet No. 7**

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

**APPLICABLE**
In the territory served.

**AVAILABILITY** T
Available as an option to customers otherwise served under Rate RS. T

1. Service under this rate schedule is limited to a maximum of five hundred (500) Customers taking service on Rates RTOD-Demand and RTOD-Energy combined that are eligible for Rate RS. Company will accept Customers on a first-come-first-served basis. T
2. This service is also available to Customers on Standard Rate GS (where the Rate GS service is used in conjunction with a Rate RS service to provide service to a detached garage and energy usage is no more than 300 kWh per month) who demonstrate power delivered to such detached garage is consumed, in part, for the powering of low emission vehicles licensed for operation on public streets or highways. Such vehicles include: T T
   a. battery electric vehicles or plug-in hybrid electric vehicles recharged through a charging outlet at Customer's premises,
   b. natural gas vehicles refueled through an electric-powered refueling appliance at Customer's premises.
3. A Customer electing to take service under this rate schedule who subsequently elects to take service under Rate RS may not be allowed to return to this optional rate for twelve (12) months from the date of exiting this rate schedule. T

**RATE**

| | | | | |
|---|---|---|---|---|
| Basic Service Charge per day: | $0.53 | | | T/I |
| Plus an Energy Charge per kWh: | Infrastructure | Variable | Total | N |
| | $0.01977 | $0.03206 | $0.05183 | N |
| Plus a Demand Charge per kW: | | | | |
| Base Hours: | $ 3.48 | | | R |
| Peak Hours: | $ 7.62 | | | R |

**ADJUSTMENT CLAUSES**
The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

| | | |
|---|---|---|
| Demand Side Management Cost Recovery Mechanism | Sheet No. 86 | T |
| Fuel Adjustment Clause | Sheet No. 85 | T |
| Off-System Sales Adjustment Clause | Sheet No. 88 | T |
| Environmental Cost Recovery Surcharge | Sheet No. 87 | D/T |
| Home Energy Assistance Program | Sheet No. 92 | T |
| Franchise Fee | Sheet No. 90 | T |
| School Tax | Sheet No. 91 | T |

**DATE OF ISSUE**: September 28, 2018

**DATE EFFECTIVE:** With Service Rendered
On and After November 1, 2018

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00295 dated ____**

## Louisville Gas and Electric Company

P.S.C. Electric No. 11, Original Sheet No. 7.1

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

**DETERMINATION OF PRICING PERIODS**

Pricing periods are established in Eastern Standard Time year round by season for weekdays and weekends. The hours of the pricing periods for the price levels are as follows:

Summer Months of April through October

| | Base | Peak | |
|---|---|---|---|
| | | | T |
| Weekdays | All Hours | 1 PM - 5 PM | T |
| Weekends | All Hours | | |

All Other Months of November continuously through March

| | Base | Peak | |
|---|---|---|---|
| | | | T |
| Weekdays | All Hours | 7 AM - 11 AM | T |
| Weekends | All Hours | | |

**MINIMUM CHARGE**

The Basic Service Charge shall be the minimum charge.

**DETERMINATION OF MAXIMUM LOAD**

The load will be measured and will be the average kW demand delivered to the customer during the 15-minute period of maximum use during the month.

**DUE DATE OF BILL**

Customer's payment will be due within sixteen (16) business days (no less than twenty-two (22) calendar days) from the date of the bill.

**LATE PAYMENT CHARGE**

If full payment is not received by the due date of the bill, a 3% late payment charge will be assessed on the current month's charges.

**TERMS AND CONDITIONS**

Service will be furnished under Company's Terms and Conditions applicable hereto. Customers served under this optional residential rate will not be eligible for Company's Budget Payment Plan. Company shall install metering equipment capable of accommodating the Time of Use rate described herein.

**DATE OF ISSUE**: July 7, 2017

**DATE EFFECTIVE:** July 1, 2017

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2016-00371 dated June 22, 2017 and modified June 29, 2017**

## Louisville Gas and Electric Company

P.S.C. Electric No. 12, Original Sheet No. 7.1

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

**RATING PERIODS** T

The rating periods are established in Eastern Standard Time year-round by season for weekdays T
and weekends throughout Company's service territory, and shall be as follows: T

Summer Months of April through October

| | Base | Peak |
|---|---|---|
| Weekdays | All Hours | 1 PM - 5 PM |
| Weekends | All Hours | |

All Other Months of November continuously through March

| | Base | Peak |
|---|---|---|
| Weekdays | All Hours | 7 AM - 11 AM |
| Weekends | All Hours | |

If a legal holiday falls on a weekday, it will be considered a weekday. N

**MINIMUM CHARGE**

The Basic Service Charge shall be the minimum charge.

**DETERMINATION OF MAXIMUM LOAD**

The load will be measured and will be the average kW demand delivered to the Customer during the 15-minute period of maximum use during the month.

**DUE DATE OF BILL**

Customer's payment will be due within sixteen (16) business days (no less than twenty-two (22) calendar days) from the date of the bill.

**LATE PAYMENT CHARGE**

If full payment is not received by the due date of the bill, a 3% late payment charge will be assessed on the current month's charges.

Beginning May 1, 2019, RTOD-Demand Customers in good standing by not having been N
assessed a Late Payment Charge for the previous eleven (11) months have the option of waiving N
one (1) late payment charge upon request. This option may only be used once every twelve (12) N
months as long as the Customer remains in good standing. N

**TERMS AND CONDITIONS**

Service will be furnished under Company's Terms and Conditions applicable hereto. Customers served under this optional residential rate will not be eligible for Company's Budget Payment Plan. Company shall install metering equipment capable of accommodating the Time of Use rate described herein.

**DATE OF ISSUE**: September 28, 2018

**DATE EFFECTIVE:** With Service Rendered
On and After November 1, 2018

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00295 dated ____**

## Louisville Gas and Electric Company

**P.S.C. Electric No. 11, Third Revision of Original Sheet No. 9**
**Canceling P.S.C. Electric No. 11, Second Revision of Original Sheet No. 9**

**Standard Rate** **VFD**
**Volunteer Fire Department Service**

**APPLICABLE**
In all territory served.

**AVAILABILITY OF SERVICE**
Available for single-phase delivery, in accordance with the provisions of KRS 278.172, to any volunteer fire department qualifying for aid under KRS 95A.262. Service under this rate schedule is at the option of the customer with the customer determining whether service will be provided under this schedule or any other schedule applicable to this load.

**DEFINITION**
To be eligible for this rate a volunteer fire department is defined as:
1) having at least 12 members and a chief;
2) having at least one firefighting apparatus; and
3) half the members must be volunteers.

**RATE**

| | |
|---|---|
| Basic Service Charge per month: | $12.25 |
| Plus an Energy Charge per kWh: | $ 0.09382 |

**ADJUSTMENT CLAUSES**
The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

| | | |
|---|---|---|
| Fuel Adjustment Clause | Sheet No. 85 | |
| Off-System Sales Adjustment Clause | Sheet No. 88 | |
| Demand-Side Management Cost Recovery Mechanism | Sheet No. 86 | |
| Tax Cuts and Jobs Act Surcredit | Sheet No. 89 | N |
| Environmental Cost Recovery Surcharge | Sheet No. 87 | |
| Franchise Fee Rider | Sheet No. 90 | |
| School Tax | Sheet No. 91 | |

**MINIMUM CHARGE**
The Basic Service Charge shall be the minimum charge.

**DUE DATE OF BILL**
Customer's payment will be due within sixteen (16) business days (no less than twenty-two (22) calendar days) from the date of the bill.

**LATE PAYMENT CHARGE**
If full payment is not received by the due date of the bill, a 3% late payment charge will be assessed on the current month's charges.

**TERMS AND CONDITIONS**
Service will be furnished under Company's Terms and Conditions applicable hereto.

**DATE OF ISSUE**: April 5, 2018

**DATE EFFECTIVE:** April 1, 2018

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00034 dated March 20, 2018 and modified March 28, 2018**

## Louisville Gas and Electric Company

**P.S.C. Electric No. 12, Original Sheet No. 9**

**Standard Rate** **VFD**
**Volunteer Fire Department Service**

**APPLICABLE**
In all territory served.

**AVAILABILITY** T
Available for single-phase delivery, in accordance with the provisions of KRS 278.172, to any volunteer fire department qualifying for aid under KRS 95A.262. Service under this rate schedule is at the option of Customer with Customer determining whether service will be provided under this schedule or any other schedule applicable to this load. T

**DEFINITION**
To be eligible for this rate a volunteer fire department is defined as:
1) having at least 12 members and a chief;
2) having at least one firefighting apparatus; and
3) half the members must be volunteers.

**RATE**

| | | | | |
|---|---|---|---|---|
| Basic Service Charge per day: | $0.53 | | | T/I |
| Plus an Energy Charge per kWh: | Infrastructure | Variable | Total | N |
| | $0.06214 | $0.03206 | $0.09420 | N/I |

**ADJUSTMENT CLAUSES**
The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

| | | |
|---|---|---|
| Demand-Side Management Cost Recovery Mechanism | Sheet No. 86 | T |
| Fuel Adjustment Clause | Sheet No. 85 | T |
| Off-System Sales Adjustment Clause | Sheet No. 88 | T |
| Environmental Cost Recovery Surcharge | Sheet No. 87 | D/T |
| Franchise Fee | Sheet No. 90 | T |
| School Tax | Sheet No. 91 | |

**MINIMUM CHARGE**
The Basic Service Charge shall be the minimum charge.

**DUE DATE OF BILL**
Customer's payment will be due within sixteen (16) business days (no less than twenty-two (22) calendar days) from the date of the bill.

**LATE PAYMENT CHARGE**
If full payment is not received by the due date of the bill, a 3% late payment charge will be assessed on the current month's charges.

**TERMS AND CONDITIONS**
Service will be furnished under Company's Terms and Conditions applicable hereto.

**DATE OF ISSUE**: September 28, 2018

**DATE EFFECTIVE:** With Service Rendered
On and After November 1, 2018

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00295 dated ____**

## Louisville Gas and Electric Company

**P.S.C. Electric No. 11, Third Revision of Original Sheet No. 10**
**Canceling P.S.C. Electric No. 11, Second Revision of Original Sheet No. 10**

**Standard Rate** **GS**
**General Service Rate**

**APPLICABLE**
In all territory served.

**AVAILABILITY OF SERVICE**
To general lighting and small power loads for secondary service.

Service under this schedule will be limited to customers whose 12-month-average monthly maximum loads do not exceed 50 kW. Existing customers with 12-month-average maximum monthly loads exceeding 50 kW who are receiving service under P.S.C. Electric No. 6, Fourth Revision of Original Sheet No. 10 as of February 6, 2009, will continue to be served under this rate at their option. If Customer is taking service under this rate schedule and subsequently elects to take service under another rate schedule, Customer may not again take service under this rate schedule unless and until Customer meets the Availability requirements that would apply to a new customer.

**RATE**

| | |
|---|---|
| Basic Service Charge per month: | $31.50 single-phase service |
| | $50.40 three-phase service |
| Plus an Energy Charge per kWh: | $ 0.10297 |

**ADJUSTMENT CLAUSES**
The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

| | | |
|---|---|---|
| Fuel Adjustment Clause | Sheet No. 85 | |
| Off-System Sales Adjustment Clause | Sheet No. 88 | |
| Demand-Side Management Cost Recovery Mechanism | Sheet No. 86 | |
| Tax Cuts and Jobs Act Surcredit | Sheet No. 89 | N |
| Environmental Cost Recovery Surcharge | Sheet No. 87 | |
| Franchise Fee Rider | Sheet No. 90 | |
| School Tax | Sheet No. 91 | |

**DETERMINATION OF LOAD**
Service hereunder will be metered except when, by mutual agreement of Company and Customer, an unmetered installation will be more satisfactory from the standpoint of both parties. In the case of unmetered service, billing will be based on a calculated consumption taking into account the types of equipment served.

**DATE OF ISSUE**: April 5, 2018

**DATE EFFECTIVE:** April 1, 2018

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the**
**Public Service Commission in Case No.**
**2018-00034 dated March 20, 2018 and modified March 28, 2018**

## Louisville Gas and Electric Company

**P.S.C. Electric No. 12, Original Sheet No. 10**

**Standard Rate** **GS**
**General Service**

**APPLICABLE**
In all territory served.

**AVAILABILITY** T
To general lighting and small power loads for secondary service.

Service under this schedule will be limited to Customers whose twelve (12)-month-average monthly maximum loads do not exceed 50 kW. Existing Customers with twelve (12)-month-average maximum monthly loads exceeding 50 kW who are receiving service under P.S.C. Electric No. 6, Fourth Revision of Original Sheet No. 10 as of February 6, 2009, will continue to be served under this rate at their option. If Customer is taking service under this rate schedule and subsequently elects to take service under another rate schedule, Customer may not again take service under this rate schedule unless and until Customer meets the Availability requirements that would apply to a new Customer. T T

**RATE**

| | | | | |
|---|---|---|---|---|
| Basic Service Charge per day: | $1.04 single-phase service | | | T/I |
| | $1.66 three-phase service | | | T/I |
| Plus an Energy Charge per kWh: | Infrastructure | Variable | Total | N |
| | $0.07354 | $0.03283 | $0.10637 | N/I |

**ADJUSTMENT CLAUSES**
The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

| | | |
|---|---|---|
| Demand-Side Management Cost Recovery Mechanism | Sheet No. 86 | T |
| Fuel Adjustment Clause | Sheet No. 85 | T |
| Off-System Sales Adjustment Clause | Sheet No. 88 | T |
| Environmental Cost Recovery Surcharge | Sheet No. 87 | D/T |
| Franchise Fee | Sheet No. 90 | T |
| School Tax | Sheet No. 91 | |

**DETERMINATION OF LOAD**
Service hereunder will be metered except when, by mutual agreement of Company and Customer, an unmetered installation will be more satisfactory from the standpoint of both parties. In the case of unmetered service, billing will be based on a calculated consumption taking into account the types of equipment served.

**DATE OF ISSUE**: September 28, 2018

**DATE EFFECTIVE:** With Service Rendered
On and After November 1, 2018

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the**
**Public Service Commission in Case No.**
**2018-00295 dated ____**

## Louisville Gas and Electric Company

**P.S.C. Electric No. 11, Original Sheet No. 10.1**

**Standard Rate** **GS**
**General Service Rate**

**DETERMINATION OF MAXIMUM LOAD** T

If Company determines based on Customer's usage history that Customer may be exceeding the maximum load permitted under Rate GS, Company may, at its discretion, equip Customer with a meter capable of measuring demand to determine Customer's continuing eligibility for Rate GS. If Customer is equipped with a demand-measuring meter, Customer's load will be measured and will be the average kW demand delivered to the customer during the 15-minute period of maximum use during the month.

**MINIMUM CHARGE**

The Basic Service Charge shall be the Minimum Charge.

**DUE DATE OF BILL**

Customer's payment will be due within sixteen (16) business days (no less than twenty-two (22) calendar days) from the date of the bill.

**LATE PAYMENT CHARGE**

If full payment is not received by the due date of the bill, a 3% late payment charge will be assessed on the current month's charges.

**TERMS AND CONDITIONS**

Service will be furnished under Company's Terms and Conditions applicable hereto.

**DATE OF ISSUE**: July 7, 2017

**DATE EFFECTIVE:** July 1, 2017

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the
Public Service Commission in Case No.
2016-00371 dated June 22, 2017 and modified June 29, 2017**

## Louisville Gas and Electric Company

**P.S.C. Electric No. 12, Original Sheet No. 10.1**

**Standard Rate** **GS**
**General Service**

**DETERMINATION OF MAXIMUM LOAD**

If Company determines based on Customer's usage history that Customer may be exceeding the maximum load permitted under Rate GS, Company may, at its discretion, equip Customer with a meter capable of measuring demand to determine Customer's continuing eligibility for Rate GS. If Customer is equipped with a demand-measuring meter, Customer's load will be measured and will be the average kW demand delivered to Customer during the 15-minute period of maximum use T during the month.

**MINIMUM CHARGE**

The Basic Service Charge shall be the Minimum Charge.

**DUE DATE OF BILL**

Customer's payment will be due within sixteen (16) business days (no less than twenty-two (22) calendar days) from the date of the bill.

**LATE PAYMENT CHARGE**

If full payment is not received by the due date of the bill, a 3% late payment charge will be assessed on the current month's charges.

**TERMS AND CONDITIONS**

Service will be furnished under Company's Terms and Conditions applicable hereto.

**DATE OF ISSUE**: September 28, 2018

**DATE EFFECTIVE:** With Service Rendered
On and After November 1, 2018

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the
Public Service Commission in Case No.
2018-00295 dated ____**

## Louisville Gas and Electric Company

**P.S.C. Electric No. 11, Second Revision of Original Sheet No. 15**
**Canceling P.S.C. Electric No. 11, First Revision of Original Sheet No. 15**

**Standard Rate** **PS**
**Power Service Rate**

**APPLICABLE**
In all territory served.

**AVAILABILITY OF SERVICE**
This rate schedule is available for secondary or primary service.

Service under this schedule will be limited to customers whose 12-month-average monthly minimum secondary loads exceed 50 kW and whose 12-month-average monthly maximum loads do not exceed 250 kW. Secondary or primary customers receiving service under P.S.C. of Ky. Electric No. 6, Fourth Revision of Original Sheet No. 15, Large Commercial Rate LC, and Fourth Revision of Original Sheet No. 25, Large Power Industrial Rate LP, as of February 6, 2009, with loads not meeting these criteria will continue to be served under this rate at their option. If Customer is taking service under this rate schedule and subsequently elects to take service under another rate schedule, Customer may not again take service under this rate schedule unless and until Customer meets the Availability requirements that would apply to a new customer.

**RATE**

| | Secondary | Primary | |
|---|---|---|---|
| Basic Service Charge per month: | $90.00 | $240.00 | |
| Plus an Energy Charge per kWh: | $ 0.03756 | $ 0.03609 | |
| Plus a Demand Charge per kW: | | | |
| Summer Rate: | | | |
| (Five Billing Periods of May through September) | $22.04 | $19.38 | I |
| Winter Rate: | | | |
| (All other months) | $19.39 | $16.86 | I |

Where the monthly billing demand is the greater of:
a) the maximum measured load in the current billing period but not less than 50 kW for secondary service or 25 kW for primary service, or
b) a minimum of 50% of the highest measured load in the preceding eleven (11) monthly billing periods, or
c) if applicable, a minimum of 60% of the contract capacity based on the maximum load expected on the system or on facilities specified by Customer.

**DATE OF ISSUE**: January 8, 2018

**DATE EFFECTIVE:** January 30, 2018

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2017-00267 dated December 19, 2017**

## Louisville Gas and Electric Company

**P.S.C. Electric No. 12, Original Sheet No. 15**

**Standard Rate** **PS**
**Power Service**

**APPLICABLE**
In all territory served.

**AVAILABILITY** T
Available for secondary or primary service and limited to Customers whose twelve (12)-month- T
average monthly minimum secondary loads exceed 50 kW and whose twelve (12)-month-average T
monthly maximum loads do not exceed 250 kW. Secondary or primary Customers receiving service under P.S.C. of Ky. Electric No. 6, Fourth Revision of Original Sheet No. 15, Large Commercial Rate LC, and Fourth Revision of Original Sheet No. 25, Large Power Industrial Rate LP, as of February 6, 2009, with loads not meeting these criteria will continue to be served under this rate at their option. If Customer is taking service under this rate schedule and subsequently elects to take service under another rate schedule, Customer may not again take service under this rate schedule unless and until Customer meets the Availability requirements that would apply to a new Customer.

**RATE**

| | Secondary | Primary | |
|---|---|---|---|
| Basic Service Charge per day: | $2.96 | $7.89 | T/I/I |
| Plus an Energy Charge per kWh: | $ 0.03306 | $ 0.03223 | R/R |
| Plus a Demand Charge per kW: | | | |
| Summer Rate: | | | |
| (Five Billing Periods of May through September) | $24.80 | $21.89 | I/I |
| Winter Rate: | | | |
| (All other months) | $21.83 | $19.04 | I/I |

Where the monthly billing demand is the greater of:
a. the maximum measured load in the current billing period but not less than 50 kW for secondary service or 25 kW for primary service, or
b. a minimum of 50% of the highest measured load in the preceding eleven (11) monthly billing periods, or
c. if applicable, a minimum of 60% of the contract capacity based on the maximum load expected on the system or on facilities specified by Customer.

**DATE OF ISSUE**: September 28, 2018

**DATE EFFECTIVE:** With Service Rendered
On and After November 1, 2018

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00295 dated ____**

## Louisville Gas and Electric Company

**P.S.C. Electric No. 11, First Revision of Original Sheet No. 15.1**
**Canceling P.S.C. Electric No. 11, Original Sheet No. 15.1**

**Standard Rate** **PS**
**Power Service Rate**

**ADJUSTMENT CLAUSES**

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

| | | |
|---|---|---|
| Fuel Adjustment Clause | Sheet No. 85 | |
| Off-System Sales Adjustment Clause | Sheet No. 88 | |
| Demand-Side Management Cost Recovery Mechanism | Sheet No. 86 | |
| Tax Cuts and Jobs Act Surcredit | Sheet No. 89 | N |
| Environmental Cost Recovery Surcharge | Sheet No. 87 | |
| Franchise Fee Rider | Sheet No. 90 | |
| School Tax | Sheet No. 91 | |

**DETERMINATION OF MAXIMUM LOAD**

The load will be measured and will be the average kW demand delivered to the customer during the 15-minute period of maximum use during the month.

Company reserves the right to place a kVA meter and base the billing demand on the measured kVA. The charge will be computed on the measured kVA times 90 percent of the applicable kW charge.

In lieu of placing a kVA meter, Company may adjust the measured maximum load for billing purposes when the power factor is less than 90 percent in accordance with the following formula: (BASED ON POWER FACTOR MEASURED AT THE TIME OF MAXIMUM LOAD).

$$\text{Adjusted Maximum kW Load for Billing Purposes} = \frac{\text{Maximum kW Load Measured X 90\%}}{\text{Power Factor (in Percent)}}$$

**DUE DATE OF BILL**

Customer's payment will be due within sixteen (16) business days (no less than twenty-two (22) calendar days) from the date of the bill.

**LATE PAYMENT CHARGE**

If full payment is not received by the due date of the bill, a 1% late payment charge will be assessed on the current month's charges.

**TERM OF CONTRACT**

Contracts under this rate shall be for an initial term of one (1) year, remaining in effect from month to month thereafter until terminated by notice of either party to the other.

**TERMS AND CONDITIONS**

Service will be furnished under Company's Terms and Conditions applicable hereto.

**DATE OF ISSUE**: April 5, 2018

**DATE EFFECTIVE:** April 1, 2018

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00034 dated March 20, 2018 and modified March 28, 2018**

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## Louisville Gas and Electric Company

**P.S.C. Electric No. 12, Original Sheet No. 15.1**

**Standard Rate** **PS**
**Power Service**

**ADJUSTMENT CLAUSES**

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

| | | |
|---|---|---|
| Demand-Side Management Cost Recovery Mechanism | Sheet No. 86 | T |
| Fuel Adjustment Clause | Sheet No. 85 | T |
| Off-System Sales Adjustment Clause | Sheet No. 88 | T |
| Environmental Cost Recovery Surcharge | Sheet No. 87 | D/T |
| Franchise Fee | Sheet No. 90 | T |
| School Tax | Sheet No. 91 | |

**DETERMINATION OF MAXIMUM LOAD**

The load will be measured and will be the average kW demand delivered to the Customer during the 15-minute period of maximum use during the month.

Company reserves the right to place a kVA meter and base the billing demand on the measured kVA. The charge will be computed on the measured kVA times ninety (90) percent of the applicable kW charge. T

In lieu of placing a kVA meter, Company may adjust the measured maximum load for billing purposes when the power factor is less than ninety (90) percent in accordance with the following formula: (based on power factor measured at the time of maximum load) T

$$\text{Adjusted Maximum kW Load for Billing Purposes} = \frac{\text{Maximum kW Load Measured X 90\%}}{\text{Power Factor (in Percent)}}$$

**DUE DATE OF BILL**

Customer's payment will be due within sixteen (16) business days (no less than twenty-two (22) calendar days) from the date of the bill.

**LATE PAYMENT CHARGE**

If full payment is not received by the due date of the bill, a 1% late payment charge will be assessed on the current month's charges.

**TERM OF CONTRACT**

Contracts under this rate shall be for an initial term of one (1) year, remaining in effect from month to month thereafter until terminated by notice of either party to the other.

**TERMS AND CONDITIONS**

Service will be furnished under Company's Terms and Conditions applicable hereto.

**DATE OF ISSUE**: September 28, 2018

**DATE EFFECTIVE:** With Service Rendered
On and After November 1, 2018

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00295 dated ____**

## Louisville Gas and Electric Company

**P.S.C. Electric No. 11, Third Revision of Original Sheet No. 20**
**Canceling P.S.C. Electric No. 11, Second Revision of Original Sheet No. 20**

**Standard Rate** **TODS**
**Time-of-Day Secondary Service**

**APPLICABLE**
In all territory served.

**AVAILABILITY OF SERVICE**
This schedule is available for secondary service. Service under this schedule will be limited to customers whose 12-month-average monthly minimum loads exceed 250 kW and whose 12-month-average monthly maximum loads do not exceed 5,000 kW.

**RATE**

| | |
|---|---|
| Basic Service Charge per month: | $200.00 |
| Plus an Energy Charge per kWh: | $ 0.03734 |
| Plus a Maximum Load Charge per kW: | |
| Peak Demand Period: | $ 7.30 |
| Intermediate Demand Period: | $ 5.51 |
| Base Demand Period: | $ 5.21 |

Where:
the monthly billing demand for the Peak and Intermediate Demand Periods is the greater of:
a) the maximum measured load in the current billing period, or
b) a minimum of 50% of the highest measured load in the preceding eleven (11) monthly billing periods, and

the monthly billing demand for the Base Demand Period is the greater of:
a) the maximum measured load in the current billing period but not less than 250 kW, or
b) the highest measured load in the preceding eleven (11) monthly billing periods, or
c) the contract capacity based on the maximum load expected on the system or on facilities specified by Customer.

**ADJUSTMENT CLAUSES**
The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

| | | |
|---|---|---|
| Fuel Adjustment Clause | Sheet No. 85 | |
| Off-System Sales Adjustment Clause | Sheet No. 88 | |
| Demand-Side Management Cost Recovery Mechanism | Sheet No. 86 | |
| Tax Cuts and Jobs Act Surcredit | Sheet No. 89 | N |
| Environmental Cost Recovery Surcharge | Sheet No. 87 | |
| Franchise Fee Rider | Sheet No. 90 | |
| School Tax | Sheet No. 91 | |

**DATE OF ISSUE**: April 5, 2018

**DATE EFFECTIVE:** April 1, 2018

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00034 dated March 20, 2018 and modified March 28, 2018**

## Louisville Gas and Electric Company

**P.S.C. Electric No. 12, Original Sheet No. 20**

**Standard Rate** **TODS**
**Time-of-Day Secondary Service**

**APPLICABLE**
In all territory served.

**AVAILABILITY** T
Available for secondary service to Customers whose twelve (12)-month-average monthly minimum loads exceed 250 kVA and whose twelve (12)-month-average monthly maximum loads do not exceed 5,000 kVA. T T T

**RATE**

| | | |
|---|---|---|
| Basic Service Charge per day: | $ 6.58 | T/I |
| Plus an Energy Charge per kWh: | $ 0.03263 | R |
| Plus a Maximum Load Charge per kVA: | | T |
| Peak Demand Period: | $ 8.91 | I |
| Intermediate Demand Period: | $ 6.74 | I |
| Base Demand Period: | $ 3.61 | R |

Where:
the monthly billing demand for the Peak and Intermediate Demand Periods is the greater of:
1. the maximum measured load in the current billing period, or T
2. a minimum of 50% of the highest measured load in the preceding eleven (11) monthly billing periods, and T

the monthly billing demand for the Base Demand Period is the greater of:
1. the maximum measured load in the current billing period but not less than 250 kVA, or T
2. the highest measured load in the preceding eleven (11) monthly billing periods, or T
3. the contract capacity based on the maximum load expected on the system or on facilities specified by Customer. T

**ADJUSTMENT CLAUSES**
The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

| | | |
|---|---|---|
| Demand-Side Management Cost Recovery Mechanism | Sheet No. 86 | T |
| Fuel Adjustment Clause | Sheet No. 85 | T |
| Off-System Sales Adjustment Clause | Sheet No. 88 | T |
| Environmental Cost Recovery Surcharge | Sheet No. 87 | D/T |
| Franchise Fee | Sheet No. 90 | T |
| School Tax | Sheet No. 91 | |

**DATE OF ISSUE**: September 28, 2018

**DATE EFFECTIVE:** With Service Rendered
On and After November 1, 2018

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00295 dated ____**

## Louisville Gas and Electric Company

**P.S.C. Electric No. 11, Original Sheet No. 20.1**

**Standard Rate** **TODS**
**Time-of-Day Secondary Service**

**DETERMINATION OF MAXIMUM LOAD**

The load will be measured and will be the average kW demand delivered to the customer during the 15-minute period of maximum use during the appropriate rating period each month.

Company reserves the right to place a kVA meter and base the billing demand on the measured kVA. The charge will be computed based on the measured kVA times 90 percent, of the applicable kW charge.

In lieu of placing a kVA meter, Company may adjust the measured maximum load for billing purposes when the power factor is less than 90 percent in accordance with the following formula: (BASED ON POWER FACTOR MEASURED AT THE TIME OF MAXIMUM LOAD)

Adjusted Maximum kW Load for Billing Purposes = $\frac{\text{Maximum kW Load Measured x 90\%}}{\text{Power Factor (in percent)}}$

**RATING PERIODS**

The rating periods applicable to the Maximum Load charges are established in Eastern Standard Time year round by season for weekdays and weekends, throughout Company's service area, and shall be as follows:

Summer peak months of May through September

| | Base | Intermediate | Peak |
|---|---|---|---|
| Weekdays | All Hours | 10 A.M. – 10 P.M. | 1 P.M. – 7 P.M. |
| Weekends | All Hours | | |

All other months of October continuously through April

| | Base | Intermediate | Peak |
|---|---|---|---|
| Weekdays | All Hours | 6 A.M. – 10 P.M. | 6 A.M. – 12 Noon |
| Weekends | All Hours | | |

**DUE DATE OF BILL**

Customer's payment will be due within sixteen (16) business days (no less than twenty-two (22) calendar days) from the date of the bill.

**LATE PAYMENT CHARGE**

If full payment is not received by the due date of the bill, a 1% late payment charge will be assessed on the current month's charges.

**DATE OF ISSUE**: July 7, 2017

**DATE EFFECTIVE:** January 1, 2013

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2012-00222 dated December 20, 2012**

## Louisville Gas and Electric Company

**P.S.C. Electric No. 12, Original Sheet No. 20.1**

**Standard Rate** **TODS**
**Time-of-Day Secondary Service**

**DETERMINATION OF MAXIMUM LOAD**

The load will be measured and will be the average kVA demand delivered to Customer during the 15-minute period of maximum use during the appropriate rating period each month. T

D
D

**RATING PERIODS**

The rating periods applicable to the Maximum Load charges are established in Eastern Standard Time year-round by season for weekdays and weekends throughout Company's service area, and shall be as follows:

Summer peak months of May through September

| | Base | Intermediate | Peak |
|---|---|---|---|
| Weekdays | All Hours | 10 A.M. – 10 P.M. | 1 P.M. – 7 P.M. |
| Weekends | All Hours | | |

All other months of October continuously through April

| | Base | Intermediate | Peak |
|---|---|---|---|
| Weekdays | All Hours | 6 A.M. – 10 P.M. | 6 A.M. – 12 Noon |
| Weekends | All Hours | | |

If a legal holiday falls on a weekday, it will be considered a weekday. N

**DUE DATE OF BILL**

Customer's payment will be due within sixteen (16) business days (no less than twenty-two (22) calendar days) from the date of the bill.

**LATE PAYMENT CHARGE**

If full payment is not received by the due date of the bill, a 1% late payment charge will be assessed on the current month's charges.

**DATE OF ISSUE**: September 28, 2018

**DATE EFFECTIVE:** With Service Rendered
On and After November 1, 2018

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00295 dated ____**

**Louisville Gas and Electric Company**

**P.S.C. Electric No. 11, Original Sheet No. 20.2**

**Standard Rate** **TODS**

**Time-of-Day Secondary Service**

**TERM OF CONTRACT**

Service will be furnished under this schedule only under contract for a fixed term of not less than one (1) year, and for yearly periods thereafter until terminated by either party giving written notice to the other party 90 days prior to termination. Company, however, may require a longer fixed term of contract and termination notice because of conditions associated with the customer's requirements for service.

**TERMS AND CONDITIONS**

Service will be furnished under Company's Terms and Conditions applicable hereto.

**DATE OF ISSUE**: July 7, 2017

**DATE EFFECTIVE:** January 1, 2013

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2012-00222 dated December 20, 2012**

**Louisville Gas and Electric Company**

**P.S.C. Electric No. 12, Original Sheet No. 20.2**

**Standard Rate** **TODS**

**Time-of-Day Secondary Service**

**TERM OF CONTRACT**

Service will be furnished under this schedule only under contract for a fixed term of not less than one (1) year, and for yearly periods thereafter until terminated by either party giving written notice to the other party ninety (90) days prior to termination. Company, however, may require a longer fixed term of contract and termination notice because of conditions associated with the Customer's requirements for service. T

**TERMS AND CONDITIONS**

Service will be furnished under Company's Terms and Conditions applicable hereto.

**DATE OF ISSUE**: September 28, 2018

**DATE EFFECTIVE:** With Service Rendered
On and After November 1, 2018

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00295 dated ____**

## Louisville Gas and Electric Company

**P.S.C. Electric No. 11, Third Revision of Original Sheet No. 22**
**Canceling P.S.C. Electric No. 11, Second Revision of Original Sheet No. 22**

**Standard Rate** **TODP**
**Time-of-Day Primary Service**

**APPLICABLE**
In all territory served.

**AVAILABILITY OF SERVICE**
This schedule is available for primary service to any customer: (1) who has a 12-month-average monthly minimum demand exceeding 250 kVA; and (2) whose new or additional load receives any required approval of Company's transmission operator.

**RATE**

| | |
|---|---|
| Basic Service Charge per month: | $330.00 |
| Plus an Energy Charge per kWh: | $ 0.03505 |
| Plus a Maximum Load Charge per kVA: | |
| Peak Demand Period: | $ 6.96 |
| Intermediate Demand Period: | $ 5.23 |
| Base Demand Period: | $ 3.48 |

Where:
the monthly billing demand for the Peak and Intermediate Demand Periods is the greater of:
a) the maximum measured load in the current billing period, or
b) a minimum of 50% of the highest measured load in the preceding eleven (11) monthly billing periods, and

the monthly billing demand for the Base Demand Period is the greater of:
a) the maximum measured load in the current billing period but not less than 250 kVA, or
b) the highest measured load in the preceding eleven (11) monthly billing periods, or
c) the contract capacity based on the maximum load expected on the system or on facilities specified by Customer.

**ADJUSTMENT CLAUSES**
The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

| | | |
|---|---|---|
| Fuel Adjustment Clause | Sheet No. 85 | |
| Off-System Sales Adjustment Clause | Sheet No. 88 | |
| Demand-Side Management Cost Recovery Mechanism | Sheet No. 86 | |
| Tax Cuts and Jobs Act Surcredit | Sheet No. 89 | N |
| Environmental Cost Recovery Surcharge | Sheet No. 87 | |
| Franchise Fee Rider | Sheet No. 90 | |
| School Tax | Sheet No. 91 | |

**DATE OF ISSUE**: April 5, 2018

**DATE EFFECTIVE:** April 1, 2018

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the**
**Public Service Commission in Case No.**
**2018-00034 dated March 20, 2018 and modified March 28, 2018**

## Louisville Gas and Electric Company

**P.S.C. Electric No. 12, Original Sheet No. 22**

**Standard Rate** **TODP**
**Time-of-Day Primary Service**

**APPLICABLE**
In all territory served.

**AVAILABILITY** T
Available for primary service to Customers whose twelve (12)-month-average monthly minimum T
demands exceeding 250 kVA, and whose new or additional load receives any required approval T
of Company's transmission operator.

**RATE**

| | | |
|---|---|---|
| Basic Service Charge per day: | $ 10.84 | T/R |
| Plus an Energy Charge per kWh: | $ 0.03193 | R |
| Plus a Maximum Load Charge per kVA: | | |
| Peak Demand Period: | $ 8.21 | I |
| Intermediate Demand Period: | $ 6.16 | I |
| Base Demand Period: | $ 3.46 | R |

Where:
the monthly billing demand for the Peak and Intermediate Demand Periods is the greater of:
1. the maximum measured load in the current billing period, or T
2. a minimum of 50% of the highest measured load in the preceding eleven (11) monthly billing periods, and T

the monthly billing demand for the Base Demand Period is the greater of:
1. the maximum measured load in the current billing period but not less than 250 kVA, or T
2. the highest measured load in the preceding eleven (11) monthly billing periods, or T
3. the contract capacity based on the maximum load expected on the system or on facilities specified by Customer. T

**ADJUSTMENT CLAUSES**
The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

| | | |
|---|---|---|
| Demand-Side Management Cost Recovery Mechanism | Sheet No. 86 | T |
| Fuel Adjustment Clause | Sheet No. 85 | T |
| Off-System Sales Adjustment Clause | Sheet No. 88 | T |
| Environmental Cost Recovery Surcharge | Sheet No. 87 | D/T |
| Franchise Fee | Sheet No. 90 | T |
| School Tax | Sheet No. 91 | |

**DATE OF ISSUE**: September 28, 2018

**DATE EFFECTIVE:** With Service Rendered
On and After November 1, 2018

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the**
**Public Service Commission in Case No.**
**2018-00295 dated ____**

## Louisville Gas and Electric Company

**P.S.C. Electric No. 11, Original Sheet No. 22.1**

**Standard Rate** **TODP**
**Time-of-Day Primary Service**

**DETERMINATION OF MAXIMUM LOAD**

The load will be measured and will be the average kVA demand delivered to the customer during the 15-minute period of maximum use during the appropriate rating period each month.

Customers who own and operate onsite generation of 1 MW or larger that is not for emergency backup will be provided a 60-minute exemption from measuring load for billing purposes following a Company-system fault, but not a Company energy spike, a fault on a customer's system, or other causes or events that result in the customer's generation coming offline. The 60-minute exemption will begin after Company's SCADA system indicates service has been restored. N

**RATING PERIODS**

The rating periods applicable to the Maximum Load charges are established in Eastern Standard Time year round by season for weekdays and weekends, throughout Company's service area, and shall be as follows:

Summer peak months of May through September

| | Base | Intermediate | Peak |
|---|---|---|---|
| Weekdays | All Hours | 10 A.M. – 10 P.M. | 1 P.M. – 7 P.M. |
| Weekends | All Hours | | |

All other months of October continuously through April

| | Base | Intermediate | Peak |
|---|---|---|---|
| Weekdays | All Hours | 6 A.M. – 10 P.M. | 6 A.M. – 12 Noon |
| Weekends | All Hours | | |

**DUE DATE OF BILL**

Customer's payment will be due within sixteen (16) business days (no less than twenty-two (22) calendar days) from the date of the bill.

**LATE PAYMENT CHARGE**

If full payment is not received by the due date of the bill, a 1% late payment charge will be assessed on the current month's charges.

**TERM OF CONTRACT**

Service will be furnished under this schedule only under contract for a fixed term of not less than one (1) year, and for yearly periods thereafter until terminated by either party giving written notice to the other party 90 days prior to termination. Company, however, may require a longer fixed term of contract and termination notice because of conditions associated with the customer's requirements for service.

**TERMS AND CONDITIONS**

Service will be furnished under Company's Terms and Conditions applicable hereto.

**DATE OF ISSUE**: July 7, 2017

**DATE EFFECTIVE:** July 1, 2017

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2016-00371 dated June 22, 2017 and modified June 29, 2017**

## Louisville Gas and Electric Company

**P.S.C. Electric No. 12, Original Sheet No. 22.1**

**Standard Rate** **TODP**
**Time-of-Day Primary Service**

**DETERMINATION OF MAXIMUM LOAD**

The load will be measured and will be the average kVA demand delivered to the Customer during the 15-minute period of maximum use during the appropriate rating period each month.

Customers who own and operate onsite generation of one (1) MW or larger that is not for emergency backup will be provided a 60-minute exemption from measuring load for billing purposes following a Company-system fault, but not a Company energy spike, a fault on a Customer's system, or other causes or events that result in the Customer's generation coming offline. The 60-minute exemption will begin after Company's SCADA system indicates service has been restored. T

**RATING PERIODS**

The rating periods applicable to the Maximum Load charges are established in Eastern Standard Time year-round by season for weekdays and weekends throughout Company's service area, and shall be as follows:

Summer peak months of May through September

| | Base | Intermediate | Peak |
|---|---|---|---|
| Weekdays | All Hours | 10 A.M. – 10 P.M. | 1 P.M. – 7 P.M. |
| Weekends | All Hours | | |

All other months of October continuously through April

| | Base | Intermediate | Peak |
|---|---|---|---|
| Weekdays | All Hours | 6 A.M. – 10 P.M. | 6 A.M. – 12 Noon |
| Weekends | All Hours | | |

If a legal holiday falls on a weekday, it will be considered a weekday. N

**DUE DATE OF BILL**

Customer's payment will be due within sixteen (16) business days (no less than twenty-two (22) calendar days) from the date of the bill.

**LATE PAYMENT CHARGE**

If full payment is not received by the due date of the bill, a 1% late payment charge will be assessed on the current month's charges.

**TERM OF CONTRACT**

Service will be furnished under this schedule only under contract for a fixed term of not less than one (1) year, and for yearly periods thereafter until terminated by either party giving written notice to the other party 90 days prior to termination. Company, however, may require a longer fixed term of contract and termination notice because of conditions associated with the Customer's requirements for service.

**TERMS AND CONDITIONS**

Service will be furnished under Company's Terms and Conditions applicable hereto.

**DATE OF ISSUE**: September 28, 2018

**DATE EFFECTIVE:** With Service Rendered
On and After November 1, 2018

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00295 dated ____**

## Louisville Gas and Electric Company

**P.S.C. Electric No. 11, Third Revision of Original Sheet No. 25**
**Canceling P.S.C. Electric No. 11, Second Revision of Original Sheet No. 25**

**Standard Rate** **RTS**
**Retail Transmission Service**

**APPLICABLE**
In all territory served.

**AVAILABILITY OF SERVICE**
This schedule is available for transmission service to any customer: (1) who has a 12-month-average monthly minimum demand exceeding 250 kVA; and (2) whose new or additional load receives any required approval of Company's transmission operator.

**RATE**

| | |
|---|---|
| Basic Service Charge per month: | $1,500.00 |
| Plus an Energy Charge per kWh: | $ 0.03378 |
| Plus a Maximum Load Charge per kVA: | |
| Peak Demand Period: | $ 7.00 |
| Intermediate Demand Period: | $ 5.25 |
| Base Demand Period: | $ 1.86 |

Where:
the monthly billing demand for the Peak and Intermediate Demand Periods is the greater of:
a) the maximum measured load in the current billing period, or
b) a minimum of 50% of the highest measured load in the preceding eleven (11) monthly billing periods, and

the monthly billing demand for the Base Demand Period is the greater of:
a) the maximum measured load in the current billing period but not less than 250 kVA, or
b) the highest measured load in the preceding eleven (11) monthly billing periods, or
c) the contract capacity based on the maximum load expected on the system or on facilities specified by Customer.

**ADJUSTMENT CLAUSES**
The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

| | | |
|---|---|---|
| Fuel Adjustment Clause | Sheet No. 85 | |
| Off-System Sales Adjustment Clause | Sheet No. 88 | |
| Demand-Side Management Cost Recovery Mechanism | Sheet No. 86 | |
| Tax Cuts and Jobs Act Surcredit | Sheet No. 89 | N |
| Environmental Cost Recovery Surcharge | Sheet No. 87 | |
| Franchise Fee Rider | Sheet No. 90 | |
| School Tax | Sheet No. 91 | |

**DATE OF ISSUE**: April 5, 2018

**DATE EFFECTIVE:** April 1, 2018

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the**
**Public Service Commission in Case No.**
**2018-00034 dated March 20, 2018 and modified March 28, 2018**

## Louisville Gas and Electric Company

**P.S.C. Electric No. 12, Original Sheet No. 25**

**Standard Rate** **RTS**
**Retail Transmission Service**

**APPLICABLE**
In all territory served.

**AVAILABILITY** T
Available for transmission service to any Customer: (1) who has a twelve (12)-month-average monthly minimum demand exceeding 250 kVA; and (2) whose new or additional load receives any required approval of Company's transmission operator. T

**RATE**

| | | |
|---|---|---|
| Basic Service Charge per day: | $ 49.28 | T/R |
| Plus an Energy Charge per kWh: | $ 0.03152 | R |
| Plus a Maximum Load Charge per kVA: | | |
| Peak Demand Period: | $ 8.01 | I |
| Intermediate Demand Period: | $ 6.01 | I |
| Base Demand Period: | $ 1.92 | I |

Where:
the monthly billing demand for the Peak and Intermediate Demand Periods is the greater of:
1. the maximum measured load in the current billing period, or T
2. a minimum of 50% of the highest measured load in the preceding eleven (11) monthly billing periods, and T

the monthly billing demand for the Base Demand Period is the greater of:
1. the maximum measured load in the current billing period but not less than 250 kVA, or T
2. the highest measured load in the preceding eleven (11) monthly billing periods, or T
3. the contract capacity based on the maximum load expected on the system or on facilities specified by Customer. T

**ADJUSTMENT CLAUSES**
The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

| | | |
|---|---|---|
| Demand-Side Management Cost Recovery Mechanism | Sheet No. 86 | T |
| Fuel Adjustment Clause | Sheet No. 85 | T |
| Off-System Sales Adjustment Clause | Sheet No. 88 | T |
| Environmental Cost Recovery Surcharge | Sheet No. 87 | D/T |
| Franchise Fee | Sheet No. 90 | T |
| School Tax | Sheet No. 91 | |

**DATE OF ISSUE**: September 28, 2018

**DATE EFFECTIVE:** With Service Rendered
On and After November 1, 2018

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the**
**Public Service Commission in Case No.**
**2018-00295 dated ____**

## Louisville Gas and Electric Company

**P.S.C. Electric No. 11, Original Sheet No. 25.1**

**Standard Rate** **RTS**
**Retail Transmission Service**

**DETERMINATION OF MAXIMUM LOAD**
The load will be measured and will be the average kVA demand delivered to the customer during the 15-minute period of maximum use during the appropriate rating period each month.

**RATING PERIODS**
The rating periods applicable to the Maximum Load charges are established in Eastern Standard Time year round by season for weekdays and weekends, throughout Company's service area, and shall be as follows:

Summer peak months of May through September

| | Base | Intermediate | Peak |
|---|---|---|---|
| Weekdays | All Hours | 10 A.M. – 10 P.M. | 1 P.M. – 7 P.M. |
| Weekends | All Hours | | |

All other months of October continuously through April

| | Base | Intermediate | Peak |
|---|---|---|---|
| Weekdays | All Hours | 6 A.M. – 10 P.M. | 6 A.M. – 12 Noon |
| Weekends | All Hours | | |

**DUE DATE OF BILL**
Customer's payment will be due within sixteen (16) business days (no less than twenty-two (22) calendar days) from the date of the bill.

**LATE PAYMENT CHARGE**
If full payment is not received by the due date of the bill, a 1% late payment charge will be assessed on the current month's charges.

**TERM OF CONTRACT**
Service will be furnished under this schedule only under contract for a fixed term of not less than one (1) year, and for yearly periods thereafter until terminated by either party giving written notice to the other party 90 days prior to termination. Company, however, may require a longer fixed term of contract and termination notice because of conditions associated with the customer's requirements for service.

**TERMS AND CONDITIONS**
Service will be furnished under Company's Terms and Conditions applicable hereto.

**DATE OF ISSUE**: July 7, 2017

**DATE EFFECTIVE:** January 1, 2013

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2012-00222 dated December 20, 2012**

## Louisville Gas and Electric Company

**P.S.C. Electric No. 12, Original Sheet No. 25.1**

**Standard Rate** **RTS**
**Retail Transmission Service**

**DETERMINATION OF MAXIMUM LOAD**
The load will be measured and will be the average kVA demand delivered to the Customer during the 15-minute period of maximum use during the appropriate rating period each month.

**RATING PERIODS**
The rating periods applicable to the Maximum Load charges are established in Eastern Standard Time year-round by season for weekdays and weekends throughout Company's service area, and shall be as follows:

Summer peak months of May through September

| | Base | Intermediate | Peak |
|---|---|---|---|
| Weekdays | All Hours | 10 A.M. – 10 P.M. | 1 P.M. – 7 P.M. |
| Weekends | All Hours | | |

All other months of October continuously through April

| | Base | Intermediate | Peak |
|---|---|---|---|
| Weekdays | All Hours | 6 A.M. – 10 P.M. | 6 A.M. – 12 Noon |
| Weekends | All Hours | | |

If a legal holiday falls on a weekday, it will be considered a weekday. N

**DUE DATE OF BILL**
Customer's payment will be due within sixteen (16) business days (no less than twenty-two (22) calendar days) from the date of the bill.

**LATE PAYMENT CHARGE**
If full payment is not received by the due date of the bill, a 1% late payment charge will be assessed on the current month's charges.

**TERM OF CONTRACT**
Service will be furnished under this schedule only under contract for a fixed term of not less than one (1) year, and for yearly periods thereafter until terminated by either party giving written notice to the other party ninety (90) days prior to termination. Company, however, may require a longer fixed term of contract and termination notice because of conditions associated with the Customer's requirements for service. T

**TERMS AND CONDITIONS**
Service will be furnished under Company's Terms and Conditions applicable hereto.

**DATE OF ISSUE**: September 28, 2018

**DATE EFFECTIVE:** With Service Rendered
On and After November 1, 2018

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00295 dated ____**

## Louisville Gas and Electric Company

**P.S.C. Electric No. 11, Second Revision of Original Sheet No. 30**
**Canceling P.S.C. Electric No. 11, First Revision of Original Sheet No. 30**

**Standard Rate** **FLS**
**Fluctuating Load Service**

**APPLICABLE**
In all territory served.

**AVAILABILITY OF SERVICE**
Available for primary or transmission service to customers up to an aggregate of two hundred (200) MVA for all customers taking service under this schedule and under the Fluctuating Load Service FLS schedule of Kentucky Utilities Company. This schedule is restricted to individual customers whose monthly demand is twenty (20) MVA or greater. A customer is defined as a fluctuating load if that customer's load either increases or decreases twenty (20) MVA or more per minute or seventy (70) MVA or more in ten (10) minutes when such increases or decreases exceed one (1) occurrence per hour during any hour of the billing month.

Subject to the above aggregate limit of two hundred (200) MVA, this schedule is mandatory for all customers whose load is defined as fluctuating and not served on another standard rate schedule as of July 1, 2004.

**BASE RATE**

| | Primary | Transmission | |
|---|---|---|---|
| Basic Service Charge per month: | $ 330.00 | $1,500.00 | |
| Plus an Energy Charge per kWh: | $ 0.03505 | $ 0.03378 | |
| Plus a Maximum Load Charge per kVA: | | | |
| Peak Demand Period: | $ 6.39 | $ 6.46 | I |
| Intermediate Demand Period: | $ 4.67 | $ 4.73 | I |
| Base Demand Period: | $ 3.11 | $ 1.70 | I |

Where:
the monthly billing demand for the Peak and Intermediate Demand Periods is the greater of:
a) the maximum measured load in the current billing period, or
b) a minimum of 50% of the highest measured load in the preceding eleven (11) monthly billing periods, and

the monthly billing demand for the Base Demand Period is the greater of:
a) the maximum measured load in the current billing period but not less than 20,000 kVA, or
b) the highest measured load in the preceding eleven (11) monthly billing periods, or
c) the contract capacity based on the maximum load expected on the system or on facilities specified by Customer.

**DATE OF ISSUE**: January 8, 2018

**DATE EFFECTIVE:** January 30, 2018

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2017-00267 dated December 19, 2017**

## Louisville Gas and Electric Company

**P.S.C. Electric No. 12, Original Sheet No. 30**

**Standard Rate** **FLS**
**Fluctuating Load Service**

**APPLICABLE**
In all territory served.

**AVAILABILITY** T
Available for primary or transmission service to Customers up to an aggregate of two hundred (200) MVA for all Customers taking service under this schedule and under the Fluctuating Load Service Rate FLS schedule of Kentucky Utilities Company. This schedule is restricted to individual Customers whose monthly demand is twenty (20) MVA or greater. A Customer is defined as a fluctuating load if that Customer's load either increases or decreases twenty (20) MVA or more per minute or seventy (70) MVA or more in ten (10) minutes when such increases or decreases exceed one (1) occurrence per hour during any hour of the billing month. T

Subject to the above aggregate limit of two hundred (200) MVA, this schedule is mandatory for all Customers whose load is defined as fluctuating and not served on another rate schedule as of July 1, 2004. T

**BASE RATE**

| | Primary | Transmission | |
|---|---|---|---|
| Basic Service Charge per day: | $ 10.84 | $ 49.28 | T/R/R |
| Plus an Energy Charge per kWh: | $ 0.03193 | $ 0.03152 | R/R |
| Plus a Maximum Load Charge per kVA: | | | |
| Peak Demand Period: | $ 7.80 | $ 7.61 | I/I |
| Intermediate Demand Period: | $ 5.80 | $ 5.66 | I/I |
| Base Demand Period: | $ 3.24 | $ 1.80 | I/I |

Where:
the monthly billing demand for the Peak and Intermediate Demand Periods is the greater of:
1. the maximum measured load in the current billing period, or T
2. a minimum of 50% of the highest measured load in the preceding eleven (11) monthly billing periods, and T

the monthly billing demand for the Base Demand Period is the greater of:
1. the maximum measured load in the current billing period but not less than 20,000 kVA, or T
2. the highest measured load in the preceding eleven (11) monthly billing periods, or T
3. the contract capacity based on the maximum load expected on the system or on facilities specified by Customer. T

**DATE OF ISSUE**: September 28, 2018

**DATE EFFECTIVE:** With Service Rendered
On and After November 1, 2018

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00295 dated ____**

## Louisville Gas and Electric Company

**P.S.C. Electric No. 11, First Revision of Original Sheet No. 30.1**
**Canceling P.S.C. Electric No. 11, Original Sheet No. 30.1**

**Standard Rate** **FLS**
**Fluctuating Load Service**

**ADJUSTMENT CLAUSES**

The amount computed at the charges specified above shall be increased or decreased in accordance with the following:

| | | |
|---|---|---|
| Fuel Adjustment Clause | Sheet No. 85 | |
| Off-System Sales Adjustment Clause | Sheet No. 88 | |
| Tax Cuts and Jobs Act Surcredit | Sheet No. 89 | N |
| Environmental Cost Recovery Surcharge | Sheet No. 87 | |
| Franchise Fee Rider | Sheet No. 90 | |
| School Tax | Sheet No. 91 | |

**DETERMINATION OF MAXIMUM LOAD**

The load will be measured and will be the average kVA demand delivered to the customer during the 5-minute period of maximum use during the appropriate rating period each month.

**RATING PERIODS**

The rating periods applicable to the Maximum Load charges are established in Eastern Standard Time year round by season for weekdays and weekends, throughout Company's service area, and shall be as follows:

Summer peak months of May through September

| | Base | Intermediate | Peak |
|---|---|---|---|
| Weekdays | All Hours | 10 A.M. – 10 P.M. | 1 P.M. – 7 P.M. |
| Weekends | All Hours | | |

All other months of October continuously through April

| | Base | Intermediate | Peak |
|---|---|---|---|
| Weekdays | All Hours | 6 A.M. – 10 P.M. | 6 A.M. – 12 Noon |
| Weekends | All Hours | | |

**DUE DATE OF BILL**

Customer's payment will be due within sixteen (16) business days (no less than twenty-two (22) calendar days) from the date of the bill.

**LATE PAYMENT CHARGE**

If full payment is not received by the due date of the bill, a 1% late payment charge will be assessed on the current month's charges.

**DATE OF ISSUE**: April 5, 2018

**DATE EFFECTIVE:** April 1, 2018

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00034 dated March 20, 2018 and modified March 28, 2018**

## Louisville Gas and Electric Company

**P.S.C. Electric No. 12, Original Sheet No. 30.1**

**Standard Rate** **FLS**
**Fluctuating Load Service**

**ADJUSTMENT CLAUSES**

The amount computed at the charges specified above shall be increased or decreased in accordance with the following:

| | | |
|---|---|---|
| Demand-Side Management Cost Recovery Mechanism | Sheet No. 86 | |
| Fuel Adjustment Clause | Sheet No. 85 | |
| Off-System Sales Adjustment Clause | Sheet No. 88 | |
| Environmental Cost Recovery Surcharge | Sheet No. 87 | D |
| Franchise Fee | Sheet No. 90 | T |
| School Tax | Sheet No. 91 | |

**DETERMINATION OF MAXIMUM LOAD**

The load will be measured and will be the average kVA demand delivered to the Customer during the 5-minute period of maximum use during the appropriate rating period each month.

**RATING PERIODS**

The rating periods applicable to the Maximum Load charges are established in Eastern Standard Time year-round by season for weekdays and weekends throughout Company's service area, and shall be as follows:

Summer peak months of May through September

| | Base | Intermediate | Peak |
|---|---|---|---|
| Weekdays | All Hours | 10 A.M. – 10 P.M. | 1 P.M. – 7 P.M. |
| Weekends | All Hours | | |

All other months of October continuously through April

| | Base | Intermediate | Peak |
|---|---|---|---|
| Weekdays | All Hours | 6 A.M. – 10 P.M. | 6 A.M. – 12 Noon |
| Weekends | All Hours | | |

If a legal holiday falls on a weekday, it will be considered a weekday. N

**DUE DATE OF BILL**

Customer's payment will be due within sixteen (16) business days (no less than twenty-two (22) calendar days) from the date of the bill.

**LATE PAYMENT CHARGE**

If full payment is not received by the due date of the bill, a 1% late payment charge will be assessed on the current month's charges.

**DATE OF ISSUE**: September 28, 2018

**DATE EFFECTIVE:** With Service Rendered
On and After November 1, 2018

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00295 dated ____**

## Louisville Gas and Electric Company

**P.S.C. Electric No. 11, Original Sheet No. 30.2**

**Standard Rate** **FLS**
**Fluctuating Load Service**

**TERM OF CONTRACT**

Unless terminated by mutual agreement, the initial term of contract for service shall be for a fixed term of five (5) years with successive one (1) year term renewal until canceled by either party giving at least one (1) year written notice to the other prior to the end of the initial term or the then current annual renewal period, as applicable.

**PROTECTION OF SERVICE**

Where Customer's use of service is intermittent, subject to violent or extraordinary fluctuations, or produces unacceptable levels of harmonic current, in each case as determined by Company in its reasonable discretion, Company reserves the right to require Customer to furnish, at Customer's own expense, suitable equipment (as approved by Company in its reasonable discretion) to meter and limit such intermittence, fluctuation, or harmonics to the extent reasonably requested by Company. Without limiting the foregoing, Company may require such equipment if, at any time, the megavars, harmonics, and other undesirable electrical characteristics produced by the Customer exceed the limits set forth in the IEEE standards for such characteristics. In addition, if the Customer's use of Company's service under this schedule causes such undesirable electrical characteristics in an amount exceeding those IEEE standards, such use shall be deemed to cause a dangerous condition which could subject any person to imminent harm or result in substantial damage to the property of Company or others, and Company shall therefore terminate service to the Customer in accordance with 807 KAR 5:006, Section 15(1)(b). Such a termination of service shall not be considered a cancellation of the service agreement or relieve Customer of any minimum billing or other guarantees. Company shall be held harmless for any damages or economic loss resulting from such termination of service. If requested by Company, Customer shall provide all available information to Company that aids Company in enforcing its service standards. If Company at any time has a reasonable basis for believing that Customer's proposed or existing use of the service provided will not comply with the service standards for interference, fluctuations, or harmonics, Company may engage such experts and/or consultants as Company shall determine are appropriate to advise Company in ensuring that such interference, fluctuations, or harmonics are within acceptable standards. Should such experts and/or consultants determine Customer's use of service is unacceptable, Company's use of such experts and/or consultants will be at the Customer's expense.

**SYSTEM CONTINGENCIES AND INDUSTRY SYSTEM PERFORMANCE CRITERIA**

Company reserves the right to interrupt up to 95% of Customer's load to facilitate Company compliance with system contingencies and with industry performance criteria. Customer will permit Company to install electronic equipment and associated real-time metering to permit Company interruption of Customer's load. Such equipment will immediately notify Customer five (5) minutes before an electronically initiated interruption that will begin immediately thereafter and last no longer than ten (10) minutes nor shall the interruptions exceed twenty (20) per month. Such interruptions will not be accumulated nor credited against annual hours,

**DATE OF ISSUE**: July 7, 2017

**DATE EFFECTIVE:** January 4, 2013

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2012-00222 dated December 20, 2012**

## Louisville Gas and Electric Company

**P.S.C. Electric No. 12, Original Sheet No. 30.2**

**Standard Rate** **FLS**
**Fluctuating Load Service**

**TERM OF CONTRACT**

Unless terminated by mutual agreement, the initial term of contract for service shall be for a fixed term of five (5) years with successive one (1) year term renewal until canceled by either party giving at least one (1) year written notice to the other prior to the end of the initial term or the then current annual renewal period, as applicable.

**PROTECTION OF SERVICE**

Where Customer's use of service is intermittent, subject to violent or extraordinary fluctuations, or produces unacceptable levels of harmonic current, in each case as determined by Company in its reasonable discretion, Company reserves the right to require Customer to furnish, at Customer's own expense, suitable equipment (as approved by Company in its reasonable discretion) to meter and limit such intermittence, fluctuation, or harmonics to the extent reasonably requested by Company. Without limiting the foregoing, Company may require such equipment if, at any time, the megavars, harmonics, and other undesirable electrical characteristics produced by the Customer exceed the limits set forth in the IEEE standards for such characteristics. In addition, if the Customer's use of Company's service under this schedule causes such undesirable electrical characteristics in an amount exceeding those IEEE standards, such use shall be deemed to cause a dangerous condition which could subject any person to imminent harm or result in substantial damage to the property of Company or others, and Company shall therefore terminate service to the Customer in accordance with 807 KAR 5:006, Section 15(1)(b). Such a termination of service shall not be considered a cancellation of the service agreement or relieve Customer of any minimum billing or other guarantees. Company shall be held harmless for any damages or economic loss resulting from such termination of service. If requested by Company, Customer shall provide all available information to Company that aids Company in enforcing its service standards. If Company at any time has a reasonable basis for believing that Customer's proposed or existing use of the service provided will not comply with the service standards for interference, fluctuations, or harmonics, Company may engage such experts and/or consultants as Company shall determine are appropriate to advise Company in ensuring that such interference, fluctuations, or harmonics are within acceptable standards. Should such experts and/or consultants determine Customer's use of service is unacceptable, Company's use of such experts and/or consultants will be at the Customer's expense.

**SYSTEM CONTINGENCIES AND INDUSTRY SYSTEM PERFORMANCE CRITERIA**

Company reserves the right to interrupt up to 95% of Customer's load to facilitate Company compliance with system contingencies and with industry performance criteria. Customer will permit Company to install electronic equipment and associated real-time metering to permit Company interruption of Customer's load. Such equipment will immediately notify Customer five (5) minutes before an electronically initiated interruption that will begin immediately thereafter and last no longer than ten (10) minutes nor shall the interruptions exceed twenty (20) per month. Such interruptions will not be accumulated nor credited against annual hours,

**DATE OF ISSUE**: September 28, 2018

**DATE EFFECTIVE:** With Service Rendered
On and After January 4, 2013

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2012-00222 dated December 20, 2012**

## Louisville Gas and Electric Company

**P.S.C. Electric No. 11, Original Sheet No. 30.3**

**Standard Rate** **FLS**
**Fluctuating Load Service**

if any, under either Rider CSR-1 or CSR-2. Company's right to interrupt under this provision is restricted to responses to unplanned outage or de-rates of LG&E and KU Energy LLC System ("LKE System") owned or purchased generation or when Automatic Reserve Sharing is invoked. LKE System, as used herein, shall consist of LG&E and KU. At customer's request, Company shall provide documentation of the need for interruption under this provision within sixty (60) days of the end of the applicable billing period. T

**LIABILITY**

In no event shall Company have any liability to the Customer or any other party affected by the electrical service to the Customer for any consequential, indirect, incidental, special, or punitive damages, and such limitation of liability shall apply regardless of claim or theory. In addition, to the extent that Company acts within its rights as set forth herein and/or any applicable law or regulation, Company shall have no liability of any kind to the Customer or any other party. In the event that the Customer's use of Company's service causes damage to Company's property or injuries to persons, the Customer shall be responsible for such damage or injury and shall indemnify, defend, and hold Company harmless from any and all suits, claims, losses, and expenses associated therewith.

**TERMS AND CONDITIONS**

Service will be furnished under Company's Terms and Conditions applicable hereto.

**DATE OF ISSUE**: July 7, 2017

**DATE EFFECTIVE:** July 1, 2017

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2016-00371 dated June 22, 2017 and modified June 29, 2017**

## Louisville Gas and Electric Company

**P.S.C. Electric No. 12, Original Sheet No. 30.3**

**Standard Rate** **FLS**
**Fluctuating Load Service**

if any, under either Rider CSR-1 or CSR-2. Company's right to interrupt under this provision is restricted to responses to unplanned outage or de-rates of LG&E and KU Energy LLC System ("LKE System") owned or purchased generation or when Automatic Reserve Sharing is invoked. LKE System, as used herein, shall consist of LG&E and KU. At Customer's request, Company shall provide documentation of the need for interruption under this provision within sixty (60) days of the end of the applicable billing period.

**LIABILITY**

In no event shall Company have any liability to the Customer or any other party affected by the electrical service to the Customer for any consequential, indirect, incidental, special, or punitive damages, and such limitation of liability shall apply regardless of claim or theory. In addition, to the extent that Company acts within its rights as set forth herein and/or any applicable law or regulation, Company shall have no liability of any kind to the Customer or any other party. In the event that the Customer's use of Company's service causes damage to Company's property or injuries to persons, the Customer shall be responsible for such damage or injury and shall indemnify, defend, and hold Company harmless from any and all suits, claims, losses, and expenses associated therewith.

**TERMS AND CONDITIONS**

Service will be furnished under Company's Terms and Conditions applicable hereto.

**DATE OF ISSUE**: September 28, 2018

**DATE EFFECTIVE:** With Service Rendered
On and After July 1, 2017

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2016-00371 dated June 22, 2017 and modified June 29, 2017**

## Louisville Gas and Electric Company

**P.S.C. Electric No. 11, Second Revision of Original Sheet No. 35**
**Canceling P.S.C. Electric No. 11, First Revision of Original Sheet No. 35**

**Standard Rate** **LS**
**Lighting Service**

**APPLICABLE**
In all territory served.

**AVAILABILITY OF SERVICE**
Service under this rate schedule is offered under the conditions set out hereinafter for lighting applications such as, but not limited to, the illumination of street, driveways, yards, lots, and other outdoor areas where secondary voltage of 120/240 is available.

Service will be provided under written contract, signed by customer prior to service commencing, when additional facilities are required.

Units marked with an asterisk (*) are not available for use in residential neighborhoods except by municipal authorities.

**OVERHEAD SERVICE**
Based on Customer's lighting choice, Company will furnish, own, install, and maintain the lighting unit. A basic overhead service includes lamp, fixture, photoelectric control, mast arm, and, if needed, up to 150 feet of conductor per fixture on existing wood poles (fixture only). Company will, upon request furnish ornamental poles, of Company's choosing, together with overhead wiring and all other equipment mentioned for basic overhead service.

**RATE**

| Rate Code | Type of Fixture | Approximate Lumens | kW Per Light | Monthly Charge Fixture Only |
|---|---|---|---|---|
| **High Pressure Sodium** | | | | |
| 452 | Cobra Head | 16,000 | 0.181 | $14.44 |
| 453 | Cobra Head | 28,500 | 0.294 | 16.85 |
| 454 | Cobra Head | 50,000* | 0.471 | 19.20 |
| 455 | Directional | 16,000 | 0.181 | $15.39 |
| 456 | Directional | 50,000* | 0.471 | 20.03 |
| 457 | Open Bottom | 9,500 | 0.117 | $12.78 |
| **Metal Halide** | | | | |
| 473 | Directional | 32,000* | 0.350 | $20.65 |
| **Light Emitting Diode (LED)** | | | | |
| 490 | Cobra Head | 8,179 | 0.080 | $16.33 |
| 491 | Cobra Head | 14,166 | 0.134 | 19.34 |
| 492 | Cobra Head | 23,214* | 0.228 | 27.49 |
| 493 | Open Bottom | 5,007 | 0.050 | $ 11.53 |

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**DATE OF ISSUE**: January 8, 2018

**DATE EFFECTIVE:** January 30, 2018

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2017-00267 dated December 19, 2017**

## Louisville Gas and Electric Company

**P.S.C. Electric No. 12, Original Sheet No. 35**

**Standard Rate** **LS**
**Lighting Service**

**APPLICABLE**
In all territory served.

**AVAILABILITY** T
Available under the conditions set out hereinafter for lighting applications such as, but not limited to, the illumination of streets, driveways, yards, lots, and other outdoor areas where secondary voltage of 120/240 is available. T

Service will be provided under written contract, signed by Customer prior to service commencing, when additional facilities are required.

D

**OVERHEAD SERVICE**
Based on Customer's lighting choice, Company will furnish, own, install, and maintain the lighting unit. A basic overhead service includes lamp, fixture, photoelectric control, mast arm, and, if needed, up to 150 feet of conductor per fixture on existing wood poles (fixture only).

D

**RATE**

| Rate Code | Type of Fixture | Lumen Range | kW Per Light | Monthly Charge Fixture Only | |
|---|---|---|---|---|---|
| | | | | | T T D |
| **Light Emitting Diode (LED)** | | | | | |
| 490 | Cobra Head | 5,500-8,200 | 0.071 | $ 9.63 | T/R |
| 491 | Cobra Head | 13,000-16,500 | 0.122 | 11.65 | T/R |
| 492 | Cobra Head | 22,000-29,000 | 0.194 | 13.65 | T/R |
| 493 | Open Bottom | 4,500-6,000 | 0.048 | 8.74 | T/R |
| LC1 | Cobra Head | 2,500-4,000 | 0.022 | 8.40 | N |
| LF1 | Directional (Flood) | 4,500-6,000 | 0.030 | 11.21 | N |
| LF2 | Directional (Flood) | 14,000-17,500 | 0.090 | 13.01 | N |
| LF3 | Directional (Flood) | 22,000-28,000 | 0.175 | 15.36 | N |
| LF4 | Directional (Flood) | 35,000-50,000 | 0.297 | 21.93 | N |

**DATE OF ISSUE**: September 28, 2018

**DATE EFFECTIVE:** With Service Rendered
On and After November 1, 2018

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00295 dated ____**

## Louisville Gas and Electric Company

**P.S.C. Electric No. 11, Second Revision of Original Sheet No. 35.1**
**Canceling P.S.C. Electric No. 11, First Revision of Original Sheet No. 35.1**

**Standard Rate** **LS**
**Lighting Service**

**OVERHEAD SERVICE (continued)**

Should Customer request underground service, Customer shall make a non-refundable cash contribution prior to the time of installation, or, at the option of Company, make a work contribution to Company for the difference in the installed cost of the system requested and the cost of the overhead lighting system.

Where the location of existing poles is not suitable or where there are no existing poles for mounting of lights, and customer requests service under these conditions, Company may furnish the requested facilities at an additional charge to be determined under the Excess Facilities Rider. For wood poles installed prior to 3/1/2010, such charge will be in accordance with the rates listed on Sheet No. 36.1 of the Restricted Lighting Service Rate RLS Tariff.

**UNDERGROUND SERVICE**

Based on Customer's lighting choice, Company will furnish, own, install, and maintain poles, fixtures, and any necessary circuitry up to 200 feet. All poles and fixtures furnished by Company will be standard stocked materials. Company may decline to install equipment and provide service thereto in locations deemed by Company as unsuitable for underground installation.

**RATE**

| Rate Code | Type of Fixture | Approximate Lumens | kW Per Light | Monthly Charge Decorative Smooth | Monthly Charge Historic Fluted | |
|---|---|---|---|---|---|---|
| **High Pressure Sodium** | | | | | | |
| 412 | Colonial, 4-Sided | 5,800 | 0.083 | $22.17 | | I |
| 413 | Colonial, 4-Sided | 9,500 | 0.117 | 22.94 | | |
| 444 | Colonial, 4-Sided | 16,000 | 0.181 | 22.88 | | |
| 415 | Acorn | 5,800 | 0.083 | $22.57 | | |
| 416 | Acorn | 9,500 | 0.117 | 25.06 | | |
| 445 | Acorn | 16,000 | 0.181 | 24.87 | | |
| 427 | London | 5,800 | 0.083 | | $37.96 | |
| 429 | London | 9,500 | 0.117 | | 38.00 | |
| 431 | Victorian | 5,800 | 0.083 | | $35.65 | |
| 433 | Victorian | 9,500 | 0.117 | | 37.80 | |
| 400 | Dark Sky | 4,000 | 0.060 | $26.56 | | |
| 401 | Dark Sky | 9,500 | 0.117 | 26.83 | | |
| | | | | | Westchester/Norfolk | |
| 956 | Victorian/London Bases | | | | $ 3.71 | |

**DATE OF ISSUE**: January 8, 2018

**DATE EFFECTIVE:** January 30, 2018

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2017-00267 dated December 19, 2017**

## Louisville Gas and Electric Company

**P.S.C. Electric No. 12, Original Sheet No. 35.1**

**Standard Rate** **LS**
**Lighting Service**

D

**UNDERGROUND SERVICE**

Based on Customer's lighting choice, Company will furnish, own, install, and maintain poles, fixtures, and any necessary circuitry up to 200 feet. All poles and fixtures furnished by Company will be standard stocked materials. Company may decline to install equipment and provide service thereto in locations deemed by Company as unsuitable for underground installation.

D

**RATE**

| Rate Code | Type of Fixture | Lumens Range | kW Per Light | Fixture Charge | |
|---|---|---|---|---|---|
| | | | | | T |
| **Light Emitting Diode (LED)** | | | | | N |
| LC2 | Cobra Head | 2,500-4,000 | 0.022 | $3.94 | N |
| 496 | Cobra Head | 5,500-8,200 | 0.071 | $5.17 | T/R |
| 497 | Cobra Head | 13,000-16,500 | 0.122 | $7.19 | T/R |
| 498 | Cobra Head | 22,000-29,000 | 0.194 | $10.36 | T/R |
| 499 | Colonial, 4-Sided | 4,000-7,000 | 0.044 | $7.25 | T/R |
| LA1 | Acorn | 4,000-7,000 | 0.040 | $6.75 | N |
| LN1 | Contemporary | 4,000-7,000 | 0.057 | $6.74 | N |
| LN2 | Contemporary | 8,000-11,000 | 0.087 | $7.85 | N |
| LN3 | Contemporary | 13,500-16,500 | 0.143 | $9.56 | N |
| LN4 | Contemporary | 21,000-28,000 | 0.220 | $13.86 | N |
| LN5 | Contemporary | 45,000-50,000 | 0.380 | $20.91 | N |
| LF5 | Directional (Flood) | 4,500-6,000 | 0.030 | $7.86 | N |
| LF6 | Directional (Flood) | 14,000-17,500 | 0.096 | $9.66 | N |
| LF7 | Directional (Flood) | 22,000-28,000 | 0.175 | $12.01 | N |
| LF8 | Directional (Flood) | 35,000-50,000 | 0.297 | $18.58 | N |

**DATE OF ISSUE**: September 28, 2018

**DATE EFFECTIVE:** With Service Rendered
On and After November 1, 2018

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00295 dated ____**

## Louisville Gas and Electric Company



**UNDERGROUND SERVICE** (continued)

**RATE**

| Rate Code | Type of Fixture | Approximate Lumens | kW Per Light | Monthly Charge Fixture Only | Monthly Charge Decorative Smooth | |
|---|---|---|---|---|---|---|
| **High Pressure Sodium** (continued) | | | | | | |
| 423 | Cobra Head | 16,000 | 0.181 | | $29.16 | I |
| 424 | Cobra Head | 28,500 | 0.294 | | 31.51 | |
| 425 | Cobra Head | 50,000* | 0.471 | | 37.39 | |
| 439/420 | Contemporary | 16,000 | 0.181 | $18.08 | 32.86 | |
| 440/421 | Contemporary | 28,500* | 0.294 | 20.05 | 35.48 | |
| 441/422 | Contemporary | 50,000* | 0.471 | 24.14 | 41.19 | |
| **Metal Halide** | | | | | | |
| 481/482 | Contemporary | 32,000* | 0.350 | $22.43 | $33.55 | |
| **Light Emitting Diode (LED)** | | | | | | |
| 496 | Cobra Head | 8,179 | 0.080 | | $54.63 | |
| 497 | Cobra Head | 14,166 | 0.134 | | 57.64 | |
| 498 | Cobra Head | 23,214* | 0.228 | | 65.79 | |
| 499 | Colonial, 4-Sided | 5,665 | 0.068 | | $48.35 | |

Customer shall make a non-refundable cash contribution prior to the time of installation, or, at the option of company, make a work contribution to Company for the difference in the installed cost of the system requested and the cost of the conventional overhead lighting system.

Where Customer's location would require the installation of additional facilities, Company may furnish, own, and maintain the requested facilities at an additional charge per month to be determined under the Excess Facilities Rider.

**DUE DATE OF BILL**

Customer's payment will be due within sixteen (16) business days (no less than twenty-two (22) calendar days) from the date of the bill. Billing for this service to be made a part of bill rendered for other electric service.

**DETERMINATION OF ENERGY CONSUMPTION**

The kilowatt-hours will be determined as set forth on Sheet No. 67 of this Tariff.

**DATE OF ISSUE**: January 8, 2018

**DATE EFFECTIVE:** January 30, 2018

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2017-00267 dated December 19, 2017**

## Louisville Gas and Electric Company



**RATE (continued)** N

| Rate Code | Type of Fixture | Lumen Range | kW Per Light | Monthly Charge | |
|---|---|---|---|---|---|
| | | | | | N |
| **High Pressure Sodium** | | | | | T |
| 427 | London* | 5,800 | 0.083 | $39.09 | T/I |
| 429 | London* | 9,500 | 0.117 | $39.13 | T/I |
| 431 | Victorian* | 5,800 | 0.083 | $36.71 | T/I |
| 433 | Victorian* | 9,500 | 0.177 | $38.92 | T/I |

N

Colonial and Acorn "Post Top" lights must include one of two pole options, a Decorative Smooth pole or a Historic Fluted pole. Underground fed Cobra LEDs must include a Cobra pole charge. Underground fed Contemporary LEDs must include a short Contemporary pole charge or a tall Contemporary pole charge. The Underground fed Directional (Flood) LEDs must include a Cobra or Contemporary pole charge.

**Pole Charges**

| Rate Code | Pole Type | Monthly Pole Charge |
|---|---|---|
| PL1 | Cobra | $30.99 |
| PL2 | Contemporary (Short) | $14.94 |
| PL3 | Contemporary (Tall) | $21.93 |
| PL4 | Post Top – Decorative Smooth | $14.73 |
| PL5 | Post Top – Historic Fluted | $20.50 |

**CONVERSION FEE**

Customer will be required to pay a monthly conversion fee for 60 months if Customer requests to change current functioning non-LED fixture to an LED fixture. This conversion fee represents the remaining book value of the current working non-LED fixture.

Conversion Fee: $ 7.49 per month for 60 months

**DATE OF ISSUE**: September 28, 2018

**DATE EFFECTIVE:** With Service Rendered
On and After November 1, 2018

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00295 dated ____**

## Louisville Gas and Electric Company

**P.S.C. Electric No. 11, First Revision of Original Sheet No. 35.3**
**Canceling P.S.C. Electric No. 11, Original Sheet No. 35.3**

**Standard Rate** **LS**
**Lighting Service**

**ADJUSTMENT CLAUSES**

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

| | | |
|---|---|---|
| Fuel Adjustment Clause | Sheet No. 85 | |
| Off-System Sales Adjustment Clause | Sheet No. 88 | |
| Tax Cuts and Jobs Act Surcredit | Sheet No. 89 | N |
| Environmental Cost Recovery Surcharge | Sheet No. 87 | |
| Franchise Fee Rider | Sheet No. 90 | |
| School Tax | Sheet No. 91 | |

**TERM OF CONTRACT**

For a fixed term of not less than five (5) years and for such time thereafter until terminated by either party giving thirty (30) days prior written notice to the other when additional facilities are required. Cancellation by Customer prior to the initial five-year term will require Customer to pay to Company a lump sum equal to the monthly charge times the number of months remaining on the original five (5) year term.

**TERMS AND CONDITIONS**

1. Service shall be furnished under Company's Terms and Conditions, except as set out herein.
2. All service and maintenance will be performed only during regular scheduled working hours of Company. Customer will be responsible for reporting outages and other operating faults. Company shall initiate service corrections within two (2) business days after such notification by Customer.
3. Customer shall be responsible for the cost of fixture replacement or repairs where such replacement or repairs are caused from willful damage, vandalism, or causes other than normal burnouts. Company may decline to provide or continue service in locations where, in Company's judgment, such facilities will be subject to unusual hazards or risk of damage.
4. Company shall have the right to make other attachments and to further extend the conductors, when necessary, for the further extension of its electric service.
5. If any permit is required from any municipal or other governmental authority with respect to installation and use of any of the lighting units provided hereunder, Company will seek such permits, but the ultimate responsibility belongs with Customer.
6. If Customer requests the removal of an existing lighting system, including, but not limited to, fixtures, poles, or other supporting facilities that were in service less than twenty years, and requests installation of replacement lighting within 5 years of removal, Customer agrees to pay to Company its cost of labor to install the replacement facilities.
7. Temporary suspension of lighting service is not permitted. Upon permanent discontinuance of service, lighting units and other supporting facilities solely associated with providing service under this tariff, except underground facilities and pedestals, will be removed.

**DATE OF ISSUE**: April 5, 2018

**DATE EFFECTIVE:** April 1, 2018

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the**
**Public Service Commission in Case No.**
**2018-00034 dated March 20, 2018 and modified March 28, 2018**

## Louisville Gas and Electric Company

**P.S.C. Electric No. 12, Original Sheet No. 35.3**

**Standard Rate** **LS**
**Lighting Service**

**DUE DATE OF BILL** T

Customer's payment will be due within sixteen (16) business days (no less than twenty-two (22) calendar days) from the date of the bill. Billing for this service to be made a part of bill rendered for other electric service.

**DETERMINATION OF ENERGY CONSUMPTION**

The kilowatt-hours will be determined as set forth on Sheet No. 67 of this Tariff.

**ADJUSTMENT CLAUSES**

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

| | |
|---|---|
| Fuel Adjustment Clause | Sheet No. 85 |
| Off-System Sales Adjustment Clause | Sheet No. 88 |
| Environmental Cost Recovery Surcharge | Sheet No. 87 |
| Franchise Fee | Sheet No. 90 |
| School Tax | Sheet No. 91 |

**TERM OF CONTRACT**

For a fixed term of not less than five (5) years and for such time thereafter until terminated by either party giving thirty (30) days prior written notice to the other when additional facilities are required. Cancellation by Customer prior to the initial five (5) year term will require Customer to pay to Company a lump sum equal to the monthly charge times the number of months remaining on the original five (5) year term. T

**TERMS AND CONDITIONS**

1. Service shall be furnished under Company's Terms and Conditions, except as set out herein.
2. All service and maintenance will be performed only during regular scheduled working hours of Company. Customer will be responsible for reporting outages and other operating faults. Company shall initiate service corrections within two (2) business days after such notification by Customer.
3. Customer shall be responsible for the cost of fixture replacement or repairs where such replacement or repairs are caused from willful damage, vandalism, or causes other than normal burnouts. Company may decline to provide or continue service in locations where, in Company's judgment, such facilities will be subject to unusual hazards or risk of damage.
4. Company shall have the right to make other attachments and to further extend the conductors, when necessary, for the further extension of its electric service.
5. If any permit is required from any municipal or other governmental authority with respect to installation and use of any of the lighting units provided hereunder, Company will seek such permits, but the ultimate responsibility belongs with Customer. T

**DATE OF ISSUE**: September 28, 2018

**DATE EFFECTIVE:** With Service Rendered
On and After November 1, 2018

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the**
**Public Service Commission in Case No.**
**2018-00295 dated ____**

LG&E Lighting Service Rate (LS) is now contained on five pages instead of four

## Louisville Gas and Electric Company



T

**TERMS AND CONDITIONS (continued)**

6. If Customer requests the removal of an existing lighting system, including, but not limited to, fixtures, poles, or other supporting facilities, Customer agrees to pay to Company its cost of labor to remove existing facilities. Customer will be required to pay Conversion Fee if Customer requests installation of LED replacement within five (5) years.

7. Temporary suspension of lighting service is not permitted. Upon permanent discontinuance of service, lighting units and other supporting facilities solely associated with providing service under this tariff, except underground facilities and pedestals, will be removed.

N

8. Should Customer request underground service, Customer shall make a non-refundable cash contribution prior to the time of installation, or, at the option of Company, make a work contribution to Company for the difference in the installed cost of the system requested and the cost of the overhead lighting system.

   Where the location of existing poles is not suitable or where there are no existing poles for mounting of lights, and Customer requests service under these conditions, Company may furnish the requested facilities at an additional charge to be determined under the Excess Facilities Rider.

**DATE OF ISSUE**: September 28, 2018

**DATE EFFECTIVE:** With Service Rendered
On and After November 1, 2018

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00295 dated ____**

## Louisville Gas and Electric Company

**P.S.C. Electric No. 11, Second Revision of Original Sheet No. 36**
**Canceling P.S.C. Electric No. 11, First Revision of Original Sheet No. 36**

**Standard Rate** **RLS**
**Restricted Lighting Service**

**APPLICABLE**
In all territory served.

**AVAILABILITY OF SERVICE**
Service under this rate schedule is restricted to those lighting fixtures/poles in service as of January 1, 2013, except where a spot replacement maintains the continuity of multiple fixtures/poles composing a neighborhood lighting system or continuity is desired for a subdivision being developed in phases. Spot placement of restricted fixtures/poles is contingent on the restricted fixtures/poles being available from manufacturers. Spot replacement of restricted units will be made under the terms and conditions provided for under non-restricted Lighting Service Rate LS. Spot replacements will not be available for Mercury Vapor and Incandescent rate codes.

In the event restricted fixtures/poles fail and replacements are unavailable, Customer will be given the choice of having Company remove the failed fixture/pole or replacing the failed fixture/pole with other available fixture/pole.

Units marked with an asterisk (*) are not available for use in residential neighborhoods except by municipal authorities.

**OVERHEAD SERVICE**
Based on Customer's lighting choice, Company has furnished, installed, and maintained the lighting unit complete with lamp, fixture, photoelectric control, mast arm, and, if needed, up to 150 feet of conductor per fixture on existing wood poles (fixture only).

**RATE**

| Rate Code | Type of Fixture | Approximate Lumens | kW Per Light | Monthly Charge Fixture Only | Fixture & Wood Pole | Fixture & Orn. Pole | |
|---|---|---|---|---|---|---|---|
| **Mercury Vapor** | | | | | | | |
| 252 | Cobra/Open Bottom | 8,000 | 0.210 | $10.88 | | | I |
| 203 | Cobra Head | 13,000 | 0.298 | 12.36 | | | |
| 204 | Cobra Head | 25,000 | 0.462 | 15.12 | | | |
| 209 | Cobra Head | 60,000* | 1.180 | 30.57 | | | |
| 207 | Directional | 25,000 | 0.462 | $17.19 | | | |
| 210 | Directional | 60,000* | 1.180 | 31.80 | | | |
| 201 | Open Bottom | 4,000 | 0.100 | $ 9.43 | | | |
| **Metal Halide** | | | | | | | |
| 470/471 | Directional | 12,000 | 0.150 | $14.50 | $17.17 | | |
| 474/475 | Directional | 32,000* | 0.350 | | 22.94 | $30.40 | |
| 476/477 | Directional | 107,800* | 1.080 | 43.23 | 46.42 | | |

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**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2017-00267 dated December 19, 2017**

## Louisville Gas and Electric Company

**P.S.C. Electric No. 12, Original Sheet No. 36**

**Standard Rate** **RLS**
**Restricted Lighting Service**

**APPLICABLE**
In all territory served.

**AVAILABILITY** T
Availability is restricted to those lighting fixtures/poles in service as of January 1, 2013, except where a spot replacement maintains the continuity of multiple fixtures/poles in a neighborhood lighting system or continuity is desired for a subdivision being developed in phases. Spot placement of restricted fixtures/poles is contingent on the restricted fixtures/poles being available from manufacturers. Spot replacement of restricted units will be made under the terms and conditions provided for under non-restricted Lighting Service Rate LS. Spot replacements will not be available for Mercury Vapor and Incandescent rate codes. T T

In the event restricted fixtures/poles fail and replacements are unavailable, Customer will be given the choice of having Company remove the failed fixture/pole or replacing the failed fixture/pole with other available fixture/pole.

Units marked with an asterisk (*) are not available for use in residential neighborhoods except by municipal authorities.

**OVERHEAD SERVICE**
Based on Customer's lighting choice, Company has furnished, installed, and maintained the lighting unit complete with lamp, fixture, photoelectric control, mast arm, and, if needed, up to 150 feet of conductor per fixture on existing wood poles (fixture only).

**RATE**

| Rate Code | Type of Fixture | Approximate Lumens | kW Per Light | Monthly Charge Fixture Only | Fixture & Wood Pole | Fixture & Orn. Pole | |
|---|---|---|---|---|---|---|---|
| **Mercury Vapor** | | | | | | | |
| 252 | Cobra/Open Bottom | 8,000 | 0.210 | $11.20 | | | I |
| 203 | Cobra Head | 13,000 | 0.298 | 12.73 | | | I |
| 204 | Cobra Head | 25,000 | 0.462 | 15.57 | | | I |
| 209 | Cobra Head | 60,000* | 1.180 | 31.48 | | | I |
| 207 | Directional | 25,000 | 0.462 | $17.70 | | | I |
| 210 | Directional | 60,000* | 1.180 | 32.74 | | | I |
| 201 | Open Bottom | 4,000 | 0.100 | $ 9.71 | | | I |
| **Metal Halide** | | | | | | | |
| 470/471 | Directional | 12,000 | 0.150 | $14.93 | $17.68 | | I/I |
| 474/475 | Directional | 32,000* | 0.350 | | 23.62 | $31.30 | I/I |
| 476/477 | Directional | 107,800* | 1.080 | 44.51 | 47.80 | | I/I |
| 473 | Directional | 32,000* | 0.350 | 21.26 | | | N/I |

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On and After November 1, 2018

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State Regulation and Rates
Louisville, Kentucky

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## Louisville Gas and Electric Company

P.S.C. Electric No. 11, Second Revision of Original Sheet No. 36.1
Canceling P.S.C. Electric No. 11, First Revision of Original Sheet No. 36.1

**Standard Rate** **RLS**
**Restricted Lighting Service**

**OVERHEAD SERVICE** (continued)
**RATE**

| Rate Code | | Monthly Charge |
|---|---|---|
| **Wood Pole** | | |
| 958 | Installed Before 3/1/2010 | $11.32 |
| 900 | Installed Before 7/1/2004 | 2.15 |

**UNDERGROUND SERVICE**

Based on Customer's lighting choice, Company has furnished, installed, and maintained the lighting unit complete with lamp, fixture, photoelectric control, mast arm, and, if needed, up to 200 feet of conductor per fixture on appropriate poles.

**RATE**

| | | | | Monthly Charge | | |
|---|---|---|---|---|---|---|
| Rate Code | Type of Fixture | Approximate Lumens | kW Per Light | Fixture Only | Decorative Smooth | |
| **High Pressure Sodium** | | | | | | |
| 275 | Cobra/Contemporary | 16,000 | 0.181 | | $27.64 | I |
| 266 | Cobra/Contemporary | 28,500 | 0.294 | | 30.35 | |
| 267 | Cobra Contemporary | 50,000* | 0.471 | | 34.64 | |
| 276 | Coach/Acorn | 5,800 | 0.083 | | $16.69 | |
| 274 | Coach/Acorn | 9,500 | 0.117 | | 19.90 | |
| 277 | Coach/Acorn | 16,000 | 0.181 | | 24.34 | |
| 279/278 | Contemporary | 120,000* | 1.000 | $47.45 | $78.58 | |
| 417 | Acorn, Bronze | 9,500 | 0.117 | | $26.21 | |
| 419 | Acorn, Bronze | 16,000 | 0.180 | | 28.08 | |
| 280 | Victorian | 5,800 | 0.083 | $22.13 | | |
| 281 | Victorian | 9,500 | 0.117 | 23.19 | | |
| 282 | London | 5,800 | 0.083 | $22.29 | | |
| 283 | London | 9,500 | 0.117 | 23.69 | | |

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State Regulation and Rates
Louisville, Kentucky

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## Louisville Gas and Electric Company

P.S.C. Electric No. 12, Original Sheet No. 36.1

**Standard Rate** **RLS**
**Restricted Lighting Service**

| **RATE (continued)** | | | | Monthly Charge | | | T |
|---|---|---|---|---|---|---|---|
| Rate Code | Type of Fixture | Approximate Lumens | kW Per Light | Fixture Only | Fixture & Wood Pole | Fixture & Orn. Pole | T T |
| **High Pressure Sodium** | | | | | | | N |
| 452 | Cobra Head | 16,000 | 0.181 | $14.87 | | | N/I |
| 453 | Cobra Head | 28,500 | 0.294 | 17.35 | | | N/I |
| 454 | Cobra Head | 50,000* | 0.471 | 19.77 | | | N/I |
| 455 | Directional | 16,000 | 0.181 | $15.85 | | | N/I |
| 456 | Directional | 50,000* | 0.471 | 20.62 | | | N/I |
| 457 | Open Bottom | 9,500 | 0.117 | $13.16 | | | N/I |
| **Wood Pole** | | | | | | | T |
| 958 | Installed Before 3/1/2010 | | | $11.66 | | | T/I |
| 900 | Installed Before 7/1/2004 | | | 2.21 | | | T/I |

**UNDERGROUND SERVICE**

Based on Customer's lighting choice, Company has furnished, installed, and maintained the lighting unit complete with lamp, fixture, photoelectric control, mast arm, and, if needed, up to 200 feet of conductor per fixture on appropriate poles.

**RATE**

| | | | | Monthly Charge | | |
|---|---|---|---|---|---|---|
| Rate Code | Type of Fixture | Approximate Lumens | kW Per Light | Fixture Only | Decorative Smooth | |
| **High Pressure Sodium** | | | | | | |
| 275 | Cobra/Contemporary | 16,000 | 0.181 | | $28.46 | I |
| 266 | Cobra/Contemporary | 28,500 | 0.294 | | 31.25 | I |
| 267 | Cobra Contemporary | 50,000* | 0.471 | | 35.67 | I |
| 276 | Coach/Acorn | 5,800 | 0.083 | | 17.19 | I |
| 274 | Coach/Acorn | 9,500 | 0.117 | | 20.49 | I |
| 277 | Coach/Acorn | 16,000 | 0.181 | | 25.06 | I |
| 279/278 | Contemporary | 120,000* | 1.000 | $48.86 | 80.91 | I/I |
| 417 | Acorn, Bronze | 9,500 | 0.117 | | 27.00 | I |
| 419 | Acorn, Bronze | 16,000 | 0.180 | | 28.91 | I |
| 280 | Victorian | 5,800 | 0.083 | $22.78 | | I |
| 281 | Victorian | 9,500 | 0.117 | 23.88 | | I |
| 282 | London | 5,800 | 0.083 | 22.95 | | I |
| 283 | London | 9,500 | 0.117 | 24.39 | | I |
| 426 | London | 5,800 | 0.083 | | $37.01 | T/I |
| 428 | London | 9,500 | 0.117 | | 37.99 | T/I |
| 430 | Victorian | 5,800 | 0.083 | | 36.00 | T/I |
| 432 | Victorian | 9,500 | 0.117 | | 38.23 | T/I |

**DATE OF ISSUE**: September 28, 2018

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State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00295 dated ____**

## Louisville Gas and Electric Company

**P.S.C. Electric No. 11, Second Revision of Original Sheet No. 36.2**
**Canceling P.S.C. Electric No. 11, First Revision of Original Sheet No. 36.2**

**Standard Rate** **RLS**
**Restricted Lighting Service**

**UNDERGROUND SERVICE** (continued)

**RATE**

| Rate Code | Type of Fixture | Approximate Lumens | kW Per Light | Monthly Charge Fixture Only | Monthly Charge Decorative Smooth | |
|---|---|---|---|---|---|---|
| **High Pressure Sodium** (continued) | | | | | | |
| 426 | London | 5,800 | 0.083 | | $35.94 | I |
| 428 | London | 9,500 | 0.117 | | 36.89 | |
| 430 | Victorian | 5,800 | 0.083 | | 34.96 | |
| 432 | Victorian | 9,500 | 0.117 | | 37.13 | |
| **Victorian/London Bases** | | | | | | |
| 950 | Old Town | | | | $ 3.62 | |
| 951 | Chesapeake | | | | 3.83 | |
| **Poles** | | | | | | |
| 901 | 10' Smooth Pole | | | | 10.82 | |
| 902 | 10' Fluted Pole | | | | 12.91 | |
| **Mercury Vapor** | | | | | | |
| 318 | Cobra Head | 8,000 | 0.210 | | $18.91 | I |
| 314 | Cobra Head | 13,000 | 0.298 | | 20.80 | |
| 315 | Cobra Head | 25,000 | 0.462 | | 24.79 | |
| 206 | Coach | 4,000 | 0.100 | | $13.85 | |
| 208 | Coach | 8,000 | 0.210 | | 15.66 | |
| **Metal Halide** | | | | | | |
| 479/480 | Contemporary | 12,000 | 0.150 | $16.14 | $26.62 | |
| 483/484 | Contemporary | 107,800* | 1.080 | 46.20 | 57.30 | |
| **Incandescent** | | | | | | |
| 349 | Continental Jr. | 1,500 | 0.102 | | $ 9.96 | |
| 348 | Continental Jr. | 6,000 | 0.447 | | 14.20 | |

Where Customer's location required the installation of additional facilities, Company may have furnished the requested facilities at an additional charge per month to be determined under the Excess Facilities Rider.

**DATE OF ISSUE**: January 8, 2018

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State Regulation and Rates
Louisville, Kentucky

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## Louisville Gas and Electric Company

**P.S.C. Electric No. 12, Original Sheet No. 36.2**

**Standard Rate** **RLS**
**Restricted Lighting Service**

**UNDERGROUND SERVICE** (continued)

**RATE**

| Rate Code | Type of Fixture | Approximate Lumens | kW Per Light | Monthly Charge Fixture Only | Monthly Charge Decorative Smooth | |
|---|---|---|---|---|---|---|
| **High Pressure Sodium** (continued) | | | | | | N |
| 412 | Colonial, 4-Sided | 5,800 | 0.083 | | $22.83 | N/I |
| 413 | Colonial, 4-Sided | 9,500 | 0.117 | | 23.62 | N/I |
| 444 | Colonial, 4-Sided | 16,000 | 0.181 | | 23.56 | N/I |
| 415 | Acorn | 5,800 | 0.083 | | 23.24 | N/I |
| 416 | Acorn | 9,500 | 0.117 | | 25.80 | N/I |
| 445 | Acorn | 16,000 | 0.181 | | 25.61 | N/I |
| 400 | Dark Sky | 4,000 | 0.060 | | 27.35 | N/I |
| 401 | Dark Sky | 9,500 | 0.117 | | 27.63 | N/I |
| 423 | Cobra Head | 16,000 | 0.181 | | 30.03 | N/I |
| 424 | Cobra Head | 28,500 | 0.294 | | 32.45 | N/I |
| 425 | Cobra Head | 50,000* | 0.471 | | 38.50 | N/I |
| 439/420 | Contemporary | 16,000 | 0.181 | $18.62 | 33.84 | N/I/I |
| 440/421 | Contemporary | 28,500* | 0.294 | 20.65 | 36.53 | N/I/I |
| 441/422 | Contemporary | 50,000* | 0.471 | 24.86 | 42.41 | N/I/I |
| **Mercury Vapor** | | | | | | T |
| 318 | Cobra Head | 8,000 | 0.210 | | $19.47 | T/I |
| 314 | Cobra Head | 13,000 | 0.298 | | 21.43 | T/I |
| 315 | Cobra Head | 25,000 | 0.462 | | 25.53 | T/I |
| 206 | Coach | 4,000 | 0.100 | | 14.26 | T/I |
| 208 | Coach | 8,000 | 0.210 | | 16.13 | T/I |
| **Metal Halide** | | | | | | T |
| 479/480 | Contemporary | 12,000 | 0.150 | $16.62 | $27.41 | T/I/I |
| 483/484 | Contemporary | 107,800* | 1.080 | 47.57 | 59.00 | T/I/I |
| 481/482 | Contemporary | 32,000* | 0.350 | 23.10 | 34.55 | N/I/I |
| **Incandescent** | | | | | | T |
| 349 | Continental Jr. | 1,500 | 0.102 | | $10.26 | T/I |
| 348 | Continental Jr. | 6,000 | 0.447 | | 14.62 | T/I |
| **Victorian/London Bases** | | | | | | T |
| 950 | Old Town | | | | $ 3.73 | T/I |
| 951 | Chesapeake | | | | 3.94 | T/I |
| 956 | Victorian/London (Westchester/Norfolk) | | | | 3.82 | N/I |
| **Poles** | | | | | | T |
| 901 | 10' Smooth Pole | | | | $11.14 | T/I |
| 902 | 10' Fluted Pole | | | | 13.29 | T/I |

Where Customer's location required the installation of additional facilities, Company may have furnished the requested facilities at an additional charge per month to be determined under the Excess Facilities Rider.

**DATE OF ISSUE**: September 28, 2018

**DATE EFFECTIVE:** With Service Rendered
On and After November 1, 2018

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00295 dated ____**

## Louisville Gas and Electric Company

**P.S.C. Electric No. 11, First Revision of Original Sheet No. 36.3**
**Canceling P.S.C. Electric No. 11, Original Sheet No. 36.3**

**Standard Rate** **RLS**
**Restricted Lighting Service**

**DUE DATE OF BILL**
Payment is due within sixteen (16) business days (no less than twenty-two (22) calendar days) from the date of the bill. Billing for this service to be made a part of the bill rendered for other electric service.

**DETERMINATION OF ENERGY CONSUMPTION**
The kilowatt-hours will be determined as set forth on Sheet No. 67 of this Tariff.

**ADJUSTMENT CLAUSES**
The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

| | | |
|---|---|---|
| Fuel Adjustment Clause | Sheet No. 85 | |
| Off-System Sales Adjustment Clause | Sheet No. 88 | |
| Tax Cuts and Jobs Act Surcredit | Sheet No. 89 | N |
| Environmental Cost Recovery Surcharge | Sheet No. 87 | |
| Franchise Fee Rider | Sheet No. 90 | |
| School Tax | Sheet No. 91 | |

**TERM OF CONTRACT**
For a fixed term of not less than five (5) years and for such time thereafter until terminated by either party giving thirty (30) days prior written notice to the other when additional facilities are required. Cancellation by Customer prior to the initial five-year term will require Customer to pay to Company a lump sum equal to the monthly charge times the number of months remaining on the original five (5) year term.

**TERMS AND CONDITIONS**
1. Service shall be furnished under Company's Terms and Conditions, except as set out herein.
2. All service and maintenance will be performed only during regular scheduled working hours of Company. Customer will be responsible for reporting outages and other operating faults. Company shall initiate service corrections within two (2) business days after such notification by Customer.
3. Customer shall be responsible for the cost of fixture replacement or repairs where such replacement or repairs are caused from willful damage, vandalism, or causes other than normal burnouts. Company may decline to provide or continue service in locations where, in Company's judgment, such facilities will be subject to unusual hazards or risk of damage.
4. Company shall have the right to make other attachments and to further extend the conductors, when necessary, for the further extension of its electric service.
5. Temporary suspension of lighting service is not permitted. Upon permanent discontinuance of service, lighting units and other supporting facilities solely associated with providing service under this tariff, except underground facilities and pedestals, will be removed.

**DATE OF ISSUE**: April 5, 2018

**DATE EFFECTIVE:** April 1, 2018

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the**
**Public Service Commission in Case No.**
**2018-00034 dated March 20, 2018 and modified March 28, 2018**

## Louisville Gas and Electric Company

**P.S.C. Electric No. 12, Original Sheet No. 36.3**

**Standard Rate** **RLS**
**Restricted Lighting Service**

**DUE DATE OF BILL**
Payment is due within sixteen (16) business days (no less than twenty-two (22) calendar days) from the date of the bill. Billing for this service to be made a part of the bill rendered for other electric service.

**DETERMINATION OF ENERGY CONSUMPTION**
The kilowatt-hours will be determined as set forth on Sheet No. 67 of this Tariff.

**ADJUSTMENT CLAUSES**
The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

| | | |
|---|---|---|
| Fuel Adjustment Clause | Sheet No. 85 | |
| Off-System Sales Adjustment Clause | Sheet No. 88 | |
| Environmental Cost Recovery Surcharge | Sheet No. 87 | D |
| Franchise Fee | Sheet No. 90 | T |
| School Tax | Sheet No. 91 | |

**TERM OF CONTRACT**
For a fixed term of not less than five (5) years and for such time thereafter until terminated by either party giving thirty (30) days prior written notice to the other when additional facilities are required. Cancellation by Customer prior to the initial five-year term will require Customer to pay to Company a lump sum equal to the monthly charge times the number of months remaining on the original five (5) year term.

**TERMS AND CONDITIONS**
1. Service shall be furnished under Company's Terms and Conditions, except as set out herein.
2. All service and maintenance will be performed only during regular scheduled working hours of Company. Customer will be responsible for reporting outages and other operating faults. Company shall initiate service corrections within two (2) business days after such notification by Customer.
3. Customer shall be responsible for the cost of fixture replacement or repairs where such replacement or repairs are caused from willful damage, vandalism, or causes other than normal burnouts. Company may decline to provide or continue service in locations where, in Company's judgment, such facilities will be subject to unusual hazards or risk of damage.
4. Company shall have the right to make other attachments and to further extend the conductors, when necessary, for the further extension of its electric service.
5. Temporary suspension of lighting service is not permitted. Upon permanent discontinuance of service, lighting units and other supporting facilities solely associated with providing service under this tariff, except underground facilities and pedestals, will be removed.

**DATE OF ISSUE**: September 28, 2018

**DATE EFFECTIVE:** With Service Rendered
On and After November 1, 2018

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the**
**Public Service Commission in Case No.**
**2018-00295 dated ____**

## Louisville Gas and Electric Company

**P.S.C. Electric No. 11, Third Revision of Original Sheet No. 37**
**Canceling P.S.C. Electric No. 11, Second Revision of Original Sheet No. 37**

**Standard Rate** **LE**
**Lighting Energy Service**

**APPLICABLE**
In all territory served.

**AVAILABILITY OF SERVICE**
Available to municipalities, county governments, divisions or agencies of the state or Federal governments, civic associations, and other public or quasi-public agencies for service to public street and highway lighting systems, where the municipality or other agency owns and maintains all street lighting equipment and other facilities on its side of the point of delivery of the energy supplied hereunder.

**RATE**
$0.07046 per kWh

**ADJUSTMENT CLAUSES**
The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

| | | |
|---|---|---|
| Fuel Adjustment Clause | Sheet No. 85 | |
| Off-System Sales Adjustment Clause | Sheet No. 88 | |
| Tax Cuts and Jobs Act Surcredit | Sheet No. 89 | N |
| Environmental Cost Recovery Surcharge | Sheet No. 87 | |
| Franchise Fee Rider | Sheet No. 90 | |
| School Tax | Sheet No. 91 | |

**DUE DATE OF BILL**
Customer's payment will be due within sixteen (16) business days (no less than twenty-two (22) calendar days) from the date of the bill.

**CONDITIONS OF DELIVERY**
1. Service hereunder will be metered except when, by mutual agreement of Company and customer, an unmetered installation will be more satisfactory from the standpoint of both parties. In the case of unmetered service, billing will be based on a calculated consumption taking into account the types of equipment served.

2. The location of the point of delivery of the energy supplied hereunder and the voltage at which such delivery is effected shall be mutually agreed upon by Company and the customer in consideration of the type and size of customer's street lighting system and the voltage which Company has available for delivery.

**TERMS AND CONDITIONS**
Service will be furnished under Company's Terms and Conditions applicable hereto.

**DATE OF ISSUE**: April 5, 2018

**DATE EFFECTIVE:** April 1, 2018

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00034 dated March 20, 2018 and modified March 28, 2018**

## Louisville Gas and Electric Company

**P.S.C. Electric No. 12, Original Sheet No. 37**

**Standard Rate** **LE**
**Lighting Energy Service**

**APPLICABLE**
In all territory served.

**AVAILABILITY** T
Available to municipalities, county governments, divisions or agencies of the state or Federal governments, civic associations, and other public or quasi-public agencies for service to public street and highway lighting systems, where the municipality or other agency owns and maintains all street lighting equipment and other facilities on its side of the point of delivery of the energy supplied hereunder.

**RATE**
$0.07046 per kWh

**ADJUSTMENT CLAUSES**
The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

| | | |
|---|---|---|
| Fuel Adjustment Clause | Sheet No. 85 | |
| Off-System Sales Adjustment Clause | Sheet No. 88 | |
| Environmental Cost Recovery Surcharge | Sheet No. 87 | D |
| Franchise Fee | Sheet No. 90 | T |
| School Tax | Sheet No. 91 | |

**DUE DATE OF BILL**
Customer's payment will be due within sixteen (16) business days (no less than twenty-two (22) calendar days) from the date of the bill.

**CONDITIONS OF DELIVERY**
1. Service hereunder will be metered except when, by mutual agreement of Company and Customer, an unmetered installation will be more satisfactory from the standpoint of both parties. In the case of unmetered service, billing will be based on a calculated consumption taking into account the types of equipment served.

2. The location of the point of delivery of the energy supplied hereunder and the voltage at which such delivery is effected shall be mutually agreed upon by Company and the Customer in consideration of the type and size of Customer's street lighting system and the voltage which Company has available for delivery.

**TERMS AND CONDITIONS**
Service will be furnished under Company's Terms and Conditions applicable hereto.

**DATE OF ISSUE**: September 28, 2018

**DATE EFFECTIVE:** With Service Rendered
On and After November 1, 2018

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00295 dated ____**

## Louisville Gas and Electric Company

**P.S.C. Electric No. 11, Third Revision of Original Sheet No. 38**
**Canceling P.S.C. Electric No. 11, Second Revision of Original Sheet No. 38**

**Standard Rate** **TE**
**Traffic Energy Service**

**APPLICABLE**
In all territory served.

**AVAILABILITY OF SERVICE**
Available to municipalities, county governments, divisions of the state or Federal governments or any other governmental agency for service on a 24-hour all-day every-day basis, where the governmental agency owns and maintains all equipment on its side of the point of delivery of the energy supplied hereunder. In the application of this rate each point of delivery will be considered as a separate customer.

This service is limited to traffic control devices including, but not limited to, signals, cameras, or other traffic lights, electronic communication devices, and emergency sirens.

**RATE**

| | |
|---|---|
| Basic Service Charge per month: | $4.00 per delivery point |
| Plus an Energy Charge per kWh: | $0.08394 |

**ADJUSTMENT CLAUSES**
The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

| | | |
|---|---|---|
| Fuel Adjustment Clause | Sheet No. 85 | |
| Off-System Sales Adjustment Clause | Sheet No. 88 | |
| Tax Cuts and Jobs Act Surcredit | Sheet No. 89 | N |
| Environmental Cost Recovery Surcharge | Sheet No. 87 | |
| Franchise Fee Rider | Sheet No. 90 | |
| School Tax | Sheet No. 91 | |

**MINIMUM CHARGE**
The Basic Service Charge shall be the minimum charge.

**DUE DATE OF BILL**
Customer's payment will be due within sixteen (16) business days (no less than twenty-two (22) calendar days) from the date of the bill.

**DATE OF ISSUE**: April 5, 2018

**DATE EFFECTIVE:** April 1, 2018

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the**
**Public Service Commission in Case No.**
**2018-00034 dated March 20, 2018 and modified March 28, 2018**

## Louisville Gas and Electric Company

**P.S.C. Electric No. 12, Original Sheet No. 38**

**Standard Rate** **TE**
**Traffic Energy Service**

**APPLICABLE**
In all territory served.

**AVAILABILITY** T
Available to municipalities, county governments, divisions of the state or Federal governments or any other governmental agency for service on a 24-hour all-day every-day basis, where the governmental agency owns and maintains all equipment on its side of the point of delivery of the energy supplied hereunder. In the application of this rate each point of delivery will be considered as a separate Customer.

This service is limited to traffic control devices including, but not limited to, signals, cameras, or other traffic lights, electronic communication devices, emergency sirens, and gunshot triangulation N
devices. N

**RATE**

| | | |
|---|---|---|
| Basic Service Charge per day: | $0.13 per delivery point | T/R |
| Plus an Energy Charge per kWh: | $0.08409 | I |

**ADJUSTMENT CLAUSES**
The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

| | | |
|---|---|---|
| Fuel Adjustment Clause | Sheet No. 85 | |
| Off-System Sales Adjustment Clause | Sheet No. 88 | |
| Environmental Cost Recovery Surcharge | Sheet No. 87 | D |
| Franchise Fee | Sheet No. 90 | T |
| School Tax | Sheet No. 91 | |

**MINIMUM CHARGE**
The Basic Service Charge shall be the minimum charge.

**DUE DATE OF BILL**
Customer's payment will be due within sixteen (16) business days (no less than twenty-two (22) calendar days) from the date of the bill.

**CONDITIONS OF SERVICE** T
1. Service hereunder will be metered except when, by mutual agreement of Company and Customer, an unmetered installation will be more satisfactory from the standpoint of both parties. In the case of unmetered service, billing will be based on a calculated consumption, taking into account the size and characteristics of the load, or on meter readings obtained from a similar installation.

**DATE OF ISSUE**: September 28, 2018

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On and After November 1, 2018

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the**
**Public Service Commission in Case No.**
**2018-00295 dated ____**

## Louisville Gas and Electric Company

**P.S.C. Electric No. 11, Original Sheet No. 38.1**

**Standard Rate** **TE**
**Traffic Energy Service**

**CONDITIONS OF SERVICE**

1. Service hereunder will be metered except when, by mutual agreement of Company and customer, an unmetered installation will be more satisfactory from the standpoint of both parties. In the case of unmetered service, billing will be based on a calculated consumption, taking into account the size and characteristics of the load, or on meter readings obtained from a similar installation.

2. The location of each point of delivery of energy supplied hereunder shall be mutually agreed upon by Company and the customer. Where attachment of Customer's devices is made to Company facilities, Customer must have an attachment agreement with Company.

3. Loads not operated on an all-day every-day basis will be served under the appropriate rate.

**TERMS AND CONDITIONS**
Service will be furnished under Company's Terms and Conditions applicable hereto.

**DATE OF ISSUE**: July 7, 2017

**DATE EFFECTIVE:** January 1, 2013

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2012-00222 dated December 20, 2012**

## Louisville Gas and Electric Company

**P.S.C. Electric No. 12, Original Sheet No. 38.1**

**Standard Rate** **TE**
**Traffic Energy Service**

T

**CONDITIONS OF SERVICE (continued)** T

2. The location of each point of delivery of energy supplied hereunder shall be mutually agreed upon by Company and Customer. Where attachment of Customer's devices is made to Company facilities, Customer must have an attachment agreement with Company. T

3. Loads not operated on an all-day every-day basis will be served under the appropriate rate.

**TERMS AND CONDITIONS**
Service will be furnished under Company's Terms and Conditions applicable hereto.

**DATE OF ISSUE**: September 28, 2018

**DATE EFFECTIVE:** With Service Rendered
On and After November 1, 2018

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00295 dated ____**

## Louisville Gas and Electric Company

P.S.C. Electric No. 11, Original Sheet No. 40

**Standard Rate** **PSA**

**Pole and Structure Attachment Charges**

T

**APPLICABLE**

In all territory served.

**AVAILABILITY**

Available to the facilities of cable television system operators and telecommunications carriers as provided below except: (1) facilities of incumbent local exchange carriers ("ILECs") with joint use agreements with the Company; (2) facilities subject to a fiber exchange agreement; and (3) Macro Cell Facilities. Nothing in this tariff expands the right to attach to the Company's structures beyond the rights otherwise conveyed by law.

**APPLICABILITY OF SCHEDULE TO CURRENT LICENSE AGREEMENTS**

Any telecommunication carrier that executed a license agreement permitting attachments to the Company's structures prior to the effective date of this Schedule shall be subject to the rates, terms, and conditions of this Schedule upon expiration or termination of its license agreement.

**DEFINITIONS**

"Affiliate" means, with respect to an entity, any entity controlling, controlled by, or under common control with such entity.

"Approved Contractor" means a contractor approved by Company for a particular purpose.

"Attachment" means the Cable or Wireless Facilities and all associated appliances including without limitation any overlashed cable, guying, small splice panels and vertical overhead to underground risers but shall not include power supplies, equipment cabinets, meter bases, and other equipment that impedes accessibility or otherwise conflicts with Company's electric design and construction standards.

"Attachment Customer" means a customer that attaches its facilities to one or more of the Company's Structures and has executed an Attachment Customer Agreement with the Company.

"Attachment Customer Agreement" means the written agreement provided by the Company and executed between Attachment Customer and Company incorporating the terms and conditions of this Schedule.

"Business Day" means a calendar day unless it is a Saturday, a Sunday or a legal holiday.

"Cable" means the fiber optic or coaxial cable, or any other type of cable, as well as any messenger wire or support strand.

"Cable television system operator" means a Person who operates a system that transmits television signals, for distribution to subscribers of its services for a fee, by means of wires or cables connecting its distribution facilities with its subscriber's television receiver or other

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Louisville, Kentucky

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## Louisville Gas and Electric Company

P.S.C. Electric No. 12, Original Sheet No. 40

**Standard Rate** **PSA**

**Pole and Structure Attachment Charges**

T

**APPLICABLE**

In all territory served.

**AVAILABILITY**

Available to the facilities of Governmental units, Educational Institutions, Cable Television System Operators and Telecommunications Carriers as provided below except: (1) facilities of local exchange carriers ("ILECs") with joint use agreements with Company; (2) facilities subject to a fiber exchange agreement; and (3) Macro Cell Facilities. Nothing in this tariff expands the right to attach to Company's structures beyond the rights otherwise conveyed by law.

**APPLICABILITY OF SCHEDULE TO CURRENT LICENSE AGREEMENTS**

Any Telecommunications Carrier that executed a license agreement permitting attachments to Company's Structures prior to the July 1, 2017 shall be subject to the rates, terms, and conditions of this Pole and Structure Attachment Charges Schedule ("this Schedule") upon expiration or termination of its license agreement. Any Governmental Unit or Educational Institution that executed a license agreement permitting attachments to Company's Structures prior to May 1, 2019 shall be subject to the rates, terms and conditions of this Schedule upon expiration or termination of its license agreement, unless such license agreement provides otherwise.

**DEFINITIONS**

"Affiliate" means, with respect to an entity, any entity controlling, controlled by, or under common control with such entity.

"Approved Contractor" means a contractor approved by Company for a particular purpose.

"Attachment" means the Cable or Wireless Facilities and all associated appliances including without limitation any overlashed cable, guying, small splice panels and vertical overhead to underground risers but shall not include power supplies, equipment cabinets, meter bases, and other equipment that impedes accessibility or otherwise conflicts with Company's electric design and construction standards.

"Attachment Customer" means a Customer that attaches its facilities to one or more of Company's Structures and has executed a Contract for Attachment to Company Structures with Company.

"Contract for Attachment to Company Structures" or "Contract" means the written agreement provided by Company and executed between Attachment Customer and Company incorporating the terms and conditions of this Schedule.

**DATE OF ISSUE**: September 28, 2018

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On and After November 1, 2018

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00295 dated ____**

## Louisville Gas and Electric Company

**P.S.C. Electric No. 11, Original Sheet No. 40.1**

**Standard Rate** **PSA**

**Pole and Structure Attachment Charges**

T

equipment connecting to the subscriber's television receiver, and not by transmission of television signals through the air, and subscription to the system's service is available to the public.

"Communication Space" means the area below the Communication Worker Safety Zone to the limit of allowable NESC clearance, department of transportation or other governmental requirements, and Company's internal construction standards on poles.

"Communication Worker Safety Zone" means the space between the facilities located in the Supply Space and facilities located in the Communications Space on poles.

"Contractor" means any Person employed or engaged by Attachment Customer to perform work or render services upon or in the immediate vicinity of Company's Structures or associated facilities other than Attachment Customer and Attachment Customer's employees.

"Distribution Pole" means a utility pole supporting electric supply facilities, all of which operate at less than 69 kV, but does not include a non-wood street light pole or a wood street light pole that is not located in a public right-of-way.

"Duct" means a pipe, tube, conduit, manhole, or other structure made for supporting and protecting electric and/or communications wires or cables and in which wires, cables and conduits may be placed for support or protection but excluding (1) any pipe now or previously used for the transmission or distribution of natural gas, (2) any duct system supporting electric supply lines operated at 69kV or greater, and (3) any vault.

"High Volume Application" means an application or applications for Attachments to more than 300 poles or to place Cable or conduit through more than 10 manholes submitted to Company within a 30-day period.

"Macro Cell Facility" means a wireless communications system site that is typically high-power and high-site, and capable of covering a large physical area, as distinguished from a distributed antenna system (DAS), small cell, or WiFi attachment, by way of example. Macro Cell Facilities are typically, but not exclusively, co-located on Transmission Poles and communications monopoles and towers.

"Make Ready Survey" means a survey, in the form prescribed by the Company from time to time, prepared by the Company or an Approved Contractor describing in reasonable detail the make-ready engineering requirements, and such other information as the Company may require, for the installation of an Attachment or group of Attachments on a Structure or group of Structures.

"NEC" means the National Electrical Code.

"NESC" means the National Electrical Safety Code.

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State Regulation and Rates
Louisville, Kentucky

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## Louisville Gas and Electric Company

**P.S.C. Electric No. 12, Original Sheet No. 40.1**

T

**Standard Rate** **PSA**

**Pole and Structure Attachment Charges**

"Business Day" means a calendar day unless it is a Saturday, a Sunday or a legal holiday.

"Cable" means the fiber optic or coaxial cable, or any other type of cable, as well as any messenger wire or support strand.

"Cable Television System Operator" means a Person who operates a system that transmits television signals, for distribution to subscribers of its services for a fee, by means of wires or cables connecting its distribution facilities with its subscriber's television receiver or other equipment connecting to the subscriber's television receiver, and not by transmission of television signals through the air, and subscription to the system's service is available to the public.

"Communication Space" means the area below the Communication Worker Safety Zone to the limit of allowable NESC clearance, department of transportation or other governmental requirements, and Company's internal construction standards on poles.

"Communication Worker Safety Zone" means the space between the facilities located in the Supply Space and facilities located in the Communications Space on poles.

"Contractor" means any Person employed or engaged by Attachment Customer to perform work or render services upon or in the immediate vicinity of Company's Structures or associated facilities other than Attachment Customer and Attachment Customer's employees.

"Credit Rating" means, with respect to any entity, the rating then assigned to such entity's unsecured, senior long-term debt obligations (not supported by third party credit enhancements) by Standard and Poor's Rating Group or its successor ("S&P"), or Moody's Investor Services, Inc. or its successor ("Moody's"), or if such entity does not have a rating for its senior unsecured long-term debt, then the rating then assigned to such entity as its "corporate credit rating" assigned by S&P, or the "long-term issuer rating" assigned by Moody's.

"Distribution Pole" means a utility pole supporting electric supply facilities, all of which operate at less than 69 kV, but does not include a non-wood street light pole or a wood street light pole that is not located in a public right-of-way.

"Duct" means a pipe, tube, conduit, manhole, or other structure made for supporting and protecting electric and/or communications wires or cables and in which wires, cables and conduits may be placed for support or protection but excluding (1) any pipe now or previously used for the transmission or distribution of natural gas, (2) any duct system supporting electric supply lines operated at 69kV or greater, and (3) any vault.

"Educational Institution" means a public or private, non-profit university, college or community college

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**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

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## Louisville Gas and Electric Company

P.S.C. Electric No. 11, Original Sheet No. 40.2

**Standard Rate** **PSA** T

**Pole and Structure Attachment Charges**

"Person" is defined by KRS 278.010(2).

"Service Drop" means a Cable, attached to a pole with a J-hook or other similar hardware that connects the trunk line to an end user's premises.

"Structure" means any Company pole, conduit, duct, or other facility normally used by the Company to support or protect its electric conductors but shall not include (1) any Transmission Pole other than Transmission Poles to which the Company has attached its own electric supply lines operated at less than 69kV; (2) any street light pole that is not a wood pole located in a public right-of-way; or (3) any pole that the Company has leased to a third party.

"Supply Space" means the space above the Communications Worker Safety Zone used for the installation of electric supply lines.

"Telecommunications carrier" means a Person who operates a system that (1) transmits by wire or wireless means, between or among points specified by the user, information of the user's choosing without change in the form or content of the information as sent or received, and (2) provides such transmission services for a fee directly to or for the public, or to such classes of users as to be effectively available directly to or for the public, and includes, but is not limited to, internet service providers, voice over internet protocol service providers, cellular and mobile phone service providers or resellers of such services.

"Transmission Pole" means any utility pole or tower supporting electric supply facilities designed to operate at 69 kV or greater.

"Wireless Facility" means, without limitation, antennas, risers, transmitters, receivers, and all other associated equipment used in connection with Attachment Customer's provision of wireless communications services and the transmission and reception of radiofrequency signals, but shall not include power supplies, equipment cabinets, meter bases, and other equipment that impedes accessibility or that conflicts with the Company's electric design and construction standards.

**ATTACHMENT CHARGES**

$ 7.25 per year for each wireline pole attachment.
$ 0.81 per year for each linear foot of duct.
$36.25 per year for each Wireless Facility located on the top of a Company pole.

The attachment charge for any other Wireless Facility shall be agreed upon by Attachment Customer and the Company and set forth in a special contract to be filed with the Commission.

**BILLING**

All attachment charges for use of Structures will be billed semi-annually based upon the type and number of Attachment Customer's Attachments reflected in Company's records on December 1

**DATE OF ISSUE**: July 7, 2017

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**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

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## Louisville Gas and Electric Company

P.S.C. Electric No. 12, Original Sheet No. 40.2

**Standard Rate** **PSA** T

**Pole and Structure Attachment Charges**

"Governmental Unit" means an agency or department of the Federal Government, a department, agency, or other unit of the Commonwealth of Kentucky, a county or city,, special district, or other political subdivision of the Commonwealth of Kentucky.

"High Volume Application" means an application or applications for Attachments to more than 300 poles or to place Cable or conduit through more than 10 manholes submitted to Company within a thirty (30) day period.

"Letter(s) of Credit means one or more irrevocable, transferable standby letters of credit issued by a U.S. commercial bank or a foreign bank with a U.S. branch in a form acceptable to the Company. Costs of a Letter of Credit shall be borne by the applicant for such Letter of Credit.

"Macro Cell Facility" means a wireless communications system site that is typically high-power and high-sited, and capable of covering a large physical area, as distinguished from a distributed antenna system (DAS), small cell, or WiFi attachment, by way of example. Macro Cell Facilities are typically, but not exclusively, co-located on Transmission Poles and communications monopoles and towers.

"Make-Ready Survey" means a survey, in the form prescribed by Company from time to time, prepared by Company or an Approved Contractor describing in reasonable detail the make-ready engineering requirements, and such other information as Company may require, for the installation of an Attachment or group of Attachments on a Structure or group of Structures.

"NEC" means the National Electrical Code.

"NESC" means the National Electrical Safety Code.

"Performance Assurance" means collateral in the form of cash, surety bond, Letter(s) of Credit, or other security acceptable to the Company.

"Person" is defined by KRS 278.010(2).

"Service Drop" means a Cable, attached to a pole with a J-hook or other similar hardware that connects the trunk line to an end user's premises.

"Structure" means any Company pole, conduit, duct, or other facility normally used by Company to support or protect its electric conductors but shall not include (1) any Transmission Pole with electric supply lines operated at 138kV or above; (2) any Transmission Pole with electric supply lines operated at less than 138kV other than Transmission Poles to which Company has also attached electric supply lines operated at less than 69kV; (3) any street light pole that is not a wood pole located in a public right-of-way; or (4) any pole that Company has leased to a third party.

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State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00295 dated ____**

## Louisville Gas and Electric Company

**P.S.C. Electric No. 11, Original Sheet No. 40.3**

**Standard Rate** **PSA**

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and June 1. A bill issued under this Schedule shall be due upon its issuance. Any bill not paid in full within 60 days of its issuance shall be assessed a late payment fee of 3 percent on the bill's current charges. If Attachment Customer fails to pay all charges and fees billed within six months of the bill's issuance, the Company may remove any or all of Attachment Customer's Attachments. In lieu of or in addition to removal of Attachments, the Company may exercise any other remedies available under law to address Attachment Customer's failure to make timely payment of any charges assessed under this Schedule.

**TERM OF SERVICE**

An executed Attachment Customer Agreement shall be for a term of 10 years and shall thereafter automatically renew for successive one year periods unless Company or Attachment Customer provides the other with written notice of termination at least 60 days prior to the renewal date.

**TERMS AND CONDITIONS OF ATTACHMENT**

Attachments to Company's Structures that do not interfere with the Company's electric service requirements and the Attachments of existing customers and joint users shall be permitted in accordance with the terms and conditions of this Schedule. The Terms and Conditions set forth in Section 5 of this Tariff shall also be applicable to the extent they are not in conflict with or inconsistent with this Schedule's provisions.

1. **ATTACHMENT CUSTOMER AGREEMENT**
   No Attachments shall be made to Company's Structures until Attachment Customer has executed an Attachment Customer Agreement. The Attachment Customer Agreement shall incorporate the terms and conditions set forth in this Schedule.

2. **NO PROPERTY RIGHTS**
   No use, however extended, of Company Structures shall create or vest in Attachment Customer any right, title or interest in the Structures. Attachment Customer Agreement confers only a non-exclusive right to affix and install Attachments to and on Company's Structures. The Company is not required to maintain any Structure for a period longer than demanded by its electric service requirements.

3. **USE OF COMPANY'S FACILITIES BY OTHERS**
   Nothing in this Schedule shall affect the rights or privileges previously conferred by the Company to others. The rights granted under this Schedule and the Attachment Customer Agreement shall at all times be subject to such previously conferred privileges and shall not affect the rights or privileges that may be conferred by the Company in the future to others.

4. **TRANSFER OF RIGHTS**
   Except as provided in this Schedule, Attachment Customer's rights under the Attachment Customer Agreement are non-delegable, non-transferable and non-assignable. Any delegation, transfer or assignment of any interest created by the Attachment Customer

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## Louisville Gas and Electric Company

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"Supply Space" means the space above the Communications Worker Safety Zone used for the installation of electric supply lines.

"Telecommunications carrier" means a Person who operates a system that (1) transmits by wire or wireless means, between or among points specified by the user, information of the user's choosing without change in the form or content of the information as sent or received, and (2) provides such transmission services for a fee directly to or for the public, or to such classes of users as to be effectively available directly to or for the public.

"Transmission Pole" means any utility pole or tower supporting electric supply facilities designed to operate at 69 kV or greater.

"Wireless Facility" means, without limitation, antennas, risers, transmitters, receivers, and all other associated equipment used in connection with Attachment Customer's provision of wireless communications services and the transmission and reception of radiofrequency signals, but shall not include power supplies, equipment cabinets, meter bases, and other equipment that impedes accessibility or that conflicts with Company's electric design and construction standards.

**ATTACHMENT CHARGES**

$ 7.25 per year for each wireline pole attachment.
$ 0.81 per year for each linear foot of duct.
$36.25 per year for each Wireless Facility located on the top of a Company pole.

The attachment charge for any other Wireless Facility shall be agreed upon by Attachment Customer and Company and set forth in a special contract to be filed with the Commission.

**BILLING**

All attachment charges for use of Structures will be billed semi-annually based upon the type and number of Attachment Customer's Attachments reflected in Company's records on December 1 and June 1. A bill issued under this Schedule shall be due upon its issuance. Any bill not paid in full within sixty (60) days of its issuance shall be assessed a late payment charge of three (3) percent on the bill's current charges. If Attachment Customer fails to pay all charges and fees billed within six (6) months of the bill's issuance, Company may remove any or all of Attachment Customer's Attachments. In lieu of or in addition to removal of Attachments, Company may exercise any other remedies available under law to address Attachment Customer's failure to make timely payment of any charges assessed under this Schedule.

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## Louisville Gas and Electric Company



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Agreement or this Schedule without Company's prior written consent is voidable at the Company's option. Company shall not withhold its consent to Attachment Customer's delegation, transfer or assignment of rights under Attachment Customer Agreement upon notice of the delegation, transfer or assignment and adequate evidence is provided of Transferee's compliance with Term 23 (Insurance) and Term 24 (Performance Assurance).

Attachment Customer shall not permit a third party to overlash or utilize any Attachment without Company's prior written consent. Company may condition its consent upon such third party's compliance with all provisions of the Attachment Customer Agreement, this Schedule, and such other terms as Company may reasonably require.

5. **COMPANY'S ABANDONMENT OF STRUCTURE**
The Company shall provide an Attachment Customer with a minimum of 180 days' notice before abandoning a Structure to which Attachment Customer has made an Attachment unless state or local law, easement provisions, or contractual obligations to a third party requires the Structure to be abandoned in a shorter period, in which case the Company shall provide as much notice as is reasonably practicable.

6. **FRANCHISES AND EASEMENTS**
Attachment Customer shall secure at its own expense any right-of-way, easement, license, franchise or permit from any Person that may be required for the construction or maintenance of Attachments by or for Attachment Customer. If requested by Company, Attachment Customer shall submit to Company satisfactory evidence of such right-of-way, easement, license, franchise or permit. Company's approval of Attachments shall not constitute any representation or warranty regarding Attachment Customer's right to occupy or use any public or private right-of-way.

Upon an Attachment Customer's written request, the Company may provide to Attachment Customer such non-private information as the Company may have regarding the name of the record landowners from which the Company obtained easements for Structures. Such information is provided without representation or warranty as to its accuracy or completeness. The Company has no obligation to correct or supplement any information so provided. If the Company provides assistance to Attachment Customer in obtaining easements or other property rights, Attachment Customer shall reimburse the Company's cost of providing such assistance within 30 days of its receipt of an invoice from Company.

Attachment Customer shall indemnify and save harmless Company from all claims, including the expenses incurred by Company to defend itself against such claims, resulting from or arising out of the failure of Attachment Customer to secure any right of way, easement, license, franchise or permit.

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## Louisville Gas and Electric Company



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**TERM OF SERVICE**
An executed Contract shall be for a term of 10 (ten) years and shall thereafter automatically renew for successive one (1) year periods unless Company or Attachment Customer provides the other with written notice of termination at least sixty (60) days prior to the renewal date.

**TERMS AND CONDITIONS OF ATTACHMENT**
Attachments to Company's Structures that do not interfere with Company's electric service requirements and the Attachments of existing Customers and joint users shall be permitted in accordance with the terms and conditions of this Schedule. The Terms and Conditions set forth in Section 5 of the Company's Electric Service Tariff shall also be applicable to the extent they are not in conflict with or inconsistent with this Schedule's provisions.

1. **CONTRACT FOR ATTACHMENT TO COMPANY STRUCTURES**
No Attachments shall be made to Company's Structures until Attachment Customer has executed a Contract for Attachment to Company Structures, in a form substantially similar to that which is included at the end of this Schedule.. The Contract shall incorporate the terms and conditions set forth in this Schedule.

2. **NO PROPERTY RIGHTS**
No use, however extended, of Company Structures shall create or vest in Attachment Customer any right, title or interest in the Structures. A Contract confers only a non-exclusive right to affix and install Attachments to and on Company's Structures. Company is not required to maintain any Structure for a period longer than demanded by its electric service requirements.

3. **USE OF COMPANY'S FACILITIES BY OTHERS**
Nothing in this Schedule shall affect the rights or privileges previously conferred by Company to others. The rights granted under this Schedule and the Contract shall at all times be subject to such previously conferred privileges and shall not affect the rights or privileges that may be conferred by Company in the future to others.

4. **TRANSFER OF RIGHTS**
Except as provided in this Schedule, Attachment Customer's rights under the Contract are non-delegable, non-transferable and non-assignable. Any delegation, transfer or assignment of any interest created by the Contract or this Schedule without Company's prior written consent is voidable at Company's option. Company shall not unreasonably withhold its consent to Attachment Customer's delegation, transfer or assignment of rights under the Contract upon notice of the delegation, transfer or assignment and if adequate evidence is provided of transferee's compliance with Term 23 (Insurance) and Term 24 (Performance Assurance).

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## Louisville Gas and Electric Company



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**7. ATTACHMENT APPLICATIONS AND PERMITS**

a. Unless waived by the Company, Attachment Customer shall make written application, in the form and manner prescribed by the Company for permission to install Attachments on or in any Structure. Each application shall include: (1) in the case of poles, the owner, number and location of all Structures for which license to attach is sought and the amount of space required thereon; (2) in the case of Ducts, the number of linear feet of Duct space and the specific location of each such Duct to be utilized, the amount of requested space, the nature of any changes or inner Duct or Ducts proposed to be installed and any other construction that might be required by the proposed Attachments; (3) the physical attributes of all proposed Attachments; (4) the proposed start date for installation of the Attachments; (5) any issues then known to Attachment Customer regarding space, engineering, access or other matters that might require resolution before installation of Attachments; and (6) proposed make ready drawings. Company may request additional information be included with the application at its reasonable discretion. Company may perform a pole loading study or request Attachment Customer to submit such study based upon a visual inspection or other information held by Company. If Company conducts a visual inspection of the pole to ascertain the need for a pole loading analysis, Company may assess the cost of such inspection to the Attachment Customer. If Company determines a pole loading study is required, no application shall be considered filed until submission of such study. Attachment Customer may perform the pole loading study or request Company to perform the study with cost to be borne by Attachment Customer. Nothing contained herein shall preclude Attachment Customer from submitting a pole loading study with its application without Company performing a visual inspection or otherwise requesting such study to expedite Company's review.

b. Attachment Customer shall be responsible for all costs associated with the application, a Make Ready Survey, engineering analysis, and the Company's review of the application. Attachment Customer shall reimburse Company upon presentation of an invoice for such costs. If Attachment Customer does not request Attachments to a Transmission Pole or Duct, Company shall complete a Make Ready Survey within 60 days of its receipt of Attachment Customer's completed application. If Attachment Customer's application requests attachments to a Transmission Pole or Duct, Attachment Customer and Company shall mutually agree to a time period for performance.

c. Upon completion of the Make Ready Survey, the Company shall notify Attachment Customer in writing whether its application for use of Company's Structures has been granted, of any necessary changes to the proposed construction drawings, and the conditions, if any, imposed on the installation or use of Attachments. The Company reserves the right to deny access to any Structure based upon lack of capacity, safety, reliability or engineering standards. The Company may deny access to Transmission Poles in its discretion for any reason; provided that such denials shall be determined in

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## Louisville Gas and Electric Company



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Attachment Customer shall not permit a third party to overlash or utilize any Attachment without Company's prior written consent. Company may condition its consent upon such third party's compliance with all provisions of the Contract, this Schedule, and such other terms as Company may reasonably require.

**5. COMPANY'S ABANDONMENT OF STRUCTURE**

Company shall provide an Attachment Customer with a minimum of 180 days' notice before abandoning a Structure to which Attachment Customer has made an Attachment unless state or local law, easement provisions, or contractual obligations to a third party requires the Structure to be abandoned in a shorter period, in which case Company shall provide as much notice as is reasonably practicable.

**6. FRANCHISES AND EASEMENTS**

Attachment Customer shall secure at its own expense any right-of-way, easement, license, franchise or permit from any Person that may be required for the construction or maintenance of Attachments by or for Attachment Customer. If requested by Company, Attachment Customer shall submit to Company satisfactory evidence of such right-of-way, easement, license, franchise or permit. Company's approval of Attachments shall not constitute any representation or warranty regarding Attachment Customer's right to occupy or use any public or private right-of-way.

Upon an Attachment Customer's written request, Company may provide to Attachment Customer such non-private information as Company may have regarding the name of the record landowners from which Company obtained easements for Structures. Such information is provided without representation or warranty as to its accuracy or completeness. Company has no obligation to correct or supplement any information so provided. If Company provides assistance to Attachment Customer in obtaining easements or other property rights, Attachment Customer shall reimburse Company's cost of providing such assistance within thirty (30) days of its receipt of an invoice from Company.

Attachment Customer shall indemnify and save harmless Company from all claims, including the expenses incurred by Company to defend itself against such claims, resulting from or arising out of the failure of Attachment Customer to secure any right of way, easement, license, franchise or permit.

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a non-discriminatory manner. Transmission Poles that do not support electric supply lines operated at less than 69kV are not available for Attachments under this Schedule.

d. Within 15 days of notifying Attachment Customer of the approval of its application, Company shall provide Attachment Customer a written statement of the costs of any necessary Company make-ready work, including but not limited to rearrangement of electric supply facilities and pole change out. Attachment Customer shall indicate its approval of this statement by submitting payment of the statement amount within 15 days of receipt. If facilities of a third party are required to be rearranged or transferred, Attachment Customer shall coordinate with the third party for such rearrangement or transfer and shall pay the costs related thereto. If Attachment Customer's application requests attachments to a Transmission Pole or Duct, Attachment Customer and Company shall mutually agree to a time period for preparation of a written statement of the costs of any necessary Company make-ready work.

e. If an existing Structure is replaced or a new Structure is erected solely to provide adequate capacity for Attachment Customer's proposed Attachments, Attachment Customer shall pay a sum equal to the actual material and labor cost of the new Structure, as well as any replaced appurtenances, plus the cost of removal of the existing Structure minus its salvage value, within 30 days of receipt of an invoice. The new Structure shall be Company's property regardless of any Attachment Customer payments toward its cost. Attachment Customer shall acquire no right, title or interest in or to such Structure.

f. If Company is unable to perform the Make Ready Survey and engineering analysis within the time period established under Section 7b, it shall advise Attachment Customer and promptly meet with Attachment Customer to develop a mutually agreeable plan of performance.

g. If Company fails to perform the make-ready work within 60 days of receipt of Attachment Customer's payment of the make-ready costs, Attachment Customer may perform such work at its expense using an Approved Contractor, except that Attachment Customer may not perform such work with respect to Transmission Poles or Ducts. Company shall refund any unexpended make-ready fees within 30 days of notice that Attachment Customer has performed the work. Attachment Customer shall notify Company upon completion of such make-ready work and Company may inspect such work prior to the construction of Attachments. Attachment Customer shall bear the cost of such Company inspection.

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**7. ATTACHMENT APPLICATIONS AND PERMITS**

a. Unless waived by Company, Attachment Customer shall make written application, in the form and manner prescribed by Company for permission to install Attachments on or in any Structure. Each application shall include: (1) in the case of poles, the owner, number and location of all Structures for which license to attach is sought and the amount of space required thereon; (2) in the case of Ducts, the number of linear feet of Duct space and the specific location of each such Duct to be utilized, the amount of requested space, the nature of any changes or inner Duct or Ducts proposed to be installed and any other construction that might be required by the proposed Attachments; (3) the physical attributes of all proposed Attachments; (4) the proposed start date for installation of the Attachments; (5) any issues then known to Attachment Customer regarding space, engineering, access or other matters that might require resolution before installation of Attachments; and (6) proposed make ready drawings. Company may request additional information be included with the application at its reasonable discretion. Company may perform a pole loading study or request Attachment Customer to submit such study based upon a visual inspection or other information held by Company. If Company conducts a visual inspection of the pole to ascertain the need for a pole loading analysis, Company may assess the cost of such inspection to the Attachment Customer. If Company determines a pole loading study is required, no application shall be considered completed until submission of such study. Attachment Customer may perform the pole loading study or request Company to perform the study with cost to be borne by Attachment Customer. Nothing contained herein shall preclude Attachment Customer from submitting a pole loading study with its application without Company performing a visual inspection or otherwise requesting such study to expedite Company's review.

b. Attachment Customer shall be responsible for all costs associated with the application, a Make Ready Survey, engineering analysis, and Company's review of the application. Attachment Customer shall reimburse Company upon presentation of an invoice for such costs. If Attachment Customer does not request Attachments to a Transmission Pole or Duct, Company shall complete a Make Ready Survey within sixty (60) days of its receipt of Attachment Customer's completed application. If Attachment Customer's application requests Attachments to a Transmission Pole or Duct, Attachment Customer and Company shall mutually agree to a time period for completion of a Make-Ready Survey.

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## Louisville Gas and Electric Company

**P.S.C. Electric No. 11, Original Sheet No. 40.7**

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h. If Attachment Customer submits to Company within a 30-day period an application or applications for Attachments to more than 300 poles or to place Cable or conduit through more than 10 manholes, such application or applications shall be considered a High Volume Application. The provisions set forth in Sections 7b through 7g that relate to time period and cost-reimbursement of the Company's performance of application review, engineering analysis, and a Make Ready Survey, and the performance of make-ready work, shall not apply to High Volume Applications. The Company and Attachment Customer submitting a High Volume Application shall develop a mutually agreeable plan of performance and cost reimbursement for Company's performance of application review, engineering analysis, and a Make Ready Survey, and the performance of make ready work, shall set this plan to writing and shall file it with the Commission as a special contract.

i. No written application to the Company to affix and attach a service drop to the Company's poles is required but Attachment Customer shall provide notice to the Company of such attachment within 60 days of attachment. This notice shall include the attachment location address (or a description of the location if the address is not available), the date of the attachment, the pole number of the pole to which the service drop is affixed or attached, and a statement as to whether the attachment constitutes a new attachment to the Company's pole. All pole contacts by Attachment Customer that are contained within one foot of usable space of Company's pole shall be considered as a single wireline attachment. All pole contacts by Attachment Customer that are contained within one foot of space on a Company drop or lift pole shall also be considered as a separate single wireline attachment. All pole contacts (attachment of horizontal wires or strands) not contained within one foot of usable space on a Company pole shall be considered as a separate attachment. The provisions of this Pole Structure Attachment Schedule shall not apply to an ILEC service drop if the ILEC has a joint use agreement with the Company and the service drop is located in the area covered by the joint use agreement.

**8. CONSTRUCTION AND MAINTENANCE REQUIREMENTS AND SPECIFICATIONS**

a. Attachment Customer shall not construct or install any Attachments until Company has approved in writing the design, construction, and installation practices for Attachment Customer's Attachments.

b. All Attachments shall be constructed and installed in a manner reasonably satisfactory to Company and so as not to interfere with the Company's present or future use of its Structures. Attachments in Ducts shall not include any splice enclosures or excess cable. Attachment Customer shall maintain, operate and construct all Attachments in such manner as to ensure Company's full and free access to all Company facilities. All Attachments shall conform to Company's electric design and construction standards and applicable requirements of the NESC, NEC, and all other applicable codes and laws. In the event of a conflict, the more stringent standard shall apply.

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c. Upon completion of the Make Ready Survey, Company shall notify Attachment Customer in writing whether its application for use of Company's Structures has been granted, of any necessary changes to the proposed construction drawings, and the conditions, if any, imposed on the installation or use of Attachments. Company reserves the right to deny access to any Structure based upon lack of capacity, safety, reliability or engineering standards. Company may deny access to Transmission Poles in its discretion for any reason; provided that such denials shall be determined in a non-discriminatory manner. The following types of Transmission Poles that do not support electric supply lines operated at less than 69kV are not available for Attachments under this Schedule: (1) Transmission Poles that do not support electric supply lines operated at less than 69kV; (2) any Transmission Poles that support electric supply lines operated at 138kV or above.

d. Within fifteen (15) days of notifying Attachment Customer of the approval of its application, Company shall provide Attachment Customer a written statement of the costs of any necessary Company make-ready work, including but not limited to rearrangement of electric supply facilities and pole change out. Attachment Customer shall indicate its approval of this statement by submitting payment of the statement amount within fifteen (15) days of receipt. If facilities of a third party are required to be rearranged or transferred, Attachment Customer shall coordinate with the third party for such rearrangement or transfer and shall pay the costs related thereto. If Attachment Customer's application requests attachments to a Transmission Pole or Duct, Attachment Customer and Company shall mutually agree to a time period for preparation of a written statement of the costs of any necessary Company make-ready work.

e. If an existing Structure is replaced or a new Structure is erected solely to provide adequate capacity for Attachment Customer's proposed Attachments, Attachment Customer shall pay a sum equal to the actual material and labor cost of the new Structure, as well as any replaced appurtenances, plus the cost of removal of the existing Structure minus its salvage value, within thirty (30) days of receipt of an invoice. The new Structure shall be Company's property regardless of any Attachment Customer payments toward its cost. Attachment Customer shall acquire no right, title or interest in or to such Structure.

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## Louisville Gas and Electric Company

**P.S.C. Electric No. 11, Original Sheet No. 40.8**

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c. Attachment Customer shall identify each of its Attachments with a tag, approved in advance by Company, that includes Attachment Customer's name, 24-hour contact telephone number, and such other information as Company may require. Attachment Customer shall tag an Attachment at the time of construction. Any untagged Attachment existing as of the date of execution of Attachment Customer Agreement or the effective date of this Schedule, whichever is earlier, shall be tagged when Attachment Customer or its agents perform work on the Attachment. All Cable placed by Attachment Customer within a Company-owned or controlled Duct shall be enclosed within Attachment Customer furnished inner-duct and shall be clearly marked and identified as belonging to Attachment Customer at all access points. Service drops do not need to be tagged.

d. In the design, installation and maintenance of its Attachments, Attachment Customer shall comply with all Company standards and all federal, state and local government laws, rules, regulations, ordinances, or other lawful directives applicable to the work of constructing and installing the Attachments. All work shall be performed in accordance with the applicable standards of the NESC and the NEC, including amendments thereto adopted. Attachment Customer shall take all necessary precautions, by the installation of protective equipment or other means, to protect all Persons and property of all kinds against injury or damage caused by or occurring by reason of the construction, installation or existence of Attachments.

e. Attachment Customer shall immediately report to Company (1) any damage caused to property of Company or others when installing or maintaining Attachments, (2) any Attachment Customer's failure to meet the requirements set forth in this Schedule for assuring the safety of Persons and property and compliance with laws and regulations of public authorities and standard-setting bodies, and (3) any unsafe condition relating to Company's Structures identified by Attachment Customer.

f. Attachment Customer shall complete installation of its Attachments within 60 days of the later of approval of the application for such Attachments or, if make-ready work is required under such approval, completion of make-ready work, and shall notify Company in writing upon its completion. If Attachment Customer fails to complete the installation within this time period, the Company may revoke its permit for the Attachment. Prior to revoking the permit for the Attachment, Company shall provide written notice of the revocation to Attachment Customer. Company may conduct an inspection of such Attachments. Attachment Customer shall reimburse Company within 30 days of presentation of an invoice for such inspections.

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f. If Company is unable to perform the Make Ready Survey and engineering analysis within the time period established under Section 7b, Company shall advise Attachment Customer and promptly meet with Attachment Customer to develop a mutually agreeable plan of performance.

g. If Company fails to perform the make-ready work within sixty (60) days of receipt of Attachment Customer's payment of the make-ready costs, Attachment Customer may perform such work at its expense using an Approved Contractor, except that Attachment Customer may not perform such work with respect to Transmission Poles or Ducts.. The Approved Contractor shall provide notice to Company at least one week prior to performing any make-ready. During the performance of any make-ready by Approved Contractors, an inspector designated by Company shall accompany the Approved Contractor(s). The inspector, in his or her sole discretion, may direct that work be performed in a manner other than as approved in an application, based on the then-existing circumstances in the field. The cost of such inspector(s) shall be reimbursed by Attachment Customer within 30 days of receipt of an invoice from Company. Company shall refund any unexpended make-ready fees within 30 days of notice that Attachment Customer has performed the work.

h. If Attachment Customer submits to Company within a thirty (30) day period an application or applications for Attachments to more than 300 poles or to place Cable or conduit through more than ten (10) manholes, such application or applications shall be considered a High Volume Application. The provisions set forth in Sections 7b through 7g that relate to time period and cost-reimbursement of Company's performance of application review, engineering analysis, and a Make Ready Survey, and the performance of make-ready work, shall not apply to High Volume Applications. Company and Attachment Customer submitting a High Volume Application shall develop a mutually agreeable plan of performance and cost reimbursement for Company's performance of application review, engineering analysis, and a Make Ready Survey, and the performance of make ready work, shall set this plan to writing and shall file it with the Commission as a special contract.

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**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

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## Louisville Gas and Electric Company

**P.S.C. Electric No. 11, Original Sheet No. 40.9**

**Standard Rate** **PSA**

**Pole and Structure Attachment Charges**

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g. Company may monitor Attachment Customer's construction and installation of Attachments. If the need for a monitor is caused by Attachment Customer's failure to comply with the terms of this Schedule, the Attachment Customer Agreement, or any applicable law or regulation, Attachment Customer shall reimburse Company for the actual cost of any such monitoring within 30 days of receipt of an invoice for such cost. For locations where Attachment Customer's construction and installation are within Company underground facilities, Attachment Customer shall reimburse Company for the actual cost associated with providing inspection services within 30 days of receipt of an invoice.

h. Attachment Customer may use qualified contractors of its own choice to perform work below the Communication Worker Safety Zone. For any work in or above the Communication Worker Safety Zone that Company allows Attachment Customer to perform, Attachment Customer shall use an Approved Contractor who may, at Company's discretion, be required to be accompanied by a Company-designated inspector. For any work in Company's Ducts, Attachment Customer shall use an Approved Contractor, who must be accompanied by a Company-designated inspector. The Company shall schedule a Company-designated inspector to accompany an Approved Contractor within 15 days of its receipt of such request for such inspector. The costs of such inspection shall be reimbursed to the Company in the same manner described in Section 8g above.

i. Attachment Customer shall comply with all applicable Federal, State, and local laws, rules and regulations with respect to environmental practices undertaken pursuant to the construction, installation, operation and maintenance of its Attachments. Attachment Customer shall not bring, store or utilize any hazardous materials on any Company site without the Company's prior express written consent. To the extent reasonably practicable, Attachment Customer shall restore any property altered pursuant to its performance under the Attachment Customer Agreement to its condition existing immediately prior to the alteration. Company has no obligation to correct or restore any property altered by Attachment Customer and bears no responsibility for Attachment Customer's compliance with applicable environmental regulations.

j. If Attachment Customer fails to install any Attachment in accordance with the standards and terms set forth in this Schedule and Company provides written notice to Attachment Customer of such failure, Attachment Customer, at its own expense, shall make necessary adjustments within 30 days of receipt of such notice. Subject to Section 15 of this Schedule, if Attachment Customer fails to make such adjustments within such time period, Company may make the repairs or adjustments, and Attachment Customer shall pay Company for the actual cost thereof within 30 days of receipt of an invoice.

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State Regulation and Rates
Louisville, Kentucky

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## Louisville Gas and Electric Company

**P.S.C. Electric No. 12, Original Sheet No. 40.9**

**Standard Rate** **PSA**

**Pole and Structure Attachment Charges**

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i. No written application to Company to affix and attach a Service Drop to Company's poles is required but Attachment Customer shall provide notice to Company within sixty (60) days of attachment of such Service Drop. This notice shall include the Service Drop location address (or a description of the location if the address is not available), the date of the attachment, the pole number of the pole to which the Service Drop is affixed or attached, and a statement as to whether the Service Drop constitutes a new Attachment to Company's pole for billing purposes. Any Service Drop affixed to a pole more than six (6) inches above or below a through-bolt shall be considered a separate Attachment for billing purposes. On drop or lift poles only, all Service Drops affixed within one foot of usable space shall be considered a single Attachment for billing purposes. Company may conduct an inspection of any Service Drop Attachments, and Attachment Customer shall reimburse Company within 30 days of presentation of an invoice for such inspections. The provisions of this Pole Structure Attachment Schedule shall not apply to an ILEC service drop if the ILEC has a joint use agreement with the Company and the service drop is located in the area covered by the joint use agreement.

**8. CONSTRUCTION AND MAINTENANCE REQUIREMENTS AND SPECIFICATIONS**

a. Attachment Customer shall not construct or install any Attachments until: (1) Company has approved in writing the design, construction, and installation practices for Attachment Customer's Attachments; (2) all Company make-ready work, if any, has been completed (and, if such make-ready work has been performed by an Approved Contractor pursuant to Section 7g above, inspected by Company); and (3) any necessary third party rearrangements or transfers have been completed. Any Attachment that fails to comply with this provision shall be deemed an Unauthorized Attachment for purposes of Section 19 of this Schedule

b. All Attachments shall be constructed and installed in a manner reasonably satisfactory to Company and so as not to interfere with Company's present or future use of its Structures. Attachments in Ducts shall not include any splice enclosures or excess cable. Attachment Customer shall maintain, operate and construct all Attachments in such manner as to ensure Company's full and free access to all Company facilities. All Attachments shall conform to Company's electric design and construction standards and applicable requirements of the NESC, NEC, and all other applicable codes and laws. In the event of a conflict, the more stringent standard shall apply.

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## Louisville Gas and Electric Company

**P.S.C. Electric No. 11, Original Sheet No. 40.10**

**Standard Rate** **PSA**

**Pole and Structure Attachment Charges**

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k. Attachment Customer is responsible for any damage, fines or penalties resulting from any noncompliance with the construction and maintenance requirements and specifications set forth in this Section 8, except when Attachment Customer demonstrates that noncompliance is due to the actions of the Company or another Attachment Customer. Company undertakes no duty to require any specific action by Attachment Customer and assumes no responsibility by requiring such compliance or by requiring Attachment Customer to meet any specifications or to make any corrections, modifications, additions or deletions to any work or planned work by Attachment Customer.

l. Within 15 days of completion of the installation of the Attachment, Attachment Customer shall furnish Company with complete "as-built" drawings in a computer generated electronic format (or such other format as is agreeable to Company). Hand drawings shall not be submitted.

**9. ADDITIONAL REQUIREMENTS FOR WIRELESS FACILITIES**

a. Wireless Facilities Attachments may be attached to Distribution Poles only.

b. Company may require Attachment Customer to furnish with any written application for permission to install a Wireless Facilities Attachment a mock-up of the proposed Attachment.

c. Attachment Customer is solely responsible for ensuring that the radiofrequency ("RF") radiation emitted by its Wireless Facilities, alone and/or in combination with any and all sources of RF radiation in the vicinity, is within the limits permitted under all applicable governmental and industry standard safety codes for general population/uncontrolled exposure. Attachment Customer shall install appropriate signage on the poles to which Wireless Facilities have been attached, to warn line workers or the general public of the presence of RF radiation and the need for precautionary measures. Attachment Customer shall periodically inspect the signage and replace the signage if necessary to ensure that the signage, including text and warning symbols, remains clearly visible.

d. Each Wireless Facility installation shall include a switch that operates to disconnect and de-energize the antenna. In non-emergency circumstances, Company employees or contractors will make reasonable efforts to contact Attachment Customer at a telephone number that Attachment Customer has marked on the Wireless Facility installation to request a temporary power shut-down. Company personnel or those of other attaching entities will operate the power disconnect switch to ensure that the antenna is not energized while work on the pole is in progress. In emergency circumstances, Company personnel and those of other entities attached to Company poles may accomplish the power-down by operation of the power disconnect switch without advance notice to Attachment Customer.

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## Louisville Gas and Electric Company

**P.S.C. Electric No. 12, Original Sheet No. 40.10**

**Standard Rate** **PSA**

**Pole and Structure Attachment Charges**

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c. Attachment Customer shall identify each of its Attachments with a tag, approved in advance by Company, that includes Attachment Customer's name, 24-hour contact telephone number, and such other information as Company may require. All Cable placed by Attachment Customer within a Company-owned or controlled Duct shall be enclosed within Attachment Customer furnished inner-duct and shall be clearly marked and identified as belonging to Attachment Customer at all access points. Service drops do not need to be tagged. Attachment Customer shall tag an Attachment at the time of construction. Any untagged Attachment existing as of the date of execution of the Contract or the effective date of this Schedule, whichever is earlier, shall be tagged by Attachment Customer when Attachment Customer or its agents perform work on the Attachment. . If the Company is required to relocate or remove an Attachment or otherwise contact the owner of an Attachment to effect repairs and the Attachment is untagged and cannot be readily identified, any expense incurred by Company to identify the Attachment owner shall be borne by the Attachment Customer. Further, the Company shall be considered to have provided notice to the owner of an untagged Attachment required under Section 16 of this Schedule upon inspecting the Attachment and determining that it is untagged.

d. In the design, installation and maintenance of its Attachments, Attachment Customer shall comply with all Company standards and all federal, state and local government laws, rules, regulations, ordinances, or other lawful directives applicable to the work of constructing and installing the Attachments. All work shall be performed in accordance with the applicable standards of the NESC and the NEC, including amendments thereto adopted. Attachment Customer shall take all necessary precautions, by the installation of protective equipment or other means, to protect all Persons and property of all kinds against injury or damage caused by or occurring by reason of the construction, installation or existence of Attachments.

e. Attachment Customer shall immediately report to Company (1) any damage caused to property of Company or others when installing or maintaining Attachments, (2) any Attachment Customer's failure to meet the requirements set forth in this Schedule for assuring the safety of Persons and property and compliance with laws and regulations of public authorities and standard-setting bodies, and (3) any unsafe condition relating to Company's Structures identified by Attachment Customer.

f. Attachment Customer shall complete installation of its Attachments within sixty (60) days of the later of approval of the application for such Attachments or, if make-ready work is required under such approval, completion of make-ready work, and shall notify Company in writing upon its completion. If Attachment Customer fails to complete the installation within this time period, Company may revoke its permit for the Attachment. Prior to revoking the permit for the Attachment, Company shall provide written notice of the revocation to Attachment Customer. Company may conduct a post-construction inspection of such Attachments. Attachment Customer shall reimburse Company within thirty (30) days of presentation of an invoice for such inspections.

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## Louisville Gas and Electric Company

P.S.C. Electric No. 11, Original Sheet No. 40.11

Standard Rate PSA T

Pole and Structure Attachment Charges

e. Attachment Customer is solely responsible for ensuring compliance with all Federal Communication Commission antenna registration requirements, Federal Aviation Administration air hazard requirements, or similar requirements with respect to the location of Attachment Customer's Wireless Facilities on Company's poles.

f. All power supplies, equipment cabinets, meter bases and other equipment associated with the Wireless Facilities that are large enough to impede accessibility shall be installed off-pole, consistent with the applicable standards of the NESC, Company standards, and all applicable laws, rules, regulations, ordinances, and other applicable governmental directives.

**10. OVERLASHING OF CABLE**
An Attachment Customer may make an initial overlash of an existing attachment if the overlash is not greater than one-half inch in diameter without any advance notice or application to the Company. No application or advance notice is required for the replacement of an existing cable with a cable that is no greater than one-half inch in diameter. With all other overlashing, Attachment Customer shall provide the Company with advance notice to permit the Company to visually inspect its Structures to determine the need for a pole loading analysis. For projects involving more than 10 spans, the Attachment Customer must provide at least 15 business days' advance notice. For projects involving 10 spans or less, Attachment Customer shall provide at least 7 business days' advance notice. Notwithstanding the foregoing, no bundle of Attachment Customer's Cable shall exceed two inches in diameter without Company's express written approval.

**11. STRAND-MOUNTED WIRELESS COMMUNICATION DEVICES**
A strand-mounted wireless communication device shall be considered part of wireline attachment and not subject to permitting or an additional attachment charge if it is located within the one foot vertical space occupied by Attachment Customer's cable and meets all applicable loading, clearance, and RF emission requirements. Before deploying any strand-mounted wireless communications devices other than strand-mounted wi-fi access points, Attachment Customer shall at least 60 days prior to planned deployment notify the Company of the proposed deployment and provide sufficient information regarding the nature of device to permit the Company to assess the safety and loadbearing implications of the proposed deployment.

**12. MAINTENANCE OF ATTACHMENTS AND STRUCTURES**
Attachment Customer shall maintain Attachments in safe condition and in good repair, in a manner reasonably suitable to Company and so as not to conflict with any use of Company facilities (including Structures) by Company or any other Person using such facilities pursuant to any license or permit by Company. Attachment Customer shall not interfere with the

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## Louisville Gas and Electric Company

P.S.C. Electric No. 12, Original Sheet No. 40.11

Standard Rate PSA

Pole and Structure Attachment Charges

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g. Attachment Customer may use qualified contractors of its own choice to perform work below the Communication Worker Safety Zone. For any work in or above the Communication Worker Safety Zone that Company allows Attachment Customer to perform, Attachment Customer shall use an Approved Contractor who may, at Company's discretion, be required to be accompanied by a Company-designated inspector. For any work in Company's Ducts, Attachment Customer shall use an Approved Contractor, who must be accompanied by a Company-designated inspector. Company shall schedule a Company-designated inspector to accompany an Approved Contractor within fifteen (15) days of its receipt of such request for such inspector. Attachment Customer shall reimburse Company for the actual cost associated with providing inspection services within 30 days of receipt of an invoice.

h. Company may also monitor Attachment Customer's construction and installation of Attachments below the Communication Worker Safety Zone. If the need for a monitor is caused by Attachment Customer's failure to comply with the terms of this Schedule, the Contract, or any applicable law or regulation, Attachment Customer shall reimburse Company for the actual cost of any such monitoring within thirty (30) days of receipt of an invoice for such cost. For locations where Attachment Customer's construction and installation are within Company underground facilities, Attachment Customer shall reimburse Company for the actual cost associated with providing inspection services within thirty (30) days of receipt of an invoice.

i. Attachment Customer shall comply with all applicable federal, state, and local laws, rules and regulations with respect to environmental practices undertaken pursuant to the construction, installation, operation and maintenance of its Attachments. Attachment Customer shall not bring, store or utilize any hazardous materials on any Company site without Company's prior express written consent. To the extent reasonably practicable, Attachment Customer shall restore any property altered pursuant to this Schedule or the Contract to its condition existing immediately prior to the alteration. Company has no obligation to correct or restore any property altered by Attachment Customer and bears no responsibility for Attachment Customer's compliance with applicable environmental regulations.

j. If Attachment Customer fails to install any Attachment in accordance with the standards and terms set forth in this Schedule and Company provides written notice to Attachment Customer of such failure, Attachment Customer, at its own expense, shall make necessary adjustments within thirty (30) days of receipt of such notice. Subject to Section 15 of this Schedule, if Attachment Customer fails to make such adjustments within such time period, Company may make the repairs or adjustments, and Attachment Customer shall pay Company for the actual cost thereof plus a penalty of 50% of actual costs within thirty (30) days of receipt of an invoice.

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## Louisville Gas and Electric Company

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**Pole and Structure Attachment Charges**

working use of any other Person's property on or in such facilities or any such property, which may be placed on or near the Structures and other facilities. Company reserves to itself, its successors, Affiliates and assigns, the right to maintain Structures and other Company property and to operate its business and maintain its property in such a manner as will, in its own judgment, best enable it to fulfill its own service requirements. Company shall not be liable to Attachment Customer for any interference with the operation of Attachment Customer's facilities, or loss of business arising in any manner out of the use of Company's Structures or other property.

**13. NATIONAL JOINT UTILITIES NOTIFICATION SYSTEM**
Within 30 days of executing Attachment Customer Agreement, and prior to making application for any Attachment, Attachment Customer will join National Joint Utilities Notification System ("NJUNS"), a web-based system developed to improve joint use communication, and will actively participate during the Term of Service, by entering field information into the NJUNS system within the times required by the system. Should Attachment Customer fail to actively participate in NJUNS and should such failure cause the Company to incur expense or liability to others, Attachment Customer shall reimburse the Company its expense and indemnify and hold the Company harmless from any damages or liability arising out of such failure. If Company at a later date elects to use a different web-based system for the joint use communication, it shall notify Attachment Customer at least sixty (60) days in advance of such change and Attachment Customer shall join that system.

**14. INSPECTIONS/AUDITS**
Company may make periodic inspections for the purpose of determining compliance with this Schedule and with the Attachment Customer Agreement. Neither the Company's right to make inspections nor any inspection made by Company shall relieve an Attachment Customer of any responsibility, obligation or liability assumed under this Schedule.

Upon thirty (30) days' prior notice to Attachment Customer, Company may conduct an audit of its Structures to verify the number, location and type of Attachment Customer's Attachments. Company shall make available to Attachment Customer the report of such audit. Such report shall indicate the location and pole number of all attachments of the Attachment Customer. If the audit reveals that the number of Attachments exceeds the number of attachments shown in Company's existing records, the excess number of Attachments shall be presumed to be Unauthorized Attachments. Attachment Customer shall have the right to rebut this presumption and demonstrate that the attachments at issue were authorized.

**15. INTERFERENCE OR HAZARD**
If Company notifies Attachment Customer in writing or orally with written confirmation that the Attachment Customer's Attachments or the condition of Attachment Customer's

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## Louisville Gas and Electric Company

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k. Attachment Customer is responsible for any damage, fines or penalties resulting from any noncompliance with the construction and maintenance requirements and specifications set forth in this Section 8, except when Attachment Customer demonstrates that noncompliance is due to the actions of Company or another Attachment Customer. Company undertakes no duty to require any specific action by Attachment Customer and assumes no responsibility by requiring such compliance or by requiring Attachment Customer to meet any specifications or to make any corrections, modifications, additions or deletions to any work or planned work by Attachment Customer.

l. Within fifteen (15) days of completion of the installation of the Attachment, Attachment Customer shall furnish Company with complete "as-built" drawings in a computer generated electronic format (or such other format as is agreeable to Company). Hand drawings shall not be submitted.

**9. ADDITIONAL REQUIREMENTS FOR WIRELESS FACILITIES**

a. Wireless Facilities Attachments may be attached to Distribution Poles only.

b. Company may require Attachment Customer to furnish with any written application for permission to install a Wireless Facilities Attachment a mock-up of the proposed Attachment.

c. Attachment Customer is solely responsible for ensuring that the radiofrequency ("RF") radiation emitted by its Wireless Facilities, alone and/or in combination with any and all sources of RF radiation in the vicinity, is within the limits permitted under all applicable governmental and industry standard safety codes for general population/uncontrolled exposure. Attachment Customer shall install appropriate signage on the poles to which Wireless Facilities have been attached, to warn line workers or the general public of the presence of RF radiation and the need for precautionary measures. Attachment Customer shall periodically inspect the signage and replace the signage if necessary to ensure that the signage, including text and warning symbols, remains clearly visible.

d. Each Wireless Facility installation shall include a switch that operates to disconnect and de-energize the antenna. In non-emergency circumstances, Company employees or contractors will make reasonable efforts to contact Attachment Customer at a telephone number that Attachment Customer has marked on the Wireless Facility installation to request a temporary power shut-down. Company personnel or those of other entities working on the pole will operate the power disconnect switch to ensure that the antenna is not energized while work on the pole is in progress. In emergency circumstances, Company personnel and those of other entities working on Company poles may accomplish the power-down by operation of the power disconnect switch without advance notice to Attachment Customer.

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## Louisville Gas and Electric Company



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Attachments on or in any Structure (i) interfere with the use of such Structure or the operation of Company facilities or equipment, (ii) constitute a hazard to the service rendered by Company or any other Persons permitted by Company to use such Structures, (iii) cause a danger to employees of Company or other Persons, or (iv) fail to comply with the Company's standards and applicable requirements of the NESC, NEC, and all other applicable codes, laws and regulations, Attachment Customer shall, within a reasonable period, remove, rearrange, repair or change its Attachments as needed or as directed by Company. In the case of any immediate hazard or danger, such period shall not exceed twenty-four (24) hours from Attachment Customer's receipt of such notice. In case of a hazardous condition or other emergency which requires the immediate remove or relocation of the Attachment Customer's Attachments, the Company may at Attachment Customer's expense, without prior notice and with no liability therefor, remove or relocate such Attachments; provided however, that Company shall notify Attachment Customer of such action as soon as reasonably possible by any appropriate means, including by telephone.

**16. REARRANGEMENT; RELOCATION OF STRUCTURES; NEW STRUCTURES**

a. If Attachment Customer's Attachments can be accommodated on or in existing Structures only by rearranging Company facilities, or if because of Attachment Customer's proposed Attachments, Company rearranges or transfers its facilities on or in any facility not owned by it, Attachment Customer shall reimburse Company for the actual expense incurred in making such rearrangement or transfer.

b. Upon 45 days prior written notice delivered to Attachment Customer, Company may replace, relocate, or remove any Structure and cause the alteration, relocation or removal of any Attachment, consistent with normal operating, maintenance and development procedures and prudent utility practices. In cases of emergency or dangerous situations, Company shall give only as much prior notice as practical under the circumstances. Company shall bear all costs and expenses of any relocation of the Structures not attributable to or caused by Attachment Customer or its Attachments. Attachment Customer shall bear all costs and expenses of any relocation and removal of the Attachments and all costs and expenses attributable to or caused by Attachment Customer or its Attachments. Attachment Customer shall be solely responsible for any losses occasioned by the interruption of Attachment Customer's business or operations and shall indemnify and hold Company harmless in connection with same.

c. Company may reserve space on its poles in accordance with a bona fide development plan for electric service. Company may direct, by written notice to Attachment Customer, that Attachment Customer's attachments in such reserve space may be removed from

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**Pole and Structure Attachment Charges** T

e. Attachment Customer is solely responsible for ensuring compliance with all Federal Communication Commission antenna registration requirements, Federal Aviation Administration air hazard requirements, or similar requirements with respect to the location of Attachment Customer's Wireless Facilities on Company's poles.

f. Attachment Customer shall not operate its Wireless Facility in a way that causes interference with Company-owned wireless facilities. Attachment Customer shall, after receiving notice from Company of such interference, immediately cease operating its Wireless Facility until it can be operated without causing such interference

g. All power supplies, equipment cabinets, meter bases and other equipment associated with the Wireless Facilities that are large enough to impede accessibility shall be installed off-pole, consistent with the applicable standards of the NESC, Company standards, and all applicable laws, rules, regulations, ordinances, and other applicable governmental directives.

h. Attachment Customer shall not perform any construction, including but not limited to the initial installation of its Wireless Facilities or any maintenance thereof, above the Communications Space without receiving prior approval from Company as to the design, installation, and construction practices, which approval Company shall not unreasonably withhold.

**10. OVERLASHING OF CABLE**

An Attachment Customer may make an initial overlash of an existing attachment if the overlash is not greater than one-half inch in diameter without any advance notice or application to the Company. No application or advance notice is required for the replacement of an existing cable with a cable that is no greater than one-half inch in diameter. With all other overlashing, Attachment Customer shall provide Company with advance notice to permit Company to visually inspect its Structures to determine the need for a pole loading analysis. For projects involving more than ten (10) spans, the Attachment Customer must provide at least fifteen (15) business days' advance notice. For projects involving ten (10) spans or less, Attachment Customer shall provide at least seven (7) business days' advance notice. Notwithstanding the foregoing, no bundle of Attachment Customer's Cable shall exceed two inches in diameter without Company's express written approval.

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## Louisville Gas and Electric Company

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**Pole and Structure Attachment Charges**

the Structures. Company shall use reasonable efforts to make space available as close in proximity as possible to the former Structures or to offer Attachment Customer the option to perform make-ready work to create additional space on the Structure in question. Attachment Customer shall make such relocation within sixty (60) days of the Company's request.

d. In the event a Person other than Attachment Customer applies to make an Attachment to a Structure on which Attachment Customer has placed an Attachment, and such application requires that Attachment Customer rearrange, transfer or relocate its Attachments, then Attachment Customer shall perform such rearrangement, transfer or relocation within 60 days of notice of such need to rearrange, transfer or relocate. Attachment Customer may condition its rearrangement, transfer or relocation upon reimbursement for the cost of such rearrangement, transfer or relocation. In the event Attachment Customer fails to perform such rearrangement, transfer or relocation within the time frame described above, the affected Attachments may be subject to rearrangement, transfer or relocation by the Person whose application necessitated the rearrangement, transfer or relocation to the extent permitted by law.

**17. ABANDONMENT OF ATTACHMENT**

Attachment Customer may at any time voluntarily remove its Attachments from any Structure, but shall immediately give Company written notice of such removal on the Company-prescribed form. Attachment Customer shall bear all cost of removal and any costs that Company incurs as a result of such removal and shall pay such costs within 30 days of receipt of an invoice. No refund of any amount paid for use of such Structure will result from Attachment Customer's voluntary removal nor shall such voluntary removal affect any other obligation or liability of Attachment Customer under this Schedule or the Attachment Customer Agreement.

**18. INDEMNITIES**

Attachment Customer shall protect, defend, indemnify and save harmless Company, its Affiliates, their officers, directors, employees and representatives from and against all damage, loss, claim, demand, suit, liability, penalty or forfeiture of every kind and nature, including but not limited to costs and expenses of defending against the same, payment of any settlement or judgment therefor and reasonable attorney's fees that are incurred in such defense, by reason of any claims arising from Attachment Customer's activities under this Schedule, or from Attachment Customer's presence on the Company's premises, or from or in connection with the construction, installation, operation, maintenance, presence, replacement, enlargement, use or removal of any facility of Attachment Customer attached or in the process or being attached to or removed from any Company Structure by Attachment Customer, its employees, agents, or other representatives, including but not

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**11. STRAND-MOUNTED WIRELESS COMMUNICATION DEVICES**

A strand-mounted wireless communication device shall be considered part of wireline attachment and not subject to permitting or an additional attachment charge if it is located within the one (1) foot vertical space occupied by Attachment Customer's cable and meets all applicable loading, clearance, and RF emission requirements. Before deploying any strand-mounted wireless communications devices other than strand-mounted wi-fi access points, Attachment Customer shall at least sixty (60) days prior to planned deployment notify Company of the proposed deployment and provide sufficient information regarding the nature of device to permit Company to assess the safety and loadbearing implications of the proposed deployment.

**12. MAINTENANCE OF ATTACHMENTS AND STRUCTURES**

Attachment Customer shall maintain Attachments in safe condition and in good repair, in a manner reasonably suitable to Company and so as not to conflict with any use of Company facilities (including Structures) by Company or any other Person using such facilities pursuant to any license or permit by Company. Attachment Customer shall not interfere with the working use of any other Person's property on or in such facilities or any such property, which may be placed on or near the Structures and other facilities. Company reserves to itself, its successors, Affiliates and assigns, the right to maintain Structures and other Company property and to operate its business and maintain its property in such a manner as will, in its own judgment, best enable it to fulfill its own service requirements. Company shall not be liable to Attachment Customer for any interference with the operation of Attachment Customer's facilities, or loss of business arising in any manner out of the use of Company's Structures or other property.

**13. NATIONAL JOINT UTILITIES NOTIFICATION SYSTEM**

Within thirty (30) days of executing a Contract, and prior to making application for any Attachment, Attachment Customer will join National Joint Utilities Notification System ("NJUNS"), a web-based system developed to improve joint use communication, and will actively participate during the term of service, by entering field information into the NJUNS system within the times required by the system. Should Attachment Customer fail to actively participate in NJUNS and should such failure cause Company to incur expense or liability to others, Attachment Customer shall reimburse Company its expense and indemnify and hold Company harmless from any damages or liability arising out of such failure. If Company at a later date elects to use a different system for purposes of the communication currently facilitated by NJUNS, Company, shall notify Attachment Customer at least sixty (60) days in advance of such change and Attachment Customer shall make arrangements to participate in that system.

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**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00295 dated ____**

## Louisville Gas and Electric Company

**P.S.C. Electric No. 11, Original Sheet No. 40.15**

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limited to claims alleging (1) injuries or deaths to Persons; (2) damage to or destruction of property including loss of use thereof; (3) power or communications outage, interruption or degradation; (4) pollution, contamination of or other adverse effects on the environment; (5) violation of governmental laws, regulations or orders; or (6) rearrangement, transfer, or removal of any third party attachment on, from, or to any Company Structure whether suffered directly by Company itself or indirectly by reason of claims, demands or suits against it by third parties, resulting or alleged to have resulted from Attachment Customer's activities under this Schedule, or from Attachment Customer's presence on the Company's premises, or from or in connection with the construction, installation, operation, maintenance, presence, replacement, enlargement, use or removal of any facility of Attachment Customer attached or in the process or being attached to or removed from any Company Structure by Attachment Customer, its employees, agents, or other representatives. The indemnity set forth in this section shall include indemnity for any claims arising out of the joint negligence of Attachment Customer and Company; provided however, the indemnity set forth in this section, but not Attachment Customer's duty to defend, shall be reduced to the extent it is established by final adjudication or mutual agreement of Attachment Customer and Company that the liability to which such indemnity applies was caused by the negligence or willful misconduct of the Company. If Attachment Customer is required under this provision to indemnify Company, Attachment Customer shall have the right to select defense counsel and to direct the defense or settlement of any such claim or suit.

**19. UNAUTHORIZED ATTACHMENTS**
If Attachment Customer makes any Attachment that requires Company approval under this Schedule and Attachment Customer Agreement and has not obtained such approval, Attachment Customer shall pay a penalty for the Unauthorized Attachment equal to double the current Attachment charge. Attachment Customer shall also submit to Company an application for approval of the Unauthorized Attachment within 30 days of the attachment's discovery. If Attachment Customer fails to submit the required applications or fails to timely remit any necessary payments to Company in connection with the application process (including but not limited to any make-ready fees necessary to accommodate the Unauthorized Attachments), Company may remove any or all such Unauthorized Attachments at Attachment Customer's expense.

**20. DEFAULT**
If Attachment Customer fails to pay any undisputed fee required, perform any material obligations undertaken or satisfy any warranty or representation made under the Attachment Customer Agreement or with any of the provisions of this Schedule or default in any of its obligations under this Tariff and shall fail within 30 days after written notice from Company to correct such default or non-compliance, Company may, at its option, terminate the license covering the Structures to which such default or non-compliance is applicable; remove,

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## Louisville Gas and Electric Company

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**14. INSPECTIONS/AUDITS**
Company may make periodic inspections for the purpose of determining compliance with this Schedule and with the Contract. Neither Company's right to make inspections nor any inspection made by Company shall relieve an Attachment Customer of any responsibility, obligation or liability assumed under this Schedule.

Upon thirty (30) days' prior notice to Attachment Customer, Company may conduct an audit of its Structures to verify the number, location and type of Attachment Customer's Attachments. Company shall make available to Attachment Customer the report of such audit. Such report shall indicate the location and pole number of all attachments of the Attachment Customer. If the audit reveals that the number of Attachments exceeds the number of Attachments shown in Company's existing records, the excess number of Attachments shall be presumed to be Unauthorized Attachments. Attachment Customer shall have the right to rebut this presumption and demonstrate that the Attachments at issue were authorized. Attachment Customer shall reimburse Company for the expense of such audit, or its pro rata share of such expense if the Attachments of other Attachment Customers are included within the scope of the audit, within thirty (30) days of an invoice for such expenses.

**15. INTERFERENCE OR HAZARD**
If Company notifies Attachment Customer in writing or orally with written confirmation that the Attachment Customer's Attachments or the condition of Attachment Customer's Attachments on or in any Structure (i) interfere with the use of such Structure or the operation of Company facilities or equipment, (ii) constitute a hazard to the service rendered by Company or any other Persons permitted by Company to use such Structures, (iii) cause a danger to employees of Company or other Persons, or (iv) fail to comply with Company's standards and applicable requirements of the NESC, NEC, and all other applicable codes, laws and regulations, Attachment Customer shall, within a reasonable period, remove, rearrange, repair or change its Attachments as needed or as directed by Company. In the case of any immediate hazard or danger, such period shall not exceed twenty-four (24) hours from Attachment Customer's receipt of such notice. In case of a hazardous condition or other emergency which requires the immediate removal or relocation of the Attachment Customer's Attachments, Company may at Attachment Customer's expense, without prior notice and with no liability therefor, remove or relocate such Attachments; provided however, that Company shall notify Attachment Customer of such action as soon as reasonably possible by any appropriate means, including by telephone.

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relocate or rearrange at Attachment Customer's expense the Attachments to which the default or non-compliance relates; or decline to permit additional Attachments until the failure or default is cured; by giving written notice to Attachment Customer of said termination. In the event of material or repeated default, Company may terminate the Attachment Customer Agreement and recover from Attachment Customer all costs and expenses incurred as a result of reasonably related to the defaults. No refund of any attachment charge will be due on account of such termination.

**21. TERMINATION**

Attachment Customer may terminate an Attachment Customer Agreement by providing the other written notice of termination at least 60 days prior to the end of the term of service.

Upon termination, Attachment Customer shall remove all Attachments from Structures and other Company property within 180 days. Attachment Customer shall bear all costs of such removal and shall exercise precautions to avoid damage to all Persons and to facilities of Company and other parties in so removing Attachments and assumes all responsibility for all damage it causes. If Attachment Customer's Attachments and other property are not removed within 180 days of termination of this Agreement, unless the time is extended by mutual agreement, Company may remove Attachment Customer's Attachments without liability and Attachment Customer shall pay Company the cost of such removal within 30 days of receipt of an invoice.

Company may terminate an Attachment Customer Agreement without liability to Attachment Customer, upon giving 60 days advance written notice to Attachment Customer that it has a reasonable belief that Company's performance under the Agreement would be illegal under applicable law or regulation or under any order or ruling issued by the PSC, or any other federal, state or local agency having regulatory jurisdiction over Company and same cannot be cured by Company without unreasonable expense or without materially and substantially altering the terms and conditions of the Attachment Customer Agreement; or that termination is required to preserve the Company's rights under any franchise, right-of-way, permit, easement or other similar right which is material and substantial to Company's business or operations. In the event of such termination, the Company and Attachment Customer shall pay and perform obligations that have arisen prior to the effective date of termination, but shall not be obligated to pay and perform obligations, which arise after the effective date of termination.

**22. WAIVER**

Failure by Company to enforce or insist upon compliance with any of the terms or conditions of this Agreement shall not constitute a general waiver or relinquishment of any such terms or conditions, but the same shall be and remain at all times in full force and effect.

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**16. REARRANGEMENT; RELOCATION OF STRUCTURES; NEW STRUCTURES**

a. If Attachment Customer's Attachments can be accommodated on or in existing Structures only by rearranging Company facilities, or if because of Attachment Customer's proposed Attachments, Company rearranges or transfers its facilities on or in any facility not owned by it, Attachment Customer shall reimburse Company for the actual expense incurred in making such rearrangement or transfer.

b. Upon forty-five (45) days prior written notice delivered to Attachment Customer, Company may replace, relocate, or remove any Structure and cause the alteration, relocation or removal of any Attachment, consistent with normal operating, maintenance and development procedures and prudent utility practices. In cases of emergency or dangerous situations, Company shall give only as much prior notice as practical under the circumstances. Likewise, in situations where the Company is required to replace, relocate or remove any Structure in less than 45 days by state or local law, easement provisions, contractual obligations to third parties or to meet the Company's obligation to provide electric service to another customer, Company need provide only as much prior notice as reasonably practical under the circumstances, Company shall bear all costs and expenses of any relocation of the Structures not attributable to or caused by Attachment Customer or its Attachments. Attachment Customer shall bear all costs and expenses of any relocation and removal of the Attachments and all costs and expenses attributable to or caused by Attachment Customer or its Attachments. Attachment Customer shall be solely responsible for any losses occasioned by the interruption of Attachment Customer's business or operations and shall indemnify and hold Company harmless in connection with same.

c. Company may reserve space on its poles in accordance with a bona fide development plan for electric service. Company may direct, by written notice to Attachment Customer, that Attachment Customer's attachments in such reserve space may be removed from the Structures. Company shall use reasonable efforts to make space available as close in proximity as possible to the former Structures or to offer Attachment Customer the option to perform make-ready work to create additional space on the Structure in question. Attachment Customer shall make such relocation within sixty (60) days of Company's request.

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**23. INSURANCE**

a. Throughout the term of service and so long as Attachment Customer's Attachments are on or in Company Structures, Attachment Customer shall provide and maintain the following insurance:

(1) Workers' Compensation and Employer's Liability Policy, which shall include: (a) Workers' Compensation (Coverage A), with statutory limits, and in accordance with the laws of Kentucky; (b) Employer's Liability (Coverage B) with minimum limits of $1,000,000 Bodily Injury by Accident, each Accident, $1,000,000 Bodily Injury by Disease, each Employee; (c) 30 Day Cancellation Endorsement; and (d) Broad Form All States Endorsement.

(2) Commercial General Liability Policy, which shall have minimum limits of $1,000,000 each occurrence; $1,000,000 Products/Completed Operations Aggregate each occurrence; $1,000,000 Personal and Advertising Injury each occurrence, in all cases subject to $2,000,000 in the General Aggregate for all such claims, and including: (a) 30 Day Cancellation Endorsement; (b) Blanket Written Contractual Liability to the extent covered by the policy against liability assumed by Company under the Attachment Customer Agreement; (c) Broad Form Property Damage; and (d) Insurance for liability arising out of blasting, collapse, and underground damage (deletion of X, C, U Exclusions).

(3) Commercial Automobile Liability Insurance covering the use of all owned, non-owned, and hired automobiles, with a bodily injury, including death, and property damage combined single minimum limit of $1,000,000 each occurrence.

(4) Umbrella/Excess Liability Insurance with minimum limits of $2,000,000 per occurrence; $2,000,000 aggregate, to apply to employer's liability, commercial general liability, and automobile liability.

(5) To the extent applicable, if any fixed wing or rotor craft aircraft will be used by Attachment Customer in performing the work, Aircraft Public Liability Insurance covering such aircraft whether owned, non-owned, leased, hired or assigned with a combined single minimum limit for bodily injury and property damage of $5,000,000 including passenger liability coverage.

(6) To the extent applicable, if engineering or other professional services will be separately provided by Attachment Customer as specified in the statements of work, then Professional Liability Insurance with limits of $3,000,000 per occurrence and $3,000,000 in the aggregate, which insurance shall be either on an occurrence basis or on a claims made basis (with a retroactive date satisfactory to Company).

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d. In the event a Person other than Attachment Customer applies to make an Attachment to a Structure on which Attachment Customer has placed an Attachment, and such application requires that Attachment Customer rearrange, transfer or relocate its Attachments, then Attachment Customer shall perform such rearrangement, transfer or relocation within sixty (60) days of notice of such need to rearrange, transfer or relocate. Attachment Customer may condition its rearrangement, transfer or relocation upon reimbursement for the cost of such rearrangement, transfer or relocation. In the event Attachment Customer fails to perform such rearrangement, transfer or relocation within the time frame described above, the affected Attachments may be subject to rearrangement, transfer or relocation by the Person whose application necessitated the rearrangement, transfer or relocation to the extent permitted by law.

**17. REMOVAL OF ATTACHMENT**

Attachment Customer may at any time voluntarily remove its Attachments from any Structure, but shall immediately give Company written notice of such removal on Company-prescribed form. Attachment Customer shall bear all cost of removal and any costs that Company incurs as a result of such removal and shall pay such costs within thirty (30) days of receipt of an invoice. No refund of any amount paid for use of such Structure will result from Attachment Customer's voluntary removal nor shall such voluntary removal affect any other obligation or liability of Attachment Customer under this Schedule or the Contract.

**18. INDEMNITIES**

Attachment Customer shall protect, defend, indemnify and save harmless Company, its Affiliates, their officers, directors, employees and representatives from and against all damage, loss, claim, demand, suit, liability, penalty or forfeiture of every kind and nature, including but not limited to costs and expenses of defending against the same, payment of any settlement or judgment therefor and reasonable attorney's fees that are incurred in such defense, by reason of any claims arising from Attachment Customer's activities under this Schedule, or the Contract, or from Attachment Customer's presence on Company's premises, or from or in connection with the construction, installation, operation, maintenance, presence, replacement, enlargement, use or removal of any facility of Attachment Customer attached or in the process or being attached to or removed from any Company Structure by Attachment Customer, its employees, agents, or other representatives, including but not limited to claims alleging (1) injuries or deaths to Persons; (2) damage to or destruction of property including loss of use thereof; (3) power or communications outage, interruption or degradation; (4) pollution, contamination of or other adverse effects on the environment; (5) violation of governmental laws, regulations or orders; or (6) rearrangement, transfer, or removal of any third party attachment on, from, or to any Company Structure whether suffered directly by Company itself or indirectly by reason of claims, demands or suits against it by third parties, resulting or alleged to have resulted from Attachment Customer's activities under this Schedule, or the Contract, or from Attachment Customer's presence on

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b. Attachment Customer shall require its Contractors and subcontractors to provide and maintain the same insurance coverage as required of Attachment Customer.

c. Except with regard to workers' compensation and professional liability, each policy required under this schedule shall name Company as an additional insured and shall waive rights of subrogation against Company and Company's insurance carrier(s).

d. All policies shall be written by insurance companies that are licensed to do business in Kentucky and that are either satisfactory to Company or have a Best Rating of not less than "A-". These policies shall not be materially changed or canceled except with thirty (30) days written notice to Company from Attachment Customer and the insurance carrier.

e. Company may request a summary of coverage of any of required policies or endorsements; but is not obligated to review any of Attachment Customer's certificates of insurance, insurance policies, or endorsements, or to advise Attachment Customer of any deficiencies in such documents. Company's receipt or review of such documents shall not relieve Attachment Customer from or be deemed a waiver of Attachment Customer's obligations to maintain insurance as provided.

f. Attachment Customer shall submit evidence of such coverage(s) to Company prior to the start of any work under the Attachment Customer Agreement and shall notify Company, prior to the commencement of any work pursuant to any statement of work and/or purchase order, of any threatened, pending and/or paid off claims to third parties, individually or in the aggregate, which otherwise affects the availability of the limits of such coverage(s) inuring to the Company's benefit.

g. Attachment Customer shall provide notice of any accidents or claims involving Attachment Customer's Attachment or Attachment Customer's work under this Schedule and the Attachment Customer Agreement to the Company's designated representative.

h. Attachment Customer may elect not to comply with sections (a) through (f) of this Term 23 if:

(1) Attachment Customer has been in business at least one year and has a corporate credit rating or a senior unsecured rating of at least Baa2 (Moody's) or BBB (Standard & Poor's); or

(2) Attachment Customer has been in business at least one year, and provides its most recent audited financial statements to Company which demonstrates that Attachment Customer meets standards that are at least equivalent to the standards underlying the credit ratings of Baa2 (Moody's) or BBB (Standard and Poor's); or,

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Company's premises, or from or in connection with the construction, installation, operation, maintenance, presence, replacement, enlargement, use or removal of any facility of Attachment Customer attached or in the process or being attached to or removed from any Company Structure by Attachment Customer, its employees, agents, or other representatives. The indemnity set forth in this section shall include indemnity for any claims arising out of the joint negligence of Attachment Customer and Company; provided however, the indemnity set forth in this section, but not Attachment Customer's duty to defend, shall be reduced to the extent it is established by final adjudication or mutual agreement of Attachment Customer and Company that the liability to which such indemnity applies was caused by the negligence or willful misconduct of Company. If Attachment Customer is required under this provision to indemnify Company, Attachment Customer shall have the right to select defense counsel and to direct the defense or settlement of any such claim or suit.

**19. UNAUTHORIZED ATTACHMENTS**

If Attachment Customer makes any Attachment that requires Company approval or advance notice under this Schedule or the Contract and has not obtained such approval or provided such advance notice, such Attachment shall be deemed an "Unauthorized Attachment," and shall be presumed to have been affixed to Company Structures for two years or since completion of the most recent audit, whichever is occurring earlier. Attachment Customer shall be liable for attachment charges for this time period. In addition to the attachment charges for the period of unauthorized attachment, Attachment Customer shall pay a penalty for each Unauthorized Attachment in the amount of $25.00. Attachment Customer shall also submit to Company an application for approval of the Unauthorized Attachment within thirty (30) days of the attachment's discovery. If Attachment Customer fails to submit the required applications or fails to timely remit any necessary payments to Company in connection with the application process (including but not limited to any make-ready fees necessary to accommodate the Unauthorized Attachments), Company may remove any or all such Unauthorized Attachments at Attachment Customer's expense.

**20. DEFAULT**

a. If Attachment Customer fails to pay any undisputed fee required, perform any material obligations undertaken or satisfy any warranty or representation made under the Contract comply with any of the provisions of this rate schedule or default in any of its obligations under this Schedule, including Section 5 of the Company's Electric Tariff, and shall fail within thirty (30) days after written notice from Company to correct such default or non-compliance, Company may, at its option, terminate the license covering the Structures to which such default or non-compliance is applicable; remove, relocate or rearrange at Attachment Customer's expense the Attachments to which the default or non-compliance relates; or decline to permit additional Attachments until the failure or default is cured. Company shall give written notice to Attachment Customer of said termination. In the event of material or repeated default, Company may terminate the Contract and recover from Attachment Customer all costs and expenses incurred as a result of related to the defaults. No refund of any attachment charge will be due on account of such termination.

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(3) Attachment Customer's parent company ("Guarantor") meets the criteria set out in (a) or (b) above, and Guarantor provides a written guarantee (in a form acceptable to Company, that the parent company will guarantee all financial obligations associated with Attachment Customer's use of Company's Structures.

**24. PERFORMANCE ASSURANCE**

a. Attachment Customer shall furnish a surety bond at the following times and in the following amounts and for the following purposes:

(1) During the period of Attachment Customer's initial installation of its wireline pole attachments and at the time of any expansion involving more than 75 poles, a bond in the amount of $2,000 for each 100 poles (or fraction thereof) to which Attachment Customer intends to make a wireline pole attachment;

(2) Upon satisfactory completion of Attachment Customer's initial installation, the amount of bond shall be reduced to $1,000 for each 100 poles (or fraction thereof);

(3) After Attachment Customer has been a customer of Company pursuant to the Attachment Agreement and is not in default under that agreement for a period of three years, the bond shall be reduced to $500 for each 100 poles (or fraction thereof);

(4) If Attachment Customer proposes to attach a Wireless Facility or Facilities to a Structure, Attachment Customer shall post a surety bond in the amount of $1,500 for each pole to which a wireless attachment is attached. The amount of the bond shall not be reduced upon completion of installation or other event.

Each surety bond shall contain the provision that it shall not be terminated prior to six months after Company's receipt of written notice of the desire of the bonding or insurance company to terminate such bond. Company may waive this requirement if an acceptable replacement bond is received before the six months has ended. Upon receipt of such termination notice, Company shall request Attachment Customer to immediately remove its Cables, Wireless Facilities, Attachments and all other facilities from Company Structures. If Attachment Customer should fail to complete the removal of all of its facilities from Company's Structures within 30 days after receipt of such request, then Company may remove Attachment Customer's facilities at Attachment Customer's expense and without liability for any damage to Attachment Customer's facilities. Such bond shall guarantee the payment of any sums which may become due to attachment charges, inspections or work performed by Company under this Schedule or the Attachment Customer Agreement, including the removal of attachments upon termination of the Agreement by any of its provisions.

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**21. TERMINATION**

Attachment Customer may terminate a Contract by providing Company written notice of termination at least sixty (60) days prior to the end of the term of service.

Upon termination, Attachment Customer shall remove all Attachments from Structures and other Company property within 180 days. Attachment Customer shall bear all costs of such removal and shall exercise precautions to avoid damage to all Persons and to facilities of Company and other parties in so removing Attachments and assumes all responsibility for all damage it causes. If Attachment Customer's Attachments and other property are not removed within 180 days of termination of this Agreement, unless the time is extended by mutual agreement, Company may remove Attachment Customer's Attachments without liability and Attachment Customer shall pay Company the cost of such removal within thirty (30) days of receipt of an invoice.

Company may terminate a Contract without liability to Attachment Customer, upon giving sixty (60) days advance written notice to Attachment Customer that it has a reasonable belief that Company's performance under the Contract would be illegal under applicable law or regulation or under any order or ruling issued by the PSC, or any other federal, state or local agency having regulatory jurisdiction over Company and same cannot be cured by Company without unreasonable expense or without materially and substantially altering the terms and conditions of the Contract; or that termination is required to preserve Company's rights under any franchise, right-of-way, permit, easement or other similar right which is material and substantial to Company's business or operations. In the event of such termination, Company and Attachment Customer shall pay and perform obligations that have arisen prior to the effective date of termination, but shall not be obligated to pay and perform obligations, which arise after the effective date of termination.

**22. WAIVER**

Failure by Company to enforce or insist upon compliance with any of the terms or conditions of this Schedule or the Contract shall not constitute a general waiver or relinquishment of any such terms or conditions, but the same shall be and remain at all times in full force and effect.

**23. INSURANCE**

a. Throughout the term of service and so long as Attachment Customer's Attachments are on or in Company Structures, Attachment Customer shall, at its own expense, maintain and carry in full force and effect insurance that meets at least the following requirements (these minimum limits should not be deemed to replace Attachment Customer's full obligation under this Schedule or the Contract):

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Each surety bond shall be issued by an entity having a minimum corporate debt rating of A- by Standard & Poor's Financial Services LLC at the time of issuance and at all times the relevant bond is outstanding.

b. Attachment Customer may elect not to provide a surety bond if:

(1) Attachment Customer has been in business at least one year and has a corporate credit rating or a senior unsecured rating of at least Baa2 (Moody's) or BBB (Standard & Poor's); or

(2) Attachment Customer has been in business at least one year, and provides its most recent audited financial statements to Company which demonstrates that Attachment Customer meets standards that are at least equivalent to the standards underlying the credit ratings of Baa2 (Moody's) or BBB (Standard and Poor's); or,

(3) Attachment Customer's parent company ("Guarantor") meets the criteria set out in (a) or (b) above, and Guarantor provides a written guarantee (in a form acceptable to Company, that the parent company will guarantee all financial obligations associated with Attachment Customer's use of Company's Structures.

**25. CERTIFICATION OF NOTICE REQUIREMENTS**
Attachment Customer's highest ranking officer located in Kentucky shall certify under oath on or before January 31 of each year that the Attachment Customer has complied with all notification requirements of this Schedule.

**26. NOTICES**
Any notice, or request, required by this Schedule or the Attachment Customer Agreement shall be deemed properly given if sent overnight by nationally recognized overnight courier, sent by certified U.S. mail, return receipt requested, postage prepaid, or sent by telecopier with confirmed receipt, to Company's and Attachment Customer's designated representative. The designation of the representative to be notified, his address and/or telecopier number may be changed at any time by similar notice.

**27. LIENS**
To the extent permitted by law, in the event any construction lien or other encumbrance shall be placed on the Attachments as a result of the actions or omissions of Attachment Customer or its Contractor, Attachment Customer shall promptly, in accordance with applicable laws, discharge such lien or encumbrance without cost or expense to Company. Attachment Customer shall indemnify Company for any and all actual damages that may be suffered or incurred by Company in discharging or releasing said lien or encumbrance.

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State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2016-00371 dated June 22, 2017 and modified June 29, 2017**

# Louisville Gas and Electric Company

**P.S.C. Electric No. 12, Original Sheet No. 40.20**

**Standard Rate** **PSA**
**Pole and Structure Attachment Charges** T

(1) Workers' Compensation and Employer's Liability Policy, which shall include: (a) Workers' Compensation (Coverage A); (b) Employer's Liability (Coverage B) with minimum limits of $1,000,000 Bodily Injury by Accident, each Accident, $1,000,000 Bodily Injury by Disease, each Employee; (c) Thirty (30) Day Cancellation Endorsement; and (d) All States Endorsement.

(2) Commercial General Liability Policy, which shall have minimum limits of $1,000,000 each occurrence; $1,000,000 Products/Completed Operations Aggregate each occurrence; $1,000,000 Personal and Advertising Injury each occurrence, in all cases subject to $2,000,000 in the General Aggregate for all such claims, and including: (a) Thirty (30) Day Cancellation Endorsement; (b) Blanket Written Contractual Liability to the extent covered by the policy against liability assumed by Company under the Attachment Customer Agreement; (c) Broad Form Property Damage; (d) General Aggregate Limit – Per Project Endorsement (CG2503); (e) Include Additional Insured Endorsement GC 2010 or CG2037, or its equivalent; and (f) Insurance for liability arising out of blasting, collapse, and underground damage (deletion of X, C, U Exclusions).

(3) Commercial Automobile Liability Insurance covering the use of all owned, non-owned, and hired automobiles, with a bodily injury, including death, and property damage combined single minimum limit of $1,000,000 each occurrence.

(4) Umbrella/Excess Liability Insurance with minimum limits of $5,000,000 per occurrence; $5,000,000 aggregate, to apply to employer's liability, commercial general liability, and commercial automobile liability; including: (a) "Follow Form" provisions; and (b) Note that Total Limits can be met by any combination of primary and umbrella/excess policies.

(5) Aircraft Public Liability - Required at all times when there will be use of any type of fixed wing, rotor, or any type aircraft to perform any work required under this Schedule or the Contract. Aircraft Public Liability Insurance covering such aircraft whether owned, non-owned, leased, hired or assigned with a combined single minimum limit for bodily injury and property damage of $5,000,000 including passenger liability coverage.

(6) Drones – Required at all times if any Unmanned Aircraft Systems (UAS) will be used by Contractor or Subcontractor in performing the work required under this Schedule or the Contract, Drone Liability Insurance covering such aircraft whether owned, non-owned, leased, hired or assigned with a
$1,000,000 per occurrence combined single limit for bodily injury, property damage and personal injury.

**DATE OF ISSUE**: September 28, 2018

**DATE EFFECTIVE:** With Service Rendered
On and After November 1, 2018

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00295 dated ____**

## Louisville Gas and Electric Company

**P.S.C. Electric No. 11, Original Sheet No. 40.21**

**Standard Rate** **PSA**

**Pole and Structure Attachment Charges**

T

**28. FORCE MAJEURE**

In the event Attachment Customer or Company is delayed in or prevented from performing any of its respective obligations under an Attachment Customer Agreement or this Schedule due to acts of God, war, riots, civil insurrection, acts of the public enemy, strikes, lockouts, acts of civil or military authority, government shutdown, fires, floods, earthquakes, fiber, cable or other material failures, shortages or unavailability, delay in delivery not resulting from its failure to timely place orders therefor, lack or delay in transportation, or due to any other causes beyond its reasonable control, then such delay or nonperformance shall be excused.

**29. LIMITATION OF LIABILITY**

IN NO EVENT SHALL COMPANY OR ANY OF ITS REPRESENTATIVES BE LIABLE UNDER AN ATTACHMENT CUSTOMER AGREEMENT OR THIS SCHEDULE TO ATTACHMENT CUSTOMER FOR CONSEQUENTIAL, INDIRECT, INCIDENTAL, SPECIAL, EXEMPLARY, PUNITIVE OR ENHANCED DAMAGES, LOST PROFITS OR REVENUES OR DIMINUTION IN VALUE, ARISING OUT OF, OR RELATING TO, OR IN CONNECTION WITH AN ATTACHMENT CUSTOMER AGREEMENT OR THIS SCHEDULE, REGARDLESS OF (A) WHETHER SUCH DAMAGES WERE FORESEEABLE, (B) WHETHER OR NOT COMPANY WAS ADVISED OF THE POSSIBILITY OF SUCH DAMAGES AND (C) THE LEGAL OR EQUITABLE THEORY (CONTRACT, TORT OR OTHERWISE) UPON WHICH THE CLAIM IS BASED. THE LIMITATIONS SET FORTH IN THIS SECTION 29 SHALL NOT APPLY TO DAMAGES OR LIABILITY ARISING FROM THE GROSSLY NEGLIGENT ACTS OR OMISSIONS OR WILLFUL MISCONDUCT OF COMPANY IN PERFORMING ITS OBLIGATIONS UNDER AN ATTACHMENT CUSTOMER AGREEMENT OR THIS SCHEDULE.

**DATE OF ISSUE**: July 7, 2017

**DATE EFFECTIVE:** July 1, 2017

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

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## Louisville Gas and Electric Company

**P.S.C. Electric No. 12, Original Sheet No. 40.21**

**Standard Rate** **PSA**

**Pole and Structure Attachment Charges**

T

(7) Professional Liability - To the extent the work required under this Schedule or the Contract includes any professional services that falls within a professional liability exclusion from the policy provided under Section 23a.(2). Coverage required with limits of Five Million Dollars ($5,000,000) per claim and Five Million Dollars ($5,000,000) in the aggregate, which insurance shall be on a claims made basis. Policy to remain in force continuously for three (3) years or an extended discovery period will be exercised for a period of three (3) years beginning from the time the services under this contract are completed.

b. Attachment Customer shall require its Contractors and subcontractors to provide and maintain the same insurance coverage as required of Attachment Customer.

c. Except with regard to workers' compensation and professional liability, each policy required under this Schedule shall name Company and all its Affiliates as an additional insured and shall waive rights of subrogation against Company, all its Affiliates, and Company's insurance carrier(s). All policies shall be primary and non-contributory. Condition applies to Attachment Customer and its Contractors and Subcontractors.

d. All policies shall be written by insurance companies that are either satisfactory to Company or have an A.M. Best Rating of not less than "A-, VII". These policies shall not be materially changed or canceled except with thirty (30) days written notice to Company from Attachment Customer and the insurance carrier. Attention: Manager, Project Manager – Third Party Attachments, LG&E and KU Services Company, P.O. Box 32020, Louisville, Kentucky 40232.

e. Company may request a summary of coverage of any of the required policies or endorsements; but is not obligated to review any of Attachment Customer's certificates of insurance, insurance policies, or endorsements, or to advise Attachment Customer of any deficiencies in such documents. Company's receipt or review of such documents shall not relieve Attachment Customer from or be deemed a waiver of Attachment Customer's obligations to maintain insurance as provided. Attachment Customer shall provide a summary of coverage within (thirty) 30 days of its request by the Company.

f. Attachment Customer shall provide Certificates of Insurance to Company for each policy of insurance required above and evidence the items noted hereafter: (1) Each Certificate shall properly identify the certificate holder as Company; (2) Under no circumstances shall Attachment Customer begin any work (or allow any Subcontractor to begin any work) prior to submitting Certificate(s) (evidencing the required insurance of Contractor or Subcontractor, as applicable) acceptable to Company. Company retains the right to waive this requirement at its sole discretion; (3) Certificate shall evidence (thirty) 30 days prior notice of cancellation; (4) Certificate shall verify additional insured status on all

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**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the
Public Service Commission in Case No.
2018-00295 dated ____**

Pole and Structure Attachment Charges Tariff (PSA) is now contained on 26 pages instead of 22



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coverage including the endorsements required by Section 23a.(2); (5) Certificate shall verify Blanket Waiver of subrogation - All policies of insurance shall include waivers of subrogation, under subrogation or otherwise, against Company. Except where not applicable by law; (6) Certificate shall verify Primary/Non-contributory wording in favor of Company; and (7) Certificate shall identify policies which are written on a Claims Made coverage form and state the retro date.

g. Attachment Customer shall notify Company, prior to the commencement of any work pursuant to this rate Schedule or the Contract , of any threatened, pending and/or paid off claims to third parties, individually or in the aggregate, which otherwise affects the availability of the limits of such coverage(s) inuring to Company's benefit.

h. Attachment Customer shall provide notice of any accidents, occurences, or claims involving Attachment Customer's Attachment or Attachment Customer's work under this Schedule and the Contract to the LKS Manager, Risk Management at LG&E and KU Services Company, P.O. Box 32030, Louisville, Kentucky 40232.

i. Each policy of insurance required to be maintained by Attachment Customer under this Section 23 (except the Workers' Compensation and Employer's Liability Policy) shall cover all losses and claims of Attachment Customer regardless of whether they arise directly to Attachment Customer or indirectly through Subcontractors (e.g., Attachment Customer's CGL policy must cover Attachment Customer and additional insureds against negligent acts of a Subcontractor, etc.). Section 23 only represents minimum insurance requirements; it does not mitigate or reduce liability required by the indemnity provisions in this Schedule or the Contract. Nor should it be deemed to be the full responsibility of the contractor or subcontractor for liability. Attachment Customer is responsible for their subcontractor's insurance meeting the requirements of Section 23 of this Schedule.

j. Attachment Customer may elect not to comply with sections (a) through (i) of this Section 23 if it provides proof of equivalent levels of self-insurance and:

1. Attachment Customer has been in business at least three (3) years and has a corporate credit rating or a senior unsecured rating of at least Baa2 (Moody's) or BBB (Standard & Poor's); or

2. Attachment Customer has been in business at least three (3) years, and provides its most recent audited financial statements to Company which demonstrates that Attachment Customer meets standards that are at least equivalent to the standards underlying the credit ratings of Baa2 (Moody's) or BBB (Standard and Poor's); or,

Pole and Structure Attachment Charges Tariff (PSA) is now contained on 26 pages instead of 22



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3. A corporate entity affiliated with Attachment Customer ("Guarantor") meets the criteria set out in (1) or (2) above, and Guarantor provides a written guarantee (in a form acceptable to Company, that the corporate affiliate will guarantee all financial obligations associated with Attachment Customer's use of Company's Structures.)

**24. PERFORMANCE ASSURANCE**

a. Attachment Customer shall furnish Performance Assurance in the following amounts to guarantee the payment of any sums which may become due for attachment charges, inspections, or work performed by the Company under this Schedule or the Contract, including the removal of attachments upon termination of the Contract by any of its provisions:

| Number of Attachments | Amount per Attachment | Maximum Total |
|---|---|---|
| 1-5,000 | $20/Attachment | $100,000 |
| 5,001-10,000 | $10/Attachment | $150,000 |
| 10,001+ | $5/Attachment | $1,000,000 |

The above-stated amounts are incremental. By way of example, 7,500 Attachments would require Performance Assurance in the amount of $125,000 ($20 per Attachment for the first 5000 Attachments; $10 per Attachment for the next 2,500 Attachments); 15,000 Attachments would require Performance Assurance in the amount of $175,000 ($20 per Attachment for the first 5000 Attachments; $10 per Attachment the next 5,000 Attachments; and $5 per Attachment for the last 5,000 Attachments).

The amount of the Performance Assurance shall be calculated by the Company annually based on the Attachment Customer's then-existing number of Attachments. Attachment Customer shall provide the Performance Assurance within 30 days of its request by the Company.

If Attachment Customer proposes to attach a Wireless Facility or Facilities to a Structure, Attachment Customer shall post Performance Assurance in the amount of $1,500 for each pole to which a wireless attachment is attached. The amount of the Performance Assurance shall not be reduced upon completion of installation or other event.

In the event the Customer provides Performance Assurance in the form of a surety bond or Letter of Credit, each bond or Letter of Credit shall contain the provision that it shall not be terminated prior to six (6) months after Company's receipt of written notice of the desire of the bonding or insurance company, or bank, to terminate such bond or Letter of Credit. Company may waive this requirement if an acceptable replacement is received before the six (6) months has ended. Upon termination of such surety bond or Letter of

Pole and Structure Attachment Charges Tariff (PSA) is now contained on 26 pages instead of 22



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Credit, , Company shall request Attachment Customer to immediately remove its Cables, Wireless Facilities, Attachments and all other facilities from Company Structures. If Attachment Customer should fail to complete the removal of all of its facilities from Company's Structures within (thirty) 30 days after receipt of such request, then Company may remove Attachment Customer's facilities at Attachment Customer's expense and without liability for any damage to Attachment Customer's facilities.

Each surety bond shall be issued by an entity having a minimum A.M. Best rating of A- and/or Letter of Credit shall be issued by an entity having a minimum Credit Rating of A- by S&P or A3 by Moody's at the time of issuance and at all times the relevant instrument is outstanding.

b. Attachment Customer may elect not to provide Performance Assurance if:

1. Attachment Customer has been in business at least one (1) year and has a corporate credit rating or a senior unsecured rating of at least Baa2 (Moody's) or BBB (S&P's); or

2. Attachment Customer has been in business at least one (1) year, and provides its most recent audited financial statements to Company which demonstrates that Attachment Customer meets standards that are at least equivalent to the standards underlying the credit ratings of Baa2 (Moody's) or BBB (S&P's); or,

3. A corporate affiliate of Attachment Customer ("Guarantor") meets the criteria set out in (1) or (2) above, and Guarantor provides a written guarantee (in a form acceptable to Company, that the corporate affiliate will guarantee all financial obligations associated with Attachment Customer's use of Company's Structures).

Annually, upon the Company's request, an Attachment Customer electing not to provide Performance Assurance under one of the options in c. above shall provide Company with such information as Company requires to determine whether Attachment Customer remains eligible to make such election.

**25. CERTIFICATION OF NOTICE REQUIREMENTS**

Attachment Customer's highest ranking officer located in Kentucky shall certify under oath on or before January 31 of each year that the Attachment Customer has complied with all notification requirements of this Schedule. The certification shall be in the form prescribed by Company from time to time, and Company shall provide the current version of such form on or after January 1 of each year. If Attachment Customer does not have an officer located in Kentucky, then the certification shall be provided by the officer with responsibility for Attachment Customer's operations in Kentucky.


**DATE OF ISSUE**: September 28, 2018

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On and After November 1, 2018

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00295 dated ____**

Pole and Structure Attachment Charges Tariff (PSA) is now contained on 26 pages instead of 22



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**26. NOTICES**

Any notice, or request, required by this Schedule or the Attachment Customer Agreement shall be deemed properly given if sent overnight by nationally recognized overnight courier, sent by certified U.S. mail, return receipt requested, postage prepaid, or sent by telecopier with confirmed receipt, to Company's and Attachment Customer's designated representative. The designation of the representative to be notified, his address and/or telecopier number may be changed at any time by similar notice.

**27. LIENS**

To the extent permitted by law, in the event any construction lien or other encumbrance shall be placed on the Attachments as a result of the actions or omissions of Attachment Customer or its Contractor, Attachment Customer shall promptly, in accordance with applicable laws, discharge such lien or encumbrance without cost or expense to Company. Attachment Customer shall indemnify Company for any and all actual damages that may be suffered or incurred by Company in discharging or releasing said lien or encumbrance.

**28. FORCE MAJEURE**

In the event Attachment Customer or Company is delayed in or prevented from performing any of its respective obligations under an Attachment Customer Agreement or this Schedule due to acts of God, war, riots, civil insurrection, acts of the public enemy, strikes, lockouts, acts of civil or military authority, government shutdown, fires, floods, earthquakes, storms and other major disruptive events, fiber, cable or other material failures, shortages or unavailability, delay in delivery not resulting from its failure to timely place orders therefor, lack or delay in transportation, or due to any other causes beyond its reasonable control, then such delay or nonperformance shall be excused.

**29. LIMITATION OF LIABILITY**

IN NO EVENT SHALL COMPANY OR ANY OF ITS REPRESENTATIVES BE LIABLE UNDER A CONTRACT OR THIS SCHEDULE TO ATTACHMENT CUSTOMER FOR CONSEQUENTIAL, INDIRECT, INCIDENTAL, SPECIAL, EXEMPLARY, PUNITIVE OR ENHANCED DAMAGES, LOST PROFITS OR REVENUES OR DIMINUTION IN VALUE, ARISING OUT OF, OR RELATING TO, OR IN CONNECTION WITH ACONTRACT OR THIS SCHEDULE, REGARDLESS OF (A) WHETHER SUCH DAMAGES WERE FORESEEABLE, (B) WHETHER OR NOT COMPANY WAS ADVISED OF THE POSSIBILITY OF SUCH DAMAGES AND (C) THE LEGAL OR EQUITABLE THEORY (CONTRACT, TORT OR OTHERWISE) UPON WHICH THE CLAIM IS BASED. THE LIMITATIONS SET FORTH IN THIS SECTION 29 SHALL NOT APPLY TO DAMAGES OR LIABILITY ARISING FROM THE GROSSLY NEGLIGENT ACTS OR OMISSIONS OR WILLFUL MISCONDUCT OF COMPANY IN PERFORMING ITS OBLIGATIONS UNDER AN ATTACHMENT CUSTOMER AGREEMENT OR THIS SCHEDULE.


**DATE OF ISSUE**: September 28, 2018

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**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00295 dated ____**

## Louisville Gas and Electric Company

P.S.C. Electric No. 11, Original Sheet No. 41

**Standard Rate** **EVSE**

**Electric Vehicle Supply Equipment**

**APPLICABLE**

In all territory served.

**AVAILABILITY OF SERVICE**

Available to customers to be served or currently being served under Company's Standard Rate Schedules GS (with energy usage of 500 kWh or higher per month), PS, TODS, TODP, RTS, and FLS, for the purpose of charging electrical vehicles.

Charging station is offered under the conditions set out hereinafter for electric vehicle supply equipment such as, but not limited to, the charging of electric vehicles via street parking, parking lots, and other outdoor areas.

A basic underground service includes the charging station, existing transformer (or secondary pedestal) and 208/240 volt single-phase service, and necessary conductor and equipment typical of an underground service drop. Said service drop can originate from underground or overhead equipment. Company will furnish, own, install, and maintain the charging unit and cable. Customer will furnish, own and install all duct systems and associated equipment.

Where the location of existing facilities is not suitable, and Customer requests service under these conditions, Company may furnish the requested facilities at an additional charge to be determined under the Excess Facilities Rider.

Company will coordinate charging station installation with the Company's current charging station supplier and the Customer. Customer shall be responsible for the charging equipment installation costs.

Service will be provided under written contract, signed by Customer prior to service commencing.

| **RATE** | Single Charger | Dual Charger | T |
|---|---|---|---|
| Monthly Charging Unit Fee: | $180.50 | $302.13 | I |

**DATE OF ISSUE:** July 7, 2017

**DATE EFFECTIVE:** July 1, 2017

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2016-00371 dated June 22, 2017 and modified June 29, 2017**

## Louisville Gas and Electric Company

P.S.C. Electric No. 12, Original Sheet No. 41

**Standard Rate** **EVSE**

**Electric Vehicle Supply Equipment**

**APPLICABLE**

In all territory served.

**AVAILABILITY** T

Available to Customers to be served or currently being served under Rates GS (with energy usage of 500 kWh or higher per month), PS, TODS, TODP, RTS, and FLS, for the purpose of charging electric vehicles. T T

Charging station is offered under the conditions set out hereinafter for electric vehicle supply equipment such as, but not limited to, the charging of electric vehicles via street parking, parking lots, and other outdoor areas.

A basic underground service includes the charging station, existing transformer (or secondary pedestal) and 208/240 volt single-phase service, and necessary conductor and equipment typical of an underground service drop. Said service drop can originate from underground or overhead equipment. Company will furnish, own, install, and maintain the charging unit and cable. Customer will furnish, own and install all duct systems and associated equipment.

Where the location of existing facilities is not suitable, and Customer requests service under these conditions, Company may furnish the requested facilities at an additional charge to be determined under the Excess Facilities Rider.

Company will coordinate charging station installation with Company's current charging station supplier and Customer. Customer shall be responsible for the charging equipment installation costs. T T

Service will be provided under written contract, signed by Customer prior to service commencing.

| **RATE** | Single Charger | Dual Charger | |
|---|---|---|---|
| Monthly Charging Unit Fee: | $135.83 | $198.85 | R/R |

**DATE OF ISSUE:** September 28, 2018

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On and After November 1, 2018

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00295 dated ____**

## Louisville Gas and Electric Company

**P.S.C. Electric No. 11, First Revision of Original Sheet No. 41.1**
**Canceling P.S.C. Electric No. 11, Original Sheet No. 41.1**

**Standard Rate** **EVSE**
**Electric Vehicle Supply Equipment**

**ADJUSTMENT CLAUSES**
The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

| | | |
|---|---|---|
| Fuel Adjustment Clause | Sheet No. 85 | |
| Off-System Sales Adjustment Clause | Sheet No. 88 | |
| Tax Cuts and Jobs Act Surcredit | Sheet No. 89 | N |
| Environmental Cost Recovery Surcharge | Sheet No. 87 | |
| Franchise Fee | Sheet No. 90 | |
| School Tax | Sheet No. 91 | |

**ENERGY CONSUMPTION**
Determination of energy applies to the non-metered charging station. The applicable fuel clause charge or credit will be based on an annual 5,852 kilowatt-hours.

**PAYMENT**
The EVSE charges shall be incorporated with the bill for electric service and will be subject to the same payment provisions.

**TERM OF CONTRACT**
For a fixed term of not less than five (5) years and for such time thereafter until terminated by either party giving thirty (30) days prior written notice. Cancellation by Customer prior to the expiration of the initial term will require Customer to pay to Company a lump sum equal to the monthly charge times the number of months remaining on the initial term of the contract.

**TERMS AND CONDITIONS**
1. Service shall be furnished under Company's Terms and Conditions in this Tariff Book, except as set out herein.

2. Company may decline to install equipment and provide service thereto in locations deemed by Company as unsuitable for installation.

3. The location of each point of delivery of energy supplied hereunder shall be mutually agreed upon by Company and the Customer. Where attachment of Customer's devices and/or equipment is made to Company facilities, Customer must have an attachment agreement with Company.

4. All service and maintenance will be performed only during regular scheduled working hours of Company. Customer will be responsible for reporting outages and other operating faults.

**DATE OF ISSUE:** April 5, 2018

**DATE EFFECTIVE:** April 1, 2018

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00034 dated March 20, 2018 and modified March 28, 2018**

## Louisville Gas and Electric Company

**P.S.C. Electric No. 12, Original Sheet No. 41.1**

**Standard Rate** **EVSE**
**Electric Vehicle Supply Equipment**

**ADJUSTMENT CLAUSES**
The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

| | | |
|---|---|---|
| Fuel Adjustment Clause | Sheet No. 85 | |
| Off-System Sales Adjustment Clause | Sheet No. 88 | |
| Environmental Cost Recovery Surcharge | Sheet No. 87 | D |
| Franchise Fee | Sheet No. 90 | |
| School Tax | Sheet No. 91 | |

**ENERGY CONSUMPTION**
Determination of energy applies to the non-metered charging station. The applicable fuel clause charge or credit will be based on an annual 5,852 kilowatt-hours.

**PAYMENT**
The EVSE charges shall be incorporated with the bill for electric service and will be subject to the same payment provisions.

**TERM OF CONTRACT**
For a fixed term of not less than five (5) years and for such time thereafter until terminated by either party giving thirty (30) days prior written notice. Cancellation by Customer prior to the expiration of the initial term will require Customer to pay to Company a lump sum equal to the monthly charge times the number of months remaining on the initial term of the contract.

**TERMS AND CONDITIONS**
1. Service shall be furnished under Company's Terms and Conditions in this Tariff Book, except as set out herein.

2. Company may decline to install equipment and provide service thereto in locations deemed by Company as unsuitable for installation.

3. The location of each point of delivery of energy supplied hereunder shall be mutually agreed upon by Company and Customer. Where attachment of Customer's devices and/or equipment is made to Company facilities, Customer must have an attachment agreement with Company. T

4. All service and maintenance will be performed only during regular scheduled working hours of Company. Customer will be responsible for reporting outages and other operating faults.

**DATE OF ISSUE:** September 28, 2018

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On and After November 1, 2018

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

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## Louisville Gas and Electric Company

**P.S.C. Electric No. 11, Original Sheet No. 41.2**

**Standard Rate** **EVSE**
**Electric Vehicle Supply Equipment**

5. Customer shall be responsible for the cost of charging station replacement or repairs where such replacement or repairs are caused from willful damage, vandalism, or causes other than normal wear and tear. Company may decline to provide or to continue service in locations where, in Company's judgment, such facilities will be subject to unusual hazards or risk of damage.

6. If Customer requests the removal of an existing charging station, including, but not limited to, poles, or other supporting facilities that were in service less than twenty (20) years, and requests installation of replacement facilities within five (5) years of removal, Customer agrees to pay to Company its cost of labor to install the replacement facilities.

7. Temporary suspension of charging station is not permitted. Upon permanent discontinuance of service, charging station and other supporting facilities solely associated with providing service under this tariff, except underground facilities and pedestals, will be removed.

8. Electric energy furnished under Company's standard application or contract is for the use of Customer only and Customer shall not resell such energy to any other person, firm, or corporation on Customer's premises or for use on any other premises. This does not preclude Customer from allocating Company's billing to Customer to any other person, firm, or corporation provided the sum of such allocations does not exceed Company's billing.

9. Notwithstanding the provisions of 807 KAR 5:006, Section 14(4), a reasonable time shall be allowed subsequent to Customer's service application to enable Company to construct or install the facilities required for such service. In order that Company may make suitable provision for enlargement, extension or alteration of its facilities, each applicant for service shall furnish Company with realistic estimates of prospective electricity requirements.

10. Customer shall agree to permit Company to obtain specific charging station usage data directly from the Charging Station Supplier.

**MINIMUM CHARGE**
The Monthly Charging Unit Fee shall be the minimum charge.

**DUE DATE OF BILL**
Customer's payment will be due within sixteen (16) business days (no less than twenty-two (22) calendar days) from the date of the bill.

**DATE OF ISSUE:** July 7, 2017

**DATE EFFECTIVE:** April 11, 2016

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2015-00355 dated April 11, 2016**

## Louisville Gas and Electric Company

**P.S.C. Electric No. 12, Original Sheet No. 41.2**

**Standard Rate** **EVSE**
**Electric Vehicle Supply Equipment**

**TERMS AND CONDITIONS (continued)** T

5. Customer shall be responsible for the cost of charging station replacement or repairs where such replacement or repairs are caused from willful damage, vandalism, or causes other than normal wear and tear. Company may decline to provide or to continue service in locations where, in Company's judgment, such facilities will be subject to unusual hazards or risk of damage.

6. If Customer requests the removal of an existing charging station, including, but not limited to, poles, or other supporting facilities that were in service less than twenty (20) years, and requests installation of replacement facilities within five (5) years of removal, Customer agrees to pay to Company its cost of labor to install the replacement facilities.

7. Temporary suspension of charging station is not permitted. Upon permanent discontinuance of service, charging station and other supporting facilities solely associated with providing service under this tariff, except underground facilities and pedestals, will be removed.

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9. Notwithstanding the provisions of 807 KAR 5:006, Section 14(4), a reasonable time shall be allowed subsequent to Customer's service application to enable Company to construct or install the facilities required for such service. In order that Company may make suitable provision for enlargement, extension or alteration of its facilities, each applicant for service shall furnish Company with realistic estimates of prospective electricity requirements.

10. Customer shall agree to permit Company to obtain specific charging station usage data directly from the Charging Station Supplier.

**MINIMUM CHARGE**
The Monthly Charging Unit Fee shall be the minimum charge.

**DUE DATE OF BILL**
Customer's payment will be due within sixteen (16) business days (no less than twenty-two (22) calendar days) from the date of the bill.

**DATE OF ISSUE:** September 28, 2018

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**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

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## Louisville Gas and Electric Company

**P.S.C. Electric No. 11, First Revision of Original Sheet No. 42**
**Canceling P.S.C. Electric No. 11, Original Sheet No. 42**

**Standard Rate** **EVC**
**Electric Vehicle Charging**

**APPLICABLE**
In all territory served.

**AVAILABILITY OF SERVICE**
Available to operators of licensed electric vehicles (EV). EV Customer is defined as the party who owns/operates a licensed electric vehicle, connects that vehicle for the purpose of receiving vehicle charging service to a Company-owned charging station providing service under this schedule, and willingly accepts the Company's fee structure for the vehicle charging service. EVC is offered under the conditions set out hereinafter for the purpose of charging EVs via street parking, parking lots, and other outdoor areas. EV Customers' charging systems must meet applicable charging standards.

Company assumes no liability or responsibility for any potential automotive-related incidents that occur at specific charging locations. EV Customer accepts all restrictions related to the temporary parking space.

**RATE**
Fee Per Hour: $2.86

Charging Unit Fee includes an Energy Charge and Adjustment Clauses.

Charging sessions of less than a full hour will be prorated.

**ADJUSTMENT CLAUSES**
The bill amount computed at the charges specified above includes the following:

| | |
|---|---|
| Fuel Adjustment Clause | Sheet No. 85 |
| Off-System Sales Adjustment Clause | Sheet No. 88 |
| Environmental Cost Recovery Surcharge | Sheet No. 87 |

The bill amount specified above will be increased or decreased in accordance with the following: T

| | | |
|---|---|---|
| Tax Cuts and Jobs Act Surcredit | Sheet No. 89 | N |
| Franchise Fee | Sheet No. 90 | |
| School Tax | Sheet No. 91 | |

**DATE OF ISSUE:** April 5, 2018

**DATE EFFECTIVE:** April 1, 2018

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the**
**Public Service Commission in Case No.**
**2018-00034 dated March 20, 2018 and modified March 28, 2018**

## Louisville Gas and Electric Company

**P.S.C. Electric No. 12, Original Sheet No. 42**

**Standard Rate** **EVC**
**Electric Vehicle Charging**

**APPLICABLE**
In all territory served.

**AVAILABILITY** T
Available to operators of licensed electric vehicles (EV). EV Customer is defined as the party who owns/operates a licensed electric vehicle, connects that vehicle for the purpose of receiving vehicle charging service to a Company-owned charging station providing service under this schedule, and willingly accepts Company's fee structure for the vehicle charging service. EVC is offered under the conditions set out hereinafter for the purpose of charging EVs via street parking, parking lots, and other outdoor areas. EV Customers' charging systems must meet applicable charging standards. Service under this rate schedule is limited to a maximum of ten stations. Company will accept Customers on a first-come-first-served basis. T N N

Company assumes no liability or responsibility for any potential automotive-related incidents that occur at specific charging locations. EV Customer accepts all restrictions related to the temporary parking space.

**RATE**

| | | |
|---|---|---|
| Fee for First Two (2) Hours: | $0.75 per Hour | T/R |
| Fee for Every Hour After First Two (2) Hours: | $1.00 per Hour | N/R |

Charging Unit Fee includes an Energy Charge, adjustment clauses, and applicable franchise fee and tax. T T

Charging sessions of less than a full hour will be prorated.

**ADJUSTMENT CLAUSES**
The bill amount computed at the charges specified above includes the following:

| | |
|---|---|
| Fuel Adjustment Clause | Sheet No. 85 |
| Off-System Sales Adjustment Clause | Sheet No. 88 |
| Environmental Cost Recovery Surcharge | Sheet No. 87 |

The bill amount specified above will be increased or decreased in accordance with the following:

| | | |
|---|---|---|
| Franchise Fee | Sheet No. 90 | D |
| School Tax | Sheet No. 91 | |

**DATE OF ISSUE:** September 28, 2018

**DATE EFFECTIVE:** With Service Rendered
On and After November 1, 2018

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the**
**Public Service Commission in Case No.**
**2018-00295 dated ____**

## Louisville Gas and Electric Company

**P.S.C. Electric No. 11, Original Sheet No. 42.1**

**Standard Rate** **EVC**

**Electric Vehicle Charging**

**TERMS AND CONDITIONS**

1. Service shall be furnished under the following Terms and Conditions and excludes the Company's Terms and Conditions set out in this Tariff Book.

2. EV Customer is required to pay by means of credit card or Charging Station Supplier account.
   a. Credit Card must be chip enabled (if card is not chip enabled, Customer must call the Charging Station Supplier at toll-free number provided at station), or
   b. EV Customer is required to open a Charging Station Supplier account and accepts all terms and conditions of Charging Station Supplier.

3. Company will exercise reasonable care and diligence in an endeavor to supply service continuously and without interruption but does not guarantee continuous service and shall not be liable for any loss or damage resulting from interruption, reduction, delay, or failure of electric service not caused by the willful negligence of Company, or resulting from any cause or circumstance beyond the reasonable control of Company.

4. Company is merely a supplier of electricity delivered to the point of connection of Company's and charging station facilities, and shall not be liable for and shall be protected and held harmless for any injury or damage to persons or property of EV Customer or of third persons resulting from the presence, use or abuse of electricity or resulting from defects in or accidents to any of EV Customer's wiring, equipment, or vehicle, or resulting from any cause whatsoever other than the negligence of Company.

5. In no event shall Company have any liability to EV Customer, the owner of a vehicle receiving charging service, or any other party affected by the electrical service to EV Customer for any consequential, indirect, incidental, special, or punitive damages, and such limitation of liability shall apply regardless of claim or theory. In addition, to the extent that Company acts within its rights as set forth herein and/or any applicable law or regulation, Company shall have no liability of any kind to EV Customer, the owner of a vehicle receiving charging service, or any other party. In the event that EV Customer's use of Company's service causes damage to Company's property or injuries to persons, EV Customer shall be responsible for such damage or injury and shall indemnify, defend, and hold Company harmless from any and all suits, claims, losses, and expenses associated therewith.

6. By connecting a vehicle to the Charging Station, the EV Customer represents that the EV Customer is authorized to operate that vehicle and to connect it to the Charging Station for the purpose of receiving vehicle charging service.

7. All service and maintenance will be performed only during regular scheduled working hours of Company.

**DATE OF ISSUE:** July 7, 2017

**DATE EFFECTIVE:** April 11, 2016

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

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## Louisville Gas and Electric Company

**P.S.C. Electric No. 12, Original Sheet No. 42.1**

**Standard Rate** **EVC**

**Electric Vehicle Charging**

**TERMS AND CONDITIONS**

1. Service shall be furnished under the following Terms and Conditions and excludes Company's Terms and Conditions set out in this Tariff Book. T

2. EV Customer is required to pay by means of credit card or Charging Station Supplier account.
   a. Credit Card must be chip enabled (if card is not chip enabled, Customer must call the Charging Station Supplier at toll-free number provided at station), or
   b. EV Customer is required to open a Charging Station Supplier account and accepts all terms and conditions of Charging Station Supplier.

3. Company will exercise reasonable care and diligence in an endeavor to supply service continuously and without interruption but does not guarantee continuous service and shall not be liable for any loss or damage resulting from interruption, reduction, delay, or failure of electric service not caused by the willful negligence of Company, or resulting from any cause or circumstance beyond the reasonable control of Company.

4. Company is merely a supplier of electricity delivered to the point of connection of Company's and charging station facilities, and shall not be liable for and shall be protected and held harmless for any injury or damage to persons or property of EV Customer or of third persons resulting from the presence, use or abuse of electricity or resulting from defects in or accidents to any of EV Customer's wiring, equipment, or vehicle, or resulting from any cause whatsoever other than the negligence of Company.

5. In no event shall Company have any liability to EV Customer, the owner of a vehicle receiving charging service, or any other party affected by the electrical service to EV Customer for any consequential, indirect, incidental, special, or punitive damages, and such limitation of liability shall apply regardless of claim or theory. In addition, to the extent that Company acts within its rights as set forth herein and/or any applicable law or regulation, Company shall have no liability of any kind to EV Customer, the owner of a vehicle receiving charging service, or any other party. In the event that EV Customer's use of Company's service causes damage to Company's property or injuries to persons, EV Customer shall be responsible for such damage or injury and shall indemnify, defend, and hold Company harmless from any and all suits, claims, losses, and expenses associated therewith.

6. By connecting a vehicle to the Charging Station, the EV Customer represents that the EV Customer is authorized to operate that vehicle and to connect it to the Charging Station for the purpose of receiving vehicle charging service.

7. All service and maintenance will be performed only during regular scheduled working hours of Company.

**DATE OF ISSUE:** September 28, 2018

**DATE EFFECTIVE:** With Service Rendered
On and After November 1, 2018

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00295 dated ____**

## Louisville Gas and Electric Company



**Standard Rate**

**Special Charges**

The following charges will be applied uniformly throughout Company's service territory. Each charge, as approved by the Public Service Commission, reflects only that revenue required to cover associated expenses.

**RETURNED PAYMENT CHARGE**

In those instances where a customer renders payment to Company which is not honored upon deposit by Company, the Customer will be charged $10.00 to cover the additional processing costs.

**METER TEST CHARGE**

Where the test of a meter is performed during normal working hours upon the written request of a customer, pursuant to 807 KAR 5:006, Section 19, and the results show the meter is within the limits allowed by 807 KAR 5:041, Section 17(1), the customer will be charged $75.00 to cover the test and transportation costs.

**DISCONNECT/RECONNECT SERVICE CHARGE**

A charge of $28.00 will be made to cover disconnection and reconnection of electric service when discontinued for non-payment of bills or for violation of Company's Terms and Conditions, such charge to be made before reconnection is effected. If both gas and electric services are reconnected at the same time, the total charge for restoration of both services shall be $28.00. No charge will be made for customers qualifying for service reconnection pursuant to 807 KAR 5:006, Section 16, Winter Hardship Reconnection.

Residential and general service customers may request and be granted temporary suspension of electric service. In the event of such temporary suspension, Company will make a charge of $28.00 to cover disconnection and reconnection of electric service, such charge to be made before reconnection is effected.

**METER PULSE CHARGE**

Where a customer desires and Company is willing to provide data meter pulses, a charge of $15.00 per month per installed set of pulse-generating equipment will be made to those data pulses. Time pulses will not be supplied.

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State Regulation and Rates
Louisville, Kentucky

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## Louisville Gas and Electric Company



**Standard Rate**

**Special Charges**

The following charges will be applied uniformly throughout Company's service territory. Each charge, as approved by the Public Service Commission, reflects only that revenue required to cover associated expenses.

**RETURNED PAYMENT CHARGE**

In those instances where a Customer renders payment to Company which is not honored upon deposit by Company, the Customer will be charged $3.00 to cover the additional processing costs. R

**METER TEST CHARGE**

Where the test of a meter is performed during normal working hours upon the written request of a Customer, pursuant to 807 KAR 5:006, Section 19, and the results show the meter is within the limits allowed by 807 KAR 5:041, Section 17(1), the Customer will be charged $75.00 to cover the test and transportation costs.

**DISCONNECT/RECONNECT SERVICE CHARGE**

A charge of $28.00 will be made to cover disconnection and reconnection of electric service when discontinued for non-payment of bills or for violation of Company's Terms and Conditions, such charge to be made before reconnection occurs. If both gas and electric services are reconnected T at the same time, the total charge for restoration of both services shall be $28.00. No charge will be made for Customers qualifying for service reconnection pursuant to 807 KAR 5:006, Section 16. Winter Hardship Reconnection.

Residential and general service Customers may request and be granted temporary suspension of electric service. In the event of such temporary suspension, Company will make a charge of $28.00 to cover disconnection and reconnection of electric service, such charge to be made before reconnection occurs. T

**METER PULSE CHARGE**

Where a Customer desires and Company is willing to provide data meter pulses, a charge of $25.00 I per month per installed set of pulse-generating equipment will be made to those data pulses. Time pulses will not be supplied.

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**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00295 dated ____**

## Louisville Gas and Electric Company

**P.S.C. Electric No. 11, Original Sheet No. 45.1**

**Standard Rate**

**Special Charges**

N

**UNAUTHORIZED RECONNECT CHARGE**

When the Company determines that Customer has tampered with a meter, reconnected service without authorization from Company that previously had been disconnected by Company, or connected service without authorization from Company, then the following charges shall be assessed for each instance of such tampering or unauthorized reconnection or connection of service:

1. A charge of $70.00 for tampering or an unauthorized connection or reconnection that does not require the replacement of the meter;
2. A charge of $90.00 for tampering or an unauthorized connection or reconnection that requires the replacement of a single-phase standard meter;
3. A charge of $110.00 for tampering or an unauthorized connection or reconnection that requires the replacement of a single-phase Automatic Meter Reading (AMR) meter;
4. A charge of $174.00 for tampering or an unauthorized connection or reconnection that requires the replacement of a single-phase Automatic Meter System (AMS) meter; or
5. A charge of $177.00 for tampering or an unauthorized connection or reconnection that requires the replacement of a three-phase meter.

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State Regulation and Rates
Louisville, Kentucky

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## Louisville Gas and Electric Company

**P.S.C. Electric No. 12, Original Sheet No. 45.1**

**Standard Rate**

**Special Charges**

**UNAUTHORIZED RECONNECT CHARGE**

When Company determines that Customer has tampered with a meter, reconnected service without authorization from Company that previously had been disconnected by Company, or connected service without authorization from Company, then the following charges shall be assessed for each instance of such tampering or unauthorized reconnection or connection of service: T

1. A charge of $70.00 for tampering or an unauthorized connection or reconnection that does not require the replacement of the meter;
2. A charge of $90.00 for tampering or an unauthorized connection or reconnection that requires the replacement of a single-phase standard meter;
3. A charge of $110.00 for tampering or an unauthorized connection or reconnection that requires the replacement of a single-phase Automatic Meter Reading (AMR) meter;
4. A charge of $174.00 for tampering or an unauthorized connection or reconnection that requires the replacement of a single-phase Advanced Metering System (AMS) meter; or T
5. A charge of $177.00 for tampering or an unauthorized connection or reconnection that requires the replacement of a three-phase meter.

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**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00295 dated ____**

## Louisville Gas and Electric Company

**P.S.C. Electric No. 11, Original Sheet No. 50**

**Standard Rate Rider** **CSR-1** T

**Curtailable Service Rider-1** T

**APPLICABLE**

In all territory served.

**AVAILABILITY OF SERVICE**

This rider shall be limited to customers served under applicable power schedules who contract for not less than 1,000 kVA individually, and executed a contract under this rider or gave notice of interest in participating in this rider prior to July 1, 2017. Those customers giving notice of interest by July 1, 2017 may elect to begin participating in this rider no later than January 1, 2019. No additional customers or additional load of existing customers may participate in this rider after January 1, 2019. The aggregate service under CSR1 and CSR2 for Louisville Gas and Electric Company is limited to 100 MVA in addition to the contracted curtailable load under P.S.C. No. 7, CSR1 for Louisville Gas and Electric Company as of August 1, 2010. As used herein, the term "Companies" refers collectively to Louisville Gas and Electric Company and Kentucky Utilities Company. T

**CONTRACT OPTION**

Customer may, at Customer's option, contract with Company to curtail service upon notification by Company. Requests for curtailment shall not exceed three hundred and seventy-five (375) hours per year nor shall any single request for curtailment be for less than thirty (30) minutes or for more than fourteen (14) hours per calendar day, with no more than two (2) requests for curtailment per calendar day within these parameters. A curtailment is a continuous event with a start and stop time. Company may request or cancel a curtailment at any time during any hour of the year, but shall give no less than sixty (60) minutes notice when either requesting or canceling a curtailment.

Company may request at its sole discretion up to 100 hours of physical curtailment per year. Company will request physical curtailment only when (1) all available units have been dispatched or are being dispatched and (2) all off-system sales have been or are being curtailed. Company may also request at its sole discretion up to 275 hours of curtailment per year with a buy-through option, whereby Customer may, at its option, choose either to curtail service in accordance with this Rider or to continue to purchase its curtailable requirements by paying the Automatic Buy-Through Price, as set forth below, for all kilowatt hours of curtailable requirements. Customer's choosing to curtail rather than buy through during any of the 275 hours of Company-requested curtailment with a buy-through option each year shall not reduce, diminish, or detract from the 100 hours of physical curtailment Company may request each year. T

Curtailable load and compliance with a request for curtailment shall be measured in one of the following ways:

Option A -- Customer may contract for a given amount of firm demand in kVA. During a request for physical curtailment, Customer shall reduce its demand to the firm demand designated in the contract. During a request for curtailment with a T

**DATE OF ISSUE**: July 7, 2017

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**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

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**Public Service Commission in Case No.**
**2016-00371 dated June 22, 2017 and modified June 29, 2017**

## Louisville Gas and Electric Company

**P.S.C. Electric No. 12, Original Sheet No. 50**

**Standard Rate Rider** **CSR-1**

**Curtailable Service Rider-1**

**APPLICABLE**

In all territory served.

**AVAILABILITY** T

Availability limited to Customers served under applicable rate schedules who contract for not less T than 1,000 kVA individually, and executed a contract under this rider or gave notice of interest in participating in this rider prior to July 1, 2017. Those customers giving notice of interest by July 1, 2017 may elect to begin participating in this rider no later than January 1, 2019. No additional customers or additional load of existing customers may participate in this rider after January 1, 2019. The aggregate service under CSR1 and CSR2 for Louisville Gas and Electric Company is limited to 100 MVA in addition to the contracted curtailable load under P.S.C. No. 7, CSR1 for Louisville Gas and Electric Company as of August 1, 2010. As used herein, the term "Companies" refers collectively to Louisville Gas and Electric Company and Kentucky Utilities Company.

**CONTRACT OPTION**

Customer may, at Customer's option, contract with Company to curtail service upon notification by Company. Requests for curtailment shall not exceed 375 hours per year nor shall any single T request for curtailment be for less than thirty (30) minutes or for more than fourteen (14) hours per calendar day, with no more than two (2) requests for curtailment per calendar day within these parameters. A curtailment is a continuous event with a start and stop time. Company may request or cancel a curtailment at any time during any hour of the year, but shall give no less than sixty (60) minutes notice when either requesting or canceling a curtailment.

Company may request at its sole discretion up to 100 hours of physical curtailment per year. Company will request physical curtailment only when (1) all available units have been dispatched or are being dispatched and (2) all off-system sales have been or are being curtailed. Company may also request at its sole discretion up to 275 hours of curtailment per year with a buy-through option, whereby Customer may, at its option, choose either to curtail service in accordance with this Rider or to continue to purchase its curtailable requirements by paying the Automatic Buy-Through Price, as set forth below, for all kilowatt hours of curtailable requirements. Customer's choosing to curtail rather than buy through during any of the 275 hours of Company-requested curtailment with a buy-through option each year shall not reduce, diminish, or detract from the 100 hours of physical curtailment Company may request each year.

Curtailable load and compliance with a request for curtailment shall be measured in one of the following ways:

Option A -- Customer may contract for a given amount of firm demand in kVA. During a request for physical curtailment, Customer shall reduce its demand to the firm demand designated in the contract. During a request for curtailment with a buy-through option, T

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**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

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**Public Service Commission in Case No.**
**2018-00295 dated ____**

## Louisville Gas and Electric Company



**Standard Rate Rider** **CSR-1** T
**Curtailable Service Rider-1**

buy-through option, the Automatic Buy-Through Price, as applicable, shall apply to the difference in the actual kWh during any requested curtailment and the contracted firm demand multiplied by the time period (hours) of curtailment [Actual kWh – (firm kVA x hours curtailed)]. The measured kVA demand in excess of the firm load during each requested physical curtailment in the billing period shall be the measure of non-compliance.

Option B -- Customer may contract for a given amount of curtailable load in kVA by which Customer shall agree to reduce its demand at any time by such Designated Curtailable Load. During a request for physical curtailment, Customer shall reduce its demand to a level equal to the maximum demand in kVA immediately prior to the curtailment less the designated curtailable load. During a request for curtailment with a buy-through option, the Automatic Buy-Through Price shall apply to the difference in the actual kWh during any requested curtailment and the product of Customer's maximum load immediately preceding curtailment less Customer's designated curtailable load designated in the contract multiplied by the time period (hours) of a requested curtailment {Actual kWh – [(Max kVA preceding – Designated Curtailable kVA) x hours of requested curtailment]}.

Non-compliance for each requested physical curtailment shall be the measured positive value in kVA determined by subtracting (i) Customer's designated curtailable load from (ii) Customer's maximum demand immediately preceding the curtailment and then subtracting such difference from (iii) the Customer's maximum demand during such curtailment.

**RATE**

Customer will receive the following credits for curtailable service during the month:

| | | |
|---|---|---|
| Transmission Voltage Service: | $ 3.56 per kVA of Curtailable Billing Demand | T/R |
| Primary Voltage Service: | $ 3.67 per kVA of Curtailable Billing Demand | T/R |
| Non-Compliance Charge: | $16.00 per kVA | T |

Failure of Customer to curtail when requested to do so may result in termination of service under this rider. Customer will be charged for the portion of each requested curtailment not met at the applicable standard charges. The Company and Customer may arrange to have installed, at Customer's expense, the necessary telecommunication and control equipment to allow the Company to control Customers' curtailable load. Non-compliance charges will be waived if failure to curtail is a result of failure of Company's equipment; however, non-compliance charges will not be waived if failure to curtail is a result of Customer's equipment. If arrangements are made to have telecommunication and control equipment installed, then backup arrangements must also be established in the event either Company's or Customer's equipment fails.

**DATE OF ISSUE**: July 7, 2017

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**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2016-00371 dated June 22, 2017 and modified June 29, 2017**

## Louisville Gas and Electric Company



**Standard Rate Rider** **CSR-1**
**Curtailable Service Rider-1**

the Automatic Buy-Through Price, as applicable, shall apply to the difference in the actual kWh during any requested curtailment and the contracted firm demand multiplied by the time period (hours) of curtailment [Actual kWh – (firm kVA x hours curtailed)]. The measured kVA demand in excess of the firm load during each requested physical curtailment in the billing period shall be the measure of non-compliance. T

Option B -- Customer may contract for a given amount of curtailable load in kVA by which Customer shall agree to reduce its demand at any time by such Designated Curtailable Load. During a request for physical curtailment, Customer shall reduce its demand to a level equal to the maximum demand in kVA immediately prior to the curtailment less the designated curtailable load. During a request for curtailment with a buy-through option, the Automatic Buy-Through Price shall apply to the difference in the actual kWh during any requested curtailment and the product of Customer's maximum load immediately preceding curtailment less Customer's designated curtailable load designated in the contract multiplied by the time period (hours) of a requested curtailment {Actual kWh – [(Max kVA preceding – Designated Curtailable kVA) x hours of requested curtailment]}.

Non-compliance for each requested physical curtailment shall be the measured positive value in kVA determined by subtracting (i) Customer's designated curtailable load from (ii) Customer's maximum demand immediately preceding the curtailment and then subtracting such difference from (iii) Customer's maximum demand during such curtailment.

**RATE**

Customer will receive the following credits for curtailable service during the month:

| | |
|---|---|
| Transmission Voltage Service: | $ 3.56 per kVA of Curtailable Billing Demand |
| Primary Voltage Service: | $ 3.67 per kVA of Curtailable Billing Demand |
| Non-Compliance Charge: | $16.00 per kVA |

Failure of Customer to curtail when requested to do so may result in termination of service under this rider. Customer will be charged for the portion of each requested curtailment not met at the applicable standard charges. The Company and Customer may arrange to have installed, at Customer's expense, the necessary telecommunication and control equipment to allow the Company to control Customers' curtailable load. Non-compliance charges will be waived if failure to curtail is a result of failure of Company's equipment; however, non-compliance charges will not be waived if failure to curtail is a result of Customer's equipment. If arrangements are made to have telecommunication and control equipment installed, then backup arrangements must also be established in the event either Company's or Customer's equipment fails.

**DATE OF ISSUE**: September 28, 2018

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**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00295 dated ____**

## Louisville Gas and Electric Company



**Standard Rate Rider** **CSR-1** T
**Curtailable Service Rider-1** T

**CURTAILABLE BILLING DEMAND**

For a Customer electing Option A, Curtailable Billing Demand shall be the difference between (a) the Customer's measured maximum demand during the billing period for any billing interval during the following time periods: (i) for the summer peak months of May through September, from 10 A.M. to 10 P.M., (EST) and (ii) for the months October continuously through April, from 6 A.M. to 10 P.M., (EST) and (b) the firm contract demand.

For a Customer electing Option B, Curtailable Billing Demand shall be the customer Designated Curtailable Load, as described above.

**AUTOMATIC BUY-THROUGH PRICE**

The Automatic Buy-Through Price per kWh shall be determined daily in accordance with the following formula:

Automatic Buy-Through Price = NGP x .012000 MMBtu/kWh

Where: NGP is the Cash Price for "Natural Gas, Henry Hub" as posted in *The Wall Street Journal* on-line for the most recent day for which a price is posted that precedes the day in which the buy-through occurred. T T T

**CERTIFICATION**

Upon commencement of service hereunder, the Customer shall be required to demonstrate or certify to the Company's satisfaction the ability to comply with physical curtailment. On an annual basis, Customer will be required to certify continued capability to reduce its demand pursuant to the amount designated in the contract in the event of a request for curtailment. Failure to demonstrate or certify the capability to reduce demand pursuant to the amount designated in the contract may result in termination of service under this rider.

**TERM OF CONTRACT**

The minimum original contract period shall be one (1) year and thereafter until terminated by giving at least six (6) months previous written notice, but Company may require that contract be executed for a longer initial term when deemed reasonably necessary by the size of the load or other conditions.

**TERMS AND CONDITIONS**

When the Company requests curtailment, upon request by the Customer, the Company shall provide a good-faith, non-binding estimate of the duration of requested curtailment. In addition, upon request by the Company, the Customer shall provide to the Company a good-faith, non-binding short-term operational schedule for their facility.

Except as specified above, all other provisions of the power rate to which this schedule is a rider shall apply.

**DATE OF ISSUE**: July 7, 2017

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**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2016-00371 dated June 22, 2017 and modified June 29, 2017**

## Louisville Gas and Electric Company



**Standard Rate Rider** **CSR-1**
**Curtailable Service Rider-1**

**CURTAILABLE BILLING DEMAND**

For a Customer electing Option A, Curtailable Billing Demand shall be the difference between (a) Customer's measured maximum demand during the billing period for any billing interval during the following time periods: (i) for the summer peak months of May through September, from 10 A.M. to 10 P.M., (EST) and (ii) for the months October continuously through April, from 6 A.M. to 10 P.M., (EST) and (b) the firm contract demand. T

For a Customer electing Option B, Curtailable Billing Demand shall be Customer Designated Curtailable Load, as described above. T

**AUTOMATIC BUY-THROUGH PRICE**

The Automatic Buy-Through Price per kWh shall be determined daily in accordance with the following formula:

Automatic Buy-Through Price = NGP x .012000 MMBtu/kWh

Where: NGP is the Cash Price for "Natural Gas, Henry Hub" as posted in *The Wall Street Journal* on-line for the most recent day for which a price is posted that precedes the day in which the buy-through occurred.

**CERTIFICATION**

Upon commencement of service hereunder, Customer shall be required to demonstrate or certify to Company's satisfaction the ability to comply with physical curtailment. On an annual basis, Customer will be required to certify continued capability to reduce its demand pursuant to the amount designated in the contract in the event of a request for curtailment. Failure to demonstrate or certify the capability to reduce demand pursuant to the amount designated in the contract may result in termination of service under this rider. T T

**TERM OF CONTRACT**

The minimum original contract period shall be one (1) year and thereafter until terminated by giving at least six (6) months previous written notice, but Company may require that contract be executed for a longer initial term when deemed reasonably necessary by the size of the load or other conditions.

**TERMS AND CONDITIONS**

When the Company requests curtailment, upon request by Customer, Company shall provide a good-faith, non-binding estimate of the duration of requested curtailment. In addition, upon request by Company, Customer shall provide to the Company a good-faith, non-binding short-term operational schedule for their facility. T T

Except as specified above, all other provisions of the power rate to which this schedule is a rider shall apply.

**DATE OF ISSUE**: September 28, 2018

**DATE EFFECTIVE:** With Service Rendered
On and After November 1, 2018

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00295 dated ____**

## Louisville Gas and Electric Company

**P.S.C. Electric No. 11, Original Sheet No. 51** N

**Standard Rate Rider** **CSR-2**
**Curtailable Service Rider-2**

**APPLICABLE**
In all territory served.

**AVAILABILITY OF SERVICE**
This rider shall be limited to customers served under applicable power schedules who contract for not less than 1,000 kVA individually, and executed a contract under this rider or gave notice of interest in participating in this rider prior to July 1, 2017. Those customers giving notice of interest by July 1, 2017 may elect to begin participating in this rider no later than January 1, 2019. No additional customers or additional load of existing customers may participate in this rider after January 1, 2019. The aggregate service under CSR1 and CSR2 for Louisville Gas and Electric Company is limited to 100 MVA in addition to the contracted curtailable load under P.S.C. No. 7, CSR1 for Louisville Gas and Electric Company as of August 1, 2010. As used herein, the term "Companies" refers collectively to Louisville Gas and Electric Company and Kentucky Utilities Company.

**CONTRACT OPTION**
Customer may, at Customer's option, contract with Company to curtail service upon notification by Company. Requests for curtailment shall not exceed three hundred and seventy-five (375) hours per year nor shall any single request for curtailment be for less than thirty (30) minutes or for more than fourteen (14) hours per calendar day, with no more than two (2) requests for curtailment per calendar day within these parameters. A curtailment is a continuous event with a start and stop time. Company may request or cancel a curtailment at any time during any hour of the year.

Company may request at its sole discretion physical curtailment no more than 20 times per calendar year totaling no more than 100 hours. Company will request physical curtailment only when more than 10 of the Companies' primary combustion turbines (CTs) (those with a capacity greater than 100 MW) are being dispatched, irrespective of whether the Companies are making off-system sales. However, to avoid a physical curtailment a CSR customer may buy through a requested curtailment at the Automatic Buy-Through Price. Any buy-through of a physical curtailment request will not count toward the 100-hour limit or 20-curtailment-request limit, but will count toward the 275 hours under the buy-through option discussed below. If all available units have been dispatched or are being dispatched, the Company may request physical curtailment without a buy-through option. After receiving a physical curtailment request from the Company where a buy-through option is available, a CSR customer will have 10 minutes to inform the Company whether the customer elects to buy through or physically curtail. If the customer elects to physically curtail, the customer will have 30 minutes to carry out the required physical curtailment (i.e., a total of 40 minutes from the time the Company requests curtailment to the time the customer must implement the curtailment). If a customer does not respond within 10 minutes of notice of a curtailment request from the Company, the customer will be assumed to have elected to buy through the requested curtailment, subject to any prior written agreement with the customer. After receiving a physical curtailment request from the Company when no buy-through option is available, a CSR customer will have 40 minutes to carry out the required physical curtailment.

**DATE OF ISSUE**: July 7, 2017

**DATE EFFECTIVE:** July 1, 2017

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2016-00371 dated June 22, 2017 and modified June 29, 2017**

## Louisville Gas and Electric Company

**P.S.C. Electric No. 12, Original Sheet No. 51**

**Standard Rate Rider** **CSR-2**
**Curtailable Service Rider-2**

**APPLICABLE**
In all territory served.

**AVAILABILITY** T
Availability limited to Customers served under applicable power schedules who contract for not less T
than 1,000 kVA individually, and executed a contract under this rider or gave notice of interest in participating in this rider prior to July 1, 2017. Those customers giving notice of interest by July 1, 2017 may elect to begin participating in this rider no later than January 1, 2019. No additional customers or additional load of existing customers may participate in this rider after January 1, 2019. The aggregate service under CSR1 and CSR2 for Louisville Gas and Electric Company is limited to 100 MVA in addition to the contracted curtailable load under P.S.C. No. 7, CSR1 for Louisville Gas and Electric Company as of August 1, 2010. As used herein, the term "Companies" refers collectively to Louisville Gas and Electric Company and Kentucky Utilities Company.

**CONTRACT OPTION**
Customer may, at Customer's option, contract with Company to curtail service upon notification by Company. Requests for curtailment shall not exceed 375 hours per year nor shall any single T
request for curtailment be for less than thirty (30) minutes or for more than fourteen (14) hours per calendar day, with no more than two (2) requests for curtailment per calendar day within these parameters. A curtailment is a continuous event with a start and stop time. Company may request or cancel a curtailment at any time during any hour of the year.

Company may request at its sole discretion physical curtailment no more than twenty (20) times T
per calendar year totaling no more than 100 hours. Company will request physical curtailment only when more than ten (10) of the Companies' primary combustion turbines (CTs) (those with a T
capacity greater than 100 MW) are being dispatched, irrespective of whether the Companies are making off-system sales. However, to avoid a physical curtailment a CSR Customer may buy through a requested curtailment at the Automatic Buy-Through Price. Any buy-through of a physical curtailment request will not count toward the 100-hour limit or 20-curtailment-request limit, but will count toward the 275 hours under the buy-through option discussed below. If all available units have been dispatched or are being dispatched, Company may request physical curtailment without T
a buy-through option. After receiving a physical curtailment request from Company where a buy- T
through option is available, a CSR Customer will have 10 minutes to inform Company whether the Customer elects to buy through or physically curtail. If the customer elects to physically curtail, the Customer will have 30 minutes to carry out the required physical curtailment (i.e., a total of 40 minutes from the time Company requests curtailment to the time the Customer must implement the curtailment). If a Customer does not respond within 10 minutes of notice of a curtailment request from Company, the Customer will be assumed to have elected to buy through the requested curtailment, subject to any prior written agreement with the Customer. After receiving a physical curtailment request from Company when no buy-through option is available, a CSR Customer will T
have 40 minutes to carry out the required physical curtailment.

**DATE OF ISSUE**: September 28, 2018

**DATE EFFECTIVE:** With Service Rendered
On and After November 1, 2018

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00295 dated ____**

## Louisville Gas and Electric Company

P.S.C. Electric No. 11, Original Sheet No. 51.1 N

**Standard Rate Rider** **CSR-2**
**Curtailable Service Rider-2**

Company may also request at its sole discretion up to 275 hours of curtailment per year with a buy-through option, whereby Customer may, at its option, choose either to curtail service in accordance with this Rider or to continue to purchase its curtailable requirements by paying the Automatic Buy-Through Price, as set forth below, for all kilowatt hours of curtailable requirements. Customer's choosing to curtail rather than buy through during any of the 275 hours of Company-requested curtailment with a buy-through option each year shall not reduce, diminish, or detract from the 100 hours of physical curtailment Company may request each year. For such curtailments, Company will give no less than sixty (60) minutes notice when either requesting or canceling a curtailment.

Curtailable load and compliance with a request for curtailment shall be measured in one of the following ways:

Option A -- Customer may contract for a given amount of firm demand in kVA. During a request for physical curtailment, Customer shall reduce its demand to the firm demand designated in the contract. During a request for curtailment with a buy-through option, the Automatic Buy-Through Price, as applicable, shall apply to the difference in the actual kWh during any requested curtailment and the contracted firm demand multiplied by the time period (hours) of curtailment [Actual kWh – (firm kVA x hours curtailed)]. The measured kVA demand in excess of the firm load during each requested physical curtailment in the billing period shall be the measure of non-compliance.

Option B -- Customer may contract for a given amount of curtailable load in kVA by which Customer shall agree to reduce its demand at any time by such Designated Curtailable Load. During a request for physical curtailment, Customer shall reduce its demand to a level equal to the maximum demand in kVA immediately prior to the curtailment less the designated curtailable load. During a request for curtailment with a buy-through option, the Automatic Buy-Through Price shall apply to the difference in the actual kWh during any requested curtailment and the product of Customer's maximum load immediately preceding curtailment less Customer's designated curtailable load designated in the contract multiplied by the time period (hours) of a requested curtailment {Actual kWh – [(Max kVA preceding – Designated Curtailable kVA) x hours of requested curtailment]}.

Non-compliance for each requested physical curtailment shall be the measured positive value in kVA determined by subtracting (i) Customer's designated curtailable load from (ii) Customer's maximum demand immediately preceding the curtailment and then subtracting such difference from (iii) the Customer's maximum demand during such curtailment.

**DATE OF ISSUE**: July 7, 2017

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**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2016-00371 dated June 22, 2017 and modified June 29, 2017**

## Louisville Gas and Electric Company

P.S.C. Electric No. 12, Original Sheet No. 51.1

**Standard Rate Rider** **CSR-2**
**Curtailable Service Rider-2**

Company may also request at its sole discretion up to 275 hours of curtailment per year with a buy-through option, whereby Customer may, at its option, choose either to curtail service in accordance with this Rider or to continue to purchase its curtailable requirements by paying the Automatic Buy-Through Price, as set forth below, for all kilowatt hours of curtailable requirements. Customers choosing to curtail rather than buy through during any of the 275 hours of Company-requested curtailment with a buy-through option each year shall not reduce, diminish, or detract from the 100 hours of physical curtailment Company may request each year. For such curtailments, Company will give no less than sixty (60) minutes notice when either requesting or canceling a curtailment.

Curtailable load and compliance with a request for curtailment shall be measured in one of the following ways:

Option A -- Customer may contract for a given amount of firm demand in kVA. During a request for physical curtailment, Customer shall reduce its demand to the firm demand designated in the contract. During a request for curtailment with a buy-through option, the Automatic Buy-Through Price, as applicable, shall apply to the difference in the actual kWh during any requested curtailment and the contracted firm demand multiplied by the time period (hours) of curtailment [Actual kWh – (firm kVA x hours curtailed)]. The measured kVA demand in excess of the firm load during each requested physical curtailment in the billing period shall be the measure of non-compliance.

Option B -- Customer may contract for a given amount of curtailable load in kVA by which Customer shall agree to reduce its demand at any time by such Designated Curtailable Load. During a request for physical curtailment, Customer shall reduce its demand to a level equal to the maximum demand in kVA immediately prior to the curtailment less the designated curtailable load. During a request for curtailment with a buy-through option, the Automatic Buy-Through Price shall apply to the difference in the actual kWh during any requested curtailment and the product of Customer's maximum load immediately preceding curtailment less Customer's designated curtailable load designated in the contract multiplied by the time period (hours) of a requested curtailment {Actual kWh – [(Max kVA preceding – Designated Curtailable kVA) x hours of requested curtailment]}.

Non-compliance for each requested physical curtailment shall be the measured positive value in kVA determined by subtracting (i) Customer's designated curtailable load from (ii) Customer's maximum demand immediately preceding the curtailment and then subtracting such difference from (iii) Customer's maximum demand during such curtailment. T

**DATE OF ISSUE**: September 28, 2018

**DATE EFFECTIVE:** With Service Rendered
On and After November 1, 2018

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00295 dated ____**

## Louisville Gas and Electric Company

**P.S.C. Electric No. 11, Original Sheet No. 51.2** N

**Standard Rate Rider** **CSR-2**
**Curtailable Service Rider-2**

**RATE**

Customer will receive the following credits for curtailable service during the month:

Transmission Voltage Service: $ 5.90 per kVA of Curtailable Billing Demand
Primary Voltage Service: $ 6.00 per kVA of Curtailable Billing Demand

Non-Compliance Charge: $16.00 per kVA

Failure of Customer to curtail when requested to do so may result in termination of service under this rider. Customer will be charged for the portion of each requested curtailment not met at the applicable standard charges. The Company and Customer may arrange to have installed, at Customer's expense, the necessary telecommunication and control equipment to allow the Company to control Customers' curtailable load. Non-compliance charges will be waived if failure to curtail is a result of failure of Company's equipment; however, non-compliance charges will not be waived if failure to curtail is a result of Customer's equipment. If arrangements are made to have telecommunication and control equipment installed, then backup arrangements must also be established in the event either Company's or Customer's equipment fails.

**CURTAILABLE BILLING DEMAND**

For a Customer electing Option A, Curtailable Billing Demand shall be the difference between (a) the Customer's measured maximum demand during the billing period for any billing interval during the following time periods: (i) for the summer peak months of May through September, from 10 A.M. to 10 P.M., (EST) and (ii) for the months October continuously through April, from 6 A.M. to 10 P.M., (EST) and (b) the firm contract demand.

For a Customer electing Option B, Curtailable Billing Demand shall be the customer Designated Curtailable Load, as described above.

**AUTOMATIC BUY-THROUGH PRICE**

The Automatic Buy-Through Price per kWh shall be determined daily in accordance with the following formula:

Automatic Buy-Through Price = NGP x .012000 MMBtu/kWh

Where: NGP is the Cash Price for "Natural Gas, Henry Hub" as posted in *The Wall Street Journal* on-line for the most recent day for which a price is posted that precedes the day in which the buy-through occurred.

**DATE OF ISSUE**: July 7, 2017

**DATE EFFECTIVE:** July 1, 2017

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2016-00371 dated June 22, 2017 and modified June 29, 2017**

## Louisville Gas and Electric Company

**P.S.C. Electric No. 12, Original Sheet No. 51.2**

**Standard Rate Rider** **CSR-2**
**Curtailable Service Rider-2**

**RATE**

Customer will receive the following credits for curtailable service during the month:

Transmission Voltage Service: $ 5.90 per kVA of Curtailable Billing Demand
Primary Voltage Service: $ 6.00 per kVA of Curtailable Billing Demand

Non-Compliance Charge: $16.00 per kVA

Failure of Customer to curtail when requested to do so may result in termination of service under this rider. Customer will be charged for the portion of each requested curtailment not met at the applicable standard charges. Company and Customer may arrange to have installed, at T Customer's expense, the necessary telecommunication and control equipment to allow Company T to control Customer's curtailable load. Non-compliance charges will be waived if failure to curtail is a result of failure of Company's equipment; however, non-compliance charges will not be waived if failure to curtail is a result of Customer's equipment. If arrangements are made to have telecommunication and control equipment installed, then backup arrangements must also be established in the event either Company's or Customer's equipment fails.

**CURTAILABLE BILLING DEMAND**

For a Customer electing Option A, Curtailable Billing Demand shall be the difference between (a) Customer's measured maximum demand during the billing period for any billing interval during T the following time periods: (i) for the summer peak months of May through September, from 10 A.M. to 10 P.M., (EST) and (ii) for the months October continuously through April, from 6 A.M. to 10 P.M., (EST) and (b) the firm contract demand.

For a Customer electing Option B, Curtailable Billing Demand shall be the Customer Designated Curtailable Load, as described above.

**AUTOMATIC BUY-THROUGH PRICE**

The Automatic Buy-Through Price per kWh shall be determined daily in accordance with the following formula:

Automatic Buy-Through Price = NGP x .012000 MMBtu/kWh

Where: NGP is the Cash Price for "Natural Gas, Henry Hub" as posted in *The Wall Street Journal* on-line for the most recent day for which a price is posted that precedes the day in which the buy-through occurred.

**DATE OF ISSUE**: September 28, 2018

**DATE EFFECTIVE:** With Service Rendered
On and After November 1, 2018

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00295 dated ____**

## Louisville Gas and Electric Company

**P.S.C. Electric No. 11, Original Sheet No. 51.3** N

**Standard Rate Rider** **CSR-2**
**Curtailable Service Rider-2**

**CERTIFICATION**

Upon commencement of service hereunder, the Customer shall be required to demonstrate or certify to the Company's satisfaction the ability to comply with physical curtailment. On an annual basis, Customer will be required to certify continued capability to reduce its demand pursuant to the amount designated in the contract in the event of a request for curtailment. Failure to demonstrate or certify the capability to reduce demand pursuant to the amount designated in the contract may result in termination of service under this rider.

**TERM OF CONTRACT**

The minimum original contract period shall be two (2) years and thereafter until terminated by giving at least six (6) months previous written notice, but Company may require that contract be executed for a longer initial term when deemed reasonably necessary by the size of the load or other conditions.

**TERMS AND CONDITIONS**

When the Company requests curtailment, upon request by the Customer, the Company shall provide a good-faith, non-binding estimate of the duration of requested curtailment. In addition, upon request by the Company, the Customer shall provide to the Company a good-faith, non-binding short-term operational schedule for their facility.

Except as specified above, all other provisions of the power rate to which this schedule is a rider shall apply.

**DATE OF ISSUE**: July 7, 2017

**DATE EFFECTIVE:** July 1, 2017

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2016-00371 dated June 22, 2017 and modified June 29, 2017**

## Louisville Gas and Electric Company

**P.S.C. Electric No. 12, Original Sheet No. 51.3**

**Standard Rate Rider** **CSR-2**
**Curtailable Service Rider-2**

**CERTIFICATION**

Upon commencement of service hereunder, Customer shall be required to demonstrate or certify T
to Company's satisfaction the ability to comply with physical curtailment. On an annual basis, T
Customer will be required to certify continued capability to reduce its demand pursuant to the amount designated in the contract in the event of a request for curtailment. Failure to demonstrate or certify the capability to reduce demand pursuant to the amount designated in the contract may result in termination of service under this rider.

**TERM OF CONTRACT**

The minimum original contract period shall be two (2) years and thereafter until terminated by giving at least six (6) months previous written notice, but Company may require that contract be executed for a longer initial term when deemed reasonably necessary by the size of the load or other conditions.

**TERMS AND CONDITIONS**

When Company requests curtailment, upon request by Customer, Company shall provide a good- T
faith, non-binding estimate of the duration of requested curtailment. In addition, upon request by T
Company, Customer shall provide to Company a good-faith, non-binding short-term operational T
schedule for their facility.

Except as specified above, all other provisions of the power rate to which this schedule is a rider shall apply.

**DATE OF ISSUE**: September 28, 2018

**DATE EFFECTIVE:** With Service Rendered
On and After November 1, 2018

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00295 dated ____**

## Louisville Gas and Electric Company

**P.S.C. Electric No. 11, First Revision of Original Sheet No. 55**
**Canceling P.S.C. Electric No. 11, Original Sheet No. 55**

**Standard Rate Rider** **SQF**
**Small Capacity Cogeneration and Small Power Production Qualifying Facilities**

**APPLICABLE** T
In all territory served.

**AVAILABILITY OF SERVICE**
This rate and the terms and conditions set out herein are available for and applicable to Company's purchases of energy only from the owner of qualifying cogeneration or small power production facilities of 100 kW or less (such owner being hereafter called "Seller") installed on Seller's property to provide all or part of its requirements of electrical energy, or from which facilities Seller may elect to sell to Company all or part of such output of electrical energy.

Company will permit Seller's generating facilities to operate in parallel with Company's system under conditions set out below under Parallel Operation.

Company will purchase such energy from Seller at the Rate, A or B, set out below and selected as hereafter provided, and under the terms and conditions stated herein. Company reserves the right to change the said Rates, upon proper filing with and acceptance by the jurisdictional Commission.

**RATE A: TIME-DIFFERENTIATED RATE**

| | | |
|---|---|---|
| 1. For summer billing month of June, July, August and September (on-peak hours) | \$0.03229 per kWh | T/R |
| 2. For winter billing months of December, January and February (on-peak hours) | \$0.02852 per kWh | T/I |
| 3. During all other hours (off-peak hours) | \$0.02666 per kWh | R/T |

On-peak hours for summer billing months of June through September are defined as weekdays (exclusive of holidays) from 8:01 A.M. to 9:00 P.M., Eastern Standard Time (under 1 above). T

On-peak hours for winter billing months of December through February are defined as weekdays (exclusive of holidays) from 6:01 A.M. to 9:00 P.M., Eastern Standard Time (under 2 above).

Off-peak hours are defined as all hours other than those listed as on-peak (under 3 above).

Company reserves the right to change the hours designated as on-peak from time to time as conditions indicate to be appropriate.

**RATE B: NON-TIME-DIFFERENTIATED RATE**
For all kWh purchased by Company \$0.02758 per kWh R

**DATE OF ISSUE**: May 29, 2018

**DATE EFFECTIVE:** June 29, 2018

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

## Louisville Gas and Electric Company

**P.S.C. Electric No. 12, Original Sheet No. 55**

**Standard Rate Rider** **SQF**
**Small Capacity Cogeneration and Small Power Production Qualifying Facilities**

**APPLICABLE**
In all territory served.

**AVAILABILITY** T
This rate and the terms and conditions set out herein are available for and applicable to Company's purchases of energy only from the owner of qualifying cogeneration or small power production facilities of 100 kW or less (such owner being hereafter called "Seller") installed on Seller's property to provide all or part of its requirements of electrical energy, or from which facilities Seller may elect to sell to Company all or part of such output of electrical energy.

Company will permit Seller's generating facilities to operate in parallel with Company's system under conditions set out below under Parallel Operation.

Company will purchase such energy from Seller at the Rate, A or B, set out below and selected as hereafter provided, and under the terms and conditions stated herein. Company reserves the right to change the said Rates, upon proper filing with and acceptance by the jurisdictional Commission.

**RATE A: TIME-DIFFERENTIATED RATE**

| | |
|---|---|
| 1. For summer billing months of June, July, August and September (on-peak hours) | \$0.03229 per kWh |
| 2. For winter billing months of December, January and February (on-peak hours) | \$0.02852 per kWh |
| 3. During all other hours (off-peak hours) | \$0.02666 per kWh |

On-peak hours for summer billing months of June through September are defined as weekdays (exclusive of holidays) from 8:01 A.M. to 9:00 P.M., Eastern Standard Time (under 1 above).

On-peak hours for winter billing months of December through February are defined as weekdays (exclusive of holidays) from 6:01 A.M. to 9:00 P.M., Eastern Standard Time (under 2 above).

Off-peak hours are defined as all hours other than those listed as on-peak (under 3 above).

Company reserves the right to change the hours designated as on-peak from time to time as conditions indicate to be appropriate.

**RATE B: NON-TIME-DIFFERENTIATED RATE**
For all kWh purchased by Company \$0.02758 per kWh

**DATE OF ISSUE**: September 28, 2018

**DATE EFFECTIVE:** With Bills Rendered
On and After November 1, 2018

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the**
**Public Service Commission in Case No.**
**2018-00295 dated ____**

## Louisville Gas and Electric Company

**P.S.C. Electric No. 11, Original Sheet No. 55.1**

**Standard Rate Rider SQF**

**Small Capacity Cogeneration and Small Power Production Qualifying Facilities**

**SELECTION OF RATE AND METERING**

Subject to provisions hereafter in this Section relative to payment of costs of metering equipment, either Seller or Company may select Rate A, the Time-Differentiated Rate, for application to Company's said purchases of energy from Seller. If neither Seller nor Company selects Rate A, then Rate B, the Non-Time-Differentiated Rate, shall apply.

If neither Seller nor Company selects Rate A, and Rate B therefore is to apply to such purchases, Company, at Seller's cost, will install, own and operate a non-time-differentiated meter and associated equipment, at a location selected by Company, measuring energy, produced by Seller's generator, flowing into Company's system. Such meter will be tested at intervals prescribed by Commission Regulation, with Seller having a right to witness all such tests; and Seller will pay to Company its fixed cost on such meter and equipment, expense of such periodic tests of the meter and any other expenses (all such costs and expenses, together, being hereafter called "costs of non-time-differentiated metering").

If either Seller or Company selects Rate A to apply to Company's said purchases of energy from Seller, the party (Seller or Company) so selecting Rate A shall pay (a) the cost of a time-differentiated recording meter and associated equipment, at a location selected by Company, measuring energy, produced by Seller's generator, flowing into Company's system, required for the application of Rate A, in excess of (b) the costs of non-time-differentiated metering which shall continue to be paid by Seller.

In addition to metering referred to above, Company at its option and cost may install, own and operate, on Seller's generator, a recording meter to record the capacity, energy and reactive output of such generator at specified time intervals.

Company shall have access to all such meters at reasonable times during Seller's normal business hours, and shall regularly provide to Seller copies of all information provided by such meters.

**PAYMENT**

Any payment due from Company to Seller will be due within sixteen (16) business days (no less than twenty-two (22) calendar days) from date of Company's reading of meter; provided, however, that, if Seller is a customer of Company, in lieu of such payment Company may offset its payment due to Seller hereunder, against Seller's next bill and payment due to Company for Company's service to Seller as customer.

**PARALLEL OPERATION**

Company hereby permits Seller to operate its generating facilities in parallel with Company's system, under the following conditions and any other conditions required by Company where unusual conditions not covered herein arise:

**DATE OF ISSUE**: July 7, 2017

**DATE EFFECTIVE:** January 1, 2013

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2012-00222 dated December 20, 2012**

## Louisville Gas and Electric Company

**P.S.C. Electric No. 12, Original Sheet No. 55.1**

**Standard Rate Rider SQF**

**Small Capacity Cogeneration and Small Power Production Qualifying Facilities**

**SELECTION OF RATE AND METERING**

Subject to provisions hereafter in this Section relative to payment of costs of metering equipment, either Seller or Company may select Rate A, the Time-Differentiated Rate, for application to Company's said purchases of energy from Seller. If neither Seller nor Company selects Rate A, then Rate B, the Non-Time-Differentiated Rate, shall apply.

If neither Seller nor Company selects Rate A, and Rate B therefore is to apply to such purchases, Company, at Seller's cost, will install, own and operate a non-time-differentiated meter and associated equipment, at a location selected by Company, measuring energy, produced by Seller's generator, flowing into Company's system. Such meter will be tested at intervals prescribed by Commission Regulation, with Seller having a right to witness all such tests; and Seller will pay to Company its fixed cost on such meter and equipment, expense of such periodic tests of the meter and any other expenses (all such costs and expenses, together, being hereafter called "costs of non-time-differentiated metering").

If either Seller or Company selects Rate A to apply to Company's said purchases of energy from Seller, the party (Seller or Company) so selecting Rate A shall pay (a) the cost of a time-differentiated recording meter and associated equipment, at a location selected by Company, measuring energy, produced by Seller's generator, flowing into Company's system, required for the application of Rate A, in excess of (b) the costs of non-time-differentiated metering which shall continue to be paid by Seller.

In addition to metering referred to above, Company at its option and cost may install, own and operate, on Seller's generator, a recording meter to record the capacity, energy and reactive output of such generator at specified time intervals.

Company shall have access to all such meters at reasonable times during Seller's normal business hours, and shall regularly provide to Seller copies of all information provided by such meters.

**PAYMENT**

Any payment due from Company to Seller will be due within sixteen (16) business days (no less than twenty-two (22) calendar days) from date of Company's reading of meter; provided, however, that, if Seller is a Customer of Company, in lieu of such payment Company may offset its payment due to Seller hereunder, against Seller's next bill and payment due to Company for Company's service to Seller as Customer.

**PARALLEL OPERATION**

Company hereby permits Seller to operate its generating facilities in parallel with Company's system, under the following conditions and any other conditions required by Company where unusual conditions not covered herein arise:

**DATE OF ISSUE**: September 28, 2018

**DATE EFFECTIVE:** With Bills Rendered
On and After January 1, 2013

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2012-00222 dated December 20, 2012**

# Louisville Gas and Electric Company

**P.S.C. Electric No. 11, Original Sheet No. 55.2**

**Standard Rate Rider SQF**

**Small Capacity Cogeneration and Small Power Production Qualifying Facilities**

1. Prior to installation in Seller's system of any generator and associated facilities which are intended to be interconnected and operated in parallel with Company's system, or prior to the inter-connection to Company's system of any such generator and associated facilities already installed in Seller's system, Seller will provide to Company plans for such generator and facilities. Company may, but shall have no obligation to, examine such plans and disapprove them in whole or in part, to the extent Company believes that such plans and proposed facilities will not adequately assure the safety of Company's facilities or system. Seller acknowledges and agrees that the sole purpose of any Company examination of such plans is the satisfaction of Company's interest in the safety of Company's own facilities and system, and that Company shall have no responsibility of any kind to Seller or to any other party in connection with any such examination. If Seller thereafter proposes any change from such plans submitted to Company, prior to the implementation thereof Seller will provide to Company new plans setting out such proposed change(s).
2. Seller will own, install, operate and maintain all generating facilities on its plant site, such facilities to include, but not be limited to, (a) protective equipment between the systems of Seller and Company and (b) necessary control equipment to synchronize frequency and voltage between such two systems. Seller's voltage at the point of interconnection will be the same as Company's system voltage. Suitable circuit breakers or similar equipment, as specified by Company, will be furnished by Seller at a location designated by Company to enable the separation or disconnection of the two electrical systems. Except in emergencies, the circuit breakers, or similar equipment, will be operated only by, or at the express direction of, Company personnel and will be accessible to Company at all times. In addition, a circuit breaker or similar equipment shall be furnished and installed by Seller to separate or disconnect Seller's generator.
3. Seller will be responsible for operating the generator and all facilities owned by Seller, except as hereafter specified. Seller will maintain its system in synchronization with Company's system.
4. Seller will (a) pay Company for all damage to Company's equipment, facilities or system, and (b) save and hold Company harmless from all claims, demands and liabilities of every kind and nature for injury or damage to, or death of, persons and/or property of others, including costs and expenses of defending against the same, arising in any manner in connection with Seller's generator, equipment, facilities or system or the operation thereof.
5. Seller will construct any additional facilities, in addition to generating and associated (interface) facilities, required for interconnection unless Company and Seller agree to Company's constructing such facilities, at Seller's expense, where Seller is not a customer of Company. When Seller is a customer of Company and Company is required to construct facilities different than otherwise required to permit interconnection, Seller shall pay such additional cost of facilities. Seller agrees to reimburse Company, at the time of installation,

**DATE OF ISSUE**: July 7, 2017

**DATE EFFECTIVE:** April 17, 1999

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2009-00549 dated July 30, 2010**

# Louisville Gas and Electric Company

**P.S.C. Electric No. 12, Original Sheet No. 55.2**

**Standard Rate Rider SQF**

**Small Capacity Cogeneration and Small Power Production Qualifying Facilities**

1. Prior to installation in Seller's system of any generator and associated facilities which are intended to be interconnected and operated in parallel with Company's system, or prior to the inter-connection to Company's system of any such generator and associated facilities already installed in Seller's system, Seller will provide to Company plans for such generator and facilities. Company may, but shall have no obligation to, examine such plans and disapprove them in whole or in part, to the extent Company believes that such plans and proposed facilities will not adequately assure the safety of Company's facilities or system. Seller acknowledges and agrees that the sole purpose of any Company examination of such plans is the satisfaction of Company's interest in the safety of Company's own facilities and system, and that Company shall have no responsibility of any kind to Seller or to any other party in connection with any such examination. If Seller thereafter proposes any change from such plans submitted to Company, prior to the implementation thereof Seller will provide to Company new plans setting out such proposed change(s).
2. Seller will own, install, operate and maintain all generating facilities on its plant site, such facilities to include, but not be limited to, (a) protective equipment between the systems of Seller and Company and (b) necessary control equipment to synchronize frequency and voltage between such two systems. Seller's voltage at the point of interconnection will be the same as Company's system voltage. Suitable circuit breakers or similar equipment, as specified by Company, will be furnished by Seller at a location designated by Company to enable the separation or disconnection of the two electrical systems. Except in emergencies, the circuit breakers, or similar equipment, will be operated only by, or at the express direction of, Company personnel and will be accessible to Company at all times. In addition, a circuit breaker or similar equipment shall be furnished and installed by Seller to separate or disconnect Seller's generator.
3. Seller will be responsible for operating the generator and all facilities owned by Seller, except as hereafter specified. Seller will maintain its system in synchronization with Company's system.
4. Seller will (a) pay Company for all damage to Company's equipment, facilities or system, and (b) save and hold Company harmless from all claims, demands and liabilities of every kind and nature for injury or damage to, or death of, persons and/or property of others, including costs and expenses of defending against the same, arising in any manner in connection with Seller's generator, equipment, facilities or system or the operation thereof.
5. Seller will construct any additional facilities, in addition to generating and associated (interface) facilities, required for interconnection unless Company and Seller agree to Company's constructing such facilities, at Seller's expense, where Seller is not a Customer of Company. When Seller is a Customer of Company and Company is required to construct facilities different than otherwise required to permit interconnection, Seller shall pay such additional cost of facilities. Seller agrees to reimburse Company, at the time of installation,

**DATE OF ISSUE**: September 28, 2018

**DATE EFFECTIVE:** With Bills Rendered
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**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2009-00549 dated July 30, 2010**

## Louisville Gas and Electric Company

**P.S.C. Electric No. 11, Original Sheet No. 55.3**

**Standard Rate Rider SQF**

**Small Capacity Cogeneration and Small Power Production Qualifying Facilities**

or, if agreed to by both parties, over a period of up to three (3) years, for any facilities including any hereafter required (but exclusive of metering equipment, elsewhere herein provided for) constructed by Company to permit Seller to operate interconnected with Company's system. When interconnection costs are repaid over a period of time, such payments will be made monthly and include interest on the unpaid balance at the percentage rate equal to the capital costs that Company would experience at such time by new financing, based on Company's then existing capital structure, with return on equity to be at the rate allowed in Company's immediately preceding rate case.

6. Company will have the continuing right to inspect and approve Seller's facilities, described herein, and to request and witness any tests necessary to determine that such facilities are installed and operating properly; but Company will have no obligation to inspect or approve facilities, or to request or witness tests; and Company will not in any manner be responsible for Seller's facilities or any operation thereof.
7. Seller assumes all responsibility for the electric service upon Seller's premises at and from the point of any delivery or flow of electricity from Company, and for the wires and equipment used in connection therewith; and Seller will protect and save Company harmless from all claims for injury or damage to persons or property, including but not limited to property of Seller, occurring on or about Seller's premises or at and from the point of delivery or flow of electricity from Company, occasioned by such electricity or said wires and equipment, except where said injury or damage is proved to have been caused solely by the negligence of Company.
8. Each, Seller and Company, will designate one or more Operating Representatives for the purpose of contacts and communications between the parties concerning operations of the two systems.
9. Seller will notify Company's Energy Control Center prior to each occasion of Seller's generator being brought into or (except in cases of emergencies) taken out of operation.
10. Company reserves the right to curtail a purchase from Seller when:
    (a) the purchase will result in costs to Company greater than would occur if the purchase were not made but instead Company, itself, generated an equivalent amount of energy; or
    (b) Company has a system emergency and purchases would (or could) contribute to such emergency.

    Seller will be notified of each curtailment.

**TERMS AND CONDITIONS**

Except as provided herein, conditions or operations will be as provided in Company's Terms and Conditions.

**DATE OF ISSUE**: July 7, 2017

**DATE EFFECTIVE:** April 17, 1999

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2009-00549 dated July 30, 2010**

## Louisville Gas and Electric Company

**P.S.C. Electric No. 12, Original Sheet No. 55.3**

**Standard Rate Rider SQF**

**Small Capacity Cogeneration and Small Power Production Qualifying Facilities**

or, if agreed to by both parties, over a period of up to three (3) years, for any facilities including any hereafter required (but exclusive of metering equipment, elsewhere herein provided for) constructed by Company to permit Seller to operate interconnected with Company's system. When interconnection costs are repaid over a period of time, such payments will be made monthly and include interest on the unpaid balance at the percentage rate equal to the capital costs that Company would experience at such time by new financing, based on Company's then existing capital structure, with return on equity to be at the rate allowed in Company's immediately preceding rate case.

6. Company will have the continuing right to inspect and approve Seller's facilities, described herein, and to request and witness any tests necessary to determine that such facilities are installed and operating properly; but Company will have no obligation to inspect or approve facilities, or to request or witness tests; and Company will not in any manner be responsible for Seller's facilities or any operation thereof.
7. Seller assumes all responsibility for the electric service upon Seller's premises at and from the point of any delivery or flow of electricity from Company, and for the wires and equipment used in connection therewith; and Seller will protect and save Company harmless from all claims for injury or damage to persons or property, including but not limited to property of Seller, occurring on or about Seller's premises or at and from the point of delivery or flow of electricity from Company, occasioned by such electricity or said wires and equipment, except where said injury or damage is proved to have been caused solely by the negligence of Company.
8. Each, Seller and Company, will designate one or more Operating Representatives for the purpose of contacts and communications between the parties concerning operations of the two systems.
9. Seller will notify Company's Energy Control Center prior to each occasion of Seller's generator being brought into or (except in cases of emergencies) taken out of operation.
10. Company reserves the right to curtail a purchase from Seller when:
    (a) the purchase will result in costs to Company greater than would occur if the purchase were not made but instead Company, itself, generated an equivalent amount of energy; or
    (b) Company has a system emergency and purchases would (or could) contribute to such emergency.

    Seller will be notified of each curtailment.

**TERMS AND CONDITIONS**

Except as provided herein, conditions or operations will be as provided in Company's Terms and Conditions.

**DATE OF ISSUE**: September 28, 2018

**DATE EFFECTIVE:** With Bills Rendered
On and After April 17, 1999

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2009-00549 dated July 30, 2010**

## Louisville Gas and Electric Company

**P.S.C. Electric No. 11, Original Sheet No. 56**

**Standard Rate Rider** **LQF**

**Large Capacity Cogeneration and Small Power Production Qualifying Facilities**

**AVAILABILITY**

In all territory served.

**APPLICABILITY OF SERVICE**

Applicable to any small power production or cogeneration "qualifying facility" with capacity over 100 kW as defined by the Kentucky Public Service Commission Regulation 807 KAR 5:054, and which contracts to sell energy or capacity or both to Company.

**RATES FOR PURCHASES FROM QUALIFYING FACILITIES**

**Energy Component Payments**

The hourly avoided energy cost (AEC) in $ per MWh, which is payable to a QF for delivery of energy, shall be equal to Company's actual variable fuel expenses, for Company-owned coal and natural gas-fired production facilities, divided by the associated megawatt-hours of generation, as determined for the previous month. The total amount of the avoided energy cost payment to be made to a QF in an hour is equal to [AEC x $E_{QF}$], where $E_{QF}$ is the amount of megawatt-hours delivered by a QF in that hour and which are determined by suitable metering.

**Capacity Component Payments**

The hourly avoided capacity cost (ACC) in $ per MWh, which is payable to a QF for delivery of capacity, shall be equal to the effective purchase price for power available to Company from the inter-utility market (which includes both energy and capacity charges) less Company's actual variable fuel expense (AEC). The total amount of the avoided capacity cost payment to be made to a QF in an hour is equal to [ACC x $CAP_i$], where $CAP_i$, the capacity delivered by the QF, is determined on the basis of the system demand ($D_i$) and Company's need for capacity in that hour to adequately serve the load.

**Determination of $CAP_i$**

For the following determination of $CAP_i$, $C_{LG\&E}$ represents Company's installed or previously arranged capacity at the time a QF signs a contract to deliver capacity; $C_{QF}$ represents the actual capacity provided by a QF, but no more than the contracted capacity; and $C_M$ represents capacity purchased from the inter-utility market.

**DATE OF ISSUE**: July 7, 2017

**DATE EFFECTIVE:** November 1, 1995

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2009-00549 dated July 30, 2010**

## Louisville Gas and Electric Company

**P.S.C. Electric No. 12, Original Sheet No. 56**

**Standard Rate Rider** **LQF**

**Large Capacity Cogeneration and Small Power Production Qualifying Facilities**

**APPLICABLE** T

In all territory served.

**AVAILABILITY** T

Available to any small power production or cogeneration "qualifying facility" with capacity over 100 T kW as defined by the Kentucky Public Service Commission Regulation 807 KAR 5:054, and which contracts to sell energy or capacity or both to Company.

**RATES FOR PURCHASES FROM QUALIFYING FACILITIES**

**Energy Component Payments**

The hourly avoided energy cost (AEC) in $ per MWh, which is payable to a QF for delivery of energy, shall be equal to Company's actual variable fuel expenses, for Company-owned coal and natural gas-fired production facilities, divided by the associated megawatt-hours of generation, as determined for the previous month. The total amount of the avoided energy cost payment to be made to a QF in an hour is equal to [AEC x $E_{QF}$], where $E_{QF}$ is the amount of megawatt-hours delivered by a QF in that hour and which are determined by suitable metering.

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For the following determination of $CAP_i$, $C_{LG\&E}$ represents Company's installed or previously arranged capacity at the time a QF signs a contract to deliver capacity; $C_{QF}$ represents the actual capacity provided by a QF, but no more than the contracted capacity; and $C_M$ represents capacity purchased from the inter-utility market.

**DATE OF ISSUE**: September 28, 2018

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**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00295 dated ____**

## Louisville Gas and Electric Company

P.S.C. Electric No. 11, Original Sheet No. 56.1

**Standard Rate Rider** **LQF**

**Large Capacity Cogeneration and Small Power Production Qualifying Facilities**

1. System demand is less than or equal to Company's capacity:
   $D_1 \leq C_{LG\&E}$; $CAP_i = 0$

2. System demand is greater than Company's capacity but less than or equal to the total of Company's capacity and the capacity provided by a QF:

   $C_{LG\&E} < D_i \leq [C_{LG\&E} + C_{QF}]$ ; $CAP_i = C_M$

3. System demand is greater than the total of Company's capacity and the capacity provided by a QF:

   $D_i > [C_{LG\&E} + C_{QF}]$ ; $CAP_i = C_{QF}$

**PAYMENT**

Company shall pay each bill for electric power rendered to it in accordance with the terms of the contract, within sixteen (16) business days (no less than twenty-two (22) calendar days) of the date the bill is rendered. In lieu of such payment plan, Company will, upon written request, credit the Customer's account for such purchases.

**TERM OF CONTRACT**

For contracts which cover the purchase of energy only, the term shall be one (1) year, and shall be self-renewing from year-to-year thereafter, unless canceled by either party on one (1) year's written notice.

For contracts which cover the purchase of capacity and energy, the term shall be five (5) years.

**TERMS AND CONDITIONS**

1. Qualifying facilities shall be required to pay for any additional interconnection costs, to the extent that such costs are in excess of those that Company would have incurred if the qualifying facility's output had not been purchased.
2. A qualifying facility operating in parallel with Company must demonstrate that its equipment is designed, installed, and operated in a manner that insures safe and reliable interconnected operation. A qualifying facility should contact Company for assistance in this regard.
3. The purchasing, supplying and billing for service, and all conditions applying hereto, shall be specified in the contract executed by the parties, and are subject to the jurisdiction of the Kentucky Public Service Commission, and to Company's Terms and Conditions currently in effect, as filed with the Commission.

**DATE OF ISSUE**: July 7, 2017

**DATE EFFECTIVE:** November 1, 1995

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2009-00549 dated July 30, 2010**

## Louisville Gas and Electric Company

P.S.C. Electric No. 12, Original Sheet No. 56.1

**Standard Rate Rider** **LQF**

**Large Capacity Cogeneration and Small Power Production Qualifying Facilities**

1. System demand is less than or equal to Company's capacity:
   $D_1 \leq C_{LG\&E}$; $CAP_i = 0$

2. System demand is greater than Company's capacity but less than or equal to the total of Company's capacity and the capacity provided by a QF:

   $C_{LG\&E} < D_i \leq [C_{LG\&E} + C_{QF}]$ ; $CAP_i = C_M$

3. System demand is greater than the total of Company's capacity and the capacity provided by a QF:

   $D_i > [C_{LG\&E} + C_{QF}]$ ; $CAP_i = C_{QF}$

**PAYMENT**

Company shall pay each bill for electric power rendered to it in accordance with the terms of the contract, within sixteen (16) business days (no less than twenty-two (22) calendar days) of the date the bill is rendered. In lieu of such payment plan, Company will, upon written request, credit Customer's account for such purchases. T

**TERM OF CONTRACT**

For contracts which cover the purchase of energy only, the term shall be one (1) year, and shall be self-renewing from year-to-year thereafter, unless canceled by either party on one (1) year's written notice.

For contracts which cover the purchase of capacity and energy, the term shall be five (5) years.

**TERMS AND CONDITIONS**

1. Qualifying facilities shall be required to pay for any additional interconnection costs, to the extent that such costs are in excess of those that Company would have incurred if the qualifying facility's output had not been purchased.
2. A qualifying facility operating in parallel with Company must demonstrate that its equipment is designed, installed, and operated in a manner that insures safe and reliable interconnected operation. A qualifying facility should contact Company for assistance in this regard.
3. The purchasing, supplying and billing for service, and all conditions applying hereto, shall be specified in the contract executed by the parties, and are subject to the jurisdiction of the Kentucky Public Service Commission, and to Company's Terms and Conditions currently in effect, as filed with the Commission.

**DATE OF ISSUE**: September 28, 2018

**DATE EFFECTIVE:** With Bills Rendered
On and After November 1, 2018

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00295 dated ____**

## Louisville Gas and Electric Company

**P.S.C. Electric No. 11, Original Sheet No. 57**

**Standard Rate Rider** **NMS**
**Net Metering Service**

**APPLICABLE**
In all territory served.

**AVAILABILITY OF SERVICE**
Available to any customer-generator who owns and operates a generating facility located on Customer's premises that generates electricity using solar, wind, biomass or biogas, or hydro energy in parallel with Company's electric distribution system to provide all or part of Customer's electrical requirements, and who executes Company's written Application for Interconnection and Net Metering. The generation facility shall be limited to a maximum rated capacity of 30 kilowatts. This Standard Rate Rider is intended to comply with all provisions of the Interconnection and Net Metering Guidelines approved by the Public Service Commission of Kentucky, which can be found on-line at www.psc.ky.gov as Appendix A to the January 8, 2009 Order in Administrative Case No. 2008-00169.

**DEFINITIONS**
"Billing period" shall be the time period between the dates on which Company issues the customer's bills.

"Billing Period Credit" shall be the electricity generated by the customer that flows into the electric system and which exceeds the electricity supplied to the customer from the electric system during any billing period. A billing period credit is a kWh-denominated electricity credit only, not a monetary credit.

**METERING AND BILLING**
Net metering service shall be measured using a single meter or, as determined by Company, additional meters and shall be measured in accordance with standard metering practices by metering equipment capable of registering power flow in both directions for each time period defined by the applicable rate schedule. This net metering equipment shall be provided without any cost to the Customer. This provision does not relieve Customer's responsibility to pay metering costs embedded in the Company's Commission-approved base rates. Additional meters, requested by Customer, will be provided at Customer's expense.

If electricity generated by Customer and fed back to Company's system exceeds the electricity supplied to Customer from the system during a billing period, Customer shall receive a billing-period credit for the net delivery on Customer's bill for the succeeding billing periods. If Customer takes service under time-of-use or time-of-day rate schedule, Company will apply billing-period credits Customer creates in a particular time-of-day or time-of-use block only to offset net energy consumption in the same time-of-day or time-of-use blocks in any billing period. Any such unused excess billing-period credits will be carried forward and drawn on by Customer as needed. Unused excess billing-period credits existing at the time Customer's service is terminated end with Customer's account and are not transferrable between customers or locations.

**DATE OF ISSUE**: July 7, 2017

**DATE EFFECTIVE:** July 1, 2015

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2014-00372 dated June 30, 2015**

## Louisville Gas and Electric Company

**P.S.C. Electric No. 12, Original Sheet No. 57**

**Standard Rate Rider** **NMS**
**Net Metering Service**

**APPLICABLE**
In all territory served.

**AVAILABILITY** T
Available to any Customer-generator who owns and operates a generating facility located on Customer's premises that generates electricity using solar, wind, biomass or biogas, or hydro energy in parallel with Company's electric distribution system to provide all or part of Customer's electrical requirements, and who executes Company's written Application for Interconnection and Net Metering. The generation facility shall be limited to a maximum rated capacity of 30 kilowatts. Standard Rate Rider is intended to comply with all provisions of the Interconnection and Net T Metering Guidelines approved by the Kentucky Public Service Commission, which can be found on-line at www.psc.ky.gov as Appendix A to the January 8, 2009 Order in Administrative Case No. 2008-00169.

**DEFINITIONS**
"Billing period" shall be the time period between the dates on which Company issues the Customer's bills.

"Billing Period Credit" shall be the electricity generated by the Customer that flows into the electric system and which exceeds the electricity supplied to the Customer from the electric system during any billing period. A billing period credit is a kWh-denominated electricity credit only, not a monetary credit.

**METERING AND BILLING**
Net metering service shall be measured using a single meter or, as determined by Company, additional meters and shall be measured in accordance with standard metering practices by metering equipment capable of registering power flow in both directions for each time period defined by the applicable rate schedule. This net metering equipment shall be provided without any cost to Customer. This provision does not relieve Customer's responsibility to pay metering costs T embedded in Company's Commission-approved base rates. Additional meters, requested by T Customer, will be provided at Customer's expense.

If electricity generated by Customer and fed back to Company's system exceeds the electricity supplied to Customer from the system during a billing period, Customer shall receive a billing-period credit for the net delivery on Customer's bill for the succeeding billing periods. If Customer takes service a under time-of-use or time-of-day rate schedule, Company will apply billing-period credits Customer creates in a particular time-of-day or time-of-use block only to offset net energy consumption in the same time-of-day or time-of-use block; such credits will not be used to offset T net energy consumption in other time-of-day or time-of-use blocks in any billing period. Any such T unused excess billing-period credits will be carried forward and drawn on by Customer as needed. Unused excess billing-period credits existing at the time Customer's service is terminated end with Customer's account and are not transferrable between Customers or locations.

**DATE OF ISSUE**: September 28, 2018

**DATE EFFECTIVE:** With Service Rendered
On and After November 1, 2018

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00295 dated ____**

## Louisville Gas and Electric Company

P.S.C. Electric No. 11, Original Sheet No. 57.1

**Standard Rate Rider** **NMS**

**Net Metering Service**

**NET METERING SERVICE INTERCONNECTION GUIDELINES**

General – Customer shall operate the generating facility in parallel with Company's system under the following conditions and any other conditions required by Company where unusual circumstances arise not covered herein:

1. Customer to own, operate, and maintain all generating facilities on their premises. Such facilities shall include, but not be limited to, necessary control equipment to synchronize frequency, voltage, etc., between Customer's and Company's system as well as adequate protective equipment between the two systems. Customer's voltage at the point of interconnection will be the same as Company's system voltage.
2. Customer will be responsible for operating all generating facilities owned by Customer, except as specified hereinafter. Customer will maintain its system in synchronization with Company's system.
3. Customer will be responsible for any damage done to Company's equipment due to failure of Customer's control, safety, or other equipment.
4. Customer agrees to inform Company of any changes it wishes to make to its generating or associated facilities that differ from those initially installed and described to Company in writing and obtain prior approval from Company.
5. Company will have the right to inspect and approve Customer's facilities described herein, and to conduct any tests necessary to determine that such facilities are installed and operating properly; however, Company will have no obligation to inspect, witness tests, or in any manner be responsible for Customer's facilities or operation thereof.
6. Customer assumes all responsibility for the electric service on Customer's premises at and from the point of delivery of electricity from Company and for the wires and equipment used in connection therewith, and will protect and save Company harmless from all claims for injury or damage to persons or property occurring on Customer's premises or at and from the point of delivery of electricity from Company, occasioned by such electricity or said wires and equipment, except where said injury or damage will be shown to have been occasioned solely by the negligence or willful misconduct of Company.

Level 1 – A Level 1 installation is defined as an inverter-based generator certified as meeting the requirements of Underwriters Laboratories Standard 1741 and meeting the following conditions:

1. The aggregated net metering generation on a radial distribution circuit will not exceed 15% of the line section's most recent one hour peak load. A line section is the smallest part of the primary distribution system the generating facility could remain connected to after operation of any sectionalizing devices.
2. The aggregated net metering generation on a shared singled-phase secondary will not exceed 20 kVA or the nameplate rating of the service transformer.
3. A single-phase net metering generator interconnected on the center tap neutral of a 240 volt service shall not create an imbalance between the two sides of the 240 volt service of more than 20% of the nameplate rating of the service transformer.

**DATE OF ISSUE**: July 7, 2017

**DATE EFFECTIVE:** July 1, 2015

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2014-00372 dated June 30, 2015**

## Louisville Gas and Electric Company

P.S.C. Electric No. 12, Original Sheet No. 57.1

**Standard Rate Rider** **NMS**

**Net Metering Service**

**NET METERING SERVICE INTERCONNECTION GUIDELINES**

General – Customer shall operate the generating facility in parallel with Company's system under the following conditions and any other conditions required by Company where unusual circumstances arise not covered herein:

1. Customer to own, operate, and maintain all generating facilities on their premises. Such facilities shall include, but not be limited to, necessary control equipment to synchronize frequency, voltage, etc., between Customer's and Company's system as well as adequate protective equipment between the two systems. Customer's voltage at the point of interconnection will be the same as Company's system voltage.
2. Customer will be responsible for operating all generating facilities owned by Customer, except as specified hereinafter. Customer will maintain its system in synchronization with Company's system.
3. Customer will be responsible for any damage done to Company's equipment due to failure of Customer's control, safety, or other equipment.
4. Customer agrees to inform Company of any changes it wishes to make to its generating or associated facilities that differ from those initially installed and described to Company in writing and obtain prior approval from Company.
5. Company will have the right to inspect and approve Customer's facilities described herein, and to conduct any tests necessary to determine that such facilities are installed and operating properly; however, Company will have no obligation to inspect, witness tests, or in any manner be responsible for Customer's facilities or operation thereof.
6. Customer assumes all responsibility for the electric service on Customer's premises at and from the point of delivery of electricity from Company and for the wires and equipment used in connection therewith, and will protect and save Company harmless from all claims for injury or damage to persons or property occurring on Customer's premises or at and from the point of delivery of electricity from Company, occasioned by such electricity or said wires and equipment, except where said injury or damage will be shown to have been occasioned solely by the negligence or willful misconduct of Company.

Level 1 – A Level 1 installation is defined as an inverter-based generator certified as meeting the requirements of Underwriters Laboratories Standard 1741 and meeting the following conditions:

1. The aggregated net metering generation on a radial distribution circuit will not exceed 15% of the line section's most recent one hour peak load. A line section is the smallest part of the primary distribution system the generating facility could remain connected to after operation of any sectionalizing devices.
2. The aggregated net metering generation on a shared singled-phase secondary will not exceed 20 kVA or the nameplate rating of the service transformer.
3. A single-phase net metering generator interconnected on the center tap neutral of a 240 volt service shall not create an imbalance between the two sides of the 240 volt service of more than 20% of the nameplate rating of the service transformer.

**DATE OF ISSUE**: September 28, 2018

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**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

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## Louisville Gas and Electric Company

**P.S.C. Electric No. 11, Original Sheet No. 57.2**

**Standard Rate Rider** **NMS**
**Net Metering Service**

**NET METERING SERVICE INTERCONNECTION GUIDELINES (continued)**

4. A net metering generator interconnected to Company's three-phase, three-wire primary distribution lines, shall appear as a phase-to-phase connection to Company's primary distribution line.
5. A net metering generator interconnected to Company's three-phase, four-wire primary distribution lines, shall appear as an effectively grounded source to Company's primary distribution line.
6. A net metering generator will not be connected to an area or spot network.
7. There are no identified violations of the applicable provisions of IEEE 1547, "Standard for Interconnecting Distributed Resources with Electric Power Systems".
8. Company will not be required to construct any facilities on its own system to accommodate the net metering generator.

Customer desiring a Level 1 interconnection shall submit a "LEVEL 1 - Application for Interconnection and Net Metering." Company shall notify Customer within 20 business days as to whether the request is approved or, if denied, the reason(s) for denial. If additional information is required, the Company will notify Customer, and the time between notification and submission of the information shall not be counted towards the 20 business days. Approval is contingent upon an initial inspection and witness test at the discretion of Company.

Level 2 – A Level 2 installation is defined as generator that is not inverter-based; that uses equipment not certified as meeting the requirements of Underwriters Laboratories Standard 1741; or that does not meet one or more of the conditions required of a Level 1 net metering generator. A Level 2 Application will be approved if the generating facility meets the Company's technical interconnection requirements. Those requirements are available on line at www.lge-ku.com and upon request.

Customer desiring a Level 2 interconnection shall submit a "LEVEL 2 - Application for Interconnection and Net Metering." Company shall notify Customer within 30 business days as to whether the request is approved or, if denied, the reason(s) for denial. If additional information is required, the Company will notify Customer, and the time between notification and submission of the information shall not be counted towards the 30 business days. Approval is contingent upon an initial inspection and witness test at the discretion of Company.

Customer submitting a "Level 2 - Application for Interconnection and Net Metering" will provide a non-refundable inspection and processing fee of $100, and in the event that the Company determines an impact study to be necessary, shall be responsible for any reasonable costs of up to $1,000 of documented costs for the initial impact study.

Additional studies requested by Customer shall be at Customer's expense.

**DATE OF ISSUE**: July 7, 2017

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**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2014-00372 dated June 30, 2015**

## Louisville Gas and Electric Company

**P.S.C. Electric No. 12, Original Sheet No. 57.2**

**Standard Rate Rider** **NMS**
**Net Metering Service**

**NET METERING SERVICE INTERCONNECTION GUIDELINES (continued)**

4. A net metering generator interconnected to Company's three-phase, three-wire primary distribution lines, shall appear as a phase-to-phase connection to Company's primary distribution line.
5. A net metering generator interconnected to Company's three-phase, four-wire primary distribution lines, shall appear as an effectively grounded source to Company's primary distribution line.
6. A net metering generator will not be connected to an area or spot network.
7. There are no identified violations of the applicable provisions of IEEE 1547, "Standard for Interconnecting Distributed Resources with Electric Power Systems".
8. Company will not be required to construct any facilities on its own system to accommodate the net metering generator.

Customer desiring a Level 1 interconnection shall submit a "LEVEL 1 - Application for Interconnection and Net Metering." Company shall notify Customer within 20 business days as to whether the request is approved or, if denied, the reason(s) for denial. If additional information is required, Company will notify Customer, and the time between notification and submission of T the information shall not be counted towards the 20 business days. Approval is contingent upon an initial inspection and witness test at the discretion of Company.

Level 2 – A Level 2 installation is defined as generator that is not inverter-based; that uses equipment not certified as meeting the requirements of Underwriters Laboratories Standard 1741; or that does not meet one or more of the conditions required of a Level 1 net metering generator. A Level 2 Application will be approved if the generating facility meets Company's technical interconnection T requirements. Those requirements are available on line at www.lge-ku.com and upon request.

Customer desiring a Level 2 interconnection shall submit a "LEVEL 2 - Application for Interconnection and Net Metering." Company shall notify Customer within 30 business days as to whether the request is approved or, if denied, the reason(s) for denial. If additional information is required, Company will notify Customer, and the time between notification and submission of T the information shall not be counted towards the 30 business days. Approval is contingent upon an initial inspection and witness test at the discretion of Company.

Customer submitting a "Level 2 - Application for Interconnection and Net Metering" will provide a non-refundable inspection and processing fee of $100, and in the event that Company T determines an impact study to be necessary, shall be responsible for any reasonable costs of up to $1,000 of documented costs for the initial impact study.

Additional studies requested by Customer shall be at Customer's expense.

**DATE OF ISSUE**: September 28, 2018

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**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00295 dated ____**

**Louisville Gas and Electric Company**

**P.S.C. Electric No. 11, Original Sheet No. 57.3**

**Standard Rate Rider** **NMS**
**Net Metering Service**

**CONDITIONS OF INTERCONNECTION**

Customer may operate his net metering generator in parallel with Company's system when complying with the following conditions:

1. Customer shall install, operate, and maintain, at Customer's sole cost and expense, any control, protective, or other equipment on Customer's system required by Company's technical interconnection requirements based on IEEE 1547, NEC, accredited testing laboratories, and the manufacturer's suggested practices for safe, efficient and reliable operation of the net metering generating facility in parallel with Company's system. Customer bears full responsibility for the installation, maintenance and safe operation of the net metering generating facility. Upon reasonable request from Company, Customer shall demonstrate compliance.
2. Customer shall represent and warrant compliance of the net metering generator with:
   a) any applicable safety and power standards established by IEEE and accredited testing laboratories;
   b) NEC, as may be revised from time-to-time;
   c) Company's rules and regulations and Terms and Conditions, as may be revised by time-to-time by the Public Service Commission of Kentucky;
   d) the rules and regulations of the Public Service Commission of Kentucky, as may be revised by time-to-time by the Public Service Commission of Kentucky:
   e) all other local, state, and federal codes and laws, as may be in effect from time-to-time.
3. Any changes or additions to Company's system required to accommodate the net metering generator shall be Customer's financial responsibility and Company shall be reimbursed for such changes or additions prior to construction.
4. Customer shall operate the net metering generator in such a manner as not to cause undue fluctuations in voltage, intermittent load characteristics or otherwise interfere with the operation of Company's electric system. Customer shall so operate the generating facility in such a manner that no adverse impacts will be produced thereby to the service quality rendered by Company to any of its other customers or to any electric system interconnected with Company's electric system.
5. Customer shall be responsible for protecting, at Customer's sole cost and expense, the net metering generating facility from any condition or disturbance on Company's electric system, including, but not limited to, voltage sags or swells, system faults, outages, loss of a single phase of supply, equipment failures, and lightning or switching surges, except that the Company shall be responsible for repair of damage caused to the net metering generator resulting solely from the negligence or willful misconduct on the part of the Company.
6. Following the initial testing and inspection of the generating facility and upon reasonable advance notice to Customer, Company shall have access at reasonable times to the generating facility to perform reasonable on-site inspections to verify that the installation, maintenance and operation of the net metering generator comply with the requirements of this rate schedule.

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**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2014-00372 dated June 30, 2015**

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**Louisville Gas and Electric Company**

**P.S.C. Electric No. 12, Original Sheet No. 57.3**

**Standard Rate Rider** **NMS**
**Net Metering Service**

**CONDITIONS OF INTERCONNECTION**

Customer may operate his net metering generator in parallel with Company's system when complying with the following conditions:

1. Customer shall install, operate, and maintain, at Customer's sole cost and expense, any control, protective, or other equipment on Customer's system required by Company's technical interconnection requirements based on IEEE 1547, NEC, accredited testing laboratories, and the manufacturer's suggested practices for safe, efficient and reliable operation of the net metering generating facility in parallel with Company's system. Customer bears full responsibility for the installation, maintenance and safe operation of the net metering generating facility. Upon reasonable request from Company, Customer shall demonstrate compliance.
2. Customer shall represent and warrant compliance of the net metering generator with:
   a. any applicable safety and power standards established by IEEE and accredited testing laboratories;
   b. NEC, as may be revised from time-to-time;
   c. Company's rules and regulations and Terms and Conditions, as may be revised by time-to-time by the Kentucky Public Service Commission;
   d. the rules and regulations of the Kentucky Public Service Commission, as may be revised by time-to-time by the Kentucky Public Service Commission:
   e. all other local, state, and federal codes and laws, as may be in effect from time-to-time.
3. Any changes or additions to Company's system required to accommodate the net metering generator shall be Customer's financial responsibility and Company shall be reimbursed for such changes or additions prior to construction.
4. Customer shall operate the net metering generator in such a manner as not to cause undue fluctuations in voltage, intermittent load characteristics or otherwise interfere with the operation of Company's electric system. Customer shall so operate the generating facility in such a manner that no adverse impacts will be produced thereby to the service quality rendered by Company to any of its other Customers or to any electric system interconnected with Company's electric system.
5. Customer shall be responsible for protecting, at Customer's sole cost and expense, the net metering generating facility from any condition or disturbance on Company's electric system, including, but not limited to, voltage sags or swells, system faults, outages, loss of a single phase of supply, equipment failures, and lightning or switching surges, except that Company T
   shall be responsible for repair of damage caused to the net metering generator resulting T
   solely from the negligence or willful misconduct on the part of Company. T
6. Following the initial testing and inspection of the generating facility and upon reasonable advance notice to Customer, Company shall have access at reasonable times to the generating facility to perform reasonable on-site inspections to verify that the installation, maintenance and operation of the net metering generator comply with the requirements of this rider. T

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**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00295 dated ____**

## Louisville Gas and Electric Company

**P.S.C. Electric No. 11, Original Sheet No. 57.4**

**Standard Rate Rider** **NMS**
**Net Metering Service**

**CONDITIONS OF INTERCONNECTION** (continued)

7. Where required by the Company, Customer shall furnish and install on Customer's side of the point of interconnection a safety disconnect switch which shall be capable of fully disconnecting Customer's net metering generator from Company's electric service under the full rated conditions of Customer's net metering generator. The external disconnect switch (EDS) shall be located adjacent to Company's meters or the location of the EDS shall be noted by placing a sticker on the meter, and shall be of the visible break type in a metal enclosure which can be secured by a padlock. If the EDS is not located directly adjacent to the meter, Customer shall be responsible for ensuring the location of the EDS is properly and legibly identified for so long as the net metering generator is operational. The disconnect switch shall be accessible to Company personnel at all times. Company may waive the requirement for an external disconnect switch for a net metering generator at its sole discretion, and on a case by case basis.
8. Company shall have the right and authority at Company's sole discretion to isolate the generating facility or require the Customer to discontinue operation of the net metering generator if Company believes that:
   a) continued interconnection and parallel operation of the net metering generator with Company's electric system creates or contributes (or may create or contribute) to a system emergency on either Company's or Customer's electric system;
   b) the net metering generator is not in compliance with the requirements of this rate schedule, and the non-compliance adversely affects the safety, reliability or power quality of Company's electric system; or
   c) the net metering generator interferes with the operation of Company's electric system. In non-emergency situations, Company shall give Customer notice of noncompliance including a description of the specific noncompliance condition and allow Customer a reasonable time to cure the noncompliance prior to isolating the Generating Facilities. In emergency situations, where the Company is unable to immediately isolate or cause Customer to isolate only the net metering generator, Company may isolate Customer's entire facility.
9. Customer agrees that, without the prior written permission from Company, no changes shall be made to the generating facility as initially approved. Increases in net metering generator capacity will require a new "Application for Interconnection and Net Metering" which will be evaluated on the same basis as any other new application. Repair and replacement of existing generating facility components with like components that meet UL 1741 certification requirements for Level 1 facilities and not resulting in increases in net metering generator capacity is allowed without approval.
10. Customer shall protect, indemnify and hold harmless Company and its directors, officers, employees, agents, representatives and contractors against and from all loss, claims, actions or suits, including costs and attorneys' fees, for or on account of any injury or death

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**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2014-00372 dated June 30, 2015**

## Louisville Gas and Electric Company

**P.S.C. Electric No. 12, Original Sheet No. 57.4**

**Standard Rate Rider** **NMS**
**Net Metering Service**

**CONDITIONS OF INTERCONNECTION** (continued)

7. Where required by Company, Customer shall furnish and install on Customer's side of the point of interconnection a safety disconnect switch which shall be capable of fully disconnecting Customer's net metering generator from Company's electric service under the full rated conditions of Customer's net metering generator. The external disconnect switch (EDS) shall be located adjacent to Company's meters or the location of the EDS shall be noted by placing a sticker on the meter, and shall be of the visible break type in a metal enclosure which can be secured by a padlock. If the EDS is not located directly adjacent to the meter, Customer shall be responsible for ensuring the location of the EDS is properly and legibly identified for so long as the net metering generator is operational. T

   The disconnect switch shall be accessible to Company personnel at all times. Company may waive the requirement for an external disconnect switch for a net metering generator at its sole discretion, and on a case by case basis.
8. Company shall have the right and authority at Company's sole discretion to isolate the generating facility or require Customer to discontinue operation of the net metering generator if Company believes that: T
   a. continued interconnection and parallel operation of the net metering generator with Company's electric system creates or contributes (or may create or contribute) to a system emergency on either Company's or Customer's electric system;
   b. the net metering generator is not in compliance with the requirements of this rider and the non-compliance adversely affects the safety, reliability or power quality of Company's electric system; or T
   c. the net metering generator interferes with the operation of Company's electric system. In non-emergency situations, Company shall give Customer notice of noncompliance including a description of the specific noncompliance condition and allow Customer a reasonable time to cure the noncompliance prior to isolating the Generating Facilities. In emergency situations, where Company is unable to immediately isolate or cause Customer to isolate only the net metering generator, Company may isolate Customer's entire facility. T
9. Customer agrees that, without the prior written permission from Company, no changes shall be made to the generating facility as initially approved. Increases in net metering generator capacity will require a new "Application for Interconnection and Net Metering" which will be evaluated on the same basis as any other new application. Repair and replacement of existing generating facility components with like components that meet UL 1741 certification requirements for Level 1 facilities and not resulting in increases in net metering generator capacity is allowed without approval.
10. Customer shall protect, indemnify and hold harmless Company and its directors, officers, employees, agents, representatives and contractors against and from all loss, claims, actions or suits, including costs and attorneys' fees, for or on account of any injury or death

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**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

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## Louisville Gas and Electric Company

**P.S.C. Electric No. 11, Original Sheet No. 57.5**

**Standard Rate Rider** **NMS**
**Net Metering Service**

**CONDITIONS OF INTERCONNECTION** (continued)

of persons or damage to property caused by Customer or Customer's employees, agents, representatives and contractors in tampering with, repairing, maintaining or operating Customer's net metering generator or any related equipment or any facilities owned by Company, except where such injury, death or damage was caused or contributed to by the fault or negligence of Company or its employees, agents, representatives or contractors. The liability of Company to Customer for injury to person and property shall be governed by the tariff(s) for the class of service under which Customer is taking service.

11. Customer shall maintain general liability insurance coverage (through a standard homeowner's, commercial or other policy) for generating facilities. Customer shall upon request provide Company with proof of such insurance at the time that application is made for net metering.
12. By entering into an Interconnection Agreement, or by inspection, if any, or by non-rejection, or by approval, or in any other way, Company does not give any warranty, express or implied, as to the adequacy, safety, compliance with applicable codes or requirements, or as to any other characteristics, of the generating facility equipment, controls, and protective relays and equipment.
13. Customer's generating facility is transferable to other persons or service locations only after notification to the Company has been made and verification that the installation is in compliance with this tariff. Upon written notification that an approved generating facility is being transferred to another person, customer, or location, the Company will verify that the installation is in compliance with this tariff and provide written notification to the customer(s) within 20 business days. If the installation is no longer in compliance with this tariff, the Company will notify Customer in writing and list what must be done to place the facility in compliance.
14. Customer shall retain any and all Renewable Energy Credits (RECs) generated by Customer's generating facilities.

**TERMS AND CONDITIONS**

Except as provided herein, service will be furnished under Company's Terms and Conditions applicable hereto.

**DATE OF ISSUE**: July 7, 2017

**DATE EFFECTIVE:** July 1, 2015

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2014-00372 dated June 30, 2015**

## Louisville Gas and Electric Company

**P.S.C. Electric No. 12, Original Sheet No. 57.5**

**Standard Rate Rider** **NMS**
**Net Metering Service**

**CONDITIONS OF INTERCONNECTION** (continued)

of persons or damage to property caused by Customer or Customer's employees, agents, representatives and contractors in tampering with, repairing, maintaining or operating Customer's net metering generator or any related equipment or any facilities owned by Company, except where such injury, death or damage was caused or contributed to by the fault or negligence of Company or its employees, agents, representatives or contractors. The liability of Company to Customer for injury to person and property shall be governed by the tariff(s) for the class of service under which Customer is taking service.

11. Customer shall maintain general liability insurance coverage (through a standard homeowner's, commercial or other policy) for generating facilities. Customer shall upon request provide Company with proof of such insurance at the time that application is made for net metering.
12. By entering into an Interconnection Agreement, or by inspection, if any, or by non-rejection, or by approval, or in any other way, Company does not give any warranty, express or implied, as to the adequacy, safety, compliance with applicable codes or requirements, or as to any other characteristics, of the generating facility equipment, controls, and protective relays and equipment.
13. Customer's generating facility is transferable to other persons or service locations only after notification to Company has been made and verification that the installation is in compliance T
with this tariff. Upon written notification that an approved generating facility is being transferred to another person, Customer, or location, Company will verify that the installation T
is in compliance with this tariff and provide written notification to the Customer(s) within 20 business days. If the installation is no longer in compliance with this tariff, Company will T
notify Customer in writing and list what must be done to place the facility in compliance.
14. Customer shall retain any and all Renewable Energy Credits (RECs) generated by Customer's generating facilities.

**TERMS AND CONDITIONS**

Except as provided herein, service will be furnished under Company's Terms and Conditions applicable hereto.

**DATE OF ISSUE**: September 28, 2018

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**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00295 dated ____**

**Louisville Gas and Electric Company**

**P.S.C. Electric No. 11, Original Sheet No. 57.6**

**Standard Rate Rider** **NMS**
**Net Metering Service**

## LEVEL 1

Application for Interconnection and Net Metering

*Use this application form only for a generating facility that is inverter based and certified by a nationally recognized testing laboratory to meet the requirements of UL 1741.*

Submit this Application to:

Louisville Gas and Electric Company, Attn: Customer Commitment,
P. O. Box 32010, Louisville, KY 40232

If you have questions regarding this Application or its status, contact LG&E at:

502-627-2202 or customer.commitment@lge-ku.com

Customer Name: ______________________ Account Number: ______________

Customer Address: ______________________________

Customer Phone No.: ______________ Customer E-mail Address: ______________

Project Contact Person: ______________________________

Phone No.: ______________ E-mail Address (Optional): ______________

Provide names and contact information for other contractors, installers, or engineering firms involved in the design and installation of the generating facilities:

______________________________

Energy Source: ____Solar ____Wind ____Hydro ____Biogas ____Biomass

Inverter Manufacturer and Model #: ______________________________

Inverter Power Rating: ______________ Inverter Voltage Rating: ______________

Power Rating of Energy Source (i.e., solar panels, wind turbine): ______________

Is Battery Storage Used: ____No _____Yes If Yes, Battery Power Rating: ______________

Attach documentation showing that inverter is certified by a nationally recognized testing laboratory to meet the requirements of UL 1741.

Attach site drawing or sketch showing location of Utility's meter, energy source, *(optional: Utility accessible disconnect switch)* and inverter.

Attach single line drawing showing all electrical equipment from the Utility's metering location to the energy source including switches, fuses, breakers, panels, transformers, inverters, energy source, wire size, equipment ratings, and transformer connections.

Expected Start-up Date: ______________________

**DATE OF ISSUE**: July 7, 2017

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**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2009-00549 dated July 30, 2010 and 2010-00204 dated September 30, 2010**

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**Louisville Gas and Electric Company**

**P.S.C. Electric No. 12, Original Sheet No. 57.6**

**Standard Rate Rider** **NMS**
**Net Metering Service**

## LEVEL 1

Application for Interconnection and Net Metering

*Use this application form only for a generating facility that is inverter based and certified by a nationally recognized testing laboratory to meet the requirements of UL 1741.*

Submit this Application to:

Louisville Gas and Electric Company, Attn: Customer Commitment,
P. O. Box 32010, Louisville, KY 40232

If you have questions regarding this Application or its status, contact LG&E at:

502-627-2202 or Customer.commitment@lge-ku.com

Customer Name: ______________________ Account Number: ______________

Customer Address: ______________________________

Customer Phone No.: ______________ Customer E-mail Address: ______________

Project Contact Person: ______________________________

Phone No.: ______________ E-mail Address (Optional): ______________

Provide names and contact information for other contractors, installers, or engineering firms involved in the design and installation of the generating facilities:

______________________________

Energy Source: ____Solar ____Wind ____Hydro ____Biogas ____Biomass

Inverter Manufacturer and Model #: ______________________________

Inverter Power Rating: ______________ Inverter Voltage Rating: ______________

Power Rating of Energy Source (i.e., solar panels, wind turbine): ______________

Is Battery Storage Used: ____No _____Yes If Yes, Battery Power Rating: ______________

Attach documentation showing that inverter is certified by a nationally recognized testing laboratory to meet the requirements of UL 1741.

Attach site drawing or sketch showing location of Utility's meter, energy source, *(optional: Utility accessible disconnect switch)* and inverter.

Attach single line drawing showing all electrical equipment from the Utility's metering location to the energy source including switches, fuses, breakers, panels, transformers, inverters, energy source, wire size, equipment ratings, and transformer connections.

Expected Start-up Date: ______________________

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**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

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## Louisville Gas and Electric Company

P.S.C. Electric No. 11, Original Sheet No. 57.7

**Standard Rate Rider** **NMS**
**Net Metering Service**

### LEVEL 2

Application for Interconnection and Net Metering

*Use this application form when a generating facility is not inverter-based or is not certified by a nationally recognized testing laboratory to meet the requirements of UL 1741 or does not meet any of the additional conditions under Level 1.*

Submit this Application, along with an application fee of $100, to:

Louisville Gas and Electric Company, Attn: Customer Commitment,
P. O. Box 32010, Louisville, KY 40232

If you have questions regarding this Application or its status, contact LG&E at:

502-627-2202 or customer.commitment@lge-ku.com

Customer Name: ______________________ Account Number: ______________

Customer Address: ____________________________________________

Project Contact Person: ________________________________________

Phone No.: ________________ E-mail Address (Optional): ________________

Provide names and contact information for other contractors, installers, or engineering firms involved in the design and installation of the generating facilities:

______________________________________________________________

Total Generating Capacity of Generating Facility: ______________________________

Type of Generator: ____Inverter-Based ____Synchronous ____Induction

Power Source: ____Solar ____Wind ____Hydro ____Biogas ____Biomass

Adequate documentation and information must be submitted with this application to be considered complete. Typically this should include the following:

1. Single-line diagram of the customer's system showing all electrical equipment from the generator to the point *of* interconnection with the Utility's distribution system, including generators, transformers, switchgear, switches, breakers, fuses, voltage transformers, current transformers, wire sizes, equipment ratings, and transformer connections.
2. Control drawings for relays and breakers.
3. Site Plans showing the physical location of major equipment.
4. Relevant ratings of equipment. Transformer information should include capacity ratings, voltage ratings, winding arrangements, and impedance.
5. If protective relays are used, settings applicable to the interconnection protection. If programmable relays are used, a description of how the relay is programmed to operate as applicable to interconnection protection.
6. A description of how the generator system will be operated including all modes of operation.
7. For inverters, the manufacturer name, model number, and AC power rating. For certified inverters, attach documentation showing that inverter is certified by *a* nationally recognized testing laboratory to meet the requirements of UL 1741.
8. For synchronous generators, manufacturer and model number, nameplate ratings, and impedance data (Xd, Xd, & Xd).
9. For induction generators, manufacturer and model number, nameplate ratings, and locked rotor current.

Customer Signature: ______________________________ Date: ______________

**DATE OF ISSUE**: July 7, 2017

**DATE EFFECTIVE:** November 1, 2010

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2009-00549 dated July 30, 2010 and 2010-00204 dated September 30, 2010**

## Louisville Gas and Electric Company

P.S.C. Electric No. 12, Original Sheet No. 57.7

**Standard Rate Rider** **NMS**
**Net Metering Service**

### LEVEL 2

Application for Interconnection and Net Metering

*Use this application form when a generating facility is not inverter-based or is not certified by a nationally recognized testing laboratory to meet the requirements of UL 1741 or does not meet any of the additional conditions under Level 1.*

Submit this Application, along with an application fee of $100, to:

Louisville Gas and Electric Company, Attn: Customer Commitment,
P. O. Box 32010, Louisville, KY 40232

If you have questions regarding this Application or its status, contact LG&E at:

502-627-2202 or Customer.commitment@lge-ku.com

Customer Name: ______________________ Account Number: ______________

Customer Address: ____________________________________________

Project Contact Person: ________________________________________

Phone No.: ________________ E-mail Address (Optional): ________________

Provide names and contact information for other contractors, installers, or engineering firms involved in the design and installation of the generating facilities:

______________________________________________________________

Total Generating Capacity of Generating Facility: ______________________________

Type of Generator: ____Inverter-Based ____Synchronous ____Induction

Power Source: ____Solar ____Wind ____Hydro ____Biogas ____Biomass

Adequate documentation and information must be submitted with this application to be considered complete. Typically this should include the following:

1. Single-line diagram of Customer's system showing all electrical equipment from the generator to the point *of* interconnection with the Utility's distribution system, including generators, transformers, switchgear, switches, breakers, fuses, voltage transformers, current transformers, wire sizes, equipment ratings, and transformer connections. T
2. Control drawings for relays and breakers.
3. Site Plans showing the physical location of major equipment.
4. Relevant ratings of equipment. Transformer information should include capacity ratings, voltage ratings, winding arrangements, and impedance.
5. If protective relays are used, settings applicable to the interconnection protection. If programmable relays are used, a description of how the relay is programmed to operate as applicable to interconnection protection.
6. A description of how the generator system will be operated including all modes of operation.
7. For inverters, the manufacturer name, model number, and AC power rating. For certified inverters, attach documentation showing that inverter is certified by a nationally recognized testing laboratory to meet the requirements of UL 1741.
8. For synchronous generators, manufacturer and model number, nameplate ratings, and impedance data (Xd, Xd, & Xd).
9. For induction generators, manufacturer and model number, nameplate ratings, and locked rotor current.

Customer Signature: ______________________________ Date: ______________

**DATE OF ISSUE**: September 28, 2018

**DATE EFFECTIVE:** With Service Rendered
On and After November 1, 2018

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00295 dated ____**

## Louisville Gas and Electric Company

**P.S.C. Electric No. 11, Original Sheet No. 60**

**Standard Rate Rider** **EF**
**Excess Facilities**

**APPLICABILITY**
In all territory served.

**AVAILABILITY OF SERVICE**
This rider is available for non-standard service facilities which are considered to be in excess of the standard facilities that would normally be provided by Company. This rider does not apply to line extensions or to other facilities which are necessary to provide basic electric service. Company reserves the right to decline to provide service hereunder for any project (a) that exceeds $100,000 or (b) where Company does not have sufficient expertise to install, operate, or maintain the facilities or (c) where the facilities do not meet Company's safety requirements, or (d) where the facilities are likely to become obsolete prior to the end of the initial contract term.

**DEFINITION OF EXCESS FACILITIES**
Excess facilities are lines and equipment which are installed in addition to or in substitution for the normal facilities required to render basic electric service and where such facilities are dedicated to a specific customer. Applications of excess facilities include, but are not limited to, emergency backup feeds, automatic transfer switches, redundant transformer capacity, and duplicate or check meters.

**EXCESS FACILITIES CHARGE**
Company shall provide normal operation and maintenance of the excess facilities. Should the facilities suffer failure, Company will provide for replacement of such facilities and the monthly charge will be adjusted to reflect the installed cost of the replacement facilities. No adjustment in the monthly charge for a replacement of facilities will be made during the initial five (5) year term of contract.

Customer shall pay for excess facilities by:

(a) making a monthly Excess Facilities Charge payment equal to the installed cost of the excess facilities times the following percentage:

Percentage With No Contribution-in-Aid-of-Construction 1.32%

(b) making a one-time Contribution–in-Aid-of-Construction equal to the installed cost of the excess facilities plus a monthly Excess Facilities charge payment equal to the installed cost of the excess facilities times the following percentage:

Percentage with Contribution-in-Aid-of-Construction 0.54%

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State Regulation and Rates
Louisville, Kentucky

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## Louisville Gas and Electric Company

**P.S.C. Electric No. 12, Original Sheet No. 60**

**Standard Rate Rider** **EF**
**Excess Facilities**

**APPLICABLE** T
In all territory served.

**AVAILABILITY** T
Available for non-standard service facilities which are considered to be in excess of the standard facilities that would normally be provided by Company. This rider does not apply to line extensions or to other facilities which are necessary to provide basic electric service. Company reserves the right to decline to provide service hereunder for any project (a) that exceeds $100,000 or (b) where Company does not have sufficient expertise to install, operate, or maintain the facilities or (c) where the facilities do not meet Company's safety requirements, or (d) where the facilities are likely to become obsolete prior to the end of the initial contract term. T

**DEFINITION OF EXCESS FACILITIES**
Excess facilities are lines and equipment which are installed in addition to or in substitution for the normal facilities required to render basic electric service and where such facilities are dedicated to a specific Customer. Applications of excess facilities include, but are not limited to, emergency backup feeds, automatic transfer switches, redundant transformer capacity, and duplicate or check meters.

**EXCESS FACILITIES CHARGE**
Company shall provide normal operation and maintenance of the excess facilities. Should the facilities suffer failure, Company will provide for replacement of such facilities and the monthly charge will be adjusted to reflect the installed cost of the replacement facilities. No adjustment in the monthly charge for a replacement of facilities will be made during the initial five (5) year term of contract.

Customer shall pay for excess facilities by:

a. making a monthly Excess Facilities Charge payment equal to the installed cost of the excess facilities times the following percentage:

Percentage With No Contribution-in-Aid-of-Construction 1.26% R

b. making a one-time Contribution–in-Aid-of-Construction equal to the installed cost of the excess facilities plus a monthly Excess Facilities charge payment equal to the installed cost of the excess facilities times the following percentage:

Percentage With Contribution-in-Aid-of-Construction 0.53% R

**DATE OF ISSUE**: September 28, 2018

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**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00295 dated ____**

## Louisville Gas and Electric Company

**P.S.C. Electric No. 11, Original Sheet No. 60.1**

**Standard Rate Rider** **EF**
**Excess Facilities**

**PAYMENT**
The Excess Facilities Charges shall be incorporated with the bill for electric service and will be subject to the same payment provisions.

**TERM OF CONTRACT**
The initial term of contract to the customer under this schedule shall be not less than five (5) years. The term shall continue automatically until terminated by either party upon at least one (1) month's written notice.

**DATE OF ISSUE**: July 7, 2017

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**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2012-00222 dated December 20, 2012**

## Louisville Gas and Electric Company

**P.S.C. Electric No. 12, Original Sheet No. 60.1**

**Standard Rate Rider** **EF**
**Excess Facilities**

**PAYMENT**
The Excess Facilities Charges shall be incorporated with the bill for electric service and will be subject to the same payment provisions.

**TERM OF CONTRACT**
The initial term of contract to Customer under this schedule shall be not less than five (5) years. T
The term shall continue automatically until terminated by either party upon at least one (1) month's written notice.

**DATE OF ISSUE**: September 28, 2018

**DATE EFFECTIVE:** With Service Rendered
On and After November 1, 2018

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00295 dated ____**

## Louisville Gas and Electric Company

**P.S.C. Electric No. 11, Original Sheet No. 61**

**Standard Rate Rider** **RC**
**Redundant Capacity**

**APPLICABLE**

This rate is applicable to customers served under Company's rate schedules which include a demand charge or a special contract including a demand charge.

**AVAILABILITY**

Available to customers requesting the reservation of capacity on Company's facilities which are shared by other customers when Company has, and is willing, to reserve such capacity. Such facilities represent a redundant delivery to provide electric service to Customer's facility in the event that an emergency or unusual occurrence renders Customer's principal delivery unavailable for providing service. Where Customer desires to split a load between multiple meters on multiple feeds and contract for Redundant Capacity on those feeds, service is contingent on the practicality of metering to measure any transferred load to the redundant feed.

**RATE:**

Capacity Reservation Charge

| | | |
|---|---|---|
| Secondary Distribution | $1.59 per kW/kVA per Month | I |
| Primary Distribution | $1.44 per kW/kVA per Month | I |

Applicable to the greater of:
(1) the highest average load in kW/kVA (as is appropriate for the demand basis of the standard rate on which Customer is billed) recorded at either the principal distribution feed metering point or at the redundant distribution feed metering point during any 15-minute interval in the monthly billing period,
(2) 50% of the maximum demand similarly determined for any of the eleven (11) preceding months, or
(3) the contracted capacity reservation.

**TERM OF CONTRACT**

The minimum contract term shall be five (5) years, and shall be renewed for one (1) year periods until either party provides the other with ninety (90) days written notice of a desire to terminate the arrangement. Company may require that a contract be executed for a longer initial term when deemed necessary by the difficulty and/or high cost associated with providing the redundant feed or other special conditions.

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## Louisville Gas and Electric Company

**P.S.C. Electric No. 12, Original Sheet No. 61**

**Standard Rate Rider** **RC**
**Redundant Capacity**

**APPLICABLE**

In all territory served. T

**AVAILABILITY**

Available to customers served under Company's rate schedules which include a demand charge or a special contract including a demand charge. T T

Available to Customers requesting the reservation of capacity on Company's facilities which are shared by other Customers when Company has and is willing to reserve such capacity. Such facilities represent a redundant delivery to provide electric service to Customer's facility in the event that an emergency or unusual occurrence renders Customer's principal delivery unavailable for providing service. Where Customer desires to split a load between multiple meters on multiple feeds and contract for Redundant Capacity on those feeds, service is contingent on the practicality of metering to measure any transferred load to the redundant feed.

**RATE:**

Capacity Reservation Charge

| | | |
|---|---|---|
| Secondary Distribution | $1.84 per kW/kVA per Month | I |
| Primary Distribution | $1.41 per kW/kVA per Month | R |

Applicable to the greater of:
1. the highest average load in kW/kVA (as is appropriate for the demand basis of the rate schedule on which Customer is billed) recorded at either the principal distribution feed metering point or at the redundant distribution feed metering point during any 15-minute interval in the monthly billing period, T T
2. 50% of the maximum demand similarly determined for any of the eleven (11) preceding months, or
3. the contracted capacity reservation.

**TERM OF CONTRACT**

The minimum contract term shall be five (5) years, and shall be renewed for one (1) year periods until either party provides the other with ninety (90) days written notice of a desire to terminate the arrangement. Company may require that a contract be executed for a longer initial term when deemed necessary by the difficulty and/or high cost associated with providing the redundant feed or other special conditions.

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State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00295 dated ____**

## Louisville Gas and Electric Company

**P.S.C. Electric No. 11, Original Sheet No. 65**

**Standard Rate Rider** **IL**
**Intermittent Loads** T

**APPLICABLE**
In all territory served.

**AVAILABILITY OF SERVICE**
This schedule applies to all loads having a detrimental effect upon the electric service rendered to other customers of Company or upon Company's facilities.

Where Customer's use of service is intermittent, subject to violent or extraordinary fluctuations, or produces unacceptable levels of harmonic current, in each case as determined by Company, in its reasonable discretion, Company reserves the right to require Customer to furnish, at Customer's own expense, suitable equipment (as approved by Company in its reasonable discretion) to meter and limit such intermittence, fluctuation, or harmonics to the extent reasonably requested by Company. Without limiting the foregoing, Company may require such equipment if, at any time, the megavars, harmonics, and other desirable electrical characteristics produced by the Customer exceed the limits set forth in the IEEE standards for such characteristics. In addition, if the Customer's use of Company's service under this schedule causes such undesirable electrical characteristics in an amount exceeding those IEEE standards, such use shall be deemed to cause a dangerous condition which could subject any person to imminent harm or result in substantial damage to the property of Company or others, and Company shall therefore terminate service to the Customer in accordance with 807 KAR 5:006, Section 15(1)(b). Such a termination of service shall not be considered a cancellation of the service agreement or relieve Customer of any minimum billing or other guarantees. Company shall be held harmless for any damages or economic loss resulting from such termination of service. If requested by Company, Customer shall provide all available information to Company that aids Company in enforcing its service standards. If Company at any time has a reasonable basis for believing that Customer's proposed or existing use of the service provided will not comply with the service standards for interference, fluctuations, or harmonics, Company may engage such experts and/or consultants as Company shall determine are appropriate to advise Company in ensuring that such interference, fluctuations, or harmonics are within acceptable standards. Should such experts and/or consultants determine Customer's use of service is unacceptable, Company's use of such experts and/or consultants will be at the Customer's expense.

**RATE**
1. A contribution in aid of construction or an excess facilities charge shall be required for all special or added facilities, if any, necessary to serve such loads, as provided under the Excess Facilities Rider.
2. Plus the charges provided for under the rate schedule applicable, including any Basic Service Charge if applicable, Energy Charge, Maximum Load Charge (if load charge rate is used), Fuel Clause and the Minimum Charge under such rate adjusted in accordance with (a) or (b) herein.

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State Regulation and Rates
Louisville, Kentucky

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## Louisville Gas and Electric Company

**P.S.C. Electric No. 12, Original Sheet No. 65**

**Standard Rate Rider** **IL**
**Intermittent Loads**

**APPLICABLE**
In all territory served.

**AVAILABILITY** T
This schedule applies to all loads having a detrimental effect upon the electric service rendered to other Customers of Company or upon Company's facilities.

Where Customer's use of service is intermittent, subject to violent or extraordinary fluctuations, or produces unacceptable levels of harmonic current, in each case as determined by Company, in its reasonable discretion, Company reserves the right to require Customer to furnish, at Customer's own expense, suitable equipment (as approved by Company in its reasonable discretion) to meter and limit such intermittence, fluctuation, or harmonics to the extent reasonably requested by Company. Without limiting the foregoing, Company may require such equipment if, at any time, the megavars, harmonics, and other desirable electrical characteristics produced by Customer exceed T the limits set forth in the IEEE standards for such characteristics. In addition, if Customer's use of T Company's service under this schedule causes such undesirable electrical characteristics in an amount exceeding those IEEE standards, such use shall be deemed to cause a dangerous condition which could subject any person to imminent harm or result in substantial damage to the property of Company or others, and Company shall therefore terminate service to Customer in accordance with T 807 KAR 5:006, Section 15(1)(b). Such a termination of service shall not be considered a cancellation of the service agreement or relieve Customer of any minimum billing or other guarantees. Company shall be held harmless for any damages or economic loss resulting from such termination of service. If requested by Company, Customer shall provide all available information to Company that aids Company in enforcing its service standards. If Company at any time has a reasonable basis for believing that Customer's proposed or existing use of the service provided will not comply with the service standards for interference, fluctuations, or harmonics, Company may engage such experts and/or consultants as Company shall determine are appropriate to advise Company in ensuring that such interference, fluctuations, or harmonics are within acceptable standards. Should such experts and/or consultants determine Customer's use of service is unacceptable, Company's use of such experts and/or consultants will be at Customer's expense. T

**RATE**
1. A contribution in aid of construction or an excess facilities charge shall be required for all special or added facilities, if any, necessary to serve such loads, as provided under the Excess Facilities Rider.
2. Plus the charges provided for under the rate schedule applicable, including any Basic Service Charge if applicable, Energy Charge, Maximum Load Charge (if load charge rate is used), Fuel Adjustment Clause and the Minimum Charge under such rate adjusted in accordance with (a) or T (b) herein.

**DATE OF ISSUE**: September 28, 2018

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**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00295 dated ____**

## Louisville Gas and Electric Company

**P.S.C. Electric No. 11, Original Sheet No. 65.1**

**Standard Rate Rider** **IL**
**Intermittent Loads** T

**RATE** (continued)

(a) If rate schedule calls for a minimum based on the total kW of connected load, each kVA of such special equipment shall be counted as one kW connected load for minimum billing purposes.
(b) If rate schedule calls for a minimum based on the 15-minute integrated load, and such loads operate only intermittently so that the kW registered on a standard 15-minute integrated demand meter is small in comparison to the instantaneous load such equipment is capable of imposing, each kVA of such special equipment shall be counted as one-third kW load for minimum billing purposes.

**MINIMUM CHARGE**
As determined by this Rider and the Rate Schedule to which it is attached.

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**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

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**2016-00371 dated June 22, 2017 and modified June 29, 2017**

## Louisville Gas and Electric Company

**P.S.C. Electric No. 12, Original Sheet No. 65.1**

**Standard Rate Rider** **IL**
**Intermittent Loads**

**RATE** (continued)

a. If rate schedule calls for a minimum based on the total kW of connected load, each kVA of such special equipment shall be counted as one kW connected load for minimum billing purposes.
b. If rate schedule calls for a minimum based on the 15-minute integrated load, and such loads operate only intermittently so that the kW registered on a standard 15-minute integrated demand meter is small in comparison to the instantaneous load such equipment is capable of imposing, each kVA of such special equipment shall be counted as one-third kW load for minimum billing purposes.

**MINIMUM CHARGE**
As determined by this rider and the rate schedule to which it is attached.

**DATE OF ISSUE**: September 28, 2018

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Louisville, Kentucky

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**2016-00371 dated June 22, 2017 and modified June 29, 2017**

## Louisville Gas and Electric Company

**P.S.C. Electric No. 11, Original Sheet No. 66**

**Standard Rate Rider** **TS**

**Temporary/Seasonal Service** T

**APPLICABLE**

In all territory served.

**AVAILABILITY OF SERVICE**

This rider is available at the option of the Company where:

1. Customer's business does not require permanent installation of Company's facilities, excluding service provided for construction of permanent delivery points for residences and commercial buildings, and is of such nature to require only seasonal service or temporary service; or
2. the service is over 50 kW, provided for construction purposes, and where in the judgment of Company the local and system electrical facility capacities are adequate to serve the load without impairment of service to other customers; or
3. Customer has need for temporary intermittent use of Company facilities and Company has facilities it is willing to provide Customer for installation and operational testing of Customer's equipment. T

This service is available for not less than one (1) month (approximately 30 days), but when service is used longer than one (1) month, any fraction of a month's use will be prorated for billing purposes. Where this service is provided under 2 or 3, above, the Company will determine the term of service, which shall not exceed one (1) year.

**CONDITIONS**

Company may permit such electric loads to be served on the rate schedule normally applicable, but without requiring a yearly contract and minimum, substituting therefore the following conditions and agreements:

1. Customer shall pay Company for all costs of making temporary connections, including cost of installing necessary transformers, meters, poles, wire and any other material, and any cost of material which cannot be salvaged, and the cost of removing such facilities when load has ceased.
2. Customer shall pay regular rate of the applicable electric rate schedule.
3. Where Customer is receiving service under a standard rate and has need for temporary use of Company facilities, Customer will pay for non-salvageable materials outlined in (1) above plus a monthly charge for the salvageable equipment at the Percentage With No Contribution -in-Aid-of-Construction specified on the Excess Facilities Rider, Rate Sheet No. 60.

**DATE OF ISSUE**: July 7, 2017

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**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

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## Louisville Gas and Electric Company

**P.S.C. Electric No. 12, Original Sheet No. 66**

**Standard Rate Rider** **TS**

**Temporary-to-Permanent and Seasonal Service** T

**APPLICABLE**

In all territory served.

**AVAILABILITY** T

This rider is available at the option of the Company where:

1. Customer's business requires service provided for construction of permanent delivery points for residences and commercial buildings; or N N
2. Customer's business does not require permanent installation of Company's facilities and is of such nature to require only seasonal service or temporary service; or T
3. Customer's service is over 50 kW, provided for construction purposes, and where in the judgment of Company the local and system electrical facility capacities are adequate to serve the load without impairment of service to other Customers; or T
4. Customer has need for temporary intermittent use of Company facilities and Company has facilities it is willing to provide Customer for installation and operational testing of Customer's equipment. T

This service is available for not less than one (1) month (approximately thirty (30) days), but when service is used longer than one (1) month, any fraction of a month's use will be prorated for billing purposes. Where this service is provided under 3 or 4, above, Company will determine the term of service, which shall not exceed three (3) years. T T T

**CONDITIONS**

Company may permit such electric loads to be served on the rate schedule normally applicable, but without requiring a yearly contract and minimum, substituting therefore the following conditions and agreements:

D

1. For Temporary-to-Permanent service which requires service for construction of permanent delivery points for residences and commercial buildings, the Company will provide a temporary electric service upon request by the customer for a non-refundable charge. This charge, which will be subject to an annual review and revision, shall depend on the facilities which must be installed (and removed) by the Company in order to connect service. N N N N N N

   The standard charge shall be 15% of the estimated installation and removal cost where the facilities to provide service are already in place. It also applies where all of the installed facilities will be utilized, without modification, as part of a future permanent service. N/R N N

**DATE OF ISSUE**: September 28, 2018

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**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the
Public Service Commission in Case No.
2018-00295 dated ____**

Temporary-to-Permanent and Seasonal Service Rate Rider (TS) is now contained on two pages instead of one (formerly Temporary/Seasonal Service)

## Louisville Gas and Electric Company



**Standard Rate Rider** **TS**

**Temporary-to-Permanent and Seasonal Service**

N

**CONDITIONS (continued)**

2. For Seasonal Service where facilities are installed for temporary service that will not be utilized as part of a future permanent service, the customer shall pay Company for all costs of making temporary connections, including cost of installing necessary transformers, meters, poles, wire and any other material, and any cost of material which cannot be salvaged, and the cost of removing such facilities when load has ceased.

Temporary services for underground or overhead installations are to be constructed as specified by Company standards. Customer will furnish and install material and equipment, including mast for service entrance, conductors, meter base, main disconnect, breaker assembly and grounding. Once the temporary service is no longer needed, the Customer must contact the Company for removal.

For such cases where a temporary service is written upon a refundable contract, the customer will be refunded back the deposit paid for the temporary service after three years of continuous service.

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Louisville, Kentucky

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## Louisville Gas and Electric Company

**P.S.C. Electric No. 11, Original Sheet No. 67**

**Standard Rate Rider**

**Kilowatt-Hours Consumed By Lighting Units**

**APPLICABLE**

Determination of energy set out below applies to the Company's non-metered lighting rate schedules.

**DETERMINATION OF ENERGY CONSUMPTION**

The applicable fuel clause charge or credit will be based on the kilowatt-hours calculated by multiplying the kilowatt load of each light times the number of hours that light is in use during the billing month. The kilowatt load of each light is shown in the section titled RATE. The number of hours a light will be in use during a given month is from dusk to dawn as shown in the following Hours Use Table.

HOURS USE TABLE

| Month | Hours Light Is In Use |
|---|---|
| JAN | 407 |
| FEB | 344 |
| MAR | 347 |
| APR | 301 |
| MAY | 281 |
| JUN | 257 |
| JUL | 273 |
| AUG | 299 |
| SEP | 322 |
| OCT | 368 |
| NOV | 386 |
| DEC | 415 |
| TOTAL FOR YEAR | 4,000 HRS. |

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**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2012-00222 dated December 20, 2012**

## Louisville Gas and Electric Company

**P.S.C. Electric No. 12, Original Sheet No. 67**

**Standard Rate Rider**

**Kilowatt-Hours Consumed By Lighting Units**

**APPLICABLE**

In all territory served to determine energy consumption applied to the Company's non-metered lighting rate schedules. T

**DETERMINATION OF ENERGY CONSUMPTION**

The applicable Fuel Adjustment Clause charge or credit will be based on the kilowatt-hours calculated by multiplying the kilowatt load of each light times the number of hours that light is in use during the billing month. The kilowatt load of each light is shown in the section titled RATE. The number of hours a light will be in use during a given month is from dusk to dawn as shown in the following Hours Use Table. T

HOURS USE TABLE

| Month | Hours Light Is In Use |
|---|---|
| JAN | 407 |
| FEB | 344 |
| MAR | 347 |
| APR | 301 |
| MAY | 281 |
| JUN | 257 |
| JUL | 273 |
| AUG | 299 |
| SEP | 322 |
| OCT | 368 |
| NOV | 386 |
| DEC | 415 |
| TOTAL FOR YEAR | 4,000 HRS. |

**DATE OF ISSUE**: September 28, 2018

**DATE EFFECTIVE:** With Service Rendered
On and After November 1, 2018

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00295 dated ____**

## Louisville Gas and Electric Company

**P.S.C. Electric No. 11, Original Sheet No. 70**

**Standard Rate Rider** **SGE**
**Small Green Energy Rider**

**APPLICABLE**
In all territory served.

**AVAILABILITY OF SERVICE**
Service under this rider is available to customers receiving service under Company's standard RS or GS rate schedules as an option to participate in Company's "Green Energy Program" whereby Company will aggregate the resources provided by the participating customers to develop green power, purchase green power, or purchase Renewable Energy Certificates.

**DEFINITIONS**

a) Green power is that electricity generated from renewable sources including but not limited to: solar, wind, hydroelectric, geothermal, landfill gas, biomass, biodiesel used to generate electricity, agricultural crops or waste, all animal and organic waste, all energy crops and other renewable resources deemed to be Green-e Certified.
b) A Renewable Energy Certificate ("REC") is the tradable unit which represents the commodity formed by unbundling the environmental-benefit attributes of a unit of green power from the underlying electricity. One REC is equivalent to the environmental-benefits attributes of one MWh of green power.

**RATE**
Voluntary monthly contributions of any amount in $5.00 increments

**TERMS AND CONDITIONS**

a) Customers may contribute monthly as much as they like in $5.00 increments (e.g., $5.00, $10.00, $15.00, or more per month) An eligible Customer may participate in Company's "Green Energy Program" by making a request to Company's Call Center or through Company's website enrollment form and may withdraw at any time through a request to Company's Call Center. Funds provided by Customer to Company are not refundable.
b) Customers may not owe any arrearage prior to entering the "Green Energy Program". Any customer failing to pay the amount the customer pledged to contribute may be removed from the "Green Energy Program." Any customer removed from or withdrawing from the "Green Energy Program" will not be allowed to re-apply for one year.
c) Customer will be billed monthly for the amount Customer has pledged to contribute to the "Green Energy Program." Such billing will be added to Customer's billing under any standard rate schedules plus applicable riders plus applicable adjustment clauses.

**DATE OF ISSUE**: July 7, 2017

**DATE EFFECTIVE:** June 1, 2010

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2009-00467 dated February 22, 2010**

The Small Green Energy Rider (SGE) and Large Green Energy Rider (LGE) tariff sheets have been eliminated

## Louisville Gas and Electric Company



**Standard Rate Rider** **LGE**
**Large Green Energy Rider**

**APPLICABLE**
In all territory served.

**AVAILABILITY OF SERVICE**
Service under this rider is available to customers receiving service under Company's standard PS, TODS, TODP, RTS, or FLS rate schedules as an option to participate in Company's "Green Energy Program" whereby Company will aggregate the resources provided by the participating customers to develop green power, purchase green power, or purchase Renewable Energy Certificates.

**DEFINITIONS**
a) Green power is that electricity generated from renewable sources including but not limited to: solar, wind, hydroelectric, geothermal, landfill gas, biomass, biodiesel used to generate electricity, agricultural crops or waste, all animal and organic waste, all energy crops and other renewable resources deemed to be Green-e Certified.
b) A Renewable Energy Certificate ("REC") is the tradable unit which represents the commodity formed by unbundling the environmental-benefit attributes of a unit of green power from the underlying electricity. One REC is equivalent to the environmental-benefits attributes of one MWh of green power.

**RATE**
Voluntary monthly contributions of any amount in $13.00 increments

**TERMS AND CONDITIONS**
a) Customers may contribute monthly as much as they like in $13.00 increments (e.g., $13.00, $26.00, $39.00, or more per month). An eligible customer may participate in Company's "Green Energy Program" by making a request to the Company and may withdraw at any time through a request to the Company. Funds provided by Customer to Company are not refundable.
b) Customers may not owe any arrearage prior to entering the "Green Energy Program". Any customer failing to pay the amount the customer pledged to contribute may be removed from the "Green Energy Program." Any customer removed from or withdrawing from the "Green Energy Program" will not be allowed to re-apply for one year.
c) Customer will be billed monthly for the amount Customer has pledged to contribute to the "Green Energy Program." Such billing will be added to Customer's billing under any standard rate schedules plus applicable riders plus applicable adjustment clauses.

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**DATE EFFECTIVE:** July 1, 2015

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2014-00372 dated June 30, 2015**

The Small Green Energy Rider (SGE) and Large Green Energy Rider (LGE) tariff sheets have been eliminated

Green Tariff Rider (GT) is a new tariff, replacing Small Green Energy Rider (SGE) and Large Green Energy Rider (LGE)



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## Green Tariff

**APPLICABLE**

In all territory served.

**AVAILABILITY**

Option #1: Renewable Energy Certificates (RECs)

Available as a rider to customers receiving service under Company's standard RS, RTOD, GS, PS, TODS, TODP, RTS, or FLS rate schedules as an option to participate in Company's "Green Energy Program" whereby Company will aggregate the resources provided by the participating customers to develop green power, purchase green power, or purchase Renewable Energy Certificates.

Participation in this option may be limited by the ability of the Company to procure RECs from Renewable Resources at a price equal to $13 or less per REC. If the total of all kWh under contract under this tariff equals or exceeds the Company's ability to economically procure RECs (more than $13 per REC), the Company may suspend the availability of this tariff to new participants.

Option #2: Business Solar

Available as a rider to customers receiving service under Company's standard GS, PS, TODS, TODP, RTS, or FLS rate schedules. Service under Option #2 requires Company and Customer to enter into a special contract, which must be filed with and approved by the Kentucky Public Service Commission.

Participation in this option will be limited to Customers who wish to have the Company develop, procure, construct, maintain, manage, and own a solar array. The electrical energy produced by the array will be assigned to the Customer.

Option #3: Renewable Power Agreement

Available as a rider to customers to be served under Company's Standard Rate Schedules TODS, TODP, and RTS. Service under the Renewable Power requires Company and Customer to enter into a special contract, which must be filed with and approved by the Kentucky Public Service Commission.

Customers who wish to purchase the electrical output and all associated environmental attributes from a renewable energy generator may contract bilaterally with the Company. In addition this option is limited to:

1. A customer contracting for a minimum monthly billing load of 10 MVA (or MW as is appropriate).
2. Any agreement must be greater than 10 MW nameplate AC, capped at a system cumulative 50 MW name plate AC and for a term that equals the generation purchase agreement for a minimum period of 5 years.
3. Agreement must be for energy delivered to the Company's transmission system.
4. Energy serving this option must be generated from a renewable resource developed on or after the Kentucky Public Service Commission special contract approval date.

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**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00295 dated ____**

Green Tariff Rider (GT) is a new tariff, replacing Small Green Energy Rider (SGE) and Large Green Energy Rider (LGE)



**DEFINITIONS**

1. Green power is that electricity generated from renewable sources including but not limited to: solar, wind, hydroelectric, geothermal, landfill gas, biomass, biodiesel used to generate electricity, agricultural crops or waste, all animal and organic waste, all energy crops and other renewable resources. The locations of these sources are limited to Kentucky, Indiana, Tennessee, Ohio, West Virginia, Virginia, Missouri, and Illinois that are certified for the creation of Renewable Energy Credits by definition 2 and 3 below.
2. A Renewable Energy Certificate (“REC”) is the tradable unit which represents the commodity formed by unbundling the environmental-benefit attributes of a unit of green power from the underlying electricity. One REC is equivalent to the environmental benefits and attributes of one MWh of green power. RECs may only be purchased from facilities located in Kentucky, Indiana, Tennessee, Ohio, West Virginia, Virginia, Missouri, and Illinois.
3. Eligible RECs are created from renewable facilities verified and approved by the proven renewable asset tracking systems associated with the major regional Independent System Operators (ISO) operators, PJM's Generation Attribute Tracking System (GATS) or MISO's Midwest Renewable Energy Tracking System (MRETS). The legal ownership of every REC so created is recorded and tracked by GATS or MRETS to assure its authenticity and single ownership.

**RATE**

Option #1: RECs

Customers who wish to support the development of electricity generated by Renewable Resources may contract to purchase each month a specific number of incremental blocks. All RECs purchased to support Option #1 of this tariff shall be retired by the Company on behalf of the customers.

Rate Schedules RS and GS:
Voluntary monthly contributions of any amount in $5.00 increments

Rate Schedules PS, TODS, TODP, RTS, or FLS:
Voluntary monthly contributions of any amount in $13.00 increments

Option #2: Business Solar

Charges and energy credits for this service will be set forth in the written agreement between the Company and the Customer and will reflect a combination of the firm service rates otherwise available to the Customer and the cost of the business solar facility being directly contracted for by the Customer.


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Green Tariff Rider (GT) is a new tariff, replacing Small Green Energy Rider (SGE) and Large Green Energy Rider (LGE)



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**RATE (continued)**

Option #3: Renewable Power Agreement

Charges and energy credits for this service will be set forth in the written agreement between the Company and the Customer and will reflect a combination of the firm service rates otherwise available to the Customer and the cost of the renewable energy resource, including appropriate transmission costs to deliver the energy to the Customer, being directly contracted for by the Customer.

**TERM**

Option #1: Customers may participate through a one-time purchase or an automatic monthly purchase agreement. Customer may terminate service under this rider by notifying the Company through its Call Center or Business Office. The charges will be removed on the Customer's next bill after their request to terminate.

Option #2: The term will be agreed upon in a separate written bilateral agreement between the Company and the Customer. Contract to be filed with and approved by the Kentucky Public Service Commission.

Option #3: The term will be agreed upon in the separate written bilateral agreement between the Company and the Customer. Contract to be filed with and approved by the Kentucky Public Service Commission.

**TERMS AND CONDITIONS**

1. Customers participating in Option #1 may contribute as much as they like in the dollar increments outlined above. (RS, GS - $5, $10, $15, $20, etc), (PS, TODS, TODP, RTS, FLS - $13, $26, $39, etc.)
2. An eligible Customer may participate in the Company's "Green Tariff" by making a request to Company's Call Center, Business Office, or through Company's website enrollment form. Funds provided by Customer to Company are not refundable.
3. Customers may not owe any arrearage prior to participating in the "Green Tariff". Any customer failing to pay the amount the customer pledged to contribute in Option #1 may be removed from the "Green Tariff". Any customer removed from or withdrawing Option #1 of the "Green Tariff" will not be allowed to re-apply for one year.
4. Customer will be billed monthly under the "Green Tariff". Such billing will be added to Customer's billing under any standard rate schedules plus applicable riders plus applicable adjustment clauses.

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**Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00295 dated ____**

## Louisville Gas and Electric Company

**P.S.C. Electric No. 11, Original Sheet No. 71**

**Standard Rate Rider** **EDR**
**Economic Development Rider**

**APPLICABLE**
In all territory served.

**AVAILABILITY OF SERVICE**
Available as a rider to customers to be served or being served under Company's Standard Rate Schedules TODS, TODP, and RTS to encourage Brownfield Development or Economic Development (as defined herein). Service under EDR is conditional on approval of a special contract for such service filed with and approved by the Public Service Commission of Kentucky.

**RATE**
A customer taking service under EDR shall be served according to all of the rates, terms, and conditions of the normally applicable rate schedule subject to the following:

a) for the twelve consecutive monthly billings of the first contract year, the Total Demand Charge shall be reduced by 50%;
b) for the twelve consecutive monthly billings of the second contract year, the Total Demand Charge shall be reduced by 40%;
c) for the twelve consecutive monthly billings of the third contract year, the Total Demand Charge shall be reduced by 30%;
d) for the twelve consecutive monthly billings of the fourth contract year, the Total Demand Charge shall be reduced by 20%;
e) for the twelve consecutive monthly billings of the fifth contract year, the Total Demand Charge shall be reduced by 10%; and
f) all subsequent billing shall be at the full charges stated in the applicable rate schedule.

"Total Demand Charge" is the sum of all demand charges, including any credits provided under any other demand applicable rider, before the EDR discounts described above are applied.

**TERMS AND CONDITIONS**
Brownfield Development
a) Service under EDR for Brownfield Development is available to customers locating at sites that have been submitted to, approved by, and added to the Brownfield Inventory maintained by the Kentucky Energy and Environment Cabinet (or by any successor entity created and authorized by the Commonwealth of Kentucky).
b) EDR for Brownfield Development is available only to minimum monthly billing loads of 500 kVA (or kW as is appropriate) or greater where the customer takes service from existing Company facilities.

Economic Development
c) Service under EDR for Economic Development is available to:
   1) new customers contracting for a minimum monthly billing load of 1,000 kVA (or kW as is appropriate); and

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State Regulation and Rates
Louisville, Kentucky

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## Louisville Gas and Electric Company

**P.S.C. Electric No. 12, Original Sheet No. 71**

**Standard Rate Rider** **EDR**
**Economic Development Rider**

**APPLICABLE**
In all territory served.

**AVAILABILITY** T
Available as a rider to Customers to be served or being served under Rates TODS, TODP, and RTS to encourage Brownfield Development or Economic Development (as defined herein). Service under EDR is conditional on approval of a special contract for such service filed with and approved by the Kentucky Public Service Commission. T

**RATE**
A Customer taking service under EDR shall be served according to all of the rates, terms, and conditions of the normally applicable rate schedule subject to the following: D

For the twelve (12) consecutive monthly billings and the subsequent four consecutive twelve (12) monthly billing periods thereafter, the Total Demand Charge shall be reduced by 50%, 40%, 30%, 20%, 10% in the order of Customer's choosing at time of contract filing. All subsequent billing shall be at the full charges stated in the applicable rate schedule after this five (5) year period. N N N N

"Total Demand Charge" is the sum of all demand charges, including any credits provided under any other demand applicable rider, before the EDR discounts described above are applied.

**TERMS AND CONDITIONS**
Brownfield Development
1. Service under EDR for Brownfield Development is available to Customers locating at sites that have been submitted to, approved by, and added to the Brownfield Inventory maintained by the Kentucky Energy and Environment Cabinet (or by any successor entity created and authorized by the Commonwealth of Kentucky).
2. EDR for Brownfield Development is available only to minimum monthly billing loads of 500 kVA or greater where the Customer takes service from existing Company facilities with no material changes. T T

Economic Development
3. Service under EDR for Economic Development is available to:
   a. new Customers contracting for a minimum monthly billing load of 1,000 kVA, and at least a 50% load factor; and T T

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State Regulation and Rates
Louisville, Kentucky

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# Louisville Gas and Electric Company

**P.S.C. Electric No. 11, Original Sheet No. 71.1**

**Standard Rate Rider** **EDR**
**Economic Development Rider**

**TERMS AND CONDITIONS**
Economic Development

2) existing customers contracting for a minimum monthly billing load of 1,000 kVA (or kW as is appropriate) above their Existing Base Load, to be determined as follows:
   i. Company and the existing customer will determine Customer's Existing Base Load by calculating a 12-month rolling average of measured demand. T
   ii. Company and the existing customer must agree upon the Existing Base Load, which shall be an explicit term of the special contract submitted to the Commission for approval before the customer can take service under EDR. Once the Existing Base Load's value is thus established, it will not be subject to variation or eligible for service under EDR.
   iii. This provision is not intended to reduce or diminish in any way EDR service already being provided to all or a portion of a customer's Existing Base Load. Such EDR service would continue under the terms of the contract already existing between the Company and the customer concerning the affected portion of the customer's Existing Base Load.

d) A customer desiring service under EDR for Economic Development must submit an application for service that includes:
   1) a description of the new load to be served;
   2) the number of new employees, if any, Customer anticipates employing associated with the new load;
   3) the capital investment Customer anticipates making associated with the EDR load;
   4) a certification that Customer has been qualified by the Commonwealth of Kentucky for benefits under the Kentucky Business Investment Program (KBI), or the Kentucky Industrial Revitalization Act (KIRA), or the Kentucky Jobs Retention Act (KJRA), or other comparable programs approved by the Commonwealth of Kentucky.

e) Should Company determine a refundable contribution for the capital investment in Customer-specific facilities required by Company to serve the EDR load would ordinarily be required as set out under Company's Line Extension Plan, I. Special Cases, that amount shall be determined over a fifteen (15) year period and payable at the end of the fifteen (15) year period.

General

f) Company may offer EDR to qualifying new load only when Company has generating capacity available and the new load will not accelerate Company's plans for additional generating capacity over the life of the EDR contract.

g) Customer may request an EDR effective initial billing date that is no later than twelve (12) months after the date on which Company initiates service to Customer.

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State Regulation and Rates
Louisville, Kentucky

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Public Service Commission in Case No.
2016-00371 dated June 22, 2017 and modified June 29, 2017**

# Louisville Gas and Electric Company

**P.S.C. Electric No. 12, Original Sheet No. 71.1**

**Standard Rate Rider** **EDR**
**Economic Development Rider**

**TERMS AND CONDITIONS**
Economic Development

b. Existing Customers contracting for a minimum monthly billing load of 1,000 kVA above their Existing Base Load, and at least a 50% load factor to be determined as follows: T
   i. Company and the existing Customer will determine Customer's Existing Base Load by calculating a twelve (12) month rolling average of measured demand. T
   ii. Company and the existing Customer must agree upon the Existing Base Load, which shall be an explicit term of the special contract submitted to the Commission for approval before the Customer can take service under EDR. Once the Existing Base Load's value is thus established, it will not be subject to variation or eligible for service under EDR.
   iii. This provision is not intended to reduce or diminish in any way EDR service already being provided to all or a portion of a Customer's Existing Base Load. Such EDR service would continue under the terms of the contract already existing between the Company and the Customer concerning the affected portion of the Customer's Existing Base Load.

4. A Customer desiring service under EDR for Economic Development must submit an application for service that includes:
   a. a description of the new load to be served;
   b. the number of new employees, if any, Customer anticipates employing associated with the new load;
   c. the capital investment Customer anticipates making associated with the EDR load;
   d. a certification that Customer has been qualified by the Commonwealth of Kentucky for benefits under the Kentucky Business Investment Program (KBI), or the Kentucky Industrial Revitalization Act (KIRA), or the Kentucky Jobs Retention Act (KJRA), or other comparable programs approved by the Commonwealth of Kentucky.

5. Should Company determine a refundable contribution for the capital investment in Customer-specific facilities required by Company to serve the EDR load would ordinarily be required as set out under Company's Line Extension Plan, I. Special Cases, that amount shall be determined over a fifteen (15) year period and payable at the end of the fifteen (15) year period.

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State Regulation and Rates
Louisville, Kentucky

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## Louisville Gas and Electric Company

**P.S.C. Electric No. 11, Original Sheet No. 71.2**

**Standard Rate Rider** **EDR**
**Economic Development Rider**

General (continued)

h) Neither the demand charge reduction nor any unjustified capital investment in facilities will be borne by Company's other customers during the term of the EDR contract.

i) Company may offer differing terms, as appropriate, under special contract to which this rider is a part depending on the circumstances associated with providing service to a particular customer and subject to approval by the Public Service Commission of Kentucky.

j) In any billing month where Customer's metered load is less than the load required to be eligible for either Brownfield Development or Economic Development, no credit under EDR will be calculated or applied to Customer's billing.

**TERM OF CONTRACT**

Service will be furnished under the applicable standard rate schedule and this rider, filed as a special contract with the Commission for a fixed term of not less than ten (10) years and for such time thereafter under the terms stated in the standard rate schedule. A greater term of contract or termination notice may be required because of conditions associated with a Customer's requirements for service. Service will be continued under conditions provided for under the rate schedule to which this Rider is attached after the original term of contract.

**DATE OF ISSUE**: July 7, 2017

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**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2014-00372 dated June 30, 2015**

## Louisville Gas and Electric Company

**P.S.C. Electric No. 12, Original Sheet No. 71.2**

**Standard Rate Rider** **EDR**
**Economic Development Rider**

N

Economic Re-Development

6. Service under EDR for Economic Re-Development is available to:
   a. Customers locating at vacant commercial or industrial properties in the Company's service territory which have been unoccupied for at least twelve (12) consecutive months. Verification of vacancy will constitute evidence of minimal to no electrical use during the unoccupied timeframe as determined by the company. Development of green space or undeveloped properties or sites are excluded from the Re-Development rider.
   b. EDR for Economic Re-Development is available only to minimum monthly billing loads of 500 kVA or greater where Customer takes service from the existing electrical infrastructure with no material changes and at least a 50% load factor.
   c. A customer desiring service under must submit an application for service that includes:
      i. a description of the new load to be served;
      ii. the number of new employees, if any, Customer anticipates employing associated with the new load; and
      iii. the capital investment Customer anticipates making associated with the EDR load.
   d. Customers relocating their operations from another premise within the Company's service territory and maintaining the same demand load as indicated on the customer's Load Data Sheet are ineligible to participate in this tariff.
   e. Customers relocating their operations from another premise within the Company's service territory and increasing the demand load as indicated on the customer's Load Data Sheet are eligible to participate in this tariff for the increased demand of 500 kVA minimum and at least a 50% load factor.
   f. Should Company determine a refundable contribution for the capital investment in Customer-specific facilities required by Company to serve the EDR load would ordinarily be required as set forth under Company's Line Extension Plan, that amount shall be determined over a fifteen (15) year period and payable at the end of the fifteen (15) year period.

General

7. Company may offer EDR to qualifying new load only when Company has generating capacity available and the new load will not accelerate Company's plans for additional generating capacity over the life of the EDR contract.
8. Customer may request an EDR effective initial billing date that is no later than twelve (12) months after the date on which the Kentucky Public Service Commission approves the customer agreement.
9. Neither the demand charge reduction nor any unjustified capital investment in facilities will be borne by Company's other Customers during the term of the EDR contract.

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Louisville, Kentucky

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Economic Development Rider (EDR) is now contained on four pages instead of three

## Louisville Gas and Electric Company



N

10. Company may offer differing terms, as appropriate, under special contract to which this rider is a part depending on the circumstances associated with providing service to a particular Customer and subject to approval by the Kentucky Public Service Commission.
11. No credit under EDR will be calculated or applied to Customer's billing in any billing month in which Customer's metered load is less than the load required to be eligible for either Brownfield Development, Economic Development, or Economic Re-Development.
12. EDR is not available to a new customer that results solely from a change in ownership of a previous customer's account. However, if a change in ownership occurs after the previous customer had entered into an EDR special contract, the successor customer may be allowed to fulfil the balance of the EDR special contract.

**TERM OF CONTRACT**

Service will be furnished under the applicable rate schedule and this rider, filed as a special contract with the Commission, for a fixed term of not less than ten (10) years and for such time thereafter under the terms stated in the rate schedule. A greater term of contract or termination notice may be required because of conditions associated with a Customer's requirements for service. Service will be continued under conditions provided for under the rate schedule to which this rider is attached after the original term of contract. T T T T T T

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Louisville, Kentucky

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## Louisville Gas and Electric Company

**P.S.C. Electric No. 11, Second Revision of Original Sheet No. 72**
**Canceling P.S.C. Electric No. 11, First Revision of Original Sheet No. 72**

**Standard Rate Rider** **SSP**
**Solar Share Program Rider**

**APPLICABLE**
In all territory served.

**AVAILABILITY OF SERVICE**
This optional, voluntary service is available to Company's customers taking service under any Standard Rate Schedule except those served under Retail Transmission Service, Fluctuating Load Service, Lighting Service, Restricted Lighting Service, Lighting Energy Service, Traffic Energy Service, Pole and Structure Attachment Charges, Electric Vehicle Supply Equipment, and Electric Vehicle Charging Service rate schedules. The terms and conditions set out herein are available for and applicable to participation in Company's Solar Share Program.

**RATE:**
**Monthly Charge** D
Solar Capacity Charge $6.27 per quarter-kW subscribed I

**Monthly Credits and Adjustments**

| | Rate Schedule | Credit per kWh |
|---|---|---|
| Solar Energy Credit (per kWh of pro rata energy produced by the Solar Share Facilities; number of kWh eligible for credit limited to customer's net kWh consumption on each bill) | RS | $0.03401 |
| | RTOD-Energy | $0.03401 |
| | RTOD-Demand | $0.03401 |
| | VFD | $0.03401 |
| | GS | $0.03401 |
| | PS Secondary | $0.03756 |
| | PS Primary | $0.03609 |
| | TODS | $0.03734 |
| | TODP | $0.03505 |

Solar FAC Adjustment — Subscriber's billing under Adjustment Clause FAC will be adjusted corresponding to number of kWh to which Solar Energy Credit applies

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State Regulation and Rates
Louisville, Kentucky

## Louisville Gas and Electric Company

**P.S.C. Electric No. 12, Original Sheet No. 72**

**Standard Rate Rider** **SSP**
**Solar Share Program Rider**

**APPLICABLE**
In all territory served.

**AVAILABILITY** T
This optional, voluntary service is available to Customers taking service under Rates RS, RTOD- T
Energy, RTOD-Demand, VFD, GS, PS, TODS, and TODP. The terms and conditions set out T
herein are available for and applicable to participation in Company's Solar Share Program.

**RATE:** N
A customer may subscribe to capacity in the Solar Share Facilities by paying a One-Time Solar Capacity Charge or a Monthly Solar Capacity Charge—but not both—for each quarter-kW increment subscribed. The customer need not subscribe to all desired capacity using only one subscription approach, but the customer will pay only one kind of charge for each increment of capacity subscribed. For example, a customer subscribing to two quarter-kW increments may pay the One-Time Solar Capacity Charge for one increment and the Monthly Solar Capacity Charge for the other increment. N N N N N N N N

**One-Time Solar Capacity Charge** N
A customer subscribing to capacity by paying the One-Time Solar Capacity Charge will receive Solar Energy Credit values subject to the terms and conditions of this Rider for a period of 25 years beginning with and including the first full billing period immediately following the customer's payment in full of the Capacity Charge. N N N N N

The One-Time Solar Capacity Charge is only available for subscription on Solar Share Facilities that have not begun construction. Any one-time solar capacity subscription that becomes unsubscribed will be made available for subscription under the Monthly Solar Capacity Charge. N N N

One-Time Solar Capacity Charge $790.00 per quarter-kW subscribed N

**Monthly Solar Capacity Charge** T
Solar Capacity Charge $5.68 per quarter-kW subscribed R
D

**Solar Energy Credit** N
Each billing period during which the Subscriber has paid in full for subscribed capacity under either option above, Company will compare a subscribing customer's pro rata AC energy produced by the Solar Share Facilities (truncated to a whole kWh value) to the subscribing customer's energy consumption (in kWh) every 15 minutes. If consumption exceeded production, Company will bill Customer for the net energy consumed in accordance with Customer's standard rate schedule. If production equaled or exceeded consumption in any relevant period, Company will bill Customer for zero energy consumption for that period and provide a bill credit for each kWh of net production, if any, at the then-applicable non-time-differentiated rate for Company's Standard Rate Rider SQF (Small Capacity Cogeneration and Small Power Production Qualifying Facilities) Original Sheet No 55. N N N N N N N N N N N

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On and After November 1, 2018

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the**
**Public Service Commission in Case No.**
**2018-00295 dated ____**

## Louisville Gas and Electric Company

**P.S.C. Electric No. 11, First Revision of Original Sheet No. 72.1**
**Canceling P.S.C. Electric No. 11, Original Sheet No. 72.1**

**Standard Rate Rider** **SSP**
**Solar Share Program Rider**

**PROGRAM DESCRIPTION**

The Solar Share Program is an optional, voluntary program that allows customers to subscribe capacity in the Solar Share Facilities. Each Solar Share Facility will have an approximate direct-current (DC) capacity of 500 kW and will be available for subscription in nominal 250 W (quarter-kW) DC increments. Each subscribing customer ("Subscriber") may subscribe capacity up to an aggregate amount of 500 kW DC, though no Subscriber may subscribe more than 250 kW DC in any single Solar Share Facility. D

Subscriber's desired capacity will be considered subscribed upon Subscriber's commitment to pay N charges under this Rider for at least 12 billing periods (or enters in a contract as required herein for N subscriptions of 50 kW DC or more). Subscriber will pay the monthly Solar Capacity Charge for N/D each quarter-kW subscribed beginning with the first billing period in which the subscribed capacity has been in service for the entire billing period. For each such billing period, Subscriber will also receive (i) a bill credit in the amount of the monthly Solar Energy Credit (see Rate above) times the pro rata amount of energy production attributable to Subscriber's subscribed capacity (limited by Subscriber's net kWh consumption for the period being billed) and (ii) a bill adjustment to the Subscriber's Fuel Adjustment Clause (FAC) credits or charges corresponding to the number of kWh for which the Subscriber receives a Solar Energy Credit.

Customers subscribing less than 50 kW DC will not be required to enter into a contract concerning their subscriptions; however, a customer may not reduce or cancel a subscription earlier than 12 months from the date of the customer's most recent change to the customer's subscription level following the first billing period for which Subscriber pays Solar Capacity Charges. Therefore, a N customer subscribing less than 50 kW has a 12-month payment commitment, and may have a T/D longer commitment if the customer subsequently increases subscribed capacity (which a customer may do at any time) or if the customer chooses to decrease but not cancel the D subscription after the initial 12 months. As addressed in Term of Contract below, customers subscribing 50 kW DC or more must enter into a 5-year contract with Company.

**TERMS AND CONDITIONS**

1) Subscriptions will be available on a first-come first-served basis, except that 25% of the capacity of Solar Share Facility No. 1 will be available only to residential customers for the first 45 days of the initial subscription period for new facility. Otherwise, all capacity in the Solar Share Facilities will be available for subscription by all customers on a first-come, first-served basis.

2) Individual subscriptions will be available in nominal 250 W DC (quarter-kW) increments.

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Louisville, Kentucky

## Louisville Gas and Electric Company

**P.S.C. Electric No. 12, Original Sheet No. 72.1**

**Standard Rate Rider** **SSP**
**Solar Share Program Rider**

**PROGRAM DESCRIPTION** N

The Solar Share Program is an optional, voluntary program that allows customers to subscribe to capacity in the Solar Share Facilities. Each Solar Share Facility will have an approximate direct-current (DC) capacity of 500 kW and will be available for subscription in nominal 250 W (quarter-kW) DC increments. Each subscribing customer ("Subscriber") may subscribe capacity up to an aggregate amount of 500 kW DC, though no Subscriber may subscribe more than 250 kW DC in any single Solar Share Facility.

There are two mutually exclusive options for subscribing to each increment of capacity.

**Option 1: Capacity Subscribed by Paying Only the One-Time Solar Capacity Charge**

For capacity subscribed by paying the One-Time Solar Capacity Charge, the One-Time Solar Capacity Charge will be included on the Subscriber's bill for the first billing period in which the subscribed capacity achieves commercial operation.

A customer choosing to pay the One-Time Solar Capacity Charge may transfer subscribed capacity between the customer's own accounts or may assign subscribed capacity to another customer. Once assigned, the assigning customer forfeits all rights to the assigned capacity.

A customer who ceases taking service from Company will have 60 calendar days to assign subscribed capacity to another customer within Company's service area. Any capacity such a customer does not assign within 60 days of ceasing to take service will be forfeited and made available to other customers under Option 2: Capacity Subscribed by Paying Only the Monthly Solar Capacity Charge.

**Option 2: Capacity Subscribed by Paying Only the Monthly Solar Capacity Charge**

For capacity subscribed by paying the Monthly Solar Capacity Charge, the Solar Capacity Charge will be included on the Subscriber's bill beginning with the bill for the first billing period in which the subscribed capacity achieves commercial operation.

Monthly subscriptions of less than 50 kW DC will not require a contract; however, a customer may not reduce or cancel a monthly subscription earlier than 12 months from the date of the customer's most recent change to the customer's monthly subscription level. Therefore, a customer subscribing monthly less than 50 kW has a 12-month commitment from the date of the customer's initial monthly subscription or initial solar facility commercial operation, whichever is later, and may have a longer commitment if the customer subsequently increases monthly subscribed capacity (which a customer may do at any time) or if the customer chooses to decrease but not cancel the monthly subscription after the initial 12 months. Monthly subscriptions of 50 kW DC or more require a 5-year contract with Company.

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State Regulation and Rates
Louisville, Kentucky

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## Louisville Gas and Electric Company

**P.S.C. Electric No. 11, First Revision of Original Sheet No. 72.2**
**Canceling P.S.C. Electric No. 11, Original Sheet No. 72.2**

**Standard Rate Rider** **SSP**
**Solar Share Program Rider**

**TERMS AND CONDITIONS** (continued)

3) Customer may subscribe as much solar capacity as desired up to an aggregate amount of 500 kW DC. No customer may subscribe more than 250 kW DC in any single Solar Share Facility.

4) Subject to the restrictions above, Company will fill subscriptions as capacity in the Solar Share Facilities becomes available, and will fill subscriptions in the chronological order in which the subscriptions were made. A Subscriber whose subscription the Company can fulfill only partially may either accept the available capacity and await additional capacity, or decline the partial fulfillment, allowing the next awaiting Subscriber(s) to accept the available capacity. Accepting or declining available capacity will not affect a Subscriber's place in the queue of Subscribers awaiting capacity. T/D

5) Customers may not owe any arrearage prior to participating in the Solar Share Program. T

6) Subscribers' pro-rata share of the electricity produced by the Solar Share Facilities will be determined on a billing cycle basis. The corresponding Solar Energy Credit (per kWh) and Solar FAC Adjustment will appear on the Subscriber's bill. T

7) Subscriber may continue to participate in the Program if Subscriber changes premises within the combined Kentucky certified electric service territories of Louisville Gas and Electric Company and Kentucky Utilities Company. T/D D

8) Subscribers whose customer accounts are closed for any reason will not be able to remain in the Program. Upon account closing, Subscriber will be obligated to pay Solar Capacity Charges for any remaining commitment period(s) associated with Subscriber's capacity, e.g., a Subscriber closing an account after having paid only six billing periods' Solar Capacity Charges for less than 50 kW DC subscribed capacity would be obligated to pay the remaining six billing periods' Solar Capacity Charges at the time of account closing. T N N N N N/D

9) Unless constrained by contract (see Term of Contract below), Subscriber may decrease or terminate a subscription any time after 12 months following the date of the most recent change to Subscriber's subscription that occurs after the first billing period for which Subscriber pays Solar Capacity Charges. T N N/D

10) Unless constrained by contract (see Term of Contract below), Subscriber may also increase subscribed capacity at any time. T D

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State Regulation and Rates
Louisville, Kentucky

## Louisville Gas and Electric Company

**P.S.C. Electric No. 12, Original Sheet No. 72.2**

**Standard Rate Rider** **SSP**
**Solar Share Program Rider**

**TERMS AND CONDITIONS**

1. Individual subscriptions are available in nominal 250 W DC (quarter-kW) increments. N

2. Customer may subscribe as much solar capacity as desired up to an aggregate amount of 500 kW DC (nominal). No customer may subscribe more than 250 kW DC (nominal) in any single Solar Share Facility.

3. All One-Time Solar Capacity Charges are non-refundable.

4. Subject to the restrictions above, Company will fill subscriptions as capacity in the Solar Share Facilities becomes available, and will fill subscriptions in the chronological order in which the subscriptions were made. A Subscriber whose subscription the Company can fulfill only partially may either accept the available capacity and await additional capacity, or decline the partial fulfillment, allowing the next awaiting Subscriber(s) to accept the available capacity. Accepting or declining available capacity will not affect a Subscriber's place in the queue of Subscribers awaiting capacity.

5. Customers may not owe any arrearage prior to participating in the Solar Share Program.

6. Subscribers' pro-rata share of the AC electricity produced by the Solar Share Facilities will be determined on a billing-cycle basis. The corresponding Solar Energy Credit will be calculated and appear on the Subscriber's bill.

7. Unless constrained by contract (see Term of Contract below), Subscriber may decrease or terminate a monthly subscription any time after 12 months following the date of the most recent change to Subscriber's monthly subscription capacity at any time.

8. Unless constrained by contract (see Term of Contract below) or condition #2 above. Subscriber may also increase monthly subscribed capacity at any time.

9. Subscriptions made by paying the One-Time Solar Capacity Charge may be transferred between a Subscriber's accounts no more than once per billing period (Solar Energy Credit values do not transfer between accounts or customers). A subscription transfer between a Subscriber's accounts takes effect in the billing period following the billing period in which the Subscriber requests the transfer. A Subscriber may transfer a subscription at any time prior to or including 60 calendar days after the Subscriber terminated service on the account to which the subscription attached. If the Subscriber whose account has been terminated does not transfer the subscription within 60 calendar days, the Subscriber forfeits the subscription.

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## Louisville Gas and Electric Company

**P.S.C. Electric No. 11, First Revision of Original Sheet No. 72.3**
**Canceling P.S.C. Electric No. 11, Original Sheet No. 72.3**

**Standard Rate Rider** **SSP**
**Solar Share Program Rider**

**TERMS AND CONDITIONS** (continued)

11) Each subscription under the Solar Share Program applies to a particular meter. Subscribers with multiple meters may obtain multiple subscriptions, one per meter. But Company will not aggregate usage across multiple meters for applying credits, charges, or adjustments under Rider SSP; credits, charges, and adjustments under Rider SSP apply only to the meter associated with the subscription. The only exception to this restriction is if Subscriber has more than one meter for a single service, which multiple meters Company installed for its own operating convenience and bills on an aggregated basis in accordance with Company's Terms and Conditions. T

12) Subscriptions are not transferrable or assignable between customers or between a single customer's meters. T

13) Subscriber's Solar Energy Credit and corresponding Solar FAC Adjustment will apply each billing cycle to the Subscriber's pro rata amount of AC energy produced by the Solar Share Facilities (truncated to a whole kWh value) or Subscriber's net energy consumption (kWh) for the billing period, whichever is less. T

14) For all customers taking service under both of Riders NMS and SSP, Company will apply all provisions of Rider NMS to their bills before applying charges and credits under Rider SSP, including applying the Solar Energy Credit and Solar FAC Adjustment to such customers' net energy consumption. Therefore, customers should note that in months in which a customer taking service under Riders SSP and NMS has net zero energy consumption or net energy production under the terms of Rider NMS—including carryover net-energy credits from previous months, if any—the customer will receive zero Solar Energy Credit and Solar FAC Adjustment under Rider SSP. These provisions apply regardless of whether a customer first took service under Rider NMS before taking service under Rider SSP or vice versa, or if a customer began taking service under both riders simultaneously. T

15) All Renewable Energy Credits ("RECs") related to energy produced by subscribed portions of the Solar Share Facilities will be retired. T

16) Use of any images of the Solar Share Facilities or use any other of Company's intellectual property requires Company licensing prior to use. T

17) Service will be furnished under Company's Terms and Conditions except as provided herein. T

**TERM OF CONTRACT**

Subscriptions of 50 kW DC or more will require a five (5) year non-transferrable, non-assignable contract between Subscriber and Company.

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State Regulation and Rates
Louisville, Kentucky

## Louisville Gas and Electric Company

**P.S.C. Electric No. 12, Original Sheet No. 72.3**

**Standard Rate Rider** **SSP**
**Solar Share Program Rider**

**TERMS AND CONDITIONS** (continued)

10. Capacity subscribed by paying the Monthly Solar Capacity Charge is not transferrable or assignable between customers. N

11. Capacity subscribed by paying the One-Time Solar Capacity Charge may be assigned between customers, but only within the same Company service territory, at any time prior to or including 60 calendar days after the assigning Subscriber terminated service on the account to which the subscription attached. Once assigned, the assigning customer loses all rights regarding future credits and the ability to subsequently assign the capacity; those rights become the rights of the assignee upon assignment. Assigned capacity cannot be reassigned by the assignee to any other Customer, including the Customer who originally subscribed the assigned capacity. For all purposes other than the Solar Energy Credit, all capacity assignments become effective immediately upon assignment. For the purpose of the Solar Energy Credit, the assignor will receive Solar Energy Credits for the entire billing period in which the assignment occurs; the assignee will receive Solar Energy Credits beginning in the first billing period following the assignment.

12. Unused Solar Energy Credit value is not transferrable between customers or customer accounts. Therefore, a Subscriber's closing a customer account terminates any unused Solar Energy Credit value associated with that account.

13. Participants in SSP are required to have an advanced meter capable of collecting and communicating at least 15 minute interval data.

14. All Renewable Energy Credits ("RECs") related to energy produced by subscribed portions of the Solar Share Facilities will be retired.

15. Use of any images of the Solar Share Facilities or use any other of Company's intellectual property requires Company licensing prior to use.

16. Service will be furnished under Company's Terms and Conditions except as provided herein.

**TERM OF CONTRACT**

Subscriptions of 50 kW DC or more will require a five (5) year non-transferrable, non-assignable contract between Subscriber and Company.

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## Louisville Gas and Electric Company

P.S.C. Electric No. 11, Original Sheet No. 75

**Standard Rate Rider** **EVSE-R**
**Electric Vehicle Supply Equipment**

**APPLICABLE**
In all territory served.

**AVAILABILITY OF SERVICE**
Available as a rider to customers to be served or currently being served under Company's Standard Rate Schedules GS (with energy usage of 500 kWh or higher per month), PS, TODS, TODP, RTS, and FLS, for the purpose of charging electrical vehicles, whereby the Customer installs and owns facilities on its side of the point of delivery of the energy supplied hereunder necessary to serve Company-provided charging station.

Charging station under this rider is offered under the conditions set out hereinafter for electric vehicle supply equipment such as, but not limited to, the charging of electric vehicles via street parking, parking lots, and other outdoor areas. Customer is responsible for providing the appropriate voltage levels and connections necessary to operate Company-provided charger.

Company will coordinate charging station installation with the Company's current charging station supplier and the Customer. Customer shall be responsible for the charging equipment installation costs.

Service will be provided under written contract, signed by customer prior to service commencing.

| **RATE** | Single Charger | Dual Charger | T |
|---|---|---|---|
| Monthly Charging Unit Fee: | $132.00 | $205.15 | R |

**ADJUSTMENT CLAUSES**
The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

| | |
|---|---|
| Franchise Fee | Sheet No. 90 |
| School Tax | Sheet No. 91 |

**PAYMENT**
The EVSE-R charges shall be incorporated with the bill for electric service and will be subject to the same payment provisions.

**DATE OF ISSUE:** July 7, 2017

**DATE EFFECTIVE:** July 1, 2017

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2016-00371 dated June 22, 2017 and modified June 29, 2017**

## Louisville Gas and Electric Company

P.S.C. Electric No. 12, Original Sheet No. 75

**Standard Rate Rider** **EVSE-R**
**Electric Vehicle Supply Equipment**

**APPLICABLE**
In all territory served.

**AVAILABILITY** T
Available as a rider to Customers to be served or currently being served under Rates GS (with T
energy usage of 500 kWh or higher per month), PS, TODS, TODP, RTS, and FLS, for the purpose
of charging electrical vehicles, whereby Customer installs and owns facilities on its side of the T
point of delivery of the energy supplied hereunder necessary to serve Company-provided charging station.

Charging station under this rider is offered under the conditions set out hereinafter for electric vehicle supply equipment such as, but not limited to, the charging of electric vehicles via street parking, parking lots, and other outdoor areas. Customer is responsible for providing the appropriate voltage levels and connections necessary to operate Company-provided charger.

Company will coordinate charging station installation with Company's current charging station T
supplier and Customer. Customer shall be responsible for the charging equipment installation T
costs.

Service will be provided under written contract, signed by Customer prior to service commencing.

| **RATE** | Single Charger | Dual Charger | |
|---|---|---|---|
| Monthly Charging Unit Fee: | $125.14 | $177.49 | R/R |

**ADJUSTMENT CLAUSES**
The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

| | |
|---|---|
| Franchise Fee | Sheet No. 90 |
| School Tax | Sheet No. 91 |

**PAYMENT**
The EVSE-R charges shall be incorporated with the bill for electric service and will be subject to the same payment provisions.

**DATE OF ISSUE:** September 28, 2018

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**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

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## Louisville Gas and Electric Company

**P.S.C. Electric No. 11, Original Sheet No. 75.1**

**Standard Rate Rider** **EVSE-R**

**Electric Vehicle Supply Equipment**

**TERM OF CONTRACT**

For a fixed term of not less than five (5) years and for such time thereafter until terminated by either party giving thirty (30) days prior written notice. Cancellation by Customer prior to the expiration of the initial term will require Customer to pay to Company a lump sum equal to the monthly charge times the number of months remaining on the initial term of the contract.

**TERMS AND CONDITIONS**

1. Service shall be furnished under Company's Terms and Conditions set out in this Tariff Book, except as set out herein.

2. Company may decline to install equipment and provide service thereto in locations deemed by Company as unsuitable for installation.

3. The location of each point of delivery of energy supplied hereunder shall be mutually agreed upon by Company and the customer. Where attachment of Customer's devices and/or equipment is made to Company facilities, Customer must have an attachment agreement with Company.

4. All service and maintenance will be performed only during regular scheduled working hours of Company. Customer will be responsible for reporting outages and other operating faults.

5. Customer shall be responsible for the cost of charging station replacement or repairs where such replacement or repairs are caused from willful damage, vandalism, or causes other than normal wear and tear. Company may decline to provide or to continue service in locations where, in Company's judgment, such facilities will be subject to unusual hazards or risk of damage.

6. If Customer requests the removal of an existing charging station, including, but not limited to, poles, or other supporting facilities that were in service less than twenty years, and requests installation of replacement facilities within 5 years of removal, Customer agrees to pay to Company its cost of labor to install the replacement facilities.

7. Temporary suspension of charging station is not permitted. Upon permanent discontinuance of service, charging station and other supporting facilities solely associated with providing service under this tariff, except underground facilities and pedestals, will be removed.

**DATE OF ISSUE:** July 7, 2017

**DATE EFFECTIVE:** April 11, 2016

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2015-00355 dated April 11, 2016**

## Louisville Gas and Electric Company

**P.S.C. Electric No. 12, Original Sheet No. 75.1**

**Standard Rate Rider** **EVSE-R**

**Electric Vehicle Supply Equipment**

**TERM OF CONTRACT**

For a fixed term of not less than five (5) years and for such time thereafter until terminated by either party giving thirty (30) days prior written notice. Cancellation by Customer prior to the expiration of the initial term will require Customer to pay to Company a lump sum equal to the monthly charge times the number of months remaining on the initial term of the contract.

**TERMS AND CONDITIONS**

1. Service shall be furnished under Company's Terms and Conditions set out in this Tariff Book, except as set out herein.

2. Company may decline to install equipment and provide service thereto in locations deemed by Company as unsuitable for installation.

3. The location of each point of delivery of energy supplied hereunder shall be mutually agreed upon by Company and the Customer. Where attachment of Customer's devices and/or equipment is made to Company facilities, Customer must have an attachment agreement with Company.

4. All service and maintenance will be performed only during regular scheduled working hours of Company. Customer will be responsible for reporting outages and other operating faults.

5. Customer shall be responsible for the cost of charging station replacement or repairs where such replacement or repairs are caused from willful damage, vandalism, or causes other than normal wear and tear. Company may decline to provide or to continue service in locations where, in Company's judgment, such facilities will be subject to unusual hazards or risk of damage.

6. If Customer requests the removal of an existing charging station, including, but not limited to, poles, or other supporting facilities that were in service less than twenty (20) years, and requests T
installation of replacement facilities within five (5) years of removal, Customer agrees to pay to T
Company its cost of labor to install the replacement facilities.

7. Temporary suspension of charging station is not permitted. Upon permanent discontinuance of service, charging station and other supporting facilities solely associated with providing service under this tariff, except underground facilities and pedestals, will be removed.

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Louisville, Kentucky

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## Louisville Gas and Electric Company

P.S.C. Electric No. 11, Original Sheet No. 75.2

**Standard Rate Rider** **EVSE-R**
**Electric Vehicle Supply Equipment**

8. Electric energy furnished under Company's standard application or contract is for the use of Customer only and Customer shall not resell such energy to any other person, firm, or corporation on Customer's premises or for use on any other premises. This does not preclude Customer from allocating Company's billing to Customer to any other person, firm, or corporation provided the sum of such allocations does not exceed Company's billing.

9. Notwithstanding the provisions of 807 KAR 5:006, Section 14(4), a reasonable time shall be allowed subsequent to Customer's service application to enable Company to construct or install the facilities required for such service. In order that Company may make suitable provision for enlargement, extension or alteration of its facilities, each applicant for service shall furnish Company with realistic estimates of prospective electricity requirements.

10. Customer shall agree to permit Company to obtain specific charging station usage data directly from the Charging Station Supplier.

**MINIMUM CHARGE**
As determined by this Rider and the Rate Schedule to which it is attached.

**DUE DATE OF BILL**
Customer's payment will be due within sixteen (16) business days (no less than twenty-two (22) calendar days) from the date of the bill.

**DATE OF ISSUE:** July 7, 2017

**DATE EFFECTIVE:** April 11, 2016

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State Regulation and Rates
Louisville, Kentucky

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## Louisville Gas and Electric Company

P.S.C. Electric No. 12, Original Sheet No. 75.2

**Standard Rate Rider** **EVSE-R**
**Electric Vehicle Supply Equipment**

8. Electric energy furnished under Company's standard application or contract is for the use of Customer only and Customer shall not resell such energy to any other person, firm, or corporation on Customer's premises or for use on any other premises. This does not preclude Customer from allocating Company's billing to Customer to any other person, firm, or corporation provided the sum of such allocations does not exceed Company's billing.

9. Notwithstanding the provisions of 807 KAR 5:006, Section 14(4), a reasonable time shall be allowed subsequent to Customer's service application to enable Company to construct or install the facilities required for such service. In order that Company may make suitable provision for enlargement, extension or alteration of its facilities, each applicant for service shall furnish Company with realistic estimates of prospective electricity requirements.

10. Customer shall agree to permit Company to obtain specific charging station usage data directly from the Charging Station Supplier.

**MINIMUM CHARGE**
As determined by this rider and the rate schedule to which it is attached.

**DUE DATE OF BILL**
Customer's payment will be due within sixteen (16) business days (no less than twenty-two (22) calendar days) from the date of the bill.

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State Regulation and Rates
Louisville, Kentucky

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## Louisville Gas and Electric Company

**P.S.C. Electric No. 11, Second Revision of Original Sheet No. 79**
**Canceling P.S.C. Electric No. 11, First Revision of Original Sheet No. 79**

**Standard Rate** **SPS**
**SCHOOL POWER SERVICE**

**APPLICABLE**
In all territory served.

**AVAILABILITY OF SERVICE**
This rate schedule is available as an option for secondary service P-12 schools whose 12-month-average monthly minimum secondary loads exceed 50 kW and whose 12-month-average monthly maximum loads do not exceed 250 kW.

Service under this rate schedule is limited until the total projected revenue impact for customers taking service under SPS and STOD combined is $750,000 annually compared to the projected annual revenues for the participating schools under the rates under which the schools would otherwise be served; wherein such projected impacts shall be calculated on billing data for the most recent 12-month period available to the Companies. The Kentucky School Boards Association (“KSBA”) will be responsible for proposing schools for participation in this optional rate and the order in which such schools are proposed. LG&E will calculate and provide to KSBA the projected revenue impact of each proposed school.

A customer electing to take service under this rate schedule who subsequently elects to take service under another rate schedule, may not be allowed to return to this optional rate for 12 months from the date of exiting this rate schedule.

This rate schedule will expire on July 1, 2020 or when LG&E files it next base rate case, whichever is earlier. Customers on this rate schedule will be transferred at that time to the rate schedule under which they were formerly served.

**RATE**

| | Secondary | |
|---|---|---|
| Basic Service Charge per month: | $90.00 | |
| Plus an Energy Charge per kWh: | $ 0.03774 | |
| Plus a Demand Charge per kW: | | |
| Summer Rate: | | |
| (Five Billing Periods of May through September) | $18.56 | I |
| Winter Rate: | | |
| (All other months) | $16.36 | I |

Where the monthly billing demand is the greater of:
a) the maximum measured load in the current billing period but not less than 50 kW, or
b) a minimum of 50% of the highest measured load in the preceding eleven (11) monthly billing periods, or
c) if applicable, a minimum of 60% of the contract capacity based on the maximum expected load on the system or on facilities specified by Customer.

**DATE OF ISSUE**: January 8, 2018

**DATE EFFECTIVE:** January 30, 2018

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2017-00267 dated December 19, 2017**

School Power Service Pilot Program (SPS) and School Time-of-Day Service Pilot Program (STOD) are being eliminated

## Louisville Gas and Electric Company

**P.S.C. Electric No. 11, First Revision of Original Sheet No. 79.1**
**Canceling P.S.C. Electric No. 11, Original Sheet No. 79.1**

**Standard Rate** **SPS**
**SCHOOL POWER SERVICE**

**ADJUSTMENT CLAUSES**

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

| | | |
|---|---|---|
| Fuel Adjustment Clause | Sheet No. 85 | |
| Off-System Sales Adjustment Clause | Sheet No. 88 | |
| Demand-Side Management Cost Recovery Mechanism | Sheet No. 86 | |
| Tax Cuts and Jobs Act Surcredit | Sheet No. 89 | N |
| Environmental Cost Recovery Surcharge | Sheet No. 87 | |
| Franchise Fee Rider | Sheet No. 90 | |
| School Tax | Sheet No. 91 | |

**DETERMINATION OF MAXIMUM LOAD**

The load will be measured and will be the average kW demand delivered to the customer during the 15-minute period of maximum use during the month.

Company reserves the right to place a kVA meter and base the billing demand on the measured kVA. The charge will be computed based on the measured kVA times 90 percent of the applicable kW charge.

In lieu of placing a kVA meter, Company may adjust the measured maximum load for billing purposes when the power factor is less than 90 percent in accordance with the following formula: (BASED ON POWER FACTOR MEASURED AT THE TIME OF MAXIMUM LOAD).

$$\text{Adjusted Maximum kW Load for Billing Purposes} = \frac{\text{Maximum kW Load Measured X 90\%}}{\text{Power Factor (in percent)}}$$

**DUE DATE OF BILL**

Customer's payment will be due within sixteen (16) business days (no less than twenty-two (22) calendar days) from the date of the bill.

**LATE PAYMENT CHARGE**

If full payment is not received by the due date of the bill, a 1% late payment charge will be assessed on the current month’s charges.

**TERM OF CONTRACT**

Contracts under this rate shall be for an initial term of one (1) year, remaining in effect from month to month thereafter until terminated by notice of either party to the other.

**TERMS AND CONDITIONS**

Service will be furnished under Company's Terms and Conditions applicable hereto.

**DATE OF ISSUE**: April 5, 2018

**DATE EFFECTIVE:** April 1, 2018

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00034 dated March 20, 2018 and modified March 28, 2018**

School Power Service Pilot Program (SPS) and School Time-of-Day Service Pilot Program (STOD) are being eliminated

## Louisville Gas and Electric Company

**P.S.C. Electric No. 11, Second Revision of Original Sheet No. 80**
**Canceling P.S.C. Electric No. 11, First Revision of Original Sheet No. 80**

**Standard Rate** **STOD**
**SCHOOL TIME-OF-DAY SERVICE**

**APPLICABLE**
In all territory served.

**AVAILABILITY OF SERVICE**
This rate schedule is available as an option for secondary service P-12 schools whose 12-month-average monthly minimum loads exceed 250 kW.

Service under this rate schedule is limited until the total projected revenue impact for customers taking service under SPS and STOD combined is $750,000 annually compared to the projected annual revenues for the participating schools under the rates under which the schools would otherwise be served; wherein such projected impacts shall be calculated on billing data for the most recent 12-month period available to the Companies. The Kentucky School Boards Association ("KSBA") will be responsible for proposing schools for participation in this optional rate and the order in which such schools are proposed. LG&E will calculate and provide to KSBA the projected revenue impact of each proposed school.

A customer electing to take service under this rate schedule who subsequently elects to take service under another rate schedule, may not be allowed to return to this optional rate for 12 months from the date of exiting this rate schedule.

This rate schedule will expire on July 1, 2020 or when LG&E files it next base rate case, whichever is earlier. Customers on this rate schedule will be transferred at that time to the rate schedule under which they were formerly served.

**RATE**

| | Secondary | |
|---|---|---|
| Basic Service Charge per month: | $200.00 | |
| Plus an Energy Charge per kWh: | $ 0.03752 | |
| Plus a Maximum Load Charge per kW: | | |
| Peak Demand Period: | $ 6.73 | I |
| Intermediate Demand Period: | $ 5.24 | I |
| Base Demand Period: | $ 4.73 | I |

Where:
the monthly billing demand for the Peak and Intermediate Demand Periods is the greater of:
a) the maximum measured load in the current billing period, or
b) a minimum of 50% of the highest measured load in the preceding eleven (11) monthly billing periods, and

the monthly billing demand for the Base Demand Period is the greater of:
a) the maximum measured load in the current billing period but not less than 250 kW, or
b) the highest measured load in the preceding eleven (11) monthly billing periods, or
c) the contract capacity based on the maximum load expected on the system or on facilities specified by Customer.

**DATE OF ISSUE**: January 8, 2018

**DATE EFFECTIVE:** January 30, 2018

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2017-00267 dated December 19, 2017**

School Power Service Pilot Program (SPS) and School Time-of-Day Service Pilot Program (STOD) are being eliminated

**ADJUSTMENT CLAUSES**

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

| | | |
|---|---|---|
| Fuel Adjustment Clause | Sheet No. 85 | |
| Off-System Sales Adjustment Clause | Sheet No. 88 | |
| Demand-Side Management Cost Recovery Mechanism | Sheet No. 86 | |
| Tax Cuts and Jobs Act Surcredit | Sheet No. 89 | N |
| Environmental Cost Recovery Surcharge | Sheet No. 87 | |
| Franchise Fee Rider | Sheet No. 90 | |
| School Tax | Sheet No. 91 | |

**DETERMINATION OF MAXIMUM LOAD**

The load will be measured and will be the average kW demand delivered to the customer during the 15-minute period of maximum use during the appropriate rating period each month. Company reserves the right to place a kVA meter and base the billing demand on the measured kVA. The charge will be computed based on the measured kVA times 90 percent, at the applicable kW charge.

In lieu of placing a kVA meter, Company may adjust the measured maximum load for billing purposes when the power factor is less than 90 percent in accordance with the following formula: (BASED ON POWER FACTOR MEASURED AT THE TIME OF MAXIMUM LOAD)

$$\text{Adjusted Maximum kW Load for Billing Purposes} = \frac{\text{Maximum kW Load Measured} \times 90\%}{\text{Power Factor (in percent)}}$$

**DATE OF ISSUE**: April 5, 2018

**DATE EFFECTIVE:** April 1, 2018

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the**
**Public Service Commission in Case No.**
**2018-00034 dated March 20, 2018 and modified March 28, 2018**

School Power Service Pilot Program (SPS) and School Time-of-Day Service Pilot Program (STOD) are being eliminated

## Louisville Gas and Electric Company

 N

**Standard Rate** **STOD**
**SCHOOL TIME-OF-DAY SERVICE**

**RATING PERIODS**
The rating periods applicable to the Maximum Load charges are established in Eastern Standard Time year round by season for weekdays and weekends, throughout Company's service area, and shall be as follows:

Summer peak months of May through September

| | Base | Intermediate | Peak |
|---|---|---|---|
| Weekdays | All Hours | 10 A.M. – 10 P.M. | 1 P.M. – 7 P.M. |
| Weekends | All Hours | | |

All other months of October continuously through April

| | Base | Intermediate | Peak |
|---|---|---|---|
| Weekdays | All Hours | 6 A.M. – 10 P.M. | 6 A.M. – 12 Noon |
| Weekends | All Hours | | |

**DUE DATE OF BILL**
Customer's payment will be due within sixteen (16) business days (no less than twenty-two (22) calendar days) from the date of the bill.

**LATE PAYMENT CHARGE**
If full payment is not received by the due date of the bill, a 1% late payment charge will be assessed on the current month's charges.

**TERM OF CONTRACT**
Service will be furnished under this schedule only under contract for a fixed term of not less than one (1) year, and for yearly periods thereafter until terminated by either party giving written notice to the other party 90 days prior to termination. Company, however, may require a longer fixed term of contract and termination notice because of conditions associated with the customer's requirements for service.

**TERMS AND CONDITIONS**
Service will be furnished under Company's Terms and Conditions applicable hereto.

**DATE OF ISSUE**: July 7, 2017

**DATE EFFECTIVE:** July 1, 2017

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2016-00371 dated June 22, 2017 and modified June 29, 2017**

School Power Service Pilot Program (SPS) and School Time-of-Day Service Pilot Program (STOD) are being eliminated

## Louisville Gas and Electric Company

**P.S.C. Electric No. 11, Third Revision of Original Sheet No. 81**
**Canceling P.S.C. Electric No. 11, Second Revision of Original Sheet No. 81**

**Standard Rate** **OSL**
**OUTDOOR SPORTS LIGHTING SERVICE**

**APPLICABLE**
In all territory served.

**AVAILABILITY OF SERVICE**
This rate schedule is available as an optional pilot program for secondary and primary service used by a customer for lighting specifically designed for outdoor fields which are normally used for organized competitive sports. Service under this rate schedule is limited to a maximum of twenty customers. Company will accept customers on a first-come-first-served basis.

**RATE**

| | Secondary | Primary |
|---|---|---|
| Basic Service Charge per month: | $90.00 | $240.00 |
| Plus an Energy Charge per kWh of: | $ 0.03773 | $ 0.03627 |
| Plus a Maximum Load Charge per kW of: | | |
| Peak Demand Period | $ 15.57 | $ 14.01 |
| Base Demand Period | $ 4.89 | $ 3.48 |

Where:
the monthly billing demand for the Peak Demand Period is the greater of:
a) the maximum measured load in the billing period, or
b) a minimum of 50% of the highest billing demand in the preceding eleven (11) monthly billing periods.
the monthly billing demand for the Base Demand Period is the greater of:
a) the maximum measured load in the billing period, or
b) the highest measured load in the preceding eleven (11) monthly billing periods, or
c) if applicable, the contract capacity based on the maximum load expected on the system or on facilities specified by Customer.

**ADJUSTMENT CLAUSES**
The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

| | | |
|---|---|---|
| Fuel Adjustment Clause | Sheet No. 85 | |
| Off-System Sales Adjustment Clause | Sheet No. 88 | |
| Demand-Side Management Cost Recovery Mechanism | Sheet No. 86 | |
| Tax Cuts and Jobs Act Surcredit | Sheet No. 89 | N |
| Environmental Cost Recovery Surcharge | Sheet No. 87 | |
| Franchise Fee Rider | Sheet No. 90 | |
| School Tax | Sheet No. 91 | |

**DATE OF ISSUE**: April 5, 2018

**DATE EFFECTIVE:** April 1, 2018

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00034 dated March 20, 2018 and modified March 28, 2018**

## Louisville Gas and Electric Company

**P.S.C. Electric No. 12, Original Sheet No. 81**

**Standard Rate Pilot** **OSL** T
**Outdoor Sports Lighting Service** T

**APPLICABLE**
In all territory served.

**AVAILABILITY** T
Available as an optional pilot program for secondary and primary service used by a Customer for lighting specifically designed for outdoor fields which are normally used for organized competitive sports. Service under this rate schedule is limited to a maximum of twenty Customers. Company will accept Customers on a first-come-first-served basis. T

**RATE**

| | Secondary | Primary | |
|---|---|---|---|
| Basic Service Charge per day: | $ 2.96 | $ 7.89 | T/I/I |
| Plus an Energy Charge per kWh of: | $ 0.03306 | $ 0.03627 | R |
| Plus a Maximum Load Charge per kW of: | | | |
| Peak Demand Period | $ 22.52 | $ 20.26 | I/I |
| Base Demand Period | $ 4.89 | $ 3.46 | R |

Where:
the monthly billing demand for the Peak Demand Period is the greater of:
1. the maximum measured load in the billing period, or T
2. a minimum of 50% of the highest billing demand in the preceding eleven (11) monthly billing periods. T

the monthly billing demand for the Base Demand Period is the greater of:
1. the maximum measured load in the billing period, or T
2. the highest measured load in the preceding eleven (11) monthly billing periods, or T
3. if applicable, the contract capacity based on the maximum load expected on the system or on facilities specified by Customer. T

**ADJUSTMENT CLAUSES**
The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

| | | |
|---|---|---|
| Demand-Side Management Cost Recovery Mechanism | Sheet No. 86 | T |
| Fuel Adjustment Clause | Sheet No. 85 | T |
| Off-System Sales Adjustment Clause | Sheet No. 88 | T |
| Environmental Cost Recovery Surcharge | Sheet No. 87 | D |
| Franchise Fee | Sheet No. 90 | T |
| School Tax | Sheet No. 91 | |

**DATE OF ISSUE**: September 28, 2018

**DATE EFFECTIVE:** With Service Rendered
On and After November 1, 2018

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00295 dated ____**

## Louisville Gas and Electric Company

**P.S.C. Electric No. 11, Original Sheet No. 81.1** N

**Standard Rate** **OSL**

**OUTDOOR SPORTS LIGHTING SERVICE**

**DETERMINATION OF MAXIMUM LOAD**

The load will be measured and will be the average kW demand delivered to the customer during the 15-minute period of maximum use during the appropriate rating period each month.

**RATING PERIODS**

The rating periods applicable to the Maximum Load charges are established in Eastern Standard Time year round by season for weekdays and weekends, throughout Company's service area, and shall be as follows:

Summer peak months of May through September

| | Base | Peak |
|---|---|---|
| Weekdays | All Hours | 1 P.M. – 7 P.M. |
| Weekends | All Hours | |

All other months of October continuously through April

| | Base | Peak |
|---|---|---|
| Weekdays | All Hours | 6 A.M. – 12 Noon |
| Weekends | All Hours | |

**DUE DATE OF BILL**

Customer's payment will be due within sixteen (16) business days (no less than twenty-two (22) calendar days) from the date of the bill.

**LATE PAYMENT CHARGE**

If full payment is not received by the due date of the bill, a 1% late payment charge will be assessed on the current month's charges.

**TERM OF CONTRACT**

Service will be furnished under this schedule only under contract for a fixed term of not less than one (1) year, and for yearly periods thereafter until terminated by either party giving written notice to the other party 90 days prior to termination. Company, however, may require a longer fixed term of contract and termination notice because of conditions associated with the customer's requirements for service.

**TERMS AND CONDITIONS**

Service will be furnished under Company's Terms and Conditions applicable hereto.

**DATE OF ISSUE**: July 7, 2017

**DATE EFFECTIVE:** July 1, 2017

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2016-00371 dated June 22, 2017 and modified June 29, 2017**

## Louisville Gas and Electric Company

**P.S.C. Electric No. 12, Original Sheet No. 81.1**

**Standard Rate Pilot** **OSL** T

**Outdoor Sports Lighting Service** T

**DETERMINATION OF MAXIMUM LOAD**

The load will be measured and will be the average kW demand delivered to the Customer during the 15-minute period of maximum use during the appropriate rating period each month.

**RATING PERIODS**

The rating periods applicable to the Maximum Load charges are established in Eastern Standard Time year round by season for weekdays and weekends, throughout Company's service area, and shall be as follows:

Summer peak months of May through September

| | Base | Peak |
|---|---|---|
| Weekdays | All Hours | 1 P.M. – 7 P.M. |
| Weekends | All Hours | |

All other months of October continuously through April

| | Base | Peak |
|---|---|---|
| Weekdays | All Hours | 6 A.M. – 12 Noon |
| Weekends | All Hours | |

If a legal holiday falls on a weekday, it will be considered a weekday. N

**DUE DATE OF BILL**

Customer's payment will be due within sixteen (16) business days (no less than twenty-two (22) calendar days) from the date of the bill.

**LATE PAYMENT CHARGE**

If full payment is not received by the due date of the bill, a 1% late payment charge will be assessed on the current month's charges.

**TERM OF CONTRACT**

Service will be furnished under this schedule only under contract for a fixed term of not less than one (1) year, and for yearly periods thereafter until terminated by either party giving written notice to the other party ninety (90) days prior to termination. Company, however, may require a longer fixed term of contract and termination notice because of conditions associated with the Customer's requirements for service. T

**TERMS AND CONDITIONS**

Service will be furnished under Company's Terms and Conditions applicable hereto.

**DATE OF ISSUE**: September 28, 2018

**DATE EFFECTIVE:** With Service Rendered
On and After November 1, 2018

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00295 dated ____**

## Louisville Gas and Electric Company

**P.S.C. Electric No. 11, Original Sheet No. 85**

**Adjustment Clause** **FAC**
**Fuel Adjustment Clause**

**APPLICABLE**.
In all territory served.

**AVAILABILITY OF SERVICE**
This schedule is mandatory to all electric rate schedules.

(1) The charge per kWh delivered under the rate schedules to which this fuel clause is applicable shall be increased or decreased during each month in accordance with the following formula:

$$\text{Adjustment Factor} = \frac{F(m)}{S(m)} - \frac{F(b)}{S(b)}$$

Where "F" is the expense of fossil fuel and "S" is the kWh sales in the base (b) and current (m) periods as defined in 807 KAR 5:056, all as set out below:

(2) Fuel costs (F) shall be the most recent actual monthly cost of:

(a) Fossil fuel consumed in the utility's own plants, plus the cost of fuel which would have been used in plants suffering forced generation or transmission outages, but less the cost of fuel related to substitute generation, plus

(b) The actual identifiable fossil and nuclear fuel costs associated with energy purchased for reasons other than identified in paragraph (c) below, but excluding the cost of fuel related to purchases to substitute for the forced outages, plus

(c) The net energy cost of energy purchases, exclusive of capacity or demand charges (irrespective of the designation assigned to such transaction) when such energy is purchased on an economic dispatch basis. Included therein may be such costs as the charges for economy energy purchases and the charges as a result of scheduled outages, all such kinds of energy being purchased by the buyer to substitute for its own higher cost energy; and less

(d) The cost of fossil fuel recovered through inter-system sales including the fuel costs related to economy energy sales and other energy sold on an economic dispatch basis.

(e) All fuel costs shall be based on weighted average inventory costing.

**DATE OF ISSUE**: July 7, 2017

**DATE EFFECTIVE:** July 1, 2015

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2014-00372 dated June 30, 2015**

## Louisville Gas and Electric Company

**P.S.C. Electric No. 12, Original Sheet No. 85**

**Adjustment Clause** **FAC**
**Fuel Adjustment Clause**

**APPLICABLE**.
In all territory served.

**AVAILABILITY** T
This schedule is mandatory to all electric rate schedules.

1. The charge per kWh delivered under the rate schedules to which this fuel clause is applicable shall be increased or decreased during each month in accordance with the following formula:

$$\text{Adjustment Factor} = \frac{F(m)}{S(m)} - \frac{F(b)}{S(b)}$$

Where "F" is the expense of fossil fuel and "S" is the kWh sales in the base (b) and current (m) periods as defined in 807 KAR 5:056, all as set out below:

2. Fuel costs (F) shall be the most recent actual monthly cost of:

a. Fossil fuel consumed in the utility's own plants, plus the cost of fuel which would have been used in plants suffering forced generation or transmission outages, but less the cost of fuel related to substitute generation, plus

b. The actual identifiable fossil and nuclear fuel costs associated with energy purchased for reasons other than identified in paragraph (c) below, but excluding the cost of fuel related to purchases to substitute for the forced outages, plus

c. The net energy cost of energy purchases, exclusive of capacity or demand charges (irrespective of the designation assigned to such transaction) when such energy is purchased on an economic dispatch basis. Included therein may be such costs as the charges for economy energy purchases and the charges as a result of scheduled outages, all such kinds of energy being purchased by the buyer to substitute for its own higher cost energy; and less

d. The cost of fossil fuel recovered through inter-system sales including the fuel costs related to economy energy sales and other energy sold on an economic dispatch basis.

e. All fuel costs shall be based on weighted average inventory costing.

**DATE OF ISSUE**: September 28, 2018

**DATE EFFECTIVE:** With Services Rendered
On and After November 1, 2018

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00295 dated ____**

## Louisville Gas and Electric Company

**P.S.C. Electric No. 11, First Revision of Original Sheet No. 85.1**
**Canceling P.S.C. Electric No. 11, Original Sheet No. 85.1**

**Adjustment Clause** **FAC**
**Fuel Adjustment Clause**

(3) Forced Outages are all non-scheduled losses of generation or transmission which require substitute power for a continuous period in excess of six (6) hours. Where forced outages are not as a result of faulty equipment, faulty manufacture, faulty design, faulty installations, faulty operation, or faulty maintenance, but are Acts of God, riot, insurrection or acts of the public enemy, then the utility may, upon proper showing, with the approval of the Commission, include the fuel cost of substitute energy in the adjustment. Until such approval is obtained, in making the calculations of fuel cost (F) in subsection (2)(a) and (b) above, the forced outage costs to be subtracted shall be no less than the fuel cost related to the lost generation.

(4) Sales (S) shall be all kWh sold, excluding inter-system sales. Where, for any reason, billed system sales cannot be coordinated with fuel costs for the billing period, sales may be equated to the sum of (i) generation, (ii) purchases, (iii) interchange in, less (iv) energy associated with pumped storage operations, less (v) inter-system sales referred to in subsection (2)(d) above, less (vi) total system losses. Utility used energy shall not be excluded in the determination of sales (S).

(5) The cost of fossil fuel shall include no items other than the invoice price of fuel less any cash or other discounts. The invoice price of fuel includes the cost of the fuel itself and necessary charges for transportation of the fuel from the point of acquisition to the unloading point, as listed in Account 151 of FERC Uniform System of Accounts for Public Utilities and Licensees.

(6) Base (b) period shall be April 2016 and the base fuel factor is \$0.02428 per kWh. T/R

(7) Current (m) period shall be the second month preceding the month in which the Fuel Clause Adjustment Factor is billed.

D

**DATE OF ISSUE**: August 4, 2017

**DATE EFFECTIVE:** September 1, 2017

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2017-00004 dated July 31, 2017**

## Louisville Gas and Electric Company

**P.S.C. Electric No. 12, Original Sheet No. 85.1**

**Adjustment Clause** **FAC**
**Fuel Adjustment Clause**

3. Forced Outages are all non-scheduled losses of generation or transmission which require substitute power for a continuous period in excess of six (6) hours. Where forced outages are not as a result of faulty equipment, faulty manufacture, faulty design, faulty installations, faulty operation, or faulty maintenance, but are Acts of God, riot, insurrection or acts of the public enemy, then the utility may, upon proper showing, with the approval of the Commission, include the fuel cost of substitute energy in the adjustment. Until such approval is obtained, in making the calculations of fuel cost (F) in subsection (2)(a) and (b) above, the forced outage costs to be subtracted shall be no less than the fuel cost related to the lost generation.

4. Sales (S) shall be all kWh sold, excluding inter-system sales. Where, for any reason, billed system sales cannot be coordinated with fuel costs for the billing period, sales may be equated to the sum of (i) generation, (ii) purchases, (iii) interchange in, less (iv) energy associated with pumped storage operations, less (v) inter-system sales referred to in subsection (2)(d) above, less (vi) total system losses. Utility used energy shall not be excluded in the determination of sales (S).

5. The cost of fossil fuel shall include no items other than the invoice price of fuel less any cash or other discounts. The invoice price of fuel includes the cost of the fuel itself and necessary charges for transportation of the fuel from the point of acquisition to the unloading point, as listed in Account 151 of FERC Uniform System of Accounts for Public Utilities and Licensees.

6. Base (b) period shall be April 2016 and the base fuel factor is \$0.02428 per kWh.

7. Current (m) period shall be the second month preceding the month in which the Fuel Clause Adjustment Factor is billed.

**DATE OF ISSUE**: September 28, 2018

**DATE EFFECTIVE:** With Service Rendered
On and After September 1, 2017

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2017-00004 dated July 31, 2017**

## Louisville Gas and Electric Company

**P.S.C. Electric No. 11, Original Sheet No. 86**

**Adjustment Clause** **DSM**

**Demand-Side Management Cost Recovery Mechanism**

**APPLICABLE**

In all territory served.

**AVAILABILITY OF SERVICE**

This schedule is mandatory to Residential Service Rate RS, Residential Time-of-Day Energy Service Rate RTOD-Energy, Residential Time of Day Demand Service Rate RTOD-Demand, Volunteer Fire Department Service Rate VFD, General Service Rate GS, Power Service Rate PS, Time-of-Day Secondary Service Rate TODS, Time-of-Day Primary Service Rate TODP, Retail Transmission Service Rate RTS, School Power Service Rate SPS, School Time-of-Day Service Rate STOD, and Outdoor Sports Lighting Service Rate OSL. Industrial customers who elect not to participate in a demand-side management program hereunder shall not be assessed a charge pursuant to this mechanism. For purposes of rate application hereunder, non-residential customers will be considered "industrial" if they are primarily engaged in a process or processes that create or change raw or unfinished materials into another form or product, and/or in accordance with the North American Industry Classification System, Sections 21, 22, 31, 32, and 33. All other non-residential customers will be defined as "commercial."

**RATE**

The monthly amount computed under each of the rate schedules to which this Demand-Side Management Cost Recovery Mechanism is applicable shall be increased or decreased by the DSM Cost Recovery Component (DSMRC) at a rate per kilowatt hour of monthly consumption in accordance with the following formula:

**DSMRC = DCR + DRLS + DSMI + DBA + DCCR**

Where:

**DCR = DSM COST RECOVERY**

The DCR shall include all expected costs that have been approved by the Commission for each twelve-month period for demand-side management programs that have been developed through a collaborative advisory process ("approved programs"). Such program costs shall include the cost of planning, developing, implementing, monitoring, and evaluating DSM programs. Program costs will be assigned for recovery purposes to the rate classes whose customers are directly participating in the program. In addition, all costs incurred by or on behalf of the collaborative process, including but not limited to costs for consultants, employees, and administrative expenses, will be recovered through the DCR. Administrative costs that are allocable to more than one rate class will be recovered from those classes and allocated by rate class on the basis of the estimated budget from each program. The cost of approved programs shall be divided by the expected kilowatt-hour sales for the upcoming twelve-month period to determine the DCR for each such rate class.

**DRLS = DSM REVENUE FROM LOST SALES**

Revenues from lost sales due to DSM programs implemented on and after the effective date of this tariff will be recovered as follows:

**DATE OF ISSUE**: July 7, 2017

**DATE EFFECTIVE:** July 1, 2017

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2016-00371 dated June 22, 2017 and modified June 29, 2017**

## Louisville Gas and Electric Company

**P.S.C. Electric No. 12, Original Sheet No. 86**

**Adjustment Clause** **DSM**

**Demand-Side Management Cost Recovery Mechanism**

**APPLICABLE**

In all territory served.

**AVAILABILITY OF SERVICE**

This schedule is mandatory to Residential Service Rate RS, Residential Time-of-Day Energy Service Rate RTOD-Energy, Residential Time of Day Demand Service Rate RTOD-Demand, Volunteer Fire Department Service Rate VFD, General Service Rate GS, Power Service Rate PS, Time-of-Day Secondary Service Rate TODS, Time-of-Day Primary Service Rate TODP, Retail Transmission Service Rate RTS, and Outdoor Sports Lighting Service Rate OSL. T Industrial customers who elect not to participate in a demand-side management program hereunder shall not be assessed a charge pursuant to this mechanism. For purposes of rate application hereunder, non-residential customers will be considered "industrial" if they are primarily engaged in a process or processes that create or change raw or unfinished materials into another form or product, and/or in accordance with the North American Industry Classification System, Sections 21, 22, 31, 32, and 33. All other non-residential customers will be defined as "commercial."

**RATE**

The monthly amount computed under each of the rate schedules to which this Demand-Side Management Cost Recovery Mechanism is applicable shall be increased or decreased by the DSM Cost Recovery Component (DSMRC) at a rate per kilowatt hour of monthly consumption in accordance with the following formula:

**DSMRC = DCR + DRLS + DSMI + DBA + DCCR**

Where:

**DCR = DSM COST RECOVERY**

The DCR shall include all expected costs that have been approved by the Commission for each twelve-month period for demand-side management programs that have been developed through a collaborative advisory process ("approved programs"). Such program costs shall include the cost of planning, developing, implementing, monitoring, and evaluating DSM programs. Program costs will be assigned for recovery purposes to the rate classes whose customers are directly participating in the program. In addition, all costs incurred by or on behalf of the collaborative process, including but not limited to costs for consultants, employees, and administrative expenses, will be recovered through the DCR. Administrative costs that are allocable to more than one rate class will be recovered from those classes and allocated by rate class on the basis of the estimated budget from each program. The cost of approved programs shall be divided by the expected kilowatt-hour sales for the upcoming twelve-month period to determine the DCR for each such rate class.

**DRLS = DSM REVENUE FROM LOST SALES**

Revenues from lost sales due to DSM programs implemented on and after the effective date of this tariff will be recovered as follows:

**DATE OF ISSUE**: September 28, 2018

**DATE EFFECTIVE:** With Service Rendered
On and After November 1, 2018

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00295 dated ____**

## Louisville Gas and Electric Company

**P.S.C. Electric No. 11, Original Sheet No. 86.1**

**Adjustment Clause** **DSM**

**Demand-Side Management Cost Recovery Mechanism**

**RATE** (continued)

1) For each upcoming twelve-month period, the estimated reduction in customer usage (in kWh) as determined for the approved programs shall be multiplied by the non-variable revenue requirement per kWh for purposes of determining the lost revenue to be recovered hereunder from each customer class. The non-variable revenue requirement for the Residential, Residential Time-of-Day Energy Service, Volunteer Fire Department, and General Service customer classes is defined as the weighted average price per kWh of expected billings under the energy charges contained in the RS, RTOD-Energy, VFD, and GS rate schedules in the upcoming twelve-month period after deducting the variable costs included in such energy charges. The non-variable revenue requirement for each of the customer classes that are billed under demand and energy rates (rate schedules RTOD-Demand, PS, TODS, TODP, RTS, SPS, STOD, and OSL) is defined as the weighted average price per kWh represented by the composite of the expected billings under the respective demand and energy charges in the upcoming twelve-month period, after deducting the variable costs included in the energy charges.

2) The lost revenues for each customer class shall then be divided by the estimated class sales (in kWh) for the upcoming twelve-month period to determine the applicable DRLS surcharge. Recovery of revenue from lost sales calculated for a twelve-month period shall be included in the DRLS for thirty-six (36) months or until implementation of new rates pursuant to a general rate case, whichever comes first. Revenues from lost sales will be assigned for recovery purposes to the rate classes whose programs resulted in the lost sales.

Revenues collected hereunder are based on engineering estimates of energy savings, expected program participation, and estimated sales for the upcoming twelve-month period. At the end of each such period, any difference between the lost revenues actually collected hereunder and the lost revenues determined after any revisions of the engineering estimates and actual program participation are accounted for shall be reconciled in future billings under the DSM Balance Adjustment (DBA) component.

A program evaluation vendor will be selected to provide evaluation criteria against which energy savings will be estimated for that program. Each program will be evaluated after implementation and any revision of the original engineering estimates will be reflected in both (a) the retroactive true-up provided for under the DSM Balance Adjustment and (b) the prospective future lost revenues collected hereunder.

**DSMI = DSM INCENTIVE**

For all Energy Impact Programs except Direct Load Control, the DSM incentive amount shall be computed by multiplying the net resource savings expected from the approved

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State Regulation and Rates
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**Issued by Authority of an Order of the Public Service Commission in Case No. 2016-00371 dated June 22, 2017**

## Louisville Gas and Electric Company

**P.S.C. Electric No. 12, Original Sheet No. 86.1**

**Adjustment Clause** **DSM**

**Demand-Side Management Cost Recovery Mechanism**

**RATE** (continued)

1) For each upcoming twelve-month period, the estimated reduction in customer usage (in kWh) as determined for the approved programs shall be multiplied by the non-variable revenue requirement per kWh for purposes of determining the lost revenue to be recovered hereunder from each customer class. The non-variable revenue requirement for the Residential, Residential Time-of-Day Energy Service, Volunteer Fire Department, and General Service customer classes is defined as the weighted average price per kWh of expected billings under the energy charges contained in the RS, RTOD-Energy, VFD, and GS rate schedules in the upcoming twelve-month period after deducting the variable costs included in such energy charges. The non-variable revenue requirement for each of the customer classes that are billed under demand and energy rates (rate schedules RTOD-Demand, PS, TODS, TODP, RTS, and OSL) T
is defined as the weighted average price per kWh represented by the composite of the expected billings under the respective demand and energy charges in the upcoming twelve-month period, after deducting the variable costs included in the energy charges.

2) The lost revenues for each customer class shall then be divided by the estimated class sales (in kWh) for the upcoming twelve-month period to determine the applicable DRLS surcharge. Recovery of revenue from lost sales calculated for a twelve-month period shall be included in the DRLS for thirty-six (36) months or until implementation of new rates pursuant to a general rate case, whichever comes first. Revenues from lost sales will be assigned for recovery purposes to the rate classes whose programs resulted in the lost sales.

Revenues collected hereunder are based on engineering estimates of energy savings, expected program participation, and estimated sales for the upcoming twelve-month period. At the end of each such period, any difference between the lost revenues actually collected hereunder and the lost revenues determined after any revisions of the engineering estimates and actual program participation are accounted for shall be reconciled in future billings under the DSM Balance Adjustment (DBA) component.

A program evaluation vendor will be selected to provide evaluation criteria against which energy savings will be estimated for that program. Each program will be evaluated after implementation and any revision of the original engineering estimates will be reflected in both (a) the retroactive true-up provided for under the DSM Balance Adjustment and (b) the prospective future lost revenues collected hereunder.

**DSMI = DSM INCENTIVE**

For all Energy Impact Programs except Direct Load Control, the DSM incentive amount shall be computed by multiplying the net resource savings expected from the approved

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## Louisville Gas and Electric Company

**P.S.C. Electric No. 11, Original Sheet No. 86.2**

**Adjustment Clause** **DSM**

**Demand-Side Management Cost Recovery Mechanism**

programs that are to be installed during the upcoming twelve-month period times fifteen (15) percent, not to exceed five (5) percent of program expenditures. Net resource savings are defined as program benefits less utility program costs and participant costs where program benefits will be calculated on the basis of the present value of Company's avoided costs over the expected life of the program, and will include both capacity and energy savings. For the Energy Education Program, the DSM incentive amount shall be computed by multiplying the annual cost of the approved program times five (5) percent.

The DSM incentive amount related to programs for Residential Service Rate RS, Residential Time-of-Day Energy Service Rate RTOD-Energy, Residential Time-of-Day Demand Service Rate RTOD-Demand, Volunteer Fire Department Service Rate VFD, General Service Rate GS, Power Service Rate PS, Time-of-Day Secondary Service Rate TODS, Time-of-Day Primary Service Rate TODP, Retail Transmission Service Rate RTS, School Power Service Rate SPS, School Time-of-Day Service Rate STOD, and Outdoor Sports Lighting Service Rate OSL shall be divided by the expected kilowatt-hour sales for the upcoming twelve-month period to determine the DSMI for such rate class. DSM incentive amounts will be assigned for recovery purposes to the rate classes whose programs created the incentive.

**DBA = DSM BALANCE ADJUSTMENT**

The DBA shall be calculated on a calendar-year basis and is used to reconcile the difference between the amount of revenues actually billed through the DCR, DRLS, DSMI, DCCR, and previous application of the DBA and the revenues that should have been billed, as follows:

1) For the DCR, the balance adjustment amount will be the difference between the amount billed in a twelve-month period from the application of the DCR unit charge and the actual cost of the approved programs during the same twelve-month period.
2) For the DRLS the balance adjustment amount will be the difference between the amount billed during the twelve-month period from application of the DRLS unit charge and the amount of lost revenues determined for the actual DSM measures implemented during the twelve-month period.
3) For the DSMI, the balance adjustment amount will be the difference between the amount billed during the twelve-month period from application of the DSMI unit charge and the incentive amount determined for the actual DSM measures implemented during the twelve-month period.
4) For the DBA, the balance adjustment amount will be the difference between the amount billed during the twelve-month period from application of the DBA and the balance adjustment amount established for the same twelve-month period.

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## Louisville Gas and Electric Company

**P.S.C. Electric No. 12, Original Sheet No. 86.2**

**Adjustment Clause** **DSM**

**Demand-Side Management Cost Recovery Mechanism**

programs that are to be installed during the upcoming twelve-month period times fifteen (15) percent, not to exceed five (5) percent of program expenditures. Net resource savings are defined as program benefits less utility program costs and participant costs where program benefits will be calculated on the basis of the present value of Company's avoided costs over the expected life of the program, and will include both capacity and energy savings. For the Energy Education Program, the DSM incentive amount shall be computed by multiplying the annual cost of the approved program times five (5) percent.

The DSM incentive amount related to programs for Residential Service Rate RS, Residential Time-of-Day Energy Service Rate RTOD-Energy, Residential Time-of-Day Demand Service Rate RTOD-Demand, Volunteer Fire Department Service Rate VFD, General Service Rate GS, Power Service Rate PS, Time-of-Day Secondary Service Rate TODS, Time-of-Day Primary Service Rate TODP, Retail Transmission Service Rate RTS, and Outdoor Sports T
Lighting Service Rate OSL shall be divided by the expected kilowatt-hour sales for the T
upcoming twelve-month period to determine the DSMI for such rate class. DSM incentive amounts will be assigned for recovery purposes to the rate classes whose programs created the incentive.

**DBA = DSM BALANCE ADJUSTMENT**

The DBA shall be calculated on a calendar-year basis and is used to reconcile the difference between the amount of revenues actually billed through the DCR, DRLS, DSMI, DCCR, and previous application of the DBA and the revenues that should have been billed, as follows:

1) For the DCR, the balance adjustment amount will be the difference between the amount billed in a twelve-month period from the application of the DCR unit charge and the actual cost of the approved programs during the same twelve-month period.
2) For the DRLS the balance adjustment amount will be the difference between the amount billed during the twelve-month period from application of the DRLS unit charge and the amount of lost revenues determined for the actual DSM measures implemented during the twelve-month period.
3) For the DSMI, the balance adjustment amount will be the difference between the amount billed during the twelve-month period from application of the DSMI unit charge and the incentive amount determined for the actual DSM measures implemented during the twelve-month period.
4) For the DBA, the balance adjustment amount will be the difference between the amount billed during the twelve-month period from application of the DBA and the balance adjustment amount established for the same twelve-month period.

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**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

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## Louisville Gas and Electric Company

**P.S.C. Electric No. 11, Original Sheet No. 86.3**

**Adjustment Clause** **DSM**

**Demand-Side Management Cost Recovery Mechanism**

The balance adjustment amounts determined on the basis of the above paragraphs (1)-(4) shall include interest applied to the monthly amounts, such interest to be calculated at a rate equal to the average of the "Three-Month Commercial Paper Rate" for the immediately preceding twelve-month period. The total of the balance adjustment amounts shall be divided by the expected kilowatt-hour sales for the upcoming twelve-month period to determine the DBA for such rate class. DSM balance adjustment amounts will be assigned for recovery purposes to the rate classes for which over- or under-recoveries of DSM amounts were realized.

**DCCR = DSM CAPITAL COST RECOVERY**

The DCCR component is the means by which the Company recovers its capital investments made for DSM programs, as well as an approved rate of return on such capital investments. The Company calculates the DCCR component as follows:

DCCR = [(RB) (ROR + (ROR – DR) (TR / (1 – TR))] + OE

a) RB is the total rate base for DCCR projects.
b) ROR is the overall rate of return on DSM Rate Base (RB).
c) DR is the composite debt rate (i.e., the cost of short- and long-term debt) embedded in ROR.
d) TR is the composite federal and state income tax rate that applies to the equity return component of ROR.
e) OE is the sum of the capital-related operating expenses (i.e., depreciation and amortization expense, property taxes, and insurance expense) of the DSM projects to which DCCR applies.

The Company then allocates the DCCR component to the rate class(es) benefitting from the Company's various DSM-related capital investment(s).

**CHANGES TO DSMRC**

Modifications to components of the DSMRC shall be made at least thirty (30) days prior to the effective period for billing. Each filing shall include the following information as applicable:

1) A detailed description of each DSM program developed by the collaborative process, the total cost of each program over the twelve-month period, an analysis of expected resource savings, information concerning the specific DSM or efficiency measures to be installed, and any applicable studies that have been performed, as available.
2) A statement setting forth the detailed calculation of the DCR, DRLS, DSMI, DBA, DCCR, and DSMRC.

Each change in the DSMRC shall be placed into effect with bills rendered on and after the effective date of such change.

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**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2014-00372 dated June 30, 2015**

## Louisville Gas and Electric Company

**P.S.C. Electric No. 12, Original Sheet No. 86.3**

**Adjustment Clause** **DSM**

**Demand-Side Management Cost Recovery Mechanism**

The balance adjustment amounts determined on the basis of the above paragraphs (1)-(4) shall include interest applied to the monthly amounts, such interest to be calculated at a rate equal to the average of the "Three-Month Commercial Paper Rate" for the immediately preceding twelve-month period. The total of the balance adjustment amounts shall be divided by the expected kilowatt-hour sales for the upcoming twelve-month period to determine the DBA for such rate class. DSM balance adjustment amounts will be assigned for recovery purposes to the rate classes for which over- or under-recoveries of DSM amounts were realized.

**DCCR = DSM CAPITAL COST RECOVERY**

The DCCR component is the means by which the Company recovers its capital investments made for DSM programs, as well as an approved rate of return on such capital investments. The Company calculates the DCCR component as follows:

DCCR = [(RB) (ROR + (ROR – DR) (TR / (1 – TR))] + OE

a. RB is the total rate base for DCCR projects.
b. ROR is the overall rate of return on DSM Rate Base (RB).
c. DR is the composite debt rate (i.e., the cost of short- and long-term debt) embedded in ROR.
d. TR is the composite federal and state income tax rate that applies to the equity return component of ROR.
e. OE is the sum of the capital-related operating expenses (i.e., depreciation and amortization expense, property taxes, and insurance expense) of the DSM projects to which DCCR applies.

The Company then allocates the DCCR component to the rate class(es) benefitting from the Company's various DSM-related capital investment(s).

**CHANGES TO DSMRC**

Modifications to components of the DSMRC shall be made at least thirty (30) days prior to the effective period for billing. Each filing shall include the following information as applicable:

1. A detailed description of each DSM program developed by the collaborative process, the total cost of each program over the twelve-month period, an analysis of expected resource savings, information concerning the specific DSM or efficiency measures to be installed, and any applicable studies that have been performed, as available.
2. A statement setting forth the detailed calculation of the DCR, DRLS, DSMI, DBA, DCCR, and DSMRC.

Each change in the DSMRC shall be placed into effect with bills rendered on and after the effective date of such change.

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**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2014-00372 dated June 30, 2015**

## Louisville Gas and Electric Company

**P.S.C. Electric No. 11, First Revision of Original Sheet No. 86.4**
**Cancelling P.S.C. Electric No. 11, Original Sheet No. 86.4**

**Adjustment Clause** **DSM**
**Demand-Side Management Cost Recovery Mechanism**

PROGRAMMATIC CUSTOMER CHARGES

**Residential Customer Program Participation Incentives:**
The following Demand Side Management programs are available to residential customers receiving service from the Company on the RS, RTOD-Energy, RTOD-Demand, and VFD Standard Electric Rate Schedules.

**Residential Load Management / Demand Conservation**
The Residential Load Management / Demand Conservation Program employs switches in homes to help reduce the demand for electricity during peak times. The program communicates with the switches to cycle central air conditioning units, heat pumps, electric water heaters, and pool pumps off and on through a predetermined sequence. This program has an approved flexible incentive structure. The current program offering is defined on Sheet No 86.8.

**Residential Conservation / Home Energy Performance Program**
The on-site audit offers a comprehensive audit from a certified auditor and incentives for residential customers to support the implementation of energy saving measures for a fee of $25. For on-site audits conducted prior to April 1, 2018, customers are eligible for N
incentives of $150 or $1,000 based on customer purchased and installed energy efficiency measures and validated through a follow-up test. The follow-up test must be N
scheduled by September 1, 2018. No follow-up tests or incentives will be available N
related to on-site audits conducted on or after April 1, 2018. N

**Residential Low Income Weatherization Program (WeCare)**
The Residential Low Income Weatherization Program (WeCare) is an education and weatherization program designed to reduce energy consumption of LG&E's low-income customers. The program provides energy audits, energy education, and blower door tests, and installs weatherization and energy conservation measures. Qualified customers could receive energy conservation measures ranging from $0 to $2,100 based upon the customer's most recent twelve-month energy usage and results of an energy audit.

**Smart Energy Profile**
The Smart Energy Profile Program provides a portion of LG&E's highest consuming residential customers with a customized report of tips, tools and energy efficiency programming recommendations based on individual household energy consumption. These reports are benchmarked against similar local properties. The report will help the customer understand and make better informed choices as it relates to energy usage and the associated costs. Information presented in the report will include a comparison of the customer's energy usage to that of similar houses (collectively) and a comparison to the customer's own energy usage in the prior year. The Company will cease offering N
this program effective April 1, 2018. N

**DATE OF ISSUE**: November 29, 2017

**DATE EFFECTIVE:** January 1, 2018

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

## Louisville Gas and Electric Company

**P.S.C. Electric No. 12, Original Sheet No. 86.4**

**Adjustment Clause** **DSM**
**Demand-Side Management Cost Recovery Mechanism**

PROGRAMMATIC CUSTOMER CHARGES

**Residential Customer Program Participation Incentives:**
The following Demand Side Management programs are available to residential customers receiving service from the Company on the RS, RTOD-Energy, RTOD-Demand, and VFD Standard Electric Rate Schedules.

**Residential Load Management / Demand Conservation**
The Residential Load Management / Demand Conservation Program employs switches in homes to help reduce the demand for electricity during peak times. The program communicates with the switches to cycle central air conditioning units, heat pumps, electric water heaters, and pool pumps off and on through a predetermined sequence. This program has an approved flexible incentive structure. The current program offering is defined on Sheet No 86.8.

**Residential Conservation / Home Energy Performance Program**
The on-site audit offers a comprehensive audit from a certified auditor and incentives for residential customers to support the implementation of energy saving measures for a fee of $25. For on-site audits conducted prior to April 1, 2018, customers are eligible for incentives of $150 or $1,000 based on customer purchased and installed energy efficiency measures and validated through a follow-up test. The follow-up test must be scheduled by September 1, 2018. No follow-up tests or incentives will be available related to on-site audits conducted on or after April 1, 2018.

**Residential Low Income Weatherization Program (WeCare)**
The Residential Low Income Weatherization Program (WeCare) is an education and weatherization program designed to reduce energy consumption of LG&E's low-income customers. The program provides energy audits, energy education, and blower door tests, and installs weatherization and energy conservation measures. Qualified customers could receive energy conservation measures ranging from $0 to $2,100 based upon the customer's most recent twelve-month energy usage and results of an energy audit.

**Smart Energy Profile**
The Smart Energy Profile Program provides a portion of LG&E's highest consuming residential customers with a customized report of tips, tools and energy efficiency programming recommendations based on individual household energy consumption. These reports are benchmarked against similar local properties. The report will help the customer understand and make better informed choices as it relates to energy usage and the associated costs. Information presented in the report will include a comparison of the customer's energy usage to that of similar houses (collectively) and a comparison to the customer's own energy usage in the prior year. The Company will cease offering this program effective April 1, 2018.

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**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

## Louisville Gas and Electric Company

**P.S.C. Electric No. 11, First Revision of Original Sheet No. 86.5**
**Cancelling P.S.C. Electric No. 11, Original Sheet No. 86.5**

**Adjustment Clause** **DSM**

**Demand-Side Management Cost Recovery Mechanism**

### Residential Incentives Program

The Residential Incentives Program encourages customers to purchase and install various ENERGY STAR® appliances, HVAC equipment, or window films that meet certain requirements, qualifying them for an incentive as noted in the table below. The Company will cease offering this program effective April 1, 2018. All incentives will go to $0 at that time. A customer desiring an incentive must purchase a qualified item and request an application from the Company prior to April 1, 2018. All incentive applications, including proofs of purchase, must be received by September 1, 2018. N

| Category | Item | Incentive |
|---|---|---|
| Appliances | Heat Pump Water Heaters (HPWH) | $300 per qualifying item purchased |
| | Washing Machine | $75 per qualifying item purchased |
| | Refrigerator | $100 per qualifying item purchased |
| | Freezer | $50 per qualifying item purchased |
| | Dishwasher | $50 per qualifying item purchased |
| Window Film | Window Film | Up to 50% of materials cost only; max of $200 per customer account; product must meet applicable criteria. |
| HVAC | Central Air Conditioner | $100 per Energy Star item purchased plus an additional $100 per SEER improvement above minimum |
| | Electric Air-Source Heat Pump | $100 per Energy Star item purchased plus additional $100 per SEER improvement above minimum |

### Residential Refrigerator Removal Program

The Residential Refrigerator Removal Program is designed to provide removal and recycling of working, inefficient secondary refrigerators and freezers from LG&E customer households. Customers participating in this program will be provided a one-time incentive. This program has an approved flexible incentive structure. The current program offering is defined on Sheet No 86.8.

### Customer Education and Public Information

This program helps customers make sound energy-use decisions, increase control over energy bills and empower them to actively manage their energy usage. Customer Education and Public Information is accomplished through three processes: a mass-media campaign, an elementary- and middle-school program, and training for home construction professionals. The mass media campaign includes public-service advertisements that encourage customers to implement steps to reduce their energy usage. The elementary and middle school program provides professional development and innovative materials to K-8 schools to teach concepts such as basic energy and energy efficiency concepts. The training for home construction professionals provides education about new building codes, standards and energy efficient construction practices which support high performance residential construction.

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State Regulation and Rates
Louisville, Kentucky

## Louisville Gas and Electric Company

**P.S.C. Electric No. 12, Original Sheet No. 86.5**

**Adjustment Clause** **DSM**

**Demand-Side Management Cost Recovery Mechanism**

### Residential Incentives Program

The Residential Incentives Program encourages customers to purchase and install various ENERGY STAR® appliances, HVAC equipment, or window films that meet certain requirements, qualifying them for an incentive as noted in the table below. The Company will cease offering this program effective April 1, 2018. All incentives will go to $0 at that time. A customer desiring an incentive must purchase a qualified item and request an application from the Company prior to April 1, 2018. All incentive applications, including proofs of purchase, must be received by September 1, 2018.

| Category | Item | Incentive |
|---|---|---|
| Appliances | Heat Pump Water Heaters (HPWH) | $300 per qualifying item purchased |
| | Washing Machine | $75 per qualifying item purchased |
| | Refrigerator | $100 per qualifying item purchased |
| | Freezer | $50 per qualifying item purchased |
| | Dishwasher | $50 per qualifying item purchased |
| Window Film | Window Film | Up to 50% of materials cost only; max of $200 per customer account; product must meet applicable criteria. |
| HVAC | Central Air Conditioner | $100 per Energy Star item purchased plus an additional $100 per SEER improvement above minimum |
| | Electric Air-Source Heat Pump | $100 per Energy Star item purchased plus additional $100 per SEER improvement above minimum |

### Residential Refrigerator Removal Program

The Residential Refrigerator Removal Program is designed to provide removal and recycling of working, inefficient secondary refrigerators and freezers from LG&E customer households. Customers participating in this program will be provided a one-time incentive. This program has an approved flexible incentive structure. The current program offering is defined on Sheet No 86.8.

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This program helps customers make sound energy-use decisions, increase control over energy bills and empower them to actively manage their energy usage. Customer Education and Public Information is accomplished through three processes: a mass-media campaign, an elementary- and middle-school program, and training for home construction professionals. The mass media campaign includes public-service advertisements that encourage customers to implement steps to reduce their energy usage. The elementary and middle school program provides professional development and innovative materials to K-8 schools to teach concepts such as basic energy and energy efficiency concepts. The training for home construction professionals provides education about new building codes, standards and energy efficient construction practices which support high performance residential construction.

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State Regulation and Rates
Louisville, Kentucky

## Louisville Gas and Electric Company

**P.S.C. Electric No. 11, First Revision of Original Sheet No. 86.6**
**Cancelling P.S.C. Electric No. 11, Original Sheet No. 86.6**

**Adjustment Clause** **DSM**
**Demand-Side Management Cost Recovery Mechanism**

**Residential Advanced Metering Systems Incentives:**
The following Demand Side Management offering is available to residential customers receiving service from the Company on the RS Rate Schedule.

**Advanced Metering Systems**
The Advanced Metering Systems offering is designed to provide energy consumption data to customers on a more frequent basis than is traditionally available through monthly billing. The Program employs advanced meters to communicate hourly consumption data to customers through a website.

**Commercial Customer Program Participation Incentives:**
The following Demand Side Management programs are available to commercial customers receiving service from the Company on the GS, PS, TODS, TODP, RTS, SPS, STOD, and OSL Standard Electric Rate Schedules.

**Commercial Load Management / Demand Conservation**
The Commercial Load Management / Demand Conservation Program employs switches or interfaces to customer equipment in small and large commercial businesses to help reduce the demand for electricity during peak times. The Program communicates with the switches or interface to cycle equipment. This program has an approved flexible incentive structure. The current program offering is defined on Sheet No. 86.9.

**Commercial Conservation / Commercial Incentives**
The Commercial Conservation / Commercial Incentive Program is designed to increase the implementation of energy efficiency measures by providing financial incentives to assist with the replacement of aging and less efficient equipment and for new construction built beyond code requirements. The Program also offers an online tool providing recommendations for energy-efficiency improvements. Incentives available to all commercial customers are based upon a $100 per kW removed for calculated efficiency improvements completed by N
March 31, 2018. Effective April 1, 2018, the incentives will be based upon a $0.03 per kWh N
of energy saved for calculated efficiency improvements. A prescriptive list provides N
customers with incentive values for various efficiency improvement projects. Additionally, a custom rebate is available based upon company engineering validation of sustainable energy savings. New construction rebates are available on savings over code plus bonus T
rebates for LEED certification.

- Maximum annual incentive per facility is $50,000
- Customers can receive multi-year incentives in a single year where such multi-year incentives do not exceed the aggregate of $100,000 per facility and no incentive was provided in the immediately preceding year
- Applicable for combined Prescriptive, Custom, and New Construction Rebates

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**DATE EFFECTIVE:** January 1, 2018

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

## Louisville Gas and Electric Company

**P.S.C. Electric No. 12, Original Sheet No. 86.6**

**Adjustment Clause** **DSM**
**Demand-Side Management Cost Recovery Mechanism**

**Residential Advanced Metering Systems Incentives:**
The following Demand Side Management offering is available to residential customers receiving service from the Company on the RS Rate Schedule.

**Advanced Metering Systems**
The Advanced Metering Systems offering is designed to provide energy consumption data to customers on a more frequent basis than is traditionally available through monthly billing. The Program employs advanced meters to communicate hourly consumption data to customers through a website.

**Commercial Customer Program Participation Incentives:**
The following Demand Side Management programs are available to commercial customers receiving service from the Company on the GS, PS, TODS, TODP, RTS, and OSL Standard Electric T
Rate Schedules.

**Commercial Load Management / Demand Conservation**
The Commercial Load Management / Demand Conservation Program employs switches or interfaces to customer equipment in small and large commercial businesses to help reduce the demand for electricity during peak times. The Program communicates with the switches or interface to cycle equipment. This program has an approved flexible incentive structure. The current program offering is defined on Sheet No. 86.9.

**Commercial Conservation / Commercial Incentives**
The Commercial Conservation / Commercial Incentive Program is designed to increase the implementation of energy efficiency measures by providing financial incentives to assist with the replacement of aging and less efficient equipment and for new construction built beyond code requirements. The Program also offers an online tool providing recommendations for energy-efficiency improvements. Incentives available to all commercial customers are based upon a $100 per kW removed for calculated efficiency improvements completed by March 31, 2018. Effective April 1, 2018, the incentives will be based upon a $0.03 per kWh of energy saved for calculated efficiency improvements. A prescriptive list provides customers with incentive values for various efficiency improvement projects. Additionally, a custom rebate is available based upon company engineering validation of sustainable energy savings. New construction rebates are available on savings over code plus bonus rebates for LEED certification.

- Maximum annual incentive per facility is $50,000
- Customers can receive multi-year incentives in a single year where such multi-year incentives do not exceed the aggregate of $100,000 per facility and no incentive was provided in the immediately preceding year
- Applicable for combined Prescriptive, Custom, and New Construction Rebates

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**DATE EFFECTIVE:** With Service Rendered
On and After November 1, 2018

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the**
**Public Service Commission in Case No.**
**2018-00295 dated ____**

## Louisville Gas and Electric Company

**P.S.C. Electric No. 11, Original Sheet No. 86.7**

**Adjustment Clause** **DSM**

**Demand-Side Management Cost Recovery Mechanism**

**Customer Education and Public Information**

This program helps customers make sound energy-use decisions, increase control over energy bills and empower them to actively manage their energy usage. Customer Education and Public Information is accomplished through three processes: a mass-media campaign and an elementary- and middle-school program, and training for home construction professionals. The mass media campaign includes public-service advertisements that encourage customers to implement steps to reduce their energy usage. The elementary and middle school program provides professional development and innovative materials to K-8 schools to teach concepts such as basic energy and energy efficiency concepts. The training for home construction professionals provides education about new building codes, standards and energy efficient construction practices which support high performance residential construction.

**School Energy Management Program**

The School Energy Management program will facilitate the hiring and retention of qualified, trained energy specialists by public school districts to support facilitation of energy efficiency measures for public and independent schools under KRS 160.325.

**Commercial Advanced Metering Systems Incentives:**

The following Demand Side Management offering is available to residential customers receiving service from the Company on the GS Rate Schedule.

**Advanced Metering Systems**

The Advanced Metering Systems offering is designed to provide energy consumption data to customers on a more frequent basis than is traditionally available through monthly billing. The Program employs advanced meters to communicate hourly consumption data to customers through a website.

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State Regulation and Rates
Louisville, Kentucky

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## Louisville Gas and Electric Company

**P.S.C. Electric No. 12, Original Sheet No. 86.7**

**Adjustment Clause** **DSM**

**Demand-Side Management Cost Recovery Mechanism**

**Customer Education and Public Information**

This program helps customers make sound energy-use decisions, increase control over energy bills and empower them to actively manage their energy usage. Customer Education and Public Information is accomplished through three processes: a mass-media campaign and an elementary- and middle-school program, and training for home construction professionals. The mass media campaign includes public-service advertisements that encourage customers to implement steps to reduce their energy usage. The elementary and middle school program provides professional development and innovative materials to K-8 schools to teach concepts such as basic energy and energy efficiency concepts. The training for home construction professionals provides education about new building codes, standards and energy efficient construction practices which support high performance residential construction.

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**Commercial Advanced Metering Systems Incentives:**

The following Demand Side Management offering is available to residential customers receiving service from the Company on the GS Rate Schedule.

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The Advanced Metering Systems offering is designed to provide energy consumption data to customers on a more frequent basis than is traditionally available through monthly billing. The Program employs advanced meters to communicate hourly consumption data to customers through a website.

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State Regulation and Rates
Louisville, Kentucky

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## Louisville Gas and Electric Company

**P.S.C. Electric No. 11, First Revision of Original Sheet No. 86.8**
**Cancelling P.S.C. Electric No. 11, Original Sheet No. 86.8**

**Adjustment Clause** **DSM**
**Demand-Side Management Cost Recovery Mechanism**

**Current Program Incentive Structures**

**Residential Load Management / Demand Conservation**
**Switch Option:**

- $3/month bill credit for June, July, August, and September per air conditioning unit or heat pump on single family home. R
- $2/month bill credit for June, July, August, and September per electric water heater (40 gallon minimum) or swimming pool pump on single family home.

D

**Multi-family Option:**

- Tenant - $2/month bill credit per customer for June, July, August, and September per air conditioning unit or heat pump. T/D

D

**Residential Refrigerator Removal Program**
The program provides $50 per working refrigerator or freezer.

**DATE OF ISSUE**: November 29, 2017

**DATE EFFECTIVE:** January 1, 2018

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

## Louisville Gas and Electric Company

**P.S.C. Electric No. 12, Original Sheet No. 86.8**

**Adjustment Clause** **DSM**
**Demand-Side Management Cost Recovery Mechanism**

**Current Program Incentive Structures**

**Residential Load Management / Demand Conservation**
**Switch Option:**

- $3/month bill credit for June, July, August, and September per air conditioning unit or heat pump on single family home.
- $2/month bill credit for June, July, August, and September per electric water heater (40 gallon minimum) or swimming pool pump on single family home.

**Multi-family Option:**

- Tenant - $2/month bill credit per customer for June, July, August, and September per air conditioning unit or heat pump.

**Residential Refrigerator Removal Program**
The program provides $50 per working refrigerator or freezer.

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State Regulation and Rates
Louisville, Kentucky

**Louisville Gas and Electric Company**

**P.S.C. Electric No. 11, First Revision of Original Sheet No. 86.9**
**Cancelling P.S.C. Electric No. 11, Original Sheet No. 86.9**

**Adjustment Clause** **DSM**
**Demand-Side Management Cost Recovery Mechanism**

**Commercial Load Management / Demand Conservation**

**Switch Option**

- $3 per month bill credit for June, July, August, and September for air conditioning units up to 5 tons. R D D

**Customer Equipment Interface Option**

The Company will offer a Load Management / Demand Response program tailored to a commercial customer's ability to reduce load. Program participants must commit to a minimum of 50 kW demand reduction per control event.

- $15 per kW for verified load reduction during June, July, August, and September. R
- The customer will have access to at least hourly load data for every month of the year which they remain enrolled in the program.
- Additional customer charges may be incurred for metering equipment necessary for this program at costs under other tariffs.

**DATE OF ISSUE**: November 29, 2017

**DATE EFFECTIVE:** January 1, 2018

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Louisville Gas and Electric Company**

**P.S.C. Electric No. 12, Original Sheet No. 86.9**

**Adjustment Clause** **DSM**
**Demand-Side Management Cost Recovery Mechanism**

**Commercial Load Management / Demand Conservation**

**Switch Option**

- $3 per month bill credit for June, July, August, and September for air conditioning units up to 5 tons.

**Customer Equipment Interface Option**

The Company will offer a Load Management / Demand Response program tailored to a commercial customer's ability to reduce load. Program participants must commit to a minimum of 50 kW demand reduction per control event.

- $15 per kW for verified load reduction during June, July, August, and September.
- The customer will have access to at least hourly load data for every month of the year which they remain enrolled in the program.
- Additional customer charges may be incurred for metering equipment necessary for this program at costs under other tariffs.

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On and After January 1, 2018

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

## Louisville Gas and Electric Company

**P.S.C. Electric No. 11, Second Revision of Original Sheet No. 86.10**
**Canceling P.S.C. Electric No. 11, First Revision of Original Sheet No. 86.10**

**Adjustment Clause** **DSM**
**Demand-Side Management Cost Recovery Mechanism**

**Monthly Adjustment Factors**

| Residential Service Rate RS, Residential Time-of-Day Energy Service Rate RTOD-Energy, Residential Time-of-Day Demand Service Rate RTOD-Demand and Volunteer Fire Department Service Rate VFD | Energy Charge | |
|---|---|---|
| DSM Cost Recovery Component (DCR) | $ 0.00131 per kWh | |
| DSM Revenues from Lost Sales (DRLS) | $ 0.00013 per kWh | |
| DSM Incentive (DSMI) | $ 0.00001 per kWh | |
| DSM Capital Cost Recovery Component (DCCR) | $ 0.00102 per kWh | R |
| DSM Balance Adjustment (DBA) | $ 0.00007 per kWh | I |
| Total DSMRC for Rates RS, RTOD-Energy, RTOD-Demand, and VFD | $ 0.00254 per kWh | I |

| General Service Rate GS* | Energy Charge | |
|---|---|---|
| DSM Cost Recovery Component (DCR) | $ 0.00090 per kWh | |
| DSM Revenues from Lost Sales (DRLS) | $ 0.00034 per kWh | |
| DSM Incentive (DSMI) | $ 0.00001 per kWh | |
| DSM Capital Cost Recovery Component (DCCR) | $ 0.00015 per kWh | |
| DSM Balance Adjustment (DBA) | $ 0.00009 per kWh | R |
| Total DSMRC for Rate GS | $ 0.00149 per kWh | R |

| Power Service Rate PS* and School Power Service Rate SPS* | Energy Charge | |
|---|---|---|
| DSM Cost Recovery Component (DCR) | $ 0.00036 per kWh | |
| DSM Revenues from Lost Sales (DRLS) | $ 0.00014 per kWh | |
| DSM Incentive (DSMI) | $ 0.00000 per kWh | |
| DSM Capital Cost Recovery Component (DCCR) | $ 0.00031 per kWh | R |
| DSM Balance Adjustment (DBA) | $ (0.00012) per kWh | R |
| Total DSMRC for Rates PS and SPS | $ 0.00069 per kWh | R |

| Time-of-Day Secondary Service Rate TODS*, Time-of-Day Primary Service Rate TODP*, Retail Transmission Service Rate RTS*, School Time-of-Day Service Rate STOD, and Outdoor Sports Lighting Service Rate OSL | Energy Charge | |
|---|---|---|
| DSM Cost Recovery Component (DCR) | $ 0.00014 per kWh | |
| DSM Revenues from Lost Sales (DRLS) | $ 0.00004 per kWh | |
| DSM Incentive (DSMI) | $ 0.00000 per kWh | |
| DSM Capital Cost Recovery Component (DCCR) | $ 0.00003 per kWh | |
| DSM Balance Adjustment (DBA) | $ (0.00006) per kWh | R |
| Total DSMRC for Rates TODS, TODP, RTS, STOD, and OSL | $ 0.00015 per kWh | R |

* These charges do not apply to industrial customers taking service under these rates because the Company currently does not offer industrial DSM programs.

**DATE OF ISSUE**: February 28, 2018

**DATE EFFECTIVE:** April 1, 2018

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

## Louisville Gas and Electric Company

**P.S.C. Electric No. 12, Original Sheet No. 86.10**

**Adjustment Clause** **DSM**
**Demand-Side Management Cost Recovery Mechanism**

**Monthly Adjustment Factors**

| Residential Service Rate RS, Residential Time-of-Day Energy Service Rate RTOD-Energy, Residential Time-of-Day Demand Service Rate RTOD-Demand and Volunteer Fire Department Service Rate VFD | Energy Charge | |
|---|---|---|
| DSM Cost Recovery Component (DCR) | $ 0.00131 per kWh | |
| DSM Revenues from Lost Sales (DRLS) | $ 0.00013 per kWh | |
| DSM Incentive (DSMI) | $ 0.00001 per kWh | |
| DSM Capital Cost Recovery Component (DCCR) | $ 0.00102 per kWh | |
| DSM Balance Adjustment (DBA) | $ 0.00007 per kWh | |
| Total DSMRC for Rates RS, RTOD-Energy, RTOD-Demand, and VFD | $ 0.00254 per kWh | |

| General Service Rate GS* | Energy Charge | |
|---|---|---|
| DSM Cost Recovery Component (DCR) | $ 0.00090 per kWh | |
| DSM Revenues from Lost Sales (DRLS) | $ 0.00034 per kWh | |
| DSM Incentive (DSMI) | $ 0.00001 per kWh | |
| DSM Capital Cost Recovery Component (DCCR) | $ 0.00015 per kWh | |
| DSM Balance Adjustment (DBA) | $ 0.00009 per kWh | |
| Total DSMRC for Rate GS | $ 0.00149 per kWh | |

| Power Service Rate PS* | Energy Charge | T |
|---|---|---|
| DSM Cost Recovery Component (DCR) | $ 0.00036 per kWh | |
| DSM Revenues from Lost Sales (DRLS) | $ 0.00014 per kWh | |
| DSM Incentive (DSMI) | $ 0.00000 per kWh | |
| DSM Capital Cost Recovery Component (DCCR) | $ 0.00031 per kWh | |
| DSM Balance Adjustment (DBA) | $ (0.00012) per kWh | |
| Total DSMRC for Rates PS | $ 0.00069 per kWh | T |

| Time-of-Day Secondary Service Rate TODS*, Time-of-Day Primary Service Rate TODP*, Retail Transmission Service Rate RTS*, and Outdoor Sports Lighting Service Rate OSL | Energy Charge | T T |
|---|---|---|
| DSM Cost Recovery Component (DCR) | $ 0.00014 per kWh | |
| DSM Revenues from Lost Sales (DRLS) | $ 0.00004 per kWh | |
| DSM Incentive (DSMI) | $ 0.00000 per kWh | |
| DSM Capital Cost Recovery Component (DCCR) | $ 0.00003 per kWh | |
| DSM Balance Adjustment (DBA) | $ (0.00006) per kWh | |
| Total DSMRC for Rates TODS, TODP, RTS, and OSL | $ 0.00015 per kWh | T |

* These charges do not apply to industrial customers taking service under these rates because the Company currently does not offer industrial DSM programs.

**DATE OF ISSUE**: September 28, 2018

**DATE EFFECTIVE:** With Service Rendered
On and After November 1, 2018

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00295 dated ____**

## Louisville Gas and Electric Company

**P.S.C. Electric No. 11, Original Sheet No. 87**

**Adjustment Clause** **ECR**

**Environmental Cost Recovery Surcharge**

**APPLICABLE**

In all territory served.

**AVAILABILITY OF SERVICE**

This schedule is mandatory to all Standard Electric Rate Schedules listed in Section 1 of the General Index except PSA and Special Charges, all Pilot Programs listed in Section 3 of the General Index, and the FAC (including the Off-System Sales Tracker) and DSM Adjustment Clauses. Standard Electric Rate Schedules subject to this schedule are divided into Group 1 or Group 2 as follows: T

Group 1: Rate Schedules RS; RTOD-Energy; RTOD-Demand; VFD; LS; RLS; LE; and TE.

Group 2: Rate Schedules GS; PS; TODS; TODP; RTS; FLS; EVSE; EVC; SPS; STOD; and OSL. T T

**RATE**

The monthly billing amount under each of the schedules to which this mechanism is applicable, shall be increased or decreased by a percentage factor calculated in accordance with the following formula.

Group Environmental Surcharge Billing Factor = Group E(m) / Group R(m)

As set forth below, Group E(m) is the sum of Jurisdictional E(m) of each approved environmental compliance plan revenue requirement of environmental compliance costs for the current expense month allocated to each of Group 1 and Group 2. Group R(m) for Group 1 is the 12-month average revenue for the current expense month and for Group 2 it is the 12-month average non-fuel revenue for the current expense month.

**DEFINITIONS**

1) For all Plans, E(m) = [(RB/12) (ROR + (ROR – DR) (TR / (1 – TR))] + OE – EAS + BR
   a) RB is the Total Environmental Compliance Rate Base.
   b) ROR is the Rate of Return on Environmental Compliance Rate Base, designated as the overall rate of return [cost of short-term debt, long-term debt, preferred stock, and common equity].
   c) DR is the Debt Rate [cost of short-term debt and long-term debt].
   d) TR is the Composite Federal and State Income Tax Rate.
   e) OE is the Operating Expenses. OE includes operation and maintenance expense recovery authorized by the K.P.S.C. in all approved ECR Plan proceedings.
   f) EAS is the total proceeds from emission allowance sales.
   g) BR is the operation and maintenance expenses, and/or revenues if applicable, associated with Beneficial Reuse.
   h) Plans are the environmental surcharge compliance plans submitted to and approved by the Kentucky Public Service Commission pursuant to KRS 278.183.

**DATE OF ISSUE**: July 7, 2017

**DATE EFFECTIVE:** July 1, 2017

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2016-00371 dated June 22, 2017 and modified June 29, 2017**

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## Louisville Gas and Electric Company

**P.S.C. Electric No. 12, Original Sheet No. 87**

**Adjustment Clause** **ECR**

**Environmental Cost Recovery Surcharge**

**APPLICABLE**

In all territory served.

**AVAILABILITY** T

This schedule is mandatory to all rate schedules listed in Section 1 of the General Index except Rate PSA and Special Charges, all Pilot Programs listed in Section 3 of the General Index, and the FAC (including OSS) and DSM Adjustment Clauses. Rate schedules subject to this adjustment clause are divided into Group 1 or Group 2 as follows: T T T T T

Group 1: Rates RS; RTOD-Energy; RTOD-Demand; VFD; LS; RLS; LE; and TE. T

Group 2: Rates GS; PS; TODS; TODP; RTS; FLS; EVSE; EVC; and OSL. T

**RATE**

The monthly billing amount under each of the schedules to which this mechanism is applicable, shall be increased or decreased by a percentage factor calculated in accordance with the following formula.

Group Environmental Surcharge Billing Factor = Group E(m) / Group R(m)

As set forth below, Group E(m) is the sum of Jurisdictional E(m) of each approved environmental compliance plan revenue requirement of environmental compliance costs for the current expense month allocated to each of Group 1 and Group 2. Group R(m) for Group 1 is the twelve (12) month average revenue for the current expense month and for Group 2 it is the twelve (12) month average non-fuel revenue for the current expense month. T T

**DEFINITIONS**

1. For all Plans, E(m) = [(RB/12) (ROR + (ROR – DR) (TR / (1 – TR))] + OE – EAS + BR
   a. RB is the Total Environmental Compliance Rate Base.
   b. ROR is the Rate of Return on Environmental Compliance Rate Base, designated as the overall rate of return [cost of short-term debt, long-term debt, preferred stock, and common equity].
   c. DR is the Debt Rate [cost of short-term debt and long-term debt].
   d. TR is the Composite Federal and State Income Tax Rate.
   e. OE is the Operating Expenses. OE includes operation and maintenance expense recovery authorized by the K.P.S.C. in all approved ECR Plan proceedings.
   f. EAS is the total proceeds from emission allowance sales.
   g. BR is the operation and maintenance expenses, and/or revenues if applicable, associated with Beneficial Reuse.
   h. Plans are the environmental surcharge compliance plans submitted to and approved by the Kentucky Public Service Commission pursuant to KRS 278.183.

**DATE OF ISSUE**: September 28, 2018

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**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

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## Louisville Gas and Electric Company

**P.S.C. Electric No. 11, Original Sheet No. 87.1**

**Adjustment Clause** **ECR**
**Environmental Cost Recovery Surcharge**

**DEFINITIONS (continued)**

2) Total E(m) (sum of each approved environmental compliance plan revenue requirement) is multiplied by the Jurisdictional Allocation Factor. Jurisdictional E(m) is adjusted for any (Over)/Under collection or prior period adjustment and by the subtraction of the Revenue Collected through Base Rates for the Current Expense month to arrive at Adjusted Net Jurisdictional E(m). Adjusted Net Jurisdictional E(m) is allocated to Group 1 and Group 2 on the basis of Revenue as a Percentage of Total Revenue for the 12 months ending with the Current Month to arrive at Group 1 E(m) and Group 2 E(m).

3) The Group 1 R(m) is the average of total Group 1 monthly base revenue for the 12 months ending with the current expense month. Base revenue includes the customer, energy, and lighting charges for each rate schedule included in Group 1 to which this mechanism is applicable and automatic adjustment clause revenues for the Fuel Adjustment Clause and the Demand-Side Management Cost Recovery Mechanism as applicable for each rate schedule in Group 1.

4) The Group 2 R(m) is the average of total Group 2 monthly base non-fuel revenue for the 12 months ending with the current expense month. Base non-fuel revenue includes the customer, non-fuel energy, and demand charges for each rate schedule included in Group 2 to which this mechanism is applicable and automatic adjustment clause revenues for the Demand-Side Management Cost Recovery Mechanism as applicable for each rate schedule in Group 2. Non-fuel energy is equal to the tariff energy rate for each rate schedule included in Group 2 less the base fuel factor as defined on Sheet No. 85.1, Paragraph 6.

5) Current expense month (m) shall be the second month preceding the month in which the Environmental Surcharge is billed.

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**DATE EFFECTIVE:** August 31, 2016

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

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## Louisville Gas and Electric Company

**P.S.C. Electric No. 12, Original Sheet No. 87.1**

**Adjustment Clause** **ECR**
**Environmental Cost Recovery Surcharge**

**DEFINITIONS (continued)**

2. Total E(m) (sum of each approved environmental compliance plan revenue requirement) is multiplied by the Jurisdictional Allocation Factor. Jurisdictional E(m) is adjusted for any (Over)/Under collection or prior period adjustment and by the subtraction of the Revenue Collected through Base Rates for the Current Expense month to arrive at Adjusted Net Jurisdictional E(m). Adjusted Net Jurisdictional E(m) is allocated to Group 1 and Group 2 on the basis of Revenue as a Percentage of Total Revenue for the twelve (12) months ending with T the Current Month to arrive at Group 1 E(m) and Group 2 E(m).

3. The Group 1 R(m) is the average of total Group 1 monthly base revenue for the twelve (12) T months ending with the current expense month. Base revenue includes Customer, energy, and T lighting charges for each rate schedule included in Group 1 to which this mechanism is applicable and automatic adjustment clause revenues for the Fuel Adjustment Clause and the Demand-Side Management Cost Recovery Mechanism as applicable for each rate schedule in Group 1.

4. The Group 2 R(m) is the average of total Group 2 monthly base non-fuel revenue for the twelve T (12) months ending with the current expense month. Base non-fuel revenue includes T Customer, non-fuel energy, and demand charges for each rate schedule included in Group 2 T to which this mechanism is applicable and automatic adjustment clause revenues for the Demand-Side Management Cost Recovery Mechanism as applicable for each rate schedule in Group 2. Non-fuel energy is equal to the tariff energy rate for each rate schedule included in Group 2 less the base fuel factor as defined on Sheet No. 85.1, Paragraph 6.

5. Current expense month (m) shall be the second month preceding the month in which the Environmental Surcharge is billed.

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State Regulation and Rates
Louisville, Kentucky

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## Louisville Gas and Electric Company

**P.S.C. Electric No. 11, Original Sheet No. 88**

**Adjustment Clause** **OSS**

**Off-System Sales Adjustment Clause**

**APPLICABLE**.
In all territory served.

**AVAILABILITY OF SERVICE**
This schedule is mandatory to all electric rate schedules that are subject to the Fuel Adjustment Clause.

**RATE**
The monthly OSS Adjustment Factor per kWh delivered under each of the schedules to which this mechanism is applicable shall be calculated in accordance with the following formula:

OSS Adjustment Factor = 0.75 x [(P(m) / S(m)]

Where "P" is the net eligible margins from off-system power sales and "S" is the kWh sales in the current period (m) as defined in 807 KAR 5:056. The OSS Adjustment Factor will be applied as set out below.

1) The monthly OSS Adjustment Factor will be combined with the monthly FAC factor and billed as one.

2) Current expense month (m) shall be the second month preceding the month in which the combined FAC and OSS factor is billed.

3) The combined monthly FAC and OSS factor shall be filed with the Commission ten (10) days before it is scheduled to go into effect, along with all the necessary supporting data to justify the amount of the adjustments, which shall include data and information as may be required by the Commission.

**DATE OF ISSUE**: July 7, 2017

**DATE EFFECTIVE:** July 1, 2015

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2014-00372 dated June 30, 2015**

## Louisville Gas and Electric Company

**P.S.C. Electric No. 12, Original Sheet No. 88**

**Adjustment Clause** **OSS**

**Off-System Sales Adjustment Clause**

**APPLICABLE**.
In all territory served.

**AVAILABILITY** T
Mandatory to all electric rate schedules that are subject to Adjustment Clause FAC. T

**RATE**

The monthly OSS Adjustment Factor per kWh delivered under each of the schedules to which this mechanism is applicable shall be calculated in accordance with the following formula:

OSS Adjustment Factor = 0.75 x [(P(m) / S(m)]

Where "P" is the net eligible margins from off-system power sales and "S" is the kWh sales in the current period (m) as defined in 807 KAR 5:056. The OSS Adjustment Factor will be applied as set out below.

1. The monthly OSS Adjustment Factor will be combined with the monthly FAC factor and billed as one.
2. Current expense month (m) shall be the second month preceding the month in which the combined FAC and OSS factor is billed.
3. The combined monthly FAC and OSS factor shall be filed with the Commission ten (10) days before it is scheduled to go into effect, along with all the necessary supporting data to justify the amount of the adjustments, which shall include data and information as may be required by the Commission.

**DATE OF ISSUE**: September 28, 2018

**DATE EFFECTIVE:** With Service Rendered
On and After November 1, 2018

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00295 dated ____**

## Louisville Gas and Electric Company

**P.S.C. Electric No. 11, Original Sheet No. 89** N

**Adjustment Clause** **TCJA**
**Tax Cuts and Jobs Act Surcredit**

**APPLICABLE**
In all territory served.

**AVAILABILITY OF SERVICE**
This schedule is mandatory to all Standard Rate Schedules listed in Sections 1 and 3 of the General Index except PSA and Special Charges.

**RATE**
The monthly billing amount computed under each of the rate schedules to which this surcredit is applicable shall decrease by the Tax Cuts and Jobs Act (TCJA) Surcredit. The TCJA Surcredit will be distributed to the Company's customers based on the following:

TCJA Surcredit per kWh:

| | |
|---|---|
| Residential (RS, RTOD-Energy, RTOD-Demand, VFD): | $0.00444 |
| Non-Residential (all other Rate Schedules): | $0.00344 |

**TERMS OF DISTRIBUTION**
(1) The TCJA Surcredit shall be applied to the customer's bill following the rates and charges for electric service, but before application of the Environmental Cost Recovery Surcharge, Franchise Fee Rider, School Tax, and Home Energy Assistance Program.

(2) The TCJA Surcredit shall be effective April 1, 2018 and continued through April 30, 2019 at the rates specified above.

(3) The TCJA Surcredit amounts listed on this page are interim amounts that are subject to change once the Public Service Commission issues a final decision in Case No. 2018-00034.

(4) In the event that the Company's base rates do not change on May 1, 2019, the TCJA Surcredit will continue at the following rates:

TCJA Surcredit per kWh:

| | |
|---|---|
| Residential (RS, RTOD-Energy, RTOD-Demand, VFD): | $0.00360 |
| Non-Residential (all other Rate Schedules): | $0.00280 |

(5) The TCJA Surcredit shall terminate when base rates are changed following an application requesting a change in base rates.

**DATE OF ISSUE**: April 5, 2018

**DATE EFFECTIVE:** April 1, 2018

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00034 dated March 20, 2018 and modified March 28, 2018**

Tax Cuts and Jobs Act Surcredit Adjustment Clause (TCJA) is being eliminated

## Louisville Gas and Electric Company

**P.S.C. Electric No. 11, Original Sheet No. 90**

**Adjustment Clause** **FF**

**Franchise Fee Rider**

**APPLICABLE**

In all territory served.

**AVAILABILITY OF SERVICE**

Available as an option for collection of revenues within governmental jurisdictions which impose on Company franchise fees, permitting fees, local taxes or other charges by ordinance, franchise, or other governmental directive and not otherwise collected in the charges of Company's base rate schedules.

**DEFINITIONS**

Base Year - the twelve-month period ending November 30.
Collection Year - the full calendar year following the Base Year.
Base Year Amount -

1) a percentage of revenues, as determined in the franchise agreement, for the Base Year; and
2) License fees, permit fees, or other costs specifically borne by Company for the purpose of maintaining the franchise as incurred in the Base Year and applicable specifically to Company by ordinance or franchise for operation and maintenance of its facilities in the franchise area, including but not limited to costs incurred by Company as a result of governmental regulation or directives requiring construction or installation of facilities beyond that normally provided by Company in accordance with applicable Rules and Regulations approved by and under the direction of the Kentucky Public Service Commission; and
3) any adjustment for over or under collection of revenues associated with the amounts in 1) or 2).

**RATE**

The franchise percentage will be calculated by dividing the Base Year amount by the total revenues in the Base Year for the franchise area. The franchise percentage will be monitored during the Collection Year and adjusted to recover the Base Year Amount in the Collection Year as closely as possible.

**BILLING**

1) The franchise charge will be applied exclusively to the base rate and all riders of bills of customers receiving service within the franchising governmental jurisdiction, before taxes.
2) The franchise charge will appear as a separate line item on the Customer's bill and show the unit of government requiring the franchise.
3) Payment of the collected franchise charges will be made to the governmental franchising body as agreed to in the franchise agreement.

**DATE OF ISSUE**: July 7, 2017

**DATE EFFECTIVE:** October 16, 2003

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2009-00549 dated July 30, 2010**

## Louisville Gas and Electric Company

**P.S.C. Electric No. 12, Original Sheet No. 90**

**Adjustment Clause** **FF**

**Franchise Fee** T

**APPLICABLE**

In all territory served.

**AVAILABILITY** T

Available as an option for collection of revenues within governmental jurisdictions which impose on Company franchise fees, permitting fees, local taxes or other charges by ordinance, franchise, or other governmental directive and not otherwise collected in the charges of Company's rate schedules. T

D

**BILLING**

a. The franchise charge will be applied exclusively to the base rate and all riders of bills of customers receiving service within the franchising governmental jurisdiction, before taxes. T
b. The franchise charge will appear as a separate line item on the Customer's bill and show the unit of government requiring the franchise. T
c. Payment of the collected franchise charges will be made to the governmental franchising body as agreed to in the franchise agreement. T
d. At its option, a government body imposing a franchise fee shall not be billed for that portion of a franchise fee, applied to services designated by the governmental body that would ultimately be repaid to the governmental body. T/N N N

**TERM OF CONTRACT**

As agreed to in the franchise agreement. Company will not calculate or collect any such fees, taxes, or charges pursuant to expired, lapsed, or otherwise invalid, ineffective or inapplicable ordinances, franchise agreements, or other governmental enactment. T T T

**DATE OF ISSUE**: September 28, 2018

**DATE EFFECTIVE:** With Service Rendered
On and After November 1, 2018

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00295 dated ____**

## Louisville Gas and Electric Company



**Adjustment Clause** **FF**
**Franchise Fee Rider**

**TERM OF CONTRACT**

As agreed to in the franchise agreement. In the event such franchise agreement should lapse but payment of franchise fees, other local taxes, or permitting fees paid by Company by ordinance, franchise, or other governmental directive should continue, collection shall continue under this tariff.

**TERMS AND CONDITIONS**

Service will be furnished in accordance with the provisions of the franchise agreement in so far as those provisions do not conflict with the Terms and Conditions applicable to Company approved by and under the direction of the Kentucky Public Service Commission.

**DATE OF ISSUE**: July 7, 2017

**DATE EFFECTIVE:** October 16, 2003

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2009-00549 dated July 30, 2010**

Franchise Fee Rider (FF) is now contained on one page instead of two

## Louisville Gas and Electric Company

**P.S.C. Electric No. 11, Original Sheet No. 91**

**Adjustment Clause** **ST**
**School Tax**

**APPLICABLE**
In all territory served.

**AVAILABILITY OF SERVICE**
This schedule is applied as a rate increase to all other schedules pursuant to KRS 160.617 for the recovery by the utility of school taxes in any county requiring a utility gross receipts license tax for schools under KRS 160.613.

**RATE**
The utility gross receipts license tax authorized under state law.

**DATE OF ISSUE**: July 7, 2017

**DATE EFFECTIVE:** August 1, 2010

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2009-00549 dated July 30, 2010**

## Louisville Gas and Electric Company

**P.S.C. Electric No. 12, Original Sheet No. 91**

**Adjustment Clause** **ST**
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**RATE**
The utility gross receipts license tax authorized under state law.

**DATE OF ISSUE**: September 28, 2018

**DATE EFFECTIVE:** With Service Rendered
On and After August 1, 2010

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2009-00549 dated July 30, 2010**

## Louisville Gas and Electric Company

P.S.C. Electric No. 11, Original Sheet No. 92

**Adjustment Clause** **HEA**
**Home Energy Assistance Program**

**APPLICABLE**
In all territory served.

**AVAILABILITY**
To all residential customers.

**RATE**
$0.25 per month. T

**BILLING**
The HEA charge shall be shown as a separate item on customer bills.

**PURPOSE**
Proceeds from this charge will be used to fund residential low-income demand-side management Home Energy Assistance programs which have been designed through a collaborative advisory process and then filed with, and approved by, the Commission.

**DATE OF ISSUE**: July 7, 2017

**DATE EFFECTIVE:** July 1, 2017

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2016-00371 dated June 22, 2017 and modified June 29, 2017**

## Louisville Gas and Electric Company

P.S.C. Electric No. 12, Original Sheet No. 92

**Adjustment Clause** **HEA**
**Home Energy Assistance Program**

**APPLICABLE**
In all territory served.

**AVAILABILITY**
To all residential Customers.

**RATE**
$0.25 per month.

**BILLING**
The HEA charge shall be shown as a separate item on Customer bills.

**PURPOSE**
Proceeds from this charge will be used to fund residential low-income Home Energy Assistance T
programs which have been designed through a collaborative advisory process and approved by T
the Commission.

**DATE OF ISSUE**: September 28, 2018

**DATE EFFECTIVE:** With Service Rendered
On and After November 1, 2018

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00295 dated ____**

## Louisville Gas and Electric Company

**P.S.C. Electric No. 11, Original Sheet No. 95**

**TERMS AND CONDITIONS**

**Customer Bill of Rights**

As a residential customer of a regulated public utility in Kentucky, you are guaranteed the following rights subject to Kentucky Revised Statutes and the provisions of the Kentucky Public Service Commission Administrative Regulations:

- You have the right to service, provided you (or a member of your household whose debt was accumulated at your address) are not indebted to the utility.
- You have the right to inspect and review the utility's rates and tariffed operating procedures during the utility's normal office hours.
- You have the right to be present at any routine utility inspection of your service conditions.
- You must be provided a separate, distinct disconnect notice alerting you to a possible disconnection of your service, if payment is not received.
- You have the right to dispute the reasons for any announced termination of your service.
- You have the right to negotiate a partial payment plan when your service is threatened by disconnection for non-payment.
- You have the right to participate in equal, budget payment plans for your natural gas and electric service, unless any rate or rider under which you take service explicitly states otherwise. T
- You have the right to maintain your utility service for up to thirty (30) days upon presentation of a medical certificate issued by a health official.
- You have the right to prompt (within 24 hours) restoration of your service when the cause for discontinuance has been corrected.
- If you have not been disconnected, you have the right to maintain your natural gas and electric service for up to thirty (30) days, provided you present a Certificate of Need issued by the Kentucky Cabinet for Human Resources between the months of November and the end of March.
- If you have been disconnected due to non-payment, you have the right to have your natural gas or electric service reconnected between the months of November through March provided you:
  1) Present a Certificate of Need issued by the Kentucky Cabinet for Human Resources, and
  2) Pay one third (1/3) of your outstanding bill ($200 maximum), and
  3) Accept referral to the Human Resources' Weatherization Program, and
  4) Agree to a repayment schedule that will cause your bill to become current by October 15.
- You have the right to contact the Public Service Commission regarding any dispute that you have been unable to resolve with your utility (call Toll Free 1-800-772-4636).

**DATE OF ISSUE**: July 7, 2017

**DATE EFFECTIVE:** July 1, 2017

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2016-00371 dated June 22, 2017 and modified June 29, 2017**

## Louisville Gas and Electric Company

**P.S.C. Electric No. 12, Original Sheet No. 95**

**Terms and Conditions**
**Customer Bill of Rights**

As a residential Customer of a regulated public utility in Kentucky, you are guaranteed the following rights subject to Kentucky Revised Statutes and the provisions of the Kentucky Public Service Commission Administrative Regulations:

- You have the right to service, provided you (or a member of your household whose debt was accumulated at your address) are not indebted to the utility.
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  4) Agree to a repayment schedule that will cause your bill to become current by October 15.
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**DATE OF ISSUE**: September 28, 2018

**DATE EFFECTIVE:** With Service Rendered
On and After July 1, 2017

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2016-00371 dated June 22, 2017 and modified June 29, 2017**

## Louisville Gas and Electric Company

**P.S.C. Electric No. 11, Original Sheet No. 96**

**TERMS AND CONDITIONS**

**General**

**COMMISSION RULES AND REGULATIONS**

All electric service supplied by Company shall be in accordance with the applicable rules and regulations of the Public Service Commission of Kentucky.

**COMPANY TERMS AND CONDITIONS**.

In addition to the rules and regulations of the Commission, all electric service supplied by Company shall be in accordance with these Terms and Conditions to the extent that such Terms and Conditions are not in conflict, nor inconsistent, with the specific provisions in each rate schedule, and which shall constitute a part of all applications and contracts for service. T T T

**COMPANY AS A FEDERAL CONTRACTOR**

The United Nations Convention on Contracts for the International Sale of Goods is specifically disclaimed and excluded and will not apply to or govern agreements between customers and Company.

To the extent Company is a federal contractor, Company and its subcontractors shall abide by the requirements of 41 CFR 60-741.5(a). This regulation prohibits discrimination against qualified individuals on the basis of disability, and requires affirmative action by covered prime contractors and subcontractors to employ and advance in employment qualified individuals with disabilities.

To the extent Company is a federal contractor, Company and its subcontractors shall abide by the requirements of 41 CFR 60-300.5(a). This regulation prohibits discrimination against qualified protected veterans, and requires affirmative action by covered prime contractors and subcontractors to employ and advance in employment qualified protected veterans.

**RATES, TERMS AND CONDITIONS ON FILE**

A copy of the rate schedules, terms, and conditions under which electric service is supplied is on file with the Public Service Commission of Kentucky. A copy of such rate schedules, terms and conditions, together with the law, rules, and regulations of the Commission, is available for public inspection in each office of Company where bills may be paid.

**CUSTOMER GENERATION** T

All existing and future installations of equipment for the purpose of electric generation that is intended to run in parallel with utility service, regardless of the length of parallel operation, shall be reported by the Customer (or the Customer's Representative) to the Company in conjunction with the "Notice to Company of Changes in Customer's Load" set out in the Customer Responsibilities section of the Terms and Conditions of the Company's Tariff.

**ASSIGNMENT**

No order for service, agreement or contract for service may be assigned or transferred without the written consent of Company.

**DATE OF ISSUE**: July 7, 2017

**DATE EFFECTIVE:** July 1, 2017

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2016-00371 dated June 22, 2017 and modified June 29, 2017**

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## Louisville Gas and Electric Company

**P.S.C. Electric No. 12, Original Sheet No. 96**

**Terms and Conditions**
**General**

**COMMISSION RULES AND REGULATIONS**

All electric service supplied by Company shall be in accordance with the applicable rules and regulations of the Kentucky Public Service Commission.

**COMPANY TERMS AND CONDITIONS**.

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**DATE OF ISSUE**: September 28, 2018

**DATE EFFECTIVE:** With Service Rendered
On and After July 1, 2017

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2016-00371 dated June 22, 2017 and modified June 29, 2017**

## Louisville Gas and Electric Company

**P.S.C. Electric No. 11, Original Sheet No. 96.1**

**TERMS AND CONDITIONS**

**General**

**RENEWAL OF CONTRACT**

If, upon the expiration of any service contract for a specified term, the customer continues to use the service, the contract (unless otherwise provided therein) will be automatically renewed for successive periods of one (1) year each, subject to termination at the end of any year upon thirty (30) days prior written notice by either party.

**AGENTS CANNOT MODIFY AGREEMENT WITHOUT CONSENT OF P.S.C. OF KY.**

No agent has power to amend, modify, alter, or waive any of these Terms and Conditions, or to bind Company by making any promises or representations not contained herein.

**SUPERSEDE PREVIOUS TERMS AND CONDITIONS**

These Terms and Conditions supersede all terms and conditions under which Company has previously supplied electric service.

**DATE OF ISSUE**: July 7, 2017

**DATE EFFECTIVE:** July 1, 2015

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2014-00372 dated June 30, 2015**

## Louisville Gas and Electric Company

**P.S.C. Electric No. 12, Original Sheet No. 96.1**

**Terms and Conditions**
**General**

**RENEWAL OF CONTRACT**

If, upon the expiration of any service contract for a specified term, Customer continues to use the service, the contract (unless otherwise provided therein) will be automatically renewed for successive periods of one (1) year each, subject to termination at the end of any year upon thirty (30) days prior written notice by either party.

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**DATE OF ISSUE**: September 28, 2018

**DATE EFFECTIVE:** With Service Rendered
On and After July 1, 2015

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2014-00372 dated June 30, 2015**

## Louisville Gas and Electric Company

**P.S.C. Electric No. 11, Original Sheet No. 97**

**TERMS AND CONDITIONS**

**Customer Responsibilities**

**APPLICATION FOR SERVICE**

A written, in-person, electronic, or oral application or contract, properly executed, will be required before Company is obligated to render electric service. Company may require any party applying for service to provide some or all of the following information for the party desiring service: full legal name, address, full Social Security Number or other taxpayer identification number, date of birth (if applicable), relationship of the applying party to the party desiring service, and any other information Company deems necessary for legal, business, or debt-collection purposes. Company shall have the right to reject for valid reasons any such application or contract, including the applying party's refusal to provide requested information. T

All applications for service shall be made in the legal name of the party desiring the service.

Where an unusual expenditure for construction or equipment is necessary or where the proposed manner of using electric service is clearly outside the scope of Company's standard rate schedules, Company may establish special contracts giving effect to such unusual circumstances. Customer accepts that non-standard service may result in the delay of required maintenance or, in the case of outages, restoration of service.

**TRANSFER OF APPLICATION**

Applications for electric service are not transferable and new occupants of premises will be required to make application for service before commencing the use of electricity. Customers who have been receiving electric service shall notify Company when discontinuance of service is desired, and shall pay for all electric service furnished until such notice has been given and final meter readings made by Company.

**CONTRACTED DEMANDS**

For rate applications where billing demand minimums are determined by the Contract Demand customer shall execute written Contract prior to rendering of service. At Company's sole discretion, in lieu of a written contract, a completed load data sheet or other written load specification, as provided by Customer, can be used to determine the maximum load on Company's system for determining Contract Demand minimum.

If Company or Customer terminates Customer's service under a rate schedule that contains demand charges and Customer subsequently applies to Company to reestablish service to the same premise or facility, Company must determine monthly billing demand for the reestablished service as though Customer had continuously taken service from the time of service termination through the reestablishing of service to Customer. For the purpose of determining the monthly billing demand described in the preceding sentence, the demand to be used for the period during which Customer did not take service from Company shall be the actually recorded demand, if any, for the premise or facility during that period. The preceding two sentences will not apply if Company determines, in its sole discretion, that material changes to Customer's facilities, processes, or practices justify establishing a new Contract Demand for the reestablished service. T

**DATE OF ISSUE**: July 7, 2017

**DATE EFFECTIVE:** July 1, 2017

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2016-00371 dated June 22, 2017 and modified June 29, 2017**

## Louisville Gas and Electric Company

**P.S.C. Electric No. 12, Original Sheet No. 97**

**Terms and Conditions**
**Customer Responsibilities**

**APPLICATION FOR SERVICE**

A written, in-person, electronic, or oral application or contract, properly executed, will be required before Company is obligated to render electric service. Company may require any party applying for service to provide some or all of the following information for the party desiring service: full legal name, address, full Social Security Number or other taxpayer identification number, date of birth (if applicable), relationship of the applying party to the party desiring service, and any other information Company deems necessary for legal, business, or debt-collection purposes. Company shall have the right to reject for valid reasons any such application or contract, including the applying party's refusal to provide requested information.

All applications for service shall be made in the legal name of the party desiring the service.

Where an unusual expenditure for construction or equipment is necessary or where the proposed manner of using electric service is clearly outside the scope of Company's rate schedules, Company may establish special contracts giving effect to such unusual circumstances. Customer accepts that non-standard service may result in the delay of required maintenance or, in the case of outages, restoration of service. T

**TRANSFER OF APPLICATION**

Applications for electric service are not transferable and new occupants of premises will be required to make application for service before commencing the use of electricity. Customers who have been receiving electric service shall notify Company when discontinuance of service is desired, and shall pay for all electric service furnished until such notice has been given and final meter readings made by Company.

**CONTRACTED DEMANDS**

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**DATE OF ISSUE**: September 28, 2018

**DATE EFFECTIVE:** With Service Rendered
On and After November 1, 2018

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00295 dated ____**

## Louisville Gas and Electric Company

**P.S.C. Electric No. 11, Original Sheet No. 97.1**

**TERMS AND CONDITIONS**

**Customer Responsibilities**

**OPTIONAL RATES** T

If two or more rate schedules are available for the same class of service, it is Customer's responsibility to determine the options available and to designate the schedule under which customer desires to receive service.

Company will, at any time, upon request, advise any customer as to the most advantageous rate for existing or anticipated service requirements as defined by Customer, but Company does not assume responsibility for the selection of such rate or for the continuance of the lowest annual cost under the rate selected.

In those cases in which the most favorable rate is difficult to predetermine, Customer will be given the opportunity to change to another schedule, unless otherwise prevented by the rate schedule under which Customer is currently served, after trial of the schedule originally designated; however, after the first such change, Company shall not be required to make a change in schedule more often than once in twelve months.

From time to time, Customer should investigate Customer's operating conditions to determine a desirable change from one available rate to another. Company, lacking knowledge of changes that may occur at any time in Customer's operating conditions, does not assume responsibility that customers will at all times be served under the most beneficial rate.

In no event will Company make refunds covering the difference between the charges under the rate in effect and those under any other rate applicable to the same class of service.

**CUSTOMER'S EQUIPMENT AND INSTALLATION**

Customer shall furnish, install and maintain at Customer's expense all electrical apparatus and wiring to connect with Company's service drop or service line. All such apparatus and wiring shall be installed and maintained in conformity with applicable statutes, laws or ordinances and with the rules and regulations of the constituted authorities having jurisdiction. Customer shall not install wiring or connect and use any motor or other electricity-using device which in the opinion of Company is detrimental to its electric system or to the service of other customers of Company. Company assumes no responsibility whatsoever for the condition of Customer's electrical wiring, apparatus, or appliances, nor for the maintenance or removal of any portion thereof.

In the event Customer builds or extends its own transmission or distribution system over property Customer owns, controls, or has rights to, and said system extends or may extend into the service territory of another utility company, Customer will notify Company of their intention in advance of the commencement of construction.

**OWNER'S CONSENT TO OCCUPY**

Customer shall grant easements and rights-of-way on and across Customer's property at no cost to Company. T

**DATE OF ISSUE**: July 7, 2017

**DATE EFFECTIVE:** July 1, 2017

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2016-00371 dated June 22, 2017 and modified June 29, 2017**

## Louisville Gas and Electric Company

**P.S.C. Electric No. 12, Original Sheet No. 97.1**

**Terms and Conditions**
**Customer Responsibilities**

**OPTIONAL RATES**

If two or more rate schedules are available for the same class of service, it is Customer's responsibility to determine the options available and to designate the schedule under which Customer desires to receive service.

Company will, at any time, upon request, advise any Customer as to the most advantageous rate for existing or anticipated service requirements as defined by Customer, but Company does not assume responsibility for the selection of such rate or for the continuance of the lowest annual cost under the rate selected.

In those cases in which the most favorable rate is difficult to predetermine, Customer will be given the opportunity to change to another schedule, unless otherwise prevented by the rate schedule under which Customer is currently served, after trial of the schedule originally designated; however, after the first such change, Company shall not be required to make a change in schedule more often than once in twelve months.

From time to time, Customer should investigate Customer's operating conditions to determine a desirable change from one available rate to another. Company, lacking knowledge of changes that may occur at any time in Customer's operating conditions, does not assume responsibility that Customer will at all times be served under the most beneficial rate.

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**CUSTOMER'S EQUIPMENT AND INSTALLATION**

Customer shall furnish, install and maintain at Customer's expense all electrical apparatus and wiring to connect with Company's service drop or service line. All such apparatus and wiring shall be installed and maintained in conformity with applicable statutes, laws or ordinances and with the rules and regulations of the constituted authorities having jurisdiction. Customer shall not install wiring or connect and use any motor or other electricity-using device which in the opinion of Company is detrimental to its electric system or to the service of other Customers of Company. Company assumes no responsibility whatsoever for the condition of Customer's electrical wiring, apparatus, or appliances, nor for the maintenance or removal of any portion thereof.

In the event Customer builds or extends its own transmission or distribution system over property Customer owns, controls, or has rights to, and said system extends or may extend into the service territory of another utility company, Customer will notify Company of their intention in advance of the commencement of construction.

**OWNER'S CONSENT TO OCCUPY**

Customer shall grant easements and rights-of-way on and across Customer's property at no cost to Company.

**DATE OF ISSUE**: September 28, 2018

**DATE EFFECTIVE:** With Service Rendered
On and After July 1, 2017

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2016-00371 dated June 22, 2017 and modified June 29, 2017**

## Louisville Gas and Electric Company

**P.S.C. Electric No. 11, Original Sheet No. 97.2**

**TERMS AND CONDITIONS**

**Customer Responsibilities**

**ACCESS TO PREMISES AND EQUIPMENT** T

Company shall have the right of access to Customer's premises at all reasonable times for the purpose of installing, meter reading, inspecting, repairing, or removing its equipment used in connection with its supply of electric service or for the purpose of turning on and shutting off the supply of electricity when necessary and for all other proper purposes. Customer shall not construct or permit the construction of any structure or device which will restrict the access of Company to its equipment for any of the above purposes.

**PROTECTION OF COMPANY'S PROPERTY**

Customers will be held responsible for tampering, interfering with, breaking of seals of meters, or other equipment of Company installed on Customer's premises, and will be held liable for same according to law. Customer hereby agrees that no one except the employees of Company shall be allowed to make any internal or external adjustments of any meter or any other piece of apparatus which shall be the property of Company.

**POWER FACTOR**

Company installs facilities to supply power to its customers at or near unity power factor.

Company expects any customer to use apparatus which shall result in a power factor near unity However, Company will permit the use of apparatus which shall result, during normal operation, in a power factor not lower than 90 percent either lagging or leading.

Where Customer's power factor is less than 90 percent, Company reserves the right to require the customer to furnish, at Customer's own expense, suitable corrective equipment to maintain a power factor of 90 percent or higher.

**EXCLUSIVE SERVICE ON INSTALLATION CONNECTED**

Except in cases where Customer has contracted with Company for reserve or auxiliary service, no other electric light or power service will be used by Customer on the same installation in conjunction with Company's service, either by means of a throw-over switch or any other connection.

**LIABILITY**

Customer assumes all responsibility for the electric service upon Customer's premises at and from the point of delivery of electricity and for the wires and equipment used in connection therewith, and will protect and save Company harmless from all claims for injury or damage to persons or property occurring on Customer's premises or at and from the point of delivery of electricity, occasioned by such electricity or said wires and equipment, except where said injury or damage will be shown to have been occasioned solely by the negligence of Company.

T

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**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

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## Louisville Gas and Electric Company

**P.S.C. Electric No. 12, Original Sheet No. 97.2**

**Terms and Conditions**
**Customer Responsibilities**

**ACCESS TO PREMISES AND EQUIPMENT**

Company shall have the right of access to Customer's premises at all reasonable times for the purpose of installing, meter reading, inspecting, repairing, or removing its equipment used in connection with its supply of electric service or for the purpose of turning on and shutting off the supply of electricity when necessary and for all other proper purposes. Customer shall not construct or permit the construction of any structure or device which will restrict the access of Company to its equipment for any of the above purposes.

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Customers will be held responsible for tampering, interfering with, breaking of seals of meters, or other equipment of Company installed on Customer's premises, and will be held liable for same according to law. Customer hereby agrees that no one except the employees of Company shall be allowed to make any internal or external adjustments of any meter or any other piece of apparatus which shall be the property of Company.

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Company installs facilities to supply power to its customers at or near unity power factor.

Company expects any customer to use apparatus which shall result in a power factor near unity However, Company will permit the use of apparatus which shall result, during normal operation, in a power factor not lower than 90 percent either lagging or leading.

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**LIABILITY**

Customer assumes all responsibility for the electric service upon Customer's premises at and from the point of delivery of electricity and for the wires and equipment used in connection therewith, and will protect and save Company harmless from all claims for injury or damage to persons or property occurring on Customer's premises or at and from the point of delivery of electricity, occasioned by such electricity or said wires and equipment, except where said injury or damage will be shown to have been occasioned solely by the negligence of Company.

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State Regulation and Rates
Louisville, Kentucky

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## Louisville Gas and Electric Company

**P.S.C. Electric No. 11, Original Sheet No. 97.3**

**TERMS AND CONDITIONS**

**Customer Responsibilities**

**NOTICE TO COMPANY OF CHANGES IN CUSTOMER'S LOAD** T

The service connections, transformers, meters, and appurtenances supplied by Company for the rendition of electric service to its customers have a definite capacity which may not be exceeded without damage. In the event that Customer contemplates any material increase in Customer's connected load, whether in a single increment or over an extended period, Customer shall immediately give Company written notice of this fact so as to enable it to enlarge the capacity of such equipment. In case of failure to give such notice, Customer may be held liable for any damage done to meters, transformers, or other equipment of Company caused by such material increase in the Customer's connected load. Should Customer make a permanent change in the operation of electrical equipment that materially reduces the maximum load required by Customer, Company may reduce Customer's contract capacity.

**PERMITS**

Customer shall obtain or cause to be obtained all permits, easements, or certificates, except street permits, necessary to give Company or its agents access to Customer's premises and equipment and to enable its service to be connected therewith. In case Customer is not the owner of the premises or of intervening property between the premises and Company's distribution lines, Customer shall obtain from the property owner or owners the necessary consent to the installation and maintenance in said premises and in or about such intervening property of all such wiring or other customer-owned electrical equipment as may be necessary or convenient for the supply of electric service to customer. Provided, however, to the extent permits, easements, or certificates are necessary for the installation and maintenance of Company-owned facilities, Company shall obtain the aforementioned consent.

The construction of electric facilities to provide service to a number of customers in a manner consistent with good engineering practice and the least public inconvenience sometimes requires that certain wires, guys, poles, or other appurtenances on a customer's premises be used to supply service to neighboring customers. Accordingly, each customer taking Company's electric service shall grant to Company such rights on or across his or her premises as may be necessary to furnish service to neighboring premises, such rights to be exercised by Company in a reasonable manner and with due regard for the convenience of the customer.

Company shall make or cause to be made application for any necessary street permits, and shall not be required to supply service under Customer's application until a reasonable time after such permits are granted.

**CHANGES IN SERVICE**

Where Customer is receiving service and desires relocation or change in facilities not supported by additional load, Customer is responsible for the cost of the relocation or change in facilities through a Non-Refundable Advance.

**DATE OF ISSUE**: July 7, 2017

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**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

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## Louisville Gas and Electric Company

**P.S.C. Electric No. 12, Original Sheet No. 97.3**

**Terms and Conditions**
**Customer Responsibilities**

**NOTICE TO COMPANY OF CHANGES IN CUSTOMER'S LOAD**

The service connections, transformers, meters, and appurtenances supplied by Company for the rendition of electric service to its Customers have a definite capacity which may not be exceeded without damage. In the event that Customer contemplates any material increase in Customer's connected load, whether in a single increment or over an extended period, Customer shall immediately give Company written notice of this fact so as to enable it to enlarge the capacity of such equipment. In case of failure to give such notice, Customer may be held liable for any damage done to meters, transformers, or other equipment of Company caused by such material increase in the Customer's connected load. Should Customer make a permanent change in the operation of electrical equipment that materially reduces the maximum load required by Customer, Company may reduce Customer's contract capacity.

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**DATE OF ISSUE**: September 28, 2018

**DATE EFFECTIVE:** With Service Rendered
On and After July 1, 2017

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2016-00371 dated June 22, 2017 and modified June 29, 2017**

# Louisville Gas and Electric Company



**TERMS AND CONDITIONS**

**Company Responsibilities**

**METERING**

The electricity used will be measured by a meter or meters to be furnished and installed by Company at its expense and all bills will be calculated upon the registration of said meters. Company has the right to install any meter or meters it deems in its sole discretion to be necessary or prudent to serve any customer, including without limitation a digital, automated meter reading, automated metering infrastructure, or advanced metering systems meter or meters. When service is supplied by Company at more than one delivery point on the same premises, each delivery point will be metered and billed separately on the rate applicable. Meters include all measuring instruments. Meters will be located outside whenever possible. Otherwise, meters will be located as near as possible to the service entrance and on the ground floor of the building, in a clean, dry, safe and easily accessible place, free from vibration, agreed to by Company. T

**POINT OF DELIVERY OF ELECTRICITY**

The point of delivery of electrical energy supplied by Company shall be at the point, as designated by Company, where Company's facilities are connected with the facilities of Customer, irrespective of the location of the meter

**EXTENSION OF SERVICE**

The main transmission lines of Company, or branches thereof, will be extended to such points as provide sufficient load to justify such extensions or in lieu of sufficient load, Company may require such definite and written guarantees from a customer, or group of customers, in addition to any minimum payments required by the Tariff as may be necessary. This requirement may also be made covering the repayment, within a reasonable time, of the cost of tapping such existing lines for light or power service or both.

**COMPANY'S EQUIPMENT AND INSTALLATION**

Company will furnish, install, and maintain at its expense the necessary overhead service drop or service line required to deliver electricity at the voltage contracted for, to Customer's electric facilities.

Company will furnish, install, and maintain at its expense the necessary meter or meters. (The term meter as used here and elsewhere in these rules and regulations shall be considered to include all associated instruments and devices, such as current and potential transformers installed for the purpose of measuring deliveries of electricity to the customer.) Suitable provision for Company's meter, including an adequate protective enclosure for the same if required, shall be made by Customer. Title to the meter shall remain with Company, with the right to install, operate, maintain, and remove same. Customer shall protect such property of Company from loss or damage, and no one who is not an agent of Company shall be permitted to remove, damage, or tamper with the same. Customer shall execute such reasonable form of easement agreement as may be required by Company.

**DATE OF ISSUE**: July 7, 2017

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**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the
Public Service Commission in Case No.
2016-00371 dated June 22, 2017 and modified June 29, 2017**

# Louisville Gas and Electric Company



**Terms and Conditions**
**Company Responsibilities**

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**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

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## Louisville Gas and Electric Company

**P.S.C. Electric No. 11, Original Sheet No. 98.1**

**TERMS AND CONDITIONS**

**Company Responsibilities**

Notwithstanding the provisions of 807 KAR 5:006, Section 14(4), a reasonable time shall be allowed subsequent to Customer's service application to enable Company to construct or install the facilities required for such service. In order that Company may make suitable provision for enlargement, extension or alteration of its facilities, each applicant for commercial or industrial service shall furnish Company with realistic estimates of prospective electricity requirements.

**COMPANY NOT LIABLE FOR INTERRUPTIONS**

Company will exercise reasonable care and diligence in an endeavor to supply service continuously and without interruption but does not guarantee continuous service and shall not be liable for any loss or damage resulting from interruption, reduction, delay, or failure of electric service not caused by the willful negligence of Company, or resulting from any cause or circumstance beyond the reasonable control of Company.

**COMPANY NOT LIABLE FOR DAMAGE ON CUSTOMER'S PREMISES**

Company is merely a supplier of electricity delivered to the point of connection of Company's and Customer's facilities, and shall not be liable for and shall be protected and held harmless for any injury or damage to persons or property of Customer or of third persons resulting from the presence, use or abuse of electricity on Customer's premises or resulting from defects in or accidents to any of customer's wiring, equipment, apparatus, or appliances, or resulting from any cause whatsoever other than the negligence of Company

**LIABILITY**

In no event shall Company have any liability to Customer or any other party affected by the electrical service to Customer for any consequential, indirect, incidental, special, or punitive damages, and such limitation of liability shall apply regardless of claim or theory. In addition, to the extent that Company acts within its rights as set forth herein and/or any applicable law or regulation, Company shall have no liability of any kind to Customer or any other party. In the event that Customer's use of Company's service causes damage to Company's property or injuries to persons, Customer shall be responsible for such damage or injury and shall indemnify, defend, and hold Company harmless from any and all suits, claims, losses, and expenses associated therewith.

**FIRM SERVICE**

Where a customer-generator supplies all or part of the customer-generator's own load and desires Company to provide service for that load, the customer-generator must contract for such T
service, otherwise Company has no obligation to supply the non-firm service. T

**DATE OF ISSUE**: July 7, 2017

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**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2016-00371 dated June 22, 2017 and modified June 29, 2017**

## Louisville Gas and Electric Company

**P.S.C. Electric No. 12, Original Sheet No. 98.1**

**Terms and Conditions**
**Company Responsibilities**

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**DATE OF ISSUE**: September 28, 2018

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On and After July 1, 2017

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2016-00371 dated June 22, 2017 and modified June 29, 2017**

## Louisville Gas and Electric Company

**P.S.C. Electric No. 11, Original Sheet No. 99**

**TERMS AND CONDITIONS**

**Character of Service**

Electric service, under the rate schedule herein, will be 60 cycle, alternating current delivered from Company's various load centers and distribution lines at typical nominal voltages and phases, as available in a given location, as follows:

**SECONDARY VOLTAGES**

Residential Service -

Single phase 120/240 volts three-wire service or 120/208Y volts three-wire service where network system is available.

Non-Residential Service -

1) Single phase 120/240 volts three-wire service or 120/208Y three-wire service where network system is available.
2) Three phase 240 volts three-wire, 480 volts three-wire service, 120/208Y volts four-wire service, or 277/480Y volts four-wire service.

**PRIMARY VOLTAGES**

According to location, 2400/4160Y volts, 7200/12,470Y volts, 13,800 volts, or 34,500 volts.

**TRANSMISSION VOLTAGES**

According to location, 69,000 volts, 138,000 volts, or 345,000 volts.

The voltage available to any individual customer shall depend upon the voltage of Company's lines serving the area in which such customer's electric load is located.

**RESTRICTIONS**

1. Except for minor loads, with approval of the Company, two-wire service is restricted to those customers on service July 1, 2004.
2. To be eligible for the rate applicable to any delivery voltage other than secondary voltage, a customer must furnish and maintain complete substation structure, transformers, and other equipment necessary to take service at the primary or transmission voltage available at point of connection.
   a) In the event Company is required to provide transformation to reduce an available voltage to a lower voltage for delivery to Customer, Customer shall be served at the rate applicable to the lower voltage; provided, however, that if the same rate is applicable to both the available voltage and the delivery voltage, Customer may be required to make a non-refundable payment to reflect the additional investment required to provide service.
   b) The available voltage shall be the voltage on that distribution or transmission line which the Company designates as being suitable from the standpoint of capacity and other operating characteristics for supplying the requirements of Customer.

**DATE OF ISSUE**: July 7, 2017

**DATE EFFECTIVE:** August 1, 2010

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2009-00549 dated July 30, 2010**

## Louisville Gas and Electric Company

**P.S.C. Electric No. 12, Original Sheet No. 99**

**Terms and Conditions**
**Character of Service**

Electric service, under the rate schedules herein, will be 60 cycle, alternating current delivered from Company's various load centers and distribution lines at typical nominal voltages and phases, as available in a given location, as follows:

**SECONDARY VOLTAGES**

Residential Service -

Single phase 120/240 volts three-wire service or 120/208Y volts three-wire service where network system is available.

Non-Residential Service -

1. Single phase 120/240 volts three-wire service or 120/208Y three-wire service where network system is available.
2. Three phase 240 volts three-wire, 480 volts three-wire service, 120/208Y volts four-wire service, or 277/480Y volts four-wire service.

**PRIMARY VOLTAGES**

According to location, 2400/4160Y volts, 7200/12,470Y volts, 13,800 volts, or 34,500 volts.

**TRANSMISSION VOLTAGES**

According to location, 69,000 volts, 138,000 volts, 161,000 volts, or 345,000 volts. T

The voltage available to any individual Customer shall depend upon the voltage of Company's lines serving the area in which such Customer's electric load is located.

**RESTRICTIONS**

1. Except for minor loads, with approval of the Company, two-wire service is restricted to those Customers on service July 1, 2004.
2. To be eligible for the rate applicable to any delivery voltage other than secondary voltage, a Customer must furnish and maintain complete substation structure, transformers, and other equipment necessary to take service at the primary or transmission voltage available at point of connection.
   a. In the event Company is required to provide transformation to reduce an available voltage to a lower voltage for delivery to Customer, Customer shall be served at the rate applicable to the lower voltage; provided, however, that if the same rate is applicable to both the available voltage and the delivery voltage, Customer may be required to make a non-refundable payment to reflect the additional investment required to provide service.
   b. The available voltage shall be the voltage on that distribution or transmission line which the Company designates as being suitable from the standpoint of capacity and other operating characteristics for supplying the requirements of Customer.

**DATE OF ISSUE**: September 28, 2018

**DATE EFFECTIVE:** With Service Rendered
On and After November 1, 2018

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00295 dated ____**

## Louisville Gas and Electric Company

**P.S.C. Electric No. 11, Original Sheet No. 100**

**TERMS AND CONDITIONS**

**Residential Rate Specific Terms and Conditions**

Residential electric service is available for uses customarily associated with residential occupation, including lighting, cooking, heating, cooling, refrigeration, household appliances, and other domestic purposes.

1. **DEFINITION OF RESIDENTIAL RATE** - Residential rates are based on service to single family units served through a single meter. Such service may include incidental usage of electricity for home occupations, such as the office of a physician, surgeon, dentist, musician or artist when such occupation is practiced by Customer in his residence. Service to both a single family unit and a detached structure may both be served through a single meter, regardless of the meter location, and qualify for the residential service provided the consumption in the non-residential portion of the detached structure is incidental.

2. **DEFINITION OF SINGLE FAMILY UNIT** - A single family unit is a structure or part of a structure used or intended to be used as a home, residence, or sleeping place by one or more persons maintaining a common household. Residential service is not available to transient multi-family structures including, but not limited to, hotels, motels, studio apartments, college dormitories, or any structure without a permanent foundation or attached to sanitation facilities. Fraternity or sorority organizations associated with educational institutions may be classified as residential and billed at the residential rate.

3. **DETACHED STRUCTURES** - If Customer has detached structures that are located at such distance from Customer's residence as to make it impracticable to supply service through customer's residential meter, the separate meter required to measure service to the detached structures will be considered a separate service and billed as a separate customer.

4. **POWER REQUIREMENT** - Single-phase power service used for domestic purposes will be permitted under Residential Rates RS, RTOD-Energy, and RTOD-Demand when measured through the residential meter subject to the conditions set forth below: T

   (a) Single-phase motors may be served at 120 volts if the locked-rotor current at rated voltage does not exceed 50 amperes. Motors with locked-rotor current ratings in excess of 50 amperes must be served at 240 volts.

   (b) Single-phase motors of new central residential cooling installations with total locked-rotor ratings of not to exceed 125 amperes (inclusive of any auxiliary motors arranged for simultaneous starting with the compressor) may be connected for across-the-line starting provided the available capacity of Company's electric distribution facilities at desired point of supply is such that, in Company's judgment, the starting of such motors will not result in excessive voltage dips and undue disturbance of lighting service and television reception of

**DATE OF ISSUE**: July 7, 2017

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State Regulation and Rates
Louisville, Kentucky

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## Louisville Gas and Electric Company

**P.S.C. Electric No. 12, Original Sheet No. 100**

**Terms and Conditions**
**Residential Rate Specific Terms and Conditions**

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2. **DEFINITION OF SINGLE FAMILY UNIT** - A single family unit is a structure or part of a structure used or intended to be used as a home, residence, or sleeping place by one or more persons maintaining a common household. Residential service is not available to transient multi-family structures including, but not limited to, hotels, motels, studio apartments, college dormitories, or any structure without a permanent foundation or attached to sanitation facilities. Fraternity or sorority organizations associated with educational institutions may be classified as residential and billed at the residential rate.

3. **DETACHED STRUCTURES** - If Customer has detached structures that are located at such distance from Customer's residence as to make it impracticable to supply service through customer's residential meter, the separate meter required to measure service to the detached structures will be considered a separate service and billed as a separate customer.

4. **POWER REQUIREMENT** - Single-phase power service used for domestic purposes will be permitted under Residential Rates RS, RTOD-Energy, and RTOD-Demand when measured through the residential meter subject to the conditions set forth below:

   a. Single-phase motors may be served at 120 volts if the locked-rotor current at rated voltage does not exceed 50 amperes. Motors with locked-rotor current ratings in excess of 50 amperes must be served at 240 volts.

   b. Single-phase motors of new central residential cooling installations with total locked-rotor ratings of not to exceed 125 amperes (inclusive of any auxiliary motors arranged for simultaneous starting with the compressor) may be connected for across-the-line starting provided the available capacity of Company's electric distribution facilities at desired point of supply is such that, in Company's judgment, the starting of such motors will not result in excessive voltage dips and undue disturbance of lighting service and television reception of

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**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2016-00371 dated June 22, 2017 and modified June 29, 2017**

## Louisville Gas and Electric Company

**P.S.C. Electric No. 11, Original Sheet No. 100.1**

**TERMS AND CONDITIONS**

**Residential Rate Specific Terms and Conditions**

nearby electric customers. However, except with Company's express written consent, no new single-phase central residential cooling unit having a total lock-rotor rating in excess of 125 amperes inclusive of auxiliary motors arranged for simultaneous starting with the compressor) shall hereafter be connected to Company's lines, or be eligible for electric service therefrom, unless it is equipped with an approved type of current-limiting device for starting which will reduce the initial and incremental starting current inrush to a maximum of 100 amperes per step. Company shall be furnished with reasonable advance notice of any proposed central residential cooling installation.

(c) In the case of multi-motored devices arranged for sequential starting of the motors, the above rules are considered to apply to the locked-rotor currents of the individual motors; if arranged for simultaneous starting of the motors, the rules apply to the sum of the locked-rotor currents of all motors so started.

(d) Any motor or motors served through a separate meter will be billed as a separate customer.

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## Louisville Gas and Electric Company

**P.S.C. Electric No. 12, Original Sheet No. 100.1**

**Terms and Conditions**
**Residential Rate Specific Terms and Conditions**

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Louisville, Kentucky

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## Louisville Gas and Electric Company

**P.S.C. Electric No. 11, Original Sheet No. 101**

**TERMS AND CONDITIONS**

**BILLING**

**METER READINGS AND BILLS**

As used in the entirety of this Tariff, “meter reading” and similar terms shall include data collected remotely from automated meter reading, automated meter infrastructure, advanced metering systems, and other electronic meter equipment or systems capable of delivering usage data to Company. A physical, manual reading of a meter is not required to constitute a “meter reading.” T

Each bill for utility service shall be issued in compliance with 807 KAR 5:006, Section 7.

All bills will be based upon meter readings made in accordance with Company's meter reading schedule. Company, except if prevented by reasons beyond its control, shall read customer meters at least quarterly, except that customer-read meters shall be read at least once during the calendar year.

In the case of opening and closing bills when the total period between regular and special meter readings is less than thirty days, the minimum charges of the applicable rate schedules will be prorated on the basis of the ratio of the actual number of days in such period to thirty days.

When Company is unable to read Customer's meter after reasonable effort, or when Company experiences circumstances which make actual meter readings impossible or impracticable, Customer may be billed on an estimated basis and the billing will be adjusted as necessary when the meter is read.

In the event Company's meter fails to register properly by reason of damage, accident, etc., Company shall have the right to estimate Customer's consumption during the period of failure on the basis of such factors as Customer's connected load, heating degree days, and consumption during a previous corresponding period and during a test period immediately following replacement of the defective meter.

Where Company serves a customer with both electric and gas service at the same service location, Company will render a combined bill. Provided, however, a residential customer may request, and Company will render, separate bills under the following conditions: (1) Customer is being threatened with disconnection for non-payment or has already been disconnected for that reason and (2) Customer would be able to pay either the gas or electric portion of his bill and thus retain one service.

Bills are due and payable at the office of Company during business hours, or at other locations designated by Company, within sixteen (16) business days (no less than twenty-two (22) calendar days) from date of rendition thereof. If full payment is not received by the due date of the bill, a late payment charge will be assessed on the current month’s charges. Beginning October 1, 2010, residential customers who receive a pledge for or notice of low income energy

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## Louisville Gas and Electric Company

**P.S.C. Electric No. 12, Original Sheet No. 101**

**Terms and Conditions**
**Billing**

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unless an applicable rate schedule has a daily Basic Service Charge, in which case a full daily N
Basic Service Charge will be charged to a customer for each day or partial day during which the N
customer’s account was open and served under that rate schedule. N

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## Louisville Gas and Electric Company



TERMS AND CONDITIONS

BILLING

assistance from an authorized agency will not be assessed or required to pay a late payment charge for the bill for which the pledge or notice is received, nor will they be assessed or required to pay a late payment charge in any of the eleven (11) months following receipt of such pledge or notice. There will be no adverse credit impact on the customer's payment and credit record, including credit scoring, both internally and externally, and the account will not be considered delinquent for any purpose if the Company receives the customer's payment within fifteen days after the date on which the Company issues the customer's bill.

Failure to receive a bill does not exempt Customer from these provisions of Company's Terms and Conditions.

**READING OF SEPARATE METERS NOT COMBINED**
For billing purposes, each meter upon Customer's premises will be considered separately and readings of two (2) or more meters will not be combined except where Company's operating convenience requires the installation of two (2) or more meters upon Customer's premises instead of one (1) meter.

**CUSTOMER RATE ASSIGNMENT**
If Customer takes service under a rate schedule the eligibility for which contains a minimum or maximum demand parameter (or both), Company will review Customer's demand and usage data at least once annually to determine the rate schedule under which Customer will take service until the next review and rate determination. Company will also conduct such a review and determination upon Customer's request. Company shall not be obligated to change Customer's rate determination based upon detection of a substantial deviation of Customer's demand or usage if, after consultation with Customer, Company determines in its sole discretion that such deviation is not indicative of Customer's likely long-term demand. Similarly, Company may assign Customer to a rate schedule for which Customer would not be eligible based solely on Customer's historical demand or usage, but Company may do so only as part of a review and rate determination that involves consulting with Customer about Customer's likely future demand, as well as Customer's special contract demand, if applicable.

Any such review and rate determination shall be deemed conclusively to be the correct rate determination for Customer for all purposes and for all periods until Company conducts the next such review and determination for Customer. Therefore, Company shall not be liable for any refunds to Customer based upon Customer's rate assignment, and Company shall not seek to back-bill Customer based upon Customer's rate assignment, for any periods between and including such reviews and determinations unless, and only in the event that, a particular review and rate determination are shown to have been materially erroneous at the time they were conducted, in which case Company may be liable for a refund, or may back-bill Customer, only for the period from the erroneous review and determination to the present or the next non-erroneous review and determination, whichever is shorter.

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**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2012-00222 dated December 20, 2012**

## Louisville Gas and Electric Company



Terms and Conditions
Billing

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State Regulation and Rates
Louisville, Kentucky

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## Louisville Gas and Electric Company



**TERMS AND CONDITIONS**

**BILLING**

If Company determines during a review as described above that Customer is eligible to take service under more than one rate schedule and that Customer is then taking service under such a rate schedule, Company will not change Customer's rate assignment; it will remain Customer's responsibility to choose between optional rates, as stated in the Optional Rates section of Customer Responsibilities at Original Sheet Nos. 97 and 97.1.

If Company determines during a review as described above that Customer is eligible to take service under more than one rate schedule and that Customer is not then taking service under such a rate schedule, Company will (1) provide reasonable notice to Customer of the options available and (2) assign Customer to the rate schedule Company reasonably believes will be most financially beneficial to Customer based on Customer's historical demand and usage, which assignment Company will change upon Customer's request to take service under another rate schedule for which Customer is eligible. Company shall have no refund obligation or bear any other liability or responsibility for its initial assignment of Customer to a rate for which Customer is eligible; it is at all times Customer's responsibility to choose between optional rates, as stated in the Optional Rates section of Customer Responsibilities at Original Sheet Nos. 97 and 97.1.

Nothing in this section is intended to curtail or diminish Customer's responsibility to choose among optional rates, as stated in the Optional Rates section of Customer Responsibilities at Original Sheet Nos. 97 and 97.1. Likewise, except as explicitly stated in the paragraph above, nothing in this section creates an obligation or responsibility for Company to assign Customer to a particular rate schedule for which Customer is eligible if Customer is eligible for more than one rate schedule.

**CUSTOMER RATE MIGRATION**

A change from one rate to another will be effective with the first full billing period following a customer's request for such change, or with a rate change mandated by changes in a customer's load. In cases where a change from one rate to another necessitates a change in metering, the change from one rate to another will be effective with the first full billing period following the meter change.

**CLASSIFICATION OF CUSTOMERS**

For purposes of rate application hereunder, non-residential customers will be considered "industrial" if they are primarily engaged in a process or processes which create or change raw or unfinished materials into another form or product, and/or in accordance with the North American Industry Classification System, Sections 21, 22, 31, 32 and 33. All other non-residential customers will be defined as "commercial."

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State Regulation and Rates
Louisville, Kentucky

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## Louisville Gas and Electric Company



**Terms and Conditions**
**Billing**

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State Regulation and Rates
Louisville, Kentucky

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## Louisville Gas and Electric Company

**P.S.C. Electric No. 11, Original Sheet No. 101.3**

**TERMS AND CONDITIONS**

**BILLING**

**MONITORING OF CUSTOMER USAGE**

In order to detect unusual deviations in individual customer consumption, Company will monitor the usage of each customer at least once quarterly. In addition, Company may investigate usage deviations brought to its attention as a result of its ongoing meter reading or billing processor customer inquiry. Should an unusual deviation in Customer's consumption be found which cannot be attributed to a readily identified cause, Company may perform a detailed analysis of Customer's meter reading and billing records. If the cause for the usage deviation cannot be determined from analysis of the customer's meter reading and billing records, Company may contact Customer to determine whether there have been changes such as different number of household members or work staff, additional or different appliances, changes in business volume. Where the deviation is not otherwise explained, Company will test Customer's meter to determine whether the results show the meter is within the limits allowed by 807 KAR 5:041, Section 17(1). Company will notify Customer of the investigation, its findings, and any refunds or back-billing in accordance with 807 KAR 5:006, Section 11(4) and (5).

**RESALE OF ELECTRIC ENERGY**

Electric energy furnished under Company's standard application or contract is for the use of Customer only and Customer shall not resell such energy to any other person, firm, or corporation on Customer's premises or for use on any other premises. This does not preclude Customer from allocating Company's billing to Customer to any other person, firm, or corporation provided the sum of such allocations does not exceed Company's billing.

**MINIMUM CHARGE**

Without limiting the foregoing, the Demand Charge shall be due regardless of any event or occurrence that might limit (a) Customer's ability or interest in operating Customer's facility, including but without limitation any acts of God, fires, floods, earthquakes, acts of government, terrorism, severe weather, riot, embargo, changes in law, or strikes or (b) Company's ability to serve customer.

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Louisville, Kentucky

## Louisville Gas and Electric Company

**P.S.C. Electric No. 12, Original Sheet No. 101.3**

**Terms and Conditions**
**Billing**

**MONITORING OF CUSTOMER USAGE**

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**RESALE OF ELECTRIC ENERGY**

Electric energy furnished under Company's standard application or contract is for the use of Customer only and Customer shall not resell such energy to any other person, firm, or corporation on Customer's premises or for use on any other premises. This does not preclude Customer from allocating Company's billing to Customer to any other person, firm, or corporation provided the sum of such allocations does not exceed Company's billing.

**MINIMUM CHARGE**

Without limiting the foregoing, the Basic Service Charge and Demand Charge shall apply and be T
due for all times during which a customer's account is open, regardless of any event or T
occurrence that might limit (a) Customer's ability or interest in operating Customer's facility, including but without limitation any acts of God, fires, floods, earthquakes, acts of government, terrorism, severe weather, riot, embargo, changes in law, or strikes or (b) Company's ability to serve customer.

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Louisville, Kentucky

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## Louisville Gas and Electric Company

**P.S.C. Electric No. 11, Original Sheet No. 102**

**TERMS AND CONDITIONS**

**DEPOSITS**

**GENERAL**

1) Company may require a cash deposit or other guaranty from customers to secure payment of bills in accordance with 807 KAR 5:006, Section 8 except for customers qualifying for service reconnection pursuant to 807 KAR 5:006, Section 16, Winter Hardship Reconnection.
2) Deposits may be required from all customers not meeting satisfactory credit and payment criteria. Satisfactory credit for customers will be determined by utilizing independent credit sources (primarily utilized with new customers having no prior history with Company), as well as historic and ongoing payment and credit history with Company.
   a) Examples of independent credit scoring resources include credit scoring services, public record financial information, financial scoring and modeling services, and information provided by independent credit/financial watch services.
   b) Satisfactory payment criteria with Company may be established by paying all bills rendered, having no disconnections for nonpayment, having no late notices, having no defaulted credit arrangements, having no returned payments, having no meter diversion or theft of service
3) Company may offer residential or general service customers the option of paying all or a portion of their deposits in installments over a period not to exceed the first six (6) normal billing periods. Service may be refused or discontinued for failure to pay and/or maintain the requested deposit.
4) Interest on deposits will be calculated at the rate prescribed by law, from the date of deposit, and will be paid annually either by refund or credit to Customer's bills, except that no refund or credit will be made if Customer's bill is delinquent on the anniversary date of the deposit. If interest is paid or credited to Customer's bill prior to twelve (12) months from the date of deposit, the payment or credit will be on a prorated basis. Upon termination of service, the deposit, any principal amounts, and interest earned and owing will be credited to the final bill, with any remainder refunded to Customer.

**RESIDENTIAL**

1) Residential customers are those customers served under Residential Service Rate RS - Sheet No. 5, Residential Time-of-Day Energy Service Rate RTOD-Energy – Sheet No. 6, and Residential Time-of-Day Demand Service Rate RTOD-Demand – Sheet No. 7.
2) The deposit for a residential customer is in the amount of $160.00, which is calculated in accordance with 807 KAR5:006, Section 8(1)(d)(2). For combination gas and electric customers, the total deposit will be $260.00.
3) Company shall retain Customer's deposit for a period not to exceed twelve (12) months, provided Customer has met satisfactory payment and credit criteria.
4) If a deposit is held longer than eighteen (18) months, the deposit will be recalculated, at Customer's request, and based on Customer's actual usage. If the deposit on account differs from the recalculated amount by more than $10.00, Company may collect any underpayment and shall refund any overpayment by check or credit to Customer's bill. No refund will be made if Customer's bill is delinquent at the time of the recalculation.

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## Louisville Gas and Electric Company

**P.S.C. Electric No. 12, Original Sheet No. 102**

**Terms and Conditions**
**Deposits**

**GENERAL**

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2. Deposits may be required from all Customers not meeting satisfactory credit and payment criteria. Satisfactory credit for Customers will be determined by utilizing independent credit sources (primarily utilized with new Customers having no prior history with Company), as well as historic and ongoing payment and credit history with Company.
   a. Examples of independent credit scoring resources include credit scoring services, public record financial information, financial scoring and modeling services, and information provided by independent credit/financial watch services.
   b. Satisfactory payment criteria with Company may be established by paying all bills rendered, having no disconnections for nonpayment, having no late notices, having no defaulted credit arrangements, having no returned payments, having no meter diversion or theft of service
3. Company may offer residential or general service customers the option of paying all or a portion of their deposits in installments over a period not to exceed the first six (6) normal billing periods. Service may be refused or discontinued for failure to pay and/or maintain the requested deposit.
4. Interest on deposits will be calculated at the rate prescribed by law, from the date of deposit, and will be paid annually either by refund or credit to Customer's bills, except that no refund or credit will be made if Customer's bill is delinquent on the anniversary date of the deposit. If interest is paid or credited to Customer's bill prior to twelve (12) months from the date of deposit, the payment or credit will be on a prorated basis. Upon termination of service, the deposit, any principal amounts, and interest earned and owing will be credited to the final bill, with any remainder refunded to Customer.

**RESIDENTIAL**

1. Residential Customers are those Customers served under Residential Service Rate RS - Sheet No. 5, Residential Time-of-Day Energy Service Rate RTOD-Energy – Sheet No. 6, and Residential Time-of-Day Demand Service Rate RTOD-Demand – Sheet No. 7.
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## Louisville Gas and Electric Company

**P.S.C. Electric No. 11, Original Sheet No. 102.1**

**TERMS AND CONDITIONS**

**DEPOSITS**

**RESIDENTIAL (Continued)**

5) If Customer fails to maintain a satisfactory payment or credit record, or otherwise becomes a new or greater credit risk, as determined by Company in its sole discretion, Company may require a new or additional deposit from Customer.

**GENERAL SERVICE**

1) General service customers are those customers served under General Service Rate GS, Sheet No. 10.
2) The deposit for a general service customer is in the amount of $240.00, which is calculated in accordance with 807 KAR5:006, Section 8(1)(d)(2).The deposit for a General Service customer may be waived when the General Service delivery is to a detached building used in conjunction with a Residential Service and the General Service energy usage is no more than 300 kWh per month.
3) Company shall retain Customer's deposit as long as Customer remains on service.
4) For a deposit held longer than eighteen (18) months, the deposit will be recalculated, at Customer's request, and based on Customer's actual usage. If the deposit on account differs from the recalculated amount by more than ten percent (10%), Company may collect any underpayment and shall refund any overpayment by check or credit to Customer's bill. No refund will be made if Customer's bill is delinquent at the time of the recalculation.
5) If Customer fails to maintain a satisfactory payment or credit record, or otherwise becomes a new or greater credit risk, as determined by Company in its sole discretion, Company may require a new or additional deposit from Customer.

**OTHER SERVICE**

1) The deposit for all other customers, those not classified herein as residential or general service, shall not exceed 2/12 of Customer's actual or estimated annual bill where bills are rendered monthly in accordance with 807 KAR5:006, Section 8(1)(d)(1).
2) For customers not meeting the parameters of GENERAL SERVICE ¶ 2, above, Company may retain Customer's deposit as long as Customer remains on service.
3) For a deposit held longer than eighteen (18) months, the deposit will be recalculated, at Customer's request, and based on Customer's actual usage. If the deposit on account differs from the recalculated amount by more than ten percent (10%), Company may collect any underpayment and shall refund any overpayment by check or credit to Customer's bill. No refund will be made if Customer's bill is delinquent at the time of the recalculation.
4) If Customer fails to maintain a satisfactory payment or credit record, or otherwise becomes a new or greater credit risk, as determined by Company in its sole discretion, Company may require a new or additional deposit from Customer.

**DATE OF ISSUE**: July 7, 2017

**DATE EFFECTIVE:** July 1, 2015

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2014-00372 dated June 30, 2015**

## Louisville Gas and Electric Company

**P.S.C. Electric No. 12, Original Sheet No. 102.1**

**Terms and Conditions**
**Deposits**

**RESIDENTIAL (Continued)**

5. If Customer fails to maintain a satisfactory payment or credit record, or otherwise becomes a new or greater credit risk, as determined by Company in its sole discretion, Company may require a new or additional deposit from Customer.

**GENERAL SERVICE**

1. General service Customers are those Customers served under General Service Rate GS, Sheet No. 10.
2. The deposit for a general service customer is in the amount of $240.00, which is calculated in accordance with 807 KAR5:006, Section 8(1)(d)(2).The deposit for a General Service Customer may be waived when the General Service delivery is to a detached building used in conjunction with a Residential Service and the General Service energy usage is no more than 300 kWh per month.
3. Company shall retain Customer's deposit as long as Customer remains on service.
4. For a deposit held longer than eighteen (18) months, the deposit will be recalculated, at Customer's request, and based on Customer's actual usage. If the deposit on account differs from the recalculated amount by more than ten percent (10%), Company may collect any underpayment and shall refund any overpayment by check or credit to Customer's bill. No refund will be made if Customer's bill is delinquent at the time of the recalculation.
5. If Customer fails to maintain a satisfactory payment or credit record, or otherwise becomes a new or greater credit risk, as determined by Company in its sole discretion, Company may require a new or additional deposit from Customer.

**OTHER SERVICE**

a. The deposit for all other Customers, those not classified herein as residential or general service, shall not exceed 2/12 of Customer's actual or estimated annual bill where bills are rendered monthly in accordance with 807 KAR5:006, Section 8(1)(d)(1).
b. For Customers not meeting the parameters of GENERAL SERVICE ¶ 2, above, Company may retain Customer's deposit as long as Customer remains on service.
c. For a deposit held longer than eighteen (18) months, the deposit will be recalculated, at Customer's request, and based on Customer's actual usage. If the deposit on account differs from the recalculated amount by more than ten percent (10%), Company may collect any underpayment and shall refund any overpayment by check or credit to Customer's bill. No refund will be made if Customer's bill is delinquent at the time of the recalculation.
d. If Customer fails to maintain a satisfactory payment or credit record, or otherwise becomes a new or greater credit risk, as determined by Company in its sole discretion, Company may require a new or additional deposit from Customer.

**DATE OF ISSUE**: September 28, 2018

**DATE EFFECTIVE:** With Service Rendered
On and After July 1, 2015

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2014-00372 dated June 30, 2015**

## Louisville Gas and Electric Company

**P.S.C. Electric No. 11, Original Sheet No. 103**

**TERMS AND CONDITIONS**

**Budget Payment Plan**

Company's Budget Payment Plan is available to any residential customer served under Residential Service Rate RS or any general service customer served under General Service Rate GS. If a residential customer, who is currently served under Residential Service Rate RS and is currently enrolled in the Budget Payment Plan, elects to take service under Residential Time-of-Day Energy Service Rate RTOD-Energy or Residential Time-of-Day Demand Service Rate RTOD-Demand, such customer would be removed from the Budget Payment Plan and restored to regular billing.

Under this plan, a customer may elect to pay, each billing period, a budgeted amount in lieu of billings for actual usage. A customer may enroll in the plan at any time.

The budgeted amount will be determined by Company, and will be based on one-twelfth of Customer's usage for either an actual or estimated twelve (12) months. The budgeted amount will be subject to review and adjustment by Company at any time during Customer's budget year. If actual usage indicates Customer's account will not be current with the final payment in Customer's budget year, Customer will be required to pay their Budget Payment Plan account to $0 prior to the beginning of Customer's next budget year.

If Customer fails to pay bills as agreed under the Budget Payment Plan, Company reserves the right to remove Customer from the plan, restore the Customer to regular billing and require immediate payment of any deficiency. A customer removed from the Budget Payment Plan for non-payment may be prohibited from further participation in the plan for twelve (12) months.

Failure to receive a bill in no way exempts Customer from the provisions of these terms and conditions.

**DATE OF ISSUE**: July 7, 2017

**DATE EFFECTIVE:** July 1, 2015

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2014-00372 dated June 30, 2015**

## Louisville Gas and Electric Company

**P.S.C. Electric No. 12, Original Sheet No. 103**

**Terms and Conditions**
**Budget Payment Plan**

Company's Budget Payment Plan is available to any residential Customer served under Residential Service Rate RS or any general service Customer served under General Service Rate GS. If a residential Customer, who is currently served under Residential Service Rate RS and is currently enrolled in the Budget Payment Plan, elects to take service under Residential Time-of-Day Energy Service Rate RTOD-Energy or Residential Time-of-Day Demand Service Rate RTOD-Demand, such Customer would be removed from the Budget Payment Plan and restored to regular billing.

Under this plan, a Customer may elect to pay, each billing period, a budgeted amount in lieu of billings for actual usage. A Customer may enroll in the plan at any time.

The budgeted amount will be determined by Company, and will be based on one-twelfth of Customer's usage for either an actual or estimated twelve (12) months. The budgeted amount will be subject to review and adjustment by Company at any time during Customer's budget year. If actual usage indicates Customer's account will not be current with the final payment in Customer's budget year, Customer will be required to pay their Budget Payment Plan account to $0 prior to the beginning of Customer's next budget year.

If Customer fails to pay bills as agreed under the Budget Payment Plan, Company reserves the right to remove Customer from the plan, restore the Customer to regular billing and require immediate payment of any deficiency. A Customer removed from the Budget Payment Plan for non-payment may be prohibited from further participation in the plan for twelve (12) months.

Failure to receive a bill in no way exempts Customer from the provisions of these terms and conditions.

**DATE OF ISSUE**: September 28, 2018

**DATE EFFECTIVE:** With Service Rendered
On and After July 1, 2015

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2014-00372 dated June 30, 2015**

## Louisville Gas and Electric Company

P.S.C. Electric No. 11, Original Sheet No. 104

TERMS AND CONDITIONS

Bill Format

T

Mailed 7/3/17 for Account # 3000-0000-0000

AMOUNT DUE $106.92 | DUE DATE 9/26/17

a PPL company

**BILLING SUMMARY**

| | |
|---|---|
| Previous Balance | 165.74 |
| Payment(s) Received | 165.74 |
| **Balance as of 6/30/17** | **$ 0.00** |
| Current Electric Charges | 106.92 |
| **Total Current Charges as of 6/30/17** | **$106.92** |
| **Total Amount Due** | **$106.92** |

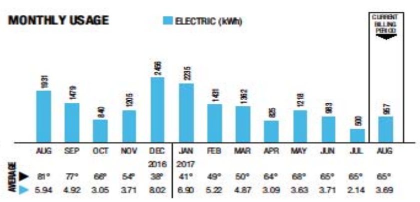
**Account Name:** JOHN DOE
**Service Address:** 1234 ANYWHERE STREET
LOUISVILLE KY

**Online Payments:** lge-ku.com
**Telephone Payments:** (502) 589-1444, press 1-2-3
24 hours a day; $2.25 fee
**Customer Service:** (502) 589-1444
M-F, 7am-7pm ET
**Walk-in Center:** 820 W. Broadway
Louisville, KY 40202
M-F, 8am-5pm ET

Next read will occur 9/27/17 - 9/29/17 (Meter Read Portion 19)

**BILLING PERIOD AT-A-GLANCE**

| | THIS YEAR | LAST YEAR |
|---|---|---|
| **Average Temperature** | **65°** | **81°** |
| Number of Days Billed | 29 | 32 |
| **Avg. Electric Charges per Day** | **$3.69** | **$5.94** |
| Avg. Electric Usage per Day (kWh) | 33.00 | 60.34 |




Please return only this portion with your payment. Make checks payable to LG&E and write your account number on your check.

| | |
|---|---|
| Amount Due 9/26/17 | $106.92 |
| **After Due Date,** Pay this Amount: | $110.13 |
| **Winterhelp** Donation: | |
| **Total Amount Enclosed:** | |

Account # 3000-0000-0000
Service Address: 1234 Anywhere Street

a PPL company
PO Box 9001960
Louisville, KY 40290-1960

JOHN DOE
1234 ANYWHERE STREET
LOUISVILLE, KY 40200-0000

**DATE OF ISSUE**: July 7, 2017

**DATE EFFECTIVE:** July 1, 2017

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2016-00371 dated June 22, 2017 and modified June 29, 2017**

## Louisville Gas and Electric Company

P.S.C. Electric No. 12, Original Sheet No. 104

Terms and Conditions

Bill Format

T

Mailed 9/17/18 for Account # 3000-0000-0001

AMOUNT DUE $100.44 | DUE DATE 10/12/18

a PPL company

**BILLING SUMMARY**

| | |
|---|---|
| Previous Balance | 95.46 |
| Payment(s) Received | -95.46 |
| **Balance as of 9/14/18** | **$0.00** |
| Current Electric Charges | 100.44 |
| **Total Current Charges as of 9/14/18** | **$100.44** |
| **Total Amount Due** | **$100.44** |

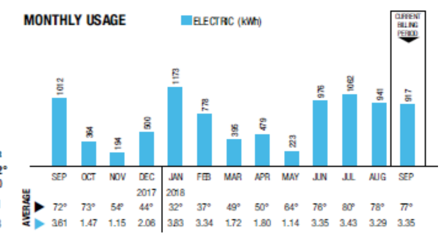
**Account Name:** JANE DOE
**Service Address:** 220 W Main St
LOUISVILLE KY

**Online Payments:** lge-ku.com
**Telephone Payments:** (502) 589-1444, press 1-2-3
24 hours a day; $2.00 fee
**Customer Service:** (502) 589-1444
M-F, 7am-7pm ET
**Walk-in Center:** 820 W. Broadway
Louisville, KY 40202
M-F, 8am-5pm ET

Next read will occur 10/16/18 - 10/18/18 (Meter Read Portion 11)

**BILLING PERIOD AT-A-GLANCE**

| | THIS YEAR | LAST YEAR |
|---|---|---|
| **Average Temperature** | **77°** | **72°** |
| Number of Days Billed | 30 | 30 |
| **Avg. Electric Charges per Day** | **$3.35** | **$3.61** |
| Avg. Electric Usage per Day (kWh) | 30.57 | 33.73 |




Please return only this portion with your payment. Make checks payable to LG&E and write your account number on your check.

| | |
|---|---|
| Amount Due 10/12/18 | $100.44 |
| **After Due Date, Pay this Amount:** | $103.45 |
| **Winterhelp** Donation: | |
| **Total Amount Enclosed:** | AUTOPAY |

$100.44 will be deducted from your account on payment due date

Account # 3000-0000-0001
Service Address: 220 W Main St

#916090001 7#

JANE DOE
220 W MAIN ST
LOUISVILLE, KY 40202-1006

a PPL company
PO Box 25211
Lehigh Valley, PA 18002-5211

**DATE OF ISSUE**: September 28, 2018

**DATE EFFECTIVE:** With Service Rendered
On and After November 1, 2018

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00295 dated ____**

## Louisville Gas and Electric Company

P.S.C. Electric No. 11, Original Sheet No. 104.1

**TERMS AND CONDITIONS**

**Bill Format**

T

Page 2 Account # 3000-0000-0000

**CURRENT USAGE**

| ELECTRIC | |
|---|---|
| **Meter Reading Information** | **Meter # 368772** |
| Actual (R) kWh Reading on 8/25/17 | 53957 |
| Previous (R) kWh Reading on 7/27/17 | 53000 |
| Current kWh Usage | 957 |
| Meter Multiplier | 1 |
| **Metered kWh Usage** | **957** |

**CURRENT CHARGES**

| ELECTRIC | Rate: Residential Electric Service |
|---|---|
| Basic Service Charge | 12.25 |
| Energy Charge ($0.09162 x 957 kWh) | 87.68 |
| Electric DSM ($0.00346 x 957 kWh) | 3.31 |
| Electric Fuel Adjustment ($-0.00277 x 957 kWh) | -2.65 |
| Environmental Surcharge (6.040% x $100.59) | 6.08 |
| Home Energy Assistance Fund Charge | 0.25 |
| **Total Charges** | **$106.92** |

**BILLING INFORMATION**

**Late Payment Charge**
Late Charge to be Assessed After Due Date $3.21

**Rate Schedules**
For a copy of your rate schedule, visit lge-ku.com/rates or call our Customer Service Department.

OFFICE USE ONLY: AJ
MRU19833017, G000000
P165.74
PF:Y eB:P

**RECYCLE** THE OLD
**REBATE** THE NEW

We'll haul away your old, working fridge or freezer
and pay you **$50**. You can earn up to **$300**
when you upgrade to ENERGY STAR® certified appliances.
**Visit lge-ku.com/savingenergy**

**DATE OF ISSUE**: July 7, 2017

**DATE EFFECTIVE:** July 1, 2017

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the**
**Public Service Commission in Case No.**
**2016-00371 dated June 22, 2017 and modified June 29, 2017**

## Louisville Gas and Electric Company

P.S.C. Electric No. 12, Original Sheet No. 104.1

**Terms and Conditions**

**Bill Format**

T

Page 2 Account # 3000-0000-0001

**CURRENT USAGE**

| ELECTRIC | |
|---|---|
| **Meter Reading Information** | **Meter # 700000** |
| Actual (R) kWh Reading on 9/14/18 | 53555 |
| Actual (R) kWh Reading on 8/15/18 | 52638 |
| Current kWh Usage | 917 |
| Meter Multiplier | 1 |
| **Metered kWh Usage** | **917** |

**CURRENT CHARGES**

| ELECTRIC | Rate: Residential Electric Service |
|---|---|
| Basic Service Charge ($0.53 x 30 days) | 15.90 |
| Energy Charge ($0.09420 x 917 kWh) | 86.38 |
| Electric DSM ($0.00254 x 917 kWh) | 2.33 |
| Electric Fuel Adjustment ($-0.00070 x 917 kWh) | -0.64 |
| Environmental Surcharge (3.640% CR x $103.97) | -3.78 |
| Home Energy Assistance Fund Charge | 0.25 |
| **Total Charges** | **$100.44** |

**BILLING INFORMATION**

**Late Payment Charge**
Late Charge to be Assessed After Due Date $3.01

**Rate Schedules**
For a copy of your rate schedule, visit lge-ku.com/rates or call our Customer Service Department.

**NATIONAL PREPAREDNESS MONTH**

DISASTERS HAPPEN. PREPARE NOW. LEARN HOW.
lge-ku.com/safety/preparedness

OFFICE USE ONLY:
MRU11802700, G000000
P95.46
PF:N eB:E

**DATE OF ISSUE**: September 28, 2018

**DATE EFFECTIVE:** With Service Rendered
On and After November 1, 2018

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the**
**Public Service Commission in Case No.**
**2018-00295 dated ____**

## Louisville Gas and Electric Company

P.S.C. Electric No. 11, Original Sheet No. 104.2

### TERMS AND CONDITIONS

### Bill Format

T

Mailed **7/5/17** for Account # **3000-0000-0000**

| AMOUNT DUE | DUE DATE |
|---|---|
| $169.64 | 9/26/17 |

a PPL company

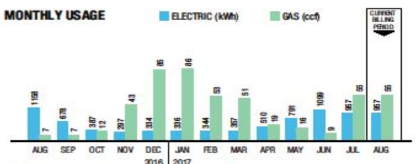
**BILLING SUMMARY**

| | |
|---|---|
| Previous Balance | 311.03 |
| Payment(s) Received | 311.03 |
| **Balance as of 7/3/17** | **$ 0.00** |
| Current Electric Charges | 106.92 |
| Current Gas Charges | 62.72 |
| **Total Current Charges as of 7/3/17** | **$169.64** |
| **Total Amount Due** | **$169.64** |

| | |
|---|---|
| **Account Name:** | JOHN DOE |
| **Service Address:** | 1234 ANYWHERE STREET<br>LOUISVILLE KY |
| **Online Payments:** | lge-ku.com |
| **Telephone Payments:** | (502) 589-1444, press 1-2-3<br>24 hours a day; $2.25 fee |
| **Customer Service:** | (502) 589-1444<br>M-F, 7am-7pm ET |
| **Walk-in Center:** | 820 W. Broadway<br>Louisville, KY 40202<br>M-F, 8am-5pm ET |

Next read will occur 9/28/17 - 10/2/17 (Meter Read Portion 20)

**MONTHLY USAGE**




**BILLING PERIOD AT-A-GLANCE**

| | THIS YEAR | LAST YEAR |
|---|---|---|
| **Average Temperature** | 65° | 81° |
| Number of Days Billed | 32 | 30 |
| **Avg. Electric Charges per Day** | $3.34 | $3.95 |
| **Avg. Gas Charges per Day** | $1.96 | $0.79 |
| Avg. Electric Usage per Day (kWh) | 29.91 | 38.60 |
| Avg. Gas Usage per Day (ccf) | 1.72 | 0.23 |

| AVERAGE | AUG | SEP | OCT | NOV | DEC 2016 | JAN 2017 | FEB | MAR | APR | MAY | JUN | JUL | AUG |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| ▶ | 81° | 76° | 68° | 53° | 38° | 41° | 49° | 50° | 65° | 68° | 76° | 65° | 65° |
| ▶ | 3.95 | 2.46 | 1.51 | 1.29 | 1.43 | 1.35 | 1.57 | 1.57 | 1.93 | 2.55 | 3.95 | 3.82 | 3.34 |
| ▶ | 0.79 | 0.79 | 0.87 | 1.74 | 2.63 | 2.68 | 2.37 | 2.03 | 1.26 | 0.97 | 0.92 | 2.24 | 1.96 |

Please return only this portion with your payment. Make checks payable to LG&E and write your account number on your check.

| | |
|---|---|
| Amount Due **9/26/17** | **$169.64** |
| **After Due Date,** Pay this Amount: | $174.73 |
| **Winterhelp** Donation: | |
| **Total Amount Enclosed:** | |

Account # **3000-0000-0000**
Service Address: 1234 Anywhere Street

a PPL company
PO Box 9001960
Louisville, KY 40290-1960

JOHN DOE
1234 ANYWHERE STREET
LOUISVILLE, KY 40200-0000

**DATE OF ISSUE**: July 7, 2017

**DATE EFFECTIVE:** July 1, 2017

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2016-00371 dated June 22, 2017 and modified June 29, 2017**

## Louisville Gas and Electric Company

P.S.C. Electric No. 12, Original Sheet No. 104.2

### Terms and Conditions

### Bill Format

T

Mailed **9/17/18** for Account # **3000-0000-0002**

| AMOUNT DUE | DUE DATE |
|---|---|
| $165.87 | 10/11/18 |

a PPL company

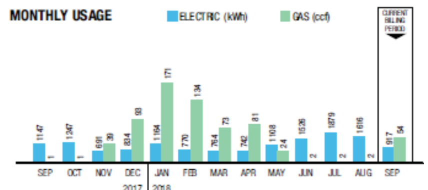
**BILLING SUMMARY**

| | |
|---|---|
| Previous Balance | 173.93 |
| Payment(s) Received | -173.93 |
| **Balance as of 9/14/18** | **$0.00** |
| Current Electric Charges | 100.44 |
| Current Gas Charges | 65.43 |
| **Total Current Charges as of 9/14/18** | **$165.87** |
| **Total Amount Due** | **$165.87** |

| | |
|---|---|
| **Account Name:** | JANE DOE |
| **Service Address:** | 220 W Main St<br>LOUISVILLE KY |
| **Online Payments:** | lge-ku.com |
| **Telephone Payments:** | (800) 331-7370, press 1-2-3<br>24 hours a day; $2.00 fee |
| **Customer Service:** | (800) 331-7370<br>M-F, 7am-7pm ET |
| **Walk-in Center:** | 820 W. Broadway<br>Louisville, KY 40202<br>M-F, 8am-5pm ET |

Next read will occur 10/15/18 - 10/17/18 (Meter Read Portion 10)

**MONTHLY USAGE**




**BILLING PERIOD AT-A-GLANCE**

| | THIS YEAR | LAST YEAR |
|---|---|---|
| **Average Temperature** | 77° | 72° |
| Number of Days Billed | 30 | 29 |
| **Avg. Electric Charges per Day** | $3.35 | $4.18 |
| **Avg. Gas Charges per Day** | $2.18 | $0.62 |
| Avg. Electric Usage per Day (kWh) | 30.57 | 39.55 |
| Avg. Gas Usage per Day (ccf) | 1.80 | 0.03 |

| AVERAGE | SEP | OCT | NOV | DEC 2017 | JAN 2018 | FEB | MAR | APR | MAY | JUN | JUL | AUG | SEP |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| ▶ | 72° | 73° | 53° | 43° | 31° | 38° | 49° | 47° | 63° | 76° | 80° | 78° | 77° |
| ▶ | 4.18 | 4.04 | 2.77 | 3.13 | 3.81 | 3.31 | 3.01 | 2.93 | 3.46 | 5.00 | 5.77 | 5.35 | 3.35 |
| ▶ | 0.62 | 0.57 | 1.70 | 3.08 | 4.37 | 4.55 | 2.99 | 2.47 | 1.05 | 0.60 | 0.58 | 0.65 | 2.16 |

Please return only this portion with your payment. Make checks payable to LG&E and write your account number on your check.

| | |
|---|---|
| Amount Due **10/11/18** | **$165.87** |
| **After Due Date,** Pay this Amount: | $170.85 |
| **Winterhelp** Donation: | |
| **Total Amount Enclosed:** | |

Account # **3000-0000-0002**
Service Address: 220 W Main St

#9160900025#

a PPL company
PO Box 25211
Lehigh Valley, PA 18002-5211

JANE DOE
220 W MAIN ST
LOUISVILLE, KY 40202-1000

**DATE OF ISSUE**: September 28, 2018

**DATE EFFECTIVE:** With Service Rendered
On and After November 1, 2018

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00295 dated ____**

## Louisville Gas and Electric Company

**P.S.C. Electric No. 11, Original Sheet No. 104.3**

**TERMS AND CONDITIONS**

**Bill Format**

T

Page 2

Account # 3000-0000-0000

**CURRENT USAGE**

| ELECTRIC | |
|---|---|
| **Meter Reading Information** | **Meter # 577856** |
| Actual (R) kWh Reading on 8/29/17 | 46653 |
| Previous (R) kWh Reading on 7/28/17 | 45696 |
| Current kWh Usage | 957 |
| Meter Multiplier | 1 |
| **Metered kWh Usage** | **957** |

| GAS | |
|---|---|
| **Meter Reading Information** | **Meter # 516098** |
| Actual (R) ccf Reading on 8/29/17 | 2000 |
| Previous (R) ccf Reading on 7/28/17 | 1945 |
| Current ccf Usage | 55 |
| Meter Multiplier | 1 |
| **Metered ccf Usage** | **55** |

**CURRENT CHARGES**

| ELECTRIC | **Rate:** Residential Electric Service |
|---|---|
| Basic Service Charge | 12.25 |
| Energy Charge ($0.09162 x 957 kWh) | 87.68 |
| Electric DSM ($0.00346 x 957 kWh) | 3.31 |
| Electric Fuel Adjustment ($-0.00277 x 957 kWh) | -2.65 |
| Environmental Surcharge (6.040% x $100.59) | 6.08 |
| Home Energy Assistance Fund Charge | 0.25 |
| **Total Charges** | **$106.92** |

| GAS | **Rate:** Residential Gas Service |
|---|---|
| Basic Service Charge | 16.35 |
| Gas Distribution Charge ($0.36300 x 55 ccf) | 19.97 |
| Gas Supply Component ($0.44310 x 55 ccf) | 24.37 |
| Gas DSM ($0.01877 x 55 ccf) | 1.03 |
| Gas Line Tracker ($0.71 + ($0.00065 x 55 ccf)) | 0.75 |
| Home Energy Assistance Fund Charge | 0.25 |
| **Total Charges** | **$62.72** |

**BILLING INFORMATION**

**Late Payment Charge**
Late Charge to be Assessed After Due Date $5.09

**Rate Schedules**
For a copy of your rate schedule, visit lge-ku.com/rates or call our Customer Service Department.

**RECYCLE** THE OLD
**REBATE** THE NEW

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P311.03
PF:Y eB:P

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State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2016-00371 dated June 22, 2017 and modified June 29, 2017**

## Louisville Gas and Electric Company

**P.S.C. Electric No. 12, Original Sheet No. 104.3**

**Terms and Conditions**
**Bill Format**

T

**CURRENT USAGE**

| ELECTRIC | |
|---|---|
| **Meter Reading Information** | **Meter # 900000** |
| Actual (R) kWh Reading on 9/14/18 | 37615 |
| Actual (R) kWh Reading on 8/15/18 | 36698 |
| Current kWh Usage | 917 |
| Meter Multiplier | 1 |
| **Metered kWh Usage** | **917** |

| GAS | |
|---|---|
| **Meter Reading Information** | **Meter # 700000** |
| Actual (R) ccf Reading on 9/14/18 | 1639 |
| Actual (R) ccf Reading on 8/15/18 | 1585 |
| Current ccf Usage | 54 |
| Meter Multiplier | 1 |
| **Metered ccf Usage** | **54** |

**CURRENT CHARGES**

| ELECTRIC | **Rate:** Residential Electric Service |
|---|---|
| Basic Service Charge ($0.53 x 30 days) | 15.90 |
| Energy Charge ($0.09420 x 917 kWh) | 86.38 |
| Electric DSM ($0.00254 x 917 kWh) | 2.33 |
| Electric Fuel Adjustment ($-0.00070 x 917 kWh) | -0.64 |
| Environmental Surcharge (3.640% CR x $103.97) | -3.78 |
| Home Energy Assistance Fund Charge | 0.25 |
| **Total Charges** | **$100.44** |

| GAS | **Rate:** Residential Gas Service |
|---|---|
| Basic Service Charge ($0.65 x 30 days) | 19.50 |
| Gas Distribution Charge ($0.39076 x 54 ccf) | 21.10 |
| Gas Supply Component ($0.41446 x 54 ccf) | 22.38 |
| Gas DSM ($0.02404 x 54 ccf) | 1.30 |
| Gas Line Tracker ($0.60 + ($0.00547 x 54 ccf)) | 0.90 |
| Home Energy Assistance Fund Charge | 0.25 |
| **Total Charges** | **$65.43** |

**BILLING INFORMATION**

**Late Payment Charge**
Late Charge to be Assessed After Due Date $4.98

**Rate Schedules**
For a copy of your rate schedule, visit lge-ku.com/rates or call our Customer Service Department.

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State Regulation and Rates
Louisville, Kentucky

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## Louisville Gas and Electric Company

**P.S.C. Electric No. 11, Original Sheet No. 105**

**TERMS AND CONDITIONS**

**Discontinuance of Service**

In accordance with and subject to the rules and regulations of the Public Service Commission of Kentucky, Company shall have the right to refuse or discontinue service to an applicant or customer under the following conditions:

A. When Company's or Commission's rules and regulations have not been complied with. However, service may be discontinued or refused only after Company has made a reasonable effort to induce Customer to comply with its rules and then only after Customer has been given at least ten (10) days written notice of such intention, mailed or otherwise delivered, including, but not limited to, electronic mail, to Customer's last known address.

B. When a dangerous condition is found to exist on the customer's or applicant's premises. In such case service will be discontinued without notice or refused, as the case might be. Company will notify the customer or applicant immediately of the reason for the discontinuance or refusal and the corrective action to be taken before service can be restored or initiated.

C. When Customer or Applicant refuses or neglects to provide reasonable access and/or easements to and on Customer's or Applicant's premises for the purposes of installation, operation, meter reading, maintenance, or removal of Company's property. Customer shall be given fifteen (15) days written notice (either mailed or otherwise delivered, including, but not limited to, electronic mail), of Company's intention to discontinue or refuse service.

D. When Applicant is indebted to Company for service furnished. Company may refuse to serve until indebtedness is paid.

E. When Customer or Applicant does not comply with state, municipal or other codes, rules and regulations applying to such service.

F. When directed to do so by governmental authority.

G. Service will not be supplied to any premises if Applicant or Customer is indebted to Company for service previously supplied at the same or any other premises until payment of such indebtedness shall have been made. Service will not be continued to any premises if Applicant or Customer is indebted to Company for service previously supplied at the same premises in accordance with 807 KAR 5:006, Section 15(1)(f). Unpaid balances of previously rendered Final Bills may be transferred to any account for which Customer has responsibility and may be included on initial or subsequent bills for the account to which the transfer was made. Such transferred Final Bills, if unpaid, will be a part of the past due balance of the account to which they are transferred. When there is no lapse in service, such transferred final bills will be subject to Company's collections and disconnect procedures in accordance with 807 KAR 5:006, Section 15(1)(f). Final Bills transferred following a T

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## Louisville Gas and Electric Company

**P.S.C. Electric No. 12, Original Sheet No. 105**

**Terms and Conditions**
**Discontinuance of Service**

In accordance with and subject to the rules and regulations of the Kentucky Public Service Commission, Company shall have the right to refuse or discontinue service to an applicant or Customer under the following conditions:

1. When Company's or Commission's rules and regulations have not been complied with. However, service may be discontinued or refused only after Company has made a reasonable effort to induce Customer to comply with its rules and then only after Customer has been given at least ten (10) days written notice of such intention, mailed or otherwise delivered, including, but not limited to, electronic mail, to Customer's last known address.

2. When a dangerous condition is found to exist on Customer's or applicant's premises. In such case service will be discontinued without notice or refused, as the case might be. Company will notify the customer or applicant immediately of the reason for the discontinuance or refusal and the corrective action to be taken before service can be restored or initiated.

3. When Customer or Applicant refuses or neglects to provide reasonable access and/or easements to and on Customer's or Applicant's premises for the purposes of installation, operation, meter reading, maintenance, or removal of Company's property. Customer shall be given fifteen (15) days written notice (either mailed or otherwise delivered, including, but not limited to, electronic mail), of Company's intention to discontinue or refuse service.

4. When Applicant is indebted to Company for service furnished. Company may refuse to serve until indebtedness is paid.

5. When Customer or Applicant does not comply with state, municipal or other codes, rules and regulations applying to such service.

6. When directed to do so by governmental authority.

7. Service will not be supplied to any premises if Applicant or Customer is indebted to Company for service previously supplied at the same or any other premises until payment of such indebtedness shall have been made. Service will not be continued to any premises if Applicant or Customer is indebted to Company for service previously supplied at the same premises in accordance with 807 KAR 5:006, Section 15(1)(f). Unpaid balances of previously rendered Final Bills may be transferred to any account for which Customer has responsibility and may be included on initial or subsequent bills for the account to which the transfer was made. Such transferred Final Bills, if unpaid, will be a part of the past due balance of the account to which they are transferred. When there is no lapse in service, such transferred final bills will be subject to Company's collections and disconnect procedures in accordance with 807 KAR 5:006, Section 15(1)(f). Final Bills transferred following a

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State Regulation and Rates
Louisville, Kentucky

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## Louisville Gas and Electric Company

P.S.C. Electric No. 11, Original Sheet No. 105.1

**TERMS AND CONDITIONS**

**Discontinuance of Service**

lapse in service will not be subject to disconnection unless: (1) such service was provided pursuant to a fraudulent application submitted by Customer; (2) Customer and Company have entered into a contractual agreement which allows for such a disconnection; or (3) the current account is subsequently disconnected for service supplied at that point of delivery, at which time, all unpaid and past due balances must be paid prior to reconnect. Company shall have the right to transfer Final Bills between residential and commercial with residential characteristics (e.g., service supplying common use facilities of any apartment building) revenue classifications. T

Service will not be supplied or continued to any premises if at the time of application for service Applicant is merely acting as an agent of a person or former customer who is indebted to Company for service previously supplied at the same or other premises until payment of such indebtedness shall have been made. Service will not be supplied where the Applicant is a partnership or corporation whose general partner or controlling stockholder is a present or former customer who is indebted to Company for service previously supplied at the same premises until payment of such indebtedness shall have been made.

H. For non-payment of bills. Company shall have the right to discontinue service for non-payment of bills after Customer has been given at least ten days written notice separate from Customer's original bill. Cut-off may be effected not less than twenty-seven (27) days after the mailing date of original bills unless, prior to discontinuance, a residential customer presents to Company a written certificate, signed by a physician, registered nurse, or public health officer, that such discontinuance will aggravate an existing illness or infirmity on the affected premises, in which case discontinuance may be effected not less than thirty (30) days from the original date of discontinuance. Company shall notify Customer, in writing, (either mailed or otherwise delivered, including, but not limited to, electronic mail), of state and federal programs which may be available to aid in payment of bills and the office to contact for such possible assistance.

I. For fraudulent or illegal use of service. When Company discovers evidence that by fraudulent or illegal means Customer has obtained unauthorized service or has diverted the service for unauthorized use or has obtained service without same being properly measured, the service to Customer may be discontinued without notice. Within twenty-four (24) hours after such termination, Company shall send written notification to Customer of the reasons for such discontinuance of service and of Customer's right to challenge the termination by filing a formal complaint with the Public Service Commission of Kentucky. Company's right of termination is separate from and in addition to any other legal remedies which the utility may pursue for illegal use or theft of service. T

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## Louisville Gas and Electric Company

P.S.C. Electric No. 12, Original Sheet No. 105.1

**Terms and Conditions**
**Discontinuance of Service**

lapse in service will not be subject to disconnection unless: (1) such service was provided pursuant to a fraudulent application submitted by Customer; (2) Customer and Company have entered into a contractual agreement which allows for such a disconnection; or (3) the current account is subsequently disconnected for service supplied at that point of delivery, at which time, all unpaid and past due balances must be paid prior to reconnect. Company shall have the right to transfer Final Bills between residential and commercial with residential characteristics (e.g., service supplying common use facilities of any apartment building) revenue classifications.

Service will not be supplied or continued to any premises if at the time of application for service Applicant is merely acting as an agent of a person or former customer who is indebted to Company for service previously supplied at the same or other premises until payment of such indebtedness shall have been made. Service will not be supplied where the Applicant is a partnership or corporation whose general partner or controlling stockholder is a present or former Customer who is indebted to Company for service previously supplied at the same premises until payment of such indebtedness shall have been made.

8. For non-payment of bills. Company shall have the right to discontinue service for non-payment of bills after Customer has been given at least ten days written notice separate from Customer's original bill. Cut-off may be effected not less than twenty-seven (27) days after the mailing date of original bills unless, prior to discontinuance, a residential Customer presents to Company a written certificate, signed by a physician, registered nurse, or public health officer, that such discontinuance will aggravate an existing illness or infirmity on the affected premises, in which case discontinuance may be effected not less than thirty (30) days from the original date of discontinuance. Company shall notify Customer, in writing, (either mailed or otherwise delivered, including, but not limited to, electronic mail), of state and federal programs which may be available to aid in payment of bills and the office to contact for such possible assistance.

9. For fraudulent or illegal use of service. When Company discovers evidence that by fraudulent or illegal means Customer has obtained unauthorized service or has diverted the service for unauthorized use or has obtained service without same being properly measured, the service to Customer may be discontinued without notice. Within twenty-four (24) hours after such termination, Company shall send written notification to Customer of the reasons for such discontinuance of service and of Customer's right to challenge the termination by filing a formal complaint with the Kentucky Public Service Commission. Company's right of termination is separate from and in addition to any other legal remedies which the utility may pursue for illegal use or theft of service.

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State Regulation and Rates
Louisville, Kentucky

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## Louisville Gas and Electric Company

**P.S.C. Electric No. 11, Original Sheet No. 105.2**

**TERMS AND CONDITIONS**

**Discontinuance of Service**

Company shall not be required to restore service until Customer has complied with all rules of Company T
and regulations of the Commission and Company has been reimbursed for the estimated amount of
the service rendered, and assessment of the charges under the Unauthorized Reconnect Charge T
provision of Special Charges incurred by reason of the fraudulent use. T

When service has been discontinued for any of the above reasons, Company shall not be responsible for any damage that may result therefrom.

Discontinuance or refusal of service shall be in addition to, and not in lieu of, any other rights or remedies available to Company.

Company may defer written notice (either mailed or otherwise delivered, including, but not limited to, electronic mail), based on Customer's payment history provided Company continues to provide the required ten (10) days written notice prior to discontinuance of service.

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## Louisville Gas and Electric Company

**P.S.C. Electric No. 12, Original Sheet No. 105.2**

**Terms and Conditions**
**Discontinuance of Service**

Company shall not be required to restore service until Customer has complied with all rules of Company and regulations of the Commission and Company has been reimbursed for the estimated amount of the service rendered, and assessment of the charges under the Unauthorized Reconnect Charge provision of Special Charges incurred by reason of the fraudulent use.

When service has been discontinued for any of the above reasons, Company shall not be responsible for any damage that may result therefrom.

Discontinuance or refusal of service shall be in addition to, and not in lieu of, any other rights or remedies available to Company.

Company may defer written notice (either mailed or otherwise delivered, including, but not limited to, electronic mail), based on Customer's payment history provided Company continues to provide the required ten (10) days written notice prior to discontinuance of service.

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## Louisville Gas and Electric Company

**P.S.C. Electric No. 11, Original Sheet No. 106**

**TERMS AND CONDITIONS**

**Line Extension Plan**

**A. AVAILABILITY**

In all territory served by where Company does not have existing facilities to meet Customer's electric service needs.

**B. DEFINITIONS**

1) "Company" shall mean Louisville Gas and Electric Company.
2) "Customer" shall mean the applicant for service. When more than one electric service is requested by an applicant on the same extension, such request shall be considered one customer under this plan when the additional service request(s) is only for incidental or minor convenience loads or when the applicant for service is the developer of a subdivision.
3) "Line Extension" shall mean the single phase facilities required to serve Customer by the shortest route most convenient to Company from the nearest existing adequate Company facilities to Customer's delivery point, approved by Company, and excluding transformers, service drop, and meters, if required and normally provided to like customers.
4) "Permanent Service" shall mean service contracted for under the terms of the applicable rate schedule but not less than one year and where the intended use is not seasonal, intermittent, or speculative in nature.
5) "Commission" shall mean the Public Service Commission of Kentucky.

**C. GENERAL**

1) All extensions of service will be made through the use of overhead facilities except as provided in these rules.
2) Customer requesting service which requires an extension(s) shall furnish to Company, at no cost, properly executed easement(s) for right-of-way across Customer's property to be served.
3) Customer requesting extension of service into a subdivision, subject to the jurisdiction of a public commission, board, committee, or other agency with authority to zone or otherwise regulate land use in the area and require a plat (or Plan) of the subdivision, Customer shall furnish, at no cost, Company with the plat (or plan) showing street and lot locations with utility easement and required restrictions. Plats (or plans) supplied shall have received final approval of the regulating body and recorded in the office of the appropriate County Court Clerk when required. Should no regulating body exist for the area into which service is to be extended, Customer shall furnish Company the required easement.
4) The title to all extensions, rights-of way, permits, and easements shall be and remain with Company.

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## Louisville Gas and Electric Company

**P.S.C. Electric No. 12, Original Sheet No. 106**

**Terms and Conditions**
**Line Extension Plan**

**1. AVAILABILITY** T

In all territory served by where Company does not have existing facilities to meet Customer's electric service needs.

**2. DEFINITIONS** T

a. "Company" shall mean Louisville Gas and Electric Company. T
b. "Customer" shall mean the applicant for service. When more than one electric service is requested by an applicant on the same extension, such request shall be considered one Customer under this plan when the additional service request(s) is only for incidental or minor convenience loads or when the applicant for service is the developer of a subdivision. T
c. "Line Extension" shall mean the single phase facilities required to serve Customer by the shortest route most convenient to Company from the nearest existing adequate Company facilities to Customer's delivery point, approved by Company, and excluding transformers, service drop, and meters, if required and normally provided to like customers. T
d. "Permanent Service" shall mean service contracted for under the terms of the applicable rate schedule but not less than one year and where the intended use is not seasonal, intermittent, or speculative in nature. T
e. "Commission" shall mean the Kentucky Public Service Commission. T

**3. GENERAL** T

a. All extensions of service will be made through the use of overhead facilities except as provided in these rules. T
b. Customer requesting service which requires an extension(s) shall furnish to Company, at no cost, properly executed easement(s) for right-of-way across Customer's property to be served. T
c. Customer requesting extension of service into a subdivision, subject to the jurisdiction of a public commission, board, committee, or other agency with authority to zone or otherwise regulate land use in the area and require a plat (or Plan) of the subdivision, Customer shall furnish, at no cost, Company with the plat (or plan) showing street and lot locations with utility easement and required restrictions. Plats (or plans) supplied shall have received final approval of the regulating body and recorded in the office of the appropriate County Court Clerk when required. Should no regulating body exist for the area into which service is to be extended, Customer shall furnish Company the required easement. T
d. The title to all extensions, rights-of way, permits, and easements shall be and remain with Company. T

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## Louisville Gas and Electric Company

**P.S.C. Electric No. 11, Original Sheet No. 106.1**

**TERMS AND CONDITIONS**

**Line Extension Plan**

**C. GENERAL** (continued)

5) Customer must agree in writing to take service when the extension is completed and have Customer's building or other permanent facility wired and ready for connection.
6) Nothing herein shall be construed as preventing Company from making electric line extensions under more favorable terms than herein prescribed provided the potential revenue is of such amount and permanency as to warrant such terms and render economically feasible the capital expenditure involved and provided such extensions are made to other customers under similar conditions.
7) Company may require a non-refundable deposit in cases where Customer does not have a real need or in cases where the estimated revenue does not justify the investment.
8) The Company shall not be obligated to extend its lines in cases where such extensions, in the good judgment of Company, would be infeasible, impractical, or contrary to good engineering or operating practice, unless otherwise ordered by Commission.

**D. NORMAL LINE EXTENSIONS**

1) In accordance with 807 KAR 5:041, Section 11(1), Company will provide, at no cost, a line extension of up to 1,000 feet to Customer requesting permanent service where the installed transformer capacity does not exceed 25kVA.
2) Where Customer requires poly-phase service or transformer capacity in excess of 25kVA and Company provides such facilities, Company may require Customer to pay, in advance, a non-refundable amount for the additional cost to Company in providing facilities above that required in NORMAL LINE EXTENSIONS ¶ 1 above.

**E. OTHER LINE EXTENSIONS**

1) In accordance with 807 KAR 5:041, Section 11(2), Company shall provide to Customer requesting permanent service a line extension in excess of 1,000 feet per customer but Company may require the total cost of the footage in excess of 1,000 feet per customer, based on the average cost per foot of the total extension, be deposited with Company by Customer.
2) Each year for ten (10) years Company shall refund to Customer, who made the deposit for excess footage, the cost of 1,000 feet of extension for each additional customer connected during that year directly to the original extension for which the deposit was made.
3) Each year for ten (10) years Company shall refund to Customer, who made the deposit for excess footage, the cost of 1,000 feet of extension less the length of the lateral or extension for each additional customer connected during that year by a lateral or extension to the original extension for which the deposit was made.
4) The total amount refunded shall not exceed the amount originally deposited nor shall any refund be made after the ten (10) year refund period ends.

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## Louisville Gas and Electric Company

**P.S.C. Electric No. 12, Original Sheet No. 106.1**

**Terms and Conditions**
**Line Extension Plan**

**3. GENERAL** (continued) T

e. Customer must agree in writing to take service when the extension is completed and have Customer's building or other permanent facility wired and ready for connection. T
f. Nothing herein shall be construed as preventing Company from making electric line extensions under more favorable terms than herein prescribed provided the potential revenue is of such amount and permanency as to warrant such terms and render economically feasible the capital expenditure involved and provided such extensions are made to other Customers under similar conditions. T
g. Company may require a non-refundable deposit in cases where Customer does not have a real need or in cases where the estimated revenue does not justify the investment. T
h. The Company shall not be obligated to extend its lines in cases where such extensions, in the good judgment of Company, would be infeasible, impractical, or contrary to good engineering or operating practice, unless otherwise ordered by Commission. T

**4. NORMAL LINE EXTENSIONS** T

a. In accordance with 807 KAR 5:041, Section 11(1), Company will provide, at no cost, a line extension of up to 1,000 feet to Customer requesting permanent service where the installed transformer capacity does not exceed 25kVA. T
b. Where Customer requires poly-phase distribution service or transformer capacity in excess of 25 kVA and Company provides such facilities, Company shall provide at its own expense the requested line extension, but only to the extent that the cost of the requested extension does not exceed the lesser of (i) the cost of a comparable overhead extension (if an underground extension is requested) or (ii) five (5) times Customer's estimated annual net revenue, where "net revenue" is defined as Customer's total revenue less base fuel, Fuel Adjustment Clause, Off-System Sales, Demand Side Management, franchise fees, and school taxes. Company may require Customer to pay in advance a non-refundable amount for the additional cost above the five (5) times net revenue calculation to Company in providing facilities above that required in NORMAL LINE EXTENSIONS ¶ a. above. Customer must commit to a minimum contract term of five (5) years. T N N N N N N N N N N N

**5. OTHER LINE EXTENSIONS** T

a. In accordance with 807 KAR 5:041, Section 11(2), Company shall provide to Customer requesting permanent service a line extension in excess of 1,000 feet per Customer but Company may require the total cost of the footage in excess of 1,000 feet per Customer, based on the average cost per foot of the total extension, be deposited with Company by Customer. T
b. After the ten (10) year period following the line extension, Company shall refund to Customer, who made the deposit for excess footage, the cost of 1,000 feet of extension for each additional customer connected during the first ten (10) year period directly to the original extension for which the deposit was made. T T
c. After the ten (10) year period following the line extension, Company shall refund to Customer, who made the deposit for excess footage, the cost of 1,000 feet of extension less the length of the lateral or extension for each additional Customer connected during the first ten (10) year period by a lateral or extension to the original extension for which the deposit was made. T T T
d. The total amount refunded shall not exceed the amount originally deposited nor shall any refund be made after the ten (10) year refund period ends. T

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State Regulation and Rates
Louisville, Kentucky

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## Louisville Gas and Electric Company



**TERMS AND CONDITIONS**

**Line Extension Plan**

**E. OTHER LINE EXTENSIONS (continued)**

5) Where Customer requires poly-phase service or transformer capacity above 25kVA per customer and Company provides such facilities, Company may require Customer to pay, in advance, a non-refundable amount for the additional cost to Company in providing facilities above that required in OTHER LINE EXTENSIONS ¶ 1 above.

**F. OVERHEAD LINE EXTENSIONS FOR SUBDIVISIONS**

1) In accordance with 807 KAR 5:041, Section 11(3), Customer desiring service extended for and through a subdivision may be required by Company to deposit the total cost of the extension.
2) Each year for ten (10) years Company shall refund to Customer, the cost of 1,000 feet of extension for each additional customer connected during that year directly to the original extension for which the deposit was made.
3) The total amount refunded shall not exceed the amount originally deposited nor shall any refund be made after the ten-year refund period ends.

**G. MOBILE HOME LINE EXTENSIONS**

1) Company will make line extensions for service to mobile homes in accordance with 807 KAR 5:041, Section 12, and Commission's Orders.
2) Company shall provide, at no cost, a line extension of up to 300 feet to Customer requesting permanent service for a mobile home.
3) Company shall provide to Customer requesting permanent service for a mobile home a line extension in excess of 300 feet and up to 1,000 feet but Company may require the total cost of the footage in excess of 300 feet, based on the average cost per foot of the total extension, be deposited with Company by Customer. Beyond 1,000 feet the policies set forth in OTHER LINE EXTENSIONS shall apply.
4) Each year for four (4) years Company shall refund to Customer equal amounts of the deposit for the extension from 300 feet to 1,000 feet.
5) If service is disconnected for sixty (60) days, if the original mobile home is removed and not replaced by another mobile home or a permanent structure in sixty (60) days, the remainder of the deposit is forfeited.
6) No refund will be made except to the original customer.

**H. UNDERGROUND LINE EXTENSIONS**

**General**

1) Company will make underground line extensions for service to new residential customers and subdivisions in accordance with 807 KAR 5:041, Section 21.

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State Regulation and Rates
Louisville, Kentucky

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## Louisville Gas and Electric Company



**Terms and Conditions**
**Line Extension Plan**

**5. OTHER LINE EXTENSIONS (continued)**

e. Where Customer requires poly-phase distribution service or transformer capacity in excess of 25 kVA and Company provides such facilities, Company shall provide at its own expense the requested line extension, but only to the extent that the cost of the requested extension does not exceed the lesser of (i) the cost of a comparable overhead extension (if an underground extension is requested) or (ii) five (5) times Customer's estimated annual net revenue, where "net revenue" is defined as Customer's total revenue less base fuel, Fuel Adjustment Clause, Demand Side Management, franchise fees, and school taxes. Company may require Customer to pay in advance a non-refundable amount for the additional cost above the five (5) times net revenue calculation to Company in providing facilities above that required in NORMAL LINE EXTENSIONS ¶ a. above. T T N N N N N N N N N

**6. OVERHEAD LINE EXTENSIONS FOR SUBDIVISIONS** T

a. In accordance with 807 KAR 5:041, Section 11(3), Customer desiring service extended for and through a subdivision may be required by Company to deposit the total cost of the extension. T
b. After the ten (10) year period following the line extension, Company shall refund to Customer, the cost of 1,000 feet of extension for each additional Customer connected during the first ten (10) year period directly to the original extension for which the deposit was made. T T T
c. The total amount refunded shall not exceed the amount originally deposited nor shall any refund be made after the ten-year refund period ends. T

**7. MOBILE HOME LINE EXTENSIONS** T

a. Company will make line extensions for service to mobile homes in accordance with 807 KAR 5:041, Section 12, and Commission's Orders.
b. Company shall provide, at no cost, a line extension of up to 300 feet to Customer requesting permanent service for a mobile home.
c. Company shall provide to Customer requesting permanent service for a mobile home a line extension in excess of 300 feet and up to 1,000 feet but Company may require the total cost of the footage in excess of 300 feet, based on the average cost per foot of the total extension, be deposited with Company by Customer. Beyond 1,000 feet the policies set forth in OTHER LINE EXTENSIONS shall apply. T T
d. Each year for four (4) years Company shall refund to Customer equal amounts of the deposit for the extension from 300 feet to 1,000 feet. T
e. If service is disconnected for sixty (60) days, if the original mobile home is removed and not replaced by another mobile home or a permanent structure in sixty (60) days, the remainder of the deposit is forfeited. T T T
f. No refund will be made except to the original Customer.

**8. UNDERGROUND LINE EXTENSIONS** T

**a. General** T

i. Company will make underground line extensions for service to new residential customers and subdivisions in accordance with 807 KAR 5:041, Section 21. T

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**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00295 dated ____**

## Louisville Gas and Electric Company

**P.S.C. Electric No. 11, Original Sheet No. 106.3**

**TERMS AND CONDITIONS**

**Line Extension Plan**

**H. UNDERGROUND EXTENSIONS**

**General** (continued)

2) In order that Company may make timely provision for materials, and supplies, Company may require Customer to execute a contract for an underground extension under these Terms and Conditions with Company at least six (6) months prior to the anticipated date service is needed and Company may require Customer to deposit with Company at least 10% of any amounts due under the contract at the time of execution. Customer shall deposit the balance of any amounts due under the contract with Company prior to ordering materials or commencement of actual construction by Company of facilities covered by the contract.
3) Customer shall give Company at least 120 days written notice prior to the anticipated date service is needed and Company will undertake to complete installation of its facilities at least thirty (30) days prior to that date. However, nothing herein shall be interpreted to require Company to extend service to portions of subdivisions not under active development.
4) At Company's discretion, Customer may perform a work contribution, to Company's specifications, including but not limited to conduit, setting pads, or any required trenching and backfilling, and Company shall credit amounts due from Customer for underground service by Company's estimated cost for such work contribution.
5) Customer will provide, own, operate and maintain all electric facilities on Customer's side of the point of delivery including the service and with the exception of Company's meter.
6) The normal point of delivery shall be at a junction device at the corner of the lot nearest Company's facilities. Customer shall bring Customer's service line to a point within 1 1/2 feet of the junction device with a sufficient length of service conductor left coiled above grade for completion of installation and connection by Company.
7) In consideration of Customer's underground service, Company shall credit any amounts due under the contract for each service at the rate of $50.00 or Company's average estimated installed cost for an overhead service whichever is greater.
8) Unit charges, where specified herein, are determined from Company's estimate of Company's average unit cost of such construction and the estimated cost differential between underground and overhead distribution systems in representative residential subdivisions.
9) Three phase primary required to supply either individual loads or the local distribution system may be overhead unless Customer chooses underground construction and deposits with Company a non-refundable deposit for the cost differential.

**Individual Premises**

1) Within the City of Louisville underground district or in those cases where Company's engineering or operating convenience requires the construction of an underground extension to an individual premise, the excess of the cost of an underground extension over that of an overhead extension will be at no cost.

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## Louisville Gas and Electric Company

**P.S.C. Electric No. 12, Original Sheet No. 106.3**

**Terms and Conditions**
**Line Extension Plan**

8. **UNDERGROUND EXTENSIONS** T

**a. General** (continued) T

ii. In order that Company may make timely provision for materials, and supplies, Company may require Customer to execute a contract for an underground extension under these Terms and Conditions with Company at least six (6) months prior to the anticipated date service is needed and Company may require Customer to deposit with Company at least 10% of any amounts due under the contract at the time of execution. Customer shall deposit the balance of any amounts due under the contract with Company prior to ordering materials or commencement of actual construction by Company of facilities covered by the contract. T

iii. Customer shall give Company at least 120 days written notice prior to the anticipated date service is needed and Company will undertake to complete installation of its facilities at least thirty (30) days prior to that date. However, nothing herein shall be interpreted to require Company to extend service to portions of subdivisions not under active development. T

iv. At Company's discretion, Customer may perform a work contribution, to Company's specifications, including but not limited to conduit, setting pads, or any required trenching and backfilling, and Company shall credit amounts due from Customer for underground service by Company's estimated cost for such work contribution. T

v. Customer will provide, own, operate and maintain all electric facilities on Customer's side of the point of delivery including the service and with the exception of Company's meter. T

vi. The normal point of delivery shall be at a junction device at the corner of the lot nearest Company's facilities. Customer shall bring Customer's service line to a point within 1 1/2 feet of the junction device with a sufficient length of service conductor left coiled above grade for completion of installation and connection by Company. T

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vii. Unit charges, where specified herein, are determined from Company's estimate of Company's average unit cost of such construction and the estimated cost differential between underground and overhead distribution systems in representative residential subdivisions. T

viii. Three phase primary required to supply either individual loads or the local distribution system may be overhead unless Customer chooses underground construction and deposits with Company a non-refundable deposit for the cost differential. T

**b. Individual Premises** T

i. Within the City of Louisville underground district or in those cases where Company's engineering or operating convenience requires the construction of an underground extension to an individual premise, the excess of the cost of an underground extension over that of an overhead extension will be at no cost. T

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## Louisville Gas and Electric Company

**P.S.C. Electric No. 11, First Revision of Original Sheet No. 106.4**
**Cancelling P.S.C. Electric No. 11, Original Sheet No. 106.4**

**TERMS AND CONDITIONS**

**Line Extension Plan**

**H. UNDERGROUND EXTENSIONS**
**Individual Premises** (continued)

2) In cases other than those specified in 1) above, where Customer requests and Company agrees to supply underground service to an individual premise, Company may require Customer to pay, in advance, a non-refundable amount for the additional cost of the underground extension (including all associated facilities) over the cost of an overhead extension of equivalent capacity.

**Medium Density Subdivisions**

1) A medium density residential subdivision is defined as containing ten or more lots for the construction of new residential buildings each designed for less than five (5)-family occupancy.
2) Customer shall provide any required trenching and backfilling or at Company's discretion be required to deposit with Company a non-refundable amount determined by a unit charge of $6.94 per aggregate lot front-foot along all streets contiguous to the lots to be served through an underground extension. R
3) The Customer may be required to advance to the Company the Company's full estimated cost of construction of an underground electric distribution extension. Where Customer is required to provide trenching and backfilling, advance will be the Company's full estimate cost of construction. Where Customer is required to deposit with the Company a non-refundable advance in place of trenching and backfilling, advance will be determined by a unit charge of $22.35 per aggregate lot front-foot along all streets contiguous to the lots to be served through an underground extension. R
4) Each year for ten (10) years Company shall refund to Customer an amount determined as follows:
   a. Where customer is required to provide trenching and backfilling, a refund of $5,000 for each customer connected during that year.
   b. Where customer is required to provide a non-refundable advance, 500 times the difference in the unit charge advance amount in 3) and the non-refundable unit charge advance in 2) for each customer connected during that year.
5) In no case shall the refunds provided for herein exceed the amounts deposited less any non-refundable charges applicable to the project nor shall any refund be made after a ten-year refund period ends.

**High Density Subdivisions**

1) A high density residential subdivision is defined as building complexes consisting of two or more buildings each not more than three stories above grade and each designed for five (5) or more family occupancy.

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**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

## Louisville Gas and Electric Company

**P.S.C. Electric No. 12, Original Sheet No. 106.4**

**Terms and Conditions**
**Line Extension Plan**

8. **UNDERGROUND EXTENSIONS** T
   **b. Individual Premises** (continued) T
   ii. In cases other than those specified in 1) above, where Customer requests and Company agrees to supply underground service to an individual premise, Company may require Customer to pay, in advance, a non-refundable amount for the additional cost of the underground extension (including all associated facilities) over the cost of an overhead extension of equivalent capacity. T

   **c. Medium Density Subdivisions** T
   i. A medium density residential subdivision is defined as containing ten or more lots for the construction of new residential buildings each designed for less than five (5)-family occupancy. T
   ii. Customer shall provide any required trenching and backfilling or at Company's discretion be required to deposit with Company a non-refundable amount determined by a unit charge of $6.94 per aggregate lot front-foot along all streets contiguous to the lots to be served through an underground extension. T

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   iii. In no case shall the refunds provided for herein exceed the amounts deposited less any non-refundable charges applicable to the project nor shall any refund be made after a ten-year refund period ends. T

   **d. High Density Subdivisions**
   i. A high density residential subdivision is defined as building complexes consisting of two or more buildings each not more than three stories above grade and each designed for five (5) or more family occupancy. T

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   **e. Other Underground Subdivisions** T
   In cases where a particular residential subdivision does not meet the conditions provided for above and where Customer requests and Company agrees to supply underground service, Company may require Customer to pay in advance a non-refundable amount for the additional cost of the underground extension (including all associated facilities) over the cost of an overhead extension of equivalent capacity.

9. **SPECIAL CASES**
   a. Where Customer requests service that is seasonal, intermittent, speculative in nature, at voltages of 34.5kV or greater, or where the facilities requested by Customer do not meet the Terms and Conditions outlines in previous sections of LINE EXTENSION PLAN and the anticipated revenues do not justify Company's installing facilities required to meet Customer's needs, Company may request that Customer deposit with Company a refundable amount to justify Company's investment.

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State Regulation and Rates
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## Louisville Gas and Electric Company



TERMS AND CONDITIONS

Line Extension Plan

**H. UNDERGROUND EXTENSIONS**
**High Density Subdivisions** (continued)

2) Customer shall provide any required trenching and backfilling or at Company's discretion be required to deposit with Company a non-refundable amount for the additional cost of the underground extension (including all associated facilities) over the cost of an overhead extension of equivalent capacity.
3) The Customer may be required to advance to the Company the Company's full estimated cost of construction of an underground electric distribution extension.
   i. Company shall refund to Customer any amounts due when permanent service is provided by Company to twenty (20%) percent of the family units in Customer's project.
   ii. In no case shall the refunds provided for herein exceed the amounts deposited less any non-refundable charges applicable to the project nor shall any refund be made after a ten-year refund period ends.

**Other Underground Subdivisions**
In cases where a particular residential subdivision does not meet the conditions provided for above, Customer requests and Company agrees to supply underground service, Company may require Customer to pay, in advance, a non-refundable amount for the additional cost of the underground extension (including all associated facilities) over the cost of an overhead extension of equivalent capacity.

**I. SPECIAL CASES**

1) Where Customer requests service that is seasonal, intermittent, speculative in nature, at voltages of 34.5kV or greater, or where the facilities requested by Customer do not meet the Terms and Conditions outlines in previous sections of LINE EXTENSION PLAN and the anticipated revenues do not justify the Company's installing facilities required to meet Customer's needs, Company may request that Customer deposit with Company a refundable amount to justify Company's investment.
2) Each year for ten (10) years, Company shall refund to Customer, an amount calculated by:
   a. Adding the sum of Customer's annual base rate monthly electric demand billing for that year to the sum of the annual base rate monthly electric demand billing of the monthly electric billing for that year of any customer(s), who connects directly to the facilities provided for in this agreement and requiring no further investment by Company
   b. times the refundable amount divided by the estimated total ten-year base rate electric demand billing required to justify the investment.
3) The total amount refunded shall not exceed the amount originally deposited nor shall any refund be made after the ten-year refund period ends.

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State Regulation and Rates
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## Louisville Gas and Electric Company



**Terms and Conditions**
**Line Extension Plan**

**9. SPECIAL CASES (continued)** T

b. Each year for ten (10) years, Company shall refund to Customer, an amount calculated by: T
   i. Adding the sum of Customer's annual base rate monthly electric demand billing for that year to the sum of the annual base rate monthly electric demand billing of the monthly electric billing for that year of any customer(s), who connects directly to the facilities provided for in this agreement and requiring no further investment by Company T
   ii. times the refundable amount divided by the estimated total ten-year base rate electric demand billing required to justify the investment. T
c. The total amount refunded shall not exceed the amount originally deposited nor shall any refund be made after the ten-year refund period ends. T

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## Louisville Gas and Electric Company

**P.S.C. Electric No. 11, Original Sheet No. 107**

**TERMS AND CONDITIONS**

**Energy Curtailment and Service Restoration Procedures**

**PURPOSE**

To provide procedures for reducing the consumption of electric energy on the Louisville Gas and Electric Company ("Company") system in the event of a capacity shortage and to restore service following an outage. Notwithstanding any provisions of these Energy Curtailment and Service Restoration Procedures, Company shall have the right to take whatever steps, with or without notice and without liability on Company's part, that Company believes necessary, in whatever order consistent with good utility practices and not on an unduly discriminatory basis, to preserve system integrity and to prevent the collapse of Company's electric system or interconnected electric network or to restore service following an outage. Such actions will be taken giving priority to maintaining service to Company's retail and full requirements customers relative to other sales whenever feasible and as allowed by law.

**ENERGY CURTAILMENT PROCEDURE**

**PRIORITY LEVELS**

For the purpose of these procedures, the following Priority Levels have been established:

I. Essential Health and Safety Uses -- to be given special consideration in these procedures shall, insofar as the situation permits, include the following types of use

A. "Hospitals", which shall be limited to institutions providing medical care to patients.

B. "Life Support Equipment", which shall be limited to kidney machines, respirators, and similar equipment used to sustain the life of a person.

C. "Police Stations and Government Detention Institutions", which shall be limited to essential uses required for police activities and the operation of facilities used for the detention of persons.

D. "Fire Stations", which shall be limited to facilities housing mobile fire-fighting apparatus.

E. "Communication Services", which shall be limited to essential uses required for telephone, telegraph, television, radio and newspaper operations, and operation of state and local emergency services.

F. "Water and Sewage Services", which shall be limited to essential uses required for the supply of water to a community, flood pumping and sewage disposal.

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## Louisville Gas and Electric Company

**P.S.C. Electric No. 12, Original Sheet No. 107**

**Terms and Conditions**

**Energy Curtailment and Service Restoration Procedures**

**PURPOSE**

To provide procedures for reducing the consumption of electric energy on the Louisville Gas and Electric Company ("Company") system in the event of a capacity shortage and to restore service following an outage. Notwithstanding any provisions of these Energy Curtailment and Service Restoration Procedures, Company shall have the right to take whatever steps, with or without notice and without liability on Company's part, that Company believes necessary, in whatever order consistent with good utility practices and not on an unduly discriminatory basis, to preserve system integrity and to prevent the collapse of Company's electric system or interconnected electric network or to restore service following an outage. Such actions will be taken giving priority to maintaining service to Company's retail and full requirements Customers relative to other sales whenever feasible and as allowed by law.

**ENERGY CURTAILMENT PROCEDURE**

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F. "Water and Sewage Services", which shall be limited to essential uses required for the supply of water to a community, flood pumping and sewage disposal.

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## Louisville Gas and Electric Company

**P.S.C. Electric No. 11, Original Sheet No. 107.1**

**TERMS AND CONDITIONS**

**Energy Curtailment and Service Restoration Procedures**

**PRIORITY LEVELS** (continued)

G. "Transportation and Defense-related Services", which shall be limited to essential uses required for the operation, guidance control and navigation of air, rail and mass transit systems, including those uses essential to the national defense and operation of state and local emergency services. These uses shall include essential street, highway and signal-lighting services.

Although, when practical, these types of uses will be given special consideration when implementing the manual load-shedding provisions of this program, any customer may be affected by rotating or unplanned outages and should install emergency generation equipment if continuity of service is essential. Where the emergency is system-wide in nature, consideration will be given to the use of rotating outages as operationally practicable. In case of customers supplied from two utility sources, only one source will be given special consideration. Also, any other customers who, in their opinion, have critical equipment should install emergency generation equipment.

Company maintains lists of customers with life support equipment and other critical needs for the purpose of curtailments and service restorations. Company, lacking knowledge of changes that may occur at any time in Customer's equipment, operation, and backup resources, does not assume the responsibility of identifying customers with priority needs. It shall, therefore, be Customer's responsibility to notify Company if Customer has critical needs.

II. Critical Commercial and Industrial Uses -- Except as described in Section III below, these uses shall include commercial or industrial operations requiring regimented shutdowns to prevent conditions hazardous to the general population, and to energy utilities and their support facilities critical to the production, transportation, and distribution of service to the general population. Company shall maintain a list of such customers for the purpose of curtailments and service restoration.

III Residential Use -- The priority of residential use during certain weather conditions (for example severe winter weather) will receive precedence over critical commercial and industrial uses. The availability of Company service personnel and the circumstances associated with the outage will also be considered in the restoration of service.

IV. Non-critical commercial and industrial uses.

V. Nonessential Uses -- The following and similar types of uses of electric energy shall be considered nonessential for all customers:

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## Louisville Gas and Electric Company

**P.S.C. Electric No. 12, Original Sheet No. 107.1**

**Terms and Conditions**

**Energy Curtailment and Service Restoration Procedures**

**PRIORITY LEVELS** (continued)

G. "Transportation and Defense-related Services", which shall be limited to essential uses required for the operation, guidance control and navigation of air, rail and mass transit systems, including those uses essential to the national defense and operation of state and local emergency services. These uses shall include essential street, highway and signal-lighting services.

Although, when practical, these types of uses will be given special consideration when implementing the manual load-shedding provisions of this program, any Customer may be affected by rotating or unplanned outages and should install emergency generation equipment if continuity of service is essential. Where the emergency is system-wide in nature, consideration will be given to the use of rotating outages as operationally practicable. In case of Customers supplied from two utility sources, only one source will be given special consideration. Also, any other Customers who, in their opinion, have critical equipment should install emergency generation equipment.

Company maintains lists of Customers with life support equipment and other critical needs for the purpose of curtailments and service restorations. Company, lacking knowledge of changes that may occur at any time in Customer's equipment, operation, and backup resources, does not assume the responsibility of identifying customers with priority needs. It shall, therefore, be Customer's responsibility to notify Company if Customer has critical needs.

II. Critical Commercial and Industrial Uses -- Except as described in Section III below, these uses shall include commercial or industrial operations requiring regimented shutdowns to prevent conditions hazardous to the general population, and to energy utilities and their support facilities critical to the production, transportation, and distribution of service to the general population. Company shall maintain a list of such customers for the purpose of curtailments and service restoration.

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## Louisville Gas and Electric Company

**P.S.C. Electric No. 11, Original Sheet No. 107.2**

**TERMS AND CONDITIONS**

**Energy Curtailment and Service Restoration Procedures**

**PRIORITY LEVELS** (continued)

A. Outdoor flood and advertising lighting, except for the minimum level to protect life and property, and a single illuminated sign identifying commercial facilities when operating after dark.

B. General interior lighting levels greater than minimum functional levels.

C. Show-window and display lighting.

D. Parking-lot lighting above minimum functional levels.

E. Energy use to lower the temperature below 78 degrees during operation of cooling equipment and above 65 degrees during operation of heating equipment.

F. Elevator and escalator use in excess of the minimum necessary for non-peak hours of use.

G. Energy use greater than that which is the minimum required for lighting, heating, or cooling of commercial or industrial facilities for maintenance cleaning or business-related activities during non-business hours.

Non-jurisdictional customers will be treated in a manner consistent with the curtailment procedures contained in the service agreement between the parties or the applicable tariff.

**CURTAILMENT PROCEDURES**

In the event Company's load exceeds internal generation, transmission, or distribution capacity, or other system disturbances exist, and internal efforts have failed to alleviate the problem, including emergency energy purchases, the following steps may be taken, individually or in combination, in the order necessary as time permits:

1. Customers having their own internal generation capacity will be curtailed, and customers on curtailable contracts will be curtailed for the maximum hours and load allowable under their contract. Nothing in this procedure shall limit Company's rights under the Curtailable Service Rider tariff.

2. Power output will be maximized at Company's generating units.

3. Company use of energy at its generating stations will be reduced to a minimum.

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## Louisville Gas and Electric Company

**P.S.C. Electric No. 12, Original Sheet No. 107.2**

**Terms and Conditions**
**Energy Curtailment and Service Restoration Procedures**

**PRIORITY LEVELS** (continued)

A. Outdoor flood and advertising lighting, except for the minimum level to protect life and property, and a single illuminated sign identifying commercial facilities when operating after dark.

B. General interior lighting levels greater than minimum functional levels.

C. Show-window and display lighting.

D. Parking-lot lighting above minimum functional levels.

E. Energy use to lower the temperature below 78 degrees during operation of cooling equipment and above 65 degrees during operation of heating equipment.

F. Elevator and escalator use in excess of the minimum necessary for non-peak hours of use.

G. Energy use greater than that which is the minimum required for lighting, heating, or cooling of commercial or industrial facilities for maintenance cleaning or business-related activities during non-business hours.

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1. Customers having their own internal generation capacity will be curtailed, and Customers on curtailable contracts will be curtailed for the maximum hours and load allowable under their contract. Nothing in this procedure shall limit Company's rights under the Curtailable Service Rider tariff.

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# Louisville Gas and Electric Company

**P.S.C. Electric No. 11, Original Sheet No. 107.3**

**TERMS AND CONDITIONS**

**Energy Curtailment and Service Restoration Procedures**

**CURTAILMENT PROCEDURES** (continued)

4. Company's use of electric energy in the operation of its offices and other facilities will be reduced to a minimum.

5. The Kentucky Public Service Commission will be advised of the situation.

6. An appeal will be made to customers through the news media and/or personal contact to voluntarily curtail as much load as possible. The appeal will emphasize the defined priority levels as set forth above.

7. Customers will be advised through the use of the news media and personal contact that load interruption is imminent.

8. Implement procedures for interruption of selected distribution circuits.

**SERVICE RESTORATION PROCEDURES**

Where practical, priority uses will be considered in restoring service and service will be restored in the order I through IV as defined under PRIORITY LEVELS. However, because of the varieties of unpredictable circumstances which may exist or precipitate outages, it may be necessary to balance specific individual needs with infrastructure needs that affect a larger population. When practical, Company will attempt to provide estimates of repair times to aid customers in assessing the need for alternative power sources and temporary relocations.

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State Regulation and Rates
Louisville, Kentucky

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# Louisville Gas and Electric Company

**P.S.C. Electric No. 12, Original Sheet No. 107.3**

**Terms and Conditions**

**Energy Curtailment and Service Restoration Procedures**

**CURTAILMENT PROCEDURES** (continued)

4. Company's use of electric energy in the operation of its offices and other facilities will be reduced to a minimum.

5. The Kentucky Public Service Commission will be advised of the situation.

6. An appeal will be made to Customers through the news media and/or personal contact to voluntarily curtail as much load as possible. The appeal will emphasize the defined priority levels as set forth above.

7. Customers will be advised through the use of the news media and personal contact that load interruption is imminent.

8. Implement procedures for interruption of selected distribution circuits.

**SERVICE RESTORATION PROCEDURES**

Where practical, priority uses will be considered in restoring service and service will be restored in the order I through IV as defined under PRIORITY LEVELS. However, because of the varieties of unpredictable circumstances which may exist or precipitate outages, it may be necessary to balance specific individual needs with infrastructure needs that affect a larger population. When practical, Company will attempt to provide estimates of repair times to aid customers in assessing the need for alternative power sources and temporary relocations.

**DATE OF ISSUE**: September 28, 2018

**DATE EFFECTIVE:** With Service Rendered
On and After January 4, 2013

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2009-00549 dated July 30, 2010**

P.S.C. Gas No. 11
Canceling P.S.C. Gas No. 10

# Louisville Gas and Electric Company

220 West Main Street
Louisville, Kentucky
www.lge-ku.com

Rates, Terms and Conditions for Furnishing

## NATURAL GAS SERVICE

In all territory served as stated on Tariff Sheet No. 1.2 of this Book T

## PUBLIC SERVICE COMMISSION

## OF KENTUCKY

**DATE OF ISSUE**: July 7, 2017

**DATE EFFECTIVE:** July 1, 2017

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

P.S.C. Gas No. 12
Canceling P.S.C. Gas No. 11

# Louisville Gas and Electric Company

220 West Main Street
Louisville, Kentucky
www.lge-ku.com

Rates, Terms, and Conditions for Furnishing

## NATURAL GAS SERVICE

In all territory served as stated on Tariff Sheet No. 1.2 of this Book

## PUBLIC SERVICE COMMISSION

## OF KENTUCKY

**DATE OF ISSUE:** September 28, 2018

**DATE EFFECTIVE:** Effective With Service Rendered
On And After November 1, 2018

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

## Louisville Gas and Electric Company

**P.S.C. Gas No. 11, First Revision of Original Sheet No. 1**
**Canceling P.S.C. Gas No. 11, Original Sheet No. 1**

**GENERAL INDEX**
**Standard Gas Rate Schedules – Terms and Conditions**



**DATE OF ISSUE**: April 5, 2018

**DATE EFFECTIVE:** April 1, 2018

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the**
**Public Service Commission in Case No.**
**2018-00034 dated March 20, 2018 and modified March 28, 2018**

## Louisville Gas and Electric Company

**P.S.C. Gas No. 12, Original Sheet No. 1**

**General Index**
**Rates, Terms, and Conditions** T



**DATE OF ISSUE:** September 28, 2018

**DATE EFFECTIVE:** Effective with Service Rendered
On And After November 1, 2018

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the**
**Public Service Commission in Case No.**
**2018-00295 dated ____**

## Louisville Gas and Electric Company



**GENERAL INDEX**
**Standard Gas Rate Schedules – Terms and Conditions**



**DATE OF ISSUE**: July 7, 2017

**DATE EFFECTIVE:** September 23, 2015

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

## Louisville Gas and Electric Company



**General Index**
**Rates, Terms, and Conditions** T



**DATE OF ISSUE:** September 28, 2018

**DATE EFFECTIVE:** Effective with Service Rendered
On And After November 1, 2018

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the
Public Service Commission in Case No.
2018-00295 dated ____**

## Louisville Gas and Electric Company

P.S.C. Gas No. 11, Original Sheet No. 1.2 N

**GENERAL INDEX**
**Territory Served**

LG&E purchases, stores, and transports natural gas and distributes and sells natural gas at retail in all or portions of the following counties:

Barren
Bullitt
Green
Hardin
Hart
Henry
Jefferson
Larue
Marion
Meade
Metcalfe
Nelson
Oldham
Shelby
Spencer
Trimble
Washington

All references hereinafter to "territory served" shall be determined by the Counties listed above.

**DATE OF ISSUE:** July 7, 2017

**DATE EFFECTIVE:** July 1, 2017

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

## Louisville Gas and Electric Company

P.S.C. Gas No. 12, Original Sheet No. 1.2

**General Index**
**Territory Served**

LG&E purchases, stores, and transports natural gas and distributes and sells natural gas at retail in all or portions of the following counties:

Barren
Bullitt
Green
Hardin
Hart
Henry
Jefferson
Larue
Marion
Meade
Metcalfe
Nelson
Oldham
Shelby
Spencer
Trimble
Washington

All references hereinafter to "territory served" shall be determined by the counties listed above.

**DATE OF ISSUE:** September 28, 2018

**DATE EFFECTIVE:** Effective with Service Rendered
On And After July 1, 2017

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

## Louisville Gas and Electric Company

**P.S.C. Gas No. 11, Fifth Revision of Original Sheet No. 5**
**Canceling P.S.C. Gas No. 11, Fourth Revision of Original Sheet No. 5**

**Standard Rate** **RGS**
**Residential Gas Service**

**APPLICABLE**
In all territory served.

**AVAILABILITY OF SERVICE**
Applicable to firm natural gas sales service to residential customers for all domestic purposes in private residences, single occupancy apartments, and common-use areas of multi-purpose occupancy buildings when supplied at a single point of delivery and where distribution mains are adjacent to the premises to be served. Such customers also include tenants billed for natural gas consumption or use by other tenants at the same premises that are metered separately.

The term "residential" customers shall include customers using gas in a single-family residential dwelling or unit for space-heating, air conditioning, cooking, water-heating, incineration, refrigeration, laundry drying, lighting, incidental heating, personal vehicle fueling, or other domestic purposes, including the use of gas in standby electric generation in domestic applications. If an additional separate point of delivery is requested by a residential customer to provide gas for use in standby electric generation, customer shall be served under Standard Rate DGGS. Company shall not be obligated to install an additional service to a residential customer for the purpose of the customer installing equipment for either electric standby generation or personal vehicle fueling.

All existing and future installations of equipment for the purpose of providing gas for use in standby electric generation or personal vehicle fueling shall be reported by the Customer (or the Customer's Representative) to the Company in conjunction with the "Notice to Company of Changes in Customer's Load" set out in the Customer Responsibilities section of the Company's Terms and Conditions. Additionally, service for gas for use in standby electric generation and personal vehicle fueling shall be subject to the availability of adequate capacity on Company's gas system to perform such service without detriment to its other Customers.

**RATE**

| | | |
|---|---|---|
| Basic Service Charge per month: | $16.35 per delivery point | |
| Plus a Charge per 100 cubic feet: | | |
| Distribution Charge | $ 0.36300 | |
| Gas Supply Cost Component | 0.41446 | T/I |
| Total Gas Charge per 100 cubic feet: | $ 0.77746 | I |

The "Gas Supply Cost Component" as shown above is the cost per 100 cubic feet determined in accordance with the Gas Supply Clause set forth on Sheet No. 85 of this Tariff. The Performance-Based Ratemaking Mechanism, set forth on Sheet No. 87, is included as a component of the Gas Supply Clause as shown on Sheet No. 85 of this Tariff.

**DATE OF ISSUE**: July 31, 2018

**DATE EFFECTIVE:** August 1, 2018

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00182 dated July 30, 2018**

## Louisville Gas and Electric Company

**P.S.C. Gas No. 12, Original Sheet No. 5**

**Standard Rate** **RGS**
**Residential Gas Service**

**APPLICABLE**
In all territory served.

**AVAILABILITY** T
Applicable to firm natural gas sales service to residential customers for all domestic purposes in private residences, single occupancy apartments, and common-use areas of multi-purpose occupancy buildings when supplied at a single point of delivery and where distribution mains are adjacent to the premises to be served. Such customers also include tenants billed for natural gas consumption or use by other tenants at the same premises that are metered separately.

The term "residential" customers shall include customers using gas in a single-family residential dwelling or unit for space-heating, air conditioning, cooking, water-heating, incineration, refrigeration, laundry drying, lighting, incidental heating, personal vehicle fueling, or other domestic purposes, including the use of gas in standby electric generation in domestic applications. If an additional separate point of delivery is requested by a residential customer to provide gas for use in standby electric generation, customer shall be served under Standard Rate DGGS. Company shall not be obligated to install an additional service to a residential customer for the purpose of the customer installing equipment for either electric standby generation or personal vehicle fueling.

All existing and future installations of equipment for the purpose of providing gas for use in standby electric generation or personal vehicle fueling shall be reported by the Customer (or the Customer's Representative) to the Company in conjunction with the "Notice to Company of Changes in Customer's Load" set out in the Customer Responsibilities section of the Company's Terms and Conditions. Additionally, service for gas for use in standby electric generation and personal vehicle fueling shall be subject to the availability of adequate capacity on Company's gas system to perform such service without detriment to its other Customers.

**RATE**

| | | |
|---|---|---|
| Basic Service Charge per day: | $0.65 per delivery point | T/I |
| Plus a Charge per 100 cubic feet: | | |
| Distribution Charge | $ 0.39076 | I |
| Gas Supply Cost Component | $ 0.41446 | |
| Total Gas Charge per 100 cubic feet: | $ 0.80522 | I |

The "Gas Supply Cost Component" as shown above is the cost per 100 cubic feet determined in accordance with the Gas Supply Clause set forth on Sheet No. 85 of this Tariff. The Performance-Based Ratemaking Mechanism, set forth on Sheet No. 87, is included as a component of the Gas Supply Clause as shown on Sheet No. 85 of this Tariff.

**DATE OF ISSUE:** September 28, 2018

**DATE EFFECTIVE:** Effective with Service Rendered
On And After November 1, 2018

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00295 dated ____**

## Louisville Gas and Electric Company

**P.S.C. Gas No. 11, First Revision of Original Sheet No. 5.1**
**Canceling P.S.C. Gas No. 11, Original Sheet No. 5.1**

**Standard Rate** **RGS**
**Residential Gas Service**

**ADJUSTMENT CLAUSES**

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

| | | |
|---|---|---|
| Gas Line Tracker | Sheet No. 84 | |
| Demand Side Management Cost Recovery Mechanism | Sheet No. 86 | |
| Weather Normalization Adjustment | Sheet No. 88 | |
| Tax Cuts and Jobs Act Surcredit | Sheet No. 89 | N |
| Franchise Fee and Local Tax | Sheet No. 90 | |
| School Tax | Sheet No. 91 | |
| Home Energy Assistance Program | Sheet No. 92 | |

**MINIMUM CHARGE**

The Basic Service Charge shall be the minimum charge.

**DUE DATE OF BILL**

Customer's payment will be due within sixteen (16) business days (no less than twenty-two (22) calendar days) from the date of the bill.

**LATE PAYMENT CHARGE**

If full payment is not received by the due date of the bill, a 3% late payment charge will be assessed on the current month's charges. Beginning October 1, 2010, residential customers who receive a pledge for or notice of low income energy assistance from an authorized agency will not be assessed or required to pay a late payment charge for the bill for which the pledge or notice is received, nor will they be assessed or required to pay a late payment charge in any of the eleven (11) months following receipt of such pledge or notice.

**TERMS AND CONDITIONS**

Service will be furnished under Company's Terms and Conditions applicable hereto.

**DATE OF ISSUE**: April 5, 2018

**DATE EFFECTIVE:** April 1, 2018

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00034 dated March 20, 2018 and modified March 28, 2018**

## Louisville Gas and Electric Company

**P.S.C. Gas No. 12, Original Sheet No. 5.1**

**Standard Rate** **RGS**
**Residential Gas Service**

**ADJUSTMENT CLAUSES**

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

| | | |
|---|---|---|
| Weather Normalization Adjustment | Sheet No. 88 | T |
| Demand-Side Management Cost Recovery Mechanism | Sheet No. 86 | T |
| Gas Line Tracker | Sheet No. 84 | T |
| Home Energy Assistance Program | Sheet No. 92 | D/T |
| Franchise Fee | Sheet No. 90 | T |
| School Tax | Sheet No. 91 | T |

**MINIMUM CHARGE**

The Basic Service Charge shall be the minimum charge.

**DUE DATE OF BILL**

Customer's payment will be due within sixteen (16) business days (no less than twenty-two (22) calendar days) from the date of the bill.

**LATE PAYMENT CHARGE**

If full payment is not received by the due date of the bill, a 3% late payment charge will be assessed on the current month's charges. Beginning October 1, 2010, residential Customers who receive a pledge for or notice of low income energy assistance from an authorized agency will not be assessed or required to pay a late payment charge for the bill for which the pledge or notice is received, nor will they be assessed or required to pay a late payment charge in any of the eleven (11) months following receipt of such pledge or notice.

Beginning May 1, 2019, Residential Gas Service Customers in good standing by not having been N
assessed a Late Payment Charge for the previous eleven (11) months have the option of waiving N
one (1) late payment charge upon request. This option may only be used once every twelve (12) N
months as long as the Customer remains in good standing. N

**TERMS AND CONDITIONS**

Service will be furnished under Company's Terms and Conditions applicable hereto.

**DATE OF ISSUE:** September 28, 2018

**DATE EFFECTIVE:** Effective with Service Rendered
On And After November 1, 2018

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00295 dated ____**

## Louisville Gas and Electric Company

P.S.C. Gas No. 11, Fifth Revision of Original Sheet No. 9
Canceling P.S.C. Gas No. 11, Fourth Revision of Original Sheet No. 9

**Standard Rate** **VFD**
**Volunteer Fire Department Service**

**APPLICABLE**
In all territory served.

**AVAILABILITY OF SERVICE**
Available, in accordance with the provisions of KRS 278.172, to any volunteer fire department qualifying for aid under KRS 95A.262. Service under this rate schedule is at the option of the customer with the customer determining whether service will be provided under this schedule or any other schedule applicable to this load. If an additional separate point of delivery is requested by a volunteer fire department qualifying for aid under KRS 95A.262 to provide gas for use in standby electric generation, customer shall be served under Standard Rate DGGS.

All existing and future installations of equipment for the purpose of providing gas for use in standby electric generation or personal vehicle fueling shall be reported by the Customer (or the Customer's Representative) to the Company in conjunction with the "Notice to Company of Changes in Customer's Load" set out in the Customer Responsibilities section of the Company's Terms and Conditions. Additionally, service for gas for use in standby electric generation and personal vehicle fueling shall be subject to the availability of adequate capacity on Company's gas system to perform such service without detriment to its other Customers.

**DEFINITION**
To be eligible for this rate a volunteer fire department is defined as:
1) having at least 12 members and a chief,
2) having at least one fire fighting apparatus, and
3) half the members must be volunteers.

**RATE**

| | | |
|---|---|---|
| Basic Service Charge per month: | $16.35 per delivery point | |
| Plus a Charge per 100 cubic feet: | | |
| Distribution Charge | $ 0.36300 | |
| Gas Supply Cost Component | 0.41446 | T/I |
| Total Gas Charge per 100 cubic feet: | $ 0.77746 | I |

The "Gas Supply Cost Component" as shown above is the cost per 100 cubic feet determined in accordance with the Gas Supply Clause set forth on Sheet No. 85 of this Tariff. The Performance-Based Ratemaking Mechanism, set forth on Sheet No. 87, is included as a component of the Gas Supply Clause as shown on Sheet No. 85 of this Tariff.

**DATE OF ISSUE**: July 31, 2018

**DATE EFFECTIVE:** August 1, 2018

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00182 dated July 30, 2018**

## Louisville Gas and Electric Company

P.S.C. Gas No. 12, Original Sheet No. 9

**Standard Rate** **VFD**
**Volunteer Fire Department Service**

**APPLICABLE**
In all territory served.

**AVAILABILITY** T
Available, in accordance with the provisions of KRS 278.172, to any volunteer fire department qualifying for aid under KRS 95A.262. Service under this rate schedule is at the option of the customer with the customer determining whether service will be provided under this schedule or any other schedule applicable to this load. If an additional separate point of delivery is requested by a volunteer fire department qualifying for aid under KRS 95A.262 to provide gas for use in standby electric generation, customer shall be served under Standard Rate DGGS.

All existing and future installations of equipment for the purpose of providing gas for use in standby electric generation or personal vehicle fueling shall be reported by the Customer (or the Customer's Representative) to the Company in conjunction with the "Notice to Company of Changes in Customer's Load" set out in the Customer Responsibilities section of the Company's Terms and Conditions. Additionally, service for gas for use in standby electric generation and personal vehicle fueling shall be subject to the availability of adequate capacity on Company's gas system to perform such service without detriment to its other Customers. Company shall not be obligated to install an additional service for the purpose of customer installing equipment for either electric standby generation or personal vehicle fueling. N N N

**DEFINITION**
To be eligible for this rate a volunteer fire department is defined as:
1. having at least 12 members and a chief,
2. having at least one fire fighting apparatus, and
3. half the members must be volunteers.

**RATE**

| | | |
|---|---|---|
| Basic Service Charge per day: | $0.65 per delivery point | T/I |
| Plus a Charge per 100 cubic feet: | | |
| Distribution Charge | $ 0.39076 | I |
| Gas Supply Cost Component | $ 0.41446 | |
| Total Gas Charge per 100 cubic feet: | $ 0.80522 | I |

The "Gas Supply Cost Component" as shown above is the cost per 100 cubic feet determined in accordance with the Gas Supply Clause set forth on Sheet No. 85 of this Tariff. The Performance-Based Ratemaking Mechanism, set forth on Sheet No. 87, is included as a component of the Gas Supply Clause as shown on Sheet No. 85 of this Tariff.

**DATE OF ISSUE:** September 28, 2018

**DATE EFFECTIVE:** Effective with Service Rendered
On And After November 1, 2018

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00295 dated ____**

## Louisville Gas and Electric Company

**P.S.C. Gas No. 11, First Revision of Original Sheet No. 9.1**
**Canceling P.S.C. Gas No. 11, Original Sheet No. 9.1**

**Standard Rate** **VFD**
**Volunteer Fire Department Service**

**ADJUSTMENT CLAUSES**

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

| | | |
|---|---|---|
| Gas Line Tracker | Sheet No. 84 | |
| Demand Side Management Cost Recovery Mechanism | Sheet No. 86 | |
| Weather Normalization Adjustment | Sheet No. 88 | |
| Tax Cuts and Jobs Act Surcredit | Sheet No. 89 | N |
| Franchise Fee and Local Tax | Sheet No. 90 | |
| School Tax | Sheet No. 91 | |

**MINIMUM CHARGE**

The Basic Service Charge shall be the minimum charge.

**DUE DATE OF BILL**

Customer's payment will be due within sixteen (16) business days (no less than twenty-two (22) calendar days) from the date of the bill.

**LATE PAYMENT CHARGE**

If full payment is not received by the due date of the bill, a 3% late payment charge will be assessed on the current month's charges.

**TERMS AND CONDITIONS**

Service will be furnished under Company's Terms and Conditions applicable hereto.

**DATE OF ISSUE**: April 5, 2018

**DATE EFFECTIVE:** April 1, 2018

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00034 dated March 20, 2018 and modified March 28, 2018**

## Louisville Gas and Electric Company

**P.S.C. Gas No. 12, Original Sheet No. 9.1**

**Standard Rate** **VFD**
**Volunteer Fire Department Service**

**ADJUSTMENT CLAUSES**

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

| | | |
|---|---|---|
| Weather Normalization Adjustment | Sheet No. 88 | T |
| Demand-Side Management Cost Recovery Mechanism | Sheet No. 86 | T |
| Gas Line Tracker | Sheet No. 84 | D/T |
| Franchise Fee | Sheet No. 90 | T |
| School Tax | Sheet No. 91 | T |

**MINIMUM CHARGE**

The Basic Service Charge shall be the minimum charge.

**DUE DATE OF BILL**

Customer's payment will be due within sixteen (16) business days (no less than twenty-two (22) calendar days) from the date of the bill.

**LATE PAYMENT CHARGE**

If full payment is not received by the due date of the bill, a 3% late payment charge will be assessed on the current month's charges.

**TERMS AND CONDITIONS**

Service will be furnished under Company's Terms and Conditions applicable hereto.

**DATE OF ISSUE:** September 28, 2018

**DATE EFFECTIVE:** Effective with Service Rendered
On And After November 1, 2018

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00295 dated ____**

## Louisville Gas and Electric Company

**P.S.C. Gas No. 11, Original Sheet No. 10**

**Standard Rate** **CGS**
**Firm Commercial Gas Service**

**APPLICABLE**
In all territory served.

**AVAILABILITY OF SERVICE**
Applicable to firm natural gas sales service to customers engaged in commercial activities such as apartment buildings, rooming and boarding dwellings, residential hotels, multi-family row housing, duplexes, other situations where gas is supplied to consumers in two or more dwelling units designed for the primary purposes of residences, and other commercial activities when supplied at a single point of delivery and where distribution mains are adjacent to the premises to be served.

Combination commercial and residential accounts shall be considered commercial if usage for commercial purposes is half or more than half of the total service over the course of a year.

The term "commercial" customers shall include customers using gas in activities related to warehousing, distributing, or selling commodities, providing professional services, wholesale and retail stores, offices, office buildings, hotels, retail bakeries, hospitals, schools, churches, religious or charitable institutions, governmental agencies, other institutions or the like (including local, state, and federal governmental agencies) and for uses other than those involved in manufacturing. Applications related to the use of gas in standby or other electric generation in commercial applications shall not be served under this rate schedule unless (1) such facilities were installed and operating under this Standard Rate CGS before ninety (90) days after August 1, 2010, or (2) such facilities have a total connected load of less than 2,000 cubic feet per hour and are not for the generation of electricity for further distribution, for sale in the open market, or for any purpose other than to provide Customer with standby electric supplies during emergency situations.

All existing and future installations of equipment for the purpose of providing gas for use in standby electric generation shall be reported by the Customer (or the Customer's Representative) to the Company in conjunction with the "Notice to Company of Changes in Customer's Load" set out in the Customer Responsibilities section of the Company's Terms and Conditions. Additionally, service for gas for use in standby electric generation shall be subject to the availability of adequate capacity on Company's gas system to perform such service without detriment to its other Customers. T

Service to Customer at multiple delivery points for the purpose of avoiding the threshold of 2,000 cubic feet per hour under Rate DGGS shall not be permitted.

This schedule is also applicable to natural gas service for street lighting to such entities as certificated homeowners associations, businesses, and local, state, and federal governmental agencies.

**DATE OF ISSUE**: July 7, 2017

**DATE EFFECTIVE:** July 1, 2017

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the**
**Public Service Commission in Case No.**
**2016-00371 dated June 22, 2017 and modified June 29, 2017**

## Louisville Gas and Electric Company

**P.S.C. Gas No. 12, Original Sheet No. 10**

**Standard Rate** **CGS**
**Firm Commercial Gas Service**

**APPLICABLE**
In all territory served.

**AVAILABILITY** T
Applicable to firm natural gas sales service to customers engaged in commercial activities such as apartment buildings, rooming and boarding dwellings, residential hotels, multi-family row housing, duplexes, other situations where gas is supplied to consumers in two or more dwelling units designed for the primary purposes of residences, and other commercial activities when supplied at a single point of delivery and where distribution mains are adjacent to the premises to be served.

Combination commercial and residential accounts shall be considered commercial if usage for commercial purposes is half or more than half of the total service over the course of a year.

The term "commercial" customers shall include customers using gas in activities related to warehousing, distributing, or selling commodities, providing professional services, wholesale and retail stores, offices, office buildings, hotels, retail bakeries, hospitals, schools, churches, religious or charitable institutions, governmental agencies, other institutions or the like (including local, state, and federal governmental agencies) and for uses other than those involved in manufacturing. Applications related to the use of gas in standby or other electric generation in commercial applications shall not be served under this rate schedule unless (1) such facilities were installed and operating under this Standard Rate CGS before ninety (90) days after August 1, 2010, or (2) such facilities have a total connected load of less than 2,000 cubic feet per hour and are not for the generation of electricity for further distribution, for sale in the open market, or for any purpose other than to provide Customer with standby electric supplies during emergency situations.

All existing and future installations of equipment for the purpose of providing gas for use in standby electric generation shall be reported by the Customer (or the Customer's Representative) to the Company in conjunction with the "Notice to Company of Changes in Customer's Load" set out in the Customer Responsibilities section of the Company's Terms and Conditions. Additionally, service for gas for use in standby electric generation shall be subject to the availability of adequate capacity on Company's gas system to perform such service without detriment to its other Customers.

Service to Customer at multiple delivery points for the purpose of avoiding the threshold of 2,000 cubic feet per hour under Rate DGGS shall not be permitted.

This schedule is also applicable to natural gas service for street lighting to such entities as certificated homeowners associations, businesses, and local, state, and federal governmental agencies.

**DATE OF ISSUE:** September 28, 2018

**DATE EFFECTIVE:** Effective with Service Rendered
On And After November 1, 2018

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the**
**Public Service Commission in Case No.**
**2018-00295 dated ____**

**Louisville Gas and Electric Company**

**P.S.C. Gas No. 11, Sixth Revision of Original Sheet No. 10.1**
**Canceling P.S.C. Gas No. 11, Fifth Revision of Original Sheet No. 10.1**

**Standard Rate** **CGS**
**Firm Commercial Gas Service**

**RATE**

Basic Service Charge per month:

| | | |
|---|---|---|
| If all of the customer's meters have a capacity < 5000 cf/hr: | $ 60.00 per delivery point | |
| If any of the customer's meters have a capacity ≥ 5000 cf/hr: | $285.00 per delivery point | |
| Plus a Charge per 100 cubic feet: | | |
| Distribution Charge | $ 0.25133 | |
| Gas Supply Cost Component | 0.41446 | I |
| Total Charge per 100 cubic feet: | $ 0.66579 | I |

The "Gas Supply Cost Component" as shown above is the cost per 100 cubic feet determined in accordance with the Gas Supply Clause set forth on Sheet No. 85 of this Tariff. The Performance-Based Ratemaking Mechanism, set forth on Sheet No. 87, is included as a component of the Gas Supply Clause as shown on Sheet No. 85 of this Tariff.

Off-Peak Pricing Provision:
The Distribution Charge applicable to monthly usage in excess of 100,000 cubic feet shall be reduced by $0.05 per 100 cubic feet during the seven off-peak billing periods of April through October. The first 100,000 cubic feet per month during such period shall be billed at the rate set forth above.

**ADJUSTMENT CLAUSES**

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

| | |
|---|---|
| Gas Line Tracker | Sheet No. 84 |
| Demand Side Management Cost Recovery Mechanism | Sheet No. 86 |
| Weather Normalization Adjustment | Sheet No. 88 |
| Tax Cuts and Jobs Act Surcredit | Sheet No. 89 |
| Franchise Fee and Local Tax | Sheet No. 90 |
| School Tax | Sheet No. 91 |

**MINIMUM CHARGE**

The Basic Service Charge shall be the minimum charge.

**DUE DATE OF BILL**

Customer's payment will be due within sixteen (16) business days (no less than twenty-two (22) calendar days) from the date of the bill.

**DATE OF ISSUE**: July 31, 2018

**DATE EFFECTIVE:** August 1, 2018

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00182 dated July 30, 2018**

**Louisville Gas and Electric Company**

**P.S.C. Gas No. 12, Original Sheet No. 10.1**

**Standard Rate** **CGS**
**Firm Commercial Gas Service**

**RATE**

| | | |
|---|---|---|
| Basic Service Charge per day: | | T |
| If all of the customer's meters have a capacity < 5,000 cf/hr: | $ 1.97 per delivery point | R |
| If any of the customer's meters have a capacity ≥ 5,000 cf/hr: | $ 9.37 per delivery point | I |
| Plus a Charge per 100 cubic feet: | | |
| Distribution Charge | $ 0.32525 | I |
| Gas Supply Cost Component | 0.41446 | |
| Total Charge per 100 cubic feet: | $ 0.73971 | I |

The "Gas Supply Cost Component" as shown above is the cost per 100 cubic feet determined in accordance with the Gas Supply Clause set forth on Sheet No. 85 of this Tariff. The Performance-Based Ratemaking Mechanism, set forth on Sheet No. 87, is included as a component of the Gas Supply Clause as shown on Sheet No. 85 of this Tariff.

Off-Peak Pricing Provision:
The Distribution Charge applicable to monthly usage in excess of 100,000 cubic feet shall be reduced by $0.05 per 100 cubic feet during the seven off-peak billing periods of April through October. The first 100,000 cubic feet per month during such period shall be billed at the rate set forth above.

**ADJUSTMENT CLAUSES**

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

| | | |
|---|---|---|
| Weather Normalization Adjustment | Sheet No. 88 | T |
| Demand-Side Management Cost Recovery Mechanism | Sheet No. 86 | T |
| Gas Line Tracker | Sheet No. 84 | D/T |
| Franchise Fee | Sheet No. 90 | T |
| School Tax | Sheet No. 91 | T |

**MINIMUM CHARGE**

The Basic Service Charge shall be the minimum charge.

**DUE DATE OF BILL**

Customer's payment will be due within sixteen (16) business days (no less than twenty-two (22) calendar days) from the date of the bill.

**DATE OF ISSUE:** September 28, 2018

**DATE EFFECTIVE:** Effective with Service Rendered
On And After November 1, 2018

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00295 dated ____**

**Louisville Gas and Electric Company**

**P.S.C. Gas No. 11, Original Sheet No. 10.2**

**Standard Rate** **CGS**

**Firm Commercial Gas Service**

**LATE PAYMENT CHARGE**

If full payment is not received by the due date of the bill, a 3% late payment charge will be assessed on the current month's charges.

**TERMS AND CONDITIONS**

Service will be furnished under Company's Terms and Conditions applicable hereto.

**DATE OF ISSUE**: July 7, 2017

**DATE EFFECTIVE:** January 1, 2013

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2012-00222 dated December 20, 2012**

**Louisville Gas and Electric Company**

**P.S.C. Gas No. 12, Original Sheet No. 10.2**

**Standard Rate** **CGS**

**Firm Commercial Gas Service**

**LATE PAYMENT CHARGE**

If full payment is not received by the due date of the bill, a 3% late payment charge will be assessed on the current month's charges.

**TERMS AND CONDITIONS**

Service will be furnished under Company's Terms and Conditions applicable hereto.

**DATE OF ISSUE:** September 28, 2018

**DATE EFFECTIVE:** Effective with Service Rendered
On And After January 1, 2013

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2012-00222 dated December 20, 2012**

## Louisville Gas and Electric Company

**P.S.C. Gas No. 11, Original Sheet No. 15**

**Standard Rate** **IGS**
**Firm Industrial Gas Service**

**APPLICABLE**
In all territory served.

**AVAILABILITY OF SERVICE**
Applicable to firm natural gas sales service to customers engaged in industrial activities that involve manufacturing or other activities that process, create or change raw or unfinished materials into another form or product when supplied at a single point of delivery and where distribution mains are adjacent to the premises to be served.

Combination industrial and commercial accounts shall be considered industrial if usage for industrial purposes is half or more than half of the total service over the course of a year.

The term "industrial" customers shall include customers involved in activities using gas primarily in a process or processes which either involve the extraction of raw materials from the earth, or a change of raw or unfinished materials into another form or product through the application of heat or heat treating, steam agitation, evaporation, baking, extraction, drying, distilling, asphalt production, vehicular fueling of internal combustion engines, and for other similar uses. Customers using natural gas for vehicular fueling of internal combustion engines must also elect service under Rider NGV. Applications related to the use of gas in standby or other electric generation in industrial applications shall not be served under this rate schedule unless (1) such facilities were installed and operating under this Standard Rate IGS before ninety (90) days after August 1, 2010, or (2) such facilities have a total connected load of less than 2,000 cubic feet per hour and are not for the generation of electricity for further distribution, for sale in the open market, or for any purpose other than to provide Customer with standby electric supplies during emergency situations.

All existing and future installations of equipment for the purpose of providing gas for use in standby electric generation shall be reported by the Customer (or the Customer's Representative) to the Company in conjunction with the "Notice to Company of Changes in Customer's Load" set out in the Customer Responsibilities section of the Company's Terms and Conditions. Additionally, Service for gas for use in standby electric generation shall be subject to the availability of adequate capacity on Company's gas system to perform such service without detriment to its other Customers. T

Service to Customer at multiple delivery points for the purpose of avoiding the threshold of 2,000 cubic feet per hour under Rate DGGS shall not be permitted.

**DATE OF ISSUE**: July 7, 2017

**DATE EFFECTIVE:** July 1, 2017

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the**
**Public Service Commission in Case No.**
**2016-00371 dated June 22, 2017 and modified June 29, 2017**

## Louisville Gas and Electric Company

**P.S.C. Gas No. 12, Original Sheet No. 15**

**Standard Rate** **IGS**
**Firm Industrial Gas Service**

**APPLICABLE**
In all territory served.

**AVAILABILITY** T
Applicable to firm natural gas sales service to customers engaged in industrial activities that involve manufacturing or other activities that process, create or change raw or unfinished materials into another form or product when supplied at a single point of delivery and where distribution mains are adjacent to the premises to be served.

Combination industrial and commercial accounts shall be considered industrial if usage for industrial purposes is half or more than half of the total service over the course of a year.

The term "industrial" customers shall include customers involved in activities using gas primarily in a process or processes which either involve the extraction of raw materials from the earth, or a change of raw or unfinished materials into another form or product through the application of heat or heat treating, steam agitation, evaporation, baking, extraction, drying, distilling, asphalt production, vehicular fueling of internal combustion engines, and for other similar uses. Customers using natural gas for vehicular fueling of internal combustion engines must also elect service under Rider NGV. Applications related to the use of gas in standby or other electric generation in industrial applications shall not be served under this rate schedule unless (1) such facilities were installed and operating under this Standard Rate IGS before ninety (90) days after August 1, 2010, or (2) such facilities have a total connected load of less than 2,000 cubic feet per hour and are not for the generation of electricity for further distribution, for sale in the open market, or for any purpose other than to provide Customer with standby electric supplies during emergency situations.

All existing and future installations of equipment for the purpose of providing gas for use in standby electric generation shall be reported by the Customer (or the Customer's Representative) to the Company in conjunction with the "Notice to Company of Changes in Customer's Load" set out in the Customer Responsibilities section of the Company's Terms and Conditions. Additionally, Service for gas for use in standby electric generation shall be subject to the availability of adequate capacity on Company's gas system to perform such service without detriment to its other Customers.

Service to Customer at multiple delivery points for the purpose of avoiding the threshold of 2,000 cubic feet per hour under Rate DGGS shall not be permitted.

**DATE OF ISSUE:** September 28, 2018

**DATE EFFECTIVE:** Effective with Service Rendered
On And After November 1, 2018

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the**
**Public Service Commission in Case No.**
**2018-00295 dated ____**

## Louisville Gas and Electric Company

**P.S.C. Gas No. 11, Sixth Revision of Original Sheet No. 15.1**
**Canceling P.S.C. Gas No. 11, Fifth Revision of Original Sheet No. 15.1**

**Standard Rate** **IGS**
**Firm Industrial Gas Service**

**RATE**

Basic Service Charge per month:

| | |
|---|---|
| If all of the customer's meters have a capacity < 5000 cf/hr: | $165.00 per delivery point |
| If any of the customer's meters have a capacity ≥ 5000 cf/hr: | $750.00 per delivery point |

Plus a Charge per 100 cubic feet:

| | | |
|---|---|---|
| Distribution Charge | $ 0.21929 | |
| Gas Supply Cost Component | 0.41446 | T/I |
| Total Charge per 100 cubic feet: | $ 0.63375 | I |

The "Gas Supply Cost Component" as shown above is the cost per 100 cubic feet determined in accordance with the Gas Supply Clause set forth on Sheet No. 85 of this Tariff. The Performance-Based Ratemaking Mechanism, set forth on Sheet No. 87, is included as a component of the Gas Supply Clause as shown on Sheet No. 85 of this Tariff.

Off-Peak Pricing Provision:
The Distribution Charge applicable to monthly usage in excess of 100,000 cubic feet shall be reduced by $0.05 per 100 cubic feet during the seven off-peak billing periods of April through October. The first 100,000 cubic feet per month during such period shall be billed at the rate set forth above.

**ADJUSTMENT CLAUSES**

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

| | |
|---|---|
| Gas Line Tracker | Sheet No. 84 |
| Demand Side Management Cost Recovery Mechanism | Sheet No. 86 |
| Tax Cuts and Jobs Act Surcredit | Sheet No. 89 |
| Franchise Fee and Local Tax | Sheet No. 90 |
| School Tax | Sheet No. 91 |

**MINIMUM CHARGE**

The Basic Service Charge shall be the minimum charge.

**DATE OF ISSUE**: July 31, 2018

**DATE EFFECTIVE:** August 1, 2018

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00182 dated July 30, 2018**

## Louisville Gas and Electric Company

**P.S.C. Gas No. 12, Original Sheet No. 15.1**

**Standard Rate** **IGS**
**Firm Industrial Gas Service**

**RATE**

| | | |
|---|---|---|
| Basic Service Charge per day: | | T |
| If all of the customer's meters have a capacity < 5,000 cf/hr: | $ 5.42 per delivery point | R |
| If any of the customer's meters have a capacity ≥ 5,000 cf/hr: | $ 24.64 per delivery point | R |

Plus a Charge per 100 cubic feet:

| | |
|---|---|
| Distribution Charge | $ 0.21929 |
| Gas Supply Cost Component | $ 0.41446 |
| Total Charge per 100 cubic feet: | $ 0.63375 |

The "Gas Supply Cost Component" as shown above is the cost per 100 cubic feet determined in accordance with the Gas Supply Clause set forth on Sheet No. 85 of this Tariff. The Performance-Based Ratemaking Mechanism, set forth on Sheet No. 87, is included as a component of the Gas Supply Clause as shown on Sheet No. 85 of this Tariff.

Off-Peak Pricing Provision:
The Distribution Charge applicable to monthly usage in excess of 100,000 cubic feet shall be reduced by $0.05 per 100 cubic feet during the seven off-peak billing periods of April through October. The first 100,000 cubic feet per month during such period shall be billed at the rate set forth above.

**ADJUSTMENT CLAUSES**

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

| | | |
|---|---|---|
| Demand-Side Management Cost Recovery Mechanism | Sheet No. 86 | T |
| Gas Line Tracker | Sheet No. 84 | T |
| Franchise Fee | Sheet No. 90 | D/T |
| School Tax | Sheet No. 91 | T |

**MINIMUM CHARGE**

The Basic Service Charge shall be the minimum charge.

**DUE DATE OF BILL** T

Customer's payment will be due within sixteen (16) business days (no less than twenty-two (22) calendar days) from the date of the bill. T T

**DATE OF ISSUE:** September 28, 2018

**DATE EFFECTIVE:** Effective with Service Rendered
On And After November 1, 2018

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00295 dated ____**

## Louisville Gas and Electric Company

**P.S.C. Gas No. 11, Original Sheet No. 15.2**

**Standard Rate** **IGS**
**Firm Industrial Gas Service**

**DUE DATE OF BILL**
Customer's payment will be due within sixteen (16) business days (no less than twenty-two (22) calendar days) from the date of the bill.

**LATE PAYMENT CHARGE**
If full payment is not received by the due date of the bill, a 3% late payment charge will be assessed on the current month's charges.

**TERMS AND CONDITIONS**
Service will be furnished under Company's Terms and Conditions applicable hereto.

**DATE OF ISSUE**: July 7, 2017

**DATE EFFECTIVE:** January 1, 2013

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2012-00222 dated December 20, 2012**

## Louisville Gas and Electric Company

**P.S.C. Gas No. 12, Original Sheet No. 15.2**

**Standard Rate** **IGS**
**Firm Industrial Gas Service**

T

**LATE PAYMENT CHARGE**
If full payment is not received by the due date of the bill, a 3% late payment charge will be assessed on the current month's charges.

**TERMS AND CONDITIONS**
Service will be furnished under Company's Terms and Conditions applicable hereto.

**DATE OF ISSUE:** September 28, 2018

**DATE EFFECTIVE:** Effective with Service Rendered
On And After November 1, 2018

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00295 dated ____**

## Louisville Gas and Electric Company

**P.S.C. Gas No. 11, Original Sheet No. 20**

**Standard Rate** **AAGS**
**As-Available Gas Service**

**APPLICABLE**
In all territory served.

**AVAILABILITY OF SERVICE**
This rate schedule is designed to make available to commercial and industrial customers quantities of natural gas that Company may from time to time have available for sale without impairment of service to customers served under other higher priority rate schedules, and which can be supplied from Company's existing distribution system, subject to the provisions of this rate schedule. T

This rate shall not be available for gas loads which are predominantly space heating in character. In order to ensure that this rate schedule shall not be available for loads which are predominantly space heating in character and which do not consume substantial quantities of gas throughout the year, customers served hereunder shall be required to consume, when gas is available, at least 50 Mcf each day during each billing cycle at each individual delivery point. T

Customers served under Rate G-6 and Rate G-7 as of the first effective date of this Rate AAGS shall have the right to elect service under Rate AAGS, Rate CGS, or Rate IGS. Such Customers that elect to transfer from either Rate G-6 or Rate G-7 to service under Rate AAGS may do so without complying with the requirement set forth above that customers served hereunder shall be required to consume, when gas is available, at least 50 Mcf each day during each billing cycle at each individual delivery point. Customers not electing service under either Rate CGS or Rate IGS shall receive service hereunder upon the first effective date hereof, irrespective of the November 1 start-date set forth in "Contract-Term" below. T

**COMPANY NOT OBLIGATED TO CONTINUE SERVICE**
Company shall have the right to discontinue the supply of natural gas wholly or in part for such period or periods as, in the sole judgment of Company, may be necessary or advisable to enable it to supply the full gas requirements of its customers served under higher priority rate schedules. Nothing herein shall prevent Company from expanding its obligations under such other rate schedules. Company may decline to accept any additional contracts for service hereunder.

**CONTRACT TERM**
Customers served under Rate AAGS shall enter a written contract with Company more fully described in the Special Terms and Conditions of this rate schedule. The minimum contract term for service hereunder shall be for a period of at least one (1) year and shall commence on

**DATE OF ISSUE**: July 7, 2017

**DATE EFFECTIVE:** July 1, 2017

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2016-00371 dated June 22, 2017 and modified June 29, 2017**

## Louisville Gas and Electric Company

**P.S.C. Gas No. 12, Original Sheet No. 20**

**Standard Rate** **AAGS**
**As-Available Gas Service**

**APPLICABLE**
In all territory served.

**AVAILABILITY** T
This rate schedule is designed to make available to commercial and industrial customers quantities of natural gas that Company may from time to time have available for sale without impairment of service to customers served under other higher priority rate schedules, and which can be supplied from Company's existing distribution system, subject to the provisions of this rate schedule.

This rate shall not be available for gas loads which are predominantly space heating in character. In order to ensure that this rate schedule shall not be available for loads which are predominantly space heating in character and which do not consume substantial quantities of gas throughout the year, customers served hereunder shall be required to consume, when gas is available, at least 50 Mcf each day during each billing cycle at each individual delivery point.

Customers served under Rate G-6 and Rate G-7 as of the first effective date of this Rate AAGS shall have the right to elect service under Rate AAGS, Rate CGS, or Rate IGS. Such Customers that elect to transfer from either Rate G-6 or Rate G-7 to service under Rate AAGS may do so without complying with the requirement set forth above that customers served hereunder shall be required to consume, when gas is available, at least 50 Mcf each day during each billing cycle at each individual delivery point. Customers not electing service under either Rate CGS or Rate IGS shall receive service hereunder upon the first effective date hereof, irrespective of the November 1 start-date set forth in "Contract-Term" below.

**COMPANY NOT OBLIGATED TO CONTINUE SERVICE**
Company shall have the right to discontinue the supply of natural gas wholly or in part for such period or periods as, in the sole judgment of Company, may be necessary or advisable to enable it to supply the full gas requirements of its customers served under higher priority rate schedules. Nothing herein shall prevent Company from expanding its obligations under such other rate schedules. Company may decline to accept any additional contracts for service hereunder.

**CONTRACT TERM**
Customers served under Rate AAGS shall enter a written contract with Company more fully described in the Special Terms and Conditions of this rate schedule. The minimum contract term for service hereunder shall be for a period of at least one (1) year and shall commence on
November 1 and be effective through the following October 31, and year to year thereafter, unless T
terminated by either Company or Customer upon prior written notice on or before the April 30 T
preceding the October 31 termination date. T

**DATE OF ISSUE:** September 28, 2018

**DATE EFFECTIVE:** Effective with Service Rendered
On And After November 1, 2018

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00295 dated ____**

## Louisville Gas and Electric Company

**P.S.C. Gas No. 11, Sixth Revision of Original Sheet No. 20.1**
**Canceling P.S.C. Gas No. 11, Fifth Revision of Original Sheet No. 20.1**

**Standard Rate** **AAGS**
**As-Available Gas Service**

**CONTRACT TERM** (continued)

November 1 and be effective through the following October 31, and year to year thereafter, unless terminated by either Company or Customer upon prior written notice on or before the April 30 preceding the October 31 termination date.

Any customer served under Rate CGS or Rate IGS shall provide notice to Company by April 30 of its request for service to be effective commencing on the following November 1.

**RATE**

Basic Service Charge per month: $500.00 per delivery point

Plus a Charge per Mcf:

| | | |
|---|---|---|
| Distribution Charge | $ 1.0644 | |
| Gas Supply Cost Component | 4.1446 | T/I |
| Total Charge Per Mcf; | $ 5.2090 | I |

The "Gas Supply Cost Component" as shown above is the cost per Mcf determined in accordance with the Gas Supply Clause set forth on Sheet Nos. 85 of this Tariff. The Performance-Based Ratemaking Mechanism, set forth on Sheet Nos. 87, is included as a component of the Gas Supply Clause as shown on Sheet No. 85 of this Tariff.

**ADJUSTMENT CLAUSES**

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

| | |
|---|---|
| Gas Line Tracker | Sheet No. 84 |
| Demand Side Management Cost Recovery Mechanism | Sheet No. 86 |
| Tax Cuts and Jobs Act Surcredit | Sheet No. 89 |
| Franchise Fee and Local Tax | Sheet No. 90 |
| School Tax | Sheet No. 91 |

**PENALTY FOR FAILURE TO INTERRUPT**

Company shall have the right to interrupt sales service under this rate schedule upon eighteen (18) hours' prior notice. Provision of oral notice by telephone to Customer shall be deemed proper notice of interruption of service under this rate schedule.

**DATE OF ISSUE**: July 31, 2018

**DATE EFFECTIVE:** August 1, 2018

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00182 dated July 30, 2018**

## Louisville Gas and Electric Company

**P.S.C. Gas No. 12, Original Sheet No. 20.1**

**Standard Rate** **AAGS**
**As-Available Gas Service**

**CONTRACT TERM** (continued)

Any customer served under Rate CGS or Rate IGS shall provide notice to Company by April 30 of its request for service to be effective commencing on the following November 1. T

**RATE**

Basic Service Charge per month: $500.00 per delivery point

Plus a Charge per Mcf:

| | |
|---|---|
| Distribution Charge | $ 1.0644 |
| Gas Supply Cost Component | $ 4.1446 |
| Total Charge Per Mcf | $ 5.2090 |

The "Gas Supply Cost Component" as shown above is the cost per Mcf determined in accordance with the Gas Supply Clause set forth on Sheet Nos. 85 of this Tariff. The Performance-Based Ratemaking Mechanism, set forth on Sheet Nos. 87, is included as a component of the Gas Supply Clause as shown on Sheet No. 85 of this Tariff.

**ADJUSTMENT CLAUSES**

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

| | | |
|---|---|---|
| Demand-Side Management Cost Recovery Mechanism | Sheet No. 86 | T |
| Gas Line Tracker | Sheet No. 84 | T |
| Franchise Fee | Sheet No. 90 | D/T |
| School Tax | Sheet No. 91 | T |

**PENALTY FOR FAILURE TO INTERRUPT**

Company shall have the right to interrupt sales service under this rate schedule upon eighteen (18) hours' prior notice. Provision of oral notice by telephone to Customer shall be deemed proper notice of interruption of service under this rate schedule.

In addition to the charges set forth above, if the Customer fails to discontinue the consumption of natural gas at its facility at the conclusion of the eighteen- (18-) hour notice period, Company may charge the Customer the following penalty for each Mcf used during the period of interruption in addition to any other remedy available to Company, including, but not limited to, immediate termination of service under this rate schedule, irrespective of the provisions set forth on "Contract Term", and immediate transfer by Company to either Rate CGS or Rate IGS, as applicable T T T T T T T

**DATE OF ISSUE:** September 28, 2018

**DATE EFFECTIVE:** Effective with Service Rendered
On And After November 1, 2018

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00295 dated ____**

## Louisville Gas and Electric Company

**P.S.C. Gas No. 11, Original Sheet No. 20.2**

**Standard Rate** **AAGS**
**As-Available Gas Service**

**PENALTY FOR FAILURE TO INTERRUPT** (continued)

In addition to the charges set forth above, if the Customer fails to discontinue the consumption of natural gas at its facility at the conclusion of the eighteen- (18-) hour notice period, Company may charge the Customer the following penalty for each Mcf used during the period of interruption in addition to any other remedy available to Company, including, but not limited to, immediate termination of service under this rate schedule, irrespective of the provisions set forth on “Contract Term”, and immediate transfer by Company to either Rate CGS or Rate IGS, as applicable.

Customer shall be charged a per Mcf penalty charge applicable to any unauthorized takes of gas during the period of interruption (excluding Pilot Light Requirements where applicable) equal to $15.00 plus the higher of the following: either (a) the highest daily mid-point price posted in "*Platts Gas Daily*" for Texas Gas Zone 1 adjusted for Fuel Retention applicable to deliveries to Zone 4 under Texas Gas Transmission, LLC's Rate NNS plus the Commodity Charge and any surcharges applicable to deliveries to Zone 4 under Texas Gas Transmission, LLC's Rate NNS during the period of interruption that falls into each monthly billing cycle, or (b) the highest daily mid-point price posted in "*Platts Gas Daily*" for Lebanon-Hub adjusted for Fuel Retention applicable to deliveries to Zone 4 under Texas Gas Transmission, LLC’s Rate NNS plus the Commodity Charge and any surcharges applicable to deliveries to Zone 4 under Texas Gas Transmission, LLC's Rate NNS during the period of interruption that falls into each monthly billing cycle. Such penalty for failure to interrupt shall be in addition to any other charges under this rate schedule for such unauthorized usage by Customer that occurs following the conclusion of the eighteen- (18-) hour notice of interruption by Company to Customer.

Company shall not be required to provide service under this rate schedule for any Customer that does not comply with the terms or conditions of this rate schedule. Payment of penalty charges hereunder shall not be considered an exclusive remedy for failure to comply with the notice of interruption, nor shall the payment of such charges be considered a substitute for any other remedy available to Company.

**SPECIAL TERMS AND CONDITIONS**

1. Service under this rate schedule will be furnished under Company's Terms and Conditions applicable hereto, to the extent that such Terms and Conditions are not in conflict, nor inconsistent, with the specific provisions hereof. T T T

2. Service shall be supplied hereunder only at such times and in such volumes as Company, in its sole judgment, determines that gas is available for such service without impairment of service supplied under other rate schedules. T

3. Each customer served hereunder shall be required to enter into a written contract specifying, among other things, realistic monthly requirements for gas under this rate schedule. Such volumes shall be used as the basis for apportionment of gas when the total customer requirements exceed the quantity of gas available for service hereunder. T

**DATE OF ISSUE**: July 7, 2017

**DATE EFFECTIVE:** July 1, 2017

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2016-00371 dated June 22, 2017 and modified June 29, 2017**

## Louisville Gas and Electric Company

**P.S.C. Gas No. 12, Original Sheet No. 20.2**

**Standard Rate** **AAGS**
**As-Available Gas Service**

**PENALTY FOR FAILURE TO INTERRUPT** (continued) T

Customer shall be charged a per Mcf penalty charge applicable to any unauthorized takes of gas during the period of interruption (excluding Pilot Light Requirements where applicable) equal to $15.00 plus the higher of the following: either (a) the highest daily mid-point price posted in "*Platts Gas Daily*" for Texas Gas Zone 1 adjusted for Fuel Retention applicable to deliveries to Zone 4 under Texas Gas Transmission, LLC's Rate NNS plus the Commodity Charge and any surcharges applicable to deliveries to Zone 4 under Texas Gas Transmission, LLC’s Rate NNS during the period of interruption that falls into each monthly billing cycle, or (b) the highest daily mid-point price posted in "*Platts Gas Daily*" for Lebanon-Hub adjusted for Fuel Retention applicable to deliveries to Zone 4 under Texas Gas Transmission, LLC’s Rate NNS plus the Commodity Charge and any surcharges applicable to deliveries to Zone 4 under Texas Gas Transmission, LLC’s Rate NNS during the period of interruption that falls into each monthly billing cycle. Such penalty for failure to interrupt shall be in addition to any other charges under this rate schedule for such unauthorized usage by Customer that occurs following the conclusion of the eighteen- (18-) hour notice of interruption by Company to Customer.

Company shall not be required to provide service under this rate schedule for any Customer that does not comply with the terms or conditions of this rate schedule. Payment of penalty charges hereunder shall not be considered an exclusive remedy for failure to comply with the notice of interruption, nor shall the payment of such charges be considered a substitute for any other remedy available to Company.

**SPECIAL TERMS AND CONDITIONS**

1. Service under this rate schedule will be furnished under Company's Terms and Conditions applicable hereto, to the extent that such Terms and Conditions are not in conflict, nor inconsistent, with the specific provisions hereof.

2. Service shall be supplied hereunder only at such times and in such volumes as Company, in its sole judgment, determines that gas is available for such service without impairment of service supplied under other rate schedules.

3. Each customer served hereunder shall be required to enter into a written contract specifying, among other things, realistic monthly requirements for gas under this rate schedule. Such volumes shall be used as the basis for apportionment of gas when the total customer requirements exceed the quantity of gas available for service hereunder.
4. The customer shall contract under this rate schedule for a specified quantity of gas stated in terms of maximum required deliveries in Mcf per day. On no day shall Company be obligated to supply gas in excess of such contract quantity. In no case will Company be obligated to supply gas to Customer at greater volumes and greater rates of flow than those historically delivered by Company to Customer. T T T T T

**DATE OF ISSUE:** September 28, 2018

**DATE EFFECTIVE:** Effective with Service Rendered
On And After November 1, 2018

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00295 dated ____**

## Louisville Gas and Electric Company

**P.S.C. Gas No. 11, Original Sheet No. 20.3**

**Standard Rate** **AAGS**
**As-Available Gas Service**

**SPECIAL TERMS AND CONDITIONS** (continued)

4. The customer shall contract under this rate schedule for a specified quantity of gas stated in terms of maximum required deliveries in Mcf per day. On no day shall Company be obligated to supply gas in excess of such contract quantity. In no case will Company be obligated to supply gas to Customer at greater volumes and greater rates of flow than those historically delivered by Company to Customer. T

5. Customer shall discontinue taking service upon applicable notice by Company to do so. T

6. No gas service whatsoever to Customer's equipment or process served hereunder shall be supplied or permitted to be taken under any other of Company's gas rate schedules during periods of interruption. T

7. Upon commencement of service hereunder, Customer shall be required to certify that Customer's alternate fuel facilities are operational and alternate fuel is on site and capable of use. Company may, at its discretion, verify such certification through physical inspection of Customer's facility. In the event that Customer does not have alternate fuel facilities, Customer shall certify that the processes which utilize gas delivered hereunder are capable of complete discontinuance of natural gas use. Company may request Customer to verify either of the foregoing alternatives on an annual basis on or before October 1 of each year. Failure of Customer to annually certify either of the above alternatives shall result, in the sole discretion of Company, in immediate termination of service under this rate schedule and the immediate transfer to the appropriate firm sales rate schedule, either Rate CGS or Rate IGS. T

8. Service hereunder must be supplied through a separate meter and physically isolated from any other service provided by Company under other rate schedules. T

9. Company shall not be obligated to install or construct any facilities (other than necessary meters and regulators) in order to provide service hereunder. T

10. Any Customer contracting for service hereunder, other than a Customer transferring from either Rate G-6 or Rate G-7 as stipulated above, may be required, in the sole discretion of Company, either prior to electing service hereunder or at any time thereafter, to have appropriate remote metering devices. The remote metering devices allow Company to monitor the Customer's usage and determine compliance with notice of interruption of service hereunder. The Customer shall reimburse Company for the cost of the remote metering equipment, for any modifications to Company facilities, and for the replacement of any existing meters required in order to facilitate the functioning of the remote metering. T

**DATE OF ISSUE**: July 7, 2017

**DATE EFFECTIVE:** July 1, 2017

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2016-00371 dated June 22, 2017 and modified June 29, 2017**

## Louisville Gas and Electric Company

**P.S.C. Gas No. 12, Original Sheet No. 20.3**

**Standard Rate** **AAGS**
**As-Available Gas Service**

**SPECIAL TERMS AND CONDITIONS** (continued)

T

5. Customer shall discontinue taking service upon applicable notice by Company to do so.

6. No gas service whatsoever to Customer's equipment or process served hereunder shall be supplied or permitted to be taken under any other of Company's gas rate schedules during periods of interruption.

7. Upon commencement of service hereunder, Customer shall be required to certify that Customer's alternate fuel facilities are operational and alternate fuel is on site and capable of use. Company may, at its discretion, verify such certification through physical inspection of Customer's facility. In the event that Customer does not have alternate fuel facilities, Customer shall certify that the processes which utilize gas delivered hereunder are capable of complete discontinuance of natural gas use. Company may request Customer to verify either of the foregoing alternatives on an annual basis on or before October 1 of each year. Failure of Customer to annually certify either of the above alternatives shall result, in the sole discretion of Company, in immediate termination of service under this rate schedule and the immediate transfer to the appropriate firm sales rate schedule, either Rate CGS or Rate IGS.

8. Service hereunder must be supplied through a separate meter and physically isolated from any other service provided by Company under other rate schedules.

9. Company shall not be obligated to install or construct any facilities (other than necessary meters and regulators) in order to provide service hereunder.

10. Any Customer contracting for service hereunder, other than a Customer transferring from either Rate G-6 or Rate G-7 as stipulated above, may be required, in the sole discretion of Company, either prior to electing service hereunder or at any time thereafter, to have appropriate remote metering devices. The remote metering devices allow Company to monitor the Customer's usage and determine compliance with notice of interruption of service hereunder. The Customer shall reimburse Company for the cost of the remote metering equipment, for any modifications to Company facilities, and for the replacement of any existing meters required in order to facilitate the functioning of the remote metering.

Any Customer required to have remote metering as described above shall be responsible for making any necessary modifications to its facilities, including, but not limited to, any modifications of Customer's piping, in order to facilitate the installation and operation of such remote metering. T T T

**DATE OF ISSUE:** September 28, 2018

**DATE EFFECTIVE:** Effective with Service Rendered
On And After November 1, 2018

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00295 dated ____**

## Louisville Gas and Electric Company

P.S.C. Gas No. 11, Original Sheet No. 20.4

**Standard Rate** **AAGS**
**As-Available Gas Service**

**SPECIAL TERMS AND CONDITIONS** (continued)

Any Customer required to have remote metering as described above shall be responsible for making any necessary modifications to its facilities, including, but not limited to, any modifications of Customer's piping, in order to facilitate the installation and operation of such remote metering.

Any Customer required to have remote metering shall be responsible for providing the necessary and adequate electric and telephone service to provide this metering within thirty (30) days of Company's notice to Customer that such remote metering shall be required. Electric and telephone services installed for this equipment shall conform to Company's specifications. The Customer shall be responsible for maintaining the necessary and adequate electric and telephone service to provide such remote metering.

**DUE DATE OF BILL**

Customer's payment will be due within sixteen (16) business days (no less than twenty-two (22) calendar days) from the date of the bill.

**LATE PAYMENT CHARGE**

If full payment is not received by the due date of the bill, a 1% late payment charge will be assessed on the current month's charges.

D

**DATE OF ISSUE**: July 7, 2017

**DATE EFFECTIVE:** July 1, 2017

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2016-00371 dated June 22, 2017 and modified June 29, 2017**

## Louisville Gas and Electric Company

P.S.C. Gas No. 12, Original Sheet No. 20.4

**Standard Rate** **AAGS**
**As-Available Gas Service**

**SPECIAL TERMS AND CONDITIONS** (continued)

T

Any Customer required to have remote metering shall be responsible for providing the necessary and adequate electric and telephone service to provide this metering within thirty (30) days of Company's notice to Customer that such remote metering shall be required. Electric and telephone services installed for this equipment shall conform to Company's specifications. The Customer shall be responsible for maintaining the necessary and adequate electric and telephone service to provide such remote metering.

**DUE DATE OF BILL**

Customer's payment will be due within sixteen (16) business days (no less than twenty-two (22) calendar days) from the date of the bill.

**LATE PAYMENT CHARGE**

If full payment is not received by the due date of the bill, a 1% late payment charge will be assessed on the current month's charges.

**DATE OF ISSUE:** September 28, 2018

**DATE EFFECTIVE:** Effective with Service Rendered On And After November 1, 2018

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00295 dated ____**

## Louisville Gas and Electric Company

**P.S.C. Gas No. 11, Fifth Revision of Original Sheet No. 21**
**Canceling P.S.C. Gas No. 11, Fourth Revision of Original Sheet No. 21**

**Standard Rate** **SGSS**
**Substitute Gas Sales Service**

**APPLICABLE**
In all territory served.

**AVAILABILITY OF SERVICE**
Service under this rate schedule is required for any commercial or industrial customer that is physically connected to the facilities of any other provider of natural gas, bio-gas, native gas, methane, or other gaseous fuels, such other providers to include, but not be limited to, another natural gas local distribution company, public, private, or municipal; a producer, gatherer, or transmitter of natural gas; an interstate or intrastate natural gas pipeline; or any other entity (including the Customer itself acting in any one or more of these roles) that provides natural gas or natural gas service to residential, commercial, industrial, public authority, or any other type of customers which might otherwise receive natural gas from Company. In the event that such Customer desires to continue to receive natural gas service from Company and/or declines to allow Company to remove Company's facilities hitherto used to provide natural gas service to Customer, then Customer shall be obligated to take service under Rate SGSS.

Company shall not be obligated to make modifications or additions to its gas system to serve loads under this rate schedule.

Company may decline to serve customers using gas to generate electricity in standby or other applications under this rate schedule.

Customers shall be classified as commercial or industrial in accordance with the definitions set forth in either Rate CGS or Rate IGS, as applicable to customer's primary gas use.

**RATE**
For commercial customers, the following charges shall apply:

| | | |
|---|---|---|
| Basic Service Charge per month: | $285.00 per delivery point | |
| Plus a Demand Charge per Mcf of Monthly Billing Demand: | $6.0400 | |
| Plus a Charge per Mcf: | | |
| Distribution Charge | $0.3600 | |
| Gas Supply Cost Component | 4.1446 | I |
| Total Charge per Mcf: | $4.5046 | I |

**DATE OF ISSUE**: July 31, 2018

**DATE EFFECTIVE:** August 1, 2018

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00182 dated July 30, 2018**

## Louisville Gas and Electric Company

**P.S.C. Gas No. 12, Original Sheet No. 21**

**Standard Rate** **SGSS**
**Substitute Gas Sales Service**

**APPLICABLE**
In all territory served.

**AVAILABILITY** T
Service under this rate schedule is required for any commercial or industrial customer that is physically connected to the facilities of any other provider of natural gas, bio-gas, native gas, methane, or other gaseous fuels, such other providers to include, but not be limited to, another natural gas local distribution company, public, private, or municipal; a producer, gatherer, or transmitter of natural gas; an interstate or intrastate natural gas pipeline; or any other entity (including the Customer itself acting in any one or more of these roles) that provides natural gas or natural gas service to residential, commercial, industrial, public authority, or any other type of customers which might otherwise receive natural gas from Company. In the event that such Customer desires to continue to receive natural gas service from Company and/or declines to allow Company to remove Company's facilities hitherto used to provide natural gas service to Customer, then Customer shall be obligated to take service under Rate SGSS.

Company shall not be obligated to make modifications or additions to its gas system to serve loads under this rate schedule.

Company may decline to serve customers using gas to generate electricity in standby or other applications under this rate schedule.

Customers shall be classified as commercial or industrial in accordance with the definitions set forth in either Rate CGS or Rate IGS, as applicable to customer's primary gas use.

**RATE**
For commercial customers, the following charges shall apply:

| | | |
|---|---|---|
| Basic Service Charge per month: | $285.00 per delivery point | |
| Plus a Demand Charge per Mcf of Monthly Billing Demand: | $6.7300 | I |
| Plus a Charge per Mcf: | | |
| Distribution Charge | $0.3603 | I |
| Gas Supply Cost Component | 4.1446 | |
| Total Charge per Mcf: | $4.5049 | I |

**DATE OF ISSUE:** September 28, 2018

**DATE EFFECTIVE:** Effective with Service Rendered
On And After November 1, 2018

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00295 dated ____**

## Louisville Gas and Electric Company

**P.S.C. Gas No. 11, Fifth Revision of Original Sheet No. 21.1**
**Canceling P.S.C. Gas No. 11, Fourth Revision of Original Sheet No. 21.1**

**Standard Rate** **SGSS**
**Substitute Gas Sales Service**

**RATE** (continued)

For industrial customers, the following charges shall apply:

| | | |
|---|---|---|
| Basic Service Charge per month: | $750.00 per delivery point | |
| Plus a Demand Charge per Mcf of Monthly Billing Demand: | $10.90 | |
| Plus a Charge per Mcf: | | |
| Distribution Charge | $0.2992 | |
| Gas Supply Cost Component | 4.1446 | I |
| Total Charge per Mcf: | $4.4438 | I |

The "Gas Supply Cost Component" as shown above is the cost per Mcf determined in accordance with the Gas Supply Clause set forth on Sheet Nos. 85 of this Tariff. The Performance-Based Ratemaking Mechanism, set forth on Sheet Nos. 87, is included as a component of the Gas Supply Clause as shown on Sheet No. 85 of this Tariff.

**MAXIMUM DAILY QUANTITY**

Company shall provide firm natural gas sales service to Customer at a single Point of Delivery up to the Maximum Daily Quantity ("MDQ"). The MDQ for any Customer taking service under this rate schedule when it first becomes effective will be 70% of the highest daily volume projected by Company for the Customer in the forecasted test year used by Company in Case No. 2016-00371. For all other Customers taking service under this rate schedule, Customer and Company may mutually agree to establish the level of the MDQ; provided, however, that in the event that Customer and Company cannot agree upon the MDQ, then the level of the MDQ shall be equal to 70% of the highest daily volume used by Customer during the twelve (12) months prior to the date that Customer began receiving natural gas from another supplier with which Customer is physically connected; in the event that such daily gas usage is not available, then the MDQ shall be equal 70% of to the Customer's average daily use for the highest month's gas use in the twelve (12) months prior to the date that Customer began receiving natural gas from another supplier with which Customer is physically connected; in no case shall the MDQ be greater than 5,000 Mcf/day.

Service by Company to Customer in excess of the MDQ shall be provided by Company on an interruptible basis. The maximum hourly volume that Company shall be obligated to deliver to Customer shall not exceed 1/16th of the MDQ.

**MONTHLY BILLING DEMAND**

The Monthly Billing Demand shall be the greater of (1) the MDQ, (2) the highest daily volume of gas delivered during the current month, or (3) 70% of the highest daily volume of gas delivered during the previous eleven (11) monthly billing periods. The term "day" or "daily" shall mean the period of time corresponding to the gas day as observed by the Pipeline Transporter as adjusted for local time.

Regardless of the Monthly Billing Demand established by Customer, Company's obligation to provide firm natural gas sales service up to the MDQ shall be limited to the MDQ.

**DATE OF ISSUE**: July 31, 2018

**DATE EFFECTIVE:** August 1, 2018

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00182 dated July 30, 2018**

## Louisville Gas and Electric Company

**P.S.C. Gas No. 12, Original Sheet No. 21.1**

**Standard Rate** **SGSS**
**Substitute Gas Sales Service**

**RATE** (continued)

For industrial customers, the following charges shall apply:

| | |
|---|---|
| Basic Service Charge per month: | $750.00 per delivery point |
| Plus a Demand Charge per Mcf of Monthly Billing Demand: | $10.90 |
| Plus a Charge per Mcf: | |
| Distribution Charge | $0.2992 |
| Gas Supply Cost Component | 4.1446 |
| Total Charge per Mcf: | $4.4438 |

The "Gas Supply Cost Component" as shown above is the cost per Mcf determined in accordance with the Gas Supply Clause set forth on Sheet Nos. 85 of this Tariff. The Performance-Based Ratemaking Mechanism, set forth on Sheet Nos. 87, is included as a component of the Gas Supply Clause as shown on Sheet No. 85 of this Tariff.

**MAXIMUM DAILY QUANTITY**

Company shall provide firm natural gas sales service to Customer at a single Point of Delivery up to the Maximum Daily Quantity ("MDQ"). The MDQ for any Customer taking service under this rate schedule when it first becomes effective will be 70% of the highest daily volume projected by Company for the Customer in the forecasted test year used by Company in Case No. 2016-00371. For all other Customers taking service under this rate schedule, Customer and Company may mutually agree to establish the level of the MDQ; provided, however, that in the event that Customer and Company cannot agree upon the MDQ, then the level of the MDQ shall be equal to 70% of the highest daily volume used by Customer during the twelve (12) months prior to the date that Customer began receiving natural gas from another supplier with which Customer is physically connected; in the event that such daily gas usage is not available, then the MDQ shall be equal to the Customer's average daily use for the highest month's gas use in the twelve (12) months prior to the date that Customer began receiving natural gas from another supplier with which Customer is physically connected; in no case shall the MDQ be greater than 5,000 Mcf/day.

Service by Company to Customer in excess of the MDQ shall be provided by Company on an interruptible basis. The maximum hourly volume that Company shall be obligated to deliver to Customer shall not exceed 1/16th of the MDQ.

**MONTHLY BILLING DEMAND**

The Monthly Billing Demand shall be the greater of (1) the MDQ, (2) the highest daily volume of gas delivered during the current month, or (3) the highest daily volume of gas delivered during T
the previous eleven (11) monthly billing periods. The term "day" or "daily" shall mean the period of time corresponding to the gas day as observed by the Pipeline Transporter as adjusted for local time.

T

**DATE OF ISSUE:** September 28, 2018

**DATE EFFECTIVE:** Effective with Service Rendered
On And After November 1, 2018

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00295 dated ____**

## Louisville Gas and Electric Company

**P.S.C. Gas No. 11, First Revision of Original Sheet No. 21.2**
**Canceling P.S.C. Gas No. 11, Original Sheet No. 21.2**

**Standard Rate** **SGSS**
**Substitute Gas Sales Service**

**MINIMUM CHARGE**
The minimum monthly bill shall be equal to all of the charges under this rate schedule, including, but not limited to, the basic service charge, the monthly demand charge, any volumetric charges, and any adjustment clauses.

**DUE DATE OF BILL**
Customer's payment will be due within sixteen (16) business days (no less than twenty-two (22) calendar days) from the date of the bill.

**LATE PAYMENT CHARGE**
If full payment is not received by the due date of the bill, a 3% late payment charge will be assessed on the current month's charges.

**ADJUSTMENT CLAUSES**
The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

| | | |
|---|---|---|
| Gas Line Tracker | Sheet No. 84 | |
| Demand Side Management Cost Recovery Mechanism | Sheet No. 86 | |
| Tax Cuts and Jobs Act Surcredit | Sheet No. 89 | N |
| Franchise Fee and Local Tax | Sheet No. 90 | |
| School Tax | Sheet No. 91 | |

**SPECIAL TERMS AND CONDITIONS**

1. Service under this rate schedule will be furnished under Company's Terms and Conditions applicable hereto, to the extent that such Terms and Conditions are not in conflict, nor inconsistent, with the specific provisions hereof.

2. Service under this rate schedule shall be performed under a written contract between Customer and Company setting forth specific arrangements as to the MDQ, Delivery Point, delivery pressure, and any other matters relating to individual Customer circumstances.

3. On no day shall Company be obligated to supply gas in excess of Customer's MDQ. In order to effectuate Company's obligation, Company may install such remote flow equipment as it determines to be necessary in order to control and limit the amount of gas taken by Customer from Company, such facilities to be installed by Company at Customer's expense.

4. Company shall not be obligated to install or construct any facilities (other than necessary meters and regulators) in order to provide service hereunder.

**DATE OF ISSUE**: April 5, 2018

**DATE EFFECTIVE:** April 1, 2018

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the**
**Public Service Commission in Case No.**
**2018-00034 dated March 20, 2018 and modified March 28, 2018**

## Louisville Gas and Electric Company

**P.S.C. Gas No. 12, Original Sheet No. 21.2**

**Standard Rate** **SGSS**
**Substitute Gas Sales Service**

**MONTHLY BILLING DEMAND (continued)** T
Regardless of the Monthly Billing Demand established by Customer, Company's obligation to provide firm natural gas sales service up to the MDQ shall be limited to the MDQ T T

**MINIMUM CHARGE**
The minimum monthly bill shall be equal to all of the charges under this rate schedule, including, but not limited to, the basic service charge, the monthly demand charge, any volumetric charges, and any adjustment clauses.

**DUE DATE OF BILL**
Customer's payment will be due within sixteen (16) business days (no less than twenty-two (22) calendar days) from the date of the bill.

**LATE PAYMENT CHARGE**
If full payment is not received by the due date of the bill, a 3% late payment charge will be assessed on the current month's charges.

**ADJUSTMENT CLAUSES**
The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

| | | |
|---|---|---|
| Demand-Side Management Cost Recovery Mechanism | Sheet No. 86 | T |
| Gas Line Tracker | Sheet No. 84 | T |
| Franchise Fee | Sheet No. 90 | D/T |
| School Tax | Sheet No. 91 | T |

**SPECIAL TERMS AND CONDITIONS**

1. Service under this rate schedule will be furnished under Company's Terms and Conditions applicable hereto, to the extent that such Terms and Conditions are not in conflict, nor inconsistent, with the specific provisions hereof.

2. Service under this rate schedule shall be performed under a written contract between Customer and Company setting forth specific arrangements as to the MDQ, Delivery Point, delivery pressure, and any other matters relating to individual Customer circumstances.

3. On no day shall Company be obligated to supply gas in excess of Customer's MDQ. In order to effectuate Company's obligation, Company may install such remote flow equipment as it determines to be necessary in order to control and limit the amount of gas taken by Customer from Company, such facilities to be installed by Company at Customer's expense.

4. Company shall not be obligated to install or construct any facilities (other than necessary meters and regulators) in order to provide service hereunder.

**DATE OF ISSUE:** September 28, 2018

**DATE EFFECTIVE:** Effective with Service Rendered
On And After November 1, 2018

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the**
**Public Service Commission in Case No.**
**2018-00295 dated ____**

# Louisville Gas and Electric Company

P.S.C. Gas No. 11, Original Sheet No. 21.3 N

Standard Rate SGSS
Substitute Gas Sales Service

**SPECIAL TERMS AND CONDITIONS** (continued)

5. Any Customer contracting for service hereunder shall be required, prior to commencing service hereunder, to have appropriate remote metering devices. The remote metering devices allow Company to monitor Customer's usage. The Customer shall reimburse Company for the cost of this remote metering equipment and the cost of its installation, including any modifications to Company facilities and the replacement of any existing meters required in order to facilitate the functioning of the remote metering. Company may also install at Customer's expense, any backflow protection devices and/or flow control equipment as may be required in sole discretion of Company. The Customer shall be responsible for making any necessary modifications to its facilities, including, but not limited to, any modifications of Customer's piping, in order to facilitate the installation and operation of such remote metering or other facilities determined to be the installation and operation of such remote metering or other facilities determined to be necessary by Company. The Customer shall be responsible for providing the necessary and adequate electric and telephone service to provide this metering within thirty (30) days of Company's notice to Customer that such remote metering shall be required. Electric and telephone services installed for this equipment shall conform to Company's specifications. The Customer shall be responsible for maintaining the necessary and adequate electric and telephone service to provide remote metering.

6. Company will have the right to curtail or interrupt the delivery of gas to any Customer hereunder when, in Company's judgment, such curtailment is necessary to enable Company to respond to an emergency or force majeure condition.

**TERM OF CONTRACT**

The minimum term for service hereunder shall be for a period of one (1) year, but Company may require that a contract be executed for a longer initial term when deemed necessary by the size of MDQ or other special circumstances. After the expiration of the primary term, the contract may be terminated by either Company or Customer upon one year's prior written notice.

**DATE OF ISSUE**: July 7, 2017

**DATE EFFECTIVE:** July 1, 2017

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the**
**Public Service Commission in Case No.**
**2016-00371 dated June 22, 2017 and modified June 29, 2017**

# Louisville Gas and Electric Company

P.S.C. Gas No. 12, Original Sheet No. 21.3

Standard Rate SGSS
Substitute Gas Sales Service

**SPECIAL TERMS AND CONDITIONS** (continued)

5. Any Customer contracting for service hereunder shall be required, prior to commencing service hereunder, to have appropriate remote metering devices. The remote metering devices allow Company to monitor Customer's usage. The Customer shall reimburse Company for the cost of this remote metering equipment and the cost of its installation, including any modifications to Company facilities and the replacement of any existing meters required in order to facilitate the functioning of the remote metering. Company may also install at Customer's expense, any backflow protection devices and/or flow control equipment as may be required in sole discretion of Company. The Customer shall be responsible for making any necessary modifications to its facilities, including, but not limited to, any modifications of Customer's piping, in order to facilitate the installation and operation of such remote metering or other facilities determined to be the installation and operation of such remote metering or other facilities determined to be necessary by Company. The Customer shall be responsible for providing the necessary and adequate electric and telephone service to provide this metering within thirty (30) days of Company's notice to Customer that such remote metering shall be required. Electric and telephone services installed for this equipment shall conform to Company's specifications. The Customer shall be responsible for maintaining the necessary and adequate electric and telephone service to provide remote metering.

6. Company will have the right to curtail or interrupt the delivery of gas to any Customer hereunder when, in Company's judgment, such curtailment is necessary to enable Company to respond to an emergency or force majeure condition.

**TERM OF CONTRACT**

The minimum term for service hereunder shall be for a period of one (1) year, but Company may require that a contract be executed for a longer initial term when deemed necessary by the size of MDQ or other special circumstances. After the expiration of the primary term, the contract may be terminated by either Company or Customer upon one year's prior written notice.

**DATE OF ISSUE:** September 28, 2018

**DATE EFFECTIVE:** Effective with Service Rendered
On And After July 1, 2017

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the**
**Public Service Commission in Case No.**
**2016-00371 dated June 22, 2017 and modified June 29, 2017**

**Louisville Gas and Electric Company**

**P.S.C. Gas No. 11, Original Sheet No. 30**

**Standard Rate** **FT**

**Firm Transportation Service (Transportation Only)**

**APPLICABLE**

In all territory served.

**AVAILABILITY OF SERVICE**

Available to existing commercial and industrial customers who consume at least 50 Mcf each day at each individual Delivery Point during each month of the twenty-four (24) months prior to the March 31 service request date, have purchased natural gas elsewhere, obtained all requisite authority to transport such gas to Company's system through the system of Company's Pipeline Transporter, and have requested Company to utilize its system to transport, by displacement, such customer-owned gas to Customer's place of utilization. Customers electing to transfer from another service shall notify Company on or before March 31 and execute a contract by April 30 in order to receive service hereunder beginning November 1 of that same year. The Contract Year shall include the twelve monthly billing periods from November 1 through October 31, of the following calendar year. Service under this rate schedule shall be for a term of one (1) year and year to year thereafter. Unless otherwise permitted herein, Customer or Company may terminate service hereunder effective November 1 by giving written notice to the other by the preceding April 30.

For new customers whose historical gas consumption is not available, Company will determine Customer's eligibility for service hereunder based upon data provided by Customer and such other information as may be available to Company. Company may allow such new customers to begin service hereunder prior to the November 1 date specified above for existing customers.

Customers using natural gas for vehicular fueling of internal combustion engines must also elect service under Rider NGV.

Any such transportation service hereunder shall be conditioned on Company being granted a reduction in billing demands by its Pipeline Transporter corresponding to the Customer's applicable transportation quantities.

Transportation service hereunder will be subject to the provisions herein set forth and to the availability of adequate capacity on Company's system to perform such service without detriment to its other customers. T

Service under this rate schedule shall not be available to customers with a Maximum Daily Quantity ("MDQ") in excess of 20,000 Mcf/day. In the event that Customer's MDQ exceeds 20,000 Mcf/day, Company may terminate service under this rate schedule upon thirty (30) days prior written notice. Additionally, customers using gas to generate electricity for use other than as standby electric service, irrespective of the size of the Customer's MDQ, are not eligible for service under this rate schedule.

**DATE OF ISSUE**: July 7, 2017

**DATE EFFECTIVE:** July 1, 2017

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2016-00371 dated June 22, 2017 and modified June 29, 2017**

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**Louisville Gas and Electric Company**

**P.S.C. Gas No. 12, Original Sheet No. 30**

**Standard Rate** **FT**

**Firm Transportation Service (Transportation Only)**

**APPLICABLE**

In all territory served.

**AVAILABILITY** T

Available to existing commercial and industrial customers who consume at least 50 Mcf each day at each individual Delivery Point during each month of the twenty-four (24) months prior to the March 31 service request date, have purchased natural gas elsewhere, obtained all requisite authority to transport such gas to Company's system through the system of Company's Pipeline Transporter, and have requested Company to utilize its system to transport, by displacement, such customer-owned gas to Customer's place of utilization. Customers electing to transfer from another service shall notify Company on or before March 31 and execute a contract by April 30 in order to receive service hereunder beginning November 1 of that same year. The Contract Year shall include the twelve monthly billing periods from November 1 through October 31, of the following calendar year. Service under this rate schedule shall be for a term of one (1) year and year to year thereafter. Unless otherwise permitted herein, Customer or Company may terminate service hereunder effective November 1 by giving written notice to the other by the preceding April 30.

For new customers who have no historical gas consumption, Company will determine Customer's eligibility for service hereunder based upon data provided by Customer and such other information as may be available to Company. Company may allow such new customers to begin service hereunder prior to the November 1 date specified above for existing customers. A new customer is responsible for presenting its request to Company for service hereunder at least six (6) months prior to first receiving natural gas from Company under any of Company's rate schedules. T N N N N

Customers using natural gas for vehicular fueling of internal combustion engines must also elect service under Rider NGV.

Any such transportation service hereunder shall be conditioned on Company being granted a reduction in billing demands by its Pipeline Transporter corresponding to the Customer's applicable transportation quantities.

Transportation service hereunder will be subject to the provisions herein set forth and to the availability of adequate capacity on Company's system to perform such service without detriment to its other customers.

Service under this rate schedule shall not be available to customers with a Maximum Daily Quantity ("MDQ") in excess of 20,000 Mcf/day. In the event that Customer's MDQ exceeds 20,000 Mcf/day, Company may terminate service under this rate schedule upon thirty (30) days prior written notice. Additionally, customers using gas to generate electricity for use other than as standby electric service, irrespective of the size of the Customer's MDQ, are not eligible for service under this rate schedule.

**DATE OF ISSUE:** September 28, 2018

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On And After November 1, 2018

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00295 dated ____**

## Louisville Gas and Electric Company

**P.S.C. Gas No. 11, Original Sheet No. 30.1**

**Standard Rate** **FT**
**Firm Transportation Service (Transportation Only)**

**CHARACTER OF SERVICE**

Transportation service under this rate schedule shall be considered firm from the Receipt Point at Company's interconnection with its Pipeline Transporter ("Receipt Point") to the Delivery Point at the Customer's place of utilization ("Delivery Point"), subject to paragraph 7 of the Special Terms and Conditions. T

Due to the physical configuration of Company's system, and in order to maintain system integrity and reliability, unless otherwise permitted or directed by Company in its sole discretion, the Pipeline Transporter shall be Texas Gas Transmission, LLC.

Company's sole obligation hereunder is to redeliver Customer's gas from the Receipt Point to the Delivery Point. Accordingly, Company has no obligation to deliver to the Customer a volume of gas, either daily or monthly, which differs from the volume delivered to Company at the Receipt Point.

Company will provide service to meet imbalances only on an as-available basis. For purposes used herein, "Imbalances" are defined as the difference between the volume of gas delivered by the Customer to the Receipt Point and the volume of gas taken by Customer at the Delivery Point. When Company can provide such service, the Utilization Charge for Daily Imbalances shall apply to daily imbalances in excess of ±5% of the delivered volume of gas as set forth herein. Company shall issue an Operational Flow Order as set forth herein during periods when service cannot be provided to meet daily imbalances.

Customers served under this rate may elect to become a member of an FT Pool pursuant to Rider PS-FT.

**RATE**

In addition to any and all charges billed directly to Company by other parties related to the transportation of customer-owned gas, and any other charges set forth herein, the following charges shall apply: T

| | | |
|---|---|---|
| Administrative Charge per month: | $550.00 per Delivery Point | T |
| Plus a Distribution Charge per Mcf: | $ 0.4440 | T/I |

**Gas Cost True-Up Charge:** The Gas Cost True-Up Charge is applicable only to a former sales Customer that has elected transportation service hereunder. Such Customer shall pay this charge for the first eighteen billing periods that Customer is served under Rate FT. The charge (or credit) per Mcf shall be applied to all volumes delivered by Company pursuant to Rate FT in order to recover from (or refund to) transferring sales customers any under- or over-collected gas costs as reflected T

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State Regulation and Rates
Louisville, Kentucky

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Public Service Commission in Case No.
2016-00371 dated June 22, 2017 and modified June 29, 2017**

## Louisville Gas and Electric Company

**P.S.C. Gas No. 12, Original Sheet No. 30.1**

**Standard Rate** **FT**
**Firm Transportation Service (Transportation Only)**

**CHARACTER OF SERVICE**

Transportation service under this rate schedule shall be considered firm from the Receipt Point at Company's interconnection with its Pipeline Transporter ("Receipt Point") to the Delivery Point at the Customer's place of utilization ("Delivery Point"), subject to paragraph 7 of the Special Terms and Conditions.

Due to the physical configuration of Company's system, and in order to maintain system integrity and reliability, unless otherwise permitted or directed by Company in its sole discretion, the Pipeline Transporter shall be Texas Gas Transmission, LLC.

Company's sole obligation hereunder is to redeliver Customer's gas from the Receipt Point to the Delivery Point. Accordingly, Company has no obligation to deliver to the Customer a volume of gas, either daily or monthly, which differs from the volume delivered to Company at the Receipt Point.

Company will provide service to meet imbalances only on an as-available basis. For purposes used herein, "Imbalances" are defined as the difference between the volume of gas delivered by the Customer to the Receipt Point and the volume of gas taken by Customer at the Delivery Point. When Company can provide such service, the Utilization Charge for Daily Imbalances shall apply to daily imbalances in excess of ±5% of the delivered volume of gas as set forth herein. Company shall issue an Operational Flow Order as set forth herein during periods when service cannot be provided to meet daily imbalances.

Customers served under this rate may elect to become a member of an FT Pool pursuant to Rider PS-FT.

**RATE**

In addition to any and all charges billed directly to Company by other parties related to the transportation of customer-owned gas, and any other charges set forth herein, the following charges shall apply:

| | | |
|---|---|---|
| Administrative Charge per month: | $550.00 per Delivery Point | |
| Plus a Basic Service Charge per month | $750.00 per Delivery Point | N |
| Plus a Distribution Charge per Mcf: | $ 0.0380 | T/R |
| Plus a Demand Charge per Mcf<br>of Monthly Billing Demand: | $4.89 | N<br>N |

**DATE OF ISSUE:** September 28, 2018

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On And After November 1, 2018

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the
Public Service Commission in Case No.
2018-00295 dated ____**

## Louisville Gas and Electric Company

**P.S.C. Gas No. 11, Fifth Revision of Original Sheet No. 30.2**
**Canceling P.S.C. Gas No. 11, Fourth Revision of Original Sheet No. 30.2**

**Standard Rate** **FT**
**Firm Transportation Service (Transportation Only)**

**RATE** (continued)

in the GCAA, GCBA, and PBRRC components of the Gas Supply Clause ("GSC") applicable to gas sold during those periods when the transferring customer was a sales customer. The Gas Cost True-Up Charge amount shall be revised with each of Company's quarterly Gas Supply Clause filings.

For customers electing service under Rate FT effective November 1, 2016,
the Gas Cost True-Up Charge shall be:

$0.0000 per Mcf for Bills Rendered On and After August 1, 2018 T

For customers electing service under Rate FT effective November 1, 2017,
the Gas Cost True-Up Charge shall be:

$0.0339 per Mcf for Bills Rendered On and After August 1, 2018 R/T

**Minimum Daily Threshold Requirement and Charge:** When Customer's daily usage falls below the Minimum Daily Threshold Requirement, Customer will be charged a Minimum Daily Threshold Charge equal to the difference between the Minimum Daily Threshold Requirement and the Customer's actual consumption in Mcf for that day multiplied by the Distribution Charge hereunder. The Minimum Daily Threshold Requirement is equal to the minimum daily volume of 50 Mcf. Such Minimum Daily Threshold Charge shall be accumulated for each day of the applicable month and billed during that month in accordance with the following formula:

Minimum Daily Threshold Charge =

(Minimum Daily Threshold minus Customer Usage on Given Day) times the Distribution Charge

Such daily amount shall be accumulated for each day of the month and the total will be applied to Customer's bill.

Payment of the Minimum Daily Threshold Charge is not a remedy for Customer's failure to meet the Minimum Daily Threshold Requirement for service under Rate FT. In the event that Customer does not meet the Minimum Daily Threshold Requirement for one-hundred twenty (120) days during a given Contract Year, service to Customer under Rate FT may be discontinued by Company. Customer will receive thirty (30) days prior written notice that Customer will be removed from Rate FT and returned to firm sales service under either Rate CGS or IGS as applicable.

**DATE OF ISSUE**: July 31, 2018

**DATE EFFECTIVE:** August 1, 2018

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00182 dated July 30, 2018**

## Louisville Gas and Electric Company

**P.S.C. Gas No. 12, Original Sheet No. 30.2**

**Standard Rate** **FT**
**Firm Transportation Service (Transportation Only)**

**RATE** (continued)

Where the Monthly Billing Demand is the greater of: N
a. the maximum volume of gas measured on any day during the current billing period, N
b. the highest volume of gas measured on any day in the preceding eleven (11) billing periods, N N
c. 50% of the Customer's MDQ. N

However, in no case will the Monthly Billing Demand be less than 50 Mcf/day. N

**Gas Cost True-Up Charge:** The Gas Cost True-Up Charge is applicable only to a former sales Customer that has elected transportation service hereunder. Such Customer shall pay this charge for the first eighteen billing periods that Customer is served under Rate FT. The charge (or credit) per Mcf shall be applied to all volumes delivered by Company pursuant to Rate FT in order to recover from (or refund to) transferring sales customers any under- or over-collected gas costs as reflected in the GCAA, GCBA, and PBRRC components of the Gas Supply Clause ("GSC") applicable to gas sold during those periods when the transferring customer was a sales customer. The Gas Cost True-Up Charge amount shall be revised with each of Company's quarterly Gas Supply Clause filings. T T T T T T

For customers electing service under Rate FT effective November 1, 2016,
the Gas Cost True-Up Charge shall be:

$0.0000 per Mcf for Bills Rendered On and After August 1, 2018

For customers electing service under Rate FT effective November 1, 2017,
the Gas Cost True-Up Charge shall be:

$0.0339 per Mcf for Bills Rendered On and After August 1, 2018

**Minimum Daily Threshold Requirement and Charge:** When Customer's daily usage falls below the Minimum Daily Threshold Requirement, Customer will be charged a Minimum Daily Threshold Charge equal to the difference between the Minimum Daily Threshold Requirement and the Customer's actual consumption in Mcf for that day multiplied by the Distribution Charge hereunder. The Minimum Daily Threshold Requirement is equal to the minimum daily volume of 50 Mcf. Such Minimum Daily Threshold Charge shall be accumulated for each day of the applicable month and billed during that month in accordance with the following formula:

Minimum Daily Threshold Charge =

(Minimum Daily Threshold minus Customer Usage on Given Day) times the Distribution Charge

Such daily amount shall be accumulated for each day of the month and the total will be applied to Customer's bill.

T

**DATE OF ISSUE:** September 28, 2018

**DATE EFFECTIVE:** Effective with Service Rendered
On And After November 1, 2018

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00295 dated ____**

## Louisville Gas and Electric Company

**P.S.C. Gas No. 11, First Revision of Original Sheet No. 30.3**
**Canceling P.S.C. Gas No. 11, Original Sheet No. 30.3**

**Standard Rate** **FT**
**Firm Transportation Service (Transportation Only)**

**RATE** (continued)

**Other:** In the event that Customer is determined to be the cause of any billing disadvantages or other penalties imposed on Company by Pipeline Transporter, then Customer shall pay such penalties, fees, or charges as determined by Company and in accordance with the payment provisions of this rate schedule in addition to any and all other charges due hereunder.

**ADJUSTMENT CLAUSES**

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

| | | |
|---|---|---|
| Gas Line Tracker | Sheet No. 84 | |
| Demand Side Management Cost Recovery Mechanism | Sheet No. 86 | |
| Tax Cuts and Jobs Act Surcredit | Sheet No. 89 | N |
| Franchise Fee and Local Tax | Sheet No. 90 | |
| School Tax | Sheet No. 91 | |

**DUE DATE OF BILL**

Customer's payment will be due within sixteen (16) business days (no less than twenty-two (22) calendar days) from the date of the bill.

**LATE PAYMENT CHARGE**

If full payment is not received by the due date of the bill, a 1% late payment charge will be assessed on the current month's charges.

**IMBALANCES**

Company will calculate on a daily and monthly basis the Customer's imbalance resulting from the difference between the metered usage of the Customer and the volumes that the Customer has delivered into Company's system. This will be calculated as follows:

Imbalance = Metered Usage - Delivered Volume

Company will also determine the imbalance percentage. This percentage will be calculated as follows:

$$\text{Imbalance \%} = \frac{\text{(Metered Usage - Delivered Volumes)}}{\text{Delivered Volume}}$$

The term "day" or "daily" shall mean the period of time corresponding to the gas day as observed by the Pipeline Transporter as adjusted for local time.

**DATE OF ISSUE**: April 5, 2018

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**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00034 dated March 20, 2018 and modified March 28, 2018**

## Louisville Gas and Electric Company

**P.S.C. Gas No. 12, Original Sheet No. 30.3**

**Standard Rate** **FT**
**Firm Transportation Service (Transportation Only)**

**RATE** (continued)

Payment of the Minimum Daily Threshold Charge is not a remedy for Customer's failure to meet the Minimum Daily Threshold Requirement for service under Rate FT. In the event that Customer does not meet the Minimum Daily Threshold Requirement for one-hundred twenty (120) days during a given Contract Year, service to Customer under Rate FT may be discontinued by Company. Customer will receive thirty (30) days prior written notice that Customer will be removed from Rate FT and returned to firm sales service under either Rate CGS or IGS as applicable. T T T T T T T

**Other:** In the event that Customer is determined to be the cause of any billing disadvantages or other penalties imposed on Company by Pipeline Transporter, then Customer shall pay such penalties, fees, or charges as determined by Company and in accordance with the payment provisions of this rate schedule in addition to any and all other charges due hereunder.

**ADJUSTMENT CLAUSES**

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

| | | |
|---|---|---|
| Demand-Side Management Cost Recovery Mechanism | Sheet No. 86 | T |
| Gas Line Tracker | Sheet No. 84 | T |
| Franchise Fee | Sheet No. 90 | D/T |
| School Tax | Sheet No. 91 | T |

**DUE DATE OF BILL**

Customer's payment will be due within sixteen (16) business days (no less than twenty-two (22) calendar days) from the date of the bill.

**LATE PAYMENT CHARGE**

If full payment is not received by the due date of the bill, a 1% late payment charge will be assessed on the current month's charges.

**IMBALANCES**

Company will calculate on a daily and monthly basis the Customer's imbalance resulting from the difference between the metered usage of the Customer and the volumes that the Customer has delivered into Company's system. This will be calculated as follows:

Imbalance = Metered Usage - Delivered Volume

T

**DATE OF ISSUE:** September 28, 2018

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**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00295 dated ____**

## Louisville Gas and Electric Company

**P.S.C. Gas No. 11, Original Sheet No. 30.4**

**Standard Rate** **FT**
**Firm Transportation Service (Transportation Only)**

**CASH-OUT PROVISION FOR MONTHLY IMBALANCES**

If the monthly imbalance is negative (an over-delivery into Company's system), Company shall purchase the monthly imbalance from Customer at a price per Mcf which is determined by multiplying the appropriate percentage specified below times the lower of the following: either (a) the lowest daily mid-point price posted in "*Platts Gas Daily*" for Texas Gas Zone 1 adjusted for Fuel Retention applicable to deliveries to Zone 4 under Texas Gas Transmission, LLC's Rate NNS plus the Commodity Charge and any surcharges applicable to deliveries to Zone 4 under Texas Gas Transmission, LLC's Rate NNS during the month in which the imbalance occurred, or (b) the lowest daily mid-point price posted in "*Platts Gas Daily*" for Lebanon-Hub adjusted for Fuel Retention applicable to deliveries to Zone 4 under Texas Gas Transmission, LLC's Rate NNS plus the Commodity Charge and any surcharges applicable to deliveries to Zone 4 under Texas Gas Transmission, LLC's Rate NNS during the month in which the imbalance occurred.

The appropriate percentage shall be dependent on the Customer's monthly imbalance percentage to be applied as follows:

| When Total Net Negative Imbalance Percentage is: | The following percentage shall be multiplied by the above-determined amount: |
|---|---|
| 0% to ≤5% | 100% |
| >5% to ≤10% | 90% |
| >10% to ≤15% | 80% |
| >15% to ≤20% | 70% |
| >20% | 60% |

If the monthly imbalance is positive (an under-delivery into Company's system), Customer shall purchase the monthly imbalance from Company at a price per Mcf which is determined by multiplying the appropriate percentage specified below times the higher of the following: either (a) the highest daily mid-point price posted in "*Platts Gas Daily*" for Texas Gas Zone 1 adjusted for Fuel Retention applicable to deliveries to Zone 4 under Texas Gas Transmission, LLC's Rate NNS plus the Commodity Charge and any surcharges applicable to deliveries to Zone 4 under Texas Gas Transmission, LLC's Rate NNS during the month in which the imbalance occurred, or (b) the highest daily mid-point price posted in "*Platts Gas Daily*" for Lebanon-Hub adjusted for Fuel Retention applicable to deliveries to Zone 4 under Texas Gas Transmission, LLC's Rate NNS plus the Commodity Charge and any surcharges applicable to deliveries to Zone 4 under Texas Gas Transmission, LLC's Rate NNS during the month in which the imbalance occurred.

**DATE OF ISSUE**: July 7, 2017

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**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2014-00372 dated June 30, 2015**

## Louisville Gas and Electric Company

**P.S.C. Gas No. 12, Original Sheet No. 30.4**

**Standard Rate** **FT**
**Firm Transportation Service (Transportation Only)**

**IMBALANCES** (continued)

Company will also determine the imbalance percentage. This percentage will be calculated as follows: T T

$$\text{Imbalance \%} = \frac{\text{(Metered Usage - Delivered Volumes)}}{\text{Delivered Volume}}$$

T T T T

The term "day" or "daily" shall mean the period of time corresponding to the gas day as observed by the Pipeline Transporter as adjusted for local time. T T

**CASH-OUT PROVISION FOR MONTHLY IMBALANCES**

If the monthly imbalance is negative (an over-delivery into Company's system), Company shall purchase the monthly imbalance from Customer at a price per Mcf which is determined by multiplying the appropriate percentage specified below times the lower of the following: either (a) the lowest daily mid-point price posted in "*Platts Gas Daily*" for Texas Gas Zone 1 adjusted for Fuel Retention applicable to deliveries to Zone 4 under Texas Gas Transmission, LLC's Rate NNS plus the Commodity Charge and any surcharges applicable to deliveries to Zone 4 under Texas Gas Transmission, LLC's Rate NNS during the month in which the imbalance occurred, or (b) the lowest daily mid-point price posted in "*Platts Gas Daily*" for Lebanon-Hub adjusted for Fuel Retention applicable to deliveries to Zone 4 under Texas Gas Transmission, LLC's Rate NNS plus the Commodity Charge and any surcharges applicable to deliveries to Zone 4 under Texas Gas Transmission, LLC's Rate NNS during the month in which the imbalance occurred.

The appropriate percentage shall be dependent on the Customer's monthly imbalance percentage to be applied as follows:

| When Total Net Negative Imbalance Percentage is: | The following percentage shall be multiplied by the above-determined amount: |
|---|---|
| 0% to ≤5% | 100% |
| >5% to ≤10% | 90% |
| >10% to ≤15% | 80% |
| >15% to ≤20% | 70% |
| >20% | 60% |

If the monthly imbalance is positive (an under-delivery into Company's system), Customer shall purchase the monthly imbalance from Company at a price per Mcf which is determined by multiplying the appropriate percentage specified below times the higher of the following: either (a) the highest daily mid-point price posted in "*Platts Gas Daily*" for Texas Gas Zone 1 adjusted for Fuel Retention applicable to deliveries to Zone 4 under Texas Gas Transmission, LLC's Rate NNS plus the Commodity Charge and any surcharges applicable to deliveries to Zone 4 under Texas Gas T

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State Regulation and Rates
Louisville, Kentucky

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## Louisville Gas and Electric Company

**P.S.C. Gas No. 11, Original Sheet No. 30.5**

**Standard Rate** **FT**
**Firm Transportation Service (Transportation Only)**

The appropriate percentage shall be dependent on the Customer's monthly imbalance percentage to be applied as follows:

| When Total Net Positive Imbalance Percentage is: | The following percentage shall be multiplied by the above-determined amount: |
|---|---|
| 0% to ≤5% | 100% |
| >5% to ≤10% | 110% |
| >10% to ≤15% | 120% |
| >15% to ≤20% | 130% |
| >20% | 140% |

The monthly imbalance percentages stated above will be used to calculate the cash-out price for imbalances that fall within each category. For example, a Customer with a monthly imbalance percentage of 9% will cash-out at the 0% to 5% price for 5% of the imbalance and at the 5% to 10% price for 4% of the imbalance.

All such adjustments shall be shown and included on the Customer's monthly bill. The billing of these charges shall not be construed as a waiver by Company of any other rights or remedies it has under law, the regulations of the PSC of Kentucky, or this rate schedule, nor shall it be construed as an exclusive remedy for failure to comply with the provisions of this rate schedule.

**VARIATIONS IN MMBTU CONTENT**
All gas delivered by Company will be measured and billed on an Mcf basis. Pipeline Transporter delivers to and bills Company on an MMBtu basis. The reconciliation of the actual deliveries by Pipeline Transporter and the Customer's estimated deliveries by Pipeline Transporter occurs through the operation of the cash-out provision. Changes in billings of the cash-out provision caused by variations in the MMBtu content of the gas shall be corrected on the following bill.

**UTILIZATION CHARGE FOR DAILY IMBALANCES**
Should an imbalance exceed ±5% of the delivered volume of gas on any day when an Operational Flow Order (as described below) has not been issued, then Company shall charge the Utilization Charge for Daily Imbalances times the recorded imbalance greater than ±5% of the delivered volume of gas for each daily occurrence. The Utilization Charge for Daily Imbalances is the sum of the following:

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State Regulation and Rates
Louisville, Kentucky

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## Louisville Gas and Electric Company

**P.S.C. Gas No. 12, Original Sheet No. 30.5**

**Standard Rate** **FT**
**Firm Transportation Service (Transportation Only)**

**CASH-OUT PROVISION FOR MONTHLY IMBALANCES (continued)** T
Transmission, LLC's Rate NNS during the month in which the imbalance occurred, or (b) the highest daily mid-point price posted in "*Platts Gas Daily*" for Lebanon-Hub adjusted for Fuel Retention applicable to deliveries to Zone 4 under Texas Gas Transmission, LLC's Rate NNS plus the Commodity Charge and any surcharges applicable to deliveries to Zone 4 under Texas Gas Transmission, LLC's Rate NNS during the month in which the imbalance occurred. T T T T T T

The appropriate percentage shall be dependent on the Customer's monthly imbalance percentage to be applied as follows:

| When Total Net Negative Imbalance Percentage is: | The following percentage shall be multiplied by the above-determined amount: |
|---|---|
| 0% to ≤5% | 100% |
| >5% to ≤10% | 110% |
| >10% to ≤15% | 120% |
| >15% to ≤20% | 130% |
| >20% | 140% |

The monthly imbalance percentages stated above will be used to calculate the cash-out price for imbalances that fall within each category. For example, a Customer with a monthly imbalance percentage of 9% will cash-out at the 0% to 5% price for 5% of the imbalance and at the 5% to 10% price for 4% of the imbalance.

All such adjustments shall be shown and included on the Customer's monthly bill. The billing of these charges shall not be construed as a waiver by Company of any other rights or remedies it has under law, the regulations of the PSC of Kentucky, or this rate schedule, nor shall it be construed as an exclusive remedy for failure to comply with the provisions of this rate schedule.

**VARIATIONS IN MMBTU CONTENT**
All gas delivered by Company will be measured and billed on an Mcf basis. Pipeline Transporter delivers to and bills Company on an MMBtu basis. The reconciliation of the actual deliveries by Pipeline Transporter and the Customer's estimated deliveries by Pipeline Transporter occurs through the operation of the cash-out provision. Changes in billings of the cash-out provision caused by variations in the MMBtu content of the gas shall be corrected on the following bill.

**UTILIZATION CHARGE FOR DAILY IMBALANCES**
Should an imbalance exceed ±5% of the delivered volume of gas on any day when an Operational Flow Order (as described below) has not been issued, then Company shall charge the Utilization Charge for Daily Imbalances times the recorded imbalance greater than ±5% of the delivered volume of gas for each daily occurrence. The Utilization Charge for Daily Imbalances is the sum of the following:

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**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00295 dated ____**

## Louisville Gas and Electric Company

**P.S.C. Gas No. 11, Third Revision of Original Sheet No. 30.6**
**Canceling P.S.C. Gas No. 11, Second Revision of Original Sheet No. 30.6**

**Standard Rate** **FT**
**Firm Transportation Service (Transportation Only)**

**UTILIZATION CHARGE FOR DAILY IMBALANCES (continued)**

| | | |
|---|---|---|
| Daily Demand Charge: | $0.1657 per Mcf | I |
| Daily Storage Charge: | $0.2785 | |
| Utilization Charge for Daily Imbalances: | $0.4442 per Mcf | I |

Note: The Daily Demand Charge may change with each filing of the GSCC.

These charges are in addition to any other charges set forth herein. The Utilization Charge for Daily Imbalances will not be applied to daily imbalances which do not exceed ±5% of the delivered volume unless an OFO has been issued. If an OFO has been issued, the Utilization Charge for Daily Imbalances shall apply to daily imbalances which exceed 0% for customers in violation of the OFO directive, either “condition (a)” or “condition (b)” as applicable and further described below under “Operational Flow Orders.” Customers not in violation of the OFO directive, either “condition (a)” or “condition (b)” as applicable, will continue to be assessed the Utilization Charge for Daily Imbalances on volumes which exceed the 5% daily tolerance. Company shall not have an obligation to provide balancing service for any volumes of gas hereunder.

**OPERATIONAL FLOW ORDERS**

Company shall have the right to issue an Operational Flow Order (“OFO”) which will require actions by Customer to alleviate conditions that, in the sole judgment of Company, jeopardize the operational integrity of Company's system. Customer shall be responsible for complying with the directives contained in the OFO.

Notice of an OFO shall be provided to Customer at least twenty-four (24) hours prior to the beginning of the gas day for which the OFO is in effect and shall include information related to the OFO. Customer shall respond to an OFO by adjusting its deliveries to Company's system as directed in the OFO within the specified timeframe. If Customer is a member of an FT Pool, it is the responsibility of the FT Pool Manager, not Company, to convey OFOs to Customers in its FT Pool.

Upon issuance of an OFO, Company will direct Customer to comply with one of the following conditions: (a) Customer must take delivery of an amount of natural gas from Company that is no more than the daily amount being delivered by the Pipeline Transporter to Company for Customer; or (b) Customer must take delivery of an amount of natural gas from Company that

**DATE OF ISSUE**: January 19, 2018

**DATE EFFECTIVE:** February 1, 2018

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2017-00457 dated January 12, 2018**

## Louisville Gas and Electric Company

**P.S.C. Gas No. 12, Original Sheet No. 30.6**

**Standard Rate** **FT**
**Firm Transportation Service (Transportation Only)**

**UTILIZATION CHARGE FOR DAILY IMBALANCES (continued)**

| | | |
|---|---|---|
| Daily Demand Charge: | $0.1657 per Mcf | |
| Daily Storage Charge: | $0.3797 | I |
| Utilization Charge for Daily Imbalances: | $0.5454 per Mcf | I |

Note: The Daily Demand Charge may change with each filing of the GSCC.

These charges are in addition to any other charges set forth herein. The Utilization Charge for Daily Imbalances will not be applied to daily imbalances which do not exceed ±5% of the delivered volume unless an OFO has been issued. If an OFO has been issued, the Utilization Charge for Daily Imbalances shall apply to daily imbalances which exceed 0% for customers in violation of
the OFO directive, either “condition (1)” or “condition (2)” as applicable and further described T
below under “Operational Flow Orders.” Customers not in violation of the OFO directive, either T
“condition (1)” or “condition (2)” as applicable, will continue to be assessed the Utilization Charge T
for Daily Imbalances on volumes which exceed the 5% daily tolerance. Company shall not have an obligation to provide balancing service for any volumes of gas hereunder.

**OPERATIONAL FLOW ORDERS**

Company shall have the right to issue an Operational Flow Order (“OFO”) which will require actions by Customer to alleviate conditions that, in the sole judgment of Company, jeopardize the operational integrity of Company's system. Customer shall be responsible for complying with the directives contained in the OFO.

Notice of an OFO shall be provided to Customer at least twenty-four (24) hours prior to the beginning of the gas day for which the OFO is in effect and shall include information related to the OFO. Customer shall respond to an OFO by adjusting its deliveries to Company's system as directed in the OFO within the specified timeframe. If Customer is a member of an FT Pool, it is the responsibility of the FT Pool Manager, not Company, to convey OFOs to Customers in its FT Pool.

Upon issuance of an OFO, Company will direct Customer to comply with one of the following
conditions: (1) Customer must take delivery of an amount of natural gas from Company that is T
no more than the daily amount being delivered by the Pipeline Transporter to Company for
Customer; or (2) Customer must take delivery of an amount of natural gas from Company that T

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State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00295 dated ____**

## Louisville Gas and Electric Company

P.S.C. Gas No. 11, Original Sheet No. 30.7

**Standard Rate** **FT**

**Firm Transportation Service (Transportation Only)**

**OPERATIONAL FLOW ORDERS** (continued)

is no less than the daily amount being delivered by the Pipeline Transporter to Company for Customer. Customer shall respond to an OFO by either adjusting its deliveries to Company's system or its consumption at its facility. All volumes taken by Customer in excess of volumes delivered by Pipeline Transporter to Company for Customer in violation of the above "condition (a)" OFO shall constitute an unauthorized receipt by Customer from Company. All volumes taken by Customer less than volumes delivered by Pipeline Transporter to Company for Customer in violation of the above "condition (b)" OFO shall constitute an unauthorized delivery by Customer to Company. Unauthorized receipts or deliveries during the effectiveness of an OFO shall be subject to an OFO Charge per Mcf for each Mcf of unauthorized receipts or deliveries, as applicable. Customer shall be subject to the OFO Charge on the day for which the OFO was violated, plus the applicable UCDI charges and any other charges under this rate schedule for such unauthorized receipts or deliveries that occur.

Company may, in its sole discretion, issue an OFO to an individual Customer or an individual Pool Manager taking service under Rider PS-FT without issuing an OFO to all Customers taking service under Rate FT or without issuing an OFO to all Pool Managers taking service under Rider PS-FT.

The OFO Charge per Mcf shall be equal to $15.00 plus the higher of the following: either (a) the daily mid-point price posted in "*Platts Gas Daily*" for Texas Gas Zone 1 adjusted for Fuel Retention applicable to deliveries to Zone 4 under Texas Gas Transmission, LLC's Rate NNS plus the Commodity Charge and any surcharges applicable to deliveries to Zone 4 under Texas Gas Transmission, LLC's Rate NNS for the day on which the OFO was violated, or (b) the daily mid-point price posted in "*Platts Gas Daily*" for Lebanon-Hub adjusted for Fuel Retention applicable to deliveries to Zone 4 under Texas Gas Transmission, LLC's Rate NNS plus the Commodity Charge and any surcharges applicable to deliveries to Zone 4 under Texas Gas Transmission, LLC's Rate NNS for the day on which the OFO was violated. Such OFO Charge shall be in addition to any other charges under this rate schedule.

Company will not be required to provide service under this rate schedule for any Customer that does not comply with the terms or conditions of an OFO. Payment of OFO Charges hereunder shall not be considered an exclusive remedy for failure to comply with the OFO, nor shall the payment of such charges be considered a substitute for any other remedy available to Company.

**OPTIONAL SALES AND PURCHASE TRANSACTION**

Customer may agree to sell its natural gas supplies to Company, and Company may agree to purchase natural gas supplies from Customer pursuant to Company's Curtailment Rules. If Company purchases natural gas from Customer, such gas will not be redelivered to Customer, and Customer shall discontinue or otherwise interrupt the usage of such natural gas.

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## Louisville Gas and Electric Company

P.S.C. Gas No. 12, Original Sheet No. 30.7

**Standard Rate** **FT**

**Firm Transportation Service (Transportation Only)**

**OPERATIONAL FLOW ORDERS** (continued)

is no less than the daily amount being delivered by the Pipeline Transporter to Company for Customer. Customer shall respond to an OFO by either adjusting its deliveries to Company's system or its consumption at its facility. All volumes taken by Customer in excess of volumes delivered by Pipeline Transporter to Company for Customer in violation of the above "condition (1)" OFO shall constitute an unauthorized receipt by Customer from Company. All volumes taken T by Customer less than volumes delivered by Pipeline Transporter to Company for Customer in violation of the above "condition (2)" OFO shall constitute an unauthorized delivery by Customer T to Company. Unauthorized receipts or deliveries during the effectiveness of an OFO shall be subject to an OFO Charge per Mcf for each Mcf of unauthorized receipts or deliveries, as applicable. Customer shall be subject to the OFO Charge on the day for which the OFO was violated, plus the applicable UCDI charges and any other charges under this rate schedule for such unauthorized receipts or deliveries that occur.

Company may, in its sole discretion, issue an OFO to an individual Customer or an individual Pool Manager taking service under Rider PS-FT without issuing an OFO to all Customers taking service under Rate FT or without issuing an OFO to all Pool Managers taking service under Rider PS-FT.

The OFO Charge per Mcf shall be equal to $15.00 plus the higher of the following: either (1) the T daily mid-point price posted in "*Platts Gas Daily*" for Texas Gas Zone 1 adjusted for Fuel Retention applicable to deliveries to Zone 4 under Texas Gas Transmission, LLC's Rate NNS plus the Commodity Charge and any surcharges applicable to deliveries to Zone 4 under Texas Gas Transmission, LLC's Rate NNS for the day on which the OFO was violated, or (2) the daily T mid-point price posted in "*Platts Gas Daily*" for Lebanon-Hub adjusted for Fuel Retention applicable to deliveries to Zone 4 under Texas Gas Transmission, LLC's Rate NNS plus the Commodity Charge and any surcharges applicable to deliveries to Zone 4 under Texas Gas Transmission, LLC's Rate NNS for the day on which the OFO was violated. Such OFO Charge shall be in addition to any other charges under this rate schedule.

Company will not be required to provide service under this rate schedule for any Customer that does not comply with the terms or conditions of an OFO. Payment of OFO Charges hereunder shall not be considered an exclusive remedy for failure to comply with the OFO, nor shall the payment of such charges be considered a substitute for any other remedy available to Company.

**OPTIONAL SALES AND PURCHASE TRANSACTION**

Customer may agree to sell its natural gas supplies to Company, and Company may agree to purchase natural gas supplies from Customer pursuant to Company's Curtailment Rules. If Company purchases natural gas from Customer, such gas will not be redelivered to Customer, and Customer shall discontinue or otherwise interrupt the usage of such natural gas.

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## Louisville Gas and Electric Company

**P.S.C. Gas No. 11, Original Sheet No. 30.8**

**Standard Rate** **FT**

**Firm Transportation Service (Transportation Only)**

**RETURN TO FIRM SALES SERVICE**

Return to firm sales service is contingent upon the ability of Company to secure the appropriate quantities of gas supply and transportation capacity with Company's Pipeline Transporter, as determined solely by Company.

**REMOTE METERING**

Remote metering service shall be required as a prerequisite to the Customer obtaining service under this rate schedule. The remote metering devices will allow Company and Customer to monitor the Customer's usage on a daily basis and allow Company to bill the Customer.

The Customer shall reimburse Company for the cost of this remote metering equipment and the cost of its installation, including any modifications to Company facilities and the replacement of any existing meters required in order to facilitate the functioning of the remote metering.

The Customer shall be responsible for making any necessary modifications to its facilities, including, but not limited to, any modifications of Customer's piping, in order to facilitate the installation and operation of such remote metering.

The Customer shall be responsible for providing the necessary and adequate electric and telephone service to provide remote metering by October 1 of the year that the Customer's Rate FT service becomes effective. Electric and telephone services installed for this equipment shall conform to Company's specifications. The Customer shall be responsible for maintaining the necessary and adequate electric and telephone service to provide remote metering.

**SPECIAL TERMS AND CONDITIONS**

1. Service under this rate schedule will be furnished under Company's Terms and Conditions applicable hereto, to the extent that such Terms and Conditions are not in conflict, nor inconsistent, with the specific provisions hereof. T T T

2. Service under this rate schedule shall be performed under a written contract between Customer and Company setting forth specific arrangements as to the volumes to be transported by Company for Customer, Delivery Points, timing of receipts and deliveries of gas by Company, and any other matters relating to individual Customer circumstances. T

3. As further described below, Customer shall specify to Company the daily volume of gas required by Customer. Such volume shall be stated in Mcf/day and converted to MMBtu/day using a standard conversion factor as may be specified by Company from time to time. At least ten (10) days prior to the beginning of each month, Customer shall provide Company with a schedule setting forth daily volumes of gas to be delivered into Company's system for Customer's account. T T

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## Louisville Gas and Electric Company

**P.S.C. Gas No. 12, Original Sheet No. 30.8**

**Standard Rate** **FT**

**Firm Transportation Service (Transportation Only)**

**RETURN TO FIRM SALES SERVICE**

Return to firm sales service is contingent upon the ability of Company to secure the appropriate quantities of gas supply and transportation capacity with Company's Pipeline Transporter, as determined solely by Company.

**REMOTE METERING**

Remote metering service shall be required as a prerequisite to the Customer obtaining service under this rate schedule. The remote metering devices will allow Company and Customer to monitor the Customer's usage on a daily basis and allow Company to bill the Customer.

The Customer shall reimburse Company for the cost of this remote metering equipment and the cost of its installation, including any modifications to Company facilities and the replacement of any existing meters required in order to facilitate the functioning of the remote metering.

The Customer shall be responsible for making any necessary modifications to its facilities, including, but not limited to, any modifications of Customer's piping, in order to facilitate the installation and operation of such remote metering.

The Customer shall be responsible for providing the necessary and adequate electric and telephone service to provide remote metering by October 1 of the year that the Customer's Rate FT service becomes effective. Electric and telephone services installed for this equipment shall conform to Company's specifications. The Customer shall be responsible for maintaining the necessary and adequate electric and telephone service to provide remote metering.

**SPECIAL TERMS AND CONDITIONS**

1. Service under this rate schedule will be furnished under Company's Terms and Conditions applicable hereto, to the extent that such Terms and Conditions are not in conflict, nor inconsistent, with the specific provisions hereof.

2. Service under this rate schedule shall be performed under a written contract between Customer and Company setting forth specific arrangements as to the volumes to be transported by Company for Customer, Delivery Points, timing of receipts and deliveries of gas by Company, and any other matters relating to individual Customer circumstances.

   Customer may appoint only one PS-FT Pool Manager for a given period. If Customer elects to change its PS-FT Pool Manager, Customer shall notify Company and execute and return the required documentation of its election to change its PS-FT Pool Manager at least thirty (30) days prior to the beginning of the billing period for which the change is to become effective. In appointing a PS-FT Pool Manager, Customer acknowledges that it has appointed the designated PS-FT Pool Manager to act as its limited agent in the performance of certain stated functions and to assume certain stated responsibilities with regard to transportation under Rate FT, N N N N N N N N

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## Louisville Gas and Electric Company

**P.S.C. Gas No. 11, Original Sheet No. 30.9**

**Standard Rate** **FT**
**Firm Transportation Service (Transportation Only)**

**SPECIAL TERMS AND CONDITIONS** (continued)

Any changes in nominated volumes, as well as any other information required to effectuate the delivery of such gas to Company by the Pipeline Transporter, shall be provided by Customer to Company no later than 10:00 a.m. Eastern Clock Time on the day prior to the day(s) for which volumes are scheduled to flow. Only those volumes actually confirmed by Company and scheduled on the Pipeline Transporter are considered nominated volumes. Company shall not be obligated to accept from Customer daily nominations, or changes thereto, that are made after the daily deadline for such nominations as set forth above or that are made on weekend days or holidays as such are observed by Company. Company will not be obligated to utilize its underground storage capacity for purposes of this service. T

4. In no case will Company be obligated to deliver gas, including both gas transported and gas sold, to Customer in greater volumes or at greater rates of flow than those specified in the written contract between Customer and Company. The maximum daily volume that Company shall be obligated to deliver shall be referred to as the Maximum Daily Quantity ("MDQ"). The maximum hourly volume that Company shall be obligated to deliver shall not exceed 1/24th of the MDQ. The MDQ is the maximum daily volume of gas, as determined by Company, based on Customer's historical daily metered volumes. In the event that historical daily metered volumes are not available, Company will determine the MDQ based upon data provided by Customer and/or monthly metered data. Once historical daily metered data becomes available, the MDQ will be subject to revision by Company on an annual basis. T T T

5. Volumes of gas transported hereunder will be determined in accordance with Company's measurement base as set forth in the Company's Terms and Conditions. T T

6. All volumes of natural gas received by Company for Customer shall meet the specifications established by Pipeline Transporter. T

7. Company will have the right to curtail or interrupt the transportation or delivery of gas to any Customer hereunder when, in Company's judgment, such curtailment is necessary to enable Company to respond to an emergency or force majeure condition. T

8. Should Customer be unable to deliver sufficient volumes of transportation gas to Company's system, Company will not be obligated hereunder to provide standby quantities for purposes of supplying such Customer requirements. T

9. Company shall not be required to render service under this rate schedule to any Customer that fails to comply with any and all of the provisions of this rate schedule. T

10. Customer shall enter into a Website Subscriber Agreement if Customer desires to access telemetry data. N N

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State Regulation and Rates
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## Louisville Gas and Electric Company

**P.S.C. Gas No. 12, Original Sheet No. 30.9**

**Standard Rate** **FT**
**Firm Transportation Service (Transportation Only)**

**SPECIAL TERMS AND CONDITIONS** (continued)

including the requesting and receiving of information, the scheduling of gas flows, and all related duties. Customer will continue to be responsible for any and all costs, fees, and other liabilities as the result of the actions or inactions of PS-FT Pool Manager as its limited agent. Customer shall indemnify, defend, and hold Company harmless from any costs (including, but not limited to, reasonable attorney fees), expenses, losses, or liabilities, incurred (a) as a result of Company's performance when relying upon the authority of the PS-FT Pool Manager, (b) as a result of Company's reliance upon Customer's representation that it has express authority to appoint said PS-FT Pool Manager as its limited agent, and (c) due to the Customer's or PS-FT Pool Manager's failure to strictly comply with the provisions of Rate FT or Rider PS-FT. N N N N N N N N N N

3. As further described below, Customer shall specify to Company the daily volume of gas required by Customer. Such volume shall be stated in Mcf/day and converted to MMBtu/day using a standard conversion factor as may be specified by Company from time to time. At least ten (10) days prior to the beginning of each month, Customer shall provide Company with a schedule setting forth daily volumes of gas to be delivered into Company's system for Customer's account. T T T T T T
Any changes in nominated volumes, as well as any other information required to effectuate the delivery of such gas to Company by the Pipeline Transporter, shall be provided by Customer to Company no later than 10:00 a.m. Eastern Clock Time on the day prior to the day(s) for which volumes are scheduled to flow. Only those volumes actually confirmed by Company and scheduled on the Pipeline Transporter are considered nominated volumes. Company shall not be obligated to accept from Customer daily nominations, or changes thereto, that are made after the daily deadline for such nominations as set forth above or that are made on weekend days or holidays as such are observed by Company. Company will not be obligated to utilize its underground storage capacity for purposes of this service.

4. In no case will Company be obligated to deliver gas, including both gas transported and gas sold, to Customer in greater volumes or at greater rates of flow than those specified in the written contract between Customer and Company. The maximum daily volume that Company shall be obligated to deliver shall be set forth in the contract and referred to as the Maximum Daily Quantity ("MDQ"). The maximum hourly volume that Company shall be obligated to deliver shall not exceed 1/24th of the MDQ. The MDQ is the maximum daily volume of gas, as determined by Company, based on Customer's historical daily metered volumes. In the event that historical daily metered volumes are not available, Company will determine the MDQ based upon data provided by Customer; and/or historical monthly metered data; and/or historical daily metered data (if available). Once 12 months of historical daily metered data becomes available, the MDQ will be subject to revision by Company on an annual basis. T T T

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State Regulation and Rates
Louisville, Kentucky

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Public Service Commission in Case No.
2018-00295 dated ____**

Firm Transportation Service (Transportation Only) (Rate FS) is now contained on eleven pages instead of ten

## Louisville Gas and Electric Company



**Standard Rate** **FT**

**Firm Transportation Service (Transportation Only)**

T

**SPECIAL TERMS AND CONDITIONS** (continued)

5. Volumes of gas transported hereunder will be determined in accordance with Company's measurement base as set forth in the Company's Terms and Conditions.
6. All volumes of natural gas received by Company for Customer shall meet the specifications established by Pipeline Transporter.
7. Company will have the right to curtail or interrupt the transportation or delivery of gas to any Customer hereunder when, in Company's judgment, such curtailment is necessary to enable Company to respond to an emergency or force majeure condition.
8. Should Customer be unable to deliver sufficient volumes of transportation gas to Company's system, Company will not be obligated hereunder to provide standby quantities for purposes of supplying such Customer requirements.
9. Company shall not be required to render service under this rate schedule to any Customer that fails to comply with any and all of the provisions of this rate schedule.
10. Customer shall enter into a Website Subscriber Agreement if Customer desires to access telemetry data.

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Louisville, Kentucky

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## Louisville Gas and Electric Company

**P.S.C. Gas No. 11, Original Sheet No. 35**

**Standard Rate** **DGGS**

**Distributed Generation Gas Service**

**APPLICABLE**

In all territory served.

**AVAILABILITY OF SERVICE**

Applicable to firm natural gas service to customer-owned electric generation facilities except (i) when such natural gas is limited to the production of electricity for Customer's own use during emergency situations during which Customer's normal supply of electricity is not otherwise available, and (ii) when such electric generation facilities have a total connected load of less than 2,000 cubic feet per hour. Natural gas purchased for electric generation facilities with a total connected load of 2,000 or more cubic feet per hour, or purchased to generate electricity for further distribution, for sale in the open market, or for any purpose other than to provide Customer with standby electrical supplies during emergency situations shall be subject to this tariff. Additionally, service under this Standard Rate DGGS shall be applicable only to electric generation facilities described above and installed and operating on and after ninety (90) days after August 1, 2010, (and therefore not eligible for service under Standard Rates CGS or IGS) by commercial and industrial customers. T

Service hereunder shall be at a single delivery (custody transfer) point and where distribution mains are adjacent to the premises to be served. Gas service provided hereunder shall be metered and billed separately from gas service provided under any other rate schedule. T

Service to Customer at multiple delivery points for the purpose of avoiding the threshold of 2,000 cubic feet per hour under Rate DGGS shall not be permitted.

Service hereunder shall be subject to the terms and conditions herein set forth and to the availability of adequate capacity on Company's gas system to perform such service without detriment to its other customers. Company may decline to accept customers under this rate schedule with a connected load of more than 8,000 cubic feet per hour. Availability of gas service under this rate schedule shall be determined by Company on a case-by-case basis, which determination shall be within Company's sole discretion. Company shall not be obligated to make modifications or additions to its gas system to serve loads under this rate schedule. T

If an additional separate point of delivery is requested by a residential customer to provide gas for use in standby electric generation, such residential customer shall be served under Rate DGGS.

**CHARACTER OF SERVICE**

Service under this rate schedule shall be considered firm. T

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Louisville, Kentucky

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## Louisville Gas and Electric Company

**P.S.C. Gas No. 12, Original Sheet No. 35**

**Standard Rate** **DGGS**

**Distributed Generation Gas Service**

**APPLICABLE**

In all territory served.

**AVAILABILITY** T

Applicable to firm natural gas service to customer-owned electric generation facilities except when (i) such natural gas is limited to the production of electricity for Customer's own use during emergency situations during which Customer's normal supply of electricity is not otherwise available, and (ii) such electric generation facilities have a total connected load of less than 2,000 cubic feet per hour. All natural gas generation facilities (including, but not limited to, those facilities used for standby generation) with a total connected load of 2,000 or more cubic feet per hour shall be served hereunder subject to the availability of adequate capacity as provided for herein. Natural gas purchased to generate electricity for further distribution, for sale in the open market, or for any purpose other than standby generation shall be served hereunder regardless of the size of Customer's total connected load. Additionally, service under this Standard Rate DGGS shall be applicable only to electric generation facilities described above and installed and operating on and after ninety (90) days after August 1, 2010, (and therefore not eligible for service under Standard Rates CGS or IGS) by commercial and industrial customers. T T T T T T T T

Service hereunder shall be at a single delivery (custody transfer) point and where distribution mains are adjacent to the premises to be served. Gas service provided hereunder shall be metered and billed separately from gas service provided under any other rate schedule.

Service to Customer at multiple delivery points for the purpose of avoiding the threshold of 2,000 cubic feet per hour under Rate DGGS shall not be permitted.

Service hereunder shall be subject to the terms and conditions herein set forth and to the availability of adequate capacity on Company's gas system to perform such service without detriment to its other customers. Company may decline to accept customers under this rate schedule with a connected load of more than 8,000 cubic feet per hour. Availability of gas service under this rate schedule shall be determined by Company on a case-by-case basis, which determination shall be within Company's sole discretion. Company shall not be obligated to make modifications or additions to its gas system to serve loads under this rate schedule.

If an additional separate point of delivery is requested by a residential customer to provide gas for use in standby electric generation, such residential customer shall be served under Rate DGGS.

**CHARACTER OF SERVICE**

Service under this rate schedule shall be considered firm.

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State Regulation and Rates
Louisville, Kentucky

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## Louisville Gas and Electric Company

**P.S.C. Gas No. 11, Sixth Revision of Original Sheet No. 35.1**
**Canceling P.S.C. Gas No. 11, Fifth Revision of Original Sheet No. 35.1**

**Standard Rate** **DGGS**
**Distributed Generation Gas Service**

**RATE**
In addition to any other charges set forth herein, the following charges shall apply:

Basic Service Charge per month:
If all of the customer's meters have a capacity < 5000 cf/hr: $165.00 per delivery point

If any of the customer's meters have a capacity ≥ 5000 cf/hr: $750.00 per delivery point

Plus a Demand Charge per 100 cubic feet of Monthly Billing Demand: $1.08978

| | | |
|---|---|---|
| Plus a Charge per 100 cubic feet: | | |
| Distribution Charge | $0.02992 | |
| Gas Supply Cost Component | 0.41446 | I |
| Total Charge per 100 cubic feet: | $0.44438 | I |

The "Gas Supply Cost Component" as shown above is the cost per 100 cubic feet determined in accordance with the Gas Supply Clause set forth on Sheet No. 85 of this Tariff. The Performance-Based Ratemaking Mechanism, set forth on Sheet No. 87, is included as a component of the Gas Supply Clause as shown on Sheet No. 85 of this Tariff.

The total monthly minimum bill shall be the sum of the minimum Demand Charge and the Basic Service Charge.

In no case shall Company be obligated to deliver greater volumes hereunder than those specified in the written contract between Customer and Company. Payment of any and all charges hereunder shall not be considered an exclusive remedy for takes in excess of the maximum daily quantity ("MDQ"), nor shall the payment of such charges be considered a substitute for any other remedy (including, but not limited to, physical discontinuance or suspension of service hereunder) available to Company.

**ADJUSTMENT CLAUSES**
The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

| | |
|---|---|
| Gas Line Tracker | Sheet No. 84 |
| Tax Cuts and Jobs Act Surcredit | Sheet No. 89 |
| Franchise Fee and Local Tax | Sheet No. 90 |
| School Tax | Sheet No. 91 |

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**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
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## Louisville Gas and Electric Company

**P.S.C. Gas No. 12, Original Sheet No. 35.1**

**Standard Rate** **DGGS**
**Distributed Generation Gas Service**

**RATE**
In addition to any other charges set forth herein, the following charges shall apply:

Basic Service Charge per month:
If all of the customer's meters have a capacity < 5,000 cf/hr: $165.00 per delivery point

If any of the customer's meters have a capacity ≥ 5,000 cf/hr: $750.00 per delivery point

Plus a Demand Charge per 100 cubic feet of Monthly Billing Demand: $1.08978

| | |
|---|---|
| Plus a Charge per 100 cubic feet: | |
| Distribution Charge | $0.02992 |
| Gas Supply Cost Component | 0.41446 |
| Total Charge per 100 cubic feet: | $0.44438 |

The "Gas Supply Cost Component" as shown above is the cost per 100 cubic feet determined in accordance with the Gas Supply Clause set forth on Sheet No. 85 of this Tariff. The Performance-Based Ratemaking Mechanism, set forth on Sheet No. 87, is included as a component of the Gas Supply Clause as shown on Sheet No. 85 of this Tariff.

The total monthly minimum bill shall be the sum of the minimum Demand Charge and the Basic Service Charge.

In no case shall Company be obligated to deliver greater volumes hereunder than those specified in the written contract between Customer and Company. Payment of any and all charges hereunder shall not be considered an exclusive remedy for takes in excess of the maximum daily quantity ("MDQ"), nor shall the payment of such charges be considered a substitute for any other remedy (including, but not limited to, physical discontinuance or suspension of service hereunder) available to Company.

**ADJUSTMENT CLAUSES**
The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

| | | |
|---|---|---|
| Gas Line Tracker | Sheet No. 84 | |
| Franchise Fee | Sheet No. 90 | D/T |
| School Tax | Sheet No. 91 | |

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## Louisville Gas and Electric Company

**P.S.C. Gas No. 11, Original Sheet No. 35.2**

**Standard Rate** **DGGS**
**Distributed Generation Gas Service**

**DUE DATE OF BILL**
Customer's payment will be due within sixteen (16) business days (no less than twenty-two (22) calendar days) from the date of the bill.

**LATE PAYMENT CHARGE**
If full payment is not received by the due date of the bill, a 1% late payment charge will be assessed on the current month's charges.

**SPECIAL TERMS AND CONDITIONS**

1. Service under this rate schedule will be furnished under Company's Terms and Conditions applicable hereto, to the extent that such Terms and Conditions are not in conflict, nor inconsistent, with the specific provisions hereof. T T T
2. Service under this rate schedule shall be performed under a written contract between Customer and Company setting forth specific arrangements as to the volumes to be sold by Company to Customer, and any other matters relating to individual customer circumstances. T
3. The minimum contract term for service hereunder shall be for a period not less than five (5) years commencing from the effective date thereof. T
4. Such written contract shall specify the minimum delivery pressure, the maximum hourly rate ("MHR"), and the maximum daily quantity ("MDQ"). The MHR is the maximum hourly gas load in 100 cubic feet that the Customer's installation will require when operating at full capacity. The MDQ shall be twenty-four (24) times the MHR. The MDQ is the Monthly Billing Demand and shall not be less than 480 (four hundred and eighty) Ccf. T
5. In no case shall Company be obligated to make deliveries hereunder at a pressure greater than thirty (30) psig, or the prevailing line pressure, whichever is less. T
6. Increases in the MDQ may be requested annually by Customer. Customer may request Company to increase the MDQ at least ninety (90) days in advance of the anniversary date of the written contract. Such increases in the MDQ that are acceptable to Company in its sole discretion shall be effective on the anniversary date of the effective date of the written contract. T
7. In the event that Company agrees to install any Company-owned facilities required to serve Customer, such facilities to be installed by Company shall be specified in the written contract and the cost of such facilities and installation thereof shall be paid by Customer to Company. T

D

**DATE OF ISSUE**: July 7, 2017

**DATE EFFECTIVE:** July 1, 2017

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the**
**Public Service Commission in Case No.**
**2016-00371 dated June 22, 2017 and modified June 29, 2017**

## Louisville Gas and Electric Company

**P.S.C. Gas No. 12, Original Sheet No. 35.2**

**Standard Rate** **DGGS**
**Distributed Generation Gas Service**

**DUE DATE OF BILL**
Customer's payment will be due within sixteen (16) business days (no less than twenty-two (22) calendar days) from the date of the bill.

**LATE PAYMENT CHARGE**
If full payment is not received by the due date of the bill, a 1% late payment charge will be assessed on the current month's charges.

**SPECIAL TERMS AND CONDITIONS**

1. Service under this rate schedule will be furnished under Company's Terms and Conditions applicable hereto, to the extent that such Terms and Conditions are not in conflict, nor inconsistent, with the specific provisions hereof.
2. Service under this rate schedule shall be performed under a written contract between Customer and Company setting forth specific arrangements as to the volumes to be sold by Company to Customer, and any other matters relating to individual customer circumstances.
3. The minimum contract term for service hereunder shall be for a period not less than five (5) years commencing from the effective date thereof.
4. Such written contract shall specify the minimum delivery pressure, the maximum hourly rate ("MHR"), and the maximum daily quantity ("MDQ"). The MHR is the maximum hourly gas load in 100 cubic feet that the Customer's installation will require when operating at full capacity. The MDQ shall be twenty-four (24) times the MHR. The MDQ is the Monthly Billing Demand and shall not be less than 480 (four hundred and eighty) Ccf.
5. In no case shall Company be obligated to make deliveries hereunder at a pressure greater than thirty (30) psig, or the prevailing line pressure, whichever is less.
6. Increases in the MDQ may be requested annually by Customer. Customer may request Company to increase the MDQ at least ninety (90) days in advance of the anniversary date of the written contract. Such increases in the MDQ that are acceptable to Company in its sole discretion shall be effective on the anniversary date of the effective date of the written contract.
7. In the event that Company agrees to install any Company-owned facilities required to serve Customer, such facilities to be installed by Company shall be specified in the written contract and the cost of such facilities and installation thereof shall be paid by Customer to Company.

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On And After July 1, 2017

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

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**Public Service Commission in Case No.**
**2016-00371 dated June 22, 2017 and modified June 29, 2017**

## Louisville Gas and Electric Company

P.S.C. Gas No. 11, Original Sheet No. 36 N

**Standard Rate** **LGDS**
**Local Gas Delivery Service**

**APPLICABLE**
In all territory served.

**AVAILABILITY OF SERVICE**
Service under this rate schedule is available to any party who contracts with Company to provide firm transportation service of local gas (including landfill gas, bio-gas, synthetic gas, and locally produced natural gas) where and when such transportation will not, in the sole discretion of Company, interfere with the operation of Company's storage or other facilities, or the delivery of gas to Company's retail sales or end-use gas transportation customers. Customer must meet the eligibility requirements further described hereunder and shall deliver gas meeting the gas quality standards incorporated into this rate schedule.

Customer shall request Company to utilize its system to transport, by displacement, such local gas to the Delivery Point. In addition, transportation service hereunder will be subject to the terms and conditions herein set forth and to the availability of adequate capacity on Company's system to perform such service without detriment to its other customers.

Company shall not be required to install any facilities of any kind to serve a Customer under this rate schedule. In the event that Company is agreeable to the installation or alteration of any facilities as may be required to serve Customer, then Customer shall execute a separate contract for the construction of such facilities and shall pay for all costs of those facilities. Company shall not be obligated to extend its mains to facilitate service hereunder. Company's "Gas Main Extension Rules" shall not apply to service under this rate schedule.

Company and Customer shall enter into an Interconnect Facility Agreement covering the design, ownership, operation, and maintenance of the Interconnect Facility, including, but not limited to, any cost reimbursement provisions. Company shall own and operate the Interconnect Facility (including, but not limited to, regulation, meters, chromatograph, control valves, taps, insulators, rights-of-way, and related facilities) as are required to effectuate service hereunder. The Interconnect Facility shall be designed and constructed in accordance with Company's specifications. Company shall own and install facilities downstream of the Interconnect Facility required to connect the Interconnect Facility to Company's mainline gas system. Company shall be reimbursed by Customer for the costs of such downstream facilities and their installation as well as the costs to construct, operate, and maintain the Interconnect Facility. Customer may be required by Company to provide adequate surety to cover the costs incurred by Company related to either the Interconnect Facility or the related downstream facilities. The outlet of the Interconnect Facility shall be the Receipt Point as the latter term is used herein.

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**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the**
**Public Service Commission in Case No.**
**2016-00371 dated June 22, 2017 and modified June 29, 2017**

## Louisville Gas and Electric Company

P.S.C. Gas No. 12, Original Sheet No. 36

**Standard Rate** **LGDS**
**Local Gas Delivery Service**

**APPLICABLE**
In all territory served.

**AVAILABILITY** T
Service under this rate schedule is available to any party who contracts with Company to provide firm transportation service of local gas (including landfill gas, bio-gas, synthetic gas, and locally produced natural gas) where and when such transportation will not, in the sole discretion of Company, interfere with the operation of Company's storage or other facilities, or the delivery of gas to Company's retail sales or end-use gas transportation customers. Customer must meet the eligibility requirements further described hereunder and shall deliver gas meeting the gas quality standards incorporated into this rate schedule.

Customer shall request Company to utilize its system to transport, by displacement, such local gas to the Delivery Point. In addition, transportation service hereunder will be subject to the terms and conditions herein set forth and to the availability of adequate capacity on Company's system to perform such service without detriment to its other customers.

Company shall not be required to install any facilities of any kind to serve a Customer under this rate schedule. In the event that Company is agreeable to the installation or alteration of any facilities as may be required to serve Customer, then Customer shall execute a separate contract for the construction of such facilities and shall pay for all costs of those facilities prior to LG&E T
commencing construction of those facilities. Company shall not be obligated to extend its mains T
to facilitate service hereunder. Company's "Gas Main Extension Rules" shall not apply to service under this rate schedule.

Company and Customer shall enter into an Interconnect Facility Agreement covering the design, ownership, operation, and maintenance of the Interconnect Facility, including, but not limited to, any cost reimbursement provisions. Company shall own and operate the Interconnect Facility (including, but not limited to, regulation, meters, chromatograph, control valves, taps, insulators, rights-of-way, and related facilities) as are required to effectuate service hereunder. The Interconnect Facility shall be designed and constructed in accordance with Company's specifications. Company shall own and install facilities downstream of the Interconnect Facility required to connect the Interconnect Facility to Company's mainline gas system. Company shall be reimbursed by Customer for the costs of such downstream facilities and their installation as well as the costs to construct, operate, and maintain the Interconnect Facility. Customer may be required by Company to provide adequate surety to cover the costs incurred by Company related to either the Interconnect Facility or the related downstream facilities. The outlet of the Interconnect Facility shall be the Receipt Point as the latter term is used herein.

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On And After November 1, 2018

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the**
**Public Service Commission in Case No.**
**2018-00295 dated ____**

## Louisville Gas and Electric Company

P.S.C. Gas No. 11, Original Sheet No. 36.1 N

**Standard Rate** **LGDS**
**Local Gas Delivery Service**

Customer shall warrant, in its Service Agreement, that all gas transported under this rate schedule shall be consumed within the Commonwealth of Kentucky. If Customer is unable to warrant that such gas is so consumed, then Company's transportation service shall be deemed interstate service and may only be provided pursuant to authorization from the Federal Energy Regulatory Commission ("FERC") and subject to the terms and conditions of Company's Statement of Operating Conditions as filed with FERC. Customer shall not be allowed to combine interstate services with intrastate services. Any Customer requesting interstate and intrastate transportation service shall have separate contracts for each activity. Only one service, either interstate service or intrastate service, shall apply to a Receipt Point.

**CHARACTER OF SERVICE**

Transportation service under this rate schedule shall be considered firm from the Receipt Point to the Delivery Point. The Delivery Point shall be a pool operating under either Rider PS-TS-2 or Rider PS-FT. Company shall receive gas from Customer for transportation at the Receipt Point and deliver that gas by displacement to the Delivery Point. Company's sole obligation hereunder is to redeliver Customer's gas from the Receipt Point to the Delivery Point. Accordingly, Company has no obligation to deliver a volume of gas to the Delivery Point, either daily or monthly, which differs from the volume of gas delivered to Company at the Receipt Point. Company will provide service to meet imbalances only on an as-available basis, as set forth herein.

Company shall not be obligated to deliver gas to the Delivery Point in excess of the Maximum Daily Quantity ("MDQ") as further defined herein. Customer and Company shall mutually agree to establish the level of the MDQ; provided, however, that the MDQ shall not be less than 50 Mcf/day.

Company may decline to deliver volumes to the Delivery Point in excess of the MDQ or accept volumes from the Receipt Point that are in excess of the MDQ plus applicable Lost and Unaccounted for Gas ("LAUFG") as further defined herein.

Company may deliver volumes of gas to the Delivery Point in excess of the MDQ; provided, however, that such deliveries to the Delivery Point in excess of the MDQ shall establish a new Monthly Billing Demand as further defined herein. Regardless of the Monthly Billing Demand established by Customer, Company's obligation to provide firm natural gas transportation service shall be limited to the MDQ.

Volumes shall be delivered by Customer to Company at the Receipt Point as nearly as practicable at uniform daily rates of flow, that is, 1/24$^{th}$ of the daily Gross Nominated Volume as further defined herein.

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**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

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## Louisville Gas and Electric Company

P.S.C. Gas No. 12, Original Sheet No. 36.1

**Standard Rate** **LGDS**
**Local Gas Delivery Service**

Customer shall warrant, in its Service Agreement, that all gas transported under this rate schedule shall be consumed within the Commonwealth of Kentucky. If Customer is unable to warrant that such gas is so consumed, then Company's transportation service shall be deemed interstate service and may only be provided pursuant to authorization from the Federal Energy Regulatory Commission ("FERC") and subject to the terms and conditions of Company's Statement of Operating Conditions as filed with FERC. Customer shall not be allowed to combine interstate services with intrastate services. Any Customer requesting interstate and intrastate transportation service shall have separate contracts for each activity. Only one service, either interstate service or intrastate service, shall apply to a Receipt Point.

**CHARACTER OF SERVICE**

Transportation service under this rate schedule shall be considered firm from the Receipt Point to the Delivery Point. The Delivery Point shall be a pool operating under either Rider PS-TS-2 or Rider PS-FT. Company shall receive gas from Customer for transportation at the Receipt Point and deliver that gas by displacement to the Delivery Point. Company's sole obligation hereunder is to redeliver Customer's gas from the Receipt Point to the Delivery Point. Accordingly, Company has no obligation to deliver a volume of gas to the Delivery Point, either daily or monthly, which differs from the volume of gas delivered to Company at the Receipt Point. Company will provide service to meet imbalances only on an as-available basis, as set forth herein.

Company shall not be obligated to deliver gas to the Delivery Point in excess of the Maximum Daily Quantity ("MDQ") as further defined herein. Customer and Company shall mutually agree to establish the level of the MDQ; provided, however, that the MDQ shall not be less than 50 Mcf/day.

Company may decline to deliver volumes to the Delivery Point in excess of the MDQ or accept volumes from the Receipt Point that are in excess of the MDQ plus applicable Lost and Unaccounted for Gas ("LAUFG") as further defined herein.

Company may deliver volumes of gas to the Delivery Point in excess of the MDQ; provided, however, that such deliveries to the Delivery Point in excess of the MDQ shall establish a new Monthly Billing Demand as further defined herein. Regardless of the Monthly Billing Demand established by Customer, Company's obligation to provide firm natural gas transportation service shall be limited to the MDQ.

Volumes shall be delivered by Customer to Company at the Receipt Point as nearly as practicable at uniform daily rates of flow, that is, 1/24$^{th}$ of the daily Gross Nominated Volume as further defined herein.

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On And After July 1, 2017

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the
Public Service Commission in Case No.
2016-00371 dated June 22, 2017 and modified June 29, 2017**

## Louisville Gas and Electric Company

**P.S.C. Gas No. 11, First Revision of Original Sheet No. 36.2**
**Canceling P.S.C. Gas No. 11, Original Sheet No. 36.2**

**Standard Rate** **LGDS**
**Local Gas Delivery Service**

**RATE**

| | |
|---|---|
| Administrative Charge per month: | $550.00 per Receipt Point |
| Plus a Basic Service Charge per month: | $1,310.00 per Receipt Point |
| Plus a Demand Charge: | $2.57 per Mcf of Monthly Billing Demand |
| Plus a Distribution Charge: | $0.0388 per Mcf of Net Nominated Volumes at the Delivery Point |

The Monthly Billing Demand shall be the greater of (1) the MDQ, or (2) the highest daily volume of gas delivered to the Delivery Point during the current month or the previous eleven (11) monthly billing periods.

In the event that Customer is determined to be the cause of any billing disadvantages or other penalties imposed on Company by Company's Pipeline Transporter(s), then Customer shall pay such penalties, fees, or charges as determined by Company and in accordance with the payment provisions of this rate schedule in addition to any and all other charges due hereunder.

**ADJUSTMENT CLAUSES**
The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

| | | |
|---|---|---|
| Gas Line Tracker | Sheet No. 84 | |
| Tax Cuts and Jobs Act Surcredit | Sheet No. 89 | N |
| Franchise Fee and Local Tax | Sheet No. 90 | |
| School Tax | Sheet No. 91 | |

**DUE DATE OF BILL**
Customer's payment will be due within sixteen (16) business days (no less than twenty-two (22) calendar days) from the date of the bill.

**LATE PAYMENT CHARGE**
If full payment is not received by the due date of the bill, a 1% late payment charge will be assessed on the current month's charges.

**DATE OF ISSUE**: April 5, 2018

**DATE EFFECTIVE:** April 1, 2018

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the**
**Public Service Commission in Case No.**
**2018-00034 dated March 20, 2018 and modified March 28, 2018**

## Louisville Gas and Electric Company

**P.S.C. Gas No. 12, Original Sheet No. 36.2**

**Standard Rate** **LGDS**
**Local Gas Delivery Service**

**RATE**

| | | |
|---|---|---|
| Administrative Charge per month: | $550.00 per Receipt Point | |
| Plus a Basic Service Charge per month: | $750.00 per Receipt Point | R |
| Plus a Demand Charge: | $4.89 per Mcf of Monthly Billing Demand | I |
| Plus a Distribution Charge: | $0.0380 per Mcf of Net Nominated Volumes at the Delivery Point | R |

The Monthly Billing Demand shall be the greater of (1) the MDQ, or (2) the highest daily volume of gas delivered to the Delivery Point during the current month or the previous eleven (11) monthly billing periods.

In the event that Customer is determined to be the cause of any billing disadvantages or other penalties imposed on Company by Company's Pipeline Transporter(s), then Customer shall pay such penalties, fees, or charges as determined by Company and in accordance with the payment provisions of this rate schedule in addition to any and all other charges due hereunder.

**ADJUSTMENT CLAUSES**
The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

| | | |
|---|---|---|
| Gas Line Tracker | Sheet No. 84 | |
| Franchise Fee | Sheet No. 90 | D/T |
| School Tax | Sheet No. 91 | |

**DUE DATE OF BILL**
Customer's payment will be due within sixteen (16) business days (no less than twenty-two (22) calendar days) from the date of the bill.

**LATE PAYMENT CHARGE**
If full payment is not received by the due date of the bill, a 1% late payment charge will be assessed on the current month's charges.

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**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the**
**Public Service Commission in Case No.**
**2018-00295 dated ____**

## Louisville Gas and Electric Company

**P.S.C. Gas No. 11, First Revision of Original Sheet No. 36.3**
**Canceling P.S.C. Gas No. 11, Original Sheet No. 36.3**

**Standard Rate** **LGDS**
**Local Gas Delivery Service**

**MAXIMUM DAILY QUANTITY, NOMINATIONS AND NOMINATED VOLUMES**

The MDQ shall represent the maximum volume which Customer shall be entitled to nominate and Company shall be obligated to deliver to the Delivery Point.

As further described below, Customer shall specify to Company the daily volumes of gas to be received at the Receipt Point (the "Gross Nominated Volume"). From such Gross Nominated Volume shall be deducted an allowance for Company's system average LAUFG expressed as a percentage and based on historical levels. Effective November 1, 2017, such LAUFG percentage is 2.53%. Such LAUFG percentage shall be revised annually each November 1 with notice provided to Customer at least thirty (30) days prior to such November 1. T/R

The Net Nominated Volume (the Gross Nominated Volume less applicable LAUFG) shall be stated in Mcf/day and converted to MMBtu/day using the conversion factor specified by Company. The Net Nominated Volume is the amount that shall be delivered to the Delivery Point.

For example, if Customer requests Company to receive 342 Mcf on a given day at the Receipt Point (the Gross Nominated Volume), and the LAUFG percentage is 5.0%, then the Net Nominated Volume shall be 325 Mcf [342 – (342 x 0.05)]. The Net Nominated Volume of 325 Mcf shall be converted to MMBtu using the conversion factor specified by Company.

At least ten (10) days prior to the beginning of each calendar month, Customer shall provide Company with a schedule setting forth daily volumes of gas to be delivered into Company's system for the month. Any changes in daily nominated volumes, as well as any other information required to effectuate the delivery of such gas to Company, shall be provided by Customer to Company no later than 10:00 a.m. Eastern Clock Time ("ECT") on the day prior to the day(s) for which volumes are scheduled to flow. Only those volumes actually confirmed by Company and scheduled at the Delivery Point by an authorized Pool Manager are considered Net Nominated Volumes. Company shall not be obligated to accept from Customer daily nominations or changes thereto that are made after the daily deadline for such nominations as set forth above or that are made on weekend days or holidays observed by Company.

Customer shall submit in writing to Company the daily nominated volumes and such other information as may be required to effectuate the transportation of natural gas by using the appropriate Nomination Schedule as may be specified by Company from time to time and by giving appropriate notice as designated by Company.

Customer agrees to inform Company promptly of any changes in the delivery rate to Company of gas transported under this rate schedule or any other information with regard to scheduling of deliveries that Company reasonably requests or as may be required by proper regulatory authorities.

**DATE OF ISSUE**: September 29, 2017

**DATE EFFECTIVE:** November 1, 2017

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

## Louisville Gas and Electric Company

**P.S.C. Gas No. 12, Original Sheet No. 36.3**

**Standard Rate** **LGDS**
**Local Gas Delivery Service**

**MAXIMUM DAILY QUANTITY, NOMINATIONS AND NOMINATED VOLUMES**

The MDQ shall represent the maximum volume which Customer shall be entitled to nominate and Company shall be obligated to deliver to the Delivery Point.

As further described below, Customer shall specify to Company the daily volumes of gas to be received at the Receipt Point (the "Gross Nominated Volume"). From such Gross Nominated Volume shall be deducted an allowance for Company's system average LAUFG expressed as a percentage and based on historical levels. Effective November 1, 2017, such LAUFG percentage is 2.53%. Such LAUFG percentage shall be revised annually each November 1 with notice provided to Customer at least thirty (30) days prior to such November 1.

The Net Nominated Volume (the Gross Nominated Volume less applicable LAUFG) shall be stated in Mcf/day and converted to MMBtu/day using the conversion factor specified by Company. The Net Nominated Volume is the amount that shall be delivered to the Delivery Point.

For example, if Customer requests Company to receive 342 Mcf on a given day at the Receipt Point (the Gross Nominated Volume), and the LAUFG percentage is 5.0%, then the Net Nominated Volume shall be 325 Mcf [342 – (342 x 0.05)]. The Net Nominated Volume of 325 Mcf shall be converted to MMBtu using the conversion factor specified by Company.

At least ten (10) days prior to the beginning of each calendar month, Customer shall provide Company with a schedule setting forth daily volumes of gas to be delivered into Company's system for the month. Any changes in daily nominated volumes, as well as any other information required to effectuate the delivery of such gas to Company, shall be provided by Customer to Company no later than 10:00 a.m. Eastern Clock Time ("ECT") on the day prior to the day(s) for which volumes are scheduled to flow. Only those volumes actually confirmed by Company and scheduled at the Delivery Point by an authorized Pool Manager are considered Net Nominated Volumes. Company shall not be obligated to accept from Customer daily nominations or changes thereto that are made after the daily deadline for such nominations as set forth above or that are made on weekend days or holidays observed by Company.

Customer shall submit in writing to Company the daily nominated volumes and such other information as may be required to effectuate the transportation of natural gas by using the appropriate Nomination Schedule as may be specified by Company from time to time and by giving appropriate notice as designated by Company.

Customer agrees to inform Company promptly of any changes in the delivery rate to Company of gas transported under this rate schedule or any other information with regard to scheduling of deliveries that Company reasonably requests or as may be required by proper regulatory authorities.

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**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

## Louisville Gas and Electric Company

**P.S.C. Gas No. 11, Original Sheet No. 36.4** N

**Standard Rate** **LGDS**
**Local Gas Delivery Service**

**LOCAL GAS FLOW ORDERS**

Company shall have the right to issue a Local Gas Flow Order ("LGFO") which will require actions by Customer to alleviate conditions that, in the sole judgment of Company, jeopardize the operational integrity of Company's system. Customer shall be responsible for complying with the directives contained in the LGFO.

Notice of an LGFO shall be provided to Customer at least four (4) hours prior to the beginning of the gas day for which the LGFO is in effect and shall include information related to the LGFO. A shorter notice period may be given where necessary to protect the integrity of Company's gas system. Customer shall respond to an LGFO by adjusting its deliveries to Company's system as directed in the LGFO within the specified timeframe.

Upon issuance of an LGFO, Company will direct Customer to comply with one of the following conditions: (a) Customer must nominate at the Receipt Point a Gross Nominated Volume that is no more than the daily amount being received by Company from Customer at the Receipt Point (Metered Receipts); or (b) Customer must nominate at the Receipt Point a Gross Nominated Volume that is no less than the daily amount being received by Company from Customer at the Receipt Point (Metered Receipts). Customer shall respond to an LGFO either by adjusting its Gross Nominated Volume at the Receipt Point or by adjusting volumes being received by Company from Customer at the Receipt Point. All volumes nominated by Customer at the Receipt Point in excess of volumes received by Company from Customer at the Receipt Point in violation of the above "condition (a)" LGFO shall constitute an unauthorized under-delivery by Customer to Company at the Receipt Point. All volumes nominated by Customer at the Receipt Point less than volumes received by Company from Customer at the Receipt Point in violation of the above "condition (b)" LGFO shall constitute an unauthorized over-delivery from Customer to Company at the Receipt Point. Unauthorized under-deliveries or over-deliveries during the effectiveness of an LGFO shall be subject to an LGFO Charge per Mcf for each Mcf of unauthorized under-deliveries or over-deliveries, as applicable. Customer shall be subject to the LGFO Charge on the day for which the LGFO was violated, plus the applicable UCDI charges and any other charges under this rate schedule for such unauthorized under-deliveries or over-deliveries that occur.

Company may, in its sole discretion, issue an LGFO to an individual Customer taking service under this rate schedule without issuing an LGFO to all Customers taking service under this rate schedule.

The LGFO Charge per Mcf shall be equal to $15.00 plus the higher of either (a) the daily mid-point price posted in "Platts Gas Daily" for Texas Gas Zone 1 adjusted for Fuel Retention applicable to deliveries to Zone 4 under Texas Gas Transmission, LLC's Rate NNS plus the Commodity Charge and any surcharges applicable to deliveries to Zone 4 under Texas Gas Transmission, LLC's Rate NNS for the day on which the LGFO was violated, or (b) the daily mid-point price posted in "Platts Gas Daily" for Lebanon-Hub adjusted for Fuel Retention applicable to deliveries to Zone 4 under Texas Gas Transmission, LLC's Rate NNS plus the Commodity Charge and any surcharges applicable to deliveries to Zone 4 under Texas Gas Transmission, LLC's Rate NNS for the day on which the LGFO was violated. Such LGFO Charge shall be in addition to any other charges under this rate schedule.

**DATE OF ISSUE**: July 7, 2017

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**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2016-00371 dated June 22, 2017 and modified June 29, 2017**

## Louisville Gas and Electric Company

**P.S.C. Gas No. 12, Original Sheet No. 36.4**

**Standard Rate** **LGDS**
**Local Gas Delivery Service**

**LOCAL GAS FLOW ORDERS**

Company shall have the right to issue a Local Gas Flow Order ("LGFO") which will require actions by Customer to alleviate conditions that, in the sole judgment of Company, jeopardize the operational integrity of Company's system. Customer shall be responsible for complying with the directives contained in the LGFO.

Notice of an LGFO shall be provided to Customer at least four (4) hours prior to the beginning of the gas day for which the LGFO is in effect and shall include information related to the LGFO. A shorter notice period may be given where necessary to protect the integrity of Company's gas system. Customer shall respond to an LGFO by adjusting its deliveries to Company's system as directed in the LGFO within the specified timeframe.

Upon issuance of an LGFO, Company will direct Customer to comply with one of the following conditions: (a) Customer must nominate at the Receipt Point a Gross Nominated Volume that is no more than the daily amount being received by Company from Customer at the Receipt Point (Metered Receipts); or (b) Customer must nominate at the Receipt Point a Gross Nominated Volume that is no less than the daily amount being received by Company from Customer at the Receipt Point (Metered Receipts). Customer shall respond to an LGFO either by adjusting its Gross Nominated Volume at the Receipt Point or by adjusting volumes being received by Company from Customer at the Receipt Point. All volumes nominated by Customer at the Receipt Point in excess of volumes received by Company from Customer at the Receipt Point in violation of the above "condition (a)" LGFO shall constitute an unauthorized under-delivery by Customer to Company at the Receipt Point. All volumes nominated by Customer at the Receipt Point less than volumes received by Company from Customer at the Receipt Point in violation of the above "condition (b)" LGFO shall constitute an unauthorized over-delivery from Customer to Company at the Receipt Point. Unauthorized under-deliveries or over-deliveries during the effectiveness of an LGFO shall be subject to an LGFO Charge per Mcf for each Mcf of unauthorized under-deliveries or over-deliveries, as applicable. Customer shall be subject to the LGFO Charge on the day for which the LGFO was violated, plus the applicable UCDI charges and any other charges under this rate schedule for such unauthorized under-deliveries or over-deliveries that occur.

Company may, in its sole discretion, issue an LGFO to an individual Customer taking service under this rate schedule without issuing an LGFO to all Customers taking service under this rate schedule.

The LGFO Charge per Mcf shall be equal to $15.00 plus the higher of either (a) the daily mid-point price posted in "Platts Gas Daily" for Texas Gas Zone 1 adjusted for Fuel Retention applicable to deliveries to Zone 4 under Texas Gas Transmission, LLC's Rate NNS plus the Commodity Charge and any surcharges applicable to deliveries to Zone 4 under Texas Gas Transmission, LLC's Rate NNS for the day on which the LGFO was violated, or (b) the daily mid-point price posted in "Platts Gas Daily" for Lebanon-Hub adjusted for Fuel Retention applicable to deliveries to Zone 4 under Texas Gas Transmission, LLC's Rate NNS plus the Commodity T

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**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00295 dated ____**

Company will not be required to provide service under this rate schedule if Customer does not comply with the terms or conditions of an LGFO. Payment of LGFO Charges hereunder shall not be considered an exclusive remedy for failure to comply with the LGFO, nor shall the payment of such charges be considered a substitute for any other remedy available to Company. As a result of Customer's failure to comply with the terms or conditions of service, including an LGFO, Company may take such actions as it deems necessary to suspend service to Customer.

If Customer fails to manage its use of Company's transportation service in strict conformance with the directives of an LGFO, then Company may at its sole discretion do one or more of the following immediately upon delivering oral or written notice to Customer: (1) suspend all gas transportation service to the extent necessary to protect the operational integrity of Company's system, (2) decline to deliver to the extent necessary the gas provided by Customer, (3) decline to receive to the extent necessary the volume tendered by Customer at the Receipt Point, and (4) permanently terminate service under this rate schedule. Any suspension or termination under this section shall be without prejudice to and in addition to any other rights and remedies of Company.

**IMBALANCES**

The terms "Imbalance" or "Imbalances" as used herein mean the difference between Customer's Gross Nominated Volume in Mcf of gas to be received by Company at the Receipt Point and the metered volume of gas in Mcf actually received by Company from Customer at the Receipt Point (Metered Receipts).

When Company can provide such balancing service, the Utilization Charge for Daily Imbalances shall apply to daily imbalances in excess of +/-5% of the Gross Nominated Volume. Company shall issue an LGFO as set forth herein during periods when service cannot be provided to meet daily imbalances.

Company shall calculate on a daily and monthly basis Customer's imbalance resulting from the difference between Customer's Gross Nominated Volume in Mcf for receipt by Company at the Receipt Point and the Metered Receipts of gas in Mcf from Customer at the Receipt Point. This will be calculated as follows:

$$\text{Imbalance} = \text{Gross Nominated Volumes} - \text{Metered Receipts}$$

Company will also determine the imbalance percentage. This percentage will be calculated as follows:

$$\text{Imbalance \%} = \frac{(\text{Gross Nominated Volumes} - \text{Metered Receipts})}{\text{Gross Nominated Volumes}}$$

The term "day" or "daily" shall mean the period of time corresponding to the gas day as observed by Company.

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Charge and any surcharges applicable to deliveries to Zone 4 under Texas Gas Transmission, LLC's Rate NNS for the day on which the LGFO was violated. Such LGFO Charge shall be in addition to any other charges under this rate schedule. T T T

Company will not be required to provide service under this rate schedule if Customer does not comply with the terms or conditions of an LGFO. Payment of LGFO Charges hereunder shall not be considered an exclusive remedy for failure to comply with the LGFO, nor shall the payment of such charges be considered a substitute for any other remedy available to Company. As a result of Customer's failure to comply with the terms or conditions of service, including an LGFO, Company may take such actions as it deems necessary to suspend service to Customer.

If Customer fails to manage its use of Company's transportation service in strict conformance with the directives of an LGFO, then Company may at its sole discretion do one or more of the following immediately upon delivering oral or written notice to Customer: (1) suspend all gas transportation service to the extent necessary to protect the operational integrity of Company's system, (2) decline to deliver to the extent necessary the gas provided by Customer, (3) decline to receive to the extent necessary the volume tendered by Customer at the Receipt Point, and (4) permanently terminate service under this rate schedule. Any suspension or termination under this section shall be without prejudice to and in addition to any other rights and remedies of Company.

**IMBALANCES**

The terms "Imbalance" or "Imbalances" as used herein mean the difference between Customer's Gross Nominated Volume in Mcf of gas to be received by Company at the Receipt Point and the metered volume of gas in Mcf actually received by Company from Customer at the Receipt Point (Metered Receipts).

When Company can provide such balancing service, the Utilization Charge for Daily Imbalances shall apply to daily imbalances in excess of +/-5% of the Gross Nominated Volume. Company shall issue an LGFO as set forth herein during periods when service cannot be provided to meet daily imbalances.

Company shall calculate on a daily and monthly basis Customer's imbalance resulting from the difference between Customer's Gross Nominated Volume in Mcf for receipt by Company at the Receipt Point and the Metered Receipts of gas in Mcf from Customer at the Receipt Point. This will be calculated as follows:

$$\text{Imbalance} = \text{Gross Nominated Volumes} - \text{Metered Receipts}$$

T

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Louisville, Kentucky

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## Louisville Gas and Electric Company

P.S.C. Gas No. 11, Original Sheet No. 36.6 N

**Standard Rate** **LGDS**
**Local Gas Delivery Service**

If the monthly imbalance is negative (an over-delivery into Company's system), Company shall purchase the monthly imbalance from Customer at a price per Mcf which is determined by multiplying the appropriate percentage specified below times the lower of the following: either (a) the lowest daily mid-point price posted in “Platts Gas Daily” for Texas Gas Zone 1 adjusted for Fuel Retention applicable to deliveries to Zone 4 under Texas Gas Transmission, LLC’s Rate NNS plus the Commodity Charge and any surcharges applicable to deliveries to Zone 4 under Texas Gas Transmission, LLC’s Rate NNS during the month in which the imbalance occurred, or (b) the lowest daily mid-point price posted in “Platts Gas Daily” for Lebanon-Hub adjusted for Fuel Retention applicable to deliveries to Zone 4 under Texas Gas Transmission, LLC’s Rate NNS plus the Commodity Charge and any surcharges applicable to deliveries to Zone 4 under Texas Gas Transmission, LLC’s Rate NNS during the month in which the imbalance occurred.

The appropriate percentage shall be dependent on Customer's monthly imbalance percentage to be applied as follows:

| When Total Net Negative Imbalance Percentage is: | The following percentage shall be multiplied by the above-determined amount: |
|---|---|
| 0% to ≤ 5% | 100% |
| > 5% to ≤ 10% | 90% |
| >10% to ≤ 15% | 80% |
| >15% to ≤ 20% | 70% |
| >20% | 60% |

If the monthly imbalance is positive (an under-delivery into Company's system), Customer shall purchase the monthly imbalance from Company at a price per Mcf which is determined by multiplying the appropriate percentage specified below times the higher of the following: either (a) the highest daily mid-point price posted in “Platts Gas Daily” for Texas Gas Zone 1 adjusted for Fuel Retention applicable to deliveries to Zone 4 under Texas Gas Transmission, LLC’s Rate NNS plus the Commodity Charge and any surcharges applicable to deliveries to Zone 4 under Texas Gas Transmission, LLC’s Rate NNS during the month in which the imbalance occurred, or (b) the highest daily mid-point price posted in “Platts Gas Daily” for Lebanon-Hub adjusted for Fuel Retention applicable to deliveries to Zone 4 under Texas Gas Transmission, LLC’s Rate NNS plus the Commodity Charge and any surcharges applicable to deliveries to Zone 4 under Texas Gas Transmission, LLC’s Rate NNS during the month in which the imbalance occurred.

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## Louisville Gas and Electric Company

P.S.C. Gas No. 12, Original Sheet No. 36.6

**Standard Rate** **LGDS**
**Local Gas Delivery Service**

Company will also determine the imbalance percentage. This percentage will be calculated as follows: T T

$$\text{Imbalance \%} = \frac{\text{(Gross Nominated Volumes - Metered Receipts)}}{\text{Gross Nominated Volumes}}$$ T T T

The term “day” or “daily” shall mean the period of time corresponding to the gas day as observed by Company. T T

If the monthly imbalance is negative (an over-delivery into Company’s system), Company shall purchase the monthly imbalance from Customer at a price per Mcf which is determined by multiplying the appropriate percentage specified below times the lower of the following: either (a) the lowest daily mid-point price posted in “Platts Gas Daily” for Texas Gas Zone 1 adjusted for Fuel Retention applicable to deliveries to Zone 4 under Texas Gas Transmission, LLC’s Rate NNS plus the Commodity Charge and any surcharges applicable to deliveries to Zone 4 under Texas Gas Transmission, LLC’s Rate NNS during the month in which the imbalance occurred, or (b) the lowest daily mid-point price posted in “Platts Gas Daily” for Lebanon-Hub adjusted for Fuel Retention applicable to deliveries to Zone 4 under Texas Gas Transmission, LLC’s Rate NNS plus the Commodity Charge and any surcharges applicable to deliveries to Zone 4 under Texas Gas Transmission, LLC’s Rate NNS during the month in which the imbalance occurred.

The appropriate percentage shall be dependent on Customer’s monthly imbalance percentage to be applied as follows:

| When Total Net Negative Imbalance Percentage is: | The following percentage shall be multiplied by the above-determined amount: |
|---|---|
| 0% to ≤ 5% | 100% |
| > 5% to ≤ 10% | 90% |
| >10% to ≤ 15% | 80% |
| >15% to ≤ 20% | 70% |
| >20% | 60% |

If the monthly imbalance is positive (an under-delivery into Company’s system), Customer shall purchase the monthly imbalance from Company at a price per Mcf which is determined by multiplying the appropriate percentage specified below times the higher of the following: either (a) the highest daily mid-point price posted in “Platts Gas Daily” for Texas Gas Zone 1 adjusted for Fuel Retention applicable to deliveries to Zone 4 under Texas Gas Transmission, LLC’s Rate NNS plus the Commodity Charge and any surcharges applicable to deliveries to Zone 4 under Texas Gas Transmission, LLC’s Rate NNS during the month in which the imbalance occurred, or (b) the highest daily mid-point price T

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## Louisville Gas and Electric Company

P.S.C. Gas No. 11, Original Sheet No. 36.7 N

**Standard Rate** **LGDS**
**Local Gas Delivery Service**

The appropriate percentage shall be dependent on Customer's monthly imbalance percentage to be applied as follows:

| When Total Net Positive Imbalance Percentage is: | The following percentage shall be multiplied by the above-determined amount: |
|---|---|
| 0% to ≤ 5% | 100% |
| > 5% to ≤ 10% | 110% |
| >10% to ≤ 15% | 120% |
| >15% to ≤ 20% | 130% |
| >20% | 140% |

The monthly imbalance percentages stated above will be used to calculate the cash-out price for imbalances that fall within each category. For example, a Customer with a monthly imbalance percentage of 9% will cash-out at the 0% to 5% price for 5% of the imbalance and at the 5% to 10% price for 4% of the imbalance.

All such cash-out charges or credits, as applicable, shall be shown and included on Customer's monthly bill. The billing of these cash-out charges or credits shall not be construed as a waiver by Company of any other rights or remedies it has under law, the regulations of the PSC of Kentucky, or this rate schedule, nor shall it be construed as an exclusive remedy for failure to comply with the provisions of this rate schedule.

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Louisville, Kentucky

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## Louisville Gas and Electric Company

P.S.C. Gas No. 12, Original Sheet No. 36.7

**Standard Rate** **LGDS**
**Local Gas Delivery Service**

posted in "Platts Gas Daily" for Lebanon-Hub adjusted for Fuel Retention applicable to deliveries T
to Zone 4 under Texas Gas Transmission, LLC's Rate NNS plus the Commodity Charge and any T
surcharges applicable to deliveries to Zone 4 under Texas Gas Transmission, LLC's Rate NNS T
during the month in which the imbalance occurred. T

The appropriate percentage shall be dependent on Customer's monthly imbalance percentage to be applied as follows:

| When Total Net Positive Imbalance Percentage is: | The following percentage shall be multiplied by the above-determined amount: |
|---|---|
| 0% to ≤ 5% | 100% |
| > 5% to ≤ 10% | 110% |
| >10% to ≤ 15% | 120% |
| >15% to ≤ 20% | 130% |
| >20% | 140% |

The monthly imbalance percentages stated above will be used to calculate the cash-out price for imbalances that fall within each category. For example, a Customer with a monthly imbalance percentage of 9% will cash-out at the 0% to 5% price for 5% of the imbalance and at the 5% to 10% price for 4% of the imbalance.

All such cash-out charges or credits, as applicable, shall be shown and included on Customer's monthly bill. The billing of these cash-out charges or credits shall not be construed as a waiver by Company of any other rights or remedies it has under law, the regulations of the PSC of Kentucky, or this rate schedule, nor shall it be construed as an exclusive remedy for failure to comply with the provisions of this rate schedule.

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Louisville, Kentucky

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**2018-00295 dated ____**

## Louisville Gas and Electric Company

**P.S.C. Gas No. 11, Third Revision of Original Sheet No. 36.8**
**Canceling P.S.C. Gas No. 11, Second Revision of Original Sheet No. 36.8**

**Standard Rate** **LGDS**
**Local Gas Delivery Service**

**VARIATION IN MMBTU CONTENT**

The reconciliation of the actual deliveries to the Delivery Point and Company's receipt of gas from Customer at the Receipt Point, including any variation in MMBtu content, occurs through the operation of the cash-out provision. If not reflected on the current month's bill, changes in billings of the cash-out provision caused by variations in the MMBtu content of the gas shall be corrected on the following month's bill.

**UTILIZATION CHARGE FOR DAILY IMBALANCES**

Should an imbalance as calculated herein exceed +/- 5% of the Gross Nominated Volume on any day when an LGFO (as described below) has not been issued, then Company shall charge the Utilization Charge for Daily Imbalances times the imbalance in Mcf greater than +/- 5% of Gross Nominated Volume for each daily occurrence.

The Utilization Charge for Daily Imbalances is the sum of the following:

| | |
|---|---|
| Daily Demand Charge: | $0.1657 per Mcf |
| Daily Storage Charge: | 0.2785 |
| Utilization Charge for Daily Imbalances: | $0.4442 per Mcf |

Note: The Daily Demand Charge may change with each filing of the GSCC.

These charges are in addition to any other charges set forth herein. The Utilization Charge for Daily Imbalances will not be applied to daily imbalances which do not exceed the +/- 5% unless an LGFO has been issued. If an LGFO has been issued, the Utilization Charge for Daily Imbalances shall apply to daily imbalances which exceed 0% for customers in violation of the LGFO directive, either "condition (a)" or "condition (b)" as applicable and further described above under "Local Gas Flow Orders". Customers not in violation of the LGFO directive, either "condition (a)" or "condition (b)" as applicable, will continue to be assessed the Utilization Charge for Daily Imbalances on volumes which exceed the 5% daily tolerance. Company shall not have an obligation to provide balancing service for any volumes of gas hereunder.

**MEASUREMENT OF GAS**

Volumes of gas transported hereunder will be determined in accordance with Company's measurement base as set forth in the Company's Terms and Conditions. All gas delivered by Customer to Company pursuant to this rate schedule shall be measured by Company using such gas meters, chromatograph, and other instrumentation as Company deems appropriate.

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## Louisville Gas and Electric Company

**P.S.C. Gas No. 12, Original Sheet No. 36.8**

**Standard Rate** **LGDS**
**Local Gas Delivery Service**

**VARIATION IN MMBTU CONTENT**

The reconciliation of the actual deliveries to the Delivery Point and Company's receipt of gas from Customer at the Receipt Point, including any variation in MMBtu content, occurs through the operation of the cash-out provision. If not reflected on the current month's bill, changes in billings of the cash-out provision caused by variations in the MMBtu content of the gas shall be corrected on the following month's bill.

**UTILIZATION CHARGE FOR DAILY IMBALANCES**

Should an imbalance as calculated herein exceed +/- 5% of the Gross Nominated Volume on any day when an LGFO (as described below) has not been issued, then Company shall charge the Utilization Charge for Daily Imbalances times the imbalance in Mcf greater than +/- 5% of Gross Nominated Volume for each daily occurrence.

The Utilization Charge for Daily Imbalances is the sum of the following:

| | | |
|---|---|---|
| Daily Demand Charge: | $0.1657 per Mcf | |
| Daily Storage Charge: | $0.3797 | I |
| Utilization Charge for Daily Imbalances: | $0.5454 per Mcf | I |

Note: The Daily Demand Charge may change with each filing of the GSCC.

These charges are in addition to any other charges set forth herein. The Utilization Charge for Daily Imbalances will not be applied to daily imbalances which do not exceed the +/- 5% unless an LGFO has been issued. If an LGFO has been issued, the Utilization Charge for Daily Imbalances shall apply to daily imbalances which exceed 0% for customers in violation of the LGFO directive, either "condition (a)" or "condition (b)" as applicable and further described above under "Local Gas Flow Orders". Customers not in violation of the LGFO directive, either "condition (a)" or "condition (b)" as applicable, will continue to be assessed the Utilization Charge for Daily Imbalances on volumes which exceed the 5% daily tolerance. Company shall not have an obligation to provide balancing service for any volumes of gas hereunder.

**MEASUREMENT OF GAS**

Volumes of gas transported hereunder will be determined in accordance with Company's measurement base as set forth in the Company's Terms and Conditions. All gas delivered by Customer to Company pursuant to this rate schedule shall be measured by Company using such gas meters, chromatograph, and other instrumentation as Company deems appropriate.

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Louisville, Kentucky

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**2018-00295 dated ____**

# Louisville Gas and Electric Company

P.S.C. Gas No. 11, Original Sheet No. 36.9 N

Standard Rate LGDS

Local Gas Delivery Service

**REMOTE METERING**

Any Customer contracting for service hereunder shall be required, prior to commencing service hereunder, to have appropriate remote metering devices. The remote metering devices allow Company to monitor receipts of gas from Customer.

Customer shall reimburse Company for the cost of this remote metering equipment and the cost of its installation, including any modifications to Company facilities required in order to facilitate the functioning of the remote metering. Company may also install at Customer's expense, any backflow protection devices, remote flow equipment, and the like, as may be required in sole discretion of Company, in order to protect the integrity of Company's gas system. Customer shall be responsible for making any necessary modifications to its facilities, including, but not limited to, any modifications of Customer's piping, in order to facilitate the installation and operation of such remote metering or other facilities determined to be necessary by Company. Customer shall be responsible for providing the necessary and adequate electric and telecommunications service to provide this metering within thirty (30) days of Company's notice to Customer that such remote metering shall be required. Electric and telephone services installed for this equipment shall conform to Company's specifications. Customer shall be responsible for maintaining the necessary and adequate electric and telecommunications service to provide remote metering.

**GAS QUALITY**

Gas received hereunder shall be merchantable gas, commercially free from toxins, odors, dust, solids, gums, gum-forming constituents, gasoline, water, or any other foreign substances of any kind, including liquid matter and hydrocarbon liquids which may become separated from the gas in the course of transportation through Company's system, and which might interfere with its merchantability or cause injury to or interference with proper operation of lines, regulators, meters, or other appliances.

Furthermore, such receipts shall not contain, either in the gas or in any liquids with the gas, any microbiological organism, pathogen, active bacteria, or bacterial agent capable of producing or contributing to corrosion, operational problems, or other problems, or are injurious to utility facilities or cause the gas to be unmarketable. Microbiological organisms, bacteria or bacterial agents include, but are not limited to, sulfate reducing bacteria and acid producing bacteria.

Customer agrees that it will indemnify Company and save it harmless from all suits, actions, debts, accounts, damages, costs, losses, and expenses arising from or out of any claim by any other persons or entity related to or arising from gas tendered by Customer to Company not meeting the quality specifications herein.

If the gas tendered by Customer for transport by Company fails at any time to conform to any of the specifications set forth herein, then Company shall so notify Customer and Company may, at its sole option and in addition to any other remedies available to Company, refuse to accept delivery pending correction by Customer.

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# Louisville Gas and Electric Company

P.S.C. Gas No. 12, Original Sheet No. 36.9

Standard Rate LGDS

Local Gas Delivery Service

**REMOTE METERING**

Any Customer contracting for service hereunder shall be required, prior to commencing service hereunder, to have appropriate remote metering devices. The remote metering devices allow Company to monitor receipts of gas from Customer.

Customer shall reimburse Company for the cost of this remote metering equipment and the cost of its installation, including any modifications to Company facilities required in order to facilitate the functioning of the remote metering. Company may also install at Customer's expense, any backflow protection devices, remote flow equipment, and the like, as may be required in sole discretion of Company, in order to protect the integrity of Company's gas system. Customer shall be responsible for making any necessary modifications to its facilities, including, but not limited to, any modifications of Customer's piping, in order to facilitate the installation and operation of such remote metering or other facilities determined to be necessary by Company. Customer shall be responsible for providing the necessary and adequate electric and telecommunications service to provide this metering within thirty (30) days of Company's notice to Customer that such remote metering shall be required. Electric and telephone services installed for this equipment shall conform to Company's specifications. Customer shall be responsible for maintaining the necessary and adequate electric and telecommunications service to provide remote metering.

**GAS QUALITY**

Gas received hereunder shall be merchantable gas, commercially free from toxins, odors, dust, solids, gums, gum-forming constituents, gasoline, water, or any other foreign substances of any kind, including liquid matter and hydrocarbon liquids which may become separated from the gas in the course of transportation through Company's system, and which might interfere with its merchantability or cause injury to or interference with proper operation of lines, regulators, meters, or other appliances.

Furthermore, such receipts shall not contain, either in the gas or in any liquids with the gas, any microbiological organism, pathogen, active bacteria, or bacterial agent capable of producing or contributing to corrosion, operational problems, or other problems, or are injurious to utility facilities or cause the gas to be unmarketable. Microbiological organisms, bacteria or bacterial agents include, but are not limited to, sulfate reducing bacteria and acid producing bacteria.

Customer agrees that it will indemnify Company and save it harmless from all suits, actions, debts, accounts, damages, costs, losses, and expenses arising from or out of any claim by any other persons or entity related to or arising from gas tendered by Customer to Company not meeting the quality specifications herein.

If the gas tendered by Customer for transport by Company fails at any time to conform to any of the specifications set forth herein, then Company shall so notify Customer and Company may, at its sole option and in addition to any other remedies available to Company, refuse to accept delivery pending correction by Customer.

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## Louisville Gas and Electric Company

P.S.C. Gas No. 11, Original Sheet No. 36.10 N

**Standard Rate** **LGDS**
**Local Gas Delivery Service**

The table below sets forth the applicable specifications for the gas received hereunder by Company from Customer.

| Component | Units | Low | High |
|---|---|---|---|
| Total Heating Value | Btu per scf | 967 | 1110 |
| Wobbe Index | Calculated by dividing the Total Heating Value (dry) of the gas (at standard conditions of 14.73 psia and 60 degrees Fahrenheit) by the square root of the specific gravity of the gas | 1314 | 1400 |
| Carbon Dioxide | Percent by volume (mole%) | 0.00% | 2.00% |
| Hydrogen | Percent by volume (mole%) | 0.00% | 0.00% |
| Water (or water vapor) | lbs. per MMscf | 0 | 7 |
| Ammonia | ppm | 0 | 3 |
| Hydrogen Sulfide | grains per 100 scf | 0 | 0.25 |
| Total Sulphur (not including any mercaptan sulphur) | grains per 100 scf | 0 | 5 |
| Oxygen | Percent by volume (mole%) | 0.00% | 0.10% |
| All non-hydrocarbon gases such as carbon dioxide, nitrogen, and oxygen (Total Diluents and Inerts) | Percent by volume (mole%) | 0.00% | 4.00% |
| Non-methane Hydrocarbons (C2+) such as ethane | Percent by volume (mole%) | 0.00% | 12.00% |
| Heavier Hydrocarbons (C3, C4, C6, +) such as propane, propylene, butanes, hexanes | Percent by volume (mole%) | 0.00% | 1.50% |
| Delivery Temperature | degrees Fahrenheit | 40 | 90 |
| Hydrocarbon Dewpoint | degrees Fahrenheit | Less than 10 | |

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## Louisville Gas and Electric Company

P.S.C. Gas No. 12, Original Sheet No. 36.10

**Standard Rate** **LGDS**
**Local Gas Delivery Service**

The table below sets forth the applicable specifications for the gas received hereunder by Company from Customer.

| Component | Units | Low | High |
|---|---|---|---|
| Total Heating Value | Btu per scf | 967 | 1,110 |
| Wobbe Index | Calculated by dividing the Total Heating Value (dry) of the gas (at standard conditions of 14.73 psia and 60 degrees Fahrenheit) by the square root of the specific gravity of the gas | 1,314 | 1,400 |
| Carbon Dioxide | Percent by volume (mole%) | 0.00% | 2.00% |
| Hydrogen | Percent by volume (mole%) | 0.00% | 0.00% |
| Water (or water vapor) | lbs. per MMscf | 0 | 7 |
| Ammonia | ppm | 0 | 3 |
| Hydrogen Sulfide | grains per 100 scf | 0 | 0.25 |
| Total Sulphur (not including any mercaptan sulphur) | grains per 100 scf | 0 | 5 |
| Oxygen | Percent by volume (mole%) | 0.00% | 0.10% |
| All non-hydrocarbon gases such as carbon dioxide, nitrogen, and oxygen (Total Diluents and Inerts) | Percent by volume (mole%) | 0.00% | 4.00% |
| Non-methane Hydrocarbons (C2+) such as ethane | Percent by volume (mole%) | 0.00% | 12.00% |
| Heavier Hydrocarbons (C3, C4, C6, +) such as propane, propylene, butanes, hexanes | Percent by volume (mole%) | 0.00% | 1.50% |
| Delivery Temperature | degrees Fahrenheit | 40 | 90 |
| Hydrocarbon Dewpoint | degrees Fahrenheit | Less than 10 | |

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Louisville, Kentucky

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## Louisville Gas and Electric Company

**P.S.C. Gas No. 11, Original Sheet No. 36.11** N

**Standard Rate** **LGDS**
**Local Gas Delivery Service**

Company shall have the unqualified right to commingle gas received for service hereunder with gas from other sources. Accordingly, gas received by Company shall be subject to such changes as may result from such commingling and Company shall, notwithstanding any other provisions herein, be under no obligation to deliver for Customer's account gas identical to that received by Company.

**CREDITWORTHINESS**

Customer shall upon request of Company agree to maintain an irrevocable letter of credit, cash prepayment, or such other financial instrument satisfactory to Company ("credit support") in order to assure Customer's performance of its obligations hereunder. In determining the level of the security to be required of Customer, Company shall consider such factors, including, but not limited to, the following: the volume of natural gas to be transported on behalf of Customer, the MDQ, the general creditworthiness of Customer, and Customer's prior credit record with Company, if any. The amount of the credit support shall not exceed two twelfths (2/12) of Customer's estimated annual bill. In the event that Customer defaults on its obligations under this rate schedule, Company shall have the immediate right to draw on such credit support to satisfy Customer's obligation hereunder. Such credit requirements shall be administered by Company in a nondiscriminatory manner.

**SPECIAL TERMS AND CONDITIONS**

1. Service under this rate schedule will be furnished under Company's Terms and Conditions applicable hereto, to the extent that such Terms and Conditions are not in conflict, nor inconsistent, with the specific provisions hereof.

2. Service under this rate schedule shall be performed under a written contract between Customer and Company ("Service Agreement") which shall set forth specific arrangements as to the MDQ, volumes to be transported, Receipt Point, Delivery Point, Receipt Pressure, timing of receipts and deliveries of gas by Company, term, and any other matters relating to individual Customer circumstances.

3. Should Customer be unable to provide an amount of gas to Company at the Receipt Point equivalent to the Gross Nominated Volume (the Net Nominated Volume plus applicable LAUFG), Company will not be obligated hereunder to provide standby quantities of gas. Company will not be obligated to utilize its underground storage capacity for purposes of this service.

4. Company will have the right to curtail or interrupt the delivery of gas hereunder when, in Company's judgment, such curtailment is necessary to enable Company to respond to an emergency or force majeure condition.

5. It is at all times the responsibility of Customer to deliver gas to the Receipt Point at a pressure ("Receipt Pressure") sufficient to cause the delivery of gas into the system of Company. Company shall not be obligated to modify either its facilities or its prevailing system operating pressures in order to effectuate the receipt of gas from Customer at the Receipt Point.

**DATE OF ISSUE**: July 7, 2017

**DATE EFFECTIVE:** July 1, 2017

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2016-00371 dated June 22, 2017 and modified June 29, 2017**

## Louisville Gas and Electric Company

**P.S.C. Gas No. 12, Original Sheet No. 36.11**

**Standard Rate** **LGDS**
**Local Gas Delivery Service**

Company shall have the unqualified right to commingle gas received for service hereunder with gas from other sources. Accordingly, gas received by Company shall be subject to such changes as may result from such commingling and Company shall, notwithstanding any other provisions herein, be under no obligation to deliver for Customer's account gas identical to that received by Company.

**CREDITWORTHINESS**

Customer shall upon request of Company agree to maintain an irrevocable letter of credit, cash prepayment, or such other financial instrument satisfactory to Company ("credit support") in order to assure Customer's performance of its obligations hereunder. In determining the level of the security to be required of Customer, Company shall consider such factors, including, but not limited to, the following: the volume of natural gas to be transported on behalf of Customer, the MDQ, the general creditworthiness of Customer, and Customer's prior credit record with Company, if any. The amount of the credit support shall not exceed two twelfths (2/12) of Customer's estimated annual bill. In the event that Customer defaults on its obligations under this rate schedule, Company shall have the immediate right to draw on such credit support to satisfy Customer's obligation hereunder. Such credit requirements shall be administered by Company in a nondiscriminatory manner.

**SPECIAL TERMS AND CONDITIONS**

1. Service under this rate schedule will be furnished under Company's Terms and Conditions applicable hereto, to the extent that such Terms and Conditions are not in conflict, nor inconsistent, with the specific provisions hereof.

2. Service under this rate schedule shall be performed under a written contract between Customer and Company ("Service Agreement") which shall set forth specific arrangements as to the MDQ, volumes to be transported, Receipt Point, Delivery Point, Receipt Pressure, timing of receipts and deliveries of gas by Company, term, and any other matters relating to individual Customer circumstances.

3. Should Customer be unable to provide an amount of gas to Company at the Receipt Point equivalent to the Gross Nominated Volume (the Net Nominated Volume plus applicable LAUFG), Company will not be obligated hereunder to provide standby quantities of gas. Company will not be obligated to utilize its underground storage capacity for purposes of this service.

4. Company will have the right to curtail or interrupt the delivery of gas hereunder when, in Company's judgment, such curtailment is necessary to enable Company to respond to an emergency or force majeure condition.

5. It is at all times the responsibility of Customer to deliver gas to the Receipt Point at a pressure ("Receipt Pressure") sufficient to cause the delivery of gas into the system of Company. Company shall not be obligated to modify either its facilities or its prevailing system operating pressures in order to effectuate the receipt of gas from Customer at the Receipt Point.

**DATE OF ISSUE:** September 28, 2018

**DATE EFFECTIVE:** Effective with Service Rendered
On And After July 1, 2017

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2016-00371 dated June 22, 2017 and modified June 29, 2017**

## Louisville Gas and Electric Company

**P.S.C. Gas No. 11, Original Sheet No. 36.12** N

**Standard Rate** **LGDS**
**Local Gas Delivery Service**

**SPECIAL TERMS AND CONDITIONS**

6. Customer hereby agrees to reimburse Company for all Kentucky sales tax, if any, assessed on the charges specified in this rate schedule. Customer's Kentucky Sales Tax Permit Account Number shall be provided to Company pursuant to Company's request.

7. As between Company and Customer, Customer shall be in exclusive control and possession of the gas until such gas has been delivered to Company at the Receipt Point and after such gas has been delivered to the Delivery Point. Company shall be in exclusive control and possession of such gas while it is in Company's system between the Receipt Point and the Delivery Point. Company shall have no liability while the gas is in the exclusive control of Customer and Customer shall have no liability (except for damage, loss, or injury caused by Company's transportation of gas that does not meet the quality standards set forth herein or that is delivered to Company in violation of any other provision of this Rate Schedule) while the gas is in the exclusive control of Company. Title to all gas delivered by Customer to Company for transportation under this rate schedule shall remain with Customer at all times during transportation by Company. Company shall not acquire or take title to the gas transported hereunder with the exception of any over-deliveries purchased through the operation of the cash-out mechanism described hereunder.

8. In no event shall Company be liable to Customer for consequential, indirect, special, punitive, or exemplary damages arising out of service provided hereunder.

9. Customer shall enter into a Website Subscriber Agreement if Customer desires to access telemetry data.

**TERM OF CONTRACT**

The minimum term for service hereunder shall be for a period of one (1) year or through the following October 31, whichever period is shorter. Company, in its sole discretion, may require that a contract be executed for a longer initial term when deemed necessary by the size of MDQ or other special circumstances. After such initial term, service under this rate schedule automatically shall continue in full force and effect and from year to year (from November 1 through October 31, which period shall be defined as a "Contract Year"), until terminated by either Party hereto for any reason, or no reason, pursuant to written notice of termination given by one Party to the other Party by the April 30th prior to the next available November 1st termination date.

When the Parties have agreed upon the terms required to complete the contract for service hereunder, Company shall tender a Service Agreement to Customer reflecting such agreed upon terms. The Service Agreement shall be invalid unless signed by the requesting Party and returned to Company within thirty (30) days after Company provides such Service Agreement to Customer for execution.

**DATE OF ISSUE**: July 7, 2017

**DATE EFFECTIVE:** July 1, 2017

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2016-00371 dated June 22, 2017 and modified June 29, 2017**

## Louisville Gas and Electric Company

**P.S.C. Gas No. 12, Original Sheet No. 36.12**

**Standard Rate** **LGDS**
**Local Gas Delivery Service**

**SPECIAL TERMS AND CONDITIONS**

6. Customer hereby agrees to reimburse Company for all Kentucky sales tax, if any, assessed on the charges specified in this rate schedule. Customer's Kentucky Sales Tax Permit Account Number shall be provided to Company pursuant to Company's request.

7. As between Company and Customer, Customer shall be in exclusive control and possession of the gas until such gas has been delivered to Company at the Receipt Point and after such gas has been delivered to the Delivery Point. Company shall be in exclusive control and possession of such gas while it is in Company's system between the Receipt Point and the Delivery Point. Company shall have no liability while the gas is in the exclusive control of Customer and Customer shall have no liability (except for damage, loss, or injury caused by Company's transportation of gas that does not meet the quality standards set forth herein or that is delivered to Company in violation of any other provision of this Rate Schedule) while the gas is in the exclusive control of Company. Title to all gas delivered by Customer to Company for transportation under this rate schedule shall remain with Customer at all times during transportation by Company. Company shall not acquire or take title to the gas transported hereunder with the exception of any over-deliveries purchased through the operation of the cash-out mechanism described hereunder.

8. In no event shall Company be liable to Customer for consequential, indirect, special, punitive, or exemplary damages arising out of service provided hereunder.

9. Customer shall enter into a Website Subscriber Agreement if Customer desires to access telemetry data.

**TERM OF CONTRACT**

The minimum term for service hereunder shall be for a period of one (1) year or through the following October 31, whichever period is shorter. Company, in its sole discretion, may require that a contract be executed for a longer initial term when deemed necessary by the size of MDQ or other special circumstances. After such initial term, service under this rate schedule automatically shall continue in full force and effect and from year to year (from November 1 through October 31, which period shall be defined as a "Contract Year"), until terminated by either Party hereto for any reason, or no reason, pursuant to written notice of termination given by one Party to the other Party by the April 30th prior to the next available November 1st termination date.

When the Parties have agreed upon the terms required to complete the contract for service hereunder, Company shall tender a Service Agreement to Customer reflecting such agreed upon terms. The Service Agreement shall be invalid unless signed by the requesting Party and returned to Company within thirty (30) days after Company provides such Service Agreement to Customer for execution.

**DATE OF ISSUE:** September 28, 2018

**DATE EFFECTIVE:** Effective with Service Rendered
On And After July 1, 2017

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2016-00371 dated June 22, 2017 and modified June 29, 2017**

## Louisville Gas and Electric Company

**P.S.C. Gas No. 11, Original Sheet No. 45**

**Special Charges**

The following charges will be applied uniformly throughout Company's service territory. Each charge, as approved by the Public Service Commission, reflects only that revenue required to cover associated expenses.

**RETURNED PAYMENT CHARGE**

In those instances where a Customer renders payment to Company which is not honored upon deposit by Company, the Customer will be charged $10.00 to cover the additional processing costs.

**METER TEST CHARGE**

Where the test of a meter is performed during normal working hours upon the written request of a Customer, pursuant to 807 KAR 5:006, Section 19, and the results show the meter is within the limits allowed by 807 KAR 5:022, Section 8(3)(a)1, and Section 8(3)(b)1, the Customer will be charged $90.00 to cover the test and transportation costs.

**DISCONNECT/RECONNECT SERVICE CHARGE**

A charge of $28.00 will be made to cover disconnection and reconnection of gas service when discontinued for non-payment of bills or for violation of Company's Terms and Conditions, such charge to be made before reconnection is effected. If both gas and electric services are reconnected at the same time, the total charge for both services shall be $28.00. No charge will be made for customers qualifying for service reconnection pursuant to 807 KAR 5:006, Section 16, Winter Hardship Reconnection.

Customers under Rate Schedules RGS, VFD, CGS, IGS, and AAGS may request and be granted temporary suspension of gas service. In the event of such temporary suspension, Company will make a charge of $28.00 to cover disconnection and reconnection of gas service, such charge to be made before reconnection is effected. If both gas and electric services are reconnected at the same time, the total charge for both services shall be $28.00. Customers taking service under Riders TS-2, GMPS, and EF shall not be eligible for such temporary suspension of service. T

**INSPECTION CHARGE**

With respect to Customer's service line and house line inspections prior to initiation or resumption of gas service, Company will make two such inspections without charge. When more than two trips are necessary to complete the inspections at any one location, a charge of $150.00 will be made for each additional trip.

**DATE OF ISSUE**: July 7, 2017

**DATE EFFECTIVE:** July 1, 2017

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2016-00371 dated June 22, 2017 and modified June 29, 2017**

## Louisville Gas and Electric Company

**P.S.C. Gas No. 12, Original Sheet No. 45**

**Special Charges**

The following charges will be applied uniformly throughout Company's service territory. Each charge, as approved by the Public Service Commission, reflects only that revenue required to cover associated expenses.

**RETURNED PAYMENT CHARGE**

In those instances where a Customer renders payment to Company which is not honored upon deposit by Company, the Customer will be charged $3.00 to cover the additional processing costs. R

**METER TEST CHARGE**

Where the test of a meter is performed during normal working hours upon the written request of a Customer, pursuant to 807 KAR 5:006, Section 19, and the results show the meter is within the limits allowed by 807 KAR 5:022, Section 8(3)(a)1, and Section 8(3)(b)1, the Customer will be charged $90.00 to cover the test and transportation costs.

**DISCONNECT/RECONNECT SERVICE CHARGE**

A charge of $28.00 will be made to cover disconnection and reconnection of gas service when discontinued for non-payment of bills or for violation of Company's Terms and Conditions, such charge to be made before reconnection is effected. If both gas and electric services are reconnected at the same time, the total charge for both services shall be $28.00. No charge will be made for customers qualifying for service reconnection pursuant to 807 KAR 5:006, Section 16, Winter Hardship Reconnection.

Customers under Rate Schedules RGS, VFD, CGS, IGS, and AAGS may request and be granted temporary suspension of gas service. In the event of such temporary suspension, Company will make a charge of $28.00 to cover disconnection and reconnection of gas service, such charge to be made before reconnection is effected. If both gas and electric services are reconnected at the same time, the total charge for both services shall be $28.00. Customers taking service under Riders TS-2, GMPS, and EF shall not be eligible for such temporary suspension of service.

**INSPECTION CHARGE**

With respect to Customer's service line and house line inspections prior to initiation or resumption of gas service, Company will make two such inspections without charge. When more than two trips are necessary to complete the inspections at any one location, a charge of $150.00 will be made for each additional trip.

**DATE OF ISSUE:** September 28, 2018

**DATE EFFECTIVE:** Effective with Service Rendered
On And After November 1, 2018

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00295 dated ____**

## Louisville Gas and Electric Company

**P.S.C. Gas No. 11, Original Sheet No. 45.1**

**Special Charges**

**CHARGE FOR TEMPORARY AND SHORT TERM SERVICE**

The customer shall pay the cost of all material, labor and expense incurred by Company in supplying gas service for any temporary or short term use, in addition to the regular rates for service without pro-rating of rate blocks or minimum charges for service of less than thirty days in a regular meter reading period.

**ADDITIONAL TRIP CHARGE**

Under Rate FT, Rider TS-2, and Rider GMPS, if the Company is required to make additional visits to the meter site due to the Company's inability to gain access to the meter location, or the necessary Communication Link (such as electric and telephone service) has not been properly installed by Customer, or the Customer's Communication Link is not working properly, the Company may charge the Customer for any additional trip to the site at a per-visit rate of $150.00.

**UNAUTHORIZED RECONNECT CHARGE** N

When the Company determines that Customer has tampered with a meter, reconnected service without authorization from Company that previously had been disconnected by Company, or connected service without authorization from Company, then the following charges shall be assessed for each instance of such tampering or unauthorized reconnection or connection of service:

1. A charge of $70.00 for tampering or an unauthorized connection or reconnection that does not require the replacement of the meter;

2. A charge of $132.00 for tampering or an unauthorized connection or reconnection that requires the replacement of a meter.

**DATE OF ISSUE**: July 7, 2017

**DATE EFFECTIVE:** July 1, 2017

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2016-00371 dated June 22, 2017 and modified June 29, 2017**

## Louisville Gas and Electric Company

**P.S.C. Gas No. 12, Original Sheet No. 45.1**

**Special Charges**

**CHARGE FOR TEMPORARY AND SHORT TERM SERVICE**

The customer shall pay the cost of all material, labor and expense incurred by Company in supplying gas service for any temporary or short term use, in addition to the regular rates for service without pro-rating of rate blocks or minimum charges for service of less than thirty days in a regular meter reading period.

**ADDITIONAL TRIP CHARGE**

Under Rate FT, Rider TS-2, and Rider GMPS, if the Company is required to make additional visits to the meter site due to the Company's inability to gain access to the meter location, or the necessary Communication Link (such as electric and telephone service) has not been properly installed by Customer, or the Customer's Communication Link is not working properly, the Company may charge the Customer for any additional trip to the site at a per-visit rate of $150.00.

**UNAUTHORIZED RECONNECT CHARGE**

When the Company determines that Customer has tampered with a meter, reconnected service without authorization from Company that previously had been disconnected by Company, or connected service without authorization from Company, then the following charges shall be assessed for each instance of such tampering or unauthorized reconnection or connection of service:

1. A charge of $70.00 for tampering or an unauthorized connection or reconnection that does not require the replacement of the meter;

2. A charge of $132.00 for tampering or an unauthorized connection or reconnection that requires the replacement of a meter.

**DATE OF ISSUE:** September 28, 2018

**DATE EFFECTIVE:** Effective with Service Rendered
On And After July 1, 2017

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2016-00371 dated June 22, 2017 and modified June 29, 2017**

## Louisville Gas and Electric Company

**P.S.C. Gas No. 11, Original Sheet No. 51**

**Standard Rate Rider** **TS-2**

**Gas Transportation Service/Firm Balancing Service**

**APPLICABLE**

In all territory served.

**AVAILABILITY OF SERVICE**

Available to existing commercial and industrial customers served under Rates AAGS, CGS, DGGS, and IGS who consume at least 15,000 Mcf annually at each individual Delivery Point during the two (2) years ending with the March 31 service request date. T

Customers electing service under this rider shall notify Company on or before March 31 and execute a contract by April 30 in order to receive service hereunder beginning November 1 of that same year. The Contract Year shall include the twelve monthly billing periods from November 1 through October 31, of the following calendar year. Service under this rider shall be for a term of one (1) year and year to year thereafter. Unless otherwise permitted herein, Customer or Company may terminate service hereunder effective November 1 by giving written notice to the other by the preceding April 30.

For new customers whose historical gas consumption is not available, Company will determine Customer's eligibility for service hereunder based upon data provided by Customer and such other information as may be available to Company. Company may allow such new customers to begin service hereunder prior to the November 1 date specified above for existing customers.

Customer shall have purchased natural gas elsewhere, and request Company to utilize its system to transport, by displacement, such customer-owned gas to place of utilization. T

In addition, transportation service hereunder will be subject to the provisions herein set forth and to the availability of adequate capacity on Company's system to perform such service without detriment to its other customers. T

Service under this rider shall not be available to Customers with a Maximum Daily Quantity ("MDQ") in excess of 5,000 Mcf/day. In the event that Customer's MDQ exceeds 5,000 Mcf/day, Company may terminate service under this rider upon thirty (30) days prior written notice. D

**DATE OF ISSUE**: July 7, 2017

**DATE EFFECTIVE:** July 1, 2017

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2016-00371 dated June 22, 2017 and modified June 29, 2017**

## Louisville Gas and Electric Company

**P.S.C. Gas No. 12, Original Sheet No. 51**

**Standard Rate Rider** **TS-2**

**Gas Transportation Service/Firm Balancing Service**

**APPLICABLE**

In all territory served.

**AVAILABILITY** T

Available to existing commercial and industrial customers served under Rates AAGS, CGS, DGGS, and IGS who consume at least 15,000 Mcf annually at each individual Delivery Point during the two (2) years ending with the March 31 service request date.

Customers electing service under this rider shall notify Company on or before March 31 and execute a contract by April 30 in order to receive service hereunder beginning November 1 of that same year. The Contract Year shall include the twelve monthly billing periods from November 1 through October 31, of the following calendar year. Service under this rider shall be for a term of one (1) year and year to year thereafter. Unless otherwise permitted herein, Customer or Company may terminate service hereunder effective November 1 by giving written notice to the other by the preceding April 30.

For new customers who have no historical gas consumption, Company will determine Customer's eligibility for service hereunder based upon data provided by Customer and such other information as may be available to Company. Company may allow such new customers to begin service hereunder prior to the November 1 date specified above for existing customers. A new customer is responsible for presenting its request to Company for service hereunder at least six (6) months prior to first receiving natural gas from Company under any of Company's rate schedules. T N N N N

Customer shall have purchased natural gas elsewhere, and request Company to utilize its system to transport, by displacement, such customer-owned gas to place of utilization.

In addition, transportation service hereunder will be subject to the provisions herein set forth and to the availability of adequate capacity on Company's system to perform such service without detriment to its other customers.

Service under this rider shall not be available to Customers with a Maximum Daily Quantity ("MDQ") in excess of 5,000 Mcf/day. In the event that Customer's MDQ exceeds 5,000 Mcf/day, Company may terminate service under this rider upon thirty (30) days prior written notice.

**DATE OF ISSUE:** September 28, 2018

**DATE EFFECTIVE:** Effective with Service Rendered
On And After November 1, 2018

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00295 dated ____**

## Louisville Gas and Electric Company

**P.S.C. Gas No. 11, Fourth Revision of Original Sheet No. 51.1**
**Canceling P.S.C. Gas No. 11, Third Revision of Original Sheet No. 51.1**

**Standard Rate Rider** **TS-2**
**Gas Transportation Service/Firm Balancing Service**

**CHARACTER OF SERVICE**

Transportation service under this rider shall be considered firm from the Receipt Point at Company's interconnection with its Pipeline Transporter ("Receipt Point") to the Delivery Point at the Customer's place of utilization ("Delivery Point"), subject to paragraph 7 of the Special Terms and Conditions.

Due to the physical configuration of Company's system, and in order to maintain system integrity and reliability, unless otherwise permitted or directed by Company in its sole discretion, the Pipeline Transporter shall be Texas Gas Transmission, LLC.

Company will provide service to meet imbalances on a firm basis. For purposes used herein, "Imbalances" are defined as the difference between the volume of gas delivered by the Customer to the Receipt Point and the volume of gas taken by Customer at the Delivery Point.

Customers served under this rider must designate a third-party TS-2 Pool Manager and become a member of a TS-2 Pool pursuant to Rider PS-TS-2.

Company shall issue an Action Alert as set forth in Rider PS-TS-2 when, in Company's sole discretion, such Action Alert is required to manage loads served under Rider TS-2. It is the responsibility of the TS-2 Pool Manager, not Company, to convey Action Alerts to Customers in the TS-2 Pool.

Any imbalances (over- or under-deliveries) incurred by TS-2 Pool Manager on behalf of Customer shall be resolved through the application of the cash-out mechanism incorporated in Rider PS-TS-2.

**RATE**

In addition to any and all charges billed directly to Company by other parties related to the transportation of customer-owned gas, or any and all charges billed by Company under the applicable sales rate to which this service is a rider, including, the basic service charge, any demand charges, any adjustment clauses, or the like, the following charges shall apply:

Administrative Charge per month: $550.00 per Delivery Point

| | CGS | IGS | AAGS | DGGS | |
|---|---|---|---|---|---|
| Distribution Charge Per Mcf | $2.5133 | $2.1929 | $1.0644 | $0.2992 | |
| Pipeline Supplier's Demand Component | 0.8500 | 0.8500 | 0.8500 | 0.8500 | R |
| Total | $3.3633 | $3.0429 | $1.9144 | $1.1492 | R |

**DATE OF ISSUE**: July 31, 2018

**DATE EFFECTIVE:** August 1, 2018

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00182 dated July 30, 2018**

## Louisville Gas and Electric Company

**P.S.C. Gas No. 12, Original Sheet No. 51.1**

**Standard Rate Rider** **TS-2**
**Gas Transportation Service/Firm Balancing Service**

**CHARACTER OF SERVICE**

Transportation service under this rider shall be considered firm from the Receipt Point at Company's interconnection with its Pipeline Transporter ("Receipt Point") to the Delivery Point at the Customer's place of utilization ("Delivery Point"), subject to paragraph 7 of the Special Terms and Conditions.

Due to the physical configuration of Company's system, and in order to maintain system integrity and reliability, unless otherwise permitted or directed by Company in its sole discretion, the Pipeline Transporter shall be Texas Gas Transmission, LLC.

Company will provide service to meet imbalances on a firm basis. For purposes used herein, "Imbalances" are defined as the difference between the volume of gas delivered by the Customer to the Receipt Point and the volume of gas taken by Customer at the Delivery Point.

Customers served under this rider must designate a third-party TS-2 Pool Manager and become a member of a TS-2 Pool pursuant to Rider PS-TS-2.

Company shall issue an Action Alert as set forth in Rider PS-TS-2 when, in Company's sole discretion, such Action Alert is required to manage loads served under Rider TS-2. It is the responsibility of the TS-2 Pool Manager, not Company, to convey Action Alerts to Customers in the TS-2 Pool.

Any imbalances (over- or under-deliveries) incurred by TS-2 Pool Manager on behalf of Customer shall be resolved through the application of the cash-out mechanism incorporated in Rider PS-TS-2.

**RATE**

In addition to any and all charges billed directly to Company by other parties related to the transportation of customer-owned gas, or any and all charges billed by Company under the applicable sales rate to which this service is a rider, including, the basic service charge, any demand charges, any adjustment clauses, or the like, the following charges shall apply:

Administrative Charge per month: $550.00 per Delivery Point

| | CGS | IGS | AAGS | DGGS | |
|---|---|---|---|---|---|
| Distribution Charge Per Mcf | $3.2525 | $2.1929 | $1.0644 | $0.2992 | I |
| Pipeline Supplier's Demand Component | 0.8500 | 0.8500 | 0.8500 | 0.8500 | |
| Total | $4.1025 | $3.0429 | $1.9144 | $1.1492 | I |

**DATE OF ISSUE:** September 28, 2018

**DATE EFFECTIVE:** Effective with Service Rendered
On And After November 1, 2018

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00295 dated ____**

## Louisville Gas and Electric Company

**P.S.C. Gas No. 11, Fifth Revision of Original Sheet No. 51.2**
**Canceling P.S.C. Gas No. 11, Fourth Revision of Original Sheet No. 51.2**

**Standard Rate Rider** **TS-2**

**Gas Transportation Service/Firm Balancing Service**

**RATE** (continued)

The **"Distribution Charge"** applicable to Rate CGS and IGS monthly quantities in excess of 100 Mcf shall be reduced by $0.50 per Mcf during the seven off-peak billing periods of April through October. The first 100 Mcf per month during such period shall be billed at the rate set forth above.

**Pipeline Supplier's Demand Component**: Average demand cost per Mcf of all gas, including transported gas, delivered to Company by its pipeline supplier as determined from Company's Gas Supply Clause.

**Gas Cost True-Up Charge:** The Gas Cost True-Up Charge is applicable only to a former sales Customer that has elected transportation service hereunder and not previously served under Rate FT. Such Customer shall pay this charge for the first eighteen billing periods that Customer is served under Rider TS-2. The charge (or credit) per Mcf shall be applied to all volumes delivered by Company pursuant to Rider TS-2 in order to recover from (or refund to) transferring sales customers any under- or over-collected gas costs as reflected in the GCAA, GCBA, and PBRRC components of the Gas Supply Clause ("GSC") applicable to gas sold during those periods when the transferring customer was a sales customer. The Gas Cost True-Up Charge amount shall be revised with each of Company's quarterly Gas Supply Clause filings.

For customers electing service under Rider TS-2 effective November 1, 2016,
the Gas Cost True-Up Charge shall be:

$0.0000 per Mcf for Bills Rendered On and After August 1, 2018 T

For customers electing service under Rider TS-2 effective November 1, 2017,
the Gas Cost True-Up Charge shall be:

$0.0339 per Mcf for Bills Rendered On and After August 1, 2018 R/T

**Minimum Annual Threshold Requirement and Charge:** When Customer's annual usage falls below the Minimum Annual Threshold Requirement, Customer will be charged a Minimum Annual Threshold Charge equal to the difference between the Minimum Annual Threshold Requirement of 15,000 Mcf and the Customer's actual consumption in Mcf during each Contract Year which difference shall be multiplied by the peak period Distribution Charge of the applicable sales rate schedule. Such Minimum Annual Threshold Charge shall be billed during the month following the close of the Contract Year in accordance with the following formula

Minimum Annual Threshold Charge =

(Minimum Annual Threshold minus Customer's Annual Usage) times the Peak Period Distribution Charge

**DATE OF ISSUE**: July 31, 2018

**DATE EFFECTIVE:** August 1, 2018

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the**
**Public Service Commission in Case No.**
**2018-00182 dated July 30, 2018**

## Louisville Gas and Electric Company

**P.S.C. Gas No. 12, Original Sheet No. 51.2**

**Standard Rate Rider** **TS-2**

**Gas Transportation Service/Firm Balancing Service**

**RATE** (continued)

The **"Distribution Charge"** applicable to Rate CGS and IGS monthly quantities in excess of 100 Mcf shall be reduced by $0.50 per Mcf during the seven off-peak billing periods of April through October. The first 100 Mcf per month during such period shall be billed at the rate set forth above.

**Pipeline Supplier's Demand Component**: Average demand cost per Mcf of all gas, including transported gas, delivered to Company by its pipeline supplier as determined from Company's Gas Supply Clause.

**Gas Cost True-Up Charge:** The Gas Cost True-Up Charge is applicable only to a former sales Customer that has elected transportation service hereunder and not previously served under Rate FT. Such Customer shall pay this charge for the first eighteen billing periods that Customer is served under Rider TS-2. The charge (or credit) per Mcf shall be applied to all volumes delivered by Company pursuant to Rider TS-2 in order to recover from (or refund to) transferring sales customers any under- or over-collected gas costs as reflected in the GCAA, GCBA, and PBRRC components of the Gas Supply Clause ("GSC") applicable to gas sold during those periods when the transferring customer was a sales customer. The Gas Cost True-Up Charge amount shall be revised with each of Company's quarterly Gas Supply Clause filings.

For customers electing service under Rider TS-2 effective November 1, 2016,
the Gas Cost True-Up Charge shall be:

$0.0000 per Mcf for Bills Rendered On and After August 1, 2018

For customers electing service under Rider TS-2 effective November 1, 2017,
the Gas Cost True-Up Charge shall be:

$0.0339 per Mcf for Bills Rendered On and After August 1, 2018

**Minimum Annual Threshold Requirement and Charge:** When Customer's annual usage falls below the Minimum Annual Threshold Requirement, Customer will be charged a Minimum Annual Threshold Charge equal to the difference between the Minimum Annual Threshold Requirement of 15,000 Mcf and the Customer's actual consumption in Mcf during each Contract Year which difference shall be multiplied by the peak period Distribution Charge of the applicable sales rate schedule. Such Minimum Annual Threshold Charge shall be billed during the month following the close of the Contract Year in accordance with the following formula

Minimum Annual Threshold Charge =

(Minimum Annual Threshold minus Customer's Annual Usage) times the Peak Period Distribution Charge

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On And After August 1, 2018

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the**
**Public Service Commission in Case No.**
**2018-00182 dated July 30, 2018**

## Louisville Gas and Electric Company

**P.S.C. Gas No. 11, Original Sheet No. 51.3**

**Standard Rate Rider** **TS-2**

**Gas Transportation Service/Firm Balancing Service**

**RATE** (continued)

Such amount shall be applied to Customer's November bill.

Payment of the Minimum Annual Threshold Charge is not a remedy for Customer's failure to meet the Minimum Annual Threshold Requirement for service under Rider TS-2. In the event that Customer does not meet the Minimum Annual Threshold Requirement for two (2) consecutive years (as determined for the 12 months ended October), service to Customer under this rider may be discontinued. Customer and its TS-2 Pool Manager will receive notice by December 1 that Customer will be removed from the TS-2 Pool and returned to firm sales service effective April 1 of the following year.

New customers qualifying for service hereunder and who begin service prior to the November 1 date specified above shall not be subject to any Minimum Annual Threshold Charge for service prior to the November 1 date immediately following the commencement of service hereunder.

**Optional Monthly Telemetry Charge:** $300.00 per Delivery Point per month

**REMOTE METERING**

Remote metering service shall be required as a prerequisite to the Customer obtaining service under this rider. The remote metering devices will allow Company and Customer to monitor the Customer's usage on a daily basis and allow Company to bill the Customer.

At the time that the Customer executes a contract for service hereunder, Customer shall elect to either (1) pay for the cost of this remote metering equipment and the cost of its installation in an up-front lump sum payment, or (2) pay the Optional Monthly Telemetry Charge specified herein. Under either option, Customer shall reimburse Company for the cost of any modifications to Company facilities and the replacement of any existing meters required in order to facilitate the functioning of the remote metering.

The Customer shall be responsible for making any necessary modifications to its facilities, including, but not limited to, any modifications of Customer's piping, in order to facilitate the installation and operation of such remote metering.

The Customer shall be responsible for providing the necessary and adequate electric and telephone service to provide remote metering by October 1 of the year that Customer's service under Rider TS-2 becomes effective. Electric and telephone services installed for this equipment shall conform to Company's specifications. The Customer shall be responsible for maintaining the necessary and adequate electric and telephone service to provide remote metering.

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**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2014-00372 dated June 30, 2015**

## Louisville Gas and Electric Company

**P.S.C. Gas No. 12, Original Sheet No. 51.3**

**Standard Rate Rider** **TS-2**

**Gas Transportation Service/Firm Balancing Service**

**RATE** (continued)

Such amount shall be applied to Customer's November bill.

Payment of the Minimum Annual Threshold Charge is not a remedy for Customer's failure to meet the Minimum Annual Threshold Requirement for service under Rider TS-2. In the event that Customer does not meet the Minimum Annual Threshold Requirement for two (2) consecutive years (as determined for the 12 months ended October), service to Customer under this rider may be discontinued. Customer and its TS-2 Pool Manager will receive notice by December 1 that Customer will be removed from the TS-2 Pool and returned to firm sales service effective April 1 of the following year.

New customers qualifying for service hereunder and who begin service prior to the November 1 date specified above shall not be subject to any Minimum Annual Threshold Charge for service prior to the November 1 date immediately following the commencement of service hereunder.

**Optional Monthly Telemetry Charge:** $300.00 per Delivery Point per month

**REMOTE METERING**

Remote metering service shall be required as a prerequisite to the Customer obtaining service under this rider. The remote metering devices will allow Company and Customer to monitor the Customer's usage on a daily basis and allow Company to bill the Customer.

At the time that the Customer executes a contract for service hereunder, Customer shall elect to either (1) pay for the cost of this remote metering equipment and the cost of its installation in an up-front lump sum payment, or (2) pay the Optional Monthly Telemetry Charge specified herein. Under either option, Customer shall reimburse Company for the cost of any modifications to Company facilities and the replacement of any existing meters required in order to facilitate the functioning of the remote metering.

The Customer shall be responsible for making any necessary modifications to its facilities, including, but not limited to, any modifications of Customer's piping, in order to facilitate the installation and operation of such remote metering.

The Customer shall be responsible for providing the necessary and adequate electric and telephone service to provide remote metering by October 1 of the year that Customer's service under Rider TS-2 becomes effective. Electric and telephone services installed for this equipment shall conform to Company's specifications. The Customer shall be responsible for maintaining the necessary and adequate electric and telephone service to provide remote metering.

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State Regulation and Rates
Louisville, Kentucky

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## Louisville Gas and Electric Company

**P.S.C. Gas No. 11, Original Sheet No. 51.4**

**Standard Rate Rider TS-2**

**Gas Transportation Service/Firm Balancing Service**

**SPECIAL TERMS AND CONDITIONS**

1. Service under this rider will be furnished under Company's Terms and Conditions applicable T
hereto, to the extent that such Terms and Conditions are not in conflict, nor inconsistent, with T
the specific provisions hereof. T

2. Service under this rider shall be performed under a written contract between Customer and T
Company setting forth specific arrangements as to volumes to be transported by Company for Customer, TS-2 Pool Manager designated by Customer, points of delivery, timing of receipts and deliveries of gas by Company, and any other matters relating to individual customer circumstances.

   Customer may appoint only one TS-2 Pool Manager for a given period. If Customer elects to change its TS-2 Pool Manager, Customer shall notify Company and execute and return the required documentation of its election to change its TS-2 Pool Manager at least thirty (30) days prior to the beginning of the billing period for which the change is to become effective. Except as provided for in Rider TS-2, no customer may transfer from one TS-2 Pool to another more frequently than once during a Contract Year. In appointing a TS-2 Pool Manager, Customer acknowledges that it has appointed the designated TS-2 Pool Manager to act as its limited agent in the performance of certain stated functions and to assume certain stated responsibilities with regard to transportation under Rider TS-2, including the requesting and receiving of information, the scheduling of gas flows, and all related duties. Customer will continue to be responsible for any and all costs, fees, and other liabilities as the result of the actions or inactions of TS-2 Pool Manager as its limited agent. Customer shall indemnify, defend, and hold Company harmless from any costs (including, but not limited to, reasonable attorney fees), expenses, losses, or liabilities, incurred (a) as a result of Company's performance when relying upon the authority of the TS-2 Pool Manager, (b) as a result of Company's reliance upon Customer's representation that it has express authority to appoint said TS-2 Pool Manager as its limited agent, and (c) due to the Customer's or TS-2 Pool Manager's failure to strictly comply with the provisions of Rider TS-2 or Rider PS-TS-2.

3. In no case will Company be obligated to deliver gas to Customer in greater volumes or at greater T
rates of flow than those specified in the written contract between Customer and Company. The maximum daily volume that Company shall be obligated to deliver shall be referred to as the
Maximum Daily Quantity ("MDQ"). The maximum hourly volume that Company shall be T
obligated to deliver shall not exceed 1/24th of the MDQ. The MDQ is the maximum daily volume T
of gas, as determined by Company, based on Customer's historical daily metered volumes. In the event that historical daily metered volumes are not available, Company will determine Customer's MDQ based upon data provided by Customer and/or monthly metered data. Once historical daily metered data becomes available, the MDQ will be subject to revision by Company
on an annual basis. In the case of customers served under Rate DGGS, the MDQ under this T
rider shall be the same as the MDQ established under Rate DGGS. T

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Louisville, Kentucky

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## Louisville Gas and Electric Company

**P.S.C. Gas No. 12, Original Sheet No. 51.4**

**Standard Rate Rider TS-2**

**Gas Transportation Service/Firm Balancing Service**

**SPECIAL TERMS AND CONDITIONS**

1. Service under this rider will be furnished under Company's Terms and Conditions applicable hereto, to the extent that such Terms and Conditions are not in conflict, nor inconsistent, with the specific provisions hereof.

2. Service under this rider shall be performed under a written contract between Customer and Company setting forth specific arrangements as to volumes to be transported by Company for Customer, TS-2 Pool Manager designated by Customer, points of delivery, timing of receipts and deliveries of gas by Company, and any other matters relating to individual customer circumstances.

   Customer may appoint only one TS-2 Pool Manager for a given period. If Customer elects to change its TS-2 Pool Manager, Customer shall notify Company and execute and return the required documentation of its election to change its TS-2 Pool Manager at least thirty (30) days prior to the beginning of the billing period for which the change is to become effective. Except as provided for in Rider TS-2, no customer may transfer from one TS-2 Pool to another more frequently than once during a Contract Year. In appointing a TS-2 Pool Manager, Customer acknowledges that it has appointed the designated TS-2 Pool Manager to act as its limited agent in the performance of certain stated functions and to assume certain stated responsibilities with regard to transportation under Rider TS-2, including the requesting and receiving of information, the scheduling of gas flows, and all related duties. Customer will continue to be responsible for any and all costs, fees, and other liabilities as the result of the actions or inactions of TS-2 Pool Manager as its limited agent. Customer shall indemnify, defend, and hold Company harmless from any costs (including, but not limited to, reasonable attorney fees), expenses, losses, or liabilities, incurred (a) as a result of Company's performance when relying upon the authority of the TS-2 Pool Manager, (b) as a result of Company's reliance upon Customer's representation that it has express authority to appoint said TS-2 Pool Manager as its limited agent, and (c) due to the Customer's or TS-2 Pool Manager's failure to strictly comply with the provisions of Rider TS-2 or Rider PS-TS-2.

3. In no case will Company be obligated to deliver gas to Customer in greater volumes or at greater rates of flow than those specified in the written contract between Customer and Company. The maximum daily volume that Company shall be obligated to deliver shall be referred to as the Maximum Daily Quantity ("MDQ"). The maximum hourly volume that Company shall be obligated to deliver shall not exceed 1/24th of the MDQ. The MDQ is the maximum daily volume of gas, as determined by Company, based on Customer's historical daily metered volumes. In the event that historical daily metered volumes are not available, Company will determine Customer's MDQ based upon data provided by Customer and/or monthly metered data. Once historical daily metered data becomes available, the MDQ will be subject to revision by Company on an annual basis. In the case of customers served under Rate DGGS, the MDQ under this rider shall be the same as the MDQ established
under Rate DGGS. Company may require customers served under Rate DGGS and provided N
with gas transportation service through this rider to provide notice of not less than two (2) N
hours of changes in the hourly rates of gas consumption. N

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## Louisville Gas and Electric Company

**P.S.C. Gas No. 11, Original Sheet No. 51.5**

**Standard Rate Rider** **TS-2**
**Gas Transportation Service/Firm Balancing Service**

**SPECIAL TERMS AND CONDITIONS** (continued)

4. Volumes of gas transported hereunder will be determined in accordance with Company's measurement base as set forth in the Company's Terms and Conditions. T T

5. All volumes of natural gas received by Company for Customer shall meet the specifications established by Pipeline Transporter. T

6. Company will have the right to curtail or interrupt the transportation or delivery of gas to any Customer hereunder when, in Company's judgment, such curtailment is necessary to enable Company to respond to an emergency or force majeure condition. T

7. In the event of an interruption of service to a Customer served under Rate AAGS, as provided for in that rate schedule, Customer shall discontinue the use of natural gas as specified therein, be subject to the penalties set forth therein, and discontinue deliveries of natural gas hereunder. T

8. Customer shall enter into a Website Subscriber Agreement if Customer desires to access telemetry data. T T

D

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## Louisville Gas and Electric Company

**P.S.C. Gas No. 12, Original Sheet No. 51.5**

**Standard Rate Rider** **TS-2**
**Gas Transportation Service/Firm Balancing Service**

**SPECIAL TERMS AND CONDITIONS** (continued)

4. Volumes of gas transported hereunder will be determined in accordance with Company's measurement base as set forth in the Company's Terms and Conditions.

5. All volumes of natural gas received by Company for Customer shall meet the specifications established by Pipeline Transporter.

6. Company will have the right to curtail or interrupt the transportation or delivery of gas to any Customer hereunder when, in Company's judgment, such curtailment is necessary to enable Company to respond to an emergency or force majeure condition.

7. In the event of an interruption of service to a Customer served under Rate AAGS, as provided for in that rate schedule, Customer shall discontinue the use of natural gas as specified therein, be subject to the penalties set forth therein, and discontinue deliveries of natural gas hereunder.

8. Customer shall enter into a Website Subscriber Agreement if Customer desires to access telemetry data.

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## Louisville Gas and Electric Company

**P.S.C. Gas No. 11, Original Sheet No. 52**

**Standard Rate Rider** **GMPS**
**Gas Meter Pulse Service**

**APPLICABLE**
In all territory served.

**AVAILABILITY OF SERVICE**
Applicable to all commercial and industrial customers that request the Company to install a gas meter pulse generator which is a meter-related service not otherwise provided by the Company. This service is only available for customer metering sites using positive displacement meters, orifice meters, or ultrasonic metering technology, so long as the meter capacity is 3,000 cubic feet per hour or greater.

**CHARACTER OF SERVICE**
The service provided hereunder is a pulse generator (dry electrical contact closure) suitable for generating electrical pulses.

For customers not served under Rate Schedule FT or Rider TS-2, a separate pulse generator will be provided for each gas meter installed at the customer's metering site. Each contact closure cycle on a pulse generator represents a pre-determined natural gas volume. The volume will vary at different meter installations, and will thus be communicated to the Customer at the time of installation. Pressure and temperature correcting factors may need to be applied by the Customer.

For customers served under Rate Schedule FT or Rider TS-2, a separate pulse generator will be totalized for gas meters at the customer's metering site. Each contact closure cycle on a pulse generator represents a pre-determined natural gas volume. The volume will vary at different meter installations, and will thus be communicated to the Customer at the time of installation. Pressure and temperature correcting factors are applied to the volumes provided and need not be applied by the Customer.

The Customer shall be responsible for providing and maintaining the necessary and adequate electric and telephone service ("Communication Links") per the Company's specifications.

The Company will provide the pulse generator(s). Customer Installed Equipment is any equipment or wiring installed by the Customer, or someone other than Company acting on behalf of Customer, and could include, but would not be limited to, any device such as a data concentrator, totalizer, programmable logic controller, remote terminal unit, or similar equipment used for the purpose of collecting the pulse data. Customer is responsible for installation of wiring to the pulse generator(s) and is responsible for providing the wetting voltage necessary to generate electrical pulses, as well as all dielectric isolation fittings, surge protection and electrical barriers. The wetting voltage must be a regulated DC voltage of 30 volts or less and 10 mA or less, or as otherwise determined by the T

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Louisville, Kentucky

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## Louisville Gas and Electric Company

**P.S.C. Gas No. 12, Original Sheet No. 52**

**Standard Rate Rider** **GMPS**
**Gas Meter Pulse Service**

**APPLICABLE**
In all territory served.

**AVAILABILITY** T
Applicable to all commercial and industrial customers that request the Company to install a gas meter pulse generator which is a meter-related service not otherwise provided by the Company. This service is only available for customer metering sites using positive displacement meters, orifice meters, or ultrasonic metering technology, so long as the meter capacity is 3,000 cubic feet per hour or greater.

**CHARACTER OF SERVICE**
The service provided hereunder is a pulse generator (dry electrical contact closure) suitable for generating electrical pulses.

For customers not served under Rate Schedule FT or Rider TS-2, a separate pulse generator will be provided for each gas meter installed at the customer's metering site. Each contact closure cycle on a pulse generator represents a pre-determined natural gas volume. The volume will vary at different meter installations, and will thus be communicated to the Customer at the time of installation. Pressure and temperature correcting factors may need to be applied by the Customer.

For customers served under Rate Schedule FT or Rider TS-2, a separate pulse generator will be totalized for gas meters at the customer's metering site. Each contact closure cycle on a pulse generator represents a pre-determined natural gas volume. The volume will vary at different meter installations, and will thus be communicated to the Customer at the time of installation. Pressure and temperature correcting factors are applied to the volumes provided and need not be applied by the Customer.

The Customer shall be responsible for providing and maintaining the necessary and adequate electric and telephone service ("Communication Links") per the Company's specifications.

The Company will provide the pulse generator(s). Customer Installed Equipment is any equipment or wiring installed by the Customer, or someone other than Company acting on behalf of Customer, and could include, but would not be limited to, any device such as a data concentrator, totalizer, programmable logic controller, remote terminal unit, or similar equipment used for the purpose of collecting the pulse data. Customer is responsible for installation of wiring to the pulse generator(s) and is responsible for providing the wetting voltage necessary to generate electrical pulses, as well as all dielectric isolation fittings, surge protection and electrical barriers. The wetting voltage must be a regulated DC voltage of 30 volts or less and 10 mA or less, or as otherwise determined by the

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Louisville, Kentucky

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## Louisville Gas and Electric Company

**P.S.C. Gas No. 11, Original Sheet No. 52.1**

**Standard Rate Rider** **GMPS**
**Gas Meter Pulse Service**

**CHARACTER OF SERVICE** (continued)

Company. If Customer Installed Equipment is located within fifteen (15) feet of any gas pipeline flanges, gas regulators, or gas pressure relief devices; or if gas meters are installed in an enclosed space, then Customer Installed Equipment must be installed in accordance with National Electrical Code Class 1 Division 2 requirements. T

A failure of the pulse generator will not be detected by Company on any routine meter reading nor necessarily during other operations. Therefore, Customer is required to recognize and report any problems with the pulse generator.

**RATE**

In addition to any other charges set forth herein, the following charges shall apply: T

| | |
|---|---|
| For Customers Served Under Rate Schedule FT or Rider TS-2: | |
| Monthly Charge: | $ 7.17 |
| For Customers Not Served Under Rate Schedule FT or Rider TS-2: | |
| Monthly Charge: | $24.34 |

If replacement of the Gas Meter(s) is necessary for the installation of a pulse generator, then Customer shall be responsible for the actual meter and meter installation cost of such Gas Meter(s). Customer shall be responsible for making at its cost any necessary modifications to its facilities, including, but not limited to, any modifications of Customer's piping, in the event a replacement Gas Meter is necessary or as otherwise required by Company to facilitate this service.

**SPECIAL TERMS AND CONDITIONS**

1. Service under this rider will be furnished under Company's Terms and Conditions applicable hereto, to the extent that such Terms and Conditions are not in conflict, nor inconsistent, with the specific provisions hereof. T T T

2. All Customer Installed Equipment shall be owned, maintained and operated by Customer at its sole cost, including the installation thereof. Dielectric isolation fittings, surge protection and electrical barriers will be used by Customer at Customer's cost when connecting to Company's meter facilities. There may be instances where Company determines, in its sole discretion, that dielectric isolation fittings are not necessary. If such fittings are not determined to be necessary, Company shall notify the Customer in writing. All connections of Customer Installed Equipment to Company facilities and equipment will be made by Company or witnessed by Company's representatives. If applicable, all of Customer's Installed Equipment must be installed within fifty feet of Company's metering telemetry equipment. The Company has the right to inspect Customer's installed equipment, prior to initiating the pulse out service, but has no obligation to do so, and in conducting any inspection the Company is not undertaking or accepting any obligation, responsibility or duty whatsoever with regard to Customer Installed Equipment. T

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## Louisville Gas and Electric Company

**P.S.C. Gas No. 12, Original Sheet No. 52.1**

**Standard Rate Rider** **GMPS**
**Gas Meter Pulse Service**

**CHARACTER OF SERVICE** (continued)

Company. If Customer Installed Equipment is located within fifteen (15) feet of any gas pipeline flanges, gas regulators, or gas pressure relief devices; or if gas meters are installed in an enclosed space, then Customer Installed Equipment must be installed in accordance with National Electrical Code Class 1 Division 2 requirements.

A failure of the pulse generator will not be detected by Company on any routine meter reading nor necessarily during other operations. Therefore, Customer is required to recognize and report any problems with the pulse generator.

**RATE**

In addition to any other charges set forth herein, the following charges shall apply:

| | |
|---|---|
| For Customers Served Under Rate Schedule FT or Rider TS-2: | |
| Monthly Charge: | $ 7.17 |
| For Customers Not Served Under Rate Schedule FT or Rider TS-2: | |
| Monthly Charge: | $24.34 |

If replacement of the Gas Meter(s) is necessary for the installation of a pulse generator, then Customer shall be responsible for the actual meter and meter installation cost of such Gas Meter(s). Customer shall be responsible for making at its cost any necessary modifications to its facilities, including, but not limited to, any modifications of Customer's piping, in the event a replacement Gas Meter is necessary or as otherwise required by Company to facilitate this service.

**SPECIAL TERMS AND CONDITIONS**

1. Service under this rider will be furnished under Company's Terms and Conditions applicable hereto, to the extent that such Terms and Conditions are not in conflict, nor inconsistent, with the specific provisions hereof.

All Customer Installed Equipment shall be owned, maintained and operated by Customer at its sole cost, including the installation thereof. Dielectric isolation fittings, surge protection and electrical barriers will be used by Customer at Customer's cost when connecting to Company's meter facilities. There may be instances where Company determines, in its sole discretion, that dielectric isolation fittings are not necessary. If such fittings are not determined to be necessary, Company shall notify the Customer in writing. All connections of Customer Installed Equipment to Company facilities and equipment will be made by Company or witnessed by Company's representatives. If applicable, all of Customer's Installed Equipment must be installed within fifty feet of Company's metering telemetry equipment. The Company has the right to inspect Customer's installed equipment, prior to initiating the pulse out service, but has no obligation to do so, and in conducting any inspection the Company is not undertaking or accepting any obligation, responsibility or duty whatsoever with regard to Customer Installed Equipment.

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**ISSUED BY:** /s/ Robert M. Conroy, Vice President
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Louisville, Kentucky

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## Louisville Gas and Electric Company

P.S.C. Gas No. 11, Original Sheet No. 52.2

**Standard Rate Rider** **GMPS**
**Gas Meter Pulse Service**

**SPECIAL TERMS AND CONDITIONS** (continued)

3. Customer agrees and understands that pulse data generated by service under this tariff shall not be used for purposes of billing by Company for natural gas volumes used by the Customer. Furthermore, Customer agrees and understands the pulse generator(s) supplied do not represent a rate of flow, but only a total volume, and should not be used for process control or other purposes. T

4. Customer warrants that Customer will not use pulse data in a manner that could result in or create an unsafe condition of any kind or type should the data signal from Company's natural gas metering equipment be lost or inaccurate for any reason whatsoever. Customer further warrants that any installation, operation, maintenance, repair, replacement or removal of Customer Installed Equipment shall not interfere with Company's access to or operation and maintenance of its facilities or equipment. T

5. Company shall not be required to restore any lost data signal. Company reserves the right to upgrade, change, alter or remove any portion or all of Company's facilities, discontinue the data signal or require removal or disconnection of Customer's Installed Equipment, for any reason and without liability to Customer, with prior written notice to Customer. Customer may report data loss or interruptions during normal working hours to the Company. If Customer fails to comply within the time set forth in Company's written request, Company shall have the right to immediately remove Customer Installed Equipment without liability to Customer, and Customer shall reimburse Company for the actual cost of removing said Equipment. All costs associated with responding to Customer's calls and problems relating to service hereunder (including but not limited to call-out, overtime and call-back) shall be paid by Customer upon receipt of Company's invoice. T

6. Company makes no representation and provides no warranty or guarantee relating to the operation of, or accuracy or availability of, the data signal provided through Company's equipment. Data received is for informational purposes only, and Company shall not be liable for Customer's use of Company's equipment or data taken therefrom for any purpose. T

7. Either party may terminate service under this Rate Schedule upon sixty (60) days prior written notice. Customer shall immediately disconnect and remove Customer's Installed Equipment upon termination, or shall request Company to do so at Customer's sole cost. T

8. Customer shall indemnify, defend and hold Company, its parents, affiliates and subsidiaries and their officers, directors, and employees harmless, to the extent allowed by law, from and against any and all claims, suits, causes of action, liabilities, losses, damages, penalties, fines, fees, assessments, costs and expenses (including attorney's fees and costs incurred in any action or proceeding between Company and Customer or Company and a third party) whatsoever for damages to property or injuries or death to persons (including but not limited to Company's and/or Customer's employees or contractors), arising directly or indirectly from the installation, operation, maintenance, repair, removal, or use of Customer Installed Equipment or involving any inaccurate pulse data or the reliance of Customer or any third party on any pulse data provided pursuant to service hereunder. T

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State Regulation and Rates
Louisville, Kentucky

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## Louisville Gas and Electric Company

P.S.C. Gas No. 12, Original Sheet No. 52.2

**Standard Rate Rider** **GMPS**
**Gas Meter Pulse Service**

**SPECIAL TERMS AND CONDITIONS** (continued)

3. Customer agrees and understands that pulse data generated by service under this tariff shall not be used for purposes of billing by Company for natural gas volumes used by the Customer. Furthermore, Customer agrees and understands the pulse generator(s) supplied do not represent a rate of flow, but only a total volume, and should not be used for process control or other purposes.

4. Customer warrants that Customer will not use pulse data in a manner that could result in or create an unsafe condition of any kind or type should the data signal from Company's natural gas metering equipment be lost or inaccurate for any reason whatsoever. Customer further warrants that any installation, operation, maintenance, repair, replacement or removal of Customer Installed Equipment shall not interfere with Company's access to or operation and maintenance of its facilities or equipment.

5. Company shall not be required to restore any lost data signal. Company reserves the right to upgrade, change, alter or remove any portion or all of Company's facilities, discontinue the data signal or require removal or disconnection of Customer's Installed Equipment, for any reason and without liability to Customer, with prior written notice to Customer. Customer may report data loss or interruptions during normal working hours to the Company. If Customer fails to comply within the time set forth in Company's written request, Company shall have the right to immediately remove Customer Installed Equipment without liability to Customer, and Customer shall reimburse Company for the actual cost of removing said Equipment. All costs associated with responding to Customer's calls and problems relating to service hereunder (including but not limited to call-out, overtime and call-back) shall be paid by Customer upon receipt of Company's invoice.

6. Company makes no representation and provides no warranty or guarantee relating to the operation of, or accuracy or availability of, the data signal provided through Company's equipment. Data received is for informational purposes only, and Company shall not be liable for Customer's use of Company's equipment or data taken therefrom for any purpose.

7. Either party may terminate service under this Rate Schedule upon sixty (60) days prior written notice. Customer shall immediately disconnect and remove Customer's Installed Equipment upon termination, or shall request Company to do so at Customer's sole cost.

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**DATE OF ISSUE:** September 28, 2018

**DATE EFFECTIVE:** Effective with Service Rendered
On And After November 1, 2018

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00295 dated ____**

Gas Meter Pulse Service Rider (GMPS) is now contained on four pages instead of three

## Louisville Gas and Electric Company



**SPECIAL TERMS AND CONDITIONS** (continued) T

8. Customer shall indemnify, defend and hold Company, its parents, affiliates and subsidiaries and their officers, directors, and employees harmless, to the extent allowed by law, from and against any and all claims, suits, causes of action, liabilities, losses, damages, penalties, fines, fees, assessments, costs and expenses (including attorney's fees and costs incurred in any action or proceeding between Company and Customer or Company and a third party) whatsoever for damages to property or injuries or death to persons (including but not limited to Company's and/or Customer's employees or contractors), arising directly or indirectly from the installation, operation, maintenance, repair, removal, or use of Customer Installed Equipment or involving any inaccurate pulse data or the reliance of Customer or any third party on any pulse data provided pursuant to service hereunder. T T T T T T T T T T

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## Louisville Gas and Electric Company

**P.S.C. Gas No. 11, Original Sheet No. 59**

**Standard Rate Rider** **PS-TS-2**

**Pooling Service – Rider-TS-2**

**APPLICABLE**

In all territory served.

**AVAILABILITY OF SERVICE**

Available to TS-2 Pool Managers.

Service under this rider shall not be available for new pool managers until the November 1 following the effective date of this rider.

For the purpose of this rider, a "TS-2 Pool Manager" is defined as an entity which has been appointed by a customer or group of customers served under Rider TS-2 to perform the functions and responsibilities of requesting and receiving information, nominating supply, and other related duties. A customer served under Rider TS-2 must join a Rider PS-TS-2 pool managed by a third-party Pool Manager.

**RATE**

In addition to any charges billed directly to TS-2 Pool Manager as a result of the application of this rider or to Customer as a result of the application of Rider TS-2, the following charge shall apply to the TS-2 Pool Manager:

PS-TS-2 Pool Administrative Charge: $75 per Customer in TS-2 Pool per month

**Other:** In the event that TS-2 Pool Manager is determined to be the cause of any billing disadvantages or other penalties imposed on Company by Pipeline Transporter, then TS-2 Pool Manager shall pay such penalties, fees, or charges as determined by Company and in accordance with the payment provisions of this rate schedule in addition to any and all other charges due hereunder.

**CHARACTER OF SERVICE**

Service under this rider allows a TS-2 Pool Manager to deliver to Company, on an aggregated basis, those natural gas supplies that are needed to satisfy the full requirements of one or more transportation customers that comprise a PS-TS-2 Pool.

The TS-2 Pool Manager will be responsible for arranging for volumes of transportation gas to meet the daily and monthly requirements of the Customers in the TS-2 Pool.

The TS-2 Pool Manager must secure its own upstream capacity from Pipeline Transporter to meet the requirements of the Customers in the TS-2 Pool, up to the total Maximum Daily Quantity of the Customers who are in the TS-2 Pool.

**DATE OF ISSUE**: July 7, 2017

**DATE EFFECTIVE:** January 1, 2013

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State Regulation and Rates
Louisville, Kentucky

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## Louisville Gas and Electric Company

**P.S.C. Gas No. 12, Original Sheet No. 59**

**Standard Rate Rider** **PS-TS-2**

**Pooling Service – Rider-TS-2**

**APPLICABLE**

In all territory served.

**AVAILABILITY** T

Available to TS-2 Pool Managers.

Service under this rider shall not be available for new pool managers until the November 1 following the effective date of this rider.

For the purpose of this rider, a "TS-2 Pool Manager" is defined as an entity which has been appointed by a customer or group of customers served under Rider TS-2 to perform the functions and responsibilities of requesting and receiving information, nominating supply, and other related duties. A customer served under Rider TS-2 must join a Rider PS-TS-2 pool managed by a third-party Pool Manager.

**RATE**

In addition to any charges billed directly to TS-2 Pool Manager as a result of the application of this rider or to Customer as a result of the application of Rider TS-2, the following charge shall apply to the TS-2 Pool Manager:

PS-TS-2 Pool Administrative Charge: $75 per Customer in TS-2 Pool per month

**Other:** In the event that TS-2 Pool Manager is determined to be the cause of any billing disadvantages or other penalties imposed on Company by Pipeline Transporter, then TS-2 Pool Manager shall pay such penalties, fees, or charges as determined by Company and in accordance with the payment provisions of this rate schedule in addition to any and all other charges due hereunder.

**CHARACTER OF SERVICE**

Service under this rider allows a TS-2 Pool Manager to deliver to Company, on an aggregated basis, those natural gas supplies that are needed to satisfy the full requirements of one or more transportation customers that comprise a PS-TS-2 Pool.

The TS-2 Pool Manager will be responsible for arranging for volumes of transportation gas to meet the daily and monthly requirements of the Customers in the TS-2 Pool.

The TS-2 Pool Manager must secure its own upstream capacity from Pipeline Transporter to meet the requirements of the Customers in the TS-2 Pool, up to the total Maximum Daily Quantity of the Customers who are in the TS-2 Pool.

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State Regulation and Rates
Louisville, Kentucky

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## Louisville Gas and Electric Company

**P.S.C. Gas No. 11, Original Sheet No. 59.1**

**Standard Rate Rider** **PS-TS-2**
**Pooling Service – Rider TS-2**

**ACTION ALERTS**

Company shall have the right to issue an Action Alert ("AA") which will require actions by the TS-2 Pool Manager to alleviate conditions that, in the sole judgment of Company, jeopardize the operational integrity of Company's system. It is the responsibility of the Pool Manager, not Company, to convey an AA to Customers in its TS-2 Pool. Pool Manager shall be responsible for complying with the directives contained in the AA.

Notice of an AA shall be provided to TS-2 Pool Manager at least eighteen (18) hours prior to the beginning of the gas day for which the AA is in effect. In the case of a TS-2 Pool Manager with one (1) or more Rider TS-2 customers served under Rate DGGS, the notice of an AA shall be provided to TS-2 Pool Manager at least four (4) hours prior to the beginning of the gas day for which the AA is in effect. TS-2 Pool Manager shall respond to an AA by adjusting its deliveries to Company's system as directed in the AA within the specified timeframe. T

Upon issuance of an AA, Company will direct TS-2 Pool Manager to deliver to Company from 0% to 100% of the total MDQ of those Customers in the TS-2 Pool (the PMDQ as defined hereafter). Each Mcf delivered by TS-2 Pool Manager that differs (either more or less) from the volume specified in the AA shall be subject to an Action Alert Charge.

Company may, in its sole discretion, issue an AA to an individual Pool Manager taking service under Rider PS-TS-2 without issuing an AA to all Pool Managers taking service under Rider PS-TS-2.

The Action Alert Charge per Mcf shall be equal to $5.00 plus the higher of the following: either (a) the daily mid-point price posted in "*Platts Gas Daily*" for Texas Gas Zone 1 adjusted for Fuel Retention applicable to deliveries to Zone 4 under Texas Gas Transmission, LLC's Rate NNS plus the Commodity Charge and any surcharges applicable to deliveries to Zone 4 under Texas Gas Transmission, LLC's Rate NNS for the day on which the AA was violated, or (b) the daily mid-point price posted in "*Platts Gas Daily*" for Lebanon-Hub adjusted for Fuel Retention applicable to deliveries to Zone 4 under Texas Gas Transmission, LLC's Rate NNS plus the Commodity Charge and any surcharges applicable to deliveries to Zone 4 under Texas Gas Transmission, LLC's Rate NNS for the day on which the AA was violated. Such Action Alert Charge shall be in addition to any other charges under this rider.

Company will not be required to provide service under this rider for any TS-2 Pool Manager that does not comply with the terms or conditions of an AA. Payment of Action Alert Charges hereunder shall not be considered an exclusive remedy for failure to comply with an AA, nor shall the payment of such charges be considered a substitute for any other remedy available to Company.

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**ISSUED BY:** /s/ Robert M. Conroy, Vice President
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## Louisville Gas and Electric Company

**P.S.C. Gas No. 12, Original Sheet No. 59.1**

**Standard Rate Rider** **PS-TS-2**
**Pooling Service – Rider TS-2**

**ACTION ALERTS**

Company shall have the right to issue an Action Alert ("AA") which will require actions by the TS-2 Pool Manager to alleviate conditions that, in the sole judgment of Company, jeopardize the operational integrity of Company's system. It is the responsibility of the Pool Manager, not Company, to convey an AA to Customers in its TS-2 Pool. Pool Manager shall be responsible for complying with the directives contained in the AA.

Notice of an AA shall be provided to TS-2 Pool Manager at least eighteen (18) hours prior to the beginning of the gas day for which the AA is in effect. In the case of a TS-2 Pool Manager with one (1) or more Rider TS-2 customers served under Rate DGGS, the notice of an AA shall be provided to TS-2 Pool Manager at least four (4) hours prior to the beginning of the gas day for which the AA is in effect. TS-2 Pool Manager shall respond to an AA by adjusting its deliveries to Company's system as directed in the AA within the specified timeframe.

Upon issuance of an AA, Company will direct TS-2 Pool Manager to deliver to Company from 0% to 100% of the total MDQ of those Customers in the TS-2 Pool (the PMDQ as defined hereafter). Each Mcf delivered by TS-2 Pool Manager that differs (either more or less) from the volume specified in the AA shall be subject to an Action Alert Charge.

Company may, in its sole discretion, issue an AA to an individual Pool Manager taking service under Rider PS-TS-2 without issuing an AA to all Pool Managers taking service under Rider PS-TS-2.

The Action Alert Charge per Mcf shall be equal to $5.00 plus the higher of the following: either (a) the daily mid-point price posted in "*Platts Gas Daily*" for Texas Gas Zone 1 adjusted for Fuel Retention applicable to deliveries to Zone 4 under Texas Gas Transmission, LLC's Rate NNS plus the Commodity Charge and any surcharges applicable to deliveries to Zone 4 under Texas Gas Transmission, LLC's Rate NNS for the day on which the AA was violated, or (b) the daily mid-point price posted in "*Platts Gas Daily*" for Lebanon-Hub adjusted for Fuel Retention applicable to deliveries to Zone 4 under Texas Gas Transmission, LLC's Rate NNS plus the Commodity Charge and any surcharges applicable to deliveries to Zone 4 under Texas Gas Transmission, LLC's Rate NNS for the day on which the AA was violated. Such Action Alert Charge shall be in addition to any other charges under this rider.

Company will not be required to provide service under this rider for any TS-2 Pool Manager that does not comply with the terms or conditions of an AA. Payment of Action Alert Charges hereunder shall not be considered an exclusive remedy for failure to comply with an AA, nor shall the payment of such charges be considered a substitute for any other remedy available to Company.

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## Louisville Gas and Electric Company

**P.S.C. Gas No. 11, Original Sheet No. 59.2**

**Standard Rate Rider** **PS-TS-2**

**Pooling Service – Rider TS-2**

**IMBALANCES**

Company will calculate on a daily and monthly basis the TS-2 Pool Manager's imbalance resulting from the difference between the metered usage of the Customers in the TS-2 Pool and the volumes that the TS-2 Pool Manager has delivered into Company's system for the Customers in the TS-2 Pool. This will be calculated as follows:

Imbalance = Metered Usage - Delivered Volumes

Company will also determine the imbalance percentage. This percentage will be calculated as follows:

$$\text{Imbalance \%} = \frac{\text{(Metered Usage - Delivered Volumes)}}{\text{Delivered Volumes}}$$

The term "day" or "daily" shall mean the period of time corresponding to the gas day as observed by the Pipeline Transporter as adjusted for local time.

**CASH-OUT PROVISION FOR MONTHLY IMBALANCES**

The cash-out provision shall be applied against the aggregate volume of all Customers in a specific TS-2 Pool. The TS-2 Pool Manager will be responsible for the payment of the cash-out charges incurred by the TS-2 Pool as a result of imbalances under Rider TS-2.

If the monthly imbalance is negative (an over-delivery into Company's system), Company shall purchase the monthly imbalance from TS-2 Pool Manager at a price per Mcf which is determined by multiplying the appropriate percentage specified below times the lower of the following: either (a) the lowest daily mid-point price posted in "*Platts Gas Daily*" for Texas Gas Zone 1 adjusted for Fuel Retention applicable to deliveries to Zone 4 under Texas Gas Transmission, LLC's Rate NNS plus the Commodity Charge and any surcharges applicable to deliveries to Zone 4 under Texas Gas Transmission, LLC's Rate NNS during the month in which the imbalance occurred, or (b) the lowest daily mid-point price posted in "*Platts Gas Daily*" for Lebanon-Hub adjusted for Fuel Retention applicable to deliveries to Zone 4 under Texas Gas Transmission, LLC's Rate NNS plus the Commodity Charge and any surcharges applicable to deliveries to Zone 4 under Texas Gas Transmission, LLC's Rate NNS during the month in which the imbalance occurred.

The appropriate percentage shall be dependent on the TS-2 Pool Manager's monthly negative imbalance percentage to be applied as follows:

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## Louisville Gas and Electric Company

**P.S.C. Gas No. 12, Original Sheet No. 59.2**

**Standard Rate Rider** **PS-TS-2**

**Pooling Service – Rider TS-2**

**IMBALANCES**

Company will calculate on a daily and monthly basis the TS-2 Pool Manager's imbalance resulting from the difference between the metered usage of the Customers in the TS-2 Pool and the volumes that the TS-2 Pool Manager has delivered into Company's system for the Customers in the TS-2 Pool. This will be calculated as follows:

Imbalance = Metered Usage - Delivered Volumes

Company will also determine the imbalance percentage. This percentage will be calculated as follows:

$$\text{Imbalance \%} = \frac{\text{(Metered Usage - Delivered Volumes)}}{\text{Delivered Volumes}}$$

The term "day" or "daily" shall mean the period of time corresponding to the gas day as observed by the Pipeline Transporter as adjusted for local time.

**CASH-OUT PROVISION FOR MONTHLY IMBALANCES**

The cash-out provision shall be applied against the aggregate volume of all Customers in a specific TS-2 Pool. The TS-2 Pool Manager will be responsible for the payment of the cash-out charges incurred by the TS-2 Pool as a result of imbalances under Rider TS-2.

If the monthly imbalance is negative (an over-delivery into Company's system), Company shall purchase the monthly imbalance from TS-2 Pool Manager at a price per Mcf which is determined by multiplying the appropriate percentage specified below times the lower of the following: either (a) the lowest daily mid-point price posted in "*Platts Gas Daily*" for Texas Gas Zone 1 adjusted for Fuel Retention applicable to deliveries to Zone 4 under Texas Gas Transmission, LLC's Rate NNS plus the Commodity Charge and any surcharges applicable to deliveries to Zone 4 under Texas Gas Transmission, LLC's Rate NNS during the month in which the imbalance occurred, or (b) the lowest daily mid-point price posted in "*Platts Gas Daily*" for Lebanon-Hub adjusted for Fuel Retention applicable to deliveries to Zone 4 under Texas Gas Transmission, LLC's Rate NNS plus the Commodity Charge and any surcharges applicable to deliveries to Zone 4 under Texas Gas Transmission, LLC's Rate NNS during the month in which the imbalance occurred.

The appropriate percentage shall be dependent on the TS-2 Pool Manager's monthly negative imbalance percentage to be applied as follows:

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## Louisville Gas and Electric Company

P.S.C. Gas No. 11, Original Sheet No. 59.3

**Standard Rate Rider** **PS-TS-2**

**Pooling Service – Rider TS-2**

**CASH-OUT PROVISION FOR MONTHLY IMBALANCES** (continued)

| When Total Net Negative Balance Percentage is: | The following percentage shall be multiplied by the above-determined amount: |
|---|---|
| 0% to ≤5% | 100% |
| >5% to ≤10% | 90% |
| >10% to ≤15% | 80% |
| >15% to ≤20% | 70% |
| >20% | 60% |

If the monthly imbalance is positive (an under-delivery into Company's system), TS-2 Pool Manager shall purchase the monthly imbalance from Company at a price per Mcf which is determined by multiplying the appropriate percentage specified below times the higher of the following: either (a) the highest daily mid-point price posted in "*Platts Gas Daily*" for Texas Gas Zone 1 adjusted for Fuel Retention applicable to deliveries to Zone 4 under Texas Gas Transmission, LLC's Rate NNS plus the Commodity Charge and any surcharges applicable to deliveries to Zone 4 under Texas Gas Transmission, LLC's Rate NNS during the month in which the imbalance occurred, or (b) the highest daily mid-point price posted in "*Platts Gas Daily*" for Lebanon-Hub adjusted for Fuel Retention applicable to deliveries to Zone 4 under Texas Gas Transmission, LLC's Rate NNS plus the Commodity Charge and any surcharges applicable to deliveries to Zone 4 under Texas Gas Transmission, LLC's Rate NNS during the month in which the imbalance occurred.

The appropriate percentage shall be dependent on the TS-2 Pool Manager's monthly imbalance percentage to be applied as follows:

| When Total Net Positive Imbalance Percentage is: | The following percentage shall be multiplied by the above-determined amount: |
|---|---|
| 0% to ≤5% | 100% |
| >5% to ≤10% | 110% |
| >10% to ≤15% | 120% |
| >15% to ≤20% | 130% |
| >20% | 140% |

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## Louisville Gas and Electric Company

P.S.C. Gas No. 12, Original Sheet No. 59.3

**Standard Rate Rider** **PS-TS-2**

**Pooling Service – Rider TS-2**

**CASH-OUT PROVISION FOR MONTHLY IMBALANCES** (continued)

| When Total Net Negative Balance Percentage is: | The following percentage shall be multiplied by the above-determined amount: |
|---|---|
| 0% to ≤5% | 100% |
| >5% to ≤10% | 90% |
| >10% to ≤15% | 80% |
| >15% to ≤20% | 70% |
| >20% | 60% |

If the monthly imbalance is positive (an under-delivery into Company's system), TS-2 Pool Manager shall purchase the monthly imbalance from Company at a price per Mcf which is determined by multiplying the appropriate percentage specified below times the higher of the following: either (a) the highest daily mid-point price posted in "*Platts Gas Daily*" for Texas Gas Zone 1 adjusted for Fuel Retention applicable to deliveries to Zone 4 under Texas Gas Transmission, LLC's Rate NNS plus the Commodity Charge and any surcharges applicable to deliveries to Zone 4 under Texas Gas Transmission, LLC's Rate NNS during the month in which the imbalance occurred, or (b) the highest daily mid-point price posted in "*Platts Gas Daily*" for Lebanon-Hub adjusted for Fuel Retention applicable to deliveries to Zone 4 under Texas Gas Transmission, LLC's Rate NNS plus the Commodity Charge and any surcharges applicable to deliveries to Zone 4 under Texas Gas Transmission, LLC's Rate NNS during the month in which the imbalance occurred.

The appropriate percentage shall be dependent on the TS-2 Pool Manager's monthly imbalance percentage to be applied as follows:

| When Total Net Positive Imbalance Percentage is: | The following percentage shall be multiplied by the above-determined amount: |
|---|---|
| 0% to ≤5% | 100% |
| >5% to ≤10% | 110% |
| >10% to ≤15% | 120% |
| >15% to ≤20% | 130% |
| >20% | 140% |

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State Regulation and Rates
Louisville, Kentucky

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## Louisville Gas and Electric Company

**P.S.C. Gas No. 11, Original Sheet No. 59.4**

**Standard Rate Rider** **PS-TS-2**
**Pooling Service – Rider TS-2**

**CASH-OUT PROVISION FOR MONTHLY IMBALANCES** (continued)

The monthly imbalance percentages stated above will be used to calculate the cash-out price for imbalances that fall within each category. For example, a TS-2 Pool Manager with a negative monthly imbalance percentage of 9% will cash-out at the 0% to 5% price for 5% of the imbalance and at the 5% to 10% price for 4% of the imbalance.

All such adjustments shall be shown and included on the TS-2 Pool Manager's bill. The billing of these charges shall not be construed as a waiver by Company of any other rights or remedies it has under law, the regulations of the PSC of Kentucky, or this rate schedule, nor shall it be construed as an exclusive remedy for failure to comply with the provisions of this rider.

**VARIATIONS IN MMBTU CONTENT**

All gas delivered by Company will be measured and billed on an Mcf basis. Pipeline Transporter delivers to and bills Company on an MMBtu basis. The reconciliation of the actual deliveries by Pipeline Transporter and the Customer's estimated deliveries by Pipeline Transporter occurs through the operation of the monthly cash-out provision. Changes in billings of the cash-out provision caused by variations in the MMBtu content of the gas shall be corrected on the following bill.

**NOMINATIONS AND NOMINATED VOLUME**

As further described below, TS-2 Pool Manager shall specify to Company the daily volume of gas required by the Customers in the TS-2 Pool. Such volume shall be stated in Mcf/day and converted to MMBtu/day.

At least ten (10) days prior to the beginning of each calendar month, TS-2 Pool Manager shall provide Company with a schedule setting forth daily volumes of gas to be delivered into Company's system for the Pool Manager's TS-2 Pool.

Any changes in nominated volumes, as well as any other information required to effectuate the delivery of such gas to Company by the Pipeline Transporter, shall be provided by TS-2 Pool Manager to Company no later than 10:00 a.m. Eastern Clock Time on the day prior to the day(s) for which volumes are scheduled to flow. Only those volumes actually confirmed by Company and scheduled on the Pipeline Transporter are considered nominated volumes. Company shall not be obligated to accept from TS-2 Pool Manager daily nominations or changes thereto that are made after the daily deadline for such nominations as set forth above or that are made on weekend days or holidays as such are observed by Company.

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State Regulation and Rates
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## Louisville Gas and Electric Company

**P.S.C. Gas No. 12, Original Sheet No. 59.4**

**Standard Rate Rider** **PS-TS-2**
**Pooling Service – Rider TS-2**

**CASH-OUT PROVISION FOR MONTHLY IMBALANCES** (continued)

The monthly imbalance percentages stated above will be used to calculate the cash-out price for imbalances that fall within each category. For example, a TS-2 Pool Manager with a negative monthly imbalance percentage of 9% will cash-out at the 0% to 5% price for 5% of the imbalance and at the 5% to 10% price for 4% of the imbalance.

All such adjustments shall be shown and included on the TS-2 Pool Manager's bill. The billing of these charges shall not be construed as a waiver by Company of any other rights or remedies it has under law, the regulations of the PSC of Kentucky, or this rate schedule, nor shall it be construed as an exclusive remedy for failure to comply with the provisions of this rider.

**VARIATIONS IN MMBTU CONTENT**

All gas delivered by Company will be measured and billed on an Mcf basis. Pipeline Transporter delivers to and bills Company on an MMBtu basis. The reconciliation of the actual deliveries by Pipeline Transporter and the Customer's estimated deliveries by Pipeline Transporter occurs through the operation of the monthly cash-out provision. Changes in billings of the cash-out provision caused by variations in the MMBtu content of the gas shall be corrected on the following bill.

**NOMINATIONS AND NOMINATED VOLUME**

As further described below, TS-2 Pool Manager shall specify to Company the daily volume of gas required by the Customers in the TS-2 Pool. Such volume shall be stated in Mcf/day and converted to MMBtu/day.

At least ten (10) days prior to the beginning of each calendar month, TS-2 Pool Manager shall provide Company with a schedule setting forth daily volumes of gas to be delivered into Company's system for the Pool Manager's TS-2 Pool.

Any changes in nominated volumes, as well as any other information required to effectuate the delivery of such gas to Company by the Pipeline Transporter, shall be provided by TS-2 Pool Manager to Company no later than 10:00 a.m. Eastern Clock Time on the day prior to the day(s) for which volumes are scheduled to flow. Only those volumes actually confirmed by Company and scheduled on the Pipeline Transporter are considered nominated volumes. Company shall not be obligated to accept from TS-2 Pool Manager daily nominations or changes thereto that are made after the daily deadline for such nominations as set forth above or that are made on weekend days or holidays as such are observed by Company.

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Louisville, Kentucky

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# Louisville Gas and Electric Company

**P.S.C. Gas No. 11, First Revision of Original Sheet No. 59.5**
**Canceling P.S.C. Gas No. 11, Original Sheet No. 59.5**

**Standard Rate Rider** **PS-TS-2**
**Pooling Service – Rider TS-2**

**NOMINATIONS AND NOMINATED VOLUME** (continued)

Such volumes nominated by TS-2 Pool Manager shall include an allowance for Company's system average lost and unaccounted for gas ("LAUFG") expressed as a percentage and based on historical levels. Effective November 1, 2017, such LAUFG percentage is 2.53%. Such LAUFG percentage T/R shall be revised annually each November 1 with notice provided to TS-2 Pool Manager at least thirty (30) days prior to such November 1. The volumes delivered by the TS-2 Pool Manager to Company for redelivery to Customers in the TS-2 Pool will be increased by TS-2 Pool Manager to cover the effective LAUFG percentage. For example, if the Customers in a TS-2 Pool require 325 Mcf on a given day, and the LAUFG percentage is 5.0%, then the Mcf nominated shall be 342 Mcf [325 / (1 - 0.05)]. The 342 Mcf shall be converted to MMBtu using a standard conversion factor as may be specified by Company from time to time. Such amount does not include any retention by the Pipeline Transporter. The volume nominated by the TS-2 Pool Manager to cover LAUFG shall not be considered in determining whether or not the TS-2 Pool Manager has exceeded the Pool Maximum Daily Quantity ("PMDQ") for the TS-2 Pool.

**SUPPLIER CODE OF CONDUCT**

Each PS-TS-2 Pool Manager participating in the Company's transportation program under Rider PS-TS-2 must:

1. communicate to participating Customers in clear, understandable terms the Customer's rights and responsibilities. This communication must include (a) the PS-TS-2 Pool Manager's customer service address and local or toll-free telephone number; and (b) a statement describing the PS-TS-2 Pool Manager's dispute resolution procedures;

2. provide in writing pricing and payment terms that are clearly defined and understandable and that inform consumers whether the price that the Customer will pay is inclusive or exclusive of applicable taxes, and Company approved tariff riders and surcharges;

3. refrain from engaging in communications or promotional practices which are fraudulent, deceptive, or misleading;

4. deliver gas to the Company on a firm basis on behalf of the Customers enrolled in the PS-TS-2 Pool Manager's pool in accordance with the requirements of the PS-TS-2 Pool Management Agreement;

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**DATE EFFECTIVE:** November 1, 2017

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

# Louisville Gas and Electric Company

**P.S.C. Gas No. 12, Original Sheet No. 59.5**

**Standard Rate Rider** **PS-TS-2**
**Pooling Service – Rider TS-2**

**NOMINATIONS AND NOMINATED VOLUME** (continued)

Such volumes nominated by TS-2 Pool Manager shall include an allowance for Company's system average lost and unaccounted for gas ("LAUFG") expressed as a percentage and based on historical levels. Effective November 1, 2017, such LAUFG percentage is 2.53%. Such LAUFG percentage shall be revised annually each November 1 with notice provided to TS-2 Pool Manager at least thirty (30) days prior to such November 1. The volumes delivered by the TS-2 Pool Manager to Company for redelivery to Customers in the TS-2 Pool will be increased by TS-2 Pool Manager to cover the effective LAUFG percentage. For example, if the Customers in a TS-2 Pool require 325 Mcf on a given day, and the LAUFG percentage is 5.0%, then the Mcf nominated shall be 342 Mcf [325 / (1 - 0.05)]. The 342 Mcf shall be converted to MMBtu using a standard conversion factor as may be specified by Company from time to time. Such amount does not include any retention by the Pipeline Transporter. The volume nominated by the TS-2 Pool Manager to cover LAUFG shall not be considered in determining whether or not the TS-2 Pool Manager has exceeded the Pool Maximum Daily Quantity ("PMDQ") for the TS-2 Pool.

**SUPPLIER CODE OF CONDUCT**

Each PS-TS-2 Pool Manager participating in the Company's transportation program under Rider PS-TS-2 must:

1. communicate to participating Customers in clear, understandable terms the Customer's rights and responsibilities. This communication must include (a) the PS-TS-2 Pool Manager's customer service address and local or toll-free telephone number; and (b) a statement describing the PS-TS-2 Pool Manager's dispute resolution procedures;

2. provide in writing pricing and payment terms that are clearly defined and understandable and that inform consumers whether the price that the Customer will pay is inclusive or exclusive of applicable taxes, and Company approved tariff riders and surcharges;

3. refrain from engaging in communications or promotional practices which are fraudulent, deceptive, or misleading;

4. deliver gas to the Company on a firm basis on behalf of the Customers enrolled in the PS-TS-2 Pool Manager's pool in accordance with the requirements of the PS-TS-2 Pool Management Agreement;

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**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

## Louisville Gas and Electric Company

**P.S.C. Gas No. 11, Original Sheet No. 59.6**

**Standard Rate Rider** **PS-TS-2**
**Pooling Service – Rider TS-2**

**SUPPLIER CODE OF CONDUCT**

5. establish and maintain a credit-worthy financial position that enables PS-TS-2 Pool Manager to indemnify the Company and the Customers for costs incurred as a result of any failure by the PS-TS-2 Pool Manager to deliver gas in accordance with the requirements of Rider PS-TS-2 and to assure payment of any applicable charges for any such failure;

6. refrain from requesting customer-specific billing, payment, and usage history without first having received the Customer's written approval allowing PS-TS-2 Pool Manager to access such information.

Failure to fulfill any of these obligations shall be considered a violation of the Supplier Code of Conduct.

If the PS-TS-2 Pool Manager fails to comply with the Supplier Code of Conduct, the Company will have the discretion to temporarily suspend or terminate such PS-TS-2 Pool Manager from further participation in the transportation program under Rider PS-TS-2. If service to the PS-TS-2 Pool Manager is suspended or terminated, Customer(s) in the PS-TS-2 Pool Manager's Pool will be returned to sales service under the applicable rate schedule (CGS, IGS, DGGS, or AAGS) until said Customer(s) join another PS-TS-2 Pool Manager's Pool. If the Company seeks to suspend or terminate service to a PS-TS-2 Pool Manager, Company shall first notify the PS-TS-2 Pool Manager of the alleged violations which merit suspension or termination. Such notice must be in writing and must be sent to the PS-TS-2 Pool Manager as specified in the notice provisions of the PS-TS-2 Pool Management Agreement at least five (5) business days prior to the effective date of the suspension or termination. T

**SPECIAL TERMS AND CONDITIONS**

1. No customer shall participate in a TS-2 Pool that does not individually meet the conditions set forth in the "Availability of Service" under Rider TS-2, and no Customer shall participate in more than one pool concurrently. Except as provided for in Section 4 below, no Customer may transfer from one TS-2 Pool to another more frequently than once during a Contract Year.
2. To receive service hereunder, the PS-TS-2 Pool Manager shall enter into a PS-TS-2 Pool Management Agreement with Company. The PS-TS-2 Pool Management Agreement shall set forth the specific obligations of the TS-2 Pool Manager and Company under this rider.

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**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the**
**Public Service Commission in Case No.**
**2016-00371 dated June 22, 2017 and modified June 29, 2017**

## Louisville Gas and Electric Company

**P.S.C. Gas No. 12, Original Sheet No. 59.6**

**Standard Rate Rider** **PS-TS-2**
**Pooling Service – Rider TS-2**

**SUPPLIER CODE OF CONDUCT**

5. establish and maintain a credit-worthy financial position that enables PS-TS-2 Pool Manager to indemnify the Company and the Customers for costs incurred as a result of any failure by the PS-TS-2 Pool Manager to deliver gas in accordance with the requirements of Rider PS-TS-2 and to assure payment of any applicable charges for any such failure;

6. refrain from requesting customer-specific billing, payment, and usage history without first having received the Customer's written approval allowing PS-TS-2 Pool Manager to access such information.

Failure to fulfill any of these obligations shall be considered a violation of the Supplier Code of Conduct.

If the PS-TS-2 Pool Manager fails to comply with the Supplier Code of Conduct, the Company will have the discretion to temporarily suspend or terminate such PS-TS-2 Pool Manager from further participation in the transportation program under Rider PS-TS-2. If service to the PS-TS-2 Pool Manager is suspended or terminated, Customer(s) in the PS-TS-2 Pool Manager's Pool will be returned to sales service under the applicable rate schedule (CGS, IGS, DGGS, or AAGS) until said Customer(s) join another PS-TS-2 Pool Manager's Pool. If the Company seeks to suspend or terminate service to a PS-TS-2 Pool Manager, Company shall first notify the PS-TS-2 Pool Manager of the alleged violations which merit suspension or termination. Such notice must be in writing and must be sent to the PS-TS-2 Pool Manager as specified in the notice provisions of the PS-TS-2 Pool Management Agreement at least five (5) business days prior to the effective date of the suspension or termination.

**SPECIAL TERMS AND CONDITIONS**

1. No customer shall participate in a TS-2 Pool that does not individually meet the conditions set forth in the "Availability of Service" under Rider TS-2, and no Customer shall participate in more than one pool concurrently. Except as provided for in Section 4 below, no Customer may transfer from one TS-2 Pool to another more frequently than once during a Contract Year.

2. To receive service hereunder, the PS-TS-2 Pool Manager shall enter into a PS-TS-2 Pool Management Agreement with Company. The PS-TS-2 Pool Management Agreement shall set forth the specific obligations of the TS-2 Pool Manager and Company under this rider.

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## Louisville Gas and Electric Company

**P.S.C. Gas No. 11, Original Sheet No. 59.7**

**Standard Rate Rider** **PS-TS-2**
**Pooling Service – Rider TS-2**

**SPECIAL TERMS AND CONDITIONS** (continued)

The TS-2 Pool Manager shall submit a signed PS-TS-2 Pool Management Agreement at least thirty (30) days prior to the beginning of a billing period when service under this rider shall commence. Company shall notify the TS-2 Pool Manager of the date when service hereunder will commence. The Customers in the TS-2 Pool shall be set forth in Exhibit A of the PS-TS-2 Pool Management Agreement. In order to join a TS-2 Pool, Customer must have designated in writing its TS-2 Pool Manager as its agent pursuant to Rider TS-2. In order to modify the Customers in the pool, the Pool Manager must request a revised Exhibit A from Company and execute and return said exhibit at least thirty (30) days prior to the beginning of the billing period for which the change is to become effective.

The PMDQ shall be set forth in the Pool Management Agreement. The PMDQ shall be equal to the total of the MDQs of all the Customers in the TS-2 Pool. Company is not obligated to accept volumes for re-delivery on any day in excess of the PMDQ.

3. The TS-2 Pool Manager shall upon request of Company agree to maintain an irrevocable letter T
of credit or such other financial instrument satisfactory to Company in order to assure TS-2 Pool T
Manager's performance of its obligations under the PS-TS-2 Pool Management Agreement. In determining the level of the bond or other security to be required of a TS-2 Pool Manager, Company shall consider such factors, including, but not limited to, the following: the volume of natural gas to be transported on behalf of Customers in the TS-2 Pool, the general creditworthiness of the TS-2 Pool Manager, and the TS-2 Pool Manager's prior credit record with Company, if any. In the event that the TS-2 Pool Manager defaults on its obligations under this rider or the PS-TS-2 Pool Management Agreement, Company shall have the right to use the proceeds from such bond, irrevocable letter of credit, or other financial instrument to satisfy TS-2 Pool Manager's obligation hereunder. Specific terms and conditions regarding credit requirements shall be included in the PS-TS-2 Pool Management Agreement. Such credit requirements shall be administered by Company in a non-discriminatory manner.

4. The PS-TS-2 Pool Management Agreement may be terminated by Company upon thirty (30) days written notice if a TS-2 Pool Manager fails to meet any condition of this rider and/or Rider TS-2. The PS-TS-2 Pool Management Agreement may also be terminated by Company upon thirty (30) days written notice if the TS-2 Pool Manager has payments in arrears. Written notice of termination of the PS-TS-2 Pool Management Agreement shall be provided both to the TS-2 Pool Manager and to the individual Customers in the TS-2 Pool by Company.

Customers in the TS-2 Pool will be returned to sales service under the applicable rate schedule (CGS, IGS, DGGS, or AAGS), or will be allowed to enroll in another TS-2 Pool. T

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## Louisville Gas and Electric Company

**P.S.C. Gas No. 12, Original Sheet No. 59.7**

**Standard Rate Rider** **PS-TS-2**
**Pooling Service – Rider TS-2**

**SPECIAL TERMS AND CONDITIONS** (continued)

The TS-2 Pool Manager shall submit a signed PS-TS-2 Pool Management Agreement at least thirty (30) days prior to the beginning of a billing period when service under this rider shall commence. Company shall notify the TS-2 Pool Manager of the date when service hereunder will commence. The Customers in the TS-2 Pool shall be set forth in Exhibit A of the PS-TS-2 Pool Management Agreement. In order to join a TS-2 Pool, Customer must have designated in writing its TS-2 Pool Manager as its agent pursuant to Rider TS-2. In order to modify the Customers in the pool, the Pool Manager must request a revised Exhibit A from Company and execute and return said exhibit at least thirty (30) days prior to the beginning of the billing period for which the change is to become effective.

The PMDQ shall be set forth in the Pool Management Agreement. The PMDQ shall be equal to the total of the MDQs of all the Customers in the TS-2 Pool. Company is not obligated to accept volumes for re-delivery on any day in excess of the PMDQ.

3. The TS-2 Pool Manager shall upon request of Company agree to maintain an irrevocable letter of credit or such other financial instrument satisfactory to Company in order to assure TS-2 Pool Manager's performance of its obligations under the PS-TS-2 Pool Management Agreement. In determining the level of the bond or other security to be required of a TS-2 Pool Manager, Company shall consider such factors, including, but not limited to, the following: the volume of natural gas to be transported on behalf of Customers in the TS-2 Pool, the general creditworthiness of the TS-2 Pool Manager, and the TS-2 Pool Manager's prior credit record with Company, if any. In the event that the TS-2 Pool Manager defaults on its obligations under this rider or the PS-TS-2 Pool Management Agreement, Company shall have the right to use the proceeds from such bond, irrevocable letter of credit, or other financial instrument to satisfy TS-2 Pool Manager's obligation hereunder. Specific terms and conditions regarding credit requirements shall be included in the PS-TS-2 Pool Management Agreement. Such credit requirements shall be administered by Company in a non-discriminatory manner.

4. The PS-TS-2 Pool Management Agreement may be terminated by Company upon thirty (30) days written notice if a TS-2 Pool Manager fails to meet any condition of this rider and/or Rider TS-2. The PS-TS-2 Pool Management Agreement may also be terminated by Company upon thirty (30) days written notice if the TS-2 Pool Manager has payments in arrears. Written notice of termination of the PS-TS-2 Pool Management Agreement shall be provided both to the TS-2 Pool Manager and to the individual Customers in the TS-2 Pool by Company.

Customers in the TS-2 Pool will be returned to sales service under the applicable rate schedule (CGS, IGS, DGGS, or AAGS), or will be allowed to enroll in another TS-2 Pool.

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State Regulation and Rates
Louisville, Kentucky

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## Louisville Gas and Electric Company

**P.S.C. Gas No. 11, Original Sheet No. 59.8**

**Standard Rate Rider** **PS-TS-2**
**Pooling Service – Rider TS-2**

**SPECIAL TERMS AND CONDITIONS** (continued)

5. Company shall directly bill the TS-2 Pool Manager for the PS-TS-2 Pool Administrative Charge, Action Alert Charges, and cash-out charges or payments contained in Rider TS-2. The monthly bill will be rendered at these net charges plus an amount equivalent to 1% thereof, which amount will be deducted provided bill is paid within fifteen (15) days from the date of the bill. If payment is not made within twenty-seven (27) days from the date of the bill then the TS-2 Pool Manager will be considered in default.

6. Company shall directly bill the individual Customers in the TS-2 Pool for all Administrative Charges, Distribution Charges, Demand Charges, Pipeline Supplier's Demand Component Charges, Gas Cost True-Up Charges, Basic Service Charges, Minimum Annual Threshold Charges, Monthly Telemetry Charges, and other remote metering charges, as provided for in either Rider TS-2 or Customer's otherwise applicable sales rate schedule to which Rider TS-2 is a rider. T

7. All volumes of natural gas received by Company for Customer shall meet the specifications established by Pipeline Transporter.

8. Pool Manager shall enter into a Website Subscriber Agreement if Pool Manager desires to access telemetry data. T T

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**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

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## Louisville Gas and Electric Company

**P.S.C. Gas No. 12, Original Sheet No. 59.8**

**Standard Rate Rider** **PS-TS-2**
**Pooling Service – Rider TS-2**

**SPECIAL TERMS AND CONDITIONS** (continued)

5. Company shall directly bill the TS-2 Pool Manager for the PS-TS-2 Pool Administrative Charge, Action Alert Charges, and cash-out charges or payments contained in Rider TS-2. The monthly bill will be rendered at these net charges plus an amount equivalent to 1% thereof, which amount will be deducted provided bill is paid within fifteen (15) days from the date of the bill. If payment is not made within twenty-seven (27) days from the date of the bill then the TS-2 Pool Manager will be considered in default.

6. Company shall directly bill the individual Customers in the TS-2 Pool for all Administrative Charges, Distribution Charges, Demand Charges, Pipeline Supplier's Demand Component Charges, Gas Cost True-Up Charges, Basic Service Charges, Minimum Annual Threshold Charges, Monthly Telemetry Charges, and other remote metering charges, as provided for in either Rider TS-2 or Customer's otherwise applicable sales rate schedule to which Rider TS-2 is a rider.

7. All volumes of natural gas received by Company for Customer shall meet the specifications established by Pipeline Transporter.

8. Pool Manager shall enter into a Website Subscriber Agreement if Pool Manager desires to access telemetry data.

**DATE OF ISSUE:** September 28, 2018

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State Regulation and Rates
Louisville, Kentucky

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**2016-00371 dated June 22, 2017 and modified June 29, 2017**

## Louisville Gas and Electric Company

**P.S.C. Gas No. 11, Original Sheet No. 61**

**Standard Rate Rider** **PS-FT**

**Pooling Service – Rate FT**

**APPLICABLE**

In all territory served.

**AVAILABILITY OF SERVICE**

Available to “FT Pool Managers”.

For the purpose of this rider, a “FT Pool Manager” is defined as an entity which has been appointed by a customer or group of customers served under Rate FT to perform the functions and responsibilities of requesting and receiving information, nominating supply, and other related duties.

**RATE**

In addition to any charges billed directly to FT Pool Manager as a result of the application of this rider or to Customer as a result of the application of Rate FT, the following charge shall apply to FT Pool Manager:

PS-FT Pool Administrative Charge: $75 per Customer in FT Pool per month

**Other:** In the event that FT Pool Manager is determined to be the cause of any billing disadvantages or other penalties imposed on Company by Pipeline Transporter, then FT Pool Manager shall pay such penalties, fees, or charges as determined by Company and in accordance with the payment provisions of this rate schedule in addition to any and all other charges due hereunder.

**CHARACTER OF SERVICE**

Service under this rider allows an FT Pool Manager to deliver to Company, on an aggregated basis, those natural gas supplies that are needed to satisfy the full requirements of one or more firm transportation customers that comprise a PS-FT Pool. Company may, in its sole discretion, issue an OFO to an individual Customer or an individual Pool Manager taking service under Rider PS-FT without issuing an OFO to all Customers taking service under Rate FT or without issuing an OFO to all Pool Managers taking service under Rider PS-FT. It is the responsibility of the FT Pool Manager to convey OFOs to Customers in its FT Pool.

The FT Pool Manager will be responsible for arranging for volumes of transportation gas to meet the daily and monthly requirements of Customers in the FT Pool. The FT Pool Manager shall be subject to the same nomination deadlines as set forth in Rate FT. The Daily Utilization Charge, OFO Penalty and cash-out provision of Rate FT shall be applied against the aggregate volume of all Customers in a specific FT Pool. The FT Pool Manager will be responsible for the payment of the PS-FT Pool Administrative Charge and any Daily Utilization Charges, OFO penalties or monthly cash-out payments incurred by a specific FT Pool as a result of imbalances under Rate FT.

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**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

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## Louisville Gas and Electric Company

**P.S.C. Gas No. 12, Original Sheet No. 61**

**Standard Rate Rider** **PS-FT**

**Pooling Service – Rate FT**

**APPLICABLE**

In all territory served.

**AVAILABILITY** T

Available to “FT Pool Managers”.

For the purpose of this rider, a “FT Pool Manager” is defined as an entity which has been appointed by a customer or group of customers served under Rate FT to perform the functions and responsibilities of requesting and receiving information, nominating supply, and other related duties.

**RATE**

In addition to any charges billed directly to FT Pool Manager as a result of the application of this rider or to Customer as a result of the application of Rate FT, the following charge shall apply to FT Pool Manager:

PS-FT Pool Administrative Charge: $75 per Customer in FT Pool per month

**Other:** In the event that FT Pool Manager is determined to be the cause of any billing disadvantages or other penalties imposed on Company by Pipeline Transporter, then FT Pool Manager shall pay such penalties, fees, or charges as determined by Company and in accordance with the payment provisions of this rate schedule in addition to any and all other charges due hereunder.

**CHARACTER OF SERVICE**

Service under this rider allows an FT Pool Manager to deliver to Company, on an aggregated basis, those natural gas supplies that are needed to satisfy the full requirements of one or more firm transportation customers that comprise a PS-FT Pool. Company may, in its sole discretion, issue an OFO to an individual Customer or an individual Pool Manager taking service under Rider PS-FT without issuing an OFO to all Customers taking service under Rate FT or without issuing an OFO to all Pool Managers taking service under Rider PS-FT. It is the responsibility of the FT Pool Manager to convey OFOs to Customers in its FT Pool.

The FT Pool Manager will be responsible for arranging for volumes of transportation gas to meet the daily and monthly requirements of Customers in the FT Pool. The FT Pool Manager shall be subject to the same nomination deadlines as set forth in Rate FT. The Daily Utilization Charge, OFO Penalty and cash-out provision of Rate FT shall be applied against the aggregate volume of all Customers in a specific FT Pool. The FT Pool Manager will be responsible for the payment of the PS-FT Pool Administrative Charge and any Daily Utilization Charges, OFO penalties or monthly cash-out payments incurred by a specific FT Pool as a result of imbalances under Rate FT.

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**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00295 dated ____**

## Louisville Gas and Electric Company

**P.S.C. Gas No. 11, Original Sheet No. 61.1**

**Standard Rate Rider** **PS-FT**
**Pooling Service – Rate FT**

**CHARACTER OF SERVICE** (continued)
Company shall issue an Operational Flow Order as set forth in Rate FT to the FT Pool Manager during periods when service cannot be provided to meet daily imbalances.

**VARIATIONS IN MMBTU CONTENT**
All gas delivered by Company will be measured and billed on an Mcf basis. Pipeline Transporter delivers to and bills Company on an MMBtu basis. The reconciliation of the actual deliveries by Pipeline Transporter and the Customer's estimated deliveries by Pipeline Transporter occurs through the operation of the monthly cash-out provision. Changes in billings of the cash-out provision caused by variations in the MMBtu content of the gas shall be corrected on the following bill.

**SPECIAL TERMS AND CONDITIONS**

1. No customer shall participate in an FT Pool that does not individually meet the conditions set forth in the "Availability of Service" under Rate FT, and no customer shall participate in more than one FT Pool concurrently. Unless a Customer meets the provisions of the Remote Metering requirement under Rate FT, that Customer shall not participate in an FT Pool.

2. To receive service hereunder, the FT Pool Manager shall enter into a PS-FT Pool Management Agreement with Company and shall submit a PS-FT Application/Agency Agreement for each Customer in the FT Pool, signed by both Customer and its FT Pool Manager. The PS-FT Pool Management Agreement shall set forth the specific obligations of the FT Pool Manager and Company under this rider. The PS-FT Application/Agency Agreement shall set forth the Customers in the FT Pool.

   The FT Pool Manager shall submit a signed PS-FT Pool Management Agreement and a PS-FT Application/Agency Agreement for each Customer in the FT Pool at least thirty (30) days prior to the beginning of a billing period when service under this rider shall commence. Company shall notify the FT Pool Manager of the date when service hereunder will commence. A Customer who terminates service under this rider or who desires to change FT Pool Managers shall likewise provide Company with a written notice at least thirty (30) days prior to the end of a billing period.

   The Pool Maximum Daily Quantity ("PMDQ") shall be set forth in the Pool Management Agreement. The PMDQ shall be equal to the total of the MDQs of all the Customers in the FT Pool. Company is not obligated to accept volumes for re-delivery on any day in excess of the PMDQ.

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State Regulation and Rates
Louisville, Kentucky

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## Louisville Gas and Electric Company

**P.S.C. Gas No. 12, Original Sheet No. 61.1**

**Standard Rate Rider** **PS-FT**
**Pooling Service – Rate FT**

**CHARACTER OF SERVICE** (continued)
Company shall issue an Operational Flow Order as set forth in Rate FT to the FT Pool Manager during periods when service cannot be provided to meet daily imbalances.

**VARIATIONS IN MMBTU CONTENT**
All gas delivered by Company will be measured and billed on an Mcf basis. Pipeline Transporter delivers to and bills Company on an MMBtu basis. The reconciliation of the actual deliveries by Pipeline Transporter and the Customer's estimated deliveries by Pipeline Transporter occurs through the operation of the monthly cash-out provision. Changes in billings of the cash-out provision caused by variations in the MMBtu content of the gas shall be corrected on the following bill.

**SPECIAL TERMS AND CONDITIONS**

1. No customer shall participate in an FT Pool that does not individually meet the conditions set forth in the "Availability of Service" under Rate FT, and no customer shall participate in more than one FT Pool concurrently. Unless a Customer meets the provisions of the Remote Metering requirement under Rate FT, that Customer shall not participate in an FT Pool.

2. To receive service hereunder, the FT Pool Manager shall enter into a PS-FT Pool Management Agreement with Company. The PS-FT Pool Management Agreement shall set T
   forth the specific obligations of the FT Pool Manager and Company under this rider. T

   The FT Pool Manager shall submit a signed PS-FT Pool Management Agreement at least T
   thirty (30) days prior to the beginning of a billing period when service under this rider shall commence. Company shall notify the FT Pool Manager of the date when service hereunder will commence. A Customer who terminates service under this rider or who desires to change FT Pool Managers shall likewise provide Company with a written notice at least thirty (30) days prior to the end of a billing period.

   The Pool Maximum Daily Quantity ("PMDQ") shall be set forth in the Pool Management Agreement. The PMDQ shall be equal to the total of the MDQs of all the Customers in the FT Pool. Company is not obligated to accept volumes for re-delivery on any day in excess of the PMDQ.

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State Regulation and Rates
Louisville, Kentucky

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## Louisville Gas and Electric Company

P.S.C. Gas No. 11, Original Sheet No. 61.2

**Standard Rate Rider** **PS-FT**
**Pooling Service – Rate FT**

**SPECIAL TERMS AND CONDITIONS** (continued)

3. The FT Pool Manager shall upon request of Company agree to maintain an irrevocable letter of credit, or such other financial instrument satisfactory to Company in order to assure FT Pool Manager's performance of its obligations under the PS-FT Pool Management Agreement. In determining the level of the bond or other security to be required of an FT Pool Manager, Company shall consider such factors, including, but not limited to, the following: the natural gas to be transported on behalf of Customers in the FT Pool, the general creditworthiness of the FT Pool Manager, and the FT Pool Manager's prior credit record with Company, if any. In the event that the FT Pool Manager defaults on its obligations under this rider or the PS-FT Pool Management Agreement, Company shall have the right to use the proceeds from such bond, irrevocable letter of credit, or other financial instrument to satisfy FT Pool Manager's obligation hereunder. Specific terms and conditions regarding credit requirements shall be included in the PS-FT Pool Management Agreement. Such credit requirements shall be administered by Company in a non-discriminatory manner. T

4. The FT Pool Manager shall provide Company with the written consent, in the form of a PS-FT Application/Agency Agreement, of all Customers to any change in the composition of the Customers in the FT Pool at least thirty (30) days prior to the beginning of the first billing period that would apply to the modified FT Pool Such written consent for existing Customers in the FT Pool to any change in the composition of the FT Pool may be made by the FT Pool Manager as Agent for the current Customers in the FT Pool. Without exception, any new Customer in the FT Pool must provide its own written consent in the form of a PS-FT Application/Agency Agreement.

5. The PS-FT Pool Management Agreement may be terminated by Company upon thirty (30) days written notice if an FT Pool Manager fails to meet any condition of this rider and/or Rate FT. The PS-FT Pool Management Agreement may also be terminated by Company upon thirty (30) days written notice if the FT Pool Manager has payments in arrears. Written notice of termination of the PS-FT Pool Management Agreement shall be provided both to the FT Pool Manager and to the individual Customers in the FT Pool by Company.

6. Company shall directly bill the FT Pool Manager for the PS-FT Pool Administrative Charge, Utilization Charge for Daily Imbalances, cash-out charges or payments, and OFO Charges contained in Rate FT. The bill will be rendered at these net charges plus an amount equivalent to 1% thereof, which amount will be deducted provided bill is paid within fifteen (15) days from the date of the bill. If payment is not made within twenty seven (27) days from the date of the bill, then the FT Pool Manager will be considered in default.

7. Company shall directly bill the individual customers in the FT Pool for all Distribution Charges, Administrative Charges, Gas Cost True-Up Charges, Minimum Daily Threshold Charges, and remote metering charges or payments provided for in Rate FT.

8. Pool Manager shall enter into a Website Subscriber Agreement if Pool Manager desires to T
access telemetry data. T

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State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2016-00371 dated June 22, 2017 and modified June 29, 2017**

## Louisville Gas and Electric Company

P.S.C. Gas No. 12, Original Sheet No. 61.2

**Standard Rate Rider** **PS-FT**
**Pooling Service – Rate FT**

**SPECIAL TERMS AND CONDITIONS** (continued)

3. The FT Pool Manager shall upon request of Company agree to maintain an irrevocable letter of credit, or such other financial instrument satisfactory to Company in order to assure FT Pool Manager's performance of its obligations under the PS-FT Pool Management Agreement. In determining the level of the bond or other security to be required of an FT Pool Manager, Company shall consider such factors, including, but not limited to, the following: the natural gas to be transported on behalf of Customers in the FT Pool, the general creditworthiness of the FT Pool Manager, and the FT Pool Manager's prior credit record with Company, if any. In the event that the FT Pool Manager defaults on its obligations under this rider or the PS-FT Pool Management Agreement, Company shall have the right to use the proceeds from such bond, irrevocable letter of credit, or other financial instrument to satisfy FT Pool Manager's obligation hereunder. Specific terms and conditions regarding credit requirements shall be included in the PS-FT Pool Management Agreement. Such credit requirements shall be administered by Company in a non-discriminatory manner.

4. The FT Pool Manager shall provide in a form specified by Company the Customers in the FT T
Pool (or any changes thereto) at least thirty (30) days prior to the beginning of the first billing T
period that would apply to the FT Pool. Only those customers served under Rate FT and T
designating Pool Manager as provided for in Rate FT shall be members of the Pool T
Manager's pool. D

5. The PS-FT Pool Management Agreement may be terminated by Company upon thirty (30) days written notice if an FT Pool Manager fails to meet any condition of this rider and/or Rate FT. The PS-FT Pool Management Agreement may also be terminated by Company upon thirty (30) days written notice if the FT Pool Manager has payments in arrears. Written notice of termination of the PS-FT Pool Management Agreement shall be provided both to the FT Pool Manager and to the individual Customers in the FT Pool by Company.

6. Company shall directly bill the FT Pool Manager for the PS-FT Pool Administrative Charge, Utilization Charge for Daily Imbalances, cash-out charges or payments, and OFO Charges contained in Rate FT. The bill will be rendered at these net charges plus an amount equivalent to 1% thereof, which amount will be deducted provided bill is paid within fifteen (15) days from the date of the bill. If payment is not made within twenty seven (27) days from the date of the bill, then the FT Pool Manager will be considered in default.

7. Company shall directly bill the individual customers in the FT Pool for all Distribution Charges, Administrative Charges, Gas Cost True-Up Charges, Minimum Daily Threshold Charges, and remote metering charges or payments provided for in Rate FT.

8. Pool Manager shall enter into a Website Subscriber Agreement if Pool Manager desires to access telemetry data.

**DATE OF ISSUE:** September 28, 2018

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On And After November 1, 2018

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00295 dated ____**

## Louisville Gas and Electric Company

**P.S.C. Gas No. 11, Original Sheet No. 62**

**Standard Rate Rider** **EF**
**Excess Facilities**

**APPLICABILITY**
In all territory served.

**AVAILABILITY OF SERVICE**
This rider is available for nonstandard service facilities which are considered to be in excess of the standard facilities that would normally be provided by Company. This rider does not apply to main extensions or to other facilities which are necessary to provide basic gas service. Company reserves the right to decline to provide service hereunder for any project (a) that exceeds $100,000 or (b) where Company does not have sufficient expertise to install, operate, or maintain the facilities or (c) where the facilities do not meet Company's safety requirements, or (d) where the facilities are likely to become obsolete prior to the end of the initial contract term. Customers currently being served under the Excess Facilities Rider pursuant to Original Sheet No. 52 of LG&E's Tariff PSC. of Ky. Gas No. 6, shall continue to be served thereunder.

**DEFINITION OF EXCESS FACILITIES**
Excess facilities are equipment and devices which are installed in addition to or in substitution for the normal facilities required to render basic gas service and where such facilities are dedicated to a specific customer. Applications of excess facilities include, but are not limited to, redundant gas regulator capacity; gas filters/separators; odorant removal systems; gas compression equipment; indirect heaters; gas purification systems; additional facilities required for the customer to take service from a high-pressure gas line; and any other equipment/systems not normally installed to provide gas service to a customer.

**EXCESS FACILITIES CHARGE**
Company shall provide normal operation and maintenance of the excess facilities. Should the facilities suffer failure, Company will provide for replacement of such facilities and the monthly charge will be adjusted to reflect the installed cost of the replacement facilities. No adjustment in the monthly charge for a replacement of facilities will be made during the initial five (5) year term of contract.

Customer shall pay for excess facilities by:

(a) making a monthly Excess Facilities Charge payment equal to the installed cost of the excess facilities times the following percentage:

Percentage With No Contribution-in-Aid-of-Construction 1.24%

(b) making a one-time Contribution-in-Aid-of-Construction equal to the installed cost of the excess facilities plus a monthly Excess Facilities Charge payment equal to the installed cost of the excess facilities times the following percentage:

Percentage With Contribution-in-Aid-of-Construction 0.47%

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**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2012-00222 dated December 20, 2012**

## Louisville Gas and Electric Company

**P.S.C. Gas No. 12, Original Sheet No. 62**

**Standard Rate Rider** **EF**
**Excess Facilities**

**APPLICABLE** T
In all territory served.

**AVAILABILITY** T
This rider is available for nonstandard service facilities which are considered to be in excess of the standard facilities that would normally be provided by Company. This rider does not apply to main extensions or to other facilities which are necessary to provide basic gas service. Company reserves the right to decline to provide service hereunder for any project (a) that exceeds $100,000 or (b) where Company does not have sufficient expertise to install, operate, or maintain the facilities or (c) where the facilities do not meet Company's safety requirements, or (d) where the facilities are likely to become obsolete prior to the end of the initial contract term. Customers currently being served under the Excess Facilities Rider pursuant to Original Sheet No. 52 of LG&E's Tariff PSC. of Ky. Gas No. 6, shall continue to be served thereunder.

**DEFINITION OF EXCESS FACILITIES**
Excess facilities are equipment and devices which are installed in addition to or in substitution for the normal facilities required to render basic gas service and where such facilities are dedicated to a specific customer. Applications of excess facilities include, but are not limited to, redundant gas regulator capacity; gas filters/separators; odorant removal systems; gas compression equipment; indirect heaters; gas purification systems; additional facilities required for the customer to take service from a high-pressure gas line; and any other equipment/systems not normally installed to provide gas service to a customer.

**EXCESS FACILITIES CHARGE**
Company shall provide normal operation and maintenance of the excess facilities. Should the facilities suffer failure, Company will provide for replacement of such facilities and the monthly charge will be adjusted to reflect the installed cost of the replacement facilities. No adjustment in the monthly charge for a replacement of facilities will be made during the initial five (5) year term of contract.

Customer shall pay for excess facilities by:

a. making a monthly Excess Facilities Charge payment equal to the installed cost of the excess facilities times the following percentage:

Percentage With No Contribution-in-Aid-of-Construction 1.19% R

b. making a one-time Contribution-in-Aid-of-Construction equal to the installed cost of the excess facilities plus a monthly Excess Facilities Charge payment equal to the installed cost of the excess facilities times the following percentage:

Percentage With Contribution-in-Aid-of-Construction 0.46% R

**DATE OF ISSUE:** September 28, 2018

**DATE EFFECTIVE:** Effective with Service Rendered
On And After November 1, 2018

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00295 dated ____**

## Louisville Gas and Electric Company

**P.S.C. Gas No. 11, Original Sheet No. 62.1**

**Standard Rate Rider** **EF**

**Excess Facilities**

**PAYMENT**

The Excess Facilities Charges shall be incorporated with the bill for gas service and will be subject to the same payment provisions.

**TERM OF CONTRACT**

The initial term of contract to Customer under this schedule shall be not less than five (5) years. The term shall continue automatically until terminated by either party upon at least one (1) month's written notice.

**DATE OF ISSUE**: July 7, 2017

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State Regulation and Rates
Louisville, Kentucky

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## Louisville Gas and Electric Company

**P.S.C. Gas No. 12, Original Sheet No. 62.1**

**Standard Rate Rider** **EF**

**Excess Facilities**

**PAYMENT**

The Excess Facilities Charges shall be incorporated with the bill for gas service and will be subject to the same payment provisions.

**TERM OF CONTRACT**

The initial term of contract to Customer under this schedule shall be not less than five (5) years. The term shall continue automatically until terminated by either party upon at least one (1) month's written notice.

**DATE OF ISSUE:** September 28, 2018

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**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

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## Louisville Gas and Electric Company

**P.S.C. Gas No. 11, Original Sheet No. 63**

**Standard Rate Rider** **NGV**

**Natural Gas Vehicle Service**

**APPLICABLE**

In all territory served.

**AVAILABILITY OF SERVICE**

Applicable to municipal, utility, corporate and other fleet operators and public fueling stations meeting the qualifications of, and served under, either Rate IGS or Rate FT for the sole purpose of providing natural gas for use as a fuel in vehicular internal combustion engines. Availability of gas service under this rate schedule shall be determined by Company on a case-by-case basis, which determination shall be within Company's sole discretion. Company shall not be obligated to make modifications or additions to its gas system to serve loads under this Rider. T

Service provided under this Rider shall be separately metered. Service for any use of natural gas other than as natural gas for vehicle fuel, such as space heating, water heating, or any direct processing or boiler fuel use, is not permitted under this Rider or through the meter through which service under this Rider is provided. T

**CHARACTER OF SERVICE**

Company will provide Customer with uncompressed natural gas pursuant to either Rate IGS or Rate FT, as applicable. A customer served under Rate IGS that meets the qualifications for service under Rider TS-2 may also transport gas pursuant to Rider TS-2.

Customer shall be responsible for installing, owning, and maintaining all facilities required to operate its fueling station.

The compression of natural gas to the pressure required for use as a motor vehicle fuel will be conducted by Customer using facilities installed, owned and operated by Customer.

**RATE**

The rates, provisions, and special terms and conditions of Rate IGS, Rider TS-2, or Rate FT as applicable to the Customer shall apply.

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State Regulation and Rates
Louisville, Kentucky

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## Louisville Gas and Electric Company

**P.S.C. Gas No. 12, Original Sheet No. 63**

**Standard Rate Rider** **NGV**

**Natural Gas Vehicle Service**

**APPLICABLE**

In all territory served.

**AVAILABILITY** T

Applicable to municipal, utility, corporate and other fleet operators and public fueling stations meeting the qualifications of, and served under, either Rate IGS or Rate FT for the sole purpose of providing natural gas for use as a fuel in vehicular internal combustion engines. Availability of gas service under this rate schedule shall be determined by Company on a case-by-case basis, which determination shall be within Company's sole discretion. Company shall not be obligated to make modifications or additions to its gas system to serve loads under this Rider.

Service provided under this Rider shall be separately metered. Service for any use of natural gas other than as natural gas for vehicle fuel, such as space heating, water heating, or any direct processing or boiler fuel use, is not permitted under this Rider or through the meter through which service under this Rider is provided.

**CHARACTER OF SERVICE**

Company will provide Customer with uncompressed natural gas pursuant to either Rate IGS or Rate FT, as applicable. A customer served under Rate IGS that meets the qualifications for service under Rider TS-2 may also transport gas pursuant to Rider TS-2.

Customer shall be responsible for installing, owning, and maintaining all facilities required to operate its fueling station.

The compression of natural gas to the pressure required for use as a motor vehicle fuel will be conducted by Customer using facilities installed, owned and operated by Customer.

**RATE**

The rates, provisions, and special terms and conditions of Rate IGS, Rider TS-2, or Rate FT as applicable to the Customer shall apply.

**DATE OF ISSUE:** September 28, 2018

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On And After November 1, 2018

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State Regulation and Rates
Louisville, Kentucky

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## Louisville Gas and Electric Company

**P.S.C. Gas No. 11, Original Sheet No. 63.1**

**Standard Rate Rider** **NGV**
**Natural Gas Vehicle Service**

**SPECIAL TERMS AND CONDITIONS** T

1. Service will be furnished under Company's Terms and Conditions applicable hereto, to the extent that such Terms and Conditions are not in conflict, nor inconsistent, with the specific provisions hereof. T T T T

2. Company reserves the right to inspect customer's premises to ensure gas provided pursuant to this Rider is only used for vehicular fuel. Any other use of gas by Customer may result in termination of service. T

3. Service under this Rider shall be performed under a written contract between Customer and Company containing such provisions regarding delivery pressure, indemnification, and other matters as the Company deems necessary or desirable with respect to a particular customer. T

4. Customer shall be responsible for and shall reimburse the Company for all taxes (including, but not limited to, any motor vehicle taxes) payable by the Company to any governmental body on sales of gas and/or for services rendered under this Rider. Customer shall be solely responsible for the reporting and payment of all applicable federal and state motor fuel taxes including, but not limited to, any federal special fuel excise tax and any state motor fuel tax. T T T T

5. The Resale of Gas provision set forth in the Company's Terms and Conditions shall not apply to service provided under this Rider. Customer may resell gas received from Company under this Rider for use as a fuel in vehicular internal combustion engines. T

6. Customer is solely responsible for compliance with codes and standards, permitting requirements, regulations, and laws related to the use of compressed natural gas and the operation of a natural gas vehicle fueling station, whether as a fleet operation or as a public fueling station. Company is not responsible for vehicle fueling. T

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**DATE OF ISSUE**: July 7, 2017

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State Regulation and Rates
Louisville, Kentucky

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## Louisville Gas and Electric Company

**P.S.C. Gas No. 12, Original Sheet No. 63.1**

**Standard Rate Rider** **NGV**
**Natural Gas Vehicle Service**

**SPECIAL TERMS AND CONDITIONS**

1. Service will be furnished under Company's Terms and Conditions applicable hereto, to the extent that such Terms and Conditions are not in conflict, nor inconsistent, with the specific provisions hereof.

2. Company reserves the right to inspect customer's premises to ensure gas provided pursuant to this Rider is only used for vehicular fuel. Any other use of gas by Customer may result in termination of service.

3. Service under this Rider shall be performed under a written contract between Customer and Company containing such provisions regarding delivery pressure, indemnification, and other matters as the Company deems necessary or desirable with respect to a particular customer.

4. Customer shall be responsible for and shall reimburse the Company for all taxes (including, but not limited to, any motor vehicle taxes) payable by the Company to any governmental body on sales of gas and/or for services rendered under this Rider. Customer shall be solely responsible for the reporting and payment of all applicable federal and state motor fuel taxes including, but not limited to, any federal special fuel excise tax and any state motor fuel tax.

5. The Resale of Gas provision set forth in the Company's Terms and Conditions shall not apply to service provided under this Rider. Customer may resell gas received from Company under this Rider for use as a fuel in vehicular internal combustion engines.

6. Customer is solely responsible for compliance with codes and standards, permitting requirements, regulations, and laws related to the use of compressed natural gas and the operation of a natural gas vehicle fueling station, whether as a fleet operation or as a public fueling station. Company is not responsible for vehicle fueling.

**DATE OF ISSUE:** September 28, 2018

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**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2016-00371 dated June 22, 2017 and modified June 29, 2017**

Standard Facility Contribution Rider (SFC) is a new rate rider

# Louisville Gas and Electric Company



**Standard Rate Rider** **SFC**

**Standard Facility Contribution Rider**

N

**APPLICABLE**

In all territory served.

**AVAILABILITY**

This rider is available for gas main extensions made pursuant to Company's "Gas Main Extension Rules" that are necessary to provide basic gas service when the revenue credit received by the customer under the Company's "Gas Main Extension Rules" does not cover the cost of the gas main extension. Company reserves the right to decline to provide service under this rider to an individual customer for any gas main extension costs that are in excess of those covered by Company's Gas Main Extension Rules (i) where the excess costs are less than $500,000 or greater than $2,000,000, or (ii) where the gas main extension is likely to become obsolete prior to the end of the contract term.

Company shall not be obligated to provide service under this rider when the total gas main extension costs subject to this rider are greater than $4,000,000 per calendar year.

Any customer receiving service under this rider shall be eligible for refunds (if any) available pursuant to Company's Gas Main Extension Rules when the customer's obligation under this rider is fulfilled at the end of the five (5) year contract term.

**DEFINITION OF STANDARD FACILITIES**

Standard facilities are limited to gas main extensions used to provide service to a customer. Customer will not be required to pay for facilities installed by Company that are in excess of those required to provide service to customer unless customer requests such facilities. Company's Excess Facilities Rider (Standard Rate Rider EF) applies to customer-requested excess facilities.

**STANDARD FACILITIES CHARGE**

Company shall provide normal operation and maintenance of the standard facilities. If the facilities suffer failure, Company will provide for replacement of such facilities. No adjustment in the monthly charge for a replacement of facilities will be made during the term of the contract.

Customer shall pay for standard facilities by making a monthly Standard Facilities Charge payment for 60 months equal to the installed cost of the standard facilities times the following factor:

$$\text{Standard Facility Contribution Factor} = \frac{i(1+i)^{60}}{(1+i)^{60}-1}$$

Where the interest rate (*i*) in the above formula is the 5-year Treasury constant maturity rate published in the latest Federal Reserve Statistical Release H-15 as of the day immediately preceding the date when the agreement under this rider is executed with the Customer, plus 100 basis points, divided by 12 months.

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State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00295 dated ____**

Standard Facility Contribution Rider (SFC) is a new rate rider

## Louisville Gas and Electric Company



**Standard Rate Rider** **SFC**

**Standard Facility Contribution Rider**

N

**PAYMENT**

The Standard Facilities Charges will be incorporated with the bill for gas service and will be subject to the same payment provisions.

**CREDITWORTHINESS**

Customer shall upon request of Company agree to maintain an irrevocable letter of credit, cash prepayment, or such other financial instrument satisfactory to Company ("credit support") in order to assure Customer's performance of its obligations hereunder. In determining the level of the security to be required of Customer, Company shall consider such factors, including, but not limited to, the following: the cost of the main extension to be paid by Customer, the general creditworthiness of Customer, and Customer's prior credit record with Company, if any. In the event that Customer defaults on its obligations under this rate schedule, Company shall have the immediate right to draw on such credit support to satisfy Customer's obligation hereunder. Such credit requirements shall be administered by Company in a nondiscriminatory manner.

**CONTRACT**

Service under this rider shall be performed under a written contract between Company and Customer. The term of the contract shall be five (5) years.

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On And After November 1, 2018

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State Regulation and Rates
Louisville, Kentucky

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## Louisville Gas and Electric Company

**P.S.C. Gas No. 11, First Revision of Original Sheet No. 84**
**Canceling P.S.C. Gas No. 11, Original Sheet No. 84**

**Adjustment Clause** **GLT**
**Gas Line Tracker**

**APPLICABLE**

Applicable to all customers receiving service under the Company's Rate Schedules RGS, VFD, CGS, IGS, AAGS, FT, SGSS, DGGS, and LGDS.

**CALCULATION OF THE GAS LINE TRACKER REVENUE REQUIREMENT**

The GLT Revenue Requirement includes the following:

a. GLT related Plant In-Service not included in base gas rates minus the associated GLT related accumulated depreciation and accumulated deferred income taxes;
b. Retirement and removal of plant related to GLT construction;
c. The rate of return on the net rate base is the overall rate of return on capital authorized in the Company's latest base gas rate case, grossed up for federal and state income taxes;
d. Depreciation expense on the GLT-related Plant In-Service less retirement and removals;
e. Incremental Operation and Maintenance; and
f. Property Taxes

**GLT PROGRAM FACTORS**

After the Company replaces a gas service riser or a gas service line under this program, it will assume ownership and responsibility for the plant and equipment. The allocation of the program cost to customers will be in proportion to their relative base revenue share approved in the Company's most recent general rate case.

A filing to update the projected program costs will be submitted annually. The filing will reflect the anticipated impact on the Company's revenue requirements of net plant additions expected during the current year. At the same time, the Company will submit a balancing adjustment to true up the actual costs with the projected program costs for the preceding year. Such adjustment to the GLT will become effective for services rendered on and after the first day of the following month after the effective date of such change.

**RATES** T

The charges for the respective gas service schedules are: T

| | Distribution Projects ($/delivery point) | Transmission Projects ($/Ccf) | |
|---|---|---|---|
| | | | T<br>T<br>T |
| RGS, VFD | $ 0.60 | $0.00547 | T/R/I |
| CGS, SGSS | 2.99 | 0.00444 | T/R/I |
| IGS, AAGS, DGGS | 37.67 | 0.00266 | T/R/I |
| FT, LGDS | 0.00 | 0.00031 | T/I |

**DATE OF ISSUE**: April 30, 2018

**DATE EFFECTIVE:** May 1, 2018

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00057 dated April 24, 2018**

## Louisville Gas and Electric Company

**P.S.C. Gas No. 12, Original Sheet No. 84**

**Adjustment Clause** **GLT**
**Gas Line Tracker**

**APPLICABLE**

Applicable to all customers receiving service under the Company's Rate Schedules RGS, VFD, CGS, IGS, AAGS, FT, SGSS, DGGS, and LGDS.

**CALCULATION OF THE GAS LINE TRACKER REVENUE REQUIREMENT**

The GLT Revenue Requirement includes the following:

a. GLT related Plant In-Service not included in base gas rates minus the associated GLT related accumulated depreciation and accumulated deferred income taxes;
b. Retirement and removal of plant related to GLT construction;
c. The rate of return on the net rate base is the overall rate of return on capital authorized in the Company's latest base gas rate case, grossed up for federal and state income taxes;
d. Depreciation expense on the GLT-related Plant In-Service less retirement and removals;
e. Incremental Operation and Maintenance; and
f. Property Taxes

**GLT PROGRAM FACTORS**

After the Company replaces a gas service riser or a gas service line under this program, it will assume ownership and responsibility for the plant and equipment. The allocation of the program cost to customers will be in proportion to their relative base revenue share approved in the Company's most recent general rate case.

A filing to update the projected program costs will be submitted annually. The filing will reflect the anticipated impact on the Company's revenue requirements of net plant additions expected during the current year. At the same time, the Company will submit a balancing adjustment to true up the actual costs with the projected program costs for the preceding year. Such adjustment to the GLT will become effective for services rendered on and after the first day of the following month after the effective date of such change.

**RATES**

The charges for the respective gas service schedules are:

| | Distribution Projects ($/delivery point) | Transmission Projects ($/Ccf) |
|---|---|---|
| RGS, VFD | $ 0.60 | $0.00547 |
| CGS, SGSS | 2.99 | 0.00444 |
| IGS, AAGS, DGGS | 37.67 | 0.00266 |
| FT, LGDS | 0.00 | 0.00031 |

**DATE OF ISSUE:** September 28, 2018

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On And After May 1, 2018

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00057 dated April 24, 2018**

## Louisville Gas and Electric Company

**P.S.C. Gas No. 11, Fifth Revision of Original Sheet No. 85**
**Canceling P.S.C. Gas No. 11, Fourth Revision of Original Sheet No. 85**

**Adjustment Clause** **GSC**
**Gas Supply Clause**

**APPLICABLE TO**

All gas sold.

**GAS SUPPLY COST COMPONENT (GSCC)**

| | | |
|---|---|---|
| Gas Supply Cost | $0.39640 | I |
| Gas Cost Actual Adjustment (GCAA) | 0.01437 | I |
| Gas Cost Balance Adjustment (GCBA) | 0.00023 | I |
| Refund Factors (RF) continuing for twelve months from the effective date of each or until Company has discharged its refund obligation thereunder: | | |
| None | | |
| Performance-Based Rate Recovery Component (PBRRC) | 0.00346 | |
| Total Gas Supply Cost Component Per 100 Cubic Feet (GSCC) | $0.41446 | I |

**DATE OF ISSUE**: July 31, 2018

**DATE EFFECTIVE:** August 1, 2018

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00182 dated July 30, 2018**

## Louisville Gas and Electric Company

**P.S.C. Gas No. 12, Original Sheet No. 85**

**Adjustment Clause** **GSC**
**Gas Supply Clause**

**APPLICABLE TO**
All gas sold.

**GAS SUPPLY COST COMPONENT (GSCC)**

| | |
|---|---|
| Gas Supply Cost | $0.39640 |
| Gas Cost Actual Adjustment (GCAA) | 0.01437 |
| Gas Cost Balance Adjustment (GCBA) | 0.00023 |
| Refund Factors (RF) continuing for twelve months from the effective date of each or until Company has discharged its refund obligation thereunder: | |
| None | |
| Performance-Based Rate Recovery Component (PBRRC) | 0.00346 |
| Total Gas Supply Cost Component Per 100 Cubic Feet (GSCC) | $0.41446 |

**DATE OF ISSUE:** September 28, 2018

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**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00182 dated July 30, 2018**

## Louisville Gas and Electric Company

**P.S.C. Gas No. 11, Original Sheet No. 85.1**

**Adjustment Clause** **GSC**
**Gas Supply Clause**

The bill amount computed under each of the rate schedules to which this Gas Supply Clause is applicable shall include a Gas Supply Cost Component per 100 cubic feet of consumption calculated for each three-month period in accordance with the following formula:

GSCC = Gas Supply Cost + GCAA + GCBA + RF + PBRRC

where:

Gas Supply Cost is the expected average cost per 100 cubic feet for each three-month period (beginning February 1, May 1, August 1, or November 1, as the case may be) determined by dividing the sum of the monthly gas supply costs by the expected deliveries to customers. Monthly gas supply cost is composed of the following:

(a) Expected purchased gas costs (gas supply and pipeline transportation) for system supply, minus

(b) Portion of such expected purchased gas costs expected to be used for non-Gas Department purposes, minus

(c) Portion of such expected purchased gas cost expected to be injected into underground storage, plus

(d) Expected underground storage withdrawals at the average unit cost of working gas contained therein;

(GCAA) is the Gas Cost Actual Adjustment per 100 cubic feet which compensates for differences between the previous three-month period's expected gas cost and the actual cost of gas during that three-month period, plus net uncollectible gas cost portion of bad debt.

(GCBA) is the Gas Cost Balance Adjustment per 100 cubic feet which compensates for any under- or over-collections which have occurred as a result of prior adjustments.

(RF) is the sum of the Refund Factors set forth on Sheet No. 85 of this Tariff.

(PBRRC) is the amount per 100 cubic feet calculated pursuant to the Experimental Performance-Based Rate Mechanism contained in the Adjustment Clause PBR. The PBRRC is determined for each 12-month PBR period ended October 31.

Company shall file a revised Gas Supply Cost Component (GSCC) every three months giving effect to known changes in the wholesale cost of all gas purchases and the cost of gas deliveries from underground storage. The Company may make out-of-time filings when warranted. Such filing shall be made at least thirty (30) days prior to the beginning of each three-month period and shall include the following information:

**DATE OF ISSUE**: July 7, 2017

**DATE EFFECTIVE:** January 4, 2013

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2012-00222 dated December 20, 2012**

## Louisville Gas and Electric Company

**P.S.C. Gas No. 12, Original Sheet No. 85.1**

**Adjustment Clause** **GSC**
**Gas Supply Clause**

The bill amount computed under each of the rate schedules to which this Gas Supply Clause is applicable shall include a Gas Supply Cost Component per 100 cubic feet of consumption calculated for each three-month period in accordance with the following formula:

GSCC = Gas Supply Cost + GCAA + GCBA + RF + PBRRC

where:

Gas Supply Cost is the expected average cost per 100 cubic feet for each three-month period (beginning February 1, May 1, August 1, or November 1, as the case may be) determined by dividing the sum of the monthly gas supply costs by the expected deliveries to customers. Monthly gas supply cost is composed of the following:

a. Expected purchased gas costs (gas supply and pipeline transportation) for system supply, minus

b. Portion of such expected purchased gas costs expected to be used for non-Gas Department purposes, minus

c. Portion of such expected purchased gas cost expected to be injected into underground storage, plus

d. Expected underground storage withdrawals at the average unit cost of working gas contained therein;

(GCAA) is the Gas Cost Actual Adjustment per 100 cubic feet which compensates for differences between the previous three-month period's expected gas cost and the actual cost of gas during that three-month period, plus net uncollectible gas cost portion of bad debt.

(GCBA) is the Gas Cost Balance Adjustment per 100 cubic feet which compensates for any under- or over-collections which have occurred as a result of prior adjustments.

(RF) is the sum of the Refund Factors set forth on Sheet No. 85 of this Tariff.

(PBRRC) is the amount per 100 cubic feet calculated pursuant to the Experimental Performance-Based Rate Mechanism contained in the Adjustment Clause PBR. The PBRRC is determined for each 12-month PBR period ended October 31.

Company shall file a revised Gas Supply Cost Component (GSCC) every three months giving effect to known changes in the wholesale cost of all gas purchases and the cost of gas deliveries from underground storage. The Company may make out-of-time filings when warranted. Such filing shall be made at least thirty (30) days prior to the beginning of each three-month period and shall include the following information:

**DATE OF ISSUE:** September 28, 2018

**DATE EFFECTIVE:** Effective with Service Rendered
On And After January 4, 2013

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2012-00222 dated December 20, 2012**

## Louisville Gas and Electric Company

**P.S.C. Gas No. 11, Original Sheet No. 85.2**

**Adjustment Clause** **GSC**

**Gas Supply Clause**

1. A copy of the tariff rate(s) of Company's pipeline transporter(s) applicable to such three-month period.
2. A statement, through the most recent three-month period for which figures are available, setting out the accumulated costs recovered hereunder compared to actual gas supply costs recorded on the books.
3. A statement setting forth the supporting calculations of the Gas Supply Cost and the Gas Cost Actual Adjustment (GCAA) and the Gas Cost Balance Adjustment (GCBA) applicable to such three-month period.

To allow for the effect of Company's cycle billing, each change in the GSCC shall be placed into effect with service rendered on and after the first day of each three-month period.

In the event that Company receives from its supplier a cash refund of amounts paid to such supplier with respect to a prior period, Company will make adjustments in the amounts charged to its customers under this provision, as follows:

1. The "Refundable Amount" shall be the amount received by Company as a refund less any portion thereof applicable to gas purchased for electric energy production plus interest at a rate equal to the average of the "3-month commercial paper rate" for the immediately preceding 12-month period, less ½ of 1 percent to cover the cost of refunding in accordance with the Order of the Commission in Case No. 7799-D. Such Refundable Amount shall be divided by the number of hundred cubic feet of gas that Company estimates it will sell to its customers during the twelve-month period which commences with implementation of the next Gas Supply Clause filing, thus determining a "Refund Factor."
2. Effective with the implementation of the next Gas Supply Clause filing, Company will reduce, by the Refund Factor so determined, the Gas Supply Cost Component that would otherwise be applicable during the subsequent twelve-month period. Provided, however, that the period of reduced Gas Supply Cost Component will be adjusted, if necessary, in order to refund, as nearly as possible, the Refundable Amount.
3. In the event of any large or unusual refunds, Company may apply to the Public Service Commission of Kentucky for the right to depart from the refund procedure herein set forth.

**DATE OF ISSUE**: July 7, 2017

**DATE EFFECTIVE:** January 4, 2013

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2012-00222 dated December 20, 2012**

## Louisville Gas and Electric Company

**P.S.C. Gas No. 12, Original Sheet No. 85.2**

**Adjustment Clause** **GSC**

**Gas Supply Clause**

1. A copy of the tariff rate(s) of Company's pipeline transporter(s) applicable to such three-month period.
2. A statement, through the most recent three-month period for which figures are available, setting out the accumulated costs recovered hereunder compared to actual gas supply costs recorded on the books.
3. A statement setting forth the supporting calculations of the Gas Supply Cost and the Gas Cost Actual Adjustment (GCAA) and the Gas Cost Balance Adjustment (GCBA) applicable to such three-month period.

To allow for the effect of Company's cycle billing, each change in the GSCC shall be placed into effect with service rendered on and after the first day of each three-month period.

In the event that Company receives from its supplier a cash refund of amounts paid to such supplier with respect to a prior period, Company will make adjustments in the amounts charged to its customers under this provision, as follows:

1. The "Refundable Amount" shall be the amount received by Company as a refund less any portion thereof applicable to gas purchased for electric energy production plus interest at a rate equal to the average of the "3-month commercial paper rate" for the immediately preceding 12-month period, less ½ of 1 percent to cover the cost of refunding in accordance with the Order of the Commission in Case No. 7799-D. Such Refundable Amount shall be divided by the number of hundred cubic feet of gas that Company estimates it will sell to its customers during the twelve-month period which commences with implementation of the next Gas Supply Clause filing, thus determining a "Refund Factor."
2. Effective with the implementation of the next Gas Supply Clause filing, Company will reduce, by the Refund Factor so determined, the Gas Supply Cost Component that would otherwise be applicable during the subsequent twelve-month period. Provided, however, that the period of reduced Gas Supply Cost Component will be adjusted, if necessary, in order to refund, as nearly as possible, the Refundable Amount.
3. In the event of any large or unusual refunds, Company may apply to the Kentucky Public Service Commission for the right to depart from the refund procedure herein set forth.

**DATE OF ISSUE:** September 28, 2018

**DATE EFFECTIVE:** Effective with Service Rendered
On And After January 4, 2013

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2012-00222 dated December 20, 2012**

## Louisville Gas and Electric Company

**P.S.C. Gas No. 11, Original Sheet No. 86**

**Adjustment Clause** **DSM**

**Demand-Side Management Cost Recovery Mechanism**

**APPLICABLE**

In all territory served.

**AVAILABILITY OF SERVICE**

This schedule is mandatory to Residential Gas Service Rate RGS, Volunteer Fire Department Service Rate VFD, Firm Commercial Gas Service Rate CGS, Firm Industrial Gas Service Rate IGS, As-Available Gas Service Rate AAGS, Substitute Gas Sales Service Rate SGSS, and Firm Transportation Rate FT. T

**RATE**

The monthly amount computed under each of the rate schedules to which this Demand-Side Management Cost Recovery Mechanism is applicable shall be increased or decreased by the DSM Cost Recovery Component (DSMRC) at a rate per 100 cubic feet (Ccf) of monthly gas consumption in accordance with the following formula:

**DSMRC = DCR + DRLS + DSMI + DBA + DCCR**

Where:

**DCR = DSM COST RECOVERY**

The DCR shall include all expected costs that have been approved by the Commission for each twelve-month period for demand-side management programs that have been developed through a collaborative advisory process ("approved programs"). Such program costs shall include the cost of planning, developing, implementing, monitoring, and evaluating DSM programs. Program costs will be assigned for recovery purposes to the rate classes whose customers are directly participating in the program. In addition, all costs incurred by or on behalf of the collaborative process, including but not limited to costs for consultants, employees and administrative expenses, will be recovered through the DCR. Administrative costs that are allocable to more than one rate class will be recovered from those classes and allocated by rate class on the basis of the estimated budget from each program. The cost of approved programs shall be divided by the expected Ccf sales for the upcoming twelve-month period to determine the DCR for such rate class. T

**DRLS = DSM REVENUE FROM LOST SALES**

Revenues from lost sales due to DSM programs implemented on and after the effective date of this tariff will be recovered as follows:

**DATE OF ISSUE**: July 7, 2017

**DATE EFFECTIVE:** July 1, 2017

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2016-00371 dated June 22, 2017 and modified June 29, 2017**

## Louisville Gas and Electric Company

**P.S.C. Gas No. 12, Original Sheet No. 86**

**Adjustment Clause** **DSM**

**Demand-Side Management Cost Recovery Mechanism**

**APPLICABLE**

In all territory served.

**AVAILABILITY OF SERVICE**

This schedule is mandatory to Residential Gas Service Rate RGS, Volunteer Fire Department Service Rate VFD, Firm Commercial Gas Service Rate CGS, Firm Industrial Gas Service Rate IGS, As-Available Gas Service Rate AAGS, Substitute Gas Sales Service Rate SGSS, and Firm Transportation Rate FT.

**RATE**

The monthly amount computed under each of the rate schedules to which this Demand-Side Management Cost Recovery Mechanism is applicable shall be increased or decreased by the DSM Cost Recovery Component (DSMRC) at a rate per 100 cubic feet (Ccf) of monthly gas consumption in accordance with the following formula:

**DSMRC = DCR + DRLS + DSMI + DBA + DCCR**

Where:

**DCR = DSM COST RECOVERY**

The DCR shall include all expected costs that have been approved by the Commission for each twelve-month period for demand-side management programs that have been developed through a collaborative advisory process ("approved programs"). Such program costs shall include the cost of planning, developing, implementing, monitoring, and evaluating DSM programs. Program costs will be assigned for recovery purposes to the rate classes whose customers are directly participating in the program. In addition, all costs incurred by or on behalf of the collaborative process, including but not limited to costs for consultants, employees and administrative expenses, will be recovered through the DCR. Administrative costs that are allocable to more than one rate class will be recovered from those classes and allocated by rate class on the basis of the estimated budget from each program. The cost of approved programs shall be divided by the expected Ccf sales for the upcoming twelve-month period to determine the DCR for such rate class.

**DRLS = DSM REVENUE FROM LOST SALES**

Revenues from lost sales due to DSM programs implemented on and after the effective date of this tariff will be recovered as follows:

**DATE OF ISSUE:** September 28, 2018

**DATE EFFECTIVE:** Effective with Service Rendered
On And After July 1, 2017

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2016-00371 dated July 22, 2017 and modified June 29, 2017**

## Louisville Gas and Electric Company

P.S.C. Gas No. 11, Original Sheet No. 86.1

**Adjustment Clause** **DSM**

**Demand-Side Management Cost Recovery Mechanism**

**DRLS = DSM REVENUE FROM LOST SALES** (continued)

1. For each upcoming twelve-month period, the estimated reduction in customer usage (in Ccf) as determined for the approved programs shall be multiplied by the non-variable revenue requirement per Ccf for purposes of determining the lost revenue to be recovered hereunder for each customer class. The non-variable revenue requirement is defined as the weighted average price per Ccf of expected Distribution Charge billings for the customer classes. T

2. The lost revenues for each customer class shall then be divided by the estimated class sales (in Ccf) for the upcoming twelve-month period to determine the applicable DRLS surcharge. Recovery of revenues from lost sales calculated for a twelve-month period shall be included in the DRLS for thirty-six (36) months or until implementation of new rates pursuant to a general rate case. For recovery purposes, the lost sales revenues will be assigned to the rate classes whose programs resulted in the lost sales.

Revenues collected hereunder are based on engineering estimates of energy savings, expected program participation and estimated sales for the upcoming twelve-month period. At the end of each such period, any difference between the lost revenues actually collected hereunder and the lost revenues determined after any revisions of the engineering estimates and actual program participation are accounted for shall be reconciled in future billings under the DSM Balance Adjustment (DBA) component.

A program evaluation vendor will be selected to provide evaluation criteria against which energy savings will be estimated for that program. Each program will be evaluated after implementation and any revision of the original engineering estimates will be reflected in both (a) the retroactive true-up provided for under the DSM Balance Adjustment and (b) the prospective future lost revenues collected hereunder.

**DSMI = DSM INCENTIVE**.

For all Energy Impact Programs except Direct Load Control, the DSM incentive amount shall be computed by multiplying the net resource savings expected from the approved programs that are to be installed during the upcoming twelve-month period times fifteen (15) percent, not to exceed five (5) percent of program expenditures. Net resource savings are defined as program benefits less utility program costs and participant costs where program benefits will be calculated on the basis of the present value of Company's avoided costs over the expected life of the program, and will include both capacity and energy savings. For the Energy Education Program, the DSM incentive amount shall be computed by multiplying the annual cost of the approved program times five (5) percent.

**DATE OF ISSUE**: July 7, 2017

**DATE EFFECTIVE:** July 1, 2017

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the
Public Service Commission in Case No.
2016-00371 dated June 22, 2017 and modified June 29, 2017**

## Louisville Gas and Electric Company

P.S.C. Gas No. 12, Original Sheet No. 86.1

**Adjustment Clause** **DSM**

**Demand-Side Management Cost Recovery Mechanism**

**DRLS = DSM REVENUE FROM LOST SALES** (continued)

1. For each upcoming twelve-month period, the estimated reduction in customer usage (in Ccf) as determined for the approved programs shall be multiplied by the non-variable revenue requirement per Ccf for purposes of determining the lost revenue to be recovered hereunder for each customer class. The non-variable revenue requirement is defined as the weighted average price per Ccf of expected Distribution Charge billings for the customer classes.

2. The lost revenues for each customer class shall then be divided by the estimated class sales (in Ccf) for the upcoming twelve-month period to determine the applicable DRLS surcharge. Recovery of revenues from lost sales calculated for a twelve-month period shall be included in the DRLS for thirty-six (36) months or until implementation of new rates pursuant to a general rate case. For recovery purposes, the lost sales revenues will be assigned to the rate classes whose programs resulted in the lost sales.

Revenues collected hereunder are based on engineering estimates of energy savings, expected program participation and estimated sales for the upcoming twelve-month period. At the end of each such period, any difference between the lost revenues actually collected hereunder and the lost revenues determined after any revisions of the engineering estimates and actual program participation are accounted for shall be reconciled in future billings under the DSM Balance Adjustment (DBA) component.

A program evaluation vendor will be selected to provide evaluation criteria against which energy savings will be estimated for that program. Each program will be evaluated after implementation and any revision of the original engineering estimates will be reflected in both (a) the retroactive true-up provided for under the DSM Balance Adjustment and (b) the prospective future lost revenues collected hereunder.

**DSMI = DSM INCENTIVE**.

For all Energy Impact Programs except Direct Load Control, the DSM incentive amount shall be computed by multiplying the net resource savings expected from the approved programs that are to be installed during the upcoming twelve-month period times fifteen (15) percent, not to exceed five (5) percent of program expenditures. Net resource savings are defined as program benefits less utility program costs and participant costs where program benefits will be calculated on the basis of the present value of Company's avoided costs over the expected life of the program, and will include both capacity and energy savings. For the Energy Education Program, the DSM incentive amount shall be computed by multiplying the annual cost of the approved program times five (5) percent.

**DATE OF ISSUE:** September 28, 2018

**DATE EFFECTIVE:** Effective with Service Rendered
On And After July 1, 2017

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the
Public Service Commission in Case No.
2016-00371 dated June 22, 2017 and modified June 29, 2017**

## Louisville Gas and Electric Company

P.S.C. Gas No. 11, Original Sheet No. 86.2

**Adjustment Clause** **DSM**

**Demand-Side Management Cost Recovery Mechanism**

**DSMI = DSM INCENTIVE** (continued)

The DSM incentive amount shall be divided by the expected Ccf sales for the upcoming twelve-month period to determine the DSMI. DSM incentive amounts will be assigned for recovery purposes to the rate classes whose programs created the incentive.

**DBA = DSM BALANCE ADJUSTMENT**.
The DBA shall be calculated on a calendar year basis and is used to reconcile the difference between the amount of revenues actually billed through the DCR, DRLS, DSMI, DCCR, and previous application of the DBA and the revenues that should have been billed, as follows:

(1) For the DCR, the balance adjustment amount will be the difference between the amount billed in a twelve-month period from the application of the DCR unit charge and the actual cost of the approved programs during the same twelve-month period.

(2) For the DRLS the balance adjustment amount will be the difference between the amount billed during the twelve-month period from application of the DRLS unit charge and the amount of lost revenues determined for the actual DSM measures implemented during the twelve-month period.

(3) For the DSMI, the balance adjustment amount will be the difference between the amount billed during the twelve-month period from application of the DSMI unit charge and the incentive amount determined for the actual DSM measures implemented during the twelve-month period.

(4) For the DBA, the balance adjustment amount will be determined by calculating the difference between the amount billed during the twelve-month period from application of the DBA unit charges and the balance adjustment amount established for the same twelve-month period.

The balance adjustment amounts determined on the basis of the above paragraphs (1)-(4) shall include interest to be calculated at a rate equal to the average of the "Three-Month Commercial Paper Rate" for the immediately preceding twelve-month period. The balance adjustment amounts, plus interest, shall be divided by the expected Ccf sales for the upcoming twelve-month period to determine the DBA for each rate class. DSM balance adjustment amounts will be assigned for recovery purposes to the rate classes for which over- or under-recoveries of DSM amounts were realized.

**DATE OF ISSUE**: July 7, 2017

**DATE EFFECTIVE:** With Bills Rendered On and After December 31, 2011

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2011-00134 dated November 9, 2011**

## Louisville Gas and Electric Company

P.S.C. Gas No. 12, Original Sheet No. 86.2

**Adjustment Clause** **DSM**

**Demand-Side Management Cost Recovery Mechanism**

**DSMI = DSM INCENTIVE** (continued)

The DSM incentive amount shall be divided by the expected Ccf sales for the upcoming twelve-month period to determine the DSMI. DSM incentive amounts will be assigned for recovery purposes to the rate classes whose programs created the incentive.

**DBA = DSM BALANCE ADJUSTMENT**.
The DBA shall be calculated on a calendar year basis and is used to reconcile the difference between the amount of revenues actually billed through the DCR, DRLS, DSMI, DCCR, and previous application of the DBA and the revenues that should have been billed, as follows:

1. For the DCR, the balance adjustment amount will be the difference between the amount billed in a twelve-month period from the application of the DCR unit charge and the actual cost of the approved programs during the same twelve-month period.

2. For the DRLS the balance adjustment amount will be the difference between the amount billed during the twelve-month period from application of the DRLS unit charge and the amount of lost revenues determined for the actual DSM measures implemented during the twelve-month period.

3. For the DSMI, the balance adjustment amount will be the difference between the amount billed during the twelve-month period from application of the DSMI unit charge and the incentive amount determined for the actual DSM measures implemented during the twelve-month period.

4. For the DBA, the balance adjustment amount will be determined by calculating the difference between the amount billed during the twelve-month period from application of the DBA unit charges and the balance adjustment amount established for the same twelve-month period.

The balance adjustment amounts determined on the basis of the above paragraphs (1)-(4) shall include interest to be calculated at a rate equal to the average of the "Three-Month Commercial Paper Rate" for the immediately preceding twelve-month period. The balance adjustment amounts, plus interest, shall be divided by the expected Ccf sales for the upcoming twelve-month period to determine the DBA for each rate class. DSM balance adjustment amounts will be assigned for recovery purposes to the rate classes for which over- or under-recoveries of DSM amounts were realized.

**DATE OF ISSUE:** September 28, 2018

**DATE EFFECTIVE:** Effective with Service Rendered On And After December 31, 2011

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2011-00134 dated November 9, 2011**

## Louisville Gas and Electric Company

P.S.C. Gas No. 11, Original Sheet No. 86.3

**Adjustment Clause** **DSM**

**Demand-Side Management Cost Recovery Mechanism**

**DCCR = DSM CAPITAL COST RECOVERY**

The DCCR component is the means by which the Company recovers its capital investments made for DSM programs, as well as an approved rate of return on such capital investments. The Company calculates the DCCR component as follows:

DCCR = [(RB) (ROR + (ROR – DR) (TR / (1 – TR))] + OE

a) RB is the total rate base for DCCR projects.
b) ROR is the overall rate of return on DSM Rate Base (RB).
c) DR is the composite debt rate (i.e., the cost of short- and long-term debt) embedded in ROR.
d) TR is the composite federal and state income tax rate that applies to the equity return component of ROR.
e) OE is the sum of the capital-related operating expenses (i.e., depreciation and amortization expense, property taxes, and insurance expense) of the DSM projects to which DCCR applies.

The Company then allocates the DCCR component to the rate class(es) benefitting from the Company's various DSM-related capital investment(s).

**CHANGES TO DSMRC**

The filing of modifications to the DSMRC that require changes in the DCR component shall be made at least two (2) months prior to the beginning of the effective period for billing. Modifications to other components of the DSMRC shall be made at least thirty (30) days prior to the effective period for billing. Each filing shall include the following information as applicable:

(1) A detailed description of each DSM program developed by the collaborative process, the total cost of each program over the twelve-month period, an analysis of expected resource savings, information concerning the specific DSM or efficiency measures to be installed, and any applicable studies that have been performed, as available.

(2) A statement setting forth the detailed calculation of the DCR, DRLS, DSMI, DBA and DSMRC.

Each change in the DSMRC shall be placed into effect with bills rendered on and after the effective date of such change.

**DATE OF ISSUE**: July 7, 2017

**DATE EFFECTIVE:** May 31, 2012

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

## Louisville Gas and Electric Company

P.S.C. Gas No. 12, Original Sheet No. 86.3

**Adjustment Clause** **DSM**

**Demand-Side Management Cost Recovery Mechanism**

**DCCR = DSM CAPITAL COST RECOVERY**

The DCCR component is the means by which the Company recovers its capital investments made for DSM programs, as well as an approved rate of return on such capital investments. The Company calculates the DCCR component as follows:

DCCR = [(RB) (ROR + (ROR – DR) (TR / (1 – TR))] + OE

a) RB is the total rate base for DCCR projects.
b) ROR is the overall rate of return on DSM Rate Base (RB).
c) DR is the composite debt rate (i.e., the cost of short- and long-term debt) embedded in ROR.
d) TR is the composite federal and state income tax rate that applies to the equity return component of ROR.
e) OE is the sum of the capital-related operating expenses (i.e., depreciation and amortization expense, property taxes, and insurance expense) of the DSM projects to which DCCR applies.

The Company then allocates the DCCR component to the rate class(es) benefitting from the Company's various DSM-related capital investment(s).

**CHANGES TO DSMRC**

The filing of modifications to the DSMRC that require changes in the DCR component shall be made at least two (2) months prior to the beginning of the effective period for billing. Modifications to other components of the DSMRC shall be made at least thirty (30) days prior to the effective period for billing. Each filing shall include the following information as applicable:

(1) A detailed description of each DSM program developed by the collaborative process, the total cost of each program over the twelve-month period, an analysis of expected resource savings, information concerning the specific DSM or efficiency measures to be installed, and any applicable studies that have been performed, as available.

(2) A statement setting forth the detailed calculation of the DCR, DRLS, DSMI, DBA and DSMRC.

Each change in the DSMRC shall be placed into effect with bills rendered on and after the effective date of such change.

**DATE OF ISSUE:** September 28, 2018

**DATE EFFECTIVE:** Effective with Service Rendered
On And After May 31, 2012

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

## Louisville Gas and Electric Company

**P.S.C. Gas No. 11, First Revision of Original Sheet No. 86.4**
**Cancelling P.S.C. Gas No. 11, Original Sheet No. 86.4**

**Adjustment Clause** **DSM**
**Demand-Side Management Cost Recovery Mechanism**

**PROGRAMMATIC CUSTOMER CHARGES**

**Residential Customer Program Participation Incentives:**
The following Demand Side Management programs are available to residential customers receiving service from the Company on the RGS and VFD Standard Gas Rate Schedules.

**Residential Conservation / Home Energy Performance Program**
The on-site audit offers a comprehensive audit from a certified auditor and incentives for residential customers to support the implementation of energy saving measures for a fee of
$25. For on-site audits conducted prior to April 1, 2018, customers are eligible for incentives N
of $150 or $1,000 based on customer purchased and installed energy efficiency measures
and validated through a follow-up test. The follow-up test must be scheduled by September N
1, 2018. No follow-up tests or incentives will be available related to on-site audits conducted N
on or after April 1, 2018. N

**Residential Low Income Weatherization Program (WeCare)**
The Residential Low Income Weatherization Program (WeCare) is an education and weatherization program designed to reduce energy consumption of LG&E's low-income customers. The program provides energy audits, energy education, and blower door tests, and installs weatherization and energy conservation measures. Qualified customers could receive energy conservation measures ranging from $0 to $2,100 based upon the customer's most recent twelve month energy usage and results of an energy audit.

**Smart Energy Profile**
The Smart Energy Profile Program provides a portion of LG&E's highest consuming residential customers with a customized report of tips, tools and energy efficiency programming recommendations based on individual household energy consumption. These reports are benchmarked against similar local properties. The report will help the customer understand and make better informed choices as it relates to energy usage and the associated costs. Information presented in the report will include a comparison of the customer's energy usage to that of similar houses (collectively) and a comparison to the
customer's own energy usage in the prior year. The Company will cease offering this N
program effective April 1, 2018. N

**DATE OF ISSUE**: November 29, 2017

**DATE EFFECTIVE:** January 30, 2018

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

## Louisville Gas and Electric Company

**P.S.C. Gas No. 12, Original Sheet No. 86.4**

**Adjustment Clause** **DSM**
**Demand-Side Management Cost Recovery Mechanism**

**PROGRAMMATIC CUSTOMER CHARGES**

**Residential Customer Program Participation Incentives:**
The following Demand Side Management programs are available to residential customers receiving service from the Company on the RGS and VFD Standard Gas Rate Schedules.

**Residential Conservation / Home Energy Performance Program**
The on-site audit offers a comprehensive audit from a certified auditor and incentives for residential customers to support the implementation of energy saving measures for a fee of $25. For on-site audits conducted prior to April 1, 2018, customers are eligible for incentives of $150 or $1,000 based on customer purchased and installed energy efficiency measures and validated through a follow-up test. The follow-up test must be scheduled by September 1, 2018. No follow-up tests or incentives will be available related to on-site audits conducted on or after April 1, 2018.

**Residential Low Income Weatherization Program (WeCare)**
The Residential Low Income Weatherization Program (WeCare) is an education and weatherization program designed to reduce energy consumption of LG&E's low-income customers. The program provides energy audits, energy education, and blower door tests, and installs weatherization and energy conservation measures. Qualified customers could receive energy conservation measures ranging from $0 to $2,100 based upon the customer's most recent twelve month energy usage and results of an energy audit.

**Smart Energy Profile**
The Smart Energy Profile Program provides a portion of LG&E's highest consuming residential customers with a customized report of tips, tools and energy efficiency programming recommendations based on individual household energy consumption. These reports are benchmarked against similar local properties. The report will help the customer understand and make better informed choices as it relates to energy usage and the associated costs. Information presented in the report will include a comparison of the customer's energy usage to that of similar houses (collectively) and a comparison to the customer's own energy usage in the prior year. The Company will cease offering this program effective April 1, 2018.

**DATE OF ISSUE:** September 28, 2018

**DATE EFFECTIVE:** Effective with Service Rendered
On And After January 30, 2018

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

## Louisville Gas and Electric Company

P.S.C. Gas No. 11, Original Sheet No. 86.5

**Adjustment Clause** **DSM**

**Demand-Side Management Cost Recovery Mechanism**

**PROGRAMMATIC CUSTOMER CHARGES** (continued)

**Customer Education and Public Information**

This program help customers make sound energy-use decisions, increase control over energy bills and empower them to actively manage their energy usage. Customer Education and Public Information is accomplished through three processes: a mass-media campaign, an elementary- and middle-school program, and training for home construction professionals. The mass media campaign includes public-service advertisements that encourage customers to implement steps to reduce their energy usage. The elementary and middle school program provides professional development and innovative materials to K-8 schools to teach concepts such as basic energy and energy efficiency concepts. The training for home construction professionals provides education about new building codes, standards and energy efficient construction practices which support high performance residential construction.

**Commercial Customer Program Participation Incentives:**

The following Demand Side Management programs are available to commercial customers receiving service from the Company on the CGS, IGS, AAGS, SGSS, and FT Standard Gas Rate Schedules. T

**Customer Education and Public Information**

This program helps customers make sound energy-use decisions, increase control over energy bills and empower them to actively manage their energy usage. Customer Education and Public Information is accomplished through three processes: a mass-media campaign, an elementary- and middle-school program, and training for home construction professionals. The mass media campaign includes public-service advertisements that encourage customers to implement steps to reduce their energy usage. The elementary and middle school program provides professional development and innovative materials to K-8 schools to teach concepts such as basic energy and energy efficiency concepts. The training for home construction professionals provides education about new building codes, standards and energy efficient construction practices which support high performance residential construction.

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State Regulation and Rates
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## Louisville Gas and Electric Company

P.S.C. Gas No. 12, Original Sheet No. 86.5

**Adjustment Clause** **DSM**

**Demand-Side Management Cost Recovery Mechanism**

**PROGRAMMATIC CUSTOMER CHARGES** (continued)

**Customer Education and Public Information**

This program help customers make sound energy-use decisions, increase control over energy bills and empower them to actively manage their energy usage. Customer Education and Public Information is accomplished through three processes: a mass-media campaign, an elementary- and middle-school program, and training for home construction professionals. The mass media campaign includes public-service advertisements that encourage customers to implement steps to reduce their energy usage. The elementary and middle school program provides professional development and innovative materials to K-8 schools to teach concepts such as basic energy and energy efficiency concepts. The training for home construction professionals provides education about new building codes, standards and energy efficient construction practices which support high performance residential construction.

**Commercial Customer Program Participation Incentives:**

The following Demand Side Management programs are available to commercial customers receiving service from the Company on the CGS, IGS, AAGS, SGSS, and FT Standard Gas Rate Schedules.

**Customer Education and Public Information**

This program helps customers make sound energy-use decisions, increase control over energy bills and empower them to actively manage their energy usage. Customer Education and Public Information is accomplished through three processes: a mass-media campaign, an elementary- and middle-school program, and training for home construction professionals. The mass media campaign includes public-service advertisements that encourage customers to implement steps to reduce their energy usage. The elementary and middle school program provides professional development and innovative materials to K-8 schools to teach concepts such as basic energy and energy efficiency concepts. The training for home construction professionals provides education about new building codes, standards and energy efficient construction practices which support high performance residential construction.

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## Louisville Gas and Electric Company

**P.S.C. Gas No. 11, Second Revision of Original Sheet No. 86.6**
**Canceling P.S.C. Gas No. 11, First Revision of Original Sheet No. 86.6**

**Adjustment Clause** **DSM**
**Demand-Side Management Cost Recovery Mechanism**

**Monthly Adjustment Factors:**

| Residential Gas Service Rate RGS and Volunteer Fire Department Service Rate VFD | Energy Charge | |
|---|---|---|
| DSM Cost Recovery Component (DCR) | $ 0.02120 per Ccf | |
| DSM Revenues from Lost Sales (DRLS) | $ 0.00059 per Ccf | |
| DSM Incentive (DSMI) | $ 0.00024 per Ccf | |
| DSM Capital Cost Recovery Component (DCCR) | $ 0.00000 per Ccf | |
| DSM Balance Adjustment (DBA) | $ 0.00201 per Ccf | I |
| Total DSMRC for Rates RGS and VFD | $ 0.02404 per Ccf | I |

| Firm Commercial Gas Service Rate CGS, Firm Industrial Gas Service Rate IGS*, As-Available Gas Service Rate AAGS,* Substitute Gas Sales Service Rate SGSS* and Firm Transportation Service Rate FT* | Energy Charge | |
|---|---|---|
| DSM Cost Recovery Component (DCR) | $ 0.00104 per Ccf | |
| DSM Revenues from Lost Sales (DRLS) | $ 0.00000 per Ccf | |
| DSM Incentive (DSMI) | $ 0.00000 per Ccf | |
| DSM Capital Cost Recovery Component (DCCR) | $ 0.00000 per Ccf | |
| DSM Balance Adjustment (DBA) | $ 0.00013 per Ccf | I |
| Total DSMRC for Rates CGS, IGS, AAGS, SGSS, and FT | $ 0.00117 per Ccf | I |

* This charge does not apply to industrial customers taking service under these rates because the Company currently does not offer industrial DSM programs.

**DATE OF ISSUE**: February 28, 2018

**DATE EFFECTIVE:** April 1, 2018

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State Regulation and Rates
Louisville, Kentucky

## Louisville Gas and Electric Company

**P.S.C. Gas No. 12, Sheet No. 86.6**

**Adjustment Clause** **DSM**
**Demand-Side Management Cost Recovery Mechanism**

**Monthly Adjustment Factors:**

| Residential Gas Service Rate RGS and Volunteer Fire Department Service Rate VFD | Energy Charge |
|---|---|
| DSM Cost Recovery Component (DCR) | $ 0.02120 per Ccf |
| DSM Revenues from Lost Sales (DRLS) | $ 0.00059 per Ccf |
| DSM Incentive (DSMI) | $ 0.00024 per Ccf |
| DSM Capital Cost Recovery Component (DCCR) | $ 0.00000 per Ccf |
| DSM Balance Adjustment (DBA) | $ 0.00201 per Ccf |
| Total DSMRC for Rates RGS and VFD | $ 0.02404 per Ccf |

| Firm Commercial Gas Service Rate CGS, Firm Industrial Gas Service Rate IGS*, As-Available Gas Service Rate AAGS,* Substitute Gas Sales Service Rate SGSS* and Firm Transportation Service Rate FT* | Energy Charge |
|---|---|
| DSM Cost Recovery Component (DCR) | $ 0.00104 per Ccf |
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| DSM Balance Adjustment (DBA) | $ 0.00013 per Ccf |
| Total DSMRC for Rates CGS, IGS, AAGS, SGSS, and FT | $ 0.00117 per Ccf |

* This charge does not apply to industrial customers taking service under these rates because the Company currently does not offer industrial DSM programs.

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**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

## Louisville Gas and Electric Company

**P.S.C. Gas No. 11, Original Sheet No. 87**

**Adjustment Clause** **PBR**

**Experimental Performance Based Rate Mechanism**

**APPLICABLE**

To all gas sold.

**RATE MECHANISM**

The monthly amount computed under each of the rate schedules to which this Performance Based Ratemaking Mechanism is applicable shall be increased or decreased by the Performance Based Rate Recovery Component **(PBRRC)** at a rate per 100 cubic feet (Ccf) of monthly gas consumption. Demand costs and commodity costs shall be accumulated separately and included in the Pipeline Supplier's Demand Component and the Gas Supply Cost Component of the Gas Supply Clause (GSC), respectively. The PBRRC shall be determined for each 12-month period ended October 31 during the effective term of this experimental performance based ratemaking mechanism, which 12-month period shall be defined as the PBR period.

The PBRRC shall be computed in accordance with the following formula:

$$\textbf{PBRRC} = \frac{\textbf{CSPBR + BA}}{\textbf{ES}}$$

Where:

**ES** = Expected Ccf sales, as reflected in Company's GSC filing for the upcoming 12-month period beginning February 1.

**CSPBR** = Company Share of Performance Based Ratemaking Mechanism savings or expenses. The CSPBR shall be calculated as follows:

$$\textbf{CSPBR = TPBRR x ACSP}$$

Where:

**TPBRR** = Total Performance Based Ratemaking Results. The TPBRR shall be savings or expenses created during the PBR Period. TPBRR shall be calculated as follows:

$$\textbf{TPBRR = (GAIF + TIF + OSSIF)}$$

**GAIF**

**GAIF** = Gas Acquisition Index Factor. The GAIF shall be calculated by comparing the total annual Benchmark Gas Costs **(BGC)** for system supply natural gas purchases for the PBR period to the total annual Actual Gas Costs **(AGC)** for system supply natural gas purchases during the same period to determine if any Shared Expenses or Shared Savings exist.

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## Louisville Gas and Electric Company

**P.S.C. Gas No. 12, Original Sheet No. 87**

**Adjustment Clause** **PBR**

**Experimental Performance Based Rate Mechanism**

**APPLICABLE**

To all gas sold.

**RATE MECHANISM**

The monthly amount computed under each of the rate schedules to which this Performance Based Ratemaking Mechanism is applicable shall be increased or decreased by the Performance Based Rate Recovery Component **(PBRRC)** at a rate per 100 cubic feet (Ccf) of monthly gas consumption. Demand costs and commodity costs shall be accumulated separately and included in the Pipeline Supplier's Demand Component and the Gas Supply Cost Component of the Gas Supply Clause (GSC), respectively. The PBRRC shall be determined for each 12-month period ended October 31 during the effective term of this experimental performance based ratemaking mechanism, which 12-month period shall be defined as the PBR period.

The PBRRC shall be computed in accordance with the following formula:

$$\textbf{PBRRC} = \frac{\textbf{CSPBR + BA}}{\textbf{ES}}$$

Where:

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$$\textbf{CSPBR = TPBRR x ACSP}$$

Where:

**TPBRR** = Total Performance Based Ratemaking Results. The TPBRR shall be savings or expenses created during the PBR Period. TPBRR shall be calculated as follows:

$$\textbf{TPBRR = (GAIF + TIF + OSSIF)}$$

Where: T

**GAIF** = Gas Acquisition Index Factor. The GAIF shall be calculated by comparing the total annual Benchmark Gas Costs **(BGC)** for system supply natural gas purchases for the PBR period to the total annual Actual Gas Costs **(AGC)** for system supply natural gas purchases during the same period to determine if any Shared Expenses or Shared Savings exist.

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## Louisville Gas and Electric Company

**P.S.C. Gas No. 11, Original Sheet No. 87.1**

**Adjustment Clause** **PBR**

**Experimental Performance Based Rate Mechanism**

The BGC shall include the benchmark component as follows:

**BGC = TABMGCC**

Where:

**TABMGCC** represents the Total Annual Benchmark Gas Commodity Costs and is the annual sum of the monthly Benchmark Gas Commodity Costs **(BMGCC)** of gas purchased for system supply; and

**BMGCC** represents Benchmark Gas Commodity Costs and shall be calculated on a monthly basis and accumulated for the PBR period. BMGCC shall be calculated as follows:

**BMGCC = Sum {[SZFQE%i x (APV - PEFDCQ)x SAIi]} + [PEFDCQ x DAI]**

Where:

**SZFQE%** is the Supply Zone Firm Quantity Entitlement Percentage derived from Company's firm seasonal entitlements by pipeline and by zone for which indices are posted. The seasonal percentages represent the pro-rata portion of Company's firm lateral and mainline receipt point quantity entitlements by zone for each transportation contract by pipeline.

**i** represents each supply area.

**APV** is the actual purchased volumes of natural gas for system supply for the month. The APV shall include purchases necessary to cover retention volumes required by the pipeline as fuel.

**PEFDCQ** are the Purchases In Excess of Firm Daily Contract Quantities delivered to Company's city gate. Firm Daily Contract Quantities are the maximum daily contract quantities which Company can deliver to its city gate under its various firm transportation agreements and arrangements.

**SAI** is the Supply Area Index factor to be established for each supply area in which Company may have firm transportation entitlements used to transport its natural gas purchases and for which price postings are available. The five supply areas are TGT-SL (Texas Gas Transmission - Zone SL), TGT-1 (Texas Gas Transmission - Zone 1), TGT-4 (Texas Gas Transmission – Zone 4), TGPL-0 (Tennessee Gas Pipeline - Zone 0), and TGPL-1 (Tennessee Gas Pipeline - Zone 1).

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## Louisville Gas and Electric Company

**P.S.C. Gas No. 12, Original Sheet No. 87.1**

**Adjustment Clause** **PBR**

**Experimental Performance Based Rate Mechanism**

The BGC shall include the benchmark component as follows:

**BGC = TABMGCC**

Where:

**TABMGCC** represents the Total Annual Benchmark Gas Commodity Costs and is the annual sum of the monthly Benchmark Gas Commodity Costs **(BMGCC)** of gas purchased for system supply; and

**BMGCC** represents Benchmark Gas Commodity Costs and shall be calculated on a monthly basis and accumulated for the PBR period. BMGCC shall be calculated as follows:

**BMGCC = Sum {[SZFQE%i x (APV - PEFDCQ)x SAIi]} + [PEFDCQ x DAI]**

Where:

**SZFQE%** is the Supply Zone Firm Quantity Entitlement Percentage derived from Company's firm seasonal entitlements by pipeline and by zone for which indices are posted. The seasonal percentages represent the pro-rata portion of Company's firm lateral and mainline receipt point quantity entitlements by zone for each transportation contract by pipeline.

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**APV** is the actual purchased volumes of natural gas for system supply for the month. The APV shall include purchases necessary to cover retention volumes required by the pipeline as fuel.

**PEFDCQ** are the Purchases In Excess of Firm Daily Contract Quantities delivered to Company's city gate. Firm Daily Contract Quantities are the maximum daily contract quantities which Company can deliver to its city gate under its various firm transportation agreements and arrangements.

**SAI** is the Supply Area Index factor to be established for each supply area in which Company may have firm transportation entitlements used to transport its natural gas purchases and for which price postings are available. The five supply areas are TGT-SL (Texas Gas Transmission - Zone SL), TGT-1 (Texas Gas Transmission - Zone 1), TGT-4 (Texas Gas Transmission – Zone 4), TGPL-0 (Tennessee Gas Pipeline - Zone 0), and TGPL-1 (Tennessee Gas Pipeline - Zone 1).

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## Louisville Gas and Electric Company

**P.S.C. Gas No. 11, Original Sheet No. 87.2**

**Adjustment Clause** **PBR**
**Experimental Performance Based Rate Mechanism**

The monthly SAI for TGT-SL, TGT-1, TGT-4, TGPL-0 and TGPL-1 shall be calculated using the following formula:

**SAI = [I(1) + I(2) + I(3)] / 3**

Where:

**I** represents each index reflective of both supply area prices and price changes throughout the month in these various supply areas.

The indices for each supply zone are as follows:

**SAI (TGT-SL)**

I(1) is the average of weekly *Natural Gas Week* postings for Louisiana, Gulf Coast, Onshore as Delivered to Pipeline.

I(2) is the *Platts Gas Daily* midpoint postings for Louisiana - Onshore South, Texas Gas, Zone SL averaged for the month.

I(3) is the *Platts Inside FERC's Gas Market Report* first-of-the-month posting for Texas Gas, Zone SL.

**SAI (TGT-1)**

I(1) is the average of weekly *Natural Gas Week* postings for Louisiana, North as Delivered to Pipeline.

I(2) is the *Platts Gas Daily* midpoint postings for East Texas - North Louisiana Area, Texas Gas, zone 1 averaged for the month.

I(3) is the *Platts Inside FERC's Gas Market Report* first-of-the-month posting for Texas Gas, Zone 1.

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## Louisville Gas and Electric Company

**P.S.C. Gas No. 12, Original Sheet No. 87.2**

**Adjustment Clause** **PBR**
**Experimental Performance Based Rate Mechanism**

The monthly SAI for TGT-SL, TGT-1, TGT-4, TGPL-0 and TGPL-1 shall be calculated using the following formula:

**SAI = [I(1) + I(2) + I(3)] / 3**

Where:
**I** represents each index reflective of both supply area prices and price changes throughout the month in these various supply areas.

The indices for each supply zone are as follows:

**SAI (TGT-SL)**

I(1) is the average of weekly *Natural Gas Week* postings for Louisiana, Gulf Coast, Onshore as Delivered to Pipeline.

I(2) is the *Platts Gas Daily* midpoint postings for Louisiana - Onshore South, Texas Gas, Zone SL averaged for the month.

I(3) is the *Platts Inside FERC's Gas Market Report* first-of-the-month posting for Texas Gas, Zone SL.

**SAI (TGT-1)**

I(1) is the average of weekly *Natural Gas Week* postings for Louisiana, North as Delivered to Pipeline.

I(2) is the *Platts Gas Daily* midpoint postings for East Texas - North Louisiana Area, Texas Gas, zone 1 averaged for the month.

I(3) is the *Platts Inside FERC's Gas Market Report* first-of-the-month posting for Texas Gas, Zone 1.

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## Louisville Gas and Electric Company

**P.S.C. Gas No. 11, Original Sheet No. 87.3**

**Adjustment Clause** **PBR**

**Experimental Performance Based Rate Mechanism**

**SAI (TGT-4)**

I(1) is the average of weekly *Natural Gas Week* postings for Spot Prices on Interstate Pipeline Systems for Appalachia, Lebanon Hub.

I(2) is the *Platts Gas Daily* midpoint postings for Appalachia – Lebanon Hub averaged for the month.

I(3) is the *Platts Inside FERC's - Gas Market Report* first-of-the-month posting for Northeast, Lebanon Hub.

**SAI (TGPL-0)**

I(1) is the average of weekly *Natural Gas Week* postings for Texas, Gulf Coast, Onshore Delivered to Pipeline.

I(2) is the *Platts Gas Daily* midpoint postings for South – Corpus Christi, Tennessee, Zone 0 averaged for the month.

I(3) is the *Platts Inside FERC's - Gas Market Report* first-of-the-month posting for Tennessee, Texas, Zone 0.

**SAI (TGPL-1)**

I(1) is the average of weekly *Natural Gas Week* postings for Louisiana, Gulf Coast, Onshore as Delivered to Pipeline.

I(2) is the *Platts Gas Daily* midpoint postings for Louisiana – Onshore South, Tennessee, 500 Leg averaged for the month.

I(3) is the *Platts Inside FERC's - Gas Market Report* first-of-the-month posting for Tennessee, Louisiana, 500 leg.

**DAI (TGT-4) and (TGPL-2)**

**DAI** is the Delivery Area Index to be established for **PEFDCQ** made by Company on the day(s) when Company has arranged for deliveries to Company's city gate that are in excess of its total firm pipeline quantity entitlements.

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State Regulation and Rates
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## Louisville Gas and Electric Company

**P.S.C. Gas No. 12, Original Sheet No. 87.3**

**Adjustment Clause** **PBR**

**Experimental Performance Based Rate Mechanism**

**SAI (TGT-4)**

I(1) is the average of weekly *Natural Gas Week* postings for Spot Prices on Interstate Pipeline Systems for Appalachia, Lebanon Hub.

I(2) is the *Platts Gas Daily* midpoint postings for Appalachia – Lebanon Hub averaged for the month.

I(3) is the *Platts Inside FERC's - Gas Market Report* first-of-the-month posting for Northeast, Lebanon Hub.

**SAI (TGPL-0)**

I(1) is the average of weekly *Natural Gas Week* postings for Texas, Gulf Coast, Onshore Delivered to Pipeline.

I(2) is the *Platts Gas Daily* midpoint postings for South – Corpus Christi, Tennessee, Zone 0 averaged for the month.

I(3) is the *Platts Inside FERC's - Gas Market Report* first-of-the-month posting for Tennessee, Texas, Zone 0.

**SAI (TGPL-1)**

I(1) is the average of weekly *Natural Gas Week* postings for Louisiana, Gulf Coast, Onshore as Delivered to Pipeline.

I(2) is the *Platts Gas Daily* midpoint postings for Louisiana – Onshore South, Tennessee, 500 Leg averaged for the month.

I(3) is the *Platts Inside FERC's - Gas Market Report* first-of-the-month posting for Tennessee, Louisiana, 500 leg.

**DAI (TGT-4) and (TGPL-2)**

**DAI** is the Delivery Area Index to be established for **PEFDCQ** made by Company on the day(s) when Company has arranged for deliveries to Company's city gate that are in excess of its total firm pipeline quantity entitlements.

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## Louisville Gas and Electric Company

**P.S.C. Gas No. 11, Original Sheet No. 87.4**

**Adjustment Clause** **PBR**

**Experimental Performance Based Rate Mechanism**

The daily DAI applicable to the daily purchases made for city-gate delivery shall be the higher of the following, either

**DAI = DAI (TGT-1) / (1 – FR%) + CCS + DDCS**

or

**DAI = DAI (TGT-4) / (1 – FR%) + CCS + DDCS**

Where:

**DAI (TGT-1)** represents the highest daily midpoint posting by *Platts Gas Daily* for East Texas – North Louisiana Area, Texas Gas, zone 1.

**DAI (TGT-4)** represents the highest daily midpoint posting by *Platts Gas Daily* for Appalachia – Lebanon Hub.

**FR%** is the tariffed Fuel Retention Percentage under Texas Gas Transmission, LLC's Rate NNS.

**CCS** are the tariffed NNS Commodity Charge and Surcharges under Texas Gas Transmission, LLC's Rate NNS.

**DDCS** are the tariffed Daily Demand Charge and Surcharges under Texas Gas Transmission, LLC's Rate NNS.

If an index ceases to exist or fails to report, the Company may use a suitable replacement index and report that change in writing to the Commission in the applicable quarterly report. If the Company elects not to select a replacement index, the average is adjusted accordingly.

**AGC** represents Company's total annual Actual Gas Costs of natural gas purchased for system supply and is equal to the total monthly actual gas commodity costs (excluding any supply reservation fees) plus the gains and/or losses from the use of financial hedging instruments and the financial transaction costs associated with such instruments paid by Company to its suppliers accumulated for the PBR period. Such costs shall exclude labor-related or other expenses typically classified as operating and maintenance expenses.

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State Regulation and Rates
Louisville, Kentucky

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## Louisville Gas and Electric Company

**P.S.C. Gas No. 12, Original Sheet No. 87.4**

**Adjustment Clause** **PBR**

**Experimental Performance Based Rate Mechanism**

The daily DAI applicable to the daily purchases made for city-gate delivery shall be the higher of the following, either

**DAI = DAI (TGT-1) / (1 – FR%) + CCS + DDCS**

or

**DAI = DAI (TGT-4) / (1 – FR%) + CCS + DDCS**

Where:

**DAI (TGT-1)** represents the highest daily midpoint posting by *Platts Gas Daily* for East Texas – North Louisiana Area, Texas Gas, zone 1.

**DAI (TGT-4)** represents the highest daily midpoint posting by *Platts Gas Daily* for Appalachia – Lebanon Hub.

**FR%** is the tariffed Fuel Retention Percentage under Texas Gas Transmission, LLC's Rate NNS.

**CCS** are the tariffed NNS Commodity Charge and Surcharges under Texas Gas Transmission, LLC's Rate NNS.

**DDCS** are the tariffed Daily Demand Charge and Surcharges under Texas Gas Transmission, LLC's Rate NNS.

If an index ceases to exist or fails to report, the Company may use a suitable replacement index and report that change in writing to the Commission in the applicable quarterly report. If the Company elects not to select a replacement index, the average is adjusted accordingly.

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State Regulation and Rates
Louisville, Kentucky

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## Louisville Gas and Electric Company

**P.S.C. Gas No. 11, Original Sheet No. 87.5**

**Adjustment Clause** **PBR**

**Experimental Performance Based Rate Mechanism**

To the extent that AGC exceeds BGC for the PBR period, then the GAIF Shared Expenses shall be computed as follows:

**Shared Expenses = AGC - BGC**

To the extent that AGC is less than BGC for the PBR period, then the GAIF Shared Savings shall be computed as follows:

**Shared Savings = BGC – AGC**

**TIF**

**TIF** = Transportation Index Factor. The Transportation Index Factor shall be calculated by comparing the Total Annual Benchmark Monthly Gas Transportation Costs **(TABMGTC)** of natural gas transportation services during the PBR period, to the Total Annual Actual Gas Transportation Costs **(TAAGTC)** applicable to the same period to determine if any Shared Expenses or Shared Savings exist.

The Total Annual Benchmark Monthly Gas Transportation Costs **(TABMGTC)** are calculated as follows:

**TABMGTC = Annual Sum of Monthly BMGTC**

Where:

**BMGTC** is the Benchmark Monthly Gas Transportation Costs which include both demand and volumetric costs associated with natural gas pipeline transportation services. The BMGTC shall be accumulated for the PBR period and shall be calculated as follows:

**BMGTC = Sum [BM(TGT) + BM(TGPL) + BM(PPL)]**

Where:

**BM(TGT)** is the benchmark associated with Texas Gas Transmission, LLC.

**BM(TGPL)** is the benchmark associated with Tennessee Gas Pipeline Company, LLC.

**BM(PPL)** is the benchmark associated with a proxy pipeline. The appropriate benchmark, which will be determined at the time of purchase, will be used to benchmark purchases of transportation capacity from non-traditional sources.

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## Louisville Gas and Electric Company

**P.S.C. Gas No. 12, Original Sheet No. 87.5**

**Adjustment Clause** **PBR**

**Experimental Performance Based Rate Mechanism**

To the extent that AGC exceeds BGC for the PBR period, then the GAIF Shared Expenses shall be computed as follows:

**Shared Expenses = AGC - BGC**

To the extent that AGC is less than BGC for the PBR period, then the GAIF Shared Savings shall be computed as follows:

**Shared Savings = BGC – AGC**

**TIF**

**TIF** = Transportation Index Factor. The Transportation Index Factor shall be calculated by comparing the Total Annual Benchmark Monthly Gas Transportation Costs **(TABMGTC)** of natural gas transportation services during the PBR period, to the Total Annual Actual Gas Transportation Costs **(TAAGTC)** applicable to the same period to determine if any Shared Expenses or Shared Savings exist.

The Total Annual Benchmark Monthly Gas Transportation Costs **(TABMGTC)** are calculated as follows:

**TABMGTC = Annual Sum of Monthly BMGTC**

Where:

**BMGTC** is the Benchmark Monthly Gas Transportation Costs which include both demand and volumetric costs associated with natural gas pipeline transportation services. The BMGTC shall be accumulated for the PBR period and shall be calculated as follows:

**BMGTC = Sum [BM(TGT) + BM(TGPL) + BM(PPL)]**

Where:

**BM(TGT)** is the benchmark associated with Texas Gas Transmission, LLC.

**BM(TGPL)** is the benchmark associated with Tennessee Gas Pipeline Company, LLC.

**BM(PPL)** is the benchmark associated with a proxy pipeline. The appropriate benchmark, which will be determined at the time of purchase, will be used to benchmark purchases of transportation capacity from non-traditional sources.

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State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2014-00476 dated June 30, 2015**

## Louisville Gas and Electric Company

**P.S.C. Gas No. 11, Original Sheet No. 87.6**

**Adjustment Clause** **PBR**

**Experimental Performance Based Rate Mechanism**

The benchmark associated with each pipeline shall be calculated as follows:

**BM(TGT)** = (TPDR x DQ) + (TPCR x AV) + S&DB

**BM(TGPL)** = (TPDR x DQ) + (TPCR x AV) + S&DB

**BM(PPL)** = (TPDR x DQ) + (TPCR x AV) + S&DB

Where:

**TPDR** is the applicable Tariffed Pipeline Demand Rate.

**DQ** is the Demand Quantities contracted for by Company from the applicable transportation provider.

**TPCR** is the applicable Tariffed Pipeline Commodity Rate.

**AV** is the Actual Volumes delivered at Company's city-gate by the applicable transportation provider for the month.

**S&DB** represents Surcharges, Direct Bills and other applicable amounts approved by the Federal Energy Regulatory Commission (FERC). Such amounts are limited to FERC-approved charges such as surcharges, direct bills, cashouts, take-or-pay amounts, Gas Supply Realignment and other Order 636 transition costs.

The Total Annual Actual Gas Transportation Costs (**TAAGTC)** paid by Company for the PBR period shall include both demand and volumetric costs associated with natural gas pipeline transportation services as well as all applicable FERC-approved surcharges, direct bills and cash-outs included in S&DB, plus the gains and/or losses from the use of financial hedging instruments and the financial transaction costs associated with such instruments. Such costs shall exclude labor-related or other expenses typically classified as operating and maintenance expenses.

To the extent that TAAGTC exceeds TABMGTC for the PBR period, then the TIF Shared Expenses shall be computed as follows:

**Shared Expenses = TAAGTC – TABMGTC**

To the extent that TAAGTC is less than TABMGTC for the PBR period, then the TIF Shared Savings shall be computed as follows:

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## Louisville Gas and Electric Company

**P.S.C. Gas No. 12, Original Sheet No. 87.6**

**Adjustment Clause** **PBR**

**Experimental Performance Based Rate Mechanism**

The benchmark associated with each pipeline shall be calculated as follows:

**BM(TGT)** = (TPDR x DQ) + (TPCR x AV) + S&DB

**BM(TGPL)** = (TPDR x DQ) + (TPCR x AV) + S&DB

**BM(PPL)** = (TPDR x DQ) + (TPCR x AV) + S&DB

Where:
**TPDR** is the applicable Tariffed Pipeline Demand Rate.

**DQ** is the Demand Quantities contracted for by Company from the applicable transportation provider.

**TPCR** is the applicable Tariffed Pipeline Commodity Rate.

**AV** is the Actual Volumes delivered at Company's city-gate by the applicable transportation provider for the month.

**S&DB** represents Surcharges, Direct Bills and other applicable amounts approved by the Federal Energy Regulatory Commission (FERC). Such amounts are limited to FERC-approved charges such as surcharges, direct bills, cashouts, take-or-pay amounts, Gas Supply Realignment and other Order 636 transition costs.

The Total Annual Actual Gas Transportation Costs (**TAAGTC)** paid by Company for the PBR period shall include both demand and volumetric costs associated with natural gas pipeline transportation services as well as all applicable FERC-approved surcharges, direct bills and cash-outs included in S&DB, plus the gains and/or losses from the use of financial hedging instruments and the financial transaction costs associated with such instruments. Such costs shall exclude labor-related or other expenses typically classified as operating and maintenance expenses.

To the extent that TAAGTC exceeds TABMGTC for the PBR period, then the TIF Shared Expenses shall be computed as follows:

**Shared Expenses = TAAGTC – TABMGTC**

To the extent that TAAGTC is less than TABMGTC for the PBR period, then the TIF Shared Savings shall be computed as follows:

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Louisville, Kentucky

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## Louisville Gas and Electric Company

**P.S.C. Gas No. 11, Original Sheet No. 87.7**

**Adjustment Clause** **PBR**

**Experimental Performance Based Rate Mechanism**

**Shared Savings = TABMGTC - TAAGTC**

Should one of Company's pipeline transporters file a rate change effective during any PBR period and bill such proposed rates subject to refund, the period over which the benchmark comparison is made for the relevant transportation costs will be extended for one or more 12-month periods, until the FERC has approved final settled rates, which will be used as the appropriate benchmark. Company will not share in any of the savings or expenses related to the affected pipeline until final settled rates are approved.

**OSSIF**

**OSSIF** = Off-System Sales Index Factor. The Off-System Sales Index Factor shall be equal to the Net Revenue from Off-System Sales **(NR)**.

Net Revenue is calculated as follows:

**NR = OSREV - OOPC**

Where:

**OSREV** is the total revenue associated with off-system sales and storage service transactions.

**OOPC** is the out-of-pocket costs associated with off-system sales and storage service transactions, and shall be determined as follows:

**OOPC = OOPC(GC) + OOPC(TC) + OOPC(SC) + OOPC(UGSC) + Other Costs**

Where:

**OOPC(GC)** is the Out-of-Pocket Gas Costs associated with off-system sales transactions. For off-system sales utilizing Company's firm supply contracts, the OOPC(GC) shall be the incremental cost to purchase the gas available under Company's firm supply contracts. For off-system sales not using Company's firm supply contracts, the OOPC(GC) shall be the incremental costs to purchase the gas from other entities.

**OOPC(TC)** is the Out-of-Pocket Transportation Costs associated with off-system sales transactions. For off-system sales utilizing Company's firm transportation agreements, the OOPC(TC) shall be the incremental cost to use the transportation available under Company's firm transportation contracts. For off-system sales not using Company's firm transportation agreements, the OOPC(TC) shall be the incremental costs to purchase the transportation from other entities.

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## Louisville Gas and Electric Company

**P.S.C. Gas No. 12, Original Sheet No. 87.7**

**Adjustment Clause** **PBR**

**Experimental Performance Based Rate Mechanism**

**Shared Savings = TABMGTC - TAAGTC**

Should one of Company's pipeline transporters file a rate change effective during any PBR period and bill such proposed rates subject to refund, the period over which the benchmark comparison is made for the relevant transportation costs will be extended for one or more 12-month periods, until the FERC has approved final settled rates, which will be used as the appropriate benchmark. Company will not share in any of the savings or expenses related to the affected pipeline until final settled rates are approved.

**OSSIF**

**OSSIF** = Off-System Sales Index Factor. The Off-System Sales Index Factor shall be equal to the Net Revenue from Off-System Sales **(NR)**.

Net Revenue is calculated as follows:

**NR = OSREV - OOPC**

Where:

**OSREV** is the total revenue associated with off-system sales and storage service transactions.

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**OOPC = OOPC(GC) + OOPC(TC) + OOPC(SC) + OOPC(UGSC) + Other Costs**

Where:

**OOPC(GC)** is the Out-of-Pocket Gas Costs associated with off-system sales transactions. For off-system sales utilizing Company's firm supply contracts, the OOPC(GC) shall be the incremental cost to purchase the gas available under Company's firm supply contracts. For off-system sales not using Company's firm supply contracts, the OOPC(GC) shall be the incremental costs to purchase the gas from other entities.

**OOPC(TC)** is the Out-of-Pocket Transportation Costs associated with off-system sales transactions. For off-system sales utilizing Company's firm transportation agreements, the OOPC(TC) shall be the incremental cost to use the transportation available under Company's firm transportation contracts. For off-system sales not using Company's firm transportation agreements, the OOPC(TC) shall be the incremental costs to purchase the transportation from other entities.

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## Louisville Gas and Electric Company

**P.S.C. Gas No. 11, Original Sheet No. 87.8**

**Adjustment Clause** **PBR**

**Experimental Performance Based Rate Mechanism**

**OOPC(SC)** is the Out-of-Pocket Storage Costs associated with off-system sales of storage. If this is gas in Company's own storage it shall be priced at the average price of the gas in Company's storage during the month of the sale. If this is gas from the storage component of Texas Gas's No-Notice Service, this gas shall be priced at the replacement cost.

**OOPC(UGSC)** is the Out-of-Pocket Underground Storage Costs associated with off-system sales of storage services. For the off-systems sales of storage services utilizing Company's on-system storage, the OOPC(UGSC) shall include incremental storage losses, odorization, and other fuel-related costs such as purification, dehydration, and compression. Such costs shall exclude labor-related expenses.

**Other Costs** represent all other incremental costs and include, but are not limited to, costs such as applicable sales taxes and excise fees plus the gains and/or losses from the use of financial hedging instruments and the transaction costs associated with such instruments. Such costs shall exclude labor-related or other expenses typically classified as operating and maintenance expenses.

**ACSP**

**ACSP** = Applicable Company Sharing Percentage. The ACSP shall be determined based on the PTAGSC.

Where:

**PTAGSC** = Percentage of Total Actual Gas Supply Costs. The PTAGSC shall be the TPBRR stated as a Percentage of Total Actual Gas Supply Costs and shall be calculated as follows:

$$\mathbf{PTAGSC} = \frac{\mathbf{TPBRR}}{\mathbf{TAGSC}}$$

Where:

**TAGSC** = Total Actual Gas Supply Costs. The TAGSC shall be calculated as follows:

$$\mathbf{TAGSC = AGC + TAAGTC}$$

If the absolute value of the PTAGSC is less than or equal to 3.0%, then the ACSP of 25% shall be applied to TPBRR to determine CSPBR. If the absolute value of the PTAGSC is greater than 3.0%, then the ACSP of 25% shall be applied to the amount of TPBRR that is equal to 3.0% of TAGSC to determine a portion of CSPBR, and the ACSP of 50% shall be applied to the amount of TPBRR that is in excess of 3.0% of TAGSC to determine a portion of CSPBR. These two portions are added together to produce the total CSPBR.

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## Louisville Gas and Electric Company

**P.S.C. Gas No. 12, Original Sheet No. 87.8**

**Adjustment Clause** **PBR**

**Experimental Performance Based Rate Mechanism**

**OOPC(SC)** is the Out-of-Pocket Storage Costs associated with off-system sales of storage. If this is gas in Company's own storage it shall be priced at the average price of the gas in Company's storage during the month of the sale. If this is gas from the storage component of Texas Gas's No-Notice Service, this gas shall be priced at the replacement cost.

**OOPC(UGSC)** is the Out-of-Pocket Underground Storage Costs associated with off-system sales of storage services. For the off-systems sales of storage services utilizing Company's on-system storage, the OOPC(UGSC) shall include incremental storage losses, odorization, and other fuel-related costs such as purification, dehydration, and compression. Such costs shall exclude labor-related expenses.

**Other Costs** represent all other incremental costs and include, but are not limited to, costs such as applicable sales taxes and excise fees plus the gains and/or losses from the use of financial hedging instruments and the transaction costs associated with such instruments. Such costs shall exclude labor-related or other expenses typically classified as operating and maintenance expenses.

**ACSP**

**ACSP** = Applicable Company Sharing Percentage. The ACSP shall be determined based on the PTAGSC.

Where:
**PTAGSC** = Percentage of Total Actual Gas Supply Costs. The PTAGSC shall be the TPBRR stated as a Percentage of Total Actual Gas Supply Costs and shall be calculated as follows:

$$\mathbf{PTAGSC} = \frac{\mathbf{TPBRR}}{\mathbf{TAGSC}}$$

Where:
**TAGSC** = Total Actual Gas Supply Costs. The TAGSC shall be calculated as follows:

$$\mathbf{TAGSC = AGC + TAAGTC}$$

If the absolute value of the PTAGSC is less than or equal to 3.0%, then the ACSP of 25% shall be applied to TPBRR to determine CSPBR. If the absolute value of the PTAGSC is greater than 3.0%, then the ACSP of 25% shall be applied to the amount of TPBRR that is equal to 3.0% of TAGSC to determine a portion of CSPBR, and the ACSP of 50% shall be applied to the amount of TPBRR that is in excess of 3.0% of TAGSC to determine a portion of CSPBR. These two portions are added together to produce the total CSPBR.

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## Louisville Gas and Electric Company

P.S.C. Gas No. 11, Original Sheet No. 87.9

**Adjustment Clause** **PBR**
**Experimental Performance Based Rate Mechanism**

**BA**

**BA** = Balance Adjustment. The BA is used to reconcile the difference between the amount of revenues billed or credited through the CSPBR and previous application of the BA and revenues which should have been billed or credited, as follows:

1) For the CSPBR, the balance adjustment amount will be the difference between the amount billed in a 12-month period from the application of the CSPBR and the actual amount used to establish the CSPBR for the period.

2) For the BA, the balance adjustment amount will be the difference between the amount billed in a 12-month period from the application of the BA and the actual amount used to establish the BA for the period.

**Review**

Within 60 days of the end of the fourth year of the five-year extension, Company will file an assessment and review of the PBR mechanism for the first four years of the five-year extension period. In that report and assessment, Company will make any recommended modifications to the PBR mechanism.

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## Louisville Gas and Electric Company

P.S.C. Gas No. 12, Original Sheet No. 87.9

**Adjustment Clause** **PBR**
**Experimental Performance Based Rate Mechanism**

**BA**

**BA** = Balance Adjustment. The BA is used to reconcile the difference between the amount of revenues billed or credited through the CSPBR and previous application of the BA and revenues which should have been billed or credited, as follows:

1. For the CSPBR, the balance adjustment amount will be the difference between the amount billed in a 12-month period from the application of the CSPBR and the actual amount used to establish the CSPBR for the period.

2. For the BA, the balance adjustment amount will be the difference between the amount billed in a 12-month period from the application of the BA and the actual amount used to establish the BA for the period.

**Review**

Within 60 days of the end of the fourth year of the five-year extension, Company will file an assessment and review of the PBR mechanism for the first four years of the five-year extension period. In that report and assessment, Company will make any recommended modifications to the PBR mechanism.

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## Louisville Gas and Electric Company

**P.S.C. Gas No. 11, Original Sheet No. 88**

**Adjustment Clause** **WNA**

**Weather Normalization Adjustment Clause** T

**APPLICABLE**

The sales to Residential Customers, Volunteer Fire Departments, and Commercial Customers under Rate Schedules RGS, VFD, and CGS shall be increased or decreased monthly by an amount hereinafter described as the WNA.

**DETERMINATION OF WNA**

Weather normalized volumes shall be utilized during the November through April billing periods to calculate the applicable Distribution Charges for Customers served under Rate Schedules RGS, VFD and CGS. During the remainder of the year, May through October, the bills shall be computed based on actual consumption.

WNA will be calculated using the following formula:

**WNA = [(Actual Mcf - Base Load Mcf) * (Normal Degree Days/Actual Degree Days)]**

Each Customer's base load will be determined individually, and will be recomputed annually. Rates used in the computation of the WNA shall be determined based on the applicable Distribution Charge T
as set forth on the RGS, VFD, and CGS Rate Schedules. T

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## Louisville Gas and Electric Company

**P.S.C. Gas No. 12, Original Sheet No. 88**

**Adjustment Clause** **WNA**

**Weather Normalization Adjustment Clause**

**APPLICABLE**

The sales under Rate Schedules RGS, VFD, and CGS shall be increased or decreased monthly T
by an amount hereinafter described as the WNA.

**DETERMINATION OF WNA**

Weather normalized volumes shall be utilized during the November through April billing periods to calculate the applicable Distribution Charges for Customers served under Rate Schedules RGS, VFD and CGS. During the remainder of the year, May through October, the bills shall be computed based on actual consumption.

WNA will be calculated using the following formula:

**WNA = [(Actual Mcf - Base Load Mcf) * (Normal Degree Days/Actual Degree Days)]**

Each Customer's base load will be determined individually, and will be recomputed annually. Rates used in the computation of the WNA shall be determined based on the applicable Distribution Charge as set forth in Rates RGS, VFD, and CGS. T

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**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00295 dated ____**

## Louisville Gas and Electric Company



**Adjustment Clause** **TCJA**
**Tax Cuts and Jobs Act Surcredit**

**APPLICABLE**
In all territory served.

**AVAILABILITY OF SERVICE**
This schedule is mandatory to all Standard Rate Schedules listed in Section 1 of the General Index.

**RATE**
The monthly billing amount computed under each of the rate schedules to which this surcredit is applicable shall decrease by the Tax Cuts and Jobs Act (TCJA) Surcredit. The TCJA Surcredit will be distributed to the Company's customers based on the following:

TCJA Surcredit per 100 cubic feet:

| | |
|---|---|
| Residential (RGS, VFD): | $0.05042 |
| Non-Residential (all other Rate Schedules): | $0.02087 |

**TERMS OF DISTRIBUTION**

(1) The TCJA Surcredit shall be applied to the customer's bill following the rates and charges for gas service, but before application of the Gas Line Tracker, Franchise Fee Rider, School Tax, and Home Energy Assistance Program.

(2) The TCJA Surcredit shall be effective April 1, 2018 and continued through April 30, 2019 at the rates specified above.

(3) The TCJA Surcredit amounts listed on this page are interim amounts that are subject to change once the Public Service Commission issues a final decision in Case No. 2018-00034.

(4) In the event that the Company's base rates do not change on May 1, 2019, the TCJA Surcredit will continue at the following rates:

TCJA Surcredit per 100 cubic feet:

| | |
|---|---|
| Residential (RGS, VFD): | $0.04096 |
| Non-Residential (all other Rate Schedules): | $0.01696 |

(5) The TCJA Surcredit shall terminate when base rates are changed following an application requesting a change in base rates.

**DATE OF ISSUE**: April 5, 2018

**DATE EFFECTIVE:** April 1, 2018

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00034 dated March 20, 2018 and modified March 28, 2018**

Tax Cuts and Jobs Act Surcredit Adjustment Clause (TCJA) is being eliminated

## Louisville Gas and Electric Company

**P.S.C. Gas No. 11, Original Sheet No. 90**

**Adjustment Clause**

**Franchise Fee**

**APPLICABILITY**
All gas rate schedules.

**MONTHLY CHARGE**
A surcharge shall be calculated and added to the total bill for gas service for all customers located within local governmental jurisdictions which currently or in the future impose municipal franchise fees or other local taxes on the Company by ordinance, franchise, or otherwise. Such fees or taxes shall be net of any corresponding fees or taxes which are currently included in the base charges of each rate schedule.

The amount calculated shall be applied exclusively to the bills of customers receiving service within the territorial limits of the authority imposing the fee or tax. The fee or tax shall be added to the customer's bill as a separate item. Where more than one such fee or tax is imposed, each of the fees or taxes applicable to each customer shall be added to the bills as separately identified items.

**DATE OF ISSUE**: July 7, 2017

**DATE EFFECTIVE:** February 6, 2009

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2009-00549 dated July 30, 2010**

## Louisville Gas and Electric Company

**P.S.C. Gas No. 12, Original Sheet No. 90**

**Adjustment Clause** **FF**

**Franchise Fee**

**APPLICABLE** T
In all territory served. N

**AVAILABILITY**
Available as an option for collection of revenues within governmental jurisdictions which impose on Company franchise fees, permitting fees, local taxes or other charges by ordinance, franchise, or other governmental directive and not otherwise collected in the charges of Company's base schedules

**BILLING**
1. The franchise charge will be applied exclusively to the base rate and all riders of bills of Customers receiving service within the franchising governmental jurisdiction, before taxes.
2. The franchise charge will appear as a separate line item on Customer's bill and show the unit of government requiring the franchise.
3. Payment of the collected franchise charges will be made to the governmental franchising body as agreed to in the franchise agreement.
4. At its option, a governmental body imposing a franchise fee shall not be billed for that portion of a franchise fee, applied to services designated by the governmental body that would ultimately be repaid to the governmental body.

**TERM OF CONTRACT**
As agreed to in the franchise agreement. Company will not calculate or collect any such fees, taxes, or charges pursuant to expired, lapsed, or otherwise invalid, ineffective or inapplicable ordinances, franchise agreements, or other governmental enactment.

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## Louisville Gas and Electric Company

**P.S.C. Gas No. 11, Original Sheet No. 91**

**Adjustment Clause** **ST**
**School Tax**

**APPLICABLE**
In all territory served.

**AVAILABILITY OF SERVICE**
This schedule is applied as a rate increase to all other schedules pursuant to KRS 160.617 for the recovery by the utility of school taxes in any county requiring a utility gross receipts license tax for schools under KRS 160.613.

**RATE**
The utility gross receipts license tax authorized under state law.

**DATE OF ISSUE**: July 7, 2017

**DATE EFFECTIVE:** August 1, 2010

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2009-00549 dated July 30, 2010**

## Louisville Gas and Electric Company

**P.S.C. Gas No. 12, Original Sheet No. 91**

**Adjustment Clause** **ST**
**School Tax**

**APPLICABLE**
In all territory served.

**AVAILABILITY** T
This schedule is applied as a rate increase to all other schedules pursuant to KRS 160.617 for the recovery by the utility of school taxes in any county requiring a utility gross receipts license tax for schools under KRS 160.613.

**RATE**
The utility gross receipts license tax authorized under state law.

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Louisville, Kentucky

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## Louisville Gas and Electric Company

**P.S.C. Gas No. 11, Original Sheet No. 92**

**Adjustment Clause** **HEA**
**Home Energy Assistance**

**APPLICABLE**
In all territory served.

**AVAILABILITY**
To all residential customers.

**RATE**
$0.25 per month. T

**BILLING**
The HEA charge shall be shown as a separate item on customer bills.

**PURPOSE**
Proceeds from this charge will be used to fund residential low-income demand-side management Home Energy Assistance programs which have been designed through a collaborative advisory process and then filed with, and approved by, the Commission.

**DATE OF ISSUE**: July 7, 2017

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State Regulation and Rates
Louisville, Kentucky

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## Louisville Gas and Electric Company

**P.S.C. Gas No. 12, Original Sheet No. 92**

**Adjustment Clause** **HEA**
**Home Energy Assistance**

**APPLICABLE**
In all territory served.

**AVAILABILITY**
To all residential customers.

**RATE**
$0.25 per month.

**BILLING**
The HEA charge shall be shown as a separate item on customer bills.

**PURPOSE**
Proceeds from this charge will be used to fund residential low-income demand-side management Home Energy Assistance programs which have been designed through a collaborative advisory process and then filed with, and approved by, the Commission.

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## Louisville Gas and Electric Company

**P.S.C. Gas No. 11, Original Sheet No. 95**

**TERMS AND CONDITIONS**

**Customer Bill of Rights**

As a residential customer of a regulated public utility in Kentucky, you are guaranteed the following rights subject to Kentucky Revised Statutes and the provisions of the Kentucky Public Service Commission Administrative Regulations:

- You have the right to service, provided you (or a member of your household whose debt was accumulated at your address) are not indebted to the utility.
- You have the right to inspect and review the utility's rates and tariffed operating procedures during the utility's normal office hours.
- You have the right to be present at any routine utility inspection of your service conditions.
- You must be provided a separate, distinct disconnect notice alerting you to a possible disconnection of your service, if payment is not received.
- You have the right to dispute the reasons for any announced termination of your service.
- You have the right to negotiate a partial payment plan when your service is threatened by disconnection for non-payment.
- You have the right to participate in equal, budget payment plans for your natural gas and electric service, unless any rate or rider under which you take service explicitly states otherwise. T
- You have the right to maintain your utility service for up to thirty (30) days upon presentation of a medical certificate issued by a health official.
- You have the right to prompt (within 24 hours) restoration of your service when the cause for discontinuance has been corrected.
- If you have not been disconnected, you have the right to maintain your natural gas and electric service for up to thirty (30) days, provided you present a Certificate of Need issued by the Kentucky Cabinet for Human Resources between the months of November and the end of March.
- If you have been disconnected due to non-payment, you have the right to have your natural gas or electric service reconnected between the months of November through March provided you:
  1) Present a Certificate of Need issued by the Kentucky Cabinet for Human Resources, and
  2) Pay one third (1/3) of your outstanding bill ($200 maximum), and
  3) Accept referral to the Human Resources' Weatherization Program, and
  4) Agree to a repayment schedule that will cause your bill to become current by October 15.
- You have the right to contact the Public Service Commission regarding any dispute that you have been unable to resolve with your utility (call Toll Free 1-800-772-4636).

**DATE OF ISSUE**: July 7, 2017

**DATE EFFECTIVE:** July 1, 2017

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2016-00371 dated June 22, 2017 and modified June 29, 2017**

## Louisville Gas and Electric Company

**P.S.C. Gas No. 12, Original Sheet No. 95**

**Terms and Conditions**

**Customer Bill of Rights**

As a residential Customer of a regulated public utility in Kentucky, you are guaranteed the following rights subject to Kentucky Revised Statutes and the provisions of the Kentucky Public Service Commission Administrative Regulations:

- You have the right to service, provided you (or a member of your household whose debt was accumulated at your address) are not indebted to the utility.
- You have the right to inspect and review the utility's rates and tariffed operating procedures during the utility's normal office hours.
- You have the right to be present at any routine utility inspection of your service conditions.
- You must be provided a separate, distinct disconnect notice alerting you to a possible disconnection of your service, if payment is not received.
- You have the right to dispute the reasons for any announced termination of your service.
- You have the right to negotiate a partial payment plan when your service is threatened by disconnection for non-payment.
- You have the right to participate in equal, budget payment plans for your natural gas and electric service, unless any rate or rider under which you take service explicitly states otherwise.
- You have the right to maintain your utility service for up to thirty (30) days upon presentation of a medical certificate issued by a health official.
- You have the right to prompt (within 24 hours) restoration of your service when the cause for discontinuance has been corrected.
- If you have not been disconnected, you have the right to maintain your natural gas and electric service for up to thirty (30) days, provided you present a Certificate of Need issued by the Kentucky Cabinet for Human Resources between the months of November and the end of March.
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  1. Present a Certificate of Need issued by the Kentucky Cabinet for Human Resources, and
  2. Pay one third (1/3) of your outstanding bill ($200 maximum), and
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  4. Agree to a repayment schedule that will cause your bill to become current by October 15.
- You have the right to contact the Public Service Commission regarding any dispute that you have been unable to resolve with your utility (call Toll Free 1-800-772-4636).

**DATE OF ISSUE:** September 28, 2018

**DATE EFFECTIVE:** Effective with Service Rendered
On And After July 1, 2017

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2016-00371 dated June 22, 2017 and modified June 29, 2017**

## Louisville Gas and Electric Company

**P.S.C. Gas No. 11, Original Sheet No. 96**

**TERMS AND CONDITIONS**

**General**

**COMMISSION RULES AND REGULATIONS**

All gas service supplied by Company shall be in accordance with the applicable rules and regulations of the Public Service Commission of Kentucky.

**COMPANY TERMS AND CONDITIONS** T

In addition to the rules and regulations of the Commission, all gas service supplied by Company shall be in accordance with these Terms and Conditions to the extent that such Terms and Conditions are T not in conflict, nor inconsistent, with the specific provisions in each rate schedule and which shall T constitute a part of all applications and contracts for service.

**COMPANY AS A FEDERAL CONTRACTOR**

The United Nations Convention on Contracts for the International Sale of Goods is specifically disclaimed and excluded and will not apply to or govern agreements between customers and Company.

To the extent Company is a federal contractor, Company and its subcontractors shall abide by the requirements of 41 CFR 60-741.5(a). This regulation prohibits discrimination against qualified individuals on the basis of disability, and requires affirmative action by covered prime contractors and subcontractors to employ and advance in employment qualified individuals with disabilities.

To the extent Company is a federal contractor, Company and its subcontractors shall abide by the requirements of 41 CFR 60-300.5(a). This regulation prohibits discrimination against qualified protected veterans, and requires affirmative action by covered prime contractors and subcontractors to employ and advance in employment qualified protected veterans.

**RATES, TERMS AND CONDITIONS ON FILE**

A copy of the rate schedules, terms, and conditions under which gas service is supplied is on file with the Public Service Commission of Kentucky. A copy of such rate schedules, terms and conditions, together with the law, rules, and regulations of the Commission, is available for public inspection in each office of Company where bills may be paid.

**ASSIGNMENT**

No order for service, agreement or contract for service may be assigned or transferred without the written consent of Company.

**DATE OF ISSUE**: July 7, 2017

**DATE EFFECTIVE:** July 1, 2017

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2016-00371 dated June 22, 2017 and modified June 29, 2017**

## Louisville Gas and Electric Company

**P.S.C. Gas No. 12, Original Sheet No. 96**

**Terms and Conditions**
**General**

**COMMISSION RULES AND REGULATIONS**

All gas service supplied by Company shall be in accordance with the applicable rules and regulations of the Kentucky Public Service Commission.

**COMPANY TERMS AND CONDITIONS**

In addition to the rules and regulations of the Commission, all gas service supplied by Company shall be in accordance with these Terms and Conditions to the extent that such Terms and Conditions are not in conflict, nor inconsistent, with the specific provisions in each rate schedule and which shall constitute a part of all applications and contracts for service.

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**DATE OF ISSUE:** September 28, 2018

**DATE EFFECTIVE:** Effective with Service Rendered
On And After July 1, 2017

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2016-00371 dated June 22, 2017 and modified June 29, 2017**

## Louisville Gas and Electric Company

**P.S.C. Gas No. 11, Original Sheet No. 96.1**

**TERMS AND CONDITIONS**

**General**

**RENEWAL OF CONTRACT**

If, upon the expiration of any service contract for a specified term, the customer continues to use the service, the contract (unless otherwise provided therein) will be automatically renewed for successive periods of one (1) year each, subject to termination at the end of any year upon thirty (30) days prior written notice by either party.

**AGENTS CANNOT MODIFY AGREEMENT WITHOUT CONSENT OF P.S.C. OF KY.**

No agent has power to amend, modify, alter, or waive any of these Terms and Conditions, or to bind Company by making any promises or representations not contained herein.

**SUPERSEDE PREVIOUS TERMS AND CONDITIONS**

These Terms and Conditions supersede all terms and conditions under which Company has previously supplied gas service.

**DATE OF ISSUE**: July 7, 2017

**DATE EFFECTIVE:** July 1, 2015

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2014-00372 dated June 30, 2015**

## Louisville Gas and Electric Company

**P.S.C. Gas No. 12, Original Sheet No. 96.1**

**Terms and Conditions**

**General**

**RENEWAL OF CONTRACT**

If, upon the expiration of any service contract for a specified term, the customer continues to use the service, the contract (unless otherwise provided therein) will be automatically renewed for successive periods of one (1) year each, subject to termination at the end of any year upon thirty (30) days prior written notice by either party.

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No agent has power to amend, modify, alter, or waive any of these Terms and Conditions, or to bind Company by making any promises or representations not contained herein.

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These Terms and Conditions supersede all terms and conditions under which Company has previously supplied gas service.

**DATE OF ISSUE:** September 28, 2018

**DATE EFFECTIVE:** Effective with Service Rendered
On And After July 1, 2015

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2014-00372 dated June 30, 2015**

## Louisville Gas and Electric Company

**P.S.C. Gas No. 11, Original Sheet No. 97**

**TERMS AND CONDITIONS**

**Customer Responsibilities**

**APPLICATION FOR SERVICE**

A written, in-person, electronic, or oral application or contract, properly executed, will be required before Company is obligated to render gas service. Company may require any party applying for service to provide some or all of the following information for the party desiring service: full legal name, address, full Social Security Number or other taxpayer identification number, date of birth (if applicable), relationship of the applying party to the party desiring service, and any other information Company deems necessary for legal, business, or debt-collection purposes. Company shall have the right to reject for valid reasons any such application or contract, including the applying party's refusal to provide requested information. T

All applications for service shall be made in the legal name of the party desiring the service.

Where an unusual expenditure for construction or equipment is necessary or where the proposed manner of using gas service is clearly outside the scope of Company's standard rate schedules, Company may establish special terms and require special contracts giving effect to such unusual circumstances.

**TRANSFER OF APPLICATION**

Applications for gas service are not transferable and new occupants of premises will be required to make application for service before commencing the use of gas. Customers who have been receiving gas service shall notify Company when discontinuance of service is desired, and shall pay for all gas service furnished until such notice has been given and final meter readings made by Company.

**OPTIONAL RATES**

If two or more rate schedules are available for the same class of service, it is Customer's responsibility to determine the options available and to designate the schedule under which Customer desires to receive service.

Company will, at any time, upon request, advise any Customer as to the most advantageous rate for existing or anticipated service requirements as defined by the Customer, but Company does not assume responsibility for the selection of such rate or for the continuance of the lowest annual cost under the rate selected.

In those cases in which the most favorable rate is difficult to predetermine, the Customer will be given the opportunity to change to another schedule, unless otherwise prevented by the rate schedule under which Customer is currently served, after trial of the schedule originally designated; however, after the first such change, Company shall not be required to make a change in schedule more often than once in twelve months.

From time to time, Customer should investigate Customer's operating conditions to determine a desirable change from one available rate to another. Company, lacking knowledge of changes that may occur at any time in Customer's operating conditions, does not assume responsibility that Customers will at all times be served under the most beneficial rate.

In no event will Company make refunds covering the difference between the charges under the rate in effect and those under any other rate applicable to the same class of service.

**DATE OF ISSUE**: July 7, 2017

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**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

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## Louisville Gas and Electric Company

**P.S.C. Gas No. 12, Original Sheet No. 97**

**Terms and Conditions**
**Customer Responsibilities**

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**DATE OF ISSUE:** September 28, 2018

**DATE EFFECTIVE:** Effective with Service Rendered
On And After July 1, 2017

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2016-00371 dated June 22, 2017 and modified June 29, 2017**

## Louisville Gas and Electric Company

**P.S.C. Gas No. 11, Original Sheet No. 97.1**

**TERMS AND CONDITIONS**

**Customer Responsibilities**

**CUSTOMER'S EQUIPMENT AND INSTALLATION**.

Customer shall furnish, install, and maintain at Customer's expense the necessary Customer's Service Line extending from Company's Service Connection at the property line to the building or place of utilization of the gas.

All piping, appliances, and other gas equipment and apparatus, except the meter, regulator, and any gas riser or service line the Company has installed, repaired, or replaced, located on and within the Customer's premises beyond point of connection with Company's Service Connection at the property line shall be furnished and installed by and at the expense of Customer, and shall be maintained by Customer in good and safe condition. Company assumes no responsibility whatsoever for the condition of Customer's piping, apparatus or appliances, nor for the maintenance or renewal of any portion thereof.

**OWNER'S CONSENT TO OCCUPY**

Customer shall grant easements and rights-of-way on and across Customer's property at no cost to Company.

**ACCESS TO PREMISES AND EQUIPMENT**

Company shall have the right of access to Customer's premises at all reasonable times for the purpose of installing, meter reading, inspecting, repairing, or removing its equipment used in connection with its supply of gas service or for the purpose of turning on and shutting off the gas supply when necessary and for all other proper purposes. Customer shall not construct or permit the construction of any structure or device which will restrict the access of Company to its equipment for any of the above purposes.

**PROTECTION OF COMPANY'S PROPERTY**

Customers will be held responsible for tampering, interfering with, breaking of seals of meters, or other equipment of Company installed on Customer's premises, and will be held liable for same according to law. Customer hereby agrees that no one except the employees of Company shall be allowed to make any internal or external adjustments of any meter or any other piece of apparatus which shall be the property of Company.

**EXCLUSIVE SERVICE ON INSTALLATION CONNECTED**

Gas service shall not be used for purposes other than as set forth in customer's application or contract.

**DATE OF ISSUE**: July 7, 2017

**DATE EFFECTIVE:** January 1, 2013

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2012-00222 dated December 20, 2012**

## Louisville Gas and Electric Company

**P.S.C. Gas No. 12, Original Sheet No. 97.1**

**Terms and Conditions**
**Customer Responsibilities**

**OPTIONAL RATES (continued)** T

From time to time, Customer should investigate Customer's operating conditions to determine a desirable change from one available rate to another. Company, lacking knowledge of changes that may occur at any time in Customer's operating conditions, does not assume responsibility that Customers will at all times be served under the most beneficial rate. T T T T T

In no event will Company make refunds covering the difference between the charges under the rate in effect and those under any other rate applicable to the same class of service. T T

**CUSTOMER'S EQUIPMENT AND INSTALLATION**.

Company will install at its own expense a service pipe of suitable capacity extending from its gas main to the gas meter serving Customer, beyond which point all necessary piping shall be installed by and at the expense of Customer. N N N D

**OWNER'S CONSENT TO OCCUPY**

Customer shall grant easements and rights-of-way on and across Customer's property at no cost to Company.

**ACCESS TO PREMISES AND EQUIPMENT**

Company shall have the right of access to Customer's premises at all reasonable times for the purpose of installing, meter reading, inspecting, repairing, or removing its equipment used in connection with its supply of gas service or for the purpose of turning on and shutting off the gas supply when necessary and for all other proper purposes. Customer shall not construct or permit the construction of any structure or device which will restrict the access of Company to its equipment for any of the above purposes.

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Gas service shall not be used for purposes other than as set forth in customer's application or contract.

**DATE OF ISSUE:** September 28, 2018

**DATE EFFECTIVE:** Effective with Service Rendered
On And After November 1, 2018

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00295 dated ____**

## Louisville Gas and Electric Company

**P.S.C. Gas No. 11, Original Sheet No. 97.2**

**TERMS AND CONDITIONS**

**Customer Responsibilities**

**EXCLUSIVE SERVICE ON INSTALLATION CONNECTED (continued)**

Company shall not be obligated to provide natural gas or natural gas service under any standard natural gas rate schedule on a standby, back-up, supplemental or other basis to any Customer that is physically connected to the facilities of any other provider of natural gas service, such other providers to include, but not be limited to, another natural gas local distribution company, public, private, or municipal; a producer, gatherer, or transmitter of natural gas; an interstate or intrastate natural gas pipeline; or any other entity (including the Customer itself acting in any one or more of these roles) that provides natural gas or natural gas service to residential, commercial, industrial, public authority, or any other type of customers which might otherwise receive natural gas from Company. In the event that such Customer desires to continue to receive natural gas service from T
Company and/or declines to allow Company to remove Company's facilities hitherto used to provide T
natural gas service to Customer, then Customer shall be obligated to take service under Rate SGSS. T

**LIABILITY**

Customer assumes all responsibility for the gas service upon Customer's premises at and from the point of delivery of gas and for the pipes and equipment used in connection therewith, and will protect and save Company harmless from all claims for injury or damage to persons or property occurring on Customer's premises or at and from the point of delivery of gas, occasioned by such gas or said pipes and equipment, except where said injury or damage will be shown to have been occasioned solely by the negligence of Company.

**NOTICE TO COMPANY OF CHANGES IN CUSTOMER'S LOAD**

The service pipes, meters, and appurtenances supplied by Company for the rendition of gas service to its customers have a definite capacity. In the event that Customer contemplates any material increase in Customer's connected load, whether in a single increment or over an extended period, Customer shall immediately give Company written notice of this fact so as to enable it to enlarge the capacity of such equipment. In case of failure to give such notice, Customer may be held liable for any damage done to meters, regulators, or other equipment of Company caused by such material increase in Customer's connected load.

**PERMITS**

Customer shall obtain or cause to be obtained all permits, easements, or certificates, except street permits, necessary to give Company or its agents access to Customer's premises and equipment and to enable its service to be connected therewith. In case Customer is not the owner of the premises or of intervening property between the premises and Company's distribution mains, Customer shall obtain from the proper owner or owners the necessary consent to the installation and maintenance in said premises and across such intervening property of Customer's piping and facilities required for the supply of gas service to Customer. Provided, however, to the extent permits, easements, or certificates are necessary for the installation and maintenance of Company-owned facilities, Company shall obtain the aforementioned consent.

**DATE OF ISSUE**: July 7, 2017

**DATE EFFECTIVE:** July 1, 2017

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2016-00371 dated June 22, 2017 and modified June 29, 2017**

## Louisville Gas and Electric Company

**P.S.C. Gas No. 12, Original Sheet No. 97.2**

**Terms and Conditions**
**Customer Responsibilities**

**EXCLUSIVE SERVICE ON INSTALLATION CONNECTED (continued)**

Company shall not be obligated to provide natural gas or natural gas service under any standard natural gas rate schedule on a standby, back-up, supplemental or other basis to any Customer that is physically connected to the facilities of any other provider of natural gas service, such other providers to include, but not be limited to, another natural gas local distribution company, public, private, or municipal; a producer, gatherer, or transmitter of natural gas; an interstate or intrastate natural gas pipeline; or any other entity (including the Customer itself acting in any one or more of these roles) that provides natural gas or natural gas service to residential, commercial, industrial, public authority, or any other type of customers which might otherwise receive natural gas from Company. In the event that such Customer desires to continue to receive natural gas service from Company and/or declines to allow Company to remove Company's facilities hitherto used to provide natural gas service to Customer, then Customer shall be obligated to take service under Rate SGSS.

**LIABILITY**

Customer assumes all responsibility for the gas service upon Customer's premises at and from the point of delivery of gas and for the pipes and equipment used in connection therewith, and will protect and save Company harmless from all claims for injury or damage to persons or property occurring on Customer's premises or at and from the point of delivery of gas, occasioned by such gas or said pipes and equipment, except where said injury or damage will be shown to have been occasioned solely by the negligence of Company.

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**DATE OF ISSUE:** September 28, 2018

**DATE EFFECTIVE:** Effective with Service Rendered
On And After November 1, 2018

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00295 dated ____**

## Louisville Gas and Electric Company

**P.S.C. Gas No. 11, Original Sheet No. 97.3**

**TERMS AND CONDITIONS**

**Customer Responsibilities**

**PERMITS (continued)**

Company shall make or cause to be made application for any necessary street permits, and shall not be required to supply service under Customer's application until a reasonable time after such permits are granted.

**COMPANY-OWNED SERVICE LINES**

The Company will install, own, operate and maintain the service line at the premises of residential and commercial customers, if such premises are not connected to a Company main by a service line. With respect to residential and commercial customers that occupy premises already connected to a Company main by a service line that the Company has installed, repaired, or replaced, the Company shall be responsible for operating and maintaining the customer service line and when the Company determines that replacement of such customer service line is necessary the Company shall be responsible for installing the service line and shall thereafter own the service line.

Any customer accepting gas service under this section shall be deemed to have granted the Company an easement across his property for such service. No service line shall be installed across private property other than the premises of the building to be supplied with gas, except after special investigation and approval by the Company.

When the length of the service pipe required between the property line and the meter is 100 feet or less, the Company will assess no charge for the service pipe installation.

When the length of required service pipe exceeds 100 feet, the Company may require the applicant to contribute toward the cost of the service line installation an amount equal to the estimated cost per foot for each lineal foot of service beyond 100 feet. Contributions by customers toward the Company's cost of furnishing and installing service lines in accordance with this section are non-refundable.

In the event that the Company is required to undertake any excavation on a customer's property in connection with the installation, repair, maintenance or replacement of a service line, the Company shall make reasonable efforts to restore the property to its original condition pursuant to generally accepted utility standards for such construction operations.

**DATE OF ISSUE**: July 7, 2017

**DATE EFFECTIVE:** January 1, 2013

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2012-00222 dated December 20, 2012**

## Louisville Gas and Electric Company

**P.S.C. Gas No. 12, Original Sheet No. 97.3**

**Terms and Conditions**
**Customer Responsibilities**

**PERMITS (continued)**

Company shall make or cause to be made application for any necessary street permits, and shall not be required to supply service under Customer's application until a reasonable time after such permits are granted.

**COMPANY-OWNED SERVICE LINES**

The Company will install, own, operate and maintain the service line at the premises of residential and commercial customers, if such premises are not connected to a Company main by a service line. With respect to residential and commercial customers that occupy premises already connected to a Company main by a service line that the Company has installed, repaired, or replaced, the Company shall be responsible for operating and maintaining the customer service line and when the Company determines that replacement of such customer service line is necessary the Company shall be responsible for installing the service line and shall thereafter own the service line.

Any customer accepting gas service under this section shall be deemed to have granted the Company an easement across his property for such service. No service line shall be installed across private property other than the premises of the building to be supplied with gas, except after special investigation and approval by the Company.

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State Regulation and Rates
Louisville, Kentucky

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## Louisville Gas and Electric Company

**P.S.C. Gas No. 11, Original Sheet No. 98**

**TERMS AND CONDITIONS**

**Company Responsibilities**

**METERING**

The gas used will be measured by a meter or meters to be furnished and installed by Company at its expense and all bills will be calculated upon the registration of said meters. Company has the right to install any meter or meters it deems in its sole discretion to be necessary or prudent to serve any customer, including without limitation a digital, automated meter reading, automated metering infrastructure, or advanced metering systems meter or meters. When service is supplied by Company at more than one delivery point on the same premises, each delivery point will be metered and billed separately on the rate applicable. Meters include all measuring instruments. Meters will be located outside whenever possible. Otherwise, meters will be located as near as possible to the service entrance and on the ground floor of the building, in a clean, dry, safe and easily accessible place, free from vibration, agreed to by Company. T T T T

**POINT OF DELIVERY OF GAS**

The point of delivery of gas supplied by Company shall be at the point where the gas passes from the pipes of Company's Service Connection into Customer's Service Line, irrespective of the location of the metering and regulating equipment.

If the Service Line is owned by the Customer, the point of delivery of gas supplied by the Company shall be at the point where the gas passes from the pipes of Company's Service Connection into Customer's Service Line, irrespective of the location of the metering and regulation equipment.

If the Service Line is owned by the Company, the point of delivery of gas supplied by the Company shall be at the point where the gas passes from the outlet of the meter to the Customer's yard line or house piping.

**COMPANY'S EQUIPMENT AND INSTALLATION**

The Company shall furnish, install, and maintain at its expense the necessary service connection. The location of this service connection will be made at the discretion and judgment of the Company.

The Company will furnish, install, and maintain at its expense the necessary meter, regulator, and connections which will be located at or near the building, at the discretion or judgment of the Company. Suitable site or location for the meter, meter stand (including meter riser), and regulator and connections shall be provided by the Customer and title to this equipment shall remain in the Company with the right to install, operate, maintain, and remove same and no charge shall be made by the Customer for use of the premises as occupied or used. Customer shall protect such property of Company from loss or damage, and no one who is not an agent of Company shall be permitted to remove, damage or tamper with the same. Customer shall execute a reasonable form of easement agreement, if requested by Company.

**DATE OF ISSUE**: July 7, 2017

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**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2016-00371 dated June 22, 2017 and modified June 29, 2017**

## Louisville Gas and Electric Company

**P.S.C. Gas No. 12, Original Sheet No. 98**

**Terms and Conditions**
**Company Responsibilities**

**METERING**

The gas used will be measured by a meter or meters to be furnished and installed by Company at its expense and all bills will be calculated upon the registration of said meters. Company has the right to install any meter or meters it deems in its sole discretion to be necessary or prudent to serve any customer, including without limitation a digital, automated meter reading, automated metering infrastructure, or advanced metering systems meter or meters. When service is supplied by Company at more than one delivery point on the same premises, each delivery point will be metered and billed separately on the rate applicable. Meters include all measuring instruments. Meters will be located outside whenever possible. Otherwise, meters will be located as near as possible to the service entrance and on the ground floor of the building, in a clean, dry, safe and easily accessible place, free from vibration, agreed to by Company.

**POINT OF DELIVERY OF GAS**

The point of delivery of gas supplied by Company shall be at the point where the gas passes from the pipes of Company's Service Connection into Customer's Service Line, irrespective of the location of the metering and regulating equipment.

If the Service Line is owned by the Customer, the point of delivery of gas supplied by the Company shall be at the point where the gas passes from the pipes of Company's Service Connection into Customer's Service Line, irrespective of the location of the metering and regulation equipment.

If the Service Line is owned by the Company, the point of delivery of gas supplied by the Company shall be at the point where the gas passes from the outlet of the meter to the Customer's yard line or house piping.

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The Company will furnish, install, and maintain at its expense the necessary meter, regulator, and connections which will be located at or near the building, at the discretion or judgment of the Company. Suitable site or location for the meter, meter stand (including meter riser), and regulator and connections shall be provided by the Customer and title to this equipment shall remain with the Company with the right to install, operate, maintain, and remove same and no charge shall be made by the Customer for use of the premises as occupied or used. Customer shall protect such property of Company from loss or damage, and no one who is not an agent of Company shall be permitted to remove, damage or tamper with the same. Customer shall execute a reasonable form of easement agreement, if requested by Company. T

**DATE OF ISSUE:** September 28, 2018

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On And After November 1, 2018

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00295 dated ____**

## Louisville Gas and Electric Company

**P.S.C. Gas No. 11, Original Sheet No. 98.1**

**TERMS AND CONDITIONS**

**Company Responsibilities**

**COMPANY'S EQUIPMENT AND INSTALLATION** (continued)
Notwithstanding the provisions of 807 KAR 5:006, Section 14(4), a reasonable time shall be allowed subsequent to Customer's service application to enable Company to construct or install the facilities required for such service. In order that Company may make suitable provision for enlargement, extension or alteration of its facilities, each applicant for commercial or industrial service shall furnish Company with realistic estimates of prospective gas requirements.

**COMPANY NOT LIABLE FOR INTERRUPTIONS**
Company will exercise reasonable care and diligence in an endeavor to supply gas service continuously and without interruption, except as provided in the terms of certain rate schedules; however, Company does not guarantee continuous service and shall not be liable for any loss or damage resulting from interruption, reduction, delay or failure of gas service not caused by the willful negligence of Company, or resulting from any cause or circumstance beyond the reasonable control of Company.

**COMPANY NOT LIABLE FOR DAMAGE ON CUSTOMER’S PREMISES**
Company is merely a supplier of gas service delivered at Company’s property line, and shall not be liable for and shall be protected and held harmless for any injury or damage to persons or property of the Customer or of third persons resulting from the presence, use or abuse of gas on the Customer’s premises or resulting from defects in or accidents to any of Customer’s piping, equipment, apparatus or appliances, or resulting from any cause whatsoever other than the negligence of Company.

**LIABILITY**
In no event shall Company have any liability to the Customer or any other party affected by the gas service to the Customer for any consequential, indirect, incidental, special, or punitive damages, and such limitation of liability shall apply regardless of claim or theory. In addition, to the extent that Company acts within its rights as set forth herein and/or any applicable law or regulation, Company shall have no liability of any kind to the Customer or any other party. In the event that the Customer’s use of Company’s service causes damage to Company’s property or injuries to persons, the Customer shall be responsible for such damage or injury and shall indemnify, defend, and hold Company harmless from any and all suits, claims, losses, and expenses associated therewith.

**OBLIGATION TO SERVE**
Company shall not be obligated to provide natural gas or natural gas service under any standard natural gas rate schedule on a standby, back-up, supplemental or other basis to any

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**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2012-00222 dated December 20, 2012**

## Louisville Gas and Electric Company

**P.S.C. Gas No. 12, Original Sheet No. 98.1**

**Terms and Conditions**
**Company Responsibilities**

**COMPANY'S EQUIPMENT AND INSTALLATION** (continued)
Notwithstanding the provisions of 807 KAR 5:006, Section 14(4), a reasonable time shall be allowed subsequent to Customer's service application to enable Company to construct or install the facilities required for such service. In order that Company may make suitable provision for enlargement, extension or alteration of its facilities, each applicant for commercial or industrial service shall furnish Company with realistic estimates of prospective gas requirements.

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**LIABILITY**
In no event shall Company have any liability to the Customer or any other party affected by the gas service to the Customer for any consequential, indirect, incidental, special, or punitive damages, and such limitation of liability shall apply regardless of claim or theory. In addition, to the extent that Company acts within its rights as set forth herein and/or any applicable law or regulation, Company shall have no liability of any kind to the Customer or any other party. In the event that the Customer’s use of Company’s service causes damage to Company’s property or injuries to persons, the Customer shall be responsible for such damage or injury and shall indemnify, defend, and hold Company harmless from any and all suits, claims, losses, and expenses associated therewith.

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**DATE OF ISSUE:** September 28, 2018

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State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2012-00222 dated December 20, 2012**

## Louisville Gas and Electric Company

**P.S.C. Gas No. 11, Original Sheet No. 98.2**

**TERMS AND CONDITIONS**

**Company Responsibilities**

Customer that is physically connected to the facilities of any other provider of natural gas service, such other providers to include, but not be limited to, another natural gas local distribution company, public, private, or municipal; a producer, gatherer, or transmitter of natural gas; an interstate or intrastate natural gas pipeline; or any other entity (including the Customer itself acting in any one or more of these roles) that provides natural gas or natural gas service to residential, commercial, industrial, public authority, or any other type of customers which might otherwise receive natural gas from Company. Company and Customer may mutually agree to enter into a special contract for standby, back-up, supplemental or other service subject to the approval of the Kentucky Public Service Commission.

**SPECIAL RULES FOR CUSTOMERS SERVED FROM HIGH PRESSURE MAINS, GAS TRANSMISSION MAINS, AND STORAGE GATHERING LINES**

In order to ensure the integrity, safe operations, and reliability of the Company's gas system, these special rules apply to customers served from high pressure mains, gas transmission mains, and storage gathering lines.

When a customer requests service from a high pressure main, gas transmission main, or storage gathering line under Rate RGS, VFD, CGS, IGS, AAGS, SGSS, or FT, Company shall determine, in its sole discretion, if service is justified, feasible, and consistent with good operating practice. T

Upon approval by Company of a request by a customer (or group of customers) for service from a high pressure main, gas transmission main, or storage gathering line, then Company may charge the customer (or group of customers) in addition to the charges under the applicable rate schedule, the estimated installed cost of the tap, any regulation equipment, piping, and any other equipment or facilities determined by Company, in its sole discretion, to be necessary to provide such service consistent with good operating practice.

In no case, shall Company be obligated to provide service to customers served under Rate DGGS from a high pressure main, gas transmission main, or storage gathering line.

**PURCHASE OF CERTAIN CUSTOMER-OWNED GAS SERVICE ENTRANCES AND RISERS.**

LG&E will reimburse its gas customers who have replaced their service entrances or gas risers (or both) between January 1, 2011 and December 31, 2012. Customers must notify LG&E if they desire such reimbursement. LG&E has no obligation to seek out such customers. LG&E will post on its website a notice of the availability of this reimbursement. The reimbursement will be in the amount of the customers' reasonable costs of replacing such service entrances or gas risers (or both), which must be demonstrated to LG&E's reasonable satisfaction. Customers disputing the amount of reimbursement may contact the Commission. LG&E will reimburse only owners of affected properties, each of whom must have owned the affected property at the time of the replacement of the service entrance or gas riser.

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## Louisville Gas and Electric Company

**P.S.C. Gas No. 12, Original Sheet No. 98.2**

**Terms and Conditions**
**Company Responsibilities**

Customer that is physically connected to the facilities of any other provider of natural gas service, such other providers to include, but not be limited to, another natural gas local distribution company, public, private, or municipal; a producer, gatherer, or transmitter of natural gas; an interstate or intrastate natural gas pipeline; or any other entity (including the Customer itself acting in any one or more of these roles) that provides natural gas or natural gas service to residential, commercial, industrial, public authority, or any other type of customers which might otherwise receive natural gas from Company. Company and Customer may mutually agree to enter into a special contract for standby, back-up, supplemental or other service subject to the approval of the Kentucky Public Service Commission.

**SPECIAL RULES FOR CUSTOMERS SERVED FROM HIGH PRESSURE MAINS, GAS TRANSMISSION MAINS, AND STORAGE GATHERING LINES**

In order to ensure the integrity, safe operations, and reliability of the Company's gas system, these special rules apply to customers served from high pressure mains, gas transmission mains, and storage gathering lines.

When a customer requests service from a high pressure main, gas transmission main, or storage gathering line under Rate RGS, VFD, CGS, IGS, AAGS, SGSS, or FT, Company shall determine, in its sole discretion, if service is justified, feasible, and consistent with good operating practice.

Upon approval by Company of a request by a customer (or group of customers) for service from a high pressure main, gas transmission main, or storage gathering line, then Company may charge the customer (or group of customers) in addition to the charges under the applicable rate schedule, the estimated installed cost of the tap, any regulation equipment, piping, and any other equipment or facilities determined by Company, in its sole discretion, to be necessary to provide such service consistent with good operating practice.

In no case, shall Company be obligated to provide service to customers served under Rate DGGS from a high pressure main, gas transmission main, or storage gathering line.

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Louisville, Kentucky

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## Louisville Gas and Electric Company

**P.S.C. Gas No. 11, Original Sheet No. 99**

**TERMS AND CONDITIONS**

**Character of Service**

**HEATING VALUE**

Company will normally supply natural gas having a heating value of approximately 1,000 Btu per cubic foot. All gas received into the system of Company from interstate pipelines shall meet the applicable quality standards of the respective interstate pipeline delivering natural gas to Company All gas received into the system of Company from sources other than an interstate pipeline shall meet the quality standards prescribed in Local Gas Delivery Service Rate LGDS. When it is necessary to supplement the supply of natural gas, Company reserves the right, at its discretion, to supplement its supply of natural gas with a mixture of vaporized liquefied petroleum gas and air. T T T T

**STANDARD PRESSURE AND MEASUREMENT BASE**

The standard distribution pressure of the gas supplied by Company is four ounces per square inch above atmospheric pressure.

Atmospheric pressure shall be assumed in all cases to be 14.5 pounds per square inch and temperature shall be assumed to be 60 degrees Fahrenheit; provided, however, Company reserves the right for billing purposes to correct as necessary the actual temperature to a 60 degree Fahrenheit basis in the case of large volume customers.

All gas measured at pressures higher than the standard pressure shall be converted to a pressure base of 14.73 pounds per square inch absolute for billing purposes.

**DELIVERY PRESSURE**

Company shall not be obligated to provide gas service to any Customer at a minimum delivery pressure greater than 50 psig or the expected minimum pipeline pressure, whichever is less.

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## Louisville Gas and Electric Company

**P.S.C. Gas No. 12, Original Sheet No. 99**

**Terms and Conditions**
**Character of Service**

**HEATING VALUE**

Company will normally supply natural gas having an average heating value of approximately 1,050 Btu per cubic foot for any twelve (12) month period. All gas received into the system of Company from interstate pipelines shall meet the applicable quality standards of the respective interstate pipeline delivering natural gas to Company All gas received into the system of Company from sources other than an interstate pipeline shall meet the quality standards prescribed in Local Gas Delivery Service Rate LGDS. When it is necessary to supplement the supply of natural gas, Company reserves the right, at its discretion, to supplement its supply of natural gas with a mixture of vaporized liquefied petroleum gas and air. T T

**STANDARD PRESSURE AND MEASUREMENT BASE**

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State Regulation and Rates
Louisville, Kentucky

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## Louisville Gas and Electric Company

**P.S.C. Gas No. 11, Original Sheet No. 101**

**TERMS AND CONDITIONS**

**Billing**

**METER READINGS AND BILLS**

As used in the entirety of this Tariff, “meter reading” and similar terms shall include data collected remotely from automated meter reading, automated meter infrastructure, advanced metering systems, and other electronic meter equipment or systems capable of delivering usage data to Company. A physical, manual reading of a meter is not required to constitute a “meter reading.” T

Each bill for utility service shall be issued in compliance with 807 KAR 5:006, Section 7.

All bills will be based upon meter readings made in accordance with Company's meter reading schedule. Company, except if prevented by reasons beyond its control, shall read customers meters at least quarterly, except that customer-read meters shall be read at least once during the calendar year.

In the case of opening and closing bills when the total period between regular and special meter readings is less than thirty days, the minimum charges of the applicable rate schedules will be prorated on the basis of the ratio of the actual number of days in such period to thirty days.

When Company is unable to read Customer's meter after reasonable effort, or when Company experiences circumstances which make actual meter readings impossible or impracticable, Customer may be billed on an estimated basis and the billing will be adjusted as necessary when the meter is read.

In the event Company's electric or gas meter fails to register properly by reason of damage, accident, etc., Company shall have the right to estimate Customer's consumption during the period of failure on the basis of such factors as Customer's connected load, heating degree days, and consumption during a previous corresponding period and during a test period immediately following replacement of the defective meter.

Where Company serves a customer with both electric and gas service at the same service location, Company will render a combined bill. However, a residential customer may request, and Company will render, separate bills under the following conditions: (1) Customer is being threatened with disconnection for non-payment or has already been disconnected for that reason and (2) Customer would be able to pay either the gas or electric portion of his bill and thus retain one service.

Bills are due and payable at the office of Company during business hours, or at other locations designated by Company, within sixteen (16) business days (no less than twenty-two (22) calendar days) from the date of rendition thereof. If full payment is not received by the due date of the bill, a late payment charge will be assessed on the current month’s charges. Beginning October 1, 2010, residential customers who receive a pledge for or notice of low income energy assistance from an authorized agency will not be assessed or required to pay a late payment charge for the bill for which T

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**Billing**

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In the case of opening and closing bills when the total period between regular and special meter readings is less than thirty days, the minimum charges of the applicable rate schedules will be prorated on the basis of the ratio of the actual number of days in such period to thirty days, unless N
an applicable rate schedule has a daily Basic Service Charge, in which case a full daily Basic N
Service Charge will be charged to a customer for each day or partial day during which the N
customer’s account was open and served under that rate schedule. N

When Company is unable to read Customer's meter after reasonable effort, or when Company experiences circumstances which make actual meter readings impossible or impracticable, Customer may be billed on an estimated basis and the billing will be adjusted as necessary when the meter is read.

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Louisville, Kentucky

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## Louisville Gas and Electric Company

**P.S.C. Gas No. 11, Original Sheet No. 101.1**

**TERMS AND CONDITIONS**

**Billing**

**METER READINGS AND BILLS** (continued)

the pledge or notice is received, nor will they be assessed or required to pay a late payment charge in any of the eleven (11) months following receipt of such pledge or notice. There will be no adverse credit impact on the customer's payment and credit record, including credit scoring, both internally and externally, and the account will not be considered delinquent for any purpose if the Company receives the customer's payment within fifteen days after the date on which the Company issues the customer's bill. T T

Failure to receive a bill does not exempt Customer from these provisions of Company's Terms and Conditions.

**READING OF SEPARATE METERS NOT COMBINED**

For billing purposes, each meter upon Customer's premises will be considered separately and readings of two or more meters will not be combined except where Company's operating convenience requires the installation of two or more meters upon Customer's premises instead of one meter.

**CUSTOMER RATE MIGRATION**

Unless otherwise specified in the applicable rate schedule or rider, a change from one rate to another will be effective with the first full billing period following a customer's request for such change or with a rate change mandated by changes in a customer's load. In cases where a change from one rate to another necessitates a change in metering, the change from one rate to another will be effective with the first full billing period following the meter change.

**MONITORING OF CUSTOMER USAGE**

In order to detect unusual deviations in individual Customer consumption, Company will monitor the usage of each Customer at least once quarterly. In addition, Company may investigate usage deviations brought to its attention as a result of its ongoing meter reading or billing processor customer inquiry. Should an unusual deviation in the Customer's consumption be found which cannot be attributed to a readily identified cause, Company may perform a detailed analysis of the Customer's meter reading and billing records. If the cause for the usage deviation cannot be determined from analysis of the Customer's meter reading and billing records, Company may contact Customer by telephone or in writing to determine whether there have been changes such as different number of household members or work staff, additional or different appliances, changes in business volume, or known leaks in the Customer's service line. Where the deviation is not otherwise explained, Company will test Customer's meter to determine whether the results show the meter is within the limits allowed by 807 KAR 5:022, Section 8(3)(a)1, and Section 8(3)(b)1. Company will notify the customers of the investigation, its findings, and any refunds or back-billing in accordance with 807 KAR 5:006, Section 11(4) and (5).

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## Louisville Gas and Electric Company

**P.S.C. Gas No. 12, Original Sheet No. 101.1**

**Terms and Conditions**
**Billing**

**METER READINGS AND BILLS** (continued)

assistance from an authorized agency will not be assessed or required to pay a late payment charge for the bill for which the pledge or notice is received, nor will they be assessed or required to pay a late payment charge in any of the eleven (11) months following receipt of such pledge or notice. There will be no adverse credit impact on the customer's payment and credit record, including credit scoring, both internally and externally, and the account will not be considered delinquent for any purpose if the Company receives the customer's payment within fifteen days after the date on which the Company issues the customer's bill. T T

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## Louisville Gas and Electric Company

**P.S.C. Gas No. 11, Original Sheet No. 101.2**

**TERMS AND CONDITIONS**

**Billing**

**RESALE OF GAS**

Gas service furnished under Company's standard application or contract is for the use of Customer only and Customer shall not resell such gas to any other person, firm, or corporation on Customer's premises or for use on any other premises. This does not preclude Customer from allocating Company's billing to Customer to any other person, firm, or corporation provided the sum of such allocations does not exceed Company's billing.

**DATE OF ISSUE**: July 7, 2017

**DATE EFFECTIVE:** January 1, 2013

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2012-00222 dated December 20, 2012**

## Louisville Gas and Electric Company

**P.S.C. Gas No. 12, Original Sheet No. 101.2**

**Terms and Conditions**
**Billing**

**RESALE OF GAS**

Gas service furnished under Company's standard application or contract is for the use of Customer only and Customer shall not resell such gas to any other person, firm, or corporation on Customer's premises or for use on any other premises. This does not preclude Customer from allocating Company's billing to Customer to any other person, firm, or corporation provided the sum of such allocations does not exceed Company's billing.

**DATE OF ISSUE:** September 28, 2018

**DATE EFFECTIVE:** Effective with Service Rendered On And After January 1, 2013

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2012-00222 dated December 20, 2012**

## Louisville Gas and Electric Company

**P.S.C. Gas No. 11, Original Sheet No. 102**

**TERMS AND CONDITIONS**

**Deposits**

**GENERAL**

1) Company may require a cash deposit or other guaranty from customers to secure payment of bills in accordance with 807 KAR 5:006, Section 8 except for customers qualifying for service reconnection pursuant to 807 KAR 5:006, Section 16, Winter Hardship Reconnection.
2) Deposits may be required from all customers not meeting satisfactory credit and payment criteria. Satisfactory credit for customers will be determined by utilizing independent credit sources (primarily utilized with new customers having no prior history with Company), as well as historic and ongoing payment and credit history with Company.
   a) Examples of independent credit scoring resources include credit scoring services, public record financial information, financial scoring and modeling services, and information provided by independent credit/financial watch services.
   b) Satisfactory payment criteria with Company may be established by paying all bills rendered, having no disconnections for nonpayment, having no late notices, having no defaulted credit arrangements, having no returned payments, having no meter diversion or theft of service
3) Company may offer residential customers the option of paying all or a portion of their deposits in installments over a period not to exceed the first six (6) normal billing periods. Service may be refused or discontinued for failure to pay and/or maintain the requested deposit.
4) Interest on deposits will be calculated at the rate prescribed by law, from the date of deposit, and will be paid annually either by refund or credit to Customer's bills, except that no refund or credit will be made if Customer's bill is delinquent on the anniversary date of the deposit. If interest is paid or credited to Customer's bill prior to twelve (12) months from the date of deposit, the payment or credit will be on a prorated basis. Upon termination of service, the deposit, any principal amounts, and interest earned and owing will be credited to the final bill, with any remainder refunded to Customer.
5) The General Terms and Conditions regarding Deposits set forth above shall not apply to, and shall be superseded by, the requirements set forth in Section 3 of the Special Terms and Conditions T
contained in Standard Rate Rider PS-TS-2 (Sheet No. 59.7), Standard Rate Rider PS-FT (Sheet T
No. 61.2), and the CREDITWORTHINESS section of Rate LGDS (Sheet No. 36.11). T

**RESIDENTIAL**

1) Residential customers are those customers served under Residential Gas Service, Sheet No. 5.
2) The deposit for a residential customer is in the amount of $100.00, which is calculated in accordance with 807 KAR5:006, Section 8(1)(d). For combination gas and electric customers, the total deposit will be $260.00.
3) Company shall retain Customer's deposit for a period not to exceed twelve (12) months, provided Customer has met satisfactory payment and credit criteria.

**DATE OF ISSUE**: July 7, 2017

**DATE EFFECTIVE:** July 1, 2017

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2016-00371 dated June 22, 2017 and modified June 29, 2017**

## Louisville Gas and Electric Company

**P.S.C. Gas No. 12, Original Sheet No. 102**

**Terms and Conditions**
**Deposits**

**GENERAL**

1. Company may require a cash deposit or other guaranty from customers to secure payment of bills in accordance with 807 KAR 5:006, Section 8 except for customers qualifying for service reconnection pursuant to 807 KAR 5:006, Section 16, Winter Hardship Reconnection.
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   a. Examples of independent credit scoring resources include credit scoring services, public record financial information, financial scoring and modeling services, and information provided by independent credit/financial watch services.
   b. Satisfactory payment criteria with Company may be established by paying all bills rendered, having no disconnections for nonpayment, having no late notices, having no defaulted credit arrangements, having no returned payments, having no meter diversion or theft of service
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5. The General Terms and Conditions regarding Deposits set forth above shall not apply to, and shall be superseded by, the requirements set forth in Section 3 of the Special Terms and Conditions contained in Standard Rate Rider PS-TS-2 (Sheet No. 59.7), Standard Rate Rider PS-FT (Sheet No. 61.2), and the CREDITWORTHINESS section of Rate LGDS (Sheet No. 36.11).

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3. Company shall retain Customer's deposit for a period not to exceed twelve (12) months, provided Customer has met satisfactory payment and credit criteria.

**DATE OF ISSUE:** September 28, 2018

**DATE EFFECTIVE:** Effective with Service Rendered On And After July 1, 2017

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2016-00371 dated June 22, 2017 and modified June 29, 2017**

## Louisville Gas and Electric Company

**P.S.C. Gas No. 11, Original Sheet No. 102.1**

**TERMS AND CONDITIONS**

**Deposits**

**RESIDENTIAL** (continued)

4) If a deposit is held longer than eighteen (18) months, the deposit will be recalculated, at Customer's request, and based on Customer's actual usage. If the deposit on account differs from the recalculated amount by more than $10.00, Company may collect any underpayment and shall refund any overpayment by check or credit to Customer's bill. No refund will be made if Customer's bill is delinquent at the time of the recalculation.
5) If Customer fails to maintain a satisfactory payment or credit record, or otherwise becomes a new or greater credit risk, as determined by Company in its sole discretion, Company may require a new or additional deposit from Customer.

**OTHER SERVICE**

1) The deposit for all other customers, those not classified herein as residential, shall not exceed 2/12 of Customer's actual or estimated annual bill where bills are rendered monthly in accordance with 807 KAR5:006, Section 8(1)(d).
2) For customers not meeting the parameters of GENERAL ¶ 2, Company may retain Customer's deposit as long as Customer remains on service.
3) For a deposit held longer than eighteen (18) months, the deposit will be recalculated, at Customer's request, and based on Customer's actual usage. If the deposit on account differs from the recalculated amount by more than ten percent (10%), Company may collect any underpayment and shall refund any overpayment by check or credit to Customer's bill. No refund will be made if Customer's bill is delinquent at the time of the recalculation.
4) If Customer fails to maintain a satisfactory payment or credit record, or otherwise becomes a new or greater credit risk, as determined by Company in its sole discretion, Company may require a new or additional deposit from Customer.

**DATE OF ISSUE**: July 7, 2017

**DATE EFFECTIVE:** January 4, 2013

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2012-00222 dated December 20, 2012**

## Louisville Gas and Electric Company

**P.S.C. Gas No. 12, Original Sheet No. 102.1**

**Terms and Conditions**
**Deposits**

**RESIDENTIAL** (continued)

4. If a deposit is held longer than eighteen (18) months, the deposit will be recalculated, at Customer's request, and based on Customer's actual usage. If the deposit on account differs from the recalculated amount by more than $10.00, Company may collect any underpayment and shall refund any overpayment by check or credit to Customer's bill. No refund will be made if Customer's bill is delinquent at the time of the recalculation.
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2. For customers not meeting the parameters of GENERAL ¶ 2, Company may retain Customer's deposit as long as Customer remains on service.
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4. If Customer fails to maintain a satisfactory payment or credit record, or otherwise becomes a new or greater credit risk, as determined by Company in its sole discretion, Company may require a new or additional deposit from Customer.

**DATE OF ISSUE:** September 28, 2018

**DATE EFFECTIVE:** Effective with Service Rendered
On And After January 4, 2013

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2012-00222 dated December 20, 2012**

## Louisville Gas and Electric Company

**P.S.C. Gas No. 11, Original Sheet No. 103**

**TERMS AND CONDITIONS**

**Budget Payment Plan**

Company's Budget Payment Plan is available to residential customers and to small commercial customers served under Rates CGS. Small business customers with combined gas and electric services must be served exclusively under General Service Rate GS for their electric service. Under this plan, a customer may elect to pay, each billing period, a budgeted amount in lieu of billings for actual usage. A customer may enroll in the plan at any time.

The budgeted amount will be determined by Company and will be based on one-twelfth of the customer's usage for either an actual or estimated twelve (12) months. The budgeted amount will be subject to review and adjustment by Company at any time during the customer's budget year. If actual usage indicates the customer's account will not be current with the final payment in the customer's budget year, the customer will be required to pay their Budget Payment Plan account to $0 prior to the beginning of the customer's next budget year.

If a customer fails to pay bills as agreed under the Budget Payment Plan, Company reserves the right to remove the customer from the plan, restore the customer to regular billing and require immediate payment of any deficiency. A customer removed from the Budget Payment Plan for non-payment may be prohibited from further participation in the Plan for twelve (12) months.

Failure to receive a bill in no way exempts a customer from the provisions of these terms and conditions.

**DATE OF ISSUE**: July 7, 2017

**DATE EFFECTIVE:** August 1, 2010

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2009-00549 dated July 30, 2010**

## Louisville Gas and Electric Company

**P.S.C. Gas No. 12, Original Sheet No. 103**

**Terms and Conditions**
**Budget Payment Plan**

Company's Budget Payment Plan is available to residential customers and to small commercial customers served under Rates CGS. Small business customers with combined gas and electric services must be served exclusively under General Service Rate GS for their electric service. Under this plan, a customer may elect to pay, each billing period, a budgeted amount in lieu of billings for actual usage. A customer may enroll in the plan at any time.

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**DATE OF ISSUE:** September 28, 2018

**DATE EFFECTIVE:** Effective with Service Rendered
On And After August 1, 2010

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2009-00549 dated July 30, 2010**

## Louisville Gas and Electric Company

P.S.C. Gas No. 11, Original Sheet No. 104

TERMS AND CONDITIONS

Bill Format

T

Mailed **7/3/17** for Account # **3000-0000-0000**

| AMOUNT DUE | DUE DATE |
|---|---|
| $67.09 | 9/26/17 |

a PPL company

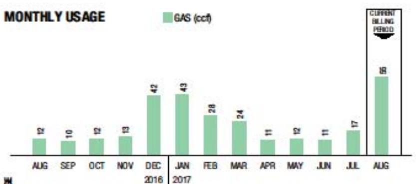
**BILLING SUMMARY**

| | |
|---|---|
| Previous Balance | 63.19 |
| Payment(s) Received | 63.19 |
| **Balance as of 6/30/17** | **$ 0.00** |
| Current Gas Charges | 62.72 |
| Current Taxes and Fees | 4.37 |
| **Total Current Charges as of 6/30/17** | **$67.09** |
| **Total Amount Due** | **$67.09** |

| | |
|---|---|
| **Account Name:** | JOHN DOE |
| **Service Address:** | 1234 ANYWHERE STREET<br>HODGENVILLE KY |
| **Online Payments:** | lge-ku.com |
| **Telephone Payments:** | (800) 331-7370, press 1-2-3<br>24 hours a day; $2.25 fee |
| **Customer Service:** | (800) 331-7370<br>M-F, 7am-7pm ET |
| **Walk-in Center:** | 820 W. Broadway<br>Louisville, KY 40202<br>M-F, 8am-5pm ET |

Next read will occur 9/20/17 - 9/22/17 (Meter Read Portion 15)

**MONTHLY USAGE**




| AVERAGE | AUG | SEP | OCT | NOV | DEC 2016 | JAN 2017 | FEB | MAR | APR | MAY | JUN | JUL | AUG |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| ▶ | 81° | 79° | 70° | 58° | 40° | 42° | 44° | 48° | 63° | 66° | 74° | 65° | 65° |
| ▶ | 0.84 | 0.86 | 0.93 | 0.98 | 1.50 | 1.53 | 1.43 | 1.37 | 0.93 | 1.00 | 0.86 | 1.06 | 2.02 |

**BILLING PERIOD AT-A-GLANCE**

| | THIS YEAR | LAST YEAR |
|---|---|---|
| **Average Temperature** | 65° | 81° |
| Number of Days Billed | 31 | 32 |
| **Avg. Gas Charges per Day** | $2.02 | $0.84 |
| Avg. Gas Usage per Day (ccf) | 1.77 | 0.38 |

Please return only this portion with your payment. Make checks payable to LG&E and write your account number on your check.

| | |
|---|---|
| Amount Due 9/26/17 | $67.09 |
| **After Due Date,** Pay this Amount: | $69.10 |
| **Winterhelp** Donation: | |
| **Total Amount Enclosed:** | |

Account # **3000-0000-0000**
Service Address: 1234 Anywhere Street

a PPL company
PO Box 9001960
Louisville, KY 40290-1960

JOHN DOE
1234 ANYWHERE STREET
HODGENVILLE, KY 42748-0000

**DATE OF ISSUE**: July 7, 2017

**DATE EFFECTIVE:** July 1, 2017

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2016-00371 dated June 22, 2017 and modified June 29, 2017**

## Louisville Gas and Electric Company

P.S.C. Gas No. 12, Original Sheet No. 104

Terms and Conditions
Bill Format

T

Mailed **9/17/18** for Account # **3000-0000-0003**

| AMOUNT DUE | DUE DATE |
|---|---|
| $65.43 | 10/11/18 |

a PPL company

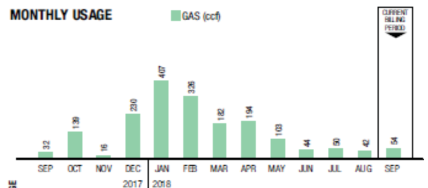
**BILLING SUMMARY**

| | |
|---|---|
| Previous Balance | 48.27 |
| Payment(s) Received | -48.27 |
| **Balance as of 9/14/18** | **$0.00** |
| Current Gas Charges | 65.43 |
| **Total Current Charges as of 9/14/18** | **$65.43** |
| **Total Amount Due** | **$65.43** |

| | |
|---|---|
| **Account Name:** | JANE DOE |
| **Service Address:** | 220 W Main St<br>LOUISVILLE KY |
| **Online Payments:** | lge-ku.com |
| **Telephone Payments:** | (502) 589-1444, press 1-2-3<br>24 hours a day; $2.00 fee |
| **Customer Service:** | (502) 589-1444<br>M-F, 7am-7pm ET |
| **Walk-in Center:** | 820 W. Broadway<br>Louisville, KY 40202<br>M-F, 8am-5pm ET |

Next read will occur 10/15/18 - 10/17/18 (Meter Read Portion 10)

**MONTHLY USAGE**




| AVERAGE | SEP | OCT | NOV | DEC 2017 | JAN 2018 | FEB | MAR | APR | MAY | JUN | JUL | AUG | SEP |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| ▶ | 72° | 73° | 54° | 44° | 32° | 36° | 49° | 48° | 63° | 76° | 81° | 78° | 77° |
| ▶ | 1.39 | 4.48 | 1.00 | 6.57 | 10.43 | 9.29 | 6.36 | 5.06 | 2.88 | 1.58 | 1.84 | 1.46 | 2.18 |

**BILLING PERIOD AT-A-GLANCE**

| | THIS YEAR | LAST YEAR |
|---|---|---|
| **Average Temperature** | 77° | 72° |
| Number of Days Billed | 30 | 31 |
| **Avg. Gas Charges per Day** | $2.18 | $1.39 |
| Avg. Gas Usage per Day (ccf) | 1.80 | 1.03 |

Please return only this portion with your payment. Make checks payable to LG&E and write your account number on your check.

| | |
|---|---|
| Amount Due 10/11/18 | $65.43 |
| **After Due Date,** Pay this Amount: | $67.39 |
| **Winterhelp** Donation: | |
| **Total Amount Enclosed:** | AUTOPAY |

$65.43 will be deducted from your account on payment due date

Account # **3000-0000-0003**
Service Address: 220 W Main St

#916090003 3#

JANE DOE
220 W MAIN ST
LOUISVILLE, KY 40202-1000

a PPL company
PO Box 25211
Lehigh Valley, PA 18002-5211

**DATE OF ISSUE:** September 28, 2018

**DATE EFFECTIVE:** Effective with Service Rendered
On And After November 1, 2018

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00295 dated ____**

## Louisville Gas and Electric Company



**TERMS AND CONDITIONS**

**Bill Format**

Page 2 | Account # 3000-0000-0000

T

**CURRENT USAGE**

| GAS | |
|---|---|
| **Meter Reading Information** | **Meter # 719821** |
| Actual (R) ccf Reading on 8/21/17 | 605 |
| Previous (R) ccf Reading on 7/21/17 | 550 |
| Current ccf Usage | 55 |
| Meter Multiplier | 1 |
| **Metered ccf Usage** | **55** |

**CURRENT CHARGES**

| GAS | Rate: Residential Gas Service |
|---|---|
| Basic Service Charge | 16.35 |
| Gas Distribution Charge ($0.36300 x 55 ccf) | 19.97 |
| Gas Supply Component ($0.44310 x 55 ccf) | 24.37 |
| Gas DSM ($0.01877 x 55 ccf) | 1.03 |
| Gas Line Tracker ($0.71 + ($0.00065 x 55 ccf)) | 0.75 |
| Home Energy Assistance Fund Charge | 0.25 |
| **Total Charges** | **$62.72** |

| Taxes & Fees | |
|---|---|
| Rate Increase For School Tax (3.00% x $62.47) | 1.87 |
| Franchise Fee-Hodgenville (4.00% x $62.47) | 2.50 |
| **Total Taxes and Fees** | **$4.37** |

**BILLING INFORMATION**

**Late Payment Charge**
Late Charge to be Assessed After Due Date $2.01

**Rate Schedules**
For a copy of your rate schedule, visit lge-ku.com/rates or call our Customer Service Department.

OFFICE USE ONLY: AJ
MRU15861090, G000000
P63.19
PF:Y eB:P

**DATE OF ISSUE**: July 7, 2017

**DATE EFFECTIVE:** July 1, 2017

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2016-00371 dated June 22, 2017 and modified June 29, 2017**

## Louisville Gas and Electric Company



**Terms and Conditions**
**Bill Format**

Page 2 | Account # 3000-0000-0003

T

**CURRENT USAGE**

| GAS | |
|---|---|
| **Meter Reading Information** | **Meter # 600000** |
| Actual (R) ccf Reading on 9/17/18 | 8207 |
| Actual (R) ccf Reading on 8/16/18 | 8153 |
| Current ccf Usage | 54 |
| Meter Multiplier | 1 |
| **Metered ccf Usage** | **54** |

**CURRENT CHARGES**

| GAS | Rate: Residential Gas Service |
|---|---|
| Basic Service Charge ($0.65 x 30 days) | 19.50 |
| Gas Distribution Charge ($0.39076 x 54 ccf) | 21.10 |
| Gas Supply Component ($0.41446 x 54 ccf) | 22.38 |
| Gas DSM ($0.02404 x 54 ccf) | 1.30 |
| Gas Line Tracker ($0.60 + ($0.00547 x 54 ccf)) | 0.90 |
| Home Energy Assistance Fund Charge | 0.25 |
| **Total Charges** | **$65.43** |

**BILLING INFORMATION**

**Late Payment Charge**
Late Charge to be Assessed After Due Date $1.96

**Rate Schedules**
For a copy of your rate schedule, visit lge-ku.com/rates or call our Customer Service Department.


OFFICE USE ONLY:
MRU10811022, G000000
P48.27
PF:Y eB:P

**DATE OF ISSUE:** September 28, 2018

**DATE EFFECTIVE:** Effective with Service Rendered
On And After November 1, 2018

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00295 dated ____**

## Louisville Gas and Electric Company

P.S.C. Gas No. 11, Original Sheet No. 104.2

### TERMS AND CONDITIONS

### Bill Format

T

Mailed **7/5/17** for Account # **3000-0000-0000**

| AMOUNT DUE | DUE DATE |
|---|---|
| $169.64 | 9/26/17 |

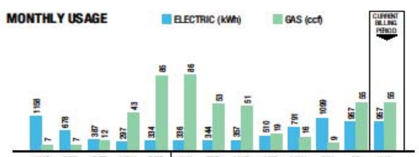
a PPL company

**BILLING SUMMARY**

| | |
|---|---|
| Previous Balance | 311.03 |
| Payment(s) Received | 311.03 |
| **Balance as of 7/3/17** | **$ 0.00** |
| Current Electric Charges | 106.92 |
| Current Gas Charges | 62.72 |
| **Total Current Charges as of 7/3/17** | **$169.64** |
| **Total Amount Due** | **$169.64** |

| | |
|---|---|
| **Account Name:** | JOHN DOE |
| **Service Address:** | 1234 ANYWHERE STREET<br>LOUISVILLE KY |
| **Online Payments:** | lge-ku.com |
| **Telephone Payments:** | (502) 589-1444, press 1-2-3<br>24 hours a day; $2.25 fee |
| **Customer Service:** | (502) 589-1444<br>M-F, 7am-7pm ET |
| **Walk-in Center:** | 820 W. Broadway<br>Louisville, KY 40202<br>M-F, 8am-5pm ET |

Next read will occur 9/28/17 - 10/2/17 (Meter Read Portion 20)




**BILLING PERIOD AT-A-GLANCE**

| | THIS YEAR | LAST YEAR |
|---|---|---|
| **Average Temperature** | **65°** | **81°** |
| Number of Days Billed | 32 | 30 |
| **Avg. Electric Charges per Day** | **$3.34** | **$3.95** |
| **Avg. Gas Charges per Day** | **$1.96** | **$0.79** |
| Avg. Electric Usage per Day (kWh) | 29.91 | 38.60 |
| Avg. Gas Usage per Day (ccf) | 1.72 | 0.23 |

| AVERAGE | AUG | SEP | OCT | NOV | DEC 2016 | JAN 2017 | FEB | MAR | APR | MAY | JUN | JUL | AUG |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| ▶ | 81° | 76° | 66° | 53° | 38° | 41° | 49° | 50° | 65° | 68° | 76° | 65° | 65° |
| ▶ | 3.95 | 2.46 | 1.51 | 1.29 | 1.43 | 1.35 | 1.57 | 1.57 | 1.93 | 2.55 | 3.95 | 3.82 | 3.34 |
| ▶ | 0.79 | 0.79 | 0.87 | 1.74 | 2.63 | 2.68 | 2.37 | 2.03 | 1.26 | 0.97 | 0.92 | 2.24 | 1.96 |

Please return only this portion with your payment. Make checks payable to LG&E and write your account number on your check.

| | |
|---|---|
| Amount Due **9/26/17** | **$169.64** |
| **After Due Date,** Pay this Amount: | $174.73 |
| **Winterhelp** Donation: | |
| **Total Amount Enclosed:** | |

Account # **3000-0000-0000**
Service Address: 1234 Anywhere Street

a PPL company
PO Box 9001960
Louisville, KY 40290-1960

JOHN DOE
1234 ANYWHERE STREET
LOUISVILLE, KY 40200-0000

**DATE OF ISSUE**: July 7, 2017

**DATE EFFECTIVE:** July 1, 2017

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2016-00371 dated June 22, 2017 and modified June 29, 2017**

## Louisville Gas and Electric Company

P.S.C. Gas No. 12, Original Sheet No. 104.2

### Terms and Conditions
### Bill Format

T

Mailed **9/17/18** for Account # **3000-0000-0002**

| AMOUNT DUE | DUE DATE |
|---|---|
| $165.87 | 10/11/18 |

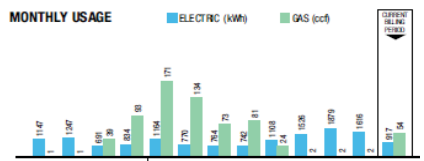
a PPL company

**BILLING SUMMARY**

| | |
|---|---|
| Previous Balance | 173.93 |
| Payment(s) Received | -173.93 |
| **Balance as of 9/14/18** | **$0.00** |
| Current Electric Charges | 100.44 |
| Current Gas Charges | 65.43 |
| **Total Current Charges as of 9/14/18** | **$165.87** |
| **Total Amount Due** | **$165.87** |

| | |
|---|---|
| **Account Name:** | JANE DOE |
| **Service Address:** | 220 W Main St<br>LOUISVILLE KY |
| **Online Payments:** | lge-ku.com |
| **Telephone Payments:** | (800) 331-7370, press 1-2-3<br>24 hours a day; $2.00 fee |
| **Customer Service:** | (800) 331-7370<br>M-F, 7am-7pm ET |
| **Walk-in Center:** | 820 W. Broadway<br>Louisville, KY 40202<br>M-F, 8am-5pm ET |

Next read will occur 10/15/18 - 10/17/18 (Meter Read Portion 10)




**BILLING PERIOD AT-A-GLANCE**

| | THIS YEAR | LAST YEAR |
|---|---|---|
| **Average Temperature** | **77°** | **72°** |
| Number of Days Billed | 30 | 29 |
| **Avg. Electric Charges per Day** | **$3.35** | **$4.18** |
| **Avg. Gas Charges per Day** | **$2.18** | **$0.62** |
| Avg. Electric Usage per Day (kWh) | 30.57 | 39.55 |
| Avg. Gas Usage per Day (ccf) | 1.80 | 0.03 |

| AVERAGE | SEP | OCT | NOV | DEC 2017 | JAN 2018 | FEB | MAR | APR | MAY | JUN | JUL | AUG | SEP |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| ▶ | 72° | 73° | 53° | 43° | 31° | 38° | 49° | 47° | 63° | 76° | 80° | 78° | 77° |
| ▶ | 4.18 | 4.04 | 2.77 | 3.13 | 3.81 | 3.31 | 3.01 | 2.93 | 3.46 | 5.00 | 5.77 | 5.35 | 3.35 |
| ▶ | 0.62 | 0.57 | 1.70 | 3.08 | 4.37 | 4.55 | 2.99 | 2.47 | 1.05 | 0.60 | 0.58 | 0.65 | 2.16 |

Please return only this portion with your payment. Make checks payable to LG&E and write your account number on your check.

| | |
|---|---|
| Amount Due **10/11/18** | **$165.87** |
| **After Due Date,** Pay this Amount: | $170.85 |
| **Winterhelp** Donation: | |
| **Total Amount Enclosed:** | |

Account # **3000-0000-0002**
Service Address: 220 W Main St

#9160900025#

JANE DOE
220 W MAIN ST
LOUISVILLE, KY 40202-1000

a PPL company
PO Box 25211
Lehigh Valley, PA 18002-5211

**DATE OF ISSUE:** September 28, 2018

**DATE EFFECTIVE:** Effective with Service Rendered
On And After November 1, 2018

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00295 dated ____**

## Louisville Gas and Electric Company

**P.S.C. Gas No. 11, Original Sheet No. 104.3**

**TERMS AND CONDITIONS**

**Bill Format**

Page 2

Account # **3000-0000-0000**

**CURRENT USAGE**

| ELECTRIC | |
|---|---|
| **Meter Reading Information** | **Meter # 577856** |
| Actual (R) kWh Reading on 8/29/17 | 46653 |
| Previous (R) kWh Reading on 7/28/17 | 45696 |
| Current kWh Usage | 957 |
| Meter Multiplier | 1 |
| **Metered kWh Usage** | **957** |

| GAS | |
|---|---|
| **Meter Reading Information** | **Meter # 516098** |
| Actual (R) ccf Reading on 8/29/17 | 2000 |
| Previous (R) ccf Reading on 7/28/17 | 1945 |
| Current ccf Usage | 55 |
| Meter Multiplier | 1 |
| **Metered ccf Usage** | **55** |

**CURRENT CHARGES**

| ELECTRIC | Rate: Residential Electric Service |
|---|---|
| Basic Service Charge | 12.25 |
| Energy Charge ($0.09162 x 957 kWh) | 87.68 |
| Electric DSM ($0.00346 x 957 kWh) | 3.31 |
| Electric Fuel Adjustment ($-0.00277 x 957 kWh) | -2.65 |
| Environmental Surcharge (6.040% x $100.59) | 6.08 |
| Home Energy Assistance Fund Charge | 0.25 |
| **Total Charges** | **$106.92** |

| GAS | Rate: Residential Gas Service |
|---|---|
| Basic Service Charge | 16.35 |
| Gas Distribution Charge ($0.36300 x 55 ccf) | 19.97 |
| Gas Supply Component ($0.44310 x 55 ccf) | 24.37 |
| Gas DSM ($0.01877 x 55 ccf) | 1.03 |
| Gas Line Tracker ($0.71 + ($0.00065 x 55 ccf)) | 0.75 |
| Home Energy Assistance Fund Charge | 0.25 |
| **Total Charges** | **$62.72** |

**BILLING INFORMATION**

**Late Payment Charge**
Late Charge to be Assessed After Due Date $5.09

**Rate Schedules**
For a copy of your rate schedule, visit lge-ku.com/rates or call our Customer Service Department.

**RECYCLE** THE OLD
**REBATE** THE NEW

We'll haul away your old, working fridge or freezer and pay you **$50**. You can earn up to **$300** when you upgrade to ENERGY STAR® certified appliances.
**Visit lge-ku.com/savingenergy**

OFFICE USE ONLY: AJ
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P311.03
PF:Y eB:P

**DATE OF ISSUE**: July 7, 2017

**DATE EFFECTIVE:** July 1, 2017

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2016-00371 dated June 22, 2017 and modified June 29, 2017**

## Louisville Gas and Electric Company

**P.S.C. Gas No. 12, Original Sheet No. 104.3**

**Terms and Conditions**
**Bill Format**

Page 2

Account # **3000-0000-0002**

**CURRENT USAGE**

| ELECTRIC | |
|---|---|
| **Meter Reading Information** | **Meter # 900000** |
| Actual (R) kWh Reading on 9/14/18 | 37615 |
| Actual (R) kWh Reading on 8/15/18 | 36698 |
| Current kWh Usage | 917 |
| Meter Multiplier | 1 |
| **Metered kWh Usage** | **917** |

| GAS | |
|---|---|
| **Meter Reading Information** | **Meter # 700000** |
| Actual (R) ccf Reading on 9/14/18 | 1639 |
| Actual (R) ccf Reading on 8/15/18 | 1585 |
| Current ccf Usage | 54 |
| Meter Multiplier | 1 |
| **Metered ccf Usage** | **54** |

**CURRENT CHARGES**

| ELECTRIC | Rate: Residential Electric Service |
|---|---|
| Basic Service Charge ($0.53 x 30 days) | 15.90 |
| Energy Charge ($0.09420 x 917 kWh) | 86.38 |
| Electric DSM ($0.00254 x 917 kWh) | 2.33 |
| Electric Fuel Adjustment ($-0.00070 x 917 kWh) | -0.64 |
| Environmental Surcharge (3.640% CR x $103.97) | -3.78 |
| Home Energy Assistance Fund Charge | 0.25 |
| **Total Charges** | **$100.44** |

| GAS | Rate: Residential Gas Service |
|---|---|
| Basic Service Charge ($0.65 x 30 days) | 19.50 |
| Gas Distribution Charge ($0.39076 x 54 ccf) | 21.10 |
| Gas Supply Component ($0.41446 x 54 ccf) | 22.38 |
| Gas DSM ($0.02404 x 54 ccf) | 1.30 |
| Gas Line Tracker ($0.60 + ($0.00547 x 54 ccf)) | 0.90 |
| Home Energy Assistance Fund Charge | 0.25 |
| **Total Charges** | **$65.43** |

**BILLING INFORMATION**

**Late Payment Charge**
Late Charge to be Assessed After Due Date $4.98

**Rate Schedules**
For a copy of your rate schedule, visit lge-ku.com/rates or call our Customer Service Department.

**NATIONAL PREPAREDNESS MONTH**

*DISASTERS HAPPEN. PREPARE NOW. LEARN HOW.*
lge-ku.com/safety/preparedness

OFFICE USE ONLY:
MRU10831029, G000000
P173.93
PF:N eB:E

**DATE OF ISSUE:** September 28, 2018

**DATE EFFECTIVE:** Effective with Service Rendered
On And After November 1, 2018

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00295 dated ____**

## Louisville Gas and Electric Company

**P.S.C. Gas No. 11, Original Sheet No. 105**

**TERMS AND CONDITIONS**

**Discontinuance of Service**

In accordance with and subject to the rules and regulations of the Public Service Commission of Kentucky, Company shall have the right to refuse, or to discontinue, service to an applicant or customer under the following conditions:

A. When Company's or Commission's rules and regulations have not been complied with. However, service may be discontinued or refused only after Company has made a reasonable effort to induce Customer to comply with its rules and then only after Customer has been given at least 10 days written notice of such intention, mailed or otherwise delivered, including, but not limited to, electronic mail, to Customer's last known address.

B. When a dangerous condition is found to exist on Customer's or Applicant's premises. In such case service will be discontinued without notice or refused, as the case might be. Company will notify Customer or Applicant immediately of the reason for the discontinuance or refusal and the corrective action to be taken before service can be restored or initiated.

C. When Customer or Applicant refuses or neglects to provide reasonable access and/or easements to and on Customer's or Applicant's premises for the purposes of installation, operation, meter reading, maintenance, or removal of Company's property. Customer shall be given 15 days written notice (either mailed or otherwise delivered, including, but not limited to, electronic mail), of Company's intention to discontinue or refuse service.

D. When Applicant is indebted to Company for service furnished. Company may refuse to serve until indebtedness is paid.

E. When Customer or Applicant does not comply with state, municipal or other codes, rules and regulations applying to such service.

F. When directed to do so by governmental authority.

G. Service will not be supplied to any premises if Applicant or Customer is indebted to Company for service previously supplied at the same or any other premises until payment of such indebtedness shall have been made. Service will not be continued to any premises if Applicant or Customer is indebted to Company for service previously supplied at the same premises in accordance with 807 KAR 5:006, Section 15(1)(f). Unpaid balances of previously rendered Final Bills may be transferred to any account for which Customer has responsibility and may be included on initial or subsequent bills for the account to which the transfer was made. Such transferred Final Bills, if unpaid, will be a part of the past due balance of the account to which they are transferred. When there is no lapse in service, such transferred Final Bills will be subject to Company's collections and disconnect procedures in accordance with 807 KAR 5:006, Section 15(1)(f). Final Bills transferred following a T

**DATE OF ISSUE**: July 7, 2017

**DATE EFFECTIVE:** July 1, 2017

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2016-00371 dated June 22, 2017 and modified June 29, 2017**

## Louisville Gas and Electric Company

**P.S.C. Gas No. 12, Original Sheet No. 105**

**Terms and Conditions**
**Discontinuance of Service**

In accordance with and subject to the rules and regulations of the Kentucky Public Service Commission, Company shall have the right to refuse, or to discontinue, service to an applicant or customer under the following conditions:

1.. When Company's or Commission's rules and regulations have not been complied with. However, service may be discontinued or refused only after Company has made a reasonable effort to induce Customer to comply with its rules and then only after Customer has been given at least 10 days written notice of such intention, mailed or otherwise delivered, including, but not limited to, electronic mail, to Customer's last known address. T

2. When a dangerous condition is found to exist on Customer's or Applicant's premises. In such case service will be discontinued without notice or refused, as the case might be. Company will notify Customer or Applicant immediately of the reason for the discontinuance or refusal and the corrective action to be taken before service can be restored or initiated. T

3. When Customer or Applicant refuses or neglects to provide reasonable access and/or easements to and on Customer's or Applicant's premises for the purposes of installation, operation, meter reading, maintenance, or removal of Company's property. Customer shall be given 15 days written notice (either mailed or otherwise delivered, including, but not limited to, electronic mail), of Company's intention to discontinue or refuse service. T

4. When Applicant is indebted to Company for service furnished. Company may refuse to serve until indebtedness is paid. T

5. When Customer or Applicant does not comply with state, municipal or other codes, rules and regulations applying to such service. T

6. When directed to do so by governmental authority. T

7. Service will not be supplied to any premises if Applicant or Customer is indebted to Company for service previously supplied at the same or any other premises until payment of such indebtedness shall have been made. Service will not be continued to any premises if Applicant or Customer is indebted to Company for service previously supplied at the same premises in accordance with 807 KAR 5:006, Section 15(1)(f). Unpaid balances of previously rendered Final Bills may be transferred to any account for which Customer has responsibility and may be included on initial or subsequent bills for the account to which the transfer was made. Such transferred Final Bills, if unpaid, will be a part of the past due balance of the account to which they are transferred. When there is no lapse in service, such transferred Final Bills will be subject to Company's collections and disconnect procedures in accordance with 807 KAR 5:006, Section 15(1)(f). Final Bills transferred following a T

**DATE OF ISSUE:** September 28, 2018

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On And After November 1, 2018

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00295 dated ____**

## Louisville Gas and Electric Company

**P.S.C. Gas No. 11, Original Sheet No. 105.1**

**TERMS AND CONDITIONS**

**Discontinuance of Service**

lapse in service will not be subject to disconnection unless: (1) such service was provided pursuant to a fraudulent application submitted by Customer; (2) Customer and Company have entered into a contractual agreement which allows for such a disconnection; or (3) the current account is subsequently disconnected for service supplied at that point of delivery, at which time, all unpaid and past due balances must be paid prior to reconnect. Company shall have the right to transfer Final Bills between residential and commercial with residential characteristics (e.g., service supplying common use facilities of any apartment building) revenue classifications. T

Service will not be supplied or continued to any premises if at the time of application for service Applicant is merely acting as an agent of a person or former customer who is indebted to Company for service previously supplied at the same or other premises until payment of such indebtedness shall have been made. Service will not be supplied where Applicant is a partnership or corporation whose general partner or controlling stockholder is a present or former customer who is indebted to Company for service previously supplied at the same premises until payment of such indebtedness shall have been made.

H. For non-payment of bills. Company shall have the right to discontinue service for non-payment of bills after Customer has been given at least ten days written notice separate from Customer's original bill. Cut-off may be effected not less than twenty-seven (27) days after the mailing date of original bills unless, prior to discontinuance, a residential customer presents to Company a written certificate, signed by a physician, registered nurse, or public health officer, that such discontinuance will aggravate an existing illness or infirmity on the affected premises, in which case discontinuance may be effected not less than thirty (30) days from the original date of discontinuance. Company shall notify Customer, in writing, (either mailed or otherwise delivered, including, but not limited to, electronic mail), of state and federal programs which may be available to aid in payment of bills and the office to contact for such possible assistance.

I. For fraudulent or illegal use of service. When Company discovers evidence that by fraudulent or illegal means Customer has obtained unauthorized service or has diverted the service for unauthorized use or has obtained service without same being properly measured, the service to Customer may be discontinued without notice. Within twenty-four (24) hours after such termination, Company shall send written notification to Customer of the reasons for such discontinuance of service and of the customer's right to challenge the termination by filing a formal complaint with the Public Service Commission of Kentucky. Company's right of termination is separate from and in addition to any other legal remedies which the utility may pursue for illegal use or theft of service. Company shall not be required to restore service until Customer has complied with all rules of Company and regulations of the Commission and Company has been reimbursed for the estimated amount of the service rendered, and assessment of the charges under the Unauthorized Reconnect Charge provision of Special Charges incurred by reason of the fraudulent use. T T

**DATE OF ISSUE**: July 7, 2017

**DATE EFFECTIVE:** July 1, 2017

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2016-00371 dated June 22, 2017 and modified June 29, 2017**

## Louisville Gas and Electric Company

**P.S.C. Gas No. 12, Original Sheet No. 105.1**

**Terms and Conditions**
**Discontinuance of Service**

lapse in service will not be subject to disconnection unless: (1) such service was provided pursuant to a fraudulent application submitted by Customer; (2) Customer and Company have entered into a contractual agreement which allows for such a disconnection; or (3) the current account is subsequently disconnected for service supplied at that point of delivery, at which time, all unpaid and past due balances must be paid prior to reconnect. Company shall have the right to transfer Final Bills between residential and commercial with residential characteristics (e.g., service supplying common use facilities of any apartment building) revenue classifications.

Service will not be supplied or continued to any premises if at the time of application for service Applicant is merely acting as an agent of a person or former customer who is indebted to Company for service previously supplied at the same or other premises until payment of such indebtedness shall have been made. Service will not be supplied where Applicant is a partnership or corporation whose general partner or controlling stockholder is a present or former customer who is indebted to Company for service previously supplied at the same premises until payment of such indebtedness shall have been made.

8 . For non-payment of bills. Company shall have the right to discontinue service for non-payment of bills after Customer has been given at least ten days written notice separate from Customer's original bill. Cut-off may be effected not less than twenty-seven (27) days after the mailing date of original bills unless, prior to discontinuance, a residential customer presents to Company a written certificate, signed by a physician, registered nurse, or public health officer, that such discontinuance will aggravate an existing illness or infirmity on the affected premises, in which case discontinuance may be effected not less than thirty (30) days from the original date of discontinuance. Company shall notify Customer, in writing, (either mailed or otherwise delivered, including, but not limited to, electronic mail), of state and federal programs which may be available to aid in payment of bills and the office to contact for such possible assistance. T

9. For fraudulent or illegal use of service. When Company discovers evidence that by fraudulent or illegal means Customer has obtained unauthorized service or has diverted the service for unauthorized use or has obtained service without same being properly measured, the service to Customer may be discontinued without notice. Within twenty-four (24) hours after such termination, Company shall send written notification to Customer of the reasons for such discontinuance of service and of the customer's right to challenge the termination by filing a formal complaint with the Kentucky Public Service Commission. Company's right of termination is separate from and in addition to any other legal remedies which the utility may pursue for illegal use or theft of service. Company shall not be required to restore service until Customer has complied with all rules of Company and regulations of the Commission and Company has been reimbursed for the estimated amount of the service rendered, and assessment of the charges under the Unauthorized Reconnect Charge provision of Special Charges incurred by reason of the fraudulent use. T

**DATE OF ISSUE:** September 28, 2018

**DATE EFFECTIVE:** Effective with Service Rendered
On And After November 1, 2018

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00295 dated ____**

**Louisville Gas and Electric Company**

**P.S.C. Gas No. 11, Original Sheet No. 105.2**

**TERMS AND CONDITIONS**

**Discontinuance of Service**

When service has been discontinued for any of the above reasons, Company shall not be responsible for any damage that may result therefrom.

Discontinuance or refusal of service shall be in addition to, and not in lieu of, any other rights or remedies available to Company.

Company may defer written notice (either mailed or otherwise delivered, including, but not limited to, electronic mail), based on Customer's payment history provided Company continues to provide the required ten (10) days written notice prior to discontinuance of service.

**DATE OF ISSUE**: July 7, 2017

**DATE EFFECTIVE:** July 1, 2015

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2014-00372 dated June 30, 2015**

**Louisville Gas and Electric Company**

**P.S.C. Gas No. 12, Original Sheet No. 105.2**

**Terms and Conditions**
**Discontinuance of Service**

When service has been discontinued for any of the above reasons, Company shall not be responsible for any damage that may result therefrom.

Discontinuance or refusal of service shall be in addition to, and not in lieu of, any other rights or remedies available to Company.

Company may defer written notice (either mailed or otherwise delivered, including, but not limited to, electronic mail), based on Customer's payment history provided Company continues to provide the required ten (10) days written notice prior to discontinuance of service.

**DATE OF ISSUE:** September 28, 2018

**DATE EFFECTIVE:** Effective with Service Rendered
On And After July 1, 2015

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2014-00372 dated June 30, 2015**

## Louisville Gas and Electric Company

**P.S.C. Gas No. 11, Original Sheet No. 106**

**TERMS AND CONDITIONS**

**Gas Main Extension Rules**

1. Company will extend its gas distribution mains at its own expense for a distance of one hundred (100) feet to each bona-fide applicant who agrees in writing to take service within one (1) year after the extension is completed and who has a suitable Customer's Service Line installed and ready for connection provided the following criteria are met:
   a) The existing main is of sufficient capacity to properly supply the additional customer(s);
   b) The customer(s) contracts to use gas on a continuous basis for one (1) year or more; and,
   c) The potential consumption and revenue will be of such amount and permanence as to warrant the capital expenditures involved to make the investment economically feasible.

2. Company will extend its gas mains in excess of the above distance provided the applicant for service advances to Company an amount equal to the estimated cost of such excess portion of the extension. Company shall have the right to determine the length of the extension and to specify the pipe size and location of the extension, as well as the timing of its construction.

3. Where funds were advanced in accordance with paragraph 2 for extensions into developed residential neighborhoods and notwithstanding paragraph 1, any customer that subsequently connects to the main during a ten-year period from the effective date of the main extension contract shall advance to Company a pro rata share of the cost of the extension over 100 feet per connected customer.

4. For each new year-round customer connected to an extension in accordance with paragraph 3, Company will refund to the previous applicant(s) who advanced funds an amount equal to the difference between the refundable amount advanced and the amount of the advance so determined for the new applicant.

5. Company will extend its gas mains to serve a proposed real estate subdivision provided the applicant for such extension advances to Company an amount equal to the estimated cost of the total extension. Company shall have the right to determine the length of the extension and to specify the pipe size and the location of the extension, as well as the timing of its construction.

6. For each new year-round customer actually connected to the extension within a ten-year period following the effective date of the gas main extension contract, but not to extensions or laterals therefrom, Company will refund to applicant(s) who advanced funds in accordance with paragraph 5 above an amount equal to 100 times the average unit cost per foot of extension advanced by such applicant(s); provided that such refunds shall not exceed, in the aggregate, the amount originally advanced to Company.

**DATE OF ISSUE**: July 7, 2017

**DATE EFFECTIVE:** January 4, 2013

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2009-00549 dated July 30, 2010**

## Louisville Gas and Electric Company

**P.S.C. Gas No. 12, Original Sheet No. 106**

**Terms and Conditions**
**Gas Main Extension Rules**

1. Company will extend its gas distribution mains at its own expense for a distance of one hundred (100) feet to each bona-fide applicant who agrees in writing to take service within one (1) year after the extension is completed and who has a suitable Customer's Service Line installed and ready for connection provided the following criteria are met:
   a. The existing main is of sufficient capacity to properly supply the additional customer(s);
   b. The customer(s) contracts to use gas on a continuous basis for one (1) year or more; and,
   c. The potential consumption and revenue will be of such amount and permanence as to warrant the capital expenditures involved to make the investment economically feasible.
2. Company shall provide to Customer requesting permanent service a line extension in excess of one hundred (100) feet per Customer to the extent that the cost of such line extension does not exceed five (5) times the Customer's estimated annual net revenue, where "net revenue" is defined as the customer's total revenue (excluding franchise fees and school taxes) less gas supply costs (i.e., the Gas Supply Cost Component of the Company's rates). In such cases, Company shall require the Customer to provide a guarantee of the estimated annual net revenue not less than five years, after taking into consideration any ramping up of the customer's demand and energy. N N N N N N N N
3. Company will extend its gas mains in excess of the above distance provided the applicant for service advances to Company an amount equal to the estimated cost of such excess portion of the extension. Company shall have the right to determine the length of the extension and to specify the pipe size and location of the extension, as well as the timing of its construction. T
4. Where funds were advanced in accordance with paragraph 3 for extensions into developed residential neighborhoods and notwithstanding paragraph 1, any customer that subsequently connects to the main during a ten-year period from the effective date of the main extension contract shall advance to Company a pro rata share of the cost of the extension over 100 feet per connected customer. T
5. For each new year-round customer connected to an extension in accordance with paragraph 4, Company will refund to the previous applicant(s) who advanced funds an amount equal to the difference between the refundable amount advanced and the amount of the advance so determined for the new applicant. T
6. Company will extend its gas mains to serve a proposed real estate subdivision provided the applicant for such extension advances to Company an amount equal to the estimated cost of the total extension. Company shall have the right to determine the length of the extension and to specify the pipe size and the location of the extension, as well as the timing of its construction. T
7. For each new year-round customer actually connected to the extension within a ten-year period following the effective date of the gas main extension contract, but not to extensions or laterals therefrom, Company will refund to applicant(s) who advanced funds in accordance with paragraph 6 above an amount equal to 100 times the average unit cost per foot of extension advanced by such applicant(s); provided that such refunds shall not exceed, in the aggregate, the amount originally advanced to Company. T T

**DATE OF ISSUE:** September 28, 2018

**DATE EFFECTIVE:** Effective with Service Rendered
On And After November 1, 2018

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00295 dated ____**

## Louisville Gas and Electric Company

**P.S.C. Gas No. 11, First Revision of Original Sheet No. 106.1**
**Canceling P.S.C. Gas No. 11, Original Sheet No. 106.1**

**TERMS AND CONDITIONS**

**Gas Main Extension Rules**

7. Company will install at its own expense a service pipe of suitable capacity extending from its gas main to the customer's property line beyond which point all necessary piping shall be installed by and at the expense of the customer and in a manner acceptable to Company.

8. Company will install at its own expense the necessary meter together with the regulator required to convert from medium pressure to service pressure. When a high pressure gas line is tapped to serve a customer or group of customers, Company may charge the customer or customers for the estimated installed cost of the tap, any regulation equipment, piping, and any other equipment or facilities determined by Company, in its sole discretion, to be necessary to provide such service consistent with good operating practice.

9. In the event Company is required to make a further extension of its mains to serve a customer, Company reserves the right to tap any extension constructed under these rules and to make connections from such additional extensions without application of the refunds referred to in paragraph 4 or 6 above.

10. The title to all extensions herein provided for, together with all necessary rights-of-way, permits and easements, shall be and remain in Company.

11. Company shall not be obligated to make service connections or to extend its gas mains in cases where such extensions or connections, in the sole judgment of Company would be infeasible, impractical, or contrary to good operating practice, or where such extensions are not in accordance with the terms of the applicable rate schedule.

12. A Customer may request the installation of an Excess Flow Valve (EFV) pursuant to Federal Pipeline Hazardous Materials Safety Administration regulation 49 CFR 192.383. All EFV installations requested by Customer shall be at the Customer's sole expense. The Company and Customer shall mutually agree upon the timing of such installation with regard to any necessary permitting that may be required. The Customer requesting the installation of an excess flow valve shall be responsible for the actual total cost of such installation and the Company shall provide Customer with a written estimated cost of such installation prior to performing the installation. A deposit of fifty (50) percent of the estimated cost of installation shall be required prior to the commencement of the installation. The balance of the actual cost of installation shall be due upon completion. N

    The Company shall not be required to install an EFV if one or more of the following conditions is present:

    a. The service line does not operate at a pressure of 10 psig or greater throughout the year;
    b. Company has prior experience with contaminants in the gas stream that could interfere with the excess flow valve's operation or cause loss of service to a customer;
    c. The excess flow valve could interfere with necessary maintenance and operation activities;
    d. An excess flow valve meeting applicable performance standards is not commercially available; or
    e. Gas deliveries on the line exceed 1,000 cubic feet per hour.

**DATE OF ISSUE**: August 31, 2017

**DATE EFFECTIVE:** September 30, 2017

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

## Louisville Gas and Electric Company

**P.S.C. Gas No. 12, Original Sheet No. 106.1**

**Terms and Conditions**
**Gas Main Extension Rules**

8. Company will install at its own expense, subject to paragraph 1 above, a service pipe of suitable capacity extending from its gas main to the gas meter serving Customer, beyond which point all necessary piping shall be installed by and at the expense of Customer. T T T
9. Company will install at its own expense the necessary meter together with the regulator required to convert from medium pressure to service pressure. When a high pressure gas line is tapped to serve a customer or group of customers, Company may charge the customer or customers for the estimated installed cost of the tap, any regulation equipment, piping, and any other equipment or facilities determined by Company, in its sole discretion, to be necessary to provide such service consistent with good operating practice. T
10. In the event Company is required to make a further extension of its mains to serve a customer, Company reserves the right to tap any extension constructed under these rules and to make connections from such additional extensions without application of the refunds referred to in paragraph 5 or 7 above. T
11. The title to all extensions herein provided for, together with all necessary rights-of-way, permits and easements, shall be and remain in Company. T
12. Company shall not be obligated to make service connections or to extend its gas mains in cases where such extensions or connections, in the sole judgment of Company would be infeasible, impractical, or contrary to good operating practice, or where such extensions are not in accordance with the terms of the applicable rate schedule. T
13. A Customer may request the installation of an Excess Flow Valve (EFV) pursuant to Federal Pipeline Hazardous Materials Safety Administration regulation 49 CFR 192.383. All EFV installations requested by Customer shall be at the Customer's sole expense. The Company and Customer shall mutually agree upon the timing of such installation with regard to any necessary permitting that may be required. The Customer requesting the installation of an excess flow valve shall be responsible for the actual total cost of such installation and the Company shall provide Customer with a written estimated cost of such installation prior to performing the installation. A deposit of fifty (50) percent of the estimated cost of installation shall be required prior to the commencement of the installation. The balance of the actual cost of installation shall be due upon completion. T

The Company shall not be required to install an EFV if one or more of the following conditions is present:

a. The service line does not operate at a pressure of 10 psig or greater throughout the year;
b. Company has prior experience with contaminants in the gas stream that could interfere with the excess flow valve's operation or cause loss of service to a customer;
c. The excess flow valve could interfere with necessary maintenance and operation activities;
d. An excess flow valve meeting applicable performance standards is not commercially available; or
e. Gas deliveries on the line exceed 1,000 cubic feet per hour.

**DATE OF ISSUE:** September 28, 2018

**DATE EFFECTIVE:** Effective with Service Rendered
On And After November 1, 2018

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the**
**Public Service Commission in Case No.**
**2018-00295 dated ____**

## Louisville Gas and Electric Company

**P.S.C. Gas No. 11, Original Sheet No. 107**

**TERMS AND CONDITIONS**

**Gas Service Restrictions**

By Order dated September 5, 1973, in Case Nos. 5829 and 5839, the Public Service Commission of Kentucky authorized Company to incorporate in its gas tariff restrictions on the supply of gas service, occasioned by the inadequacy of gas supplies to meet customer demands. These restrictions have been modified from time to time by tariff filings authorized or approved by the Commission. Uncertainty as to future gas supply makes it necessary that Company continue to exercise control over the addition of gas loads to its system, as set forth in these rules.

1. **GENERAL**. Except as specifically provided in these rules, Company will not (a) initiate service to any new customer, location, or service point; (b) permit any commercial customer (including any governmental agency or institution) or any industrial customer to increase its connected load or to expand its gas requirements in any manner; or (c) permit any customer to change to another rate schedule for the purpose of obtaining a higher priority under Company's Tariff.

2. **NEW CUSTOMERS**. Until further notice, Company will accept applications for gas service to new customers as set forth below. Main extensions will be made in accordance with the Gas Main Extension Rules contained in this Tariff.

   (a) **FOR SERVICE UNDER RATES RGS, VFD, CGS, DGGS, IGS, SGSS, and FT**. Single family dwelling units individually metered. Commercial and industrial customers and multi-family residences served through a single meter. Company will have the right to limit the total connected load to a maximum of 8,000 cubic feet per hour, when in Company's judgment such is necessary in order to enable it to continue to supply reliable service to existing customers. T

   (b) **FOR SERVICE UNDER OTHER RATE SCHEDULES**. Company may undertake to serve new customers with requirements in excess of those allowable under Rates RGS, VFD, CGS, DGGS, IGS, SGSS, and FT when in its judgment actual and potential gas supplies are sufficient to enable it to do so. Company will designate the applicable rate schedule under which such service will be supplied. T

3. **INCREASE IN SERVICE TO EXISTING CUSTOMERS**. Until further notice, Company will, upon application, permit increases in the connected gas load or the gas usage of commercial and industrial customers existing as of the effective date of these rules, as follows:

   (a) **ADDITIONAL SERVICE UNDER RATES RGS, VFD, CGS, DGGS, IGS, SGSS, and FT.** Company will permit the addition of connected gas loads under Rates RGS, VFD, CGS, DGGS, IGS, SGSS, and FT. Company will have the right to limit the total connected load to a maximum of 8,000 cubic feet per hour, when in Company's judgment such is necessary in order to enable it to continue to supply reliable service to existing customers. T T

**DATE OF ISSUE**: July 7, 2017

**DATE EFFECTIVE:** July 1, 2017

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2016-00371 dated June 22, 2017 and modified June 29, 2017**

## Louisville Gas and Electric Company

**P.S.C. Gas No. 12, Original Sheet No. 107**

**Terms and Conditions**
**Gas Service Restrictions**

By Order dated September 5, 1973, in Case Nos. 5829 and 5839, the Kentucky Public Service Commission authorized Company to incorporate in its gas tariff restrictions on the supply of gas service, occasioned by the inadequacy of gas supplies to meet customer demands. These restrictions have been modified from time to time by tariff filings authorized or approved by the Commission. Uncertainty as to future gas supply makes it necessary that Company continue to exercise control over the addition of gas loads to its system, as set forth in these rules.

1. **GENERAL**. Except as specifically provided in these rules, Company will not (a) initiate service to any new customer, location, or service point; (b) permit any commercial customer (including any governmental agency or institution) or any industrial customer to increase its connected load or to expand its gas requirements in any manner; or (c) permit any customer to change to another rate schedule for the purpose of obtaining a higher priority under Company's Tariff.

2. **NEW CUSTOMERS**. Until further notice, Company will accept applications for gas service to new customers as set forth below. Main extensions will be made in accordance with the Gas Main Extension Rules contained in this Tariff.
   a. **FOR SERVICE UNDER RATES RGS, VFD, CGS, DGGS, IGS, SGSS, and FT**. Single family dwelling units individually metered. Commercial and industrial customers and multi-family residences served through a single meter. Company will have the right to limit the total connected load to a maximum of 8,000 cubic feet per hour, when in Company's judgment such is necessary in order to enable it to continue to supply reliable service to existing customers.
   b. F**OR SERVICE UNDER OTHER RATE SCHEDULES**. Company may undertake to serve new customers with requirements in excess of those allowable under Rates RGS, VFD, CGS, DGGS, IGS, SGSS, and FT when in its judgment actual and potential gas supplies are sufficient to enable it to do so. Company will designate the applicable rate schedule under which such service will be supplied.

3. **INCREASE IN SERVICE TO EXISTING CUSTOMERS**. Until further notice, Company will, upon application, permit increases in the connected gas load or the gas usage of commercial and industrial customers existing as of the effective date of these rules, as follows:
   a. ADDITIONAL SERVICE UNDER RATES RGS, VFD, CGS, DGGS, IGS, SGSS, and FT. Company will permit the addition of connected gas loads under Rates RGS, VFD, CGS, DGGS, IGS, SGSS, and FT. Company will have the right to limit the total connected load to a maximum of 8,000 cubic feet per hour, when in Company's judgment such is necessary in order to enable it to continue to supply reliable service to existing customers.
   b. ADDITIONAL SERVICE UNDER OTHER RATE SCHEDULES. Company may undertake to serve existing customers with additional requirements in excess of those allowable under Rates RGS, VFD, CGS, DGGS, IGS, SGSS, and FT when in its judgment actual and potential gas supplies are sufficient to enable it to do so. Company will designate the applicable rate schedule under which such service will be supplied. T T T T T

**DATE OF ISSUE:** September 28, 2018

**DATE EFFECTIVE:** Effective with Service Rendered
On And After November 1, 2018

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00295 dated ____**

## Louisville Gas and Electric Company

**P.S.C. Gas No. 11, Original Sheet No. 107.1**

**TERMS AND CONDITIONS**

**Gas Service Restrictions**

(b) **ADDITIONAL SERVICE UNDER OTHER RATE SCHEDULES**. Company may undertake to serve existing customers with additional requirements in excess of those allowable under Rates RGS, VFD, CGS, DGGS, IGS, SGSS, and FT when in its judgment actual and potential gas supplies are sufficient to enable it to do so. Company will designate the applicable rate schedule under which such service will be supplied. T

4. **LOAD ADDITIONS TO BE AGGREGATED**. Limitations on new or additional gas loads as specified herein refer to the aggregate of loads added subsequent to the effective date of these rules, and not to individual increments made from time to time.

5. **VOLUMES OF GAS USAGE**. Daily and monthly volumes of gas usage may be established or increased to reflect additions of connected load or increased usage of connected load existing as of the effective date of these rules. For customers subject to curtailment under Company's Curtailment Rules, Monthly Base Period Volumes will be established or adjusted accordingly.

6. **TRANSFERS BETWEEN LOCATIONS**. Company may permit any customer to transfer his own gas entitlement from one location to another; provided, however, that transfers of service cannot be aggregated so as to exceed the limitations on connected load set forth in Paragraphs 2 and 3 above with respect to Rates RGS, VFD, CGS, DGGS, IGS, SGSS, and FT. T

7. **PRIORITY CONSIDERATIONS**. If at any time, Company is required to select among applicants for service as provided for in Paragraphs 2(b) or 3(b) above, it will, to the extent practicable, observe the following priorities in the order named:

   (a) Schools, hospitals and similar institutions.
   (b) Other commercial establishments.
   (c) Industrial process and feedstock uses.
   (d) Other industrial applications.

8. **LAPSE OF APPLICATIONS**. If any applicant for new or increased service under these rules is not ready to take such service within twelve (12) months from the date of application, such application shall be void. Any reapplication shall be subject to Company's rules in effect at the time thereof.

9. Applicants may make application for gas service beyond that provided for in these rules, to be initiated at such time as these rules may be terminated or modified so as to enable Company to provide the service applied for. Company will file such applications in the order of receipt and dispose of them as circumstances dictate.

**DATE OF ISSUE**: July 7, 2017

**DATE EFFECTIVE:** July 1, 2017

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2016-00371 dated June 22, 2017 and modified June 29, 2017**

## Louisville Gas and Electric Company

**P.S.C. Gas No. 12, Original Sheet No. 107.1**

**Terms and Conditions**
**Gas Service Restrictions**

T

4. **LOAD ADDITIONS TO BE AGGREGATED**. Limitations on new or additional gas loads as specified herein refer to the aggregate of loads added subsequent to the effective date of these rules, and not to individual increments made from time to time.

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   a. Schools, hospitals and similar institutions.
   b. Other commercial establishments.
   c. Industrial process and feedstock uses.
   d. Other industrial applications.

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**DATE OF ISSUE:** September 28, 2018

**DATE EFFECTIVE:** Effective with Service Rendered
On And After November 1, 2018

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00295 dated ____**

## Louisville Gas and Electric Company



**TERMS AND CONDITIONS**

**Curtailment Rules**

These rules are established to govern Company's available supply of gas to sales and transportation customers during periods of shortage or substantial reduction in the gas available to Company. These rules are designed to provide for curtailment or discontinuance of service made necessary by a deficiency in gas supply, capacity, or unforeseen emergency circumstances. These rules are designed to enable Company to continue to supply reliable gas service for residential and other human welfare purposes. These rules shall apply and continue in effect until lawfully modified or superseded under the regulatory jurisdiction of the Public Service Commission of Kentucky.

1. **DEFINITIONS** (for purposes of these Rules).

   **COMMERCIAL CUSTOMERS**: Customers engaged primarily in the sale of goods or services, including institutions and local, state and Federal governmental agencies, for uses other than those involving manufacturing as further described in Rate CGS.

   **HUMAN NEEDS**: Residential and other customers whose facilities are used for residential dwellings on either a permanent or temporary basis or a facility providing critical emergency services (including, but not limited to, apartment buildings, correctional institutions, hospitals, nursing homes, assisted living facilities, hotels, motels, fire department stations, police stations, national guard facilities, and emergency response agency facilities).

   **INDUSTRIAL CUSTOMERS**: Customers engaged primarily in a process or processes which create or change raw or unfinished materials into another form or product, including, but not limited to, the generation of electric power as further described in Rate IGS and Rate DGGS.

   **SMALL INDUSTRIAL CUSTOMER**: Any industrial customer whose aggregate of twelve Monthly Base Period Volumes is 10,000 Mcf or less.

   **LARGE INDUSTRIAL CUSTOMER**: Any industrial customer whose aggregate of twelve Monthly Base Period Volumes exceeds 10,000 Mcf.

   **PILOT LIGHT REQUIREMENTS**: Gas used on either a continuous or intermittent basis only for the ignition of the fuel in the main burner; does not include any gas used to preheat or atomize solid or liquid fuels.

   **BASE PERIOD**: The twelve (12) months ending on the October 31 preceding the calendar year which is the subject of the implementation of any curtailments hereunder.

**DATE OF ISSUE**: July 7, 2017

**DATE EFFECTIVE:** January 4, 2013

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2012-00222 dated December 20, 2012**

## Louisville Gas and Electric Company



**Terms and Conditions**
**Curtailment Rules**

These rules are established to govern Company's available supply of gas to sales and transportation customers during periods of shortage or substantial reduction in the gas available to Company. These rules are designed to provide for curtailment or discontinuance of service made necessary by a deficiency in gas supply, capacity, or unforeseen emergency circumstances. These rules are designed to enable Company to continue to supply reliable gas service for residential and other human welfare purposes. These rules shall apply and continue in effect until lawfully modified or superseded under the regulatory jurisdiction of the Kentucky Public Service Commission.

1. **DEFINITIONS** (for purposes of these Rules).

   **COMMERCIAL CUSTOMERS**: Customers engaged primarily in the sale of goods or services, including institutions and local, state and Federal governmental agencies, for uses other than those involving manufacturing as further described in Rate CGS.

   **HUMAN NEEDS**: Residential and other customers whose facilities are used for residential dwellings on either a permanent or temporary basis or a facility providing critical emergency services (including, but not limited to, apartment buildings, correctional institutions, hospitals, nursing homes, assisted living facilities, hotels, motels, fire department stations, police stations, national guard facilities, and emergency response agency facilities).

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   **SMALL INDUSTRIAL CUSTOMER**: Any industrial customer whose aggregate of twelve Monthly Base Period Volumes is 10,000 Mcf or less.

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   **PILOT LIGHT REQUIREMENTS**: Gas used on either a continuous or intermittent basis only for the ignition of the fuel in the main burner; does not include any gas used to preheat or atomize solid or liquid fuels.

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**DATE OF ISSUE:** September 28, 2018

**DATE EFFECTIVE:** Effective with Service Rendered
On And After January 4, 2013

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2012-00222 dated December 20, 2012**

## Louisville Gas and Electric Company

P.S.C. Gas No. 11, Original Sheet No. 108.1

TERMS AND CONDITIONS

**Curtailment Rules**

**MONTHLY BASE PERIOD VOLUMES**: Monthly volumes assigned to each customer determined from its gas consumption (including sales and transportation volumes) during the Base Period.

**AUTHORIZED MONTHLY VOLUME**: The volume of gas authorized to be taken during a month and determined by deducting from the Monthly Base Period Volume the curtailment amount applicable for the month.

Some customers may have usage falling within more than one (1) of the above categories; as such, these customers may be required to segregate their total usage accordingly.

2. **COMBINATION OF AUTHORIZED MONTHLY VOLUMES**. Subject to a written application by a customer and acceptance thereof by Company, Company may permit any customer served through more than one point of delivery at any location, or any person, corporation or entity served with gas at more than one location, to take gas through the points or at the locations of its choosing, provided that the gas so taken will not exceed the combined Authorized Monthly Volumes applicable to such points of delivery, and provided that only volumes purchased under rate schedules subject to Pro-Rata Curtailment may be so combined. Gas taken through each individual point of delivery will be billed at the rate applicable to such point of delivery.

The right to combine Authorized Monthly Volumes as herein described is limited to individual customers or individual persons, corporations or entities and such right will not extend to similar combinations between or among unrelated customers. Nor shall such combinations be employed by any customer for the purpose of obtaining a lower overall cost of gas.

Provided, however, in the case of Industrial Customers provided with sales service under Rate IGS or Special Contracts, which have requested and received approval to combine Authorized Monthly Volumes, Monthly Base Period Volumes for such combined Industrial Customers must aggregate to not less than 10,000 Mcf for a twelve-month period and such combination shall be treated as a Large Industrial Customer for the purpose of implementing either Pro-Rata or Emergency Curtailment.

For the purpose of assessment of penalties, the point of delivery will be considered on a combined basis, so that the actual combined takes will be measured against combined Authorized Monthly Volumes. It will be the responsibility of any applicant for this treatment to advise Company in writing as to the party or entity to be held accountable for the payment of such penalty.

**DATE OF ISSUE**: July 7, 2017

**DATE EFFECTIVE:** January 4, 2013

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2012-00222 dated December 20, 2012**

## Louisville Gas and Electric Company

P.S.C. Gas No. 12, Original Sheet No. 108.1

Terms and Conditions
Curtailment Rules

**MONTHLY BASE PERIOD VOLUMES**: Monthly volumes assigned to each customer determined from its gas consumption (including sales and transportation volumes) during the Base Period.

**AUTHORIZED MONTHLY VOLUME**: The volume of gas authorized to be taken during a month and determined by deducting from the Monthly Base Period Volume the curtailment amount applicable for the month.

Some customers may have usage falling within more than one (1) of the above categories; as such, these customers may be required to segregate their total usage accordingly.

2. **COMBINATION OF AUTHORIZED MONTHLY VOLUMES**. Subject to a written application by a customer and acceptance thereof by Company, Company may permit any customer served through more than one point of delivery at any location, or any person, corporation or entity served with gas at more than one location, to take gas through the points or at the locations of its choosing, provided that the gas so taken will not exceed the combined Authorized Monthly Volumes applicable to such points of delivery, and provided that only volumes purchased under rate schedules subject to Pro-Rata Curtailment may be so combined. Gas taken through each individual point of delivery will be billed at the rate applicable to such point of delivery.

The right to combine Authorized Monthly Volumes as herein described is limited to individual customers or individual persons, corporations or entities and such right will not extend to similar combinations between or among unrelated customers. Nor shall such combinations be employed by any customer for the purpose of obtaining a lower overall cost of gas.

Provided, however, in the case of Industrial Customers provided with sales service under Rate IGS or Special Contracts, which have requested and received approval to combine Authorized Monthly Volumes, Monthly Base Period Volumes for such combined Industrial Customers must aggregate to not less than 10,000 Mcf for a twelve-month period and such combination shall be treated as a Large Industrial Customer for the purpose of implementing either Pro-Rata or Emergency Curtailment.

For the purpose of assessment of penalties, the point of delivery will be considered on a combined basis, so that the actual combined takes will be measured against combined Authorized Monthly Volumes. It will be the responsibility of any applicant for this treatment to advise Company in writing as to the party or entity to be held accountable for the payment of such penalty.

**DATE OF ISSUE:** September 28, 2018

**DATE EFFECTIVE:** Effective with Service Rendered
On And After January 4, 2013

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2012-00222 dated December 20, 2012**

## Louisville Gas and Electric Company

**P.S.C. Gas No. 11, Original Sheet No. 108.2**

**TERMS AND CONDITIONS**

**Curtailment Rules**

3. **PRO-RATA CURTAILMENT**. In order to meet seasonal and daily sendout requirements, to preserve underground storage deliverability, and to provide for adequate and timely underground storage injections, Company will implement pro-rata curtailment with respect to the classes of customers here listed:

   (a) All customers served under Rate AAGS.
   (b) Large Industrial Customers provided with sales service under Rate IGS, Rate SGSS, or Special Contracts. T

   Company will assign Monthly Base Period Volumes to each customer in the above two classes. Except in the case of an Emergency Curtailment, Company will provide as much notice as practicable to each of these customers that curtailment is being implemented. Such notice will include the percentage curtailment applicable to customer's Monthly Base Period Volume and the Authorized Monthly Volume such customer is authorized to take during said billing period.

   Except in the case of Emergency Curtailment, such Pro-Rata Curtailment may only be implemented after Company issues an Operational Flow Order to customers served under Rate FT and takes similar actions applicable to transportation customers served under Special Contracts.

   During each month, Pro-Rata Curtailment will be first applied to Rate AAGS customers until such curtailment reaches 100% of Monthly Base Period Volumes (allowing, however, for continuation of Pilot Light Requirements used in connection with alternate fuels). When Rate AAGS customers are 100% curtailed, any additional curtailment required will be apportioned at a uniform percentage to other customers subject to pro-rata curtailment under this Section 3.

4. **EMERGENCY CURTAILMENT**. In the event of an emergency, Company will initiate the following actions, individually or in combination, in the order necessary as time permits so that service may continue to be supplied for residential and other human health, safety and welfare needs.

   (1) Issue Operational Flow Orders to customers served under Rate FT, and take similar actions applicable to transportation customers served under Special Contracts. Customers that fail to comply with Operational Flow Orders will be required to discontinue the use of natural gas.

   (2) Issue Action Alerts to Pool Managers under Rider PS-TS-2 serving customers under Rider TS-2, and take similar actions applicable to transportation customers served under Special Contracts. Customers of Pool Managers that fail to comply with Action Alerts may be required to terminate service under Rider PS-TS-2 and Rider TS-2 and return to firm sales service.

**DATE OF ISSUE**: July 7, 2017

**DATE EFFECTIVE:** July 1, 2017

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2016-00371 dated June 22, 2017 and modified June 29, 2017**

## Louisville Gas and Electric Company

**P.S.C. Gas No. 12, Original Sheet No. 108.2**

**Terms and Conditions**
**Curtailment Rules**

3. **PRO-RATA CURTAILMENT**. In order to meet seasonal and daily sendout requirements, to preserve underground storage deliverability, and to provide for adequate and timely underground storage injections, Company will implement pro-rata curtailment with respect to the classes of customers here listed:
   a. All customers served under Rate AAGS.
   b. Large Industrial Customers provided with sales service under Rate IGS, Rate SGSS, or Special Contracts.

   Company will assign Monthly Base Period Volumes to each customer in the above two classes. Except in the case of an Emergency Curtailment, Company will provide as much notice as practicable to each of these customers that curtailment is being implemented. Such notice will include the percentage curtailment applicable to customer's Monthly Base Period Volume and the Authorized Monthly Volume such customer is authorized to take during said billing period.

   Except in the case of Emergency Curtailment, such Pro-Rata Curtailment may only be implemented after Company issues an Operational Flow Order to customers served under Rate FT and takes similar actions applicable to transportation customers served under Special Contracts.

   During each month, Pro-Rata Curtailment will be first applied to Rate AAGS customers until such curtailment reaches 100% of Monthly Base Period Volumes (allowing, however, for continuation of Pilot Light Requirements used in connection with alternate fuels). When Rate AAGS customers are 100% curtailed, any additional curtailment required will be apportioned at a uniform percentage to other customers subject to pro-rata curtailment under this Section 3.

4. **EMERGENCY CURTAILMENT**. In the event of an emergency, Company will initiate the following actions, individually or in combination, in the order necessary as time permits so that service may continue to be supplied for residential and other human health, safety and welfare needs.
   a. Issue Operational Flow Orders to customers served under Rate FT, and take similar actions applicable to transportation customers served under Special Contracts. Customers that fail to comply with Operational Flow Orders will be required to discontinue the use of natural gas. T
   b. Issue Action Alerts to Pool Managers under Rider PS-TS-2 serving customers under Rider TS-2, and take similar actions applicable to transportation customers served under Special Contracts. Customers of Pool Managers that fail to comply with Action Alerts may be required to terminate service under Rider PS-TS-2 and Rider TS-2 and return to firm sales service. T
   c. Discontinue service to customers served under Rate AAGS. T
   d. Implement curtailment of all or a portion of the gas usage by Large Industrial Customers served under either Rate IGS, Rate SGSS, or Special Contracts for gas sales service. T T

**DATE OF ISSUE:** September 28, 2018

**DATE EFFECTIVE:** Effective with Service Rendered
On And After November 1, 2018

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

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## Louisville Gas and Electric Company

**P.S.C. Gas No. 11, Original Sheet No. 108.3**

**TERMS AND CONDITIONS**

**Curtailment Rules**

(3) Discontinue service to customers served under Rate AAGS.

(4) Implement curtailment of all or a portion of the gas usage by Large Industrial Customers served under either Rate IGS, Rate SGSS, or Special Contracts for gas sales service. T

(5) Once curtailment in level 4 (above) has reached 100% of usage (excluding Pilot Light Requirements), implement curtailment of all or a portion of gas usage to the remaining Small Industrial and non-human needs commercial use customers.

(6) Company may request that transportation customers served under Rate FT and Special Contracts allow Company's use of customer-owned gas to supply higher priority end-use customers. Company shall negotiate compensation for such gas with any customer that complies with such request.

(7) Once curtailment of customers in level 5 (above) has reached 100% of usage (excluding Pilot Light Requirements), request reduction of gas usage by human needs commercial, residential, and other human needs customers.

(8) Implement forced curtailment of gas usage through the isolation of gas distribution load centers from the gas distribution system network.

5. **PENALTY CHARGES**. Company may, in its sole discretion, apply a penalty for all gas taken during a period of either Pro-Rata or Emergency Curtailment.

Any customer subject to Pro-Rata curtailment in accordance with Section 3 above, who at the end of a month has taken gas in excess of its Authorized Monthly Volumes (excluding Pilot Light Requirements where applicable) for such month, may, in the sole discretion of Company, be subject to a penalty charge applicable to such excess takes of gas at the rate of $15.00 per Mcf plus the higher of the following: either (a) the highest daily mid-point price posted in "*Platts Gas Daily*" for Texas Gas Zone 1 adjusted for Fuel Retention applicable to deliveries to Zone 4 under Texas Gas Transmission, LLC's Rate NNS plus the Commodity Charge and any surcharges applicable to deliveries to Zone 4 under Texas Gas Transmission, LLC's Rate NNS during each month of the period of curtailment, or (b) the highest daily mid-point price posted in "*Platts Gas Daily*" for Lebanon-Hub adjusted for Fuel Retention applicable to deliveries to Zone 4 under Texas Gas Transmission, LLC's Rate NNS plus the Commodity Charge and any surcharges applicable to deliveries to Zone 4 under Texas Gas Transmission, LLC's Rate NNS during each month of the period of curtailment. Such penalty shall be in addition to the established rate for service.

**DATE OF ISSUE**: July 7, 2017

**DATE EFFECTIVE:** July 1, 2017

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2016-00371 dated June 22, 2017 and modified June 29, 2017**

## Louisville Gas and Electric Company

**P.S.C. Gas No. 12, Original Sheet No. 108.3**

**Terms and Conditions**
**Curtailment Rules**

e. Once curtailment in level 4 (above) has reached 100% of usage (excluding Pilot Light Requirements), implement curtailment of all or a portion of gas usage to the remaining Small Industrial and non-human needs commercial use customers. T

f. Company may request that transportation customers served under Rate FT and Special Contracts allow Company's use of customer-owned gas to supply higher priority end-use customers. Company shall negotiate compensation for such gas with any customer that complies with such request. T

g. Once curtailment of customers in level 5 (above) has reached 100% of usage (excluding Pilot Light Requirements), request reduction of gas usage by human needs commercial, residential, and other human needs customers. T

h. Implement forced curtailment of gas usage through the isolation of gas distribution load centers from the gas distribution system network. T

5. **PENALTY CHARGES**. Company may, in its sole discretion, apply a penalty for all gas taken during a period of either Pro-Rata or Emergency Curtailment.

Any customer subject to Pro-Rata curtailment in accordance with Section 3 above, who at the end of a month has taken gas in excess of its Authorized Monthly Volumes (excluding Pilot Light Requirements where applicable) for such month, may, in the sole discretion of Company, be subject to a penalty charge applicable to such excess takes of gas at the rate of $15.00 per Mcf plus the higher of the following: either (a) the highest daily mid-point price posted in "*Platts Gas Daily*" for Texas Gas Zone 1 adjusted for Fuel Retention applicable to deliveries to Zone 4 under Texas Gas Transmission, LLC's Rate NNS plus the Commodity Charge and any surcharges applicable to deliveries to Zone 4 under Texas Gas Transmission, LLC's Rate NNS during each month of the period of curtailment, or (b) the highest daily mid-point price posted in "*Platts Gas Daily*" for Lebanon-Hub adjusted for Fuel Retention applicable to deliveries to Zone 4 under Texas Gas Transmission, LLC's Rate NNS plus the Commodity Charge and any surcharges applicable to deliveries to Zone 4 under Texas Gas Transmission, LLC's Rate NNS during each month of the period of curtailment. Such penalty shall be in addition to the established rate for service.

Any customer subject to Emergency Curtailment in accordance with Section 4 above, who uses quantities of gas in excess of authorized quantities (excluding Pilot Light Requirements where applicable) during a period of such Emergency Curtailment, may, in the sole discretion of Company, be subject to a penalty charge applicable to such unauthorized takes of gas at the rate of $15.00 per Mcf plus the higher of the following: either (a) the highest daily mid-point price posted in "*Platts Gas Daily*" for Texas Gas Zone 1 adjusted for Fuel Retention applicable to deliveries to Zone 4 under Texas Gas Transmission, LLC's Rate NNS plus the Commodity Charge and any surcharges applicable to deliveries to Zone 4 under Texas Gas Transmission, LLC's Rate NNS during each month of the period of curtailment, or (b) the highest daily mid-point price posted in "*Platts Gas Daily*" for Lebanon-Hub adjusted for Fuel Retention applicable to deliveries to Zone 4 under Texas Gas Transmission, LLC's Rate NNS plus the Commodity Charge and any surcharges applicable to deliveries to Zone 4 under T

**DATE OF ISSUE:** September 28, 2018

**DATE EFFECTIVE:** Effective with Service Rendered
On And After November 1, 2018

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00295 dated ____**

## Louisville Gas and Electric Company

**P.S.C. Gas No. 11, Original Sheet No. 108.4**

**TERMS AND CONDITIONS**

**Curtailment Rules**

Any customer subject to Emergency Curtailment in accordance with Section 4 above, who uses quantities of gas in excess of authorized quantities (excluding Pilot Light Requirements where applicable) during a period of such Emergency Curtailment, may, in the sole discretion of Company, be subject to a penalty charge applicable to such unauthorized takes of gas at the rate of $15.00 per Mcf plus the higher of the following: either (a) the highest daily mid-point price posted in "*Platts Gas Daily*" for Texas Gas Zone 1 adjusted for Fuel Retention applicable to deliveries to Zone 4 under Texas Gas Transmission, LLC's Rate NNS plus the Commodity Charge and any surcharges applicable to deliveries to Zone 4 under Texas Gas Transmission, LLC's Rate NNS during each month of the period of curtailment, or (b) the highest daily mid-point price posted in "*Platts Gas Daily*" for Lebanon-Hub adjusted for Fuel Retention applicable to deliveries to Zone 4 under Texas Gas Transmission, LLC's Rate NNS plus the Commodity Charge and any surcharges applicable to deliveries to Zone 4 under Texas Gas Transmission, LLC's Rate NNS during each month of the period of curtailment. Such penalty shall be in addition to the established rate for service.

The payment of penalty charges for takes of gas in excess of Authorized Monthly Volumes or authorized quantities shall not be considered as giving any customer the right to make unauthorized takes of gas, nor shall such penalty charges be considered as a substitute for any other remedy available to Company.

Company shall return to all customers through Company's Gas Supply Clause any penalty charges collected from customers under this Section 5 net of any penalty charges incurred from Company's supplier(s).

6. **DISCONTINUANCE OF SERVICE.** If any customer subject to curtailment under these rules fails to limit its use of gas as provided for herein, then Company shall have the right to immediately discontinue all gas supply to such customer.

**DATE OF ISSUE**: July 7, 2017

**DATE EFFECTIVE:** July 1, 2015

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2014-00372 dated June 30, 2015**

## Louisville Gas and Electric Company

**P.S.C. Gas No. 12, Original Sheet No. 108.4**

**Terms and Conditions**
**Curtailment Rules**

T

Texas Gas Transmission, LLC's Rate NNS during each month of the period of curtailment. Such T
penalty shall be in addition to the established rate for service. T

The payment of penalty charges for takes of gas in excess of Authorized Monthly Volumes or authorized quantities shall not be considered as giving any customer the right to make unauthorized takes of gas, nor shall such penalty charges be considered as a substitute for any other remedy available to Company.

Company shall return to all customers through Company's Gas Supply Clause any penalty charges collected from customers under this Section 5 net of any penalty charges incurred from Company's supplier(s).

6. **DISCONTINUANCE OF SERVICE.** If any customer subject to curtailment under these rules fails to limit its use of gas as provided for herein, then Company shall have the right to immediately discontinue all gas supply to such customer.

**DATE OF ISSUE:** September 28, 2018

**DATE EFFECTIVE:** Effective with Service Rendered
On And After November 1, 2018

**ISSUED BY:** /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00295 dated ____**

**Louisville Gas and Electric Company**
**Case No. 2018-00295**
**Forecasted Test Period Filing Requirements**
**(Forecasted Test Period 12ME 4/30/20; Base Period 12ME 12/31/18)**

**Filing Requirement**
**807 KAR 5:001 Section 16(1)(b)(5)**
**Sponsoring Witness: Robert M. Conroy**

**Description of Filing Requirement:**

*A statement that notice has been given in compliance with Section 17 of this administrative regulation with a copy of the notice.*

**Response:**

Customer notice has been given in compliance with 807 KAR 5:001, Section 17. Notice given pursuant to 807 KAR 5:001, Section 17 satisfies the requirements of 807 KAR 5:051, Section 2. See attached Certificate of Notice.

The Commission granted the request of Kentucky Utilities Company ("KU") and LG&E to publish an abbreviated newspaper customer notice (see attached).[1] Also, KU and LGE are required to post the full customer notice (see attached) in each public library located in the service territories.[2]

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[1] *In the Matter of: Joint Application of Kentucky Utilities Company and Louisville Gas and Electric Company for a Declaratory Order Establishing the Form of Notice and Number of Copies of Certain Documents Filed in Support of Upcoming Applications for Rate Adjustments*, Case No. 2018-00250, Order (Ky. PSC August 31, 2018), Ordering Paragraph No. 1.
[2] *Id.*

**COMMONWEALTH OF KENTUCKY**

**BEFORE THE PUBLIC SERVICE COMMISSION**

**In the Matter of:**

| | | |
|---|---|---|
| **ELECTRONIC APPLICATION OF** | **)** | |
| **LOUISVILLE GAS AND ELECTRIC** | **)** | **CASE NO. 2018-00295** |
| **COMPANY FOR AN ADJUSTMENT OF** | **)** | |
| **ITS ELECTRIC AND GAS RATES** | **)** | |

## CERTIFICATE OF NOTICE

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 Louisville Gas and Electric Company ("LG&E" or "Company"), a utility furnishing retail electric and gas service within the Commonwealth of Kentucky, which, on the 28th day of September, 2018, filed an application with the Kentucky Public Service Commission for the approval of an adjustment of the electric and gas rates, terms, conditions and tariffs of LG&E, and that notice to the public of the filing of the application is being given in all respects as required by the Commission's Order in Case No. 2018-00250,[1] as follows:

I 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 the 19th day of September, 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 the week ending September 28, 2018, an abbreviated notice in conformity with the

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[1] *In the Matter of: Application of Kentucky Utilities Company and Louisville Gas and Electric Company for an Order Establishing the Form of Notice and Number of Copies of Certain Documents to be Filed in Support of their Upcoming Applications for Rate Adjustment*, Case No. 2018-00250, Order (Ky. PSC Aug 31, 2018).

Commission's Order of August 31, 2018, in Case No. 2018-00250 of the filing of LG&E's application. A copy of said notice is attached hereto as Exhibit A. A list of newspapers of general circulation throughout the Commonwealth of Kentucky in which LG&E's customers affected reside is attached hereto as Exhibit B. A certificate of publication of said notice will be furnished to the Kentucky Public Service Commission upon completion pursuant to 807 KAR 5:001, Section 17(3)(b).

On the 24th day of September, 2018, the full customer notice to the public, a copy of which is attached hereto as Exhibit C, was delivered for exhibition and public inspection at 820 West Broadway, Louisville, KY 40202 and will be kept open to public inspection at said office in conformity with the Commission's Order in Case No. 2018-00250. Also in accordance with that Order, on the 21st day of September, 2018, LG&E sent by certified mail to each public library, located within LG&E's service territory a copy of the full customer notice and a request to post it in a public location. A list of those libraries is attached hereto as Exhibit D.

Also beginning on 24th day of September, 2018, LG&E posted on its website a copy of the full customer notice that 807 KAR 5:001, Section 17 requires 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 28th day of September, 2018, LG&E posted on its website a complete copy of LG&E's application in this case. LG&E's Application filed with the Commission on the 28th day of September, 2018, includes the customer notice as a separate document labeled "Customer Notice of Rate Adjustment."

In addition, beginning on the 19th day of September, 2018, LG&E issued press advisories to all known news media organizations who cover the areas within its certified territory advising of the filing of its application and including a hyperlink to the location on LG&E’s and the Commission's websites where case documents and tariff filings will be available.

Beginning on 28th day of September, 2018, LG&E began 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 E. Both the notice being published in newspapers and the bill inserts being sent to customers include the web address to the online posting.

Also beginning on 28th day of September, 2018, LG&E provided notice by certified mail to special contract customers and state, local, and federal governmental units and educational institutions, such as public and private colleges eligible to affix attachments to Company structures.

Given under my hand this 28th day of September, 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 28th day of September, 2018.

_______________________(SEAL)
Notary Public

My Commission Expires:
**Judy Schooler**
**Notary Public, ID No. 603967**
**State at Large, Kentucky**
***Commission Expires 7/11/2022***

# Exhibit A

# Notice of the Filing – Abbreviated

## CUSTOMER NOTICE OF RATE ADJUSTMENT

**PLEASE TAKE NOTICE** that, in a September 28, 2018, Application, Louisville Gas and Electric Company ("LG&E") is seeking approval by the Kentucky Public Service Commission of an adjustment of its electric and gas rates and charges to become effective on and after November 1, 2018.

### LG&E CURRENT AND PROPOSED RESIDENTIAL ELECTRIC AND GAS RATES

**Residential Service - Rate RS**

| | Current | Proposed |
|---|---|---|
| Basic Service Charge per Month: | $12.25 | |
| Basic Service Charge per Day: | | $ 0.53 |
| Plus an Energy Charge per kWh: | $ 0.09382 | |
| Infrastructure: | | $ 0.06214 |
| Variable: | | $ 0.03206 |
| Total: | | $ 0.09420 |

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

| | Current | Proposed |
|---|---|---|
| Basic Service Charge per Month: | $12.25 | |
| Basic Service Charge per Day: | | $ 0.53 |
| Plus an Energy Charge per kWh: | | |
| Off-Peak Hours | $ 0.06882 | |
| Off-Peak Hours (Infrastructure): | | $ 0.03676 |
| Off-Peak Hours (Variable): | | $ 0.03206 |
| Off-Peak Hours (Total): | | $ 0.06882 |
| On-Peak Hours | $ 0.23483 | |
| On-Peak Hours (Infrastructure): | | $ 0.20852 |
| On-Peak Hours (Variable): | | $ 0.03206 |
| On-Peak Hours (Total): | | $ 0.24058 |

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

| | Current | Proposed |
|---|---|---|
| Basic Service Charge per Month: | $12.25 | |
| Basic Service Charge per Day: | | $ 0.53 |
| Plus an Energy Charge per kWh: | $ 0.05183 | |
| Plus an Energy Charge per kWh (Infrastructure): | | $ 0.01977 |
| Plus an Energy Charge per kWh (Variable): | | $ 0.03206 |
| Plus an Energy Charge per kWh (Total): | | $ 0.05183 |
| Plus a Demand Charge per kW: | | |
| Base Hours | $ 3.51 | $ 3.48 |
| Peak Hours | $ 7.68 | $ 7.62 |

**Residential Gas Service - Rate RGS**

| | Current | Proposed |
|---|---|---|
| Basic Service Charge per Month: | $16.35 per delivery point | |
| Basic Service Charge per Day: | | $0.65 per delivery point |
| Plus a Charge Per 100 Cubic Feet: | | |
| Distribution Charge | $ 0.36300 | $0.39076 |
| Gas Supply Cost Component | 0.41446 | $0.41446 |
| Total Gas Charge Per 100 Cubic Feet | $ 0.77746 | $0.80522 |

LG&E 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. LG&E 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 or gas service and miscellaneous charges, as well as adding a Standard Facility Contribution Rider for gas service. LG&E's proposed rates reflect a proposed annual increase in electric revenues of approximately 3.09% and gas revenues of approximately 7.57% to LG&E.

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 | 917 | 18,795,252 | 4.09 | 4.23 | 4.09 |
| Residential Time-of-Day Energy | 1,077 | 3,838 | 4.06 | 4.35 | 4.06 |
| General Service | 2,322 | 4,410,485 | 2.66 | 8.00 | 2.66 |
| Power Service | 52,002 | 4,723,825 | 2.65 | 133.13 | 2.65 |
| Time-of-Day Secondary | 227,989 | 2,031,137 | 2.08 | 389.55 | 2.08 |
| Time-of-Day Primary | 1,326,570 | 3,100,289 | 2.10 | 2,015.79 | 2.10 |
| Retail Transmission | 6,770,655 | 1,426,166 | 2.11 | 9,142.08 | 2.11 |
| Fluctuating Load | No Customers are currently served under this Rate Schedule | | | | |
| Outdoor Lights | 94 | 636,550 | 2.66 | 0.60 | 2.70 |
| Lighting Energy | 1,942 | 0.00 | 0.00 | 0.00 | 0.00 |
| Traffic Energy | 284 | (6.00) | 0.00 | 0.00 | 0.00 |
| 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 | 2,000 | 272 | 2.66 | 23.00 | 2.66 |

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

| **Gas Rate Class** | **Average Usage (Mcf)** | **Annual $ Increase** | **Annual % Increase** | **Mthly Bill $ Increase** | **Mthly Bill % Increase** |
|---|---|---|---|---|---|
| Residential | 5.4 | 17,691,740 | 8.12 | 4.93 | 8.12 |
| Commercial | 33.1 | 7,347,663 | 8.12 | 24.42 | 8.12 |
| Industrial | 596.7 | (74.00) | 0.00 | (0.02) | 0.00 |
| As-Available | 3,598.4 | 0.00 | 0.00 | 0.00 | 0.00 |
| Firm Transportation | 14,385.0 | (85.00) | 0.00 | (0.09) | 0.00 |
| Distributed Generation | 0.4 | 0.00 | 0.00 | 0.00 | 0.00 |
| Substitute Gas Sales | 124.8 | 3,528 | 8.12 | 293.98 | 8.12 |
| Local Gas Delivery | No Customers are currently served under this Rate Schedule | | | | |

The monthly residential electric bill increase due to the proposed electric base rates will be 4.1 percent, or approximately $4.23, for a customer using 917 kWh of electricity (the average monthly consumption of a LG&E residential customer). LG&E 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 7.5%, or approximately $7.53, for a customer using 917 kWh of electricity.

The monthly residential gas bill increase due to the proposed gas base rates will be 8.1 percent, or approximately $4.93, for a customer using 54 ccf of gas (the average monthly consumption of a LG&E residential customer). LG&E 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 gas bill increase will be 12.2%, or approximately $7.14, for a customer using 54 ccf of gas.

LG&E is proposing numerous revisions to the rates, terms and conditions for service under for 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**

LG&E is proposing the following revisions to other charges in its Electric tariff:

| **Other Charges** | **Current Charge** | **Proposed Charge** |
|---|---|---|
| Returned Payment Charge | $10.00 | $3.00 |
| Meter Pulse Charge | $15.00 | $25.00 |
| Redundant Capacity - Secondary | $1.59 | $1.84 |
| Redundant Capacity - Primary | $1.44 | $1.41 |
| EVSE – Single Charger | $180.50 | $135.83 |
| EVSE – Dual Charger | $302.13 | $198.85 |
| EVSE-R – Single Charger | $132.00 | $125.14 |
| EVSE-R – Dual Charger | $205.15 | $177.49 |
| EVC – Charge per Hour for First Two Hours | $2.86 | $0.75 |
| EVC – Charge per Hour for Every Hour After First Two Hours | $2.86 | $1.00 |
| Solar Share Program Rider | $6.27 | $5.68 |
| Excess Facilities – w/ no CIAC | 1.32% | 1.26% |
| Excess Facilities – w/ CIAC | 0.54% | 0.53% |
| TS – Temporary-to-Permanent | 100% | 15% |
| TS – Seasonal | 100% | 100% |

LG&E is proposing the following revisions to other charges in its Gas tariff:

| **Other Charges** | **Current Charge** | **Proposed Charge** |
|---|---|---|
| Returned Payment Charge | $10.00 | $3.00 |
| Daily Storage Charge for Daily Imbalances (TS-1 and LGDS) | $0.2785 | $0.3797 |
| Excess Facilities – w/ no CIAC | 1.24% | 1.19% |
| Excess Facilities – w/ CIAC | 0.47% | 0.46% |

A detailed notice of all proposed revisions and a complete copy of the proposed tariffs containing the proposed text changes, terms and conditions for electric or gas service and rates may be obtained by submitting a written request by e-mail to myaccount@lge-ku.com or by mail to Louisville Gas and Electric Company, ATTN: Rates Department, 220 West Main Street, Louisville, Kentucky, 40202, or by visiting LG&E'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 LG&E's service territory or at the offices of LG&E located at 820 West Broadway, Louisville, Kentucky.

A person may examine LG&E's application at the offices of LG&E located at 820 West Broadway, Louisville, Kentucky, and at LG&E'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. 2018-00295.

The rates contained in this notice are the rates proposed by LG&E, 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.

Louisville Gas and Electric Company
220 West Main Street
P. O. Box 32010
Louisville, Kentucky 40232
502-589-1444 or 1-800-331-7370

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

# Exhibit B

# Listing of Newspapers Publishing Notice

**List of Newspapers in LG&E Territory**
Glasgow Daily Times
Cave City Barren Co Progress
Shepherdsville Pioneer News
Greensburg Record Herald
Elizabethtown News Enterprise
Munfordville Hart Co News
New Castle Henry Co Local
Louisville Courier Journal
Hodgenville Larue Herald
Lebanon Enterprise
Brandenburg Meade Messenger
Edmonton Herald News
Bardstown KY Standard
LaGrange Oldham Era
Shelbyville Sentinel News
Taylorsville Spencer Magnet
Bedford Trimble Banner
Springfield Sun

# Exhibit C

# Notice of the Filing – Full Notice

**CUSTOMER NOTICE OF RATE ADJUSTMENT**

Notice is hereby given that, in a September 28, 2018, Application, Louisville Gas and Electric Company is seeking approval by the Kentucky Public Service Commission, Frankfort, Kentucky of an adjustment of electric and gas rates and charges proposed to become effective on and after November 1, 2018.

## LG&E CURRENT AND PROPOSED ELECTRIC RATES

### Residential Service - Rate RS

**Rate:**

| | Current | Proposed |
|---|---|---|
| Basic Service Charge per Month: | $12.25 | |
| Basic Service Charge per Day: | | $0.53 |
| Plus an Energy Charge per kWh: | $0.09382 | |
| Infrastructure | | $0.06214 |
| Variable | | $0.03206 |
| Total | | $0.09420 |

**Adjustment Clauses:**

**Current**

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

| | |
|---|---|
| Fuel Adjustment Clause | Sheet No. 85 |
| Off-System Sales Adjustment Clause | Sheet No. 88 |
| Demand Side Management Cost Recovery Mechanism | Sheet No. 86 |
| Tax Cuts and Jobs Act Surcredit | Sheet No. 89 |
| Environmental Cost Recovery Surcharge | Sheet No. 87 |
| Franchise Fee Rider | Sheet No. 90 |
| School Tax | Sheet No. 91 |
| Home Energy Assistance Program | Sheet No. 92 |

**Proposed**

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

| | |
|---|---|
| Demand-Side Management Cost Recovery Mechanism | Sheet No. 86 |
| Fuel Adjustment Clause | Sheet No. 85 |
| Off-System Sales Adjustment Clause | Sheet No. 88 |
| Environmental Cost Recovery Surcharge | Sheet No. 87 |
| Home Energy Assistance Program | Sheet No. 92 |
| Franchise Fee | Sheet No. 90 |
| School Tax | Sheet No. 91 |

**Late Payment Charge**:

**Current**

If full payment is not received by the due date of the bill, a 3% late payment charge will be assessed on the current month's charges. Beginning October 1, 2010, residential Customers who receive a pledge for or notice of low income energy assistance from an authorized agency will not be assessed or required to pay a late payment charge for the bill for which the pledge or notice is received, nor will they be assessed or required to pay a late payment charge in any of the eleven (11) months following receipt of such pledge or notice.

**Proposed**
If full payment is not received by the due date of the bill, a 3% late payment charge will be assessed on the current month's charges. Residential Customers who receive a pledge for or notice of low income energy assistance from an authorized agency will not be assessed or required to pay a late payment charge for the bill for which the pledge or notice is received, nor will they be assessed or required to pay a late payment charge in any of the eleven (11) months following receipt of such pledge or notice.
Beginning May 1, 2019, Residential Service Customers in good standing by not having been assessed a Late Payment Charge for the previous eleven (11) months have the option of waiving one (1) late payment charge upon request. This option may only be used once every twelve (12) months as long as the Customer remains in good standing.

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

**Rate:**

| | Current | Proposed |
|---|---|---|
| Basic Service Charge per Month: | $12.25 | |
| Basic Service Charge per Day: | | $ 0.53 |
| Plus an Energy Charge per kWh: | | |
| Off-Peak Hours | $0.06882 | |
| Off-Peak Hours (Infrastructure): | | $ 0.03676 |
| Off-Peak Hours (Variable): | | $ 0.03206 |
| Off-Peak Hours (Total): | | $ 0.06882 |
| On-Peak Hours | $0.23483 | |
| On-Peak Hours (Infrastructure): | | $ 0.20852 |
| On-Peak Hours (Variable): | | $ 0.03206 |
| On-Peak Hours (Total): | | $ 0.24058 |

**Adjustment Clauses:**
**Current**
The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

| | |
|---|---|
| Fuel Adjustment Clause | Sheet No. 85 |
| Off-System Sales Adjustment Clause | Sheet No. 88 |
| Demand Side Management Cost Recovery Mechanism | Sheet No. 86 |
| Tax Cuts and Jobs Act Surcredit | Sheet No. 89 |
| Environmental Cost Recovery Surcharge | Sheet No. 87 |
| Franchise Fee Rider | Sheet No. 90 |
| School Tax | Sheet No. 91 |
| Home Energy Assistance Program | Sheet No. 92 |

**Proposed**
The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

| | |
|---|---|
| Demand-Side Management Cost Recovery Mechanism | Sheet No. 86 |
| Fuel Adjustment Clause | Sheet No. 85 |
| Off-System Sales Adjustment Clause | Sheet No. 88 |
| Environmental Cost Recovery Surcharge | Sheet No. 87 |
| Home Energy Assistance Program | Sheet No. 92 |
| Franchise Fee | Sheet No. 90 |
| School Tax | Sheet No. 91 |

**Rating Periods:**

**Current**

Pricing periods are established in Eastern Standard Time year round by season for weekdays and weekends. The hours of the pricing periods for the price levels are as follows:

Summer Months of April through October

| | Off-Peak | On-Peak |
|---|---|---|
| Weekdays | 5 PM - 1 PM | 1 PM - 5 PM |
| Weekends | All Hours | |

All Other Months of November continuously through March

| | Off-Peak | On-Peak |
|---|---|---|
| Weekdays | 11 AM - 7 AM | 7 AM - 11 AM |
| Weekends | All Hours | |

**Proposed**

The rating periods are established in Eastern Standard Time year-round by season for weekdays and weekends throughout Company's service territory, and shall be as follows:

Summer Months of April through October

| | Off-Peak | On-Peak |
|---|---|---|
| Weekdays | 5 PM - 1 PM | 1 PM - 5 PM |
| Weekends | All Hours | |

All Other Months of November continuously through March

| | Off-Peak | On-Peak |
|---|---|---|
| Weekdays | 11 AM - 7 AM | 7 AM - 11 AM |
| Weekends | All Hours | |

If a legal holiday falls on a weekday, it will be considered a weekday.

**Late Payment Charge**:

**Current**

If full payment is not received by the due date of the bill, a 3% late payment charge will be assessed on the current month's charges.

**Proposed**

If full payment is not received by the due date of the bill, a 3% late payment charge will be assessed on the current month's charges.

Beginning May 1, 2019, RTOD-Energy Customers in good standing by not having been assessed a Late Payment Charge for the previous eleven (11) months have the option of waiving one (1) late payment charge upon request. This option may only be used once every twelve (12) months as long as the Customer remains in good standing.

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

**Rate:**

**Current**

| | |
|---|---|
| Basic Service Charge per Month: | $12.25 |
| Plus an Energy Charge per kWh: | $ 0.05183 |
| Plus a Demand Charge per kW: | |
| Base Hours | $ 3.51 |
| Peak Hours | $ 7.68 |

**Proposed**

| | |
|---|---|
| Basic Service Charge per Day: | $ 0.53 |
| Plus an Energy Charge per kWh (Infrastructure): | $ 0.01977 |
| Plus an Energy Charge per kWh (Variable): | $ 0.03206 |
| Plus an Energy Charge per kWh (Total): | $ 0.05183 |
| Plus a Demand Charge per kW: | |
| Base Hours | $ 3.48 |
| Peak Hours | $ 7.62 |

**Adjustment Clauses:**

**Current**

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

| | |
|---|---|
| Fuel Adjustment Clause | Sheet No. 85 |
| Off-System Sales Adjustment Clause | Sheet No. 88 |
| Demand Side Management Cost Recovery Mechanism | Sheet No. 86 |
| Tax Cuts and Jobs Act Surcredit | Sheet No. 89 |
| Environmental Cost Recovery Surcharge | Sheet No. 87 |
| Franchise Fee Rider | Sheet No. 90 |
| School Tax | Sheet No. 91 |
| Home Energy Assistance Program | Sheet No. 92 |

**Proposed**

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

| | |
|---|---|
| Demand-Side Management Cost Recovery Mechanism | Sheet No. 86 |
| Fuel Adjustment Clause | Sheet No. 85 |
| Off-System Sales Adjustment Clause | Sheet No. 88 |
| Environmental Cost Recovery Surcharge | Sheet No. 87 |
| Home Energy Assistance Program | Sheet No. 92 |
| Franchise Fee | Sheet No. 90 |
| School Tax | Sheet No. 91 |

**Rating Periods:**

**Current**

Pricing periods are established in Eastern Standard Time year round by season for weekdays and weekends. The hours of the pricing periods for the price levels are as follows:

Summer Months of April through October

| | Off-Peak | On-Peak |
|---|---|---|
| Weekdays | All Hours | 1 PM - 5 PM |
| Weekends | All Hours | |

All Other Months of November continuously through March

| | Off-Peak | On-Peak |
|---|---|---|
| Weekdays | All Hours | 7 AM - 11 AM |
| Weekends | All Hours | |

**Proposed**

The rating periods are established in Eastern Standard Time year-round by season for weekdays and weekends throughout Company’s service territory, and shall be as follows:

Summer Months of April through October

| | Off-Peak | On-Peak |
|---|---|---|
| Weekdays | All Hours | 1 PM - 5 PM |
| Weekends | All Hours | |

All Other Months of November continuously through March

| | Off-Peak | On-Peak |
|---|---|---|
| Weekdays | All Hours | 7 AM - 11 AM |
| Weekends | All Hours | |

If a legal holiday falls on a weekday, it will be considered a weekday.

**Late Payment Charge**:
**Current**
If full payment is not received by the due date of the bill, a 3% late payment charge will be assessed on the current month's charges.
**Proposed**
If full payment is not received by the due date of the bill, a 3% late payment charge will be assessed on the current month's charges.
Beginning May 1, 2019, RTOD-Demand Customers in good standing by not having been assessed a Late Payment Charge for the previous eleven (11) months have the option of waiving one (1) late payment charge upon request. This option may only be used once every twelve (12) months as long as the Customer remains in good standing.

## Volunteer Fire Department Service - Rate VFD

**Rate:**

| | **Current** | **Proposed** |
|---|---|---|
| Basic Service Charge per Month: | $12.25 | |
| Basic Service Charge per Day: | | $0.53 |
| Plus an Energy Charge per kWh: | $0.09382 | |
| Infrastructure | | $0.06214 |
| Variable | | $0.03206 |
| Total | | $0.09420 |

**Adjustment Clauses:**
**Current**
The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

| | |
|---|---|
| Fuel Adjustment Clause | Sheet No. 85 |
| Off-System Sales Adjustment Clause | Sheet No. 88 |
| Demand Side Management Cost Recovery Mechanism | Sheet No. 86 |
| Tax Cuts and Jobs Act Surcredit | Sheet No. 89 |
| Environmental Cost Recovery Surcharge | Sheet No. 87 |
| Franchise Fee Rider | Sheet No. 90 |
| School Tax | Sheet No. 91 |

**Proposed**
The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

| | |
|---|---|
| Demand-Side Management Cost Recovery Mechanism | Sheet No. 86 |
| Fuel Adjustment Clause | Sheet No. 85 |
| Off-System Sales Adjustment Clause | Sheet No. 88 |
| Environmental Cost Recovery Surcharge | Sheet No. 87 |
| Franchise Fee | Sheet No. 90 |
| School Tax | Sheet No. 91 |

## General Service - Rate GS

**Rate:**

| **Single Phase** | **Current** | **Proposed** |
|---|---|---|
| Basic Service Charge per Month | $31.50 | |
| Basic Service Charge per Day: | | $ 1.04 |
| Plus an Energy Charge per kWh | $0.10297 | |
| Infrastructure | | $0.07354 |
| Variable | | $0.03283 |
| Total | | $0.10637 |
| **Three Phase** | | |
| Basic Service Charge per Month | $50.40 | |
| Basic Service Charge per Day: | | $1.66 |
| Plus an Energy Charge per kWh | $0.10297 | |
| Infrastructure | | $0.07354 |
| Variable | | $0.03283 |
| Total | | $0.10637 |

**Adjustment Clauses:**

**Current**

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

| | |
|---|---|
| Fuel Adjustment Clause | Sheet No. 85 |
| Off-System Sales Adjustment Clause | Sheet No. 88 |
| Demand Side Management Cost Recovery Mechanism | Sheet No. 86 |
| Tax Cuts and Jobs Act Surcredit | Sheet No. 89 |
| Environmental Cost Recovery Surcharge | Sheet No. 87 |
| Franchise Fee Rider | Sheet No. 90 |
| School Tax | Sheet No. 91 |

**Proposed**

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

| | |
|---|---|
| Demand-Side Management Cost Recovery Mechanism | Sheet No. 86 |
| Fuel Adjustment Clause | Sheet No. 85 |
| Off-System Sales Adjustment Clause | Sheet No. 88 |
| Environmental Cost Recovery Surcharge | Sheet No. 87 |
| Franchise Fee | Sheet No. 90 |
| School Tax | Sheet No. 91 |

## Power Service – Rate PS

**Rate:**

| **Secondary Service** | **Current** | **Proposed** |
|---|---|---|
| Basic Service Charge per Month | $90.00 | |
| Basic Service Charge per Day | | $2.96 |
| Plus an Energy Charge per kWh | $0.03756 | $0.03306 |
| Plus a Demand Charge per kW per month of billing demand | | |
| Summer Rate (May through September) | $22.04 | $24.80 |
| Winter Rate (All Other Months) | $19.39 | $21.83 |

| **Primary Service** | **Current** | **Proposed** |
|---|---|---|
| Basic Service Charge per Month | $240.00 | |
| Basic Service Charge per Day | | $7.89 |
| Plus an Energy Charge per kWh | $0.03609 | $0.03223 |
| Plus a Demand Charge per kW per month of billing demand | | |
| Summer Rate (May through September) | $19.38 | $21.89 |
| Winter Rate (All Other Months) | $16.86 | $19.04 |

**Adjustment Clauses:**

**Current**

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

| | |
|---|---|
| Fuel Adjustment Clause | Sheet No. 85 |
| Off-System Sales Adjustment Clause | Sheet No. 88 |
| Demand Side Management Cost Recovery Mechanism | Sheet No. 86 |
| Tax Cuts and Jobs Act Surcredit | Sheet No. 89 |
| Environmental Cost Recovery Surcharge | Sheet No. 87 |
| Franchise Fee Rider | Sheet No. 90 |
| School Tax | Sheet No. 91 |

**Proposed**

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

| | |
|---|---|
| Demand-Side Management Cost Recovery Mechanism | Sheet No. 86 |
| Fuel Adjustment Clause | Sheet No. 85 |
| Off-System Sales Adjustment Clause | Sheet No. 88 |
| Environmental Cost Recovery Surcharge | Sheet No. 87 |
| Franchise Fee | Sheet No. 90 |
| School Tax | Sheet No. 91 |

## Time-of-Day Secondary Service Rate TODS

**Availability:**

**Current**

This schedule is available for secondary service. Service under this schedule will be limited to customers whose 12-month-average monthly minimum loads exceed 250 kW and whose 12-month-average monthly maximum loads do not exceed 5,000 kW.

**Proposed**

Available for secondary service to Customers whose twelve (12) month-average monthly minimum loads exceed 250 kVA, and whose twelve (12) month-average monthly maximum loads do not exceed 5,000 kVA.

**Rate:**

| | **Current** | **Proposed** |
|---|---|---|
| Basic Service Charge per Month | $200.00 | |
| Basic Service Charge per Day | | $6.58 |
| Plus an Energy Charge per kWh | $0.03734 | $0.03263 |
| Plus a Maximum Load Charge per kW per month | | |
| Peak Demand Period | $7.30 | |
| Intermediate Demand Period | $5.51 | |
| Base Demand Period | $5.21 | |

Plus a Maximum Load Charge per kVA per month

| | |
|---|---|
| Peak Demand Period | $8.91 |
| Intermediate Demand Period | $6.74 |
| Base Demand Period | $3.61 |

**<u>Current</u>**

Where:

the monthly billing demand for the Peak and Intermediate Demand Periods is the greater of:

a) the maximum measured load in the current billing period, or

b) a minimum of 50% of the highest measured load in the preceding eleven (11) monthly billing periods, and

the monthly billing demand for the Base Demand Period is the greater of:

a) the maximum measured load in the current billing period but not less than 250 kW, or

b) the highest measured load in the preceding eleven (11) monthly billing periods, or

c) the contract capacity based on the maximum load expected on the system or on facilities specified by Customer.

**<u>Proposed</u>**

Where:

the monthly billing demand for the Peak and Intermediate Demand Periods is the greater of:

1. the maximum measured load in the current billing period, or
2. a minimum of 50% of the highest measured load in the preceding eleven (11) monthly billing periods, and

the monthly billing demand for the Base Demand Period is the greater of:

1. the maximum measured load in the current billing period but not less than 250 kVA, or
2. the highest measured load in the preceding eleven (11) monthly billing periods, or
3. the contract capacity based on the maximum load expected on the system or on facilities specified by Customer.

**Adjustment Clauses:**

**<u>Current</u>**

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

| | |
|---|---|
| Fuel Adjustment Clause | Sheet No. 85 |
| Off-System Sales Adjustment Clause | Sheet No. 88 |
| Demand Side Management Cost Recovery Mechanism | Sheet No. 86 |
| Tax Cuts and Jobs Act Surcredit | Sheet No. 89 |
| Environmental Cost Recovery Surcharge | Sheet No. 87 |
| Franchise Fee Rider | Sheet No. 90 |
| School Tax | Sheet No. 91 |

**<u>Proposed</u>**

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

| | |
|---|---|
| Demand-Side Management Cost Recovery Mechanism | Sheet No. 86 |
| Fuel Adjustment Clause | Sheet No. 85 |
| Off-System Sales Adjustment Clause | Sheet No. 88 |
| Environmental Cost Recovery Surcharge | Sheet No. 87 |
| Franchise Fee | Sheet No. 90 |
| School Tax | Sheet No. 91 |

**Rating Periods:**
**<u>Current</u>**
The rating periods applicable to the Maximum Load charges are established in Eastern Standard Time year-round by season for weekdays and weekends throughout Company's service area, and shall be as follows:

<u>Summer peak months of May through September</u>

| | Base | Intermediate | Peak |
|---|---|---|---|
| Weekdays | All Hours | 10 A.M. – 10 P.M. | 1 P.M. – 7 P.M. |
| Weekends | All Hours | | |

<u>All other months of October continuously through April</u>

| | Base | Intermediate | Peak |
|---|---|---|---|
| Weekdays | All Hours | 6 A.M. – 10 P.M. | 6 A.M. – 12 Noon |
| Weekends | All Hours | | |

**<u>Proposed</u>**
The rating periods applicable to the Maximum Load charges are established in Eastern Standard Time year-round by season for weekdays and weekends throughout Company's service area, and shall be as follows:

<u>Summer peak months of May through September</u>

| | Base | Intermediate | Peak |
|---|---|---|---|
| Weekdays | All Hours | 10 A.M. – 10 P.M. | 1 P.M. – 7 P.M. |
| Weekends | All Hours | | |

<u>All other months of October continuously through April</u>

| | Base | Intermediate | Peak |
|---|---|---|---|
| Weekdays | All Hours | 6 A.M. – 10 P.M. | 6 A.M. – 12 Noon |
| Weekends | All Hours | | |

If a legal holiday falls on a weekday, it will be considered a weekday.

**Determination of Maximum Load:**
**<u>Current</u>**
The load will be measured and will be the average kW demand delivered to the customer during the 15-minute period of maximum use during the appropriate rating period each month. Company reserves the right to place a kVA meter and base the billing demand on the measured kVA. The charge will be computed based on the measured kVA times 90 percent, at the applicable kW charge.
In lieu of placing a kVA meter, Company may adjust the measured maximum load for billing purposes when the power factor is less than 90 percent in accordance with the following formula: (BASED ON POWER FACTOR MEASURED AT THE TIME OF MAXIMUM LOAD)

$$\text{Adjusted Maximum kW Load for Billing Purposes} = \frac{\text{Maximum kW Load Measured x 90\%}}{\text{Power Factor (in percent)}}$$

**<u>Proposed</u>**
The load will be measured and will be the average kVA demand delivered to Customer during the 15-minute period of maximum use during the appropriate rating period each month.

**<u>Time-of-Day Primary Service Rate TODP</u>**

**Rate:**

| | **<u>Current</u>** | **<u>Proposed</u>** |
|---|---|---|
| Basic Service Charge per Month | $330.00 | |
| Basic Service Charge per Day | | $ 10.84 |
| Plus an Energy Charge per kWh | $ 0.03505 | $ 0.03193 |
| Plus a Maximum Load Charge per kVA per month | | |
| Peak Demand Period | $ 6.96 | $ 8.21 |
| Intermediate Demand Period | $ 5.23 | $ 6.16 |
| Base Demand Period | $ 3.48 | $ 3.46 |

**Adjustment Clauses:**

**Current**

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

| | |
|---|---|
| Fuel Adjustment Clause | Sheet No. 85 |
| Off-System Sales Adjustment Clause | Sheet No. 88 |
| Demand Side Management Cost Recovery Mechanism | Sheet No. 86 |
| Tax Cuts and Jobs Act Surcredit | Sheet No. 89 |
| Environmental Cost Recovery Surcharge | Sheet No. 87 |
| Franchise Fee Rider | Sheet No. 90 |
| School Tax | Sheet No. 91 |

**Proposed**

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

| | |
|---|---|
| Demand-Side Management Cost Recovery Mechanism | Sheet No. 86 |
| Fuel Adjustment Clause | Sheet No. 85 |
| Off-System Sales Adjustment Clause | Sheet No. 88 |
| Environmental Cost Recovery Surcharge | Sheet No. 87 |
| Franchise Fee | Sheet No. 90 |
| School Tax | Sheet No. 91 |

**Rating Periods:**

**Current**

The rating periods applicable to the Maximum Load charges are established in Eastern Standard Time year round by season for weekdays and weekends throughout Company's service area, and shall be as follows:

Summer peak months of May through September

| | Base | Intermediate | Peak |
|---|---|---|---|
| Weekdays | All Hours | 10 A.M. – 10 P.M. | 1 P.M. – 7 P.M. |
| Weekends | All Hours | | |

All other months of October continuously through April

| | Base | Intermediate | Peak |
|---|---|---|---|
| Weekdays | All Hours | 6 A.M. – 10 P.M. | 6 A.M. – 12 Noon |
| Weekends | All Hours | | |

**Proposed**

The rating periods applicable to the Maximum Load charges are established in Eastern Standard Time year-round by season for weekdays and weekends throughout Company's service area, and shall be as follows:

Summer peak months of May through September

| | Base | Intermediate | Peak |
|---|---|---|---|
| Weekdays | All Hours | 10 A.M. – 10 P.M. | 1 P.M. – 7 P.M. |
| Weekends | All Hours | | |

All other months of October continuously through April

| | Base | Intermediate | Peak |
|---|---|---|---|
| Weekdays | All Hours | 6 A.M. – 10 P.M. | 6 A.M. – 12 Noon |
| Weekends | All Hours | | |

If a legal holiday falls on a weekday, it will be considered a weekday.

## Retail Transmission Service - Rate RTS

**Rate:**

| | Current | Proposed |
|---|---|---|
| Basic Service Charge per Month | $1,500.00 | |
| Basic Service Charge per Day | | $49.28 |
| Plus an Energy Charge per kWh | $0.03378 | $0.03152 |
| Plus a Maximum Load Charge per kVA per month | | |
| Peak Demand Period | $7.00 | $8.01 |
| Intermediate Demand Period | $5.25 | $6.01 |
| Base Demand Period | $1.86 | $1.92 |

**Adjustment Clauses:**

**Current**

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

| | |
|---|---|
| Fuel Adjustment Clause | Sheet No. 85 |
| Off-System Sales Adjustment Clause | Sheet No. 88 |
| Demand Side Management Cost Recovery Mechanism | Sheet No. 86 |
| Tax Cuts and Jobs Act Surcredit | Sheet No. 89 |
| Environmental Cost Recovery Surcharge | Sheet No. 87 |
| Franchise Fee Rider | Sheet No. 90 |
| School Tax | Sheet No. 91 |

**Proposed**

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

| | |
|---|---|
| Demand-Side Management Cost Recovery Mechanism | Sheet No. 86 |
| Fuel Adjustment Clause | Sheet No. 85 |
| Off-System Sales Adjustment Clause | Sheet No. 88 |
| Environmental Cost Recovery Surcharge | Sheet No. 87 |
| Franchise Fee | Sheet No. 90 |
| School Tax | Sheet No. 91 |

**Rating Periods:**

**Current**

The rating periods applicable to the Maximum Load charges are established in Eastern Standard Time year round by season for weekdays and weekends throughout Company's service area, and shall be as follows:

Summer peak months of May through September

| | Base | Intermediate | Peak |
|---|---|---|---|
| Weekdays | All Hours | 10 A.M. – 10 P.M. | 1 P.M. – 7 P.M. |
| Weekends | All Hours | | |

All other months of October continuously through April

| | Base | Intermediate | Peak |
|---|---|---|---|
| Weekdays | All Hours | 6 A.M. – 10 P.M. | 6 A.M. – 12 Noon |
| Weekends | All Hours | | |

**Proposed**

The rating periods applicable to the Maximum Load charges are established in Eastern Standard Time year-round by season for weekdays and weekends throughout Company's service area, and shall be as follows:

Summer peak months of May through September

| | Base | Intermediate | Peak |
|---|---|---|---|
| Weekdays | All Hours | 10 A.M. – 10 P.M. | 1 P.M. – 7 P.M. |
| Weekends | All Hours | | |

All other months of October continuously through April

| | Base | Intermediate | Peak |
|---|---|---|---|
| Weekdays | All Hours | 6 A.M. – 10 P.M. | 6 A.M. – 12 Noon |
| Weekends | All Hours | | |

If a legal holiday falls on a weekday, it will be considered a weekday.

**Fluctuating Load Service Rate FLS**

**Rate:**

| **Primary Service** | **Current** | **Proposed** |
|---|---|---|
| Basic Service Charge per Month | $330.00 | |
| Basic Service Charge per Day | | $10.84 |
| Plus an Energy Charge per kWh | $0.03505 | $0.03193 |
| Plus a Maximum Load Charge per kVA per month | | |
| Peak Demand Period | $6.39 | $7.80 |
| Intermediate Demand Period | $4.67 | $5.80 |
| Base Demand Period | $3.11 | $3.24 |
| **Transmission Service** | **Current** | **Proposed** |
| Basic Service Charge per Month | $1,500.00 | |
| Basic Service Charge per Day | | $49.28 |
| Plus an Energy Charge per kWh | $0.03378 | $0.03152 |
| Plus a Maximum Load Charge per kVA per month | | |
| Peak Demand Period | $6.46 | $7.61 |
| Intermediate Demand Period | $4.73 | $5.66 |
| Base Demand Period | $1.70 | $1.80 |

**Adjustment Clauses:**

**Current**

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

| | |
|---|---|
| Fuel Adjustment Clause | Sheet No. 85 |
| Off-System Sales Adjustment Clause | Sheet No. 88 |
| Tax Cuts and Jobs Act Surcredit | Sheet No. 89 |
| Environmental Cost Recovery Surcharge | Sheet No. 87 |
| Franchise Fee Rider | Sheet No. 90 |
| School Tax | Sheet No. 91 |

**Proposed**

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

| | |
|---|---|
| Demand-Side Management Cost Recovery Mechanism | Sheet No. 86 |
| Fuel Adjustment Clause | Sheet No. 85 |
| Off-System Sales Adjustment Clause | Sheet No. 88 |
| Environmental Cost Recovery Surcharge | Sheet No. 87 |
| Franchise Fee | Sheet No. 90 |
| School Tax | Sheet No. 91 |

**Rating Periods:**
**Current**
The rating periods applicable to the Maximum Load charges are established in Eastern Standard Time year round by season for weekdays and weekends throughout Company's service area, and shall be as follows:
Summer peak months of May through September

| | Base | Intermediate | Peak |
|---|---|---|---|
| Weekdays | All Hours | 10 A.M. – 10 P.M. | 1 P.M. – 7 P.M. |
| Weekends | All Hours | | |

All other months of October continuously through April

| | Base | Intermediate | Peak |
|---|---|---|---|
| Weekdays | All Hours | 6 A.M. – 10 P.M. | 6 A.M. – 12 Noon |
| Weekends | All Hours | | |

**Proposed**
The rating periods applicable to the Maximum Load charges are established in Eastern Standard Time year-round by season for weekdays and weekends throughout Company's service area, and shall be as follows:

Summer peak months of May through September

| | Base | Intermediate | Peak |
|---|---|---|---|
| Weekdays | All Hours | 10 A.M. – 10 P.M. | 1 P.M. – 7 P.M. |
| Weekends | All Hours | | |

All other months of October continuously through April

| | Base | Intermediate | Peak |
|---|---|---|---|
| Weekdays | All Hours | 6 A.M. – 10 P.M. | 6 A.M. – 12 Noon |
| Weekends | All Hours | | |

If a legal holiday falls on a weekday, it will be considered a weekday.

## Lighting Service - Rate LS

| | Rate Per Light Per Month | |
|---|---|---|
| **OVERHEAD SERVICE** | **Current** | **Proposed** |
| ***High Pressure Sodium*** | | |
| 452 Cobra Head, 16000 Lumen Fixture Only | $14.44 | Move to RLS |
| 453 Cobra Head, 28500 Lumen Fixture Only | $16.85 | Move to RLS |
| 454 Cobra Head, 50000 Lumen Fixture Only* | $19.20 | Move to RLS |
| 455 Directional, 16000 Lumen Fixture Only | $15.39 | Move to RLS |
| 456 Directional, 50000 Lumen Fixture Only* | $20.03 | Move to RLS |
| 457 Open Bottom, 9500 Lumen Fixture Only | $12.78 | Move to RLS |
| ***Metal Halide*** | | |
| 473 Directional, 32000 Lumen Fixture Only* | $20.65 | Move to RLS |
| ***Light Emitting Diode (LED)*** | | |
| 490 Cobra Head, 5.5K-8.2K Lumen Range Fixture Only | $16.33 | $ 9.63 |
| 491 Cobra Head, 13K-16.5K Lumen Range Fixture Only | $19.34 | $11.65 |
| 492 Cobra Head, 22K-29K Lumen Range Fixture Only* | $27.49 | $13.65 |
| 493 Open Bottom, 4.5K-6K Lumen Range Fixture Only | $11.53 | $ 8.74 |
| LC1 Cobra Head, 2.5K-4K Lumen Range Fixture Only | New | $ 8.40 |
| LF1 Directional, 4.5K-6K Lumen Range Fixture Only | New | $11.21 |
| LF2 Directional, 14K-17.5K Lumen Range Fixture Only | New | $13.01 |
| LF3 Directional, 22K-28K Lumen Range Fixture Only | New | $15.36 |
| LF4 Directional, 35K-50K Lumen Range Fixture Only | New | $21.93 |

| UNDERGROUND SERVICE | Rate Per Light Per Month<br>Current | <br>Proposed |
|---|---|---|
| ***High Pressure Sodium*** | | |
| 412 Colonial, 4-Sided, 5800 Lumen Smooth Pole | $22.17 | Move to RLS |
| 413 Colonial, 4-Sided, 9500 Lumen Smooth Pole | $22.94 | Move to RLS |
| 444 Colonial, 4-Sided, 16000 Lumen Smooth Pole | $22.88 | Move to RLS |
| 415 Acorn, 5800 Lumen Smooth Pole | $22.57 | Move to RLS |
| 416 Acorn, 9500 Lumen Smooth Pole | $25.06 | Move to RLS |
| 445 Acorn, 16000 Lumen Smooth Pole | $24.87 | Move to RLS |
| 427 London, 5800 Lumen Fluted Pole | $37.96 | $39.09 |
| 429 London, 9500 Lumen Fluted Pole | $38.00 | $39.13 |
| 431 Victorian, 5800 Lumen Fluted Pole | $35.65 | $36.71 |
| 433 Victorian, 9500 Lumen Fluted Pole | $37.80 | $38.92 |
| 400 Dark Sky, 4000 Lumen | $26.56 | Move to RLS |
| 401 Dark Sky, 9500 Lumen | $26.83 | Move to RLS |
| 956 Victorian/London Bases - Westchester/Norfolk | $ 3.71 | Move to RLS |
| 423 Cobra Head, 16000 Lumen Smooth Pole | $29.16 | Move to RLS |
| 424 Cobra Head, 28500 Lumen Smooth Pole | $31.51 | Move to RLS |
| 425 Cobra Head, 50000 Lumen Smooth Pole* | $37.39 | Move to RLS |
| 439 Contemporary, 16000 Lumen Fixture Only | $18.08 | Move to RLS |
| 420 Contemporary, 16000 Lumen Fixture & Pole | $32.86 | Move to RLS |
| 440 Contemporary, 28500 Lumen Fixture Only* | $20.05 | Move to RLS |
| 421 Contemporary, 28500 Lumen Fixture & Pole* | $35.48 | Move to RLS |
| 441 Contemporary, 50000 Lumen Fixture Only* | $24.14 | Move to RLS |
| 422 Contemporary, 50000 Lumen Fixture & Pole* | $41.19 | Move to RLS |
| ***Metal Halide*** | | |
| 481 Contemporary, 32000 Lumen Fixture Only* | $22.43 | Move to RLS |
| 482 Contemporary, 32000 Lumen Fixture & Pole* | $33.55 | Move to RLS |
| ***Light Emitting Diode (LED)*** | | |
| LC2 Cobra Head, 2.5K-4K Lumen Range Fixture Only | New | $ 3.94 |
| 496 Cobra Head, 5.5K-8.2K Lumen Range Fixture Only | $54.63 | $ 5.17 |
| 497 Cobra Head, 13K-16.5K Lumen Range Fixture Only | $57.64 | $ 7.19 |
| 498 Cobra Head, 22K-29K Lumen Range Fixture Only | $65.79 | $10.36 |
| 499 Colonial, 4-Sided, 4K-7K Lumen Range Fixture Only | $48.35 | $ 7.25 |
| LA1 Acorn, 4K-7K Lumen Range Fixture Only | New | $ 6.75 |
| LN1 Contemporary, 4K-7K Lumen Range Fixture Only | New | $ 6.74 |
| LN2 Contemporary, 8K-11K Lumen Range Fixture Only | New | $ 7.85 |
| LN3 Contemporary, 13.5K-16.5K Lumen Range Fixture Only | New | $ 9.56 |
| LN4 Contemporary, 21K-28K Lumen Range Fixture Only | New | $13.86 |
| LN5 Contemporary, 45K-50K Lumen Range Fixture Only | New | $20.91 |
| LF5 Directional, 4.5K-6K Lumen Range Fixture Only | New | $ 7.86 |
| LF6 Directional, 14K-17.5K Lumen Range Fixture Only | New | $ 9.66 |
| LF7 Directional, 22K-28K Lumen Range Fixture Only | New | $12.01 |
| LF8 Directional, 35K-50K Lumen Range Fixture Only | New | $18.58 |
| ***Pole Charges*** | | |
| PL1 Cobra | New | $30.99 |
| PL2 Contemporary (Short) | New | $14.94 |
| PL3 Contemporary (Tall) | New | $21.93 |
| PL4 Post-Top – Decorative Smooth | New | $14.73 |
| PL5 Post-Top – Historic Fluted | New | $20.50 |

**NEW**
**Conversion Fee**
Customer will be required to pay a monthly conversion fee for 60 months if Customer requests to change current functioning non-LED fixture to an LED fixture. This conversion fee represents the remaining book value of the current working non-LED fixtures.
Conversion Fee: $7.49 per month for 60 months

**Adjustment Clauses:**
**Current**
The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

| | |
|---|---|
| Fuel Adjustment Clause | Sheet No. 85 |
| Off-System Sales Adjustment Clause | Sheet No. 88 |
| Tax Cuts and Jobs Act Surcredit | Sheet No. 89 |
| Environmental Cost Recovery Surcharge | Sheet No. 87 |
| Franchise Fee Rider | Sheet No. 90 |
| School Tax | Sheet No. 91 |

**Proposed**
The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

| | |
|---|---|
| Fuel Adjustment Clause | Sheet No. 85 |
| Off-System Sales Adjustment Clause | Sheet No. 88 |
| Environmental Cost Recovery Surcharge | Sheet No. 87 |
| Franchise Fee | Sheet No. 90 |
| School Tax | Sheet No. 91 |

**Terms and Conditions:**
**Current**
6. If Customer requests the removal of an existing lighting system, including, but not limited to, fixtures, poles, or other supporting facilities that were in service less than twenty years, and requests installation of replacement lighting within 5 years of removal, Customer agrees to pay to Company its cost of labor to install the replacement facilities.
7. Temporary suspension of lighting service is not permitted. Upon permanent discontinuance of service, lighting units and other supporting facilities solely associated with providing service under this tariff, except underground facilities and pedestals, will be removed.

**Proposed**
6. If Customer requests the removal of an existing lighting system, including, but not limited to, fixtures, poles, or other supporting facilities, Customer agrees to pay to Company its cost of labor to remove existing facilities. Customer will be required to pay Conversion Fee if Customer requests installation of LED replacement within five (5) years.
7. Temporary suspension of lighting service is not permitted. Upon permanent discontinuance of service, lighting units and other supporting facilities solely associated with providing service under this tariff, except underground facilities and pedestals, will be removed.
8. Should Customer request underground service, Customer shall make a non-refundable cash contribution prior to the time of installation, or, at the option of Company, make a work contribution to Company for the difference in the installed cost of the system requested and the cost of the overhead lighting system.
Where the location of existing poles is not suitable or where there are no existing poles for mounting of lights, and Customer requests service under these conditions, Company may furnish the requested facilities at an additional charge to be determined under the Excess Facilities Rider.

## Restricted Lighting Service – Rate RLS

| OVERHEAD SERVICE | Rate Per Light Per Month Current | Proposed |
|---|---|---|
| ***Mercury Vapor*** | | |
| 252 Cobra/Open Bottom 8000L Fixture Only | $10.88 | $11.20 |
| 203 Cobra Head 13000 Lumen Fixture Only | $12.36 | $12.73 |
| 204 Cobra Head 25000 Lumen Fixture Only | $15.12 | $15.57 |
| 209 Cobra Head 60000 Lumen Fixture Only* | $30.57 | $31.48 |
| 207 Directional 25000 Lumen Fixture Only | $17.19 | $17.70 |
| 210 Directional 60000 Lumen Fixture Only* | $31.80 | $32.74 |
| 201 Open Bottom 4000 Lumen Fixture Only | $ 9.43 | $ 9.71 |
| ***Metal Halide*** | | |
| 470 Directional, 12000 Lumen Fixture Only | $14.50 | $14.93 |
| 471 Directional, 12000 Lumen Fixture & Wood Pole | $17.17 | $17.68 |
| 474 Directional, 32000 Lumen Fixture & Wood Pole* | $22.94 | $23.62 |
| 475 Directional, 32000 Lumen Fixture & Metal Pole* | $30.40 | $31.30 |
| 476 Directional, 107800 Lumen Fixture Only* | $43.23 | $44.51 |
| 477 Directional, 107800 Lumen Fixture & Wood Pole* | $46.42 | $47.80 |
| 473 Directional, 32000 Lumen Fixture Only | Moved from LS | $21.26 |
| ***High Pressure Sodium*** | | |
| 452 Cobra Head, 16000 Lumen Fixture Only | Moved from LS | $14.87 |
| 453 Cobra Head, 28500 Lumen Fixture Only | Moved from LS | $17.35 |
| 454 Cobra Head, 50000 Lumen Fixture Only* | Moved from LS | $19.77 |
| 455 Directional, 16000 Lumen Fixture Only | Moved from LS | $15.85 |
| 456 Directional, 50000 Lumen Fixture Only* | Moved from LS | $20.62 |
| 457 Open Bottom, 9500 Lumen Fixture Only | Moved from LS | $13.16 |
| ***Wood Pole*** | | |
| 958 Wood Pole Installed Before 3/1/2010 | $11.32 | $11.66 |
| 900 Wood Pole Installed Before 7/1/2004 | $ 2.15 | $2.21 |

| UNDERGROUND SERVICE | Rate Per Light Per Month Current | Proposed |
|---|---|---|
| ***High Pressure Sodium*** | | |
| 275 Cobra/Contemporary 16000L Fixture & Smooth Pole | $27.64 | $28.46 |
| 266 Cobra/Contemporary 28500L Fixture & Smooth Pole | $30.35 | $31.25 |
| 267 Cobra/Contemporary 50000L Fixture & Smooth Pole* | $34.64 | $35.67 |
| 276 Coach/Acorn 5800 Lumen Fixture & Smooth Pole | $16.69 | $17.19 |
| 274 Coach/Acorn 9500 Lumen Fixture & Smooth Pole | $19.90 | $20.49 |
| 277 Coach/Acorn 16000 Lumen Fixture & Smooth Pole | $24.34 | $25.06 |
| 279 Contemporary 120000 Lumen Fixture Only* | $47.45 | $48.86 |
| 278 Contemporary 120000 Lumen Fixture & Smooth Pole* | $78.58 | $80.91 |
| 417 Acorn 9500 Lumen Bronze Decorative Pole | $26.21 | $27.00 |
| 419 Acorn 16000 Lumen Bronze Decorative Pole | $28.08 | $28.91 |
| 280 Victorian 5800 Lumen Fixture Only | $22.13 | $22.78 |
| 281 Victorian 9500 Lumen Fixture Only | $23.19 | $23.88 |
| 282 London 5800 Lumen Fixture Only | $22.29 | $22.95 |
| 283 London 9500 Lumen Fixture Only | $23.69 | $24.39 |
| 426 London, 5800 Lumen Fixture & Pole | $35.94 | $37.01 |
| 428 London, 9500 Lumen Fixture & Pole | $36.89 | $37.99 |
| 430 Victorian, 5800 Lumen Fixture & Pole | $34.96 | $36.00 |
| 432 Victorian, 9500 Lumen Fixture Pole | $37.13 | $38.23 |
| 412 Colonial, 4-Sided 5800 Lumen Fixture & Smooth Pole | Moved from LS | $22.83 |

| High Pressure Sodium (continued) | Rate Per Light Per Month<br>Current | <br>Proposed |
|---|---|---|
| 413 Colonial, 4-Sided 9500 Lumen Fixture & Smooth Pole | Moved from LS | $23.62 |
| 444 Colonial, 4-Sided 16000 Lumen Fixture & Smooth Pole | Moved from LS | $23.56 |
| 415 Acorn, 5800 Lumen Fixture & Smooth Pole | Moved from LS | $23.24 |
| 416 Acorn, 9500 Lumen Fixture & Smooth Pole | Moved from LS | $25.80 |
| 445 Acorn, 16000 Lumen Fixture & Smooth Pole | Moved from LS | $25.61 |
| 400 Dark Sky, 4000 Lumen Fixture & Smooth Pole | Moved from LS | $27.35 |
| 401 Dark Sky, 9500 Lumen Fixture & Smooth Pole | Moved from LS | $27.63 |
| 423 Cobra Head, 16000 Lumen Fixture & Smooth Pole | Moved from LS | $30.03 |
| 424 Cobra Head, 28500 Lumen Fixture & Smooth Pole | Moved from LS | $32.45 |
| 425 Cobra Head, 50000 Lumen Fixture & Smooth Pole | Moved from LS | $38.50 |
| 439 Contemporary, 16000 Lumen Fixture Only | Moved from LS | $18.62 |
| 420 Contemporary, 16000 Lumen Fixture & Smooth Pole | Moved from LS | $33.84 |
| 440 Contemporary, 28500 Lumen Fixture Only | Moved from LS | $20.65 |
| 421 Contemporary, 28500 Lumen Fixture & Smooth Pole | Moved from LS | $36.53 |
| 441 Contemporary, 50000 Lumen Fixture Only | Moved from LS | $24.86 |
| 422 Contemporary, 50000 Lumen Fixture & Smooth Pole | Moved from LS | $42.41 |
| ***Mercury Vapor*** | | |
| 318 Cobra Head, 8000 Lumen Fixture & Pole | $18.91 | $19.47 |
| 314 Cobra Head, 13000 Lumen Fixture & Pole | $20.80 | $21.43 |
| 315 Cobra Head, 25000 Lumen Fixture & Pole | $24.79 | $25.53 |
| 206 Coach, 4000 Lumen Fixture & Pole | $13.85 | $14.26 |
| 208 Coach, 8000 Lumen Fixture & Pole | $15.66 | $16.13 |
| ***Metal Halide*** | | |
| 479 Contemporary, 12000 Lumen Fixture Only | $16.14 | $16.62 |
| 480 Contemporary, 12000 Lumen Fixture & Pole | $26.62 | $27.41 |
| 483 Contemporary, 107800 Lumen Fixture Only* | $46.20 | $47.57 |
| 484 Contemporary, 107800 Lumen Fixture & Pole* | $57.30 | $59.00 |
| 481 Contemporary, 32000 Lumen Fixture Only* | Moved from LS | $23.10 |
| 482 Contemporary, 32000 Lumen Fixture & Pole* | Moved from LS | $34.55 |
| ***Incandescent*** | | |
| 349 Continental Jr, 1500 Lumen Fixture & Pole | $ 9.96 | $10.26 |
| 348 Continental Jr, 6000 Lumen Fixture & Pole | $14.20 | $14.62 |
| ***Bases*** | | |
| 950 Victorian/London Bases, Old Town | $ 3.62 | $ 3.73 |
| 951 Victorian/London Bases, Chesapeake | $ 3.83 | $ 3.94 |
| 956 Victorian/London Bases, Westchester/Norfolk | Moved from LS | $ 3.82 |
| ***Poles*** | | |
| 901 Smooth 10’ Pole | $10.82 | $11.14 |
| 902 Fluted 10’ Pole | $12.91 | $13.29 |

**Adjustment Clauses:**

**Current**

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

| | |
|---|---|
| Fuel Adjustment Clause | Sheet No. 85 |
| Off-System Sales Adjustment Clause | Sheet No. 88 |
| Tax Cuts and Jobs Act Surcredit | Sheet No. 89 |
| Environmental Cost Recovery Surcharge | Sheet No. 87 |
| Franchise Fee Rider | Sheet No. 90 |
| School Tax | Sheet No. 91 |

**Proposed**
The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

| | |
|---|---|
| Fuel Adjustment Clause | Sheet No. 85 |
| Off-System Sales Adjustment Clause | Sheet No. 88 |
| Environmental Cost Recovery Surcharge | Sheet No. 87 |
| Franchise Fee | Sheet No. 90 |
| School Tax | Sheet No. 91 |

## Lighting Energy Service - Rate LE

**Rate:**

| | **Current** | **Proposed** |
|---|---|---|
| Energy Charge per kWh: | $0.07046 | $0.07046 |

**Adjustment Clauses:**

**Current**
The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

| | |
|---|---|
| Fuel Adjustment Clause | Sheet No. 85 |
| Off-System Sales Adjustment Clause | Sheet No. 88 |
| Tax Cuts and Jobs Act Surcredit | Sheet No. 89 |
| Environmental Cost Recovery Surcharge | Sheet No. 87 |
| Franchise Fee Rider | Sheet No. 90 |
| School Tax | Sheet No. 91 |

**Proposed**
The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

| | |
|---|---|
| Fuel Adjustment Clause | Sheet No. 85 |
| Off-System Sales Adjustment Clause | Sheet No. 88 |
| Environmental Cost Recovery Surcharge | Sheet No. 87 |
| Franchise Fee | Sheet No. 90 |
| School Tax | Sheet No. 91 |

## Traffic Energy Service – Rate TE

**Availability of Service:**

**Current**
Available to municipalities, county governments, divisions of the state or Federal governments or any other governmental agency for service on a 24 hour all day every day basis, where the governmental agency owns and maintains all equipment on its side of the point of delivery of the energy supplied hereunder. In the application of this rate each point of delivery will be considered as a separate customer.
This service is limited to traffic control devices including, but not limited to, signals, cameras, or other traffic lights, electronic communication devices, and emergency sirens.

**Proposed**
Available to municipalities, county governments, divisions of the state or Federal governments or any other governmental agency for service on a 24 hour all day every day basis, where the governmental agency owns and maintains all equipment on its side of the point of delivery of the energy supplied hereunder. In the application of this rate each point of delivery will be considered as a separate Customer.
This service is limited to traffic control devices including, but not limited to, signals, cameras, or other traffic lights, electronic communication devices, emergency sirens, and gunshot triangulation devices.

**Rate:**
**<u>Current</u>**

| | |
|---|---|
| Basic Service Charge per Month: | $4.00 per delivery |
| Energy Charge per kWh: | $0.08394 |

**<u>Proposed</u>**

| | |
|---|---|
| Basic Service Charge per Day: | $0.13 per delivery point |
| Energy Charge per kWh: | $0.08409 |

**Adjustment Clauses:**
**<u>Current</u>**
The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

| | |
|---|---|
| Fuel Adjustment Clause | Sheet No. 85 |
| Off-System Sales Adjustment Clause | Sheet No. 88 |
| Tax Cuts and Jobs Act Surcredit | Sheet No. 89 |
| Environmental Cost Recovery Surcharge | Sheet No. 87 |
| Franchise Fee Rider | Sheet No. 90 |
| School Tax | Sheet No. 91 |

**<u>Proposed</u>**
The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

| | |
|---|---|
| Fuel Adjustment Clause | Sheet No. 85 |
| Off-System Sales Adjustment Clause | Sheet No. 88 |
| Environmental Cost Recovery Surcharge | Sheet No. 87 |
| Franchise Fee | Sheet No. 90 |
| School Tax | Sheet No. 91 |

## <u>Pole and Structure Attachment Charges, Terms and Conditions – Rate PSA</u>

**Attachment Charges:**
**<u>Current</u>**
$7.25 per year for each wireline pole attachment.
$0.81 per year for each linear foot of duct.
$36.25 per year for each Wireless Facility located on the top of a Company pole.
**<u>Proposed</u>**
$7.25 per year for each wireline pole attachment.
$0.81 per year for each linear foot of duct.
$36.25 per year for each Wireless Facility located on the top of a Company pole.

**<u>Revisions to Terms and Conditions:</u>**
1) Availability

Expands the types of entities eligible to affix attachments to Company structures to include state, local and federal governmental units and educational institutions, such as public and private colleges. Provides that current license agreements with governmental units or educational institutions to permit attachment will continue in effect until their expiration date, at which time the attachments will be subject to the PSA Rate Schedule.

2) Penalties

Establishes a penalty of $25 per unauthorized attachment in addition to the assessment of two years of attachment fees. Currently an attachment customer is assessed two years of attachment fees ($14.50) for each unauthorized attachment.

Establishes a penalty for failing to correct an attachment installation that fails to conform to the standards of the National Electrical Safety Code ("NESC"). This penalty is equal to 50% of the Company's actual cost to correct the non-compliant installation and may be imposed only if an attachment customer fails to properly install an attachment and, after receiving notice of the non-compliant installation, fails to correct that installation within the prescribed time.

3) Self-performing Make Ready Work

Requires an attachment customer to notify the Company one week before the start of make-ready supply space work and to reimburse the Company for the cost of a Company inspector to accompany the attachment customer's overhead electric crews. Notice of such work is not currently required.

4) Definition of "Attachment"

Revises definition of attachment to clarify that multiple attachments located within one foot of usable space will not be considered a single attachment and will be in violation of NESC and Company standards.

5) Unauthorized attachments

Establishes that an attachment is an "unauthorized attachment" if (1) a new attachment is made prior to completion of all necessary communications space make-ready, including the transfer of existing attachments to a new pole, or (2) an overlash is made without required advanced notice.

6) Unidentified attachments

Requires reimbursement of the Company's costs to identify the owner of an untagged attachment when the Company must relocate or remove an untagged attachment or otherwise contact the attachment's owner and the attachment owner cannot be readily identified. Provides that the time period in which the owner of an untagged attachment must take corrective action regarding its attachment begins upon the date on which the Company determines that corrective action on the untagged attachment is required.

7) Attachment Audit/Inventory

Requires an attachment customer to bear the cost of periodic attachment audits and inventories.

8) Insurance

Revises required insurance coverage levels and the eligibility requirements for self-insurance.

9) Surety bond

Modifies surety bond requirements to provide a fixed surety requirement based solely upon the number of attachments. Current requirements vary with the stage of construction of the attachment and the length of time that the attachment has been attached.

**Electric Vehicle Supply Equipment – Rate EVSE**

| | Current | Proposed |
|---|---|---|
| Monthly Charging Unit Fee: | | |
| Single Charger | $180.50 | $135.83 |
| Dual Charger | $302.13 | $198.85 |

**Adjustment Clauses:**
**<u>Current</u>**
The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

| | |
|---|---|
| Fuel Adjustment Clause | Sheet No. 85 |
| Off-System Sales Adjustment Clause | Sheet No. 88 |
| Tax Cuts and Jobs Act Surcredit | Sheet No. 89 |
| Environmental Cost Recovery Surcharge | Sheet No. 87 |
| Franchise Fee Rider | Sheet No. 90 |
| School Tax | Sheet No. 91 |

**<u>Proposed</u>**
The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

| | |
|---|---|
| Fuel Adjustment Clause | Sheet No. 85 |
| Off-System Sales Adjustment Clause | Sheet No. 88 |
| Environmental Cost Recovery Surcharge | Sheet No. 87 |
| Franchise Fee | Sheet No. 90 |
| School Tax | Sheet No. 91 |

## <u>Electric Vehicle Charging – Rate EVC</u>

**Availability:**
**<u>Current</u>**
Available to operators of licensed electric vehicles (EV). EV Customer is defined as the party who owns/operates a licensed electric vehicle, connects that vehicle for the purpose of receiving vehicle charging service to a Company-owned charging station providing service under this schedule, and willingly accepts the Company's fee structure for the vehicle charging service. EVC is offered under the conditions set out hereinafter for the purpose of charging EVs via street parking, parking lots, and other outdoor areas. EV Customers' charging systems must meet applicable charging standards.
Company assumes no liability or responsibility for any potential automotive-related incidents that occur at specific charging locations. EV Customer accepts all restrictions related to the temporary parking space.
**<u>Proposed</u>**
Available to operators of licensed electric vehicles (EV). EV Customer is defined as the party who owns/operates a licensed electric vehicle, connects that vehicle for the purpose of receiving vehicle charging service to a Company-owned charging station providing service under this schedule, and willingly accepts Company's fee structure for the vehicle charging service. EVC is offered under the conditions set out hereinafter for the purpose of charging EVs via street parking, parking lots, and other outdoor areas. EV Customers' charging systems must meet applicable charging standards. Service under this rate schedule is limited to a maximum of ten stations. Company will accept Customers on a first-come-first-served basis.
Company assumes no liability or responsibility for any potential automotive-related incidents that occur at specific charging locations. EV Customer accepts all restrictions related to the temporary parking space.

**Rate:**

| | **<u>Current</u>** | **<u>Proposed</u>** |
|---|---|---|
| Fee Per Hour | $2.86 | |
| Fee for First Two (2) Hours (per hour): | | $0.75 |
| Fee for Every Hour After First Two (2) Hours (per hour): | | $1.00 |

**Adjustment Clauses:**
**Current**
The bill amount computed at the charges specified above includes the following:

| | |
|---|---|
| Fuel Adjustment Clause | Sheet No. 85 |
| Off-System Sales Adjustment Clause | Sheet No. 88 |
| Environmental Cost Recovery Surcharge | Sheet No. 87 |

The bill amount specified above will be increased or decreased in accordance with the following:

| | |
|---|---|
| Tax Cuts and Jobs Act Surcredit | Sheet No. 89 |
| Franchise Fee | Sheet No. 90 |
| School Tax | Sheet No. 91 |

**Proposed**
The bill amount computed at the charges specified above includes the following:

| | |
|---|---|
| Fuel Adjustment Clause | Sheet No. 85 |
| Off-System Sales Adjustment Clause | Sheet No. 88 |
| Environmental Cost Recovery Surcharge | Sheet No. 87 |

The bill amount specified above will be increased or decreased in accordance with the following:

| | |
|---|---|
| Franchise Fee | Sheet No. 90 |
| School Tax | Sheet No. 91 |

## Special Charges

**Returned Payment Charge**

| | |
|---|---|
| **Current Rate** | $10.00 |
| **Proposed Rate** | $ 3.00 |

**Meter Test Charge**

| | |
|---|---|
| **Current Rate** | $75.00 |
| **Proposed Rate** | $75.00 |

**Disconnecting and Reconnecting Service Charge**

| | |
|---|---|
| **Current Rate** | $28.00 |
| **Proposed Rate** | $28.00 |

**Meter Pulse Charge**

**Current Rate**
$15.00 per month per installed set of pulse-generating equipment
**Proposed Rate**
$25.00 per month per installed set of pulse-generating equipment

**Unauthorized Reconnect Charge:**
**Current**
When the Company determines that Customer has tampered with a meter, reconnected service without authorization from Company that previously had been disconnected by Company, or connected service without authorization from Company, then the following charges shall be assessed for each instance of such tampering or unauthorized reconnection or connection of service:

1. A charge of $70.00 for tampering or an unauthorized connection or reconnection that does not require the replacement of the meter;
2. A charge of $90.00 for tampering or an unauthorized connection or reconnection that requires the replacement of a single-phase standard meter;
3. A charge of $110.00 for tampering or an unauthorized connection or reconnection that requires the replacement of a single-phase Automatic Meter Reading (AMR) meter;

4.A charge of $174.00 for tampering or an unauthorized connection or reconnection that requires the replacement of a single-phase Automatic Meter System (AMS) meter; or
5.A charge of $177.00 for tampering or an unauthorized connection or reconnection that requires the replacement of a three-phase meter.

**Proposed**

When the Company determines that Customer has tampered with a meter, reconnected service without authorization from Company that previously had been disconnected by Company, or connected service without authorization from Company, then the following charges shall be assessed for each instance of such tampering or unauthorized reconnection or connection of service:
(1) A charge of $70.00 for tampering or an unauthorized connection or reconnection that does not require the replacement of the meter;
(2) A charge of $90.00 for tampering or an unauthorized connection or reconnection that requires the replacement of a single-phase standard meter;
(3) A charge of $110.00 for tampering or an unauthorized connection or reconnection that requires the replacement of a single-phase Automatic Meter Reading (AMR) meter;
(4) A charge of $174.00 for tampering or an unauthorized connection or reconnection that requires the replacement of a single-phase Advanced Metering System (AMS) meter; or
(5) A charge of $177.00 for tampering or an unauthorized connection or reconnection that requires the replacement of a three-phase meter.

## Curtailable Service Rider-1 – CSR-1

**Rate:**

| **Primary** | **Current** | **Proposed** |
|---|---|---|
| Monthly Demand Credit Per kVA: | $3.67 | $3.67 |
| Non-Compliance Charge Per kVA: | $16.00 | $16.00 |
| **Transmission** | **Current** | **Proposed** |
| Monthly Demand Credit Per kVA: | $3.56 | $3.56 |
| Non-Compliance Charge Per kVA: | $16.00 | $16.00 |

## Curtailable Service Rider-2 – CSR-2

**Rate:**

| **Primary** | **Current** | **Proposed** |
|---|---|---|
| Monthly Demand Credit Per kVA: | $6.00 | $6.00 |
| Non-Compliance Charge Per kVA: | $16.00 | $16.00 |
| **Transmission** | **Current** | **Proposed** |
| Monthly Demand Credit Per kVA: | $5.90 | $5.90 |
| Non-Compliance Charge Per kVA: | $16.00 | $16.00 |

## Net Metering Service

**Metering and Billing**

**Current**

Net metering service shall be measured using a single meter or, as determined by Company, additional meters and shall be measured in accordance with standard metering practices by metering equipment capable of registering power flow in both directions for each time period defined by the applicable rate schedule. This net metering equipment shall be provided without any cost to the Customer. This provision does not relieve Customer’s responsibility to pay metering costs embedded in the Company’s Commission-approved base rates. Additional meters, requested by Customer, will be provided at Customer’s expense.

If electricity generated by Customer and fed back to Company's system exceeds the electricity supplied to Customer from the system during a billing period, Customer shall receive a billing- period credit for the net delivery on Customer's bill for the succeeding billing periods. If Customer takes service under time-of-use or time-of-day rate schedule, Company will apply billing-period credits Customer creates in a particular time-of-day or time-of-use block only to offset net energy consumption in the same time-of-day or time-of-use blocks in any billing period. Any such unused excess billing-period credits will be carried forward and drawn on by Customer as needed. Unused excess billing-period credits existing at the time Customer's service is terminated end with Customer's account and are not transferrable between customers or locations.

**Proposed**

Net metering service shall be measured using a single meter or, as determined by Company, additional meters and shall be measured in accordance with standard metering practices by metering equipment capable of registering power flow in both directions for each time period defined by the applicable rate schedule. This net metering equipment shall be provided without any cost to Customer. This provision does not relieve Customer's responsibility to pay metering costs embedded in Company's Commission-approved base rates. Additional meters, requested by Customer, will be provided at Customer's expense. If electricity generated by Customer and fed back to Company's system exceeds the electricity supplied to Customer from the system during a billing period, Customer shall receive a billing- period credit for the net delivery on Customer's bill for the succeeding billing periods. If Customer takes service a under time-of-use or time-of-day rate schedule, Company will apply billing-period credits Customer creates in a particular time-of-day or time-of-use block only to offset net energy consumption in the same time-of-day or time-of-use block; such credits will not be used to offset net energy consumption in other time-of-day or time-of-use blocks in any billing period. Any such unused excess billing-period credits will be carried forward and drawn on by Customer as needed. Unused excess billing-period credits existing at the time Customer's service is terminated end with Customer's account and are not transferrable between Customers or locations.

**Standard Rider for Excess Facilities – Rider EF**

| Customer shall pay for excess facilities by: | **Current** | **Proposed** |
|---|---|---|
| (a) Making a monthly Excess Facilities charge payment equal to the installed cost of the excess facilities times the following percentage: | | |
| Percentage with No Contribution-in-Aid-of-Construction | 1.32% | 1.26% |
| (b) Making a one-time Contribution-in-Aid-of-Construction equal to the installed cost of the excess facilities plus a monthly Excess Facilities Charge payment equal to the installed cost of the excess facilities times the following percentage: | | |
| Percentage with Contribution-in-Aid-of-Construction | 0.54% | 0.53% |

**Standard Rider for Redundant Capacity Charge – Rider RC**

**Availability:**

**Current**

Available to customers requesting the reservation of capacity on Company's facilities which are shared by other customers when Company has and is willing to reserve such capacity. Such facilities represent a redundant delivery to provide electric service to the Customer's facility in the event that an emergency or unusual occurrence renders the Customer's principal delivery unavailable for providing service. Where Customer desires to split a load between multiple meters on multiple feeds and contract for Redundant Capacity on those feeds, service is contingent on the practicality of metering to measure any transferred load to the redundant feed.

**Proposed**

Available to customers served under Company's rate schedules which include a demand charge or a special contract including a demand charge.

Available to Customers requesting the reservation of capacity on Company's facilities which are shared by other Customers when Company has and is willing to reserve such capacity. Such facilities represent a redundant delivery to provide electric service to Customer's facility in the event that an emergency or unusual occurrence renders Customer's principal delivery unavailable for providing service. Where Customer desires to split a load between multiple meters on multiple feeds and contract for Redundant Capacity on those feeds, service is contingent on the practicality of metering to measure any transferred load to the redundant feed.

**Rate:**

| Capacity Reservation Charge per Month: | **Current** **(Per kW/kVA)** | **Proposed** **(Per kW/kVA)** |
|---|---|---|
| Secondary Distribution | $1.59 | $1.84 |
| Primary Distribution | $1.44 | $1.41 |

## Temporary-to-Permanent and Seasonal Service – Rider TS

**Availability:**

**Current**

This rider is available at the option of Company where:

1. Customer's business does not require permanent installation of Company's facilities excluding service provided for construction of permanent delivery points for residences and commercial buildings, and is of such nature to require only seasonal service or temporary service; or
2. the service is over 50 kW, provided for construction purposes, and where in the judgment of Company the local and system electrical facility capacities are adequate to serve the load without impairment of service to other customers; or
3. Customer has need for temporary intermittent use of Company facilities and Company has facilities it is willing to provide Customer for installation and operational testing of Customer's equipment.

This service is available for not less than one (1) month (approximately thirty (30) days), but when service is used longer than one (1) month, any fraction of a month's use will be prorated for billing purposes. Where this service is provided under 2 or 3 above, the Company will determine the term of service, which shall not exceed one (1) year.

**Proposed**

This rider is available at the option of Company where:

1. Customer's business requires service provided for construction of permanent delivery points for residences and commercial buildings; or
2. Customer's business does not require permanent installation of Company's facilities and is of such nature to require only seasonal service or temporary service; or
3. Customer's service is over 50 kW, provided for construction purposes, and where in the judgment of Company the local and system electrical facility capacities are adequate to serve the load without impairment of service to other Customers; or
4. Customer has need for temporary intermittent use of Company facilities and Company has facilities it is willing to provide Customer for installation and operational testing of Customer's equipment.

This service is available for not less than one (1) month (approximately thirty (30) days), but when service is used longer than one (1) month, any fraction of a month's use will be prorated for billing purposes. Where this service is provided under 3 or 4 above, Company will determine the term of service, which shall not exceed three (3) years.

**Conditions:**

**<u>Current</u>**

Company may permit such electric loads to be served on the rate schedule normally applicable, but without requiring a yearly contract and minimum, substituting therefor the following conditions and agreements:

1. Customer shall pay Company for all costs of making temporary connections, including cost of installing necessary transformers, meters, poles, wire and any other material, and any cost of material which cannot be salvaged, and the cost of removing such facilities when load has ceased.
2. Customer shall pay regular rate of the applicable electric rate schedule.
3. Where Customer is receiving service under a standard rate and has need for temporary use of Company facilities, Customer will pay for non-salvageable materials outlined in (1) above plus a monthly charge for the salvageable equipment at the Percentage With No Contribution -in-Aid-of-Construction specified on the Excess Facilities Rider, Rate Sheet No. 60.

**<u>Proposed</u>**

Company may permit such electric loads to be served on the rate schedule normally applicable, but without requiring a yearly contract and minimum, substituting therefore the following conditions and agreements:

1. For Temporary-to-Permanent service which requires service for construction of permanent delivery points for residences and commercial buildings, the Company will provide a temporary electric service upon request by the customer for a non-refundable charge. This charge, which will be subject to an annual review and revision, shall depend on the facilities which must be installed (and removed) by the Company in order to connect service.

   The standard charge shall be 15% of the estimated installation and removal cost where the facilities to provide service are already in place. It also applies where all of the installed facilities will be utilized, without modification, as part of a future permanent service.
2. For Seasonal Service where facilities are installed for temporary service that will not be utilized as part of a future permanent service, the customer shall pay Company for all costs of making temporary connections, including cost of installing necessary transformers, meters, poles, wire and any other material, and any cost of material which cannot be salvaged, and the cost of removing such facilities when load has ceased.

   Temporary services for underground or overhead installations are to be constructed as specified by Company standards. Customer will furnish and install material and equipment, including mast for service entrance, conductors, meter base, main disconnect, breaker assembly and grounding. Once the temporary service is no longer needed, the Customer must contact the Company for removal.

   For such cases where a temporary service is written upon a refundable contract, the customer will be refunded back the deposit paid for the temporary service after three years of continuous service.

## <u>Green Tariff – Rider GT</u>

**New Tariff – Replaces Small Green Energy Rider (SGE) and Large Green Energy Rider (LGE)**

The Company is adding a new Green Tariff to ensure that businesses inside and outside Kentucky know that the Company has multiple renewable offerings. The new Green Tariff provides three options for customers seeking to support the development of renewable energy resources.

The first option is the continuation of the Company' existing Small Green Energy and Large Green Energy programs (Riders SGE and LGE), which the Company proposes to remove from its tariff as separate riders and incorporate into a single option under the new Green Tariff. None of the pricing or substantive terms of the existing Riders SGE and LGE will change in Green Tariff option 1.

The second option in the new Green Tariff is the Business Solar option. This option will continue and formalize as a tariff offering the Company's existing Business Solar program. The program is for non-residential customers seeking to have solar facilities constructed and owned by the Company. The Company arranges for the design, installation, and ongoing operation and maintenance of the facilities. Business Solar customers receive two significant benefits: (1) the benefit of additionality, i.e., causing entirely new solar facilities to be constructed, and (2) the benefit of receiving the value of the facilities' output.

The Company will require a contract with a customer under the Business Solar option to obtain reasonable assurances of cost recovery, and will file all such contracts with the Commission.

The third Green Tariff option will allow customers to engage with the Company to consider entering into renewable energy purchase agreements to supply some or all of a customer's energy needs. To be eligible for option 3, a customer must have load of 10 MVA or more and be willing to enter into an obligation for 10 MW or more of new (not already existing) renewable capacity. The energy from the new renewable facility must be delivered to the Company's transmission system. The minimum term of the contract into which the customer must enter with the Company is five years and is equivalent to the term of the agreement with the renewable energy provider. The Company will file all such contracts with the Commission. The Company proposes to limit this offering to 50 MW.

## Economic Development Rider – Rider EDR

**Rate:**

**Current**

A customer taking service under EDR shall be served according to all of the rates, terms, and conditions of the normally applicable rate schedule subject to the following:

a) for the twelve consecutive monthly billings of the first contract year, the Total Demand Charge shall be reduced by 50%;

b) for the twelve consecutive monthly billings of the second contract year, the Total Demand Charge shall be reduced by 40%;

c) for the twelve consecutive monthly billings of the third contract year, the Total Demand Charge shall be reduced by 30%;

d) for the twelve consecutive monthly billings of the fourth contract year, the Total Demand Charge shall be reduced by 20%;

e) for the twelve consecutive monthly billings of the fifth contract year, the Total Demand Charge shall be reduced by 10%; and

f) all subsequent billing shall be at the full charges stated in the applicable rate schedule.

"Total Demand Charge" is the sum of all demand charges, including any credits provided under any other demand applicable rider, before the EDR discounts described above are applied.

**Proposed**

A Customer taking service under EDR shall be served according to all of the rates, terms, and conditions of the normally applicable rate schedule subject to the following:

For the twelve (12) consecutive monthly billings and the subsequent four consecutive twelve (12) monthly billing periods thereafter, the Total Demand Charge shall be reduced by 50%, 40%, 30%, 20%, 10% in the order of Customers choosing at time of contract filing. All subsequent billing shall be at the full charges stated in the applicable rate schedule after this five (5) year period.

"Total Demand Charge" is the sum of all demand charges, including any credits provided under any other demand applicable rider, before the EDR discounts described above are applied.

**Terms and Conditions:**

**Current**

Brownfield Development

a) Service under EDR for Brownfield Development is available to customers locating at sites that have been submitted to, approved by, and added to the Brownfield Inventory maintained by the Kentucky Energy and Environment Cabinet (or by any successor entity created and authorized by the Commonwealth of Kentucky).

b) EDR for Brownfield Development is available only to minimum monthly billing loads of 500 kVA or greater where the customer takes service from existing Company facilities.

Economic Development

c) Service under EDR for Economic Development is available to:

1) new customers contracting for a minimum monthly billing load of 1,000 kVA; and

2) existing customers contracting for a minimum monthly billing load of 1,000 kVA above their Existing Base Load, to be determined as follows:

i. Company and the existing customer will determine Customer's Existing Base Load by calculating a 12-month rolling average of measured demand.

ii. Company and the existing customer must agree upon the Existing Base Load, which shall be an explicit term of the special contract submitted to the Commission for approval before the customer can take service under EDR. Once the Existing Base Load's value is thus established, it will not be subject to variation or eligible for service under EDR.

iii. This provision is not intended to reduce or diminish in any way EDR service already being provided to all or a portion of a customer's Existing Base Load. Such EDR service would continue under the terms of the contract already existing between the Company and the customer concerning the affected portion of the customer's Existing Base Load.

d) A customer desiring service under EDR for Economic Development must submit an application for service that includes:

1) a description of the new load to be served;

2) the number of new employees, if any, Customer anticipates employing associated with the new load;

3) the capital investment Customer anticipates making associated with the EDR load;

4) a certification that Customer has been qualified by the Commonwealth of Kentucky for benefits under the Kentucky Business Investment Program (KBI), or the Kentucky Industrial Revitalization Act (KIRA), or the Kentucky Jobs Retention Act (KJRA), or other comparable programs approved by the Commonwealth of Kentucky.

e) Should Company determine a refundable contribution for the capital investment in Customer-specific facilities required by Company to serve the EDR load would ordinarily be required as set out under Company's Line Extension Plan, I. Special Cases, that amount shall be determined over a fifteen (15) year period and payable at the end of the fifteen (15) year period.

General

f) Company may offer EDR to qualifying new load only when Company has generating capacity available and the new load will not accelerate Company's plans for additional generating capacity over the life of the EDR contract.

g) Customer may request an EDR effective initial billing date that is no later than twelve (12) months after the date on which Company initiates service to Customer.

h) Neither the demand charge reduction nor any unjustified capital investment in facilities will be borne by Company's other customers during the term of the EDR contract.

i) Company may offer differing terms, as appropriate, under special contract to which this rider is a part depending on the circumstances associated with providing service to a particular customer and subject to approval by the Kentucky Public Service Commission.

j) In any billing month where Customer's metered load is less than the load required to be eligible for either Brownfield Development or Economic Development, no credit under EDR will be calculated or applied to Customer's billing.

**Proposed**

Brownfield Development

1. Service under EDR for Brownfield Development is available to Customers locating at sites that have been submitted to, approved by, and added to the Brownfield Inventory maintained by the Kentucky Energy and Environment Cabinet (or by any successor entity created and authorized by the Commonwealth of Kentucky).

2. EDR for Brownfield Development is available only to minimum monthly billing loads of 500 kVA or greater where the Customer takes service from existing Company facilities with no material changes.

Economic Development

3. Service under EDR for Economic Development is available to:

   a. new Customers contracting for a minimum monthly billing load of 1,000 kVA, and at least a 50% load factor; and

   b. Existing Customers contracting for a minimum monthly billing load of 1,000 kVA above their Existing Base Load, and at least a 50% load factor to be determined as follows:

      i. Company and the existing Customer will determine Customer's Existing Base Load by calculating a twelve (12) month rolling average of measured demand.

      ii. Company and the existing Customer must agree upon the Existing Base Load, which shall be an explicit term of the special contract submitted to the Commission for approval before the Customer can take service under EDR. Once the Existing Base Load's value is thus established, it will not be subject to variation or eligible for service under EDR.

      iii. This provision is not intended to reduce or diminish in any way EDR service already being provided to all or a portion of a Customer's Existing Base Load. Such EDR service would continue under the terms of the contract already existing between Company and the Customer concerning the affected portion of the Customer's Existing Base Load.

4. A Customer desiring service under EDR for Economic Development must submit an application for service that includes:

   a. a description of the new load to be served;

   b. the number of new employees, if any, Customer anticipates employing associated with the new load;

   c. the capital investment Customer anticipates making associated with the EDR load;

   d. a certification that Customer has been qualified by the Commonwealth of Kentucky for benefits under the Kentucky Business Investment Program (KBI), or the Kentucky Industrial Revitalization Act (KIRA), or the Kentucky Jobs Retention Act (KJRA), or other comparable programs approved by the Commonwealth of Kentucky.

5. Should Company determine a refundable contribution for the capital investment in Customer-specific facilities required by Company to serve the EDR load would ordinarily be required as set out under Company's Line Extension Plan, I. Special Cases, that amount shall be determined over a fifteen (15) year period and payable at the end of the fifteen (15) year period.

Economic Re-Development

6. Service under EDR for Economic Re-Development is available to:

   a. Customers locating at vacant commercial or industrial properties in the Company's service territory which have been unoccupied for at least twelve (12) consecutive months. Verification of vacancy will constitute evidence of minimal to no electrical use during the unoccupied timeframe as determined by the company. Development of green space or undeveloped properties or sites are excluded from the Re-Development rider.

   b. EDR for Economic Re-Development is available only to minimum monthly billing loads of 500 kVA or greater where Customer takes service from the existing electrical infrastructure with no material changes and at least a 50% load factor.

   c. A customer desiring service under must submit an application for service that includes:

      i. a description of the new load to be served;

      ii. the number of new employees, if any, Customer anticipates employing associated with the new load; and

      iii. the capital investment Customer anticipates making associated with the EDR load.

   d. Customers relocating their operations from another premise within the company's service territory and maintaining the same demand load as indicated on the customer's Load Data Sheet are ineligible to participate in this tariff.

   e. Customers relocating their operations from another premise within the company's service territory and increasing the demand load as indicated on the customer's Load Data Sheet are eligible to participate in this tariff for the increased demand of 500 kVA minimum and at least a 50% load factor.

f. Should Company determine a refundable contribution for the capital investment in Customer-specific facilities required by Company to serve the EDR load would ordinarily be required as set forth under Company's Line Extension Plan, that amount shall be determined over a fifteen (15) year period and payable at the end of the fifteen (15) year period

General

7. Company may offer EDR to qualifying new load only when Company has generating capacity available and the new load will not accelerate Company's plans for additional generating capacity over the life of the EDR contract.

8. Customer may request an EDR effective initial billing date that is no later than twelve (12) months after the date on which the Kentucky Public Service Commission approves the customer agreement.

9. Neither the demand charge reduction nor any unjustified capital investment in facilities will be borne by Company's other Customers during the term of the EDR contract.

10. Company may offer differing terms, as appropriate, under special contract to which this rider is a part depending on the circumstances associated with providing service to a particular Customer and subject to approval by the Kentucky Public Service Commission.

11. No credit under EDR will be calculated or applied to Customer's billing in any billing month in which Customer's metered load is less than the load required to be eligible for either Brownfield Development, Economic Development, or Economic Re-Development no credit under EDR will be calculated or applied to Customer's billing.

12. EDR is not available to a new customer that results solely from a change in ownership of a previous customer's account. However, if a change in ownership occurs after the previous customer had entered into an EDR special contract, the successor customer may be allowed to fulfil the balance of the EDR special contract.

## Solar Share Program Rider – Rider SSP

**Availability:**

**Current**

This optional, voluntary service is available to Company's customers taking service under any Standard Rate Schedule except those served under Retail Transmission Service, Fluctuating Load Service, Lighting Service, Restricted Lighting Service, Lighting Energy Service, Traffic Energy Service, Pole and Structure Attachment Charges, Electric Vehicle Supply Equipment, and Electric Vehicle Charging Service rate schedules. The terms and conditions set out herein are available for and applicable to participation in Company's Solar Share Program.

**Proposed**

This optional, voluntary service is available to Customers taking service under Rates RS, RTOD-Energy, RTOD-Demand, VFD, GS, AES, PS, TODS, and TODP. The terms and conditions set out herein are available for and applicable to participation in Company's Solar Share Program.

**Rate:**

| Solar Capacity Charge | **Current Per kW Subscribed** | **Proposed Per kW Subscribed** |
|---|---|---|
| One-Time Solar Capacity Charge | | $790 |
| Monthly Solar Capacity Charge | $6.27 | $5.68 |

**Current**

| Monthly Credits and Adjustments | Rate Schedule | Credit per kWh |
|---|---|---|
| Solar Energy Credit (per kWh of pro rata energy produced by the Solar Share Facilities; number of kWh eligible for credit limited to customer's net kWh consumption on each bill) | RS | $0.03401 |
| | RTOD-Energy | $0.03401 |
| | RTOD-Demand | $0.03401 |
| | VFD | $0.03401 |
| | GS | $0.03401 |
| | PS Secondary | $0.03756 |
| | PS Primary | $0.03609 |
| | TODS | $0.03734 |
| | TODP | $0.03505 |
| Solar FAC Adjustment | | Subscriber's billing under Adjustment Clause FAC will be adjusted corresponding to number of kWh to which Solar Energy Credit applies |

**Proposed**

**Solar Energy Credit**

Each billing period during which the Subscriber has paid in full for subscribed capacity under either option above, Company will compare a subscribing customer's pro rata AC energy produced by the Solar Share Facilities (truncated to a whole kWh value) to the subscribing customer's energy consumption (in kWh) every 15 minutes. If consumption exceeded production, Company will bill Customer for the net energy consumed in accordance with Customer's standard rate schedule. If production equaled or exceeded consumption in any relevant period, Company will bill Customer for zero energy consumption for that period and provide a bill credit for each kWh of net production, if any, at the then-applicable non-time-differentiated rate for Company's Standard Rate Rider SQF, (Small Capacity Cogeneration and Small Power Production Qualifying Facilities) Original Sheet No. 55.

**Program Description:**

**Current**

The Solar Share Program is an optional, voluntary program that allows customers to subscribe capacity in the Solar Share Facilities. Each Solar Share Facility will have an approximate direct-current (DC) capacity of 500 kW and will be available for subscription in nominal 250 W (quarter-kW) DC increments. Each subscribing customer ("Subscriber") may subscribe capacity up to an aggregate amount of 500 kW DC, though no Subscriber may subscribe more than 250 kW DC in any single Solar Share Facility.

Subscriber's desired capacity will be considered subscribed upon Subscriber's commitment to pay charges under this Rider for at least 12 billing periods (or enters in a contract as required herein for subscriptions of 50 kW DC or more). Subscriber will pay the monthly Solar Capacity Charge for each quarter-kW subscribed beginning with the first billing period in which the subscribed capacity has been in service for the entire billing period. For each such billing period, Subscriber will also receive (i) a bill credit in the amount of the monthly Solar Energy Credit (see Rate above) times the pro rata amount of energy production attributable to Subscriber's subscribed capacity (limited by Subscriber's net kWh consumption for the period being billed) and (ii) a bill adjustment to the Subscriber's Fuel Adjustment Clause (FAC) credits or charges corresponding to the number of kWh for which the Subscriber receives a Solar Energy Credit.

Customers subscribing less than 50 kW DC will not be required to enter into a contract concerning their subscriptions; however, a customer may not reduce or cancel a subscription earlier than 12 months from the date of the customer's most recent change to the customer's subscription level following the first billing period for which Subscriber pays Solar Capacity Charges. Therefore, a customer subscribing less than 50 kW has a 12-month payment commitment, and may have a longer commitment if the customer subsequently increases subscribed capacity (which a customer may do at any time) or if the customer chooses to decrease but not cancel the subscription after the initial 12 months. As addressed in Term of Contract below, customers subscribing 50 kW DC or more must enter into a 5-year contract with Company.

**Proposed**

The Solar Share Program is an optional, voluntary program that allows customers to subscribe to capacity in the Solar Share Facilities. Each Solar Share Facility will have an approximate direct-current (DC) capacity of 500 kW and will be available for subscription in nominal 250 W (quarter-kW) DC increments. Each subscribing customer ("Subscriber") may subscribe capacity up to an aggregate amount of 500 kW DC, though no Subscriber may subscribe more than 250 kW DC in any single Solar Share Facility.

There are two mutually exclusive options for subscribing to each increment of capacity.

Option 1: Capacity Subscribed by Paying Only the One-Time Solar Capacity Charge

For capacity subscribed by paying the One-Time Solar Capacity Charge, the One-Time Solar Capacity Charge will be included on the Subscriber's bill for the first billing period in which the subscribed capacity achieves commercial operation.

A customer choosing to pay the One-Time Solar Capacity Charge may transfer subscribed capacity between the customer's own accounts or may assign subscribed capacity to another customer. Once assigned, the assigning customer forfeits all rights to the assigned capacity.

A customer who ceases taking service from Company will have 60 calendar days to assign subscribed capacity to another customer within Company's service area. Any capacity such a customer does not assign within 60 days of ceasing to take service will be forfeited and made available to other customers under Option 2: Capacity Subscribed by Paying Only the Monthly Solar Capacity Charge.

Option 2: Capacity Subscribed by Paying Only the Monthly Solar Capacity Charge

For capacity subscribed by paying the Monthly Solar Capacity Charge, the Solar Capacity Charge will be included on the Subscriber's bill beginning with the bill for the first billing period in which the subscribed capacity achieves commercial operation.

Monthly subscriptions of less than 50 kW DC will not require a contract; however, a customer may not reduce or cancel a monthly subscription earlier than 12 months from the date of the customer's most recent change to the customer's monthly subscription level. Therefore, a customer subscribing monthly less than 50 kW has a 12-month commitment from the date of the customer's initial monthly subscription or initial solar facility commercial operation, whichever is later, and may have a longer commitment if the customer subsequently increases monthly subscribed capacity (which a customer may do at any time) or if the customer chooses to decrease but not cancel the monthly subscription after the initial 12 months. Monthly subscriptions of 50 kW DC or more require a 5-year contract with Company.

**Terms and Conditions:**

**Current**

1) Subscriptions will be available on a first-come first-served basis, except that 25% of the capacity of Solar Share Facility No. 1 will be available only to residential customers for the first 45 days of the initial subscription period for new facility. Otherwise, all capacity in the Solar Share Facilities will be available for subscription by all customers on a first-come, first-served basis.
2) Individual subscriptions will be available in nominal 250 W DC (quarter-kW) increments.
3) Customer may subscribe as much solar capacity as desired up to an aggregate amount of 500 kW DC. No customer may subscribe more than 250 kW DC in any single Solar Share Facility.
4) Subject to the restrictions above, Company will fill subscriptions as capacity in the Solar Share Facilities becomes available, and will fill subscriptions in the chronological order in which the subscriptions were made. A Subscriber whose subscription the Company can fulfill only partially may either accept the available capacity and await additional capacity, or decline the partial fulfillment, allowing the next awaiting Subscriber(s) to accept the available capacity. Accepting or declining available capacity will not affect a Subscriber's place in the queue of Subscribers awaiting capacity.
5) Customers may not owe any arrearage prior to participating in the Solar Share Program.
6) Subscribers' pro-rata share of the electricity produced by the Solar Share Facilities will be determined on a billing cycle basis. The corresponding Solar Energy Credit (per kWh) and Solar FAC Adjustment will appear on the Subscriber's bill.
7) Subscriber may continue to participate in the Program if Subscriber changes premises within the combined Kentucky certified electric service territories of Louisville Gas and Electric Company and Kentucky Utilities Company.
8) Subscribers whose customer accounts are closed for any reason will not be able to remain in the Program. Upon account closing, Subscriber will be obligated to pay Solar Capacity Charges for any remaining commitment period(s) associated with Subscriber's capacity, e.g., a Subscriber closing an account after having paid only six billing periods' Solar Capacity Charges for less than 50 kW DC subscribed capacity would be obligated to pay the remaining six billing periods' Solar Capacity Charges at the time of account closing.
9) Unless constrained by contract (see Term of Contract below), Subscriber may decrease or terminate a subscription any time after 12 months following the date of the most recent change to Subscriber's subscription that occurs after the first billing period for which Subscriber pays Solar Capacity Charges.
10) Unless constrained by contract (see Term of Contract below), Subscriber may also increase subscribed capacity at any time.
11) Each subscription under the Solar Share Program applies to a particular meter. Subscribers with multiple meters may obtain multiple subscriptions, one per meter. But Company will not aggregate usage across multiple meters for applying credits, charges, or adjustments under Rider SSP; credits, charges, and adjustments under Rider SSP apply only to the meter associated with the subscription. The only exception to this restriction is if Subscriber has more than one meter for a single service, which multiple meters Company installed for its own operating convenience and bills on an aggregated basis in accordance with Company's Terms and Conditions.
12) Subscriptions are not transferrable or assignable between customers or between a single customer's meters.
13) Subscriber's Solar Energy Credit and corresponding Solar FAC Adjustment will apply each billing cycle to the Subscriber's pro rata amount of AC energy produced by the Solar Share Facilities (truncated to a whole kWh value) or Subscriber's net energy consumption (kWh) for the billing period, whichever is less.

14) For all customers taking service under both of Riders NMS and SSP, Company will apply all provisions of Rider NMS to their bills before applying charges and credits under Rider SSP, including applying the Solar Energy Credit and Solar FAC Adjustment to such customers' net energy consumption. Therefore, customers should note that in months in which a customer taking service under Riders SSP and NMS has net zero energy consumption or net energy production under the terms of Rider NMS—including carryover net-energy credits from previous months, if any—the customer will receive zero Solar Energy Credit and Solar FAC Adjustment under Rider SSP. These provisions apply regardless of whether a customer first took service under Rider NMS before taking service under Rider SSP or vice versa, or if a customer began taking service under both riders simultaneously.

15) All Renewable Energy Credits ("RECs") related to energy produced by subscribed portions of the Solar Share Facilities will be retired.

16) Use of any images of the Solar Share Facilities or use any other of Company's intellectual property requires Company licensing prior to use.

17) Service will be furnished under Company's Terms and Conditions except as provided herein.

**Proposed**

1. Individual subscriptions are available in nominal 250 W DC (quarter-kW) increments.
2. Customer may subscribe as much solar capacity as desired up to an aggregate amount of 500 kW DC (nominal). No customer may subscribe more than 250 kW DC (nominal) in any single Solar Share Facility.
3. All One-Time Solar Capacity Charges are non-refundable.
4. Subject to the restrictions above, Company will fill subscriptions as capacity in the Solar Share Facilities becomes available, and will fill subscriptions in the chronological order in which the subscriptions were made. A Subscriber whose subscription the Company can fulfill only partially may either accept the available capacity and await additional capacity, or decline the partial fulfillment, allowing the next awaiting Subscriber(s) to accept the available capacity. Accepting or declining available capacity will not affect a Subscriber's place in the queue of Subscribers awaiting capacity.
5. Customers may not owe any arrearage prior to participating in the Solar Share Program.
6. Subscribers' pro-rata share of the AC electricity produced by the Solar Share Facilities will be determined on a billing-cycle basis. The corresponding Solar Energy Credit will be calculated and appear on the Subscriber's bill.
7. Unless constrained by contract (see Term of Contract below), Subscriber may decrease or terminate a monthly subscription any time after 12 months following the date of the most recent change to Subscriber's monthly subscription capacity at any time.
8. Unless constrained by contract (see Term of Contract below) or condition #2 above, Subscriber may also increase monthly subscribed capacity at any time.
9. Subscriptions made by paying the One-Time Solar Capacity Charge may be transferred between a Subscriber's accounts no more than once per billing period (Solar Energy Credit values do not transfer between accounts or customers). A subscription transfer between a Subscriber's accounts takes effect in the billing period following the billing period in which the Subscriber requests the transfer. A Subscriber may transfer a subscription at any time prior to or including 60 calendar days after the Subscriber terminated service on the account to which the subscription attached. If the Subscriber whose account has been terminated does not transfer the subscription within 60 calendar days, the Subscriber forfeits the subscription.
10. Capacity subscribed by paying the Monthly Solar Capacity Charge is not transferrable or assignable between customers.

11. Capacity subscribed by paying the One-Time Solar Capacity Charge may be assigned between customers, but only within the same Company service territory, at any time prior to or including 60 calendar days after the assigning Subscriber terminated service on the account to which the subscription attached. Once assigned, the assigning customer loses all rights regarding future credits and the ability to subsequently assign the capacity; those rights become the rights of the assignee upon assignment. Assigned capacity cannot be reassigned by the assignee to any other Customer, including the Customer who originally subscribed the assigned capacity. For all purposes other than the Solar Energy Credit, all capacity assignments become effective immediately upon assignment. For the purpose of the Solar Energy Credit, the assignor will receive Solar Energy Credits for the entire billing period in which the assignment occurs; the assignee will receive Solar Energy Credits beginning in the first billing period following the assignment.

12. Unused Solar Energy Credit value is not transferrable between customers or customer accounts. Therefore, a Subscriber's closing a customer account terminates any unused Solar Energy Credit value associated with that account.

13. Participants in SSP are required to have an advanced meter capable of collecting and communicating at least 15 minute interval data.

14. All Renewable Energy Credits ("RECs") related to energy produced by subscribed portions of the Solar Share Facilities will be retired.

15. Use of any images of the Solar Share Facilities or use any other of Company's intellectual property requires Company licensing prior to use.

16. Service will be furnished under Company's Terms and Conditions except as provided herein.

**Term of Contract:**

**Current**

Subscriptions of 50 kW DC or more will require a five (5) year non-transferrable, non-assignable contract between Subscriber and Company.

**Proposed**

Subscriptions of 50 kW DC or more will require a five (5) year non-transferrable, non-assignable contract between Subscriber and Company.

**Electric Vehicle Supply Equipment – Rider EVSE-R**

| Monthly Charging Unit Fee | Current | Proposed |
|---|---|---|
| Single Charger | $132.00 | $125.14 |
| Dual Charger | $205.15 | $177.49 |

**School Power Service (SPS) and School Time-of-Day Service (STOD) rates are being eliminated**

**Outdoor Sports Lighting Service – Pilot OSL**

**Rate:**

| Secondary | Current | Proposed |
|---|---|---|
| Basic Service Charge per month | $90.00 | |
| Basic Service Charge per day | | $2.96 |
| Plus and Energy Charge per kWh of: | $0.03773 | $0.03306 |
| Plus a Maximum Load Charge per kW of: | | |
| Peak Demand Period | $15.57 | $22.52 |
| Base Demand Period | $4.89 | $4.89 |

| **Primary** | **Current** | **Proposed** |
|---|---|---|
| Basic Service Charge per month | $240.00 | |
| Basic Service Charge per day | | $7.89 |
| Plus and Energy Charge per kWh of: | $0.03627 | $0.03627 |
| Plus a Maximum Load Charge per kW of: | | |
| Peak Demand Period | $14.01 | $20.26 |
| Base Demand Period | $3.48 | $3.46 |

**Adjustment Clauses:**

**Current**

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

| | |
|---|---|
| Fuel Adjustment Clause | Sheet No. 85 |
| Off-System Sales Adjustment Clause | Sheet No. 88 |
| Demand Side Management Cost Recovery Mechanism | Sheet No. 86 |
| Tax Cuts and Jobs Act Surcredit | Sheet No. 89 |
| Environmental Cost Recovery Surcharge | Sheet No. 87 |
| Franchise Fee Rider | Sheet No. 90 |
| School Tax | Sheet No. 91 |

**Proposed**

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

| | |
|---|---|
| Demand-Side Management Cost Recovery Mechanism | Sheet No. 86 |
| Fuel Adjustment Clause | Sheet No. 85 |
| Off-System Sales Adjustment Clause | Sheet No. 88 |
| Environmental Cost Recovery Surcharge | Sheet No. 87 |
| Franchise Fee | Sheet No. 90 |
| School Tax | Sheet No. 91 |

**Rating Periods:**

**Current**

The rating periods applicable to the Maximum Load charges are established in Eastern Standard Time year round by season for weekdays and weekends, throughout Company's service area, and shall be as follows:

Summer peak months of May through September

| | Base | Peak |
|---|---|---|
| Weekdays | All Hours | 1 P.M. - 7 P.M. |
| Weekends | All Hours | |

All other months of October continuously through April

| | Base | Peak |
|---|---|---|
| Weekdays | All Hours | 6 A.M. – 12 Noon |
| Weekends | All Hours | |

**Proposed**

The rating periods applicable to the Maximum Load charges are established in Eastern Standard Time year round by season for weekdays and weekends, throughout Company's service area, and shall be as follows:

Summer peak months of May through September

| | Base | Peak |
|---|---|---|
| Weekdays | All Hours | 1 P.M. - 7 P.M. |
| Weekends | All Hours | |

All other months of October continuously through April

| | Base | Peak |
|---|---|---|
| Weekdays | All Hours | 6 A.M. – 12 Noon |
| Weekends | All Hours | |

If a legal holiday falls on a weekday, it will be considered a weekday.

## Demand-Side Management Cost Recovery Mechanism

**Availability:**

**Current**

This schedule is mandatory to Residential Service Rate RS, Residential Time-of-Day Energy Service Rate RTOD-Energy, Residential Time of Day Demand Service Rate RTOD-Demand, Volunteer Fire Department Service Rate VFD, General Service Rate GS, Power Service Rate PS, Time-of-Day Secondary Service Rate TODS, Time-of-Day Primary Service Rate TODP, Retail Transmission Service Rate RTS, School Power Service Rate SPS, School Time-of-Day Service Rate STOD, and Outdoor Sports Lighting Service Rate OSL. Industrial customers who elect not to participate in a demand-side management program hereunder shall not be assessed a charge pursuant to this mechanism. For purposes of rate application hereunder, non-residential customers will be considered "industrial" if they are primarily engaged in a process or processes that create or change raw or unfinished materials into another form or product, and/or in accordance with the North American Industry Classification System, Sections 21, 22, 31, 32, and 33. All other non-residential customers will be defined as "commercial."

**Proposed**

This schedule is mandatory to Residential Service Rate RS, Residential Time-of-Day Energy Service Rate RTOD-Energy, Residential Time of Day Demand Service Rate RTOD-Demand, Volunteer Fire Department Service Rate VFD, General Service Rate GS, Power Service Rate PS, Time-of-Day Secondary Service Rate TODS, Time-of-Day Primary Service Rate TODP, Retail Transmission Service Rate RTS, and Outdoor Sports Lighting Service Rate OSL. Industrial customers who elect not to participate in a demand-side management program hereunder shall not be assessed a charge pursuant to this mechanism. For purposes of rate application hereunder, non-residential customers will be considered "industrial" if they are primarily engaged in a process or processes that create or change raw or unfinished materials into another form or product, and/or in accordance with the North American Industry Classification System, Sections 21, 22, 31, 32, and 33. All other non-residential customers will be defined as "commercial."

## Environmental Cost Recovery Surcharge

**Availability of Service:**

**Current**

This schedule is mandatory to all Standard Electric Rate Schedules listed in Section 1 of the General Index except PSA and Special Charges, all Pilot Programs listed in Section 3 of the General Index, and the FAC (including the Off-System Sales Tracker) and DSM Adjustment Clauses. Standard Electric Rate Schedules subject to this schedule are divided into Group 1 or Group 2 as follows:

Group 1: Rate Schedules RS; RTOD-Energy; RTOD-Demand; VFD; LS; RLS; LE; and TE.
Group 2: Rate Schedules GS; PS; TODS; TODP; RTS; FLS; EVSE; EVC; SPS; STOD; and OSL.

**Proposed**

This schedule is mandatory to all rate schedules listed in Section 1 of the General Index except Rate PSA and Special Charges, all Pilot Programs listed in Section 3 of the General Index, and FAC (including OSS) and DSM Adjustment Clauses. Rate schedules subject to this adjustment clause are divided into Group 1 or Group 2 as follows:

Group 1: Rates RS; RTOD-Energy; RTOD-Demand; VFD; LS; RLS; LE; and TE.
Group 2: Rates GS; PS; TODS; TODP; RTS; FLS; EVSE; EVC; and OSL.

**Tax Cuts and Jobs Act Surcredit (TCJA) Adjustment Clause**
**withdrawn from tariff and cancelled**

The approval of a change in LG&E's base rates will cause the Tax Cuts and Jobs Act ("TCJA") Surcredit Tariff to be withdrawn from service and associated billing credits cancelled effective May 1, 2019. The TCJA Surcredit is a rate mechanism that provides a monthly credit that reduces customers' bills. In its base rate application, LG&E is proposing to include all changes associated with the TCJA in the calculation of its proposed base rates. When the new base rates become effective, customers will no longer receive the credit provided by the TCJA surcredit mechanism. The monthly residential electric bill increase due to the proposed electric base rates will be 4.1 percent, or approximately $4.23, for a customer using 917 kWh of electricity (the average monthly consumption of a LG&E residential customer). LG&E 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 7.5%, or approximately $7.53, for a customer using 917 kWh of electricity.

**Franchise Fee – FF**

**Proposed**
**DEFINITIONS, RATE, and TERMS AND CONDITIONS sections removed**

**Billing:**
**Proposed (New)**
d. At its option, a government body imposing a franchise fee shall not be billed for that portion of a franchise fee, applied to services designated by the governmental body that would ultimately be repaid to the governmental body.

**Term of Contract:**
**Current**
As agreed to in the franchise agreement. In the event such franchise agreement should lapse but payment of franchise fees, other local taxes, or permitting fees paid by Company by ordinance, franchise, or other governmental directive should continue, collection shall continue under this tariff.
**Proposed**
As agreed to in the franchise agreement. Company will not calculate or collect any such fees, taxes, or charges pursuant to expired, lapsed, or otherwise invalid, ineffective or inapplicable ordinances, franchise agreements, or other governmental enactment.

**Home Energy Assistance Program Adjustment Clause - HEA**

**Rate:**
**Current**
$0.25 per month.
**Proposed**
$0.25 per month.

**Terms and Conditions – Character of Service**

**Current**
**TRANSMISSION VOLTAGES**
According to location, 69,000 volts, 138,000 volts, or 345,000 volts.
**Proposed**
**TRANSMISSION VOLTAGES**
According to location, 69,000 volts, 138,000 volts, 161,000 volts, or 345,000 volts.

## Terms and Conditions – Billing

**Meter Readings and Bills:**

**Current**

In the case of opening and closing bills when the total period between regular and special meter readings is less than thirty days, the minimum charges of the applicable rate schedules will be prorated on the basis of the ratio of the actual number of days in such period to thirty days.

**Proposed**

In the case of opening and closing bills when the total period between regular and special meter readings is less than thirty days, the minimum charges of the applicable rate schedules will be prorated on the basis of the ratio of the actual number of days in such period to thirty (30) days, unless an applicable rate schedule has a daily Basic Service Charge, in which case a full daily Basic Service Charge will be charged to a customer for each day or partial day during which the customer's account was open and served under that rate schedule.

**Minimum Charge:**

**Current**

Without limiting the foregoing, the Demand Charge shall be due regardless of any event or occurrence that might limit (a) Customer's ability or interest in operating Customer's facility, including, but without limitation, any acts of God, fires, floods, earthquakes, acts of government, terrorism, severe weather, riot, embargo, changes in law, or strikes or (b) Company's ability to serve customer.

**Proposed**

Without limiting the foregoing, the Basic Service Charge and Demand Charge shall apply and be due for all times during which a customer's account is open, regardless of any event or occurrence that might limit (a) Customer's ability or interest in operating Customer's facility, including, but without limitation, any acts of God, fires, floods, earthquakes, acts of government, terrorism, severe weather, riot, embargo, changes in law, or strikes or (b) Company's ability to serve Customer.

## Terms and Conditions - Deposits

**Current**

| | |
|---|---|
| For Customers Served Under Residential Service Rates RS, RTOD-Energy, and RTOD-Demand: | $160.00 |
| For Customers Served Under General Service Rate GS | $240.00 |

For all other Customers not classified herein, the deposit will be no more than 2/12 of Customer's actual or estimated annual bill where bills are rendered monthly.

**Proposed**

| | |
|---|---|
| For Customers Served Under Residential Service Rates RS, RTOD-Energy, and RTOD-Demand: | $160.00 |
| For Customers Served Under General Service Rate GS | $240.00 |

For all other Customers not classified herein, the deposit will be no more than 2/12 of Customer's actual or estimated annual bill where bills are rendered monthly.

## Terms and Conditions – Line Extension Plan

**Current**

**D. NORMAL LINE EXTENSIONS**

1) In accordance with 807 KAR 5:041, Section 11(1), Company will provide, at no cost, a line extension of up to 1,000 feet to Customer requesting permanent service where the installed transformer capacity does not exceed 25kVA.

2) Where Customer requires poly-phase service or transformer capacity in excess of 25kVA and Company provides such facilities, Company may require Customer to pay, in advance, a non-refundable amount for the additional cost to Company in providing facilities above that required in NORMAL LINE EXTENSIONS ¶ 1 above.

**Proposed**

**4. NORMAL LINE EXTENSIONS**

a. In accordance with 807 KAR 5:041, Section 11(1), Company will provide, at no cost, a line extension of up to 1,000 feet to Customer requesting permanent service where the installed transformer capacity does not exceed 25kVA.

b. Where Customer requires poly-phase distribution service or transformer capacity in excess of 25 kVA and Company provides such facilities, Company shall provide requested line extension to the extent the cost of an overhead extension, whether request is for overhead or underground, does not exceed five (5) times the Customers estimated annual net revenue, where "net revenue is defined as the Customer's total revenue (less base fuel, Fuel Adjustment Clause, Off-System Sales, Demand Side Management, franchise fees, and school taxes). Company may require Customer to pay, in advance, a non-refundable amount for the additional cost above the five (5) times net revenue calculation to Company in providing facilities above that required in NORMAL LINE EXTENSIONS ¶ a. above. Customer must commit to a minimum contract term of five (5) years.

**Current**

**E. OTHER LINE EXTENSIONS**

1) In accordance with 807 KAR 5:041, Section 11(2), Company shall provide to Customer requesting permanent service a line extension in excess of 1,000 feet per customer but Company may require the total cost of the footage in excess of 1,000 feet per customer, based on the average cost per foot of the total extension, be deposited with Company by Customer.

2) Each year for ten (10) years Company shall refund to Customer, who made the deposit for excess footage, the cost of 1,000 feet of extension for each additional customer connected during that year directly to the original extension for which the deposit was made.

3) Each year for ten (10) years Company shall refund to Customer, who made the deposit for excess footage, the cost of 1,000 feet of extension less the length of the lateral or extension for each additional customer connected during that year by a lateral or extension to the original extension for which the deposit was made.

4) The total amount refunded shall not exceed the amount originally deposited nor shall any refund be made after the ten (10) year refund period ends.

5) Where Customer requires poly-phase service or transformer capacity above 25kVA per customer and Company provides such facilities, Company may require Customer to pay, in advance, a non-refundable amount for the additional cost to Company in providing facilities above that required in OTHER LINE EXTENSIONS ¶ 1 above.

**Proposed**

**5. OTHER LINE EXTENSIONS**

a. In accordance with 807 KAR 5:041, Section 11(2), Company shall provide to Customer requesting permanent service a line extension in excess of 1,000 feet per Customer but Company may require the total cost of the footage in excess of 1,000 feet per Customer, based on the average cost per foot of the total extension, be deposited with Company by Customer.

b. After the ten (10) year period following the line extension, Company shall refund to Customer, who made the deposit for excess footage, the cost of 1,000 feet of extension for each additional customer connected during the first ten (10) year period directly to the original extension for which the deposit was made.

c. After the ten (10) year period following the line extension, Company shall refund to Customer, who made the deposit for excess footage, the cost of 1,000 feet of extension less the length of the lateral or extension for each additional Customer connected during the first ten (10) year period by a lateral or extension to the original extension for which the deposit was made.

d. The total amount refunded shall not exceed the amount originally deposited nor shall any refund be made after the ten (10) year refund period ends.

e. Where Customer requires poly-phase distribution service or transformer capacity in excess of 25 kVA and Company provides such facilities, Company shall provide requested line extension to the extent the cost of an overhead extension, whether request is for overhead or underground, does not exceed five (5) times the Customers estimated annual net revenue, where “net revenue is defined as the Customer’s total revenue (less base fuel, Fuel Adjustment Clause, Demand Side Management, franchise fees, and school taxes). Company may require Customer to pay, in advance, a non-refundable amount for the additional cost above the five (5) times net revenue calculation to Company in providing facilities above that required in NORMAL LINE EXTENSIONS ¶ a. above.

**Current**

**F. OVERHEAD LINE EXTENSIONS FOR SUBDIVISIONS**

1) In accordance with 807 KAR 5:041, Section 11(3), Customer desiring service extended for and through a subdivision may be required by Company to deposit the total cost of the extension.

2) Each year for ten (10) years Company shall refund to Customer, the cost of 1,000 feet of extension for each additional customer connected during that year directly to the original extension for which the deposit was made.

3) The total amount refunded shall not exceed the amount originally deposited nor shall any refund be made after the ten-year refund period ends.

**Proposed**

**6. OVERHEAD LINE EXTENSIONS FOR SUBDIVISIONS**

a. In accordance with 807 KAR 5:041, Section 11(3), Customer desiring service extended for and through a subdivision may be required by Company to deposit the total cost of the extension.

b. After the ten (10) year period following the line extension, Company shall refund to Customer, the cost of 1,000 feet of extension for each additional Customer connected during the first ten (10) year period directly to the original extension for which the deposit was made.

c. The total amount refunded shall not exceed the amount originally deposited nor shall any refund be made after the ten-year refund period ends.

**Current**

**UNDERGROUND EXTENSIONS**

7) In consideration of Customer’s underground service, Company shall credit any amounts due under the contract for each service at the rate of $50.00 or Company’s average estimated installed cost for an overhead service whichever is greater.

**Proposed**

This section has been removed.

**Current**

**Medium Density Subdivisions**

3) The Customer may be required to advance to the Company the Company’s full estimated cost of construction of an underground electric distribution extension. Where Customer is required to provide trenching and backfilling, advance will be the Company’s full estimate cost of construction. Where Customer is required to deposit with the Company a non-refundable advance in place of trenching and backfilling, advance will be determined by a unit charge of $22.35 per aggregate lot front-foot along all streets contiguous to the lots to be served through an underground extension.

4) Each year for ten (10) years Company shall refund to Customer an amount determined as follows:

a. Where customer is required to provide trenching and backfilling, a refund of $5,000 for each customer connected during that year.

b. Where customer is required to provide a non-refundable advance, 500 times the difference in the unit charge advance amount in 3) and the non-refundable unit charge advance in 2) for each customer connected during that year.

**Proposed**
This section has been removed.

**Current**

**High Density Subdivisions**

1) A high density residential subdivision is defined as building complexes consisting of two or more buildings each not more than three stories above grade and each designed for five (5) or more family occupancy.

2) Customer shall provide any required trenching and backfilling or at Company's discretion be required to deposit with Company a non-refundable amount for the additional cost of the underground extension (including all associated facilities) over the cost of an overhead extension of equivalent capacity.

3) The Customer may be required to advance to the Company the Company's full estimated cost of construction of an underground electric distribution extension.

   i. Company shall refund to Customer any amounts due when permanent service is provided by Company to twenty (20%) percent of the family units in Customer's project.

   ii. In no case shall the refunds provided for herein exceed the amounts deposited less any non-refundable charges applicable to the project nor shall any refund be made after a ten-year refund period ends.

**Proposed**

**High Density Subdivisions**

i. A high density residential subdivision is defined as building complexes consisting of two or more buildings each not more than three stories above grade and each designed for five (5) or more family occupancy.

## LG&E CURRENT AND PROPOSED GAS RATES

### Residential Gas Service - Rate RGS

**Rate:**

**Current**

| | |
|---|---|
| Basic Service Charge per month: | $16.35 per delivery point |
| Plus a Charge Per 100 Cubic Feet: | |
| Distribution Charge | $0.36300 |
| Gas Supply Cost Component | 0.41446 |
| Total Gas Charge Per 100 Cubic Feet | $0.77746 |

**Proposed**

| | |
|---|---|
| Basic Service Charge per day: | $ 0.65 per delivery point |
| Plus a Charge Per 100 Cubic Feet: | |
| Distribution Charge | $0.39076 |
| Gas Supply Cost Component | 0.41446 |
| Total Gas Charge Per 100 Cubic Feet | $0.80522 |

**Adjustment Clauses:**

**Current**

| | |
|---|---|
| Gas Line Tracker | Sheet No. 84 |
| Demand Side Management Cost Recovery Mechanism | Sheet No. 86 |
| Weather Normalization Adjustment | Sheet No. 88 |
| Tax Cuts and Jobs Act Surcredit | Sheet No. 89 |
| Franchise Fee and Local Tax | Sheet No. 90 |
| School Tax | Sheet No. 91 |
| Home Energy Assistance Program | Sheet No. 92 |

**Proposed**

| | |
|---|---|
| Weather Normalization Adjustment | Sheet No. 88 |
| Demand-Side Management Cost Recovery Mechanism | Sheet No. 86 |
| Gas Line Tracker | Sheet No. 84 |
| Home Energy Assistance Program | Sheet No. 92 |
| Franchise Fee | Sheet No. 90 |
| School Tax | Sheet No. 91 |

**Late Payment Charge:**

**Current**

If full payment is not received by the due date of the bill, a 3% late payment charge will be assessed on the current month’s charges. Beginning October 1, 2010, residential customers who receive a pledge for or notice of low income energy assistance from an authorized agency will not be assessed or required to pay a late payment charge for the bill for which the pledge or notice is received, nor will they be assessed or required to pay a late payment charge in any of the eleven (11) months following receipt of such pledge or notice.

**Proposed**

If full payment is not received by the due date of the bill, a 3% late payment charge will be assessed on the current month’s charges. Beginning October 1, 2010, residential Customers who receive a pledge for or notice of low income energy assistance from an authorized agency will not be assessed or required to pay a late payment charge for the bill for which the pledge or notice is received, nor will they be assessed or required to pay a late payment charge in any of the eleven (11) months following receipt of such pledge or notice.

Beginning May 1, 2019, Residential Gas Service Customers in good standing by not having been assessed a Late Payment Charge for the previous eleven (11) months have the option of waiving one (1) late payment charge upon request. This option may only be used once every twelve (12) months as long as the Customer remains in good standing.

## Volunteer Fire Department Service – Rate VFD

**Availability:**

**Current**

Available, in accordance with the provisions of KRS 278.172, to any volunteer fire department qualifying for aid under KRS 95A.262. Service under this rate schedule is at the option of the customer with the customer determining whether service will be provided under this schedule or any other schedule applicable to this load. If an additional separate point of delivery is requested by a volunteer fire department qualifying for aid under KRS 95A.262 to provide gas for use in standby electric generation, customer shall be served under Standard Rate DGGS.

All existing and future installations of equipment for the purpose of providing gas for use in standby electric generation or personal vehicle fueling shall be reported by the Customer (or the Customer's Representative) to the Company in conjunction with the "Notice to Company of Changes in Customer's Load" set out in the Customer Responsibilities section of the Company's Terms and Conditions. Additionally, service for gas for use in standby electric generation and personal vehicle fueling shall be subject to the availability of adequate capacity on Company's gas system to perform such service without detriment to its other Customers.

**Proposed**

Available, in accordance with the provisions of KRS 278.172, to any volunteer fire department qualifying for aid under KRS 95A.262. Service under this rate schedule is at the option of the customer with the customer determining whether service will be provided under this schedule or any other schedule applicable to this load. If an additional separate point of delivery is requested by a volunteer fire department qualifying for aid under KRS 95A.262 to provide gas for use in standby electric generation, customer shall be served under Standard Rate DGGS.

All existing and future installations of equipment for the purpose of providing gas for use in standby electric generation or personal vehicle fueling shall be reported by the Customer (or the Customer's Representative) to the Company in conjunction with the "Notice to Company of Changes in Customer's Load" set out in the Customer Responsibilities section of the Company's Terms and Conditions. Additionally, service for gas for use in standby electric generation and personal vehicle fueling shall be subject to the availability of adequate capacity on Company's gas system to perform such service without detriment to its other Customers. Company shall not be obligated to install an additional service for the purpose of customer installing equipment for either electric standby generation or personal vehicle fueling.

**Rate:**

**Current**

| | |
|---|---|
| Basic Service Charge per month: | $16.35 per delivery point |
| Plus a Charge Per 100 Cubic Feet: | |
| Distribution Charge | $0.36300 |
| Gas Supply Cost Component | 0.41446 |
| Total Gas Charge Per 100 Cubic Feet | $0.77746 |

**Proposed**

| | |
|---|---|
| Basic Service Charge per day: | $0.65 per delivery point |
| Plus a Charge Per 100 Cubic Feet: | |
| Distribution Charge | $0.39076 |
| Gas Supply Cost Component | 0.41446 |
| Total Gas Charge Per 100 Cubic Feet | $0.80522 |

**Adjustment Clauses:**

**<u>Current</u>**

| | |
|---|---|
| Gas Line Tracker | Sheet No. 84 |
| Demand Side Management Cost Recovery Mechanism | Sheet No. 86 |
| Weather Normalization Adjustment | Sheet No. 88 |
| Tax Cuts and Jobs Act Surcredit | Sheet No. 89 |
| Franchise Fee and Local Tax | Sheet No. 90 |
| School Tax | Sheet No. 91 |

**<u>Proposed</u>**

| | |
|---|---|
| Weather Normalization Adjustment | Sheet No. 88 |
| Demand-Side Management Cost Recovery Mechanism | Sheet No. 86 |
| Gas Line Tracker | Sheet No. 84 |
| Franchise Fee | Sheet No. 90 |
| School Tax | Sheet No. 91 |

## <u>Firm Commercial Gas Service - Rate CGS</u>

**<u>Rate:</u>**

**<u>Current</u>**

| | |
|---|---|
| Basic Service Charge per month: | |
| If all of the customer's meters have a capacity < 5000 cf/hr: | $60.00 per delivery point |
| If any of the customer's meters have a capacity ≥ 5000 cf/hr: | $285.00 per delivery point |
| Plus a Charge per 100 cubic feet: | |
| Distribution Charge | $ 0.25133 |
| Gas Supply Cost Component | 0.41446 |
| Total Charge per 100 cubic feet: | $ 0.66579 |

**<u>Proposed</u>**

| | |
|---|---|
| Basic Service Charge per day: | |
| If all of the customer's meters have a capacity < 5000 cf/hr: | $1.97 per delivery point |
| If any of the customer's meters have a capacity ≥ 5000 cf/hr: | $9.37 per delivery point |
| Plus a Charge per 100 cubic feet: | |
| Distribution Charge | $ 0.32525 |
| Gas Supply Cost Component | 0.41446 |
| Total Charge per 100 cubic feet: | $ 0.73971 |

**Adjustment Clauses:**

**<u>Current</u>**

| | |
|---|---|
| Gas Line Tracker | Sheet No. 84 |
| Demand Side Management Cost Recovery Mechanism | Sheet No. 86 |
| Weather Normalization Adjustment | Sheet No. 88 |
| Tax Cuts and Jobs Act Surcredit | Sheet No. 89 |
| Franchise Fee and Local Tax | Sheet No. 90 |
| School Tax | Sheet No. 91 |

**<u>Proposed</u>**

| | |
|---|---|
| Weather Normalization Adjustment | Sheet No. 88 |
| Demand-Side Management Cost Recovery Mechanism | Sheet No. 86 |
| Gas Line Tracker | Sheet No. 84 |
| Franchise Fee | Sheet No. 90 |
| School Tax | Sheet No. 91 |

## Firm Industrial Gas Service - Rate IGS

**Rate:**

**Current**

| | |
|---|---|
| Basic Service Charge per month: | |
| If all of the customer's meters have a capacity < 5000 cf/hr: | $165.00 per delivery point |
| If any of the customer's meters have a capacity ≥ 5000 cf/hr: | $750.00 per delivery point |
| Plus a Charge per 100 cubic feet: | |
| Distribution Charge | $ 0.21929 |
| Gas Supply Cost Component | 0.41446 |
| Total Charge per 100 cubic feet: | $ 0.63375 |

**Proposed**

| | |
|---|---|
| Basic Service Charge per day: | |
| If all of the customer's meters have a capacity < 5000 cf/hr: | $5.42 per delivery point |
| If any of the customer's meters have a capacity ≥ 5000 cf/hr: | $24.64 per delivery point |
| Plus a Charge per 100 cubic feet: | |
| Distribution Charge | $ 0.21929 |
| Gas Supply Cost Component | 0.41446 |
| Total Charge per 100 cubic feet: | $ 0.63375 |

**Adjustment Clauses:**

**Current**

| | |
|---|---|
| Gas Line Tracker | Sheet No. 84 |
| Demand Side Management Cost Recovery Mechanism | Sheet No. 86 |
| Tax Cuts and Jobs Act Surcredit | Sheet No. 89 |
| Franchise Fee and Local Tax | Sheet No. 90 |
| School Tax | Sheet No. 91 |

**Proposed**

| | |
|---|---|
| Demand-Side Management Cost Recovery Mechanism | Sheet No. 86 |
| Gas Line Tracker | Sheet No. 84 |
| Franchise Fee | Sheet No. 90 |
| School Tax | Sheet No. 91 |

## As-Available Gas Service – Rate AAGS

**Rate:**

**Current**

| | |
|---|---|
| Basic Service Charge per month: | $500.00 per delivery point |
| Plus a Charge per Mcf: | |
| Distribution Charge | $ 1.0644 |
| Gas Supply Cost Component | 4.1446 |
| Total Charge Per Mcf; | $ 5.2090 |

**Proposed**

| | |
|---|---|
| Basic Service Charge per month: | $500.00 per delivery point |
| Plus a Charge per Mcf: | |
| Distribution Charge | $ 1.0644 |
| Gas Supply Cost Component | 4.1446 |
| Total Charge Per Mcf; | $ 5.2090 |

**Adjustment Clauses:**

**Current**

| | |
|---|---|
| Gas Line Tracker | Sheet No. 84 |
| Demand Side Management Cost Recovery Mechanism | Sheet No. 86 |
| Tax Cuts and Jobs Act Surcredit | Sheet No. 89 |
| Franchise Fee and Local Tax | Sheet No. 90 |
| School Tax | Sheet No. 91 |

**Proposed**

| | |
|---|---|
| Demand-Side Management Cost Recovery Mechanism | Sheet No. 86 |
| Gas Line Tracker | Sheet No. 84 |
| Franchise Fee | Sheet No. 90 |
| School Tax | Sheet No. 91 |

**Substitute Gas Sales Service – Rate SGSS**

**Rate:**

**Current**

| | |
|---|---|
| For commercial customers, the following charges shall apply: | |
| Basic Service Charge per month: | $285.00 per delivery point |
| Plus a Demand Charge per Mcf of Monthly Billing Demand: | $6.0400 |
| Plus a Charge per Mcf: | |
| Distribution Charge | $0.3600 |
| Gas Supply Cost Component | 4.1446 |
| Total Charge per Mcf: | $4.5046 |
| For industrial customers, the following charges shall apply: | |
| Basic Service Charge per month: | $750.00 per delivery point |
| Plus a Demand Charge per Mcf of Monthly Billing Demand: | $10.90 |
| Plus a Charge per Mcf: | |
| Distribution Charge | $0.2992 |
| Gas Supply Cost Component | 4.1446 |
| Total Charge per Mcf: | $4.4438 |

**Proposed**

| | |
|---|---|
| For commercial customers, the following charges shall apply: | |
| Basic Service Charge per month: | $285.00 per delivery point |
| Plus a Demand Charge per Mcf of Monthly Billing Demand: | $6.7300 |
| Plus a Charge per Mcf: | |
| Distribution Charge | $0.3603 |
| Gas Supply Cost Component | 4.1446 |
| Total Charge per Mcf: | $4.5049 |
| For industrial customers, the following charges shall apply: | |
| Basic Service Charge per month: | $750.00 per delivery point |
| Plus a Demand Charge per Mcf of Monthly Billing Demand: | $10.90 |
| Plus a Charge per Mcf: | |
| Distribution Charge | $0.2992 |
| Gas Supply Cost Component | 4.1446 |
| Total Charge per Mcf: | $4.4438 |

**Adjustment Clauses:**

**Current**

| | |
|---|---|
| Gas Line Tracker | Sheet No. 84 |
| Demand Side Management Cost Recovery Mechanism | Sheet No. 86 |
| Tax Cuts and Jobs Act Surcredit | Sheet No. 89 |
| Franchise Fee and Local Tax | Sheet No. 90 |
| School Tax | Sheet No. 91 |

**Proposed**

| | |
|---|---|
| Demand-Side Management Cost Recovery Mechanism | Sheet No. 86 |
| Gas Line Tracker | Sheet No. 84 |
| Franchise Fee | Sheet No. 90 |
| School Tax | Sheet No. 91 |

**Monthly Billing Adjustment:**

**Current**

The Monthly Billing Demand shall be the greater of (1) the MDQ, (2) the highest daily volume of gas delivered during the current month, or (3) 70% of the highest daily volume of gas delivered during the previous eleven (11) monthly billing periods. The term "day" or "daily" shall mean the period of time corresponding to the gas day as observed by the Pipeline Transporter as adjusted for local time.

**Proposed**

The Monthly Billing Demand shall be the greater of (1) the MDQ, (2) the highest daily volume of gas delivered during the current month, or (3) the highest daily volume of gas delivered during the previous eleven (11) monthly billing periods. The term "day" or "daily" shall mean the period of time corresponding to the gas day as observed by the Pipeline Transporter as adjusted for local time.

## Firm Transportation Service (Transportation Only) Rate FT

**Availability:**

**Current**

For new customers whose historical gas consumption is not available, Company will determine Customer's eligibility for service hereunder based upon data provided by Customer and such other information as may be available to Company. Company may allow such new customers to begin service hereunder prior to the November 1 date specified above for existing customers.

**Proposed**

For new customers who have no historical gas consumption, Company will determine Customer's eligibility for service hereunder based upon data provided by Customer and such other information as may be available to Company. Company may allow such new customers to begin service hereunder prior to the November 1 date specified above for existing customers. A new customer is responsible for presenting its request to Company for service hereunder at least six (6) months prior to first receiving natural gas from Company under any of Company's rate schedules.

**Rate:**

**Current**

| | |
|---|---|
| Administrative Charge per month: | \$550.00 per Delivery Point |
| Plus a Distribution Charge per Mcf: | \$0.4440 |
| Daily Demand Charge per Mcf: | \$0.1657 |
| Daily Storage Charge for Daily Imbalances per Mcf: | \$0.2785 |
| Utilization Charge for Daily Imbalances per Mcf: | \$0.4442 |

**Proposed**

| | |
|---|---|
| Administrative Charge per month: | $550.00 per Delivery Point |
| Plus a Basic Service Charge per month: | $750.00 per Delivery Point |
| Plus a Distribution Charge per Mcf: | $0.0380 |
| Plus a Demand Charge per Mcf of Monthly Billing Demand: | $4.89 |

Where the Monthly Billing Demand is the greater of:

a. the maximum volume of gas measured on any day during the current billing period,
b. the highest volume of gas measured on any day in the preceding eleven (11) billing periods,
c. 50% of the Customer's MDQ.

However, in no case will the Monthly Billing Demand be less than 50 Mcf/day.

| | |
|---|---|
| Daily Demand Charge per Mcf: | $0.1657 |
| Daily Storage Charge for Daily Imbalances per Mcf: | $0.3797 |
| Utilization Charge for Daily Imbalances per Mcf: | $0.5454 |

**Adjustment Clauses:**

**Current**

| | |
|---|---|
| Gas Line Tracker | Sheet No. 84 |
| Demand Side Management Cost Recovery Mechanism | Sheet No. 86 |
| Tax Cuts and Jobs Act Surcredit | Sheet No. 89 |
| Franchise Fee and Local Tax | Sheet No. 90 |
| School Tax | Sheet No. 91 |

**Proposed**

| | |
|---|---|
| Demand-Side Management Cost Recovery Mechanism | Sheet No. 86 |
| Gas Line Tracker | Sheet No. 84 |
| Franchise Fee | Sheet No. 90 |
| School Tax | Sheet No. 91 |

**Special Terms and Conditions:**

**Current**

2. Service under this rate schedule shall be performed under a written contract between Customer and Company setting forth specific arrangements as to the volumes to be transported by Company for Customer, Delivery Points, timing of receipts and deliveries of gas by Company, and any other matters relating to individual Customer circumstances.

4. In no case will Company be obligated to deliver gas, including both gas transported and gas sold, to Customer in greater volumes or at greater rates of flow than those specified in the written contract between Customer and Company. The maximum daily volume that Company shall be obligated to deliver shall be referred to as the Maximum Daily Quantity ("MDQ"). The maximum hourly volume that Company shall be obligated to deliver shall not exceed 1/24th of the MDQ. The MDQ is the maximum daily volume of gas, as determined by Company, based on Customer's historical daily metered volumes. In the event that historical daily metered volumes are not available, Company will determine the MDQ based upon data provided by Customer and/or monthly metered data. Once historical daily metered data becomes available, the MDQ will be subject to revision by Company on an annual basis.

**Proposed**

2. Service under this rate schedule shall be performed under a written contract between Customer and Company setting forth specific arrangements as to the volumes to be transported by Company for Customer, Delivery Points, timing of receipts and deliveries of gas by Company, and any other matters relating to individual Customer circumstances.

Customer may appoint only one PS-FT Pool Manager for a given period. If Customer elects to change its PS-FT Pool Manager, Customer shall notify Company and execute and return the required documentation of its election to change its PS-FT Pool Manager at least thirty (30) days prior to the beginning of the billing period for which the change is to become effective. In appointing a PS-FT Pool Manager, Customer acknowledges that it has appointed the designated PS-FT Pool Manager to act as its limited agent in the performance of certain stated functions and to assume certain stated responsibilities with regard to transportation under Rate FT, including the requesting and receiving of information, the scheduling of gas flows, and all related duties. Customer will continue to be responsible for any and all costs, fees, and other liabilities as the result of the actions or inactions of PS-FT Pool Manager as its limited agent. Customer shall indemnify, defend, and hold Company harmless from any costs (including, but not limited to, reasonable attorney fees), expenses, losses, or liabilities, incurred (a) as a result of Company's performance when relying upon the authority of the PS-FT Pool Manager, (b) as a result of Company's reliance upon Customer's representation that it has express authority to appoint said PS-FT Pool Manager as its limited agent, and (c) due to the Customer's or PS-FT Pool Manager's failure to strictly comply with the provisions of Rate FT or Rider PS-FT.

4.In no case will Company be obligated to deliver gas, including both gas transported and gas sold, to Customer in greater volumes or at greater rates of flow than those specified in the written contract between Customer and Company. The maximum daily volume that Company shall be obligated to deliver shall be set forth in the contract and referred to as the Maximum Daily Quantity ("MDQ"). The maximum hourly volume that Company shall be obligated to deliver shall not exceed 1/24$^{th}$ of the MDQ. The MDQ is the maximum daily volume of gas, as determined by Company, based on Customer's historical daily metered volumes. In the event that historical daily metered volumes are not available, Company will determine the MDQ based upon data provided by Customer; and/or historical monthly metered data; and/or historical daily metered data (if available). Once 12 months of historical daily metered data becomes available, the MDQ will be subject to revision by Company on an annual basis.

## <u>Distribution Generation Gas Service - Rate DGGS</u>

**Availability:**

**<u>Current</u>**

Applicable to firm natural gas service to customer-owned electric generation facilities except (i) when such natural gas is limited to the production of electricity for Customer's own use during emergency situations during which Customer's normal supply of electricity is not otherwise available, and (ii) when such electric generation facilities have a total connected load of less than 2,000 cubic feet per hour. Natural gas purchased for electric generation facilities with a total connected load of 2,000 or more cubic feet per hour, or purchased to generate electricity for further distribution, for sale in the open market, or for any purpose other than to provide Customer with standby electrical supplies during emergency situations shall be subject to this tariff. Additionally, service under this Standard Rate DGGS shall be applicable only to electric generation facilities described above and installed and operating on and after ninety (90) days after August 1, 2010, (and therefore not eligible for service under Standard Rates CGS or IGS) by commercial and industrial customers.

**Proposed**

Applicable to firm natural gas service to customer-owned electric generation facilities except when (i) such natural gas is limited to the production of electricity for Customer's own use during emergency situations during which Customer's normal supply of electricity is not otherwise available, and (ii) such electric generation facilities have a total connected load of less than 2,000 cubic feet per hour. All natural gas generation facilities (including, but not limited to, those facilities used for standby generation) with a total connected load of 2,000 or more cubic feet per hour shall be served hereunder subject to the availability of adequate capacity as provided for herein. Natural gas purchased to generate electricity for further distribution, for sale in the open market, or for any purpose other than standby generation shall be served hereunder regardless of the size of Customer's total connected load. Additionally, service under this Standard Rate DGGS shall be applicable only to electric generation facilities described above and installed and operating on and after ninety (90) days after August 1, 2010, (and therefore not eligible for service under Standard Rates CGS or IGS) by commercial and industrial customers.

**Rate:**

| | **Current** | **Proposed** |
|---|---|---|
| Basic Service Charge per delivery point per month if all of the customer's meters have a capacity < 5000 cf/hr: | $165.00 | $165.00 |
| Basic Service Charge per delivery point per month if any of the customer's meters have a capacity $\geq$ 5000 cf/hr: | $750.00 | $750.00 |
| Demand Charge Per 100 Cubic Feet of Monthly Billing Demand | $1.08978 | $1.08978 |
| Plus a Charge Per 100 Cubic Feet: | | |
| Distribution Cost Component | $0.02992 | $0.02992 |
| Gas Supply Cost Component | 0.41446 | $0.41446 |
| Total Charge Per 100 Cubic Feet | $0.44438 | $0.44438 |

**Adjustment Clauses:**

**Current**

| | |
|---|---|
| Gas Line Tracker | Sheet No. 84 |
| Tax Cuts and Jobs Act Surcredit | Sheet No. 89 |
| Franchise Fee and Local Tax | Sheet No. 90 |
| School Tax | Sheet No. 91 |

**Proposed**

| | |
|---|---|
| Gas Line Tracker | Sheet No. 84 |
| Franchise Fee | Sheet No. 90 |
| School Tax | Sheet No. 91 |

## Local Gas Delivery Service – Rate LGDS

**Availability:**

**Current**

Company shall not be required to install any facilities of any kind to serve a Customer under this rate schedule. In the event that Company is agreeable to the installation or alteration of any facilities as may be required to serve Customer, then Customer shall execute a separate contract for the construction of such facilities and shall pay for all costs of those facilities. Company shall not be obligated to extend its mains to facilitate service hereunder. Company's "Gas Main Extension Rules" shall not apply to service under this rate schedule.

**Proposed**

Company shall not be required to install any facilities of any kind to serve a Customer under this rate schedule. In the event that Company is agreeable to the installation or alteration of any facilities as may be required to serve Customer, then Customer shall execute a separate contract for the construction of such facilities and shall pay for all costs of those facilities prior to LG&E commencing construction of those facilities. Company shall not be obligated to extend its mains to facilitate service hereunder. Company's "Gas Main Extension Rules" shall not apply to service under this rate schedule.

**Rate:**

**Current**

| | |
|---|---|
| Administrative Charge per month: | $550.00 per Receipt Point |
| Plus a Basic Service Charge per month: | $1,310.00 per Receipt Point |
| Plus a Demand Charge: | $2.57 per Mcf of Monthly Billing Demand |
| Plus a Distribution Charge: | $0.0388 per Mcf of Net Nominated Volumes at the Delivery Point |

The Monthly Billing Demand shall be the greater of (1) the MDQ, or (2) the highest daily volume of gas delivered to the Delivery Point during the current month or the previous eleven (11) monthly billing periods.

**Proposed**

| | |
|---|---|
| Administrative Charge per month: | $550.00 per Receipt Point |
| Plus a Basic Service Charge per month: | $750.00 per Receipt Point |
| Plus a Demand Charge: | $4.89 per Mcf of Monthly Billing Demand |
| Plus a Distribution Charge: | $0.0380 per Mcf of Net Nominated Volumes at the Delivery Point |

The Monthly Billing Demand shall be the greater of (1) the MDQ, or (2) the highest daily volume of gas delivered to the Delivery Point during the current month or the previous eleven (11) monthly billing periods.

**Adjustment Clauses:**

**Current**

| | |
|---|---|
| Gas Line Tracker | Sheet No. 84 |
| Tax Cuts and Jobs Act Surcredit | Sheet No. 89 |
| Franchise Fee and Local Tax | Sheet No. 90 |
| School Tax | Sheet No. 91 |

**Proposed**

| | |
|---|---|
| Gas Line Tracker | Sheet No. 84 |
| Franchise Fee | Sheet No. 90 |
| School Tax | Sheet No. 91 |

**Utilization Charge for Daily Imbalances:**

**Current**

| | |
|---|---|
| Daily Demand Charge: | $0.1657 per Mcf |
| Daily Storage Charge: | $0.2785 |
| Utilization Charge for Daily Imbalances: | $0.4442 per Mcf |

**Proposed**

| | |
|---|---|
| Daily Demand Charge: | $0.1657 per Mcf |
| Daily Storage Charge: | $0.3797 |
| Utilization Charge for Daily Imbalances: | $0.5454 per Mcf |

**Special Charges**

**Returned Payment Charge:**

| | |
|---|---|
| **Current Rate** | $10.00 |
| **Proposed Rate** | $ 3.00 |

**Meter Test Charge:**

| | |
|---|---|
| **Current Rate** | $90.00 |
| **Proposed Rate** | $90.00 |

**Disconnect/Reconnect Service Charge:**

| | |
|---|---|
| **Current Rate** | $28.00 |
| **Proposed Rate** | $28.00 |

**Inspection Charge (for service line and house line inspections prior to initiation or resumption of gas service, applicable after Company makes two such inspections without charge):**

| | |
|---|---|
| **Current Rate** | $150.00 |
| **Proposed Rate** | $150.00 |

**Additional Trip Charge (applicable to Rate FT, Rider TS-2, and Rider GMPS):**

| | |
|---|---|
| **Current Rate** | $150.00 |
| **Proposed Rate** | $150.00 |

**Unauthorized Reconnect Charge:**

**Current**

When the Company determines that Customer has tampered with a meter, reconnected service without authorization from Company that previously had been disconnected by Company, or connected service without authorization from Company, then the following charges shall be assessed for each instance of such tampering or unauthorized reconnection or connection of service:

1. A charge of $70.00 for tampering or an unauthorized connection or reconnection that does not require the replacement of the meter;
2. A charge of $132.00 for tampering or an unauthorized connection or reconnection that requires the replacement of a meter.

**Proposed**

When the Company determines that Customer has tampered with a meter, reconnected service without authorization from Company that previously had been disconnected by Company, or connected service without authorization from Company, then the following charges shall be assessed for each instance of such tampering or unauthorized reconnection or connection of service:

1. A charge of $70.00 for tampering or an unauthorized connection or reconnection that does not require the replacement of the meter;
2. A charge of $132.00 for tampering or an unauthorized connection or reconnection that requires the replacement of a meter.

## RIDER TS-2
## Gas Transportation Service/Firm Balancing Service Rider

**Rate:**

**Current**

Administrative Charge: $550.00 per Delivery Point per month.

| | CGS | IGS | AAGS | DGGS |
|---|---|---|---|---|
| Distribution Charge Per Mcf | $2.1533 | $2.1929 | $1.0644 | $0.2992 |
| Pipeline Supplier's Demand Component | 0.8500 | 0.8500 | 0.8500 | 0.8500 |
| Total | $3.3633 | $3.0429 | $1.9144 | $1.1492 |

**Proposed**

Administrative Charge: $550.00 per Delivery Point per month.

| | CGS | IGS | AAGS | DGGS |
|---|---|---|---|---|
| Distribution Charge Per Mcf | $3.2525 | $2.1929 | $1.0644 | $0.2992 |
| Pipeline Supplier's Demand Component | 0.8500 | 0.8500 | 0.8500 | 0.8500 |
| Total | $4.1025 | $3.0429 | $1.9144 | $1.1492 |

**Availability of Service:**
**Current:**
For new customers whose historical gas consumption is not available, Company will determine Customer's eligibility for service hereunder based upon data provided by Customer and such other information as may be available to Company. Company may allow such new customers to begin service hereunder prior to the November 1 date specified above for existing customers.
**Proposed**
For new customers who have no historical gas consumption, Company will determine Customer's eligibility for service hereunder based upon data provided by Customer and such other information as may be available to Company. Company may allow such new customers to begin service hereunder prior to the November 1 date specified above for existing customers. A new customer is responsible for presenting its request to Company for service hereunder at least six (6) months prior to first receiving natural gas from Company under any of Company's rate schedules.

**Special Terms and Conditions:**
**Current**
3. In no case will Company be obligated to deliver gas to Customer in greater volumes or at greater rates of flow than those specified in the written contract between Customer and Company. The maximum daily volume that Company shall be obligated to deliver shall be referred to as the Maximum Daily Quantity ("MDQ"). The maximum hourly volume that Company shall be obligated to deliver shall not exceed 1/24th of the MDQ. The MDQ is the maximum daily volume of gas, as determined by Company, based on Customer's historical daily metered volumes. In the event that historical daily metered volumes are not available, Company will determine Customer's MDQ based upon data provided by Customer and/or monthly metered data. Once historical daily metered data becomes available, the MDQ will be subject to revision by Company on an annual basis. In the case of customers served under Rate DGGS, the MDQ under this rider shall be the same as the MDQ established under Rate DGGS.

**Proposed**
3. In no case will Company be obligated to deliver gas to Customer in greater volumes or at greater rates of flow than those specified in the written contract between Customer and Company. The maximum daily volume that Company shall be obligated to deliver shall be referred to as the Maximum Daily Quantity ("MDQ"). The maximum hourly volume that Company shall be obligated to deliver shall not exceed 1/24th of the MDQ. The MDQ is the maximum daily volume of gas, as determined by Company, based on Customer's historical daily metered volumes. In the event that historical daily metered volumes are not available, Company will determine Customer's MDQ based upon data provided by Customer and/or monthly metered data. Once historical daily metered data becomes available, the MDQ will be subject to revision by Company on an annual basis. In the case of customers served under Rate DGGS, the MDQ under this rider shall be the same as the MDQ established under Rate DGGS. Company may require customers served under Rate DGGS and provided with gas transportation service through this rider to provide notice of not less than two (2) hours of changes in the hourly rates of gas consumption.

## Gas Meter Pulse Service Rider GMPS

**Rate:**

| Monthly Charge per gas meter pulse generator | **Current** | **Proposed** |
|---|---|---|
| For Customers Served Under Rate Schedule FT and Rider TS-2: | $7.17 | $7.17 |
| For Customers Not Served Under Rate Schedule FT and Rider TS-2: | $24.34 | $24.34 |

## RIDER PS-TS-2
## Pooling Service Rider to Rider TS-2

**Rate:**

| | **Current** | **Proposed** |
|---|---|---|
| PS-TS-2 Pool Administrative Charge: | $75.00 | $75.00 |

## Pooling Service Rider to Rate FT - Rider PS-FT

**Rate:**

| | Current | Proposed |
|---|---|---|
| PS-FT Pool Administrative Charge: | $75.00 | $75.00 |

**Special Terms and Conditions:**

**Current**

2.To receive service hereunder, the FT Pool Manager shall enter into a PS-FT Pool Management Agreement with Company and shall submit a PS-FT Application/Agency Agreement for each Customer in the FT Pool, signed by both Customer and its FT Pool Manager. The PS-FT Pool Management Agreement shall set forth the specific obligations of the FT Pool Manager and Company under this rider. The PS-FT Application/Agency Agreement shall set forth the Customers in the FT Pool.

The FT Pool Manager shall submit a signed PS-FT Pool Management Agreement and a PS-FT Application/Agency Agreement for each Customer in the FT Pool at least thirty (30) days prior to the beginning of a billing period when service under this rider shall commence. Company shall notify the FT Pool Manager of the date when service hereunder will commence. A Customer who terminates service under this rider or who desires to change FT Pool Managers shall likewise provide Company with a written notice at least thirty (30) days prior to the end of a billing period.

The Pool Maximum Daily Quantity ("PMDQ") shall be set forth in the Pool Management Agreement. The PMDQ shall be equal to the total of the MDQs of all the Customers in the FT Pool. Company is not obligated to accept volumes for re-delivery on any day in excess of the PMDQ.

4.The FT Pool Manager shall provide Company with the written consent, in the form of a PS-FT Application/Agency Agreement, of all Customers to any change in the composition of the Customers in the FT Pool at least thirty (30) days prior to the beginning of the first billing period that would apply to the modified FT Pool Such written consent for existing Customers in the FT Pool to any change in the composition of the FT Pool may be made by the FT Pool Manager as Agent for the current Customers in the FT Pool. Without exception, any new Customer in the FT Pool must provide its own written consent in the form of a PS-FT Application/Agency Agreement.

**Proposed**

2.To receive service hereunder, the FT Pool Manager shall enter into a PS-FT Pool Management Agreement with Company. The PS-FT Pool Management Agreement shall set forth the specific obligations of the FT Pool Manager and Company under this rider.

The FT Pool Manager shall submit a signed PS-FT Pool Management Agreement at least thirty (30) days prior to the beginning of a billing period when service under this rider shall commence. Company shall notify the FT Pool Manager of the date when service hereunder will commence. A Customer who terminates service under this rider or who desires to change FT Pool Managers shall likewise provide Company with a written notice at least thirty (30) days prior to the end of a billing period.

The Pool Maximum Daily Quantity ("PMDQ") shall be set forth in the Pool Management Agreement. The PMDQ shall be equal to the total of the MDQs of all the Customers in the FT Pool. Company is not obligated to accept volumes for re-delivery on any day in excess of the PMDQ.

4.The FT Pool Manager shall provide in a form specified by Company the Customers in the FT Pool (or any changes thereto) at least thirty (30) days prior to the beginning of the first billing period that would apply to the FT Pool. Only those customers served under Rate FT and designating Pool Manager as provided for in Rate FT shall be members of the Pool Manager's pool.

## Excess Facilities – Rider EF

| Customer shall pay for excess facilities by: | Current | Proposed |
|---|---|---|
| (a) Making a monthly Excess Facilities charge payment equal to the installed cost of the excess facilities times the following percentage: | | |
| Percentage with No Contribution-in-Aid-of-Construction | 1.24% | 1.19% |

| | Current | Proposed |
|---|---|---|
| (b) Making a one-time Contribution-in-Aid-of-Construction equal to the installed cost of the excess facilities plus a monthly Excess Facilities Charge payment equal to the installed cost of the excess facilities times the following percentage: | | |
| Percentage with Contribution-in-Aid-of-Construction | 0.47% | 0.46% |

**Natural Gas Vehicle Service - Rider NGV**

**Rate:**

**Current**

The rates, provisions, and special terms and conditions of Rate IGS, Rider TS-2, or Rate FT as applicable to the Customer shall apply.

**Proposed**

The rates, provisions, and special terms and conditions of Rate IGS, Rider TS-2, or Rate FT as applicable to the Customer shall apply.

**Standard Facility Contribution Rider – Rider SFC**
**New Rider to Tariffs**

**APPLICABLE**

In all territory served.

**AVAILABILITY**

This rider is available for gas main extensions made pursuant to Company's "Gas Main Extension Rules" that are necessary to provide basic gas service when the revenue credit received by the customer under the Company's "Gas Main Extension Rules" does not cover the cost of the gas main extension. Company reserves the right to decline to provide service under this rider to an individual customer for any gas main extension costs that are in excess of those covered by Company's Gas Main Extension Rules (i) where the excess costs are less than $500,000 or greater than $2,000,000, or (ii) where the gas main extension is likely to become obsolete prior to the end of the contract term.

Company shall not be obligated to provide service under this rider when the total gas main extension costs subject to this rider are greater than $4,000,000 per calendar year.

Any customer receiving service under this rider shall be eligible for refunds (if any) available pursuant to Company's Gas Main Extension Rules when the customer's obligation under this rider is fulfilled at the end of the five (5) year contract term.

**DEFINITION OF STANDARD FACILITIES**

Standard facilities are limited to gas main extensions used to provide service to a customer. Customer will not be required to pay for facilities installed by Company that are in excess of those required to provide service to customer unless customer requests such facilities. Company's Excess Facilities Rider (Standard Rate Rider EF) applies to customer-requested excess facilities.

**STANDARD FACILITIES CHARGE**

Company shall provide normal operation and maintenance of the standard facilities. If the facilities suffer failure, Company will provide for replacement of such facilities. No adjustment in the monthly charge for a replacement of facilities will be made during the term of the contract.

Customer shall pay for standard facilities by making a monthly Standard Facilities Charge payment for 60 months equal to the installed cost of the standard facilities times the following factor:

$$\text{Standard Facility Contribution Factor} = \frac{i(1+i)^{60}}{(1+i)^{60}-1}$$

Where the interest rate *(i)* in the above formula is the 5-year Treasury constant maturity rate published in the latest Federal Reserve Statistical Release H-15 as of the day immediately preceding the date when the agreement under this rider is executed with the Customer, plus 100 basis points, divided by 12 months.

**PAYMENT**
The Standard Facilities Charges will be incorporated with the bill for gas service and will be subject to the same payment provisions.

**CREDITWORTHINESS**
Customer shall upon request of Company agree to maintain an irrevocable letter of credit, cash prepayment, or such other financial instrument satisfactory to Company ("credit support") in order to assure Customer's performance of its obligations hereunder. In determining the level of the security to be required of Customer, Company shall consider such factors, including, but not limited to, the following: the cost of the main extension to be paid by Customer, the general creditworthiness of Customer, and Customer's prior credit record with Company, if any. In the event that Customer defaults on its obligations under this rate schedule, Company shall have the immediate right to draw on such credit support to satisfy Customer's obligation hereunder. Such credit requirements shall be administered by Company in a nondiscriminatory manner.

**CONTRACT**
Service under this rider shall be performed under a written contract between Company and Customer. The term of the contract shall be five (5) years.

**Gas Line Tracker – Adjustment Clause GLT**

**Rates:**

| | **Current** | |
|---|---|---|
| | Distribution Projects ($/delivery point) | Transmission Projects ($/Ccf) |
| RGS, VFD | $0.60 | $0.00547 |
| CGS, SGSS | $2.99 | $0.00444 |
| IGS, AAGS, DGGS | $37.67 | $0.00266 |
| FT, LGDS | $0.00 | $0.00031 |

| | **Proposed** | |
|---|---|---|
| | Distribution Projects ($/delivery point) | Transmission Projects ($/Ccf) |
| RGS, VFD | $0.60 | $0.00547 |
| CGS, SGSS | $2.99 | $0.00444 |
| IGS, AAGS, DGGS | $37.67 | $0.00266 |
| FT, LGDS | $0.00 | $0.00031 |

**Tax Cuts and Jobs Act Surcredit (TCJA) Adjustment Clause withdrawn from tariff and cancelled**

The approval of a change in LG&E's base rates will cause the Tax Cuts and Jobs Act ("TCJA") Surcredit Tariff to be withdrawn from service and associated billing credits cancelled effective May 1, 2019. The TCJA Surcredit is a rate mechanism that provides a monthly credit that reduces customers' bills. In its base rate application, LG&E is proposing to include all changes associated with the TCJA in the calculation of its proposed base rates. When the new base rates become effective, customers will no longer receive the credit provided by the TCJA surcredit mechanism. The monthly residential gas bill increase due to the proposed gas base rates will be 8.1 percent, or approximately $4.93, for a customer using 54 Ccf of gas (the average monthly consumption of a LG&E residential customer). LG&E 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 gas bill increase will be 12.2%, or approximately $7.14, for a customer using 54 Ccf of gas.

## Franchise Fee – Adjustment Clause FF

**Current**

**APPLICABILITY**

All gas rate schedules.

**MONTHLY CHARGE**

A surcharge shall be calculated and added to the total bill for gas service for all customers located within local governmental jurisdictions which currently or in the future impose municipal franchise fees or other local taxes on the Company by ordinance, franchise, or otherwise. Such fees or taxes shall be net of any corresponding fees or taxes which are currently included in the base charges of each rate schedule.

The amount calculated shall be applied exclusively to the bills of customers receiving service within the territorial limits of the authority imposing the fee or tax. The fee or tax shall be added to the customer's bill as a separate item. Where more than one such fee or tax is imposed, each of the fees or taxes applicable to each customer shall be added to the bills as separately identified items.

**Proposed**

**APPLICABLE**

In all territory served.

**AVAILABILITY**

Available as an option for collection of revenues within governmental jurisdictions which impose on Company franchise fees, permitting fees, local taxes or other charges by ordinance, franchise, or other governmental directive and not otherwise collected in the charges of Company's base schedules

**BILLING**

1. The franchise charge will be applied exclusively to the base rate and all riders of bills of Customers receiving service within the franchising governmental jurisdiction, before taxes.
2. The franchise charge will appear as a separate line item on Customer's bill and show the unit of government requiring the franchise.
3. Payment of the collected franchise charges will be made to the governmental franchising body as agreed to in the franchise agreement.
4. At its option, a governmental body imposing a franchise fee shall not be billed for that portion of a franchise fee, applied to services designated by the governmental body that would ultimately be repaid to the governmental body.

**TERM OF CONTRACT**

As agreed to in the franchise agreement. Company will not calculate or collect any such fees, taxes, or charges pursuant to expired, lapsed, or otherwise invalid, ineffective or inapplicable ordinances, franchise agreements, or other governmental enactment.

## Home Energy Assistance Program Adjustment Clause HEA

**Rate:**

**Current**

$0.25 per month.

**Proposed**

$0.25 per month.

## Terms and Conditions – Customer Responsibilities

**Customer's Equipment and Installation:**

**Current**

Customer shall furnish, install, and maintain at Customer's expense the necessary Customer's Service Line extending from Company's Service Connection at the property line to the building or place of utilization of the gas.

All piping, appliances, and other gas equipment and apparatus, except the meter, regulator, and any gas riser or service line the Company has installed, repaired, or replaced, located on and within the Customer's premises beyond point of connection with Company's Service Connection at the property line shall be furnished and installed by and at the expense of Customer, and shall be maintained by Customer in good and safe condition. Company assumes no responsibility whatsoever for the condition of Customer's piping, apparatus or appliances, nor for the maintenance or renewal of any portion thereof.

**Proposed**

Company will install at its own expense, a service pipe of suitable capacity extending from its gas main to the gas meter serving Customer, beyond which point all necessary piping shall be installed by and at the expense of Customer.

## Terms and Conditions – Character of Service

**Heating Value:**

**Current**

Company will normally supply natural gas having a heating value of approximately 1,000 Btu per cubic foot. All gas received into the system of Company from interstate pipelines shall meet the applicable quality standards of the respective interstate pipeline delivering natural gas to Company All gas received into the system of Company from sources other than an interstate pipeline shall meet the quality standards prescribed in Local Gas Delivery Service Rate LGDS. When it is necessary to supplement the supply of natural gas, Company reserves the right, at its discretion, to supplement its supply of natural gas with a mixture of vaporized liquefied petroleum gas and air.

**Proposed**

Company will normally supply natural gas having an average heating value of approximately 1,050 Btu per cubic foot for any twelve (12) month period. All gas received into the system of Company from interstate pipelines shall meet the applicable quality standards of the respective interstate pipeline delivering natural gas to Company All gas received into the system of Company from sources other than an interstate pipeline shall meet the quality standards prescribed in Local Gas Delivery Service Rate LGDS. When it is necessary to supplement the supply of natural gas, Company reserves the right, at its discretion, to supplement its supply of natural gas with a mixture of vaporized liquefied petroleum gas and air.

## Terms and Conditions – Billing

**Meter Reading and Bills:**

**Current**

In the case of opening and closing bills when the total period between regular and special meter readings is less than thirty days, the minimum charges of the applicable rate schedules will be prorated on the basis of the ratio of the actual number of days in such period to thirty days.

**Proposed**

In the case of opening and closing bills when the total period between regular and special meter readings is less than thirty days, the minimum charges of the applicable rate schedules will be prorated on the basis of the ratio of the actual number of days in such period to thirty days, unless an applicable rate schedule has a daily Basic Service Charge, in which case a full daily Basic Service Charge will be charged to a customer for each day or partial day during which the customer’s account was open and served under that rate schedule.

## Terms and Conditions - Deposits

**Current**

For Customers Served Under
Residential Gas Service Rate RGS $100.00
(For Combination Gas and Electric Residential Customers,
the total deposit would be $260.00)
For Non-Residential Gas Customers, the deposit will be no more than 2/12 of Customer's actual or estimated annual bill where bills are rendered monthly.

**Proposed**

For Customers Served Under
Residential Gas Service Rate RGS $100.00
(For Combination Gas and Electric Residential Customers,
the total deposit would be $260.00)
For Non-Residential Gas Customers, the deposit will be no more than 2/12 of Customer's actual or estimated annual bill where bills are rendered monthly.

## Terms and Conditions – Gas Main Extension Rules

**Current**

1.Company will extend its gas distribution mains at its own expense for a distance of one hundred (100) feet to each bona-fide applicant who agrees in writing to take service within one (1) year after the extension is completed and who has a suitable Customer's Service Line installed and ready for connection provided the following criteria are met:

a) The existing main is of sufficient capacity to properly supply the additional customer(s);

b) The customer(s) contracts to use gas on a continuous basis for one (1) year or more; and,

c) The potential consumption and revenue will be of such amount and permanence as to warrant the capital expenditures involved to make the investment economically feasible.

2. Company will extend its gas mains in excess of the above distance provided the applicant for service advances to Company an amount equal to the estimated cost of such excess portion of the extension. Company shall have the right to determine the length of the extension and to specify the pipe size and location of the extension, as well as the timing of its construction.

3. Where funds were advanced in accordance with paragraph 2 for extensions into developed residential neighborhoods and notwithstanding paragraph 1, any customer that subsequently connects to the main during a ten-year period from the effective date of the main extension contract shall advance to Company a pro rata share of the cost of the extension over 100 feet per connected customer.

4. For each new year-round customer connected to an extension in accordance with paragraph 3, Company will refund to the previous applicant(s) who advanced funds an amount equal to the difference between the refundable amount advanced and the amount of the advance so determined for the new applicant.

5. Company will extend its gas mains to serve a proposed real estate subdivision provided the applicant for such extension advances to Company an amount equal to the estimated cost of the total extension. Company shall have the right to determine the length of the extension and to specify the pipe size and the location of the extension, as well as the timing of its construction.

6. For each new year-round customer actually connected to the extension within a ten-year period following the effective date of the gas main extension contract, but not to extensions or laterals therefrom, Company will refund to applicant(s) who advanced funds in accordance with paragraph 5 above an amount equal to 100 times the average unit cost per foot of extension advanced by such applicant(s); provided that such refunds shall not exceed, in the aggregate, the amount originally advanced to Company.

7. Company will install at its own expense a service pipe of suitable capacity extending from its gas main to the customer's property line beyond which point all necessary piping shall be installed by and at the expense of the customer and in a manner acceptable to Company.

8. Company will install at its own expense the necessary meter together with the regulator required to convert from medium pressure to service pressure. When a high pressure gas line is tapped to serve a customer or group of customers, Company may charge the customer or customers for the estimated installed cost of the tap, any regulation equipment, piping, and any other equipment or facilities determined by Company, in its sole discretion, to be necessary to provide such service consistent with good operating practice.

9.In the event Company is required to make a further extension of its mains to serve a customer, Company reserves the right to tap any extension constructed under these rules and to make connections from such additional extensions without application of the refunds referred to in paragraph 4 or 6 above.

10. The title to all extensions herein provided for, together with all necessary rights-of-way, permits and easements, shall be and remain in Company.

11.Company shall not be obligated to make service connections or to extend its gas mains in cases where such extensions or connections, in the sole judgment of Company would be infeasible, impractical, or contrary to good operating practice, or where such extensions are not in accordance with the terms of the applicable rate schedule.

12.A Customer may request the installation of an Excess Flow Valve (EFV) pursuant to Federal Pipeline Hazardous Materials Safety Administration regulation 49 CFR 192.383. All EFV installations requested by Customer shall be at the Customer's sole expense. The Company and Customer shall mutually agree upon the timing of such installation with regard to any necessary permitting that may be required. The Customer requesting the installation of an excess flow valve shall be responsible for the actual total cost of such installation and the Company shall provide Customer with a written estimated cost of such installation prior to performing the installation. A deposit of fifty (50) percent of the estimated cost of installation shall be required prior to the commencement of the installation. The balance of the actual cost of installation shall be due upon completion.

The Company shall not be required to install an EFV if one or more of the following conditions is present:

a. The service line does not operate at a pressure of 10 psig or greater throughout the year;

b. Company has prior experience with contaminants in the gas stream that could interfere with the excess flow valve's operation or cause loss of service to a customer;

c. The excess flow valve could interfere with necessary maintenance and operation activities;

d. An excess flow valve meeting applicable performance standards is not commercially available; or

e. Gas deliveries on the line exceed 1,000 cubic feet per hour.

**Proposed**

1.Company will extend its gas distribution mains at its own expense for a distance of one hundred (100) feet to each bona-fide applicant who agrees in writing to take service within one (1) year after the extension is completed and who has a suitable Customer's Service Line installed and ready for connection provided the following criteria are met:

a. The existing main is of sufficient capacity to properly supply the additional customer(s);

b. The customer(s) contracts to use gas on a continuous basis for one (1) year or more; and,

c. The potential consumption and revenue will be of such amount and permanence as to warrant the capital expenditures involved to make the investment economically feasible.

2. Company shall provide to Customer requesting permanent service a line extension in excess of one hundred (100) feet per Customer to the extent that the cost of such line extension does not exceed five (5) times the Customer's estimated annual net revenue, where "net revenue" is defined as the customer's total revenue (excluding franchise fees and school taxes) less gas supply costs (i.e., the Gas Supply Cost Component of the Company's rates). In such cases, Company shall require the Customer to provide a guarantee of the estimated annual net revenue not less than five years, after taking into consideration any ramping up of the customer's demand and energy.

3. Company will extend its gas mains in excess of the above distance provided the applicant for service advances to Company an amount equal to the estimated cost of such excess portion of the extension. Company shall have the right to determine the length of the extension and to specify the pipe size and location of the extension, as well as the timing of its construction.

4. Where funds were advanced in accordance with paragraph 3 for extensions into developed residential neighborhoods and notwithstanding paragraph 1, any customer that subsequently connects to the main during a ten-year period from the effective date of the main extension contract shall advance to Company a pro rata share of the cost of the extension over 100 feet per connected customer.

5. For each new year-round customer connected to an extension in accordance with paragraph 4, Company will refund to the previous applicant(s) who advanced funds an amount equal to the difference between the refundable amount advanced and the amount of the advance so determined for the new applicant.

6. Company will extend its gas mains to serve a proposed real estate subdivision provided the applicant for such extension advances to Company an amount equal to the estimated cost of the total extension. Company shall have the right to determine the length of the extension and to specify the pipe size and the location of the extension, as well as the timing of its construction.

7. For each new year-round customer actually connected to the extension within a ten-year period following the effective date of the gas main extension contract, but not to extensions or laterals therefrom, Company will refund to applicant(s) who advanced funds in accordance with paragraph 6 above an amount equal to 100 times the average unit cost per foot of extension advanced by such applicant(s); provided that such refunds shall not exceed, in the aggregate, the amount originally advanced to Company.

8. Company will install at its own expense, subject to paragraph 1 above, a service pipe of suitable capacity extending from its gas main to the gas meter serving Customer, beyond which point all necessary piping shall be installed by and at the expense of Customer.

9. Company will install at its own expense the necessary meter together with the regulator required to convert from medium pressure to service pressure. When a high pressure gas line is tapped to serve a customer or group of customers, Company may charge the customer or customers for the estimated installed cost of the tap, any regulation equipment, piping, and any other equipment or facilities determined by Company, in its sole discretion, to be necessary to provide such service consistent with good operating practice.

10. In the event Company is required to make a further extension of its mains to serve a customer, Company reserves the right to tap any extension constructed under these rules and to make connections from such additional extensions without application of the refunds referred to in paragraph 5 or 7 above.

11. The title to all extensions herein provided for, together with all necessary rights-of-way, permits and easements, shall be and remain in Company.

12. Company shall not be obligated to make service connections or to extend its gas mains in cases where such extensions or connections, in the sole judgment of Company would be infeasible, impractical, or contrary to good operating practice, or where such extensions are not in accordance with the terms of the applicable rate schedule.

13. A Customer may request the installation of an Excess Flow Valve (EFV) pursuant to Federal Pipeline Hazardous Materials Safety Administration regulation 49 CFR 192.383. All EFV installations requested by Customer shall be at the Customer's sole expense. The Company and Customer shall mutually agree upon the timing of such installation with regard to any necessary permitting that may be required. The Customer requesting the installation of an excess flow valve shall be responsible for the actual total cost of such installation and the Company shall provide Customer with a written estimated cost of such installation prior to performing the installation. A deposit of fifty (50) percent of the estimated cost of installation shall be required prior to the commencement of the installation. The balance of the actual cost of installation shall be due upon completion.

The Company shall not be required to install an EFV if one or more of the following conditions is present:

a. The service line does not operate at a pressure of 10 psig or greater throughout the year;
b. Company has prior experience with contaminants in the gas stream that could interfere with the excess flow valve's operation or cause loss of service to a customer;
c. The excess flow valve could interfere with necessary maintenance and operation activities;
d. An excess flow valve meeting applicable performance standards is not commercially available; or
e. Gas deliveries on the line exceed 1,000 cubic feet per hour.

Louisville Gas and Electric Company also proposes to change the text of the following electric tariffs: Residential Service Rate RS, Residential Time-of-Day Energy Service Rate RTOD-Energy, Residential Time-of-Day Demand Service Rate RTOD-Demand, Volunteer Fire Department Service Rate VFD, General Service Rate GS, Power Service Rate PS, Time-of-Day Secondary Service Rate TODS, Time-of-Day Primary Service Rate TODP, Retail Transmission Service Rate RTS, Fluctuating Load Service Rate FLS, Lighting Service Rate LS, Restricted Lighting Service Rate RLS, Lighting Energy Rate LE, Traffic Energy Service Rate TE, Pole and Structure Attachment Charges PSA, Electric Vehicle Supply Equipment Rate EVSE, Electric Vehicle Charging Rate EVC, Special Charges, Curtailable Service Rider-1 CSR-1, Curtailable Service Rider-2 CSR-2, Redundant Capacity Rider RC, Temporary-to-Permanent and Seasonal Service Rider TS, Economic Development Rider EDR, Solar Share Program Rider SSP, Outdoor Sports Lighting Service OSL, Environmental Cost Recovery Surcharge ECR, Franchise Fee Rider FF, and the Terms and Conditions.

Louisville Gas and Electric Company also proposes to change the text of the following gas tariffs: Residential Gas Service Rate RGS, Volunteer Fire Department Service Rate VFD, Firm Commercial Gas Service Rate CGS, Firm Industrial Gas Service Rate IGS, As-Available Gas Service Rate AAGS, Substitute Gas Sales Service SGSS, Firm Transportation Service Rate FT, Distributed Generation Gas Service Rate DGGS, Local Gas Delivery Service LGDS, Special Charges, Gas Transportation Service/Firm Balancing Service Rider TS-2, Gas Meter Pulse Service Rider GMPS, Pooling Service Rider PS-TS-2, Pooling Service Rate PS-FT, Weather Normalization Adjustment Clause Mechanism WNA, Franchise Fee FF, School Tax ST, and the Terms and Conditions.

Complete copies of the proposed tariffs containing the text changes and proposed rates, terms and conditions may be obtained by contacting Louisville Gas and Electric Company at P. O. Box 32010, Louisville, Kentucky, 502-589-1444 or 1-800-331-7370, or by visiting Louisville Gas and Electric Company’s website at www.lge-ku.com. A copy of this customer notice required by 807 KAR 5:001 Section 17 is posted and may be viewed in each public library located within LG&E’s service territory or at the LG&E office where bills are paid.

The foregoing rates reflect a proposed annual increase in electric revenues of approximately 3.09% and gas revenues of approximately 7.57% to Louisville Gas and Electric Company.

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 is as follows:

| **Electric Rate Class** | **Average Usage (kWh)** | **Annual $ Increase** | **Annual % Increase** | **Monthly Bill $ Increase** | **Monthly Bill % Increase** |
|---|---|---|---|---|---|
| Residential | 917 | 18,795,252 | 4.09 | 4.23 | 4.09 |
| Residential Time-of-Day Energy | 1,077 | 3,838 | 4.06 | 4.35 | 4.06 |
| General Service | 2,322 | 4,410,485 | 2.66 | 8.00 | 2.66 |
| Power Service | 52,002 | 4,723,825 | 2.65 | 133.13 | 2.65 |
| Time-of-Day Secondary | 227,989 | 2,031,137 | 2.08 | 389.55 | 2.08 |
| Time-of-Day Primary | 1,326,570 | 3,100,289 | 2.10 | 2,015.79 | 2.10 |
| Retail Transmission | 6,770,655 | 1,426,166 | 2.11 | 9,142.08 | 2.11 |
| Fluctuating Load | No Customers are currently served under this Rate Schedule | | | | |
| Outdoor Lights | 94 | 636,550 | 2.66 | 0.60 | 2.70 |
| Lighting Energy | 1,942 | 0.00 | 0.00 | 0.00 | 0.00 |
| Traffic Energy | 284 | (6.00) | 0.00 | 0.00 | 0.00 |
| 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 | 2,000 | 272 | 2.66 | 23.00 | 2.66 |

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

| **Gas Rate Class** | **Average Usage (Mcf)** | **Annual $ Increase** | **Annual % Increase** | **Mthly Bill $ Increase** | **Mthly Bill % Increase** |
|---|---|---|---|---|---|
| Residential | 5.4 | 17,691,740 | 8.12 | 4.93 | 8.12 |
| Commercial | 33.1 | 7,347,663 | 8.12 | 24.42 | 8.12 |
| Industrial | 596.7 | (74.00) | 0.00 | (0.02) | 0.00 |
| As-Available | 3,598.4 | 0.00 | 0.00 | 0.00 | 0.00 |
| Firm Transportation | 14,385.0 | (85.00) | 0.00 | (0.09) | 0.00 |
| Distributed Generation | 0.4 | 0.00 | 0.00 | 0.00 | 0.00 |
| Substitute Gas Sales | 124.8 | 3,528 | 8.12 | 293.98 | 8.12 |
| Local Gas Delivery | No Customers are currently served under this Rate Schedule | | | | |

The monthly residential electric bill increase due to the proposed electric base rates will be 4.1 percent, or approximately $4.23, for a customer using 917 kWh of electricity (the average monthly consumption of a LG&E residential customer). LG&E 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 7.5%, or approximately $7.53, for a customer using 917 kWh of electricity.

The monthly residential gas bill increase due to the proposed gas base rates will be 8.1 percent, or approximately $4.93, for a customer using 54 Ccf of gas (the average monthly consumption of a LG&E residential customer). LG&E 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 gas bill increase will be 12.2%, or approximately $7.14, for a customer using 54 Ccf of gas.

Notice is further given that a person may examine this application at the offices of Louisville Gas and Electric Company located at 820 West Broadway, Louisville, Kentucky or through Louisville Gas and Electric Company'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 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, through its Web site, or by sending an email to the Commission's Public Information Officer at psc.info@ky.gov. All comments should reference Case No. 2018-00295.

The rates contained in this notice are the rates proposed by Louisville Gas and Electric Company, 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.

Louisville Gas and Electric Company
220 West Main Street
P. O. Box 32010
Louisville, Kentucky 40232
502-589-1444 or 1-800-331-7370

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

# Exhibit D

# Listing of Library Notice

**<u>List of Libraries in LGE Territory</u>**

Bon Air Branch
Crescent Hill Branch
Dorothea Stottman Library
Fairdale Branch
Fern Creek Branch
Henry County Public Library
Highland-Shelby Park Branch
Iroquois Branch
Jeffersontown Branch
Louisville Free Public Library
Mahan-Oldham County Library
Middletown Branch
Mount Washington Branch Library
Nelson County Public Library
Okolona Branch
Portland Branch
Ridgway Memorial Library
Saint Matthews-Eline Memorial Branch
Shawnee Branch
Shively-Newman Branch
South Oldham Library
Western Branch
Westport Middle School

# Exhibit E

# Customer Bill Insert
# General Statement

**NOTICE TO CUSTOMERS OF**
**LOUISVILLE GAS AND ELECTRIC COMPANY**

**PLEASE TAKE NOTICE** that, in a September 28, 2018 Application, Louisville Gas and Electric Company ("LG&E") is seeking approval by the Kentucky Public Service Commission of an adjustment of its electric and gas rates and charges to become effective on and after November 1, 2018.

The proposed rates reflect a proposed annual increase in electric revenues of approximately 3.09% and gas revenues of approximately 7.57% to LG&E.

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 | 917 | 18,795,252 | 4.09 | 4.23 | 4.09 |
| Residential Time-of-Day Energy | 1,077 | 3,838 | 4.06 | 4.35 | 4.06 |
| General Service | 2,322 | 4,410,485 | 2.66 | 8.00 | 2.66 |
| Power Service | 52,002 | 4,723,825 | 2.65 | 133.13 | 2.65 |
| Time-of-Day Secondary | 227,989 | 2,031,137 | 2.08 | 389.55 | 2.08 |
| Time-of-Day Primary | 1,326,570 | 3,100,289 | 2.10 | 2,015.79 | 2.10 |
| Retail Transmission | 6,770,655 | 1,426,166 | 2.11 | 9,142.08 | 2.11 |
| Fluctuating Load | No Customers are currently served under this Rate Schedule | | | | |
| Outdoor Lights | 94 | 636,550 | 2.66 | 0.60 | 2.70 |
| Lighting Energy | 1,942 | 0.00 | 0.00 | 0.00 | 0.00 |
| Traffic Energy | 284 | (6.00) | 0.00 | 0.00 | 0.00 |
| 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 | 2,000 | 272 | 2.66 | 23.00 | 2.66 |

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

| Gas Rate Class | Average Usage (Mcf) | Annual $ Increase | Annual % Increase | Mthly Bill $ Increase | Mthly Bill % Increase |
|---|---|---|---|---|---|
| Residential | 5.4 | 17,691,740 | 8.12 | 4.93 | 8.12 |
| Commercial | 33.1 | 7,347,663 | 8.12 | 24.42 | 8.12 |
| Industrial | 596.7 | (74.00) | 0.00 | (0.02) | 0.00 |
| As-Available | 3,598.4 | 0.00 | 0.00 | 0.00 | 0.00 |
| Firm Transportation | 14,385.0 | (85.00) | 0.00 | (0.09) | 0.00 |
| Distributed Generation | 0.4 | 0.00 | 0.00 | 0.00 | 0.00 |
| Substitute Gas Sales | 124.8 | 3,528 | 8.12 | 293.98 | 8.12 |
| Local Gas Delivery | No Customers are currently served under this Rate Schedule | | | | |

The monthly residential electric bill increase due to the proposed electric base rates will be 4.1 percent, or approximately $4.23, for a customer using 917 kWh of electricity (the average monthly consumption of a LG&E residential customer). LG&E 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 7.5%, or approximately $7.53, for a customer using 917 kWh of electricity.

The monthly residential gas bill increase due to the proposed gas base rates will be 8.1 percent, or approximately $4.93, for a customer using 54 ccf of gas (the average monthly consumption of a LG&E residential customer). LG&E 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 gas bill increase will be 12.2%, or approximately $7.14, for a customer using 54 ccf of gas.

LG&E is proposing numerous revisions to the rates, terms and conditions for service under for 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.

LG&E is also proposing changes in the text of some of its rate schedules and other tariff provisions, including its terms and conditions for electric or gas service, as well as a new Standard Facility Contribution Rider ("SFC") for gas service. Complete copies of the proposed tariffs containing the proposed text changes and rates may be obtained by contacting, Louisville Gas and Electric Company at 220 West Main Street, Louisville, Kentucky, 40202, 502-589-1444 or 1-800-331-7370, or by visiting LG&E's website at www.lge-ku.com.

Notice is further given that a person may examine this application at the offices of LG&E located at 820 West Broadway, Louisville, Kentucky, and may also be examined at LG&E'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 through the commission's Web site at http://psc.ky.gov. A copy of the customer notice required by 807 KAR 5:001 Section 17 is posted and may be viewed in each public library located within LG&E's service territory or at the LG&E office where bills are paid.

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. 2018-00295.

The rates contained in this notice are the rates proposed by LG&E, 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.

A copy of the Notice of Filing and the proposed tariff, once filed, shall also be available for public inspection on LG&E's website at www.lge-ku.com, or through the Public Service Commission's website at http://psc.ky.gov.

Louisville Gas and Electric Company
220 West Main Street
P. O. Box 32010
Louisville, Kentucky 40232
502-589-1444 or 1-800-331-7370

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

**Louisville Gas and Electric Company**
**Case No. 2018-00295**
**Forecasted Test Period Filing Requirements**
**(Forecasted Test Period 12ME 4/30/20; Base Period 12ME 12/31/18)**

**Filing Requirement**
**807 KAR 5:001 Section 16(2)**
**Sponsoring Witness: Robert M. Conroy**

## Description of Filing Requirement:

*Notice of Intent. Utilities with gross annual revenues greater than $5,000,000 shall notify the Commission in writing of its intent to file a rate application at least thirty (30) days, but not more than sixty (60) days, prior to filing its application.*

*(a) The notice of intent shall state if the rate application will be supported by a historical test period or a fully forecasted test period.*

*(b) Upon filing the notice of intent, an application may be made to the commission for permission to use an abbreviated form of newspaper notice of proposed rate increases provided the notice includes a coupon that may be used to obtain a copy from the applicant of the full schedule of increases or rate changes.*

*(c) Upon filing the notice of intent with the commission, the applicant shall mail to the Attorney General's Office of Rate Intervention at a copy of the notice of intent or send by electronic mail in a portable document format, to rateintervention@ag.ky.gov.*

## Response:

See attached.

The Commission granted the request of Kentucky Utilities Company ("KU") and LG&E to publish an abbreviated newspaper customer notice.[3] Also, KU and LG&E are required to post the full customer notice in each public library located in the service territories.[4]

[3] *Id.*
[4] *Id.*

LG&E
a PPL company

**Louisville Gas and Electric Company**
State Regulation and Rates
220 West Main Street
PO Box 32010
Louisville, KY 40232
www.lge-ku.com

Robert M. Conroy
Vice President
T 502-627-3324
F 502-217-4985
robert.conroy@lge-ku.com

Gwen R. Pinson
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
PO Box 615
Frankfort, Kentucky 40602-0615

August 27, 2018

**RE: Application of Louisville Gas and Electric Company for an Adjustment of Its Electric and Gas Rates**
**Case No. 2018-00___**

Dear Ms. Pinson:

Please take notice that Louisville Gas and Electric Company ("LG&E") intends to file on or after September 28, 2018, an application for a general adjustment in its electric and gas rates, including changes to its electric and gas tariffs. This application will be supported by a fully forecasted test period ending April 30, 2020.

LG&E has contemporaneously filed a Notice of Election of Use of Electronic Filing Procedures for this proceeding. Please assign this matter a case number and style and advise us of same so that it can be incorporated in the application and supporting testimony before filing with the Commission.

Sincerely,

Robert M. Conroy

cc: Rebecca W. Goodman, Esq.
Executive Director, Office of the Attorney General
Rate Intervention Division (via electronic mail)

LG&E
a PPL company

Gwen R. Pinson
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
PO Box 615
Frankfort, Kentucky 40602-0615

**Louisville Gas and Electric Company**
State Regulation and Rates
220 West Main Street
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Louisville, KY 40232
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Robert M. Conroy
Vice President
T 502-627-3324
F 502-217-4985
robert.conroy@lge-ku.com

August 27, 2018

**RE: Application of Louisville Gas and Electric Company for an Adjustment of Its Electric and Gas Rates**
**Case No. 2018-00___**

Dear Ms. Pinson:

Enclosed please find and accept a notice of election of use of electronic filing procedures in accordance with 807 KAR 5:001, Section 8. Louisville Gas and Electric Company intends to file on or after September 28, 2018, an application for a general adjustment in its electric and gas rates, including changes to its electric and gas tariffs.

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

Sincerely,

Robert M. Conroy

cc: Rebecca W. Goodman, Esq.
Executive Director, Office of the Attorney General
Rate Intervention Division (via electronic mail)

## NOTICE OF ELECTION OF USE OF ELECTRONIC FILING PROCEDURES

(Complete All Shaded Areas and Check Applicable Boxes)

In accordance with 807 KAR 5:001, Section 8, Louisville Gas and Electric Company gives notice of its intent to file an application for an adjustment of its electric and gas rates with the Public Service Commission no later than September 28, 2018 and to use the electronic filing procedures set forth in that regulation.

Louisville Gas and Electric Company further states that:

| | Yes | No |
|---|---|---|
| 1. It requests that the Public Service Commission assign a case number to the intended application and advise it of that number as soon as possible; | [X] | [ ] |
| 2. It or its authorized representatives have registered with the Public Service Commission and are authorized to make electronic filings with the Public Service Commission; | [X] | [ ] |
| 3. Neither it nor its authorized representatives have registered with the Public Service Commission for authorization to make electronic filings but will do so no later than seven days before the date of its filing of its application for rate adjustment; | [ ] | [X] |
| 4. It or its authorized agents possess the facilities to receive electronic transmissions; | [X] | [ ] |

5. The following persons are authorized to make filings on its behalf and to receive electronic service of Public Service Commission orders and any pleadings filed by any party or the Public Service Commission Staff:

| Name | Electronic Mail Address |
|---|---|
| Robert M. Conroy | robert.conroy@lge-ku.com |
| Allyson K. Sturgeon | allyson.sturgeon@lge-ku.com |
| Kendrick R. Riggs | kendrick.riggs@skofirm.com |

| | Yes | No |
|---|---|---|
| 6. It and its authorized representatives listed above have read and understand the procedures for electronic filing set forth in 807 KAR 5:001 and will fully comply with those procedures unless the Public Service Commission directs otherwise. | [X] | [ ] |

Signed ________________

Name: Robert M. Conroy

Title: VP, State Regulation and Rates

Address: 220 West Main Street
Louisville, KY 40202

Telephone Number: 502-627-3324

**Louisville Gas and Electric Company**
**Case No. 2018-00295**
**Forecasted Test Period Filing Requirements**
**(Forecasted Test Period 12ME 4/30/20; Base Period 12ME 12/31/18)**

**Filing Requirement**
**807 KAR 5:001 Section 16(6)(a)**
**Sponsoring Witness: Robert M. Conroy**

## Description of Filing Requirement:

*The financial data for the forecasted period shall be presented in the form of pro forma adjustments to the base period.*

## Response:

The financial data for the forecasted period is presented in the form of pro forma adjustments to the base period.

**Louisville Gas and Electric Company**
**Case No. 2018-00295**
**Forecasted Test Period Filing Requirements**
**(Forecasted Test Period 12ME 4/30/20; Base Period 12ME 12/31/18)**

**Filing Requirement**
**807 KAR 5:001 Section 16(6)(b)**
**Sponsoring Witness: Robert M. Conroy**

**Description of Filing Requirement:**

*Forecasted adjustments shall be limited to the twelve (12) months immediately following the suspension period.*

**Response:**

Forecasted adjustments have been limited to the twelve (12) months immediately following the suspension period.

**Louisville Gas and Electric Company**
**Case No. 2018-00295**
**Forecasted Test Period Filing Requirements**
**(Forecasted Test Period 12ME 4/30/20; Base Period 12ME 12/31/18)**

**Filing Requirement**
**807 KAR 5:001 Section 16(6)(c)**
**Sponsoring Witness: Robert M. Conroy**

**Description of Filing Requirement:**

*Capitalization and net investment rate base shall be based on a thirteen (13) month average for the forecasted period.*

**Response:**

Capitalization and net investment rate base are based on a thirteen (13) month average for the forecasted period.

**Louisville Gas and Electric Company**
**Case No. 2018-00295**
**Forecasted Test Period Filing Requirements**
**(Forecasted Test Period 12ME 4/30/20; Base Period 12ME 12/31/18)**

**Filing Requirement**
**807 KAR 5:001 Section 16(6)(d)**
**Sponsoring Witness: Robert M. Conroy**

**Description of Filing Requirement:**

*After an application based on a forecasted test period is filed, there shall be no revisions to the forecast, except for the correction of mathematical errors, unless the revisions reflect statutory or regulatory enactments that could not, with reasonable diligence, have been included in the forecast on the date it was filed. There shall be no revisions filed within thirty (30) days of a scheduled hearing on the rate application.*

**Response:**

LG&E acknowledges this requirement.

**Louisville Gas and Electric Company**
**Case No. 2018-00295**
**Forecasted Test Period Filing Requirements**
**(Forecasted Test Period 12ME 4/30/20; Base Period 12ME 12/31/18)**

**Filing Requirement**
**807 KAR 5:001 Section 16(6)(e)**
**Sponsoring Witness: Robert M. Conroy**

**Description of Filing Requirement:**

*The commission may require the utility to prepare an alternative forecast based on a reasonable number of changes in the variables, assumptions, and other factors used as the basis for the utility's forecast.*

**Response:**

LG&E acknowledges this requirement.

**Louisville Gas and Electric Company**
**Case No. 2018-00295**
**Forecasted Test Period Filing Requirements**
**(Forecasted Test Period 12ME 4/30/20; Base Period 12ME 12/31/18)**

**Filing Requirement**
**807 KAR 5:001 Section 16(6)(f)**
**Sponsoring Witness: Christopher M. Garrett**

## Description of Filing Requirement:

*The utility shall provide a reconciliation of the rate base and capital used to determine its revenue requirements.*

## Response:

See attached.

# LOUISVILLE GAS AND ELECTRIC COMPANY

### Reconciliation of Capitalization and Rate Base

| Line No. | Description | 13 Month Average Total Company Balance | 13 Month Average Electric | 13 Month Average Gas |
|---|---|---|---|---|
| 1 | Rate Base Percentage (Schedule J-1.1/J-1.2) | | 80.33% | 19.67% |
| 2 | Capitalization: | | | |
| 3 | Common Equity | $ 2,437,703,817 | | |
| 4 | Long-Term Debt | 2,088,568,822 | | |
| 5 | Short-Term Debt | 87,367,954 | | |
| 6 | Subtotal | $ 4,613,640,593 | $ 3,706,137,489 | $ 907,503,104 |
| 7 | Adjustments to Capitalization: | | | |
| 8 | Trimble County Inventories | | (5,430,474) | - |
| 9 | Investment in OVEC and Other | | (1,161,823) | - |
| 10 | Environmental Compliance Plans | | (1,136,181,770) | - |
| 11 | Demand Side Management Plans | | (3,192,475) | - |
| 12 | Investment Tax Credits | | 33,263,600 | 5,089 |
| 13 | Gas Line Tracker | | - | (119,126,132) |
| 14 | Subtotal | - | (1,112,702,942) | (119,121,043) |
| 15 | | | | |
| 16 | Total Adjusted Capitalization (Schedule J-1.1/J-1.2) | $ 4,613,640,593 | $ 2,593,434,547 | $ 788,382,061 |
| 17 | | | | |
| 18 | Assets per books not included in rate base: | | | |
| 19 | Net ARO Assets | | (35,412,093) | (18,307,286) |
| 20 | Other Property and Investments | (17,406,892) | (13,049,664) | (3,195,405) |
| 21 | Cash and Temporary Investments | (5,019,790) | (4,032,397) | (987,393) |
| 22 | Accounts Receivable | (153,163,051) | (123,035,879) | (30,127,172) |
| 23 | Other Current Assets | (75,405,153) | (60,572,960) | (14,832,194) |
| 24 | Deferred Regulatory Assets | (152,855,272) | (122,788,640) | (30,066,632) |
| 25 | Other Deferred Debits | 10,538 | 8,465 | 2,073 |
| 26 | Subtotal | (403,839,621) | (358,883,168) | (97,514,009) |
| 27 | | | | |
| 28 | Liabilities per books not included in rate base: | | | |
| 29 | Other Deferred Credits | 33,268,691 | - | - |
| 30 | Regulatory Liabilities | 593,797,688 | 476,997,683 | 116,800,005 |
| 31 | ARO Liabilities | 112,970,287 | 90,749,031 | 22,221,255 |
| 32 | Other Current Liabilities | 211,427,099 | 169,839,389 | 41,587,710 |
| 33 | Miscellaneous Long-Term Liabilities | 12,267,168 | 9,854,216 | 2,412,952 |
| 34 | Accumulated Provision for Pension & Postretirement | - | - | - |
| 35 | Bonds | (23,076,923) | (18,537,692) | (4,539,231) |
| 36 | Accumulated Deferred Income Taxes | (538,692,498) | (432,731,684) | (105,960,814) |
| 37 | Subtotal | 401,961,511 | 296,170,943 | 72,521,878 |
| 38 | | | | |
| 39 | Items not included in rate base: | | | |
| 40 | Environmental Compliance Cash Working Capital | | 863,005 | |
| 41 | | | | |
| 42 | Items included in rate base: | | | |
| 43 | Cash Working Capital (Income Statement) | 29,248,534 | 26,966,376 | 1,419,153 |
| 44 | Capitalization / Rate Base Allocation Differences | - | (10,474,552) | 10,474,554 |
| 45 | Subtotal | 29,248,534 | 16,491,824 | 11,893,707 |
| 46 | | | | |
| 47 | Total Reconciliation | 27,370,425 | (45,357,397) | (13,098,424) |
| 48 | | | | |
| 49 | Total Rate Base (Schedule B-1) | $ 4,641,011,018 | $ 2,548,077,150 | $ 775,283,637 |

**Louisville Gas and Electric Company**
**Case No. 2018-00295**
**Forecasted Test Period Filing Requirements**
**(Forecasted Test Period 12ME 4/30/20; Base Period 12ME 12/31/18)**

**Filing Requirement**
**807 KAR 5:001 Section 16(7)(a)**
**Sponsoring Witness: Robert M. Conroy**

**Description of Filing Requirement:**

*The written testimony of each witness the utility proposes to use to support its application, which shall include testimony from the utility's chief officer in charge of Kentucky operations on the existing programs to achieve improvements in efficiency and productivity, including an explanation of the purpose of the program.*

**Response:**

Please refer to the testimonies and exhibits of the following persons:

- Paul W. Thompson
- Kent W. Blake
- Lonnie E. Bellar
- David S. Sinclair
- Gregory J. Meiman
- Daniel K. Arbough
- Adrien M. McKenzie
- Christopher M. Garrett
- John J. Spanos
- Robert M. Conroy
- William Steven Seelye

**Louisville Gas and Electric Company**
**Case No. 2018-00295**
**Forecasted Test Period Filing Requirements**
**(Forecasted Test Period 12ME 4/30/20; Base Period 12ME 12/31/18)**

**Filing Requirement**
**807 KAR 5:001 Section 16(7)(b)**
**Sponsoring Witness: Daniel K. Arbough**

## Description of Filing Requirement:

*The utility's most recent capital construction budget containing at a minimum a three (3) year forecast of construction expenditures.*

## Response:

See attached.

**Louisville Gas & Electric Company**
**Case No. 2018-00295**
**Capital Expenditure Budget - Electric**
**Years 2018-2021**

| | Projected Capital Expenditures | | | |
|---|---|---|---|---|
| **Category of Spend** | **2018** | **2019** | **2020** | **2021** |
| Generation | 285,113,961 | 177,515,870 | 101,426,594 | 147,167,839 |
| Transmission | 29,744,917 | 36,807,141 | 34,065,778 | 42,037,744 |
| Distribution | 113,737,326 | 139,343,882 | 134,621,682 | 137,083,851 |
| Customer Services | 11,179,062 | 11,894,641 | 9,383,967 | 13,722,364 |
| IT & Other | 16,754,733 | 19,658,310 | 22,824,248 | 17,946,317 |
| **Total** | **456,529,998** | **385,219,844** | **302,322,269** | **357,958,114** |

**Louisville Gas & Electric Company**
**Case No. 2018-00295**
**Capital Expenditure Budget - Gas**
**Years 2018-2021**

| | Projected Capital Expenditures | | | |
|---|---|---|---|---|
| **Category of Spend** | **2018** | **2019** | **2020** | **2021** |
| Distribution | 103,829,408 | 147,344,851 | 104,071,264 | 124,662,134 |
| Customer Services | 7,066,810 | 7,977,101 | 6,588,842 | 6,541,303 |
| IT & Other | 7,781,135 | 8,674,908 | 9,965,185 | 7,505,175 |
| **Total** | **118,677,353** | **163,996,860** | **120,625,291** | **138,708,612** |

**Louisville Gas and Electric Company**
**Case No. 2018-00295**
**Forecasted Test Period Filing Requirements**
**(Forecasted Test Period 12ME 4/30/20; Base Period 12ME 12/31/18)**

**Filing Requirement**
**807 KAR 5:001 Section 16(7)(c)**
**Sponsoring Witnesses: Daniel K. Arbough / Lonnie E. Bellar / Kent W. Blake / David S. Sinclair**

**Description of Filing Requirement:**

*A complete description, which may be filed in written testimony form, of all factors used in preparing the utility's forecast period. All econometric models, variables, assumptions, escalation factors, contingency provisions, and changes in activity levels shall be quantified, explained, and properly supported.*

**Response:**

A complete description of all factors used in preparing LG&E's forecast period, including the quantification, explanation and support for all econometric models, variables, assumptions, escalation factors, contingency provisions, and changes in activity levels in LG&E's forecast period are contained in the written direct testimony of Daniel K. Arbough and David S. Sinclair filed with LG&E's application and are also otherwise quantified, explained and properly supported in the following documents attached to this Filing Schedule. Certain information responsive to this request is being provided under seal pursuant to a Petition for Confidential Protection.

| | |
|---|---|
| A. Financial Planning Modeling Process | Daniel K. Arbough |
| B. Electric Sales & Demand Forecast Process | David S. Sinclair |
| C. 2019 Business Plan Electric Sales Forecast | David S. Sinclair |
| D. Natural Gas Volume Forecast Process | David S. Sinclair |
| E. Electric Class Load Profile Forecast Process | David S. Sinclair |
| F. 2019 Business Plan Gas Volume Forecast | David S. Sinclair |
| G. Generation Forecast Process | David S. Sinclair |
| H. 2019 Business Plan Generation and OSS Forecast | David S. Sinclair |
| I. Line of Business Presentations | Lonnie E. Bellar / Kent W. Blake |

# Financial Planning Modeling Process

## Table of Contents

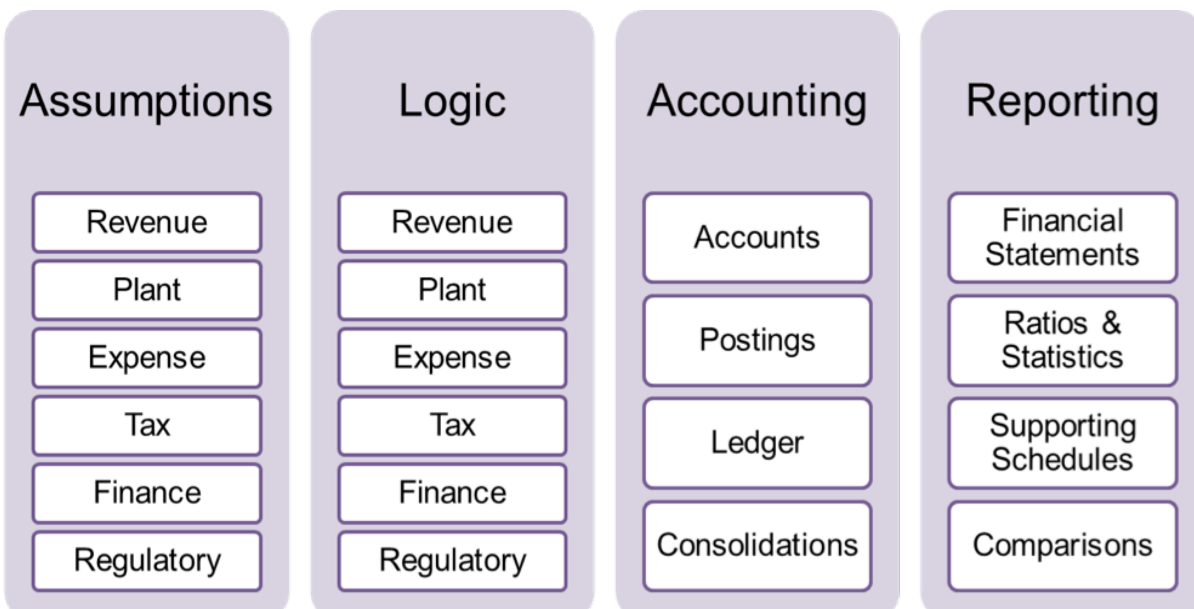
# 1. General

*Introduction*

The Financial Planning & Analysis group develops the five-year Louisville Gas and Electric Company ("LG&E") and Kentucky Utilities Company ("KU") and LG&E and KU Energy LLC ("LKE" or collectively "the Companies") business plan. The business plan is developed using the financial planning system, UIPlanner, an iterative model, which incorporates numerous inputs from the business as well as various formulas, algorithms and set logic. The business plan includes the projected five-year income statements, balance sheets and cash flows for the Companies.

*UIPlanner (UI)*

UI allows the Companies to manage all of the assumptions in the business plan, integrates the business logic, utilizes built-in accounting controls, and produces robust analyses and reports.



[1]

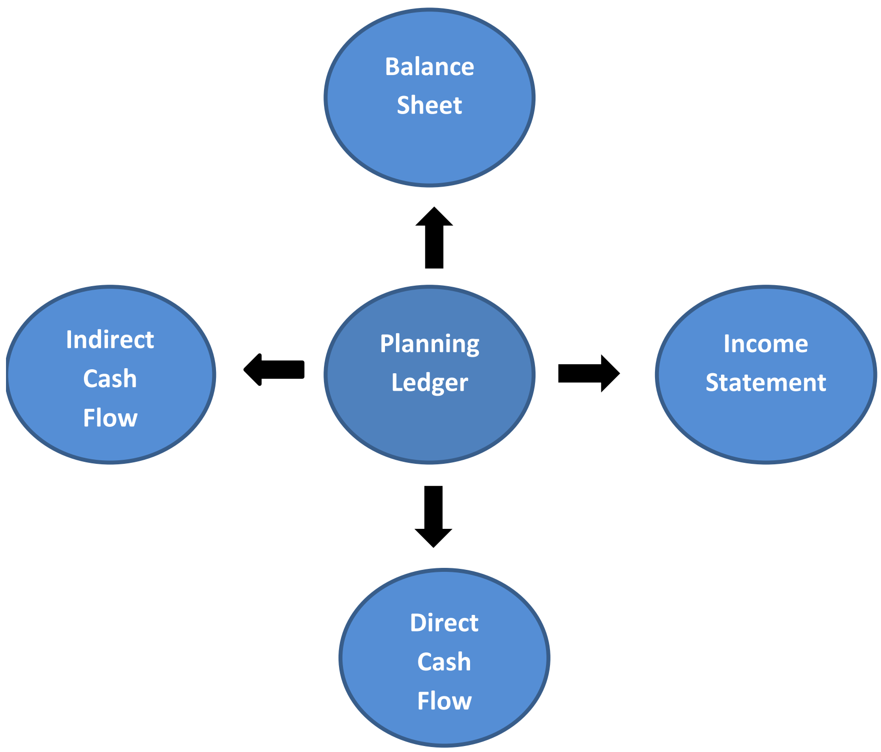
Planning assumptions are managed in UI. UI is superior to an Excel-based model because it allows for sharing assumptions in a common database. UI tracks changes to assumptions and maintains a record of who made the change and when.

UI has built-in accounting capabilities, which function identical to a general ledger (see Planning Ledger flow chart below). Double-entry accounting of debits and credits is

[1] http://utilitiesinternational.com/uiplanner-software/planning/

developed in UI to maintain integrity of financial statements. If a posting is not entered in UI or if one side of the debit/credit is missing, UI will produce an error message before it will produce a financial statement. Ledger accounts are organized with a configurable roll-up structure. UI also allows for combining several accounts to a summary account for consistent and concise formatting in the production of financial statements. These summary accounts are rolled up into a high-level area (asset, direct cash, expense, indirect cash, liability, or revenue). Each account in the ledger is also associated with an indirect cash flow account which can be customized to generate a detailed cash flow statement.

**Planning Ledger Flow Chart**



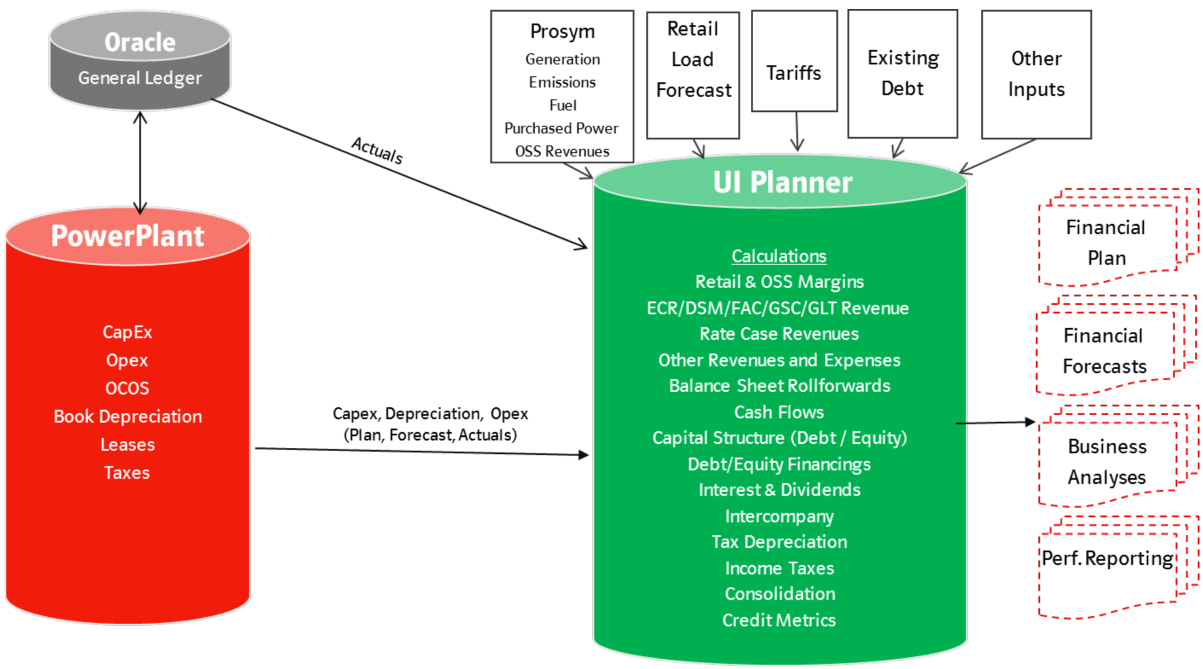

Each month actual balances are imported from the Oracle General Ledger (GL) to update UI with the latest balances and to compare the budget and revised forecast to actuals. The actuals imported into UI are compared to the trial balance in Oracle monthly to ensure completeness and accuracy.

Data in UI is entered into UI either manually or through a download from text files and housed within "cases". A collection of cases is grouped to create a "scenario". For example, the "2018 Business Plan" is a scenario in UI. After a scenario runs through the iterative process in UI, users can view the Financial Statements and other various reports in UI.

Security is specific by user in UI. When data assumptions are entered, the person entering the assumptions is tracked within UI for auditing purposes. Only certain users have the ability to edit data entry and logic assumptions. In addition, when a scenario, such as the business plan, is finalized, the scenario is locked so no further changes can be made. Only certain users have the ability to lock and unlock scenarios and cases. Logic from a case and/or scenario can be copied and utilized in additional what-if analyses. UI allows for creating and managing multiple scenarios with various planning assumptions and business logic in a transparent and efficient manner.

See the Financial Planning Software Flow Diagram below, detailing which systems provide data and other forms of inputs to UI to create the financial plan, forecast, business analysis and other management reports. This document summarizes the systems used to produce the business plan.

**<u>Financial Planning Software Flow Diagram</u>**




*Budgeting Overview*

LKE uses a "bottom up" budgeting approach. The process begins with the various business units preparing detailed budgets for their individual areas of responsibility, consisting of expense items, certain types of LOB managed revenues, and capital spending. The budgets prepared by the business units are reviewed and approved by LKE management. The LKE Officers ultimately approve the LKE consolidated annual budget. If any changes occur during the review and approval process, the changes are communicated to the appropriate line of business (LOB), and each LOB submits a revised budget through the same review and approval process.

Each year, LKE prepares a five-year forecast of operating revenues and expenses, which is the starting point for preparing the annual budget and the five-year business plan. Each business unit is required to create its own five-year capital and operation and maintenance (O&M) expense plan to produce an all-inclusive operating plan which is presented for review by the Officers. The five-year capital and O&M plan is developed and accumulated in PowerPlan, the Company's corporate budgeting application. These details from PowerPlan are uploaded into the financial planning system – UI.

## 2. Revenue and Load Forecast

*Retail Revenue*

In order to calculate revenues, UI logic uses the load forecast and the tariffs that need to be applied to the forecast. For energy, UI multiplies megawatt hours times the energy tariff. For demand, UI calculates base, intermediate and peak demand revenue by multiplying the megawatt or kilovolt-ampere (kVA) times the demand tariff for base, intermediate and peak demand. For customer charge revenue, UI multiplies the number of customers times the customer charge. For base fuel revenues, UI multiplies the base fuel rate times the megawatt hour sales by jurisdiction.

The first step in preparing the operating revenues is to obtain an energy, demand and customer forecast of the projected electric and gas sales. The load forecasts are calculated on a yearly basis for each tariff. See the Annual Electric Sales and Demand Forecast Process Document, the Annual Natural Gas Volume Forecast Process Document and associated presentations, for detailed descriptions of the assumptions and methodology used in developing the electricity and gas load forecast. The following information is uploaded into UI:

- Energy forecast for each month and year, by tariff
- Demand forecast by month and year, by tariff
- Customer count by month and year, by tariff
- Base fuel revenues forecast by month and year

Tariff rates are entered into UI based upon the tariff book currently in effect. UI then calculates energy, demand, and customer revenues by tariff. Allocators are used to convert the load from tariff rate to revenue class in UI. The allocators are supplied by the Sales Analysis and Forecasting group. The previous calendar year actuals data is utilized to calculate the allocators. The revenues are then posted to the income statement by revenue class.

*Transmission Revenue*

External Transmission revenue is imported into UI from an excel spreadsheet prepared by the Transmission Policy and Tariffs department. The projected external transmission amounts are calculated as follows:

1. Network Service (the forecast multiplied by the associated rates)
   a. The volumetric forecasts are provided by the customer by year.
   b. Volumetric forecasts are based on the summer and winter peaks provided and interpolated over a twelve month period.
   c. The transmission rates are forecasted based on Attachment O of the Open Access Transmission Tariff (OATT).
2. Point to Point Service (Service request multiplied by the associated rates)
   a. Long term service – is based on the original transmission request, these volumes remain fixed until their expiration unless there was newer information which indicated these long term reservations would be rolled over.
   b. Short-term firm service – is projected based on annual historical revenue.
   c. The transmission rates are forecasted based on Attachment O of the OATT.

The projected intercompany transmission revenue is imported into UI from PowerPlan based on the generation forecast provided by the Generation Planning department.

The transmission rates are documented in the LG&E and KU OATT, which is reviewed and approved by the FERC. The projected load is applied to the appropriate transmission rates to calculate the transmission revenue.

*Miscellaneous Revenue*

Miscellaneous revenue is comprised of:

- Forfeited discounts/late payment charges
- Reconnect, temporary service, unauthorized reconnect, gas meter and inspection charges and other service charges
- Rent from electric and gas property
- Other Electric and Gas revenues
- Refined coal reservation fees
- Electric vehicle charging station rental revenues

For most of the above items, the miscellaneous revenue is calculated by utilizing historical trends based on the most recent three years of data. Three years gives an appropriate distribution of data to evaluate the account activity. This data is then uploaded into UI based on the calculations done in Excel.

Accounts associated with cable TV attachments, rent from fiber optic, facility charges, and rent received from pole attachments, property, and equipment utilize the most recent year of data.

Refined coal exclusivity fees are fees received for allowing companies to reserve the right to locate refined coal facilities at Company generating stations.

Electric vehicle charging station rental revenues are based on budgeted EVSE-R electric vehicle charging station installations and monthly charging unit fees per existing tariffs.

# 3. Mechanisms

*Background*

The Kentucky Public Service Commission (KPSC) has adopted a series of regulatory mechanisms that reduce regulatory lag and provide for timely recovery of and a return on, in some instances, prudently incurred costs. The following represents an overview of certain key mechanisms and assumptions reflected in the business plan.

*Environmental Cost Recovery (ECR)*

The Utilities are entitled to recovery of operating costs and recovery of and a return on capital costs of complying with Federal Clean Air Act with a two-month lag. The first step is to calculate the total revenue requirement which involves determination of environmental rate base and operating expenses for each KPSC approved ECR project.

Within UI the revenue requirement for ECR is calculated using the following:

- The logic calculates a monthly ending rate base by adding ECR capital expenditures from the capital plan to the previous months' ending rate base; subtracting ECR depreciation for the period and increase/decrease in ECR deferred taxes calculated within UI. A return on the ending rate base is calculated using a weighted average cost of capital computed within UI using weighted average cost of debt and allowed return on equity;
- ECR Depreciation and O&M is then added to the return on rate base to calculate a total revenue requirement;
- A jurisdictional factor is computed within UI using a ratio of KY retail to total revenue and applied to the total revenue requirement to calculate a jurisdictionalized ECR Revenue Requirement;
- The model then deducts any ECR revenue recovered within the base rates to generate a net ECR mechanism revenue.

*Demand Side Management (DSM)*

DSM provides for concurrent recovery of DSM costs and provides incentive for implementing DSM programs, including lost revenue.

In UI, there are four components for DSM revenue:

- DSM expense as imported from PowerPlan within the Cost of Sales import
- DSM incentive revenue as calculated in UI on the eligible portion of programs
- DSM lost sales revenue as calculated in UI using the imported lost sales volume and rates from the DSM Energy Efficiency model
- DSM capital revenue requirement is calculated in UI by adding the capital spend imported from PowerPlan to the previous month's ending DSM rate base, adjusted for depreciation and the increase/decrease in deferred taxes. A return on the DSM rate base is calculated using a weighted average cost of capital computed within UI using weighted average cost of debt and allowed return on equity. In addition, the depreciation and O&M expenses are added to the return on the DSM rate base to calculate the total DSM Capital Revenue Requirement.
- DSM expense, incentive revenue, and lost sales revenues are added to the capital revenue requirement to calculate the total DSM revenue requirement.

*Gas Line Tracker (GLT)*

GLT provides for recovery of costs associated with replacing customer service risers, replacing and installing service lines, leak mitigation, main replacements, the steel gas service line program and the transmission pipeline modernization.

The GLT revenue requirement is calculated in UI using the following:

- The rate base is rolled forward for identified GLT projects using capital spend and in service dates per PowerPlan as well as the calculated deferred income taxes;
- The rate of return on rate base is computed within UI using weighted average cost of debt and allowed rate of return on equity.
- GLT Depreciation, Property Tax and O&M are then added to the return on rate base to calculate a total revenue requirement;

*Fuel Adjustment Clause (FAC)*

The FAC mechanism allows for near-real time recovery of allowed fuel expenses.

Total fuel expense incurred consists of all generation and purchased power costs. For FAC purposes, total recoverable fuel expense includes total incurred expense reduced by the following components: non-energy components of purchased power expense; substitute generation or purchased power costs during forced outages; coal burned for Off-System

Sales (OSS) electric generation, company use, line loss and unrecoverable intercompany sales. The total recoverable fuel expenses is then compared to the base fuel revenues. The over/under is booked to the FAC.

*OSS*

Included in a previous rate case settlement was an OSS Tracker which results in sharing the OSS margins on a 75 percent - 25 percent basis, with 75 percent of the OSS margins being credited to customers via the FAC.

*Mechanism Revenue Calculations*

For all mechanisms, except for the GLT, the total mechanism revenue requirement is divided by the total forecasted megawatt hours by electric rate code associated with each mechanism. These values are applied as a dollar per megawatt hour to calculate the revenue by electric rate code.

For GLT, the total mechanism revenue requirement is allocated to the customer class associated with GLT based on the class allocation percentages from the most recent filing.

The revenues from all mechanisms are recorded to the income statement as revenues from customers.

## 4. Generation Forecast and Other Cost of Sales (OCOS)

The PROSYM application is used to calculate generation and OSS. See the annual Plan Generation Forecast Process Document and related presentations, for a detailed description of the assumptions and methodology used to calculate these inputs.

The projected data includes fuel burn, generation, purchase power, emissions, and OSS levels from an hourly dispatch model. Imported into UI is a monthly, by unit, volumes, revenues and costs associated with off system sales, purchased power, emissions, generation, and fuel burn for the planning period.

*Power Purchase Agreement*

Power purchase agreement costs are based on the contracts set with the third party power producers. The amounts per the contracts are imported into UI, which is recorded on the income statement as the purchased power cost. The information uploaded into UI by month and year includes the following costs:

- Capacity and demand payments
- Energy payments, and
- Firm gas transport costs, if applicable

UI logic ensures the power purchase cost reflects the recovery of the energy and firm gas transport costs through the FAC and the capacity and demand costs through base rates.

*Other Cost of sales (OCOS)*

OCOS inputs come from PowerPlan and PROSYM. OSS, purchased power, and fuel related costs come from PROSYM, as noted above. Emissions, mechanism (DSM, ECR, ECR, Gas Supply Clause, and GLT), and transmission related costs come from PowerPlan.

OCOS includes variable production consumables used by the power plants in the generation of electricity. For coal generating units, this includes the cost of operating environmental controls and the cost of controlling coal combustion residuals (CCR). This includes:

- Limestone – $SO_2$ emission control for flue gas desulfurization (FGD) systems
- Ammonia – $NO_X$ emission control for selective catalytic reduction (SCR) systems
- Hydrated Lime – $SO_3$ emission control for sorbent injection systems
- Powder Activated Carbon – Hg emission control for pulse jet fabric filter systems

The individual power plant's budget coordinator, in coordination with the operations leadership team at the plant, calculates the costs. This is a function of the usage rates for the consumables utilized by each individual operating unit. This is multiplied by the unit price determined by fleet wide contracts with suppliers. Planned outages and forecasted generation levels by year are included in these assumptions for each unit.

The calculation for these consumables includes the following inputs and calculations:

| Unit Price | Usage Rate | Unit Production | Conversion | Total Projected Cost |
|---|---|---|---|---|
| $/ton (lbs.) | lbs. /hour | MWH's by unit | $/MWH | Total $ by month and year |

These costs are loaded into PowerPlan under the appropriate FERC account and then uploaded into UI and incorporated into the Income Statement.

The cost of sales items related to fuel burn, emissions and purchased power are reflected in the Cost of Electric Sales section of the Income Statement.

*Gas Supply*

Gas supply costs are calculated by using the gas load forecast priced out at contracted rates and market prices for open/indexed positions.

# 5. Operations & Maintenance (O&M) (Non-fuel)

O&M expenses are included as part of the Income Statement and reflect the labor and non-labor expenditures incurred and charged to the appropriate FERC account and company location. The budget is developed in a "bottoms up" approach and is reviewed and approved by several levels of management before being entered into PowerPlan for consolidation. This information is then uploaded to UI.

*Labor Cost*

The Company's current labor base is obtained from PeopleSoft annually in March. The PeopleSoft data is exported to excel where the wage increases, vacation hours, personal days, and sick time are manually added. The adjusted data is imported into PowerPlan with the labor forecast being available by mid-March. The forecast includes full-time and part-time regular employees, summarized by employee type and expenditure organization.

Updates to the forecast in PowerPlan are due in early April. This updated data is used to calculate employee benefit costs (also referred to as 'burdens' - which include costs such as pension, savings plan, medical, dental, and payroll taxes), which will be added to the forecast by mid-April. The labor forecast is not finalized at this time and changes can be made, as required.

*Non-labor Expenses*

The management teams and budget coordinators throughout the LOBs prepare the budget for non-labor O&M expenses at the same time as the labor budget. These expenses are budgeted to the appropriate FERC account in PowerPlan.

Planned changes in costs within accounts can be specifically escalated according to contractual changes and other volume based assumptions or expected changes in primary cost categories such as generation facilities, outages, workforce plan changes, demand-side management, and environmental costs.

- The labor rates are subject to possible adjustment pursuant to union negotiations. The rate increase assumptions are based on annual benchmarking studies performed.
- Non-labor expenses are increased at known cost increases due to contract language, fixed amounts, or historical trend increases in costs. Non-labor expenses do not contain a general inflationary increase.

## 6. Property Tax

Property taxes are estimated annually based on net book asset values, including CWIP, as of December 31 of the previous year and include several current asset balances such as; fuel inventory and materials and supplies. The expense accrual is spread evenly over twelve months while cash payments are based on historic trends, which normally result in large cash payments during the fourth quarter of a calendar year.

The primary source of data used to calculate the estimates is within the UI report labeled "KY Plant Account". The plant account assignment determines the property classification (real estate, manufacturing machinery, other tangible) and then the appropriate tax rates are applied to those balances. State and local tax rates are based on prior year settlements with an assumed increase to local tax rates of two percent per year.

## 7. Other Income Statement Items

Other income and expense items not included above include:

- Donations – annual budget is approved by Senior Officers based on planned commitments and in support of Community and Corporate Responsibility initiatives
- Employee Recognition costs (non-safety related) – based on detailed review of historical and projected expenses for employee recognition programs under each business unit
- Non-Utility Revenues and Expenses – based on detailed review of historical and projected items, including contractual based amounts and projected increases
- Interest income and dividends received – primarily interest received which is based on the interest income from temporary cash investments. The interest rate is obtained from the Corporate Finance department and UI calculates the monthly expected interest income based on the temporary cash investment balance.

## 8. Taxes

*Current and Deferred Income Taxes*

Income taxes are calculated using several schedules within UI. The calculation starts by utilizing the monthly pretax book income per UI's income statement. Pretax book income is then adjusted by permanent and temporary book/tax differences to derive taxable income. The book/tax differences are primarily pulled from multiple sources within UI, which include;

- tax depreciation,
- book depreciation,
- regulatory asset & liability movement,

- pensions/post-retirements, and
- capitalized interest

Other book/tax differences are manually input into UI. Taxable income is multiplied by the statutory tax rates to determine current tax expense. Quarterly tax payments are derived based on current tax expense.

Deferred taxes are calculated within UI by using the temporary book/tax differences used in the current tax calculation and applying the statutory tax rates. Adjustments to deferred tax expense are made for excess deferred taxes, investment tax credit (ITC) amortizations, and ITC basis reductions as provided by the Tax department. Additionally, regulatory tax movements are manually entered into UI based on schedules maintained by the Tax department.

## 9. Capital / Utility Plant

*Background*

Each LOB develops a five-year Capital plan by individual project that includes the start date, the timing of expected spend projections and the in service date for each project. The Capital plan is entered and maintained in PowerPlan.

The Senior Officers approve the Capital plan each year. The Capital plan is presented to the Senior Officers for approval by a subcommittee referred to as the Resource Allocation Committee ("RAC"). The RAC includes leaders from multiple LOBs so that Capital decisions are made based on priorities of the company as a whole.

In order to import the capital budget into UI, Financial Planning receives an excel file from PowerPlan containing monthly capital construction expenditures (CWIP) and cost of removal (RWIP) by utility. There are categories in the model used to separate mechanism capital (ECR, DSM, GLT) from non-mechanism capital.

## 10. Closings to Plant in Service and Depreciation

After capital spending is booked to CWIP on the balance sheet, UI gets an import from PowerPlan by plant account to determine additions to Plant in Service.

UI also imports a depreciation forecast that is done based on the Capital plan, including property classifications and in service dates, and approved depreciation rates.

The approved depreciation rates[2] are from the latest depreciation study, which are broken into life, salvage, and cost of removal per depreciation group. The rates are annual, so they are divided by 12 and multiplied by the monthly plant in service ending balances. The

[2] Filed rates based on most recent depreciation study to be approved by the KPSC.

depreciation group to which an asset belongs is determined by the location and plant account selected at the time the capital project is setup in PowerPlan.

The Plant in Service ending balance for the most recent month of actuals is pulled out of PowerPlan. The ending balance of each forecast month is calculated as the beginning Plant in Service balance plus any capital additions placed in service for the month minus any asset retirements for the month. We use a half-month convention for additions and retirements. In the first month of an addition or retirement to Plant in service, we divide the normal depreciation amount by two. This is done to average out the spend since the addition or retirement does not always occur on day one of the month.

The additions to Plant in Service are based on the Capital plan and the estimated in-service dates on those assets. If the asset is already in service and additional money is spent on the asset, the spend is put in Plant in Service in that same month of spend. If the asset is not yet in service and spend occurs, it is held in CWIP until the month of the estimated in-service date in PowerPlan, on which date the entire CWIP balance is moved to plant in service.

## 11. Dividends, Debt and Equity

*Dividends:*

LG&E and KU (the "Utilities") pay dividends to its parent, LKE, on a quarterly basis. The dividend has historically been calculated in the model using a payout assumption equal to 65 percent of the previous quarter's net income. This percentage may be revised to maintain a balanced capital structure. Equity contributions from the parent may also be received by LG&E and KU to maintain the desired capital structure. These payout ratios may change over time.

To maintain the desired capital structure at LG&E and KU (53% equity/47% debt), LKE makes equity contributions to the Utilities or the Utilities pay extra dividends to LKE. At any time where the Utilities can pay dividends in excess of 65 percent, that amount is paid to LKE, who in turn utilizes the additional cash to pay down the intercompany Note Payable to PPL. If LKE needs funds to provide equity contributions to the Utilities, LKE either receives equity contributions from PPL or borrows intercompany debt from PPL.

*Capital Structure:*

LG&E and KU strive to maintain a ratio of 53% equity and 47% debt. Within UI, the debt balancing and equity ratio targeting logic is different on the quarter versus non-quarter months. Equity ratio targeting reviews the capitalization ratios and rebalances it every quarter to 53% equity and 47% debt. LKE serves as the medium to move cash from the Utilities to parent or from the parent to the Utilities to maintain this ratio. Cash balancing logic looks at the cash needs and calculates how to fund those needs. It is important to note that UI limits cash balances at the Utilities to $5 million unless short-term debt is zero and there is positive cash flow from operating and investing operations.

The following information is entered into UI for each individual long-term debt issuance:

- company,
- issue date,
- interest rate,
- first interest payment date,
- issue amount, and
- retirement date

These debt issuance properties are entered and maintained in UI under the Edit Attributes module. The attributes in the Business Plan are compiled to create a case, which is used to run the Business Plan scenario.

On the non-quarter months, UI calculates cash needs from operating and investing operations and issues debt equal to cash shortage. Short-term debt in the form of commercial paper is issued first until it reaches a maximum as prescribed by the Corporate Finance department (typically $300 million by Utility). The Utilities each have approved commercial paper programs of $350 million and FERC has approved short-term debt of up to $500 million for each utility. However, the Utilities need to maintain liquidity for emergencies and to support certain floating rate tax-exempt bonds. Therefore, the Utilities have a general modeling limit of $300 million on the commercial paper balances. The maximum can be changed after discussions with the Treasurer and the CFO. Once the maximum short-term debt is reached, long-term debt is issued in increments of $300 million or more and the balancing starts again the next month. The $300 million minimum is used because at that size the bonds are index-eligible and more attractive to investors, which results in a lower interest rate.

On the quarter months, the model balances equity and debt to a 53:47 ratio over multiple iterations. While performing the debt to equity targeting, UI issues only short-term debt to fund cash needs from operating and investing activities. The model is monitored to make sure that short-term debt balances are always within the acceptable limits. Similarly, to the non-quarter months, once the maximum short-term debt is reached, long-term debt is issued in increments of $300 million or more. Capital contributions in the form of equity from LKE are used to maintain the proper equity to debt ratios. LKE receives capital contributions from PPL to fund the Utilities cash needs.

All short-term interest rates on cash balances are based on a spread to the one-month LIBOR. The spread is based on current market issuances for similarly rated companies. For long-term debt, the rates are based on a spread to the US treasury rates (five-year, ten-year, thirty-year, etc.). The long-term debt spreads are also based on current levels for similarly rated entities and projected changes in those spreads for forecast periods. The forward curve as of a selected date is used to determine future LIBOR and US treasury rates.

# 12. Pension & Postretirement

Plan assumptions are evaluated by Senior Financial officers and Human Resources associates and the independent actuary. These assumptions are approved on an annual basis, barring any events requiring an interim re-measurement.

During the first half of the year, the independent actuary delivers a projection of estimated Plan funding, pension expense and pension liability for the five-year Business Plan based on management's assumptions. These assumptions include the annual discount rate, the expected return on plan assets, the expected annual wage increase, the annual mortality rate table, funding policy and other assumptions as needed. The actuary's projections also incorporate the 15-year amortization of gains and losses as agreed in the 2014/2015 Kentucky rate case.

The projected pension and postretirement costs received from the actuary such as the service cost, interest cost, return on plan assets, and amortizations of prior service cost, transition, and (gain)/loss are summarized by company and by program offering. These amounts are used to update the annual budget by reflecting changes to the balance sheet for the revised liability projections and the pension cost used when calculating the employee burden rates by company. The pension burden rates are included in the O&M and Capital budgets entered into PowerPlan. These amounts are spread by month consistent with the timing of the labor budget.

Pension funding is assumed to occur annually in January while postretirement funding is assumed quarterly with the 401(h) portion of the funding occurring all in the second quarter.

# 13. Other Balance Sheet assumptions

a. Balances

   The last actual monthly balances from the Balance Sheets were the starting points for this forecast (for this budget it was June). The amounts were imported to UI from the G/L. A detailed and thorough balancing process is also done to ensure all details from Oracle translate appropriately into UI.

b. Leases

   Beginning January 1, 2019 upon the adoption of Accounting Standards Codification (ASC) 842 Leases, all leases will be recorded on the balance sheet. The monthly balance sheet amounts are obtained from the lease report obtained from the Financial Accounting and Analysis department using the PowerPlan Lease module and this is uploaded into UI from a text file.

c. Cash

As noted above, minimum cash balances are set each year at $5 million per utility. This is based on discussion with Corporate Finance and if UI determines insufficient cash balances based on the projected activity short-term debt is issued.

d. Accounts Receivable and Unbilled Revenue

The monthly balances are based on forecasted revenues from customers and projected days of sales in receivables based on historical trends.

e. Fuels, materials and supplies (M&S)

Fuel inventory balances are developed based on targeted inventory levels for each generation plant. PROSYM is utilized to determine the amount of purchases needed to achieve the targeted inventory levels. Price assumptions for coal purchases utilize existing contract information as well as the assumed cost of coal that will be contracted in the future.

Natural Gas Inventory: Storage inventory levels are set within storage operating parameters in order to achieve maximum deliverability needed to meet winter season requirements. Price assumptions for gas purchases reflect forecasted gas prices and estimated pipeline transport costs. Materials and supplies inventory is based on the annual June balance and is adjusted for disposals.

f. Prepayments affecting the balance sheet include insurance, Information Technology (IT) contracts, Kentucky Public Service Commission Fees (PSC), and Tennessee Valley Authority (TVA) fees. For insurance, the amortization of the balance/expense begins at the start of the policy and continues through the term of the policy. For IT contracts, the estimated balances are amortized monthly over the period of services. For the PSC and TVA fees, we receive a bill for the current year. The out years of the budget are escalated at an appropriate rate and the yearly cost is amortized over twelve months.

g. Unamortized debt expenses

For each bond issued, the Company incurs debt issuance costs, which are amortized over the period required by GAAP, generally the life of the debt issued. Additional financing costs that require amortization are unamortized loss on reacquired or remarketed debt, which is the expense that remains to be amortized when a debt instrument is remarketed/ refinanced / repurchased. The financing costs are amortized over the life of the replacement debt. Amortized financing costs are provided by Corporate Finance for future periods and input into UI. The amortization expense flows to the income statement under interest expense. The unamortized financing costs are found on the balance sheet under other non-current assets and the unamortized loss on reacquired or remarketed debt are found on the balance sheet under regulatory assets.

h. Regulatory Assets and Liabilities

Adjustments to the regulatory assets and liabilities are obtained from schedules produced by the Company's Regulatory Accounting Department, reflecting amortization rates previously approved by the Commission on existing line items and line of business proponent estimates for proposed line items. These schedules include storm costs, rate case expenses, deferred income taxes, CCR Asset Retirement Obligation (ARO) recovery, etc.

Unrecognized pension and post-retirement costs are amortized as part of the monthly expense projections discussed earlier.

UI performs calculations for regulatory assets and liabilities associated with the various rate mechanisms to address regulatory lag issues and under/over recoveries. The amortization of interest rate swap regulatory assets and liabilities are performed using UI logic.

i. ARO

The calculation of accretion expense is performed in an automated fashion within the PowerPlan Fixed Asset System. Accretion and depreciation expense are calculated by taking the beginning ARO liability balance multiplied by the discount rate / depreciation rate for each ARO. The ARO depreciation and accretion are recorded onto the income statement and then reclassified back into the balance sheet as a regulatory asset.

j. Accounts Payable

The material monthly balances are based on a lag utilizing capital spend and operation and maintenance expense monthly totals. Actual payables range from 15 days to 45 days from invoice date, the budget utilizes 50% of the current month and 50% of the prior month as it relates to capital spend and operation and maintenance expense monthly totals.

# Electric Sales & Demand Forecast Process

PPL companies

## Sales Analysis & Forecasting
## September 2018

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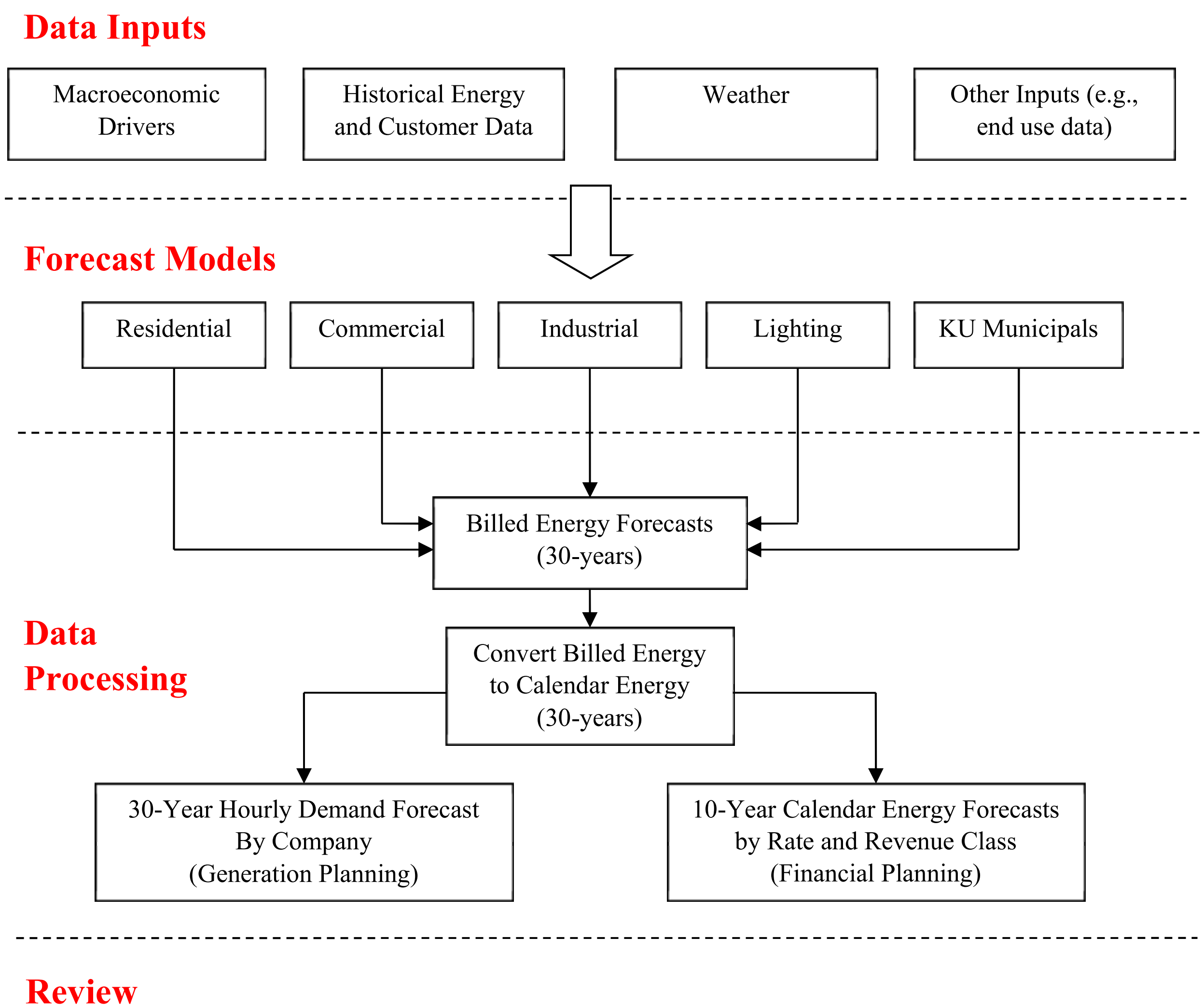
# 1. Introduction

The Sales Analysis & Forecasting group develops the sales and demand forecasts for Louisville Gas and Electric Company ("LG&E") and Kentucky Utilities Company ("KU") (collectively, "the Companies"). These forecasts serve as foundational inputs for the Generation Planning department's Generation Forecast and the Financial Planning department's Business Plan. This document summarizes the processes used to produce the sales and demand forecasts. The forecast process can be divided into four parts (see Figure 1).

**Figure 1 – Load Forecasting Process Diagram**




The first part of the forecast process involves gathering and processing input data. The following are key inputs to the forecast process:

- Macroeconomic data
- Historical energy and customer data
- Weather data (20-year normal degree-day series)

- Other data, including billing portion forecasts, class-level electricity price series, and residential appliance shares and efficiencies.

The input data is used to specify a number of forecast models for each company. Generally, each model is used to forecast energy sales for a group of customers with homogeneous energy-use patterns within the same, or similar, tariff rates.

Most of the forecast models produce monthly energy forecasts on a billed basis.[1] In the third part of the forecast process, the billed energy forecasts are allocated to calendar months and then to rate and revenue classes for the Financial Planning department.[2] In addition, a forecast of hourly energy requirements is developed for the Generation Planning department.[3]

The final part of the forecast process includes validating and documenting the forecast results. To ensure results are reasonable, the new forecast is compared to (i) the previous forecast and (ii) weather-normalized actual sales for the comparable period in prior years.

Each of these steps and the software tools used to produce the forecast are discussed in more detail in the following sections.

## 2. Software Tools

The following software packages are used in the forecast process:

- SAS, R
- Metrix ND (Itron)
- Microsoft Office: Excel, PowerPoint, Access
- @Risk

SAS, R, and Metrix ND are used to specify forecast models. The Microsoft Office tools are primarily used for analysis and presentations. Finally, @Risk is used to assess the reasonableness of the forecast.

[1] All customers are assigned to one of 20 billing portions. A billing portion determines what time of the month a customer's meter is read. Because the beginning and end of most billing portions do not coincide with the beginning and end of calendar months, most customers' monthly bills will include energy that was consumed in multiple calendar months. The energy on customers' bills is referred to as "billed" energy.
[2] Rate class defines the tariff assigned to each customer meter while Revenue class is a higher level grouping; a Revenue class consists of one or more rate classes.
[3] Energy requirements are equal to sales plus transmission and distribution losses.

# 3. Input Data

Table 1 provides a summary of data inputs. The sections that follow describe key processes used to prepare the data for use in the forecast process.

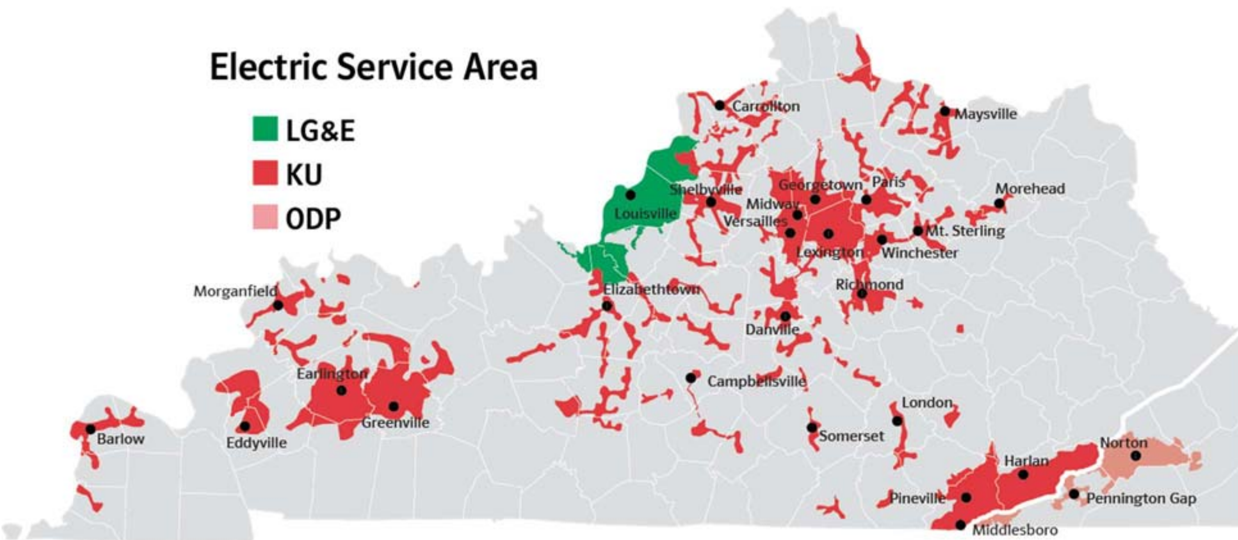
**Table 1 – Summary of Forecast Data Inputs**

| ***Data*** | ***Source*** | ***Format*** |
|---|---|---|
| State Macroeconomic and Demographic Drivers (e.g., Employment, Wages, Households, Population) | IHS Markit, Kentucky Data Center | Annual or Quarterly by County – History and Forecast |
| National Macroeconomic Drivers | IHS Markit | Annual or Quarterly – History and Forecast |
| Personal Income | IHS Markit | Annual by County |
| Weather | National Oceanic and Atmospheric Administration ("NOAA") | Daily HDD/CDD Data and Hourly Solar Irradiance by Weather Station – History |
| Billing Portion Schedule | Revenue Accounting | Monthly Collection Dates – History and Forecast |
| Appliance Saturations/Efficiencies | Energy Information Administration ("EIA"), 2010 LG&E/KU Residential Customer Survey | Annual – History and Forecast |
| Structural Variables (e.g., dwelling size, age, and type) | EIA, 2010 LG&E/KU Residential Customer Survey | Annual – History and Forecast |
| Elasticities of Demand | EIA / Historical Trend | Annual – History |
| Billed Sales History | CCS Billing System | Monthly by Service Territory and Rate Group |
| Number of Customers History | CCS Billing System | Monthly by Service Territory and Rate Group |
| Energy Requirements History | Energy Management System ("EMS") | Hourly Energy Requirements by Company |
| Annual Loss Factors | 2012 Loss Factor Study (by Management Applications Consulting, Inc.) | Annual Average Loss Factors by Company |
| Solar Installations | CCS Billing System, National Renewable Energy Laboratory ("NREL") | Net Metering/Qualifying Facility Customers, Solar Net Metering Customer Forecast |
| Electric Vehicles | IHS Markit, Bloomberg New Energy Finance ("BNEF"), NREL, Electric Power Research Institute ("EPRI") | Monthly Cars on Road (historical), Monthly Cars on Road (forecast), Hourly EV Charging Shapes |

## 3.1 Service Territory-Specific Macroeconomic Forecasts

IHS Markit produces forecasts of macroeconomic drivers by county. With an understanding of the counties that make up each service territory, this data can be used to create service territory-specific forecasts of macroeconomic drivers. Figure 2 contains a map of the LG&E, KU, and ODP electric service territories.

**Figure 2 – LG&E, KU, and ODP Service Territory Map**




LG&E serves customers in Louisville and 16 surrounding counties. KU serves customers in 77 Kentucky counties and five counties in Virginia, where KU operates under the name Old Dominion Power Company ("ODP"). For the purposes of this document, the area served by KU in Kentucky is called the KU service territory; the area served by KU in Virginia is called the ODP service territory. Service territory-specific macroeconomic forecasts are created by aggregating the applicable county-specific forecasts for the counties in the LG&E, KU, and ODP service territories.

## 3.2 Processing of Weather Data

Weather is a key explanatory variable in the electric forecast models. The weather dataset from NOAA's National Climatic Data Center ("NCDC") contains temperature (maximum, minimum, and average), heating degree days ("HDD"), and cooling degree days ("CDD") for each day and weather station over the past 20+ years. This data is used to create (a) a historical weather series by billing month, (b) a forecast of "normal" weather by billing month, and (c) a forecast of "normal" daily weather.[4] Each of these processes is summarized below.

[4] "Normal" weather is defined as the average weather over a 20-year historical period. The Companies do not attempt to forecast any trends in weather.

### 3.2.1 Historical Weather by Billing Month

The process used to create the historical weather series by billing month consists of the following steps:

1. Using the historical daily weather data from the NCDC, sum the HDD and CDD values by billing portion.[5] Each historical billing month consists of 20 portions. The Companies' historical meter reading schedule contains the beginning and ending date for each billing portion.
2. Average the billing portion total HDDs and CDDs by billing month.

### 3.2.2 Normal Weather Forecast by Billing Month

The process used to produce the forecast of normal weather by billing month includes the production of a daily forecast of normal weather. The process used to develop the daily forecast (summarized below in Steps 2-5) is consistent with the process used by the NCDC to create its daily normal weather forecast.[6] The following steps are used to create the forecast of normal weather by billing month:

1. Compute the forecast of normal monthly weather by *calendar* month by averaging monthly degree-day values over the period of history upon which the normal forecast is based. The normal weather forecast is based on the most recent 20-year historical period. Therefore, the normal HDD value for January is the average of the 20 January HDD values in this period.
2. Compute "unsmoothed" daily normal weather values by averaging temperature, HDDs, and CDDs by calendar day. The unsmoothed normal temperature for January 1, for example, is computed as the average of the 20 January 1 temperatures in the historical period. This process excludes February 29.
3. Smooth the daily values using a 30-day moving average centered on the desired day. The "smoothed" normal temperature for January 1, for example, is computed as the average of the unsmoothed daily normal temperatures between December 16 and January 15.
4. Manually adjust the integer values in Step 3 so that the following criteria are met:
    a. The monthly average temperature – computed by averaging the daily temperatures by month and rounding to the nearest integer – should match the normal monthly temperatures in Step 1.
    b. The sum of the daily HDDs and CDDs by month should match the normal monthly HDDs and CDDs in Step 1.
    c. The daily temperatures and CDDs should be monotonically increasing from winter to summer and monotonically decreasing from summer to winter. The daily HDD series should follow a reverse trend.

   These criteria ensure the daily normal series is consistent with the monthly normal series.
5. The Companies' forecasted meter reading schedule contains the beginning and ending date for each billing portion through the end of the forecast period. In this step, sum the HDD

[5] Weather data in the electric forecast is taken from the weather stations at the Bowman Field Airport in Louisville, Bluegrass Field Airport in Lexington, and Tri-Cities Airport in Tennessee.

[6] The NCDC derives daily normal values by applying a cubic spline to a specially prepared series of the monthly normal values.

and CDD values by billing portion. Use the February 28 weather data as a proxy for February 29 when billing portions include leap days.

6. Average the billing portion totals by billing month.

# 4. Forecast Models

LG&E and KU's electricity sales forecasts are developed through econometric modeling of energy sales by rate class, but also incorporate specific intelligence on the prospective energy requirements of the utilities' largest customers. Econometric modeling captures the (observed) statistical relationship between energy consumption – the dependent variable – and one or more independent explanatory variables such as the number of households or the level of economic activity in the service territory. Forecasts of electricity sales are then derived from a projection of the independent variable(s).

This widely-accepted approach can readily accommodate the influences of national, regional and local (service territory) drivers of electricity sales. This approach may be applied to forecast the number of customers, energy sales, or use-per-customer. The statistical relationships will vary depending upon the jurisdiction being modeled and the class of service.

The LG&E sales forecast comprises one jurisdiction: Kentucky-retail. The KU sales forecast comprises three jurisdictions: Kentucky-retail, Virginia-retail, and FERC-wholesale.[7] Within the retail jurisdictions, the forecast typically distinguishes several classes of customers including residential, commercial, public authority, and industrial.

The econometric models used to produce the forecast pass two critical tests. First, the explanatory variables of the models must be theoretically appropriate and widely used in electricity sales forecasting. Second, the inclusion of these explanatory variables must produce statistically-significant results that lead to an intuitively reasonable forecast. In other words, the models must be theoretically and empirically robust to explain the historical behavior of the Companies' customers. These forecast models are discussed in detail in the following sections.

## 4.1 Residential Forecasts

The Companies develop a residential forecast for each service territory. For the KU and LG&E service territories, the residential forecast includes all customers on the Residential Service ("RS"), Residential Time of Day ("RTOD"), and Volunteer Fire Department ("VFD") rate schedules. The ODP Residential forecast includes all customers on the RS rate schedule.[8] Residential sales are forecasted for each service territory as the product of a customer forecast and a use-per-customer forecast.

[7] For the purposes of this document, the KU service territory comprises KU's Kentucky-retail and FERC-wholesale jurisdictions. The ODP service territory comprises the Virginia-retail jurisdiction.

[8] KU's Virginia-retail jurisdiction does not have RTOD or VFD rate schedules.

### 4.1.1 Residential Customer Forecasts

The number of residential customers is forecasted by service territory as a function of the number of forecasted households or forecasted population in the service territory. Household and population data by county and Metropolitan Statistical Area ("MSA") is available from IHS Markit and the Kentucky Data Center.

### 4.1.2 Residential Use-per-Customer Forecasts

Average use-per-customer is forecast using a Statistically-Adjusted End-Use ("SAE") Model. The SAE model combines econometric modeling with traditional end-use modeling. The SAE approach defines energy use as a function of energy used by heating equipment, cooling equipment, and other equipment.

$$\text{Use-per-Customer} = a1*XHeat + a2*XCool + a3*XOther$$

Inputs for developing the heating, cooling, and other variables include weather (heating and cooling degree days), appliance saturations, efficiencies, and economic and demographic variables such as income, population, members per household and electricity prices. Once the historical profile of these explanatory variables has been established, a regression model is specified to identify the statistical relationship between changes in these variables and changes in the dependent variable, use-per-customer. A more detailed discussion of each of these components and the methodology used to develop them is contained in Appendix A.

## 4.2 Commercial and Industrial Forecasts

Table 2 lists the rate schedules included in the commercial and industrial forecasts. A relatively small number of the Companies' largest industrial customers account for a significant portion of total industrial sales, and any expansion or reduction in operations by these customers can significantly impact the Companies' load forecast. As a result, sales to these customers are forecast based on information obtained through direct discussions with these customers. These regular communications allow the Companies to directly adjust sales expectations given the first-hand knowledge of the utilization outlook for these companies. The following sections summarize the Companies' commercial and industrial forecasts.

**Table 2: Commercial and Industrial Rate Schedules**

| Service Territory | Rate Schedules |
|---|---|
| LG&E | General Service (“GS”),<br>Power Service (“PS”),<br>Retail Transmission Service (“RTS”),<br>Time-of-Day Primary Service (“TODP”),<br>Time-of-Day Secondary Service (“TODS”) |
| KU | All-Electric School (“AES”),<br>Fluctuating Load Service (“FLS”),<br>GS, PS, RTS, TODP, TODS |
| ODP | GS, PS, RTS, TODP, TODS,<br>Water Pumping Service (“M”) |

### 4.2.1 General Service Forecasts

The general service forecasts include all customers on the GS rate schedule. For each service territory, the GS sales forecast employs an SAE model similar to the model used to forecast residential use-per-customer, and defines energy use as a function of energy used by heating equipment, cooling equipment, and other equipment as well as binary variables to account for anomalies in the historical data. A more detailed discussion of this model is included in Appendix B.

### 4.2.2 KU Secondary Forecast

The KU Secondary forecast includes all customers who receive secondary service on the PS rate schedule and all customers on the TODS rate schedule. Sales to these customers are modeled as a function of heating and cooling degree days, cooling efficiencies, and binary variables which account for anomalies in the historical data.

### 4.2.3 KU All-Electric School Forecast

The KU All-Electric School forecast includes all customers on the AES rate schedule. Sales to these customers are modeled as a function of the number of KU households, weather, and binary variables to account for anomalies in the historical data.

### 4.2.4 LG&E Secondary Forecast

The LG&E Secondary forecast includes all customers who receive secondary service on the PS rate schedule and all customers on the TODS rate schedule. Sales to these customers are modeled as a function of weather, specific economic drivers, the number of customers, and other binary variables to account for anomalies in the historical data.

### 4.2.5 LG&E Special Contract Forecast

LG&E has one customer that is served under a special contract. This customer’s consumption is forecasted separately based on information obtained through direct discussions with the customer.

#### 4.2.6 ODP Secondary Forecast

The ODP Secondary forecast includes all customers who receive secondary service on the PS rate schedule and all customers on the TODS rate schedule. Sales to these customers are modeled as a function of weather, the number of customers, and other binary variables to account for anomalies in the historical data.

#### 4.2.7 ODP Municipal Pumping Forecast

The ODP municipal pumping forecast consists of customers on the Water Pumping Service rate schedule. Sales to these customers are modeled using a trend based on recent sales.

#### 4.2.8 KU Primary Forecast

The KU Primary forecast includes all customers who receive primary service on the PS rate schedule and all customers on the TODP rate schedule. Sales to these customers are modeled as a function of an industry-weighted Industrial Production Index and weather. If necessary, the forecast is adjusted to reflect significant expansions or reductions for large customers in these rate classes that are forecast individually based on information obtained through direct discussions with these customers.

#### 4.2.9 KU Retail Transmission Service Forecast

The KU Retail Transmission Service forecast includes customers who receive service on the RTS rate schedule. Sales for a number of large KU RTS customers are forecast individually based on information obtained through direct discussions with these customers. The majority of the remaining RTS customers are mining customers. Sales to these customers are modeled as a function of a mining index.

#### 4.2.10 KU Fluctuating Load Service Forecast

The KU Fluctuating Load Service forecast includes the one customer on the FLS rate schedule and is developed based on information obtained through direct discussions with this customer.

#### 4.2.11 LG&E Primary Forecast

The LG&E Primary forecast includes all customers who receive primary service on the PS rate schedule and all customers on the TODP rate schedule. Sales to these customers are modeled as a function of an industry-weighted Industrial Production Index and weather. If necessary, the forecast is adjusted to reflect significant expansions or reductions for large customers on these rate schedules that are forecast individually based on information obtained through direct discussions with these customers.

#### 4.2.12 LG&E Retail Transmission Service Forecast

The LG&E Retail Transmission Service forecast includes customers who receive service on the RTS rate schedule. Sales for a number of large LG&E RTS customers are forecast individually based on information obtained through direct discussions with these customers. Sales to the remaining customers are modeled using a trend based on recent sales.

#### 4.2.13 ODP Industrial Forecast

The ODP industrial forecast includes all customers receiving primary service on the PS rate schedule as well as customers receiving service on the TODP or RTS rate schedules. ODP industrial sales are modeled as a function of mining production indices and weather.

### 4.3 KU Municipal Forecasts

KU's municipal customers develop their own sales forecasts. These forecasts are reviewed by KU for consistency and compared to historical sales trends. Any questions or concerns regarding the forecasts are directed to the municipal customers and any forecast revisions resulting from this process are made by the municipal customers.

### 4.4 Lighting Forecasts

The Lighting forecast includes customers receiving service on the following rate schedules:

- LG&E
  - Lighting Energy Service ("LES")
  - Outdoor Sports Lighting Service ("OSL")
  - Traffic Energy Service ("TES")
  - Unmetered Street Lighting ("UM")
- KU
  - LES
  - OSL
  - TES
  - UM
- ODP
  - UM

All Lighting-related energy is modeled using a trend based on recent sales.

### 4.5 Distributed Solar Generation Forecast

The distributed solar generation forecast comprises both a consumer choice model and a forecast for the Companies' service territories produced by NREL. The consumer choice model is driven by the levelized cost of energy ("LCOE") for solar installations and retail price of electricity from the grid. Over the forecast timeframe, the consumer choice model and NREL forecast are blended such that by 2050 the forecast is the NREL forecast. The modeling is at the combined Companies' level and capacities are allocated out to various rate schedules (primarily RS, GS, and PS).

### 4.6 Electric Vehicle Forecast

The electric vehicle forecast comprises both a consumer choice model and a forecast adapted to the Companies' service territories from BNEF. The consumer choice model is driven by the declines in the price of electric vehicles due to projected declines in battery pack costs as well as the cost of internal combustion engine vehicles. The consumer choice model forecast is the near-term forecast and is blended with the BNEF model over the forecast period such that by 2050 the

BNEF model is the forecast. Certain efficiency and miles driven assumptions are used to translate the vehicles-in-operation into an energy impact and that impact is allocated entirely to the Residential class.

### 4.7 Billed Demand Forecasts

Billed demand forecasts are developed for rate schedules with demand rates based on historical demand factors, where the demand factor is the ratio of the billed demand volume to the billed sales volume. The historical demand factors are multiplied by the forecast of monthly sales to compute forecasted billing demands.

### 4.8 Weather-Year Forecasts

The Companies develop their hourly energy requirements forecast with the assumption that weather will be average or "normal" in every year (see discussion below in Section 5.2). While this is a reasonable assumption for long-term resource planning, weather from one year to the next is never the same. For this reason, to support the Companies' Reserve Margin Analysis, the Companies produced 45 hourly energy requirement forecasts for 2021 based on weather in each of the last 45 years.

To create these "weather year" forecasts, the Companies develop a model to forecast daily energy requirements as a function of temperature and calendar variables such as day of week and holidays. This model is used to forecast daily energy requirements in each year of the forecast period based on weather from the prior 45 calendar years and calendar variables from the forecast period. Forecasted daily energy requirements are allocated to hours using daily load shapes derived from recent energy requirement profiles for days with similar weather. Finally, to ensure consistency with the Companies' energy forecast, the weather year forecasts are adjusted so that the mean of monthly energy requirements from the weather year forecasts equals monthly energy requirements in the base energy forecast.[9]

## 5. Data Processing

Most customers' monthly bills include energy that was consumed in portions of more than one calendar month. As a result, the majority of the Companies' forecast models are initially specified to forecast monthly "billed" sales. The following processes are completed to prepare the forecasts for use as inputs to the Companies' revenue and generation forecasts:

1. Billed-to-Calendar Energy Conversion
2. Hourly Energy Requirements Forecast

### 5.1 Billed-to-Calendar Energy Conversion

The following process is used to allocate sales volumes from billed forecasts to calendar months by rate and revenue class so that the allocated volumes can be used as inputs to the Companies' revenue forecast. Municipal customers and customers on the following rate schedules are billed

[9] The process for computing monthly energy requirements in the base forecast is discussed in Section 5.2.

on a calendar-month basis and are not included in this process: LG&E Special Contract and FLS.

1. Allocate billed forecast volumes for each service territory to calendar months to reflect energy consumption under normal weather conditions.
2. Allocate calendar-month forecast volumes for each service territory to rate schedule and revenue class. In a given month, each rate schedule's share of calendar-month sales is assumed to equal its share of total forecasted billed sales for the month. The allocation of volumes for each rate schedule to revenue class is based historical allocations. All forecast volumes are allocated to one of the following revenue classes: Residential, Commercial, Industrial, Public Authority, Wholesale, and Lighting.

## 5.2 Hourly Energy Requirements Forecast

The Generation Planning department uses the hourly energy requirements forecast to develop resource expansion plans and a forecast of generation production costs. An hourly energy requirements forecast is developed for each company by adding losses to calendar-month sales and allocating the sum to hours. The result reflects customers' hourly energy requirements under normal weather conditions. The following process is used to develop this forecast:

1. Sum calendar-month forecast volumes by company and add transmission and distribution losses to compute monthly energy requirements. The sum of calendar-month forecast volumes for KU includes forecast volumes for the KU and ODP service territories.
2. Develop normalized load duration curves for each company and month based on 10 years of historical hourly energy requirements. For KU, to model the impact of the municipal departure, this process is completed based on total-company energy requirements as well as energy requirements where the impact of the departing municipals has been removed.
    a. Compute the ratio of hourly energy requirements and monthly energy requirements for each hour and company. Rank the ratios in each month from highest to lowest.
    b. In all months except January and August, the normalized load duration curve is computed by averaging the ratios by month, rank, and company. Because the winter and summer peak can occur in multiple months and the average peak for a season is higher than the average peak for any individual month in the season, the normalized load duration curves for January and August are computed based on the Januaries and Augusts in the historical period with lower-than-average load factors.[10] This process produces seasonal peak demand forecasts for January and August.
3. Allocate monthly energy requirements to hours using the normalized load duration curves. For KU, the normalized load duration curves used to produce hourly energy requirements through April 2019 are based on total-company energy requirements over the past 10 years. Beyond April 2019, the normalized load durations curves reflect the municipal departure.

[10] Specifically, of the ten Januaries and Augusts in the historical period, the analysis uses the months with the 2nd, 3rd, 4th, and 5th lowest load factors.

4. Assign hourly energy requirements to specific hours in each month based on the ordering of days and weekends in the month.
5. Adjust the hourly energy requirements forecast to reflect the forecasted impact of distributed solar generation and electric vehicle load.

# 6. Review

The final part of the forecast process includes validating and documenting the forecast results. To ensure results are reasonable, the new forecast is compared to (i) the previous forecast and (ii) weather-normalized actual sales for the comparable period in prior years. This process ensures that the forecast is consistent with recent trends in the way customers are using electricity.

# Appendix A:  Residential SAE Modeling Framework

The traditional approach to forecasting monthly sales for a customer class is to develop an econometric model that relates monthly sales to weather, seasonal variables, and economic conditions.  Econometric models are well suited to identifying historical trends and to projecting these trends into the future.  In contrast, end-use models are able to identify and isolate the end-use factors that are driving energy use.  By incorporating end-use structure into an econometric model, the statistically adjusted end-use (SAE) modeling framework exploits the strengths of both approaches.

There are several advantages to this approach.

- The equipment efficiency and saturation trends, dwelling square footage, and thermal integrity changes embodied in the long-run end-use forecasts are introduced explicitly into the short-term monthly sales forecast.  This provides a strong bridge between the two forecasts.
- By explicitly incorporating trends in equipment saturations, equipment efficiency, dwelling square footage, and thermal integrity levels, it is easier to explain changes in usage levels and changes in weather-sensitivity over time.
- Data for short-term models are often not sufficiently robust to support estimation of a full set of price, economic, and demographic effects.  By bundling these factors with equipment-oriented drivers, a rich set of elasticities can be incorporated into the final model.

This section describes this approach, the associated supporting SAE spreadsheets, and the *MetrixND* project files that are used in the implementation.  The main source of the SAE spreadsheets is the 2017 Annual Energy Outlook (AEO) database provided by the Energy Information Administration (EIA).

## Statistically Adjusted End-Use Modeling Framework

The statistically adjusted end-use modeling framework begins by defining energy use ($USE_{y,m}$) in year (y) and month (m) as the sum of energy used by heating equipment ($Heat_{y,m}$), cooling equipment ($Cool_{y,m}$), and other equipment ($Other_{y,m}$). Formally,

$$\mathrm{USE}_{y,m} = \mathrm{Heat}_{y,m} + \mathrm{Cool}_{y,m} + \mathrm{Other}_{y,m} \tag{1}$$

Although monthly sales are measured for individual customers, the end-use components are not. Substituting estimates for the end-use elements gives the following econometric equation.

$$\mathrm{USE}_{m} = a + b_1 \times \mathrm{XHeat}_{m} + b_2 \times \mathrm{XCool}_{m} + b_3 \times \mathrm{XOther}_{m} + \varepsilon_{m} \tag{2}$$

$XHeat_m$, $XCool_m$, and $XOther_m$ are explanatory variables constructed from end-use information, dwelling data, weather data, and market data. As will be shown below, the equations used to construct these X-variables are simplified end-use models, and the X-variables are the estimated usage levels for each of the major end uses based on these models. The estimated model can then be thought of as a statistically adjusted end-use model, where the estimated slopes are the adjustment factors.

### *Constructing XHeat*

As represented in the SAE spreadsheets, energy use by space heating systems depends on the following types of variables.

- Heating degree days
- Heating equipment saturation levels
- Heating equipment operating efficiencies
- Average number of days in the billing cycle for each month
- Thermal integrity and footage of homes
- Average household size, household income, and energy prices

The heating variable is represented as the product of an annual equipment index and a monthly usage multiplier:

$$XHeat_{y,m} = HeatIndex_{y,m} \times HeatUse_{y,m} \tag{3}$$

Where:

- $XHeat_{y,m}$ is estimated heating energy use in year ($y$) and month ($m$)
- $HeatIndex_{y,m}$ is the monthly index of heating equipment
- $HeatUse_{y,m}$ is the monthly usage multiplier

The heating equipment index is defined as a weighted average across equipment types of equipment saturation levels normalized by operating efficiency levels. Given a set of fixed weights, the index will change over time with changes in equipment saturations (*Sat*), operating efficiencies (*Eff*), building structural index (*StructuralIndex*), and energy prices. Formally, the equipment index is defined as:

$$HeatIndex_y = StructuralIndex_y \times \sum_{Type} Weight^{Type} \times \frac{\left( Sat_y^{Type} \middle/ Eff_y^{Type} \right)}{\left( Sat_{09}^{Type} \middle/ Eff_{09}^{Type} \right)} \qquad (4)$$

The *StructuralIndex* is constructed by combining the EIA's building shell efficiency index trends with surface area estimates, and then it is indexed to the 2009 value:

$$StructuralIndex_y = \frac{BuildingShellEfficiencyIndex_y \times SurfaceArea_y}{BuildingShellEfficiencyIndex_{09} \times SurfaceArea_{09}} \qquad (5)$$

The *StructuralIndex* is defined on the *StructuralVars* tab of the SAE spreadsheets. Surface area is derived to account for roof and wall area of a standard dwelling based on the regional average square footage data obtained from EIA. The relationship between the square footage and surface area is constructed assuming an aspect ratio of 0.75 and an average of 25% two-story and 75% single-story. Given these assumptions, the approximate linear relationship for surface area is:

$$SurfaceArea_y = 892 + 1.44 \times Footage_y \qquad (6)$$

In Equation 4, 2009 is used as a base year for normalizing the index. As a result, the ratio on the right is equal to 1.0 in 2009. In other years, it will be greater than 1.0 if equipment saturation levels are above their 2009 level. This will be counteracted by higher efficiency levels, which will drive the index downward. The weights are defined as follows.

$$Weight^{Type} = \frac{Energy_{09}^{Type}}{HH_{09}} \times HeatShare_{09}^{Type} \qquad (7)$$

In the SAE spreadsheets, these weights are referred to as *Intensities* and are defined on the *EIAData* tab. With these weights, the *HeatIndex* value in 2009 will be equal to estimated annual heating intensity per household in that year. Variations from this value in other years will be proportional to saturation and efficiency variations around their base values.

For electric heating equipment, the SAE spreadsheets contain two equipment types: electric resistance furnaces/room units and electric space heating heat pumps. Examples of weights for these two equipment types for the U.S. are given in Table 1.

### Table 1: Electric Space Heating Equipment Weights

| Equipment Type | Weight (kWh) |
|---|---|
| Electric Resistance Furnace/Room units | 760 |
| Electric Space Heating Heat Pump | 126 |

Data for the equipment saturation and efficiency trends are presented on the *Shares* and *Efficiencies* tabs of the SAE spreadsheets. The efficiency for electric space heating heat pumps are given in terms of Heating Seasonal Performance Factor [BTU/Wh], and the efficiencies for electric furnaces and room units are estimated as 100%, which is equivalent to 3.41 BTU/Wh.

**Price Impacts**. In the 2007 version of the SAE models and thereafter, the Heat Index has been extended to account for the long-run impact of electric and natural gas prices. Since the Heat Index represents changes in the stock of space heating equipment, the price impacts are modeled to play themselves out over a 10-year horizon. To introduce price effects, the Heat Index as defined by

Equation 4 above is multiplied by a 10-year moving-average of electric and gas prices. The level of the price impact is guided by the long-term price elasticities:

$$HeatIndex_y = StructuralIndex_y \times \sum_{Type} Weight^{Type} \times \frac{\left( Sat_y^{Type} \big/ Eff_y^{Type} \right)}{\left( Sat_{09}^{Type} \big/ Eff_{09}^{Type} \right)} \times \left( TenYearMovingAverageElectricPrice_{y,m} \right)^{\phi} \times \left( TenYearMovingAverageGasPrice_{y,m} \right)^{\gamma} \quad (8)$$

Since the trends in the Structural index (the equipment saturations and efficiency levels) are provided exogenously by the EIA, the price impacts are introduced in a multiplicative form. As a result, the long-run change in the Heat Index represents a combination of adjustments to the structural integrity of new homes, saturations in equipment and efficiency levels relative to what was contained in the base EIA long-term forecast.

Heating system usage levels are impacted on a monthly basis by several factors, including weather, household size, income levels, prices, and billing days. The estimates for space heating equipment usage levels are computed as follows:

$$HeatUse_{y,m} = \left( \frac{WgtHDD_{y,m}}{HDD_{09}} \right) \times \left( \frac{HHSize_y}{HHSize_{09}} \right)^{0.25} \times \left( \frac{Income_y}{Income_{09}} \right)^{0.20} \times \left( \frac{ElecPrice_{y,m}}{ElecPrice_{09,7}} \right)^{\lambda} \times \left( \frac{GasPrice_{y,m}}{GasPrice_{09,7}} \right)^{\kappa} \quad (9)$$

Where:

- *WgtHDD* is the weighted number of heating degree days in year (*y*) and month (*m*). This is constructed as the weighted sum of the current month's HDD and the prior month's HDD. The weights are 75% on the current month and 25% on the prior month.
- *HDD* is the annual heating degree days for 2009
- *HHSize* is average household size in a year (*y*)
- *Income* is average real income per household in year (*y*)
- *ElecPrice* is the average real price of electricity in month (*m*) and year (*y*)
- *GasPrice* is the average real price of natural gas in month (*m*) and year (*y*)

By construction, the $HeatUse_{y,m}$ variable has an annual sum that is close to 1.0 in the base year (2009). The first two terms, which involve billing days and heating degree days, serve to allocate annual values to months of the year. The remaining terms average to 1.0 in the base year. In other years, the values will reflect changes in the economic drivers, as transformed through the end-use elasticity parameters. The price impacts captured by the Usage equation represent short-term price response.

### *Constructing XCool*

The explanatory variable for cooling loads is constructed in a similar manner. The amount of energy used by cooling systems depends on the following types of variables.

- Cooling degree days
- Cooling equipment saturation levels
- Cooling equipment operating efficiencies
- Average number of days in the billing cycle for each month
- Thermal integrity and footage of homes
- Average household size, household income, and energy prices

The cooling variable is represented as the product of an equipment-based index and monthly usage multiplier. That is,

$$XCool_{y,m} = CoolIndex_{y} \times CoolUse_{y,m} \tag{10}$$

Where

- $XCool_{y,m}$ is estimated cooling energy use in year ($y$) and month ($m$)
- $CoolIndex_{y}$ is an index of cooling equipment
- $CoolUse_{y,m}$ is the monthly usage multiplier

As with heating, the cooling equipment index is defined as a weighted average across equipment types of equipment saturation levels normalized by operating efficiency levels. Formally, the cooling equipment index is defined as:

$$CoolIndex_y = StructuralIndex_y \times \sum_{Type} Weight^{Type} \times \frac{\left( Sat_y^{Type} \big/ Eff_y^{Type} \right)}{\left( Sat_{09}^{Type} \big/ Eff_{09}^{Type} \right)} \tag{11}$$

Data values in 2009 are used as a base year for normalizing the index, and the ratio on the right is equal to 1.0 in 2009. In other years, it will be greater than 1.0 if equipment saturation levels are above their 2009 level. This will be counteracted by higher efficiency levels, which will drive the index downward. The weights are defined as follows.

$$Weight^{Type} = \frac{Energy_{09}^{Type}}{HH_{09}} \times CoolShare_{09}^{Type} \tag{12}$$

In the SAE spreadsheets, these weights are referred to as *Intensities* and are defined on the *EIAData* tab. With these weights, the *CoolIndex* value in 2009 will be equal to estimated annual cooling intensity per household in that year. Variations from this value in other years will be proportional to saturation and efficiency variations around their base values.

For cooling equipment, the SAE spreadsheets contain three equipment types: central air conditioning, space cooling heat pump, and room air conditioning. Examples of weights for these three equipment types for the U.S. are given in Table 2.

### Table 2: Space Cooling Equipment Weights

| Equipment Type | Weight (kWh) |
|---|---|
| Central Air Conditioning | 1,209 |
| Space Cooling Heat Pump | 238 |
| Room Air Conditioning | 175 |

The equipment saturation and efficiency trends data are presented on the *Shares* and *Efficiencies* tabs of the SAE spreadsheets. The efficiency for space cooling heat pumps and central air conditioning (A/C) units are given in terms of Seasonal Energy Efficiency Ratio [BTU/Wh], and room A/C unit efficiencies are given in terms of Energy Efficiency Ratio [BTU/Wh].

**Price Impacts.** In the 2007 SAE models and thereafter, the Cool Index has been extended to account for changes in electric and natural gas prices. Since the Cool Index represents changes in the stock of space heating equipment, it is anticipated that the impact of prices will be long-term in nature. The Cool Index as defined Equation 11 above is then multiplied by a 10-year moving average of electric and gas prices. The level of the price impact is guided by the long-term price elasticities.

$$CoolIndex_y = StructuralIndex_y \times \sum_{Type} Weight^{Type} \times \frac{\left( Sat_y^{Type} \Big/ Eff_y^{Type} \right)}{\left( Sat_{09}^{Type} \Big/ Eff_{09}^{Type} \right)} \times \left(TenYearMovingAverageElectric\,Price_{y,m}\right)^{\phi} \times \left(TenYearMovingAverageGas\,Price_{y,m}\right)^{\gamma} \qquad (13)$$

Since the trends in the Structural index, equipment saturations and efficiency levels are provided exogenously by the EIA, price impacts are introduced in a multiplicative form. The long-run change in the Cool Index represents a combination of adjustments to the structural integrity of new homes, saturations in equipment and efficiency levels. Without a detailed end-use model, it is not possible to isolate the price impact on any one of these concepts.

Cooling system usage levels are impacted on a monthly basis by several factors, including weather, household size, income levels, and prices. The estimates of cooling equipment usage levels are computed as follows:

$$CoolUse_{y,m} = \left(\frac{WgtCDD_{y,m}}{CDD_{09}}\right) \times \left(\frac{HHSize_y}{HHSize_{09}}\right)^{0.25} \times \left(\frac{Income_y}{Income_{09}}\right)^{0.20} \times \left(\frac{Elec\,Price_{y,m}}{Elec\,Price_{09}}\right)^{\lambda} \times \left(\frac{Gas\,Price_{y,m}}{Gas\,Price_{09}}\right)^{\kappa} \qquad (14)$$

Where:

- *WgtCDD* is the weighted number of cooling degree days in year (*y*) and month (*m*). This is constructed as the weighted sum of the current month's CDD and the prior month's CDD. The weights are 75% on the current month and 25% on the prior month.
- *CDD* is the annual cooling degree days for 2009.

By construction, the *CoolUse* variable has an annual sum that is close to 1.0 in the base year (2009). The first two terms, which involve billing days and cooling degree days, serve to allocate annual values to months of the year. The remaining terms average to 1.0 in the base year. In other years, the values will change to reflect changes in the economic driver changes.

### Constructing XOther

Monthly estimates of non-weather sensitive sales can be derived in a similar fashion to space heating and cooling. Based on end-use concepts, other sales are driven by:

- Appliance and equipment saturation levels
- Appliance efficiency levels
- Average number of days in the billing cycle for each month
- Average household size, real income, and real prices

The explanatory variable for other uses is defined as follows:

$$XOther_{y,m} = OtherEqpIndex_{y,m} \times OtherUse_{y,m} \tag{15}$$

The first term on the right-hand side of this expression ($OtherEqpIndex_y$) embodies information about appliance saturation and efficiency levels and monthly usage multipliers. The second term (*OtherUse*) captures the impact of changes in prices, income, household size, and number of billing-days on appliance utilization.

End-use indices are constructed in the SAE models. A separate end-use index is constructed for each end-use equipment type using the following function form.

$$ApplianceIndex_{y,m} = Weight^{Type} \times \frac{\left( Sat_y^{Type} \Big/ \frac{1}{UEC_y^{Type}} \right)}{\left( Sat_{09}^{Type} \Big/ \frac{1}{UEC_{09}^{Type}} \right)} \times MoMult_m^{Type} \times \tag{16}$$
$$(TenYearMovingAverageElectric\Pr ice)^{\lambda} \times (TenYearMovingAverageGas\Pr ice)^{\kappa}$$

Where:

- *Weight* is the weight for each appliance type
- *Sat* represents the fraction of households, who own an appliance type
- $MoMult_m$ is a monthly multiplier for the appliance type in month ($m$)
- *Eff* is the average operating efficiency the appliance
- *UEC* is the unit energy consumption for appliances

This index combines information about trends in saturation levels and efficiency levels for the main appliance categories with monthly multipliers for lighting, water heating, and refrigeration.

The appliance saturation and efficiency trends data are presented on the *Shares* and *Efficiencies* tabs of the SAE spreadsheets.

Further monthly variation is introduced by multiplying by usage factors that cut across all end uses, constructed as follows:

$$ApplianceUse_{y,m} = \left(\frac{BDays_{y,m}}{30.44}\right) \times \left(\frac{HHSize_y}{HHSize_{09}}\right)^{0.46} \times \left(\frac{Income_y}{Income_{09}}\right)^{0.10} \times \left(\frac{ElecPrice_{y,m}}{ElecPrice_{09}}\right)^{\phi} \times \left(\frac{GasPrice_{y,m}}{GasPrice_{09}}\right)^{\lambda} \qquad (17)$$

The index for other uses is derived then by summing across the appliances:

$$OtherEqpIndex_{y,m} = \sum_k ApplianceIndex_{y,m} \times ApplianceUse_{y,m} \qquad (18)$$

## Supporting Spreadsheets and MetrixND Project Files

The SAE approach described above has been implemented for each of the nine Census Divisions. A mapping of states to Census Divisions is presented in Figure 15. This section describes the contents of each file and a procedure for customizing the files for specific utility data. A total of 18 files are provided. These files are listed in Table 3.

**Figure 15: Mapping of States to Census Divisions**

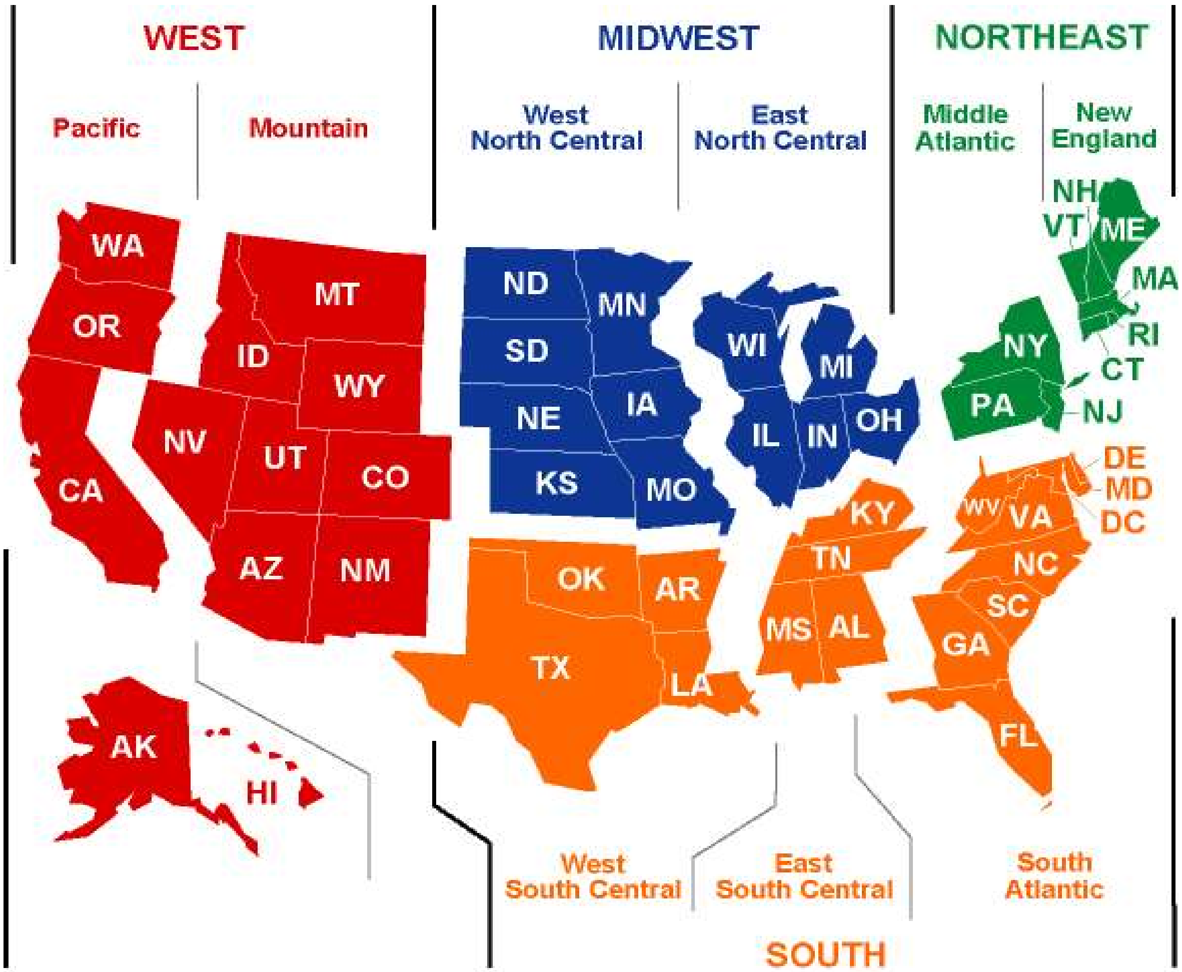



**Table 3: List of SAE Files**

| Spreadsheet | *MetrixND* Project File |
|---|---|
| NewEngland.xls | SAE_NewEngland.ndm |
| MiddleAtlantic.xls | SAE_MiddleAtlantic.ndm |
| EastNorthCentral.xls | SAE_EastNorthCentral.ndm |
| WestNorthCentral.xls | SAE_WestNorthCentral.ndm |
| SouthAtlantic.xls | SAE_SouthAltantic.ndm |
| EastSouthCentral.xls | SAE_EastSouthCentral.ndm |
| WestSouthCentral.xls | SAE_WestSouthCentral.ndm |
| Mountain.xls | SAE_Mountain.ndm |
| Pacific.xls | SAE_Pacific.ndm |

As defaults, the SAE spreadsheets include regional data, but utility data can be entered to generate the *Heat*, *Cool*, and *Other* equipment indices used in the SAE approach. The *MetrixND* project files link to the data in these spreadsheets. These project files calcualte the end-use *Usage* variables are constructed and the estimated SAE models.

Each of the nine SAE spreadsheets contains the following tabs:

- **Definitions -** Contains equipment, end use, worksheet, and Census Division definitions.
- **Intensities -** Calculates the annual equipment indices.
- **Shares -** Contains historical and forecasted equipment shares. The default forecasted values are provided by the EIA. The raw EIA projections are provided on the *EIAData* tab.
- **Efficiencies -** Contains historical and forecasted equipment efficiency trends. The forecasted values are based on projections provided by the EIA. The raw EIA projections are provided on the *EIAData* tab.
- **StructuralVars -** Contains historical and forecasted square footage, number of households, building shell efficiency index, and calculation of structural variable. The forecasted values are based on projections provided by the EIA.
- **Calibration -** This tab contains calculations of the base year *Intensity* values used to weight the equipment indices.
- **EIAData -** Contains the raw forecasted data provided by the EIA.
- **MonthlyMults -** Contains monthly multipliers that are used to spread the annual equipment indices across the months.
- **EV -** Worksheet for incorporating electric vehicle (EV) impacts.
- **PV -** Worksheet for incorporating photovoltaic battery (PV) impacts.

The *MetrixND* Project files are linked to the *AnnualIndices*, *ShareUEC*, and *MonthlyMults* tabs in the spreadsheets. Sales, economic, price and weather information for the Census Division is provided in the linkless data table *UtilityData*. In this way, utility specific data and the equipment indices are brought into the project file. The *MetrixND* project files contain the objects described below.

### Parameter Tables

- **Elas.** This parameter table includes the values of the elasticities used to calculate the *Usage* variables for each end-use. There are five types of elasticities included on this table.

  - Economic variable elasticities
  - Short-term own price elasticities
  - Short-term cross price elasticities
  - Long-term own price elasticities

- Long-term cross price elasticities

The short-term price elasticities drive the end-use usage equations. The long-term price elasticities drive the Heat, Cool and other appliance indices. The combined price impact is an aggregation of the short and long-term price elasticities. As such, the long-term price elasticities are input as incremental price impact. That is, the long-term price elasticity is the difference between the overall price impact and the short-term price elasticity.

### *Data Tables*

- **AnnualEquipmentIndices** links to the *AnnualIndices* tab for heating and cooling indices, and *ShareUEC* tab for water heating, lighting, and appliances in the SAE spreadsheet.
- **UtilityData** is a linkless data table that contains sales, price, economic and weather data specific to a given Census Division.
- **MonthlyMults** links to the corresponding tab in the SAE spreadsheet.

### *Transformation Tables*

- **EconTrans** computes the average usage, and household size, household income, and price indices used in the usage equations.
- **WeatherTrans** computes the HDD and CDD indices used in the usage equations.
- **ResidentialVars** computes the *Heat*, *Cool* and *Other Usage* variables, as well as the *XHeat*, *XCool* and *XOther* variables that are used in the regression model.
- **BinaryVars** computes the calendar binary variables that could be required in the regression model.
- **AnnualFcst** computes the annual historical and forecast sales and annual change in sales.
- **EndUseFcst** computes the monthly sales forecasts by end uses.

### *Models*

- **ResModel** is the Statistically Adjusted End-Use Model.

### *Steps to Customize the Files for Your Service Territory*

The files that are distributed along with this document contain regional data. If you have more accurate data for your service territory, you are encouraged to tailor the spreadsheets with that information. This section describes the steps needed to customize the files.

*Minimum Customization*

- Save the *MetrixND* project file and the spreadsheet into the same folder
- Select the spreadsheet and *MetrixND* project file from the appropriate Census Division

- Open the spreadsheet and navigate to the *Calibration* tab
- In cell "B9", replace base year Census Division use-per-customer with observed use-per-customer for your service territory
- Save the spreadsheet and open the *MetrixND* project file
- Click on the *Update All Links* button on the *Menu* bar
- Review the model results

*Further Customization of Starting Usage Levels*

In addition to the minimum steps listed above, you can also utilize model-based calibration process described above on pages 15-16 to further fine-tune starting year usage estimates to your service territory.

*Customizing the End-use Share Paths*

You can also install your own share history and forecasts. To do this, navigate to the *Share* tab in the spreadsheet and paste in the values for your region. Make sure that base year shares on the *Calibration* tab reflect changes on the *Shares* tab.

*Customizing the End-use Efficiency Paths*

Finally, you can override the end-use efficiency paths that are contained on the *Efficiencies* tab of the spreadsheet.

# Appendix B: Commercial Statistically Adjusted End-Use Model

The traditional approach to forecasting monthly sales for a customer class is to develop an econometric model that relates monthly sales to weather, seasonal variables, and economic conditions. From a forecasting perspective, econometric models are well suited to identifying historical trends and to projecting these trends into the future. In contrast, end-use models are able to incorporate the end-use factors driving energy use. By including end-use structure in an econometric model, the statistically adjusted end-use (SAE) modeling framework exploits the strengths of both approaches.

There are several advantages to the SAE approach.

- The equipment efficiency trends and saturation changes embodied in the long-run end-use forecasts are introduced explicitly into the short-term monthly sales forecast, thereby providing a strong bridge between the two forecasts.
- By explicitly introducing trends in equipment saturations and efficiency levels, SAE models can explain changes in usage levels and weather-sensitivity over time.
- Data for short-term models are often not sufficiently robust to support estimation of a full set of price, economic, and demographic effects. By bundling these factors with equipment-oriented drivers, a rich set of elasticities can be built into the final model.

This document describes this approach, the associated supporting Commercial SAE spreadsheets, and *MetrixND* project files that are used in the implementation. The source for the commercial SAE spreadsheets is the 2017 Annual Energy Outlook (AEO) database provided by the Energy Information Administration (EIA).

## 1.1 Commercial Statistically Adjusted End-Use Model Framework

The commercial statistically adjusted end-use model framework begins by defining energy use ($USE_{y,m}$) in year (y) and month (m) as the sum of energy used by heating equipment ($Heat_{y,m}$), cooling equipment ($Cool_{y,m}$) and other equipment ($Other_{y,m}$). Formally,

$$USE_{y,m} = Heat_{y,m} + Cool_{y,m} + \text{Other}_{y,m} \quad (1)$$

Although monthly sales are measured for individual customers, the end-use components are not. Substituting estimates for the end-use elements gives the following econometric equation.

$$USE_m = a + b_1 \times XHeat_m + b_2 \times XCool_m + b_3 \times XOther_m + \varepsilon_m \quad (2)$$

Here, $XHeat_m$, $XCool_m$, and $XOther_m$ are explanatory variables constructed from end-use information, weather data, and market data. As will be shown below, the equations used to construct these X-variables are simplified end-use models, and the X-variables are the estimated usage levels for each of the major end-uses based on these models. The estimated model can then be thought of as a statistically adjusted end-use model, where the estimated slopes are the adjustment factors.

### *Constructing XHeat*

As represented in the Commercial SAE spreadsheets, energy use by space heating systems depends on the following types of variables.

- Heating degree days,
- Heating intensity,
- Commercial output and energy price.

The heating variable is represented as the product of an annual equipment index and a monthly usage multiplier. That is,

$$XHeat_{y,m} = HeatIndex_y \times HeatUse_{y,m} \quad (3)$$

Where

- $XHeat_{y,m}$ is estimated heating energy use in year $y$ and month $m$,
- $HeatIndex_y$ is the annual index of heating equipment, and
- $HeatUse_{y,m}$ is the monthly usage multiplier.

The heating equipment index is composed of electric space heating intensity. The index will change over time with changes in heating intensity. Formally, the equipment index is defined as:

$$HeatIndex_y = HeatSales_{13} \times \frac{(HeatIntensity_y)}{(HeatIntensity_{13})} \quad (4)$$

In this expression, 2013 is used as a base year for normalizing the index. The ratio on the right is equal to 1.0 in 2013. In other years, it will be greater than 1.0 if intensity levels are above their 2004 level.

$$HeatSales_{04} = \left(\frac{kWh}{Sqft}\right)_{Heating} \times \left(\frac{CommercialSales_{13}}{\sum_e kWh/Sqft_e}\right) \tag{5}$$

Here, base-year sales for space heating is the product of the average space heating intensity value and the ratio of total commercial sales in the base year over the sum of the end-use intensity values. In the Commercial SAE Spreadsheets, the space heating sales value is defined on the *BaseYrInput* tab. The resulting $HeatIndex_y$ value in 2013 will be equal to the estimated annual heating sales in that year. Variations from this value in other years will be proportional to saturation and efficiency variations around their base values.

Heating system usage levels are impacted on a monthly basis by several factors, including weather, commercial level economic activity, and prices. Using the COMMEND default elasticity parameters, the estimates for space heating equipment usage levels are computed as follows:

$$HeatUse_{y,m} = \left(\frac{WgtHDD_{y,m}}{HDD_{13}}\right) \times \left(\frac{Output_y}{Output_{13}}\right) \times \left(\frac{Price_{y,m}}{Price_{13}}\right)^{-0.18} \tag{6}$$

Where

- *WgtHDD* is the weighted number of heating degree days in year *y* and month *m*. This is constructed as the weighted sum of the current month's HDD and the prior month's HDD. The weights are 75% on the current month and 25% on the prior month
- *HDD* is the annual heating degree days for 2013,
- *Output* is a real commercial output driver in year *y*,
- *Price* is the average real price of electricity in month *m* and year *y*,

By construction, the $HeatUse_{y,m}$ variable has an annual sum that is close to 1.0 in the base year (2013). The first terms, which involve heating degree days, serves to allocate annual values to months of the year. The remaining terms average to 1.0 in the base year. In other years, the values will reflect changes in commercial output and prices, as transformed through the end-use elasticity parameters. For example, if the real price of electricity goes up 10% relative to the base year value, the price term will contribute a multiplier of about .98 (computed as 1.10 to the -0.18 power).

### *Constructing XCool*

The explanatory variable for cooling loads is constructed in a similar manner. The amount of energy used by cooling systems depends on the following types of variables.

- Cooling degree days,
- Cooling intensity,
- Commercial output and energy price.

The cooling variable is represented as the product of an equipment-based index and monthly usage multiplier. That is,

$$XCool_{y,m} = CoolIndex_y \times CoolUse_{y,m} \tag{7}$$

Where

- $XCool_{y,m}$ is estimated cooling energy use in year $y$ and month $m$,
- $CoolIndex_y$ is an index of cooling equipment, and
- $CoolUse_{y,m}$ is the monthly usage multiplier.

As with heating, the cooling equipment index depends on equipment saturation levels (*CoolShare*) normalized by operating efficiency levels (*Eff*). Formally, the cooling equipment index is defined as:

$$CoolIndex_y = CoolSales_{13} \times \frac{\left( CoolShare_y / Eff_y \right)}{\left( CoolShare_{13} / Eff_{13} \right)} \tag{8}$$

Data values in 2013 are used as a base year for normalizing the index, and the ratio on the right is equal to 1.0 in 2013. In other years, it will be greater than 1.0 if equipment saturation levels are above their 2013 level. This will be counteracted by higher efficiency levels, which will drive the index downward. Estimates of base year cooling sales are defined as follows.

$$CoolSales_{13} = \left( \frac{kWh}{Sqft} \right)_{Cooling} \times \left( \frac{CommercialSales_{13}}{\sum_e kWh / Sqft_e} \right) \tag{9}$$

Here, base-year sales for space cooling is the product of the average space cooling intensity value and the ratio of total commercial sales in the base year over the sum of the end-use intensity values. In the Commercial SAE Spreadsheets, the space cooling sales value is defined on the *BaseYrInput* tab. The resulting *CoolIndex* value in 2013 will be equal to the estimated annual cooling sales in that year. Variations from this value in other years will be proportional to saturation and efficiency variations around their base values.

Cooling system usage levels are impacted on a monthly basis by several factors, including weather, economic activity levels and prices. Using the COMMEND default parameters, the estimates of cooling equipment usage levels are computed as follows:

$$CoolUse_{y,m} = \left(\frac{WgtCDD_{y,m}}{CDD_{13}}\right) \times \left(\frac{Output_y}{Output_{13}}\right) \times \left(\frac{Price_{y,m}}{Price_{13}}\right)^{-0.18} \qquad (10)$$

Where

- *WgtCDD* is the weighted number of cooling degree days in year *y* and month *m*. This is constructed as the weighted sum of the current month's CDD and the prior month's CDD. The weights are 75% on the current month and 25% on the prior month.
- *CDD* is the annual cooling degree days for 2013.

By construction, the *CoolUse* variable has an annual sum that is close to 1.0 in the base year (2013). The first two terms, which involve billing days and cooling degree days, serve to allocate annual values to months of the year. The remaining terms average to 1.0 in the base year. In other years, the values will change to reflect changes in commercial output and prices.

### *Constructing XOther*

Monthly estimates of non-weather sensitive sales can be derived in a similar fashion to space heating and cooling. Based on end-use concepts, other sales are driven by:

- Equipment intensities,
- Average number of days in the billing cycle for each month, and
- Real commercial output and real prices.

The explanatory variable for other uses is defined as follows:

$$XOther_{y,m} = OtherIndex_{y,m} \times OtherUse_{y,m} \tag{11}$$

The second term on the right hand side of this expression embodies information about equipment saturation levels and efficiency levels. The equipment index for other uses is defined as follows:

$$OtherIndex_{y,m} = \sum_{Type} Weight_{13}^{Type} \times \left( \frac{Share_{y}^{Type} \big/ Eff_{y}^{Type}}{Share_{13}^{Type} \big/ Eff_{13}^{Type}} \right) \tag{12}$$

Where

- *Weight* is the weight for each equipment type,
- *Share* represents the fraction of floor stock with an equipment type, and
- *Eff* is the average operating efficiency.

This index combines information about trends in saturation levels and efficiency levels for the main equipment categories. The weights are defined as follows:

$$Weight_{13}^{Type} = \left( \frac{kWh}{Sqft} \right)_{Type} \times \left( \frac{CommercialSales_{13}}{\sum_{e} kWh \big/ Sqft_{e}} \right) \tag{13}$$

Further monthly variation is introduced by multiplying by usage factors that cut across all end-uses, constructed as follows:

$$OtherUse_{y,m} = \left(\frac{BDays_{y,m}}{30.44}\right) \times \left(\frac{Output_y}{Output_{13}}\right) \times \left(\frac{Price_{y.m}}{Price_{13}}\right)^{-0.18} \tag{14}$$

In this expression, the elasticities on output and real price are computed from the COMMEND default values.

## 1.2 Supporting Spreadsheets and *MetrixND* Project Files

The SAE approach described above has been implemented for each of the nine census divisions. This section describes the contents of each file and a procedure for customizing the files for specific utility data. A total of 18 files are provided. These files are listed in Table 1.

### Table 1: List of SAE Files

| Spreadsheets | *MetrixND* Project Files |
|---|---|
| NewEnglandCom17.xls | NewEnglandCom17.ndm |
| MiddleAtlanticCom17.xls | MiddleAtlanticCom17.ndm |
| EastNorthCentralCom17.xls | EastNorthCentralCom17.ndm |
| WestNorthCentralCom17.xls | WestNorthCentralCom17.ndm |
| SouthAtlanticCom17.xls | SouthAltanticCom17.ndm |
| EastSouthCentralCom17.xls | EastSouthCentralCom17.ndm |
| WestSouthCentralCom17.xls | WestSouthCentralCom17.ndm |
| MountainCom17.xls | MountainCom17.ndm |
| PacificCom17.xls | PacificCom17.ndm |

As defaults, the SAE spreadsheets include regional data, but utility data can be entered to generate the *Heat*, *Cool*, and *Other* equipment indices used in the SAE approach. The data from these spreadsheets are linked to the *MetrixND* project files. In these project files, the end-use *Usage* variables (Equations 6, 10, and 14 above) are constructed and the SAE model is estimated.

The nine spreadsheets contain the following tabs.

- **EIAData** contains the raw forecasted data provided by the EIA
- **BaseYrInput** contains base year Census Division intensities by end-use and building type as well as default building type weights. It also contains functionality for changing the weights to reflect utility service territory.
- **Efficiency** contains historical and forecasted end-use equipment efficiency trends. The forecasted values are based on projections provided by the EIA.
- **Shares.** This tab contains historical and forecasted end-use saturations.
- **Intensity** contains the annual intensity (kWh/sqft) projections by end-use.
- **AnnualIndices** contains the annual *Heat*, *Cool* and *Other* equipment indices.
- **FloorSpace** contains the annual floor space (sqft) projections by end-use.
- **PV** incorporates the impact of photovoltaic batteries into the forecast.
- **Graphs** contains graphs of Efficiency and Intensities, which can be updating by selecting from the list in cell B2.

The *MetrixND* project files contain the following objects.

### *Parameter Tables*

- **Parameters.** This parameter table includes the values of the annual HDD and CDD in 2013 used to calculate the *Usage* variables for each end-use.
- **Elas.** This parameter table includes the values of the elasticities used to calculate the *Usage* variables for each end-use.

### *Data Tables*

- **AnnualIndices.** This data table is linked to the *AnnualIndices* tab in the Commercial SAE spreadsheet and contains sales-adjusted commercial SAE indices.
- **Intensity.** This data table is linked to the *Intensity* tab in the Commercial SAE spreadsheet.
- **FloorSpace.** This data table links to *FloorSpace* tab in the Commercial SAE spreadsheet.
- **UtilityData.** This linkless data table contains Census Division level data. It can be populated with utility-specific data.

### *Transformation Tables*

- **EconTrans.** This transformation table is used to compute the output and price indices used in the usage equations.
- **WeatherTrans.** This transformation table is used to compute the HDD and CDD indices used in the usage equations.
- **CommercialVars.** This transformation table is used to compute the *Heat*, *Cool* and *Other Usage* variables, as well as the *XHeat*, *XCool* and *XOther* variables that are used in the regression model. Structural variables based on the intensity/floor space combination are also calculated here.
- **BinaryVars.** This transformation table is used to compute the calendar binary variables that could be required in the regression model.
- **AnnualFcst.** This transformation table is used to compute the annual historical and forecast sales and annual change in sales.
- **EndUseFcst.** This transformation table breaks the forecast down into its heating, cooling and other components.

### *Models*

- **ComSAE:** The commercial SAE model (energy forecast driven by end-use indices, price, and output projections).
- **ComStruct:** Simple stock model (energy forecast driven by end-use energy intensities, and square footage).

# 2019 Business Plan Electric Forecast

**Sales Analysis & Forecasting**
**May 14, 2018**

PPL companies

Case Nos. 2018-00294 and 2018-00295
Attachment to Filing Requirement
807 KAR 5:001 Sec. 16(7)(c)
C. Page 1 of 20
Sinclair

# Forecast Summary

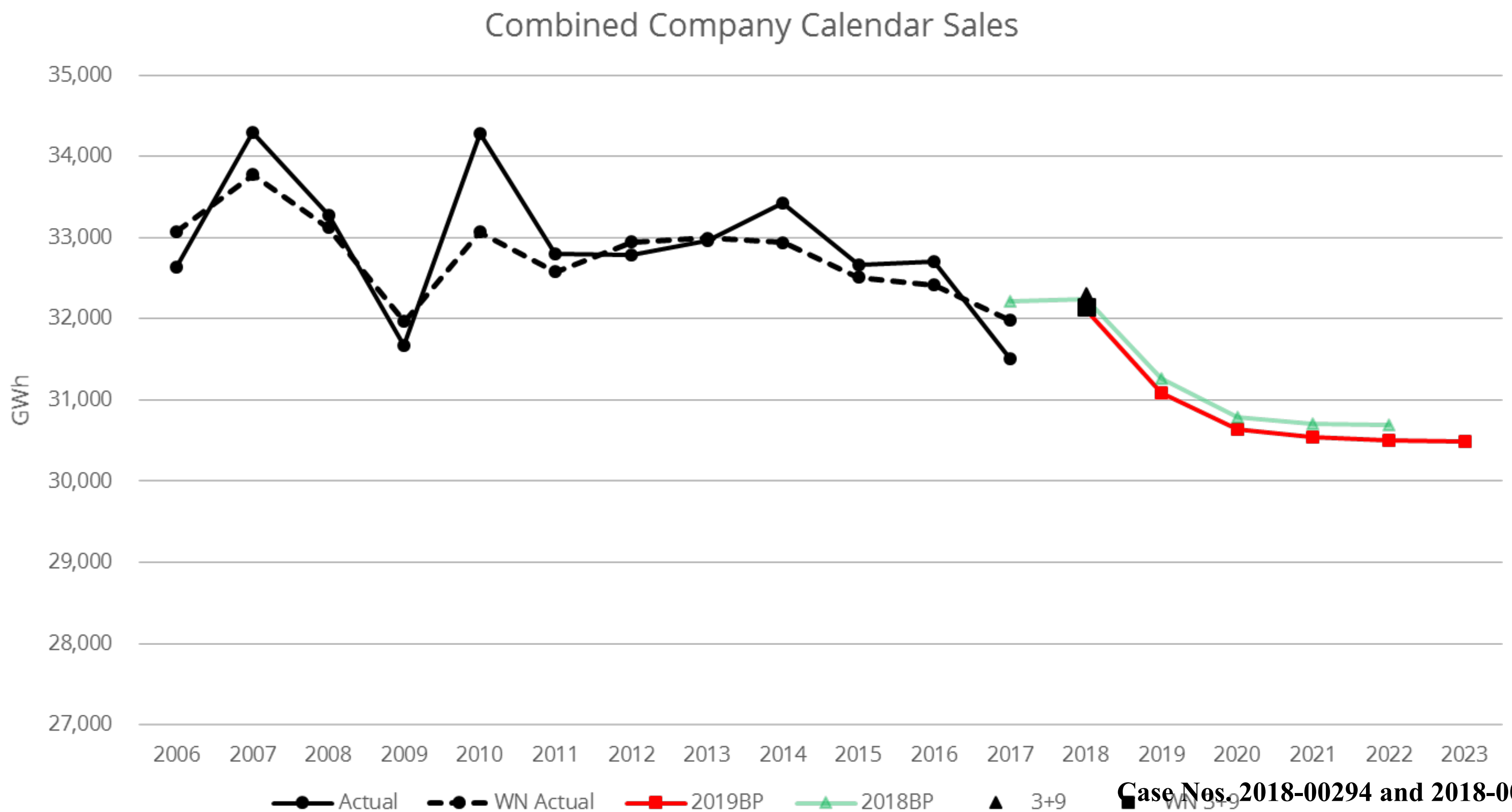
**CONFIDENTIAL INFORMATION REDACTED**

- Sales volumes decreased 0.5% or approximately 160 GWh from the 2018 Plan in 2019
  - 80 GWh decrease due to [redacted] with an additional 30 GWh decrease from other Major Accounts and Industrials
  - Customer growth in Louisville and Lexington remains strong and offsets declining use-per-customer in 2017
- Municipal departure reduces sales approximately 1,000 GWh in 2019
- Electric Vehicles and Distributed Generation have limited impact in short-term
  - Longer-term implications considered as scenarios for the IRP

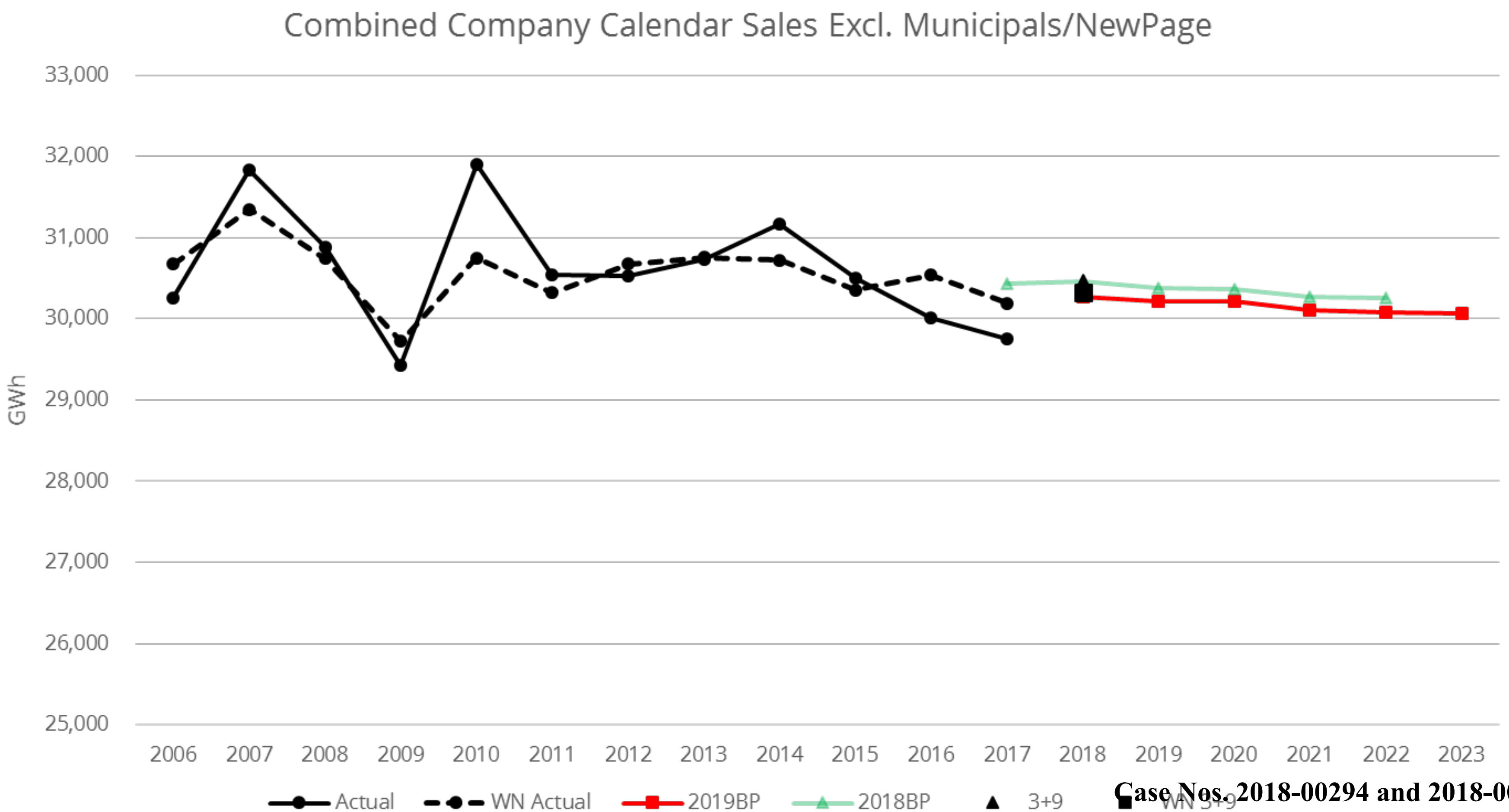
# Key Assumptions

- Economic conditions remain robust with limited impact on sales volumes from economic growth
- Household growth of 0.5% driven by Louisville and Lexington
- Increased LED lighting penetration provides further decreases in use-per-customer
- Distributed solar and electric vehicle penetration continue to increase but no significant sales impact through 2025
- No adjustments for AMS related sales impacts (e.g. customer responses, theft reductions, outage reduction time)
- No assumptions on increased battery storage to manage demand charges

# Municipals departing in May 2019 remains the largest change



# 2019 Plan Sales excluding Municipals decline 150 GWh 2019-2023 due to Residential and Commercial

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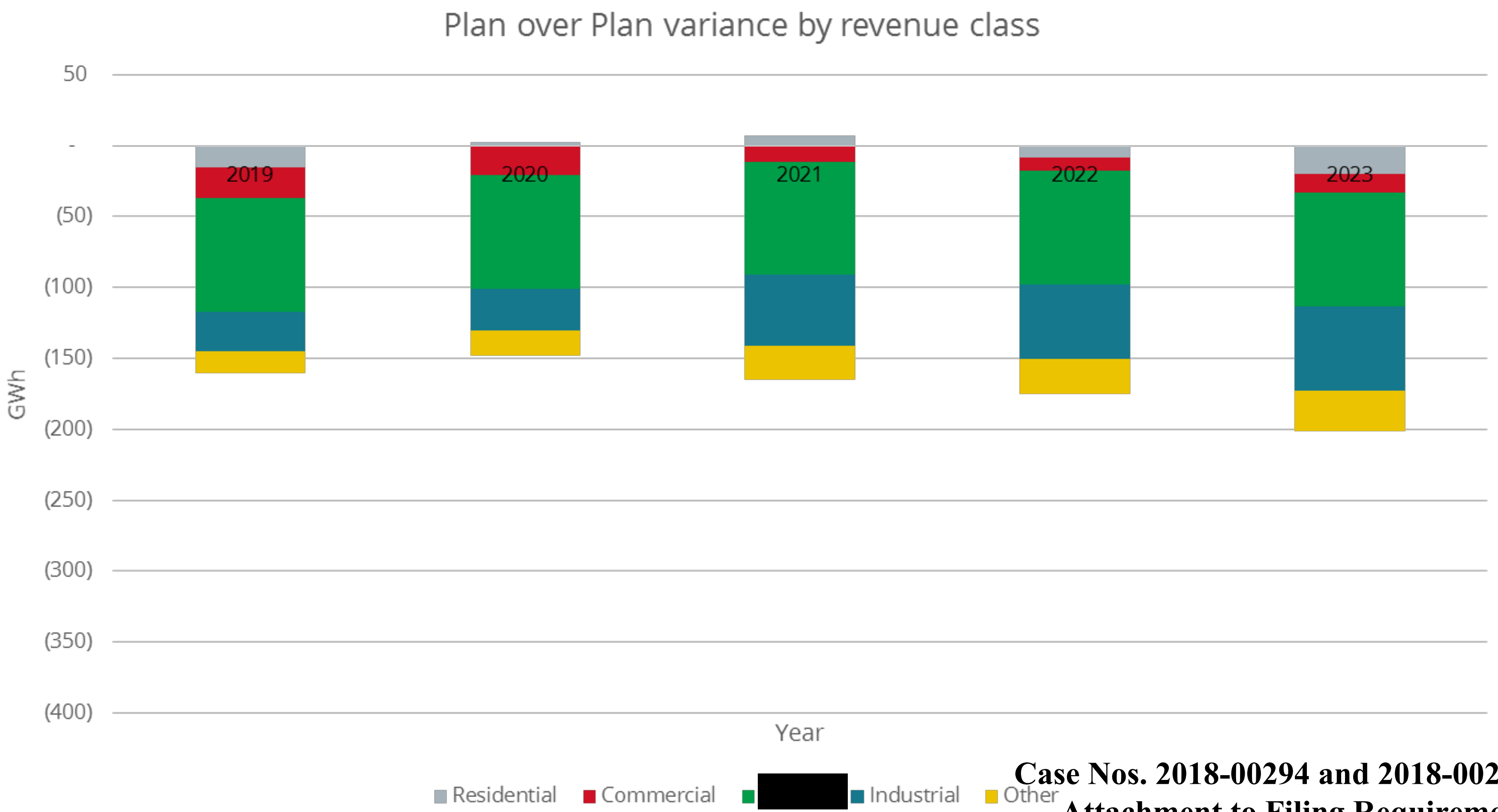
# [redacted] and other Industrials drive Plan over Plan variance; Residential & Commercial 37 GWh below 2018 BP in 2019

**CONFIDENTIAL INFORMATION REDACTED**

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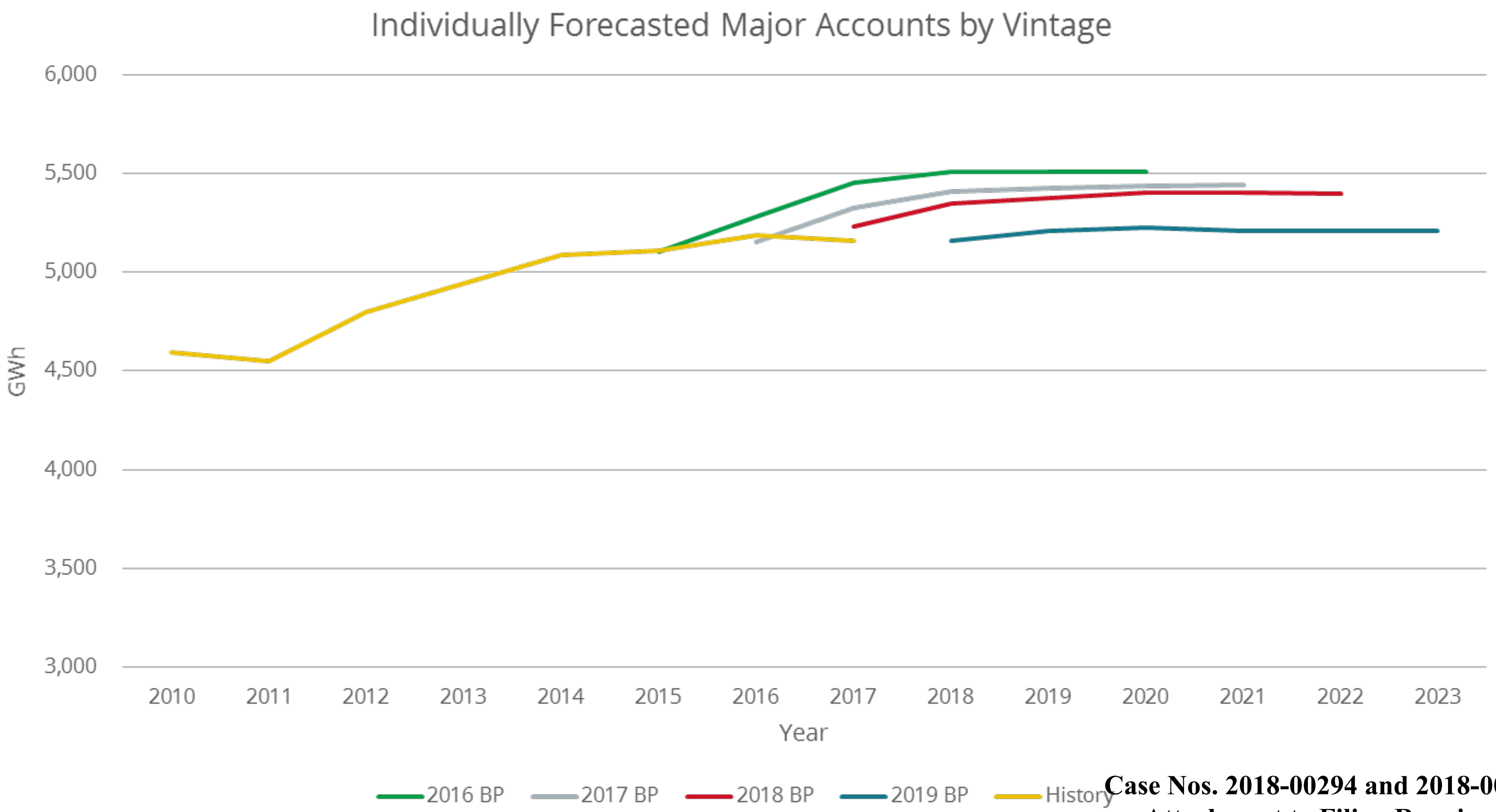
# Individually forecasted customers in line with recent history

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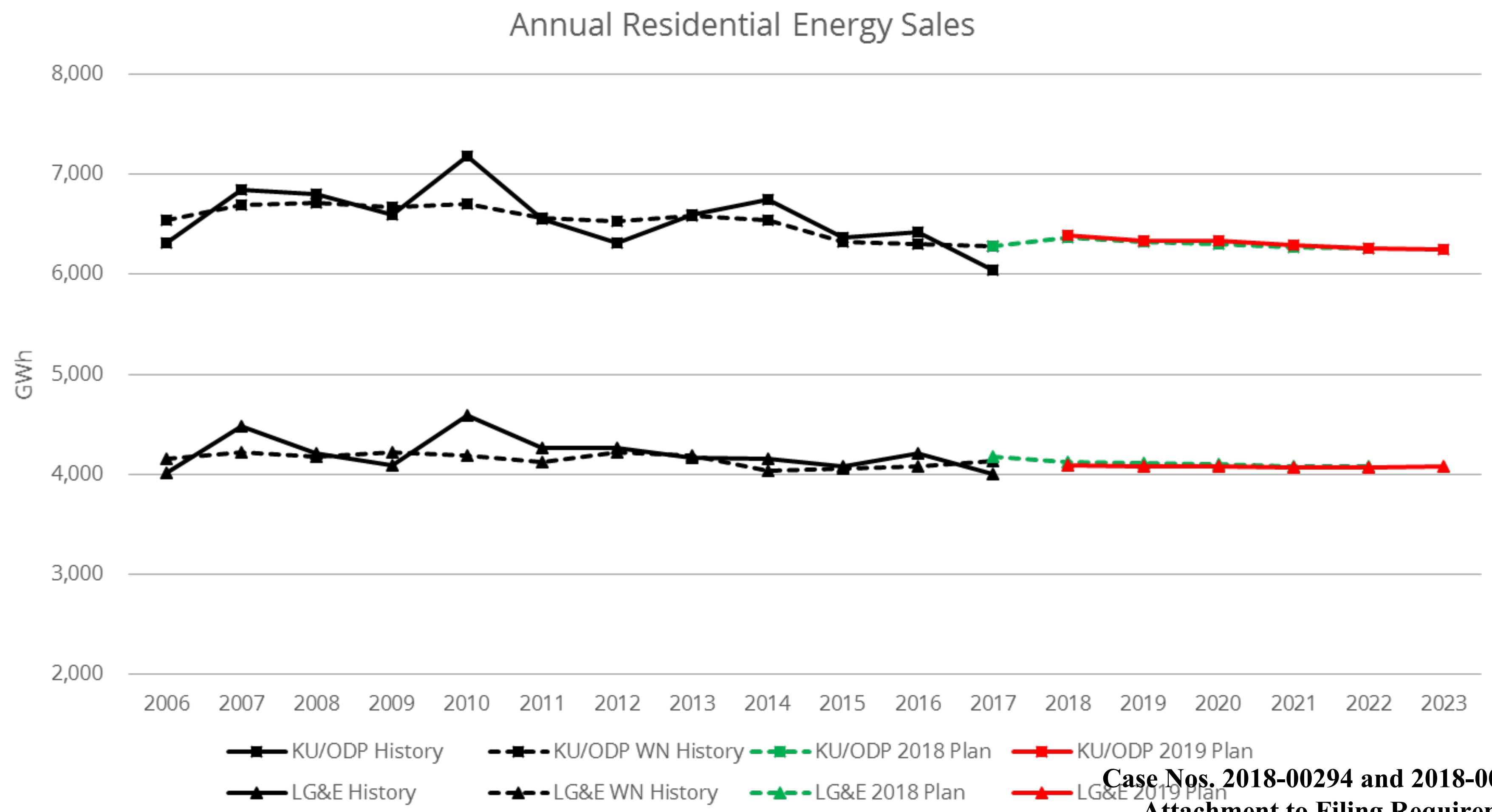
LG&E KU PPL companies

# Residential Sales 15 GWh lower than 2018BP in 2019

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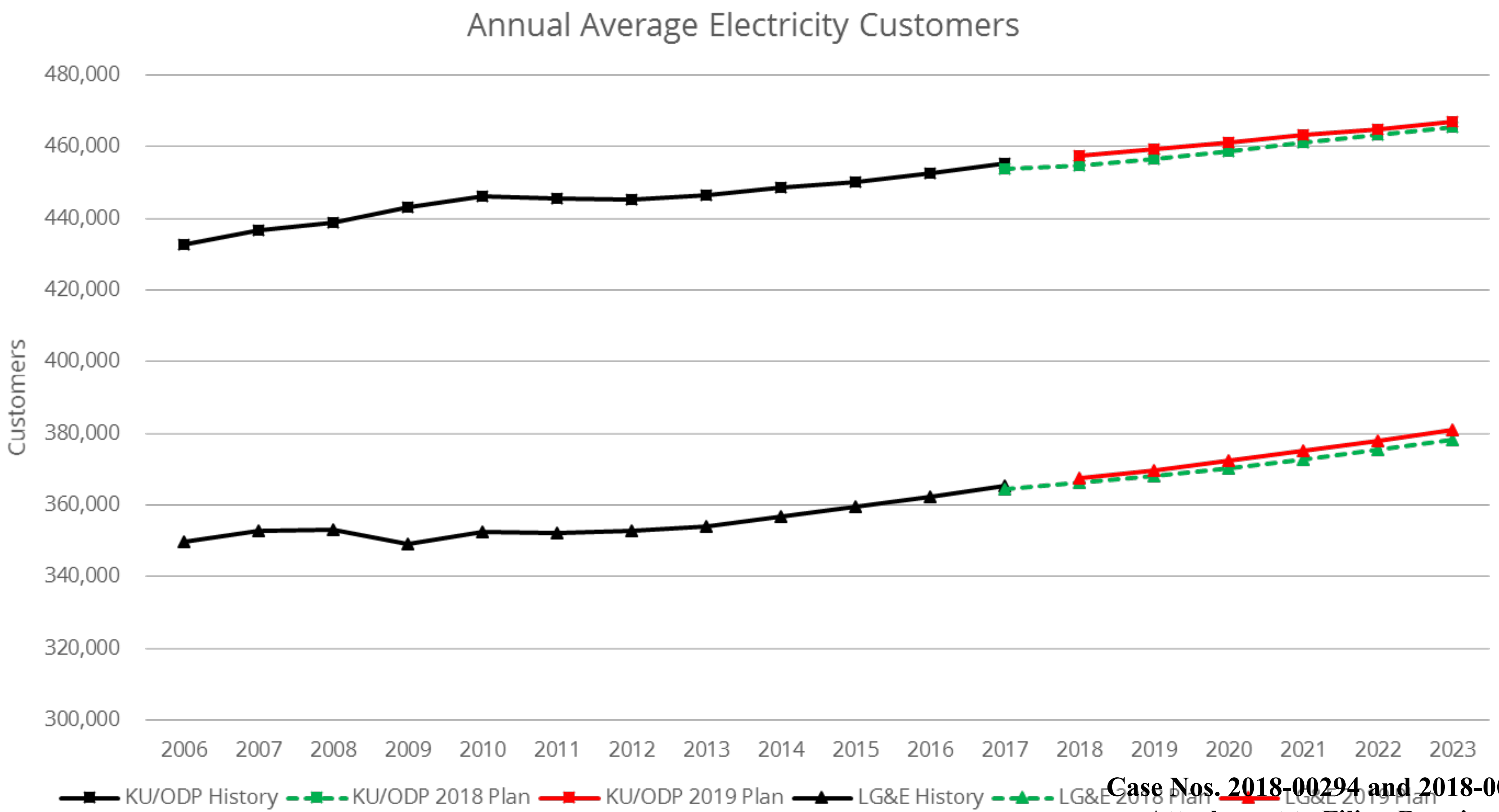
LG&E KU PPL companies

# Customer growth in Louisville and Lexington remains strong and above 2018 Plan levels




Case Nos. 2018-00294 and 2018-00295
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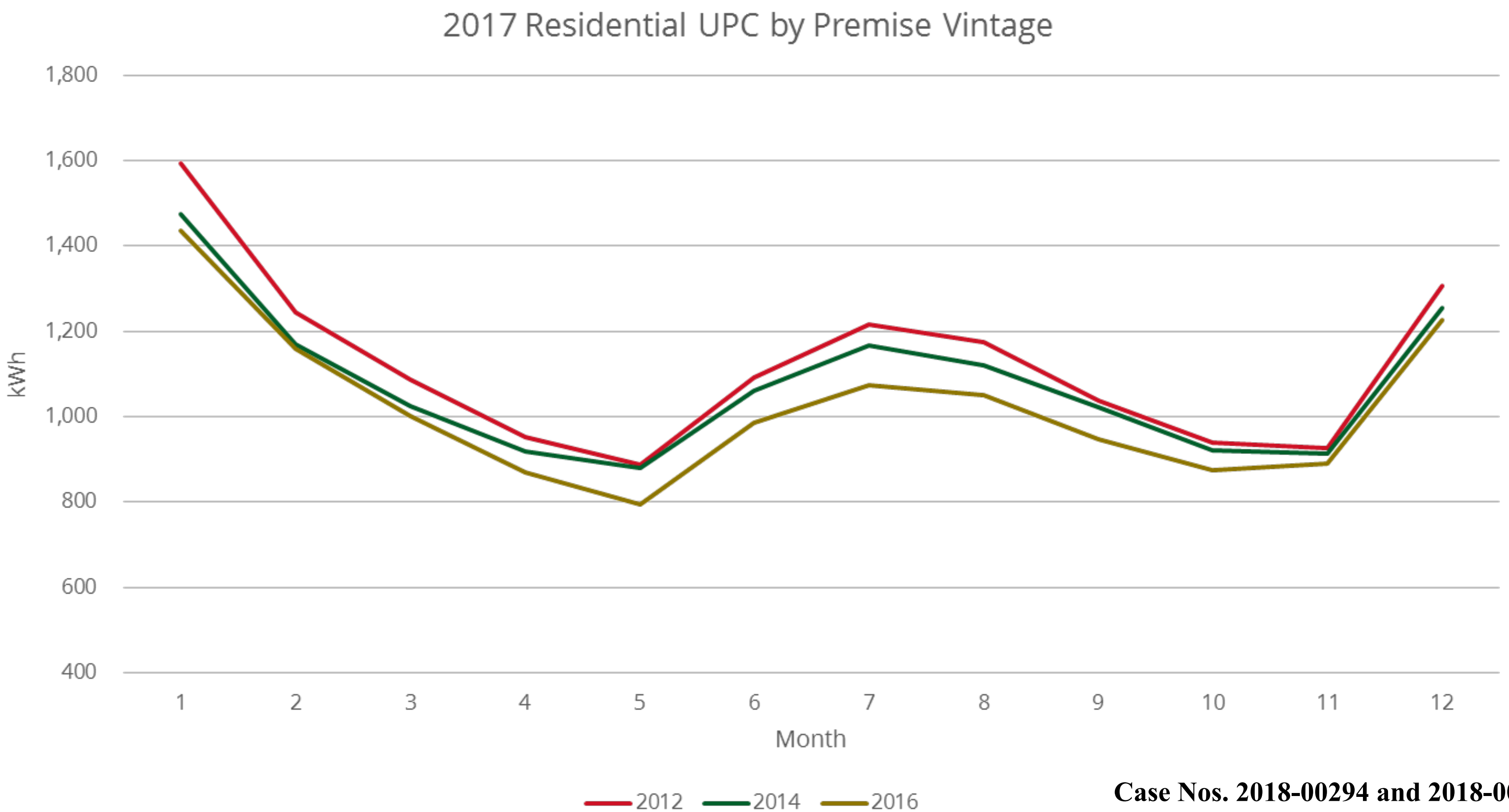
LG&E KU
PPL companies

# Residential use-per-customer reflects changes in housing, heat source and appliance efficiencies

- New premises have a greater penetration of electric heating than existing stock at both LG&E and KU
- Use-per-customer lower despite increased electric heating due to housing type and appliance efficiencies
- Improved AC efficiency continues to lower summer cooling load
- LED lighting penetration remains below 40% with significant opportunity in replacement of halogen bulbs

# Cooling efficiencies and electric heating penetration driving changes in Residential profiles




Case Nos. 2018-00294 and 2018-00295
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# Decreasing use-per-customer despite higher electric heating penetration

| | KU | | | LG&E | | |
|---|---|---|---|---|---|---|
| | Electric Heating Penetration | Avg 2017 Billed kWh | Customers | Electric Heating Penetration | Avg 2017 Billed kWh | Customers |
| **2010** | 53% | 13,195 | 394,837 | 22% | 11,119 | 334,978 |
| **2011** | 71% | 13,418 | 4,028 | 35% | 11,416 | 2,444 |
| **2012** | 69% | 13,036 | 3,904 | 38% | 12,704 | 2,102 |
| **2013** | 69% | 12,797 | 4,014 | 42% | 12,470 | 2,523 |
| **2014** | 67% | 12,908 | 3,444 | 46% | 11,210 | 3,258 |
| **2015** | 68% | 12,387 | 3,485 | 49% | 11,138 | 3,310 |
| **2016** | 68% | 11,266 | 4,144 | 49% | 10,610 | 3,198 |

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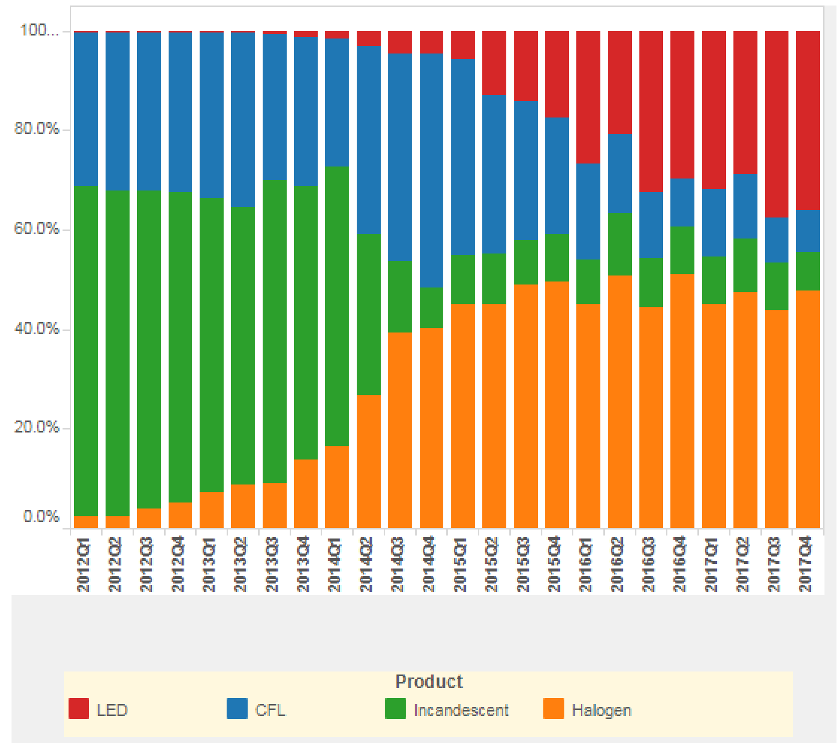
# Despite recent sales trends, LEDs remain at a relatively low saturation

- Rapid increase in LED penetration since 2014 from replacement of incandescent and CFL bulbs
- Future LED growth likely in replacing existing halogen lights which remain above 40%

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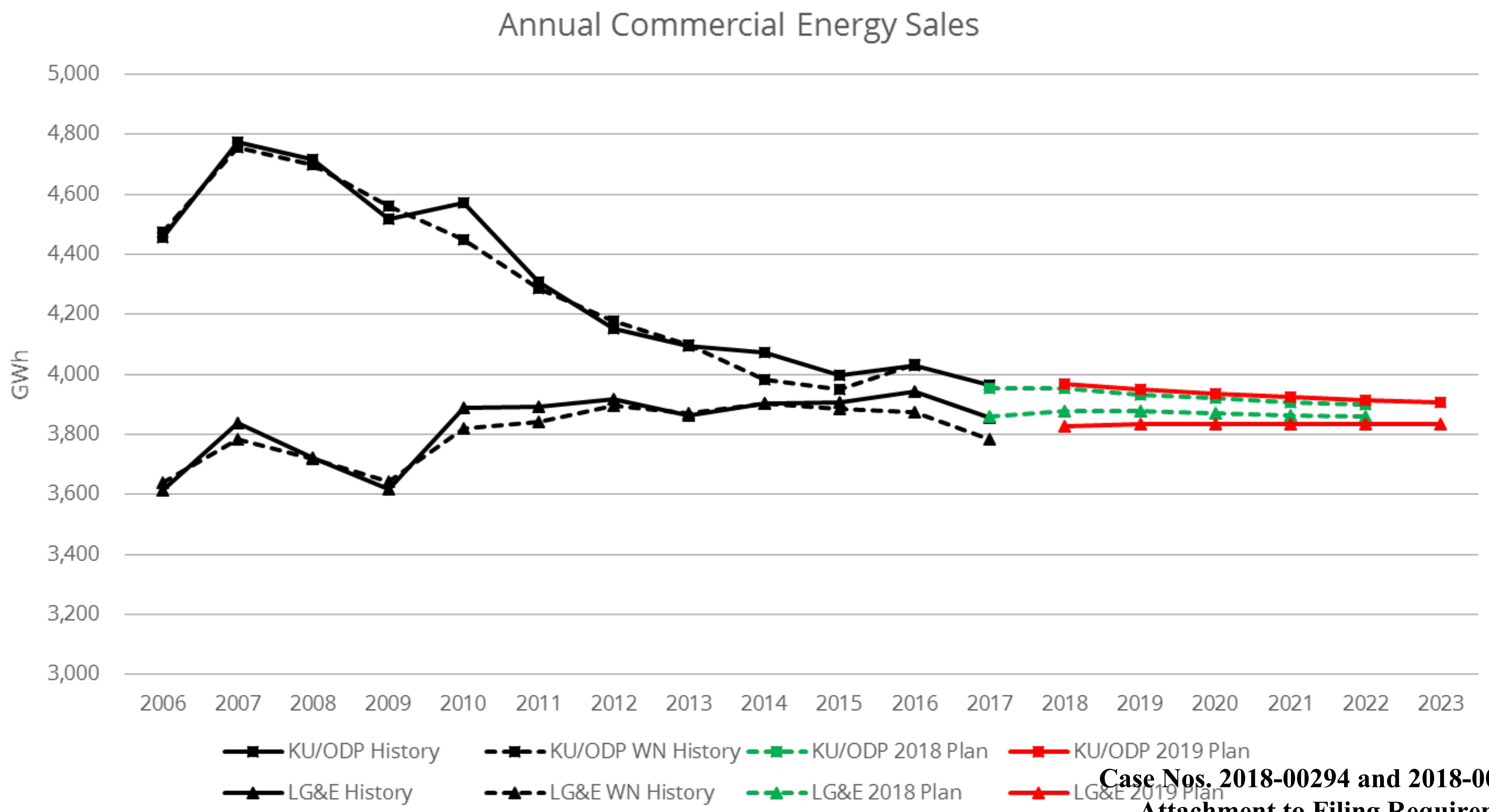
LG&E KU PPL companies

# Commercial volumes remain consistent with 2018 Plan

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LG&E KU PPL companies

# Distributed Solar and Electric Vehicle penetration remains low until mid-2020s

| Year | Solar Installed Capacity (MW) | Non-Utility Solar Generation (MWh) | | EVs | EV Electricity Sales (MWh) |
|---|---|---|---|---|---|
| 2010 | 0 | 191 | | 1 | 3 |
| 2015 | 3 | 3,275 | | 650 | 1,851 |
| 2020 | 7 | 8,479 | | 2,903 | 8,709 |
| 2025 | 21 | 24,332 | | 8,341 | 26,273 |
| 2030 | 96 | 114,383 | | 22,622 | 74,651 |
| 2035 | 238 | 282,131 | | 66,723 | 230,195 |
| 2040 | 593 | 701,981 | | 159,769 | 575,167 |
| 2045 | 1,072 | 1,258,922 | | 300,711 | 1,082,560 |
| 2050 | 1,571 | 1,826,131 | | 491,793 | 1,770,454 |

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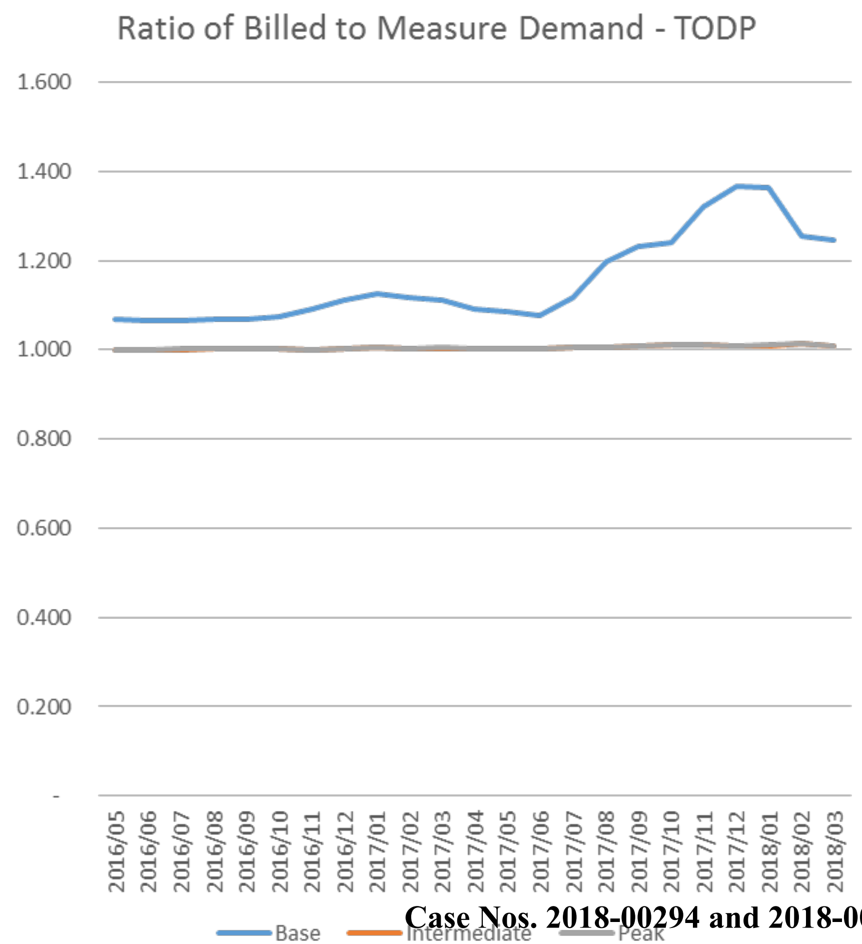
# Billing Demands have become an increasingly important component of the forecast process

- Process overview:
  - Load factor methodology to align with sales forecast
  - Historically small differences between billed and measured
- FLS, RTS, TOD-Primary, and TOD-Secondary have 100% ratchets on base demand
- Since August 2017, Demand Revenues accounted for 21% of total revenue (excluding Demand ECR)

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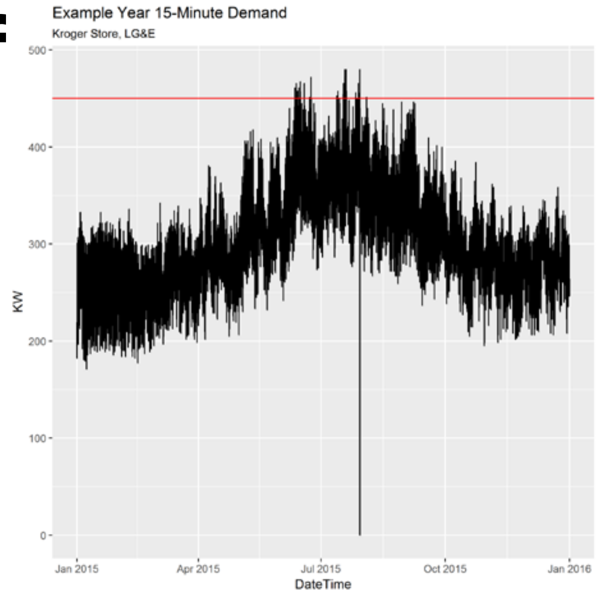
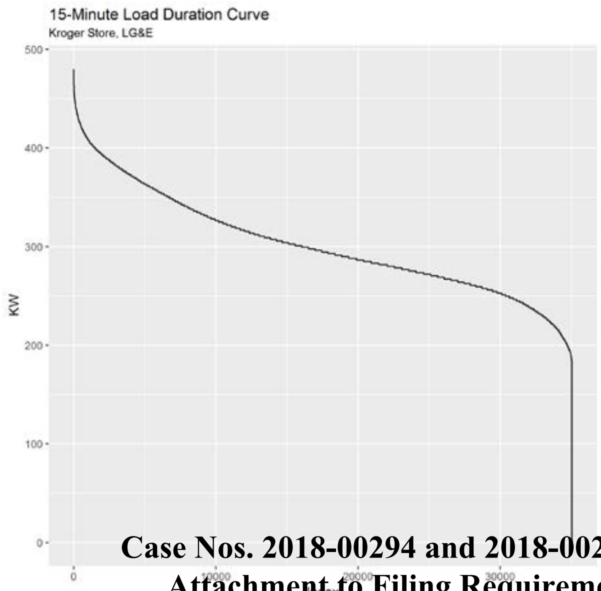
# Limited data on the impact of recent price signals

- Increased revenue risk in a small number of hours

- Demand charges of $15/kW have significant revenue vulnerability to behind the meter storage

- Risks
  - Changing relationship between billed and measured demand
  - Customers will consider BTM storage to mitigate demand charges and ratchets

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# Conclusion

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- [redacted] and other Industrial volumes account for most changes in sales volumes from 2018 Plan
- Reduced Residential & Commercial use-per-customer offset by robust customer growth
  – Use-per-customer changes from new premise type, heating source & efficiency gains
- Demand Revenues
  – PS demand charge & ratchets both provide strong price signals encouraging behavioral changes and BTM storage

# Appendix

# Plan over plan Major Account changes in 2019

**CONFIDENTIAL INFORMATION REDACTED**

| Major Account | 2019 Plan (GWh) | 2018 Plan (GWh) | Delta (GWh) | Notes |
|---|---|---|---|---|
| [redacted] | [redacted] | [redacted] | [redacted] | [redacted] |
| [redacted] | [redacted] | [redacted] | [redacted] | [redacted] |
| [redacted] | [redacted] | [redacted] | [redacted] | [redacted] |
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# Natural Gas Volume Forecast Process

Sales Analysis & Forecasting
September 2018

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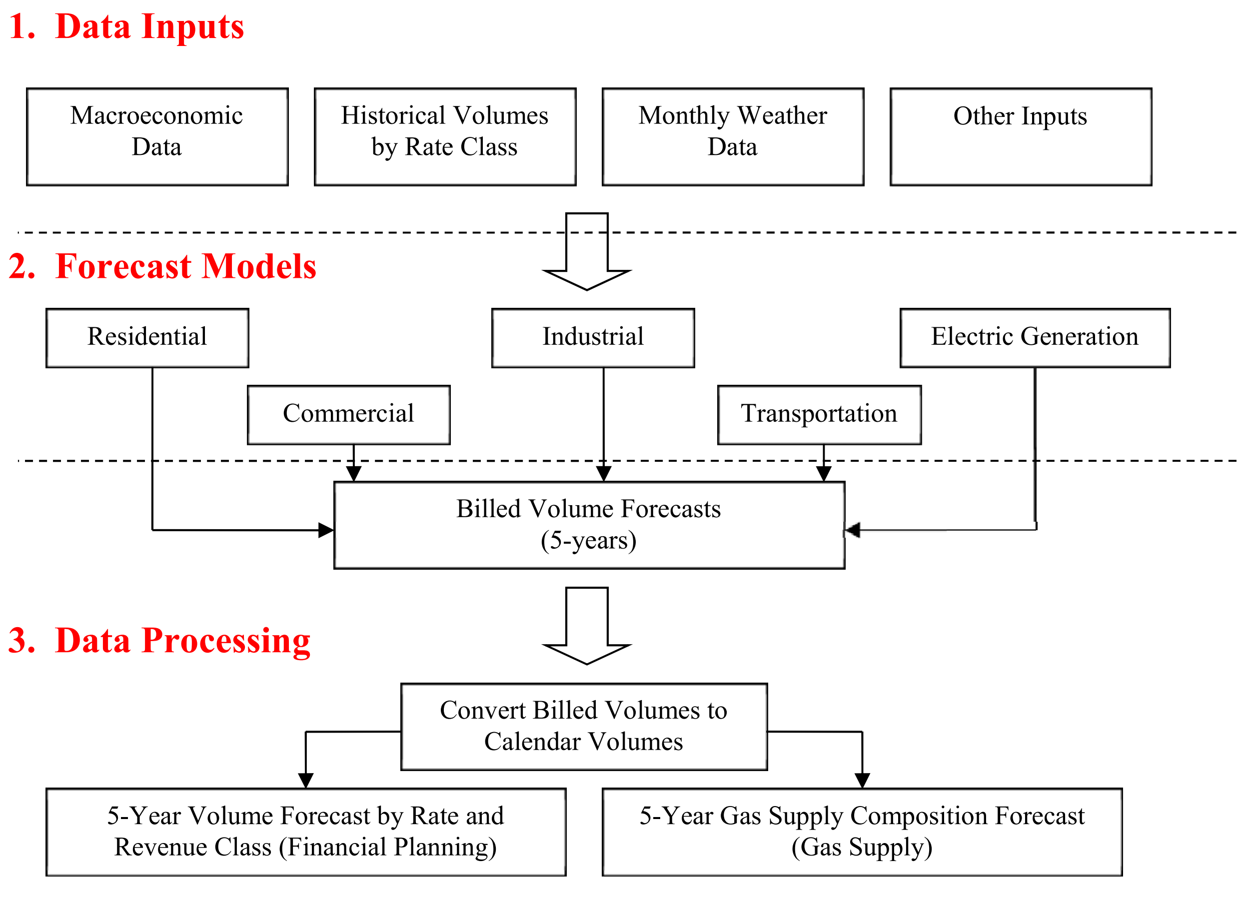
# 1 Introduction

The Sales Analysis & Forecasting group annually develops the natural gas sales and transportation forecasts for the Louisville Gas & Electric Company (LG&E). LG&E natural gas customers can broadly be classified as either sales customers or transportation customers. Furthermore, sales customers can be further divided into firm and interruptible customers. LG&E must procure gas for firm sales customers, but it has no obligation to procure gas for interruptible (AAGS) sales customers. Sales customers are grouped by residential, industrial, and commercial gas service rates. Transportation customers are large industrial and commercial customers on LG&E's distribution system who contract for their own gas supply and use the company's pipeline system to deliver gas from an interstate pipeline connection point with LG&E to their facility. These forecasts are an input to the company's revenue and gas supply expense forecast. This document describes the processes used to produce the annual volume forecasts. The forecast process can be divided into three parts (see Figure 1).

**Figure 1 – Natural Gas Volume Forecast Process Diagram**




The first part of the forecast process involves gathering and processing input data. The following are key inputs to the forecast process:

- Macroeconomic data
- Historical gas sales and customer data

- Weather data
- Other data, including billing cycle forecasts and residential heating appliance shares and efficiencies.

The input data is used to specify various forecast models. LG&E's natural gas volumes are forecasted by rate class as each model is used to forecast sales for a group of customers with homogeneous usage patterns within the same, or similar, tariff rates.

Most of the forecast models produce volume forecasts on a monthly billed basis.[1] In the third part of the forecast process, gas volume data from the forecast models is processed to meet the needs of the forecast end users. The monthly billed energy forecasts must first be converted to calendar month forecasts. The billed and calendar sales forecasts are allocated by rate and revenue class for the Financial Planning department.[2] In addition, the calendar forecasts are used to produce the Gas Supply Composition Forecast.

The final part of the forecast process includes validating and documenting the forecast results. To ensure the results are reasonable, the new forecast is compared to (i) the previous forecast and (ii) weather-normalized actual sales for the comparable period in prior years. Each of these steps is discussed in more detail in the following sections.

[1] All customers are assigned to one of 20 billing cycles. A billing cycle determines what time of the month a customer's meter is read. Because most billing cycles do not coincide precisely with the boundaries of calendar months, most customers' monthly bills will include energy that was consumed in multiple calendar months. The energy on customers' bills is referred to as "billed" energy.

[2] Rate class defines the tariff assigned to each customer meter while Revenue class is a higher level grouping; a Revenue class consists of one or more rate classes.

# 2 Input Data

Table 1 provides a summary of the data inputs. The sections that follow describe key processes used to prepare the data for use in the forecast process.

**Table 1 – Volume Forecast Data Inputs**

| *Data* | *Source* | *Format* |
|---|---|---|
| State Macroeconomic Data (Employment, Wages) | IHS Markit | Annual or Quarterly by County – History and Forecast |
| State Demographic Data (Households, Personal Income, Population) | IHS Markit, Kentucky Data Center | Annual or Quarterly – History and Forecast |
| National Macroeconomic Data (Industrial Production Index) | IHS Markit | Annual or Quarterly – History and Forecast |
| Weather | National Oceanic and Atmospheric Administration ("NOAA") | Daily HDD/CDD by Weather Station – History |
| Historical Gas Supply Cost | State Regulation and Rates | Monthly |
| Henry Hub Gas Price Forecast | Corporate Long-term Planning Process | Monthly |
| Gas Supply Cost Forecast | Gas Supply (based on Henry Hub Gas Price Forecast) | Monthly |
| Historical Billing Cycle Meter Reading Schedule | Revenue Accounting | Billing Cycle Read Dates |
| Heating Appliance Efficiencies | Energy Information Administration ("EIA") | Annual Efficiencies by Appliance (Furnace, Water Heater) |
| Residential End-Use Data | EIA, LG&E Residential End-Use Survey | Appliance Saturations |
| Commercial End-Use Data | EIA, LG&E Commercial End-Use Survey | Appliance Saturations |
| Billed Sales History by Rate Class | CCS Billing System | Monthly |
| Number of Customers History by Rate Class | CCS Billing System | Monthly |
| Individual Customer Usage History | CCS Billing System | Monthly |
| Forecasts of Gas Used by Electric Generation | Generation Planning | Monthly |

## 2.1 Service Area-Specific Macroeconomic Forecasts

LG&E's natural gas service area includes all or portions of 17 Kentucky counties.[3] IHS Markit forecasts of macroeconomic drivers by county and industry. Service area-specific macroeconomic forecasts are created by aggregating the county-specific forecasts for the counties in LG&E's service area.

## 2.2 Software Tools

The following software packages are used in the forecast process:

- Microsoft Office: Excel, PowerPoint, Access
- SAS
- R
- Itron Metrix ND

## 2.3 Billed Usage History

Historical billed usage volumes for all retail customers are taken from the LG&E Customer Care System (CCS). The LG&E Billed Transport Report contains historical usage volumes for all transportation customers. Transportation customers nominate – on a daily basis – the amount of gas they expect to consume. A daily or monthly "imbalance" is computed as the difference between the amount of natural gas actually consumed and the amount of natural gas nominated.

For several classes, a significant portion of the total gas usage is made up of gas consumed by heating appliances (e.g., gas furnaces and gas water heaters). Heating appliance usage is a function of appliance efficiencies and the weather. As appliance efficiencies improve over time, the average use-per-customer – for a given class and temperature – will decline in the absence of customers' behavioral changes.

The heating appliances that consume the most natural gas are the gas furnace and gas water heater. Total usage and efficiency data for these appliances are provided by the US Energy Information Administration (EIA) and are used as inputs into some of the forecast models.

## 2.4 Processing of Weather Data

Weather is a key explanatory variable in the gas forecast models. The weather dataset from the National Oceanic & Atmospheric Administration (NOAA) contains temperatures (maximum, minimum, and average), heating degree days (HDD), and cooling degree days (CDD) for each day and weather station over the past 30 years. This data and the Company's meter reading schedule are used to create (a) a historical weather series by billing month and (b) a forecast of "normal" weather by billing month.[4] Each of these processes is summarized below.

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[3] LG&E is the only gas utility serving Bullitt, Henry, Larue, Meade, Nelson, Oldham, Spencer and Trimble counties. LG&E also serves parts of Barren, Green, Hardin, Hart, Jefferson, Marion, Metcalfe, Shelby and Washington counties.

[4] "Normal" weather is defined as the average weather over a historical period. The Companies do not attempt to forecast any trends in weather.

### 2.4.1 Historical Weather by Billing Month

The methodology used to create the historical weather series by billing month consists of the following steps:

1. Using the historical daily weather data from NOAA, sum the HDD and CDD values by billing cycle.[5] Each historical billing month consists of 20 cycles. The Company's historical meter reading schedule contains the beginning and ending date for each billing cycle.
2. Average the billing cycle total HDDs and CDDs by billing month.

### 2.4.2 Normal Weather Forecast by Billing Month

The methodology used to produce the forecast of normal weather by billing month includes the production of a daily forecast of normal weather. The methodology used to develop the daily forecast (summarized in Steps 2-5) is consistent with the methodology used by NOAA to create its daily normal weather forecast.[6] The following steps are used to create the forecast of normal weather by billing month:

1. Compute the forecast of monthly weather by *calendar* month by averaging the monthly degree-day values and over the period of history upon which the normal forecast is based. The normal weather forecast is based on the most recent 30-year historical period. Therefore, the normal HDD value for January is the average of the 30 January HDD values in this period.
2. Compute "unsmoothed" daily normal weather values by averaging temperature, HDDs, and CDDs by calendar day. The unsmoothed normal temperature for January 1, for example, is computed as the average of the 30 January 1 temperatures in the historical period. This process excludes February 29.
3. Smooth the daily values using a 30-day moving average centered about the desired day. The "smoothed" normal temperature for January 1, for example, is computed as the average of the unsmoothed daily normal temperatures between December 16 and January 15.
4. Manually adjust the integer values in Step 3 so that the following criteria are met:
    a. The monthly average temperature – computed by averaging the daily temperatures by month and rounding to the nearest integer – should match the normal monthly temperatures in Step 1.
    b. The sum of the daily HDDs and CDDs by month should match the normal monthly HDDs and CDDs in Step 1.
    c. The daily temperatures and CDDs should be monotonically increasing from winter to summer and monotonically decreasing from summer to winter. The daily HDD series should follow a reverse trend.

    These criteria ensure the daily normal series is consistent with the monthly normal series.
5. The Company's forecasted meter reading schedule contains the beginning and ending date for each billing cycle through the end of the forecast period. In this step, sum the HDD and CDD values by billing cycle. Use the February 28 weather data as a proxy for February 29 when billing cycles include leap days.
6. Average the billing cycle totals by billing month.

---

[5] Weather data in the gas forecast is taken from the weather station at Standiford Field Airport (SDF) in Louisville.
[6] NOAA derives daily normal values by applying a cubic spline to a specially prepared series of the monthly normal values.

## 2.5 Forecasts of Gas Used by Electric Generation

Effective May 1, 2008, LG&E and KU's electric generation business entered into a special contract ("Electric Generation Special Contract") with LG&E's gas distribution business for gas sales and transportation services. Under the contract, the Cane Run and Mill Creek generating stations were served as a firm sales customer and the Paddy's Run generating station was served as a transportation customer. Since September 2014, Cane Run has taken gas directly from Texas Gas at a new interconnection point built for the Cane Run natural gas combined cycle plant and is no longer served by the LG&E Gas Business. In November 2016, Paddy's Run connected to an extension of the Cane Run pipeline and is no longer served by the LG&E Gas Business.

The forecasts of gas used by each of the aforementioned generating stations are provided by the Generation Planning group. In addition, the Generation Planning group provides a forecast of gas used by the Zorn generating station, which is also served via the LG&E gas distribution system (but not as a part of the Electric Generation Special Contract).

From a revenue accounting perspective, the gas consumed by the Mill Creek station is accounted for in a separate Interdepartmental Sales revenue class. The gas consumed by the Zorn station is considered Company Use and is recorded in the utility financial reports as part of gas 'Used in Electric Generation.'

# 3 Forecast Models

LG&E natural gas customers can broadly be classified as either sales customers or transportation customers. Sales customers include customers on the residential, industrial, and commercial gas service rates. Transportation customers are large industrial and commercial customers on LG&E's distribution system who contract for their own gas supply. Each forecast is discussed in detail in the following sections.

## 3.1 Residential Forecast

The residential forecast consists of all customers on the Residential Gas Service (RGS) rate schedule. The RGS class accounts for approximately half of the total volume forecast. RGS sales are forecasted as the product of a customer forecast and a use-per-customer forecast. Volunteer Fire Department (VFD) rate schedule is included in the RGS customer and use-per-customer forecast.

### 3.1.1 Residential Gas Service (RGS) Customer Forecast

The RGS customer forecast is modeled as a function of the number of forecasted households in the LG&E service territory. Household and population data by county and Metropolitan Statistical Area (MSA) are available from IHS Markit and the Kentucky Data Center.

### 3.1.2 Residential Gas Service (RGS) Use-per-Customer Forecast

The RGS use-per-customer forecast is developed using a Statistically-Adjusted End-Use (SAE) model (similar to what is used to forecast residential electric sales). Such a model combines an econometric model – that relates monthly sales to various explanatory variables such as weather and economic conditions – with traditional end-use modeling. For natural gas, the SAE approach defines energy use as a function of energy used by heating equipment and other natural-gas fueled equipment.

$$\text{Use-per-Customer} = a_1 * \text{XHeat} + a_2 * \text{XOther}$$

The heating and other components (the X variables) are based on various input variables including weather (heating and cooling degree days), appliance saturations, efficiencies, and economic and demographic variables such as income, population, members per household and the gas supply cost. In addition, certain binary variables may be added to compensate for anomalies in the data or other events. Once the historical profile of these explanatory variables has been established, a regression model is specified to identify the statistical relationship between changes in these variables and changes in the dependent variable, use-per-customer. A discussion of each of these components and the methodology used to develop them is contained in Appendix A.

## 3.2 Commercial Forecast

The commercial forecast is comprised of customers on the Firm Commercial Gas Service (CGS) and Commercial As-Available Gas Service (CAAGS) rate schedules. Given the unique characteristics of these classes, each class is modeled separately.

### 3.2.1 Firm Commercial Gas Service (CGS) Sales Forecast

Similar to the RGS use-per-customer forecast, the CGS volume forecast is developed using an SAE model. Such a model combines an econometric model – that relates monthly sales to various explanatory variables such as weather and economic conditions – with traditional end-use modeling. The SAE approach defines energy use as a function of energy used by heating equipment, cooling equipment, and other equipment.

$$\text{Use-per-Customer} = a1 * \text{XHeat} + a2 * \text{XOther}$$

The heating and other components (the X variables) are based on various input variables including weather (heating and cooling degree days), appliance saturations, efficiencies, and economic and demographic variables such as income, population, members per household and the gas supply cost. Once the historical profile of these explanatory variables is established, a regression model is specified to identify the statistical relationship between changes in these variables and changes in the dependent variable (volumes). A discussion of each of these components and the methodology used to develop them is contained in Appendix B.

### 3.2.2 Commercial As-Available Gas Service (CAAGS) Forecast

There are a small number of customers on CAAGS so each customer is forecasted separately. These forecasts are developed by the Sales Analysis & Forecasting department with input from Major Account representatives when available to make sure the underlying assumptions and forecasted volumes are reasonable.

## 3.3 Industrial Forecast

The industrial revenue class is comprised of customers on the Firm Industrial Gas Service (IGS) and Industrial As-Available Gas Service (IAAGS) rate schedules.

### 3.3.1 Firm Industrial Gas Service (IGS) Forecast

IGS volumes are forecasted in total as a function of natural gas prices, number of customers, and a rate-specific industrial production index.

### 3.3.2 Industrial As-Available Gas Service (IAAGS) Forecast

There are a small number of customers on IAAGS so each customer is forecasted separately. These forecasts are developed by the Sales Analysis & Forecasting department with input from Major Account representatives when available to make sure the underlying assumptions and forecasted volumes are reasonable.

## 3.4 Substitute Gas Sales Service (SGGS)

There are a small number of customers on SGGS so each customer is forecasted separately. These forecasts are developed by the Sales Analysis & Forecasting department with input from Major Account representatives when available to make sure the underlying assumptions and forecasted volumes are reasonable.

## 3.5 Distributed Generation Gas Service (DGGS)

There are a small number of customers on DGGS so each customer is forecasted separately. These forecasts are developed by the Sales Analysis & Forecasting department based on usage over the last twelve months in conjunction with the Gas Supply group.

## 3.6 Interdepartmental Sales Forecast

The interdepartmental sales forecasts consist of gas used by the Mill Creek generating station. The forecast of gas used by these stations is based on usage over the last twelve months in conjunction with the Generation Planning group.

## 3.7 Firm Transportation Forecast

The firm transportation forecast consists of special contract customers and customers on the Firm Transportation Service (FT) rate schedule. The firm transportation revenue class consists of the company's largest natural gas customers. For forecasting purposes, the largest commercial and industrial customers in this class are forecasted separately. These forecasts are developed by the Sales Analysis & Forecasting department with input from Major Account representatives to make sure the underlying assumptions and forecasted volumes are reasonable.

### 3.7.1 Industrial Firm Transportation (IFT) Forecast

The largest customers in the IFT class make up about two-thirds of the class's total usage and are forecasted with direct input from account managers. Volumes for the other customers are forecasted in total as a function of heating degree days, gas supply cost, industrial production indices, and binary variables to account for anomalies in the data.

### 3.7.2 Commercial Firm Transportation (CFT) Forecast

CFT volumes are forecasted as a function of heating degree days, economic indices, and binary variables to account for anomalies in the data.

### 3.8 Rider TS-2 Transportation Forecast

The TS-2 transportation forecast consists of commercial and industrial customers with a Gas Transportation Service (TS-2) rider. The rate forecast is the sum of projections for individual customers that are expected to be on the rate in any given period.

## 4 Data Processing

The models discussed in the preceding section produce forecasts on a "billed" basis. All customers are assigned to one of 20 billing cycles. A billing cycle determines what time of the month, generally, a customer's meter is read. The volumes on customers' bills are referred to as "billed" volumes. If a customer's billing cycle does not coincide directly with the boundaries of calendar months, that customer's bill will include volumes from multiple calendar months.

In this part of the forecast process, the billed forecast data is processed to meet the needs of the forecast's end users. First, the billed forecasts are converted from a billed basis to a calendar month basis. Then, the calendar forecasts are allocated by rate and revenue class for use by the Financial Planning Department. In addition, the calendar forecasts are used – along with forecasts of gas losses and gas used by company-owned facilities and generating assets – to produce the Gas Supply Composition Forecast. Each of these processes is discussed in the following sections.

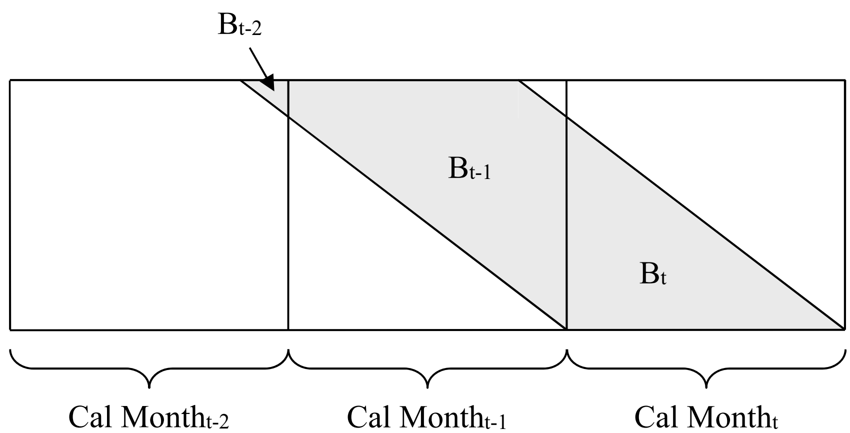
### 4.1 Billed-to-Calendar Conversion

The following forecasts must be converted from a billed to calendar basis: RGS, CGS, and IGS. The remaining forecasts are billed at the end of each calendar month; thus, their "billed" volumes are already stated on a "calendar month" basis and a billed-to-calendar conversion is not necessary.

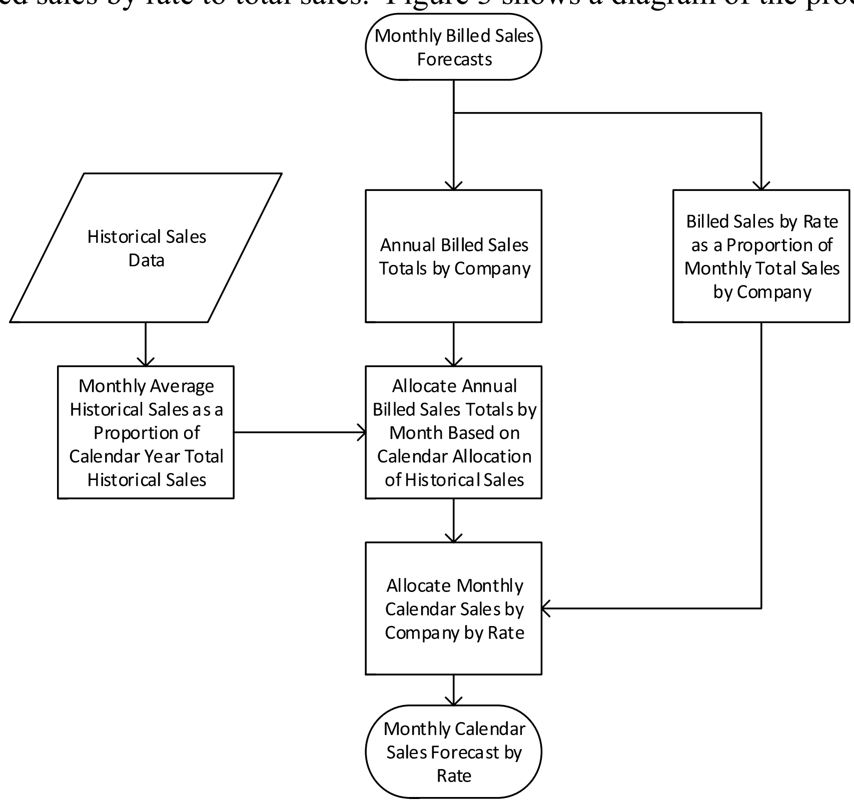
The shaded area in Figure 2 represents a typical billing month (B). Area $B_t$ represents the volumes in the billing month that were consumed in the current calendar month (time = t). Area $B_{t-1}$ represents the volumes in the billing month that were consumed in the previous calendar month (time = t-1). Area $B_{t-2}$ represent the volumes in the billing month that were consumed in the calendar month two months prior to the current month (time = t-2).[7] In this process, ratios of historical monthly calendar sales by revenue class to annual monthly calendar sales by revenue class are developed to allocate forecasted billed sales to calendar sales.

[7] Not all billing months include volumes that were consumed in the calendar month two months prior to the current month.

**Figure 2 – Billed and Calendar Energy**




Using historical calendar data to obtain monthly allocation ratios, the annual billed sales forecasts are allocated into months using the monthly allocation ratios. This yields monthly calendar sales forecasts. These monthly calendar sales are then allocated into rate categories (i.e., tariffs) using the ratio of billed sales by rate to total sales. Figure 3 shows a diagram of the process.




## 4.2 Rate-to-Revenue Class Allocation

To meet revenue forecasting requirements, the billed and calendar volume forecasts, which are initially developed by rate class, must be allocated to revenue classes. Revenue class is a higher level grouping; all rate classes are allocated to one or more of the following revenue classes:

- Residential
- Commercial
- Industrial
- Interdepartmental
- Transport

This information is used by the Financial Planning department to develop a forecast of revenues for the planning period. Billed and calendar forecasts are allocated to revenue classes using a set of monthly allocation ratios. These ratios are derived based on historical sales data from CCS for gas volumes and customers.

## 4.3 Customer Forecasts

The customer forecasts are used in the company's revenue forecast to compute revenue from customer charges.

The customer charge for the CGS and IGS rate plans varies based on the capacity of the customer's meter – whether it's less than or greater than 5,000 cf/hr. Therefore, information from CCS is used to segment the total number of CGS and IGS customers into these two meter capacity categories.

# Appendix A: Residential SAE Modeling Framework

The traditional approach to forecasting monthly sales for a customer class is to develop an econometric model that relates monthly sales to weather, seasonal variables, and economic conditions. Econometric models are well suited to identifying historical trends and to projecting these trends into the future. In contrast, end-use models are able to identify and isolate the end-use factors that are driving energy use. By incorporating end-use structure into an econometric model, the statistically adjusted end-use (SAE) modeling framework exploits the strengths of both approaches.

There are several advantages to this approach.

- The equipment efficiency and saturation trends, dwelling square footage, and thermal integrity changes embodied in the long-run end-use forecasts are introduced explicitly into the short-term monthly sales forecast. This provides a strong bridge between the two forecasts.
- By explicitly incorporating trends in equipment saturations, equipment efficiency, dwelling square footage, and thermal integrity levels, it is easier to explain changes in usage levels and changes in weather-sensitivity over time.
- Data for short-term models are often not sufficiently robust to support estimation of a full set of price, economic, and demographic effects. By bundling these factors with equipment-oriented drivers, a rich set of elasticities can be incorporated into the final model.

This section describes this approach, the associated supporting SAE spreadsheets, and the *MetrixND* project files that are used in the implementation. The main source of the SAE spreadsheets is the 2017 Annual Energy Outlook (AEO) database provided by the Energy Information Administration (EIA).

## Statistically Adjusted End-Use Modeling Framework

The statistically adjusted end-use modeling framework begins by defining energy use ($USE_{y,m}$) in year (y) and month (m) as the sum of energy used by heating equipment ($Heat_{y,m}$), cooling equipment ($Cool_{y,m}$), and other equipment ($Other_{y,m}$). Formally,

$$USE_{y,m} = Heat_{y,m} + Cool_{y,m} + Other_{y,m} \tag{1}$$

Although monthly sales are measured for individual customers, the end-use components are not. Substituting estimates for the end-use elements gives the following econometric equation.

$$USE_m = a + b_1 \times XHeat_m + b_2 \times XCool_m + b_3 \times XOther_m + \varepsilon_m \tag{2}$$

$XHeat_m$, $XCool_m$, and $XOther_m$ are explanatory variables constructed from end-use information, dwelling data, weather data, and market data. As will be shown below, the equations used to construct these X-variables are simplified end-use models, and the X-variables are the estimated usage levels for each of the major end uses based on these models. The estimated model can then be thought of as a statistically adjusted end-use model, where the estimated slopes are the adjustment factors.

### *Constructing XHeat*

As represented in the SAE spreadsheets, energy use by space heating systems depends on the following types of variables.

- Heating degree days
- Heating equipment saturation levels
- Heating equipment operating efficiencies
- Average number of days in the billing cycle for each month
- Thermal integrity and footage of homes
- Average household size, household income, and energy prices

The heating variable is represented as the product of an annual equipment index and a monthly usage multiplier:

$$XHeat_{y,m} = HeatIndex_{y,m} \times HeatUse_{y,m} \tag{3}$$

Where:

- $XHeat_{y,m}$ is estimated heating energy use in year ($y$) and month ($m$)
- $HeatIndex_{y,m}$ is the monthly index of heating equipment
- $HeatUse_{y,m}$ is the monthly usage multiplier

The heating equipment index is defined as a weighted average across equipment types of equipment saturation levels normalized by operating efficiency levels. Given a set of fixed weights, the index will change over time with changes in equipment saturations (*Sat*), operating efficiencies (*Eff*), building structural index (*StructuralIndex*), and energy prices. Formally, the equipment index is defined as:

$$HeatIndex_y = StructuralIndex_y \times \sum_{Type} Weight^{Type} \times \frac{\left( Sat_y^{Type} \big/ Eff_y^{Type} \right)}{\left( Sat_{09}^{Type} \big/ Eff_{09}^{Type} \right)} \tag{4}$$

The *StructuralIndex* is constructed by combining the EIA's building shell efficiency index trends with surface area estimates, and then it is indexed to the 2009 value:

$$StructuralIndex_y = \frac{BuildingShellEfficiencyIndex_y \times SurfaceArea_y}{BuildingShellEfficiencyIndex_{09} \times SurfaceArea_{09}} \tag{5}$$

The *StructuralIndex* is defined on the *StructuralVars* tab of the SAE spreadsheets. Surface area is derived to account for roof and wall area of a standard dwelling based on the regional average square footage data obtained from EIA. The relationship between the square footage and surface area is constructed assuming an aspect ratio of 0.75 and an average of 25% two-story and 75% single-story. Given these assumptions, the approximate linear relationship for surface area is:

$$SurfaceArea_y = 892 + 1.44 \times Footage_y \tag{6}$$

In Equation 4, 2009 is used as a base year for normalizing the index. As a result, the ratio on the right is equal to 1.0 in 2009. In other years, it will be greater than 1.0 if equipment saturation levels are above their 2009 level. This will be counteracted by higher efficiency levels, which will drive the index downward. The weights are defined as follows.

$$Weight^{Type} = \frac{Energy_{09}^{Type}}{HH_{09}} \times HeatShare_{09}^{Type} \tag{7}$$

In the SAE spreadsheets, these weights are referred to as *Intensities* and are defined on the *EIAData* tab. With these weights, the *HeatIndex* value in 2009 will be equal to estimated annual heating intensity per household in that year. Variations from this value in other years will be proportional to saturation and efficiency variations around their base values.

For electric heating equipment, the SAE spreadsheets contain two equipment types: electric resistance furnaces/room units and electric space heating heat pumps. Examples of weights for these two equipment types for the U.S. are given in Table 1.

**Table 1: Electric Space Heating Equipment Weights**

| Equipment Type | Weight (kWh) |
|---|---|
| Electric Resistance Furnace/Room units | 760 |
| Electric Space Heating Heat Pump | 126 |

Data for the equipment saturation and efficiency trends are presented on the *Shares* and *Efficiencies* tabs of the SAE spreadsheets. The efficiency for electric space heating heat pumps are given in terms of Heating Seasonal Performance Factor [BTU/Wh], and the efficiencies for electric furnaces and room units are estimated as 100%, which is equivalent to 3.41 BTU/Wh.

**Price Impacts**. In the 2007 version of the SAE models and thereafter, the Heat Index has been extended to account for the long-run impact of electric and natural gas prices. Since the Heat Index represents changes in the stock of space heating equipment, the price impacts are modeled to play themselves out over a 10-year horizon. To introduce price effects, the Heat Index as defined by

Equation 4 above is multiplied by a 10-year moving-average of electric and gas prices. The level of the price impact is guided by the long-term price elasticities:

$$HeatIndex_y = StructuralIndex_y \times \sum_{Type} Weight^{Type} \times \frac{\left( Sat_y^{Type} / Eff_y^{Type} \right)}{\left( Sat_{09}^{Type} / Eff_{09}^{Type} \right)} \times \left( TenYearMovingAverageElectricPrice_{y,m} \right)^{\phi} \times \left( TenYearMovingAverageGasPrice_{y,m} \right)^{\gamma} \tag{8}$$

Since the trends in the Structural index (the equipment saturations and efficiency levels) are provided exogenously by the EIA, the price impacts are introduced in a multiplicative form. As a result, the long-run change in the Heat Index represents a combination of adjustments to the structural integrity of new homes, saturations in equipment and efficiency levels relative to what was contained in the base EIA long-term forecast.

Heating system usage levels are impacted on a monthly basis by several factors, including weather, household size, income levels, prices, and billing days. The estimates for space heating equipment usage levels are computed as follows:

$$HeatUse_{y,m} = \left( \frac{WgtHDD_{y,m}}{HDD_{09}} \right) \times \left( \frac{HHSize_y}{HHSize_{09}} \right)^{0.25} \times \left( \frac{Income_y}{Income_{09}} \right)^{0.20} \times \left( \frac{ElecPrice_{y,m}}{ElecPrice_{09,7}} \right)^{\lambda} \times \left( \frac{GasPrice_{y,m}}{GasPrice_{09,7}} \right)^{\kappa} \tag{9}$$

Where:

- *WgtHDD* is the weighted number of heating degree days in year ($y$) and month ($m$). This is constructed as the weighted sum of the current month's HDD and the prior month's HDD. The weights are 75% on the current month and 25% on the prior month.
- *HDD* is the annual heating degree days for 2009
- *HHSize* is average household size in a year ($y$)
- *Income* is average real income per household in year ($y$)
- *ElecPrice* is the average real price of electricity in month ($m$) and year ($y$)
- *GasPrice* is the average real price of natural gas in month ($m$) and year ($y$)

By construction, the $HeatUse_{y,m}$ variable has an annual sum that is close to 1.0 in the base year (2009). The first two terms, which involve billing days and heating degree days, serve to allocate annual values to months of the year. The remaining terms average to 1.0 in the base year. In other years, the values will reflect changes in the economic drivers, as transformed through the end-use elasticity parameters. The price impacts captured by the Usage equation represent short-term price response.

### *Constructing XCool*

The explanatory variable for cooling loads is constructed in a similar manner. The amount of energy used by cooling systems depends on the following types of variables.

- Cooling degree days
- Cooling equipment saturation levels
- Cooling equipment operating efficiencies
- Average number of days in the billing cycle for each month
- Thermal integrity and footage of homes
- Average household size, household income, and energy prices

The cooling variable is represented as the product of an equipment-based index and monthly usage multiplier. That is,

$$XCool_{y,m} = CoolIndex_y \times CoolUse_{y,m} \tag{10}$$

Where

- $XCool_{y,m}$ is estimated cooling energy use in year ($y$) and month ($m$)
- $CoolIndex_y$ is an index of cooling equipment
- $CoolUse_{y,m}$ is the monthly usage multiplier

As with heating, the cooling equipment index is defined as a weighted average across equipment types of equipment saturation levels normalized by operating efficiency levels. Formally, the cooling equipment index is defined as:

$$CoolIndex_y = StructuralIndex_y \times \sum_{Type} Weight^{Type} \times \frac{\left( \frac{Sat_y^{Type}}{Eff_y^{Type}} \right)}{\left( \frac{Sat_{09}^{Type}}{Eff_{09}^{Type}} \right)} \qquad (11)$$

Data values in 2009 are used as a base year for normalizing the index, and the ratio on the right is equal to 1.0 in 2009. In other years, it will be greater than 1.0 if equipment saturation levels are above their 2009 level. This will be counteracted by higher efficiency levels, which will drive the index downward. The weights are defined as follows.

$$Weight^{Type} = \frac{Energy_{09}^{Type}}{HH_{09}} \times CoolShare_{09}^{Type} \qquad (12)$$

In the SAE spreadsheets, these weights are referred to as *Intensities* and are defined on the *EIAData* tab. With these weights, the *CoolIndex* value in 2009 will be equal to estimated annual cooling intensity per household in that year. Variations from this value in other years will be proportional to saturation and efficiency variations around their base values.

For cooling equipment, the SAE spreadsheets contain three equipment types: central air conditioning, space cooling heat pump, and room air conditioning. Examples of weights for these three equipment types for the U.S. are given in Table 2.

### Table 2: Space Cooling Equipment Weights

| Equipment Type | Weight (kWh) |
|---|---|
| Central Air Conditioning | 1,209 |
| Space Cooling Heat Pump | 238 |
| Room Air Conditioning | 175 |

The equipment saturation and efficiency trends data are presented on the *Shares* and *Efficiencies* tabs of the SAE spreadsheets. The efficiency for space cooling heat pumps and central air conditioning (A/C) units are given in terms of Seasonal Energy Efficiency Ratio [BTU/Wh], and room A/C unit efficiencies are given in terms of Energy Efficiency Ratio [BTU/Wh].

**Price Impacts.** In the 2007 SAE models and thereafter, the Cool Index has been extended to account for changes in electric and natural gas prices. Since the Cool Index represents changes in the stock of space heating equipment, it is anticipated that the impact of prices will be long-term in nature. The Cool Index as defined Equation 11 above is then multiplied by a 10-year moving average of electric and gas prices. The level of the price impact is guided by the long-term price elasticities.

$$CoolIndex_y = StructuralIndex_y \times \sum_{Type} Weight^{Type} \times \frac{\left( Sat_y^{Type} \big/ Eff_y^{Type} \right)}{\left( Sat_{09}^{Type} \big/ Eff_{09}^{Type} \right)} \times \left( TenYearMovingAverageElectric\,Price_{y,m} \right)^{\phi} \times \left( TenYearMovingAverageGas\,Price_{y,m} \right)^{\gamma} \tag{13}$$

Since the trends in the Structural index, equipment saturations and efficiency levels are provided exogenously by the EIA, price impacts are introduced in a multiplicative form. The long-run change in the Cool Index represents a combination of adjustments to the structural integrity of new homes, saturations in equipment and efficiency levels. Without a detailed end-use model, it is not possible to isolate the price impact on any one of these concepts.

Cooling system usage levels are impacted on a monthly basis by several factors, including weather, household size, income levels, and prices. The estimates of cooling equipment usage levels are computed as follows:

$$CoolUse_{y,m} = \left( \frac{WgtCDD_{y,m}}{CDD_{09}} \right) \times \left( \frac{HHSize_y}{HHSize_{09}} \right)^{0.25} \times \left( \frac{Income_y}{Income_{09}} \right)^{0.20} \times \left( \frac{Elec\,Price_{y,m}}{Elec\,Price_{09}} \right)^{\lambda} \times \left( \frac{Gas\,Price_{y,m}}{Gas\,Price_{09}} \right)^{\kappa} \tag{14}$$

Where:

- *WgtCDD* is the weighted number of cooling degree days in year (*y*) and month (*m*). This is constructed as the weighted sum of the current month's CDD and the prior month's CDD. The weights are 75% on the current month and 25% on the prior month.
- *CDD* is the annual cooling degree days for 2009.

By construction, the *CoolUse* variable has an annual sum that is close to 1.0 in the base year (2009). The first two terms, which involve billing days and cooling degree days, serve to allocate annual values to months of the year. The remaining terms average to 1.0 in the base year. In other years, the values will change to reflect changes in the economic driver changes.

### Constructing XOther

Monthly estimates of non-weather sensitive sales can be derived in a similar fashion to space heating and cooling. Based on end-use concepts, other sales are driven by:

- Appliance and equipment saturation levels
- Appliance efficiency levels
- Average number of days in the billing cycle for each month
- Average household size, real income, and real prices

The explanatory variable for other uses is defined as follows:

$$XOther_{y,m} = OtherEqpIndex_{y,m} \times OtherUse_{y,m} \tag{15}$$

The first term on the right-hand side of this expression ($OtherEqpIndex_y$) embodies information about appliance saturation and efficiency levels and monthly usage multipliers. The second term (*OtherUse*) captures the impact of changes in prices, income, household size, and number of billing-days on appliance utilization.

End-use indices are constructed in the SAE models. A separate end-use index is constructed for each end-use equipment type using the following function form.

$$ApplianceIndex_{y,m} = Weight^{Type} \times \frac{\left( Sat_y^{Type} \Big/ \frac{1}{UEC_y^{Type}} \right)}{\left( Sat_{09}^{Type} \Big/ \frac{1}{UEC_{09}^{Type}} \right)} \times MoMult_m^{Type} \times \tag{16}$$
$$(TenYearMovingAverageElectric\Pr ice)^{\lambda} \times (TenYearMovingAverageGas\Pr ice)^{\kappa}$$

Where:

- *Weight* is the weight for each appliance type
- *Sat* represents the fraction of households, who own an appliance type
- $MoMult_m$ is a monthly multiplier for the appliance type in month ($m$)
- *Eff* is the average operating efficiency the appliance
- *UEC* is the unit energy consumption for appliances

This index combines information about trends in saturation levels and efficiency levels for the main appliance categories with monthly multipliers for lighting, water heating, and refrigeration.

The appliance saturation and efficiency trends data are presented on the *Shares* and *Efficiencies* tabs of the SAE spreadsheets.

Further monthly variation is introduced by multiplying by usage factors that cut across all end uses, constructed as follows:

$$ApplianceUse_{y,m} = \left(\frac{BDays_{y,m}}{30.44}\right) \times \left(\frac{HHSize_y}{HHSize_{09}}\right)^{0.46} \times \left(\frac{Income_y}{Income_{09}}\right)^{0.10} \times \left(\frac{ElecPrice_{y,m}}{ElecPrice_{09}}\right)^{\phi} \times \left(\frac{GasPrice_{y,m}}{GasPrice_{09}}\right)^{\lambda} \tag{17}$$

The index for other uses is derived then by summing across the appliances:

$$OtherEqpIndex_{y,m} = \sum_k ApplianceIndex_{y,m} \times ApplianceUse_{y,m} \tag{18}$$

## Supporting Spreadsheets and MetrixND Project Files

The SAE approach described above has been implemented for each of the nine Census Divisions. A mapping of states to Census Divisions is presented in Figure 15. This section describes the contents of each file and a procedure for customizing the files for specific utility data. A total of 18 files are provided. These files are listed in Table 3.

**Figure 15: Mapping of States to Census Divisions**

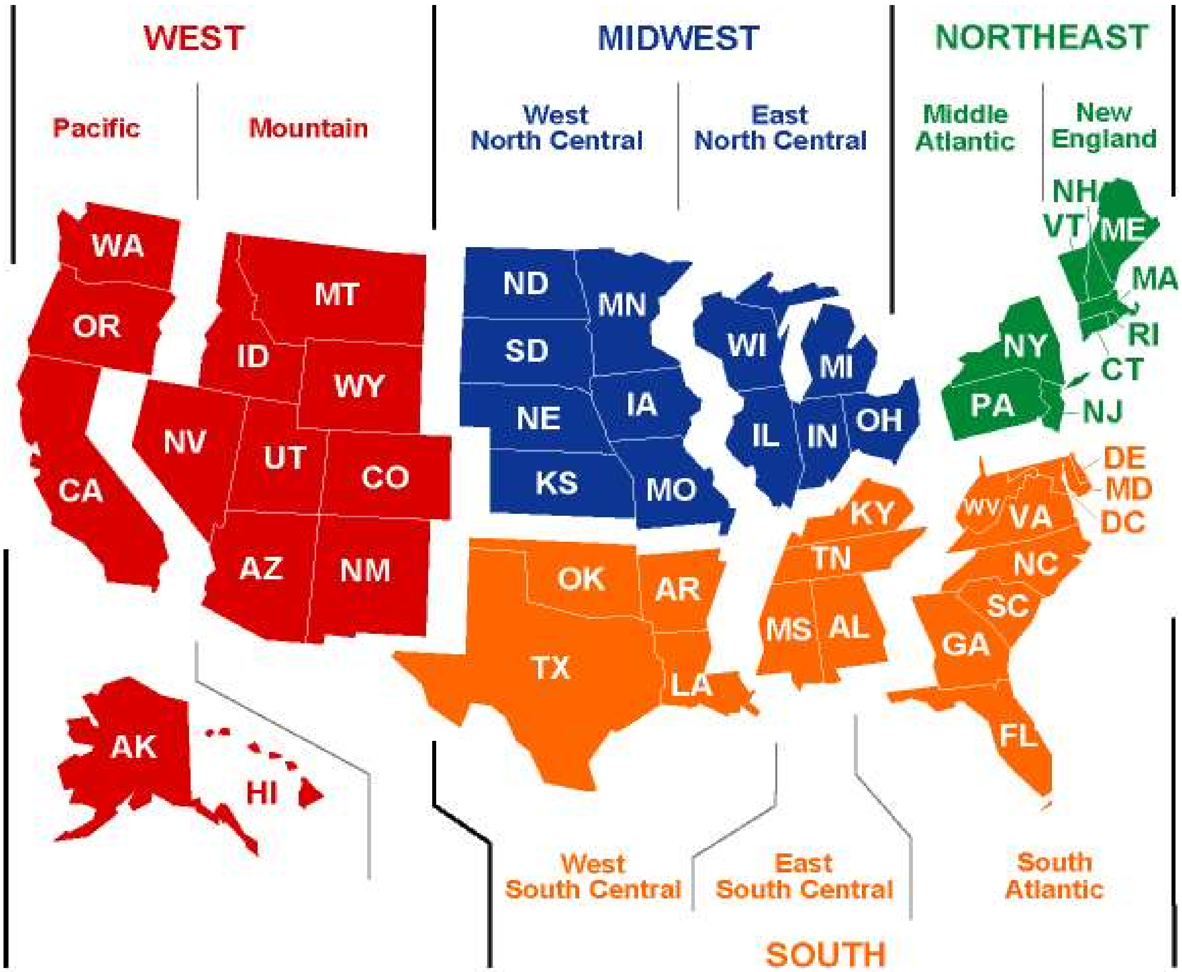



**Table 3: List of SAE Files**

| Spreadsheet | *MetrixND* Project File |
|---|---|
| NewEngland.xls | SAE_NewEngland.ndm |
| MiddleAtlantic.xls | SAE_MiddleAtlantic.ndm |
| EastNorthCentral.xls | SAE_EastNorthCentral.ndm |
| WestNorthCentral.xls | SAE_WestNorthCentral.ndm |
| SouthAtlantic.xls | SAE_SouthAltantic.ndm |
| EastSouthCentral.xls | SAE_EastSouthCentral.ndm |
| WestSouthCentral.xls | SAE_WestSouthCentral.ndm |
| Mountain.xls | SAE_Mountain.ndm |
| Pacific.xls | SAE_Pacific.ndm |

As defaults, the SAE spreadsheets include regional data, but utility data can be entered to generate the *Heat*, *Cool*, and *Other* equipment indices used in the SAE approach. The *MetrixND* project files link to the data in these spreadsheets. These project files calcualte the end-use *Usage* variables are constructed and the estimated SAE models.

Each of the nine SAE spreadsheets contains the following tabs:

- **Definitions -** Contains equipment, end use, worksheet, and Census Division definitions.
- **Intensities -** Calculates the annual equipment indices.
- **Shares -** Contains historical and forecasted equipment shares. The default forecasted values are provided by the EIA. The raw EIA projections are provided on the *EIAData* tab.
- **Efficiencies -** Contains historical and forecasted equipment efficiency trends. The forecasted values are based on projections provided by the EIA. The raw EIA projections are provided on the *EIAData* tab.
- **StructuralVars -** Contains historical and forecasted square footage, number of households, building shell efficiency index, and calculation of structural variable. The forecasted values are based on projections provided by the EIA.
- **Calibration -** This tab contains calculations of the base year *Intensity* values used to weight the equipment indices.
- **EIAData -** Contains the raw forecasted data provided by the EIA.
- **MonthlyMults -** Contains monthly multipliers that are used to spread the annual equipment indices across the months.
- **EV -** Worksheet for incorporating electric vehicle (EV) impacts.
- **PV -** Worksheet for incorporating photovoltaic battery (PV) impacts.

The *MetrixND* Project files are linked to the *AnnualIndices*, *ShareUEC*, and *MonthlyMults* tabs in the spreadsheets. Sales, economic, price and weather information for the Census Division is provided in the linkless data table *UtilityData*. In this way, utility specific data and the equipment indices are brought into the project file. The *MetrixND* project files contain the objects described below.

### *Parameter Tables*

- **Elas.** This parameter table includes the values of the elasticities used to calculate the *Usage* variables for each end-use. There are five types of elasticities included on this table.

  - Economic variable elasticities
  - Short-term own price elasticities
  - Short-term cross price elasticities
  - Long-term own price elasticities

- Long-term cross price elasticities

The short-term price elasticities drive the end-use usage equations. The long-term price elasticities drive the Heat, Cool and other appliance indices. The combined price impact is an aggregation of the short and long-term price elasticities. As such, the long-term price elasticities are input as incremental price impact. That is, the long-term price elasticity is the difference between the overall price impact and the short-term price elasticity.

### Data Tables

- **AnnualEquipmentIndices** links to the *AnnualIndices* tab for heating and cooling indices, and *ShareUEC* tab for water heating, lighting, and appliances in the SAE spreadsheet.
- **UtilityData** is a linkless data table that contains sales, price, economic and weather data specific to a given Census Division.
- **MonthlyMults** links to the corresponding tab in the SAE spreadsheet.

### Transformation Tables

- **EconTrans** computes the average usage, and household size, household income, and price indices used in the usage equations.
- **WeatherTrans** computes the HDD and CDD indices used in the usage equations.
- **ResidentialVars** computes the *Heat*, *Cool* and *Other Usage* variables, as well as the *XHeat*, *XCool* and *XOther* variables that are used in the regression model.
- **BinaryVars** computes the calendar binary variables that could be required in the regression model.
- **AnnualFcst** computes the annual historical and forecast sales and annual change in sales.
- **EndUseFcst** computes the monthly sales forecasts by end uses.

### Models

- **ResModel** is the Statistically Adjusted End-Use Model.

### Steps to Customize the Files for Your Service Territory

The files that are distributed along with this document contain regional data. If you have more accurate data for your service territory, you are encouraged to tailor the spreadsheets with that information. This section describes the steps needed to customize the files.

*Minimum Customization*

- Save the *MetrixND* project file and the spreadsheet into the same folder
- Select the spreadsheet and *MetrixND* project file from the appropriate Census Division

- Open the spreadsheet and navigate to the *Calibration* tab
- In cell "B9", replace base year Census Division use-per-customer with observed use-per-customer for your service territory
- Save the spreadsheet and open the *MetrixND* project file
- Click on the *Update All Links* button on the *Menu* bar
- Review the model results

*Further Customization of Starting Usage Levels*

In addition to the minimum steps listed above, you can also utilize model-based calibration process described above on pages 15-16 to further fine-tune starting year usage estimates to your service territory.

*Customizing the End-use Share Paths*

You can also install your own share history and forecasts. To do this, navigate to the *Share* tab in the spreadsheet and paste in the values for your region. Make sure that base year shares on the *Calibration* tab reflect changes on the *Shares* tab.

*Customizing the End-use Efficiency Paths*

Finally, you can override the end-use efficiency paths that are contained on the *Efficiencies* tab of the spreadsheet.

# Appendix B: Commercial Statistically Adjusted End-Use Model

The traditional approach to forecasting monthly sales for a customer class is to develop an econometric model that relates monthly sales to weather, seasonal variables, and economic conditions. From a forecasting perspective, econometric models are well suited to identifying historical trends and to projecting these trends into the future. In contrast, end-use models are able to incorporate the end-use factors driving energy use. By including end-use structure in an econometric model, the statistically adjusted end-use (SAE) modeling framework exploits the strengths of both approaches.

There are several advantages to the SAE approach.

- The equipment efficiency trends and saturation changes embodied in the long-run end-use forecasts are introduced explicitly into the short-term monthly sales forecast, thereby providing a strong bridge between the two forecasts.
- By explicitly introducing trends in equipment saturations and efficiency levels, SAE models can explain changes in usage levels and weather-sensitivity over time.
- Data for short-term models are often not sufficiently robust to support estimation of a full set of price, economic, and demographic effects. By bundling these factors with equipment-oriented drivers, a rich set of elasticities can be built into the final model.

This document describes this approach, the associated supporting Commercial SAE spreadsheets, and *MetrixND* project files that are used in the implementation. The source for the commercial SAE spreadsheets is the 2017 Annual Energy Outlook (AEO) database provided by the Energy Information Administration (EIA).

## 1.1 Commercial Statistically Adjusted End-Use Model Framework

The commercial statistically adjusted end-use model framework begins by defining energy use ($USE_{y,m}$) in year (y) and month (m) as the sum of energy used by heating equipment ($Heat_{y,m}$), cooling equipment ($Cool_{y,m}$) and other equipment ($Other_{y,m}$). Formally,

$$USE_{y,m} = Heat_{y,m} + Cool_{y,m} + \mathrm{Other}_{y,m} \quad (1)$$

Although monthly sales are measured for individual customers, the end-use components are not. Substituting estimates for the end-use elements gives the following econometric equation.

$$USE_m = a + b_1 \times XHeat_m + b_2 \times XCool_m + b_3 \times XOther_m + \varepsilon_m \quad (2)$$

Here, $XHeat_m$, $XCool_m$, and $XOther_m$ are explanatory variables constructed from end-use information, weather data, and market data. As will be shown below, the equations used to construct these X-variables are simplified end-use models, and the X-variables are the estimated usage levels for each of the major end-uses based on these models. The estimated model can then be thought of as a statistically adjusted end-use model, where the estimated slopes are the adjustment factors.

### *Constructing XHeat*

As represented in the Commercial SAE spreadsheets, energy use by space heating systems depends on the following types of variables.

- Heating degree days,
- Heating intensity,
- Commercial output and energy price.

The heating variable is represented as the product of an annual equipment index and a monthly usage multiplier. That is,

$$XHeat_{y,m} = HeatIndex_y \times HeatUse_{y,m} \quad (3)$$

Where

- $XHeat_{y,m}$ is estimated heating energy use in year $y$ and month $m$,
- $HeatIndex_y$ is the annual index of heating equipment, and
- $HeatUse_{y,m}$ is the monthly usage multiplier.

The heating equipment index is composed of electric space heating intensity. The index will change over time with changes in heating intensity. Formally, the equipment index is defined as:

$$HeatIndex_y = HeatSales_{13} \times \frac{(HeatIntensity_y)}{(HeatIntensity_{13})} \quad (4)$$

In this expression, 2013 is used as a base year for normalizing the index. The ratio on the right is equal to 1.0 in 2013. In other years, it will be greater than 1.0 if intensity levels are above their 2004 level.

$$HeatSales_{04} = \left(\frac{kWh}{Sqft}\right)_{Heating} \times \left(\frac{CommercialSales_{13}}{\sum_{e} kWh / Sqft_{e}}\right) \tag{5}$$

Here, base-year sales for space heating is the product of the average space heating intensity value and the ratio of total commercial sales in the base year over the sum of the end-use intensity values. In the Commercial SAE Spreadsheets, the space heating sales value is defined on the *BaseYrInput* tab. The resulting $HeatIndex_y$ value in 2013 will be equal to the estimated annual heating sales in that year. Variations from this value in other years will be proportional to saturation and efficiency variations around their base values.

Heating system usage levels are impacted on a monthly basis by several factors, including weather, commercial level economic activity, and prices. Using the COMMEND default elasticity parameters, the estimates for space heating equipment usage levels are computed as follows:

$$HeatUse_{y,m} = \left(\frac{WgtHDD_{y,m}}{HDD_{13}}\right) \times \left(\frac{Output_{y}}{Output_{13}}\right) \times \left(\frac{\Pr ice_{y,m}}{\Pr ice_{13}}\right)^{-0.18} \tag{6}$$

Where

- *WgtHDD* is the weighted number of heating degree days in year *y* and month *m*. This is constructed as the weighted sum of the current month's HDD and the prior month's HDD. The weights are 75% on the current month and 25% on the prior month
- *HDD* is the annual heating degree days for 2013,
- *Output* is a real commercial output driver in year *y*,
- *Price* is the average real price of electricity in month *m* and year *y*,

By construction, the $HeatUse_{y,m}$ variable has an annual sum that is close to 1.0 in the base year (2013). The first terms, which involve heating degree days, serves to allocate annual values to months of the year. The remaining terms average to 1.0 in the base year. In other years, the values will reflect changes in commercial output and prices, as transformed through the end-use elasticity parameters. For example, if the real price of electricity goes up 10% relative to the base year value, the price term will contribute a multiplier of about .98 (computed as 1.10 to the -0.18 power).

### Constructing XCool

The explanatory variable for cooling loads is constructed in a similar manner. The amount of energy used by cooling systems depends on the following types of variables.

- Cooling degree days,
- Cooling intensity,
- Commercial output and energy price.

The cooling variable is represented as the product of an equipment-based index and monthly usage multiplier. That is,

$$XCool_{y,m} = CoolIndex_y \times CoolUse_{y,m} \tag{7}$$

Where

- $XCool_{y,m}$ is estimated cooling energy use in year $y$ and month $m$,
- $CoolIndex_y$ is an index of cooling equipment, and
- $CoolUse_{y,m}$ is the monthly usage multiplier.

As with heating, the cooling equipment index depends on equipment saturation levels (*CoolShare*) normalized by operating efficiency levels (*Eff*). Formally, the cooling equipment index is defined as:

$$CoolIndex_y = CoolSales_{13} \times \frac{\left( \frac{CoolShare_y}{Eff_y} \right)}{\left( \frac{CoolShare_{13}}{Eff_{13}} \right)} \tag{8}$$

Data values in 2013 are used as a base year for normalizing the index, and the ratio on the right is equal to 1.0 in 2013. In other years, it will be greater than 1.0 if equipment saturation levels are above their 2013 level. This will be counteracted by higher efficiency levels, which will drive the index downward. Estimates of base year cooling sales are defined as follows.

$$CoolSales_{13} = \left( \frac{kWh}{Sqft} \right)_{Cooling} \times \left( \frac{CommercialSales_{13}}{\sum_e \frac{kWh}{Sqft_e}} \right) \tag{9}$$

Here, base-year sales for space cooling is the product of the average space cooling intensity value and the ratio of total commercial sales in the base year over the sum of the end-use intensity values. In the Commercial SAE Spreadsheets, the space cooling sales value is defined on the *BaseYrInput* tab. The resulting *CoolIndex* value in 2013 will be equal to the estimated annual cooling sales in that year. Variations from this value in other years will be proportional to saturation and efficiency variations around their base values.

Cooling system usage levels are impacted on a monthly basis by several factors, including weather, economic activity levels and prices. Using the COMMEND default parameters, the estimates of cooling equipment usage levels are computed as follows:

$$CoolUse_{y,m} = \left(\frac{WgtCDD_{y,m}}{CDD_{13}}\right) \times \left(\frac{Output_y}{Output_{13}}\right) \times \left(\frac{\Pr ice_{y,m}}{\Pr ice_{13}}\right)^{-0.18} \qquad (10)$$

Where

- *WgtCDD* is the weighted number of cooling degree days in year *y* and month *m*. This is constructed as the weighted sum of the current month's CDD and the prior month's CDD. The weights are 75% on the current month and 25% on the prior month.
- *CDD* is the annual cooling degree days for 2013.

By construction, the *CoolUse* variable has an annual sum that is close to 1.0 in the base year (2013). The first two terms, which involve billing days and cooling degree days, serve to allocate annual values to months of the year. The remaining terms average to 1.0 in the base year. In other years, the values will change to reflect changes in commercial output and prices.

### *Constructing XOther*

Monthly estimates of non-weather sensitive sales can be derived in a similar fashion to space heating and cooling. Based on end-use concepts, other sales are driven by:

- Equipment intensities,
- Average number of days in the billing cycle for each month, and
- Real commercial output and real prices.

The explanatory variable for other uses is defined as follows:

$$XOther_{y,m} = OtherIndex_{y,m} \times OtherUse_{y,m} \tag{11}$$

The second term on the right hand side of this expression embodies information about equipment saturation levels and efficiency levels. The equipment index for other uses is defined as follows:

$$OtherIndex_{y,m} = \sum_{Type} Weight_{13}^{Type} \times \left( \frac{Share_y^{Type} / Eff_y^{Type}}{Share_{13}^{Type} / Eff_{13}^{Type}} \right) \tag{12}$$

Where

- *Weight* is the weight for each equipment type,
- *Share* represents the fraction of floor stock with an equipment type, and
- *Eff* is the average operating efficiency.

This index combines information about trends in saturation levels and efficiency levels for the main equipment categories. The weights are defined as follows.

$$Weight_{13}^{Type} = \left( \frac{kWh}{Sqft} \right)_{Type} \times \left( \frac{CommercialSales_{13}}{\sum_e kWh / Sqft_e} \right) \tag{13}$$

Further monthly variation is introduced by multiplying by usage factors that cut across all end-uses, constructed as follows:

$$OtherUse_{y,m} = \left(\frac{BDays_{y,m}}{30.44}\right) \times \left(\frac{Output_{y}}{Output_{13}}\right) \times \left(\frac{Price_{y.m}}{Price_{13}}\right)^{-0.18} \tag{14}$$

In this expression, the elasticities on output and real price are computed from the COMMEND default values.

## 1.2 Supporting Spreadsheets and *MetrixND* Project Files

The SAE approach described above has been implemented for each of the nine census divisions. This section describes the contents of each file and a procedure for customizing the files for specific utility data. A total of 18 files are provided. These files are listed in Table 1.

**Table 1: List of SAE Files**

| Spreadsheets | *MetrixND* Project Files |
|---|---|
| NewEnglandCom17.xls | NewEnglandCom17.ndm |
| MiddleAtlanticCom17.xls | MiddleAtlanticCom17.ndm |
| EastNorthCentralCom17.xls | EastNorthCentralCom17.ndm |
| WestNorthCentralCom17.xls | WestNorthCentralCom17.ndm |
| SouthAtlanticCom17.xls | SouthAltanticCom17.ndm |
| EastSouthCentralCom17.xls | EastSouthCentralCom17.ndm |
| WestSouthCentralCom17.xls | WestSouthCentralCom17.ndm |
| MountainCom17.xls | MountainCom17.ndm |
| PacificCom17.xls | PacificCom17.ndm |

As defaults, the SAE spreadsheets include regional data, but utility data can be entered to generate the *Heat*, *Cool*, and *Other* equipment indices used in the SAE approach. The data from these spreadsheets are linked to the *MetrixND* project files. In these project files, the end-use *Usage* variables (Equations 6, 10, and 14 above) are constructed and the SAE model is estimated.

The nine spreadsheets contain the following tabs.

- **EIAData** contains the raw forecasted data provided by the EIA
- **BaseYrInput** contains base year Census Division intensities by end-use and building type as well as default building type weights. It also contains functionality for changing the weights to reflect utility service territory.
- **Efficiency** contains historical and forecasted end-use equipment efficiency trends. The forecasted values are based on projections provided by the EIA.
- **Shares.** This tab contains historical and forecasted end-use saturations.
- **Intensity** contains the annual intensity (kWh/sqft) projections by end-use.
- **AnnualIndices** contains the annual *Heat*, *Cool* and *Other* equipment indices.
- **FloorSpace** contains the annual floor space (sqft) projections by end-use.
- **PV** incorporates the impact of photovoltaic batteries into the forecast.
- **Graphs** contains graphs of Efficiency and Intensities, which can be updating by selecting from the list in cell B2.

The *MetrixND* project files contain the following objects.

### *Parameter Tables*

- **Parameters.** This parameter table includes the values of the annual HDD and CDD in 2013 used to calculate the *Usage* variables for each end-use.
- **Elas.** This parameter table includes the values of the elasticities used to calculate the *Usage* variables for each end-use.

### *Data Tables*

- **AnnualIndices.** This data table is linked to the *AnnualIndices* tab in the Commercial SAE spreadsheet and contains sales-adjusted commercial SAE indices.
- **Intensity.** This data table is linked to the *Intensity* tab in the Commercial SAE spreadsheet.
- **FloorSpace.** This data table links to *FloorSpace* tab in the Commercial SAE spreadsheet.
- **UtilityData.** This linkless data table contains Census Division level data. It can be populated with utility-specific data.

### *Transformation Tables*

- **EconTrans.** This transformation table is used to compute the output and price indices used in the usage equations.
- **WeatherTrans.** This transformation table is used to compute the HDD and CDD indices used in the usage equations.
- **CommercialVars.** This transformation table is used to compute the *Heat*, *Cool* and *Other Usage* variables, as well as the *XHeat*, *XCool* and *XOther* variables that are used in the regression model. Structural variables based on the intensity/floor space combination are also calculated here.
- **BinaryVars.** This transformation table is used to compute the calendar binary variables that could be required in the regression model.
- **AnnualFcst.** This transformation table is used to compute the annual historical and forecast sales and annual change in sales.
- **EndUseFcst.** This transformation table breaks the forecast down into its heating, cooling and other components.

### *Models*

- **ComSAE:** The commercial SAE model (energy forecast driven by end-use indices, price, and output projections).
- **ComStruct:** Simple stock model (energy forecast driven by end-use energy intensities, and square footage).

# Electric Class Load Profile Forecast Process

PPL companies

## Sales Analysis & Forecasting
## September 2018

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# 1. Introduction

The Sales Analysis & Forecasting group develops the class load profile forecasts for Louisville Gas and Electric Company ("LG&E") and Kentucky Utilities Company ("KU") (collectively, "the Companies") as inputs to the Companies' cost of service studies. The class load profile forecasts provide an estimate of each class's contribution to forecasted hourly energy requirements. The purpose of this document is to summarize the process used to produce and validate these forecasts.

# 2. Input Data

Table 1 contains a summary of key inputs to this process. The processes used to forecast monthly sales and hourly energy requirements are summarized in a separate document ("Electric Sales & Demand Forecast Process").

**Table 1: Inputs to Class Load Profile Forecast**

| **Data Input** | **Source** |
|---|---|
| 5- and 15-Minute Customer Energy Usage | History: MV90 System |
| Monthly Sales by Class | History: CCS / Accounting<br>Forecast: Business Plan |
| Hourly Energy Requirements by Company | History: Energy Management System<br>Forecast: Business Plan |
| Loss Percentages by Service Level | History: 2012 Line Loss Study |

# 3. Methodology

LG&E and KU develop class load profile forecasts for the classes listed in Table 2. With limited exceptions, each class comprises all or a portion of one rate schedule. For example, the Commercial Power Service Primary class comprises commercial customers who take primary service on the Power Service ("PS") rate schedule. The goal of the forecast process is to develop profiles for each class that reflect the classes' hourly energy requirements under "normal" weather conditions.[1]

[1] "Normal" weather is defined as the average weather over a 20-year historical period.

**Table 2: LG&E and KU Classes**

| Class | Company | Rate Schedule | Sample / Census | Weather-Sensitive |
|---|---|---|---|---|
| Residential | LG&E, KU | RS, VFD | Sample | Yes |
| Residential Time-of-Day | LG&E, KU | RTOD | Sample | Yes |
| Electric Vehicle Charging | LG&E, KU | EVC | Census | No |
| General Service | LG&E, KU | GS | Sample | Yes |
| Commercial Power Service Primary | LG&E | PS | Sample | Yes |
| Commercial Power Service Secondary | LG&E | PS | Sample | Yes |
| Commercial Time-of-Day Primary | LG&E | TODP | Census | Yes |
| Commercial Time-of-Day Secondary | LG&E | TODS | Census | Yes |
| Industrial Power Service Primary | LG&E | PS | Sample | No |
| Industrial Power Service Secondary | LG&E | PS | Sample | No |
| Industrial Time-of-Day Primary | LG&E | TODP | Census | No |
| Industrial Time-of-Day Secondary | LG&E | TODS | Census | No |
| Louisville Water Company | LG&E | Special Contract | Census | No |
| All Electric Schools | KU | AES | Sample | Yes |
| Power Service Secondary | KU | PS | Sample | Yes |
| Time-of-Day Secondary | KU | TODS | Census | Yes |
| Power Service Primary | KU | PS | Sample | Yes |
| Time-of-Day Primary | KU | TODP | Census | Yes |
| Fluctuating Load Service | KU | FLS | Census | No |
| Retail Transmission Service | LG&E, KU | RTS | Census | No |
| Outdoor Sports Lighting | LG&E, KU | OSL | Sample | No |
| Unmetered Lighting | LG&E, KU | LS, RLS | Sample | No |
| Lighting Energy Service | LG&E, KU | LE | Sample | No |
| Traffic Energy Service | LG&E, KU | TE | Sample | No |
| Company Uses | LG&E, KU | N/A | N/A | Yes |
| Muni Primary | KU | Special Contract | Census | Yes |
| Muni Transmission | KU | Special Contract | Census | Yes |
| Old Dominion Power | KU | N/A | Census | Yes |

The Companies' most recent cost of service studies focused on the twelve months ending April 2020 ("Forecasted Test Period"). To forecast class load profiles for this period, the Companies first developed historical class load profiles for the twelve months ending April 2018 ("Historical Period"). Then, these historical load profiles were used along with other forecasted inputs to forecast class load profiles for Forecasted Test Period. This process is completed separately for LG&E and KU. The following sections summarize the process in more detail.

## 3.1 Historical Period Class Load Profiles

Hourly class load profiles for the Historical Period are developed using customers' 5- and 15-minute energy usage data ("interval data"). The Companies have interval data for all customers in classes with demand rates that vary by time of day. Therefore, historical profiles for these "census" classes are created simply by aggregating interval data for all customers in the class by hour. For each of the classes without interval data for all customers ("sample" classes), historical profiles are created based on interval data for a sample of customers. The samples were designed for this purpose and account for differences within each class in the way customers use electricity.

For all classes, the Companies ensure that the sum of hourly demands in each month equals actual monthly sales according to accounting records. In addition, the Companies ensure that the sum of class demands in each hour plus losses and company uses equals the actual hourly energy requirements according to the Energy Management System ("EMS").

## 3.2 Forecasted Test Period Class Load Profiles

A key consideration in developing class load profile forecasts is accounting for differences in weather and non-weather factors between the Historical Period and the Forecasted Test Period; non-weather factors include the number of customers, non-heating or cooling end-use efficiencies, and industrial production levels. In the Forecasted Test Period, the monthly sum of hourly loads for each class is aligned with the Companies' forecast of monthly energy requirements. This accounts for monthly differences in weather and non-weather factors, but because the Companies' cost of service studies are focused on hours with a loss-of-load probability, additional steps must be taken to ensure the class profiles on high load days are reasonable.

To develop daily class load profiles, the Companies rank the daily system peaks in the Historical Period and the Forecasted Test Period by month. For each month in the Forecasted Test Period, class profiles on the day with the highest system peak (daily rank = 1) are forecasted based on class profiles from the day in the Historical Period with the highest system peak. Then, class profiles on the day with the second highest system peak (daily rank = 2) are forecasted based on class profiles from the day in the Historical Period with the second highest system peak, and so on.

This ranking process ensures that the highest daily profiles in the Forecasted Test Period are forecasted based on days in the Historical Period with similar weather. Even so, weather differences can still exist between the Historical Period and Forecasted Test Period on days with the same daily rank. For example, weather on the peak day in August 2017 (Historical Period) was milder than a normal summer peak day and weather on the peak day in January 2018 (Historical Period) was colder than a normal winter peak day. To account for these differences, daily class profiles for weather-sensitive and non-weather-sensitive classes are forecasted differently.

Table 2 indicates which classes are considered weather-sensitive and non-weather-sensitive.[2] For each of the non-weather-sensitive classes, monthly class load profiles in the Historical Period are scaled up or down so that the sum of hourly loads in each month equals the Companies' energy requirements forecast for the corresponding month of the Forecasted Test Period. Then, the daily load profile in the Forecasted Test Period is equal to the "scaled" daily load profile from the day in the Historical Period with the same daily rank. The scaling process accounts for non-weather-related differences between the Historical Period and the Forecasted Test Period. With one exception, load factors for non-weather-sensitive classes in each month of the Forecasted Test Period are equal to load factors from the corresponding month in the Historical Period.[3]

For each of the weather-sensitive classes, the daily load profile in the Forecasted Test Period is based on the class's share of weather-sensitive load on the day in the Historical Period with the same daily rank. Weather-sensitive load in a given hour is equal to the system load less the sum of loads from non-weather-sensitive classes. This process accounts for the typically small weather differences between the Historical Period and Forecasted Test Period on days with the same daily rank.[4] A scaling adjustment is also made to weather-sensitive classes to align the sum of forecasted loads by month with the Companies' energy requirements forecast.

Because the Companies' cost of service studies are focused on hours with a loss-of-load probability, the class load forecasting process prioritizes accuracy on high load days. At the end of the process, the sum of class loads in each hour of the Forecasted Test Period equals the forecasted system load for that hour. In addition, the sum of loads for each class and month is closely aligned with the Companies' forecast of monthly class energy requirements.

## 4. Review

The forecast process has several built-in controls to ensure that the forecasted class load profiles are consistent with the separately-developed forecasts of hourly system energy requirements and monthly class-level sales. At the end of the process, the Companies review the class load profile forecasts to ensure that they are reasonable. Because the Companies' cost of service studies are focused on hours with a loss-of-load probability, this review is focused primarily on high load days to ensure they are reasonable in light of historical days on which the forecasts are based.

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[2] This designation was determined based on the Companies' sales forecasting process. If weather was a significant explanatory variable in specifying a class's forecast model, the class is considered weather-sensitive.

[3] The one exception was made based on direct feedback from a large customer comprising a significant portion of the class.

[4] For example, because weather was colder than normal on the peak day in January 2018, the weather-sensitive load on that day was greater than the weather-sensitive load on the peak day in January of the Forecasted Test Period.

# 2019 Business Plan Gas Sales Forecast

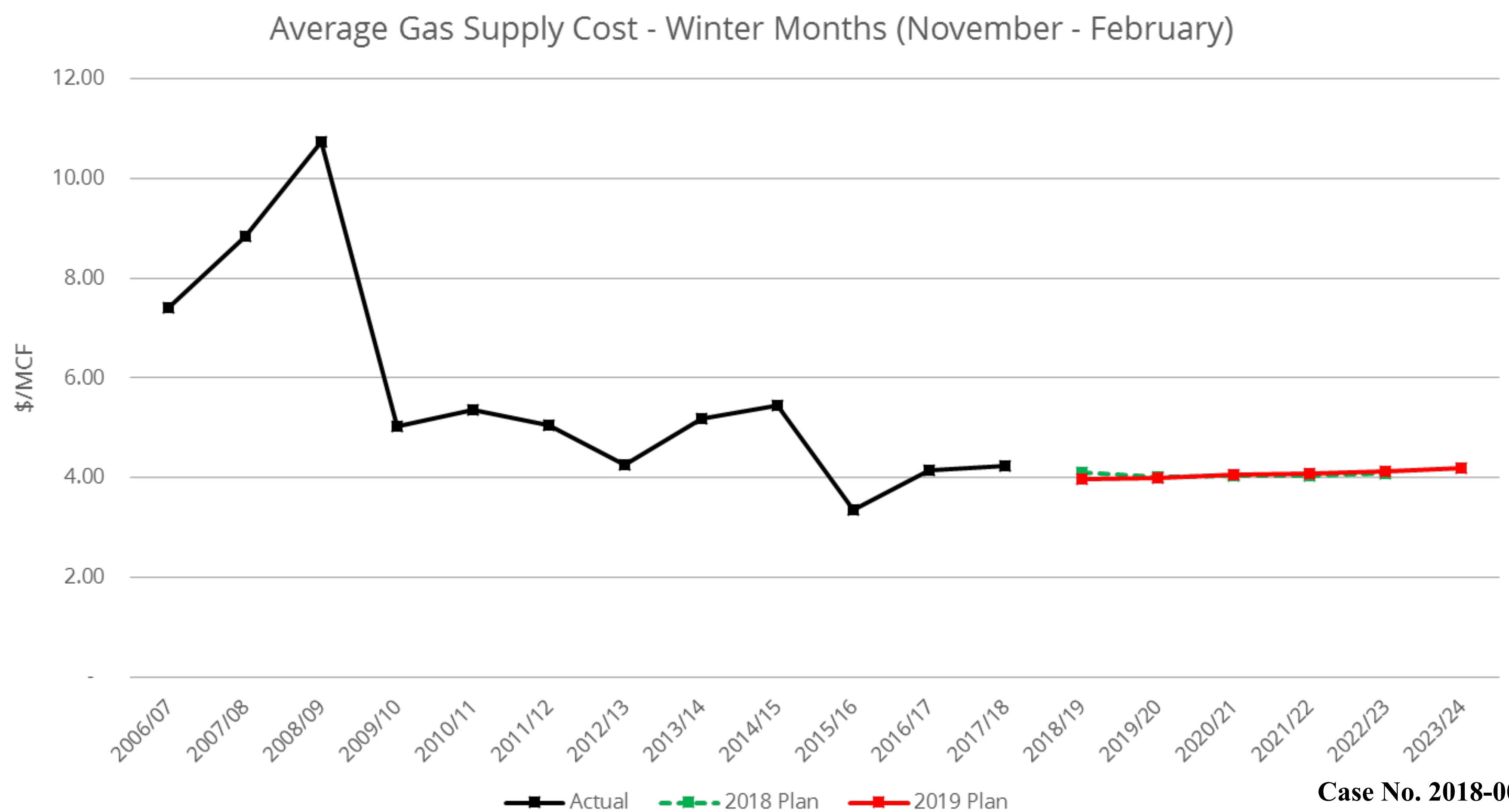
**Sales Analysis & Forecasting**
**May 14, 2018**

# Forecast Summary

- 2019 Plan gas volumes are mostly unchanged versus 2018 Plan
  - Sales volumes 0.5% (163 MMCF) higher
  - Transport volumes 0.18% (25 MMCF) higher

- Economy: Louisville economic indicators remain positive. Kentucky's economy expanded by 1.8 percent in 2017 and is expected to surpass two percent in 2018 and 2019 due to the fiscal stimulus provided by the Tax Cuts and Jobs Act.
  - Similar to the state as a whole, Louisville MSA real gross metro product is expected to increase by more than two percent in 2018 and 2019.
  - Louisville MSA unemployment continues to decline. The rate fell to 3.7 percent early in March 2018, down 0.8 percent year over year. The rate has declined steadily since the Great Recession, when unemployment peaked at 11.9 percent.
  - Louisville MSA private single-family housing starts are up eight percent on a rolling 12-month basis.

# Gas Supply Cost




Case No. 2018-00295
Attachment to Filing Requirement
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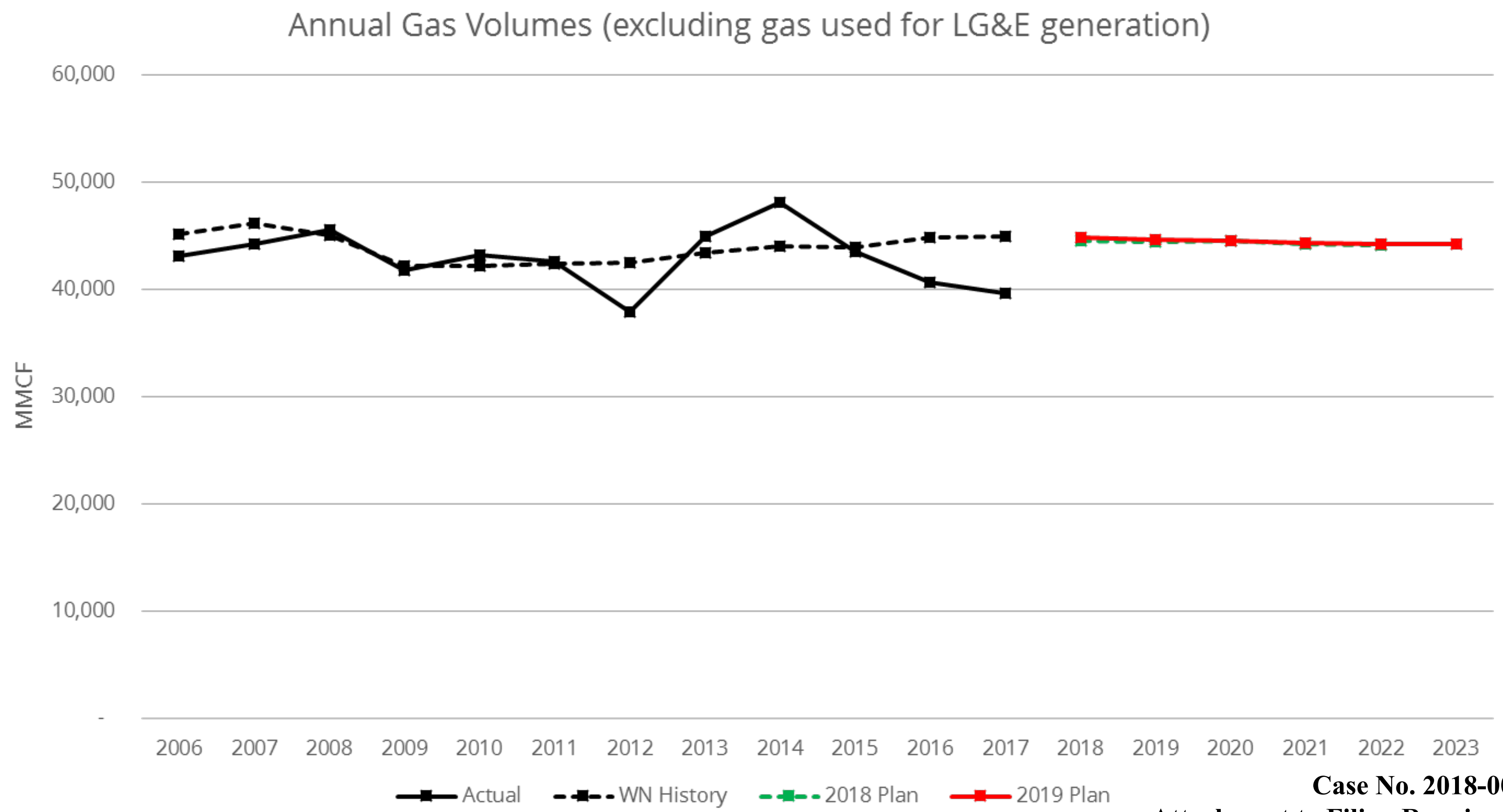
Sinclair



LG&E KU PPL companies

# 2019 Plan gas volumes are 0.4% higher in 2019 vs. 2018 Plan




Case No. 2018-00295
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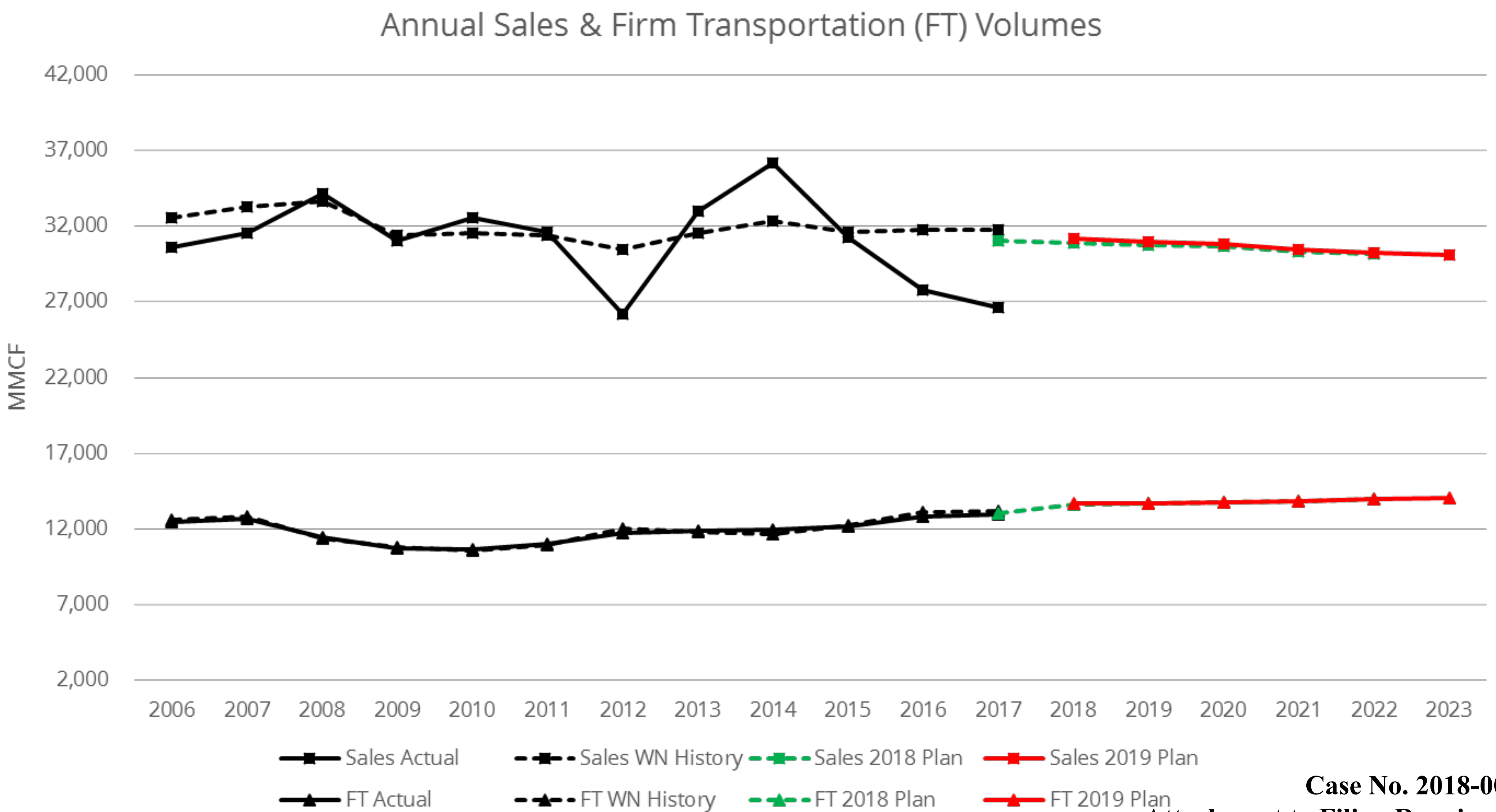
# Plan-over-plan increases in Transport and Sales Volumes




Case No. 2018-00295
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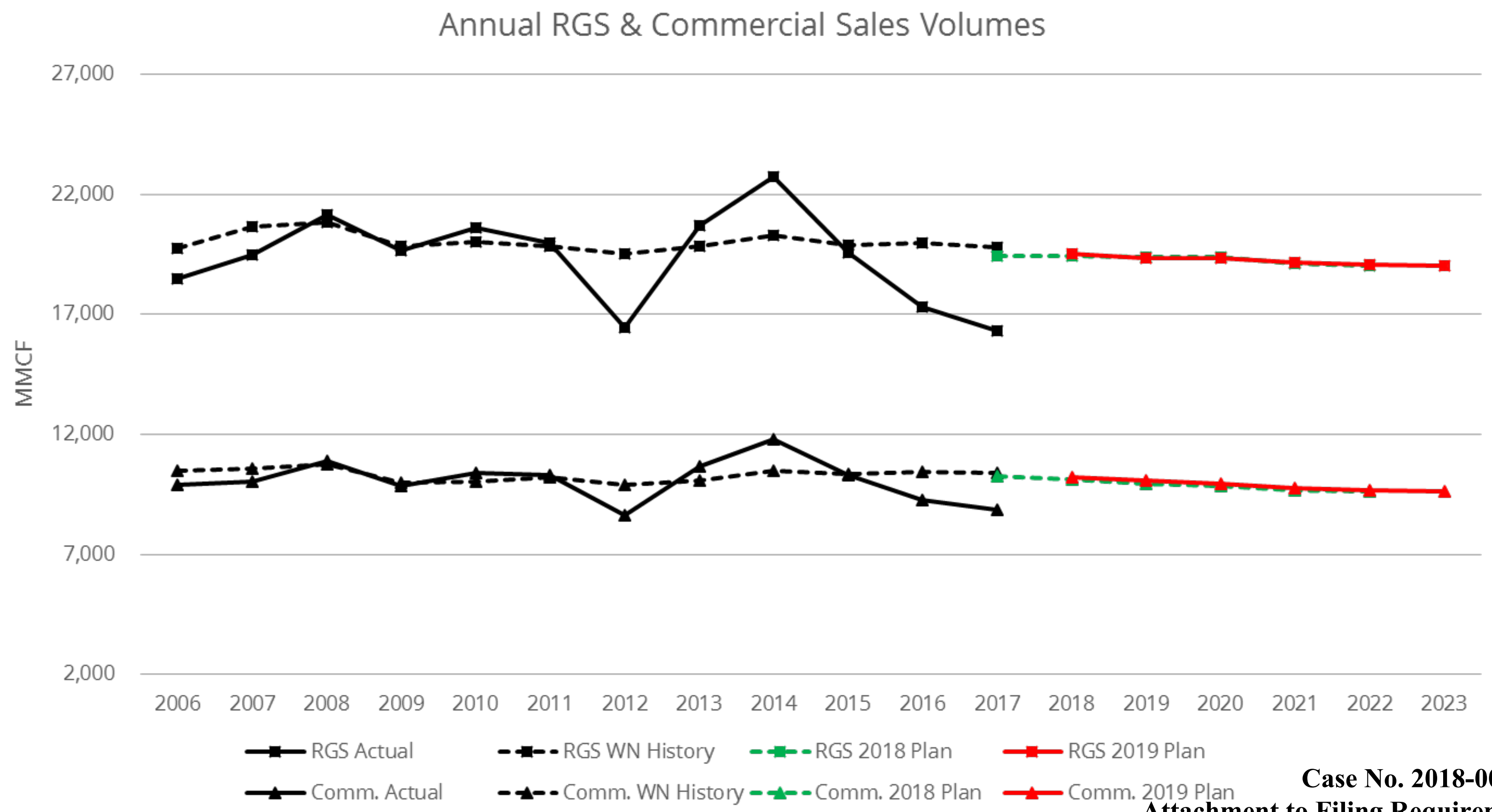
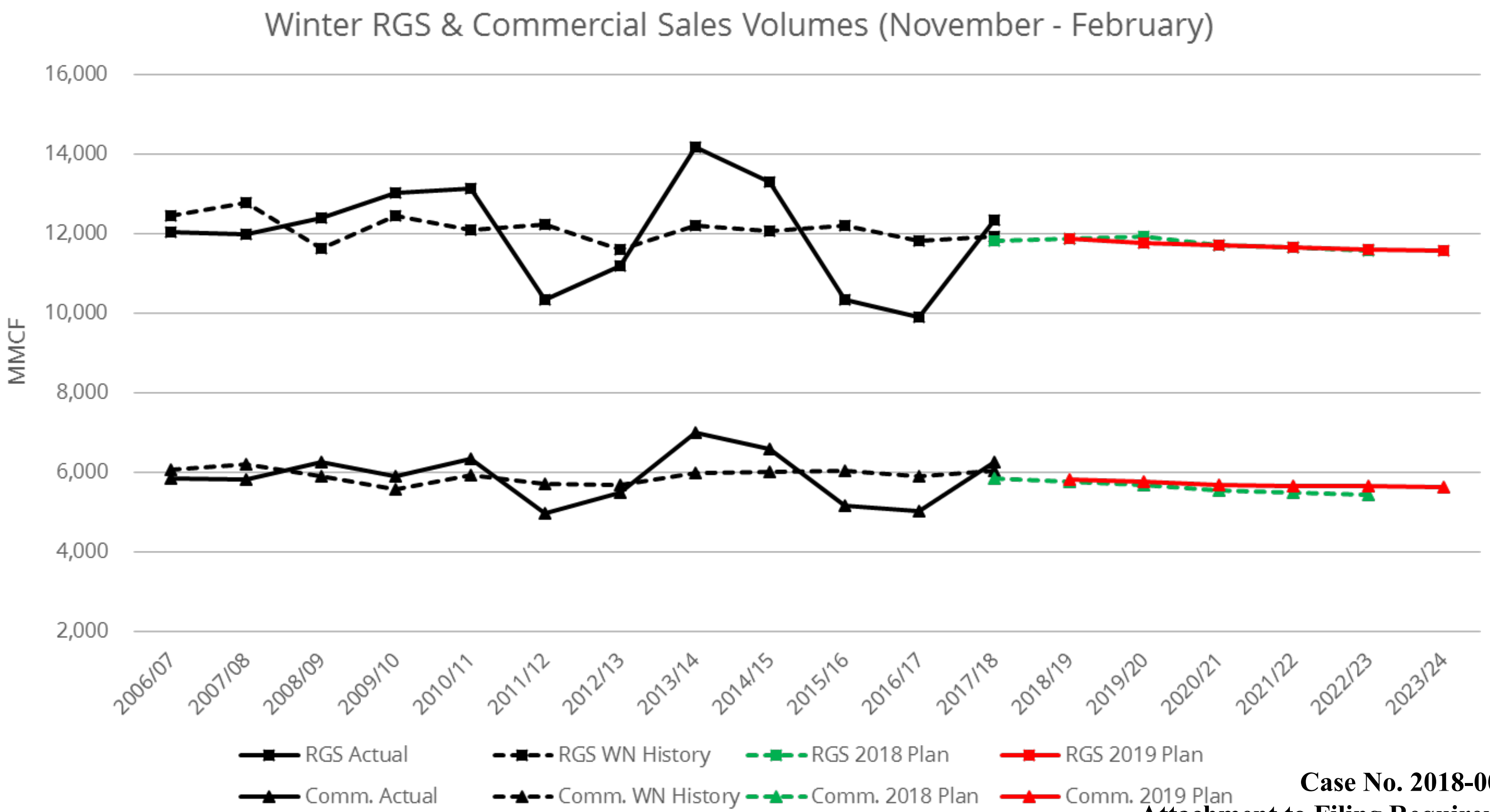
# Residential and Commercial Volumes consistent with 2018 Plan



# Heating efficiencies and gas costs slow decline of winter volumes

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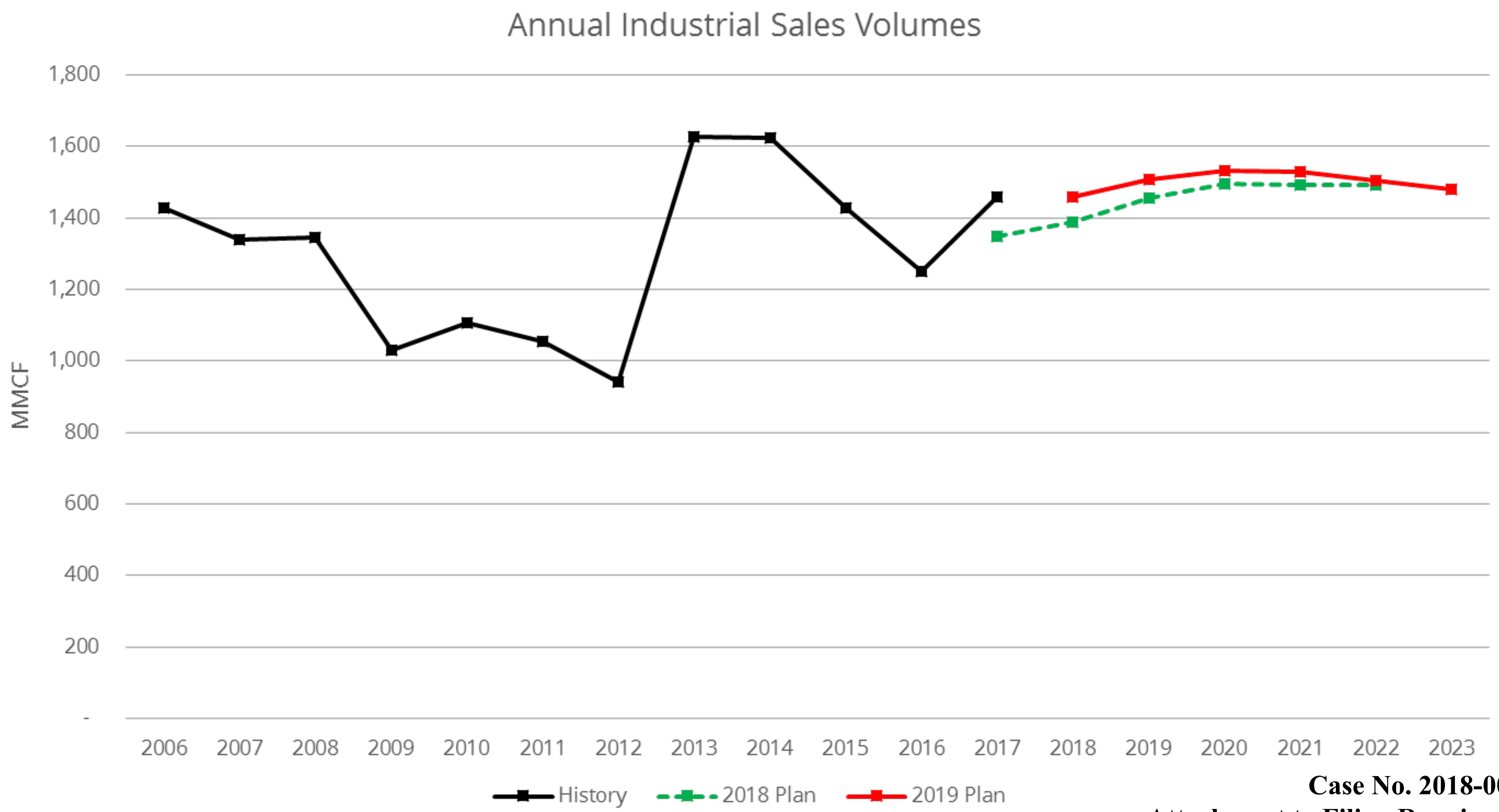
# 2017 Industrial Sales increase drives 70 MMCF plan variance




Case No. 2018-00295
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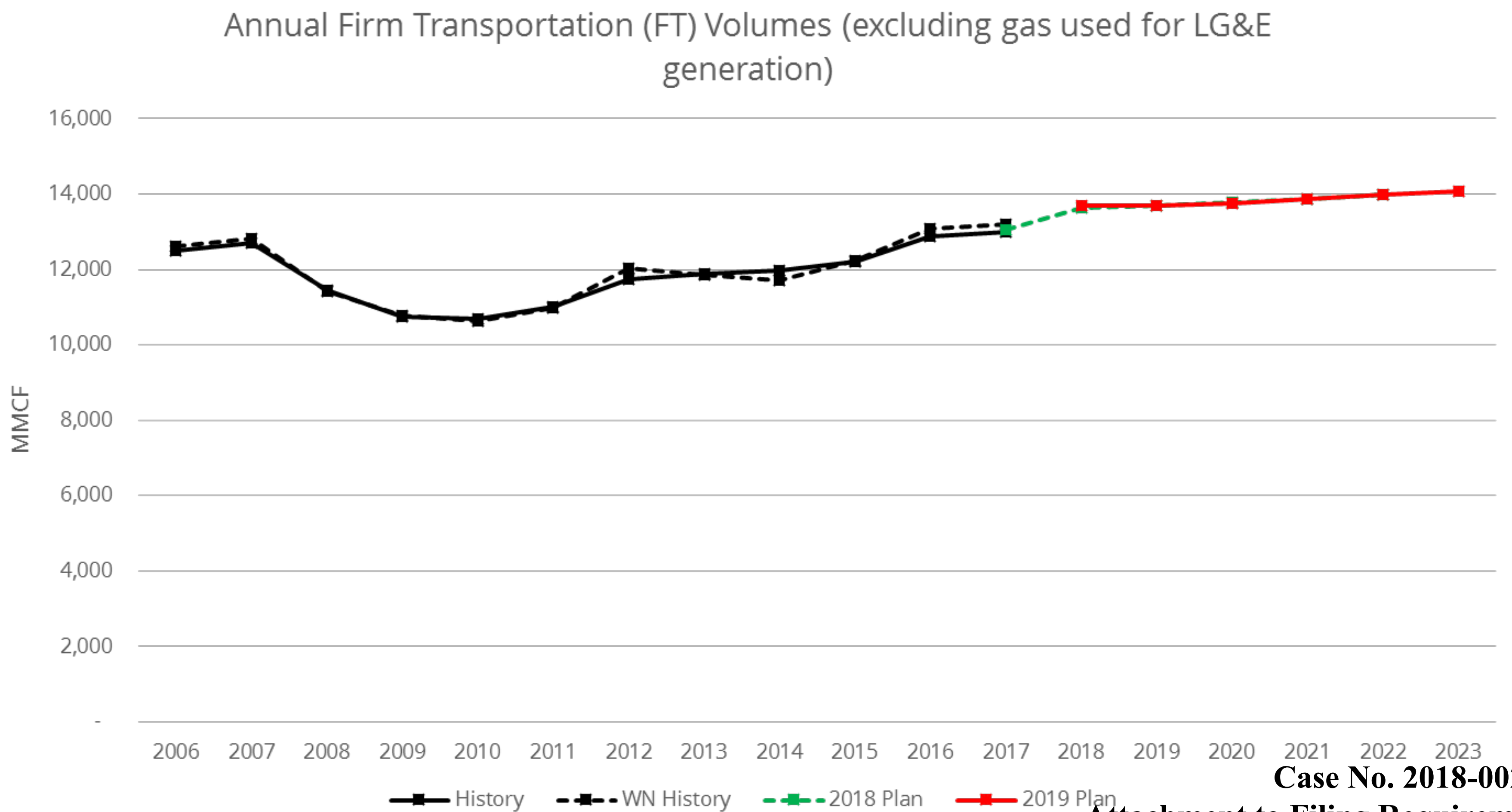
# Firm Transportation increase driven by [redacted]

**CONFIDENTIAL INFORMATION REDACTED**




**Case No. 2018-00295**
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**Sinclair**

# Plan-over-Plan Major Account changes in 2019

CONFIDENTIAL INFORMATION REDACTED

| Major Account | 2019 Plan (MMCF) | 2018 Plan (MMCF) | Delta (MMCF) | Notes |
|---|---|---|---|---|
| [redacted] | [redacted] | [redacted] | [redacted] | [redacted] |
| [redacted] | [redacted] | [redacted] | [redacted] | [redacted] |
| [redacted] | [redacted] | [redacted] | [redacted] | [redacted] |
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# Generation Forecast Process

PPL companies

## Generation Planning & Analysis
## 2018

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# 1 Introduction

The Generation Planning group annually prepares a generation and off-system sales ("OSS") forecast for Louisville Gas and Electric Company ("LG&E") and Kentucky Utilities Company ("KU") (collectively "the Companies"). This forecast provides the basis for – among other things – the Companies' forecasts of fuel costs, generation-related variable operating and maintenance costs, economy purchased power, and OSS margin. This document summarizes the process used to prepare the generation forecast.

# 2 Production Cost Model

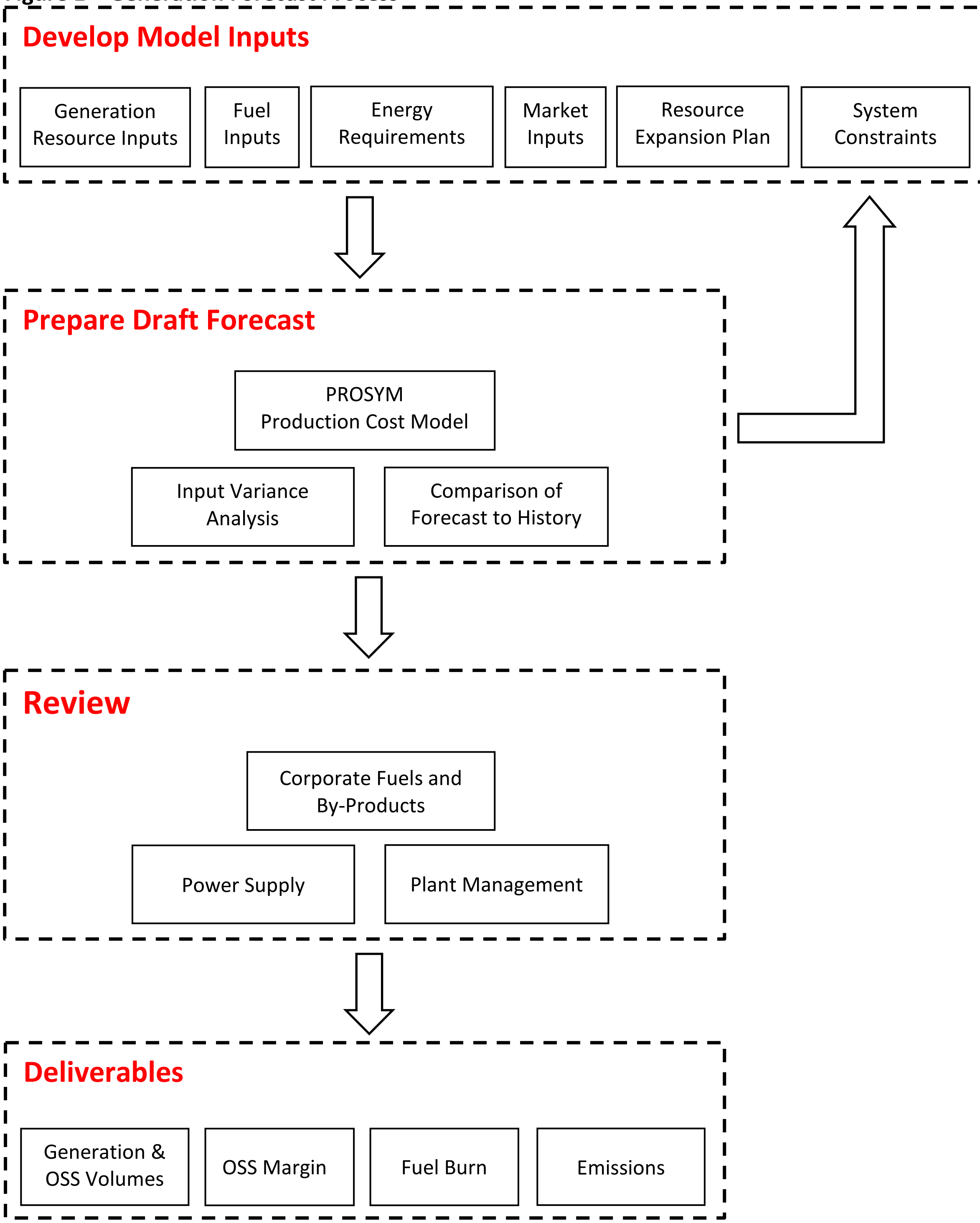
The Companies' generation forecast is developed using ABB's PROSYM, a proprietary production cost model. PROSYM is a chronological simulation engine that optimizes unit commitment and economic dispatch to meet the load for an interconnected electric system, considering the reserve requirements and other aspects of the electric system. PROSYM is a proven production cost model that has been used by utilities throughout the United States for decades.

In addition to PROSYM, SAS, Microsoft Access, and Microsoft Excel are used to process and analyze forecast results. Presentations containing forecast assumptions and results are prepared using Microsoft PowerPoint.

# 3 Process Overview

Figure 1 provides an overview of the process used to develop the Companies' generation forecast. In the first part of the process, model inputs are developed. Then, the model inputs are loaded into PROSYM and a draft generation forecast is prepared. PROSYM is a complex model, so extensive review takes place to ensure that the inputs are correctly loaded into the model and that the model results are reasonable. An input variance analysis evaluates the impact of changing each input or group of related inputs to ensure that the associated output changes are reasonable. Then, various elements of the generation forecast are compared to historical trends for reasonableness. If the forecast results are not deemed reasonable, the applicable model inputs are adjusted and the process is repeated. In the third part of the process, the results of the forecast are reviewed by other departments. This review process ensures that the forecast considers feedback from a broad range of perspectives. After all parties are satisfied with the results, the generation forecast is finalized and distributed to the groups who use the forecast to prepare financial budgets. Each part of this process is discussed further in the following sections.

**Figure 1 – Generation Forecast Process**




## 3.1 Develop Model Inputs

The first part of the process used to develop the Companies' generation forecast involves developing and vetting model inputs. Well-vetted inputs are essential to a good forecast. Wherever possible (and applicable), model inputs are initially developed based on an analysis of historical data. Then, these inputs are reviewed with plant management for reasonableness. Model inputs are adjusted when historical trends are not expected to continue in the future. Table 1 lists the six main categories of model inputs along with the inputs in each category. Each of these categories is discussed further in the following sections.

**Table 1 - Key Inputs to the Generation Forecast**

| Input Category | Inputs |
|---|---|
| Generation Resource Inputs | Minimum and maximum capacity, heat rate, emission rates, variable operating and maintenance cost, operating limits, unit availability, company allocation |
| Fuel Inputs | Coal prices, natural gas prices, oil prices, other fuel-related inputs |
| Energy Requirements | Hourly energy requirements |
| Market Inputs | Electricity prices, emission allowance prices, off-system sales and purchase limits, off-system sales and purchase price thresholds |
| Expansion Plan Inputs | Timing and type of expansion plan units |
| System Constraints | Transmission constraints, spinning reserve requirements, off-system sales constraints, dispatch order rules |

### 3.1.1 Generation Resource Inputs

The generation resources modeled in PROSYM include the Companies' existing and (if applicable) planned generation resources. Generation resources include generating units owned by the Companies, power purchase agreements with other power producers, and the capacity associated with the Companies' curtailable service rider ("CSR") customers.

Generation resource inputs define the operating characteristics of the generation resources. These inputs include the resource's minimum and maximum capacity, heat rate, emission rates, variable operating and maintenance cost, operating limits, equivalent forced outage rate, and ownership ratio. Each of these inputs is discussed further in the following sections.

#### 3.1.1.1 Minimum and Maximum Capacity

The minimum and maximum capacity (or output) is specified for each generation resource as a megawatt ("MW") value for the summer, winter, fall, and spring seasons. Capacity inputs are specified based on an analysis of historical data and unit rating tests but rarely change materially from forecast to forecast.

#### 3.1.1.2 Heat Rate

The heat rate specifies the amount of fuel required to produce a megawatt-hour ("MWh") of electricity. Where applicable, a heat rate curve is specified for each generation resource for the summer, winter, fall, and spring seasons. The heat rate curves are specified based on an analysis of historical data and heat rate tests performed by the plants.

#### 3.1.1.3 Emission Rates

Where applicable, PROSYM models the emissions of sulfur dioxide ("$SO_2$"), nitrogen oxides ("$NO_x$"), and carbon dioxide ("$CO_2$") for each generation resource:

- $SO_2$ Emissions: For coal units, $SO_2$ emissions are modeled as a function of the unit's $SO_2$ removal rate and the sulfur content of the fuel. The $SO_2$ removal rate for each coal unit ranges between

91.5% and 99.2%, depending on the vintage of the unit's flue-gas desulfurization ("FGD") equipment.[1] The $SO_2$ removal rate is specified based on an analysis of historical data and updated in the forecast period for units being retrofitted with new or upgraded FGD equipment. The sulfur content of the fuel is provided by the Corporate Fuels and By-Products group. For gas units, $SO_2$ emissions are modeled as a function of an average $SO_2$ emission rate (specified in lb/MMBtu). The $SO_2$ emission rate for gas units is estimated by the unit manufacturer.

- $NO_x$ Emissions: For coal units, $NO_x$ emissions are modeled as a function of a $NO_x$ emission curve (specified in lb/MMBtu). $NO_x$ emissions vary seasonally and with the unit's generation output and are lower for units retrofitted with selective catalytic reduction ("SCR") equipment. The $NO_x$ emission curve is specified based on an analysis of historical data in conjunction with performance expectations associated with the timing of catalyst replacement. Cane Run 7's $NO_x$ emission rate is specified based on an analysis of historical data. For other gas units, $NO_x$ emissions are modeled as a function of an average emission rate (also specified in lb/MMBtu) estimated by the unit manufacturer.
- $CO_2$ Emissions: $CO_2$ emissions are modeled as a function of the unit's average $CO_2$ emission rate (specified in lb/MMBtu). Average $CO_2$ emission rates are dependent on the type of fuel burned in the unit and are based on engineering estimates.

#### 3.1.1.4 Variable Operating and Maintenance Cost

Variable operating and maintenance ("O&M") costs include all incremental non-fuel costs that are incurred when operating the generation resource. For coal units, variable O&M includes the cost of operating environmental controls. For Cane Run 7, variable O&M includes the cost of its long-term program contract ("LTPC"), which is paid quarterly based on the number of starts and operating hours for the unit. For simple-cycle combustion turbines ("SCCTs"), the cost of major maintenance is considered in unit commitment and dispatch decisions but is not modeled as a component of production costs.

#### 3.1.1.5 Operating Limits

The following operating limits are modeled in PROYSM for each generation resource. Each of these inputs is specified based on operational experience.

- Minimum Down-Time: Minimum down-time is the minimum number of hours after coming offline that a generation resource must remain offline before it can be brought back online.
- Minimum Up-Time: Minimum up-time is the minimum number of hours after coming online that a generation resource must remain online before it can be taken offline for economic reasons.
- Ramp-Up Rate: Ramp-up rate is the rate (specified in MW/hour) at which a generation resource can increase its output.
- Ramp-Down Rate: Ramp-down rate is the rate (specified in MW/hour) at which a generation resource can decrease its output.

#### 3.1.1.6 Unit Availability

The following unit availability inputs are modeled in PROSYM for each resource. These inputs determine the extent a resource is available for operation.

- Planned Maintenance Schedule: The planned maintenance schedule specifies the timing and duration of planned maintenance events. The schedule is developed with input from plant

[1] Brown Units 1-3 share the same FGD. Mill Creek Units 1-2 also share the same FGD.

management, Generation Dispatch, and Project Engineering, such that the outages will have the least economic and reliability impact to customers.

- Equivalent Unplanned Outage Rate ("EUOR"): EUOR inputs determine the amount of time the generation resource is unavailable due either to a forced outage or maintenance outage. EUOR inputs are specified based on an analysis of historical data.

#### 3.1.1.7 Company Allocation

The energy and capacity for all generation resources modeled in PROSYM are either wholly or jointly allocated to LG&E and/or KU. For each generation resource, the Companies' allocation is specified in PROSYM to facilitate the process of creating generation and other forecasts by company as well as forecasting the After-the-Fact Billing process used to calculate the Fuel Adjustment Clause.

### 3.1.2 Fuel Inputs

Each thermal generation resource is associated with one or more fuel forecasts for startup and for online operation. The fuel inputs in PROSYM specify the cost of fuel, the fuel's heat content, the quantity of fuel required for startup, and – for generation resources where the fuel price is a blend of multiple fuel forecasts – the blend ratio of each fuel forecast. For coal, the fuel inputs also include the fuel's $SO_2$ content.

#### 3.1.2.1 Coal Prices

A forecast of delivered coal prices is developed for each station by the Corporate Fuels and By-products group. These forecasts reflect the cost curve for the Companies' contracted coal volumes, the assumed cost of coal that will be contracted in the future, and the cost of transporting fuel from mines to the stations. Based on the coal burn forecast by unit, the Corporate Fuels and By-Products group calculates the target coal purchase tonnage needed each year to maintain desired inventory levels while meeting the forecasted coal burn. The forecasted price per MMBtu for each coal type is the result of computing the volume weighted average of the price of coal already under contract and the market price of coal. In the first five years of the forecast, the market price is a blend of coal bids received, but not under contract, and the forecast from an independent third party consultant, IHS. Beyond the fifth year, prices are increased at the compound annual growth rate reflected in the Energy Information Administration's latest Annual Energy Outlook for "All Coals, Minemouth" price forecast.

#### 3.1.2.2 Natural Gas Prices

A forecast of Henry Hub natural gas prices is developed as a starting point for undelivered gas. The initial years of the Henry Hub price forecast reflect monthly forward market prices from NYMEX as of a specific recent quote date, which reflects a current view of forward prices at the time the forecast is prepared. In the subsequent years, the market prices are blended with the EIA's price forecast published in its most recent Annual Energy Outlook. The Henry Hub forward market prices are then adjusted to local delivered prices to KU and LG&E units using an average annual loss factor and a variable O&M charge per MMBtu, which also adjusts for average assumed basis differentials. For each station that uses natural gas for startup or online operations, a forecast of delivered natural gas prices is developed by adding transportation costs and a cost for pipeline losses to the forecast of Henry Hub prices.

#### 3.1.2.3 Oil Prices

A forecast of delivered oil prices is developed for coal units that use fuel oil for startup and for SCCTs that can use fuel oil for online operation as an alternative to natural gas. The fuel oil price forecast consists of market prices in the short term that are then interpolated to a long-term forecast. The

Companies' delivered oil price forecast first uses NYMEX New York Harbor #2 fuel oil monthly contract settled prices as far out in time as there is some market liquidity.

Long-term #2 fuel oil prices are developed by applying the historical relationship between New York Harbor #2 fuel oil and West Texas Intermediate ("WTI") oil prices to forecasted WTI prices derived from IHS Global Insight's latest 30-year macro forecast. To integrate the two forecast periods, the short-term market-based fuel oil price forecast is interpolated to the long-term regression-based price forecast. The forecasted #2 fuel oil prices are then multiplied by the historical average ratio of the Companies' fuel purchase price to the New York Harbor #2 fuel oil price to arrive at the Companies' delivered fuel oil purchase price forecast.

#### 3.1.2.4 Other Fuel-Related Inputs

Other fuel inputs include the fuel blend ratio, the quantity of startup fuel, the fuel's heat content, and fuel's $SO_2$ content.

- Fuel Blend Ratio – Trimble County 2 burns a blend of Illinois Basin coal and Powder River Basin coals. Because the prices of these coals are specified in separate forecasts in PROSYM, the fuel blend ratio determines the weighting that is used to compute the price of coal for Trimble County 2.
- Quantity of Startup Fuel – For each generating unit, the startup fuel quantity is the amount of fuel required to start the unit. These inputs are specified based on an analysis of historical data with input from plant management.
- Heat Content and $SO_2$ Content – Fuel heat and $SO_2$ contents are provided by the Corporate Fuels and By-products group.

### 3.1.3 Energy Requirements

PROSYM simulates the dispatch of the Companies' generating units to meet hourly energy requirements. The forecast of hourly energy requirements, which consists of native load sales and transmission and distribution losses, is developed by the Sales Analysis and Forecasting group. See the Electric Sales & Demand Forecast Process document for a discussion of the process used to develop the Companies' forecast of hourly energy requirements.

### 3.1.4 Market Inputs

Market inputs define the market in which the Companies operate. These inputs include spot hourly wholesale electricity prices, emission allowance prices, hourly OSS and economy purchase volume limits, and OSS and economy purchase price threshold values. Together, these inputs determine when the model should make economy purchases or OSS. Each of the market inputs is discussed in the following sections.

#### 3.1.4.1 Electricity Prices

A forecast of spot hourly electricity prices is developed to model the Companies' interactions with the electricity market. The Companies buy and sell electricity primarily with PJM through the PJM-South Import ("PJM-SI") interface / pricing point which is used in the planning process to represent the electricity market.[2] In the initial years, monthly forward market prices for PJM West Hub ("PJM-WH")[3] quoted by Intercontinental Exchange as of a specific recent quote date are used as a basis for

[2] The Companies also transact electricity with counterparties other than PJM. The Companies model PJM as a representative market, considering liquidity and availability of market data.
[3] The PJM market is used as a proxy for all markets available to the Companies because most of the Companies' off-system sales and purchases are expected to be transacted with the PJM market.

developing an hourly forecast of PJM-SI prices, reflecting the most current view of forward prices at the time the forecast was prepared.[4] In the subsequent years, the market prices are interpolated to a long-term PJM-WH forecast developed using EPIS's AuroraXMP software, a proprietary electricity market model. Monthly PJM-SI prices are derived by applying seasonal discount factors by peak type to the PJM-WH prices. The discount factors are based on historical ratios between actual PJM-SI and PJM-WH spot prices.

Monthly average PJM-SI prices are shaped to daily average prices by peak type by maintaining a correlation between the Companies' forecasted daily average energy and the forecasted daily average electricity price in each month, based on their historical correlation. This relationship serves as a proxy for the correlation between the daily load level in the PJM market and the corresponding daily average electricity price. The daily average prices are derived by multiplying the forecasted monthly average prices (by peak type) by a daily weighting that reflects the correlated variances between forecasted daily vs. average monthly loads and forecasted daily vs. average monthly electricity prices, based on historical observations. Hourly prices are then derived by multiplying the daily prices by hourly price multipliers that reflect the historical average ratios of hourly prices to daily prices by month and by peak type.

#### 3.1.4.2 Emission Allowance Prices

The dispatch cost for each unit includes the unit's fuel cost, variable O&M costs, and the cost of emission allowances. Emission allowance price forecasts are developed for $SO_2$, ozone seasonal $NO_x$, and annual $NO_x$ emission allowances. Initial prices reflect market prices as of a specific recent quote date for allowances under the Cross-State Air Pollution Rule. Longer-term prices reflect those in IHS Energy's most recent long-term planning scenario. No $CO_2$ emission allowance price assumptions are made for the Clean Power Plan because of the uncertainty regarding its future status.

#### 3.1.4.3 Hourly Off-System Sales and Purchase Volume Limits

The OSS and purchase limit inputs determine the maximum quantity (in MW) of OSS and economy purchases that can be made in any given hour. Since the volatility of available transmission capacity cannot be effectively modeled in PROSYM, limits on hourly OSS and economy purchases are used to align the volume of modeled OSS and economy purchase transactions with recent historical experience.

#### 3.1.4.4 Off-System Sales and Purchase Price Thresholds

When making an OSS or economy purchase, the Companies incur various costs related to the transaction. These costs are referred to as OSS and purchase "thresholds." OSS and purchase thresholds include the cost of transmission and transmission losses, independent system operator balancing charges, and a risk premium the Companies' Power Supply group uses to manage the uncertainty that exists between real-time prices and aggregated hourly (or settled) prices.

### 3.1.5 Resource Expansion Plan Inputs

The expansion plan inputs specify the timing and type of generation resources planned, if any, to be added to the Companies' generation portfolio to meet customers' need for energy and capacity. These generation resources can take the form of new generating units or power purchase agreements with a third-party provider. Generation resource inputs are discussed in Section 3.1.1.

[4] The quoted "off-peak wrap" forward prices for PJM-WH are split into off-peak (7x8) and weekend (2x16) peak types using historical ratios.

### 3.1.6 System Constraints

PROSYM enables the user to model a variety of physical constraints that exist within the Companies' transmission system and generation portfolio. These constraints are discussed in the following sections.

#### 3.1.6.1 Transmission Constraints

The Companies' transmission and distribution system is designed to deliver electricity from generation resources to load under a variety of circumstances. Despite the flexibility that is afforded the Companies, some constraints can occur in real time. For example, there are limits to the energy that can flow from LG&E to KU. PROSYM enables the Companies to model this and other transmission constraints.

#### 3.1.6.2 Spinning Reserve Requirements

As a NERC balancing area, the Companies are required to carry contingency reserves to ensure the reliability of the grid. To meet these obligations in a least-cost manner, the Companies are party to a reserve sharing agreement with TVA. By sharing reserves with TVA, the Companies are able to reduce the amount of contingency reserves they need to carry. In the current plan, the Companies need to maintain 250 MW of contingency reserves at all times. In addition, the Companies typically carry approximately 75 MW of regulating reserves to follow load fluctuations in real time. PROSYM models these reserve requirements.

#### 3.1.6.3 Off-System Sale Constraints

As a general rule, because hourly market prices can fluctuate, potential OSS margins from SCCTs do not justify the wear and tear associated with starting a unit in anticipation of potential OSS margins. Therefore, the Companies' SCCTs are generally only committed to meet customers' need for peak energy. For this reason, a constraint is modeled in PROSYM that reduces OSS by limiting modeled OSS when SCCTs are operating, which results in a proportion of OSS from SCCTs in line with historical volumes.

#### 3.1.6.4 Dispatch Order Rules

Dispatch order rules determine the order in which different types of generation resources are dispatched. The majority of generation resources are dispatched economically. However, curtailment of the Companies' CSR customers is limited to times when most or all other company-owned resources have been or are being dispatched. Likewise, the Companies' reserve sharing agreement gives the Companies limited and temporary access to emergency reserves that can only be dispatched after all other resources have been exhausted. The dispatch order rules enable the Companies to model these constraints.

## 3.2 Prepare Draft Generation Forecast

In the second part of the process used to develop the Companies' generation forecast, model inputs are loaded into PROSYM and PROSYM is used to prepare a draft generation forecast. PROSYM is a complex model, so extensive review takes place to ensure that the inputs are correctly loaded and that the model results are reasonable. An input variance analysis evaluates the impact of changing each input or group of related inputs to ensure that the associated output changes are reasonable. Then, various elements of the generation forecast are compared to historical trends for reasonableness. The input variance analysis and comparison of the forecast to history are discussed in more detail in the following sections.

### 3.2.1 Input Variance Analysis

The process of performing an input variance analysis begins with the previous year's generation forecast and is completed in steps. As each input or group of inputs is updated, PROSYM is used to create a new forecast. A comparison of forecast results in each step reveals the impact of changing each input (or group of related inputs) incrementally. The comparison of forecast results for each step includes a comparison of native load production costs, OSS margin, generation volumes, unit capacity factors, fuel burn, and other factors. In most cases, the change from the previous year's forecast to the current year's forecast is explained primarily by a limited number of factors. Despite this fact, the impact of all input changes is evaluated carefully. If the impact of a change is not deemed reasonable, the model inputs are adjusted and the process is repeated.

### 3.2.2 Comparison of Forecast to History

The goal of the generation forecasting process is to produce the most accurate forecast possible. In addition to the input variance analysis, numerous elements of the forecast are compared to historical trends to further assess the reasonableness of the forecast. In many cases, the forecast should be consistent with historical trends. When this is not the case, it is important to ensure that forecasted deviations from historical trends are reasonable. The following is a sample of forecast elements that are compared to historical data.

- Annual/monthly/hourly generation by generation resource
- Annual/monthly fuel burn by generation resource
- Annual startup fuel by generation resource
- Annual SCCT starts/run hours
- Annual/monthly/hourly OSS volumes by peak type
- Annual/monthly/hourly OSS margin by peak type
- Annual/monthly/hourly economy purchase volumes by peak type
- Annual $SO_2$/$NO_x$ emissions
- Annual/monthly capacity factor by generation resource
- Annual/monthly intercompany transaction volumes
- Annual/monthly dispatch order

## 3.3 Review

In the third part of the process used to develop the Companies' generation forecast, the results of the forecast are reviewed by other departments. This review process ensures that the forecast considers feedback from a broad range of perspectives.

The following groups are primary consumers of the forecast results and review various elements of the forecast to help ensure that the results are reasonable:

- Corporate Fuels and By-products: The Corporate Fuels and By-Products group reviews the fuel burn forecast by generating station and fuel type.
- Power Supply: The Power Supply group reviews the forecasts of OSS margin, OSS volumes, and economy purchase volumes by peak type.
- Plant Management: Plant managers review the forecasts of generation by station and fuel type.

## 3.4 Deliverables

After forecast reviews are completed, the forecast deliverables are distributed to the groups within the company who use the forecast to prepare financial budgets. The following is a list of key deliverables:

- Generation Forecast
- Fuel Burn Forecast
- Fuel Expense Forecast
- OSS Margin Forecast
- Emissions Forecast

# 2019 Business Plan: Coal Inventory Limits and Generation & OSS Forecast


**Generation Planning & Analysis**
**June 14, 2018**

Case Nos. 2018-00294 and 2018-00295
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# Coal Inventory Limits

# No proposed changes to coal inventory limits in the 2019 Plan

| | 2018 BP | | | | 2019 BP | | | | Increase (Decrease) | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Min | | Max | | Min | | Max | | Min | | Max | |
| | Tons (000) | Days | Tons (000) | Days | Tons (000) | Days | Tons (000) | Days | Tons (000) | Days | Tons (000) | Days |
| Ghent | 425 | 20 | 810 | 38 | 425 | 20 | 810 | 38 | 0 | 0 | 0 | 0 |
| Mill Creek | 290 | 20 | 600 | 41 | 290 | 20 | 600 | 41 | 0 | 0 | 0 | 0 |
| Trimble | 250 | 21 | 520 | 43 | 250 | 21 | 520 | 43 | 0 | 0 | 0 | 0 |
| Brown | 130 | 30 | 250 | 57 | 130 | 30 | 250 | 57 | 0 | 0 | 0 | 0 |
| **System** | **1,095** | **21** | **2,180** | **42** | **1,095** | **21** | **2,180** | **42** | **0** | **0** | **0** | **0** |

- Waiver requirements are based on highlighted inventory limits
- Non-highlighted values are guidelines to be used within the Fuels group
- Brown's limits reflect BR 1-2 retirement on Feb. 28, 2019

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# Generation & OSS Forecast

# 2019 BP Summary

- Compared to the 2018 BP, native load production costs ($/MWh) are notably lower in the 2019 BP; OSS contribution is higher in 2019 and lower in 2020-2022
  - Lower fuel prices, market electricity prices, and load drive differences throughout planning period

| Native Load Production Costs[1] ($/MWh) | 2019 | 2020 | 2021 | 2022 | 2023 | CAGR |
|---|---|---|---|---|---|---|
| 2018 BP[2] | 22.93 | 22.88 | 23.43 | 24.52 | 25.42 | 2.6% |
| 2019 BP | 22.46 | 22.57 | 23.07 | 23.70 | 24.21 | 1.9% |

| OSS Contribution (100%, $M) | 2019 | 2020 | 2021 | 2022 | 2023 |
|---|---|---|---|---|---|
| 2018 BP | 1.0 | 2.4 | 4.2 | 5.1 | 6.8 |
| 2019 BP | 2.0 | 1.9 | 3.6 | 4.6 | 6.9 |

1) Includes variable fuel costs, consumables, purchases, and variable PPA costs

2) 2018 BP numbers have been adjusted to reflect exclusion of fixed coal transportation costs to better align with dispatched costs

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# Key planning assumptions & inputs

- Load, fuel prices, and electricity prices are generally lower Plan-over-Plan

| Plan-over-Plan Change (%) | 2019 | 2020 | 2021 | 2022 | 2023 |
|---|---|---|---|---|---|
| Native Load | -0.5% | -0.5% | -0.5% | -0.6% | -0.7% |
| Gas Prices (LKE Wgt Avg)[1] | -3.9% | -4.8% | -6.1% | -8.6% | -11.1% |
| Electricity Prices (PJM-SI ATC) | 4.8% | -5.5% | -5.4% | -5.4% | -5.4% |
| Coal Prices (LKE Wgt Avg)[1] | -0.9% | -0.3% | 0.3% | -1.6% | -2.1% |

1) Fuel prices reflect variable delivered costs inclusive of contracted volumes

- Brown 1-2 are assumed to retire February 28, 2019
- Coal generating units are assumed to have a 65-year life for planning purposes

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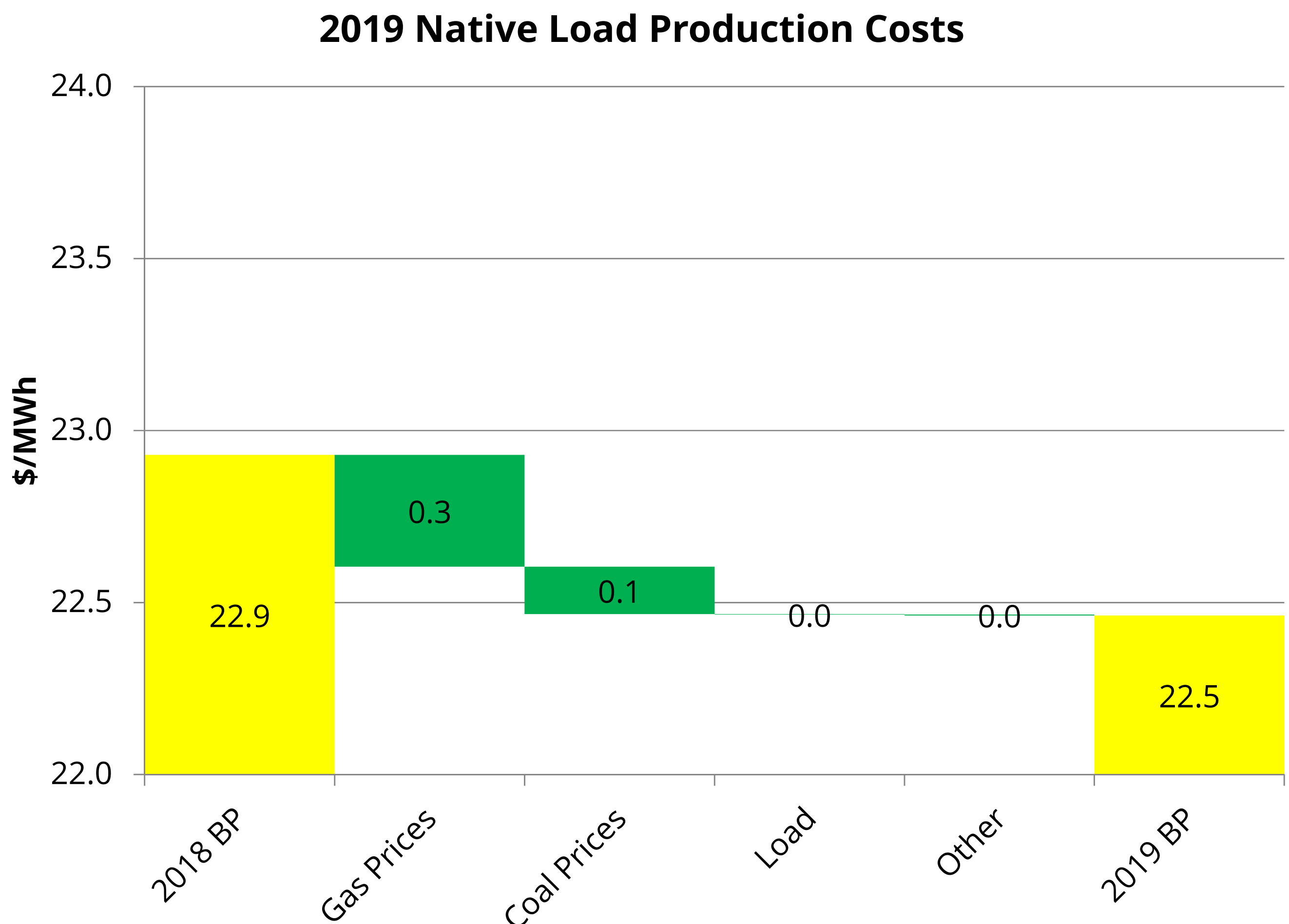
# In 2019-2021, lower gas prices drive lower production costs



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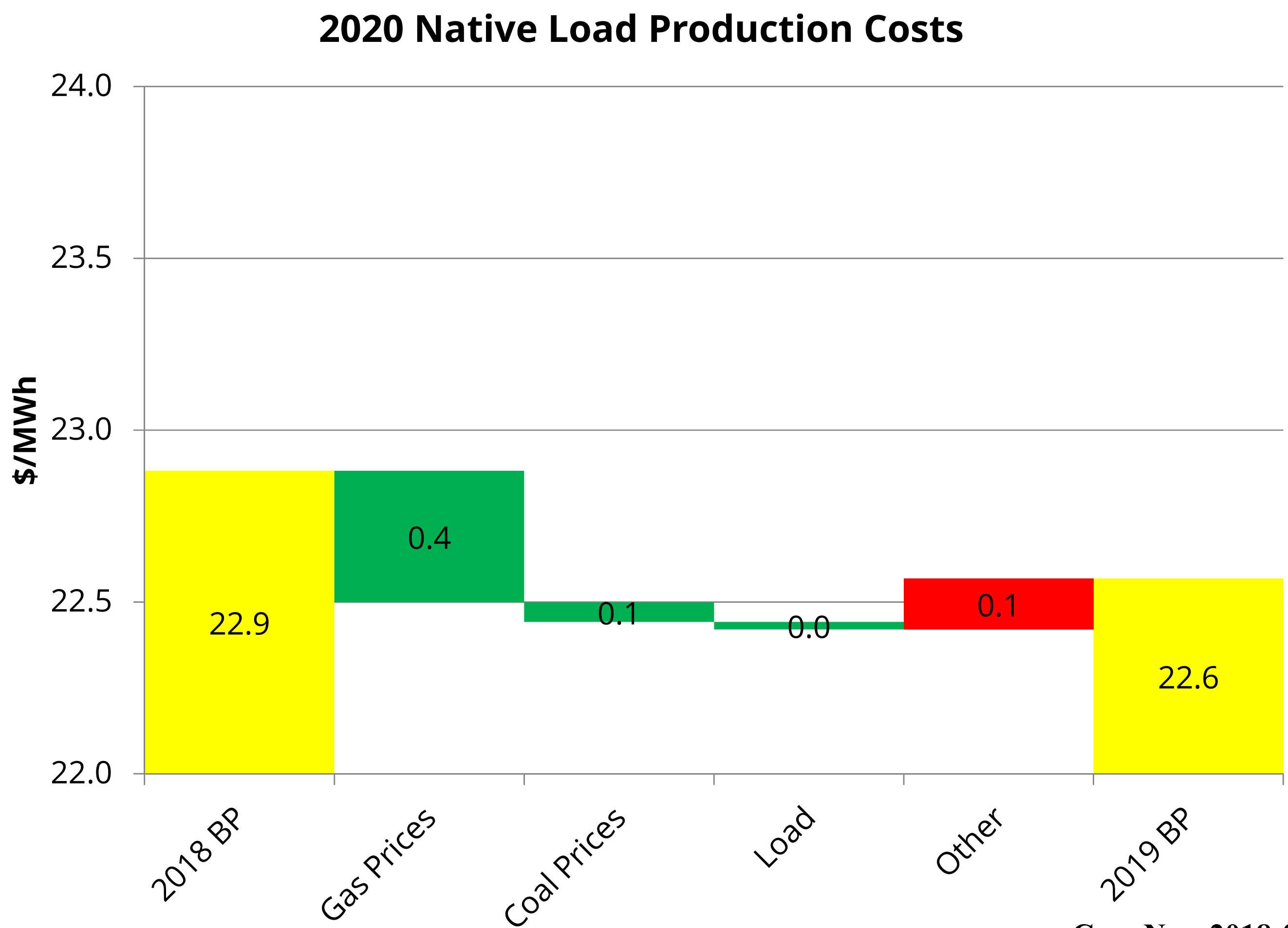
# In 2019-2021, lower gas prices drive lower production costs

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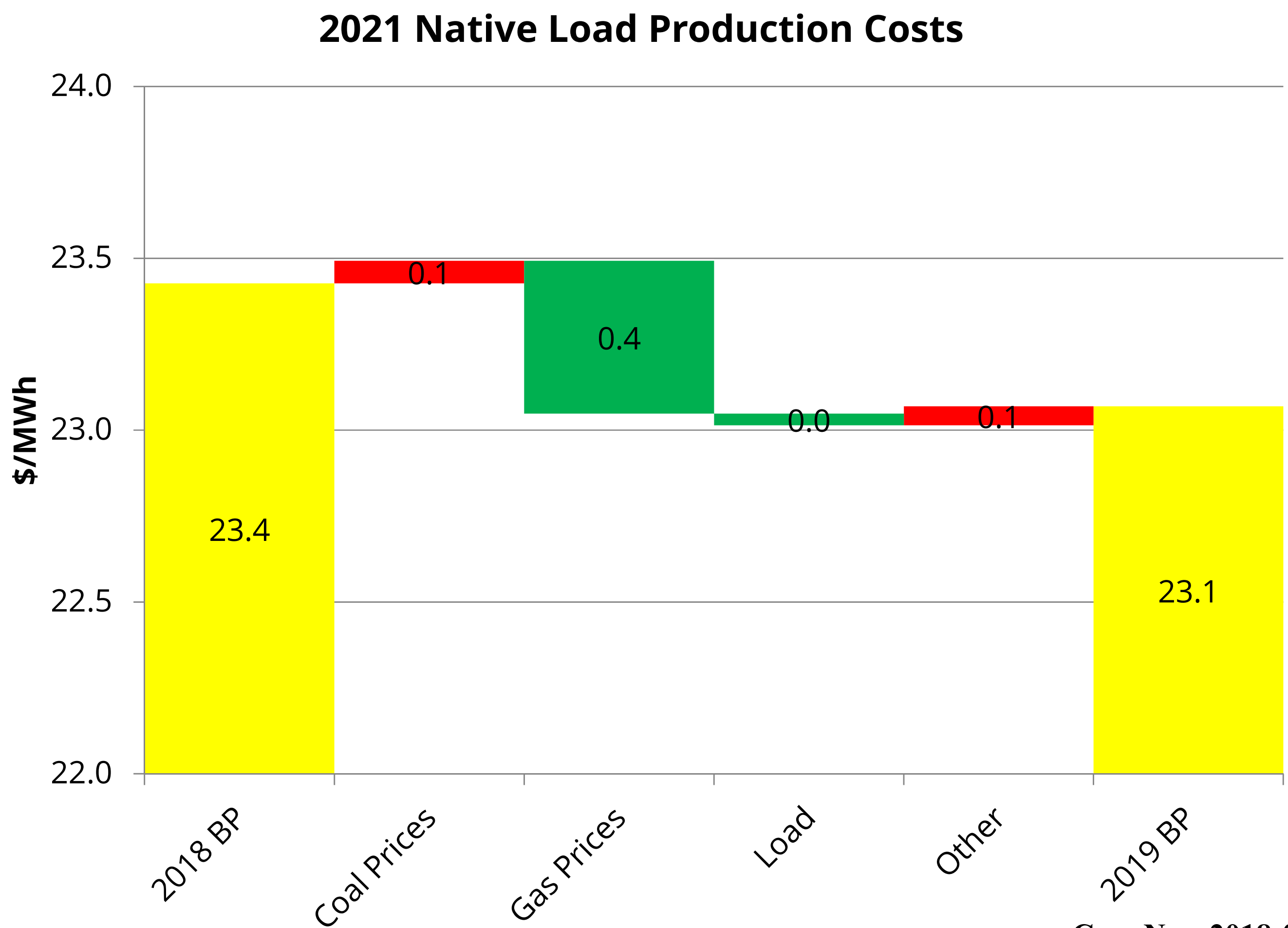
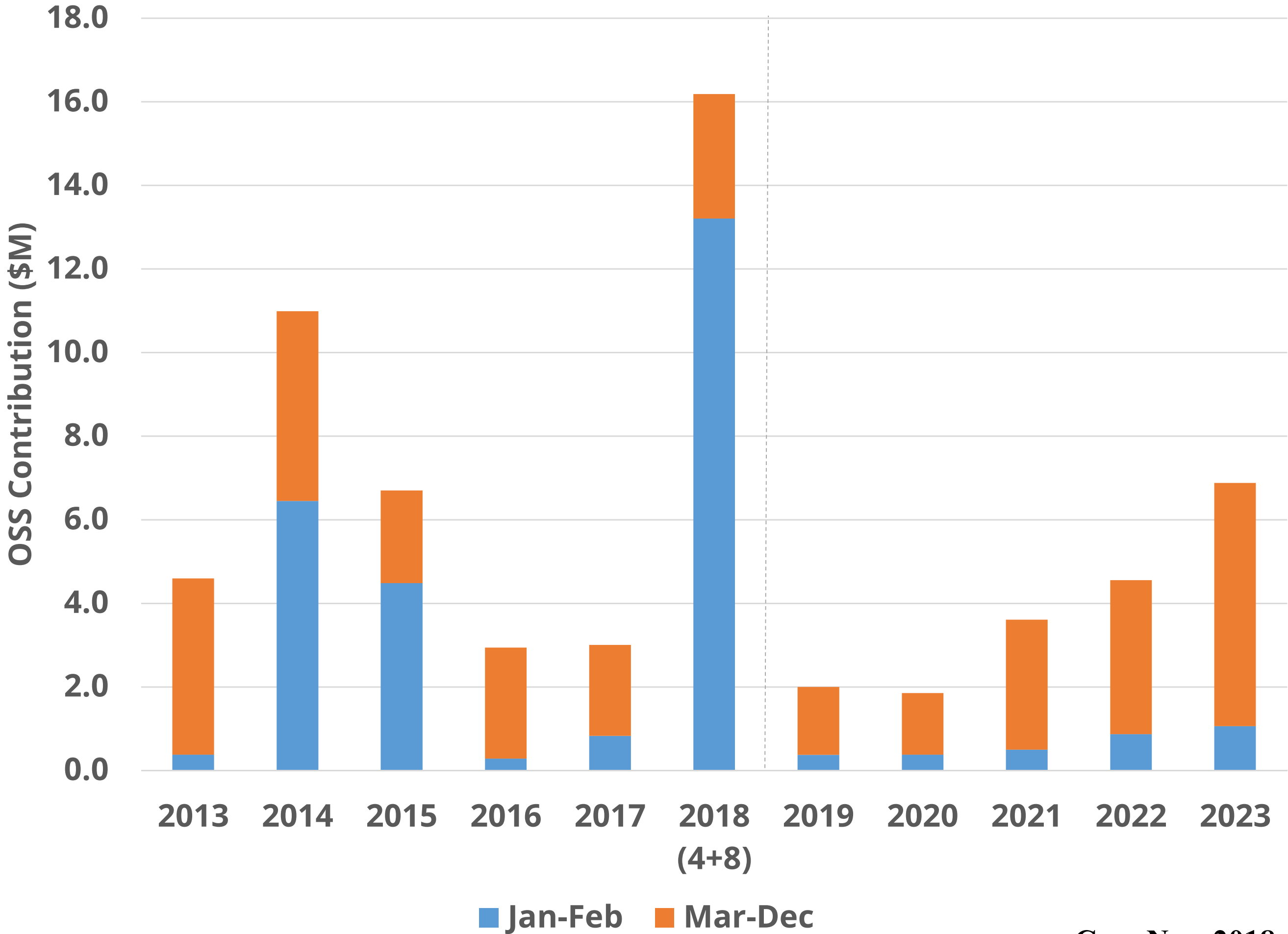
# In 2019-2021, lower gas prices drive lower production costs



# Higher OSS in 2014, 2015, and 2018 was result of extreme winter conditions; forecasted OSS reflect normal weather

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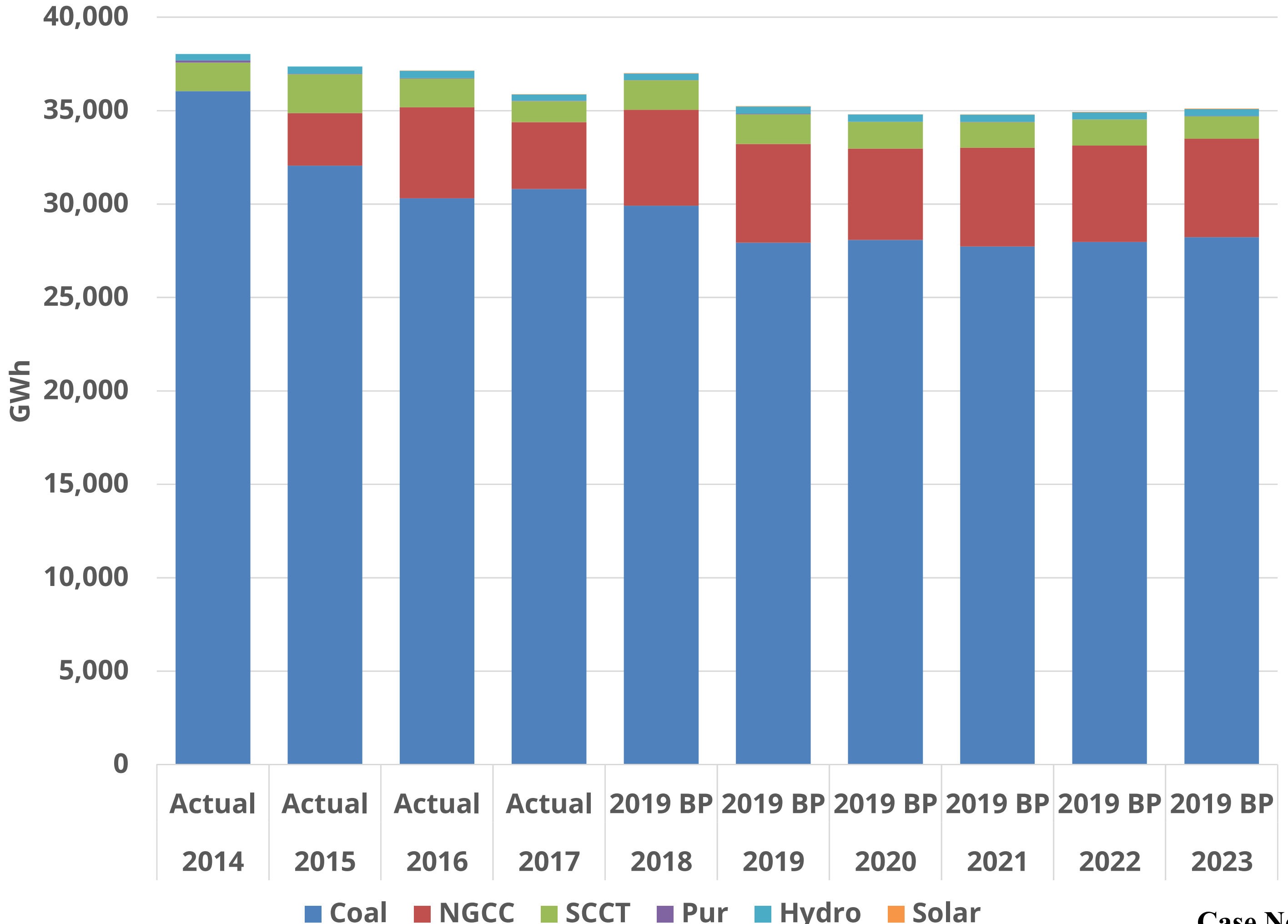
# Energy mix in generating portfolio expected to remain consistent throughout the planning period




| Year | Coal % |
|---|---|
| 2014 | 95% |
| 2015 | 86% |
| 2016 | 82% |
| 2017 | 86% |
| 2018 | 81% |
| 2019 | 79% |
| 2020 | 81% |
| 2021 | 80% |
| 2022 | 80% |
| 2023 | 80% |

2019 BP in 2018: 4 + 8

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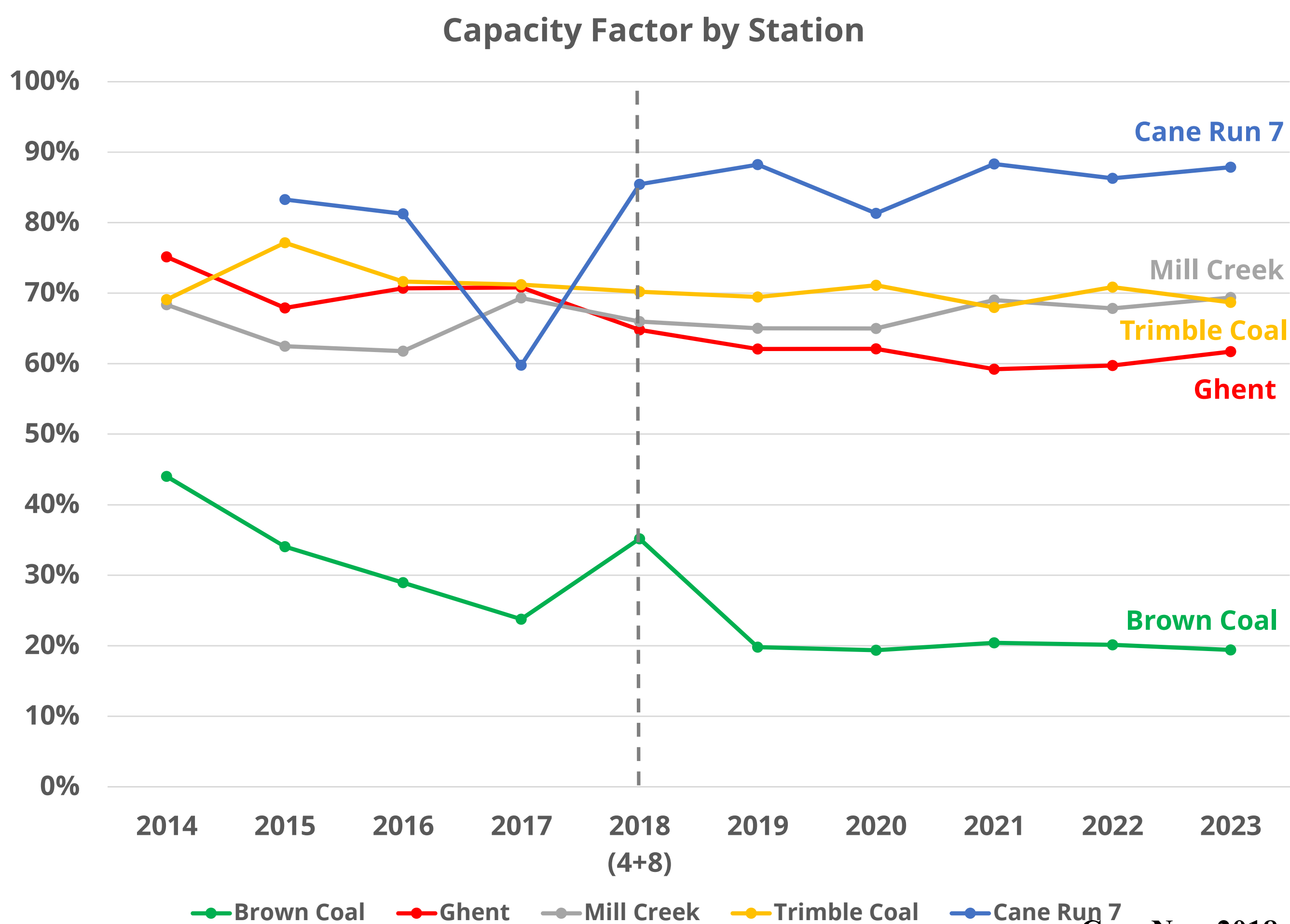
# Capacity factor by station

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# Summer reserve margin is 23% to 24% after retirement of Brown 1-2

**Combined Company**
**Summer Reserve Margin Needs (MW)**
**based on 2019 Business Plan Load Forecast**

| | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 |
|---|---|---|---|---|---|---|---|---|---|---|
| Peak Load before DSM | 6,703 | 6,688 | 6,674 | 6,657 | 6,653 | 6,657 | 6,661 | 6,679 | 6,680 | 6,679 |
| Direct Load Control (DLC)[1] | -96 | -91 | -87 | -84 | -80 | -77 | -73 | -70 | -67 | -64 |
| Other DSM | -247 | -236 | -236 | -236 | -236 | -236 | -236 | -236 | -236 | -236 |
| Net Peak Load | 6,360 | 6,361 | 6,350 | 6,338 | 6,338 | 6,345 | 6,352 | 6,373 | 6,377 | 6,379 |
| Existing Capability[2] | 7,987 | 7,987 | 7,987 | 7,988 | 7,988 | 7,989 | 7,989 | 7,989 | 7,989 | 7,989 |
| Retirements | -272 | -272 | -286 | -286 | -286 | -286 | -286 | -286 | -286 | -286 |
| CSR[3] | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 |
| Total Supply | 7,856 | 7,856 | 7,842 | 7,843 | 7,843 | 7,844 | 7,844 | 7,844 | 7,844 | 7,844 |
| MW Margin | 1,495 | 1,495 | 1,491 | 1,505 | 1,505 | 1,499 | 1,492 | 1,471 | 1,466 | 1,464 |
| **Reserve Margin %** | **23.5%** | **23.5%** | **23.5%** | **23.7%** | **23.7%** | **23.6%** | **23.5%** | **23.1%** | **23.0%** | **23.0%** |

1) DLC reflects expected capacity under average peak weather conditions
2) Includes OVEC
3) CSR reflects expected hourly curtailment, which differs from contracted curtailable load

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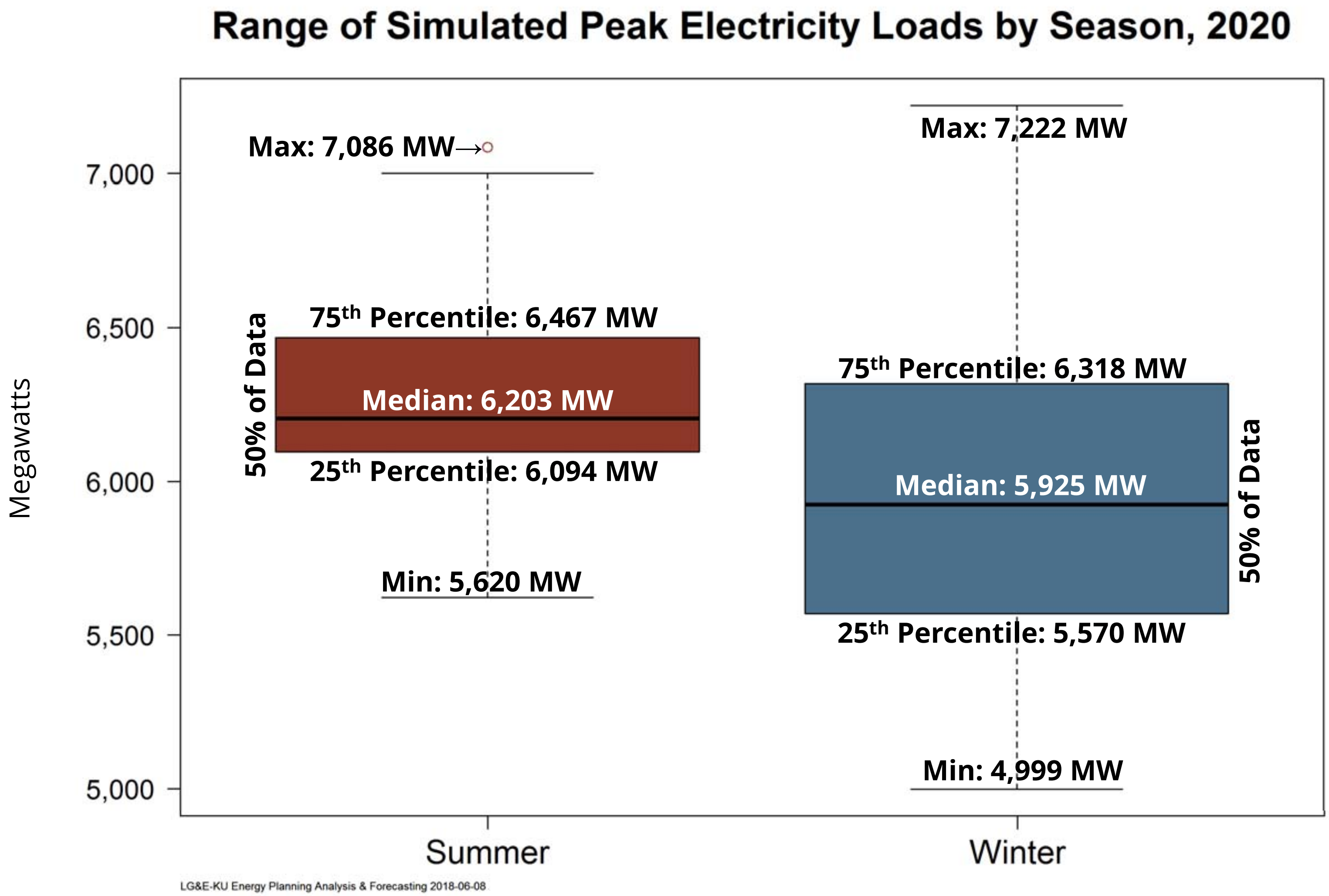
# Volatility of winter peaks results in higher winter reserve margin need relative to summer

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# Winter reserve margin is 33% to 37% after retirement of Brown 1-2; winter reserve margin target based on 1-in-10 LOLE standard is above 30%

**Combined Company**
**Winter Reserve Margin Needs (MW)**
**based on 2019 Business Plan Load Forecast**

| | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 |
|---|---|---|---|---|---|---|---|---|---|---|
| Net Peak Load | 6,220 | 5,972 | 5,975 | 5,970 | 5,966 | 5,966 | 5,957 | 5,948 | 5,949 | 5,954 |
| Existing Capability[1,2] | 8,425 | 8,253 | 8,253 | 8,261 | 8,261 | 8,086 | 8,279 | 8,279 | 8,279 | 8,279 |
| Retirements | 0 | -275 | -291 | -291 | -291 | -291 | -291 | -291 | -291 | -291 |
| CSR[3] | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 |
| Total Supply | 8,566 | 8,119 | 8,103 | 8,111 | 8,111 | 7,936 | 8,129 | 8,129 | 8,129 | 8,129 |
| MW Margin | 2,346 | 2,147 | 2,128 | 2,141 | 2,144 | 1,969 | 2,172 | 2,180 | 2,180 | 2,175 |
| **Reserve Margin %** | **37.7%** | **35.9%** | **35.6%** | **35.9%** | **35.9%** | **33.0%** | **36.5%** | **36.7%** | **36.6%** | **36.5%** |

1) Includes OVEC and Bluegrass PPA; Bluegrass PPA expires on 4/30/2019
2) Reflects expected hot gas path maintenance outage for Paddy's Run 13 in 2024, which will make unit unavailable for that winter
3) CSR reflects expected hourly curtailment, which differs from contracted curtailable load

# CSAPR II update

- $NO_x$ emission rates are reflective of collaborative plan developed during 2017 BP
  - $NO_x$ targets are being reviewed given updates since 2017 BP (lower load, lower gas prices, Brown 1-2 retirement); changes not anticipated for 2019 BP

- Current forecasts yield $NO_x$ emissions above annual allowance allocations in near term (but well within banked volumes), and within allocations in long term

# Key takeaways

- Lower native load costs yields lower costs for ratepayers
  - Projected production cost savings of $10-40M per year vs. 2018 BP
- Load forecast is flat; absent additional unit retirements or significant load growth, no need for new capacity
- CSAPR II compliance plan appears manageable through collaborative effort
  - Monitoring Jefferson County NAAQS attainment plan
- Cane Run 7 projected to be dispatched at a high capacity factor with low gas prices
- No expected impact to generation portfolio over the planning period due to future federal regulations

# Appendix

# 2019 BP – Assumptions

- Modeled EFOR and MOR assumptions are based on historical values ('target' EFORs will continue to be the basis for KPI reporting)

- Retirements / expansion plan:
  - Bluegrass PPA (165 MW): May 2015 – April 2019
  - Brown 1-2 assumed to retire February 28, 2019
  - No expansion units planned at this time
  - Coal generating units are assumed to have a 65-year life for planning purposes

- Turbine overhaul schedule:
  - 2019: GH2, MC3, MC1, BR3
  - 2020: GH4
  - 2021: GH1
  - 2022: MC4
  - 2023: N/A

# Coal generating units are assumed to have a 65-year life for planning purposes

| Unit | Retirement w/ 65-Year Planning Assumption |
|---|---|
| Brown 1 | 2022[1] |
| Brown 2 | 2028[1] |
| Brown 3 | 2036 |
| Mill Creek 1 | 2037 |
| Ghent 1 | 2039 |
| Mill Creek 2 | 2039 |
| Ghent 2 | 2042 |
| Mill Creek 3 | 2043 |
| Ghent 3 | 2046 |
| Mill Creek 4 | 2047 |
| Ghent 4 | 2049 |
| Trimble County 1 | 2055 |
| Trimble County 2 | 2076 |

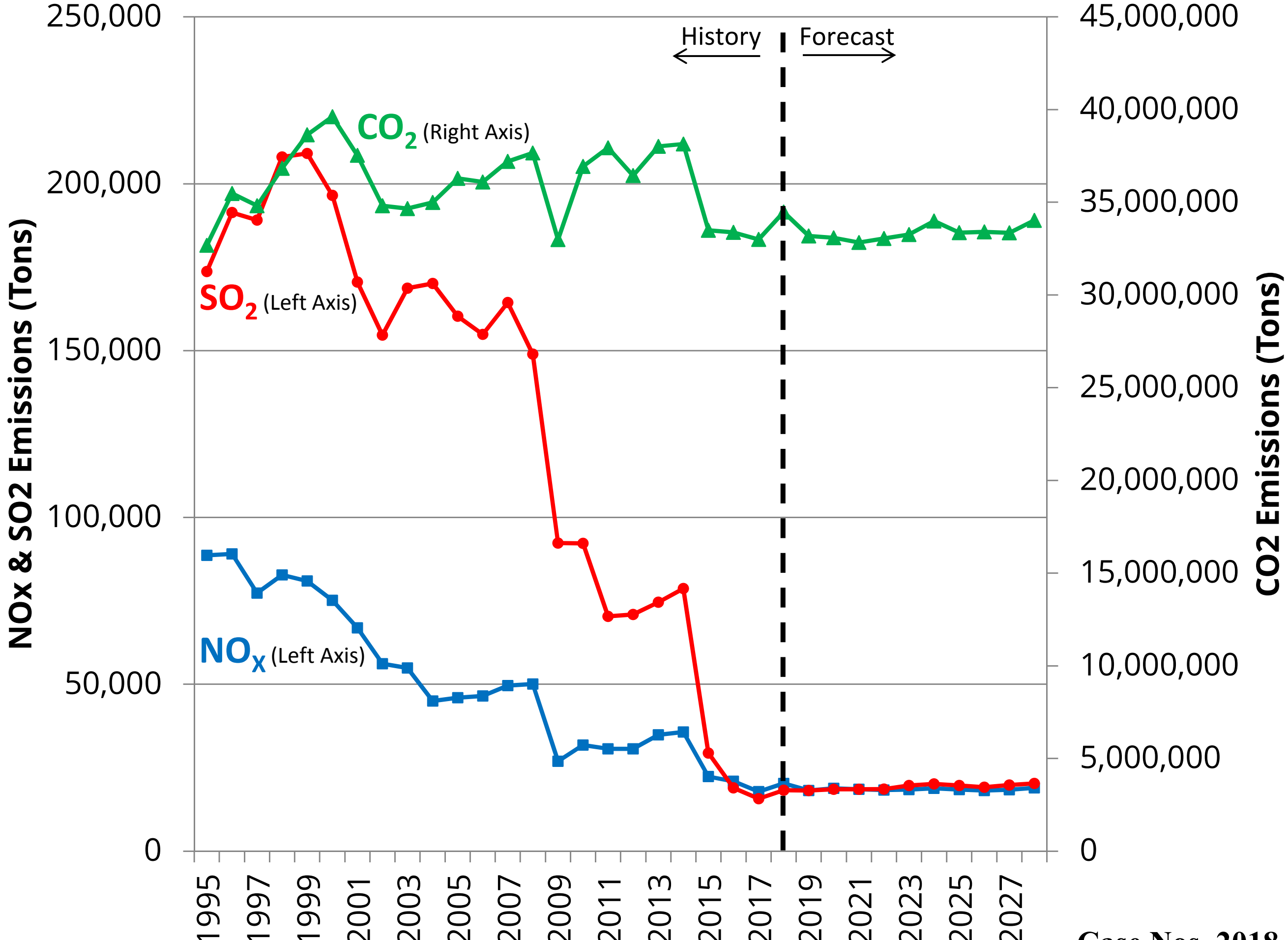
1) Brown 1-2 are assumed to retire on February 28, 2019 in the 2019 BP

# Allowance price assumptions

**CSAPR Emission Allowance Prices ($/ton emitted)**

| Year | Annual $NO_x$ | Seasonal $NO_x$ | $SO_2$ |
|---|---|---|---|
| 2019 | 2 | 84 | 1 |
| 2020 | 2 | 26 | 2 |
| 2021 | 2 | 66 | 2 |
| 2022 | 8 | 338 | 99 |
| 2023 | 6 | 218 | 46 |
| 2024 | 5 | 198 | 21 |
| 2025 | 4 | 180 | 10 |
| 2026 | 2 | 164 | 4 |
| 2027 | 1 | 149 | 2 |
| 2028 | 0 | 135 | 0 |

# Emissions have decreased with addition of controls

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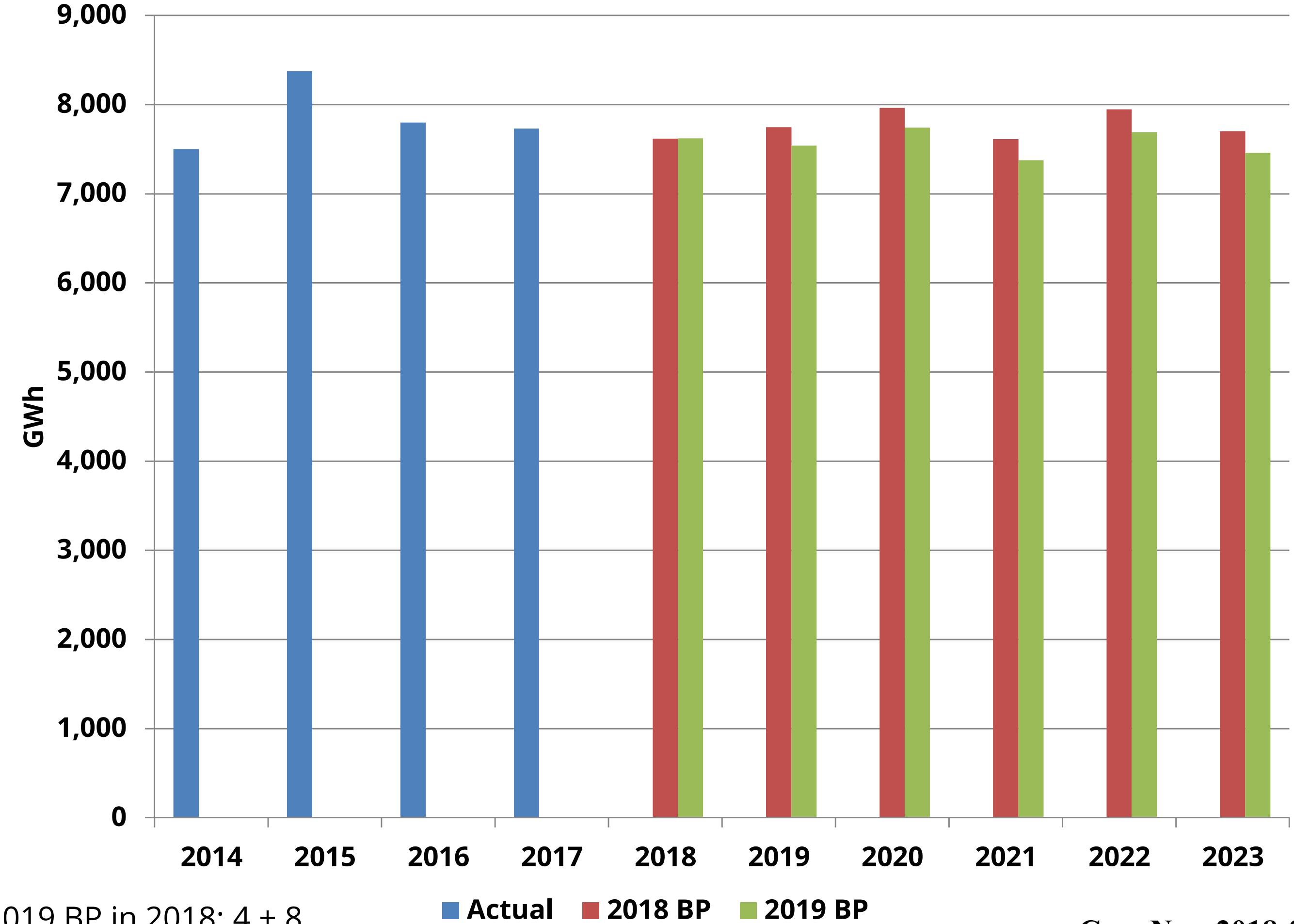
# Trimble coal generation is lower mostly due to higher VOM consumables and updates to maintenance outage rates




2019 BP in 2018: 4 + 8
100% TC



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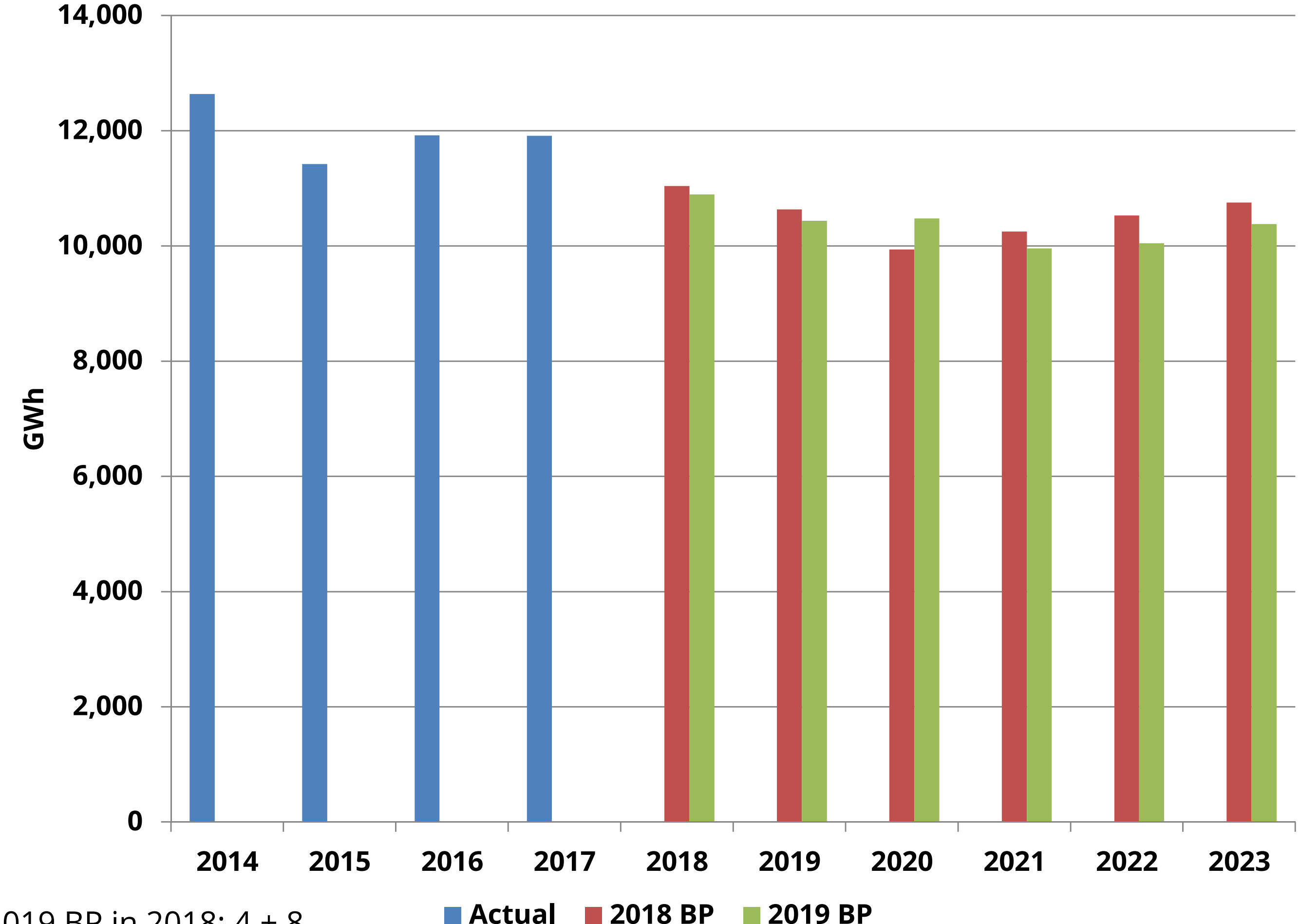
# Ghent generation is lower mostly due to lower load, updated heat rates, and lower gas prices, but increases in 2020 due to favorable coal prices




2019 BP in 2018: 4 + 8

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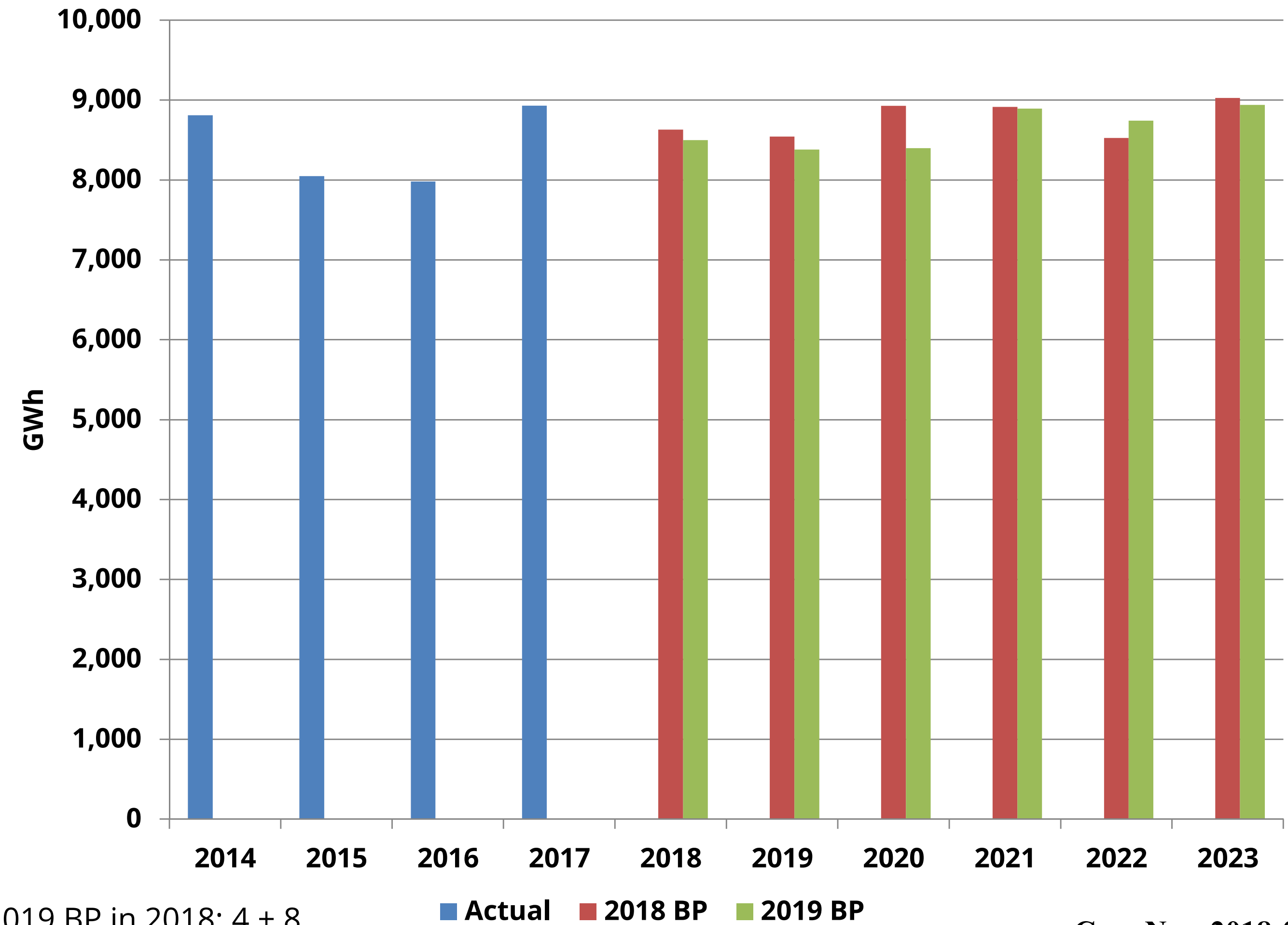
# Mill Creek generation is lower in 2020, but higher in 2022-2023 mostly due to changes in coal prices




2019 BP in 2018: 4 + 8



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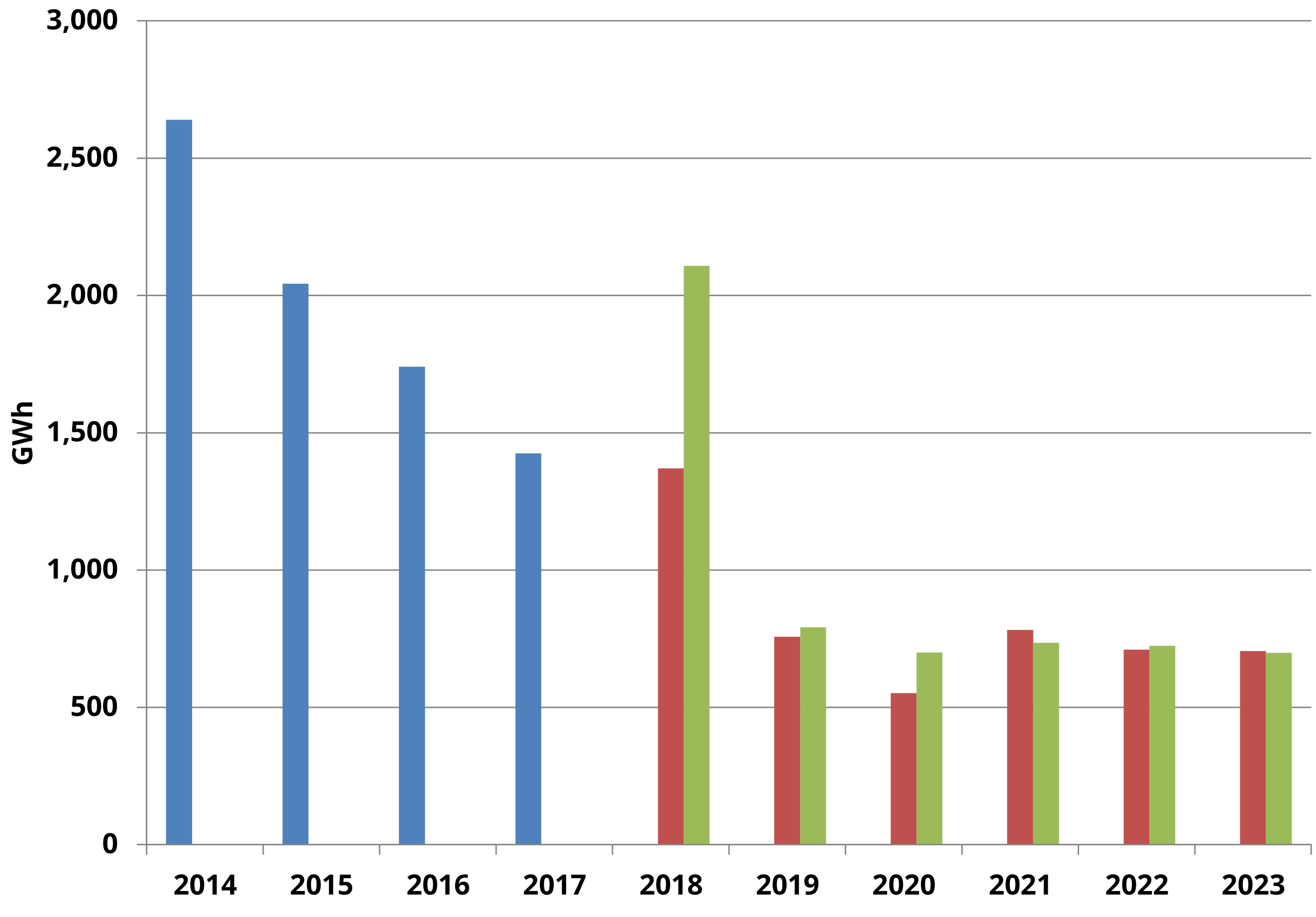
# Brown coal generation reflects fairly consistent generation after Brown 1-2 retirement




2019 BP in 2018: 4 + 8

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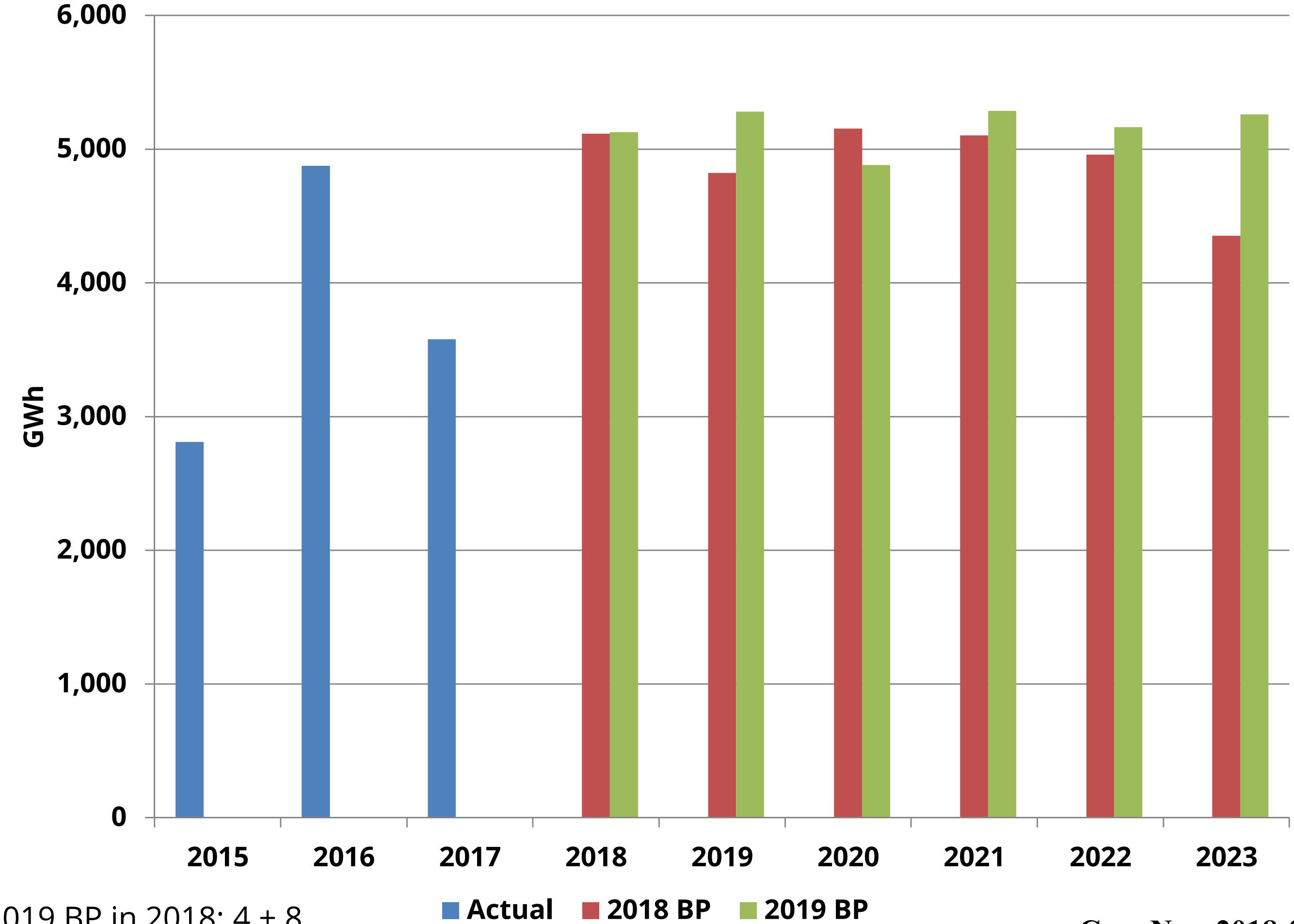
# Cane Run 7 projected to be dispatched at a high capacity factor given expected gas prices; forecast changes reflect changes to planned maintenance




2019 BP in 2018: 4 + 8
CR7 commissioned in June 2015



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# SCCT generation adjusted to better reflect historical allocation across stations

**CT Generation *(GWh)***

| | ACTUAL | | | | (4+8) | 2019 BP | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
| BR5, 8-11 | 124 | 430 | 466 | 179 | 176 | 238 | 193 | 182 | 177 | 133 |
| BR6, 7 | 383 | 367 | 55 | 44 | 258 | 184 | 162 | 184 | 226 | 145 |
| PR13 | 104 | 181 | 99 | 64 | 108 | 148 | 135 | 120 | 112 | 92 |
| TC5-10 | 893 | 1,001 | 855 | 771 | 986 | 1,000 | 945 | 883 | 872 | 833 |
| | **1,504** | **1,979** | **1,475** | **1,058** | **1,529** | **1,569** | **1,435** | **1,368** | **1,387** | **1,204** |

| 2018 BP | | | | |
|---|---|---|---|---|
| **1,710** | **1,456** | **1,333** | **1,384** | **1,511** |

**CT Starts *(# starts)***

| | ACTUAL | | | | (4+8) | 2019 BP | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
| BR5, 8-11 | 150 | 384 | 399 | 205 | 189 | 204 | 214 | 167 | 184 | 161 |
| BR6, 7 | 207 | 97 | 51 | 43 | 95 | 108 | 117 | 125 | 168 | 129 |
| PR13 | 68 | 124 | 91 | 69 | 84 | 140 | 144 | 112 | 114 | 83 |
| TC5-10 | 674 | 563 | 639 | 497 | 643 | 757 | 801 | 775 | 754 | 705 |
| | **1,099** | **1,168** | **1,180** | **814** | **1,011** | **1,209** | **1,276** | **1,179** | **1,220** | **1,078** |

| 2018 BP | | | | |
|---|---|---|---|---|
| **1,431** | **1,330** | **1,270** | **1,199** | **1,334** |

**CT Generation (GWh)/Start**

| | ACTUAL | | | | (4+8) | 2019 BP | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
| BR5, 8-11 | 0.8 | 1.1 | 1.2 | 0.9 | 0.9 | 1.2 | 0.9 | 1.1 | 1.0 | 0.8 |
| BR6, 7 | 1.9 | 3.8 | 1.1 | 1.0 | 2.7 | 1.7 | 1.4 | 1.5 | 1.3 | 1.1 |
| PR13 | 1.5 | 1.5 | 1.1 | 0.9 | 1.3 | 1.1 | 0.9 | 1.1 | 1.0 | 1.1 |
| TC5-10 | 1.3 | 1.8 | 1.3 | 1.6 | 1.5 | 1.3 | 1.2 | 1.1 | 1.2 | 1.2 |
| | **1.4** | **1.7** | **1.2** | **1.3** | **1.5** | **1.3** | **1.1** | **1.2** | **1.1** | **1.1** |

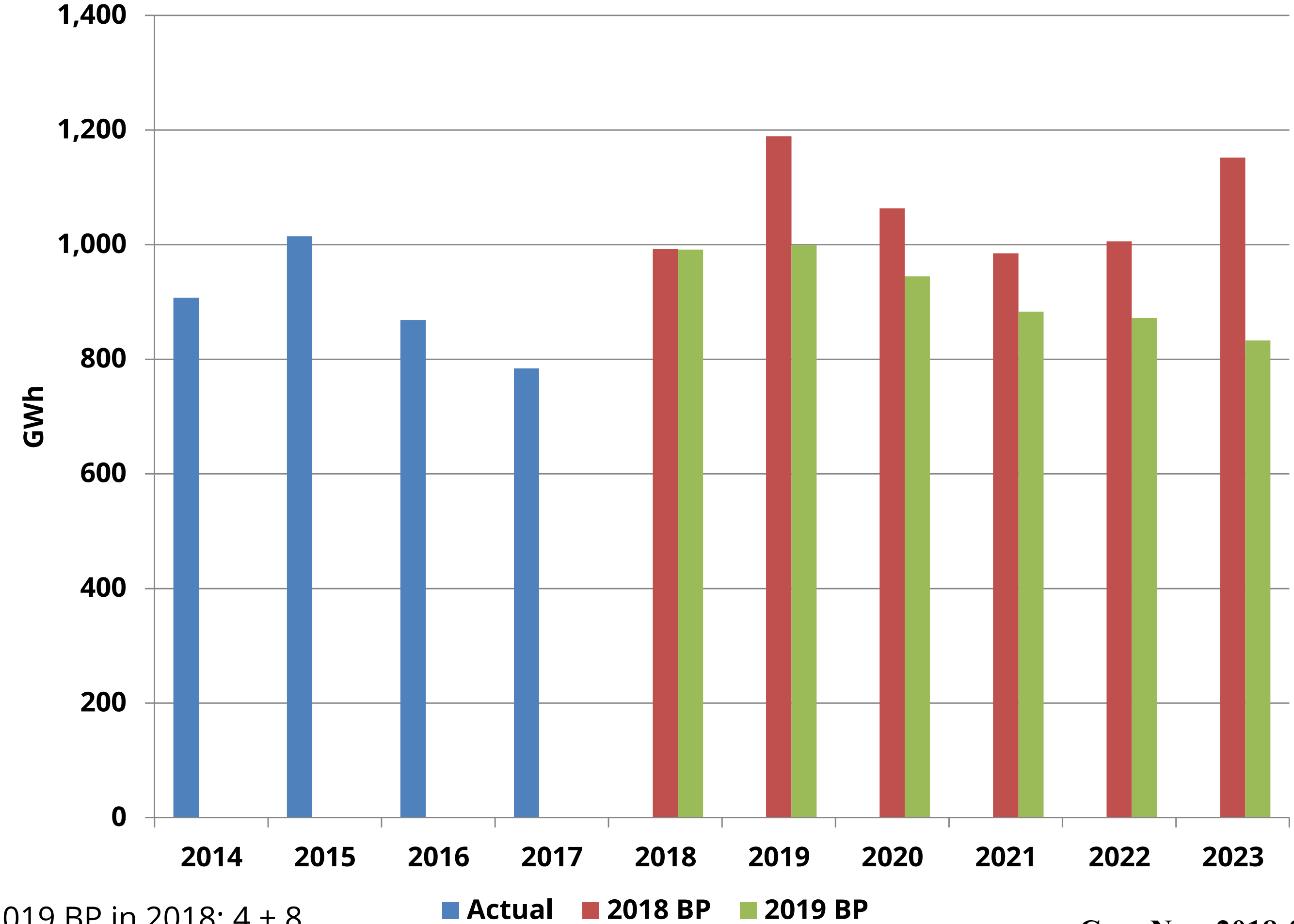
| 2018 BP | | | | |
|---|---|---|---|---|
| **1.2** | **1.1** | **1.0** | **1.2** | **1.1** |

**CT Run Hours/Start**

| | ACTUAL | | | | (4+8) | 2019 BP | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
| BR5, 8-11 | 15.1 | 13.9 | 13.2 | 9.9 | 13.6 | 16.8 | 13.0 | 14.8 | 12.9 | 11.2 |
| BR6, 7 | 18.7 | 29.0 | 8.9 | 8.2 | 20.3 | 11.6 | 9.5 | 10.1 | 9.3 | 7.8 |
| PR13 | 12.0 | 10.9 | 8.1 | 8.1 | 9.7 | 7.1 | 6.4 | 7.0 | 6.6 | 7.4 |
| TC5-10 | 13.4 | 12.6 | 10.2 | 12.5 | 11.3 | 8.3 | 7.4 | 7.2 | 7.3 | 7.5 |
| | **14.5** | **14.2** | **11.0** | **11.3** | **12.4** | **9.9** | **8.4** | **8.6** | **8.3** | **8.1** |

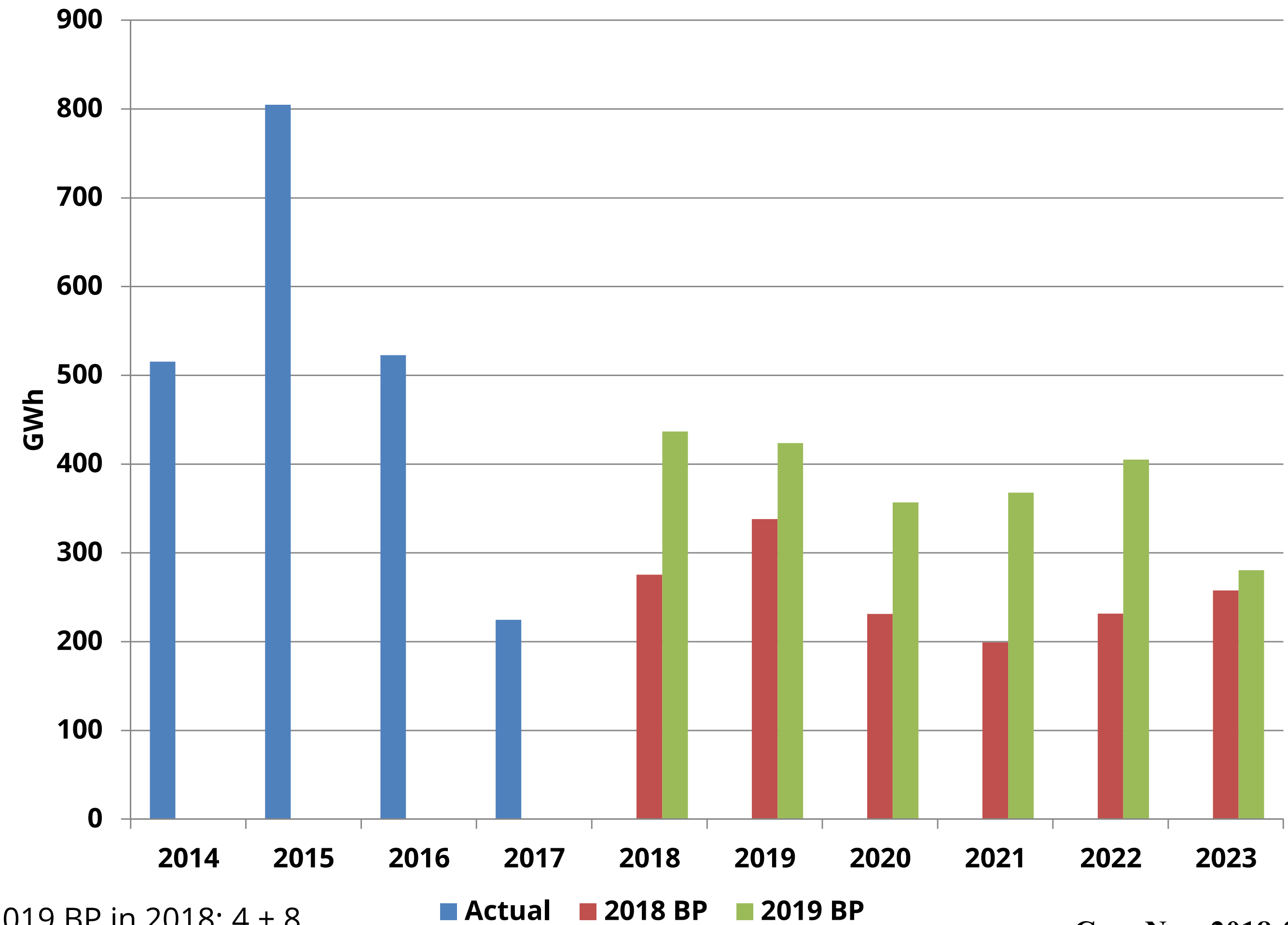
| 2018 BP | | | | |
|---|---|---|---|---|
| **9.1** | **8.3** | **7.9** | **8.9** | **8.9** |

# Trimble CT generation is displaced by higher generation from Brown CTs and is more reflective of recent history




2019 BP in 2018: 4 + 8

# Higher Brown CT generation displaces Trimble and Paddy's Run generation and is more reflective of recent history




2019 BP in 2018: 4 + 8



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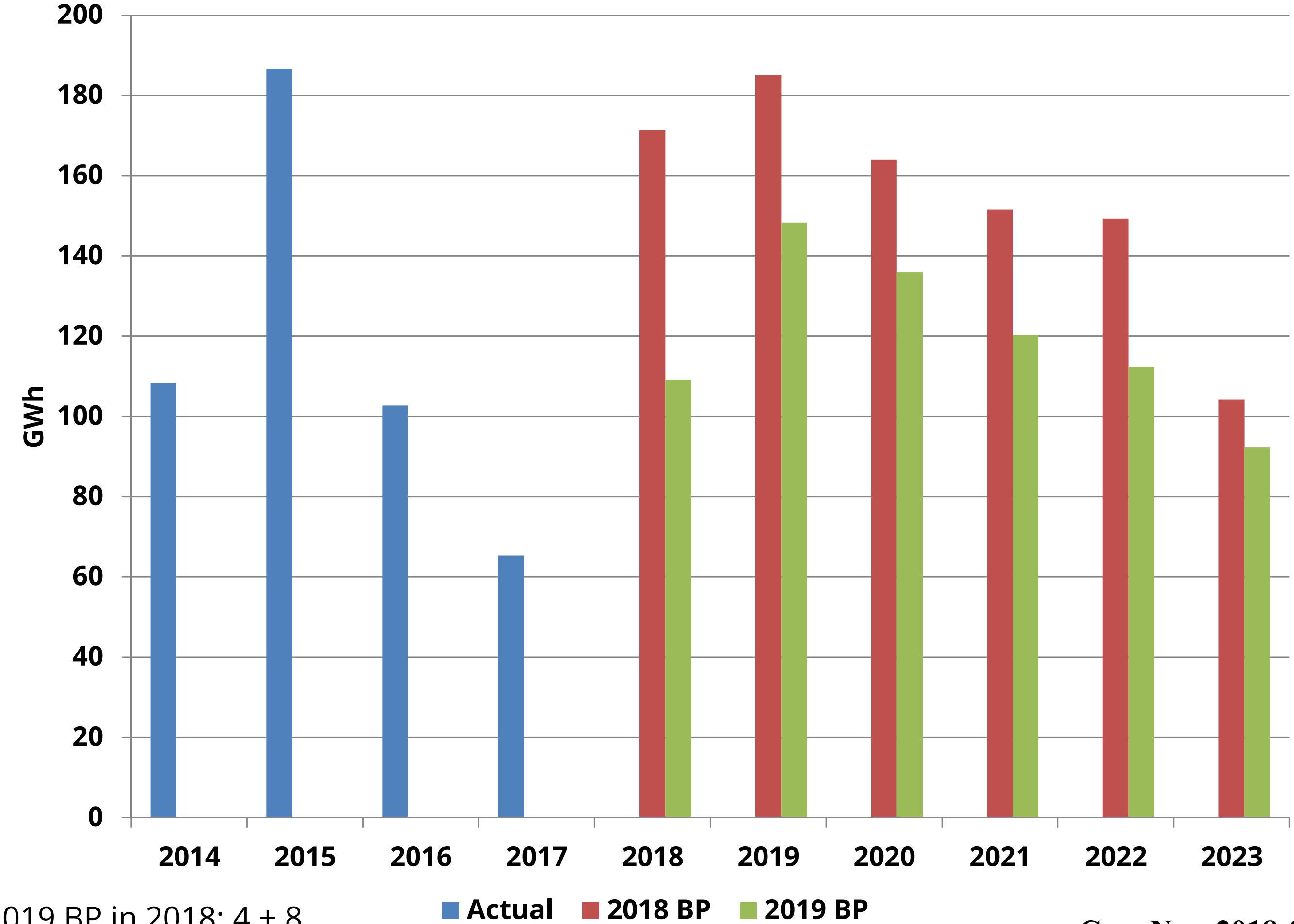
# Paddy's Run generation is displaced by higher generation from Brown CTs and is more reflective of recent history




2019 BP in 2018: 4 + 8

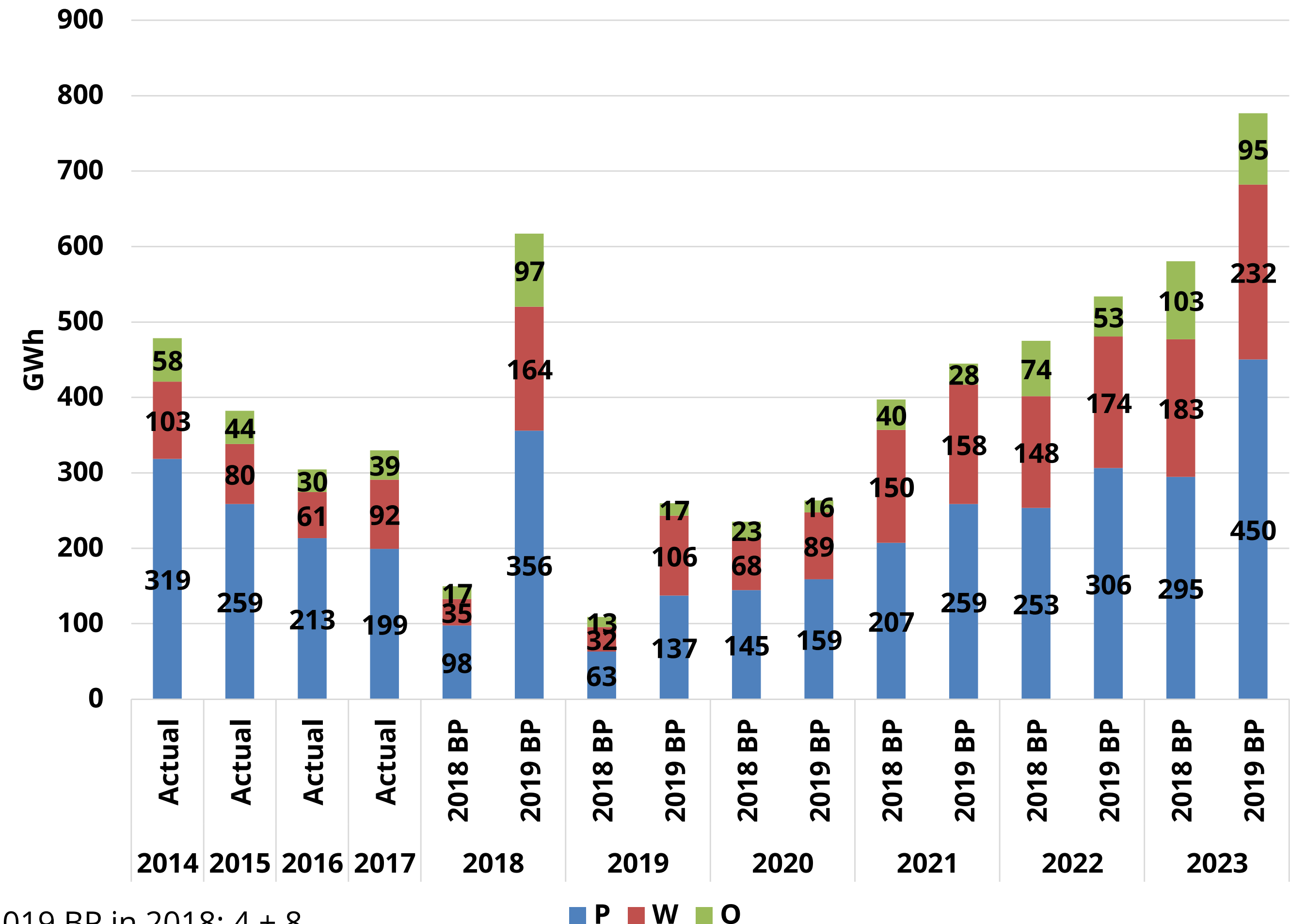
# Seasonally-adjusted capacity factor by unit

| (%) | History 2014 | History 2015 | History 2016 | History 2017 | 4+8 2018 | 2018 BP 2019 | 2018 BP 2020 | 2018 BP 2021 | 2018 BP 2022 | 2018 BP 2023 | 2019 BP 2019 | 2019 BP 2020 | 2019 BP 2021 | 2019 BP 2022 | 2019 BP 2023 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Brown 1 | 43 | 24 | 25 | 6 | 32 | 18 | N/A | N/A | N/A | N/A | 22 | N/A | N/A | N/A | N/A |
| Brown 2 | 53 | 44 | 29 | 23 | 44 | 21 | N/A | N/A | N/A | N/A | 29 | N/A | N/A | N/A | N/A |
| Brown 3 | 41 | 32 | 30 | 29 | 32 | 19 | 15 | 22 | 20 | 20 | 19 | 19 | 20 | 20 | 19 |
| Ghent 1 | 77 | 60 | 73 | 74 | 67 | 71 | 64 | 60 | 65 | 68 | 65 | 64 | 56 | 59 | 64 |
| Ghent 2 | 80 | 61 | 72 | 70 | 77 | 66 | 70 | 70 | 72 | 73 | 67 | 76 | 73 | 72 | 74 |
| Ghent 3 | 73 | 72 | 64 | 61 | 52 | 53 | 49 | 53 | 53 | 52 | 54 | 54 | 51 | 51 | 50 |
| Ghent 4 | 69 | 78 | 74 | 78 | 62 | 63 | 52 | 60 | 61 | 62 | 61 | 54 | 56 | 57 | 59 |
| Mill Creek 1 | 77 | 57 | 69 | 64 | 74 | 65 | 77 | 72 | 75 | 72 | 61 | 68 | 67 | 72 | 67 |
| Mill Creek 2 | 70 | 56 | 64 | 65 | 56 | 67 | 62 | 65 | 61 | 69 | 67 | 63 | 69 | 63 | 69 |
| Mill Creek 3 | 77 | 65 | 58 | 76 | 71 | 61 | 73 | 69 | 71 | 69 | 59 | 68 | 68 | 75 | 69 |
| Mill Creek 4 | 55 | 67 | 59 | 69 | 63 | 70 | 65 | 70 | 60 | 70 | 71 | 62 | 72 | 62 | 72 |
| OVEC | 57 | 49 | 55 | 52 | 50 | 41 | 37 | 37 | 43 | 47 | 50 | 49 | 49 | 49 | 49 |
| Trimble County 1 | 84 | 67 | 83 | 67 | 78 | 71 | 75 | 69 | 75 | 71 | 72 | 73 | 67 | 74 | 72 |
| Trimble County 2 | 59 | 84 | 64 | 74 | 65 | 71 | 72 | 71 | 72 | 71 | 68 | 70 | 69 | 69 | 67 |
| Cane Run 7 | N/A | 83 | 81 | 60 | 85 | 81 | 86 | 85 | 83 | 73 | 88 | 81 | 88 | 86 | 88 |
| Brown 5, 8-11 | 2 | 8 | 9 | 3 | 3 | 3 | 1.6 | 0.8 | 1.2 | 1.0 | 4 | 4 | 3 | 3 | 3 |
| Brown 6-7 | 14 | 13 | 1.9 | 1.5 | 9 | 7 | 5 | 6 | 6 | 7 | 7 | 6 | 7 | 8 | 5 |
| Paddy's Run 13 | 8 | 13 | 7 | 5 | 8 | 13 | 12 | 11 | 11 | 7 | 10 | 10 | 8 | 8 | 7 |
| Trimble CTs | 10 | 11 | 10 | 9 | 11 | 13 | 12 | 11 | 11 | 13 | 11 | 11 | 10 | 10 | 9 |
| Bluegrass 3 | N/A | 8 | 2 | 3 | 4 | 3 | N/A | N/A | N/A | N/A | 3 | N/A | N/A | N/A | N/A |
| Cane Run 11 | 0.2 | 0.5 | 0.1 | 0.1 | 0.1 | 0.2 | 0.4 | 0.2 | 0.2 | 0.2 | 0.5 | 0.3 | 0.2 | 0.2 | 0.0 |
| Haefling 1-2 | 0.4 | 1.0 | 0.1 | 0.1 | 0.0 | 0.2 | 0.3 | 0.0 | 0.0 | 0.0 | 0.3 | 0.2 | 0.1 | 0.1 | 0.0 |
| Paddy's Run 11 | 0.1 | 0.0 | 0.1 | 0.0 | 0.2 | 0.3 | 0.4 | 0.1 | 0.2 | 0.2 | 0.2 | 0.2 | 0.1 | 0.1 | 0.0 |
| Paddy's Run 12 | 0.3 | 0.1 | 0.1 | 0.1 | 0.0 | 0.2 | 0.0 | 0.2 | 0.1 | 0.0 | 0.2 | 0.2 | 0.3 | 0.0 | 0.0 |
| Zorn 1 | 0.1 | 0.9 | 0.1 | 0.1 | 0.2 | 0.3 | 0.3 | 0.0 | 0.0 | 0.0 | 0.3 | 0.2 | 0.0 | 0.0 | 0.0 |
| Dix Dam | 29 | 36 | 29 | 22 | 39 | 28 | 27 | 27 | 27 | 27 | 30 | 29 | 30 | 30 | 30 |
| Ohio Falls | 60 | 61 | 70 | 61 | 54 | 65 | 65 | 65 | 65 | 65 | 66 | 66 | 66 | 66 | 66 |
| Brown Solar | N/A | N/A | 22 | 20 | 21 | 22 | 22 | 22 | 22 | 22 | 21 | 21 | 21 | 21 | 21 |

# Unit rank by operating cost

| | 2019 | | 2020 | | 2021 | | 2022 | | 2023 | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2018 BP | 2019 BP | 2018 BP | 2019 BP | 2018 BP | 2019 BP | 2018 BP | 2019 BP | 2018 BP | 2019 BP |
| Brown 1 | 14 | 14 | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Brown 2 | 13 | 13 | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Brown 3 | 15 | 15 | 15 | 15 | 15 | 13 | 15 | 13 | 15 | 13 |
| Cane Run 7 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 2 | 1 |
| Ghent 1 | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 9 |
| Ghent 2 | 2 | 3 | 2 | 3 | 2 | 3 | 2 | 3 | 1 | 3 |
| Ghent 3 | 11 | 11 | 11 | 11 | 11 | 11 | 11 | 11 | 11 | 11 |
| Ghent 4 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 |
| Mill Creek 1 | 4 | 6 | 3 | 5 | 3 | 6 | 3 | 5 | 4 | 6 |
| Mill Creek 2 | 8 | 8 | 7 | 7 | 7 | 7 | 8 | 8 | 8 | 8 |
| Mill Creek 3 | 7 | 7 | 6 | 8 | 6 | 8 | 7 | 7 | 6 | 7 |
| Mill Creek 4 | 6 | 5 | 5 | 6 | 4 | 5 | 4 | 4 | 5 | 4 |
| OVEC | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 12 |
| Trimble County 1 | 5 | 4 | 4 | 4 | 5 | 4 | 5 | 6 | 3 | 5 |
| Trimble County 2 | 3 | 2 | 8 | 2 | 8 | 2 | 6 | 2 | 7 | 2 |

# OSS volumes by peak type




2019 BP in 2018: 4 + 8

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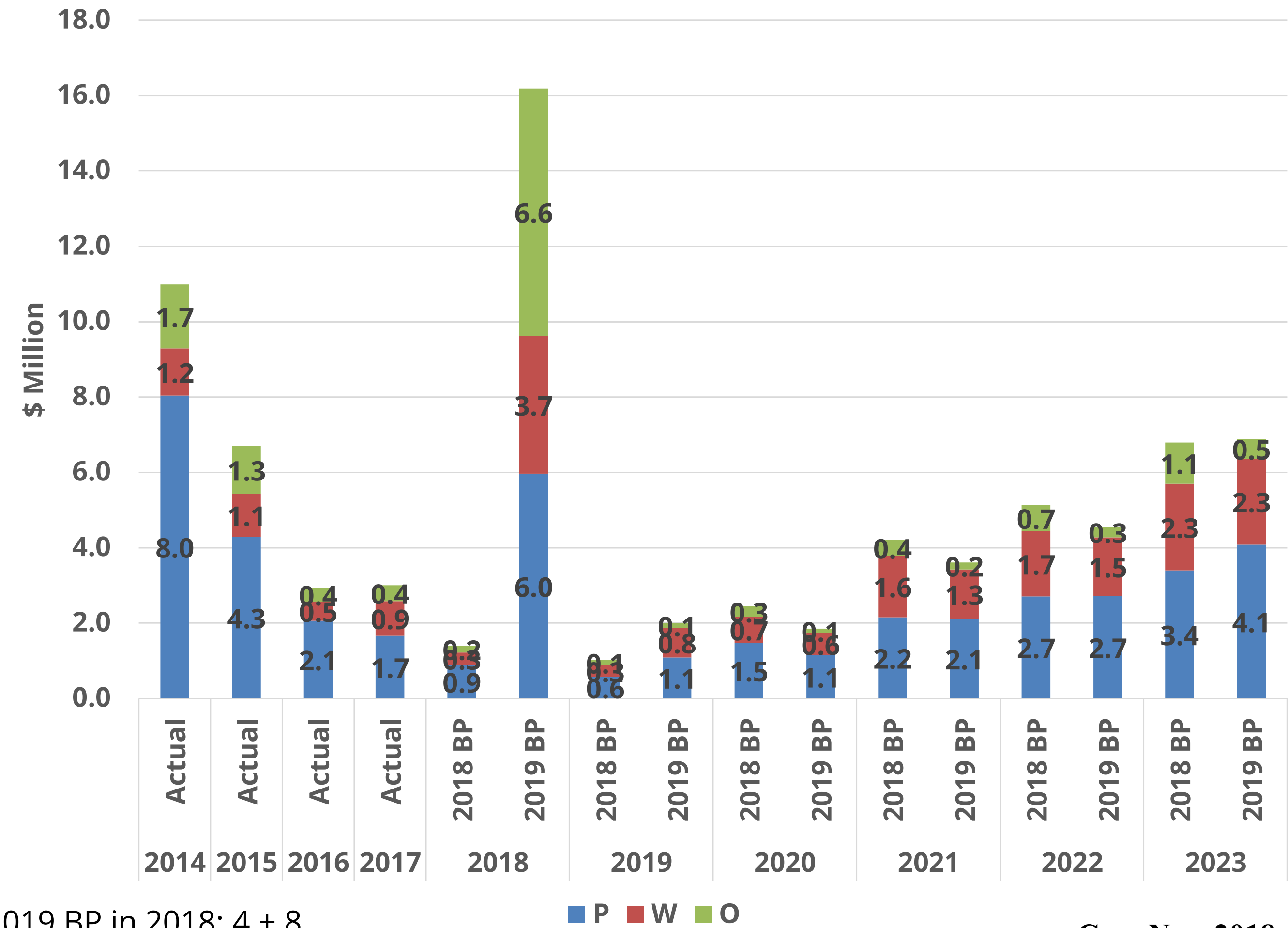
# OSS contribution by peak type




2019 BP in 2018: 4 + 8

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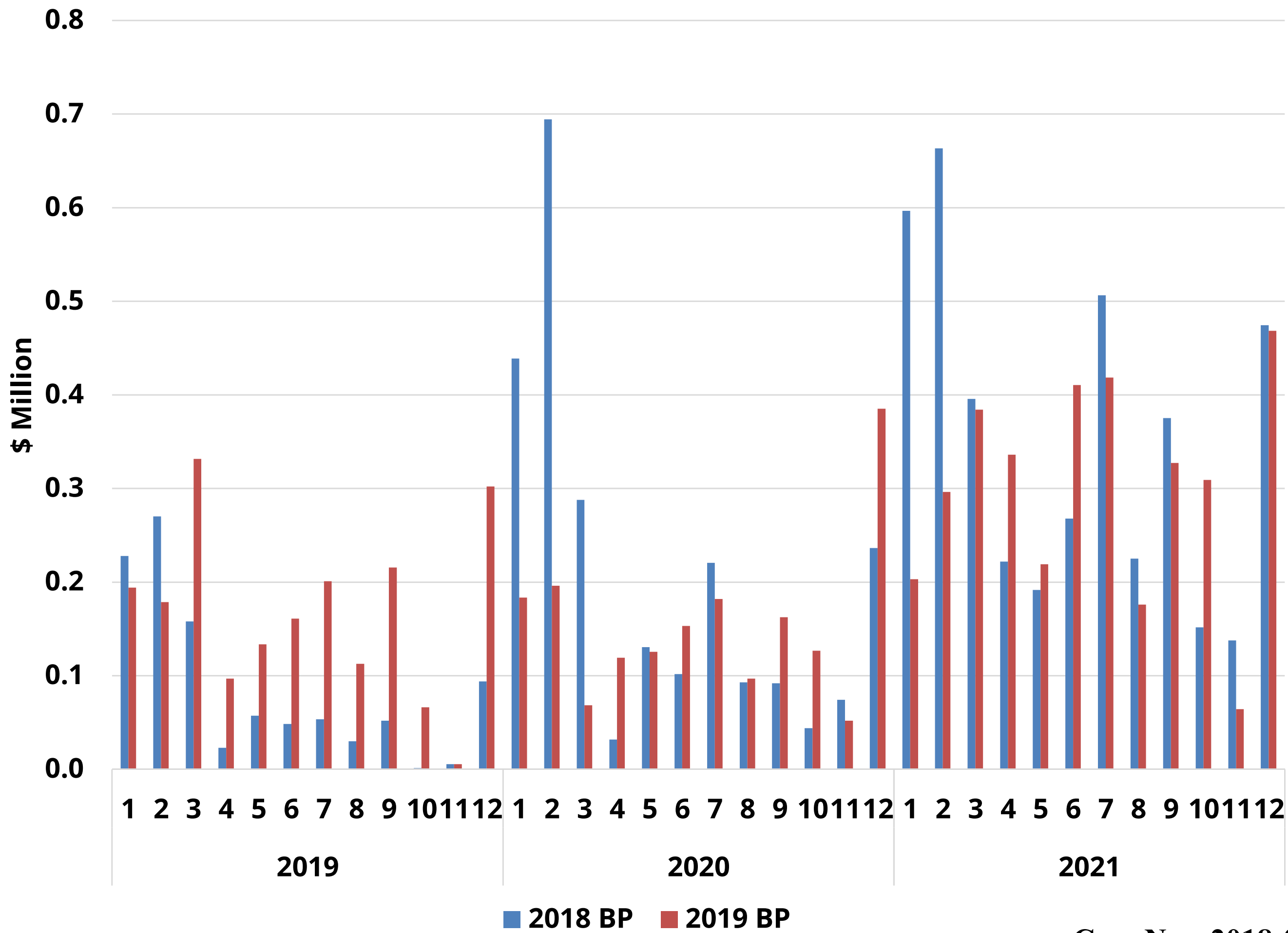
# OSS contribution by month

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# Variable O&M increases at Trimble, but decreases at other stations in 2019 BP largely due to Mercury O&M

| Total VO&M | 2019 | | | 2020 | | | 2021 | | | 2022 | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| ($/MWh) | 2018 BP | 2019 BP | Diff | 2018 BP | 2019 BP | Diff | 2018 BP | 2019 BP | Diff | 2018 BP | 2019 BP | Diff |
| Brown 1 | 1.62 | 1.25 | (0.37) | N/A | N/A | -- | N/A | N/A | -- | N/A | N/A | -- |
| Brown 2 | 1.48 | 1.11 | (0.37) | N/A | N/A | -- | N/A | N/A | -- | N/A | N/A | -- |
| Brown 3 | 2.20 | 1.54 | (0.67) | 1.72 | 1.58 | (0.14) | 2.33 | 1.60 | (0.73) | 2.39 | 1.65 | (0.74) |
| Ghent 1 | 2.04 | 1.83 | (0.21) | 2.11 | 1.91 | (0.20) | 2.15 | 1.95 | (0.20) | 2.19 | 1.99 | (0.20) |
| Ghent 2 | 1.31 | 1.16 | (0.15) | 1.35 | 1.20 | (0.15) | 1.38 | 1.23 | (0.15) | 1.41 | 1.25 | (0.16) |
| Ghent 3 | 1.99 | 1.80 | (0.19) | 2.06 | 1.87 | (0.18) | 2.09 | 1.91 | (0.18) | 2.13 | 1.95 | (0.18) |
| Ghent 4 | 2.06 | 1.86 | (0.20) | 2.13 | 1.93 | (0.19) | 2.17 | 1.98 | (0.19) | 2.21 | 2.02 | (0.19) |
| Mill Creek 1 | 0.87 | 0.94 | 0.08 | 0.89 | 0.97 | 0.08 | 0.91 | 0.98 | 0.07 | 0.93 | 1.01 | 0.08 |
| Mill Creek 2 | 1.09 | 0.98 | (0.11) | 1.11 | 1.01 | (0.10) | 1.13 | 1.01 | (0.12) | 1.15 | 1.04 | (0.11) |
| Mill Creek 3 | 1.32 | 1.33 | 0.01 | 1.35 | 1.38 | 0.03 | 1.38 | 1.40 | 0.02 | 1.41 | 1.45 | 0.04 |
| Mill Creek 4 | 1.33 | 1.25 | (0.09) | 1.22 | 1.38 | 0.17 | 1.24 | 1.31 | 0.07 | 1.26 | 1.36 | 0.10 |
| Trimble 1 | 1.25 | 1.63 | 0.38 | 1.28 | 1.69 | 0.42 | 1.30 | 1.74 | 0.44 | 1.32 | 1.79 | 0.47 |
| Trimble 2 | 1.41 | 1.54 | 0.13 | 1.46 | 1.62 | 0.16 | 1.49 | 1.67 | 0.18 | 1.51 | 1.72 | 0.21 |

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# FGD O&M increases at Brown, Ghent, and Mill Creek in 2019 BP

| FGD | 2019 | | | 2020 | | | 2021 | | | 2022 | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| ($/MWh) | 2018 BP | 2019 BP | Diff | 2018 BP | 2019 BP | Diff | 2018 BP | 2019 BP | Diff | 2018 BP | 2019 BP | Diff |
| Brown 1 | 0.66 | 0.70 | 0.04 | N/A | N/A | -- | N/A | N/A | -- | N/A | N/A | -- |
| Brown 2 | 0.61 | 0.65 | 0.04 | N/A | N/A | -- | N/A | N/A | -- | N/A | N/A | -- |
| Brown 3 | 0.65 | 0.68 | 0.04 | 0.33 | 0.70 | 0.36 | 0.67 | 0.70 | 0.02 | 0.69 | 0.72 | 0.04 |
| Ghent 1 | 0.40 | 0.52 | 0.12 | 0.41 | 0.53 | 0.12 | 0.42 | 0.54 | 0.13 | 0.42 | 0.56 | 0.13 |
| Ghent 2 | 0.36 | 0.47 | 0.11 | 0.37 | 0.48 | 0.11 | 0.38 | 0.49 | 0.12 | 0.38 | 0.50 | 0.12 |
| Ghent 3 | 0.42 | 0.54 | 0.12 | 0.43 | 0.56 | 0.13 | 0.43 | 0.57 | 0.14 | 0.44 | 0.58 | 0.14 |
| Ghent 4 | 0.42 | 0.55 | 0.12 | 0.43 | 0.56 | 0.13 | 0.44 | 0.58 | 0.14 | 0.45 | 0.59 | 0.14 |
| Mill Creek 1 | 0.37 | 0.52 | 0.15 | 0.39 | 0.54 | 0.15 | 0.39 | 0.55 | 0.16 | 0.40 | 0.56 | 0.15 |
| Mill Creek 2 | 0.38 | 0.52 | 0.14 | 0.38 | 0.54 | 0.16 | 0.39 | 0.55 | 0.15 | 0.40 | 0.56 | 0.16 |
| Mill Creek 3 | 0.40 | 0.54 | 0.14 | 0.41 | 0.56 | 0.15 | 0.42 | 0.57 | 0.15 | 0.43 | 0.58 | 0.15 |
| Mill Creek 4 | 0.41 | 0.55 | 0.13 | 0.43 | 0.56 | 0.13 | 0.44 | 0.58 | 0.14 | 0.44 | 0.59 | 0.15 |
| Trimble 1 | 0.48 | 0.46 | (0.02) | 0.49 | 0.49 | 0.01 | 0.50 | 0.51 | 0.01 | 0.50 | 0.52 | 0.02 |
| Trimble 2 | 0.39 | 0.35 | (0.04) | 0.39 | 0.37 | (0.03) | 0.40 | 0.38 | (0.02) | 0.40 | 0.39 | (0.02) |

# SCR O&M decreases at all stations in 2019 BP

| SCR ($/MWh) | 2019 | | | 2020 | | | 2021 | | | 2022 | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2018 BP | 2019 BP | Diff | 2018 BP | 2019 BP | Diff | 2018 BP | 2019 BP | Diff | 2018 BP | 2019 BP | Diff |
| Brown 1 | N/A | N/A | -- | N/A | N/A | -- | N/A | N/A | -- | N/A | N/A | -- |
| Brown 2 | N/A | N/A | -- | N/A | N/A | -- | N/A | N/A | -- | N/A | N/A | -- |
| Brown 3 | 0.39 | 0.29 | (0.09) | 0.40 | 0.31 | (0.09) | 0.40 | 0.32 | (0.09) | 0.41 | 0.32 | (0.09) |
| Ghent 1 | 0.34 | 0.28 | (0.06) | 0.35 | 0.30 | (0.06) | 0.36 | 0.30 | (0.05) | 0.36 | 0.31 | (0.05) |
| Ghent 2 | N/A | N/A | -- | N/A | N/A | -- | N/A | N/A | -- | N/A | N/A | -- |
| Ghent 3 | 0.29 | 0.24 | (0.05) | 0.30 | 0.25 | (0.05) | 0.30 | 0.26 | (0.05) | 0.31 | 0.27 | (0.04) |
| Ghent 4 | 0.34 | 0.28 | (0.06) | 0.35 | 0.30 | (0.06) | 0.36 | 0.30 | (0.05) | 0.36 | 0.31 | (0.05) |
| Mill Creek 1 | N/A | N/A | -- | N/A | N/A | -- | N/A | N/A | -- | N/A | N/A | -- |
| Mill Creek 2 | N/A | N/A | -- | N/A | N/A | -- | N/A | N/A | -- | N/A | N/A | -- |
| Mill Creek 3 | 0.39 | 0.32 | (0.07) | 0.41 | 0.34 | (0.06) | 0.41 | 0.35 | (0.06) | 0.42 | 0.36 | (0.06) |
| Mill Creek 4 | 0.39 | 0.30 | (0.09) | 0.38 | 0.34 | (0.04) | 0.39 | 0.33 | (0.06) | 0.39 | 0.34 | (0.06) |
| Trimble 1 | 0.20 | 0.17 | (0.03) | 0.21 | 0.18 | (0.03) | 0.21 | 0.19 | (0.03) | 0.21 | 0.19 | (0.02) |
| Trimble 2 | 0.17 | 0.15 | (0.03) | 0.18 | 0.15 | (0.03) | 0.18 | 0.16 | (0.02) | 0.19 | 0.16 | (0.02) |

# $SO_3$ O&M lower at Ghent in 2019 BP

| SO3 ($/MWh) | 2019 2018 BP | 2019 2019 BP | 2019 Diff | 2020 2018 BP | 2020 2019 BP | 2020 Diff | 2021 2018 BP | 2021 2019 BP | 2021 Diff | 2022 2018 BP | 2022 2019 BP | 2022 Diff |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Brown 1 | N/A | N/A | -- | N/A | N/A | -- | N/A | N/A | -- | N/A | N/A | -- |
| Brown 2 | N/A | N/A | -- | N/A | N/A | -- | N/A | N/A | -- | N/A | N/A | -- |
| Brown 3 | 0.24 | 0.24 | (0.00) | 0.13 | 0.25 | 0.12 | 0.25 | 0.25 | (0.00) | 0.26 | 0.26 | (0.00) |
| Ghent 1 | 0.75 | 0.75 | 0.00 | 0.78 | 0.79 | 0.00 | 0.80 | 0.80 | 0.00 | 0.82 | 0.82 | 0.00 |
| Ghent 2 | 0.41 | 0.41 | 0.00 | 0.43 | 0.43 | 0.00 | 0.44 | 0.44 | 0.00 | 0.45 | 0.45 | 0.00 |
| Ghent 3 | 0.74 | 0.74 | 0.00 | 0.77 | 0.78 | 0.00 | 0.79 | 0.79 | 0.00 | 0.81 | 0.81 | 0.00 |
| Ghent 4 | 0.74 | 0.75 | 0.00 | 0.78 | 0.78 | 0.00 | 0.80 | 0.80 | 0.00 | 0.81 | 0.82 | 0.00 |
| Mill Creek 1 | 0.21 | 0.18 | (0.03) | 0.21 | 0.19 | (0.03) | 0.22 | 0.18 | (0.04) | 0.22 | 0.19 | (0.03) |
| Mill Creek 2 | 0.21 | 0.21 | (0.00) | 0.22 | 0.22 | 0.00 | 0.22 | 0.21 | (0.01) | 0.23 | 0.23 | (0.00) |
| Mill Creek 3 | 0.36 | 0.26 | (0.10) | 0.37 | 0.27 | (0.10) | 0.38 | 0.25 | (0.12) | 0.38 | 0.28 | (0.11) |
| Mill Creek 4 | 0.36 | 0.23 | (0.13) | 0.30 | 0.27 | (0.03) | 0.31 | 0.22 | (0.08) | 0.31 | 0.24 | (0.07) |
| Trimble 1 | 0.57 | 0.58 | 0.01 | 0.58 | 0.59 | 0.01 | 0.59 | 0.60 | 0.01 | 0.60 | 0.61 | 0.01 |
| Trimble 2 | 0.50 | 0.50 | 0.00 | 0.53 | 0.53 | 0.00 | 0.54 | 0.54 | 0.00 | 0.55 | 0.55 | 0.00 |

# Mercury O&M increases at Trimble, but decreases at other stations in 2019 BP

| Mercury | 2019 | | | 2020 | | | 2021 | | | 2022 | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| ($/MWh) | 2018 BP | 2019 BP | Diff | 2018 BP | 2019 BP | Diff | 2018 BP | 2019 BP | Diff | 2018 BP | 2019 BP | Diff |
| Brown 1 | 0.96 | 0.54 | (0.41) | N/A | N/A | -- | N/A | N/A | -- | N/A | N/A | -- |
| Brown 2 | 0.87 | 0.46 | (0.41) | N/A | N/A | -- | N/A | N/A | -- | N/A | N/A | -- |
| Brown 3 | 0.93 | 0.32 | (0.61) | 0.86 | 0.33 | (0.53) | 1.00 | 0.33 | (0.66) | 1.04 | 0.34 | (0.69) |
| Ghent 1 | 0.55 | 0.29 | (0.26) | 0.56 | 0.29 | (0.27) | 0.57 | 0.30 | (0.28) | 0.58 | 0.30 | (0.28) |
| Ghent 2 | 0.54 | 0.28 | (0.26) | 0.55 | 0.29 | (0.27) | 0.56 | 0.29 | (0.27) | 0.57 | 0.30 | (0.28) |
| Ghent 3 | 0.54 | 0.28 | (0.26) | 0.55 | 0.29 | (0.27) | 0.57 | 0.29 | (0.27) | 0.58 | 0.30 | (0.28) |
| Ghent 4 | 0.55 | 0.28 | (0.26) | 0.56 | 0.29 | (0.27) | 0.57 | 0.30 | (0.28) | 0.58 | 0.30 | (0.28) |
| Mill Creek 1 | 0.29 | 0.24 | (0.04) | 0.29 | 0.25 | (0.04) | 0.30 | 0.25 | (0.05) | 0.30 | 0.26 | (0.05) |
| Mill Creek 2 | 0.50 | 0.25 | (0.25) | 0.51 | 0.25 | (0.26) | 0.52 | 0.26 | (0.26) | 0.53 | 0.26 | (0.27) |
| Mill Creek 3 | 0.17 | 0.21 | 0.04 | 0.17 | 0.22 | 0.05 | 0.17 | 0.22 | 0.05 | 0.18 | 0.23 | 0.06 |
| Mill Creek 4 | 0.17 | 0.17 | 0.00 | 0.11 | 0.22 | 0.11 | 0.11 | 0.18 | 0.07 | 0.11 | 0.19 | 0.08 |
| Trimble 1 | 0.00 | 0.41 | 0.41 | 0.00 | 0.43 | 0.43 | 0.00 | 0.45 | 0.45 | 0.00 | 0.47 | 0.47 |
| Trimble 2 | 0.35 | 0.55 | 0.20 | 0.35 | 0.57 | 0.21 | 0.36 | 0.59 | 0.23 | 0.37 | 0.62 | 0.25 |

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# Process-Water Systems O&M newly reflected in 2019 BP

| PWS ($/MWh) | 2019 | | | 2020 | | | 2021 | | | 2022 | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2018 BP | 2019 BP | Diff | 2018 BP | 2019 BP | Diff | 2018 BP | 2019 BP | Diff | 2018 BP | 2019 BP | Diff |
| Brown 1 | 0.00 | 0.00 | 0.00 | N/A | N/A | -- | N/A | N/A | -- | N/A | N/A | -- |
| Brown 2 | 0.00 | 0.00 | 0.00 | N/A | N/A | -- | N/A | N/A | -- | N/A | N/A | -- |
| Brown 3 | 0.00 | 0.00 | 0.00 | 0.00 | 0.06 | 0.06 | 0.00 | 0.06 | 0.06 | 0.00 | 0.06 | 0.06 |
| Ghent 1 | 0.00 | 0.09 | 0.09 | 0.00 | 0.10 | 0.10 | 0.00 | 0.10 | 0.10 | 0.00 | 0.11 | 0.11 |
| Ghent 2 | 0.00 | 0.08 | 0.08 | 0.00 | 0.10 | 0.10 | 0.00 | 0.10 | 0.10 | 0.00 | 0.11 | 0.11 |
| Ghent 3 | 0.00 | 0.09 | 0.09 | 0.00 | 0.10 | 0.10 | 0.00 | 0.10 | 0.10 | 0.00 | 0.11 | 0.11 |
| Ghent 4 | 0.00 | 0.09 | 0.09 | 0.00 | 0.10 | 0.10 | 0.00 | 0.10 | 0.10 | 0.00 | 0.11 | 0.11 |
| Mill Creek 1 | 0.00 | 0.10 | 0.10 | 0.00 | 0.10 | 0.10 | 0.00 | 0.11 | 0.11 | 0.00 | 0.11 | 0.11 |
| Mill Creek 2 | 0.00 | 0.09 | 0.09 | 0.00 | 0.10 | 0.10 | 0.00 | 0.11 | 0.11 | 0.00 | 0.11 | 0.11 |
| Mill Creek 3 | 0.00 | 0.09 | 0.09 | 0.00 | 0.10 | 0.10 | 0.00 | 0.11 | 0.11 | 0.00 | 0.11 | 0.11 |
| Mill Creek 4 | 0.00 | 0.09 | 0.09 | 0.00 | 0.10 | 0.10 | 0.00 | 0.11 | 0.11 | 0.00 | 0.11 | 0.11 |
| Trimble 1 | 0.00 | 0.09 | 0.09 | 0.00 | 0.12 | 0.12 | 0.00 | 0.13 | 0.13 | 0.00 | 0.13 | 0.13 |
| Trimble 2 | 0.00 | 0.11 | 0.11 | 0.00 | 0.12 | 0.12 | 0.00 | 0.13 | 0.13 | 0.00 | 0.13 | 0.13 |

# Maintenance schedule reflects acceleration of Brown 3 overhaul and deferral of Cane Run 7 outages

**Maintenance-Weeks**

| | 2019 BP | | | | | 2018 BP | | | | | 2019 BP - 2018 BP | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | **2019** | **2020** | **2021** | **2022** | **2023** | **2019** | **2020** | **2021** | **2022** | **2023** | **2019** | **2020** | **2021** | **2022** | **2023** | **Totals** |
| Brown 1 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Brown 2 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Brown 3 | 9 | 2 | 4 | 3 | 1 | 3 | 8 | 1 | 3 | 1 | 6 | (6) | 3 | - | - | 3 |
| Ghent 1 | 3 | 4 | 8 | 6 | 3 | 3 | 4 | 8 | 4 | 3 | - | - | - | 2 | - | 2 |
| Ghent 2 | 9 | 4 | 4 | 3 | 3 | 8 | 4 | 4 | 3 | 3 | 1 | - | - | - | - | 1 |
| Ghent 3 | 4 | 3 | 3 | 3 | 4 | 4 | 3 | 3 | 3 | 4 | - | - | - | - | - | - |
| Ghent 4 | 4 | 8 | 4 | 4 | 3 | 4 | 8 | 4 | 4 | 3 | - | - | - | - | - | - |
| Mill Creek 1 | 8 | 2 | 4 | 2 | 4 | 8 | 1 | 4 | 1 | 4 | - | 1 | - | 1 | - | 2 |
| Mill Creek 2 | 1 | 4 | 1 | 4 | 1 | 1 | 4 | 1 | 4 | 1 | - | - | - | - | - | - |
| Mill Creek 3 | 9 | 1 | 4 | 1 | 4 | 9 | 1 | 4 | 1 | 4 | - | - | - | - | - | - |
| Mill Creek 4 | 1 | 6 | 1 | 8 | 1 | 1 | 4 | 1 | 8 | 1 | - | 2 | - | - | - | 2 |
| Trimble County 1 | 5 | 2 | 6 | 2 | 5 | 5 | 2 | 6 | 2 | 5 | - | - | - | - | - | - |
| Trimble County 2 | 7 | 5 | 5 | 5 | 6 | 6 | 5 | 5 | 5 | 6 | 1 | - | - | - | - | 1 |
| Cane Run 7 | 1 | 5 | 1 | 2 | 1 | 5 | 2 | 2 | 2 | 8 | (4) | 3 | (1) | - | (7) | (9) |
| **Totals** | **61** | **46** | **45** | **43** | **36** | **57** | **46** | **43** | **40** | **43** | **4** | **-** | **2** | **3** | **(7)** | **2** |
| **MW-Maint Wks*** | **27,970** | **23,509** | **21,507** | **21,372** | **17,610** | **27,224** | **22,639** | **20,965** | **20,122** | **22,447** | **746** | **870** | **542** | **1,250** | **(4,837)** | **(1,430)** |

*Coal + CR7 Only

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# Modeled EFOR reflects adjustments derived from 10-year historical data

| Unit | Modeled EFOR % | | |
| --- | --- | --- | --- |
| | 2019 BP | 2018 BP | 2019 BP - 2018 BP |
| Brown 1 | 5.7 | 5.7 | 0.0 |
| Brown 2 | 5.7 | 5.7 | 0.0 |
| Brown 3 | 5.7 | 5.7 | 0.0 |
| Ghent 1 | 5.2 | 5.5 | (0.3) |
| Ghent 2 | 5.2 | 5.5 | (0.3) |
| Ghent 3 | 5.2 | 5.5 | (0.3) |
| Ghent 4 | 5.2 | 5.5 | (0.3) |
| Mill Creek 1 | 5.2 | 5.5 | (0.3) |
| Mill Creek 2 | 5.2 | 5.5 | (0.3) |
| Mill Creek 3 | 5.2 | 5.5 | (0.3) |
| Mill Creek 4 | 5.2 | 5.5 | (0.3) |
| Trimble County 1 | 5.2 | 5.5 | (0.3) |
| Trimble County 2 | 9.3 | 7.6 | 1.7 |
| Cane Run 7 | 3.0 | 3.0 | 0.0 |
| **Weighted Average EFOR** | **5.4** | **5.4** | **(0.0)** |

# Heat rates reflect results of updated performance testing using granular PI data

| | Summer Net Heat Rates at Max Load (Btu/kWh) | | | Winter Net Heat Rates at Max Load (Btu/kWh) | | | |
|---|---|---|---|---|---|---|---|
| | 2018 BP | 2019 BP | Percent Change | 2018 BP | 2019 BP | Percent Change | Average Heat Rate, 2017 KPIs |
| BR1 | 10,615 | 10,798 | 1.7% | 10,523 | 10,705 | 1.7% | 14,064 |
| BR2 | 10,577 | 10,499 | -0.7% | 10,479 | 10,171 | -2.9% | 11,295 |
| BR3 | 11,139 | 10,988 | -1.4% | 10,924 | 11,064 | 1.3% | 11,745 |
| GH1 | 10,686 | 10,799 | 1.1% | 10,521 | 10,769 | 2.4% | 10,892 |
| GH2 | 10,039 | 10,043 | 0.0% | 9,978 | 10,160 | 1.8% | 10,541 |
| GH3 | 11,012 | 11,071 | 0.5% | 10,970 | 11,081 | 1.0% | 11,295 |
| GH4 | 10,804 | 10,821 | 0.2% | 10,573 | 10,768 | 1.8% | 10,846 |
| MC1 | 10,423 | 10,513 | 0.9% | 10,352 | 10,502 | 1.4% | 10,503 |
| MC2 | 10,664 | 10,802 | 1.3% | 10,506 | 10,491 | -0.1% | 10,729 |
| MC3 | 10,480 | 10,408 | -0.7% | 10,368 | 10,557 | 1.8% | 10,669 |
| MC4 | 10,407 | 10,352 | -0.5% | 10,218 | 10,284 | 0.6% | 10,470 |
| TC1 | 10,529 | 10,341 | -1.8% | 10,497 | 10,210 | -2.7% | 10,510 |
| TC2 | 9,316 | 9,369 | 0.6% | 9,106 | 9,194 | 1.0% | 9,387 |
| CR7 | 6,634 | 6,653 | 0.3% | 6,718 | 6,624 | -1.4% | 6,562 |

Notes:

-Values shown represent net heat rates (in Btu/kWh).

-Summer and winter heat rates reflect values at maximum load. KPI heat rates reflect average observed values.

-Heat rate changes reflect calibration of forecasted fuel burn to actual fuel burn.

# 2019 fuel cost comparison – annual averages

| Fuel Expense ($/mmBtu) | | | | Delta | |
|---|---|---|---|---|---|
| | | 2019 BP 2019 | 2018 BP 2019 | 2019 BP 2019 - 2018 BP 2019 | % Change |
| **COAL** | BR | 2.38 | 2.51 | (0.13) | -5% |
| | GH | 1.96 | 1.98 | (0.03) | -1% |
| | MC | 2.03 | 2.04 | (0.01) | 0% |
| | TC HS | 1.97 | 1.99 | (0.02) | -1% |
| | TC PRB | 2.17 | 2.24 | (0.07) | -3% |
| **GAS** | Gas BR | 2.73 | 2.84 | (0.11) | -4% |
| | Gas TC | 2.73 | 2.84 | (0.11) | -4% |
| | Gas CR7 | 2.73 | 2.84 | (0.10) | -4% |
| | Gas PR | 2.73 | 2.84 | (0.11) | -4% |
| | Gas Haef | 7.25 | 7.95 | (0.69) | -9% |
| **OIL** | Oil | 16.19 | 13.79 | 2.40 | 17% |

# 2020 fuel cost comparison – annual averages

| Fuel Expense ($/mmBtu) | | | | | Delta | |
|---|---|---|---|---|---|---|
| | | 2019 BP 2020 | 2018 BP 2020 | | 2019 BP 2020 - 2018 BP 2020 | % Change |
| **COAL** | BR | 2.52 | 2.54 | | (0.03) | -1% |
| | GH | 1.95 | 1.98 | | (0.03) | -2% |
| | MC | 2.04 | 2.01 | | 0.03 | 2% |
| | TC HS | 1.96 | 1.98 | | (0.02) | -1% |
| | TC PRB | 2.22 | 2.31 | | (0.09) | -4% |
| **GAS** | Gas BR | 2.77 | 2.90 | | (0.13) | -5% |
| | Gas TC | 2.77 | 2.90 | | (0.13) | -5% |
| | Gas CR7 | 2.77 | 2.90 | | (0.13) | -5% |
| | Gas PR | 2.77 | 2.90 | | (0.13) | -4% |
| | Gas Haef | 7.29 | 8.01 | | (0.71) | -9% |
| **OIL** | Oil | 16.74 | 17.01 | | (0.28) | -2% |

# 2021 fuel cost comparison – annual averages

| Fuel Expense ($/mmBtu) | | | | | Delta | |
|---|---|---|---|---|---|---|
| | | 2019 BP 2021 | 2018 BP 2021 | | 2019 BP 2021 - 2018 BP 2021 | % Change |
| **COAL** | BR | 2.59 | 2.68 | | (0.09) | -3% |
| | GH | 2.01 | 2.00 | | 0.00 | 0% |
| | MC | 2.06 | 2.04 | | 0.02 | 1% |
| | TC HS | 2.02 | 2.01 | | 0.00 | 0% |
| | TC PRB | 2.29 | 2.37 | | (0.07) | -3% |
| **GAS** | Gas BR | 2.83 | 3.02 | | (0.19) | -6% |
| | Gas TC | 2.83 | 3.02 | | (0.19) | -6% |
| | Gas CR7 | 2.83 | 3.02 | | (0.19) | -6% |
| | Gas PR | 2.84 | 3.02 | | (0.18) | -6% |
| | Gas Haef | 7.36 | 8.13 | | (0.77) | -9% |
| **OIL** | Oil | 17.74 | 19.27 | | (1.52) | -8% |



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# Market electricity prices are generally higher in 2019, but lower in 2020 in 2019 BP

**Market Price Comparison**

| Market Price | 2019 BP | | | 2018 BP | | | 2019 BP - 2018 BP | | |
|---|---|---|---|---|---|---|---|---|---|
| $/MWh | Peak | Off-Peak | Weekend | Peak | Off-Peak | Weekend | Peak | Off-Peak | Weekend |
| Jan-19 | 31.88 | 26.02 | 26.54 | 33.21 | 27.18 | 26.76 | -1.34 | -1.16 | -0.22 |
| Feb-19 | 28.22 | 23.89 | 25.01 | 32.18 | 27.40 | 27.45 | -3.96 | -3.51 | -2.45 |
| Mar-19 | 33.90 | 27.06 | 28.11 | 31.58 | 23.91 | 28.23 | 2.32 | 3.15 | -0.13 |
| Apr-19 | 31.01 | 23.16 | 27.51 | 28.52 | 20.82 | 25.25 | 2.49 | 2.34 | 2.26 |
| May-19 | 29.25 | 18.94 | 27.17 | 26.95 | 16.97 | 25.74 | 2.30 | 1.97 | 1.43 |
| Jun-19 | 31.14 | 17.54 | 28.25 | 29.66 | 15.77 | 26.86 | 1.48 | 1.76 | 1.39 |
| Jul-19 | 35.03 | 19.73 | 32.92 | 35.52 | 17.93 | 30.95 | -0.49 | 1.80 | 1.97 |
| Aug-19 | 33.25 | 18.91 | 28.63 | 33.41 | 16.97 | 26.24 | -0.15 | 1.94 | 2.39 |
| Sep-19 | 31.01 | 18.07 | 27.43 | 27.44 | 15.85 | 24.21 | 3.58 | 2.22 | 3.21 |
| Oct-19 | 30.48 | 20.83 | 25.58 | 27.24 | 18.39 | 21.64 | 3.24 | 2.45 | 3.94 |
| Nov-19 | 28.92 | 21.76 | 23.51 | 26.48 | 19.47 | 21.35 | 2.44 | 2.29 | 2.16 |
| Dec-19 | 31.01 | 23.84 | 27.37 | 29.63 | 21.63 | 25.70 | 1.38 | 2.21 | 1.67 |
| Jan-20 | 31.01 | 25.32 | 25.82 | 35.38 | 29.39 | 29.95 | -4.36 | -4.07 | -4.12 |
| Feb-20 | 27.54 | 23.32 | 24.41 | 34.42 | 29.24 | 30.27 | -6.89 | -5.92 | -5.86 |
| Mar-20 | 33.23 | 27.06 | 28.18 | 32.67 | 25.37 | 29.22 | 0.55 | 1.69 | -1.04 |
| Apr-20 | 30.44 | 23.16 | 27.51 | 30.18 | 22.65 | 26.90 | 0.26 | 0.51 | 0.62 |
| May-20 | 28.85 | 18.81 | 26.04 | 28.90 | 19.61 | 27.66 | -0.05 | -0.80 | -1.61 |
| Jun-20 | 31.14 | 17.58 | 29.93 | 32.65 | 19.10 | 29.38 | -1.51 | -1.53 | 0.55 |
| Jul-20 | 35.21 | 19.61 | 33.77 | 39.23 | 21.66 | 33.71 | -4.01 | -2.05 | 0.06 |
| Aug-20 | 33.35 | 18.95 | 28.05 | 36.80 | 20.73 | 29.64 | -3.46 | -1.79 | -1.59 |
| Sep-20 | 30.21 | 18.07 | 28.06 | 30.16 | 18.90 | 26.72 | 0.05 | -0.84 | 1.33 |
| Oct-20 | 29.62 | 20.65 | 25.00 | 29.97 | 21.06 | 24.37 | -0.36 | -0.41 | 0.64 |
| Nov-20 | 28.60 | 21.48 | 23.21 | 29.22 | 22.36 | 24.64 | -0.62 | -0.88 | -1.43 |
| Dec-20 | 30.92 | 23.44 | 27.17 | 31.65 | 24.22 | 28.20 | -0.73 | -0.78 | [illegible] |

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# Peak load and energy comparison

**Peak Delta (2019 BP - 2018 BP)**

| MW | 2018 | 2019 | 2020 | 2021 | 2022 |
|---|---|---|---|---|---|
| Jan | 37 | 54 | 43 | 15 | 12 |
| Feb | (132) | (109) | (169) | (145) | (152) |
| Mar | 60 | 121 | 52 | 53 | 62 |
| Apr | 45 | 21 | 26 | 167 | 29 |
| May | 211 | 202 | 208 | 214 | 199 |
| Jun | (247) | (246) | (240) | (204) | (288) |
| Jul | (52) | (54) | (42) | (79) | 22 |
| Aug | (18) | (14) | 2 | (10) | (10) |
| Sep | 14 | 12 | 22 | 23 | (2) |
| Oct | (84) | (88) | (84) | (83) | (162) |
| Nov | 91 | 75 | 70 | 35 | 52 |
| Dec | (169) | (176) | (172) | (177) | (227) |
| **Peak** | **(18)** | **(14)** | **2** | **(10)** | **(10)** |

**Energy Delta (2019 BP - 2018 BP)**

| GWh | 2018 | 2019 | 2020 | 2021 | 2022 |
|---|---|---|---|---|---|
| Jan | 21 | 17 | 18 | 15 | 10 |
| Feb | (78) | (65) | (78) | (81) | (84) |
| Mar | 14 | 48 | 16 | 12 | 9 |
| Apr | 26 | 18 | 19 | 17 | 14 |
| May | 105 | 103 | 104 | 103 | 101 |
| Jun | (136) | (137) | (133) | (134) | (135) |
| Jul | (28) | (30) | (24) | (24) | (24) |
| Aug | (37) | (37) | (31) | (31) | (32) |
| Sep | 0 | (0) | 3 | 3 | 2 |
| Oct | (13) | (15) | (13) | (14) | (15) |
| Nov | 48 | 44 | 45 | 42 | 39 |
| Dec | (97) | (104) | (101) | (104) | (108) |
| **Total** | **(174)** | **(159)** | **(176)** | **(197)** | **(222)** |

# Power Generation
# LG&E and KU Utilities
# 2019 Operating Plan

**August 2018**

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# Plan Highlights

- Major investment and integration of environmental compliance – Coal Combustion Residuals (CCR), pond closures and Process Water/Effluent water Limit Guidelines (ELG)
- Generation forecast assumes continued trend of high Natural Gas Combined Cycle (NGCC) production levels based on current projections for gas prices in first three years of the plan; NGCC production levels taper off later in the plan as gas prices increase
- Increased resource requirements to meet and maintain compliance with incremental regulatory requirements – begin staffing to operate Process Water plants in 2018
- Brown 1 and 2 to be retired March 1, 2019. Brown coal investment includes unit 3 only.

# Major Operational Assumptions

- No generation capacity additions are in the plan through 2023.
- Brown 1 and 2 to be retired March 1, 2019. Capital spend is based on a Unit 3 only generation profile beginning in spring 2018.
- The next turbine overhauls by unit are as follows:
  - 2018: Ghent 3, Mill Creek 2, Trimble 2 (HP rotor and IP rotors)
  - 2019: Brown 3, Ghent 2, Mill Creek 1, Mill Creek 3, Trimble 2 (both LP rotors)
  - 2020: Trimble 2 (Generator), Ghent 4
  - 2021: Ghent 1.
  - 2022: Mill Creek 4.
  - 2023: None
- Demolition Timing:
  - Paddy's Run Coal Plant was completed in 2017.
  - Cane Run Coal Plant is contracted for 2017-2019.
  - Green River planned for 2018-2019.
  - Pineville Station planned for 2018-2019.
  - Tyrone Station planned for 2018-2019.
  - Canal Station planned for 2020-2021.

# Major Financial Assumptions

- Amended 2016 ECR filed January 26, 2018 for smaller, modified Phase II of the Landfill and closure of the Main Ash Pond not covered by Landfill Phases I, modified II, and hardscaped areas.

- Planned outage normalization regulatory treatment began July 1, 2017
  - Budgeted in accordance with revenue requirements allowed in 2017 rate proceeding with difference recorded in a regulatory asset or liability
  - Assumes this treatment will continue in future regulatory proceedings relative to Kentucky jurisdiction
  - Assumes amortization of regulatory assets or liabilities will be over a eight year period
  - Base rate case will be filed in third quarter 2018 for test year beginning May 1, 2019 through April 30, 2020

- Labor budget built on current work force plan recommendations. Assumptions include anticipated employee retirements and wage increase for current employees on average of 3% per year.

- Supplemental contractor work force includes on average a 2.5% escalation in costs based on approved contracts.

- Total Operating Costs remain in line with the approved 2018 Business Plan with the exception of costs associated with landfill well monitoring and new process water systems beginning in 2019.

# Major Assumptions – Process Water

- Process water facilities (Phys-chem for Mercury, Arsenic, metals) in-service 2019 for all four coal-fired plants:
  - Mill Creek - January 2019
  - Trimble County - April 2019
  - Ghent - June 2019
  - E.W. Brown - October 2019
- Labor resources consistent at each site
- All labor and non labor costs for operating and maintaining process water systems will be in base rates.
- Effluent water guideline (ELG) has placeholder spend primarily in 2021-2023 until final ELG regulations are promulgated, which are expected in 2019. Mill Creek has an anticipated in service date of November 2022 while Trimble County and Ghent anticipated in November 2023. ELG at E.W. Brown has been removed due to less volume resulting in cycling up chlorides and closed loop on WFGD.
- Plan assumes a proposed ECR filing in the first quarter of 2020 time frame seeking recovery of ELG costs, both capital and operating expense.

# Major Assumptions – Combustion Turbines

- Combustion turbine (CT) outages in the plan:
  - Dollars are split between O&M and capital based on the estimated scope of work that is reconditioning (expense – approximately 5%) vs. new parts (capital – approximately 95%).
  - For the second set of Trimble CT hot gas path inspections, the schedule is one unit each in 2017, 2018, 2020, 2022 and 2023.
  - This order may change in conjunction with the majors and rotor inspections during this plan. Currently, the majors and rotor inspections are just outside of the 5-year planning window.
  - Funding for enhanced in line inspections for gas transmission included in plan for Trimble County (2019) and E.W. Brown (2021) – included in fuel costs.
  - Brown C inspections by unit are as follows:
    - Unit 11 in 2018.
    - Unit 6 in 2019.
    - Unit 7 in 2021.
    - Unit 8 in 2021.
    - Unit 9 in 2024.
    - Unit 10 in 2026.

- Brown 6 and 7 Long-Term Services Agreement (LTSA) is in place.

- The CT component outages for Cane Run 7 are a Hot Gas Path Inspection (HGPI) Spring 2020, Combustion Inspection March, 2022, and a major in 2024 (HGPI and turbine overhaul).
    - Cane Run 7 CT's are covered under a signed Long Term Program Contract (LTPC).

# Major Assumptions- Coal Combustion Residuals (CCR's)

- v EPA finalized the CCR rule on December 19, 2014 (published in the Federal Register on April 17, 2015).
  - Maintained the non-hazardous designation of CCRs.
  - Does not require the immediate closure of unlined CCR impoundments but instead lists several criteria that must be met to continue operation. Some of those criteria include:
    - Siting requirements (wetlands, karst, water table …)
    - Dam safety factors
    - Groundwater monitoring and statistical evaluation
    - Flood control system
  - Requires development of:
    - Emergency action plans
    - Fugitive dust control plan
    - Inspection programs
    - Public available internet site for placement of operating data
  - Current design of new landfill construction project at Trimble, as well as the landfills constructed at Ghent and E.W. Brown meet the requirements of the rule.
  - Expect CCR impoundments to stop receiving CCR no later than April 2019 due to trigger of groundwater criteria.
  - Congress passed and the President signed the Water Infrastructure Improvements for the Nation Act (WIIN Act) on December 16, 2016. The WIIN Act is the first step to allow for the implementation of the federal CCR Rule through a state or federal based permit program.
  - On November 15, 2017 the EPA issued the CCR Rule "Remand Rule". The Remand Rule establishes a timeframe for the EPA to reconsider various aspects of the CCR Rule that have been brought forth by the utility industry and environmentalist. As of June, the Remand Rule does not appears to affect the direction or timing of the Companies compliance program.
  - All CCR impoundment closures included in approved 2016 ECR filing.

# Major Assumptions – CCR (continued)

- CCR Impoundment Closures under the CCR Rule by year are as follows:
  - 2018: Mill Creek Clearwell and Construction Runoff Ponds; Ghent Reclaim Pond and Gypsum Stack Phase I of II.  Mill Creek Emergency Pond was closed in 2017.
  - 2019: Green River Main Ash Pond, ATB2 and SO2 Pond; Pineville Ash Pond; Tyrone Ash Pond; Mill Creek Dead Storage Pond; Brown Main Ash Pond (landfill Phase II (partial) and entire Phase III).
  - 2020: Ghent Gypsum Stack Phase II of II; and Brown Aux Pond.
  - 2021: Mill Creek Ash Pond.
  - 2023: Ghent ATB#1,  ATB #2, and Secondary Pond; Trimble County BAP and GSP. (2023 is the initial 5-year window, based on current negotiations related to off-site beneficial use, the GH and TC projects could be extended 1-2 years as a result of available CCR to close the facilities.)
  - In the year that each pond is closed, it will also be retired from the property accounting ARO perspective.
  - Monitoring wells and monitoring are added for all CCR impoundments and landfills affected by the CCR Rule.  Well installation and monitoring until closure trigger (anticipated Oct. 2018) are capex against the ECR projects managed by PE.  Monitoring cost post-trigger for 30-year minimum is covered by Generation Services projects.  Monitoring costs for landfill wells are O&M and included in Generation Services budget

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# Major Assumptions – CCR (continued)

- Trimble County Landfill and Transport.
  - The contracted in-service month for the treatment system is August, 2018.
  - The contracted in-service month for the transport system is October, 2019.
  - The contracted in-service date for Landfill Phase 1A is Q4, 2019.
    - The KY-DWM landfill permit was issued in February, 2017.
    - The USACE 404 Permit was issued in June, 2017.
    - All permits required to allow landfill construction have been received.
    - While no lawsuits exist as of June 2018, litigation of permit remains possible; however, construction will continue as planned unless court issues a stay of the permit.

- A new Mill Creek landfill was removed from the planning period. The contract for a new gypsum dewatering facility was executed in 2017 with a contract in-service date by December 31, 2018 to support increased off-site beneficial reuse marketing of gypsum.

- All CCR Capital Projects' cost are based on actual awarded contract values or use nominal dollars, thus no longer using an annual escalation rate of 4.0% as in past BPs.

- The CCR impoundment closure projects assume that existing CCR materials from each plant can be beneficially used to construct the designed contour in each pond similar to that done at Cane Run. If that is not allowed by rule, the estimated cost of having to instead procure off-site fill material is an additional $180-200M.

# 2017-2023 Annual O&M Expenses
# ($000)

| Item | 2017 Actual | 2018 Forecast | 2019 Plan | 2020 Plan | 2021 Plan | 2022 Plan | 2023 Plan |
|---|---|---|---|---|---|---|---|
| O&M Expenses Only: | | | | | | | |
| Non Outage Labor | $ 79,686 | $ 81,669 | $ 83,806 | $ 87,197 | $ 89,053 | $ 91,226 | $ 93,938 |
| Non Outage Supplemental Contractors | 20,265 | 20,340 | 24,177 | 25,619 | 26,381 | 27,110 | 27,963 |
| Non Outage Plant Maintenance | 50,084 | 53,762 | 53,690 | 53,385 | 55,388 | 54,202 | 54,156 |
| Non Outage Plant Operations | 18,384 | 17,391 | 18,023 | 17,652 | 17,381 | 17,591 | 17,618 |
| Subtotal Non outage | $ 168,419 | $ 173,162 | $ 179,697 | $ 183,852 | $ 188,203 | $ 190,128 | $ 193,675 |
| Outage | 29,883 | 37,671 | 39,166 | 40,981 | 40,844 | 47,634 | 38,426 |
| **Total O&M Expense - Mgmt. View** | **$ 198,302** | **$ 210,833** | **$ 218,862** | **$ 224,834** | **$ 229,047** | **$ 237,762** | **$ 232,101** |
| **Plus:** | | | | | | | |
| Base Gross Margin Items | $ 17,552 | $ 16,349 | $ 18,636 | $ 21,007 | $ 22,599 | $ 25,231 | $ 26,202 |
| Mechanism Gross Margin Items | 35,811 | 30,231 | 26,815 | 29,672 | 29,203 | 29,356 | 32,045 |
| **Total O&M Expense-GAAP View** | **$ 251,665** | **$ 257,413** | **$ 264,313** | **$ 275,514** | **$ 280,849** | **$ 292,349** | **$ 290,347** |

# 2017-2023 Annual O&M Expenses
# Outages ($000)

| Outages | 2017 Actual | 2018 Forecast | 2019 Plan | 2020 Plan | 2021 Plan | 2022 Plan | 2023 Plan |
|---|---|---|---|---|---|---|---|
| LG&E Outage | | | | | | | |
| Coal Fired Units | $ 13,502 | 13,434 | 14,529 | 14,861 | 15,758 | 15,790 | 16,720 |
| Combustion Turbines | 369 | 688 | 608 | 1,113 | 1,080 | 1,603 | 1,131 |
| Total LG&E Outage | $ 13,871 | $ 14,122 | $ 15,137 | $ 15,974 | $ 16,838 | $ 17,393 | $ 17,851 |
| KU Outage | | | | | | | |
| Coal Fired Units | $ 14,249 | 21,561 | 22,702 | 21,852 | 20,973 | 25,412 | 17,753 |
| Combustion Turbines | 1,764 | 1,988 | 1,326 | 3,155 | 3,033 | 4,829 | 2,822 |
| Total KU Outage | $ 16,013 | $ 23,549 | $ 24,028 | $ 25,007 | $ 24,007 | $ 30,241 | $ 20,575 |
| Combined Outage | | | | | | | |
| Coal Fired Units | $ 27,751 | $ 34,995 | $ 37,231 | $ 36,713 | $ 36,731 | $ 41,202 | $ 34,474 |
| Combustion Turbines | 2,133 | 2,676 | 1,934 | 4,269 | 4,113 | 6,432 | 3,952 |
| Total Combined Outage | $ 29,883 | $ 37,671 | $ 39,166 | $ 40,981 | $ 40,844 | $ 47,634 | $ 38,426 |

# 2017-2023 Annual O&M Expenses
# Non Labor - Supplemental Contractors ($000)

| Supplemental Contractors | 2017 Actual | 2018 Forecast | 2019 Plan | 2020 Plan | 2021 Plan | 2022 Plan | 2023 Plan |
|---|---|---|---|---|---|---|---|
| Fuel and Ash Handling Equipment | $ 5,963 | $ 5,884 | $ 6,083 | $ 6,403 | $ 6,785 | $ 7,052 | $ 7,308 |
| Buildings and Grounds | 4,987 | 5,062 | 5,421 | 5,554 | 5,571 | 5,711 | 5,873 |
| Boiler Systems | 2,751 | 3,880 | 4,785 | 4,638 | 4,697 | 4,832 | 4,953 |
| Process Water | - | - | 1,792 | 2,709 | 2,781 | 2,856 | 2,932 |
| Plant Operations | 2,700 | 2,525 | 3,410 | 4,280 | 4,410 | 4,527 | 4,664 |
| Environmental | 2,221 | 2,191 | 1,721 | 1,869 | 1,908 | 1,908 | 1,981 |
| Cooling Water Systems | 521 | 522 | 474 | 498 | 511 | 514 | 534 |
| Turbine/Generator Systems | 391 | 297 | 172 | 177 | 179 | 185 | 186 |
| Other | 2,444 | 1,561 | 2,076 | 1,308 | 1,513 | 1,665 | 1,721 |
| Total Supplemental Contractors (100%) | $ 21,978 | $ 21,920 | $ 25,934 | $ 27,436 | $ 28,356 | $ 29,249 | $ 30,152 |
| Trimble County Partner | $ (1,713) | $ (1,580) | $ (1,757) | $ (1,817) | $ (1,975) | $ (2,139) | $ (2,189) |
| Total Supplemental Contractors net | $ 20,265 | $ 20,340 | $ 24,177 | $ 25,619 | $ 26,381 | $ 27,110 | $ 27,963 |

# 2017-2023 Annual O&M Expenses
# Non Labor - Maintenance ($000)

| Maintenance | 2017 Actual | 2018 Forecast | 2019 Plan | 2020 Plan | 2021 Plan | 2022 Plan | 2023 Plan |
|---|---|---|---|---|---|---|---|
| Boiler Systems | $ 9,756 | $ 11,509 | $ 11,984 | $ 12,256 | $ 11,790 | $ 12,385 | $ 12,026 |
| Turbine/Generator Systems | 3,848 | 3,787 | 5,368 | 5,014 | 5,405 | 4,918 | 5,114 |
| Cooling Water Systems | 3,602 | 4,956 | 4,328 | 4,550 | 4,094 | 4,347 | 4,618 |
| Fuel and Ash Handling Equipment | 7,814 | 8,376 | 7,321 | 7,893 | 7,679 | 8,191 | 8,377 |
| Buildings and Grounds | 6,693 | 7,817 | 5,982 | 5,507 | 5,777 | 5,788 | 5,583 |
| Flue Gas Desulfurization (FGD) | 3,083 | 3,147 | 2,893 | 3,202 | 3,391 | 3,453 | 3,354 |
| Limestone Systems | 3,252 | 2,648 | 2,998 | 2,533 | 3,272 | 2,645 | 3,183 |
| Tools and Consumables | 2,192 | 2,536 | 1,970 | 1,968 | 1,969 | 1,969 | 1,969 |
| Process Water | - | - | 1,343 | 2,085 | 2,141 | 2,197 | 2,253 |
| Compressed Air Systems | 998 | 1,031 | 1,085 | 1,107 | 1,300 | 1,105 | 931 |
| Computer/control Systems | 1,862 | 2,224 | 2,230 | 2,298 | 2,334 | 2,362 | 2,388 |
| Obsolete Inventory | 995 | 824 | 3,282 | 1,242 | 1,603 | 1,187 | 739 |
| Selective Catalytic Reduction (SCR) systems | 616 | 895 | 754 | 879 | 814 | 904 | 859 |
| Green River and Brown Regulatory Assets | 817 | 446 | (1,416) | 670 | 670 | 223 | - |
| Other Maintenance | 7,218 | 6,104 | 6,161 | 4,791 | 6,338 | 6,428 | 6,688 |
| Total Maintenance (100%) | $ 52,746 | $ 56,301 | $ 56,284 | $ 55,994 | $ 58,578 | $ 58,101 | $ 58,083 |
| Trimble County Partner | $ (2,662) | $ (2,539) | $ (2,593) | $ (2,610) | $ (3,190) | $ (3,899) | $ (3,927) |
| Total Maintenance net | $ 50,084 | $ 53,762 | $ 53,690 | $ 53,385 | $ 55,388 | $ 54,202 | $ 54,156 |

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# 2017-2023 Annual O&M Expenses
# Non Labor - Operations ($000)

| Operations | 2017 Actual | 2018 Forecast | 2019 Plan | 2020 Plan | 2021 Plan | 2022 Plan | 2023 Plan |
|---|---|---|---|---|---|---|---|
| Chemicals/Diesel | $ 3,822 | $ 3,798 | $ 4,840 | $ 4,744 | $ 4,519 | $ 4,515 | $ 4,523 |
| Administrative and General Supplies | 3,141 | 1,967 | 1,976 | 1,987 | 2,016 | 2,043 | 2,062 |
| Health and Safety | 1,654 | 1,669 | 1,782 | 1,805 | 1,790 | 1,820 | 1,806 |
| Fuel Handling Equipment | 1,328 | 1,839 | 1,736 | 1,794 | 1,813 | 1,847 | 1,860 |
| Tools and Consumables | 830 | 744 | 1,054 | 1,060 | 1,073 | 1,087 | 1,097 |
| Water and Water Treatment | 682 | 942 | 888 | 919 | 931 | 944 | 955 |
| HydroElectric facilities | 912 | 898 | 964 | 978 | 993 | 1,008 | 1,023 |
| Combustion Turbine facilities | 609 | 858 | 1,051 | 1,120 | 1,190 | 1,247 | 1,268 |
| Environmental | 1,369 | 1,000 | 338 | 292 | 408 | 527 | 512 |
| Training and Development | 175 | 292 | 460 | 463 | 466 | 469 | 472 |
| Green River Regulatory Asset | 1,766 | 963 | 321 | - | - | - | - |
| Other Operations | 2,830 | 2,992 | 3,264 | 3,169 | 2,911 | 2,869 | 2,887 |
| Total Operations (100%) | $ 19,118 | $ 17,962 | $ 18,674 | $ 18,331 | $ 18,111 | $ 18,376 | $ 18,464 |
| Trimble County Partner | $ (734) | $ (572) | $ (651) | $ (679) | $ (730) | $ (785) | $ (847) |
| Total Operations net | $ 18,384 | $ 17,391 | $ 18,023 | $ 17,652 | $ 17,381 | $ 17,591 | $ 17,618 |

# 2017-2023 Annual Expenses
# Base Gross Margin Items ($000)

| Item | 2017 Actual | 2018 Forecast | 2019 Plan | 2020 Plan | 2021 Plan | 2022 Plan | 2023 Plan |
|---|---|---|---|---|---|---|---|
| Supplemental Contractors | $ 361 | $ 323 | $ 330 | $ 288 | $ 300 | $ 312 | $ 324 |
| Refined Coal | (1,377) | (2,833) | (3,037) | (3,102) | (1,934) | - | - |
| Activated Carbon | 36 | 34 | 19 | - | (0) | 0 | 0 |
| Process Water Chemicals | - | - | 1,833 | 2,859 | 2,917 | 3,017 | 3,145 |
| Liquid Injection - Reagent Only | 1,389 | 1,437 | 1,435 | 1,511 | 1,543 | 1,611 | 1,627 |
| Other Waste Disposal | (75) | (250) | (33) | 630 | 657 | 675 | 695 |
| NOx Reduction Reagent | 4,873 | 4,994 | 4,271 | 4,459 | 4,509 | 4,649 | 4,971 |
| Scrubber Reactant Ex | 10,740 | 11,373 | 12,569 | 12,994 | 13,240 | 13,569 | 14,039 |
| Sorbent Injection Operation | - | - | - | - | - | - | - |
| Sorbent Reactant - Reagent Only | 1,605 | 1,271 | 1,250 | 1,368 | 1,367 | 1,398 | 1,400 |
| SO2 Emission Allowances | - | - | - | - | - | - | - |
| Total Base Gross Margin | $ 17,552 | $ 16,349 | $ 18,636 | $ 21,007 | $ 22,599 | $ 25,231 | $ 26,202 |

# 2017-2023 Annual Expenses
# Mechanism Gross Margin Items ($000)

| Item | 2017 Actual | 2018 Forecast | 2019 Plan | 2020 Plan | 2021 Plan | 2022 Plan | 2023 Plan |
|---|---|---|---|---|---|---|---|
| Labor | $ 1,976 | $ 1,894 | $ 2,900 | $ 3,428 | $ 3,106 | $ 2,716 | $ 3,117 |
| Supplemental Contractors | 5,175 | 4,911 | 4,938 | 5,250 | 5,358 | 5,492 | 5,859 |
| ECR ELG | - | - | - | - | - | 100 | 1,248 |
| ECR Maintenance Of SCR/NOx Reduction Equip | 144 | 202 | 107 | 109 | 111 | 113 | 114 |
| ECR Baghouse Maintenance | 492 | 545 | 727 | 912 | 960 | 964 | 1,046 |
| ECR Fly Ash Disposal | 324 | (2,552) | (4,186) | (4,179) | (4,172) | (4,167) | (4,162) |
| ECR Activated Carbon | 5,538 | 3,596 | 3,946 | 4,046 | 4,014 | 4,120 | 4,298 |
| ECR Liquid Injection - Reagent Only | 2,679 | 1,738 | 1,658 | 1,828 | 1,809 | 1,947 | 2,018 |
| ECR Landfill Operations | 2,390 | 2,346 | 1,930 | 1,930 | 1,933 | 1,936 | 1,938 |
| ECR Landfill Maintenance | 2,802 | 3,726 | 4,388 | 6,148 | 6,223 | 6,074 | 6,184 |
| ECR CCP System Maintenance | 101 | 149 | 215 | 221 | 228 | 232 | 237 |
| ECR Maintenance-FGDs | 784 | 938 | 866 | 876 | 836 | 556 | 401 |
| ECR Nox Reduction Reagent | 291 | 318 | 203 | 216 | 233 | 239 | 237 |
| ECR Other Waste Disposal - Beneficial Reuse | 561 | 437 | (1,135) | (1,800) | (1,800) | (1,800) | (1,800) |
| ECR Sorbent Injection Maintenance | 265 | 360 | 289 | 290 | 281 | 269 | 269 |
| ECR Sorbent Injection Operation | 66 | 242 | 96 | 100 | 102 | 104 | 106 |
| ECR SO2 Emission Allowances | 4 | 6 | 5 | 5 | 5 | 5 | 5 |
| ECR Sorbent Reactant - Reagent Only | 12,219 | 11,373 | 9,868 | 10,292 | 9,976 | 10,457 | 10,930 |
| Total Mechanism Gross Margin | $ 35,811 | $ 30,231 | $ 26,815 | $ 29,672 | $ 29,203 | $ 29,356 | $ 32,045 |

# O&M Annual Expense Reconciliation
# ($000)

| | 2019 Plan | 2020 Plan | 2021 Plan | 2022 Plan | 2023 Plan |
|---|---|---|---|---|---|
| 2018 Plan/Expectation | $ 215,020 | $ 219,538 | $ 227,030 | $ 229,517 | $ 231,448 |
| Drivers: | | | | | |
| Process Water | $ 3,173 | $ 4,993 | $ 5,125 | $ 5,260 | $ 5,397 |
| Landfill Well monitoring | 313 | 362 | 101 | 101 | 101 |
| Move BR3 outage 2020 into 2019 | 468 | (468) | | | |
| Timing on CR7 outages | (316) | 502 | (2,624) | 2,374 | (5,469) |
| Other Outage expense | 861 | (50) | 52 | 596 | 331 |
| Other Maintenance | (657) | (44) | (638) | (85) | 293 |
| Current Plan - Mgt. View | $ 218,862 | $ 224,834 | $ 229,047 | $ 237,762 | $ 232,101 |

# 2017-2023 Capital Expenditures ($000)

| Item | 2017 Actual | 2018 Forecast | 2019 Plan | 2020 Plan | 2021 Plan | 2022 Plan | 2023 Plan |
|---|---|---|---|---|---|---|---|
| Brown CT Combustion Inspections | $ 8,167 | $ 6,230 | $ 20,892 | $ 1,897 | $ 32,179 | $ - | 3,048 |
| Trimble CT Combustion Inspections | 4,086 | 3,734 | 818 | 4,271 | 5,384 | 1,426 | - |
| Cane Run 7 Hot Gas Path and Combustion Inspection | 8,254 | - | - | 22,701 | - | 9,400 | - |
| Cane Run 7 Blade replacments | 3,601 | 67 | - | - | - | - | - |
| BlackStart (Cane Run and Trimble County) | 8,877 | - | - | - | - | - | - |
| Ghent 3 Burner replacement | 4,415 | 2,626 | 164 | - | - | - | - |
| TC1 Gas Conversion | 3,658 | 442 | - | - | - | - | - |
| TC2 Gas Conversion | 2,530 | - | - | - | - | - | - |
| TC2 Water Wall replacement | 2,349 | 3,537 | - | - | - | - | - |
| Ghent Barge Unloader | 2,415 | 6,324 | - | - | - | - | - |
| Ghent 2 4Kv Switchgear | 1,601 | 2,346 | 3,447 | - | - | - | - |
| Ghent Cooling Tower Rebuilds | 1,059 | 9,816 | 2,491 | 10,100 | - | - | - |
| Mill Creek Cooling Towers | - | - | 743 | - | 1,654 | 3,159 | 712 |
| Brown CT Gas Pipeline Relocation | 284 | 4,599 | 15,948 | - | - | - | - |
| Ghent 1 Burner Corner Tubing | - | - | - | 226 | 1,467 | 4,032 | - |
| Ghent Stacker Reclaimer | - | 3,462 | 5,761 | - | - | - | - |
| Ghent 1 horizontal LTSH tubing | - | - | 1,241 | 3,783 | - | - | - |
| Ghent 1 Reheater Pendent Assembly Replacement | - | 459 | 4,176 | 4,556 | - | - | - |
| Ghent 1 Superheater Platen Pendents | - | 287 | 1,524 | 2,797 | - | - | - |
| Ohio Falls DCS upgrade | - | - | - | - | 3,276 | - | - |
| Mill Creek Stacker Reclaimer | - | - | - | 1,289 | 8,180 | - | - |
| Dix Dam Parapet Wall | - | - | 100 | 5,505 | - | - | - |
| Trimble County CT spare rotor | - | - | - | - | - | 2,986 | 15,652 |
| ECR recoverable | 3,838 | 2,130 | 9,462 | 8,070 | 4,838 | - | - |
| Outage related capital | 38,026 | 56,444 | 98,259 | 62,059 | 89,179 | 66,120 | 85,773 |
| Reliability related capital | 57,750 | 45,661 | 59,826 | 22,364 | 36,560 | 19,631 | 25,217 |
| Total Capital | $ 150,909 | $ 148,166 | $ 224,852 | $ 149,618 | $ 182,716 | $ 106,754 | $ 130,403 |
| 2018 Plan | | $ 146,531 | $ 208,536 | $ 133,148 | $ 203,305 | $ 76,846 | $ 190,802 |
| Change | | $ 1,635 | $ 16,317 | $ 16,470 | $ (20,589) | $ 29,908 | $ (60,400) |

# Labor Expense ($000)

| Salary Plan | 2019 [1] Average Headcount | 2019 [1] Base Salary | 2019 [1] Overtime and all Other Labor | 2019 [1] TIA Labor Expense | 2019 [1] Total Salary & TIA Labor | 2019 [2] Labor Expense | 2020 Labor Expense | 2021 Labor Expense | 2022 Labor Expense | 2023 Labor Expense |
|---|---|---|---|---|---|---|---|---|---|---|
| Exempt | 303 | $ 36,223 | $ - | $ 2,764 | $ 38,987 | | | | | |
| Non-Exempt | 84 | 7,483 | 881 | 666 | 9,030 | | | | | |
| Union/Hourly | 512 | 42,196 | 9,090 | 3,645 | 54,931 | | | | | |
| Subtotal | 899 | $ 85,903 | $ 9,971 | $ 7,075 | $ 102,949 | | | | | |
| Co-ops / Interns | 35 | $ 1,153 | $ - | $ - | $ 1,153 | | | | | |
| Total | 934 | $ 87,056 | $ 9,971 | $ 7,075 | $ 104,102 | $ 87,120 | $ 89,994 | $ 91,650 | $ 93,734 | $ 96,018 |

[1] 100% Trimble County
[2] 75% Trimble County

# Employee Headcount by Work Group

| Work Group or Major Dept. | June 30, 2018 Actual | Dec. 31, 2018 | Dec. 31, 2019 | Dec. 31, 2020 | Dec. 31, 2021 | Dec. 31, 2022 | Dec. 31, 2023 |
|---|---|---|---|---|---|---|---|
| Mill Creek | 205 | 218 | 218 | 218 | 218 | 221 | 221 |
| Trimble County/CTs | 165 | 170 | 183 | 184 | 184 | 184 | 187 |
| Cane Run/Ohio Falls | 50 | 52 | 51 | 51 | 51 | 51 | 51 |
| Ghent | 218 | 219 | 216 | 216 | 216 | 216 | 219 |
| Brown/Dix | 126 | 126 | 128 | 126 | 123 | 121 | 119 |
| Commercial Operations | 45 | 44 | 44 | 44 | 44 | 44 | 44 |
| Generation Services | 47 | 53 | 53 | 55 | 55 | 55 | 55 |
| Other Generation Support | 16 | 14 | 14 | 14 | 14 | 13 | 13 |
| Co-Ops/Interns | 30 | 28 | 35 | 35 | 35 | 35 | 35 |
| Total | 902 | 924 | 942 | 943 | 940 | 940 | 944 |

- 2019 – 3 CCR maintenance positions Trimble; 10 operations positions Trimble; additional interns at Cane Run and Ghent
- 2020-2021 – 2 Mechanics at Trimble in 2020; offset by captured attrition (2020-2021)
- 2022 – 3 ELG positions at Mill Creek offset by captured attrition
- 2023 – 6 ELG positions at Ghent and Trimble partially offset by captured attrition

# Supplemental Contractors by Work Group

| Work Group or Type of Work | June 30, 2018 Actual | Dec. 31, 2018 | Dec. 31, 2019 | Dec. 31, 2020 | Dec. 31, 2021 | Dec. 31, 2022 | Dec. 31, 2023 |
|---|---|---|---|---|---|---|---|
| Mill Creek | 123 | 125 | 125 | 125 | 125 | 126 | 126 |
| Trimble County/CTs | 85 | 85 | 92 | 90 | 90 | 90 | 90 |
| Cane Run/Ohio Falls | 7 | 7 | 7 | 6 | 6 | 6 | 6 |
| Ghent | 134 | 134 | 135 | 135 | 135 | 135 | 135 |
| Brown/Dix | 53 | 53 | 37 | 37 | 38 | 38 | 39 |
| Commercial Operations | 15 | 15 | 15 | 15 | 15 | 15 | 15 |
| Generation Services | 5 | 4 | 4 | 4 | 4 | 4 | 4 |
| Central Service Shop | 15 | 15 | 15 | 15 | 15 | 15 | 15 |
| Process Water/ELG | | | 25 | 25 | 25 | 25 | 29 |
| Total | 437 | 438 | 455 | 452 | 453 | 454 | 459 |

- Brown 1 and 2 employees displacing contractors in 2019 when units retire
- TC landfill contractors added in 2019
- Process Water contractors added in 2019 – 8 each at Mill Creek, Ghent and Trimble Co; 1 at Brown

# 2017-2023 Headcount Totals & Changes

| | 2017 Actual | 2018 Forecast | 2019 Plan | 2020 Plan | 2021 Plan | 2022 Plan | 2023 Plan |
|---|---|---|---|---|---|---|---|
| | **Year-End** | | | | | | |
| **Employees** | | | | | | | |
| **TOTAL From (Page 21)** | **917** | **924** | **942** | **943** | **940** | **940** | **944** |
| **Prior Plan** | | 921 | 953 | 951 | 947 | 941 | |
| **Change From Prior Plan** | | 3 | (11) | (8) | (7) | (1) | |
| **Supplemental Contractors (Page 22)** | | 438 | 455 | 452 | 453 | 454 | 459 |
| **Prior Plan** | | 436 | 423 | 421 | 421 | 421 | |
| **Change from Prior Plan** | | 2 | 32 | 31 | 32 | 33 | |
| **Total Workforce (Employees Plus Supplemental Contractors)** | | | | | | | |
| **Current Plan** | | 1,362 | 1,397 | 1,395 | 1,393 | 1,394 | 1,403 |
| **Prior Plan** | | 1,357 | 1,376 | 1,372 | 1,368 | 1,362 | |
| **Variance** | | 5 | 21 | 23 | 25 | 32 | |

# Plan Risks

- Personnel resources and knowledge transfer due to work force turnover as result of retirements
- Increased cost pressures due to inflation and commodity price increases
- Cane Run 7 operation and maintenance costs – warranty recently expired
- Any subsequent changes to approved or proposed environmental regulations will impact the investment, construction and implementation of new systems and resources needed in this plan
- Generation dispatch for the plan years is based on current view of regulations and assumptions on pricing for gas supply and allowances which is subject to significant changes to unit cost profiles and maintenance schedules if changes occur
- Integration of additional CCR equipment, pond closures and dry landfill conversions will be on an aggressive schedule with potential to impact outage schedules and forecasted operating expenses.

# Operational Performance

## Key Performance Indicators

| KPI | 2017 Actual | 2018 Forecast | 2019 Plan | 2020 Plan | 2021 Plan | 2022 Plan | 2023 Plan |
|---|---|---|---|---|---|---|---|
| Generation (Twh)[1] | 32.4 | 33.8 | 32.5 | 32.1 | 32.2 | 32.2 | 32.5 |
| EAF (Steam) | 84.8% | 82.7% | 79.5% | 85.2% | 85.7% | 85.8% | 87.0% |
| EFOR (Steam) | 3.5% | 5.0% | 5.0% | 5.0% | 5.0% | 5.0% | 5.0% |
| Controllable Cost ($M)[2] | $250.4 | $257.4 | $264.3 | $275.5 | $280.8 | $292.3 | $290.3 |
| Controllable Cost (per Mwh)[2] | $7.74 | $7.62 | $8.12 | $8.58 | $8.73 | $9.07 | $8.94 |
| Cash Cost (per Mwh)[3] | $12.40 | $12.00 | $15.03 | $13.24 | $14.41 | $12.38 | $12.95 |
| Cost Per Mwh [4] | $7.76 | $7.91 | $8.04 | $8.19 | $8.49 | $8.81 | $9.10 |
| Recordable Injuries [5] | 1.23 | 3.14 | 1.80 | 1.73 | 1.66 | 1.55 | 1.47 |
| Days Away/Restricted/Transferred Case Rate (DART) [5] | 0.61 | 0.67 | 0.72 | 0.67 | 0.63 | 0.63 | 0.59 |

[1] Steam Generation includes 75% of Trimble County 1 and 2.

[2] Controllable Costs include Utility O&M and Other Cost of Sales.

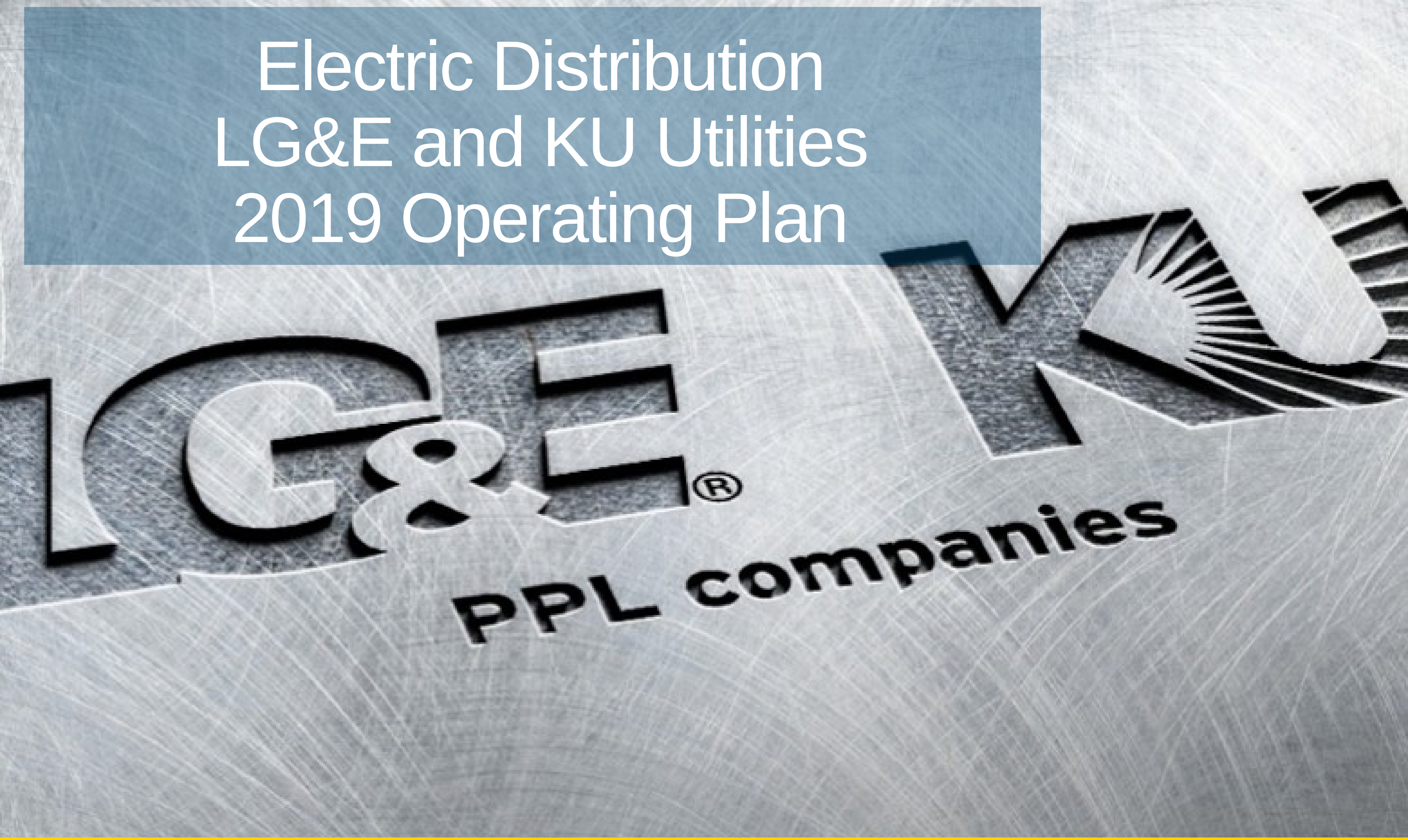
[3] Cash cost includes controllable costs plus capital divided by MWH (75% TC)

[4] Five year average - measure is non fuel O&M used in FERC benchmarking and includes all lines of business divided by MWH (75% TC)

[5] The 2018 number represents the June YTD value; Recordable injury rate without hearing loss is 1.12 YTD June

[*]2018 Forecast is from the 6&6 forecast.

# Electric Distribution
# LG&E and KU Utilities
# 2019 Operating Plan




**September 2018 – Updated to reflect KPSC AMS ruling**

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# Plan Highlights

Electric Distribution's Business Plan provides for continued emphasis on the Company's core values of safety and customer satisfaction.  Plan funding will continue to provide for safe, reliable, resilient and low cost electric service for customers, with priority given to the following:

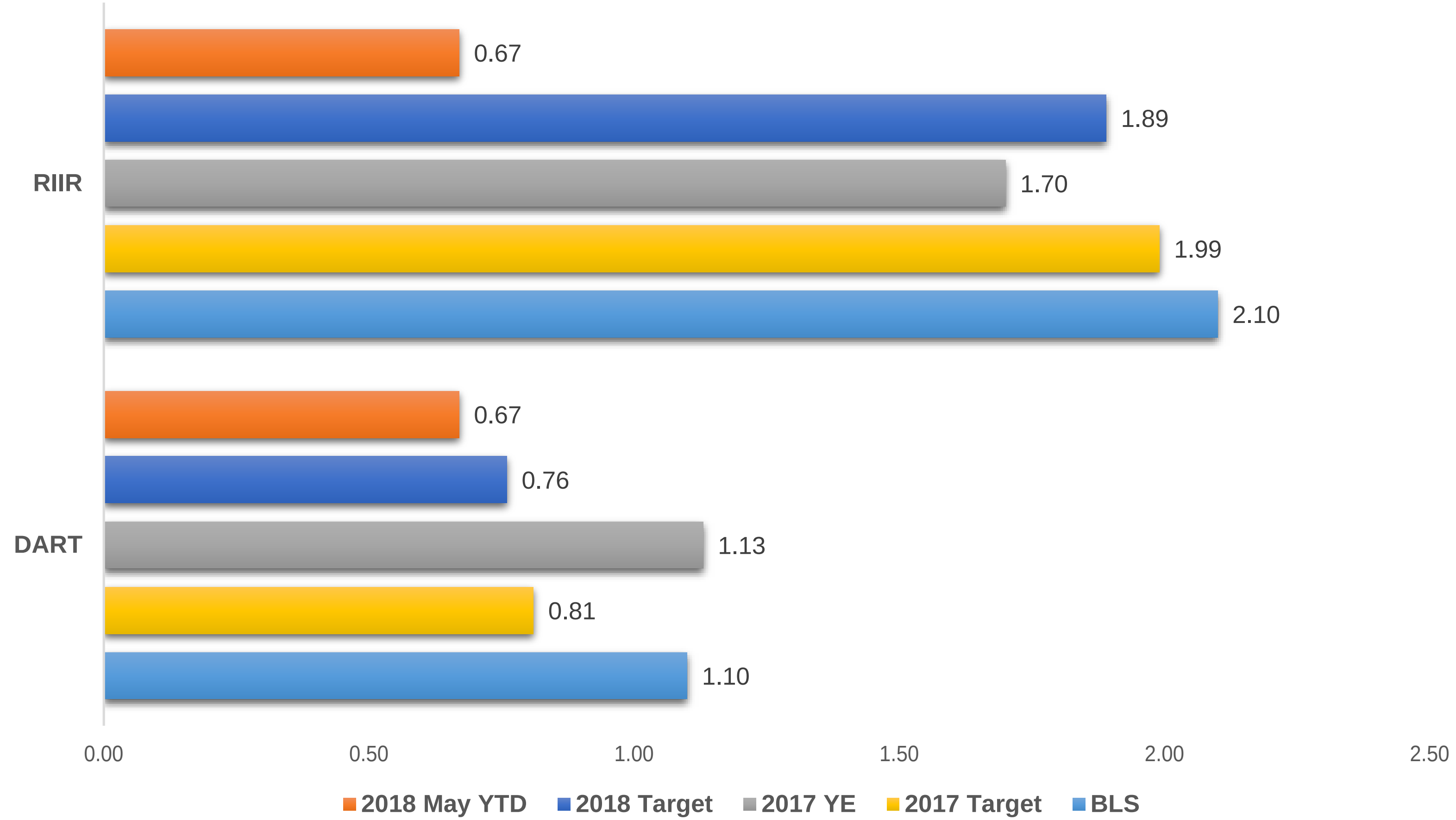
- Employee, business partner and public safety
- Transfer of knowledge to new employees as retirements accelerate
- System enhancements to meet existing and future customer loads
- Electric system automation, hardening and protection to improve service reliability and system resiliency
- Technology advancements to enhance business processes, improve operational efficiencies and enhance communications with customers
- Asset replacements to address aging infrastructure
- Construction projects to serve new customers and satisfy customer requested projects
- Maintenance, inspections and operations programs which assure regulatory compliance and operational performance



LG&E KU
PPL companies

# Plan Highlights

## Safety Performance - Electric




2016 BLS – most recent data

Case Nos. 2018-00294 and 2018-00295
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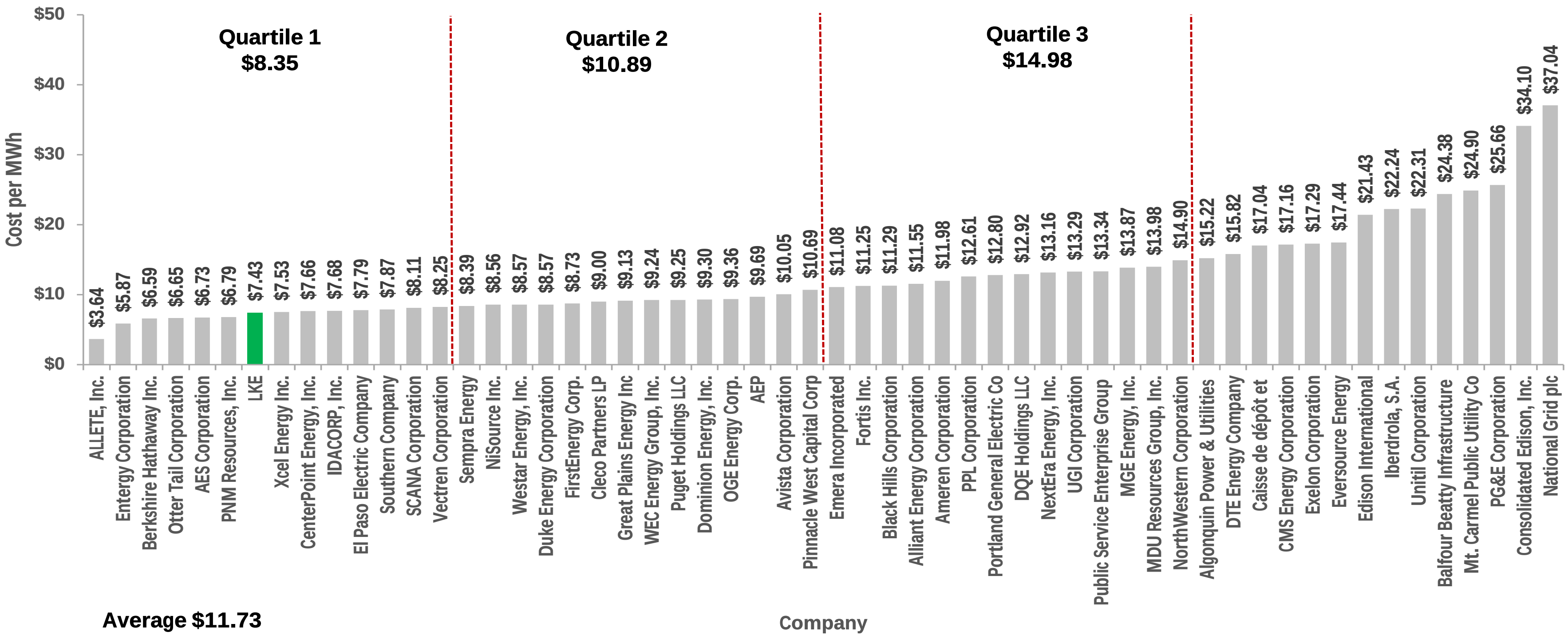
# Plan Highlights

## Total Electric Distribution Cash Cost per MWh

Overall Electric Distribution Expenditures per MWh
FERC Utility Cost Benchmarking – 5 Year Average Data (2013-2017)
(Electric Only)




Case Nos. 2018-00294 and 2018-00295
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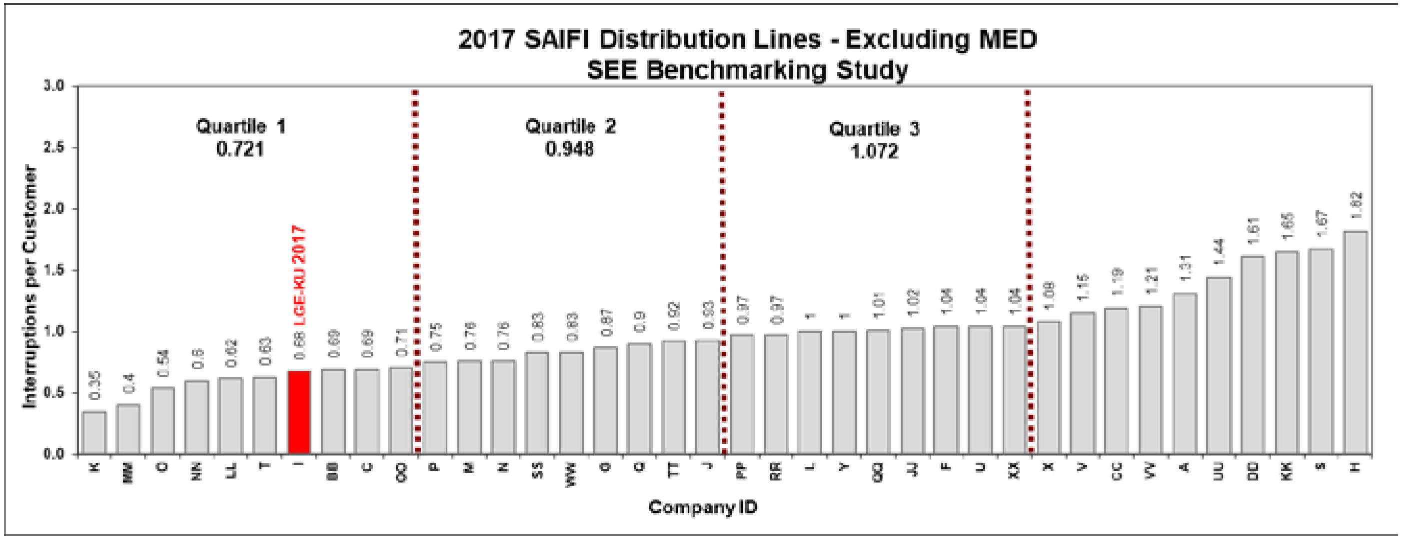
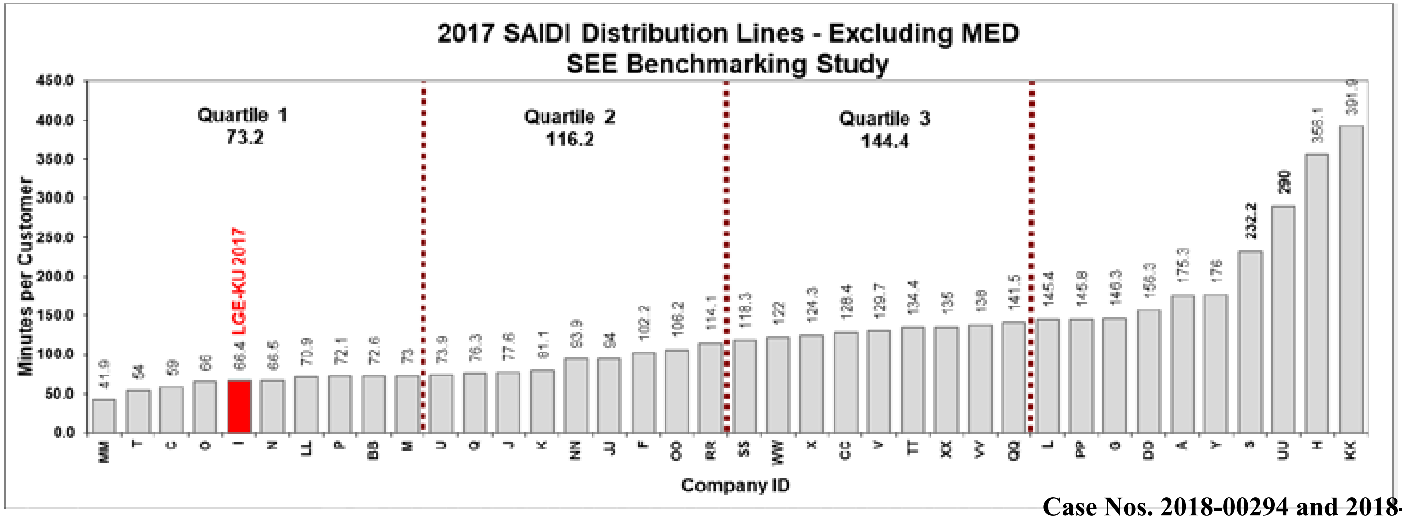
LG&E KU PPL companies

# Plan Highlights

## Reliability Performance




Case Nos. 2018-00294 and 2018-00295
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# Plan Highlights

- Safety and Wellness
  - Continue commitment to employees, business partners and public safety
  - Focus on incident prevention plans and critical danger zones
  - Support transfer of safety knowledge from seasoned to new employees
  - Ensure a comprehensive safety/technical training plan is in place for all employees
  - Benchmark and implement industry best practices
  - Maintain industry leading performance
  - Continue to improve motor vehicle safety
  - Promote wellness initiatives as an aspect of safety

# Plan Highlights

- Customer Experience
  - Respond effectively and efficiently to customer requests for service
  - Invest in system reliability and contingency to meet increasing customer expectations respective to service availability
  - Invest in aging infrastructure to continue long term service reliability
  - Advance grid intelligence to meet evolving customer expectations and align with industry trends
  - Respond to outage events in an efficient and effective manner, and continue to improve on the accuracy, timeliness, and provision of estimated restoration times
  - Build on technology which enhances business processes, reduces cycle times, and expands communications with customers
  - Focus on portraying a professional and positive image to customers
  - Satisfy system capacity needs to meet customer load

# Major Assumptions

- Customer reliance on electricity continues to increase, with advancement of end use technologies and electrification of nearly everything. Accordingly, customer expectations respective to electric service safety, reliability, and quality continue to evolve.
- Expectations for system resiliency and outage responsiveness will continue to grow in the face of increased grid vulnerabilities linked to severe and extreme weather, threats of cyber and physical attacks, and interference from wildlife and vegetation.
- Cost pressures will continue to increase with decreasing load projections, and with continued investments needed for grid reliability and resiliency improvements, aging infrastructure replacement, and system enhancements to meet new load or load shifts associated with population movement from rural to urban service areas.
- Regulations governing the operation, maintenance, inspection, and construction of the electric distribution system will remain relatively steady.

# Major Assumptions

- Across the industry, customers, regulators, and community leaders will continue to push for modernization of the electric grid, effective interconnection of distributed energy resources, increased operational flexibility, and enhanced customer communications.
- Customer interconnection of distributed generation and electric vehicles will increase slightly through the business plan period, as related costs continue to decline and efficiencies improve.
- Increased retirements and advancing technology will necessitate creative and timely solutions for converging legacy and future skillset needs, and transferring critical technical knowledge.
- New business growth will continue to increase moderately in urban service areas, and remain flat or decrease in most rural areas of the distribution system.

# Major Assumptions

- New business funding levels will be based on known projects, customer growth forecasts and historical work activity.
  - Funding for known major customer investment projects will be budgeted separately.
  - LG&E and KU capital blankets will be escalated at 5% and 3% through the planning period.
- Reliability funding levels will continue to target regulatory compliance and step improvements in performance.
  - Allocated vegetation management expenses will continue to assure maintenance of a required 5-year trim cycle, and support hazard tree removal and emerald ash borer mitigation.
  - Phase I investments in distribution automation deployment will continue through 2021, and target 50% of customers and 20% of distribution circuits. Phase II of distribution automation is planned in 2022 and 2023, and will target an additional 20% of customers and 20% of distribution circuits.
  - Investments for targeted circuit hardening and reliability improvement projects will continue to be allocated based on circuit reliability performance and specific customer interruption frequencies.
  - Substation investments will provide for enhanced wildlife protection and expansion of Supervisory Control and Data Acquisition (SCADA).

# Major Assumptions

- Distribution equipment replacement and repair investment and expense blankets will be budgeted based on historical trends.
- Infrastructure investments throughout the plan period will support continued improvements in system resiliency:
  - Distribution Substation Transformer Contingency Program
  - Pole Inspection, Treatment, and Replacement Program
- Aging infrastructure investments will place emphasis on:
  - Replacement of legacy substation equipment such as oil breakers, electro-mechanical relays, and underground exit cables.
  - Replacement of Paper Insulated Lead Covered (PILC) cable in the Downtown Louisville Distribution Network
  - Structural repair of vaults and manholes in the Downtown Louisville Distribution Network
- Weather related system repairs and service restoration budgets are based on historical trends (three year average).

# 2017-2023 Annual O&M Expenses
# ($000)

| Item | 2017 Actual | 2018 Forecast | 2019 Plan | 2020 Plan | 2021 Plan | 2022 Plan | 2023 Plan |
|---|---|---|---|---|---|---|---|
| **O&M Expenses Only:** | | | | | | | |
| Labor | 23,780 | 26,426 | 25,433 | 26,577 | 27,019 | 28,378 | 29,170 |
| **Non Labor** | | | | | | | |
| Line Clearance [1] | 20,829 | 23,736 | 24,693 | 24,535 | 25,578 | 25,477 | 25,966 |
| Storm Restoration [2] | 3,043 | 12,840 | 4,659 | 4,626 | 4,999 | 4,752 | 4,899 |
| Outside Services - Supplemental | 6,067 | 7,798 | 9,896 | 10,142 | 10,508 | 10,908 | 11,264 |
| Outside Services - Other | 2,736 | 1,863 | 1,252 | 1,054 | 791 | 753 | 826 |
| Sub-Total Outside Services | 8,803 | 9,661 | 11,149 | 11,196 | 11,299 | 11,661 | 12,090 |
| Materials | 3,693 | 4,104 | 4,560 | 4,606 | 4,758 | 4,791 | 4,862 |
| Transportation and Equipment | 3,940 | 4,264 | 4,500 | 4,562 | 4,680 | 4,807 | 4,920 |
| Other Non Labor | 1,802 | 2,240 | 2,044 | 1,929 | 1,920 | 1,907 | 1,933 |
| **Total Non Labor** | **42,110** | **56,845** | **51,604** | **51,454** | **53,234** | **53,396** | **54,672** |
| **Total O&M Expense - Mgmt. View** | **65,891** | **83,271** | **77,037** | **78,031** | **80,253** | **81,774** | **83,842** |
| **Plus:** | | | | | | | |
| Base Gross Margin Items | - | - | - | - | - | - | - |
| Merchanism Gross Margin Items | - | - | - | - | - | - | - |
| | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| **Total O&M Expense-GAAP View** | **65,891** | **83,271** | **77,037** | **78,031** | **80,253** | **81,774** | **83,842** |

[1] Total Line Clearance including labor is $21.7M for 2017, $24.6M for 2018, $25.6M for 2019, $25.5M for 2020, $26.5M for 2021, $26.5M for 2022, and $27.0M for 2023.

[2] Total Storm Restoration including labor is $4.8M 2017, $15.5M for 2018, $6.5M for 2019, $6.7M for 2020, $6.9M for 2021, $7.0M for 2022, and $7.2M for 2023.

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# 2017-2023 Annual O&M Expenses
# Non Labor Category
# ($000)

| Item | 2017 Actual | 2018 Forecast | 2019 Plan | 2020 Plan | 2021 Plan | 2022 Plan | 2023 Plan |
|---|---|---|---|---|---|---|---|
| **Line Clearance:** | | | | | | | |
| Routine LGE | 6,211 | 6,076 | 6,558 | 6,726 | 6,788 | 7,067 | 7,325 |
| Routine KU | 11,722 | 13,465 | 12,763 | 12,783 | 12,917 | 13,145 | 13,376 |
| **Sub-Total Routine** | **17,933** | **19,541** | **19,322** | **19,509** | **19,705** | **20,212** | **20,701** |
| Hazard Tree LGE | 1,356 | 1,700 | 1,854 | 1,784 | 1,939 | 1,740 | 1,740 |
| Hazard Tree KU | 1,540 | 2,494 | 3,518 | 3,242 | 3,934 | 3,525 | 3,525 |
| **Sub-Total Hazard** | **2,896** | **4,195** | **5,372** | **5,026** | **5,873** | **5,265** | **5,265** |
| **Total Line Clearance** | **20,829** | **23,736** | **24,693** | **24,535** | **25,578** | **25,477** | **25,966** |
| | | | | | | | |
| **Storm Restoration - 3 yr. average:** | **3,043** | **12,840** | **4,659** | **4,626** | **4,999** | **4,752** | **4,899** |

| | | Total Expense | | | CPI | CPI Adjusted Amount | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | LG&E | KU | Total | Index | LG&E | KU | Total | | |
| Normalized Storm Costs: | | | | | | | | | | |
| | 2017 | 2,267 | 2,533 | 4,800 | 1.0000 | 2,267 | 2,533 | 4,800 | | |
| | 2016 | 2,305 | 2,841 | 5,146 | 1.0208 | 2,353 | 2,900 | 5,253 | | |
| | 2015 | 4,844 | 3,606 | 8,451 | 1.0337 | 5,007 | 3,728 | 8,735 | | |
| Total | | 9,416 | 8,980 | 18,396 | | 9,627 | 9,161 | 18,788 | | |
| **Three Year Average** | | | | | | **3,209** | **3,054** | **6,263** | | |
| **Three Year Average - CPI Adjusted** | | | | | | | | | Labor | Non Labor |
| | 2018 | 6+6 Forecast | | | 1.0163 | **8,032** | **7,421** | **15,453** | | |
| | 2019 | | | | 1.0367 | **3,327** | **3,166** | **6,493** | **1,834** | **4,659** |
| | 2020 | | | | 1.0653 | **3,419** | **3,253** | **6,672** | **2,046** | **4,626** |
| | 2021 | | | | 1.0939 | **3,510** | **3,340** | **6,851** | **1,851** | **4,999** |
| | 2022 | | | | 1.1224 | **3,602** | **3,428** | **7,029** | **2,277** | **4,752** |
| | 2023 | | | | 1.1469 | **3,681** | **3,502** | **7,183** | **2,284** | **4,899** |

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LG&E KU
PPL companies

# 2017-2023 Annual O&M Expenses
# Non Labor Category
# ($000)

| Item | 2017 Actual | 2018 Forecast | 2019 Plan | 2020 Plan | 2021 Plan | 2022 Plan | 2023 Plan |
|---|---|---|---|---|---|---|---|
| **Outside Services - Supplemental:** | | | | | | | |
| Asset Management (Includes Substations) | 1,690 | 1,924 | 2,373 | 2,325 | 2,456 | 2,554 | 2,619 |
| LGE Ops | 3,675 | 3,809 | 4,388 | 4,635 | 4,820 | 5,071 | 5,318 |
| KU Ops | 344 | 1,200 | 1,958 | 1,985 | 2,017 | 2,050 | 2,066 |
| Reliability | 358 | 665 | 777 | 797 | 814 | 833 | 861 |
| Estimated Impact for Additional Sales Tax | 1 | 200 | 400 | 400 | 400 | 400 | 400 |
| **Total Outside Services - Supplemental** | **6,067** | **7,798** | **9,896** | **10,142** | **10,508** | **10,908** | **11,264** |
| **Outside Services - Other:** | | | | | | | |
| Asset Management (Includes Substations) | 436 | 390 | 86 | 91 | 89 | 91 | 92 |
| LGE Ops | 362 | 316 | 24 | 24 | 24 | 0 | 0 |
| KU Ops | 1,741 | 971 | 474 | 507 | 554 | 615 | 685 |
| Reliability | 182 | 180 | 636 | 401 | 93 | 16 | 17 |
| Other | 15 | 6 | 32 | 32 | 32 | 32 | 32 |
| **Total Outside Services - Other** | **2,736** | **1,863** | **1,252** | **1,054** | **791** | **753** | **826** |
| **Sub-Total Outside Services** | **8,803** | **9,661** | **11,149** | **11,196** | **11,299** | **11,661** | **12,090** |
| **Materials:** | | | | | | | |
| Asset Management (Includes Substations) | 949 | 1,110 | 1,188 | 1,210 | 1,259 | 1,257 | 1,301 |
| LGE Ops | 1,024 | 1,122 | 1,362 | 1,359 | 1,462 | 1,471 | 1,493 |
| KU Ops | 1,591 | 1,689 | 1,879 | 1,908 | 1,905 | 1,927 | 1,930 |
| Reliability | 103 | 155 | 103 | 101 | 105 | 108 | 110 |
| Other | 26 | 29 | 28 | 28 | 28 | 28 | 28 |
| **Total Materials** | **3,693** | **4,104** | **4,560** | **4,606** | **4,758** | **4,791** | **4,862** |

# 2017-2023 Annual O&M Expenses
# Non Labor Category
# ($000)

| Item | 2017 Actual | 2018 Forecast | 2019 Plan | 2020 Plan | 2021 Plan | 2022 Plan | 2023 Plan |
|---|---|---|---|---|---|---|---|
| **Transportation and Equipment:** | | | | | | | |
| Asset Management (Includes Substations) | 730 | 749 | 889 | 901 | 929 | 958 | 978 |
| LGE Ops | 858 | 947 | 934 | 950 | 963 | 987 | 1,008 |
| KU Ops | 2,331 | 2,537 | 2,643 | 2,676 | 2,753 | 2,827 | 2,898 |
| Reliability | 21 | 25 | 33 | 33 | 34 | 35 | 35 |
| Other | 1 | 6 | 1 | 1 | 1 | 1 | 1 |
| **Total Transportation and Equipment** | **3,940** | **4,264** | **4,500** | **4,562** | **4,680** | **4,807** | **4,920** |
| **Other Non Labor:** | | | | | | | |
| Cellular/Paging Services | 415 | 380 | 351 | 376 | 398 | 426 | 440 |
| Meals | 322 | 274 | 249 | 256 | 258 | 260 | 265 |
| Liability Claims | 303 | 667 | 406 | 406 | 406 | 406 | 406 |
| Education and Training - Course Fees | 202 | 252 | 112 | 125 | 141 | 144 | 152 |
| Travel and Mileage Reimbursement | 257 | 264 | 231 | 234 | 234 | 237 | 243 |
| Dues and Subscriptions | 52 | 43 | 124 | 124 | 124 | 124 | 124 |
| Moving Expense | 84 | 54 | 330 | 160 | 92 | 52 | 26 |
| Fees, Permits, Licenses | 92 | 35 | 41 | 41 | 41 | 41 | 41 |
| Lease/Rentals | 27 | 110 | 19 | 19 | 20 | 20 | 20 |
| Other | 49 | 161 | 181 | 188 | 206 | 197 | 217 |
| **Total Other Non Labor** | **1,802** | **2,240** | **2,044** | **1,929** | **1,920** | **1,907** | **1,933** |

# O&M Annual Expense Reconciliation ($000)

| | 2019 Plan | 2020 Plan | 2021 Plan | 2022 Plan | 2023 Plan |
|---|---|---|---|---|---|
| 2018 Plan/Expectation | 76,755 | 77,643 | 79,765 | 81,168 | 84,284 |
| Drivers: | | | | | |
| Storm Restoration - 3 year average | (801) | (820) | (841) | (859) | (827) |
| Pole Attachment Mapping Asset | 417 | 288 | 0 | 0 | 0 |
| Estimated Sales Tax on Services | 400 | 400 | 400 | 400 | 400 |
| WFP and Other Labor Impacts | 235 | 250 | 257 | 371 | 383 |
| KU Distribution Operations | 215 | 252 | 240 | 238 | 333 |
| LG&E Distribution Operations | 50 | 135 | 217 | 292 | 464 |
| Other | (234) | (117) | 215 | 164 | (1,195) |
| Current Plan - Mgt. View | 77,037 | 78,031 | 80,253 | 81,774 | 83,842 |

# 2017-2023 Capital Expenditures ($000)

| Item | 2017 Actual | 2018 Forecast | 2019 Plan | 2020 Plan | 2021 Plan | 2022 Plan | 2023 Plan |
|---|---|---|---|---|---|---|---|
| New Business | 69,972 | 67,672 | 72,927 | 74,528 | 77,421 | 80,733 | 83,851 |
| Enhance the Network | 49,811 | 84,086 | 102,831 | 87,550 | 87,995 | 57,968 | 63,327 |
| Maintain the Network | 63,415 | 74,390 | 90,751 | 85,679 | 87,028 | 70,365 | 70,805 |
| Repair the Network | 14,007 | 15,121 | 15,759 | 16,119 | 16,595 | 17,104 | 17,581 |
| Miscellaneous | 1,832 | 2,676 | 2,369 | 2,272 | 1,505 | 1,405 | 1,507 |
| **Total Capital** | **199,037** | **243,945** | **284,637** | **266,148** | **270,544** | **227,575** | **237,071** |
| **2018 Plan** | | **231,460** | **258,538** | **259,673** | **252,768** | **203,530** | **207,601** |
| **Change** | | **12,485** | **26,099** | **6,475** | **17,776** | **24,045** | **29,470** |

# Labor Expense

| | 2019 | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Salary Plan | Average Headcount | Base Salary | Overtime and all Other Labor* | TIA Labor Expense | Total Salary & TIA Labor | 2019 Labor Expense | 2020 Labor Expense | 2021 Labor Expense | 2022 Labor Expense | 2023 Labor Expense |
| Exempt | 175 | $ 19,218 | $ - | $ 1,642 | $ 20,860 | | | | | |
| Non-Exempt | 102 | $ 7,434 | $ 1,185 | $ 781 | $ 9,400 | | | | | |
| Union / Non-Union Hourly | 453 | $ 36,606 | $ 9,487 | $ 3,406 | $ 49,499 | | | | | |
| Subtotal | 730 | $ 63,258 | $ 10,672 | $ 5,829 | $ 79,759 | | | | | |
| Co-ops / Interns | 14 | $ 302 | $ - | | $ 302 | | | | | |
| Total | 744 | $ 63,560 | $ 10,672 | $ 5,829 | $ 80,061 | $25,433 | $26,577 | $27,019 | $28,378 | $29,170 |

Note: Annual expense amounts are on an income statement basis and exclude balance sheet accounts.

# Employee Headcount by Work Group

| Work Group or Major Dept. | Jun 30, 2018 Actual | Dec. 31, 2018 | Dec. 31, 2019 | Dec. 31, 2020 | Dec. 31, 2021 | Dec. 31, 2022 | Dec. 31, 2023 |
|---|---|---|---|---|---|---|---|
| VP | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| System Restoration and LG&E Operations | 217 | 224 | 221 | 224 | 222 | 223 | 223 |
| Reliability, Analytics & Administration | 55 | 56 | 58 | 58 | 58 | 58 | 58 |
| KU Distribution Operations | 304 | 303 | 303 | 303 | 303 | 303 | 303 |
| Substations & Asset Management | 139 | 146 | 146 | 147 | 146 | 146 | 146 |
| Interns | 15 | 15 | 13 | 13 | 13 | 13 | 13 |
| Total | 732 | 746 | 743 | 747 | 744 | 745 | 745 |

# Supplemental Contractors by Work Group

| Work Group or Type of Work | June 30, 2018 Actual | Dec. 31, 2018 | Dec. 31, 2019 | Dec. 31, 2020 | Dec. 31, 2021 | Dec. 31, 2022 | Dec. 31, 2023 |
|---|---|---|---|---|---|---|---|
| Director, Electric Distribution - KU | 200 | 211 | 257 | 237 | 241 | 193 | 204 |
| Director, Substations and Asset Management | 29 | 28 | 28 | 28 | 28 | 28 | 28 |
| Director, Distribution Reliability Analytics Admin | 374 | 399 | 398 | 398 | 398 | 398 | 375 |
| Director, Distribution Ops and Emergency Preparedness | 313 | 339 | 385 | 364 | 368 | 320 | 331 |
| **Total** | **916** | **977** | **1,068** | **1,027** | **1,035** | **939** | **938** |

# 2017-2023 Headcount Totals & Changes

| | Year-End | | | | | | |
|---|---|---|---|---|---|---|---|
| Employees | 2017 Actual | 2018 Forecast | 2019 Plan | 2020 Plan | 2021 Plan | 2022 Plan | 2023 Plan |
| **TOTAL From Page 20** | **724** | **746** | **743** | **747** | **744** | **745** | **745** |
| **Prior Plan** | | 736 | 731 | 735 | 732 | 732 | |
| **Change from Prior Plan** | | 10 | 12 | 12 | 12 | 13 | |

| | 2018 FC | 2019 Plan | 2020 Plan | 2021 Plan | 2022 Plan | 2023 Plan |
|---|---|---|---|---|---|---|
| **Supplemental Contractors (Page 21)** | 977 | 1068 | 1027 | 1035 | 939 | 938 |
| **Prior Plan** | 902 | 922 | 931 | 931 | 931 | |
| **Change from Prior Plan** | 75 | 146 | 96 | 104 | 8 | |

**Total Workforce (Employees Plus Supplemental Contractors)**

| | | | | | | |
|---|---|---|---|---|---|---|
| **Current Plan** | 1,723 | 1,811 | 1,774 | 1,779 | 1,684 | 1,683 |
| **Prior Plan** | 1,638 | 1,653 | 1,666 | 1,663 | 1,663 | |
| **Change from Prior Plan** | 85 | 158 | 108 | 116 | 21 | |

# Plan Risks

- Abnormal or unexpected grid exposure to severe weather, periods of temperature extremes, natural disasters, or physical and cyber attacks, resulting in increased distribution grid trouble or damages
- Continued / increased mutual assistance efforts impacting availability of supplemental and off-system contractor resources
- Accelerated reliability impacts associated with emerald ash borer and hazard trees, or other grid vulnerabilities
- Substantial deviations from economic forecasts or system load plans.
- Unpredicted increases in material, contractor labor, or equipment costs
- Unforeseen market penetrations of distributed energy resources, including distributed generation and electric vehicles
- Accelerated retirements/loss of key technical skillsets and increased competition for qualified resources in the industry
- Unforeseen regulatory rulings which require substantial changes to legacy system operations, maintenance, or construction practices

# Operational Performance

## Key Performance Indicators

| KPI | 2017 Year End | 2018 Forecast | 2019 Plan | 2020 Plan | 2021 Plan | 2022 Plan | 2023 Plan |
|---|---|---|---|---|---|---|---|
| Safety - Employees Incident Rate [1] | 1.70 | 0.67 | 1.80 | 1.73 | 1.66 | 1.55 | 1.47 |
| Safety - Contractors Incident Rate [1] | 2.31 | 0.78 | 1.80 | 1.73 | 1.66 | 1.55 | 1.47 |
| DART - Employees [1] | 1.13 | 0.67 | 0.72 | 0.67 | 0.63 | 0.63 | 0.59 |
| SAIFI | 0.743 | 0.803 | 0.748 | 0.710 | 0.688 | 0.671 | 0.657 |
| SAIDI | 69.43 | 81.40 | 78.54 | 75.89 | 74.26 | 72.46 | 72.03 |
| Residential New Business Cycle Time (Business Days) [2] | 2.69 | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 |
| Repair Street Lights (Business Days) [3] | 1.68 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 |
| Electric Trouble Arrival Response Time (Minutes) [4] | 42.55 | 45.00 | 45.00 | 45.00 | 45.00 | 45.00 | 45.00 |
| Estimated Restoration Time (ERT) Accuracy [5] | 96.5% | 94% | 95% | 95% | 95% | 95% | 95% |
| Cash Cost Per MWH Sold - 5 Yr. Avg. Calculation | 7.43 | 8.29 | 9.19 | 10.02 | 10.69 | 11.14 | 11.21 |

**1)** 2018 Forecast numbers are YTD May 2018 actuals and not forecasted.
**2)** Measures the time between the approved inspection and the connection to the customer.
**3)** Measures the duration from once the call is received to when we are onsite to assess / repair.
**4)** Measures the time frame between the first call and arrival time for emergency calls on Blue Sky Days only.
**5)** Measures the percentage that service is restored on or before the ERT.

# Gas Distribution
# LG&E and KU Utilities
# 2019 Operating Plan

**September 2018 – Updated to reflect KPSC AMS ruling**

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# Plan Highlights

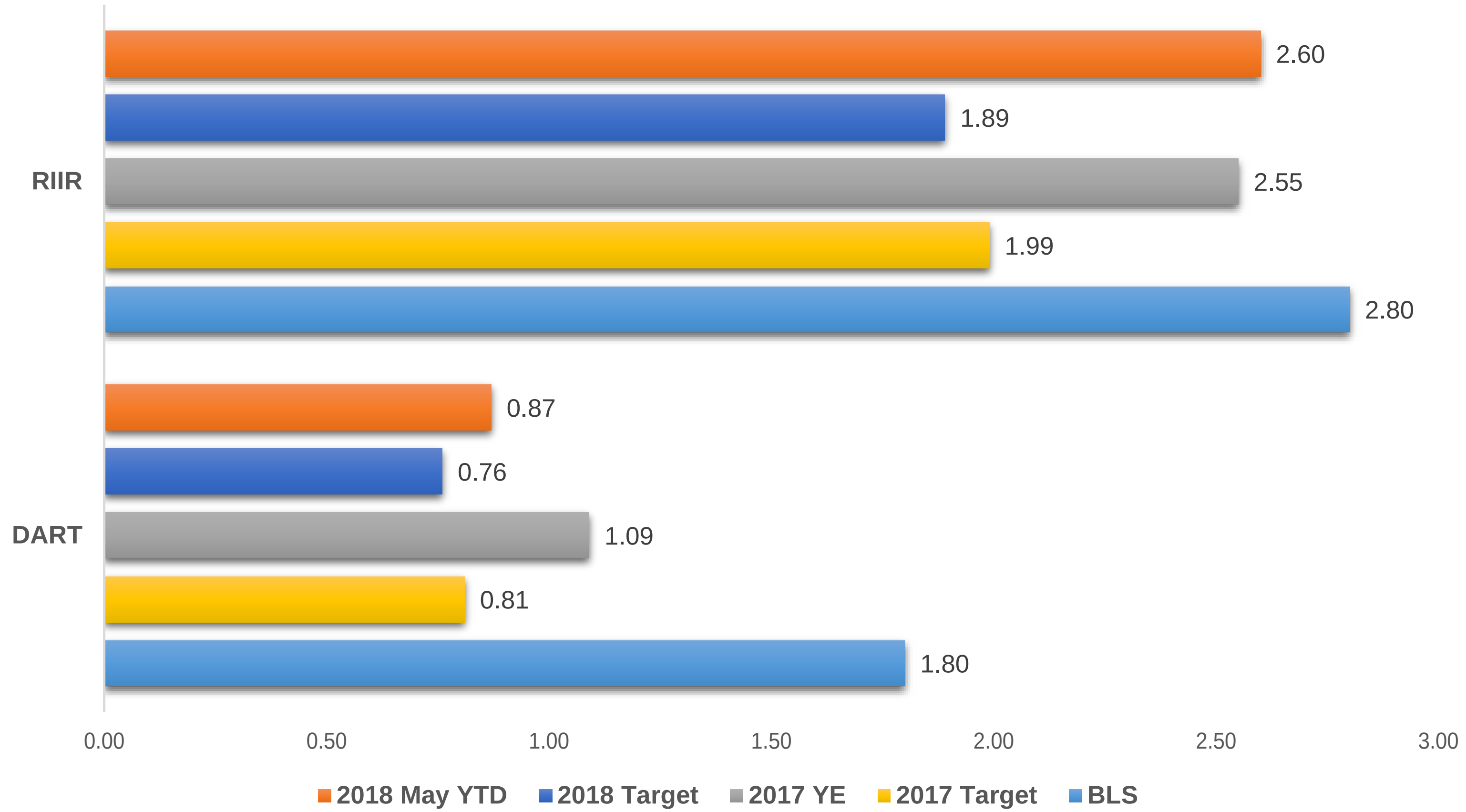
Safety and customer satisfaction are core values at LG&E and KU. Gas Distribution Operations mission is to provide safe, reliable, and low cost service that enhances our customer's quality of life.

Funding levels within the proposed plan were established with the following priorities in mind:

- Employee, contractor and public safety
- Regulatory compliance
- Supporting customer service
- Gas system reliability
- Asset replacement to ensure reliable and safe service
- System enhancements to meet customer needs
- Technology to increase efficiencies and enhance customer experience
- Capital investments for transmission modernization, customer service line replacement and service line ownership

# Plan Highlights

## Safety Performance - Gas




2016 BLS - most recent data

# Plan Highlights

- Safety and Wellness
  - Continuously strive to improve employee safety performance
  - Improve gas system safety thru effective Distribution Integrity, Transmission Integrity, Public Awareness, Damage Prevention, Storage Integrity and Gas Control Room Management programs
  - Maintain strong safety partnerships with business partners
  - Enhanced public safety through customer communications and asset replacement
  - Continuation of motor vehicle safety initiatives
  - Identify, share, and capitalize on industry best practices
  - Mock drills, leak detection training, and emergency response improvements
  - Effective liaison with emergency response agencies
  - Promote wellness initiatives as an aspect of safety

# Plan Highlights

- Customer Experience
  - Meet customer expectations for new service requests
  - Promptly address customer service issues
  - Identify customer service improvement opportunities
  - Invest in aging infrastructure to ensure reliable and safe service
  - Promote professional and positive corporate image to customers
  - Restore customer service outages quickly and efficiently
  - Meet customer capacity needs
  - Implement technology to support customer service
  - Proactively communicate with customers

# Plan Highlights

- Reliability, Infrastructure and Regulatory Compliance
  - Investments in infrastructure to meet customer needs
  - Investment in aging infrastructure to improve safety, reliability and performance
  - Effectively manage gas distribution integrity, transmission integrity, storage integrity and control room management regulatory programs
  - Provide reliable gas supplies through investments in:
    - Gas regulation/measurement facilities
    - Gas transmission system
    - Gas compressor stations
    - Gas storage fields
    - Distribution infrastructure upgrades

# Plan Highlights

- Workforce Development
  - Headcount plan that addresses high number of expected retirements
  - Identification of pre-hires for critical job positions
  - Knowledge transfer to new employees
  - Support of employee continuing education initiatives
  - Support onboarding and enhanced training/operator qualification to promote consistent work practices across operational groups
  - Internal and external training opportunities
  - Mobile computing technologies supporting training
  - Skilled craft-worker intern program in participation with local technical colleges

# Major Assumptions

- Customer expectations regarding levels of service and information availability will continue to increase.
- Incremental headcount is needed to meet increased regulatory, work scope and compliance demands, and transfer critical knowledge in preparation for retirements.
- New Business assumes low to moderate customer growth and inflationary increases through the planning period with new commercial and industrial loads requiring gas main extensions and system reinforcements.
- Continuation of the Gas Line Tracker (GLT) mechanism through the planning period.
- Gas Supply Clause remains fundamentally unchanged.
- Incremental resources for the Gas Trouble department to improve Emergency Response Time remain through the planning period.
- Available technology and operating conditions will support successful enhanced in-line inspections.

# Major Assumptions

- Continued focus on reliability initiatives and system reinforcement.
- New gas safety regulatory requirements will:
  - Require operators to validate MAOPs of gas transmission pipelines.
  - Expand pipeline integrity requirements beyond high consequence areas.
  - Expand operator qualification requirements to construction activities.
  - Require continuous improvement for distribution system integrity.
  - Require continued implementation of storage integrity compliance program.
- Based upon the 2019 BP:
  - Forecasted Design Day for 2018 is expected to increase to 682,000 Mcf/day from 680,000 Mcf/day estimated in the prior BP. During the current 5-year planning period, the forecasted Design Day is expected to gradually decrease to 670,000 Mcf/day.
  - The Transmission Modernization and Steel Customer Service line programs will continue infrastructure upgrades supporting compliance and reliability.
  - Replacement of amine gas processing systems with H2S scavenging systems will increase storage reliability, reduce environmental risks and reduce headcount to operate compressor stations.

# 2017-2023 Annual O&M Expenses
# ($000)

| Item | 2017 Actual | 2018 Forecast | 2019 Plan | 2020 Plan | 2021 Plan | 2022 Plan | 2023 Plan |
|---|---|---|---|---|---|---|---|
| O&M Expenses Only: | | | | | | | |
| Labor | 18,092 | 20,754 | 21,267 | 22,039 | 22,930 | 23,141 | 23,875 |
| Inline Inspections | 658 | 3,878 | 10,341 | 1,741 | 2,712 | 7,390 | 3,376 |
| Outside Services - Supplemental | 6,793 | 10,068 | 12,913 | 13,118 | 13,503 | 13,974 | 14,402 |
| Outside Services - Other | 1,389 | 1,784 | 3,227 | 3,253 | 3,233 | 3,400 | 3,255 |
| Materials | 3,894 | 3,289 | 3,532 | 3,706 | 3,778 | 3,801 | 3,851 |
| Transportation and Equipment | 2,163 | 2,266 | 2,770 | 2,778 | 2,879 | 2,934 | 2,971 |
| All Other Non-labor | 1,940 | 2,217 | 2,133 | 1,857 | 1,866 | 1,816 | 1,912 |
| **Total O&M Expense - Mgmt. View** | **34,929** | **44,256** | **56,183** | **48,492** | **50,902** | **56,457** | **53,642** |
| **Plus:** | | | | | | | |
| Base Gross Margin Items | - | - | - | - | - | - | - |
| Mechanism Gross Margin Items | 3,443 | 2,537 | 2,588 | 2,841 | 2,902 | 2,925 | 2,943 |
| **Total O&M Expense-GAAP View** | **38,372** | **46,793** | **58,771** | **51,333** | **53,804** | **59,382** | **56,585** |

# 2017-2023 Annual O&M Expenses
# Non Labor Category
# ($000)

| Item | 2017 Actual | 2018 Forecast | 2019 Plan | 2020 Plan | 2021 Plan | 2022 Plan | 2023 Plan |
|---|---|---|---|---|---|---|---|
| **Inline Inspections:** | | | | | | | |
| Ballardsville ILI | 440 | 2 | 0 | 0 | 0 | 0 | 0 |
| Calvary ILI | 156 | 134 | 0 | 0 | 0 | 0 | 0 |
| Center 20" ILI | 0 | 1,362 | 0 | 0 | 0 | 0 | 0 |
| Lees to Cane Run ILI | 0 | 494 | 0 | 0 | 0 | 0 | 0 |
| Magnolia 16" Line ILI | 0 | 4 | 2,806 | 0 | 0 | 0 | 0 |
| Mill Creek 12" ILI | 0 | 194 | 0 | 0 | 0 | 0 | 0 |
| Muldraugh-Piccadilly ILI | 0 | 1,567 | 0 | 0 | 0 | 0 | 0 |
| Western Kentucky A Line ILI | 0 | 0 | 2,465 | 0 | 0 | 4,560 | 0 |
| Penile to Paddy's 16" & 20" Line ILI | 0 | 0 | 5,070 | 0 | 0 | 0 | 0 |
| Western Kentucky B Line ILI | 0 | 0 | 0 | 1,741 | 0 | 2,280 | 0 |
| Magnolia 20" line - Radcliff to Magnolia ILI | 0 | 0 | 0 | 0 | 2,712 | 0 | 0 |
| Riverport 12" ILI | 0 | 0 | 0 | 0 | 0 | 550 | 0 |
| Riverport 8" ILI | 0 | 0 | 0 | 0 | 0 | 0 | 567 |
| Doe Valley 8" ILI | 0 | 0 | 0 | 0 | 0 | 0 | 2,809 |
| Pipeline Repairs / Validation Digs | 62 | 121 | 0 | 0 | 0 | 0 | 0 |
| **Total Inline Insepctions** | **658** | **3,878** | **10,341** | **1,741** | **2,712** | **7,390** | **3,376** |
| | | | | | | | |
| **Outside Services - Supplemental:** | | | | | | | |
| LGE Electric and Gas Line Locating | 3,433 | 4,749 | 8,301 | 8,301 | 8,594 | 8,910 | 9,277 |
| Stop Box Inspections | 1,224 | 1,741 | 1,662 | 1,665 | 1,659 | 1,715 | 1,738 |
| Corrosion Control | 554 | 976 | 783 | 799 | 815 | 831 | 848 |
| Leak Survey | 579 | 592 | 847 | 850 | 863 | 906 | 912 |
| Gas Distribution | 627 | 1,388 | 685 | 872 | 939 | 963 | 973 |
| Estimated impact for additional sales tax | 0 | 160 | 320 | 320 | 320 | 320 | 320 |
| Other | 376 | 462 | 315 | 311 | 313 | 329 | 334 |
| **Total Outside Services - Supplemental** | **6,793** | **10,068** | **12,913** | **13,118** | **13,503** | **13,974** | **14,402** |

# 2017-2023 Annual O&M Expenses
# Non Labor Category
# ($000)

| Item | 2017 Actual | 2018 Forecast | 2019 Plan | 2020 Plan | 2021 Plan | 2022 Plan | 2023 Plan |
|---|---|---|---|---|---|---|---|
| **Outside Services - Other:** | | | | | | | |
| Compressor Stations | 629 | 631 | 1,061 | 1,380 | 1,322 | 1,465 | 1,435 |
| Storage Integrity and Internal Corrosion | 318 | 349 | 863 | 774 | 725 | 759 | 777 |
| Gas Control | 213 | 184 | 371 | 337 | 355 | 373 | 428 |
| Transmission Integrity and Compliance | 129 | 428 | 616 | 415 | 462 | 419 | 223 |
| Distribution Integrity and Compliance | - | 4 | 220 | 227 | 244 | 259 | 268 |
| Other | 100 | 188 | 96 | 120 | 125 | 125 | 124 |
| **Total Outside Services - Other** | **1,389** | **1,784** | **3,227** | **3,253** | **3,233** | **3,400** | **3,255** |
| | | | | | | | |
| **Materials:** | | | | | | | |
| Compressor Stations | 1,748 | 1,324 | 1,528 | 1,522 | 1,581 | 1,576 | 1,599 |
| Gas Control | 414 | 331 | 374 | 373 | 373 | 373 | 373 |
| Transmission Integrity and Compliance | 539 | 498 | 554 | 554 | 554 | 554 | 554 |
| Distribution Integrity and Compliance | 85 | 105 | 189 | 189 | 197 | 218 | 237 |
| Gas Distribution | 1,098 | 995 | 837 | 1,016 | 1,021 | 1,025 | 1,028 |
| Other | 10 | 36 | 50 | 52 | 52 | 55 | 60 |
| **Total Materials** | **3,894** | **3,289** | **3,532** | **3,706** | **3,778** | **3,801** | **3,851** |
| | | | | | | | |
| **Transportation and Equipment:** | | | | | | | |
| Compressor Stations | 822 | 763 | 950 | 942 | 962 | 962 | 977 |
| Gas Control | 347 | 321 | 410 | 431 | 442 | 450 | 457 |
| Transmission Integrity and Compliance | 137 | 181 | 240 | 244 | 248 | 277 | 281 |
| Distribution Integrity and Compliance | 57 | 101 | 114 | 117 | 119 | 121 | 123 |
| Gas Distribution | 791 | 884 | 1,011 | 1,000 | 1,064 | 1,079 | 1,088 |
| Other | 9 | 16 | 45 | 44 | 44 | 45 | 45 |
| **Total Transportation and Equipment** | **2,163** | **2,266** | **2,770** | **2,778** | **2,879** | **2,934** | **2,971** |

# 2017-2023 Annual O&M Expenses
# Non Labor Category
# ($000)

| Item | 2017 Actual | 2018 Forecast | 2019 Plan | 2020 Plan | 2021 Plan | 2022 Plan | 2023 Plan |
|---|---|---|---|---|---|---|---|
| **Other Non Labor:** | | | | | | | |
| AGA Dues | 195 | 202 | 195 | 195 | 195 | 195 | 195 |
| Dues and Subscriptions - Other | 172 | 151 | 158 | 158 | 158 | 158 | 160 |
| Phone and Telecom | 189 | 171 | 169 | 174 | 174 | 155 | 155 |
| Fees, Permits, and Licenses | 218 | 254 | 197 | 197 | 197 | 197 | 197 |
| Utilities | 257 | 137 | 183 | 183 | 183 | 183 | 183 |
| Travel and Mileage Reimbursement | 134 | 128 | 150 | 136 | 138 | 139 | 133 |
| Liability Claims | 10 | 115 | 131 | 131 | 131 | 131 | 131 |
| Education and Training | 87 | 164 | 180 | 164 | 168 | 180 | 181 |
| Meals | 110 | 82 | 86 | 86 | 84 | 87 | 89 |
| Lease/Rentals | 20 | 19 | 18 | 18 | 18 | 12 | 12 |
| Computer Hardware/Software | 104 | 31 | 28 | 28 | 28 | 28 | 28 |
| Other Operating Expenses | 444 | 763 | 638 | 387 | 392 | 351 | 448 |
| **Total Other Non Labor** | **1,940** | **2,217** | **2,133** | **1,857** | **1,866** | **1,816** | **1,912** |

# 2017-2023 Annual Expenses Mechanism Gross Margin Items ($000)

| Item | 2017 Actual | 2018 Forecast | 2019 Plan | 2020 Plan | 2021 Plan | 2022 Plan | 2023 Plan |
|---|---|---|---|---|---|---|---|
| **GLT:** | | | | | | | |
| CSO Meter Conditions | 385 | 419 | 559 | 581 | 600 | 614 | 626 |
| Repair Leaks | 245 | 360 | 280 | 281 | 284 | 289 | 291 |
| Other GLT | (76) | (5) | (33) | 214 | 219 | 223 | 227 |
| **Total GLT** | **554** | **774** | **806** | **1,076** | **1,103** | **1,126** | **1,144** |
| **Gas Losses:** | | | | | | | |
| Muldraugh [1] | 2,679 | 1,534 | 1,571 | 1,553 | 1,588 | 1,588 | 1,588 |
| Magnolia [2] | 210 | 229 | 211 | 212 | 211 | 211 | 211 |
| **Total Gas Losses** | **2,889** | **1,763** | **1,782** | **1,765** | **1,799** | **1,799** | **1,799** |
| **Total Mechanism Gross Margin** | **3,443** | **2,537** | **2,588** | **2,841** | **2,902** | **2,925** | **2,943** |

[1] Muldraugh: 2019 gas losses based on 433 MMcf at $3.63/MMcf for a total $1.6M, 2020 is 433 MMcf at $3.59/MMcf for a total $1.6M, and 2021-2023 is 433 MMcf at $3.67/MMcf for a total $1.6M.

[2] Magnolia: 2019 gas losses based on 58.6 MMcf at $3.61/MMcf for a total $.2M, 2020 is 58.6 MMcf at $3.62/MMcf for a total $.2M, and 2021-2023 is 58.6 MMcf at $3.61/MMcf for a total $.2M.

# O&M Annual Expense Reconciliation
# ($000)

| | 2019 Plan | 2020 Plan | 2021 Plan | 2022 Plan | 2023 Plan |
|---|---|---|---|---|---|
| 2018 Plan/Expectation | 41,458 | 41,010 | 41,999 | 42,921 | 44,762 |
| Drivers: | | | | | |
| In Line Inspections | 8,031 | 792 | 2,164 | 6,828 | 2,369 |
| Line Locating | 5,066 | 5,066 | 5,277 | 5,508 | 5,844 |
| Distribution Integrity Management Plan | 413 | 376 | 384 | 399 | 410 |
| Leak Survey | 393 | 395 | 396 | 427 | 429 |
| Stop Box Inspections | 376 | 366 | 327 | 359 | 371 |
| Emergency Response Improvements | 800 | 820 | 841 | 862 | 883 |
| Estimated Sales Tax on Services | 320 | 320 | 320 | 320 | 320 |
| Close Interval Survey | 290 | 84 | 116 | 20 | 60 |
| WFP Impacts - All Other | 371 | 235 | 169 | 240 | 247 |
| WFP Impacts - Savings from Amine Plant Rep | (381) | (480) | (964) | (1,145) | (1,180) |
| Overtime Reductions | (1,237) | (873) | 0 | 0 | 0 |
| Other | 283 | 381 | (127) | (282) | (873) |
| Current Plan - Mgt. View | 56,183 | 48,492 | 50,902 | 56,457 | 53,642 |

# 2017-2023 Capital Expenditures
# ($000)

| Item | 2017 Actual | 2018 Forecast | 2019 Plan | 2020 Plan | 2021 Plan | 2022 Plan | 2023 Plan |
|---|---|---|---|---|---|---|---|
| New Business | 9,296 | 9,956 | 8,634 | 8,893 | 9,156 | 9,336 | 9,617 |
| Enhance the Network | 26,614 | 58,404 | 98,180 | 65,515 | 82,623 | 46,012 | 45,002 |
| Maintain the Network | 40,224 | 33,066 | 38,916 | 28,585 | 31,221 | 21,772 | 20,650 |
| Repair the Network | 381 | 768 | 378 | 389 | 400 | 413 | 425 |
| Miscellanous | 1,283 | 1,082 | 892 | 624 | 1,196 | 382 | 391 |
| **Total Capital** | **77,798** | **103,276** | **146,999** | **104,005** | **124,596** | **77,915** | **76,085** |
| **2018 Plan** | | **114,751** | **129,361** | **100,568** | **85,697** | **62,923** | **71,440** |
| **Change** | | **(11,475)** | **17,638** | **3,437** | **38,899** | **14,992** | **4,645** |

# Labor Expense

| Salary Plan | 2019 Average Headcount | 2019 Base Salary | 2019 Overtime and all Other Labor* | 2019 TIA Labor Expense | 2019 Total Salary & TIA Labor | 2019 Labor Expense | 2020 Labor Expense | 2021 Labor Expense | 2022 Labor Expense | 2023 Labor Expense |
|---|---|---|---|---|---|---|---|---|---|---|
| Exempt | 104 | $ 10,776 | $ - | $ 840 | $ 11,616 | | | | | |
| Non-Exempt | 24 | $ 1,322 | $ 75 | $ 127 | $ 1,524 | | | | | |
| Union / Non-Union Hourly | 174 | $ 13,169 | $ 2,742 | $ 1,258 | $ 17,169 | | | | | |
| Subtotal | 303 | $ 25,267 | $ 2,817 | $ 2,225 | $ 30,309 | | | | | |
| Co-ops / Interns | 7 | $ 161 | $ - | $ - | $ 161 | | | | | |
| Total | **310** | **$ 25,428** | **$ 2,817** | **$ 2,225** | **$ 30,470** | **$ 21,267** | **$ 22,039** | **$ 22,930** | **$ 23,141** | **$ 23,875** |

Note: Annual expense amounts are on an income statement basis and exclude balance sheet accounts.

# Employee Headcount by Work Group

| Work Group or Major Dept. | June 30, 2018 Actual | Dec. 31, 2018 | Dec. 31, 2019 | Dec. 31, 2020 | Dec. 31, 2021 | Dec. 31, 2022 | Dec. 31, 2023 |
|---|---|---|---|---|---|---|---|
| VP Gas Distribution Operations | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Transmission Integrity & Compliance | 22 | 24 | 24 | 23 | 23 | 23 | 23 |
| Distribution Integrity & Compliance | 15 | 21 | 22 | 21 | 21 | 21 | 21 |
| Pipeline Safety Management Systems | 2 | 3 | 4 | 4 | 4 | 4 | 4 |
| Operator Qualifications Program | 1 | 2 | 4 | 4 | 4 | 4 | 4 |
| Compliance/Environmental Coordinator | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Gas Management & Supply | 6 | 6 | 6 | 6 | 6 | 6 | 6 |
| Gas Operations, Constructions, & Engineering | 120 | 128 | 128 | 128 | 128 | 128 | 128 |
| Gas Control & Storage | 97 | 110 | 111 | 110 | 103 | 102 | 102 |
| Interns | 10 | 10 | 7 | 7 | 7 | 7 | 7 |
| **Total** | **276** | **307** | **309** | **306** | **299** | **298** | **298** |

# Supplemental Contractors by Work Group

| Work Group or Type of Work | Jun 30, 2018 Actual | Dec. 31, 2018 | Dec. 31, 2019 | Dec. 31, 2020 | Dec. 31, 2021 | Dec. 31, 2022 | Dec. 31, 2023 |
|---|---|---|---|---|---|---|---|
| Director, Gas Control & Storage | 10 | 10 | 10 | 10 | 10 | 10 | 10 |
| Director, Gas Operations Construction & Engineering | 170 | 169 | 176 | 176 | 166 | 163 | 163 |
| Manager, Gas Transmission Integrity & Compliance | 9 | 11 | 11 | 11 | 11 | 11 | 11 |
| Manager, Gas Distribution Integrity & Compliance | 112 | 112 | 112 | 112 | 112 | 112 | 112 |
| **Total** | **301** | **302** | **309** | **309** | **299** | **296** | **296** |

Case Nos. 2018-00294 and 2018-00295
Attachment to Filing Requirement
807 KAR 5:001 Section 16(7)(c)

Bellar/Blake

LG&E KU PPL companies

# 2017-2023 Headcount Totals & Changes

| | Year-End | | | | | | |
|---|---|---|---|---|---|---|---|
| | 2017 Actual | 2018 Forecast | 2019 Plan | 2020 Plan | 2021 Plan | 2022 Plan | 2023 Plan |
| **Employees** | | | | | | | |
| **TOTAL From Page 19** | **264** | **307** | **309** | **306** | **299** | **298** | **298** |
| **Prior Plan** | | 300 | 301 | 301 | 299 | 298 | |
| **Change From Prior Plan** | | 7 | 8 | 5 | 0 | 0 | |

| | 2018 FC | 2019 Plan | 2020 Plan | 2021 Plan | 2022 Plan | 2023 Plan |
|---|---|---|---|---|---|---|
| **Supplemental Contractors (Page 20)** | 302 | 309 | 309 | 299 | 296 | 296 |
| **Prior Plan** | 261 | 260 | 260 | 260 | 260 | |
| **Change from Prior Plan** | 41 | 49 | 49 | 39 | 36 | |

**Total Workforce (Employees Plus Supplemental Contractors)**

| | 2018 FC | 2019 Plan | 2020 Plan | 2021 Plan | 2022 Plan | 2023 Plan |
|---|---|---|---|---|---|---|
| **Current Plan** | 609 | 618 | 615 | 598 | 594 | 594 |
| **Prior Plan** | 561 | 561 | 561 | 559 | 558 | |
| **Change from Prior Plan** | 48 | 57 | 54 | 39 | 36 | |

# Plan Risks

- Finalization of new transmission pipeline regulations
- Regulatory changes impacting capital and O&M costs
- Mitigation costs associated with gas transmission pipeline inspections
- Mitigation costs associated with new storage integrity compliance requirements
- Economic development-pace
- Impact of workforce turnover from retirements
- Overtime needs exceeding overtime assumed in the plan
- Material, equipment, and resource cost escalation and availability
- Permitting and Right of Way acquisition for Pipeline projects

# Plan Risks

- Findings from failure analysis on longitudinal defect on Ballardsville gas transmission pipeline could drive capital or O&M incremental to the plan.
- Aggressive KPSC enforcement of gas safety regulations and KY "Before you Dig" laws
  - Increased citations/fines
  - Increased underground locating costs
- Telecommunications fiber projects and other general construction increases driving increase in line locating costs

# Operational Performance

## Key Performance Indicators

| KPI | 2017 Year End | 2018 Forecast | 2019 Plan | 2020 Plan | 2021 Plan | 2022 Plan | 2023 Plan |
|---|---|---|---|---|---|---|---|
| Safety - Employee Incident Rate [1] | 2.55 | 2.60 | 1.80 | 1.73 | 1.66 | 1.55 | 1.47 |
| Safety - Contractors Incident Rate [1] | 1.58 | 0.00 | 1.80 | 1.73 | 1.66 | 1.55 | 1.47 |
| DART - Employees [1] | 1.09 | 0.87 | 0.72 | 0.67 | 0.63 | 0.63 | 0.59 |
| Gas Response Priority 1 Calls (minutes) | 37.1 | 35.6 | 35.0 | 34.5 | 34.0 | 33.5 | 33.0 |
| New Business Cycle Time (Calendar Days) [2] | 6.00 | 9.00 | 9.00 | 9.00 | 9.00 | 9.00 | 9.00 |

1) 2018 Forecast numbers are YTD May 2018 actuals and not forecasted.
2) Measures from the time a service request is approved by a locator from the Design department to the time the service is installed.

# Transmission
# LG&E and KU Utilities
# 2019 Operating Plan

**August 2018**

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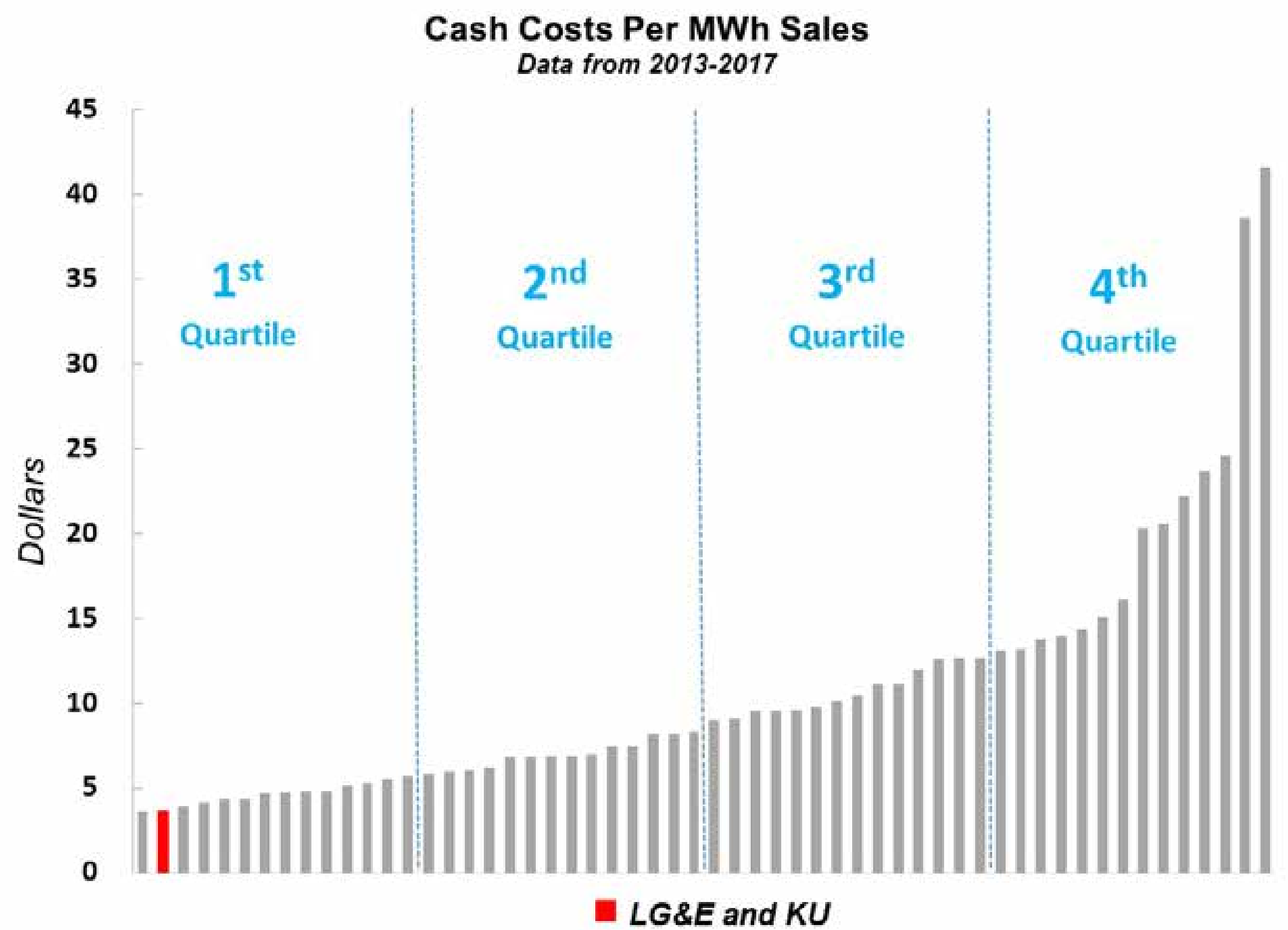
# Plan Highlights

1. The overall objective of the 2019-2023 Transmission Business Plan is to invest in the system to accommodate network load flows with a focus on improving system reliability and resiliency at a fair and reasonable cost. The work will be completed while maintaining a strong culture of safety, customer experience, performance, and regulatory compliance.
2. Data analytics will continue to be utilized to improve performance by identifying projects that will reduce outage frequency and duration. Programs in the plan are primarily a continuation of those initiated in 2017 as part of the Transmission System Improvement Plan.
3. Transmission line and substation projects approved by the Independent Transmission Organization (ITO) driven by NERC planning standards and LG&E and KU system planning guidelines to ensure electric grid adequacy to reliably serve forecasted network flow in light and heavy load periods.
4. Targeted replacement of small copper and single layer aluminum conductor steel-reinforced (ACSR) conductor.
5. Reduction of the transmission wood pole back log from a multi-year back log to a targeted single-year backlog by the end of the plan period.
6. Transmission line extensions to serve new distribution substations for retail customers.
7. Security initiatives including the protection of critical facilities from physical attacks and vandalism.
8. Resiliency initiatives to both harden the system to withstand catastrophic events as well as improve our ability to recover should we have an event.
9. Will have replaced all underground transmission cable that has experienced diminishing performance with observed failures.

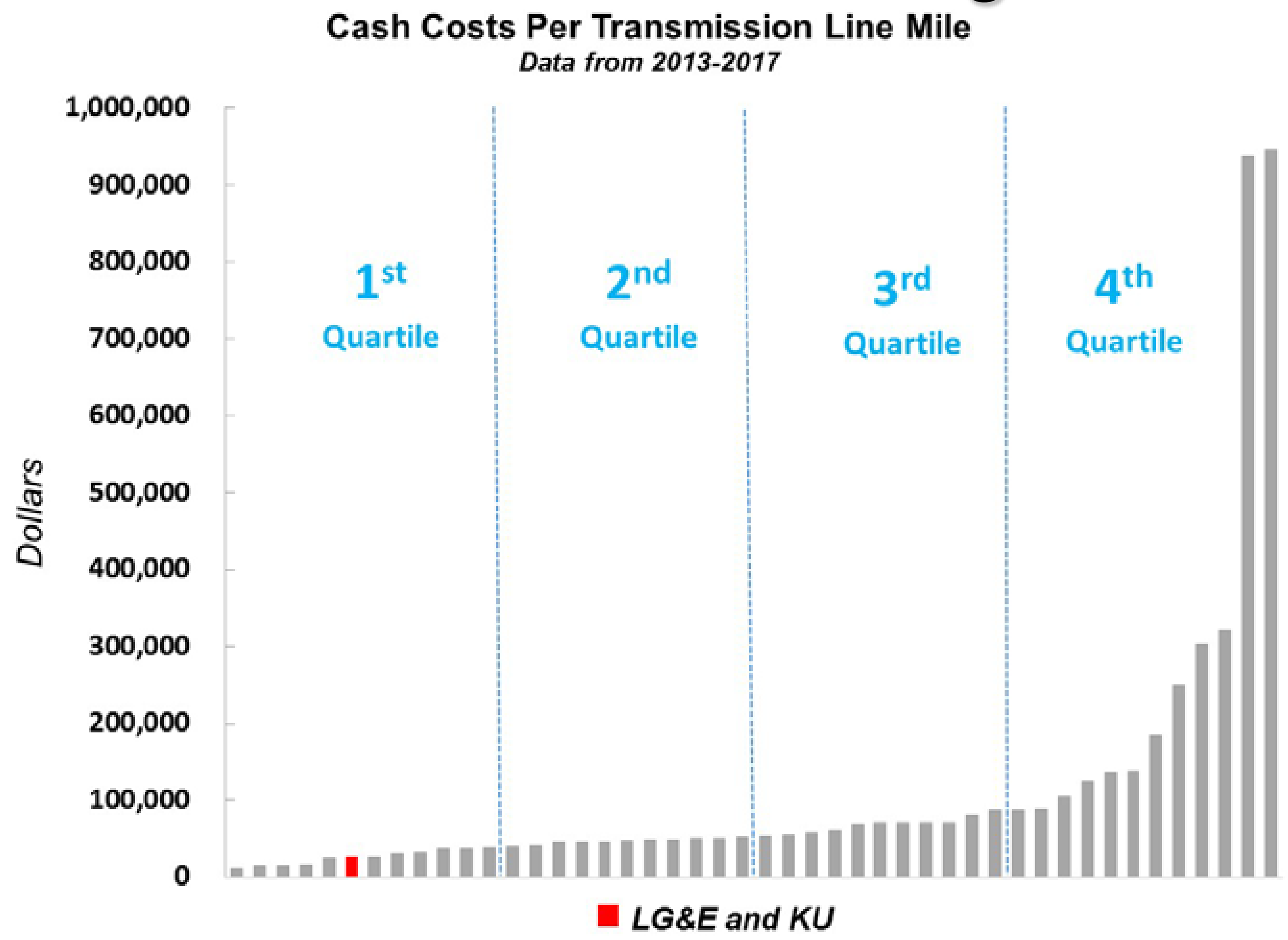
# Plan Highlights
# FERC Benchmarking Data




Cash cost benchmarking analysis includes Transmission O&M and capital costs per MWh company sales compared to other utilities.

Case Nos. 2018-00294 and 2018-00295
Attachment to Filing Requirement
807 KAR 5:001 Section 16(7)(c)
I. Page 77 of 235
Bellar/Blake

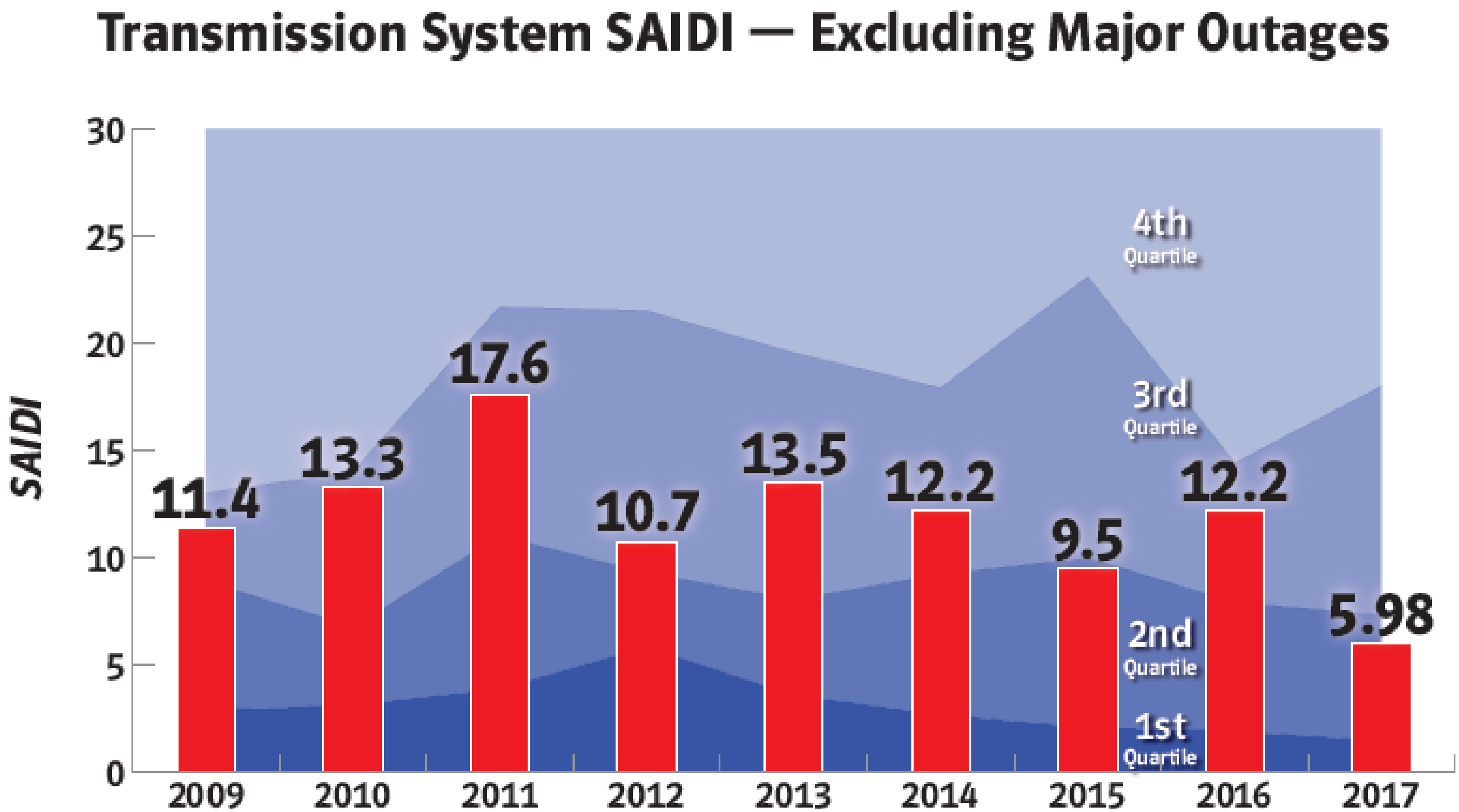
# Plan Highlights
# FERC Benchmarking Data




Cash cost benchmarking analysis includes Transmission O&M and capital costs per transmission line mile compared to other utilities.

Case Nos. 2018-00294 and 2018-00295
Attachment to Filing Requirement
807 KAR 5:001 Section 16(7)(c)
I. Page 78 of 235
Bellar/Blake

# Plan Highlights
# Historical Reliability Performance

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# Major Assumptions

Reliability, Operations and Asset Management:

1. Reliability improvement – Data Analytics will be utilized to prioritize line segments based on past performance and overall risk. Programs include:
   i. Line Sectionalizing - Segmenting circuits with equipment to reduce customer exposure from sustained outages and improve restoration time.
   ii. Enhanced vegetation clearing will reduce sustained and momentary outages:
      - Line vegetation clearing began transitioning from an inspection based program to a 5 year maintenance cycle in 2017 for all lines 69kV and higher. The first cycle will continue through 2022.
      - A hazard tree identification and removal program continues to reduce the probability of dead, dying, and diseased trees from falling on transmission lines.
2. System Integrity - Enhanced transmission asset management will effectively improve the performance and reliability of the assets over time:
   i. Structure, cross arm and insulator replacements based on condition determined by detailed inspections. Pole backlog will be reduced from approximately 2,900 in 2018 to a targeted single-year backlog (~ 250) by the end of the plan period.
   ii. Overhead line conductor and static wire replacements are based on age, type (e.g. copper and single layer ACSR) and condition of conductor.
   iii. Control house and related protection and control replacements based on risk, age, condition and performance.
   iv. Circuit breaker replacements based on risk, age, condition and maintainability.
   v. Extend life of tower and substation structural steel through condition assessment and enhanced maintenance including corrosion prevention and control.
   vi. Optimize asset lifecycle of substation equipment including circuit breakers and transformers through diagnostics.
3. Storm damage and emergency replacement costs are based on past trends.

# Major Assumptions

Transmission Expansion Plan (TEP) and Native Load:

1. Projects are based on the 2018 TEP, which has been submitted to the ITO for approval, and initial analysis for the 2019 TEP, which includes transmission customer demand forecasts submitted in the fall of 2017. It is assumed those customer forecasts are reasonable and that the Independent Transmission Organization (ITO) will approve the 2018 & 2019 TEPs without significant revisions.

2. The TEP includes funding for rating increases to certain transmission lines based on estimates. Detailed costs will be developed after surveying and subsequent analyses are completed.

3. No funding needed to accommodate new long term, firm transmission service requests that have not already been requested or studied.

4. Connection costs for native load are coordinated with the Electric Distribution planning requirements.

Regulatory and Compliance:

1. Assessments of the system for impact from a Geomagnetic Disturbance (GMD) will not result in risks requiring material expenditures to mitigate.

2. Expenditures related to mitigating Electromagnetic Pulse (EMP) events are not anticipated during the plan period.

3. Additional revisions to NERC Reliability standards will not require material incremental expenditures beyond what is funded in this plan.

4. Regional and interregional planning processes as required by FERC Order 1000 will not result in material capital or O&M expenditures.

# Major Assumptions

**CONFIDENTIAL INFORMATION REDACTED**

Open Access Transmission Tariff (OATT) Revenue are based on the following:

1. Customer provided load forecasts have been evaluated and adjusted, based on historical performance, to reflect their expected coincident peak billing amount.
2. OATT rate forecast is based on 2017 FERC Form 1 data, the FERC approved rate formula and ROE, and 2019 Business Plan projections, including O&M and capital.
3. [redacted] will not renew its existing point to point (PTP) reservations at the end of their respective terms (2019, 2020, and 2022). This assumption is based on the announcement that [redacted] to retire [redacted] over the plan period.
4. Assumed short term and non-firm revenue of $650K, based on the 2015-2017 annual average.
5. Joint Party Settlement revenue of $1.2m annually is assumed to continue through the duration of the business plan.

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# Major Assumptions

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Cost of Sales assume the following:

1. MISO transmission rates used to calculate merger mitigation depancaking (MMD) expenses per Rate Schedule 402:
   - For Scheduled 26A, the posted MISO rate is used and multiplied by the volume which is determined by a load factor of 55%.
   - Schedules 7 & 8 are adjusted at an annual increase of 5% starting with the April 2018 rate. The 5% annual increase reflects the 10 year historical rate of change prior to the recent federal tax decrease. The April 2018 rate is the starting point and includes impacts of the federal tax law decrease.
   - MISO resources for Kentucky Municipal Electric Agency (KYMEA), those assumed to be eligible for depancaking, are based on existing MISO resources – 20 MWs through April 2019, 200 MWs starting in May 2019 – December 2022. 100 MWs of a non-MISO resource, not eligible for de-pancaked rates, expires on 4/30/22 and this is assumed to be replaced from a non-MISO source.
2. MMD expense includes MISO PTP service purchased by [redacted] for 115 MWs with a term of February 2018 – January.
3. TranServ will continue as the ITO service provider at costs based on the existing agreement.
4. TVA will remain as the Reliability Coordinator (RC) at costs based on the existing agreement.

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# 2017-2023 Annual O&M Expenses ($000)

| Item | 2017 Actual | 2018 Forecast | 2019 Plan | 2020 Plan | 2021 Plan | 2022 Plan | 2023 Plan |
|---|---|---|---|---|---|---|---|
| O&M Expenses Only: | | | | | | | |
| Labor | $12,527 | $12,534 | $12,341 | $12,631 | $12,902 | $13,061 | $13,373 |
| Vegetation Management | 10,031 | 14,242 | 14,613 | 14,053 | 15,153 | 13,817 | 14,284 |
| Lines Asset Management | 2,202 | 3,738 | 4,106 | 4,368 | 4,372 | 4,400 | 4,829 |
| Substation and Protection | 3,748 | 4,209 | 3,993 | 4,204 | 4,430 | 4,286 | 3,659 |
| Operations and Compliance | 2,860 | 3,072 | 3,237 | 3,312 | 3,389 | 3,471 | 3,548 |
| Planning, Tariffs and Reliability Perf. | 257 | 351 | 425 | 427 | 429 | 431 | 433 |
| All Other Non-labor | 311 | 322 | 312 | 312 | 312 | 312 | 312 |
| **Total O&M Expense - Mgmt. View** | **$31,935** | **$38,468** | **$39,027** | **$39,306** | **$40,987** | **$39,777** | **$40,439** |
| **Plus:** | | | | | | | |
| Base Gross Margin Items | $14,874 | $20,998 | $28,455 | $30,339 | $30,812 | $31,896 | $33,687 |
| Mechanism Gross Margin Items | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| **Total O&M Expense-GAAP View** | **$46,809** | **$59,466** | **$67,482** | **$69,645** | **$71,799** | **$71,673** | **$74,126** |

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# 2017-2023 Annual O&M Expenses Non Labor Vegetation Management ($000)

| Item | 2017 Actual | 2018 Forecast | 2019 Plan | 2020 Plan | 2021 Plan | 2022 Plan | 2023 Plan |
|---|---|---|---|---|---|---|---|
| Cycle Clearing | $ 8,891 | $ 11,400 | $ 12,199 | $ 12,372 | $ 12,572 | $ 12,736 | $ 13,324 |
| 345kV ROW Widening | 828 | 1,641 | 1,333 | 600 | 1,500 | - | - |
| Hazard Tree Removal | 10 | 688 | 617 | 617 | 617 | 617 | 536 |
| Hazard Tree Patrol | 167 | 167 | 156 | 156 | 156 | 156 | 156 |
| Emerald Ash Borer | 135 | 345 | 308 | 308 | 308 | 308 | 268 |
| Total | $ 10,031 | $ 14,248 | $ 14,613 | $ 14,053 | $ 15,153 | $ 13,817 | $ 14,284 |
| | | | | | | | |
| Supplemental contract labor included above: | $ 4,823 | $ 7,022 | $ 8,762 | $ 8,505 | $ 9,148 | $ 7,758 | $ 7,792 |

# 2017-2023 Annual O&M Expenses Non Labor Lines Asset Management ($000)

| Item | 2017 Actual | 2018 Forecast | 2019 Plan | 2020 Plan | 2021 Plan | 2022 Plan | 2023 Plan |
|---|---|---|---|---|---|---|---|
| Aerial Patrol | $ 739 | $ 796 | $ 945 | $ 945 | $ 945 | $ 945 | $ 945 |
| Switch Maintenance | 281 | 899 | 908 | 923 | 924 | 945 | 968 |
| Corrosion Prevention | 58 | 631 | 816 | 1,053 | 1,053 | 1,053 | 1,053 |
| Wood and Steel Structure Inspection | 66 | 77 | 153 | 156 | 160 | 164 | 409 |
| Bulk Electric System LiDAR | 142 | 210 | 200 | 200 | 200 | 200 | 200 |
| Storm Restoration | 256 | 374 | 366 | 377 | 377 | 379 | 381 |
| All Other | 661 | 752 | 718 | 713 | 713 | 713 | 873 |
| Total | $ 2,202 | $ 3,738 | $ 4,106 | $ 4,368 | $ 4,372 | $ 4,400 | $ 4,829 |
| | | | | | | | |
| Supplemental contract labor included above: | $ 809 | $ 2,060 | $ 2,967 | $ 3,213 | $ 3,292 | $ 3,271 | $ 3,303 |

# 2017-2023 Annual O&M Expenses
# Non Labor Substation Maintenance
# ($000)

| Item | 2017 Actual | 2018 Forecast | 2019 Plan | 2020 Plan | 2021 Plan | 2022 Plan | 2023 Plan |
|---|---|---|---|---|---|---|---|
| Outside Services Labor | $ 1,764 | $ 1,991 | $ 1,908 | $ 2,116 | $ 2,313 | $ 2,162 | $ 1,723 |
| Material | 902 | 1,208 | 1,183 | 1,169 | 1,184 | 1,177 | 978 |
| Vehicles | 565 | 537 | 544 | 555 | 568 | 584 | 593 |
| Training Travel Meals | 135 | 174 | 144 | 144 | 144 | 144 | 145 |
| Communications/Computer Equipment | 193 | 202 | 213 | 213 | 213 | 213 | 213 |
| All Other | 189 | 97 | - | 6 | 6 | 6 | 6 |
| Total | $ 3,748 | $ 4,209 | $ 3,993 | $ 4,204 | $ 4,430 | $ 4,286 | $ 3,659 |

# 2017-2023 Annual O&M Expenses Non Labor Operations and Compliance ($000)

| Item | 2017 Actual | 2018 Forecast | 2019 Plan | 2020 Plan | 2021 Plan | 2022 Plan | 2023 Plan |
|---|---|---|---|---|---|---|---|
| FERC | $ 766 | $ 829 | $ 883 | $ 883 | $ 883 | $ 883 | $ 883 |
| NERC & SERC | 1,009 | 1,099 | 1,154 | 1,203 | 1,254 | 1,308 | 1,364 |
| IMEA & IMPA Reactive Power | 223 | 222 | 223 | 223 | 223 | 223 | 223 |
| System Operations - OATI | 312 | 334 | 353 | 364 | 375 | 386 | 390 |
| OSI/Primate/AVI BARCO | 261 | 276 | 284 | 298 | 313 | 329 | 345 |
| All Other | 290 | 313 | 339 | 340 | 341 | 342 | 343 |
| Total | $ 2,860 | $ 3,072 | $ 3,237 | $ 3,312 | $ 3,389 | $ 3,471 | $ 3,548 |

# 2017-2023 Annual O&M Expenses
# Non Labor Planning, Tariffs & Reliability Performance
# ($000)

| Item | 2017 Actual | 2018 Foreca | 2019 Plan | 2020 Plan | 2021 Plan | 2022 Plan | 2023 Plan |
|---|---|---|---|---|---|---|---|
| Outside Services Labor | $ 20 | $ 41 | $ 83 | $ 83 | $ 83 | $ 83 | $ 83 |
| Training | 16 | 26 | 38 | 38 | 38 | 38 | 38 |
| Travel | 58 | 60 | 60 | 60 | 60 | 60 | 60 |
| Meals | 12 | 9 | 8 | 8 | 8 | 8 | 8 |
| Computer / Communications | 68 | 73 | 83 | 83 | 83 | 83 | 83 |
| OATI Web Accounting & FERC 676-H | 57 | 62 | 64 | 66 | 68 | 70 | 72 |
| All Other | 26 | 81 | 89 | 89 | 89 | 89 | 89 |
| Total | $ 257 | $ 351 | $ 425 | $ 427 | $ 429 | $ 431 | $ 433 |

# 2017-2023 Annual Expenses
# Base Gross Margin OATT Revenues
# ($000)

**CONFIDENTIAL INFORMATION REDACTED**

| | 2017 Actual | 2018 Forecast | 2019 Plan | 2020 Plan | 2021 Plan | 2022 Plan | 2023 Plan |
|---|---|---|---|---|---|---|---|
| 2019 BP OATT Revenue | | | | | | | |
| 3rd Party | $ 23,755 | $ 25,694 | $ 24,669 | $ 24,960 | $ 27,468 | $ 29,667 | $ 29,905 |
| Wholesale Customers | 6,736 | 7,783 | 3,500 | 1,866 | 2,159 | 2,441 | 2,681 |
| [redacted] | 222 | 368 | 4,846 | 7,721 | 8,743 | 9,732 | 10,554 |
| Joint Party Settlement | 1,665 | 1,244 | 1,245 | 1,245 | 1,245 | 1,245 | 1,245 |
| Total OATT Revenue | $ 32,378 | $ 35,089 | $ 34,260 | $ 35,792 | $ 39,615 | $ 43,085 | $ 44,385 |
| 2018 BP OATT Revenue | | | | | | | |
| 3rd Party | | $ 26,634 | $ 28,126 | $ 29,424 | $ 32,399 | $ 36,596 | $ 41,352 |
| Wholesale Customers | | 7,810 | 4,012 | 2,163 | 2,448 | 2,781 | 3,159 |
| [redacted] | | 401 | 5,865 | 9,225 | 10,255 | 11,453 | 12,799 |
| Joint Party Settlement | | 1,243 | 1,243 | 1,243 | 104 | - | - |
| Total OATT Revenue | | $ 36,088 | $ 39,246 | $ 42,055 | $ 45,206 | $ 50,830 | $ 57,310 |
| Variance, Fav / (Unfav) | | $ (999) | $ (4,986) | $ (6,263) | $ (5,591) | $ (7,745) | $(12,925) |

# 2017-2023 Annual Expenses
# Base Gross Margin Cost of Sales Items
# ($000)

| | 2017 Actual | 2018 Forecast | 2019 Plan | 2020 Plan | 2021 Plan | 2022 Plan | 2023 Plan |
|---|---|---|---|---|---|---|---|
| 2019 BP Cost of Sales | | | | | | | |
| Independent Transmission Operator | $ 2,682 | $ 2,541 | $ 2,571 | $ 2,609 | $ 2,648 | $ 2,687 | $ 2,727 |
| Reliability Coordinator | 2,487 | 2,537 | 2,588 | 2,640 | 2,692 | 2,746 | 2,801 |
| Depancaking | 9,705 | 15,920 | 23,295 | 25,090 | 25,472 | 26,463 | 28,159 |
| Total Cost of Sales | $ 14,874 | $ 20,998 | $ 28,455 | $ 30,339 | $ 30,812 | $ 31,896 | $ 33,687 |
| 2018 BP Cost of Sales | | | | | | | |
| Independent Transmission Operator | | $ 2,534 | $ 2,571 | $ 2,609 | $ 2,648 | $ 2,687 | $ 2,727 |
| Reliability Coordinator | | 2,537 | 2,588 | 2,640 | 2,692 | 2,746 | 2,801 |
| Depancaking | | 12,950 | 24,642 | 28,449 | 30,090 | 32,495 | 34,256 |
| Total Cost of Sales | | $ 18,021 | $ 29,801 | $ 33,698 | $ 35,430 | $ 37,928 | $ 39,784 |
| Variance, Fav / (Unfav) | | $ (2,977) | $ 1,346 | $ 3,360 | $ 4,618 | $ 6,032 | $ 6,097 |

# 2017-2023 Annual Expenses
# Base Gross Margin Items
# ($000)

**CONFIDENTIAL INFORMATION REDACTED**

| | 2019 Plan | 2020 Plan | 2021 Plan | 2022 Plan | 2023 Plan |
|---|---|---|---|---|---|
| [redacted] (forgiven LG&E/KU costs) | $ 1,822 | $ 565 | $ - | $ - | $ - |
| [redacted] (MISO bills paid) | 5,353 | 5,796 | 6,060 | 6,312 | 6,574 |
| [redacted] (MISO bills paid) | 7,097 | 7,410 | 7,683 | 7,980 | 8,285 |
| [redacted] (MISO bills paid) | 8,676 | 10,972 | 11,382 | 11,824 | 12,953 |
| Various SFP and NF(forgiven LG&E/KU costs) | 347 | 347 | 347 | 347 | 347 |
| **Total** | $ 23,295 | $ 25,090 | $ 25,472 | $ 26,463 | $ 28,159 |

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# 2017-2023 Annual Expenses
# Base Gross Margin Items
# ($000)

## Net Margin

| | 2019 | 2020 | 2021 | 2022 | 2023 |
|---|---|---|---|---|---|
| 2019 BP | $ 5,805 | $ 5,453 | $ 8,803 | $ 11,189 | $ 10,698 |
| 2018 BP | 9,445 | 8,357 | 9,776 | 12,902 | 17,526 |
| Variance, Fav / (Unfav) | $ (3,640) | $ (2,904) | $ (973) | $ (1,713) | $ (6,828) |

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# O&M Annual Expense Reconciliation
# ($000)

| | 2019 Plan | 2020 Plan | 2021 Plan | 2022 Plan | 2023 Plan |
|---|---|---|---|---|---|
| Expectation | $39,128 | $39,206 | $40,887 | $39,677 | $40,339 |
| Drivers: | | | | | |
| 2018 Sales Tax Change | $ 100 | $ 100 | $ 100 | $ 100 | $ 100 |
| Substation Maintenance | $ (201) | | | | |
| Current Plan - Mgt. View | $39,027 | $39,306 | $40,987 | $39,777 | $40,439 |



LG&E KU PPL companies

# 2017-2023 Capital Expenditures
# ($000)

| Item | 2017 Actual | 2018 Forecast | 2019 Plan | 2020 Plan | 2021 Plan | 2022 Plan | 2023 Plan |
|---|---|---|---|---|---|---|---|
| Compliance | $ 2,265 | $ 652 | $ 405 | $ 602 | $ 428 | $ 530 | $ 4,483 |
| Emergency Replacement | 2,238 | 4,097 | 2,640 | 2,601 | 2,629 | 2,656 | 2,684 |
| Native Load | 4,408 | 5,095 | 1,441 | 5,553 | 2,428 | 625 | 2,984 |
| Operations Support | 544 | 564 | 2,042 | 3,350 | 1,765 | 1,385 | 1,151 |
| Proactive Replacement | 94,512 | 106,447 | 112,483 | 129,481 | 147,976 | 83,114 | 87,419 |
| Reliability | 11,528 | 10,034 | 15,694 | 14,678 | 15,548 | 8,568 | 4,853 |
| Resiliency | 11,634 | 11,782 | 11,729 | 3,628 | 8,664 | 3,536 | 10,232 |
| Transmission Expansion Plan | 5,649 | 5,596 | 22,484 | 28,432 | 43,815 | 19,601 | 6,118 |
| Third Party Requests | 634 | 24 | 403 | 1,358 | 1,066 | - | - |
| Total Capital | $133,412 | $144,291 | $169,320 | $189,684 | $224,319 | $120,016 | $119,925 |
| 2018 Plan | | $144,292 | $168,757 | $190,705 | $224,519 | $141,577 | $141,608 |
| Change | | $ (1) | $ 563 | $ (1,021) | $ (200) | $ (21,561) | $ (21,683) |

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# Labor Expense
# ($000)

| Salary Plan | 2019 Average Headcount | 2019 Base Salary | 2019 Overtime and all Other Labor* | 2019 TIA Labor Expense | 2019 Total Salary & TIA Labor | 2019 Labor Expense | 2020 Labor Expense | 2021 Labor Expense | 2022 Labor Expense |
|---|---|---|---|---|---|---|---|---|---|
| Exempt | 148 | $ 15,835 | $ 66 | $ 1,668 | $ 17,569 | | | | |
| Non-Exempt | 17 | $ 1,229 | $ - | $ 126 | $ 1,355 | | | | |
| Other-Part-time | 1 | $ 87 | $ - | $ 9 | $ 96 | | | | |
| Union / Non-Union Hourly | - | $ - | $ - | $ - | $ - | | | | |
| Subtotal | 166 | $ 17,151 | $ 66 | $ 1,803 | $ 19,020 | | | | |
| Co-ops / Interns | 13 | $ 423 | $ - | $ - | $ 423 | | | | |
| Total | 179 | $ 17,574 | $ 66 | $ 1,803 | $ 19,443 | $12,341 | $12,902 | $13,061 | $13,373 |

Note: Annual expense amounts are on an income statement basis and exclude balance sheet accounts.

# Employee Headcount by Work Group

| Department | June 30, 2018 Actual | Dec. 31, 2018 | Dec. 31, 2019 | Dec. 31, 2020 | Dec. 31, 2021 | Dec. 31, 2022 | Dec. 31, 2023 |
|---|---|---|---|---|---|---|---|
| Lines | 33 | 33 | 33 | 33 | 33 | 33 | 33 |
| Substation Construction & Maint | 21 | 21 | 21 | 21 | 21 | 21 | 21 |
| Substation Engineering | 24 | 25 | 25 | 25 | 25 | 25 | 25 |
| Project Management | 6 | 7 | 7 | 7 | 7 | 7 | 7 |
| System Operations | 39 | 40 | 38 | 38 | 38 | 37 | 37 |
| Energy Management Systems | 7 | 9 | 10 | 9 | 9 | 9 | 9 |
| Strategy & Planning | 15 | 15 | 16 | 16 | 16 | 16 | 16 |
| Policy & Tariffs | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Reliability & Performance Standards | 6 | 6 | 6 | 6 | 6 | 6 | 6 |
| Administration | 8 | 8 | 8 | 8 | 8 | 8 | 8 |
| Interns | 11 | 13 | 13 | 13 | 13 | 13 | 13 |
| Total | 173 | 180 | 180 | 179 | 179 | 178 | 178 |

# Supplemental Contractors by Work Group

| Work Group or Type of Work | May 31, 2018 Actual | Dec. 31, 2018 | Dec. 31, 2019 | Dec. 31, 2020 | Dec. 31, 2021 | Dec. 31, 2022 | Dec. 31, 2023 |
|---|---|---|---|---|---|---|---|
| Overhead Line Contractors | 170 | 170 | 220 | 230 | 255 | 220 | 220 |
| Line Clearing Contractors | 102 | 102 | 102 | 102 | 102 | 102 | 102 |
| Lines Climbing Inspections | 8 | 12 | 12 | 12 | 12 | 12 | 12 |
| Line Support | 8 | 11 | 9 | 9 | 9 | 9 | 9 |
| Construction and ROW Inspectors | 13 | 17 | 21 | 24 | 27 | 19 | 19 |
| Substation Engineering Design | 58 | 71 | 71 | 71 | 71 | 71 | 71 |
| Substation Construction | 16 | 16 | 20 | 20 | 20 | 16 | 16 |
| Substation Protection Techs | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| Substation Support | 0 | 3 | 3 | 3 | 3 | 3 | 3 |
| PMO Support | 10 | 11 | 11 | 11 | 10 | 7 | 7 |
| Total | 389 | 417 | 473 | 486 | 513 | 463 | 463 |

Changes in the Overhead Lines Contractors and Construction and ROW Inspectors are driven by changes in capital spending over the business plan years

# 2017-2023 Headcount Totals & Changes

| | Year-End | | | | | | |
|---|---|---|---|---|---|---|---|
| Employees | 2017 Actual | 2018 Forecast | 2019 Plan | 2020 Plan | 2021 Plan | 2022 Plan | 2023 Plan |
| **TOTAL** | **173** | **180** | **180** | **179** | **179** | **178** | **178** |
| **Prior Plan** | | 178 | 177 | 176 | 176 | 175 | |
| **Change From Prior Plan** | | 2 | 3 | 3 | 3 | 3 | |

| | 2018 FC | 2019 Plan | 2020 Plan | 2021 Plan | 2022 Plan | 2023 Plan |
|---|---|---|---|---|---|---|
| **Supplemental Contractors** | 417 | 473 | 486 | 513 | 463 | 463 |
| **Prior Plan** | 389 | 458 | 471 | 482 | 432 | |
| **Change from Prior Plan** | 28 | 15 | 15 | 31 | 31 | |

**Total Workforce (Employees Plus Supplemental Contractors)**

| | 2018 FC | 2019 Plan | 2020 Plan | 2021 Plan | 2022 Plan | 2023 Plan |
|---|---|---|---|---|---|---|
| **Current Plan** | 597 | 653 | 665 | 692 | 641 | 641 |
| **Prior Plan** | 567 | 635 | 647 | 658 | 607 | |
| **Change from Prior Plan** | 30 | 18 | 18 | 34 | 34 | |

# Plan Risks

**CONFIDENTIAL INFORMATION REDACTED**

1. Revised regulations may materially increase investments and expenses.
2. Regional changes to the transmission grid topology, location and mix of generation resources, and other factors may result in power flows that drive the need for significant additional infrastructure investments.
3. System conditions (weather, external grid configuration and loop flows, generation status, etc.) may delay or alter outages required to complete construction.
4. Replacement power for [redacted] related to the announced retirements of the [redacted] may require additional projects and be eligible for incremental depancaking expense reimbursement
5. KYMEA sourcing of future transmission reservations may require additional projects and be eligible for incremental depancaking expense reimbursement.
6. Inflation may have a greater impact on vegetation management costs and overhead line construction than what has been assumed in the plan.

# Operational Performance

## Key Performance Indicators

| KPI | 2017 Year End | 2018 Forecast | 2019 Plan | 2020 Plan | 2021 Plan | 2022 Plan | 2023 Plan |
|---|---|---|---|---|---|---|---|
| Recordable Injury Incident Rate - Employees | 0.67 | 0.00 | 0.69 | 0.69 | 0.69 | 0.69 | 0.69 |
| Recordable Injury Incident Rate - Contractors | 1.68 | 0.39 | 1.80 | 1.73 | 1.66 | 1.55 | 1.55 |
| Days Away from work, Restriction, or Transfer - Employees | 0.00 | 0.00 | 0.69 | 0.69 | 0.69 | 0.69 | 0.69 |
| Annual SAIDI (minutes) | 6.0 | 6.9 | 10.1 | 9.7 | 9.0 | 8.7 | 8.3 |
| Cash Cost / MWh | $3.59 | $4.32 | $4.99 | $5.80 | $6.44 | $7.29 | $7.28 |
| Cash Cost / Mile | $25,669 | $30,728 | $34,736 | $39,823 | $43,871 | $49,216 | $48,646 |

The 2018 Forecast for RIIR for both employees and contractors, DART for employees is the actual through June. SAIDI and Cash Cost / mile are based on the year-to-date actual through June 30, 2018 and forecast for July through December 2018.
The cash cost / MWh and the cash cost / mile are both the average of the five year period ending in that year.

# Energy Supply and Analysis
# LG&E and KU Utilities
# 2019 Operating Plan

**August 2018**

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# Plan Highlights

- Optimize the utilization of existing assets to provide reliable, low cost energy.
- Procure coal and gas necessary to cost-effectively operate generating plants.
- Maximize beneficial use of by-products to minimize pond closure and landfill development costs.
- Provide high quality analysis to enhance decision-making and ES&A risk management activities.
- Implement processes required to meet reliability standards.
- Improve analysis capability and knowledge about customer energy usage, DER, EVs, and storage to support DSM, ratemaking, legislative, customer service, and resource planning efforts.
- Target R&D activities to support major issues associated across the business.

# Major Assumptions

- Analysis needed to support major company initiatives (KPSC filings) and strategic planning can be met by existing staff levels while absorbing headcount reductions due to retirements.
- Retirement risk is growing over the planning period but adequate time for training and development is forecasted to occur.
- Training for new employees will not require expenditures beyond recent historical experience for existing employees.
- No material change from historical non-labor expenses.

# 2017-2023 Annual O&M Expenses
# ($000)

| Item | 2017 Actual | 2018 Forecast | 2019 Plan | 2020 Plan | 2021 Plan | 2022 Plan | 2023 Plan |
|---|---|---|---|---|---|---|---|
| O&M Expenses Only: | | | | | | | |
| Labor | $ 8,159 | $ 8,068 | $ 7,895 | $ 7,964 | $ 8,131 | $ 8,314 | $ 8,554 |
| Dues | $ 4,628 | $ 3,396 | $ 3,362 | $ 3,362 | $ 3,362 | $ 3,362 | $ 3,362 |
| Subscriptions | $ 419 | $ 476 | $ 531 | $ 567 | $ 571 | $ 573 | $ 574 |
| Outside Services | $ 201 | $ 205 | $ 129 | $ 141 | $ 162 | $ 162 | $ 163 |
| R&D Battery Storage Amortization | $ 457 | $ 497 | $ 496 | $ 496 | $ 496 | $ 41 | $ - |
| R&D Research Projects | $ 74 | $ - | $ - | $ - | $ 144 | $ 112 | $ 215 |
| Admin Fees - Reserve Sharing | $ 223 | $ 228 | $ 234 | $ 240 | $ 246 | $ 253 | $ 258 |
| All Other Non-labor | $ 292 | $ 316 | $ 416 | $ 416 | $ 417 | $ 416 | $ 416 |
| **Total O&M Expense - Mgmt. View** | **$ 14,453** | **$ 13,186** | **$ 13,063** | **$ 13,186** | **$ 13,529** | **$ 13,233** | **$ 13,542** |
| **Plus:** | | | | | | | |
| Base Gross Margin Items | $ 2,875 | $ 3,763 | $ 3,205 | $ 3,142 | $ 3,248 | $ 3,397 | $ 3,616 |
| Mechanism Gross Margin Items | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| **Total O&M Expense-GAAP View** | **$ 17,328** | **$ 16,949** | **$ 16,268** | **$ 16,328** | **$ 16,777** | **$ 16,630** | **$ 17,158** |

Note 1: Base Gross Margin Items exclude intercompany transmission expense.

Note 2: 2017 Actual O&M total contains restated Research & Development expenses.

Note 3: 2017 Actual O&M total contains restated TCRSG charged to Corporate in 2017.

# 2017-2023 Annual O&M Expenses
# Non Labor – Dues
# ($000)

| Item | 2017 Actual | 2018 Forecast | 2019 Plan | 2020 Plan | 2021 Plan | 2022 Plan | 2023 Plan |
|---|---|---|---|---|---|---|---|
| EPRI | $ 4,554 | $ 3,290 | $ 3,290 | $ 3,290 | $ 3,290 | $ 3,290 | $ 3,290 |
| UofL Research Foundation | $ - | $ 50 | $ - | $ - | $ - | $ - | $ - |
| American Coal Ash | $ 15 | $ 17 | $ 17 | $ 17 | $ 17 | $ 17 | $ 17 |
| Carbon Utilization Research Council | $ 15 | $ 14 | $ 14 | $ 14 | $ 14 | $ 14 | $ 14 |
| Waterways Council | $ 11 | $ 12 | $ 12 | $ 12 | $ 12 | $ 12 | $ 12 |
| National Coal Council | $ 8 | $ 6 | $ 6 | $ 6 | $ 6 | $ 6 | $ 6 |
| American Coal Council | $ 3 | $ 5 | $ 5 | $ 5 | $ 5 | $ 5 | $ 5 |
| Other Miscellaneous | $ 22 | $ 2 | $ 18 | $ 18 | $ 18 | $ 18 | $ 18 |
| Total Company Dues | $ 4,628 | $ 3,396 | $ 3,362 | $ 3,362 | $ 3,362 | $ 3,362 | $ 3,362 |

# 2017-2023 Annual O&M Expenses
# Non Labor - Subscriptions
# ($000)

| Item | 2017 Actual | 2018 Forecast | 2019 Plan | 2020 Plan | 2021 Plan | 2022 Plan | 2023 Plan |
|---|---|---|---|---|---|---|---|
| IHS Global | $ 145 | $ 162 | $ 187 | $ 187 | $ 187 | $ 187 | $ 187 |
| PIRA | $ 80 | $ 84 | $ 83 | $ 83 | $ 83 | $ 83 | $ 83 |
| Platts | $ 76 | $ 61 | $ 61 | $ 62 | $ 64 | $ 66 | $ 67 |
| R&D - Bloomberg | $ 65 | $ 77 | $ 80 | $ 80 | $ 80 | $ 80 | $ 80 |
| OATI | $ 16 | $ 16 | $ 16 | $ 16 | $ 16 | $ 16 | $ 16 |
| Wood Mackenzie | $ - | $ 45 | $ 30 | $ 30 | $ 30 | $ 30 | $ 30 |
| R&D - IEEE | $ 18 | $ 18 | $ 20 | $ 20 | $ 20 | $ 20 | $ 20 |
| Other Subscriptions | $ 19 | $ 13 | $ 54 | $ 89 | $ 91 | $ 91 | $ 91 |
| Total Subscriptions | $ 419 | $ 476 | $ 531 | $ 567 | $ 571 | $ 573 | $ 574 |

# 2017-2023 Annual O&M Expenses
# Non Labor – Outside Services
# ($000)

| Item | 2017 Actual | 2018 Forecast | 2019 Plan | 2020 Plan | 2021 Plan | 2022 Plan | 2023 Plan |
|---|---|---|---|---|---|---|---|
| R&D Engineering Studies | $ 58 | $ 75 | $ 50 | $ 50 | $ 50 | $ 50 | $ 50 |
| R&D UofL Research | $ 50 | $ - | $ - | $ - | $ - | $ - | $ - |
| Consumer Behavior Study | $ - | $ 65 | $ - | $ - | $ - | $ - | $ - |
| Weir Services | $ - | $ 25 | $ 42 | $ 42 | $ 42 | $ 42 | $ 42 |
| Cambridge Energy Research | $ - | $ 8 | $ 8 | $ 8 | $ 8 | $ 8 | $ 8 |
| Contract Employee | $ 51 | $ 8 | $ 13 | $ 13 | $ 13 | $ 13 | $ 13 |
| Other Outside Services | $ 42 | $ 24 | $ 16 | $ 28 | $ 49 | $ 49 | $ 50 |
| Total Outside Services | $ 201 | $ 205 | $ 129 | $ 141 | $ 162 | $ 162 | $ 163 |

# 2017-2023 Annual O&M Expenses Non Labor – Research & Development ($000)

| Item | 2017 Actual | 2018 Forecast | 2019 Plan | 2020 Plan | 2021 Plan | 2022 Plan | 2023 Plan |
|---|---|---|---|---|---|---|---|
| Battery Storage Amort. | $ 457 | $ 497 | $ 496 | $ 496 | $ 496 | $ 41 | $ - |
| UofL EV-STS Project | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| Other R&D Projects | $ 74 | $ - | $ - | $ - | $ 144 | $ 112 | $ 215 |
| Total R&D | $ 531 | $ 497 | $ 496 | $ 496 | $ 640 | $ 153 | $ 215 |



LG&E KU PPL companies

# 2017-2023 Annual Expenses
# Base Gross Margin Items
# ($000)

**CONFIDENTIAL INFORMATION REDACTED**

| Item | 2017 Actual | 2018 Forecast | 2019 Plan | 2020 Plan | 2021 Plan | 2022 Plan | 2023 Plan |
|---|---|---|---|---|---|---|---|
| [redacted] Cost for Serving KU | $ 2,921 | $ 2,965 | $ 3,002 | $ 2,973 | $ 2,984 | $ 3,005 | $ 3,029 |
| RTO Cost - NL | $ (5) | $ 5 | $ 9 | $ 5 | $ 5 | $ 5 | $ 1 |
| RTO Cost - OSS | $ (49) | $ 762 | $ 153 | $ 150 | $ 244 | $ 374 | $ 583 |
| 3rd Party XM - NL | $ 3 | $ 20 | $ 41 | $ 14 | $ 15 | $ 13 | $ 3 |
| 3rd Party XM - OSS | $ 5 | $ 11 | $ - | $ - | $ - | $ - | $ - |
| Total | $ 2,875 | $ 3,763 | $ 3,205 | $ 3,142 | $ 3,248 | $ 3,397 | $ 3,616 |

Note 1: Base Gross Margin Items exclude intercompany transmission expense.

Note 2: Industrial Coal Services costs are included in 456 revenue starting in 2017.

# O&M Annual Expense Reconciliation
# ($000)

| | 2019 Plan | 2020 Plan | 2021 Plan | 2022 Plan | 2023 Plan |
|---|---|---|---|---|---|
| 2018 Expectation | $ 13,063 | $ 13,186 | $ 13,529 | $ 13,233 | $ 13,542 |
| Drivers: | | | | | |
| Power Supply Retirements-Not Backfilled | $ (211) | $ (327) | $ (335) | $ (344) | $ (354) |
| Gen. Planning - Adjust Retirement Timing | $ 75 | $ - | $ - | $ - | $ - |
| Eliminate Non-labor Gap | $ 136 | $ 184 | $ 207 | $ 207 | $ 207 |
| Expectation Cost Reduction | $ - | $ 157 | $ - | $ - | $ - |
| Research & Development Project Expenses | $ - | $ - | $ 145 | $ 112 | $ 215 |
| Labor Adjustments - Sales Analysis | $ - | $ 36 | $ 37 | $ 38 | $ 39 |
| Lower Non-labor Inflation than 18BP | $ - | $ - | $ - | $ - | $ (43) |
| All Other | $ - | $ (50) | $ (54) | $ (13) | $ (64) |
| Current Plan - Mgt. View | $ 13,063 | $ 13,186 | $ 13,529 | $ 13,233 | $ 13,542 |

# 2017-2023 Capital Expenditures ($000)

| Item | 2017 Actual | 2018 Forecast | 2019 Plan | 2020 Plan | 2021 Plan | 2022 Plan | 2023 Plan |
|---|---|---|---|---|---|---|---|
| Total Capital | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| 2017 Plan | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| Change | $ - | $ - | $ - | $ - | $ - | $ - | $ - |

# Labor Expense
# ($000)

| Salary Plan | 2019 Average Headcount | 2019 Base Salary | 2019 Overtime and all Other Labor* | 2019 TIA Labor Expense | 2019 Total Salary & TIA Labor | 2019 Labor Expense | 2020 Labor Expense | 2021 Labor Expense | 2022 Labor Expense | 2023 Labor Expense |
|---|---|---|---|---|---|---|---|---|---|---|
| Exempt | 55 | $ 5,781 | $ 52 | $ 697 | $ 6,530 | $ 7,480 | | | | |
| Non-Exempt | 5 | $ 261 | $ - | $ 31 | $ 292 | $ 335 | | | | |
| Part-time | 1 | $ 39 | | $ 5 | $ 44 | $ 44 | | | | |
| Union | - | $ - | $ - | $ - | $ - | $ - | | | | |
| Non-Union Hourly | - | $ - | $ - | $ - | $ - | $ - | | | | |
| Subtotal | 61 | $ 6,081 | $ 52 | $ 733 | $ 6,866 | $ 7,859 | | | | |
| Co-ops / Interns | 2 | $ 36 | $ - | $ - | $ 36 | $ 36 | | | | |
| Total | 63 | $ 6,117 | $ 52 | $ 733 | $ 6,902 | $ 7,895 | $ 7,964 | $ 8,131 | $ 8,314 | $ 8,554 |

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# Employee Headcount by Work Group

| Work Group or Major Dept. | June 30, 2018 Actual | Dec. 31, 2018 | Dec. 31, 2019 | Dec. 31, 2020 | Dec. 31, 2021 | Dec. 31, 2022 | Dec. 31, 2023 |
|---|---|---|---|---|---|---|---|
| Power Supply | 23 | 23 | 22 | 22 | 22 | 22 | 22 |
| Dir. Plan & Analysis | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Generation Planning | 9 | 9 | 8 | 8 | 8 | 8 | 8 |
| Sales Analysis | 6 | 6 | 6 | 6 | 6 | 6 | 6 |
| V.P. Energy Supply | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Fuels Management | 6 | 6 | 6 | 6 | 6 | 6 | 6 |
| Fuels & By Products | 10 | 10 | 10 | 10 | 10 | 10 | 10 |
| Research & Develop. | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| Interns | 4 | 2 | 2 | 2 | 2 | 2 | 2 |
| Total | 66 | 64 | 62 | 62 | 62 | 62 | 62 |

# 2017-2023 Headcount Totals & Changes

| | Year-End | | | | | | |
|---|---|---|---|---|---|---|---|
| Employees | 2017 Actual | 2018 Forecast | 2019 Plan | 2020 Plan | 2021 Plan | 2022 Plan | 2023 Plan |
| TOTAL From Page 14 | 65 | 63 | 62 | 62 | 62 | 62 | 62 |
| Prior Plan | | 65 | 63 | 63 | 63 | 63 | 63 |
| Change From Prior Plan | | (2) | (1) | (1) | (1) | (1) | (1) |

| | 2018 FC | 2019 Plan | 2020 Plan | 2021 Plan | 2022 Plan | 2023 Plan |
|---|---|---|---|---|---|---|
| Supplemental Contractors (Page 15) | 0 | 0 | 0 | 0 | 0 | 0 |
| Prior Plan | 0 | 0 | 0 | 0 | 0 | 0 |
| Change from Prior Plan | 0 | 0 | 0 | 0 | 0 | 0 |

**Total Workforce (Employees Plus Supplemental Contractors)**

| | | | | | | |
|---|---|---|---|---|---|---|
| Current Plan | 63 | 62 | 62 | 62 | 62 | 62 |
| Prior Plan | 65 | 63 | 63 | 63 | 63 | 63 |
| Variance | (2) | (1) | (1) | (1) | (1) | (1) |

Note 1: 2017 Actual has been restated to include R&D.

Note 2: Includes Interns.

# Plan Risks

- OSS margin risk is minimal due lower electricity prices and KY sharing mechanism.
- Workforce transition due to retirements.
- Unanticipated major project that would require material outside services (low risk).

# Corporate Cost Center
# LG&E and KU Utilities
# 2019 Operating Plan

**August 2018**

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# Major Assumptions

- Benefits for 2019 based on 3,672 full-time, 111 co-ops/interns, and 21 part-time regular employees (as of 12/31/19)
  - Full-time actual headcount at June 30, 2018 is 3,439.
- The projection for medical was based upon the calculation provided by Mercer and adjusted for incremental headcount, and adjusted 4% each year thereafter.
- Amortization of regulatory assets will continue through plan periods based on KPSC orders.
- Incentive expenses based on:
  - Safety, customer service, cost control, reliability goals
  - Individual effectiveness and team goals
- IMEA/IMPA portion included in Corporate is the credit that covers the same burden types that hit Corporate. The balance of IMEA/IMPA reimbursements are included within Power Production.

# Major Assumptions

- Pension Costs
  - The mortality assumption reflects the RP-2014 gender specific healthy employee and healthy annuitant mortality tables with collar and factor adjustments and applying MP-2017 mortality improvements from 2006 on a generational basis.
  - 15 year amortization period used for KPSC-jurisdictional accounting/ratemaking. Double corridor used for Virginia, FERC and LKS charges to LKC.
  - Discount rate is assumed to be 4.2% for the non-union plan and 4.15% for the union plan. These are 50bps higher than discount rates at 12/31/17 based on changes in corporate bond rates through April 2018.
  - EROA is assumed to be 7%
  - Lump sum take rate is assumed to be 50%
  - Service cost is assumed to decrease 4.00% annually for the Non-Union plan and decrease 10.00% annually for the Union plan, except that the Union service cost includes an assumed offsetting increase of 7.5% every three years (i.e., the increases for 2021-2023 are assumed to be reflected at January 1, 2021) consistent with the impact of the plan changes resulting from the union negotiations in 2017.

# 2017-2023 Annual O&M Expenses
# ($000)

| Item | 2017 Actual | 2018 Forecast | 2019 Plan | 2020 Plan | 2021 Plan | 2022 Plan | 2023 Plan |
|---|---|---|---|---|---|---|---|
| O&M Expenses Only: | | | | | | | |
| Labor Burdens | $ 89,877 | $ 89,422 | $ 90,093 | $ 92,983 | $ 95,623 | $ 98,036 | $ 100,531 |
| Amortization of Regulatory Assets | $ 14,654 | $ 16,285 | $ 13,165 | $ 11,522 | $ 7,846 | $ 4,299 | $ 4,299 |
| A&G Transferred Credit | $ (10,592) | $ (11,421) | $ (11,835) | $ (12,243) | $ (12,659) | $ (13,133) | $ (13,470) |
| IMEA/IMPA Billings | $ (4,354) | $ (4,107) | $ (3,800) | $ (3,955) | $ (4,060) | $ (4,159) | $ (4,399) |
| Life Insurance | $ (1,966) | $ (1,621) | $ (1,614) | $ (1,646) | $ (1,679) | $ (1,713) | $ (1,748) |
| PPL Direct | $ 1,830 | $ 1,801 | $ 1,655 | $ 1,447 | $ 1,828 | $ 1,553 | $ 1,599 |
| All Other Non-labor | $ 1,609 | $ 1,900 | $ 867 | $ 865 | $ 673 | $ 338 | $ 310 |
| **Total O&M Expense - GAAP View** | **$ 91,058** | **$ 92,259** | **$ 88,531** | **$ 88,973** | **$ 87,571** | **$ 85,221** | **$ 87,121** |
| **Plus:** | | | | | | | |
| Pension NonService Cost | $ 5,767 | $ (1,228) | $ (6,552) | $ (8,291) | $ (9,698) | $ (11,243) | $ (13,771) |
| **Total O&M Expense-Mgmt View** | **$ 96,825** | **$ 91,031** | **$ 81,978** | **$ 80,682** | **$ 77,873** | **$ 73,978** | **$ 73,350** |

# 2017-2023 Annual O&M Expenses
# Corporate Labor Burdens
# ($000)

| Item | 2017 Actual | 2018 Forecast | 2019 Plan | 2020 Plan | 2021 Plan | 2022 Plan | 2023 Plan |
|---|---|---|---|---|---|---|---|
| Corporate Labor Burdens | | | | | | | |
| Pension (Service Cost) | $ 22,672 | $ 17,824 | $ 15,263 | $ 14,883 | $ 14,668 | $ 14,172 | $ 13,618 |
| Medical/Dental | $ 22,258 | $ 28,898 | $ 31,219 | $ 32,617 | $ 33,892 | $ 35,218 | $ 36,596 |
| Payroll Taxes | $ 19,019 | $ 21,393 | $ 20,781 | $ 21,385 | $ 22,026 | $ 22,687 | $ 23,367 |
| 401k Total *(matching & drop-in)* | $ 13,104 | $ 13,585 | $ 14,085 | $ 14,840 | $ 15,608 | $ 16,432 | $ 17,316 |
| Post Retirement | $ 4,969 | $ 3,221 | $ 2,706 | $ 2,578 | $ 2,518 | $ 2,379 | $ 2,239 |
| Other Burdens: | | | | | | | |
| Group Life Insurance | $ 987 | $ 1,081 | $ 1,162 | $ 1,501 | $ 1,546 | $ 1,592 | $ 1,640 |
| Long Term Disability | $ 1,051 | $ 1,085 | $ 1,252 | $ 1,447 | $ 1,490 | $ 1,535 | $ 1,581 |
| Worker's Compensation | $ 2,065 | $ 460 | $ 1,400 | $ 1,474 | $ 1,547 | $ 1,625 | $ 1,706 |
| Post Employment | $ 801 | $ (1,037) | $ - | $ - | $ - | $ - | $ - |
| Other *(Wellness,PBGC,TWR/Mercer fees)* | $ 2,951 | $ 2,913 | $ 2,225 | $ 2,260 | $ 2,328 | $ 2,397 | $ 2,469 |
| Total Other Burdens | $ 7,855 | $ 4,502 | $ 6,039 | $ 6,681 | $ 6,910 | $ 7,149 | $ 7,396 |
| **Total O&M Expense - Mgmt. View** | **$ 89,877** | **$ 89,422** | **$ 90,093** | **$ 92,983** | **$ 95,623** | **$ 98,036** | **$ 100,531** |
| **Plus:** | | | | | | | |
| Pension NonService Cost | $ 5,767 | $ (1,228) | $ (6,552) | $ (8,660) | $ (9,554) | $ (11,028) | $ (13,419) |
| **Total O&M Expense-GAAP View** | **$ 95,644** | **$ 88,195** | **$ 83,541** | **$ 84,323** | **$ 86,069** | **$ 87,008** | **$ 87,112** |

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# O&M Annual Expense Reconciliation ($000)

| | 2019 Plan | 2020 Plan | 2021 Plan | 2022 Plan | 2023 Plan |
|---|---|---|---|---|---|
| 2018 Plan/Expectation | $98,710 | $93,427 | $90,081 | $90,122 | $90,073 |
| Drivers: | | | | | |
| Pension Service Cost | $ (2,923) | $ (2,818) | $ (3,094) | $ (3,305) | $ (2,257) |
| Payroll Taxes | $ (1,473) | $ (1,537) | $ (1,582) | $ (1,630) | $ (1,679) |
| Post Retirement | $ (514) | $ (520) | $ (555) | $ (612) | $ (750) |
| Post Employment | $ (242) | $ (242) | $ (242) | $ (242) | $ (242) |
| Medical/Dental | $ (488) | $ (369) | $ (421) | $ (475) | $ (532) |
| Other labor burdens | $ (797) | $ (336) | $ (332) | $ (326) | $ (317) |
| Reg Asset Recalc | $ (3,733) | $ (182) | $ 3,546 | $ 913 | $ 1,423 |
| Other | $ (9) | $ 1,549 | $ 170 | $ 776 | $ 1,403 |
| Current Plan - GAAP View | $88,531 | $88,973 | $87,571 | $85,221 | $87,121 |

# Plan Risks

- The largest plan risk is pension expense. Discount rates assumed are 50bps higher than discount rates at 12/31/17 based on changes in corporate bond rates through April 2018. These rates have changed since then and will fluctuate over time.
- The second largest risk is medical expense, but it is partially mitigated by the 4/4/50 sharing relationship.

# CFO Excluding IT
# LG&E and KU Utilities
# 2019 Operating Plan

**August 2018**

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- Plan Highlights
- Major Assumptions
- Financial Performance
  - o 2017-2023 Annual O&M Expenses
  - o 2017-2023 Capital Expenditures
  - o Labor Expense
  - o Headcount
  - o Supplemental Contractors
- Plan Risks

# Plan Highlights

- CFO group is designed to meet the overall objectives of the Company in the most cost effective manner possible.
  - Functions include accounting, financial reporting, regulatory reporting, tax, payroll, financing, cash management, investor relations, forecasting & budgeting, financial planning & analysis, insurance, pensions, rates, state regulatory affairs, audit services, SOX compliance and supply chain.
- Headcount, excluding interns, will remain flat compared to the 2018BP throughout the plan.
  - Labor represents 46% of the CFO 2019BP O&M expenses.
- Insurance represents 39% of the CFO 2019BP O&M expenses.
- Bank Fees and Audit Fees each represent an additional 4% of O&M.

# Major Assumptions

- Projected insurance premiums are based on feedback from brokers and increase for amount of property placed in service.
  - A larger property increase in 2020 is assumed once the three year rate freeze expires.
  - The membership credits offered by FM Global and AEGIS are not assumed to continue beyond 2018 renewal.
- Several new bonds related to pond and landfill closure will be required (included in insurance budget).
- Bank Fees, excluding rating agency fees, are projected to increase at approximately 1.4% annually based on recent experience.

# Major Assumptions

- Audit Fees
  - Audit fees through 2018 are based on negotiated fees with firms and prior costs of predecessor consents. Audit fees for financial statements beyond 2018 are based on estimates provided by the external auditors.
  - Benefit plan audits will be re-bid in 2018 and are expected to increase at rates consistent with prior years.
  - Expected incremental work for auditor consent letters for financings will be amortized over the life of the financing.
  - No other incremental work (e.g., system post-implementation audits) is assumed.

# Major Assumptions

- State Regulation & Rates
  - Filing of base rate cases for LG&E and KU in Kentucky.
  - Filing of base rate cases for KU in Virginia.
  - Annual revision of the formula rates for FERC wholesale municipal and OATT customers.
  - Filing of Integrated Resource Plan.
    - KY – 2018 & 2021
    - VA – Annual
  - Filing of new ECR Plan to address ELG Regulations – late 2019.

# 2017-2023 Annual O&M Expenses ($000)

| Item | 2017 Actual | 2018 Forecast | 2019 Plan | 2020 Plan | 2021 Plan | 2022 Plan | 2023 Plan |
|---|---|---|---|---|---|---|---|
| O&M Expenses Only: | | | | | | | |
| Labor | $20,314 | $20,185 | $20,601 | $21,309 | $21,833 | $22,326 | $22,964 |
| Insurance | $15,774 | $15,723 | $17,596 | $18,816 | $19,746 | $20,159 | $20,355 |
| Bank Fees | $ 1,465 | $ 1,691 | $ 1,721 | $ 1,752 | $ 1,785 | $ 1,818 | $ 1,853 |
| Audit Fees | $ 1,669 | $ 1,594 | $ 1,769 | $ 1,770 | $ 1,771 | $ 1,974 | $ 1,975 |
| Training, Travel & Meals | $ 377 | $ 450 | $ 529 | $ 523 | $ 525 | $ 527 | $ 532 |
| Outside Services | $ 103 | $ 237 | $ 231 | $ 184 | $ 232 | $ 160 | $ 167 |
| All Other Non-labor | $ 2,146 | $ 2,589 | $ 2,476 | $ 2,625 | $ 2,472 | $ 2,639 | $ 2,528 |
| **Total O&M Expense - Mgmt. View** | **$41,848** | **$42,469** | **$44,923** | **$46,979** | **$48,364** | **$49,603** | **$50,374** |

# 2017-2023 Annual O&M Expenses
# Insurance
# ($000)

| Item | 2017 Actual | 2018 Forecast | 2019 Plan | 2020 Plan | 2021 Plan | 2022 Plan | 2023 Plan |
|---|---|---|---|---|---|---|---|
| O&M Insurance Expenses: | | | | | | | |
| Property Insurance | $ 9,079 | $ 8,914 | $ 9,962 | $ 11,105 | $ 11,978 | $ 12,363 | $ 12,559 |
| Excess Liability Insurance | $ 3,214 | $ 3,199 | $ 3,397 | $ 3,396 | $ 3,396 | $ 3,396 | $ 3,396 |
| Pollution Legal Liability | $ 1,202 | $ 1,220 | $ 1,345 | $ 1,345 | $ 1,345 | $ 1,345 | $ 1,345 |
| Directors and Officers Insurance | $ 512 | $ 476 | $ 519 | $ 519 | $ 519 | $ 519 | $ 519 |
| Closure Bonds | $ 202 | $ 366 | $ 818 | $ 877 | $ 921 | $ 938 | $ 938 |
| Underwriters Safety & Claims | $ 393 | $ 373 | $ 385 | $ 395 | $ 395 | $ 395 | $ 395 |
| Cyber Insurance | $ 283 | $ 279 | $ 331 | $ 333 | $ 343 | $ 354 | $ 354 |
| All Other Insurance | $ 889 | $ 896 | $ 839 | $ 846 | $ 849 | $ 849 | $ 849 |
| Total Insurance | $ 15,774 | $ 15,723 | $ 17,596 | $ 18,816 | $ 19,746 | $ 20,159 | $ 20,355 |

# 2017-2023 Annual O&M Expenses
# Bank Fees
# ($000)

| Item | 2017 Actual | 2018 Forecast | 2019 Plan | 2020 Plan | 2021 Plan | 2022 Plan | 2023 Plan |
|---|---|---|---|---|---|---|---|
| O&M Bank Fees: | | | | | | | |
| Rating Agency Fees | $ 457 | $ 606 | $ 748 | $ 766 | $ 785 | $ 804 | $ 825 |
| Bank Service Fees | $ 672 | $ 668 | $ 586 | $ 599 | $ 613 | $ 627 | $ 641 |
| Trustee Fees | $ 105 | $ 180 | $ 199 | $ 199 | $ 199 | $ 199 | $ 199 |
| NYSE Fees | $ 162 | $ 156 | $ 142 | $ 142 | $ 142 | $ 142 | $ 142 |
| LC Fees | $ 69 | $ 82 | $ 46 | $ 46 | $ 46 | $ 46 | $ 46 |
| Total Bank Fees | $ 1,465 | $ 1,691 | $ 1,721 | $ 1,752 | $ 1,785 | $ 1,818 | $ 1,853 |

# O&M Annual Expense Reconciliation ($000)

| | 2019 Plan | 2020 Plan | | 2021 Plan | 2022 Plan | 2023 Plan |
|---|---|---|---|---|---|---|
| 2018 Plan/Expectation | $44,571 | $45,518 | | $46,786 | $47,870 | $48,679 |
| Drivers: | | | | | | |
| Labor | $ (206) | $ (231) | | $ (208) | $ (219) | $ (258) |
| Insurance | $ 180 | $ 773 | | $ 1,428 | $ 1,528 | $ 1,537 |
| Bank Fees | $ 72 | $ 52 | | $ 37 | $ 23 | $ 40 |
| All Other Non-Labor | $ 306 | $ 867 | * | $ 321 | $ 401 | $ 376 |
| Current Plan - Mgt. View | $44,923 | $46,979 | | $48,364 | $49,603 | $50,374 |

**2020 Includes Expectation Reduction*

# 2017-2023 Capital Expenditures
# ($000)

| Item | 2017 Actual | 2018 Forecast | 2019 Plan | 2020 Plan | 2021 Plan | 2022 Plan | 2023 Plan |
|---|---|---|---|---|---|---|---|
| Lexington Forklift | $ 281 | $ - | $ - | $ - | $ - | $ - | $ - |
| Auburndale Pole Racks | $ 197 | $ - | $ - | $ - | $ - | $ - | $ - |
| Danville Pole Racks | $ - | $ 170 | $ - | $ - | $ - | $ - | $ - |
| Lexington Tran Pole Yard | $ - | $ - | $ 250 | $ - | $ - | $ - | $ - |
| Lexington Tran Pole Rack | $ - | $ - | $ 200 | $ - | $ - | $ - | $ - |
| Elizabethtown Pole Racks | $ - | $ - | $ 150 | $ - | $ - | $ - | $ - |
| Paris Pole Yard | $ - | $ - | $ - | $ 150 | $ - | $ - | $ - |
| Winchester Pole Yard | $ - | $ - | $ - | $ 150 | $ - | $ - | $ - |
| All Other | $ 1,390 | $ 1,334 | $ 924 | $ 520 | $ 820 | $ 820 | $ 820 |
| Total Capital | $ 1,868 | $ 1,504 | $ 1,524 | $ 820 | $ 820 | $ 820 | $ 820 |
| 2018 Plan | | $ 1,712 | $ 873 | $ 450 | $ 1,000 | $ - | $ - |
| Change | | $ (208) | $ 651 | $ 370 | $ (180) | $ 820 | $ 820 |

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# Labor Expense

| Salary Plan | 2019 Average Headcount | 2019 Base Salary | 2019 Overtime and all Other Labor* | 2019 TIA Labor Expense | 2019 Total Salary & TIA Labor | 2019 Labor Expense | 2020 Labor Expense | 2021 Labor Expense | 2022 Labor Expense | 2023 Labor Expense |
|---|---|---|---|---|---|---|---|---|---|---|
| Exempt | 173 | $ 17,838 | $ - | $ 1,803 | $ 19,642 | | | | | |
| Non-Exempt | 33 | $ 1,856 | $ - | $ 176 | $ 2,032 | | | | | |
| Non-Union Hourly | 4 | $ 249 | $ - | $ 25 | $ 274 | | | | | |
| Subtotal | 210 | $ 19,943 | $ - | $ 2,005 | $ 21,948 | | | | | |
| Co-ops / Interns | 14 | $ 392 | $ - | $ 45 | $ - | | | | | |
| Total | 224 | $ 20,335 | $ - | $ 2,050 | $ 21,948 | $ 20,601 | $ 21,309 | $ 21,833 | $ 22,326 | $ 22,964 |

Note: Annual expense amounts are on an income statement basis and exclude balance sheet accounts.

# Employee Headcount by Work Group

| Work Group or Major Dept. | May 31, 2018 Actual | Dec. 31, 2018 | Dec. 31, 2019 | Dec. 31, 2020 | Dec. 31, 2021 | Dec. 31, 2022 | Dec. 31, 2023 |
|---|---|---|---|---|---|---|---|
| CFO | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Audit Services | 14 | 14 | 14 | 14 | 14 | 14 | 14 |
| Controller | 68 | 68 | 69 | 69 | 69 | 69 | 69 |
| Treasurer | 51 | 51 | 51 | 51 | 51 | 51 | 51 |
| State Reg & Rates | 15 | 16 | 16 | 16 | 16 | 16 | 16 |
| Supply Chain | 54 | 58 | 58 | 58 | 58 | 58 | 58 |
| Interns | 16 | 14 | 14 | 14 | 14 | 14 | 14 |
| Total | 220 | 223 | 224 | 224 | 224 | 224 | 224 |

# Supplemental Contractors by Work Group

| Work Group or Type of Work | May 31, 2018 Actual | Dec. 31, 2018 | Dec. 31, 2019 | Dec. 31, 2020 | Dec. 31, 2021 | Dec. 31, 2022 | Dec. 31, 2023 |
|---|---|---|---|---|---|---|---|
| Supply Chain | 26 | 26 | 27 | 27 | 27 | 27 | 27 |
| Total | 26 | 26 | 27 | 27 | 27 | 27 | 27 |

# 2017-2023 Headcount Totals & Changes

| | Year-End | | | | | | |
|---|---|---|---|---|---|---|---|
| | 2017 Actual | 2018 Forecast | 2019 Plan | 2020 Plan | 2021 Plan | 2022 Plan | 2023 Plan |
| **Employees** | | | | | | | |
| **TOTAL From Page 13** | **224** | **223** | **224** | **224** | **224** | **224** | **224** |
| **Prior Plan** | | 222 | 222 | 222 | 222 | 222 | |
| **Change From Prior Plan** | | 1 | 2 | 2 | 2 | 2 | |

| | 2018 FC | 2019 Plan | 2020 Plan | 2021 Plan | 2022 Plan | 2023 Plan |
|---|---|---|---|---|---|---|
| **Supplemental Contractors Page 14** | 26 | 27 | 27 | 27 | 27 | 27 |
| **Prior Plan** | 23 | 23 | 23 | 23 | 23 | 23 |
| **Change from Prior Plan** | 3 | 4 | 4 | 4 | 4 | 4 |

**Total Workforce (Employees Plus Supplemental Contractors)**

| | | | | | | |
|---|---|---|---|---|---|---|
| **Current Plan** | 249 | 251 | 251 | 251 | 251 | 251 |
| **Prior Plan** | 245 | 245 | 245 | 245 | 245 | 23 |
| **Change from Prior Plan** | 4 | 6 | 6 | 6 | 6 | 228 |

2018 includes 1 transfer from IT; 2019 includes an added manager position

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# Plan Risks

- The continued movement of software to hosted environments creates increases in O&M costs and increases the risk of functionality gaps.
- An increased focus on IT security and verification of vendor compliance with Company security requirements may require incremental resources.
- Technical support for in-house software, such as Oracle, is not meeting business expectations.
- Integration of primary system changes within planning window and their impact on existing processes (PowerPlan, Volts replacement, Oracle, etc.).

# Plan Risks

- Maintaining flat staffing levels, along with less experienced resources, will
  - Impact the ability to resource special projects and major system upgrades and may prompt the need for additional external resources.
  - Impact the ability to develop and take advantage of new technologies, such as RPA.
- Higher level of employee retirements during plan period place greater emphasis on knowledge transfer and effective timing of staffing changes.
- The level of rate increases for insurance premiums are at historically low levels and creates a level of risk regarding future premiums.

# Information Technologies
# LG&E and KU Utilities
# 2019 Operating Plan

**September 2018 – Updated to reflect KPSC AMS ruling**

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# Plan Highlights

- The 2019 Information Technology O&M Budget submitted for the 2019 Business Plan is $64.95 million
- Hardware/software maintenance under contract or additions included in the 2019 BP account for 36% to 38% of the Information Technology budget over the 5 year plan period.
- Roughly 52% of the 5 year capital plan (approximately $120M) represents 19 major projects (including $40M for Enterprise GIS, $14M for Financial & Supply Chain systems, $15M for Tech Refresh, and $11M for Infrastructure Telecommunications Network).
- The 2019 Information Technology Capital budget submitted for the 2019 Business Plan is $43 million and is $600k higher than the 2018 Business Plan.

# Major Assumptions

- Safety & Regulatory
  - *Increased regulatory scrutiny at FERC, NERC and SERC as it relates to Critical Infrastructure Protection (CIP) and cybersecurity will drive the need for increased spending for both labor and information technology solutions to meet compliance and information protection requirements.*
  - *Increased emphasis on SOX regulations has caused incremental work.*

# Major Assumptions

- Business Reliance on Technology
  - *Business reliance on information technology services to conduct day to day operations continues to expand.   More business processes are moving towards automation.*
  - *To address the need for skill set flexibility and scalability in the IT Application Development and Support area a co-source partner is being identified with the expectation that a contract will be in place in 4th quarter 2018.*
  - *This trend means the reliability and availability of information technology services is critically important to the business.  There is little tolerance for almost any kind of system outage. This leads to an increased focus on planned and automated testing activities for all major system changes.*
  - *Increased reliance on technology is leading to increased storage, maintenance and support costs which are reflected in the plan. We continue to look for ways to mitigate these increases through adoption of new infrastructure technologies that offer lower support costs.*

# Major Assumptions

- Cybersecurity Threats
  - *Cybersecurity threats and data protection issues continue to increase. These threats are becoming even more sophisticated and difficult to overcome. Third party security assessments and recommendations for new protection measures will likely initiate changes to the plan.*
- Customer Experience
  - *Implementation of the Advanced Metering Systems will occur during this business plan period.*
  - *As our primary interface with our customers, maintaining the CCS system is critical to meet customer and business expectations.*
  - *Expansion of green energy technologies will require enhancements to the CCS system.*

# Major Assumptions

- Advances in New Technologies
  - *Continuing to leverage mobile technologies will be a major differentiator for productivity and customer satisfaction.*
  - *Robotic Process Automation has potential to provide business benefit. Proofs of concepts and identification of use-cases will determine priority for implementation.*
  - *Plans include working closely with the business to determine which of these technologies can deliver the greatest benefit.*
  - *The use of advanced data analytics has the potential to optimize operations; funding has been included in the current business plan. The need for data analysis positions in IT and the business areas is recognized and has been included in the plan.*

# 2017-2023 Annual O&M Expenses ($000)

| Item | 2017 Actual | 2018 Forecast | 2019 Plan | 2020 Plan | 2021 Plan | 2022 Plan | 2023 Plan |
|---|---|---|---|---|---|---|---|
| O&M Expenses Only: | | | | | | | |
| Labor | $ 22,995 | $ 26,009 | $ 29,424 | $ 30,615 | $ 31,484 | $ 32,373 | $ 33,333 |
| Supplemental Contractors | $ 2,429 | $ 3,877 | $ 4,020 | $ 4,175 | $ 4,250 | $ 4,350 | $ 4,434 |
| HW/SW Maintenance | $ 20,069 | $ 21,093 | $ 23,413 | $ 25,532 | $ 26,896 | $ 28,434 | $ 29,969 |
| O/S Services | $ 1,303 | $ 2,086 | $ 2,508 | $ 4,936 | $ 4,737 | $ 4,763 | $ 4,802 |
| Telecom | $ 2,662 | $ 2,613 | $ 2,910 | $ 2,915 | $ 2,922 | $ 2,928 | $ 2,932 |
| Training, Travel, & Meals | $ 823 | $ 1,186 | $ 1,387 | $ 1,375 | $ 1,403 | $ 1,404 | $ 1,413 |
| Vehicles/Equipment | $ 241 | $ 290 | $ 297 | $ 302 | $ 308 | $ 312 | $ 315 |
| All Other Non-labor | $ 826 | $ 769 | $ 768 | $ 773 | $ 777 | $ 783 | $ 788 |
| **Total O&M Expense - Mgmt. View** | **$ 51,347** | **$ 57,923** | **$ 64,726** | **$ 70,622** | **$ 72,777** | **$ 75,346** | **$ 77,986** |

# Labor Expense

| Salary Plan | 2019 Average Headcount | 2019 Base Salary | 2019 Overtime and all Other Labor* | 2019 TIA Labor Expense | 2019 Total Salary & TIA Labor | 2019 Labor Expense | 2020 Labor Expense | 2021 Labor Expense | 2022 Labor Expense | 2023 Labor Expense |
|---|---|---|---|---|---|---|---|---|---|---|
| Exempt | 265 | $ 30,280 | $ - | $ 3,089 | $ 33,369 | | | | | |
| Non-Exempt | 36 | $ 2,394 | $ 387 | $ 247 | $ 3,028 | | | | | |
| Union / Non-Union Hourly | 11 | $ 929 | $ 157 | $ 84 | $ 1,170 | | | | | |
| Subtotal | 312 | $ 33,602 | $ 545 | $ 3,421 | $ 37,568 | | | | | |
| Co-ops / Interns | 13 | $ 303 | $ - | $ 34 | $ 337 | | | | | |
| Total | 325 | $ 33,905 | $ 545 | $ 3,455 | $ 37,905 | $ 29,424 | $ 30,615 | $ 31,484 | $ 32,373 | $ 33,333 |

Note: Annual expense amounts are on an income statement basis and exclude balance sheet accounts.

# 2017-2023 Annual O&M Expenses Supplemental Contractors ($000)

| Item | 2017 Actual | 2018 Forecast | 2019 Plan | 2020 Plan | 2021 Plan | 2022 Plan | 2023 Plan |
|---|---|---|---|---|---|---|---|
| SUPPLEMENTAL CONTRACTORS | | | | | | | |
| Dev & Support | $ 1,865 | $ 2,379 | $ 2,730 | $ 2,883 | $ 2,925 | $ 2,988 | $ 3,035 |
| Infrastructure & Ops | $ 531 | $ 1,343 | $ 1,141 | $ 1,142 | $ 1,175 | $ 1,212 | $ 1,249 |
| Testing Resources | $ 33 | $ 41 | $ - | $ - | $ - | $ - | $ - |
| Telecom | $ - | $ 115 | $ 150 | $ 150 | $ 150 | $ 150 | $ 150 |
| | $ 2,429 | $ 3,877 | $ 4,020 | $ 4,175 | $ 4,250 | $ 4,350 | $ 4,434 |

# 2017-2023 Annual O&M Expenses
# Hardware/Software Maintenance
# ($000)

| Line of Business | Primary Systems/Vendors | 2017 Actual | 2018 Forecast | 2019 Plan | 2020 Plan | 2021 Plan | 2022 Plan | 2023 Plan |
|---|---|---|---|---|---|---|---|---|
| IT Company | Microsoft, Oracle Databases | $ 5,200 | $ 4,796 | $ 5,340 | $ 6,065 | $ 6,526 | $ 6,839 | $ 7,426 |
| IT Infrastructure | Prosys Info Systems, World Wide Tech | $ 4,432 | $ 4,883 | $ 5,409 | $ 6,011 | $ 6,265 | $ 6,545 | $ 6,918 |
| Distribution | GE, SPL/NMS/DMS, ABB, ARM, ESRI | $ 2,372 | $ 2,676 | $ 3,074 | $ 3,175 | $ 3,287 | $ 3,427 | $ 3,578 |
| Customer Services | SAP | $ 2,467 | $ 2,464 | $ 2,635 | $ 2,749 | $ 3,009 | $ 3,276 | $ 3,416 |
| IT Security | NERC(Crisp), IBM, Enhanced Threat | $ 1,404 | $ 1,515 | $ 1,761 | $ 1,907 | $ 1,989 | $ 2,172 | $ 2,203 |
| Finance | Oracle, Powerplan | $ 1,349 | $ 1,437 | $ 1,643 | $ 1,885 | $ 1,960 | $ 2,039 | $ 2,120 |
| Energy Supply & Analysis | nMarket, Aligne Fuels | $ 725 | $ 710 | $ 734 | $ 764 | $ 794 | $ 826 | $ 859 |
| Transmission | Cascade,PI Systems | $ 421 | $ 664 | $ 766 | $ 806 | $ 822 | $ 854 | $ 888 |
| Power Production | Maximo | $ 695 | $ 575 | $ 607 | $ 666 | $ 731 | $ 801 | $ 879 |
| Generation Services | LOTO (Eclipse) | $ 206 | $ 333 | $ 415 | $ 432 | $ 450 | $ 469 | $ 489 |
| Human Resources | Peoplesoft | $ 303 | $ 313 | $ 324 | $ 339 | $ 353 | $ 367 | $ 381 |
| AMS | MAM | $ 8 | $ 105 | $ 171 | $ 169 | $ 142 | $ 141 | $ 141 |
| General Counsel | Acquia Enterprise Services | $ 78 | $ 78 | $ 77 | $ 77 | $ 77 | $ 77 | $ 77 |
| Sales Tax | | $ 408 | $ 541 | $ 458 | $ 488 | $ 493 | $ 601 | $ 593 |
| **Grand Total** | | $ 20,069 | $ 21,093 | $ 23,413 | $ 25,532 | $ 26,896 | $ 28,434 | $ 29,969 |

# 2017-2023 Annual O&M Expenses
# Outside Services
# ($000)

| Item | 2017 Actual | 2018 Forecast | 2019 Plan | 2020 Plan | 2021 Plan | 2022 Plan | 2023 Plan |
|---|---|---|---|---|---|---|---|
| PROFESSIONAL SERVICES | | | | | | | |
| HW/SW Maintenance | $ 259 | $ 332 | $ 530 | $ 550 | $ 573 | $ 597 | $ 621 |
| IT Security | $ 36 | $ 182 | $ 209 | $ 194 | $ 219 | $ 222 | $ 224 |
| Telecom | $ 0 | $ 0 | $ 0 | $ 50 | $ 50 | $ 0 | $ 0 |
| Infrastructure & Ops | $ 0 | $ 165 | $ 38 | $ 109 | $ 39 | $ 110 | $ 110 |
| Dev & Support | $ 121 | $ 536 | $ 545 | $ 821 | $ 522 | $ 522 | $ 522 |
| | $ 416 | $ 1,216 | $ 1,321 | $ 1,723 | $ 1,402 | $ 1,451 | $ 1,478 |
| OTHER CONTRACTOR | | | | | | | |
| Testing Resources | $ 256 | $ 315 | $ 480 | $ 480 | $ 480 | $ 480 | $ 480 |
| Telecom | $ 240 | $ 216 | $ 246 | $ 253 | $ 325 | $ 352 | $ 364 |
| Dev & Support* | $ 339 | $ 296 | $ 403 | $ 2,422 | $ 2,472 | $ 2,422 | $ 2,422 |
| Infrastructure & Ops | $ 52 | $ 44 | $ 58 | $ 58 | $ 58 | $ 58 | $ 58 |
| | $ 887 | $ 870 | $ 1,187 | $ 3,213 | $ 3,335 | $ 3,312 | $ 3,324 |
| TOTAL OUTSIDE SERVICES | $ 1,303 | $ 2,086 | $ 2,508 | $ 4,936 | $ 4,737 | $ 4,763 | $ 4,802 |

* Includes approximately $2 million in 2020-2023 in data coversion for GIS

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# 2019 O&M Expenses
# Telecom - Wireless Expenses
# ($000)

| Exp Type Description | Extended Description (all for sites not on our own network) | | 2019 |
|---|---|---|---|
| DPS-LD | For Voice Network - Long Distance, 800 number usage, WEBEX, etc | $ | 180 |
| DPS-1FB I | For Voice Network - Business phone lines to subs, smal offices, storerooms, etc | $ | 165 |
| DPS-LSELINE I | For Voice Network - Leased lines between locations | $ | 18 |
| DPS-TRUNKS I | For Voice Network - Trunks into major campus locations | $ | 503 |
| LMR-LSELINE I | For Radio Network - leased liones to repeater locations | $ | 48 |
| SNAT 1FBDATA I | For Data Network - Alarm, modem, meter backp SCADA lines | $ | 39 |
| SNAT-DSL I | For Data Network - For backup/test/secured access to Internet | $ | 6 |
| SNAT-INTERNET I | For Data Network - Main Internet connections that are not prepaid | $ | 66 |
| SNAT-ISDN I | For Data Network - 21st Century Connection for Call Center | $ | 21 |
| SNAT-LSELINE I | For Data Network - leased lines to subs, business offices, storerooms not on network | $ | 1,263 |
| | | $ | 2,310 |
| | Cellular and Paging | $ | 555 |
| | Lease, Rental & Other | $ | 45 |
| **Total Telecom** | | $ | 2,910 |

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# O&M Annual Expense Reconciliation ($000)

| | 2019 Plan | 2020 Plan | 2021 Plan | 2022 Plan | 2023 Plan |
|---|---|---|---|---|---|
| 2018 Plan/Expectation | $ 62,134 | $ 64,850 | $ 66,039 | $ 66,956 | $ 71,307 |
| Drivers: | | | | | |
| IT HW/SW Maintenance | $ 1,087 | $ 1,705 | $ 2,124 | $ 3,822 | $ 2,094 |
| Outside Services | $ (120) | $ 2,477 | $ 2,987 | $ 2,909 | $ 2,912 |
| Supplemental Contractors | $ 1,499 | $ 1,625 | $ 1,669 | $ 1,720 | $ 1,777 |
| Telecom | $ (166) | $ (167) | $ (160) | $ (160) | $ (187) |
| Training & Travel | $ 131 | $ 104 | $ 117 | $ 106 | $ 102 |
| Labor | $ 199 | $ 78 | $ 60 | $ 56 | $ 47 |
| All Other | $ (37) | $ (49) | $ (60) | $ (63) | $ (65) |
| Current Plan - Mgt. View | $ 64,726 | $ 70,622 | $ 72,777 | $ 75,346 | $ 77,986 |

# 2017-2023 Capital Expenditures ($000)

| Item | 2017 Actual | 2018 Forecast | 2019 Plan | 2020 Plan | 2021 Plan | 2022 Plan | 2023 Plan |
|---|---|---|---|---|---|---|---|
| Enterprise GIS | $ 1,487 | $ 1,221 | $ 7,697 | $ 12,400 | $ 8,347 | $ 7,797 | $ 3,829 |
| Tech Refresh Desk/Laptop | $ 2,237 | $ 2,600 | $ 2,685 | $ 2,985 | $ 2,985 | $ 2,985 | $ 2,986 |
| SAP CRM/ECC Upgrade | $ 8,455 | | | | | | |
| SAP S4/HANA Upgrade | | | | | $ 2,986 | $ 6,958 | |
| Oracle Financials Upgrade | | | | $ 3,089 | $ 3,885 | | |
| OTN Extension | | $ 1,200 | $ 1,386 | $ 864 | $ 739 | $ 739 | $ 1,903 |
| NorthEast KY Transport Buildout | $ 22 | $ 7 | $ 10 | $ 136 | $ 1,805 | $ 1,805 | $ 1,805 |
| NMS - Network Mgmt System Upgrd | $ 1,203 | $ 1 | | | | $ 990 | $ 1,239 |
| WMS - Work Mgmt System Upgrd | $ 193 | $ 2,350 | | | | | $ 1,973 |
| EMC TLA Renewal | | | | $ 4,500 | | | |
| Microsoft EA/True-up | $ 512 | $ 419 | $ 535 | $ 650 | $ 650 | $ 650 | $ 750 |
| PowerPlan Upgrade | | | $ 1,240 | $ 1,592 | | | $ 1,242 |
| Computing Infrastructure Upgrade | | | $ 1,002 | $ 582 | $ 842 | $ 601 | $ 861 |
| Data Analytics | | | $ 825 | $ 700 | $ 700 | $ 700 | $ 700 |
| Access Switch Rotation | $ 525 | $ 510 | $ 493 | $ 493 | $ 493 | $ 494 | $ 494 |
| Time and Labor Upgrade | | | $ 732 | $ 1,556 | $ 737 | | |
| Windows 10 Upgrade | $ 199 | $ 567 | $ 519 | $ 394 | $ 394 | $ 395 | $ 395 |
| Corporate Robotic Process Automation | | | $ 500 | $ 500 | $ 494 | $ 495 | $ 495 |
| MFD Growth and Refresh | $ 72 | $ 21 | $ 40 | $ 900 | $ 600 | | $ 40 |
| Ayava IVR Upgrade | | | | | $ 595 | $ 993 | |
| All Other Projects | $ 27,774 | $ 34,265 | $ 31,234 | $ 26,547 | $ 20,077 | $ 18,795 | $ 17,109 |
| **Total Capital** | **$ 42,679** | **$ 43,161** | **$ 48,897** | **$ 57,889** | **$ 45,734** | **$ 43,404** | **$ 35,820** |
| 2018 Plan | | $ 42,764 | $ 35,087 | $ 44,892 | $ 43,803 | $ 28,632 | $ 40,045 |

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# Employee Headcount by Work Group

| Work Group or Major Dept. | June 30, 2018 Actual | Dec. 31, 2018 | Dec. 31, 2019 | Dec. 31, 2020 | Dec. 31, 2021 | Dec. 31, 2022 | Dec. 31, 2023 |
|---|---|---|---|---|---|---|---|
| **CIO** | 2 | 2 | 6 | 6 | 6 | 6 | 6 |
| **IT Infrastructure & Ops** | 146 | 161 | 158 | 158 | 158 | 158 | 158 |
| **IT Dev & Support** | 75 | 85 | 78 | 78 | 78 | 78 | 78 |
| **IT Business Services** | 41 | 44 | 45 | 45 | 45 | 45 | 45 |
| **IT Security** | 19 | 21 | 25 | 25 | 25 | 25 | 25 |
| Total | 283 | 313 | 312 | 312 | 312 | 312 | 312 |

IT Dev reductions due to Co Source
CIO increase attributed to SIO
IT Security 4 incrementals

Does not include interns.

# Supplemental Contractors by Work Group

| Work Group or Type of Work | June 30, 2018 Actual | Dec. 31, 2018 | Dec. 31, 2019 | Dec. 31, 2020 | Dec. 31, 2021 | Dec. 31, 2022 | Dec. 31, 2023 |
|---|---|---|---|---|---|---|---|
| **IT Infrastructure & Ops** | 17 | 17 | 17 | 16 | 16 | 16 | 16 |
| **IT Dev & Support** | 23 | 23 | 11 | 11 | 11 | 11 | 11 |
| **IT Business Services** | 6 | 6 | 6 | 6 | 6 | 6 | 6 |
| **IT Security** | - | - | - | - | - | - | - |
| Total | 46 | 46 | 34 | 33 | 33 | 33 | 33 |

# 2017-2023 Headcount Totals & Changes

| | Year-End | | | | | | |
|---|---|---|---|---|---|---|---|
| | 2017 Actual | 2018 Forecast | 2019 Plan | 2020 Plan | 2021 Plan | 2022 Plan | 2023 Plan |
| **Employees** | | | | | | | |
| **TOTAL From (Page 17)** | **286** | **313** | **312** | **312** | **312** | **312** | **312** |
| **Prior Plan** | | 312 | 315 | 316 | 316 | 316 | 316 |
| **Change From Prior Plan** | | 1 | (3) | (4) | (4) | (4) | (4) |

| | 2018 FC | 2019 Plan | 2020 Plan | 2021 Plan | 2022 Plan | 2023 Plan |
|---|---|---|---|---|---|---|
| **Supplemental Contractors (Page 18)** | 46 | 34 | 33 | 33 | 33 | 33 |
| **Prior Plan** | 31 | 31 | 31 | 31 | 31 | 31 |
| **Change from Prior Plan** | 15 | 3 | 2 | 2 | 2 | 2 |

**Total Workforce (Employees Plus Supplemental Contractors)**

| | | | | | | |
|---|---|---|---|---|---|---|
| **Current Plan** | 359 | 346 | 345 | 345 | 345 | 345 |
| **Prior Plan** | 343 | 346 | 347 | 347 | 347 | 347 |
| **Change from Prior Plan** | 16 | 0 | -2 | -2 | -2 | -2 |

# Plan Risks

- Approximately 67 employees are at risk to capital labor for the 2019BP, approximately $11.4m. Any reductions to the capital plan will adversely impact staffing levels.
- Resources are tied to the AMS schedule in order achieve benefits consistent with business case.
- Acquiring skilled IT resources will continue to be a challenge for us and the rest of the industry. IT unemployment levels constrain the available population of employees and contractor resources for hire.
- There will be a skill-set shift due to the increased level of employee retirements.

# Plan Risks

- Changes in vendor pricing models from on-premise technology to subscriptions could lead to increased O&M.
- Planned levels of spend do not include unplanned business initiatives that may have an IT staffing and O&M impact.
- Vendors are driving more frequent upgrades as they invest their development budgets towards the cloud.
- While we have planned measures to protect the company from Cybersecurity threats, the nature and volume could increase the impact to the company.

# Customer Services
# LG&E and KU Utilities
# 2019 Operating Plan

**September 2018 – Updated to reflect KPSC AMS ruling**

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# Plan Highlights

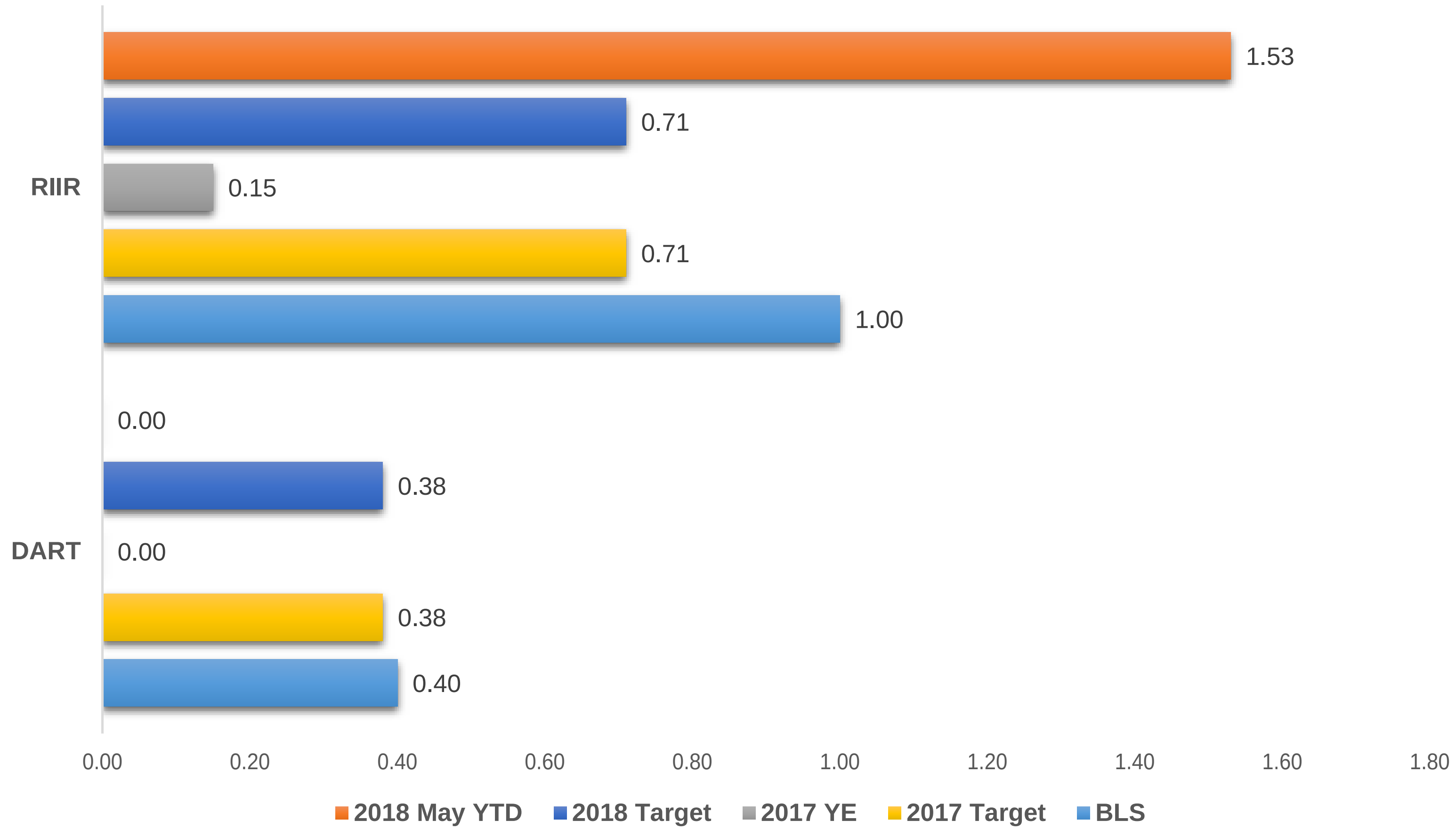
Customer focus is a core value at LG&E and KU.  Customer Services strives to provide safe, reliable, and reasonable cost of service to our customers, improving the quality of life in the areas we serve.  Additionally, we are committed to enhancing our relationship with our customers by delivering positive experiences that create value and build trust.

Funding levels within the proposed plan are established with the following priorities in mind:

Employee and public safety including compliance with industry regulatory requirements
Focus on economic development and emerging technologies
Continuing some Energy Efficiency programs and services for our customers
Investing in technology to enhance customer experience
Facility construction and renovation to address operational needs
Maintaining operational performance levels
Managing “best in class” bad debt expense

# Plan Highlights

## Safety Performance – Customer Service




2016 BLS - most recent data

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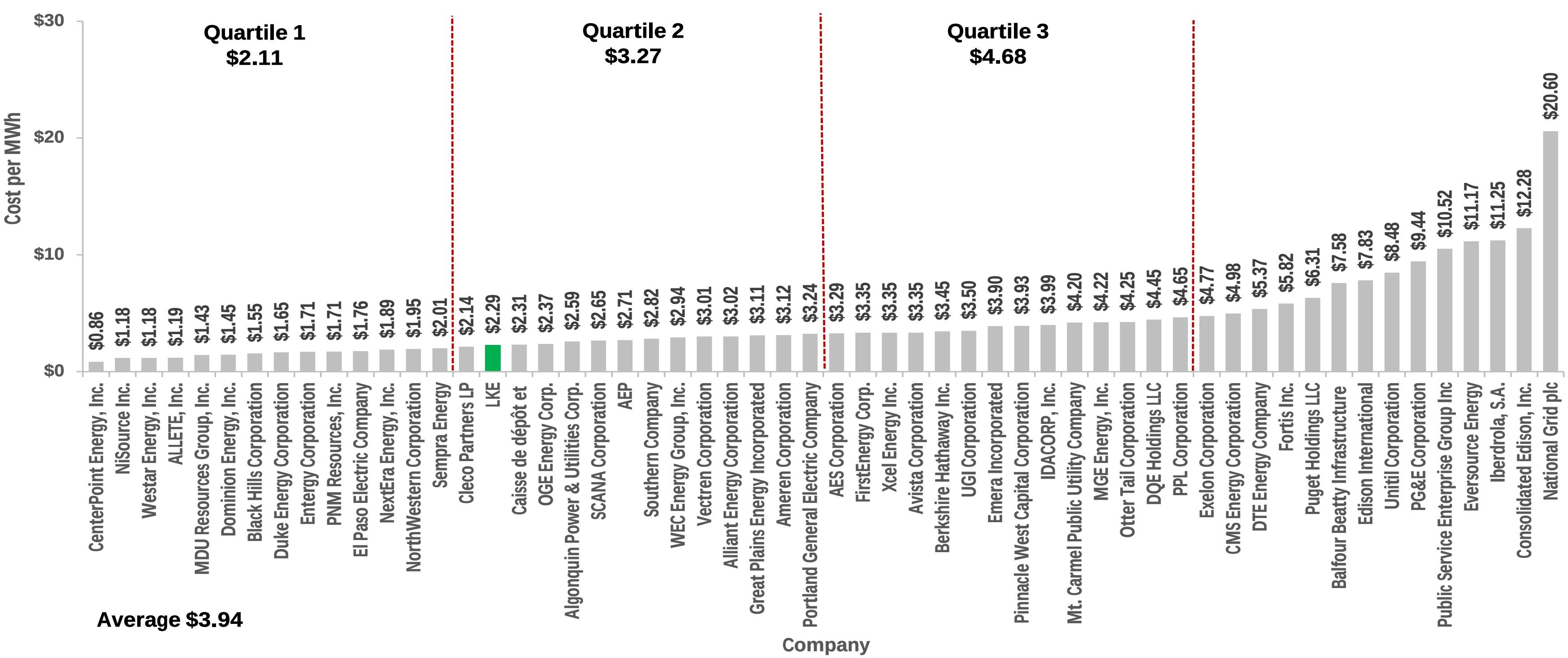
# Plan Highlights

## Total Customer Service Electric O&M Cost per MWh

Overall Customer Service Electric O&M Expenditures per MWh
FERC Utility Cost Benchmarking – 5 Year Average Data (2013-2017) (Electric Only)

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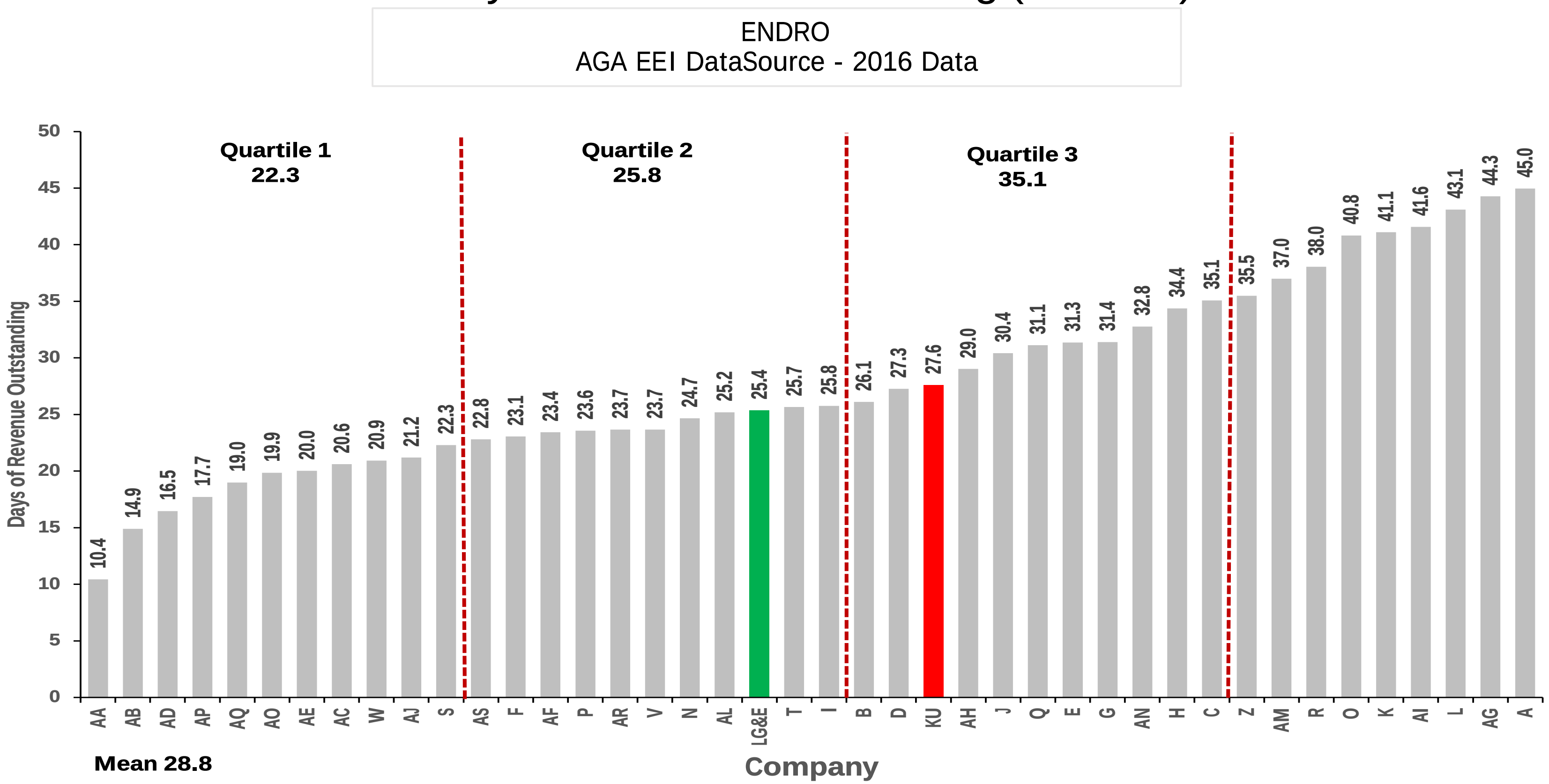
LG&E KU PPL companies

# Plan Highlights

## Estimated Number of Days of Revenue Outstanding (ENDRO)




**Note: January 2013 Rate Case granted customers more time to pay (minimum 22 calendar days vs. 12 calendar days).**

**Note:** The 2018 (2017 data) AGA EEI DataSource ENDRO Peer comparison will not be available until Fourth Quarter 2018.

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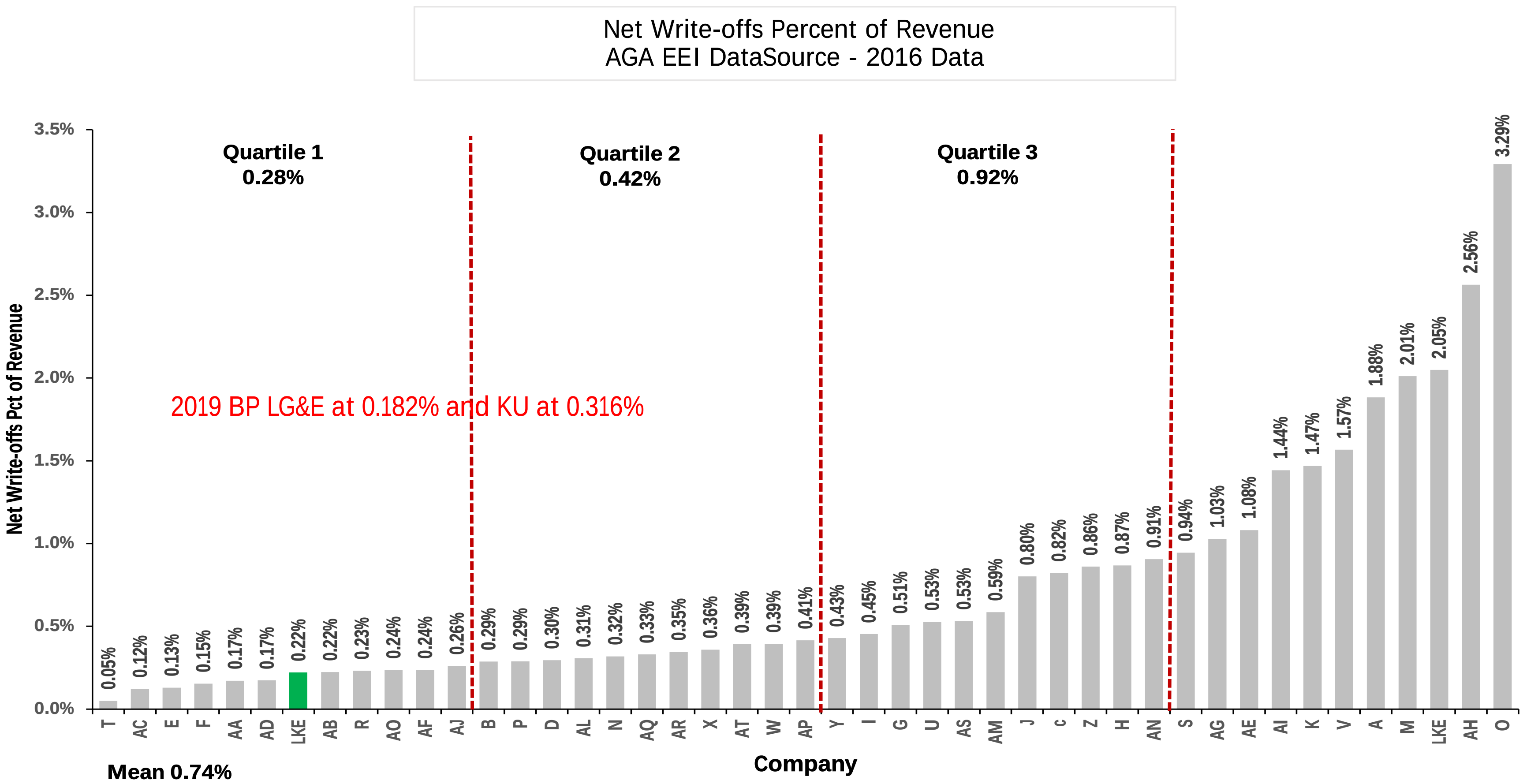
PPL companies

# Plan Highlights

## Net Write-Offs as a Percent of Revenues to Ultimate Customers




**Note:** The 2018 (2017 data) AGA EEI DataSource Net Write-Offs as a Percent of Revenues of Billed Revenues Peer comparison will not be available until Fourth Quarter 2018.

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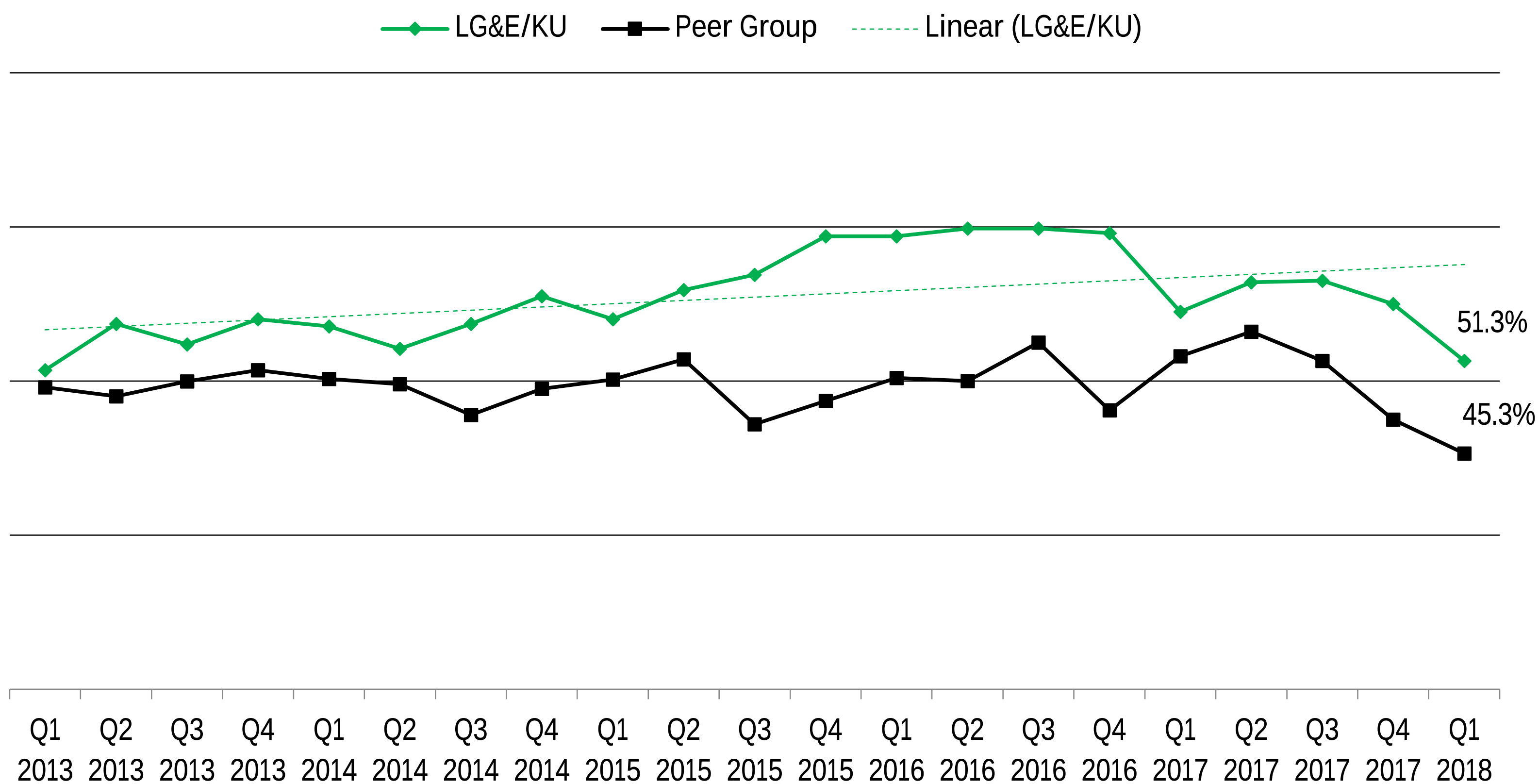
# Plan Highlights

## Residential Customers – Satisfaction Survey

Measured as “Top Two Box” (score of 9 or 10 on 10-point scale)

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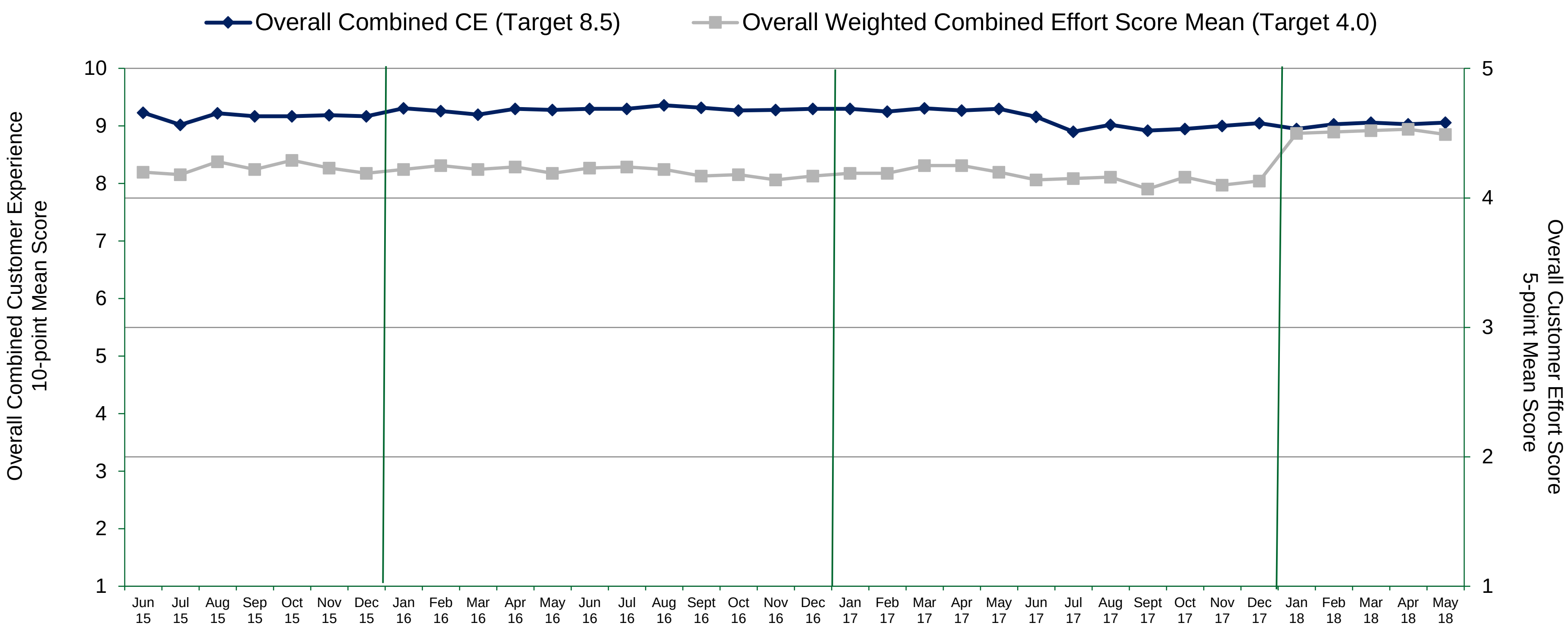
# Plan Highlights

## All Customer Contact Channels

Combined “Customer Experience” vs “Combined Effort” Score




Combined scores = Residential and Business agent and self serve contact channels, weighted by channel volumes.
Note: In January 2018, the wording of the question for measuring the Effort Score was simplified due to respondent confusion around the previous wording. Effort perceptions are now being asked as “Ease of Completing”.
Note: Residential and Business IVR transaction surveys were discontinued in 2016.

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# Plan Highlights

- Safety and Wellness
  - Maintain industry leading performance
  - Implement formalized safety structure within Customer Services to focus on both field and office hazards, understanding of safety processes and timely delivery of consistent messaging
  - Enhance operational effectiveness within the COO organization
  - Support the transfer of safety knowledge from seasoned to new employees
  - Ensure a comprehensive safety/technical training plan is in place for all employees
  - Continue to improve workforce, business partners and public safety
  - Continue to improve motor vehicle safety
  - Identify, share and capitalize on industry best practices
  - Promote wellness initiatives as an aspect of safety

# Plan Highlights

- Customer Experience
  - — Advance corporate-wide "Customer Experience" strategy/initiative
  - — Continue investments in technology to enhance digital customer experience
    - Offer limited "Chat" assistance to Corporate Website visitors in 2018, expand offerings in 2019-2023
    - Expand and improve "My Account" offerings annually and upgrade Outage Map
    - Advance "My Notifications" in response to customer requests for reminders and information
    - Pilot At-Home Agents to improve response time to customer inquiries and employee satisfaction
  - — Enhance our "Customer Advocacy" role through partnerships with customer focus groups
  - — Continue commitment to corporate citizenship and community involvement

# Plan Highlights

- Customer Experience
  - — Continue to assist low-income customers through energy efficiency programs and partnerships with advocacy groups
    - By year-end 2018, improve low-income website to include both pledge and payment of assistance funds
  - — Advance our understanding of customer behavior while gaining insight into customer needs
  - — Pursue tariff changes to drive positive impact on customer experience such as Green tariff, EDR enhancements and one-time LPC waiver
  - — Continue to educate customers on renewable offerings and encourage participation by implementing program enhancements

# Major Assumptions

- The “Customer Experience” will continue to be a significant focus across the Company.
- Customer expectations regarding levels of service, digital experience and availability of information will continue to increase.
- The Company will increase focus on emerging businesses that provide customer solutions and drive economic development.
- Bad debt expense is based on .182% of projected revenues for LG&E and .316% of projected revenues for KU through the planning period.
- Contact center pay rate increases are based off market survey data and support maintaining a competitive position within the local market.
- New contracts for Meter Reading and Field Services will require increased funding in light of the strong economy.

# Major Assumptions

- DSM cost of sales reflected in the Plan assume a level of cost effective programming beginning 1/1/2019. The DSM case creates unknowns around labor and outside services within the BP timeframe.
- The Solar Share Facility project for the first array will begin in 2018, with one additional 500kW facility built each year of the plan.

# 2017-2023 Annual O&M Expenses
# ($000)

| Item | 2017 Actual | 2018 Forecast | 2019 Plan | 2020 Plan | 2021 Plan | 2022 Plan | 2023 Plan |
|---|---|---|---|---|---|---|---|
| O&M Expenses Only: | | | | | | | |
| Labor | 41,095 | 42,629 | 45,730 | 47,127 | 48,184 | 49,429 | 50,779 |
| Supplemental Contractors | 20,479 | 21,661 | 25,003 | 28,404 | 29,821 | 30,990 | 31,388 |
| Other Outside Services | 9,464 | 9,619 | 10,334 | 10,418 | 10,623 | 10,862 | 11,233 |
| Materials & Supplies | 2,231 | 2,371 | 2,445 | 2,535 | 2,541 | 2,594 | 2,654 |
| Transportation | 1,536 | 1,681 | 1,783 | 1,823 | 1,853 | 1,909 | 1,935 |
| Bad Debt Expense | 6,696 | 7,665 | 7,476 | 7,683 | 7,708 | 7,749 | 7,808 |
| Postage | 4,802 | 5,010 | 5,066 | 5,218 | 5,375 | 5,536 | 5,536 |
| All Other Non-labor | 6,894 | 7,678 | 7,759 | 7,619 | 7,749 | 7,838 | 7,837 |
| **Total O&M Expense - Mgmt. View** | **93,198** | **98,314** | **105,597** | **110,829** | **113,853** | **116,907** | **119,171** |
| **Plus:** | | | | | | | |
| Base Gross Margin Items | | | | | | | |
| Mechanism Gross Margin Items | 38,043 | 30,813 | 15,760 | 14,511 | 13,922 | 13,975 | 13,511 |
| **Total O&M Expense-GAAP View** | **131,241** | **129,127** | **121,357** | **125,340** | **127,775** | **130,883** | **132,682** |

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# 2017-2023 Annual O&M Expenses
# Non Labor Category
# ($000)

| Item | 2017 Actual | 2018 Forecast | 2019 Plan | 2020 Plan | 2021 Plan | 2022 Plan | 2023 Plan |
|---|---|---|---|---|---|---|---|
| **Supplemental Contractors** | | | | | | | |
| Meter Reading | 7,716 | 8,112 | 11,519 | 14,162 | 14,162 | 14,162 | 14,446 |
| Field Services | 3,366 | 3,812 | 5,338 | 6,767 | 6,903 | 7,042 | 7,181 |
| O&M for Shared Facilities | 2,327 | 2,453 | 2,430 | 2,459 | 2,486 | 2,512 | 2,542 |
| Contract Services | 2,303 | 2,253 | 2,163 | 2,169 | 2,234 | 2,240 | 2,240 |
| Corp Security & Business Continuity | 1,954 | 2,069 | 2,061 | 2,112 | 2,135 | 2,169 | 2,202 |
| Facilities Maintenance | 1,263 | 1,392 | 1,394 | 1,359 | 1,394 | 1,455 | 1,339 |
| Meter Shop | 1,048 | 1,025 | 923 | 777 | 760 | 781 | 801 |
| Business Offices | 480 | 486 | 503 | 505 | 507 | 509 | 515 |
| Gap | - | (15) | (1,530) | (2,107) | (963) | (90) | (90) |
| All Other | 22 | 75 | 202 | 202 | 202 | 209 | 211 |
| **Total Supplemental Contractors** | **20,479** | **21,661** | **25,003** | **28,404** | **29,821** | **30,990** | **31,388** |
| | | | | | | | |
| **Other Outside Services** | | | | | | | |
| Facilities Maintenance | 2,815 | 2,747 | 2,876 | 2,885 | 2,948 | 3,013 | 3,282 |
| Marketing & Performance | 1,778 | 1,734 | 1,664 | 1,668 | 1,686 | 1,723 | 1,731 |
| O&M for Shared Facilities | 1,417 | 1,526 | 1,601 | 1,603 | 1,603 | 1,630 | 1,630 |
| Contract Services | 1,135 | 956 | 1,156 | 1,190 | 1,232 | 1,271 | 1,291 |
| Remittance & Collection | 785 | 828 | 840 | 843 | 870 | 900 | 910 |
| Corp Security & Business Continuity | 341 | 354 | 491 | 476 | 494 | 512 | 527 |
| Energy Efficiency | 60 | 80 | 422 | 439 | 456 | 473 | 497 |
| Business Offices | 422 | 400 | 276 | 305 | 305 | 293 | 302 |
| All Other | 711 | 994 | 1,009 | 1,011 | 1,029 | 1,047 | 1,064 |
| **Total Other Outside Services** | **9,464** | **9,619** | **10,334** | **10,418** | **10,623** | **10,862** | **11,233** |

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# 2017-2023 Annual O&M Expenses
# Non Labor Category
# ($000)

| Item | 2017 Actual | 2018 Forecast | 2019 Plan | 2020 Plan | 2021 Plan | 2022 Plan | 2023 Plan |
|---|---|---|---|---|---|---|---|
| **Materials & Supplies** | | | | | | | |
| Business Offices | 540 | 415 | 439 | 494 | 464 | 493 | 507 |
| Marketing & Performance | 362 | 418 | 418 | 430 | 441 | 453 | 462 |
| Field Services | 274 | 376 | 310 | 318 | 327 | 335 | 343 |
| Meter Shop | 151 | 221 | 292 | 298 | 303 | 304 | 313 |
| Facilities Maintenance | 100 | 164 | 187 | 187 | 187 | 187 | 179 |
| Meter Reading | 132 | 139 | 161 | 161 | 161 | 161 | 161 |
| Residential Service Center | 152 | 127 | 140 | 143 | 143 | 143 | 143 |
| Contract Services | 107 | 147 | 120 | 120 | 130 | 130 | 149 |
| All Other | 412 | 365 | 378 | 384 | 385 | 388 | 398 |
| **Total Materials & Supplies** | **2,231** | **2,371** | **2,445** | **2,535** | **2,541** | **2,594** | **2,654** |
| | | | | | | | |
| **Transportation** | | | | | | | |
| Field Services | 912 | 1,018 | 1,139 | 1,161 | 1,190 | 1,237 | 1,252 |
| Meter Shop | 221 | 219 | 248 | 261 | 256 | 260 | 267 |
| Meter Reading | 141 | 174 | 147 | 150 | 152 | 155 | 158 |
| Facilities Maintenance | 106 | 119 | 105 | 105 | 105 | 105 | 105 |
| All Other | 156 | 150 | 145 | 147 | 150 | 151 | 154 |
| **Total Transportation** | **1,536** | **1,681** | **1,783** | **1,823** | **1,853** | **1,909** | **1,935** |

# 2017-2023 Annual O&M Expenses Non Labor Category ($000)

| Item | 2019 Plan | 2020 Plan | 2021 Plan | 2022 Plan | 2023 Plan |
|---|---|---|---|---|---|
| **Bad Debt Expense** | | | | | |
| Retail Revenue from Ultimate Consumer | | | | | |
| KU | 1,618,110 | 1,660,608 | 1,669,306 | 1,677,897 | 1,688,722 |
| LG&E - Electric | 1,109,914 | 1,137,814 | 1,134,269 | 1,139,359 | 1,147,791 |
| LG&E - Gas (excluding GSC) | 188,067 | 200,280 | 202,419 | 205,243 | 210,184 |

| Year & % of Revenue | Combined | LG&E | KU |
|---|---|---|---|
| 2013 | 0.20% | 0.14% | 0.25% |
| 2014 | 0.34% | 0.26% | 0.42% |
| 2015 | 0.28% | 0.19% | 0.35% |
| 2016 | 0.22% | 0.15% | 0.28% |
| 2017 | 0.23% | 0.16% | 0.28% |
| Simple Average | 0.25% | 0.18% | 0.32% |

| Net Charge Offs ($000s) | 2019 Plan | 2020 Plan | 2021 Plan | 2022 Plan | 2023 Plan |
|---|---|---|---|---|---|
| KU Retail Revenue | 5,113 | 5,248 | 5,275 | 5,302 | 5,336 |
| LG&E Retail - Electric | 2,020 | 2,071 | 2,064 | 2,074 | 2,089 |
| LG&E Retail - Gas (excluding GSC) | 342 | 365 | 368 | 374 | 383 |
| **Total Bad Debt Expense** | 7,476 | 7,683 | 7,708 | 7,749 | 7,808 |

# 2017-2023 Annual O&M Expenses
# Non Labor Category
# ($000)

| Item | 2017 Actual | 2018 Forecast | 2019 Plan | 2020 Plan | 2021 Plan | 2022 Plan | 2023 Plan |
|---|---|---|---|---|---|---|---|
| **Other Nonlabor** | | | | | | | |
| Rent | 3,741 | 3,764 | 4,048 | 3,992 | 3,940 | 3,914 | 3,861 |
| Meals | 764 | 897 | 894 | 899 | 902 | 914 | 919 |
| Phone & Telecomm | 438 | 495 | 531 | 533 | 541 | 549 | 548 |
| Mileage | 422 | 285 | 353 | 337 | 340 | 347 | 350 |
| Travel | 268 | 378 | 239 | 253 | 252 | 254 | 265 |
| Training | 170 | 261 | 220 | 217 | 234 | 232 | 243 |
| Utilities | 269 | 228 | 155 | 155 | 155 | 155 | 155 |
| Rights of Way | 301 | 326 | 303 | 294 | 302 | 319 | 326 |
| O&M for Shared Facilities | 328 | 371 | 329 | 329 | 329 | 329 | 329 |
| All Other | 195 | 673 | 687 | 609 | 753 | 826 | 841 |
| **Total Other Nonlabor** | **6,894** | **7,678** | **7,759** | **7,619** | **7,749** | **7,838** | **7,837** |

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# 2017-2023 Annual Expenses Mechanism Gross Margin Items ($000)

| Item | 2017 Actual | 2018 Forecast | 2019 Plan | 2020 Plan | 2021 Plan | 2022 Plan | 2023 Plan |
|---|---|---|---|---|---|---|---|
| **DSM Costs** | | | | | | | |
| Residential Audit | 2,690 | 2,409 | - | - | - | - | - |
| Residential WeCare | 6,529 | 6,526 | 6,335 | 6,341 | 6,347 | 6,667 | 6,359 |
| Residential Demand | 8,274 | 5,684 | 3,586 | 2,378 | 2,600 | 2,365 | 2,359 |
| Residential Incentives | 4,319 | 2,229 | - | - | - | - | - |
| Residential Refrigeration Removal | 1,888 | 1,411 | - | - | - | - | - |
| Smart Energy Profile | 2,266 | 562 | - | - | - | - | - |
| Advanced Metering Systems | 255 | 329 | 394 | 428 | 411 | 445 | 433 |
| Commercial Rebate | 4,306 | 3,954 | 2,835 | 2,856 | 2,774 | 2,543 | 2,543 |
| Commercial Demand | 1,064 | 1,067 | 939 | 843 | 847 | 1,003 | 854 |
| KSBA | 233 | 759 | 725 | 725 | - | - | - |
| Education & Information | 4,084 | 3,008 | - | - | - | - | - |
| Development & Administration | 1,954 | 2,648 | 724 | 733 | 742 | 751 | 760 |
| **Total DSM** | 37,861 | 30,585 | 15,539 | 14,303 | 13,720 | 13,774 | 13,308 |
| **Bad Debt Expense (GSC)** | 181 | 228 | 221 | 208 | 202 | 202 | 203 |
| **Total Mechanism Gross Margin** | 38,043 | 30,813 | 15,760 | 14,511 | 13,922 | 13,975 | 13,511 |

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# 2017-2023 Annual Expenses Mechanism Gross Margin Items ($000)

| Item | 2019 Plan | 2020 Plan | 2021 Plan | 2022 Plan | 2023 Plan |
|---|---|---|---|---|---|
| **Bad Debt Expense** | | | | | |
| Retail Revenue from Ultimate Consumer | | | | | |
| LG&E - GSC | 130,037 | 122,171 | 119,004 | 118,572 | 119,513 |

| Year & % of Revenue | LG&E |
|---|---|
| 2013 | 0.10% |
| 2014 | 0.24% |
| 2015 | 0.21% |
| 2016 | 0.14% |
| 2017 | 0.15% |
| Simple Average | 0.17% |

| Net Charge Offs ($000s) | 2019 Plan | 2020 Plan | 2021 Plan | 2022 Plan | 2023 Plan |
|---|---|---|---|---|---|
| LG&E Retail - Gas (excluding GSC) | 221 | 208 | 202 | 202 | 203 |

# O&M Annual Expense Reconciliation
# ($000)

| | 2019 Plan | 2020 Plan | 2021 Plan | 2022 Plan | 2023 Plan |
|---|---|---|---|---|---|
| 2018 Plan/Expectation | 99,423 | 97,526 | 95,157 | 95,531 | 97,769 |
| Drivers: | | | | | |
| Bad Debt Expense | (559) | (569) | (867) | (1,082) | (1,463) |
| Field Services & Meter Reading Contractors | 4,333 | 8,275 | 8,408 | 8,543 | 8,729 |
| AMS Savings not in 2019 BP | - | 2,706 | 8,192 | 10,935 | 11,154 |
| Meter Shop Impacts w/o AMS | (551) | (473) | (592) | (680) | (714) |
| Call Centers & Business Office Rate Change | 2,580 | 2,567 | 2,683 | 2,784 | 2,861 |
| Workforce Plan Impacts | 150 | 154 | 224 | 233 | 243 |
| Customer Education | 215 | 229 | 229 | 224 | 245 |
| CRM System (Sales Force) | 125 | 125 | 125 | 125 | 125 |
| Estimated Sales Tax on Services | 120 | 120 | 120 | 120 | 120 |
| All Other | (238) | 170 | 174 | 174 | 101 |
| Current Plan - Mgt. View | 105,597 | 110,829 | 113,853 | 116,907 | 119,171 |

# 2017-2023 Capital Expenditures ($000)

| Item | 2017 Actual | 2018 Forecast | 2019 Plan | 2020 Plan | 2021 Plan | 2022 Plan | 2023 Plan |
|---|---|---|---|---|---|---|---|
| Demand Load Control | 1,614 | (50) | - | - | - | - | - |
| AMS Opt-In | 117 | 450 | 500 | 61 | 63 | 65 | 67 |
| **Total DSM Projects** | **1,732** | **399** | **500** | **61** | **63** | **65** | **67** |
| | | | | | | | |
| Community Solar | - | 1,832 | 919 | 914 | 914 | 2,211 | 914 |
| Business Solar | - | 90 | - | - | - | - | - |
| Meter Purchases | 7,617 | 5,920 | 6,488 | 5,213 | 5,320 | 5,489 | 5,588 |
| MV-90 Daily Read | - | 727 | 767 | - | - | - | - |
| Facility Consolidation | 10 | 2,240 | 2,853 | 5,029 | 6,511 | - | - |
| Facility Relocation Property | - | 20 | 643 | - | - | 513 | - |
| Facility & Site Improvements | 8,201 | 9,717 | 11,105 | 7,413 | 12,113 | 3,832 | 3,493 |
| South Ops Engineering Center | - | - | 2,701 | 4,212 | 3,573 | - | - |
| Riverport Roof | - | - | - | - | 4,600 | - | - |
| KUGO Remodel | - | - | 500 | 4,498 | 3,498 | - | - |
| Distribution Control Center | 1,671 | 6,913 | 4,305 | - | - | - | - |
| BOC Heating Project | - | 99 | 2,000 | 1,500 | - | - | - |
| Furniture & Equipment | 1,272 | 1,145 | 1,260 | 1,178 | 1,340 | 964 | 985 |
| Tenant Improvements | 1,811 | 1,386 | 1,255 | - | - | - | - |
| Fire & Security Systems | 587 | 528 | 449 | 449 | 449 | 449 | 449 |
| All Other | 1,059 | 595 | 900 | 1,183 | 1,213 | 1,227 | 1,237 |
| **Total Capital** | **23,958** | **31,612** | **36,644** | **31,650** | **39,594** | **14,750** | **12,733** |
| | | | | | | | |
| **2018 Plan** | | **32,207** | **31,844** | **28,028** | **34,625** | **15,995** | **18,070** |
| | | | | | | | |
| **Change** | | **(595)** | **4,800** | **3,623** | **4,969** | **(1,245)** | **(5,337)** |

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# Labor Expense

| Salary Plan | 2019 Average Headcount | 2019 Base Salary | 2019 Overtime and all Other Labor* | 2019 TIA Labor Expense | 2019 Total Salary & TIA Labor | 2019 Labor Expense | 2020 Labor Expense | 2021 Labor Expense | 2022 Labor Expense | 2023 Labor Expense |
|---|---|---|---|---|---|---|---|---|---|---|
| Exempt | 166 | $ 16,192 | $ - | $ 1,602 | $ 17,794 | | | | | |
| Non-Exempt | 429 | $ 19,465 | $ 1,310 | $ 1,980 | $ 22,755 | | | | | |
| Union / Non-Union Hourly | 102 | $ 7,017 | $ 639 | $ 554 | $ 8,210 | | | | | |
| Subtotal | 697 | $ 42,674 | $ 1,948 | $ 4,136 | $ 48,759 | | | | | |
| Co-ops / Interns | 4 | $ 87 | $ - | $ - | $ 87 | | | | | |
| Total | 701 | $ 42,761 | $ 1,948 | $ 4,136 | $ 48,846 | $45,730 | $47,127 | $48,184 | $49,429 | $50,779 |

Note: Annual expense amounts are on an income statement basis and exclude balance sheet accounts.

# Employee Headcount by Work Group

| Work Group or Major Dept. | Jun 30, 2018 Actual | Dec. 31, 2018 | Dec. 31, 2019 | Dec. 31, 2020 | Dec. 31, 2021 | Dec. 31, 2022 | Dec. 31, 2023 |
|---|---|---|---|---|---|---|---|
| VP | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Operating Services & Corporate Security | 59 | 61 | 60 | 60 | 60 | 60 | 60 |
| Revenue Integrity | 211 | 220 | 225 | 227 | 227 | 227 | 227 |
| Customer Services & Marketing | 376 | 395 | 395 | 395 | 395 | 395 | 395 |
| Energy Efficiency | 14 | 14 | 14 | 15 | 15 | 15 | 15 |
| Interns | 5 | 5 | 4 | 4 | 4 | 4 | 4 |
| Total | 667 | 697 | 700 | 703 | 703 | 703 | 703 |

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# Supplemental Contractors by Work Group

| Work Group or Major Dept. | Jun 30, 2018 Actual | Dec 31, 2018 | Dec 31, 2019 | Dec 31, 2020 | Dec 31, 2021 | Dec 31, 2022 | Dec 31, 2023 |
|---|---|---|---|---|---|---|---|
| Energy Efficiency | 106 | 106 | 88 | 88 | 88 | 88 | 88 |
| Revenue Integrity | 264 | 264 | 275 | 256 | 256 | 256 | 256 |
| Operating Services & Corporate Security | 214 | 214 | 211 | 211 | 211 | 211 | 211 |
| Customer Service & Marketing | 20 | 23 | 23 | 23 | 23 | 23 | 23 |
| Total | 604 | 607 | 597 | 578 | 578 | 578 | 578 |

# 2017-2023 Headcount Totals & Changes

| Employees | 2017 Actual | 2018 Forecast | 2019 Plan | 2020 Plan | 2021 Plan | 2022 Plan | 2023 Plan |
|---|---|---|---|---|---|---|---|
| | **Year-End** | | | | | | |
| **TOTAL From Page 25** | **686** | **697** | **700** | **703** | **703** | **703** | **703** |
| **Prior Plan** | | 705 | 705 | 705 | 705 | 705 | |
| **Change From Prior Plan** | | (8) | (5) | (2) | (2) | (2) | |

| | 2018 FC | 2019 Plan | 2020 Plan | 2021 Plan | 2022 Plan | 2023 Plan |
|---|---|---|---|---|---|---|
| **Supplemental Contractors (Page 26)** | 607 | 597 | 578 | 578 | 578 | 578 |
| **Prior Plan** | 596 | 540 | 492 | 389 | 338 | |
| **Change from Prior Plan** | 11 | 57 | 86 | 189 | 240 | |

**Total Workforce (Employees Plus Supplemental Contractors)**

| | | | | | | |
|---|---|---|---|---|---|---|
| **Current Plan** | 1,304 | 1,297 | 1,281 | 1,281 | 1,281 | 1,281 |
| **Prior Plan** | 1,301 | 1,245 | 1,197 | 1,094 | 1,043 | |
| **Change from Prior Plan** | 3 | 52 | 84 | 187 | 238 | |

# Plan Risks

- Increased capital and O&M costs due to industry regulatory actions
- Customer hardship and uncollectible accounts
- Customer satisfaction impacts due to ongoing rate case filings
- IT and business resource and financial constraints on ability to implement technology to meet customer expectations in enhancing the customer experience
- Customer satisfaction, regulatory issues and DSM headcount, depending upon the level of post-2018 DSM program offerings
- The timing of each solar facility is subject to customer education and resulting participation levels.

# Operational Performance

## Key Performance Indicators

| KPI | 2017 Year End | 2018 Forecast | 2019 Plan | 2020 Plan | 2021 Plan | 2022 Plan | 2023 Plan |
|---|---|---|---|---|---|---|---|
| Safety - Employees [1] | 0.15 | 1.30 | 0.71 | 0.71 | 0.71 | 0.71 | 0.71 |
| Safety - Contractors [1] | 3.25 | 4.40 | 1.80 | 1.73 | 1.66 | 1.55 | 1.47 |
| DART - Employees [1] | 0.00 | 0.00 | 0.38 | 0.38 | 0.38 | 0.38 | 0.38 |
| Overall Customer Experience | 9.11 | 8.50 | 8.50 | 8.50 | 8.50 | 8.50 | 8.50 |
| Overall Customer Satisfaction (TIA Points) | 26.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 |
| LKE Service Order Days to Complete [2] | 0.30 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| O&M Cost per MWH Sold - 5-Year Average Calculation | 2.29 | 2.37 | 2.39 | 2.41 | 2.40 | 2.38 | 2.38 |

[1] 2018 Forecast numbers are YTD June 2018 actuals and not forecasted.

[2] Measures the time between the scheduled date and the completed service order date (excludes credit and adjustment-related service orders).

# Communications & Corporate Responsibility LG&E and KU Utilities 2019 Operating Plan


**August 2018**

Case Nos. 2018-00294 and 2018-00295
Attachment to Filing Requirement
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LG&E KU PPL companies

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# Plan Highlights

- The five-year plan for Communications and Corporate Responsibility is designed to sufficiently educate customers on energy choices and ways to save energy and money through tips, tools and initiatives.

# Major Assumptions

- Corporate Communications
  - — Educating customers on their energy choices and ways to reduce their usage through energy efficiency tips, tools and initiatives will require us to continue to utilize surround sound approach for communications tactics.
  - — LG&E and KU communications preferences will require segmented communications and advertising strategies.

# Major Assumptions

- Corporate Responsibility and Community Affairs
  - Criticism and scrutiny, if any, in aftermath of rate case filing does not necessitate extraordinary community investment response.
  - Criticism and scrutiny of the DSM programs going away does not necessitate extraordinary community investment.
  - Criticism and scrutiny from environmental groups does not escalate dramatically.
  - No significant deterioration in customer satisfaction ratings from low-income customers.
  - Our corporate-wide sustainability program responsibilities do not increase.

# 2017-2023 Annual O&M Expenses
# ($000)

| Item | 2017 Actual | 2018 Forecast | 2019 Plan | 2020 Plan | 2021 Plan | 2022 Plan | 2023 Plan |
|---|---|---|---|---|---|---|---|
| O&M Expenses Only: | | | | | | | |
| Labor | $ 2,597 | $ 2,743 | $ 2,800 | $ 2,891 | $ 2,965 | $ 3,031 | $ 3,121 |
| Supplemental Contractors | $ 111 | $ 248 | $ 263 | $ 263 | $ 263 | $ 263 | $ 263 |
| Advertising | | | | | | | |
| Customer Education | $ 494 | $ 476 | $ 2,937 | $ 2,937 | $ 2,937 | $ 2,937 | $ 2,936 |
| Brand | $ 1,958 | $ 2,263 | $ 2,253 | $ 2,275 | $ 2,293 | $ 2,311 | $ 2,330 |
| Outside Services | $ 576 | $ 667 | $ 1,516 | $ 1,516 | $ 1,516 | $ 1,516 | $ 1,516 |
| All Other Non-Labor | $ 277 | $ 472 | $ 445 | $ 445 | $ 444 | $ 445 | $ 445 |
| **Total O&M Expense - Mgmt. View** | **$ 6,013** | **$ 6,869** | **$ 10,214** | **$ 10,327** | **$ 10,418** | **$ 10,503** | **$ 10,611** |

# 2017-2023 Annual O&M Expenses Advertising ($000)

| Item | 2017 Actual | 2018 Forecast | 2019 Plan | 2020 Plan | 2021 Plan | 2022 Plan | 2023 Plan |
|---|---|---|---|---|---|---|---|
| Customer Newsletter, Mailings | $ 459 | $ 398 | $ 579 | $ 579 | $ 579 | $ 579 | $ 579 |
| Customer Education Advertising | $ 35 | $ 79 | $ 2,358 | $ 2,358 | $ 2,358 | $ 2,358 | $ 2,358 |
| Image Advertising | $ 889 | $ 870 | $ 870 | $ 870 | $ 870 | $ 870 | $ 870 |
| Sports Advertising | $ 606 | $ 653 | $ 724 | $ 741 | $ 759 | $ 777 | $ 795 |
| Sponsorship | $ 191 | $ 305 | $ 255 | $ 260 | $ 260 | $ 260 | $ 260 |
| Native Content | $ 179 | $ 160 | $ 160 | $ 160 | $ 160 | $ 160 | $ 160 |
| Print Ads and Native Content | $ 77 | $ 95 | $ 95 | $ 95 | $ 95 | $ 95 | $ 95 |
| Miscellaneous | $ 16 | $ 179 | $ 150 | $ 150 | $ 150 | $ 150 | $ 150 |
| Total Advertising | $ 2,452 | $ 2,739 | $ 5,190 | $ 5,212 | $ 5,230 | $ 5,248 | $ 5,266 |

# 2017-2023 Annual O&M Expenses
# Outside Services
# ($000)

| Item | 2017 Actual | 2018 Forecast | 2019 Plan | 2020 Plan | 2021 Plan | 2022 Plan | 2023 Plan |
|---|---|---|---|---|---|---|---|
| Agency of record | $ 131 | $ 168 | $ 911 | $ 911 | $ 911 | $ 911 | $ 911 |
| Photography, Video | $ 50 | $ 134 | $ 183 | $ 183 | $ 183 | $ 183 | $ 183 |
| Media Monitoring | $ 137 | $ 139 | $ 149 | $ 149 | $ 149 | $ 149 | $ 149 |
| The Cubero Group | $ 51 | $ 84 | $ 134 | $ 134 | $ 134 | $ 134 | $ 134 |
| Other-Communications | $ 187 | $ 65 | $ 65 | $ 65 | $ 65 | $ 65 | $ 65 |
| Other-Corporate Resp. | $ 20 | $ 77 | $ 74 | $ 74 | $ 74 | $ 74 | $ 74 |
| Total Outside Services | $ 576 | $ 667 | $ 1,516 | $ 1,516 | $ 1,516 | $ 1,516 | $ 1,516 |

# O&M Annual Expense Reconciliation ($000)

| | 2019 Plan | 2020 Plan | 2021 Plan | 2022 Plan | 2023 Plan |
|---|---|---|---|---|---|
| 2018 Plan/Expectation | $ 7,226 | $ 7,255 | $ 7,443 | $ 7,535 | $ 7,671 |
| Drivers: | | | | | |
| Customer Education Advertising | $ 2,250 | $ 2,250 | $ 2,250 | $ 2,250 | $ 2,250 |
| Outside Services | $ 769 | $ 769 | $ 769 | $ 769 | $ 761 |
| All Other | $ (31) | $ 53 | $ (44) | $ (51) | $ (71) |
| Current Plan - Mgt. View | $ 10,214 | $ 10,327 | $ 10,418 | $ 10,503 | $ 10,611 |

# Labor Expense

| Salary Plan | Average Headcount | Base Salary | Overtime and all Other Labor* | TIA Labor Expense | Total Salary & TIA Labor | 2019 Labor Expense | 2020 Labor Expense | 2021 Labor Expense | 2022 Labor Expense | 2023 Labor Expense |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2019 | | | | | | | | | |
| Exempt | 23 | $ 2,365 | $ - | $ 241 | $ 2,606 | | | | | |
| Non-Exempt | 3 | $ 168 | $ - | $ 17 | $ 185 | | | | | |
| Union / Non-Union Hourly | - | $ - | $ - | $ - | $ - | | | | | |
| Subtotal | 26 | $ 2,533 | $ - | $ 258 | $ 2,791 | | | | | |
| Co-ops / Interns | 1 | $ 14 | $ - | $ 2 | $ - | | | | | |
| Total | 27 | $ 2,547 | $ - | $ 260 | $ 2,791 | $ 2,800 | $ 2,891 | $ 2,965 | $ 3,031 | $ 3,121 |

Note: Annual expense amounts are on an income statement basis and exclude balance sheet accounts.

# Employee Headcount by Work Group

| Department | May 31, 2018 Actual | Dec. 31, 2018 | Dec. 31, 2019 | Dec. 31, 2020 | Dec. 31, 2021 | Dec. 31, 2022 | Dec. 31, 2023 |
|---|---|---|---|---|---|---|---|
| Communications | 19 | 20 | 20 | 20 | 20 | 20 | 20 |
| Corporate Responsibility | 5 | 6 | 6 | 6 | 6 | 6 | 6 |
| Total | 24 | 26 | 26 | 26 | 26 | 26 | 26 |

# Supplemental Contractors by Work Group

| Department | May 31, 2018 Actual | Dec. 31, 2018 | Dec. 31, 2019 | Dec. 31, 2020 | Dec. 31, 2021 | Dec. 31, 2022 | Dec. 31, 2023 |
|---|---|---|---|---|---|---|---|
| **Communications** | 1 | 1 | 1 | 1 | 1 | 1 | 1 |

# 2017-2023 Headcount Totals & Changes

| | Year-End | | | | | | |
|---|---|---|---|---|---|---|---|
| | 2017 Actual | 2018 Forecast | 2019 Plan | 2020 Plan | 2021 Plan | 2022 Plan | 2023 Plan |
| **Employees** | | | | | | | |
| **TOTAL From Page 11** | **25** | **26** | **26** | **26** | **26** | **26** | **26** |
| **Prior Plan** | | 26 | 26 | 26 | 26 | 26 | |
| **Change From Prior Plan** | | 0 | 0 | 0 | 0 | 0 | |

| | 2018 FC | 2019 Plan | 2020 Plan | 2021 Plan | 2022 Plan | 2023 Plan |
|---|---|---|---|---|---|---|
| **Supplemental Contractors Page 12** | 1 | 1 | 1 | 1 | 1 | 1 |
| **Prior Plan** | 1 | 1 | 1 | 1 | 1 | 1 |
| **Change from Prior Plan** | 0 | 0 | 0 | 0 | 0 | 0 |

**Total Workforce (Employees Plus Supplemental Contractors)**

| | | | | | | |
|---|---|---|---|---|---|---|
| **Current Plan** | 27 | 27 | 27 | 27 | 27 | 27 |
| **Prior Plan** | 27 | 27 | 27 | 27 | 27 | 27 |
| **Change from Prior Plan** | 0 | 0 | 0 | 0 | 0 | 0 |

# Plan Risks

- Corporate Communications
  - Reduction in energy efficiency programs could still impact customer satisfaction levels.
  - Continued increases in customer bills could potentially result in lower customer satisfaction levels.
  - Ruling on AMS alters the amount of funding for education of the new meters.
  - Opposition to net metering, smart meters and the CCR rule could result in litigation and adverse media exposure.

# Plan Risks

- Corporate Responsibility and Community Affairs
  - Adverse weather and/or natural disasters may necessitate new levels of assistance for agencies addressing the needs of our challenged customers.
  - Reduction in energy efficiency programs could result in different community relations activities.
  - Dissatisfaction with AMS may require additional community relations actions.
  - Unfavorable legal or regulatory result may require focused community relations strategy.

# General Counsel
# LG&E and KU Utilities
# 2019 Operating Plan

**August 2018**

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- Plan Highlights
- Major Assumptions
- Financial Performance
  - o 2017-2023 Annual O&M Expenses
  - o Labor Expense
  - o Headcount
- Plan Risks

# Plan Highlights

- General Counsel provides support to the entire company through Legal, Compliance, Federal Regulation & Policy, and External Affairs.
- The 2019 General Counsel budget is under expectation by $140k.
- Outside Counsel is 46% of the overall General Counsel budget.
- Headcount will remain flat throughout the plan.
  - Labor represents 27% of the General Counsel 2019BP O&M expenses.
- Company Dues represents 8% of the General Counsel 2019BP O&M expenses.

# Major Assumptions

- Legal
  - Hourly rates of outside providers remain stable.
  - Pending and anticipated legal matters proceed within a band of predictability.
  - There are no material, unanticipated legal issues which arise.

# Major Assumptions

- Compliance
  - — No significant changes in the role played by Compliance Department.
    - A driver for change could be modified expectations, new interpretations of current regulations, significant new or revised regulatory requirements, or increased demand for support from the business teams to reduce regulatory risks.
  - — Limited PHMSA involvement beyond administration of new program
    - Recent implementation of new PHMSA compliance program involved reallocation of existing resources, but developments in that program could create additional resource needs.

# Major Assumptions

- Federal Regulation & Policy
  - — Generally routine pace of rulemaking or policy initiatives from FERC continues.
  - — Continued moderate engagement by the Company in EEI or other industry group activities.
  - — No targeted initiatives by Company to influence a particular policy matter.
  - — No other major developments at FERC or other forums (e.g., PHMSA) that will dictate fundamentally different resource needs.

# Major Assumptions

- External Affairs
  - Expectation that at least one 2019 legislative issue will require modest outside communications agency spending.
  - Convergence of legislative, regulatory and legal issues expected to continue (e.g. Solar Share and Planning and Zoning legislation, change in Basic Service Charge and legislation limiting the same, potential change in net metering statute requiring filing of new tariffs, etc.).

# 2017-2023 Annual O&M Expenses
# ($000)

| Item | 2017 Actual | 2018 Forecast | 2019 Plan | 2020 Plan | 2021 Plan | 2022 Plan | 2023 Plan |
|---|---|---|---|---|---|---|---|
| O&M Expenses Only: | | | | | | | |
| Labor | $ 4,345 | $ 4,926 | $ 4,869 | $ 5,035 | $ 5,184 | $ 5,296 | $ 5,430 |
| Outside Counsel | $ 4,914 | $ 7,333 | $ 8,213 | $ 8,295 | $ 8,378 | $ 8,462 | $ 8,546 |
| Outside Services | $ 1,099 | $ 1,559 | $ 1,096 | $ 1,186 | $ 1,086 | $ 1,096 | $ 1,186 |
| EEI Dues | $ 729 | $ 685 | $ 747 | $ 766 | $ 785 | $ 804 | $ 825 |
| Environmental Company Dues | $ 687 | $ 713 | $ 708 | $ 708 | $ 708 | $ 708 | $ 708 |
| All Other Non-Labor | $ 2,257 | $ 2,353 | $ 2,245 | $ 2,252 | $ 2,248 | $ 2,245 | $ 2,287 |
| **Total O&M Expense - Mgmt. View** | **$ 14,031** | **$ 17,569** | **$ 17,879** | **$ 18,242** | **$ 18,389** | **$ 18,612** | **$ 18,982** |

Case Nos. 2018-00294 and 2018-00295
Attachment to Filing Requirement
807 KAR 5:001 Section 16(7)(c)
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# 2017-2023 Annual O&M Expenses
# Outside Counsel
# ($000)

| Item | 2017 Actual | 2018 Forecast | 2019 Plan | 2020 Plan | 2021 Plan | 2022 Plan | 2023 Plan |
|---|---|---|---|---|---|---|---|
| Regulatory | $ 1,715 | $ 1,936 | $ 3,673 | $ 3,710 | $ 3,747 | $ 3,784 | $ 3,822 |
| Litigation | $ 1,710 | $ 3,073 | $ 2,086 | $ 2,107 | $ 2,128 | $ 2,149 | $ 2,170 |
| Environmental | $ 498 | $ 446 | $ 1,645 | $ 1,661 | $ 1,678 | $ 1,695 | $ 1,712 |
| All Other | $ 991 | $ 1,878 | $ 810 | $ 818 | $ 826 | $ 834 | $ 842 |
| Total Outside Counsel | $ 4,914 | $ 7,333 | $ 8,213 | $ 8,295 | $ 8,378 | $ 8,462 | $ 8,546 |

# 2017-2023 Annual O&M Expenses
# Outside Services
# ($000)

| Item | 2017 Actual | 2018 Forecast | 2019 Plan | 2020 Plan | 2021 Plan | 2022 Plan | 2023 Plan |
|---|---|---|---|---|---|---|---|
| Legal Consulting | $ 624 | $ 1,173 | $ 672 | $ 672 | $ 672 | $ 672 | $ 672 |
| Legal e-Discovery Vendor | $ 205 | $ 248 | $ 248 | $ 248 | $ 248 | $ 248 | $ 248 |
| Legal Other | $ 164 | $ 138 | $ 148 | $ 148 | $ 148 | $ 148 | $ 148 |
| Compliance - Mock Audit | $ 104 | $ - | $ - | $ 100 | $ - | $ - | $ 100 |
| All Other | $ 2 | $ - | $ 28 | $ 18 | $ 18 | $ 28 | $ 18 |
| Total Outside Services | $ 1,099 | $ 1,559 | $ 1,096 | $ 1,186 | $ 1,086 | $ 1,096 | $ 1,186 |

# O&M Annual Expense Reconciliation ($000)

| | 2019 Plan | 2020 Plan | 2021 Plan | 2022 Plan | 2023 Plan |
|---|---|---|---|---|---|
| 2018 Plan/Expectation | $17,966 | $18,199 | $18,477 | $18,806 | $19,037 |
| Drivers: | | | | | |
| Labor | $ (251) | $ (289) | $ (272) | $ (277) | $ (309) |
| Outside Counsel | $ 70 | $ 71 | $ 72 | $ 72 | $ 73 |
| All Other Non-Labor | $ 94 | $ 261 | $ 112 | $ 11 | $ 181 |
| Current Plan - Mgt. View | $17,879 | $18,242 | $18,389 | $18,612 | $18,982 |

Case Nos. 2018-00294 and 2018-00295
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# Labor Expense

| Salary Plan | Average Headcount (2019) | Base Salary (2019) | Overtime and all Other Labor* (2019) | TIA Labor Expense (2019) | Total Salary & TIA Labor (2019) | 2019 Labor Expense | 2020 Labor Expense | 2021 Labor Expense | 2022 Labor Expense | 2023 Labor Expense |
|---|---|---|---|---|---|---|---|---|---|---|
| Exempt | 31 | $ 4,554 | $ - | $ 468 | $ 5,022 | | | | | |
| Non-Exempt | 7 | $ 452 | $ - | $ 46 | $ 499 | | | | | |
| Subtotal | 38 | $ 5,007 | $ - | $ 514 | $ 5,520 | | | | | |
| Co-ops / Interns | 2 | $ 82 | $ - | $ 9 | $ - | | | | | |
| Total | 40 | $ 5,088 | $ - | $ 523 | $ 5,520 | $ 4,869 | $ 5,026 | $ 5,184 | $ 5,296 | $ 5,430 |

Note: Annual expense amounts are on an income statement basis and exclude balance sheet accounts.

# Employee Headcount by Work Group

| Department | May 31, 2018 Actual | Dec. 31, 2018 | Dec. 31, 2019 | Dec. 31, 2020 | Dec. 31, 2021 | Dec. 31, 2022 | Dec. 31, 2023 |
|---|---|---|---|---|---|---|---|
| **Office of GC** | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| **Legal** | 19 | 21 | 21 | 21 | 21 | 21 | 21 |
| **Compliance** | 8 | 8 | 8 | 8 | 8 | 8 | 8 |
| **Federal Reg & Policy** | 2 | 3 | 3 | 3 | 3 | 3 | 3 |
| **External Affairs** | 3 | 4 | 4 | 4 | 4 | 4 | 4 |
| **Interns** | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Total | 36 | 40 | 40 | 40 | 40 | 40 | 40 |

May 2018 Openings Include:
- Legal - 2 Corporate Attorneys
- Federal Reg & Policy Specialist
- Manager External Affairs

# 2017-2023 Headcount Totals & Changes

| | Year-End | | | | | | |
|---|---|---|---|---|---|---|---|
| Employees | 2017 Actual | 2018 Forecast | 2019 Plan | 2020 Plan | 2021 Plan | 2022 Plan | 2023 Plan |
| TOTAL From Page 13 | 36 | 40 | 40 | 40 | 40 | 40 | 40 |
| Prior Plan | | 40 | 40 | 40 | 40 | 40 | |
| Change From Prior Plan | | 0 | 0 | 0 | 0 | 0 | |

# Plan Risks

- Legal
  - The plan does not include funds for material contingencies.
  - Unfavorable developments in the Brown and Cane Run environmental litigation cases would place the 2019 budget under significant stress.
  - The Company could become involved in a significant unanticipated legal issue, or could face an unanticipated shift in the timing of key steps in pending or planned legal matters.

# Plan Risks

- Compliance
  - Possibility of significant new compliance or policy initiatives.
  - Expansion of Compliance Department's role under existing PHMSA compliance program.
  - Possibility of requirement to increase coordination on specific compliance topics, such as NERC.

# Plan Risks

- Federal Regulation & Policy
  - — New FERC chairman and/or new commissioners could set aggressive agenda for major policy initiatives in which the Company must engage.
  - — Significant new regulations and policies that affect issues critical to the Company could be initiated (e.g., RTO membership, cyber-security, certain manifestations of federal/state jurisdictional questions).

# Plan Risks

- External Affairs
  - Activity in the external affairs arena may result in additional activity/spending in other departments, including Corporate Communications, Legal, Regulatory and Environmental.

# Human Resources
# LG&E and KU Utilities
# 2019 Operating Plan

**August 2018**

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# Plan Highlights

- Total OPEX increase of $3.76 million over the period of 2019-2023 relative to the 2018 HR Business Plan.
- Headcount is up 3 compared to last year's plan.
- The plan provides sufficient resources for HR to execute its mission of attracting, developing and retaining employees to meet business needs.
- Continued focus on talent development, career pathing, the mentoring program and the succession planning process to ensure employee engagement and a more qualified workforce.
- Continued focus on our knowledge retention plans ensuring solid action plans and regular updates occur.

# Major Assumptions

- We will continue to see high levels of retirements – 139 YTD in 2018 with an average of 137 projected for each year of the plan.
- We will continue to see a significant volume of open positions in each year of the plan (364 filled in 2017).
- We will continue to see significant internal movement to roles with increasing responsibility (276 promotions YTD in 2018).
- We will continue to see changes in the health insurance market that will impact company costs.
- Upcoming union negotiations will be challenging, but we anticipate a favorable outcome with no work stoppages.

# 2017-2023 Annual O&M Expenses
# ($000)

| Item | 2017 Actual | 2018 Forecast | 2019 Plan | 2020 Plan | 2021 Plan | 2022 Plan | 2023 Plan |
|---|---|---|---|---|---|---|---|
| O&M Expenses Only: | | | | | | | |
| Labor | $ 5,456 | $ 5,747 | $ 6,235 | $ 6,510 | $ 6,691 | $ 6,857 | $ 7,053 |
| Training, Travel, & Meals | $ 215 | $ 305 | $ 677 | $ 669 | $ 648 | $ 638 | $ 669 |
| O/S Services | $ 306 | $ 341 | $ 364 | $ 434 | $ 353 | $ 353 | $ 434 |
| Other Non-Labor | $ 214 | $ 307 | $ 334 | $ 340 | $ 335 | $ 328 | $ 340 |
| Dues & Subscriptions | $ 39 | $ 86 | $ 86 | $ 86 | $ 86 | $ 86 | $ 86 |
| HW/SW Maintenance | $ 2 | $ 16 | $ 18 | $ 18 | $ 18 | $ 18 | $ 18 |
| Advertising | $ 3 | $ 3 | $ 5 | $ 5 | $ 5 | $ 5 | $ 5 |
| **Total O&M Expense - Mgmt. View** | **$ 6,234** | **$ 6,805** | **$ 7,719** | **$ 8,062** | **$ 8,136** | **$ 8,285** | **$ 8,604** |

# O&M Annual Expense Reconciliation ($000)

| | 2019 Plan | 2020 Plan | 2021 Plan | 2022 Plan | 2023 Plan |
|---|---|---|---|---|---|
| 2018 Plan/Expectation | $7,049 | $7,341 | $7,416 | $7,534 | $7,742 |
| Drivers: | | | | | |
| Labor | $ 156 | $ 205 | $ 211 | $ 238 | $ 235 |
| Training, Travel, & Meals | $ 351 | $ 354 | $ 354 | $ 354 | $ 382 |
| Outside Services | $ 145 | $ 145 | $ 145 | $ 145 | $ 223 |
| All Other Non-labor | $ 18 | $ 17 | $ 11 | $ 14 | $ 22 |
| Current Plan - Mgt. View | $7,719 | $8,062 | $8,136 | $8,285 | $8,604 |

Case Nos. 2018-00294 and 2018-00295
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# 2017-2023 Capital Expenditures
# ($000)

| Item | 2017 Actual | 2018 Forecast | 2019 Plan | 2020 Plan | 2021 Plan | 2022 Plan | 2023 Plan |
|---|---|---|---|---|---|---|---|
| Equip Improvements | $ - | $ 20 | $ 20 | $ 20 | $ 20 | $ 20 | $ 20 |
| Total Capital | $ - | $ 20 | $ 20 | $ 20 | $ 20 | $ 20 | $ 20 |
| 2018 Plan | | $ 20 | $ 20 | $ 20 | $ 20 | $ 20 | $ 20 |
| Change | | $ - | $ - | $ - | $ - | $ - | $ - |

Case Nos. 2018-00294 and 2018-00295
Attachment to Filing Requirement
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# Labor Expense

| Salary Plan | 2019 Average Headcount | 2019 Base Salary | 2019 Overtime and all Other Labor* | 2019 TIA Labor Expense | 2019 Total Salary & TIA Labor | 2019 Labor Expense | 2020 Labor Expense | 2021 Labor Expense | 2022 Labor Expense | 2023 Labor Expense |
|---|---|---|---|---|---|---|---|---|---|---|
| Exempt | 45 | $4,733 | $ - | $ 486 | $ 5,219 | | | | | |
| Non-Exempt | 14 | $ 758 | $ - | $ 78 | $ 835 | | | | | |
| Union / Non-Union Hourly | - | $ - | $ - | $ - | $ - | | | | | |
| Subtotal | 59 | $5,490 | $ - | $ 564 | $ 6,055 | | | | | |
| Co-ops / Interns | 2 | $ 53 | $ - | $ 6 | $ 59 | | | | | |
| Total | 61 | $5,544 | $ - | $ 570 | $ 6,114 | $6,235 | $6,510 | $ 6,691 | $6,857 | $7,053 |

Note: Annual expense amounts are on an income statement basis and exclude balance sheet accounts.

# Employee Headcount by Work Group

| Work Group or Major Dept. | Jun 30, 2018 Actual | Dec. 31, 2018 | Dec. 31, 2019 | Dec. 31, 2020 | Dec. 31, 2021 | Dec. 31, 2022 | Dec. 31, 2023 |
|---|---|---|---|---|---|---|---|
| **VP HR** | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| **Hincker** | 6 | 7 | 7 | 7 | 7 | 7 | 7 |
| **Industrial Relations** | 4 | 5 | 5 | 5 | 5 | 5 | 5 |
| **Gosman** | 4 | 5 | 5 | 5 | 5 | 5 | 5 |
| **Health &Wellness** | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| **Staffing** | 11 | 12 | 12 | 12 | 12 | 12 | 12 |
| **Compensation** | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| **Benefits** | 7 | 7 | 7 | 7 | 7 | 7 | 7 |
| **Johnson** | 6 | 6 | 6 | 6 | 6 | 6 | 6 |
| **Talent Management** | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| **HRIS** | 4 | 4 | 5 | 5 | 5 | 5 | 5 |
| **Inclusion** | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Total | 56 | 60 | 61 | 61 | 61 | 61 | 61 |

# 2017-2023 Headcount Totals & Changes

| | Year-End | | | | | | |
|---|---|---|---|---|---|---|---|
| | 2017 Actual | 2018 Forecast | 2019 Plan | 2020 Plan | 2021 Plan | 2022 Plan | 2023 Plan |
| **Employees** | | | | | | | |
| **TOTAL From Page 9** | **58** | **60** | **61** | **61** | **61** | **61** | **61** |
| **Prior Plan** | | 58 | 58 | 58 | 58 | 58 | 58 |
| **Change From Prior Plan** | | 2 | 3 | 3 | 3 | 3 | 3 |

# Plan Risks

- Company turnover increases beyond anticipated levels.
- Union negotiations do not go as anticipated.
- Changes in law and regulation impact our business.
- Medical plan self insurance could impact financial results.

**Louisville Gas and Electric Company**
**Case No. 2018-00295**
**Forecasted Test Period Filing Requirements**
**(Forecasted Test Period 12ME 4/30/20; Base Period 12ME 12/31/18)**

**Filing Requirement**
**807 KAR 5:001 Section 16(7)(d)**
**Sponsoring Witness: Daniel K. Arbough**

## Description of Filing Requirement:

*The utility's annual and monthly budget for the twelve (12) months preceding the filing date, the base period, and forecasted period.*

## Response:

See attached. Note that the attached does not reflect any impact from rate case activity beyond 2018.

**Louisville Gas and Electric Company**
**Case No. 2018-00295**
**Annual and Monthly Budget for years 2017-2020**
**Base Period: Twelve Months Ended December 31, 2018**
**Forecasted Test Period: Twelve Months Ended April 30, 2020**

**2017 Budget - Louisville Gas and Electric Company**

| | January | February | March | April | May | June | July | August | September | October | November | December | Year Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| INCOME STATEMENT | | | | | | | | | | | | | |
| **Operating Revenues** | | | | | | | | | | | | | |
| Electric Operating Revenues | 98,999,597 | 89,728,215 | 89,085,344 | 81,567,890 | 92,973,505 | 106,115,832 | 124,389,965 | 125,444,844 | 104,261,191 | 91,851,422 | 91,136,512 | 106,074,992 | 1,201,629,310 |
| Gas Operating Revenues | 54,509,700 | 49,670,133 | 39,943,178 | 24,344,033 | 17,992,410 | 14,177,636 | 12,690,036 | 12,605,041 | 13,131,990 | 16,320,013 | 28,445,488 | 45,745,024 | 329,574,682 |
| **Total Operating Revenues** | 153,509,298 | 139,398,348 | 129,028,522 | 105,911,923 | 110,965,915 | 120,293,468 | 137,080,001 | 138,049,885 | 117,393,181 | 108,171,435 | 119,582,000 | 151,820,015 | 1,531,203,992 |
| | | | | | | | | | | | | | |
| **Operating Expenses** | | | | | | | | | | | | | |
| Fuel for Electric Generation | 29,415,308 | 26,091,161 | 26,468,212 | 19,326,363 | 24,710,873 | 27,585,640 | 29,423,353 | 30,436,447 | 23,718,209 | 20,591,549 | 21,291,536 | 28,268,867 | 307,327,519 |
| Power Purchased | 4,342,407 | 4,060,050 | 4,049,043 | 5,582,557 | 4,777,012 | 5,835,643 | 5,837,933 | 5,655,461 | 4,686,373 | 4,781,731 | 4,354,865 | 4,297,342 | 58,260,417 |
| Gas Supply Expenses | 27,877,652 | 25,713,586 | 20,336,619 | 10,450,768 | 5,972,551 | 3,212,583 | 2,514,383 | 2,259,616 | 2,561,506 | 3,457,559 | 10,333,328 | 20,260,442 | 134,950,594 |
| Other Operation Expenses | 20,586,375 | 20,203,657 | 21,293,865 | 19,401,345 | 20,944,786 | 22,496,619 | 22,350,577 | 23,518,647 | 22,565,187 | 22,139,465 | 20,752,123 | 22,001,569 | 258,254,215 |
| Maintenance | 7,370,601 | 7,366,739 | 8,698,677 | 12,413,819 | 9,006,645 | 7,999,692 | 7,962,866 | 8,622,374 | 9,474,033 | 12,213,686 | 16,164,827 | 8,138,442 | 115,432,401 |
| Depreciation & Amortization Expense | 14,985,902 | 15,010,561 | 15,038,776 | 15,074,921 | 15,120,970 | 15,164,735 | 18,484,022 | 18,562,284 | 18,669,611 | 18,750,109 | 18,852,036 | 19,006,307 | 202,720,234 |
| Regulatory Debits | 51,188 | 52,331 | 53,478 | 56,348 | 59,228 | 62,118 | 67,785 | 73,472 | 79,179 | 84,342 | 89,524 | 94,723 | 823,718 |
| Current Income Taxes | 15,329,563 | 12,248,880 | 8,944,037 | 5,497,224 | 8,144,873 | 10,832,914 | 15,940,988 | 15,360,493 | 9,727,396 | 6,301,873 | 6,913,137 | 15,204,911 | 130,446,289 |
| Property and Other Taxes | 3,671,843 | 3,682,449 | 3,663,060 | 3,682,228 | 3,664,166 | 3,671,941 | 3,684,958 | 3,661,087 | 3,679,306 | 3,660,959 | 3,673,524 | 3,689,924 | 44,085,439 |
| Amortization of Investment Tax Credit | (92,253) | (92,253) | (92,253) | (92,253) | (92,253) | (92,253) | (92,253) | (92,253) | (92,253) | (92,253) | (92,253) | (92,253) | (1,107,030) |
| **Total Operating Expenses** | 123,538,585 | 114,337,162 | 108,453,515 | 91,393,320 | 92,308,850 | 96,769,633 | 106,174,612 | 108,057,630 | 95,068,547 | 91,889,020 | 102,332,647 | 120,870,275 | 1,251,193,796 |
| | | | | | | | | | | | | | |
| **Net Operating Income** | 29,970,713 | 25,061,186 | 20,575,007 | 14,518,603 | 18,657,065 | 23,523,835 | 30,905,389 | 29,992,255 | 22,324,634 | 16,282,415 | 17,249,354 | 30,949,740 | 280,010,196 |
| Other Income less deductions | (321,345) | (261,897) | (445,507) | (160,798) | (96,950) | (109,129) | (45,364) | (87,222) | (144,378) | (112,167) | (206,558) | (194,671) | (2,185,986) |
| | | | | | | | | | | | | | |
| **Income before Interest Charges** | 29,649,368 | 24,799,289 | 20,129,501 | 14,357,805 | 18,560,115 | 23,414,706 | 30,860,025 | 29,905,033 | 22,180,256 | 16,170,248 | 17,042,795 | 30,755,070 | 277,824,211 |
| | | | | | | | | | | | | | |
| Interest Charges | 5,791,799 | 5,721,081 | 5,771,248 | 5,783,285 | 5,763,101 | 5,753,228 | 5,766,112 | 5,764,758 | 6,290,456 | 6,283,239 | 6,290,070 | 6,312,062 | 71,290,439 |
| | | | | | | | | | | | | | |
| **Net Income** | 23,857,569 | 19,078,208 | 14,358,253 | 8,574,521 | 12,797,014 | 17,661,478 | 25,093,913 | 24,140,275 | 15,889,799 | 9,887,009 | 10,752,726 | 24,443,008 | 206,533,771 |

**Louisville Gas and Electric Company**
**Case No. 2018-00295**
**Annual and Monthly Budget for years 2017-2020**
**Base Period: Twelve Months Ended December 31, 2018**
**Forecasted Test Period: Twelve Months Ended April 30, 2020**

**2017 Budget - Louisville Gas and Electric Company - Total Electric**

| | January | February | March | April | May | June | July | August | September | October | November | December | Year Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| INCOME STATEMENT | | | | | | | | | | | | | |
| **Operating Revenues** | | | | | | | | | | | | | |
| Electric Operating Revenues | 98,999,597 | 89,728,215 | 89,085,344 | 81,567,890 | 92,973,505 | 106,115,832 | 124,389,965 | 125,444,844 | 104,261,191 | 91,851,422 | 91,136,512 | 106,074,992 | 1,201,629,310 |
| **Total Operating Revenues** | 98,999,597 | 89,728,215 | 89,085,344 | 81,567,890 | 92,973,505 | 106,115,832 | 124,389,965 | 125,444,844 | 104,261,191 | 91,851,422 | 91,136,512 | 106,074,992 | 1,201,629,310 |
| **Operating Expenses** | | | | | | | | | | | | | |
| Fuel for Electric Generation | 29,415,308 | 26,091,161 | 26,468,212 | 19,326,363 | 24,710,873 | 27,585,640 | 29,423,353 | 30,436,447 | 23,718,209 | 20,591,549 | 21,291,536 | 28,268,867 | 307,327,519 |
| Power Purchased | 4,342,407 | 4,060,050 | 4,049,043 | 5,582,557 | 4,777,012 | 5,835,643 | 5,837,933 | 5,655,461 | 4,686,373 | 4,781,731 | 4,354,865 | 4,297,342 | 58,260,417 |
| Other Operation Expenses | 15,844,218 | 15,521,646 | 16,269,254 | 14,882,220 | 16,066,066 | 17,476,537 | 17,489,168 | 18,249,854 | 17,467,987 | 16,850,982 | 15,744,745 | 17,113,295 | 198,975,971 |
| Maintenance | 5,927,254 | 6,082,099 | 7,242,140 | 11,021,699 | 7,424,019 | 6,558,957 | 6,526,421 | 6,667,458 | 7,927,769 | 10,488,697 | 14,617,549 | 6,738,586 | 97,222,648 |
| Depreciation & Amortization Expense | 11,950,214 | 11,964,333 | 11,980,233 | 12,002,872 | 12,035,576 | 12,066,141 | 15,345,268 | 15,390,930 | 15,454,340 | 15,504,710 | 15,588,678 | 15,717,437 | 165,000,731 |
| Regulatory Debits | 51,188 | 52,331 | 53,478 | 56,348 | 59,228 | 62,118 | 67,785 | 73,472 | 79,179 | 84,342 | 89,524 | 94,723 | 823,718 |
| Current Income Taxes | 9,329,667 | 7,204,207 | 5,814,227 | 4,359,905 | 7,953,720 | 11,071,158 | 16,352,997 | 16,078,943 | 10,199,471 | 6,022,565 | 4,420,798 | 9,767,306 | 108,574,965 |
| Property and Other Taxes | 2,668,176 | 2,678,364 | 2,659,763 | 2,677,802 | 2,660,857 | 2,668,569 | 2,865,692 | 2,842,508 | 2,860,050 | 2,842,229 | 2,854,420 | 2,870,488 | 33,148,919 |
| Amortization of Investment Tax Credit | (88,376) | (88,376) | (88,376) | (88,376) | (88,376) | (88,376) | (88,376) | (88,376) | (88,376) | (88,376) | (88,376) | (88,376) | (1,060,510) |
| **Total Operating Expenses** | 79,440,056 | 73,565,816 | 74,447,975 | 69,821,391 | 75,598,975 | 83,236,389 | 93,820,240 | 95,306,698 | 82,305,003 | 77,078,430 | 78,873,737 | 84,779,669 | 968,274,379 |
| **Net Operating Income - Electric** | 19,559,541 | 16,162,399 | 14,637,369 | 11,746,499 | 17,374,531 | 22,879,444 | 30,569,725 | 30,138,146 | 21,956,189 | 14,772,992 | 12,262,775 | 21,295,323 | 233,354,931 |

**2017 Budget - Louisville Gas and Electric Company - Total Gas**

| | January | February | March | April | May | June | July | August | September | October | November | December | Year Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| INCOME STATEMENT | | | | | | | | | | | | | |
| **Operating Revenues** | | | | | | | | | | | | | |
| Gas Operating Revenues | 54,509,700 | 49,670,133 | 39,943,178 | 24,344,033 | 17,992,410 | 14,177,636 | 12,690,036 | 12,605,041 | 13,131,990 | 16,320,013 | 28,445,488 | 45,745,024 | 329,574,682 |
| **Total Operating Revenues** | 54,509,700 | 49,670,133 | 39,943,178 | 24,344,033 | 17,992,410 | 14,177,636 | 12,690,036 | 12,605,041 | 13,131,990 | 16,320,013 | 28,445,488 | 45,745,024 | 329,574,682 |
| **Operating Expenses** | | | | | | | | | | | | | |
| Gas Supply Expenses | 27,877,652 | 25,713,586 | 20,336,619 | 10,450,768 | 5,972,551 | 3,212,583 | 2,514,383 | 2,259,616 | 2,561,506 | 3,457,559 | 10,333,328 | 20,260,442 | 134,950,594 |
| Other Operation Expenses | 4,742,157 | 4,682,011 | 5,024,611 | 4,519,125 | 4,878,720 | 5,020,082 | 4,861,409 | 5,268,793 | 5,097,200 | 5,288,483 | 5,007,378 | 4,888,274 | 59,278,244 |
| Maintenance | 1,443,347 | 1,284,640 | 1,456,537 | 1,392,120 | 1,582,626 | 1,440,735 | 1,436,445 | 1,954,916 | 1,546,264 | 1,724,989 | 1,547,278 | 1,399,856 | 18,209,753 |
| Depreciation & Amortization | 3,035,688 | 3,046,228 | 3,058,543 | 3,072,049 | 3,085,394 | 3,098,594 | 3,138,754 | 3,171,354 | 3,215,271 | 3,245,399 | 3,263,359 | 3,288,870 | 37,719,503 |
| Regulatory Debits | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Current Income Taxes | 5,999,896 | 5,044,673 | 3,129,810 | 1,137,319 | 191,152 | (238,245) | (412,009) | (718,450) | (472,074) | 279,308 | 2,492,339 | 5,437,605 | 21,871,324 |
| Property and Other Taxes | 1,003,666 | 1,004,084 | 1,003,296 | 1,004,425 | 1,003,309 | 1,003,371 | 819,266 | 818,579 | 819,255 | 818,730 | 819,104 | 819,436 | 10,936,520 |
| Amortization of Investment Tax Credit | (3,877) | (3,877) | (3,877) | (3,877) | (3,877) | (3,877) | (3,877) | (3,877) | (3,877) | (3,877) | (3,877) | (3,877) | (46,520) |
| **Total Gas Operating Expenses** | 44,098,529 | 40,771,346 | 34,005,540 | 21,571,929 | 16,709,876 | 13,533,244 | 12,354,372 | 12,750,932 | 12,763,545 | 14,810,590 | 23,458,909 | 36,090,606 | 282,919,417 |
| **Net Operating Income - Gas** | 10,411,172 | 8,898,787 | 5,937,638 | 2,772,104 | 1,282,534 | 644,392 | 335,664 | (145,891) | 368,445 | 1,509,423 | 4,986,579 | 9,654,418 | 46,655,265 |

**Louisville Gas and Electric Company**
**Case No. 2018-00295**
**Annual and Monthly Budget for years 2017-2020**
**Base Period: Twelve Months Ended December 31, 2018**
**Forecasted Test Period: Twelve Months Ended April 30, 2020**

**2018 Budget - Louisville Gas and Electric Company**

| | January | February | March | April | May | June | July | August | September | October | November | December | Budgeted Base Period 12/31/18[1] | Total 12 Months Preceding Filing Date[2] |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| INCOME STATEMENT | | | | | | | | | | | | | | |
| **Operating Revenues** | | | | | | | | | | | | | | |
| Electric Operating Revenues | 98,703,784 | 88,367,395 | 87,424,886 | 81,186,741 | 91,001,449 | 104,966,625 | 112,921,961 | 113,497,598 | 96,180,363 | 84,742,474 | 83,605,084 | 99,304,953 | 1,141,903,312 | 1,171,394,555 |
| Gas Operating Revenues | 57,430,111 | 51,038,579 | 38,063,361 | 22,615,323 | 16,321,799 | 12,948,903 | 11,989,906 | 12,077,631 | 12,352,532 | 15,821,261 | 28,175,268 | 45,998,682 | 324,833,356 | 326,128,129 |
| **Total Operating Revenues** | 156,133,895 | 139,405,974 | 125,488,247 | 103,802,064 | 107,323,248 | 117,915,528 | 124,911,867 | 125,575,229 | 108,532,895 | 100,563,735 | 111,780,351 | 145,303,635 | 1,466,736,668 | 1,497,522,684 |
| | | | | | | | | | | | | | | |
| **Operating Expenses** | | | | | | | | | | | | | | |
| Fuel for Electric Generation | 29,571,954 | 25,275,981 | 24,068,402 | 20,539,960 | 23,533,728 | 27,309,370 | 29,011,905 | 29,323,791 | 24,131,510 | 21,175,043 | 21,133,564 | 28,644,583 | 303,719,790 | 302,505,252 |
| Power Purchased | 4,053,793 | 3,793,544 | 4,452,946 | 4,034,422 | 4,185,754 | 5,023,018 | 5,133,576 | 4,932,578 | 4,148,893 | 3,962,660 | 3,798,294 | 3,675,195 | 51,194,673 | 53,729,942 |
| Gas Supply Expenses | 28,925,140 | 25,352,144 | 17,706,427 | 8,559,235 | 4,853,660 | 2,612,302 | 1,944,299 | 1,968,381 | 2,173,677 | 3,790,260 | 11,124,760 | 21,739,036 | 130,749,322 | 128,534,423 |
| Other Operation Expenses | 22,259,231 | 20,320,785 | 21,109,271 | 20,297,225 | 21,141,271 | 21,636,977 | 21,931,443 | 22,426,033 | 21,136,345 | 21,778,497 | 20,127,870 | 22,422,188 | 256,587,136 | 258,580,580 |
| Maintenance | 7,270,972 | 7,347,864 | 9,491,044 | 12,305,652 | 10,100,611 | 8,577,561 | 8,917,977 | 8,290,317 | 8,954,067 | 13,584,225 | 10,341,882 | 7,946,922 | 113,129,094 | 118,292,986 |
| Depreciation & Amortization Expense | 16,254,586 | 16,261,315 | 16,281,231 | 16,352,969 | 16,439,608 | 16,493,710 | 16,524,941 | 16,603,498 | 16,727,755 | 16,792,914 | 16,863,630 | 17,157,838 | 198,753,994 | 206,489,920 |
| Regulatory Debits | 33,101 | 34,982 | 38,866 | 45,844 | 53,800 | 59,712 | 67,809 | 71,913 | 75,296 | 78,101 | 80,634 | 83,615 | 723,671 | 753,793 |
| Current Income Taxes | 9,631,623 | 7,902,576 | 3,753,579 | 2,891,736 | 4,226,795 | 4,684,813 | 7,916,485 | 8,069,993 | 3,385,237 | 2,235,454 | 4,510,553 | 6,540,855 | 65,749,697 | 87,224,917 |
| Property and Other Taxes | 3,878,134 | 3,896,700 | 3,880,680 | 3,896,929 | 3,877,049 | 3,892,708 | 3,892,641 | 3,877,662 | 3,902,244 | 3,881,423 | 3,895,909 | 3,913,768 | 46,685,844 | 45,796,212 |
| Amortization of Investment Tax Credit | (81,885) | (81,885) | (81,885) | (81,885) | (81,885) | (81,885) | (81,885) | (81,885) | (81,885) | (81,885) | (81,885) | (81,885) | (982,616) | (1,024,087) |
| **Total Operating Expenses** | 121,796,647 | 110,104,005 | 100,700,560 | 88,842,087 | 88,330,391 | 90,208,286 | 95,259,190 | 95,482,282 | 84,553,139 | 87,196,692 | 91,795,210 | 112,042,116 | 1,166,310,604 | 1,200,883,938 |
| | | | | | | | | | | | | | | |
| **Net Operating Income** | 34,337,248 | 29,301,969 | 24,787,686 | 14,959,977 | 18,992,857 | 27,707,242 | 29,652,677 | 30,092,947 | 23,979,757 | 13,367,043 | 19,985,142 | 33,261,519 | 300,426,063 | 296,638,746 |
| Other Income less deductions | (247,754) | (194,283) | (662,368) | (189,037) | (105,903) | (128,946) | (126,033) | (117,357) | (101,439) | (81,230) | (62,003) | (249,469) | (2,265,823) | (2,429,456) |
| | | | | | | | | | | | | | | |
| **Income before Interest Charges** | 34,089,493 | 29,107,686 | 24,125,318 | 14,770,940 | 18,886,955 | 27,578,296 | 29,526,644 | 29,975,590 | 23,878,318 | 13,285,813 | 19,923,139 | 33,012,050 | 298,160,241 | 294,209,290 |
| | | | | | | | | | | | | | | |
| Interest Charges | 6,448,124 | 6,401,151 | 6,475,513 | 6,515,453 | 6,696,682 | 6,708,457 | 6,711,733 | 6,709,130 | 6,730,254 | 6,815,895 | 6,870,324 | 6,908,044 | 79,990,760 | 77,842,070 |
| | | | | | | | | | | | | | | |
| **Net Income** | 27,641,369 | 22,706,534 | 17,649,805 | 8,255,487 | 12,190,273 | 20,869,839 | 22,814,911 | 23,266,459 | 17,148,064 | 6,469,917 | 13,052,815 | 26,104,006 | 218,169,480 | 216,367,220 |

Budgeted Base Period 12/31/18[1] - Sum of January through December of the 2018 Budget.

Total 12 Months Preceding Filing Date[2] - Sum of September through December of the 2017 Budget plus January through August of the 2018 Budget.

**Louisville Gas and Electric Company**
**Case No. 2018-00295**
**Annual and Monthly Budget for years 2017-2020**
**Base Period: Twelve Months Ended December 31, 2018**
**Forecasted Test Period: Twelve Months Ended April 30, 2020**

**2018 Budget - Louisville Gas and Electric Company - Total Electric**

| | January | February | March | April | May | June | July | August | September | October | November | December | Budgeted Base Period 12/31/18[1] | Total 12 Months Preceding Filing Date[2] |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| INCOME STATEMENT | | | | | | | | | | | | | | |
| **Operating Revenues** | | | | | | | | | | | | | | |
| Electric Operating Revenues | 98,703,784 | 88,367,395 | 87,424,886 | 81,186,741 | 91,001,449 | 104,966,625 | 112,921,961 | 113,497,598 | 96,180,363 | 84,742,474 | 83,605,084 | 99,304,953 | 1,141,903,312 | 1,171,394,555 |
| **Total Operating Revenues** | 98,703,784 | 88,367,395 | 87,424,886 | 81,186,741 | 91,001,449 | 104,966,625 | 112,921,961 | 113,497,598 | 96,180,363 | 84,742,474 | 83,605,084 | 99,304,953 | 1,141,903,312 | 1,171,394,555 |
| | | | | | | | | | | | | | | |
| **Operating Expenses** | | | | | | | | | | | | | | |
| Fuel for Electric Generation | 29,571,954 | 25,275,981 | 24,068,402 | 20,539,960 | 23,533,728 | 27,309,370 | 29,011,905 | 29,323,791 | 24,131,510 | 21,175,043 | 21,133,564 | 28,644,583 | 303,719,790 | 302,505,252 |
| Power Purchased | 4,053,793 | 3,793,544 | 4,452,946 | 4,034,422 | 4,185,754 | 5,023,018 | 5,133,576 | 4,932,578 | 4,148,893 | 3,962,660 | 3,798,294 | 3,675,195 | 51,194,673 | 53,729,942 |
| Other Operation Expenses | 16,943,769 | 15,449,849 | 15,916,932 | 15,347,557 | 16,005,449 | 16,542,282 | 16,997,647 | 17,168,442 | 16,294,320 | 16,482,010 | 15,250,658 | 17,491,176 | 195,890,090 | 197,548,935 |
| Maintenance | 5,819,623 | 6,023,959 | 8,077,376 | 10,866,598 | 7,522,930 | 6,666,939 | 7,024,776 | 6,512,158 | 7,123,371 | 11,787,357 | 8,699,314 | 6,488,820 | 92,613,220 | 98,286,961 |
| Depreciation & Amortization Expense | 13,101,930 | 13,106,692 | 13,119,868 | 13,169,777 | 13,232,119 | 13,270,481 | 13,293,694 | 13,364,120 | 13,472,585 | 13,529,545 | 13,588,146 | 13,805,451 | 160,054,404 | 167,923,843 |
| Regulatory Debits | 33,101 | 34,982 | 38,866 | 45,844 | 53,800 | 59,712 | 67,809 | 71,913 | 75,296 | 78,101 | 80,634 | 83,615 | 723,671 | 753,793 |
| Current Income Taxes | 5,392,418 | 4,240,213 | 1,902,986 | 2,285,996 | 4,642,122 | 5,543,145 | 8,476,960 | 8,669,650 | 4,208,288 | 2,366,969 | 3,207,885 | 3,700,165 | 54,636,798 | 71,563,630 |
| Property and Other Taxes | 2,916,839 | 2,934,452 | 2,920,139 | 2,933,062 | 2,915,982 | 2,931,421 | 2,930,164 | 2,915,738 | 2,939,034 | 2,917,294 | 2,932,416 | 2,949,033 | 35,135,575 | 34,824,985 |
| Amortization of Investment Tax Credit | (79,755) | (79,755) | (79,755) | (79,755) | (79,755) | (79,755) | (79,755) | (79,755) | (79,755) | (79,755) | (79,755) | (79,755) | (957,062) | (991,545) |
| **Total Operating Expenses** | 77,753,672 | 70,779,916 | 70,417,759 | 69,143,461 | 72,012,128 | 77,266,612 | 82,856,774 | 82,878,635 | 72,313,543 | 72,219,223 | 68,611,154 | 76,758,282 | 893,011,159 | 926,145,796 |
| | | | | | | | | | | | | | | |
| **Net Operating Income - Electric** | 20,950,112 | 17,587,479 | 17,007,127 | 12,043,281 | 18,989,321 | 27,700,013 | 30,065,186 | 30,618,962 | 23,866,820 | 12,523,251 | 14,993,929 | 22,546,671 | 248,892,153 | 245,248,759 |

**2018 Budget - Louisville Gas and Electric Company - Total Gas**

| | January | February | March | April | May | June | July | August | September | October | November | December | Budgeted Base Period 12/31/18[1] | Total 12 Months Preceding Filing Date[2] |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| INCOME STATEMENT | | | | | | | | | | | | | | |
| **Operating Revenues** | | | | | | | | | | | | | | |
| Gas Operating Revenues | 57,430,111 | 51,038,579 | 38,063,361 | 22,615,323 | 16,321,799 | 12,948,903 | 11,989,906 | 12,077,631 | 12,352,532 | 15,821,261 | 28,175,268 | 45,998,682 | 324,833,356 | 326,128,129 |
| **Total Operating Revenues** | 57,430,111 | 51,038,579 | 38,063,361 | 22,615,323 | 16,321,799 | 12,948,903 | 11,989,906 | 12,077,631 | 12,352,532 | 15,821,261 | 28,175,268 | 45,998,682 | 324,833,356 | 326,128,129 |
| | | | | | | | | | | | | | | |
| **Operating Expenses** | | | | | | | | | | | | | | |
| Gas Supply Expenses | 28,925,140 | 25,352,144 | 17,706,427 | 8,559,235 | 4,853,660 | 2,612,302 | 1,944,299 | 1,968,381 | 2,173,677 | 3,790,260 | 11,124,760 | 21,739,036 | 130,749,322 | 128,534,423 |
| Other Operation Expenses | 5,315,462 | 4,870,936 | 5,192,339 | 4,949,668 | 5,135,822 | 5,094,695 | 4,933,796 | 5,257,591 | 4,842,025 | 5,296,487 | 4,877,212 | 4,931,012 | 60,697,046 | 61,031,645 |
| Maintenance | 1,451,349 | 1,323,905 | 1,413,668 | 1,439,054 | 2,577,681 | 1,910,622 | 1,893,201 | 1,778,159 | 1,830,696 | 1,796,868 | 1,642,568 | 1,458,102 | 20,515,874 | 20,006,025 |
| Depreciation & Amortization | 3,152,656 | 3,154,623 | 3,161,363 | 3,183,193 | 3,207,490 | 3,223,229 | 3,231,247 | 3,239,378 | 3,255,171 | 3,263,369 | 3,275,484 | 3,352,387 | 38,699,589 | 38,566,077 |
| Regulatory Debits | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Current Income Taxes | 4,239,204 | 3,662,363 | 1,850,593 | 605,740 | (415,327) | (858,332) | (560,475) | (599,657) | (823,052) | (131,515) | 1,302,668 | 2,840,690 | 11,112,899 | 15,661,286 |
| Property and Other Taxes | 961,294 | 962,247 | 960,541 | 963,866 | 961,067 | 961,287 | 962,477 | 961,923 | 963,210 | 964,129 | 963,493 | 964,735 | 11,550,269 | 10,971,227 |
| Amortization of Investment Tax Credit | (2,129) | (2,129) | (2,129) | (2,129) | (2,129) | (2,129) | (2,129) | (2,129) | (2,129) | (2,129) | (2,129) | (2,129) | (25,554) | (32,543) |
| **Total Gas Operating Expenses** | 44,042,976 | 39,324,089 | 30,282,802 | 19,698,626 | 16,318,263 | 12,941,674 | 12,402,415 | 12,603,646 | 12,239,596 | 14,977,468 | 23,184,055 | 35,283,833 | 273,299,445 | 274,738,142 |
| | | | | | | | | | | | | | | |
| **Net Operating Income - Gas** | 13,387,135 | 11,714,490 | 7,780,559 | 2,916,696 | 3,536 | 7,229 | (412,509) | (526,015) | 112,936 | 843,792 | 4,991,212 | 10,714,849 | 51,533,911 | 51,389,987 |

Budgeted Base Period 12/31/18[1] - Sum of January through December of the 2018 Budget.

Total 12 Months Preceding Filing Date[2] - Sum of September through December of the 2017 Budget plus January through August of the 2018 Budget.

**Louisville Gas and Electric Company**
**Case No. 2018-00295**
**Annual and Monthly Budget for years 2017-2020**
**Base Period: Twelve Months Ended December 31, 2018**
**Forecasted Test Period: Twelve Months Ended April 30, 2020**

**2019 Budget - Louisville Gas and Electric Company**

| | January | February | March | April | May | June | July | August | September | October | November | December | Year Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| INCOME STATEMENT | | | | | | | | | | | | | |
| **Operating Revenues** | | | | | | | | | | | | | |
| Electric Operating Revenues | 96,448,141 | 88,365,932 | 89,751,148 | 82,317,513 | 97,387,755 | 104,063,382 | 116,565,176 | 117,855,405 | 102,728,327 | 90,258,657 | 92,163,025 | 98,283,295 | 1,176,187,756 |
| Gas Operating Revenues | 57,953,338 | 51,813,875 | 38,051,931 | 22,773,093 | 16,810,723 | 13,266,424 | 12,510,509 | 12,447,372 | 12,882,023 | 16,322,528 | 28,932,883 | 46,992,122 | 330,756,822 |
| **Total Operating Revenues** | 154,401,479 | 140,179,807 | 127,803,079 | 105,090,607 | 114,198,479 | 117,329,806 | 129,075,685 | 130,302,777 | 115,610,350 | 106,581,185 | 121,095,908 | 145,275,417 | 1,506,944,579 |
| | | | | | | | | | | | | | |
| **Operating Expenses** | | | | | | | | | | | | | |
| Fuel for Electric Generation | 28,487,255 | 24,318,818 | 24,570,158 | 20,418,058 | 24,509,507 | 24,961,936 | 27,942,917 | 27,496,450 | 23,084,481 | 20,381,298 | 23,457,256 | 26,642,886 | 296,271,023 |
| Power Purchased | 4,919,297 | 4,537,739 | 4,986,560 | 4,899,087 | 4,002,819 | 4,251,430 | 4,751,192 | 6,094,960 | 4,850,001 | 4,109,130 | 3,737,826 | 3,797,005 | 54,937,047 |
| Gas Supply Expenses | 29,834,775 | 26,274,453 | 17,857,984 | 8,559,205 | 4,677,343 | 2,260,408 | 1,758,670 | 1,696,758 | 1,972,923 | 3,599,147 | 10,760,332 | 21,218,670 | 130,470,668 |
| Other Operation Expenses | 21,960,813 | 20,387,134 | 21,045,364 | 21,165,370 | 21,894,282 | 21,466,972 | 22,742,388 | 22,481,762 | 21,893,884 | 22,346,390 | 20,336,906 | 21,558,653 | 259,279,918 |
| Maintenance | 7,168,267 | 7,450,078 | 9,471,043 | 12,316,369 | 9,032,912 | 9,051,131 | 12,049,261 | 11,410,455 | 15,193,620 | 12,808,605 | 10,789,743 | 8,081,508 | 124,822,992 |
| Depreciation & Amortization Expense | 17,540,457 | 17,725,535 | 17,724,318 | 17,636,475 | 21,325,703 | 21,433,857 | 21,510,694 | 21,557,807 | 21,578,658 | 21,628,667 | 21,731,969 | 21,992,711 | 243,386,852 |
| Regulatory Debits | 69,592 | 73,079 | 77,443 | 83,902 | 90,345 | 98,921 | 106,136 | 117,522 | 127,680 | 134,935 | 137,904 | 140,907 | 1,258,365 |
| Current Income Taxes | 8,360,487 | 7,114,487 | 1,387,413 | 1,372,160 | 4,075,142 | 4,172,764 | 6,522,853 | 6,826,533 | 505,279 | 2,339,595 | 4,448,431 | 4,759,217 | 51,884,361 |
| Property and Other Taxes | 4,034,352 | 4,051,969 | 4,042,335 | 4,045,185 | 4,033,530 | 4,053,826 | 4,041,652 | 4,036,045 | 4,050,763 | 4,035,097 | 4,057,695 | 4,058,985 | 48,541,428 |
| Amortization of Investment Tax Credit | (86,009) | (86,009) | (86,009) | (86,009) | (86,009) | (86,009) | (86,009) | (86,009) | (86,009) | (86,009) | (86,009) | (86,009) | (1,032,111) |
| **Total Operating Expenses** | 122,289,285 | 111,847,282 | 101,076,609 | 90,409,802 | 93,555,573 | 91,665,236 | 101,339,754 | 101,632,283 | 93,171,280 | 91,296,855 | 99,372,054 | 112,164,533 | 1,209,820,545 |
| | | | | | | | | | | | | | |
| **Net Operating Income** | 32,112,193 | 28,332,525 | 26,726,470 | 14,680,805 | 20,642,906 | 25,664,570 | 27,735,931 | 28,670,494 | 22,439,071 | 15,284,330 | 21,723,854 | 33,110,884 | 297,124,034 |
| Other Income less deductions | (341,233) | (287,507) | (676,558) | (148,650) | (96,027) | (112,418) | (107,342) | (89,080) | (107,032) | (84,873) | (72,247) | (237,323) | (2,360,289) |
| | | | | | | | | | | | | | |
| **Income before Interest Charges** | 31,770,961 | 28,045,018 | 26,049,912 | 14,532,155 | 20,546,880 | 25,552,152 | 27,628,589 | 28,581,414 | 22,332,039 | 15,199,457 | 21,651,607 | 32,873,562 | 294,763,745 |
| | | | | | | | | | | | | | |
| Interest Charges | 6,855,721 | 6,824,043 | 6,921,992 | 7,071,581 | 8,276,822 | 7,963,941 | 8,007,093 | 8,028,180 | 8,045,060 | 8,138,797 | 8,234,909 | 8,287,560 | 92,655,699 |
| | | | | | | | | | | | | | |
| **Net Income** | 24,915,240 | 21,220,976 | 19,127,920 | 7,460,574 | 12,270,058 | 17,588,210 | 19,621,496 | 20,553,233 | 14,286,979 | 7,060,660 | 13,416,698 | 24,586,001 | 202,108,045 |

**Louisville Gas and Electric Company**
**Case No. 2018-00295**
**Annual and Monthly Budget for years 2017-2020**
**Base Period: Twelve Months Ended December 31, 2018**
**Forecasted Test Period: Twelve Months Ended April 30, 2020**

**2019 Budget - Louisville Gas and Electric Company - Total Electric**

| | January | February | March | April | May | June | July | August | September | October | November | December | Year Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| INCOME STATEMENT | | | | | | | | | | | | | |
| **Operating Revenues** | | | | | | | | | | | | | |
| Electric Operating Revenues | 96,448,141 | 88,365,932 | 89,751,148 | 82,317,513 | 97,387,755 | 104,063,382 | 116,565,176 | 117,855,405 | 102,728,327 | 90,258,657 | 92,163,025 | 98,283,295 | 1,176,187,756 |
| **Total Operating Revenues** | 96,448,141 | 88,365,932 | 89,751,148 | 82,317,513 | 97,387,755 | 104,063,382 | 116,565,176 | 117,855,405 | 102,728,327 | 90,258,657 | 92,163,025 | 98,283,295 | 1,176,187,756 |
| | | | | | | | | | | | | | |
| **Operating Expenses** | | | | | | | | | | | | | |
| Fuel for Electric Generation | 28,487,255 | 24,318,818 | 24,570,158 | 20,418,058 | 24,509,507 | 24,961,936 | 27,942,917 | 27,496,450 | 23,084,481 | 20,381,298 | 23,457,256 | 26,642,886 | 296,271,023 |
| Power Purchased | 4,919,297 | 4,537,739 | 4,986,560 | 4,899,087 | 4,002,819 | 4,251,430 | 4,751,192 | 6,094,960 | 4,850,001 | 4,109,130 | 3,737,826 | 3,797,005 | 54,937,047 |
| Other Operation Expenses | 16,467,174 | 15,344,053 | 15,787,460 | 15,783,442 | 16,382,041 | 16,249,556 | 17,450,500 | 16,979,957 | 16,536,223 | 16,634,559 | 15,225,686 | 16,165,441 | 195,006,092 |
| Maintenance | 5,454,492 | 5,894,380 | 7,812,450 | 10,569,407 | 7,177,424 | 7,203,985 | 7,289,069 | 6,547,928 | 7,805,764 | 10,824,693 | 9,090,423 | 6,425,705 | 92,095,721 |
| Depreciation & Amortization Expense | 14,196,180 | 14,384,331 | 14,385,047 | 14,344,062 | 18,081,278 | 18,179,716 | 18,241,536 | 18,279,586 | 18,297,609 | 18,336,109 | 18,422,511 | 18,611,122 | 203,759,086 |
| Regulatory Debits | 69,592 | 73,079 | 77,443 | 83,902 | 90,345 | 98,921 | 106,136 | 117,522 | 127,680 | 134,935 | 137,904 | 140,907 | 1,258,365 |
| Current Income Taxes | 4,537,819 | 3,781,522 | 794 | 1,159,885 | 4,319,708 | 4,980,082 | 7,776,266 | 8,161,360 | 2,929,911 | 2,524,890 | 3,062,123 | 2,090,019 | 45,324,381 |
| Property and Other Taxes | 3,016,806 | 3,033,412 | 3,023,915 | 3,026,886 | 3,015,885 | 3,034,819 | 3,022,603 | 3,017,026 | 3,031,018 | 3,016,313 | 3,037,748 | 3,038,731 | 36,315,163 |
| Amortization of Investment Tax Credit | (85,466) | (85,466) | (85,466) | (85,466) | (85,466) | (85,466) | (85,466) | (85,466) | (85,466) | (85,466) | (85,466) | (85,466) | (1,025,591) |
| **Total Operating Expenses** | 77,063,148 | 71,281,868 | 70,558,363 | 70,199,264 | 77,493,540 | 78,874,979 | 86,494,755 | 86,609,324 | 76,577,222 | 75,876,463 | 76,086,013 | 76,826,349 | 923,941,287 |
| | | | | | | | | | | | | | |
| **Net Operating Income - Electric** | 19,384,993 | 17,084,064 | 19,192,786 | 12,118,249 | 19,894,215 | 25,188,402 | 30,070,421 | 31,246,082 | 26,151,106 | 14,382,195 | 16,077,012 | 21,456,946 | 252,246,469 |

**2019 Budget - Louisville Gas and Electric Company - Total Gas**

| | January | February | March | April | May | June | July | August | September | October | November | December | Year Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| INCOME STATEMENT | | | | | | | | | | | | | |
| **Operating Revenues** | | | | | | | | | | | | | |
| Gas Operating Revenues | 57,953,338 | 51,813,875 | 38,051,931 | 22,773,093 | 16,810,723 | 13,266,424 | 12,510,509 | 12,447,372 | 12,882,023 | 16,322,528 | 28,932,883 | 46,992,122 | 330,756,822 |
| **Total Operating Revenues** | 57,953,338 | 51,813,875 | 38,051,931 | 22,773,093 | 16,810,723 | 13,266,424 | 12,510,509 | 12,447,372 | 12,882,023 | 16,322,528 | 28,932,883 | 46,992,122 | 330,756,822 |
| | | | | | | | | | | | | | |
| **Operating Expenses** | | | | | | | | | | | | | |
| Gas Supply Expenses | 29,834,775 | 26,274,453 | 17,857,984 | 8,559,205 | 4,677,343 | 2,260,408 | 1,758,670 | 1,696,758 | 1,972,923 | 3,599,147 | 10,760,332 | 21,218,670 | 130,470,668 |
| Other Operation Expenses | 5,493,639 | 5,043,081 | 5,257,904 | 5,381,928 | 5,512,241 | 5,217,416 | 5,291,888 | 5,501,805 | 5,357,661 | 5,711,831 | 5,111,220 | 5,393,213 | 64,273,826 |
| Maintenance | 1,713,775 | 1,555,698 | 1,658,593 | 1,746,962 | 1,855,488 | 1,847,146 | 4,760,192 | 4,862,527 | 7,387,856 | 1,983,912 | 1,699,320 | 1,655,803 | 32,727,271 |
| Depreciation & Amortization | 3,344,277 | 3,341,204 | 3,339,271 | 3,292,413 | 3,244,425 | 3,254,142 | 3,269,158 | 3,278,221 | 3,281,049 | 3,292,558 | 3,309,458 | 3,381,589 | 39,627,766 |
| Regulatory Debits | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Current Income Taxes | 3,822,669 | 3,332,965 | 1,386,619 | 212,274 | (244,566) | (807,318) | (1,253,414) | (1,334,827) | (2,424,632) | (185,295) | 1,386,308 | 2,669,198 | 6,559,981 |
| Property and Other Taxes | 1,017,545 | 1,018,557 | 1,018,420 | 1,018,298 | 1,017,644 | 1,019,006 | 1,019,049 | 1,019,019 | 1,019,745 | 1,018,783 | 1,019,946 | 1,020,254 | 12,226,266 |
| Amortization of Investment Tax Credit | (543) | (543) | (543) | (543) | (543) | (543) | (543) | (543) | (543) | (543) | (543) | (543) | (6,520) |
| **Total Gas Operating Expenses** | 45,226,138 | 40,565,414 | 30,518,246 | 20,210,537 | 16,062,032 | 12,790,257 | 14,844,999 | 15,022,959 | 16,594,058 | 15,420,392 | 23,286,041 | 35,338,184 | 285,879,257 |
| | | | | | | | | | | | | | |
| **Net Operating Income - Gas** | 12,727,200 | 11,248,461 | 7,533,684 | 2,562,556 | 748,691 | 476,168 | (2,334,489) | (2,575,588) | (3,712,035) | 902,135 | 5,646,842 | 11,653,939 | 44,877,565 |

**Louisville Gas and Electric Company**
**Case No. 2018-00295**
**Annual and Monthly Budget for years 2017-2020**
**Base Period: Twelve Months Ended December 31, 2018**
**Forecasted Test Period: Twelve Months Ended April 30, 2020**

**2020 Budget - Louisville Gas and Electric Company**

| | January | February | March | April | May | June | July | August | September | October | November | December | Year Total | Test Year 4/30/2020 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| INCOME STATEMENT | | | | | | | | | | | | | | |
| **Operating Revenues** | | | | | | | | | | | | | | |
| Electric Operating Revenues | 103,017,922 | 94,118,228 | 100,803,811 | 87,543,811 | 96,548,972 | 104,295,011 | 116,895,020 | 117,688,476 | 102,870,148 | 90,365,089 | 90,675,555 | 97,504,447 | 1,202,326,491 | 1,204,788,795 |
| Gas Operating Revenues | 58,051,772 | 51,899,982 | 38,558,060 | 23,498,330 | 17,126,536 | 13,718,745 | 13,002,199 | 12,939,241 | 13,299,138 | 16,745,737 | 29,293,446 | 46,932,862 | 335,066,048 | 332,172,729 |
| **Total Operating Revenues** | 161,069,694 | 146,018,210 | 139,361,871 | 111,042,141 | 113,675,507 | 118,013,756 | 129,897,219 | 130,627,717 | 116,169,286 | 107,110,826 | 119,969,001 | 144,437,309 | 1,537,392,539 | 1,536,961,524 |
| | | | | | | | | | | | | | | |
| **Operating Expenses** | | | | | | | | | | | | | | |
| Fuel for Electric Generation | 28,434,099 | 23,987,405 | 29,016,003 | 19,901,449 | 23,739,852 | 25,023,057 | 27,656,651 | 27,924,404 | 23,607,165 | 20,237,721 | 20,750,162 | 26,009,738 | 296,287,706 | 299,815,688 |
| Power Purchased | 3,616,118 | 3,221,953 | 3,818,421 | 3,576,950 | 3,359,637 | 3,938,430 | 4,887,668 | 4,685,541 | 4,350,538 | 4,120,057 | 4,727,077 | 3,990,378 | 48,292,768 | 49,827,806 |
| Gas Supply Expenses | 27,497,962 | 24,118,089 | 16,535,261 | 7,977,729 | 4,467,722 | 2,169,071 | 1,683,831 | 1,621,579 | 1,832,325 | 3,459,789 | 10,573,867 | 20,660,938 | 122,598,163 | 124,073,292 |
| Other Operation Expenses | 22,944,933 | 21,214,732 | 22,534,296 | 22,253,972 | 21,788,831 | 22,890,515 | 23,349,390 | 22,711,696 | 23,032,111 | 22,381,898 | 20,914,685 | 22,627,692 | 268,644,751 | 263,669,170 |
| Maintenance | 7,353,520 | 7,275,953 | 10,362,920 | 12,369,116 | 8,954,390 | 9,180,514 | 11,306,480 | 8,902,518 | 9,688,971 | 13,004,845 | 11,067,643 | 8,821,527 | 118,288,397 | 125,778,744 |
| Depreciation & Amortization Expense | 22,193,054 | 22,162,161 | 22,225,442 | 22,354,531 | 22,433,101 | 22,547,536 | 22,636,161 | 22,644,581 | 22,643,955 | 22,698,747 | 22,805,103 | 22,970,120 | 270,314,492 | 261,695,254 |
| Regulatory Debits | 143,266 | 145,635 | 148,792 | 154,213 | 162,018 | 172,226 | 182,474 | 192,763 | 202,102 | 208,190 | 211,895 | 214,478 | 2,138,053 | 1,546,257 |
| Current Income Taxes | 9,086,050 | 7,865,111 | 1,186,921 | 1,897,913 | 3,744,724 | 3,660,922 | 6,396,410 | 7,334,840 | 992,458 | 2,085,829 | 4,095,144 | 4,216,838 | 52,563,160 | 53,685,809 |
| Property and Other Taxes | 4,240,085 | 4,259,512 | 4,238,960 | 4,252,338 | 4,256,985 | 4,252,114 | 4,252,848 | 4,254,997 | 4,255,276 | 4,248,283 | 4,266,872 | 4,263,036 | 51,041,302 | 49,358,483 |
| Amortization of Investment Tax Credit | (80,175) | (80,175) | (80,175) | (80,175) | (80,175) | (80,175) | (80,175) | (80,175) | (80,175) | (80,175) | (80,175) | (80,175) | (962,101) | (1,008,774) |
| **Total Operating Expenses** | 125,428,912 | 114,170,376 | 109,986,840 | 94,658,035 | 92,827,084 | 93,754,210 | 102,271,739 | 100,192,743 | 90,524,727 | 92,365,182 | 99,332,272 | 113,694,570 | 1,229,206,690 | 1,228,441,729 |
| | | | | | | | | | | | | | | |
| **Net Operating Income** | 35,640,782 | 31,847,834 | 29,375,031 | 16,384,106 | 20,848,423 | 24,259,546 | 27,625,480 | 30,434,975 | 25,644,559 | 14,745,644 | 20,636,729 | 30,742,739 | 308,185,849 | 308,519,794 |
| Other Income less deductions | (339,344) | (285,296) | (676,189) | (146,927) | (92,035) | (117,045) | (106,233) | (86,850) | (111,025) | (82,801) | (72,387) | (237,497) | (2,353,628) | (2,354,098) |
| | | | | | | | | | | | | | | |
| **Income before Interest Charges** | 35,301,438 | 31,562,539 | 28,698,842 | 16,237,179 | 20,756,389 | 24,142,501 | 27,519,247 | 30,348,125 | 25,533,534 | 14,662,843 | 20,564,341 | 30,505,242 | 305,832,220 | 306,165,697 |
| | | | | | | | | | | | | | | |
| Interest Charges | 8,207,640 | 8,087,296 | 8,141,598 | 8,202,208 | 8,233,297 | 8,252,125 | 8,282,816 | 8,269,500 | 8,284,430 | 8,369,279 | 8,216,312 | 8,267,947 | 98,814,449 | 97,621,106 |
| | | | | | | | | | | | | | | |
| **Net Income** | 27,093,798 | 23,475,242 | 20,557,244 | 8,034,971 | 12,523,091 | 15,890,377 | 19,236,430 | 22,078,625 | 17,249,105 | 6,293,564 | 12,348,030 | 22,237,295 | 207,017,771 | 208,544,591 |

**Louisville Gas and Electric Company**
**Case No. 2018-00295**
**Annual and Monthly Budget for years 2017-2020**
**Base Period: Twelve Months Ended December 31, 2018**
**Forecasted Test Period: Twelve Months Ended April 30, 2020**

**2020 Budget - Louisville Gas and Electric Company - Total Electric**

| | January | February | March | April | May | June | July | August | September | October | November | December | Year Total | Test Year 4/30/2020 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| INCOME STATEMENT | | | | | | | | | | | | | | |
| **Operating Revenues** | | | | | | | | | | | | | | |
| Electric Operating Revenues | 103,017,922 | 94,118,228 | 100,803,811 | 87,543,811 | 96,548,972 | 104,295,011 | 116,895,020 | 117,688,476 | 102,870,148 | 90,365,089 | 90,675,555 | 97,504,447 | 1,202,326,491 | 1,204,788,795 |
| **Total Operating Revenues** | 103,017,922 | 94,118,228 | 100,803,811 | 87,543,811 | 96,548,972 | 104,295,011 | 116,895,020 | 117,688,476 | 102,870,148 | 90,365,089 | 90,675,555 | 97,504,447 | 1,202,326,491 | 1,204,788,795 |
| **Operating Expenses** | | | | | | | | | | | | | | |
| Fuel for Electric Generation | 28,434,099 | 23,987,405 | 29,016,003 | 19,901,449 | 23,739,852 | 25,023,057 | 27,656,651 | 27,924,404 | 23,607,165 | 20,237,721 | 20,750,162 | 26,009,738 | 296,287,706 | 299,815,688 |
| Power Purchased | 3,616,118 | 3,221,953 | 3,818,421 | 3,576,950 | 3,359,637 | 3,938,430 | 4,887,668 | 4,685,541 | 4,350,538 | 4,120,057 | 4,727,077 | 3,990,378 | 48,292,768 | 49,827,806 |
| Other Operation Expenses | 17,317,134 | 16,052,189 | 16,895,747 | 16,624,270 | 16,409,196 | 17,314,079 | 17,931,804 | 17,224,838 | 17,431,467 | 16,714,327 | 15,740,917 | 16,990,070 | 202,646,038 | 198,513,303 |
| Maintenance | 5,583,895 | 5,690,596 | 8,595,812 | 10,560,259 | 7,139,950 | 7,297,340 | 7,118,769 | 6,556,899 | 7,766,726 | 10,968,593 | 9,307,828 | 7,042,956 | 93,629,624 | 92,795,554 |
| Depreciation & Amortization Expense | 18,745,676 | 18,724,066 | 18,749,731 | 18,826,116 | 18,895,539 | 18,974,616 | 19,027,663 | 19,037,262 | 19,037,777 | 19,075,194 | 19,155,717 | 19,257,089 | 227,506,445 | 221,495,055 |
| Regulatory Debits | 143,266 | 145,635 | 148,792 | 154,213 | 162,018 | 172,226 | 182,474 | 192,763 | 202,102 | 208,190 | 211,895 | 214,478 | 2,138,053 | 1,546,257 |
| Current Income Taxes | 4,811,977 | 4,113,149 | (383,211) | 1,581,243 | 3,908,603 | 4,570,413 | 7,516,375 | 8,011,814 | 2,124,512 | 2,248,084 | 2,709,344 | 1,654,463 | 42,866,766 | 45,967,519 |
| Property and Other Taxes | 3,132,982 | 3,151,227 | 3,131,171 | 3,144,370 | 3,148,950 | 3,144,074 | 3,144,324 | 3,146,295 | 3,146,481 | 3,139,840 | 3,157,485 | 3,153,649 | 37,740,847 | 36,773,893 |
| Amortization of Investment Tax Credit | (80,098) | (80,098) | (80,098) | (80,098) | (80,098) | (80,098) | (80,098) | (80,098) | (80,098) | (80,098) | (80,098) | (80,098) | (961,181) | (1,004,121) |
| **Total Operating Expenses** | 81,705,049 | 75,006,123 | 79,892,367 | 74,288,771 | 76,683,647 | 80,354,136 | 87,385,630 | 86,699,717 | 77,586,670 | 76,631,906 | 75,680,326 | 78,232,723 | 950,147,065 | 945,730,955 |
| **Net Operating Income - Electric** | 21,312,873 | 19,112,105 | 20,911,444 | 13,255,041 | 19,865,325 | 23,940,875 | 29,509,390 | 30,988,759 | 25,283,478 | 13,733,183 | 14,995,229 | 19,271,724 | 252,179,426 | 259,057,840 |

**2020 Budget - Louisville Gas and Electric Company - Total Gas**

| | January | February | March | April | May | June | July | August | September | October | November | December | Year Total | Test Year 4/30/2020 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| INCOME STATEMENT | | | | | | | | | | | | | | |
| **Operating Revenues** | | | | | | | | | | | | | | |
| Gas Operating Revenues | 58,051,772 | 51,899,982 | 38,558,060 | 23,498,330 | 17,126,536 | 13,718,745 | 13,002,199 | 12,939,241 | 13,299,138 | 16,745,737 | 29,293,446 | 46,932,862 | 335,066,048 | 332,172,729 |
| **Total Operating Revenues** | 58,051,772 | 51,899,982 | 38,558,060 | 23,498,330 | 17,126,536 | 13,718,745 | 13,002,199 | 12,939,241 | 13,299,138 | 16,745,737 | 29,293,446 | 46,932,862 | 335,066,048 | 332,172,729 |
| **Operating Expenses** | | | | | | | | | | | | | | |
| Gas Supply Expenses | 27,497,962 | 24,118,089 | 16,535,261 | 7,977,729 | 4,467,722 | 2,169,071 | 1,683,831 | 1,621,579 | 1,832,325 | 3,459,789 | 10,573,867 | 20,660,938 | 122,598,163 | 124,073,292 |
| Other Operation Expenses | 5,627,799 | 5,162,543 | 5,638,549 | 5,629,702 | 5,379,635 | 5,576,436 | 5,417,586 | 5,486,858 | 5,600,644 | 5,667,571 | 5,173,768 | 5,637,621 | 65,998,713 | 65,155,867 |
| Maintenance | 1,769,625 | 1,585,357 | 1,767,108 | 1,808,857 | 1,814,440 | 1,883,174 | 4,187,711 | 2,345,619 | 1,922,245 | 2,036,252 | 1,759,815 | 1,778,571 | 24,658,774 | 32,983,190 |
| Depreciation & Amortization | 3,447,378 | 3,438,095 | 3,475,711 | 3,528,415 | 3,537,562 | 3,572,920 | 3,608,498 | 3,607,319 | 3,606,178 | 3,623,553 | 3,649,386 | 3,713,031 | 42,808,046 | 40,200,199 |
| Regulatory Debits | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Current Income Taxes | 4,274,073 | 3,751,962 | 1,570,132 | 316,670 | (163,879) | (909,491) | (1,119,965) | (676,974) | (1,132,053) | (162,255) | 1,385,800 | 2,562,376 | 9,696,394 | 7,718,290 |
| Property and Other Taxes | 1,107,103 | 1,108,284 | 1,107,789 | 1,107,968 | 1,108,034 | 1,108,040 | 1,108,524 | 1,108,701 | 1,108,795 | 1,108,443 | 1,109,387 | 1,109,387 | 13,300,455 | 12,584,590 |
| Amortization of Investment Tax Credit | (77) | (77) | (77) | (77) | (77) | (77) | (77) | (77) | (77) | (77) | (77) | (77) | (920) | (4,653) |
| **Total Gas Operating Expenses** | 43,723,863 | 39,164,253 | 30,094,473 | 20,369,265 | 16,143,437 | 13,400,073 | 14,886,109 | 13,493,026 | 12,938,058 | 15,733,276 | 23,651,946 | 35,461,847 | 279,059,625 | 282,710,775 |
| **Net Operating Income - Gas** | 14,327,910 | 12,735,729 | 8,463,587 | 3,129,065 | 983,099 | 318,672 | (1,883,910) | (553,784) | 361,081 | 1,012,461 | 5,641,500 | 11,471,014 | 56,006,423 | 49,461,954 |

**Louisville Gas and Electric Company**
**Case No. 2018-00295**
**Forecasted Test Period Filing Requirements**
**(Forecasted Test Period 12ME 4/30/20; Base Period 12ME 12/31/18)**

**Filing Requirement**
**807 KAR 5:001 Section 16(7)(e)**
**Sponsoring Witness: Paul W. Thompson**

**Description of Filing Requirement:**

*A statement of attestation signed by the utility's chief officer in charge of Kentucky operations, which shall provide:*

1. *That the forecast is reasonable, reliable, made in good faith, and that all basic assumptions used in the forecast have been identified and justified;*
2. *That the forecast contains the same assumptions and methodologies as used in the forecast prepared for use by management, or an identification and explanation for differences that exist, if applicable; and*
3. *That productivity and efficiency gains are included in the forecast.*

**Response:**

See attached.

**STATEMENT OF ATTESTATION SIGNED BY THE UTILITY'S CHIEF OFFICER IN CHARGE OF KENTUCKY OPERATIONS**

1. The forecast presented in this rate application is reasonable, reliable, made in good faith, and all basic assumptions used in the forecast have been identified and justified;

2. The forecast contains the same assumptions and methodologies as used in the forecast prepared for use by management, except for the differences that have been identified and explained in the filing requirements and schedules thereto; and

3. Productivity and efficiency gains are included in the forecast.

PAUL W. THOMPSON
Chief Executive Officer and President of
Louisville Gas and Electric Company and
Kentucky Utilities Company

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 18th day of September, 2018.

My Commission Expires:

Judy Schooler
Notary Public, ID No. 603967
State at Large, Kentucky
Commission Expires 7/11/2022
(SEAL)

Judy Schooler
Notary Public

**Louisville Gas and Electric Company**
**Case No. 2018-00295**
**Forecasted Test Period Filing Requirements**
**(Forecasted Test Period 12ME 4/30/20; Base Period 12ME 12/31/18)**

**Filing Requirement**
**807 KAR 5:001 Section 16(7)(f)**
**Sponsoring Witness: Daniel K. Arbough**

**Description of Filing Requirement:**

*For each major construction project that constitutes five (5) percent or more of the annual construction budget within the three (3) year forecast, the following information shall be filed:*

1. *The date the project was started or estimated starting date;*
2. *The estimated completion date;*
3. *The total estimated cost of construction by year exclusive and inclusive of allowance for funds used during construction ("AFUDC") or interest during construction credit; and*
4. *The most recent available total costs incurred exclusive and inclusive of AFUDC or interest during construction credit.*

**Response:**

See attached.

**Louisville Gas and Electric Company**
**Case No. 2018-00295**
**Fully Forecasted Test Period**
**Summary of Electric Capital Construction Forecast which Constitute More than five (5%) of the Total and all other Projects**

Year 2018

| Plant | Project Description | Unit | Project Amount Without AFUDC | AFUDC | Project Amount With AFUDC | Inception-to-Date 6/30/18 Without AFUDC | AFUDC | Inception-to-Date 6/30/18 With AFUDC | Inception-to-Date 12/31/17 With AFUDC | Actual Start Date | Expected Start Date | Expected Completion Date |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Mill Creek | MC Gypsum Dewatering Non-ECR | N/A | $ 42,399,000 | $ - | $ 42,399,000 | $ 63,690,972 | $ - | $ 63,690,972 | $ 31,649,872 | Dec-16 | | Jul-19 |
| Mill Creek | MC Process Water | N/A | $ 87,705,000 | $ - | $ 87,705,000 | $ 133,010,021 | $ - | $ 133,010,021 | $ 71,290,216 | Aug-16 | | Dec-24 |
| | All Other Projects < 5% | | $ 326,425,998 | $ - | $ 326,425,998 | $ 1,766,579,383 | $ - | $ 1,766,579,383 | $ 1,625,776,304 | | | |

Year 2019

| Plant | Project Description | Unit | Project Amount Without AFUDC | AFUDC | Project Amount With AFUDC | Inception-to-Date 6/30/18 Without AFUDC | AFUDC | Inception-to-Date 6/30/18 With AFUDC | Inception-to-Date 12/31/17 With AFUDC | Actual Start Date | Expected Start Date | Expected Completion Date |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | All Other Projects < 5% | | $ 385,219,844 | $ - | $ 385,219,844 | $ 637,460,158 | $ - | $ 637,460,158 | $ 471,715,047 | | | |

Year 2020

| Plant | Project Description | Unit | Project Amount Without AFUDC | AFUDC | Project Amount With AFUDC | Inception-to-Date 6/30/18 Without AFUDC | AFUDC | Inception-to-Date 6/30/18 With AFUDC | Inception-to-Date 12/31/17 With AFUDC | Actual Start Date | Expected Start Date | Expected Completion Date |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Mill Creek | MC Fly Ash Barge Loading | N/A | $ 21,000,000 | $ - | $ 21,000,000 | $ - | $ - | $ - | $ - | | Sep-18 | Dec-21 |
| | All Other Projects < 5% | | $ 281,322,269 | $ - | $ 281,322,269 | $ 455,438,167 | $ - | $ 455,438,167 | $ 354,108,105 | | | |

Year 2021

| Plant | Project Description | Unit | Project Amount Without AFUDC | AFUDC | Project Amount With AFUDC | Inception-to-Date 6/30/18 Without AFUDC | AFUDC | Inception-to-Date 6/30/18 With AFUDC | Inception-to-Date 12/31/17 With AFUDC | Actual Start Date | Expected Start Date | Expected Completion Date |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Mill Creek | ELG MC ECR | N/A | $ 35,376,000 | $ - | $ 35,376,000 | $ - | $ - | $ - | $ - | | Sep-18 | Dec-24 |
| | All Other Projects < 5% | | $ 322,582,114 | $ - | $ 322,582,114 | $ 266,922,795 | $ - | $ 266,922,795 | $ 131,805,157 | | | |

**Louisville Gas and Electric Company**
**Case No. 2018-00295**
**Fully Forecasted Test Period**
**Summary of Gas Capital Construction Forecast which Constitute More than five (5%) of the Total and all other Projects**

Year 2018

| Plant | Project Description | Unit | Project Amount Without AFUDC | AFUDC | Project Amount With AFUDC | Inception-to-Date 6/30/18 Without AFUDC | AFUDC | Inception-to-Date 6/30/18 With AFUDC | Inception-to-Date 12/31/17 With AFUDC | Actual Start Date | Expected Start Date | Expected Completion Date |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| NA | East End Reinforcement | NA | $ 6,422,637 | $ - | $ 6,422,637 | $ 2,192,488 | $ - | $ 2,192,488 | $ 1,189,153 | May-17 | | Dec-18 |
| NA | Replace Steel Service Lines | NA | $ 7,740,410 | $ - | $ 7,740,410 | $ 1,561,576 | $ - | $ 1,561,576 | $ - | Jan-18 | | Mar-19 |
| NA | TMP Penile-Preston | NA | $ 19,235,787 | $ - | $ 19,235,787 | $ 5,112,086 | $ - | $ 5,112,086 | $ 2,230,027 | May-17 | | Dec-19 |
| | All Other Projects < 5% | | $ 85,278,519 | $ - | $ 85,278,519 | $ 520,112,911 | $ - | $ 520,112,911 | $ 489,487,220 | | | |

Year 2019

| Plant | Project Description | Unit | Project Amount Without AFUDC | AFUDC | Project Amount With AFUDC | Inception-to-Date 6/30/18 Without AFUDC | AFUDC | Inception-to-Date 6/30/18 With AFUDC | Inception-to-Date 12/31/17 With AFUDC | Actual Start Date | Expected Start Date | Expected Completion Date |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| NA | Bullitt Co System Reinforce | NA | $ 19,997,284 | $ - | $ 19,997,284 | $ 2,911,180 | $ - | $ 2,911,180 | $ 1,669,345 | Dec-16 | | Dec-20 |
| NA | Replace Steel Services 2019 | NA | $ 9,703,759 | $ - | $ 9,703,759 | $ - | $ - | $ - | $ - | | Jan-19 | Dec-19 |
| NA | TMP Penile-Blanton LN | NA | $ 25,792,004 | $ - | $ 25,792,004 | $ 537,506 | $ - | $ 537,506 | $ 210,051 | May-17 | | Apr-20 |
| NA | TMP Preston-Piccadilly | NA | $ 22,062,415 | $ - | $ 22,062,415 | $ 815,991 | $ - | $ 815,991 | $ 310,719 | May-17 | | Jun-20 |
| | All Other Projects < 5% | | $ 86,441,399 | $ - | $ 86,441,399 | $ 362,192,848 | $ - | $ 362,192,848 | $ 340,988,374 | | | |

Year 2020

| Plant | Project Description | Unit | Project Amount Without AFUDC | AFUDC | Project Amount With AFUDC | Inception-to-Date 6/30/18 Without AFUDC | AFUDC | Inception-to-Date 6/30/18 With AFUDC | Inception-to-Date 12/31/17 With AFUDC | Actual Start Date | Expected Start Date | Expected Completion Date |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| NA | Bullitt Co System Reinforce | NA | $ 11,450,992 | $ - | $ 11,450,992 | $ 2,911,180 | $ - | $ 2,911,180 | $ 1,669,345 | Dec-16 | | Dec-20 |
| NA | Replace Steel Services 2020 | NA | $ 9,997,599 | $ - | $ 9,997,599 | $ - | $ - | $ - | $ - | | Jan-20 | Dec-20 |
| Mill Creek | TMP: Mill Creek Replacement | NA | $ 8,499,411 | $ - | $ 8,499,411 | $ - | $ - | $ - | $ - | | Jan-19 | Sep-21 |
| NA | TMP: WK B 20" Standardization | NA | $ 24,998,215 | $ - | $ 24,998,215 | $ - | $ - | $ - | $ - | | Apr-19 | May-21 |
| NA | Muldraugh Amine Replacement | NA | $ 7,754,654 | $ - | $ 7,754,654 | $ - | $ - | $ - | $ - | Sep-18 | | Dec-21 |
| | All Other Projects < 5% | | $ 57,924,421 | $ - | $ 57,924,421 | $ 148,784,936 | $ - | $ 148,784,936 | $ 131,981,888 | | | |

Year 2021

| Plant | Project Description | Unit | Project Amount Without AFUDC | AFUDC | Project Amount With AFUDC | Inception-to-Date 6/30/18 Without AFUDC | AFUDC | Inception-to-Date 6/30/18 With AFUDC | Inception-to-Date 12/31/17 With AFUDC | Actual Start Date | Expected Start Date | Expected Completion Date |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| NA | Nelson Co Reinforcement | NA | $ 12,000,046 | $ - | $ 12,000,046 | $ - | $ - | $ - | $ - | | Jan-20 | Dec-21 |
| NA | TMP: WK A 20" Standardization | NA | $ 46,896,309 | $ - | $ 46,896,309 | $ - | $ - | $ - | $ - | | Jan-20 | Nov-22 |
| | All Other Projects <5% | | $ 79,812,258 | $ - | $ 79,812,258 | $ 147,217,303 | $ - | $ 147,217,303 | $ 131,258,339 | | | |

**Case No. 2018-00295**
**Attachment to Filing Requirement**
**807 KAR 5:001 Sec. 16(7)(f)**

**Arbough**

**Louisville Gas and Electric Company**
**Case No. 2018-00295**
**Forecasted Test Period Filing Requirements**
**(Forecasted Test Period 12ME 4/30/20; Base Period 12ME 12/31/18)**

**Filing Requirement**
**807 KAR 5:001 Section 16(7)(g)**
**Sponsoring Witness: Daniel K. Arbough**

**Description of Filing Requirement:**

*For all construction projects that constitute less than five (5) percent of the annual construction budget within the three (3) year forecast, the utility shall file an aggregate of the information requested in paragraph (f)3 and 4 of this subsection.*

**Response:**

See LG&E's response to Filing Requirement 807 KAR 5:001 Section 16(7)(f) [Tab No. 19].

**Louisville Gas and Electric Company**
**Case No. 2018-00295**
**Forecasted Test Period Filing Requirements**
**(Forecasted Test Period 12ME 4/30/20; Base Period 12ME 12/31/18)**

**Filing Requirement**
**807 KAR 5:001 Section 16(7)(h)**
**Sponsoring Witness: Daniel K. Arbough**

## Description of Filing Requirement:

*A financial forecast corresponding to each of the three (3) forecasted years included in the capital construction budget. The financial forecast shall be supported by the underlying assumptions made in projecting the results of operations and shall include the following information:*

## Response:

See LG&E's responses to Tab Nos. 22-38.

**Louisville Gas and Electric Company**
**Case No. 2018-00295**
**Forecasted Test Period Filing Requirements**
**(Forecasted Test Period 12ME 4/30/20; Base Period 12ME 12/31/18)**

**Filing Requirement**
**807 KAR 5:001 Section 16(7)(h)(1)**
**Sponsoring Witness: Daniel K. Arbough**

**Description of Filing Requirement:**

*A financial forecast corresponding to each of the three (3) forecasted years included in the capital construction budget. The financial forecast shall be supported by the underlying assumptions made in projecting the results of operations and shall include the following information:*

1. *Operating income statement (exclusive of dividends per share or earnings per share);*

**Response:**

See attached. Note that the attached does not reflect any impact from rate case activity beyond 2018.

**Louisville Gas & Electric Company**
**Case No. 2018-00295**
**Forecasted Income Statements 2018 - 2021**
**Base Period: Twelve Months Ended December 31, 2018**
**Forecasted Test Period: Twelve Months Ended April 30, 2020**

**Louisville Gas and Electric Company - Total Company**

| | **2018** | **2019** | **2020** | **2021** |
|---|---|---|---|---|
| | **$** | **$** | **$** | **$** |
| INCOME STATEMENT | | | | |
| **Operating Revenues** | | | | |
| Electric Operating Revenues | 1,151,652,066 | 1,176,187,756 | 1,202,326,491 | 1,210,237,189 |
| Gas Operating Revenues | 310,168,636 | 330,756,822 | 335,066,048 | 333,979,260 |
| **Total Operating Revenues** | 1,461,820,703 | 1,506,944,579 | 1,537,392,539 | 1,544,216,450 |
| | | | | |
| **Operating Expenses** | | | | |
| Fuel for Electric Generation | 302,966,783 | 296,271,023 | 296,287,706 | 306,620,880 |
| Power Purchased | 59,316,875 | 54,937,047 | 48,292,768 | 48,661,599 |
| Gas Supply Expenses | 124,483,459 | 130,470,668 | 122,598,163 | 119,315,783 |
| Other Operation Expenses | 253,338,124 | 259,279,918 | 268,644,751 | 274,689,940 |
| Maintenance | 114,340,259 | 124,822,992 | 118,288,397 | 122,168,950 |
| Depreciation & Amortization Expense | 197,228,856 | 243,386,852 | 270,314,492 | 279,304,046 |
| Regulatory Debits | 564,492 | 1,258,365 | 2,138,053 | 2,977,184 |
| Current Income Taxes | 62,022,929 | 51,884,361 | 52,563,160 | 44,813,074 |
| Property and Other Taxes | 45,813,625 | 48,541,428 | 51,041,302 | 55,106,777 |
| Amortization of Investment Tax Credit | (1,127,709) | (1,032,111) | (962,101) | (941,301) |
| Loss (Gain) from Disposition of Allowances | (17,793) | - | - | - |
| **Total Operating Expenses** | 1,158,929,900 | 1,209,820,545 | 1,229,206,690 | 1,252,716,933 |
| | | | | |
| **Net Operating Income** | 302,890,803 | 297,124,034 | 308,185,849 | 291,499,517 |
| Other Income less deductions | (2,809,011) | (2,360,289) | (2,353,628) | (2,354,353) |
| | | | | |
| **Income before Interest Charges** | 300,081,792 | 294,763,745 | 305,832,220 | 289,145,164 |
| | | | | |
| Interest Charges | 77,225,084 | 92,655,699 | 98,814,449 | 102,539,421 |
| | | | | |
| **Net Income** | 222,856,708 | 202,108,045 | 207,017,771 | 186,605,742 |

**Louisville Gas and Electric Company - Electric**

| | 2018 | 2019 | 2020 | 2021 |
|---|---|---|---|---|
| | $ | $ | $ | $ |
| INCOME STATEMENT | | | | |
| **Operating Revenues** | | | | |
| Electric Operating Revenues | 1,151,652,066 | 1,176,187,756 | 1,202,326,491 | 1,210,237,189 |
| **Total Operating Revenues** | 1,151,652,066 | 1,176,187,756 | 1,202,326,491 | 1,210,237,189 |
| | | | | |
| **Operating Expenses** | | | | |
| Fuel for Electric Generation | 302,966,783 | 296,271,023 | 296,287,706 | 306,620,880 |
| Power Purchased | 59,316,875 | 54,937,047 | 48,292,768 | 48,661,599 |
| Other Operation Expenses | 192,566,162 | 195,006,092 | 202,646,038 | 207,137,810 |
| Maintenance | 90,711,003 | 92,095,721 | 93,629,624 | 95,879,188 |
| Depreciation & Amortization Expense | 159,451,257 | 203,759,086 | 227,506,445 | 233,427,450 |
| Regulatory Debits | 564,492 | 1,258,365 | 2,138,053 | 2,977,184 |
| Current Income Taxes | 54,031,400 | 45,324,381 | 42,866,766 | 36,889,302 |
| Property and Other Taxes | 34,353,326 | 36,315,163 | 37,740,847 | 40,069,212 |
| Amortization of Investment Tax Credit | (1,102,488) | (1,025,591) | (961,181) | (940,781) |
| Loss (Gain) from Disposition of Allowances | (17,793) | - | - | - |
| **Total Operating Expenses** | 892,841,018 | 923,941,287 | 950,147,065 | 970,721,845 |
| | | | | |
| **Net Operating Income - Electric** | 258,811,048 | 252,246,469 | 252,179,426 | 239,515,344 |

**Louisville Gas and Electric Company - Gas**

| | 2018 | 2019 | 2020 | 2021 |
|---|---|---|---|---|
| | $ | $ | $ | $ |
| INCOME STATEMENT | | | | |
| **Operating Revenues** | | | | |
| Gas Operating Revenues | 310,168,636 | 330,756,822 | 335,066,048 | 333,979,260 |
| **Total Operating Revenues** | 310,168,636 | 330,756,822 | 335,066,048 | 333,979,260 |
| | | | | |
| **Operating Expenses** | | | | |
| Gas Supply Expenses | 124,483,459 | 130,470,668 | 122,598,163 | 119,315,783 |
| Other Operation Expenses | 60,771,962 | 64,273,826 | 65,998,713 | 67,552,130 |
| Maintenance | 23,629,255 | 32,727,271 | 24,658,774 | 26,289,762 |
| Depreciation & Amortization Expense | 37,777,599 | 39,627,766 | 42,808,046 | 45,876,595 |
| Regulatory Debits | - | - | - | - |
| Current Income Taxes | 7,991,527 | 6,559,981 | 9,696,394 | 7,923,772 |
| Property and Other Taxes | 11,460,298 | 12,226,266 | 13,300,455 | 15,037,565 |
| Amortization of Investment Tax Credit | (25,221) | (6,520) | (920) | (520) |
| **Total Gas Operating Expenses** | 266,088,879 | 285,879,257 | 279,059,625 | 281,995,087 |
| | | | | |
| **Net Operating Income - Gas** | 44,079,757 | 44,877,565 | 56,006,423 | 51,984,173 |

**Louisville Gas and Electric Company**
**Case No. 2018-00295**
**Forecasted Test Period Filing Requirements**
**(Forecasted Test Period 12ME 4/30/20; Base Period 12ME 12/31/18)**

**Filing Requirement**
**807 KAR 5:001 Section 16(7)(h)(2)**
**Sponsoring Witness: Daniel K. Arbough**

## Description of Filing Requirement:

*A financial forecast corresponding to each of the three (3) forecasted years included in the capital construction budget. The financial forecast shall be supported by the underlying assumptions made in projecting the results of operations and shall include the following information:*

*2. Balance sheet;*

## Response:

See attached. Note that the attached does not reflect any impact from rate case activity beyond 2018.

**Louisville Gas and Electric Company**
**Case No. 2018-00295**
**Balance Sheet - Total Company**
**Calendar Years 2018 - 2021**

| | 2018 | 2019 | 2020 | 2021 |
|---|---|---|---|---|
| **Louisville Gas and Electric Company - Total** | $ | $ | $ | $ |
| **ASSETS AND OTHER DEBITS** | | | | |
| **UTILITY PLANT** | | | | |
| Gross Utility Plant | 7,640,466,270 | 8,039,823,403 | 8,352,757,600 | 8,744,775,160 |
| Accumulated Provision for Depreciation and Amortization | (2,277,362,097) | (2,386,899,144) | (2,578,551,872) | (2,783,338,037) |
| **Total Utility Net Plant** | **5,363,104,172** | **5,652,924,259** | **5,774,205,728** | **5,961,437,123** |
| **INVESTMENTS** | | | | |
| Investment in Subsidiaries | 594,286 | 594,286 | 594,286 | 594,286 |
| Net nonutility property | 567,537 | 567,537 | 567,537 | 567,537 |
| Special funds | 9,802,503 | 25,597,697 | 41,544,537 | 57,971,607 |
| **Total other Property and Investments** | **10,964,326** | **26,759,520** | **42,706,360** | **59,133,430** |
| **CURRENT AND ACCRUED ASSETS** | | | | |
| Cash | 5,019,790 | 5,019,790 | 5,019,790 | 5,019,790 |
| Special Deposits & TCI | 0 | (0) | 0 | (0) |
| Accounts Receivable - Less Reserves | 215,119,186 | 218,204,222 | 218,757,846 | 218,939,077 |
| Accounts Receivable from Assoc Cos. | 24,585,433 | 25,480,166 | 26,263,719 | 29,291,308 |
| Inventories | 126,096,768 | 119,420,665 | 117,907,673 | 116,527,580 |
| Prepayments | 16,229,002 | 15,198,285 | 15,206,555 | 14,400,065 |
| Other current and accrued assets | - | - | - | - |
| **Total Current and Accrued Assets** | **387,050,178** | **383,323,129** | **383,155,583** | **384,177,820** |
| **DEFERRED DEBITS & OTHER** | | | | |
| Unamortized Debt Expenses | 27,713,304 | 31,696,725 | 28,551,033 | 31,229,977 |
| Accumulated Deferred Income Tax Asset | 302,999,060 | 302,999,060 | 302,999,060 | 302,999,060 |
| Regulatory Assets | 403,066,813 | 396,057,908 | 377,346,206 | 361,170,224 |
| Miscellaneous deferred debits | 16,684,278 | 16,912,464 | 13,276,610 | 10,358,526 |
| **Total Deferred Debits & Other** | **750,463,454** | **747,666,157** | **722,172,909** | **705,757,788** |
| **TOTAL ASSETS** | **6,511,582,130** | **6,810,673,065** | **6,922,240,580** | **7,110,506,161** |
| **LIABILITIES AND OTHER CREDITS** | | | | |
| **PROPRIETARY CAPITAL** | | | | |
| Common and Preferred Stock Issued | 425,170,424 | 425,170,424 | 425,170,424 | 425,170,424 |
| Common Stock Expense | (835,889) | (835,889) | (835,889) | (835,889) |
| Paid-in-capital | 644,152,827 | 740,621,113 | 813,156,317 | 908,231,303 |
| Retained Earnings | 1,267,772,226 | 1,317,289,652 | 1,313,880,882 | 1,325,590,581 |
| Other Comprehensive Income | - | - | - | - |
| **Total Proprietary Capital** | **2,336,259,588** | **2,482,245,300** | **2,551,371,735** | **2,658,156,419** |
| **Total Long-term Debt** | 1,820,175,036 | 2,120,358,075 | 2,120,541,615 | 2,120,740,199 |
| **TOTAL CAPITALIZATION** | **4,156,434,624** | **4,602,603,374** | **4,671,913,350** | **4,778,896,619** |
| **CURRENT AND ACCRUED LIABILITIES** | | | | |
| Notes Payable | 279,108,101 | 112,497,807 | 170,617,035 | 267,683,278 |
| Accounts Payable | 163,129,349 | 149,767,379 | 147,351,488 | 148,497,874 |
| Accounts Payable to Associated Companies | 22,985,371 | 24,900,736 | 26,533,848 | 30,047,682 |
| Customer Deposits | 28,469,522 | 28,469,522 | 28,469,522 | 28,469,522 |
| Taxes Accrued | 14,170,261 | 16,444,260 | 18,201,269 | 20,476,236 |
| Interest Accrued | 10,869,616 | 12,927,351 | 12,930,978 | 13,145,354 |
| Miscellaneous Current Liabilities | 39,905,224 | 39,877,290 | 35,732,496 | 34,259,078 |
| **Total Current and Accrued Liabilities** | **558,637,444** | **384,884,346** | **439,836,636** | **542,579,024** |
| **DEFERRED CREDITS** | | | | |
| Accumulated Deferred Income Tax Liability | 929,999,064 | 995,481,441 | 1,022,586,376 | 1,041,847,794 |
| Investment Tax Credits | 34,124,295 | 33,092,185 | 32,130,084 | 31,188,783 |
| Regulatory Liabilities | 621,468,155 | 589,349,090 | 571,395,541 | 552,609,475 |
| Customer Advances for Construction | 14,129,365 | 14,129,365 | 14,129,365 | 14,129,365 |
| Asset Retirement Obligations | 123,724,118 | 109,965,871 | 95,628,943 | 80,742,923 |
| Other Deferred Credits | 2,069,549 | 2,069,549 | 2,069,549 | 2,069,549 |
| Miscellaneous Long Term Liabilities | 2,989,688 | 14,612,583 | 11,751,108 | 9,355,497 |
| Accumulated Provision for Post Retirement Benefits | 68,005,828 | 64,485,261 | 60,799,628 | 57,087,131 |
| Electric/Gas Balancing Adjustment | 0 | (0) | (0) | 0 |
| **Total Deferred Credits** | **1,796,510,062** | **1,823,185,344** | **1,810,490,594** | **1,789,030,518** |
| **TOTAL LIABILITIES AND STOCKHOLDER EQUITY** | **6,511,582,130** | **6,810,673,065** | **6,922,240,580** | **7,110,506,161** |

**Louisville Gas and Electric Company**
**Case No. 2018-00295**
**Balance Sheet - Electric Utility**
**Calendar Years 2018 - 2021**

| | 2018 | 2019 | 2020 | 2021 |
|---|---|---|---|---|
| **Louisville Gas and Electric Company - Electric Only** | $ | $ | $ | $ |
| **ASSETS AND OTHER DEBITS** | | | | |
| **UTILITY PLANT** | | | | |
| Gross Utility Plant | 6,235,896,185 | 6,492,527,211 | 6,701,076,932 | 6,972,855,016 |
| Accumulated Provision for Depreciation and Amortization | (1,879,075,377) | (1,973,976,206) | (2,137,874,019) | (2,314,164,853) |
| **Total Utility Net Plant** | **4,356,820,807** | **4,518,551,006** | **4,563,202,913** | **4,658,690,163** |
| **INVESTMENTS** | | | | |
| Investment in Subsidiary Companies | 594,286 | 594,286 | 594,286 | 594,286 |
| Net Nonutility property | 391,600 | 391,600 | 391,600 | 391,600 |
| Special Funds | 8,002,949 | 20,420,203 | 32,721,166 | 45,113,877 |
| **Total other Property and Investments** | **8,988,835** | **21,406,090** | **33,707,052** | **46,099,764** |
| **CURRENT AND ACCRUED ASSETS** | | | | |
| Cash | 4,098,252 | 4,004,467 | 3,953,670 | 3,906,433 |
| Special Deposits and Temporary Cash Investments | 0 | (0) | 0 | (0) |
| Accounts Receivable - Less Reserves | 163,230,544 | 165,318,120 | 165,605,121 | 165,620,112 |
| Accounts Receivable from Associated Companies | 24,564,358 | 25,458,325 | 26,241,206 | 29,266,199 |
| Inventories | 82,081,776 | 81,018,106 | 81,238,431 | 80,699,124 |
| Prepayments | 13,078,952 | 12,248,298 | 12,254,962 | 11,605,012 |
| Other Current and Accrued Assets | | | | |
| **Total Current and Accrued Assets** | **287,053,882** | **288,047,316** | **289,293,390** | **291,096,881** |
| **DEFERRED DEBITS AND OTHER** | | | | |
| Unamortized Debt Expenses | 22,625,666 | 25,285,617 | 22,487,267 | 24,303,369 |
| Accumulated Deferred Income Tax Asset | 246,285,483 | 246,285,483 | 246,285,483 | 246,285,483 |
| Regulatory Assets | 346,840,950 | 340,438,366 | 322,097,960 | 306,295,019 |
| Miscellaneous deferred debits | 13,902,254 | 14,104,698 | 10,448,427 | 7,520,679 |
| **Total Deferred Debits & Other** | **629,654,353** | **626,114,164** | **601,319,137** | **584,404,551** |
| **TOTAL ASSETS** | **5,282,517,878** | **5,454,118,575** | **5,487,522,492** | **5,580,291,358** |
| **LIABILITIES AND OTHER CREDITS** | | | | |
| **PROPRIETARY CAPITAL** | | | | |
| Common and Preferred Stock Issued | 347,117,183 | 339,173,735 | 334,871,267 | 330,870,358 |
| Common Stock Expense | (682,435) | (666,818) | (658,360) | (650,494) |
| Paid-in-capital | 525,898,561 | 590,820,092 | 640,455,383 | 706,791,439 |
| Retained Earnings | 1,035,033,244 | 1,050,849,321 | 1,034,834,343 | 1,031,583,113 |
| Other Comprehensive Income | | | | |
| **Total Proprietary Capital** | **1,907,366,553** | **1,980,176,329** | **2,009,502,633** | **2,068,594,416** |
| **Total Long-term Debt** | 1,486,025,355 | 1,691,485,877 | 1,670,173,695 | 1,650,373,658 |
| **TOTAL CAPITALIZATION** | **3,393,391,908** | **3,671,662,207** | **3,679,676,328** | **3,718,968,074** |
| **CURRENT AND ACCRUED LIABILITIES** | | | | |
| Notes Payable | 227,869,137 | 89,743,546 | 134,380,803 | 208,312,848 |
| Accounts Payable | 133,181,889 | 119,474,823 | 116,056,472 | 115,562,000 |
| Accounts Payable to Associated Companies | 19,161,225 | 20,759,214 | 22,201,176 | 25,539,046 |
| Customer Deposits | 23,243,057 | 22,711,162 | 22,423,067 | 22,155,165 |
| Taxes Accrued | 11,568,869 | 13,118,178 | 14,335,621 | 15,934,739 |
| Interest Accrued | 8,874,160 | 10,312,613 | 10,184,652 | 10,229,799 |
| Miscellaneous Current Liabilities | 32,579,380 | 31,494,738 | 27,898,913 | 26,475,797 |
| **Total Current and Accrued Liabilities** | **456,477,717** | **307,614,273** | **347,480,704** | **424,209,395** |
| **DEFERRED CREDITS** | | | | |
| Accumulated Deferred Income Tax Liability | 753,828,652 | 810,619,717 | 830,630,092 | 841,426,017 |
| Investment Tax Credits | 34,114,131 | 33,088,541 | 32,127,360 | 31,186,579 |
| Regulatory Liabilities | 503,992,093 | 475,570,964 | 460,732,758 | 445,279,735 |
| Customer Advances for Construction | 6,462,455 | 6,462,455 | 6,462,455 | 6,462,455 |
| Asset Retirement Obligations | 99,590,326 | 84,740,807 | 69,268,472 | 53,189,756 |
| Other Deferred Credits | 1,689,619 | 1,650,954 | 1,630,011 | 1,610,536 |
| Miscellaneous Long Term Liabilities | 2,440,838 | 10,725,799 | 8,506,459 | 6,789,342 |
| Accumulated Provision for Post Retirement Benefits | 55,521,246 | 51,442,212 | 47,886,794 | 44,425,573 |
| Electric/Gas Balancing Adjustment | (24,991,107) | 540,646 | 3,121,058 | 6,743,896 |
| **Total Deferred Credits** | **1,432,648,253** | **1,474,842,095** | **1,460,365,460** | **1,437,113,890** |
| **TOTAL LIABILITIES AND STOCKHOLDER EQUITY** | **5,282,517,878** | **5,454,118,575** | **5,487,522,492** | **5,580,291,358** |

**Louisville Gas and Electric Company**
**Case No. 2018-00295**
**Balance Sheet - Gas Utility**
**Calendar Years 2018 - 2021**

| | 2018 | 2019 | 2020 | 2021 |
|---|---|---|---|---|
| **Louisville Gas and Electric Company - Gas Only** | $ | $ | $ | $ |
| **ASSETS AND OTHER DEBITS** | | | | |
| **UTILITY PLANT** | | | | |
| Gross Utility Plant | 1,404,570,085 | 1,547,296,192 | 1,651,680,669 | 1,771,920,145 |
| Accumulated Provision for Depreciation and Amortization | (398,286,720) | (412,922,938) | (440,677,853) | (469,173,184) |
| **Total Utility Net Plant** | **1,006,283,365** | **1,134,373,254** | **1,211,002,815** | **1,302,746,961** |
| **INVESTMENTS** | | | | |
| Investment in Subsidiary Companies | | | | |
| Net Nonutility property | 175,936 | 175,936 | 175,936 | 175,936 |
| Special Funds | 1,799,554 | 5,177,494 | 8,823,372 | 12,857,730 |
| **Total other Property and Investments** | **1,975,490** | **5,353,430** | **8,999,308** | **13,033,666** |
| **CURRENT AND ACCRUED ASSETS** | | | | |
| Cash | 921,538 | 1,015,323 | 1,066,120 | 1,113,357 |
| Special Deposits and Temporary Cash Investments | 0 | (0) | 0 | (0) |
| Accounts Receivable - Less Reserves | 51,888,642 | 52,886,102 | 53,152,725 | 53,318,964 |
| Accounts Receivable from Associated Companies | 21,075 | 21,842 | 22,513 | 25,109 |
| Inventories | 44,014,992 | 38,402,559 | 36,669,242 | 35,828,456 |
| Prepayments | 3,150,049 | 2,949,987 | 2,951,592 | 2,795,053 |
| Other Current and Accrued Assets | | | | |
| **Total Current and Accrued Assets** | **99,996,297** | **95,275,813** | **93,862,192** | **93,080,939** |
| **DEFERRED DEBITS AND OTHER** | | | | |
| Unamortized Debt Expenses | 5,087,638 | 6,411,108 | 6,063,767 | 6,926,608 |
| Accumulated Deferred Income Tax Asset | 56,713,577 | 56,713,577 | 56,713,577 | 56,713,577 |
| Regulatory Assets | 56,225,862 | 55,619,542 | 55,248,246 | 54,875,205 |
| Miscellaneous deferred debits | 2,782,023 | 2,807,766 | 2,828,183 | 2,837,847 |
| **Total Deferred Debits & Other** | **120,809,100** | **121,551,993** | **120,853,773** | **121,353,237** |
| **TOTAL ASSETS** | **1,229,064,253** | **1,356,554,490** | **1,434,718,088** | **1,530,214,803** |
| **LIABILITIES AND OTHER CREDITS** | | | | |
| **PROPRIETARY CAPITAL** | | | | |
| Common and Preferred Stock Issued | 78,053,241 | 85,996,689 | 90,299,157 | 94,300,067 |
| Common Stock Expense | (153,453) | (169,070) | (177,529) | (185,395) |
| Paid-in-capital | 118,254,265 | 149,801,021 | 172,700,935 | 201,439,864 |
| Retained Earnings | 232,738,982 | 266,440,331 | 279,046,540 | 294,007,468 |
| Other Comprehensive Income | | | | |
| **Total Proprietary Capital** | **428,893,035** | **502,068,970** | **541,869,102** | **589,562,004** |
| **Total Long-term Debt** | 334,149,681 | 428,872,197 | 450,367,920 | 470,366,541 |
| **TOTAL CAPITALIZATION** | **763,042,716** | **930,941,167** | **992,237,022** | **1,059,928,545** |
| **CURRENT AND ACCRUED LIABILITIES** | | | | |
| Notes Payable | 51,238,964 | 22,754,261 | 36,236,233 | 59,370,430 |
| Accounts Payable | 29,947,460 | 30,292,556 | 31,295,016 | 32,935,874 |
| Accounts Payable to Associated Companies | 3,824,146 | 4,141,522 | 4,332,672 | 4,508,636 |
| Customer Deposits | 5,226,465 | 5,758,361 | 6,046,455 | 6,314,357 |
| Taxes Accrued | 2,601,392 | 3,326,083 | 3,865,648 | 4,541,498 |
| Interest Accrued | 1,995,456 | 2,614,738 | 2,746,326 | 2,915,555 |
| Miscellaneous Current Liabilities | 7,325,844 | 8,382,552 | 7,833,583 | 7,783,281 |
| **Total Current and Accrued Liabilities** | **102,159,727** | **77,270,073** | **92,355,933** | **118,369,630** |
| **DEFERRED CREDITS** | | | | |
| Accumulated Deferred Income Tax Liability | 176,170,411 | 184,861,722 | 191,956,283 | 200,421,775 |
| Investment Tax Credits | 10,164 | 3,644 | 2,724 | 2,204 |
| Regulatory Liabilities | 117,476,062 | 113,778,127 | 110,662,783 | 107,329,741 |
| Customer Advances for Construction | 7,666,910 | 7,666,910 | 7,666,910 | 7,666,910 |
| Asset Retirement Obligations | 24,133,793 | 25,225,064 | 26,360,471 | 27,553,167 |
| Other Deferred Credits | 379,930 | 418,595 | 439,538 | 459,013 |
| Miscellaneous Long Term Liabilities | 548,850 | 3,886,784 | 3,244,649 | 2,566,154 |
| Accumulated Provision for Post Retirement Benefits | 12,484,583 | 13,043,050 | 12,912,834 | 12,661,559 |
| Electric/Gas Balancing Adjustment | 24,991,108 | (540,645) | (3,121,057) | (6,743,895) |
| **Total Deferred Credits** | **363,861,810** | **348,343,250** | **350,125,134** | **351,916,628** |
| **TOTAL LIABILITIES AND STOCKHOLDER EQUITY** | **1,229,064,253** | **1,356,554,490** | **1,434,718,088** | **1,530,214,803** |

**Louisville Gas and Electric Company**
**Case No. 2018-00295**
**Forecasted Test Period Filing Requirements**
**(Forecasted Test Period 12ME 4/30/20; Base Period 12ME 12/31/18)**

**Filing Requirement**
**807 KAR 5:001 Section 16(7)(h)(3)**
**Sponsoring Witness: Daniel K. Arbough**

**Description of Filing Requirement:**

*A financial forecast corresponding to each of the three (3) forecasted years included in the capital construction budget. The financial forecast shall be supported by the underlying assumptions made in projecting the results of operations and shall include the following information:*

*3. Statement of cash flows;*

**Response:**

See attached. Note that the attached does not reflect any impact from rate case activity beyond 2018.

**Louisville Gas & Electric Company**
**Case No. 2018-00295**
**Forecasted Cash Flow Statements 2018 - 2021**
**Base Period: Twelve Months Ended December 31, 2018**
**Forecasted Test Period: Twelve Months Ended April 30, 2020**

| **Louisville Gas and Electric Company Cash Flow Statement** | **2018** | **2019** | **2020** | **2021** |
|---|---|---|---|---|
| | $ | $ | $ | $ |
| **Cash Flows from Operating Activities** | | | | |
| Net Income | 222,856,708 | 202,108,045 | 207,017,771 | 186,605,742 |
| Adjustments to reconcile net income to net cash provided by (used in) operating activities | | | | |
| Depreciation | 197,793,348 | 244,645,217 | 272,452,544 | 282,281,230 |
| Amortization | 6,660,148 | 6,925,495 | 11,803,846 | 4,406,518 |
| Defined benefit plans - Expense | 3,450,488 | 1,707,014 | 793,784 | 351,541 |
| Deferred income taxes and investment tax credits | 58,409,210 | 49,464,978 | 10,206,347 | 1,419,178 |
| Change in current assets and current liabilities | | | | |
| Accounts receivable | 5,498,642 | (3,979,770) | (1,337,177) | (3,208,819) |
| Inventories | 7,589,768 | 7,553,833 | 907,009 | 2,624,060 |
| Other current assets | (984,253) | 1,014,698 | 167,509 | 944,778 |
| Regulatory assets and liabilities | (7,435,651) | (17,773,465) | 1,748,790 | 1,387,129 |
| Accounts payable | (6,819,011) | (1,559,082) | (691,154) | 716,405 |
| Taxes accrued | (10,962,847) | 1,168,453 | 206,138 | 968,399 |
| Interest accrued | 266,798 | 2,057,736 | 3,626 | 214,377 |
| Other current liabilities | 24,523,383 | (679,607) | (676,312) | (764,052) |
| Other operating activities | | | | |
| ARO expenditures | (25,381,076) | (24,077,771) | (25,080,389) | (20,937,563) |
| Defined benefit plans - funding | (60,922,973) | (7,171,355) | (6,606,756) | (6,635,579) |
| Other | (14,957) | 0 | (0) | (0) |
| Net cash provided by operating activities | 414,527,725 | 461,404,421 | 470,915,576 | 450,373,344 |
| | | | | |
| **Cash Flows from Investing Activities** | | | | |
| Expenditures for property, plant and equipment | (577,977,079) | (533,846,793) | (391,143,469) | (467,618,528) |
| Net cash used in investing activities | (577,977,079) | (533,846,793) | (391,143,469) | (467,618,528) |
| | | | | |
| **Cash Flows from Financing Activities** | | | | |
| Issuance of long-term debt | 100,000,000 | 500,000,000 | - | - |
| Net increase (decrease) in short-term debt | 80,219,963 | (166,610,294) | 58,119,229 | 97,066,242 |
| Contributions from PPL | 126,071,328 | 96,468,286 | 72,535,205 | 95,074,985 |
| Payment of common stock dividends to parent | (151,264,200) | (152,590,620) | (210,426,540) | (174,896,043) |
| Retirement of long-term debt | - | (200,000,000) | - | - |
| Other financing activities | (1,227,424) | (4,825,000) | - | 0 |
| Net Cash provided by financing activities | 153,799,667 | 72,442,372 | (79,772,107) | 17,245,185 |
| | | | | |
| **Net Increase (Decrease) in Cash and Cash Equivalents** | (9,649,687) | 0 | 0 | 0 |
| Cash and Cash Equivalents at Beginning of Period | 14,669,477 | 5,019,790 | 5,019,790 | 5,019,790 |
| Cash and Cash Equivalents at End of Period | 5,019,790 | 5,019,790 | 5,019,790 | 5,019,790 |

Note: The cash flow statements presented are at the total Company level and not at a jurisdictional level.

**Louisville Gas and Electric Company**
**Case No. 2018-00295**
**Forecasted Test Period Filing Requirements**
**(Forecasted Test Period 12ME 4/30/20; Base Period 12ME 12/31/18)**

**Filing Requirement**
**807 KAR 5:001 Section 16(7)(h)(4)**
**Sponsoring Witness: Daniel K. Arbough**

**Description of Filing Requirement:**

*A financial forecast corresponding to each of the three (3) forecasted years included in the capital construction budget. The financial forecast shall be supported by the underlying assumptions made in projecting the results of operations and shall include the following information:*

*4. Revenue requirements necessary to support the forecasted rate of return;*

**Response:**

See attached. Note that the attached does not reflect any impact from rate case activity beyond 2018.

LOUISVILLE GAS AND ELECTRIC COMPANY
CASE NO. 2018-00295
OVERALL FINANCIAL SUMMARY
FORECAST PERIOD FOR THE 12 MONTHS ENDED DECEMBER 31,

| LINE NO. | DESCRIPTION | FORECASTED 2018 JURISDICTIONAL REVENUE REQUIREMENT | 2019 JURISDICTIONAL REVENUE REQUIREMENT | 2020 JURISDICTIONAL REVENUE REQUIREMENT | 2021 JURISDICTIONAL REVENUE REQUIREMENT |
|---|---|---|---|---|---|
| | | $ | $ | $ | $ |
| 1 | CAPITALIZATION ALLOCATED TO ELECTRIC OPERATIONS (a) | 2,465,167,090 | 2,523,862,811 | 2,659,753,553 | 2,771,249,987 |
| 2 | ADJUSTED OPERATING INCOME | 183,311,097 | 165,881,400 | 166,551,424 | 155,776,336 |
| 3 | EARNED RATE OF RETURN (2 / 1) | 7.44% | 6.57% | 6.26% | 5.62% |
| 4 | REQUIRED RATE OF RETURN | 7.37% | 7.57% | 7.63% | 7.63% |
| 5 | REQUIRED OPERATING INCOME (1 x 4) | 181,586,749 | 191,007,341 | 202,944,244 | 211,442,966 |
| 6 | OPERATING INCOME DEFICIENCY (5 - 2) | (1,724,348) | 25,125,941 | 36,392,820 | 55,666,630 |
| 7 | GROSS REVENUE CONVERSION FACTOR | 1.337554 | 1.337554 | 1.337554 | 1.337554 |
| 8 | REVENUE DEFICIENCY (6 x 7) | (2,306,410) | 33,607,315 | 48,677,379 | 74,457,152 |
| 9 | ADJUSTED OPERATING REVENUES | 995,404,505 | 999,431,364 | 1,012,059,742 | 1,015,526,795 |
| 10 | REVENUE REQUIREMENTS (8 + 9) | 993,098,095 | 1,033,038,678 | 1,060,737,121 | 1,089,983,946 |

(a) 2019-2021 - 13 months average

LOUISVILLE GAS AND ELECTRIC COMPANY
CASE NO. 2018-00295
OVERALL FINANCIAL SUMMARY
FORECAST PERIOD FOR THE 12 MONTHS ENDED DECEMBER 31,

| | | FORECASTED | | | |
|---|---|---|---|---|---|
| | | 2018 | 2019 | 2020 | 2021 |
| LINE NO. | DESCRIPTION | JURISDICTIONAL REVENUE REQUIREMENT | JURISDICTIONAL REVENUE REQUIREMENT | JURISDICTIONAL REVENUE REQUIREMENT | JURISDICTIONAL REVENUE REQUIREMENT |
| | | $ | $ | $ | $ |
| 1 | CAPITALIZATION ALLOCATED TO GAS OPERATIONS (a) | 752,823,239 | 770,735,122 | 828,487,884 | 893,440,339 |
| 2 | ADJUSTED OPERATING INCOME | 43,576,924 | 37,802,801 | 46,133,694 | 41,505,137 |
| 3 | EARNED RATE OF RETURN (2 / 1) | 5.79% | 4.90% | 5.57% | 4.65% |
| 4 | REQUIRED RATE OF RETURN | 7.37% | 7.57% | 7.63% | 7.63% |
| 5 | REQUIRED OPERATING INCOME (1 x 4) | 55,453,736 | 58,329,663 | 63,215,198 | 68,168,399 |
| 6 | OPERATING INCOME DEFICIENCY (5 - 2) | 11,876,812 | 20,526,861 | 17,081,504 | 26,663,262 |
| 7 | GROSS REVENUE CONVERSION FACTOR | 1.337554 | 1.337554 | 1.337554 | 1.337554 |
| 8 | REVENUE DEFICIENCY (6 x 7) | 15,885,883 | 27,455,795 | 22,847,442 | 35,663,566 |
| 9 | ADJUSTED OPERATING REVENUES | 180,317,214 | 184,961,165 | 190,439,938 | 189,632,961 |
| 10 | REVENUE REQUIREMENTS (8 + 9) | 196,203,097 | 212,416,960 | 213,287,380 | 225,296,527 |

(a) 2019-2021 - 13 months average

**Filing Requirement**
**807 KAR 5:001 Section 16(7)(h)(5)**
**Sponsoring Witness: David S. Sinclair**


**Description of Filing Requirement:**

*A financial forecast corresponding to each of the three (3) forecasted years included in the capital construction budget. The financial forecast shall be supported by the underlying assumptions made in projecting the results of operations and shall include the following information:*

*5. Load forecast including energy and demand (electric);*

**Response:**

**Table 1: LG&E Energy (GWh)**

| **Rate** | **2018*** | **2019** | **2020** | **2021** |
|---|---|---|---|---|
| PS-Pri | 100 | 106 | 107 | 107 |
| PS-Sec | 1,753 | 1,739 | 1,737 | 1,734 |
| TOD-Pri | 2,024 | 2,038 | 2,043 | 2,044 |
| TOD-Sec | 1,175 | 1,187 | 1,193 | 1,198 |
| Special Contract | 56 | 57 | 57 | 57 |
| GS | 1,303 | 1,281 | 1,275 | 1,269 |
| EV Charging | 0 | 0 | 0 | 0 |
| Outdoor School Lighting | 0 | 0 | 0 | 0 |
| RS | 4,236 | 4,070 | 4,076 | 4,062 |
| RTOD | 1 | 1 | 1 | 1 |
| RTS | 1,052 | 1,056 | 1,056 | 1,056 |
| Lighting | 109 | 109 | 108 | 106 |
| Total | 11,809 | 11,644 | 11,653 | 11,634 |

*2018 includes 6 months of actual and 6 months of forecasted data

**Table 2: LG&E Demand**

| Rate | Period | Unit | 2018* | 2019 | 2020 | 2021 |
|---|---|---|---|---|---|---|
| Special Contract | BASE | MW | 116 | 112 | 112 | 112 |
| OSL | BASE | MW | 2 | 2 | 2 | 2 |
| OSL | PEAK | MW | 0 | 0 | 0 | 0 |
| PS-Pri | BASE | MW | 395 | 305 | 284 | 284 |
| PS-Sec | BASE | MW | 4,901 | 4,783 | 4,770 | 4,762 |
| RTOD | BASE | MW | 0 | 0 | 0 | 0 |
| RTOD | PEAK | MW | 0 | 0 | 0 | 0 |
| RTS | BASE | MVA | 2,570 | 2,405 | 2,362 | 2,362 |
| RTS | INTERMEDIATE | MVA | 2,172 | 2,099 | 2,086 | 2,086 |
| RTS | PEAK | MVA | 2,132 | 2,071 | 2,060 | 2,060 |
| TOD-Pri | BASE | MVA | 5,339 | 5,369 | 5,399 | 5,408 |
| TOD-Pri | INTERMEDIATE | MVA | 4,445 | 4,432 | 4,444 | 4,447 |
| TOD-Pri | PEAK | MVA | 4,354 | 4,351 | 4,364 | 4,367 |
| TOD-Sec | BASE | MW | 3,434 | 3,381 | 3,426 | 3,444 |
| TOD-Sec | INTERMEDIATE | MW | 2,633 | 2,583 | 2,597 | 2,609 |
| TOD-Sec | PEAK | MW | 2,578 | 2,517 | 2,533 | 2,545 |

*2018 includes 6 months of actual and 6 months of forecasted data

**Louisville Gas and Electric Company**
**Case No. 2018-00295**
**Forecasted Test Period Filing Requirements**
**(Forecasted Test Period 12ME 4/30/20; Base Period 12ME 12/31/18)**

**Filing Requirement**
**807 KAR 5:001 Section 16(7)(h)(6)**
**Sponsoring Witness: Robert M. Conroy**

**Description of Filing Requirement:**

*A financial forecast corresponding to each of the three (3) forecasted years included in the capital construction budget. The financial forecast shall be supported by the underlying assumptions made in projecting the results of operations and shall include the following information:*

*6. Access line forecast (telephone);*

**Response:**

Not applicable to LG&E's Application.

**Louisville Gas and Electric Company**
**Case No. 2018-00295**
**Forecasted Test Period Filing Requirements**
**(Forecasted Test Period 12ME 4/30/20; Base Period 12ME 12/31/18)**

**Filing Requirement**
**807 KAR 5:001 Section 16(7)(h)(7)**
**Sponsoring Witness: David S. Sinclair**

**Description of Filing Requirement:**

*A financial forecast corresponding to each of the three (3) forecasted years included in the capital construction budget. The financial forecast shall be supported by the underlying assumptions made in projecting the results of operations and shall include the following information:*

*7. Mix of generation (electric);*

**Response:**

See attached.

| *GWh*[1] | **2018**[2] | **2019** | **2020** | **2021** |
|---|---|---|---|---|
| **Coal** | | | | |
| Brown 1 | N/A | N/A | N/A | N/A |
| Brown 2 | N/A | N/A | N/A | N/A |
| Brown 3 | N/A | N/A | N/A | N/A |
| Ghent 1 | N/A | N/A | N/A | N/A |
| Ghent 2 | N/A | N/A | N/A | N/A |
| Ghent 3 | N/A | N/A | N/A | N/A |
| Ghent 4 | N/A | N/A | N/A | N/A |
| Mill Creek 1 | 1,990 | 1,598 | 1,801 | 1,757 |
| Mill Creek 2 | 1,490 | 1,749 | 1,627 | 1,777 |
| Mill Creek 3 | 2,476 | 2,028 | 2,335 | 2,328 |
| Mill Creek 4 | 2,641 | 3,005 | 2,635 | 3,031 |
| OVEC | 558 | 549 | 531 | 533 |
| Trimble County 1 | 2,518 | 2,341 | 2,384 | 2,175 |
| Trimble County 2 | 559 | 630 | 650 | 638 |
| **SCCT** | | | | |
| Bluegrass/EKPC[3] | 58 | 16 | N/A | N/A |
| Brown 5 | 55 | 80 | 63 | 66 |
| Brown 6 | 53 | 46 | 36 | 44 |
| Brown 7 | 49 | 25 | 26 | 26 |
| Brown 8 | N/A | N/A | N/A | N/A |
| Brown 9 | N/A | N/A | N/A | N/A |
| Brown 10 | N/A | N/A | N/A | N/A |
| Brown 11 | N/A | N/A | N/A | N/A |
| Cane Run 11 | 0 | 1 | 0 | 0 |
| Haefling | N/A | N/A | N/A | N/A |
| Paddy’s Run 11 | 0 | 0 | 0 | 0 |
| Paddy’s Run 12 | 0 | 0 | 0 | 1 |
| Paddy’s Run 13 | 58 | 78 | 72 | 63 |
| Trimble Co 05 | 55 | 108 | 100 | 87 |
| Trimble Co 06 | 50 | 78 | 75 | 64 |
| Trimble Co 07 | 83 | 71 | 73 | 61 |
| Trimble Co 08 | 68 | 33 | 30 | 17 |
| Trimble Co 09 | 58 | 20 | 14 | 46 |
| Trimble Co 10 | 15 | 9 | 10 | 11 |
| Zorn 1 | 0 | 0 | 0 | 0 |
| **NGCC** | | | | |
| Cane Run 7 | 1,100 | 1,162 | 1,074 | 1,163 |
| **Hydro** | | | | |
| Dix Dam | N/A | N/A | N/A | N/A |
| Ohio Falls | 247 | 300 | 300 | 300 |
| **Solar** | | | | |
| Brown Solar | 7 | 7 | 7 | 7 |
| **Total Coal** | 12,231 | 11,900 | 11,963 | 12,239 |
| **Total SCCT** | 605 | 565 | 499 | 485 |
| **Total NGCC** | 1,100 | 1,162 | 1,074 | 1,163 |
| **Total Hydro** | 247 | 300 | 300 | 300 |
| **Total Solar** | 7 | 7 | 7 | 7 |
| **Grand Total** | 14,190 | 13,934 | 13,844 | 14,194 |

[1] Generation volumes reflect LG&E’s ownership share of the unit. “N/A” is shown for units with no LG&E ownership share.
[2] 2018 generation volumes reflect actual generation for January-June and forecast generation for July-December.
[3] Capacity Purchase and Tolling Agreement with Bluegrass Generation/EKPC

**Louisville Gas and Electric Company**
**Case No. 2018-00295**
**Forecasted Test Period Filing Requirements**
**(Forecasted Test Period 12ME 4/30/20; Base Period 12ME 12/31/18)**

**Filing Requirement**
**807 KAR 5:001 Section 16(7)(h)(8)**
**Sponsoring Witness: Lonnie E. Bellar**

**Description of Filing Requirement:**

*A financial forecast corresponding to each of the three (3) forecasted years included in the capital construction budget. The financial forecast shall be supported by the underlying assumptions made in projecting the results of operations and shall include the following information:*

*8. Mix of gas supply (gas);*

**Response:**

| | | | | |
|---|---|---|---|---|
| LOUISVILLE GAS AND ELECTRIC COMPANY | | | | |
| MIX OF GAS SUPPLY | | | | |
| CALENDAR YEARS 2018, 2019, 2020, 2021 | | | | |
| | | | | |
| **MMcf** | **2018 *** | **2019** | **2020** | **2021** |
| | | | | |
| Total Pipeline Purchases | 33,125 | 33,733 | 33,604 | 33,232 |

*2018: 6 months actual, 6 months forecast

**Louisville Gas and Electric Company**
**Case No. 2018-00295**
**Forecasted Test Period Filing Requirements**
**(Forecasted Test Period 12ME 4/30/20; Base Period 12ME 12/31/18)**

**Filing Requirement**
**807 KAR 5:001 Section 16(7)(h)(9)**
**Sponsoring Witness: Daniel K. Arbough**

## Description of Filing Requirement:

*A financial forecast corresponding to each of the three (3) forecasted years included in the capital construction budget. The financial forecast shall be supported by the underlying assumptions made in projecting the results of operations and shall include the following information:*

*9. Employee level;*

## Response:

See attached.

**Louisville Gas and Electric Company**
**Case No. 2018-00295**
**Employee Level**
**Years 2018-2021**

| | Estimated Number of Full-Time LG&E Employees at 12/31 |
|---|---|
| 2018 | 1048 |
| 2019 | 1071 |
| 2020 | 1072 |
| 2021 | 1065 |

| | Estimated Number of Total LG&E Employees at 12/31^ |
|---|---|
| 2018 | 1076 |
| 2019 | 1102 |
| 2020 | 1103 |
| 2021 | 1096 |

| | Estimated Number of Full-Time LG&E and KU Services Company (LKS) Employees at 12/31* |
|---|---|
| 2018 | 1618 |
| 2019 | 1628 |
| 2020 | 1633 |
| 2021 | 1630 |

| | Estimated Number of Total LG&E and KU Services Company (LKS) Employees at 12/31*^ |
|---|---|
| 2018 | 1708 |
| 2019 | 1715 |
| 2020 | 1720 |
| 2021 | 1717 |

*LGE and KU Services employees serve LGE, KU, and LGE & KU Energy LLC. Number of LGE and KU Services employees is not allocated; however, labor dollars are allocated via the Cost Allocation Manual (CAM).

^ Totals include part-time employees, cooperatives and interns.

**Louisville Gas and Electric Company**
**Case No. 2018-00295**
**Forecasted Test Period Filing Requirements**
**(Forecasted Test Period 12ME 4/30/20; Base Period 12ME 12/31/18)**

**Filing Requirement**
**807 KAR 5:001 Section 16(7)(h)(10)**
**Sponsoring Witness: Daniel K. Arbough**

**Description of Filing Requirement:**

*A financial forecast corresponding to each of the three (3) forecasted years included in the capital construction budget. The financial forecast shall be supported by the underlying assumptions made in projecting the results of operations and shall include the following information:*

*10. Labor cost changes;*

**Response:**

See attached.

**Louisville Gas & Electric Company**
**Case No. 2018-00295**
**Labor Cost**
**Years 2018-2021**

| Forecast Year | Total Wages | Amount Over Previous Year | Percentage Over Previous Year |
|---|---|---|---|
| 2018 | $ 175,092,247 | | |
| 2019 | $ 174,393,782 | $ (698,465) | -0.40% |
| 2020 | $ 180,402,324 | $ 6,008,542 | 3.45% |
| 2021 | $ 184,616,731 | $ 4,214,407 | 2.34% |

**Louisville Gas and Electric Company**
**Case No. 2018-00295**
**Forecasted Test Period Filing Requirements**
**(Forecasted Test Period 12ME 4/30/20; Base Period 12ME 12/31/18)**

**Filing Requirement**
**807 KAR 5:001 Section 16(7)(h)(11)**
**Sponsoring Witness: Daniel K. Arbough**

**Description of Filing Requirement:**

*A financial forecast corresponding to each of the three (3) forecasted years included in the capital construction budget. The financial forecast shall be supported by the underlying assumptions made in projecting the results of operations and shall include the following information:*

*11. Capital structure requirements;*

**Response:**

See attached.

LOUISVILLE GAS AND ELECTRIC COMPANY
CASE NO. 2018-00295
ELECTRIC - CAPITAL STRUCTURE REQUIREMENT
AS OF
DECEMBER 31

| | | FORECASTED | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | 2018 | | 2019 | | 2020 | | 2021 | |
| LINE NO. | CLASS OF CAPITAL | JURISDICTIONAL ADJUSTED | PERCENT OF TOTAL | JURISDICTIONAL ADJUSTED | PERCENT OF TOTAL | JURISDICTIONAL ADJUSTED | PERCENT OF TOTAL | JURISDICTIONAL ADJUSTED | PERCENT OF TOTAL |
| | (A) | (B) | (C) | (D) | (E) | (F) | (G) | (H) | (I) |
| | | $ | | $ | | $ | | $ | |
| | ELECTRIC: | | | | | | | | |
| 1 | DEBT | 156,096,809 | 6.33% | 63,444,627 | 2.40% | 97,051,731 | 3.54% | 153,086,498 | 5.34% |
| 2 | DEBT | 1,002,470,207 | 40.67% | 1,177,928,207 | 44.60% | 1,189,982,621 | 43.46% | 1,194,978,649 | 41.66% |
| 3 | EQUITY | 1,306,600,074 | 53.00% | 1,399,895,084 | 53.00% | 1,451,291,440 | 53.00% | 1,520,184,077 | 53.00% |
| 4 | TOTAL CAPITAL | 2,465,167,090 | 100.00% | 2,641,267,918 | 100.00% | 2,738,325,791 | 100.00% | 2,868,249,224 | 100.00% |

LOUISVILLE GAS AND ELECTRIC COMPANY
CASE NO. 2018-00295
GAS - CAPITAL STRUCTURE REQUIREMENT
AS OF
DECEMBER 31

| | | FORECASTED | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | 2018 | | 2019 | | 2020 | | 2021 | |
| LINE NO. | CLASS OF CAPITAL | JURISDICTIONAL ADJUSTED | PERCENT OF TOTAL | JURISDICTIONAL ADJUSTED | PERCENT OF TOTAL | JURISDICTIONAL ADJUSTED | PERCENT OF TOTAL | JURISDICTIONAL ADJUSTED | PERCENT OF TOTAL |
| | (A) | (B) | (C) | (D) | (E) | (F) | (G) | (H) | (I) |
| | | $ | | $ | | $ | | $ | |
| | GAS: | | | | | | | | |
| 1 | DEBT | 47,669,509 | 6.33% | 19,342,178 | 2.40% | 30,586,082 | 3.54% | 50,221,553 | 5.34% |
| 2 | DEBT | 306,138,627 | 40.67% | 359,111,521 | 44.60% | 375,025,829 | 43.46% | 392,024,669 | 41.66% |
| 3 | EQUITY | 399,015,103 | 53.00% | 426,781,913 | 53.00% | 457,377,919 | 53.00% | 498,711,554 | 53.00% |
| 4 | TOTAL CAPITAL | 752,823,239 | 100.00% | 805,235,611 | 100.00% | 862,989,830 | 100.00% | 940,957,776 | 100.00% |

**Louisville Gas and Electric Company**
**Case No. 2018-00295**
**Forecasted Test Period Filing Requirements**
**(Forecasted Test Period 12ME 4/30/20; Base Period 12ME 12/31/18)**

**Filing Requirement**
**807 KAR 5:001 Section 16(7)(h)(12)**
**Sponsoring Witness: Daniel K. Arbough**

**Description of Filing Requirement:**

*A financial forecast corresponding to each of the three (3) forecasted years included in the capital construction budget. The financial forecast shall be supported by the underlying assumptions made in projecting the results of operations and shall include the following information:*

*12. Rate base;*

**Response:**

See attached.

**LOUISVILLE GAS AND ELECTRIC COMPANY**

**Electric - Net Original Cost Rate Base as of December 31**

| | Title of Account (1) | Forecasted 2018 (2) | 2019 (3) | 2020 (3) | 2021 (4) |
|---|---|---|---|---|---|
| 1. | Utility Plant at Original Cost | $ 4,635,947,424 | $ 4,826,813,837 | $ 5,030,884,585 | $ 5,270,963,237 |
| 2. | Deduct: | | | | |
| 3. | Reserve for Depreciation | 1,738,844,873 | 1,764,593,580 | 1,866,163,687 | 1,974,029,733 |
| 4. | Net Utility Plant | 2,897,102,551 | 3,062,220,257 | 3,164,720,899 | 3,296,933,505 |
| 5. | Deduct: | | | | |
| 6. | Customer Advances for Construction | 6,462,455 | 6,462,455 | 6,462,455 | 6,462,455 |
| 7. | Accumulated Deferred Income Taxes | 674,479,101 | 680,288,709 | 678,489,510 | 671,779,229 |
| 8. | Total Deductions | 680,941,556 | 686,751,164 | 684,951,965 | 678,241,684 |
| 9. | Net Plant Deductions | 2,216,160,995 | 2,375,469,094 | 2,479,768,934 | 2,618,691,820 |
| 10. | Add: | | | | |
| 11. | Material and Supplies | 77,344,276 | 73,371,387 | 73,579,568 | 74,940,018 |
| 12. | Gas Stored Underground | - | - | - | - |
| 13. | Prepayments | 13,413,067 | 12,877,597 | 13,285,852 | 12,967,457 |
| 14. | Cash Working Capital (page 2) | 73,608,387 | 114,300,220 | 114,071,487 | 114,118,392 |
| 15. | Total Additions | 164,365,729 | 200,549,204 | 200,936,907 | 202,025,867 |
| 16. | Total Net Original Cost Rate Base | $ 2,380,526,725 | $ 2,576,018,297 | $ 2,680,705,841 | $ 2,820,717,687 |

**LOUISVILLE GAS AND ELECTRIC COMPANY**

**Gas - Net Original Cost Rate Base as of December 31**

| | Title of Account (1) | Forecasted 2018 (2) | 2019 (3) | 2020 (4) | 2021 (5) |
|---|---|---|---|---|---|
| 1. | Utility Plant at Original Cost | $ 1,315,951,056 | $ 1,379,462,130 | $ 1,464,691,778 | $ 1,569,873,231 |
| 2. | Deduct: | | | | |
| 3. | Reserve for Depreciation | 397,544,153 | 411,059,553 | 436,821,643 | 461,629,820 |
| 4. | Net Utility Plant | 918,406,902 | 968,402,577 | 1,027,870,135 | 1,108,243,412 |
| 5. | Deduct: | | | | |
| 6. | Customer Advances for Construction | 7,666,910 | 7,666,910 | 7,666,910 | 7,666,910 |
| 7. | Accumulated Deferred Income Taxes | 222,471,309 | 224,733,032 | 224,687,156 | 225,483,380 |
| 8. | Total Deductions | 230,138,219 | 232,399,942 | 232,354,066 | 233,150,290 |
| 9. | Net Plant Deductions | 688,268,683 | 736,002,635 | 795,516,069 | 875,093,122 |
| 10. | Add: | | | | |
| 11. | Material and Supplies | 760,152 | 770,580 | 764,019 | 755,542 |
| 12. | Gas Stored Underground | 30,236,001 | 24,769,529 | 22,669,598 | 21,766,427 |
| 13. | Prepayments | 3,176,179 | 3,101,553 | 3,199,881 | 3,123,196 |
| 14. | Cash Working Capital (page 2) | 10,093,943 | 22,465,273 | 22,465,273 | 22,465,273 |
| 15. | Total Additions | 44,266,275 | 51,106,935 | 49,098,771 | 48,110,438 |
| 16. | Total Net Original Cost Rate Base | $ 732,534,958 | $ 787,109,571 | $ 844,614,841 | $ 923,203,560 |

**Louisville Gas and Electric Company**
**Case No. 2018-00295**
**Forecasted Test Period Filing Requirements**
**(Forecasted Test Period 12ME 4/30/20; Base Period 12ME 12/31/18)**

**Filing Requirement**
**807 KAR 5:001 Section 16(7)(h)(13)**
**Sponsoring Witness: Robert M. Conroy**

**Description of Filing Requirement:**

*A financial forecast corresponding to each of the three (3) forecasted years included in the capital construction budget. The financial forecast shall be supported by the underlying assumptions made in projecting the results of operations and shall include the following information:*

*13. Gallons of water projected to be sold (water);*

**Response:**

Not applicable to LG&E’s Application.

**Louisville Gas and Electric Company**
**Case No. 2018-00295**
**Forecasted Test Period Filing Requirements**
**(Forecasted Test Period 12ME 4/30/20; Base Period 12ME 12/31/18)**

**Filing Requirement**
**807 KAR 5:001 Section 16(7)(h)(14)**
**Sponsoring Witness: David S. Sinclair**

**Description of Filing Requirement:**

*A financial forecast corresponding to each of the three (3) forecasted years included in the capital construction budget. The financial forecast shall be supported by the underlying assumptions made in projecting the results of operations and shall include the following information:*

*14. Customer forecast (gas, water);*

**Response:**

**Table 1: LG&E Gas Customers**

| Rate | 2018* | 2019 | 2020 | 2021 |
|---|---|---|---|---|
| As-Available Gas Service, Commercial | 2 | 2 | 2 | 2 |
| As-Available Gas Service, Industrial | 2 | 2 | 2 | 2 |
| Distributed Generation Gas Service | 2 | 2 | 2 | 2 |
| Firm Commercial Gas Service | 25,164 | 25,083 | 25,072 | 25,068 |
| Firm Industrial Gas Service | 244 | 245 | 246 | 247 |
| Gas Special Contracts - LG&E Generation | 1 | 1 | 1 | 1 |
| Gas Transport Service, FT Commercial | 9 | 9 | 9 | 9 |
| Gas Transport Service, FT Industrial | 66 | 68 | 68 | 68 |
| Residential Gas Service | 297,912 | 298,673 | 299,642 | 300,700 |
| Substitute Gas Sales Service | 1 | 1 | 1 | 1 |
| TS-2: Gas Trans/Firm Balancing (AAGS In) | 2 | 1 | 1 | 1 |
| TS-2: Gas Transport/Firm Balancing (IGS) | 6 | 5 | 5 | 5 |
| Total | 323,411 | 324,092 | 325,051 | 326,106 |

*2018 includes 6 months of actual and 6 months of forecasted data

**Louisville Gas and Electric Company**
**Case No. 2018-00295**
**Forecasted Test Period Filing Requirements**
**(Forecasted Test Period 12ME 4/30/20; Base Period 12ME 12/31/18)**

**Filing Requirement**
**807 KAR 5:001 Section 16(7)(h)(15)**
**Sponsoring Witness: David S. Sinclair**

**Description of Filing Requirement:**

*A financial forecast corresponding to each of the three (3) forecasted years included in the capital construction budget. The financial forecast shall be supported by the underlying assumptions made in projecting the results of operations and shall include the following information:*

*15. Sales volume forecasts – cubic feet (gas);*

**Response:**

**Table 1: LG&E Gas Volumes (Mcf)**

| Rate | 2018* | 2019 | 2020 | 2021 |
|---|---|---|---|---|
| As-Available Gas Service, Commercial | 83,839 | 73,759 | 73,759 | 73,759 |
| As-Available Gas Service, Industrial | 78,660 | 72,410 | 72,410 | 72,410 |
| Distributed Generation Gas Service | 16 | 8 | 8 | 8 |
| Firm Commercial Gas Service | 11,087,748 | 10,006,796 | 9,858,000 | 9,695,888 |
| Firm Industrial Gas Service | 1,498,646 | 1,435,449 | 1,459,706 | 1,457,256 |
| Gas Special Contracts - LG&E Generation | 367,340 | 409,194 | 415,572 | 403,294 |
| Gas Transport Service, FT Commercial | 615,212 | 571,921 | 573,111 | 576,152 |
| Gas Transport Service, FT Industrial | 13,514,598 | 12,714,339 | 12,761,812 | 12,875,969 |
| Residential Gas Service | 20,882,443 | 19,346,005 | 19,327,171 | 19,147,351 |
| Substitute Gas Sales Service | 12,909 | 1,500 | 1,500 | 1,500 |
| TS-2: Gas Trans/Firm Balancing (AAGS In) | 173,376 | 69,946 | 69,946 | 69,946 |
| TS-2: Gas Transport/Firm Balancing (IGS) | 449,479 | 350,712 | 350,712 | 350,712 |
| Total | 48,764,266 | 45,052,039 | 44,963,707 | 44,724,245 |

*2018 includes 6 months of actual and 6 months of forecasted data

**Louisville Gas and Electric Company**
**Case No. 2018-00295**
**Forecasted Test Period Filing Requirements**
**(Forecasted Test Period 12ME 4/30/20; Base Period 12ME 12/31/18)**

**Filing Requirement**
**807 KAR 5:001 Section 16(7)(h)(16)**
**Sponsoring Witness: Robert M. Conroy**

**Description of Filing Requirement:**

*A financial forecast corresponding to each of the three (3) forecasted years included in the capital construction budget. The financial forecast shall be supported by the underlying assumptions made in projecting the results of operations and shall include the following information:*

*16. Toll and access forecast of number of calls and number of minutes (telephone); and*

**Response:**

Not applicable to LG&E's Application.

**Louisville Gas and Electric Company**
**Case No. 2018-00295**
**Forecasted Test Period Filing Requirements**
**(Forecasted Test Period 12ME 4/30/20; Base Period 12ME 12/31/18)**

**Filing Requirement**
**807 KAR 5:001 Section 16(7)(h)(17)**
**Sponsoring Witness: Robert M. Conroy**

**Description of Filing Requirement:**

*A financial forecast corresponding to each of the three (3) forecasted years included in the capital construction budget. The financial forecast shall be supported by the underlying assumptions made in projecting the results of operations and shall include the following information:*

*17. A detailed explanation of other information provided, if applicable.*

**Response:**

Not applicable to LG&E's Application.

**Louisville Gas and Electric Company**
**Case No. 2018-00295**
**Forecasted Test Period Filing Requirements**
**(Forecasted Test Period 12ME 4/30/20; Base Period 12ME 12/31/18)**

**Filing Requirement**
**807 KAR 5:001 Section 16(7)(i)**
**Sponsoring Witness: Christopher M. Garrett**

**Description of Filing Requirement:**

*The most recent Federal Energy Regulatory Commission or Federal Communications Commission audit reports.*

**Response:**

The most recent Federal Energy Regulatory Commission ("FERC") audit report relating to LG&E is attached. The Federal Communications Commission has not conducted an audit of LG&E, and, therefore, no such audit reports exist.

In Reply Refer To:
Office of Enforcement
Docket No. FA12-12-000
October 9, 2014

PPL Corporation
Attention: Robert J. Grey
Executive Vice President, General Counsel and Secretary
Two North Ninth St.
Allentown, PA 18101

Dear Mr. Grey:

1. The Division of Audits and Accounting within the Office of Enforcement (OE) has completed an audit of PPL Corporation (PPL), including its service companies and associated companies. The purpose of the audit was to evaluate the companies' compliance with Federal Energy Regulatory Commission (Commission): (1) cross-subsidization restrictions on affiliate transactions under 18 C.F.R. pt. 35; (2) accounting, recordkeeping, and reporting requirements under 18 C.F.R. pt. 366; (3) Uniform System of Accounts (USofA) for centralized service companies under 18 C.F.R. pt. 367; (4) preservation of records requirements for holding and service companies under 18 C.F.R. pt. 368; and (5) FERC Form No. 60 annual report requirements under 18 C.F.R. pt. 369.

The audit evaluated PPL's associated public utilities' compliance with Commission accounting requirements for transactions with associated companies under 18 C.F.R. pt. 101 and the applicable reporting requirements in the FERC Form No. 1. The audit also evaluated compliance with the conditions upon which the Commission granted merger and acquisition of jurisdictional facilities authorization in Docket No. EC10-77-000.

Moreover, the audit evaluated Kentucky Utilities Company (KU) and Louisville Gas and Electric Company's (LG&E) compliance with their transmission cost-of-service formula rate schedule included as Attachment O of KU and LG&E's Open Access Transmission Tariff (OATT) and PPL Electric Utilities Corporation's compliance with its transmission cost of service formula rate schedule included as Attachment H-8-G of PJM Interconnection, L.L.C.'s OATT. The audit covered the period from January 1, 2010 through December 31, 2011. The enclosed audit report explains our audit findings and recommendations.

2. On September 26, 2014, PPL agreed with the findings and accepted the recommendations contained in the audit report. PPL stated it has already undertaken some corrective actions, as observed in the audit report.

3. In addition, PPL also provided descriptions of the planned corrective actions it will take to comply with the audit report recommendations and provided target completion dates. The appendix to the audit report includes a copy of PPL's response. I hereby approve the audit report.

4. PPL should submit its implementation plan within 30 days of this letter and make quarterly submissions to DAA describing the progress made to comply with the recommendations. As indicated in the audit report, these submissions should be made no later than 30 days after the end of each calendar quarter, beginning with the first quarter after this audit report is issued, and continuing until all corrective actions are completed.

5. The Commission delegated the authority to act on this matter to the Director of OE under 18 C.F.R. section 375.311 (2013). This letter order constitutes final agency action. PPL may file a request for rehearing with the Commission within 30 days of the date of this order under 18 C.F.R. section 385.713 (2013).

6. This letter order is without prejudice to the Commission's right to require hereafter any adjustments it may consider proper from additional information that may come to its attention. In addition, any instance of non-compliance not addressed herein or that may occur in the future may also be subject to investigation and appropriate remedies.

7. I appreciate the courtesies extended to the auditors. If you have any questions, please contact Mr. Bryan K. Craig, Director and Chief Accountant, Division of Audits and Accounting at (202) 502-8741.

Sincerely,

Larry D. Gasteiger
Acting Director
Office of Enforcement

Enclosure

Federal Energy Regulatory Commission

# Audit of
# PPL Corporation's Affiliate Transactions, and Compliance with:

- Cross-subsidization Restrictions on Affiliated Transactions;

- Regulations under the Public Utility Holding Company Act of 2005;

- Uniform System of Accounts for Public Utilities and Accounting for Service Company Billings;

- Merger Conditions under Docket No. EC10-77-000; and

- Transmission Formula Rates

Docket No. FA12-12-000
October 9, 2014

**Office of Enforcement**
**Division of Audits and Accounting**

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# I. Executive Summary

## A. Overview

The Division of Audits and Accounting (DAA) within the Office of Enforcement has completed an audit of PPL Corporation (PPL), including its service and associated companies. The audit was commenced to evaluate compliance with the Federal Energy Regulatory Commission's (FERC or the Commission): (1) cross-subsidization restrictions on affiliate transactions;[1] (2) accounting, recordkeeping, and reporting requirements;[2] (3) Uniform System of Accounts (USofA) for centralized service companies;[3] (4) preservation of records requirements for holding and service companies;[4] and (5) FERC Form No. 60 annual report requirements.[5]

The audit evaluated PPL's associated public utilities' compliance with Commission accounting requirements for transactions with associated companies under 18 C.F.R. pt. 101 and applicable reporting requirements in the FERC Form No. 1. The audit also evaluated compliance with the conditions upon which the Commission granted merger and acquisition of jurisdictional facilities authorization in Docket No. EC10-77-000. Lastly, the audit evaluated Kentucky Utilities Company (KU) and Louisville Gas and Electric Company's (LG&E) compliance with their transmission cost-of-service formula rate schedule included as Attachment O of KU and LG&E's Open Access Transmission Tariff (OATT) and PPL Electric Utilities Corporation's (PPL Electric) compliance with its transmission cost-of-service formula rate schedule included as Attachment H-8-G of PJM Interconnection, L.L.C.'s (PJM) OATT. The audit covered the period from January 1, 2010 through December 31, 2011.

Based on audit staff examination of KU, LG&E, and PPL Electric's accounting and formula rate calculations, audit staff identified numerous areas of substantial non-compliance with various Commission requirements. The level of non-compliance and the seriousness of these matters uncovered during the audit resulted in excessive formula rate billings to wholesale transmission customers. Audit staff is very concerned that the lack of sufficient oversight of PPL's accounting and formula rate policies that impact rate recovery have contributed to erroneous and excessive formula rate billings to wholesale

[1] 18 C.F.R. pt. 35.

[2] *Id.* pt. 366.

[3] *Id.* pt. 367.

[4] *Id.* pt. 368.

[5] *Id.* pt. 369.

transmission customers. Audit staff is also concerned that wholesale transmission customers would have continued to pay excessive amounts through formula rate billings had these areas of non-compliance gone undetected by audit staff. However, audit staff is encouraged by PPL's: (1) cooperation throughout the entire audit process and (2) swift and comprehensive implementation plan to correct these serious breaches of compliance with Commission requirements during and after the audit fieldwork. These areas of non-compliance are reflected in the compliance findings summarized in section C below and in full in section IV.

## B. Transmission Formula Rate

KU and LG&E

KU and LG&E operate their system as a single, integrated, and coordinated transmission system and provide transmission service under the terms of their shared joint OATT. KU and LG&E adopted a formula rate for transmission service under schedule 7 (covering long-term firm and short-term firm point-to-point transmission service), schedule 8 (covering non-firm point-to-point transmission service), and schedule 9 (covering network integration service). The formula rate also provides for recovery of their Independent Transmission Organization and Reliability Coordinator costs.

The formula rate is in Attachment O to KU and LG&E's OATT. KU and LG&E are not required to file an annual informational or compliance filing for their wholesale transmission cost-of-service formula rate. Rather, KU and LG&E post the formula rate on OASIS by May 1, effective June 1, each year. All amounts in the formula rate are based on actual amounts. There are no over/under-collections, refunds, additional billings, projections, or estimates in the formula rate.

The transmission formula rate calculation is prepared in an Excel spreadsheet that primarily uses FERC Form No. 1 data. Each input item is identified within the spreadsheet, KU and LG&E's FERC Form No. 1 data are entered in the input section of the spreadsheet, and they are combined to calculate the final combined OATT rates. Sources of the data used to prepare the transmission formula rate are the KU and LG&E FERC Form No. 1s for the calendar year. Specific pages and line numbers are in the data entry section of the formula spreadsheet to help identify correct data points. After initial data entry is completed, separate teams in the accounting and transmission groups review the formula inputs and results to ensure data accuracy. The Rates and Regulatory (Rates) group maintains the spreadsheet where the formula rate is calculated. The Rates group enters data from the FERC Form No. 1, which allows formula rates to be calculated in the spreadsheet.

PPL Electric

PPL Electric is a member of PJM. PJM directs the operation of PPL Electric's transmission facilities, and transmission service over these facilities is provided under the PJM OATT. PPL Electric's annual transmission revenue requirement (ATRR) and annual transmission rates are set forth in Attachment H-8G to PJM's OATT, and the formula rate implementation protocols (Protocols) for the ATRR and rates are set forth in Attachment H-8H to PJM's OATT. The Protocols describe the process in which PPL Electric will account for certain inputs, updates to the formula, annual review procedures, and formal challenge procedures.

PPL Electric's ATRR established point-to-point transmission rates to the PPL Group Zone and Network Integration Transmission Service (NITS) rates in the PPL Group Zone. PPL Electric's ATRR is based on actual costs for transmission service for the preceding calendar year and based on associated FERC Form No. 1 data. PPL Electric is allowed to include the cost of weighted, capital additions projected for the current year, as well as projected CWIP for its transmission incentive project, Susquehanna-Roseland. PPL Electric also has a true-up mechanism through which deviations from actual costs will be addressed.

The ATRR produced by PPL Electric's approved formula rate is the sum of return on rate base, operation and maintenance expense, administrative and general expense, depreciation expense, taxes other than income tax, and income taxes, less any applicable revenue credits. PPL Electric's formula rate components are based on FERC Form No. 1 data and/or supporting documentation for data not otherwise available in the FERC Form No. 1. PPL Electric's Regulatory Compliance group manages the formula rate filing process, while other groups such as Transmission Expansion, Office of General Counsel, and Taxes provide data and various exhibits supporting some components. PPL Electric's formula rate filing is submitted to the Commission as an informational filing, due annually on or before May 15 of each year.

## C. Summary of Compliance Findings

Audit staff's compliance findings are summarized below. Details are in section IV of this report. Audit staff identified the following areas of noncompliance:

- PPL Electric improperly accounted for its investment in PPL Receivables Corporation under the consolidated method of accounting instead of using the equity method of accounting, as required by the Commission. As a result of using the consolidated method instead of the equity method of accounting, PPL Electric erroneously included certain amounts in its formula rate billings to wholesale transmission customers.

- PPL Electric improperly accounted for overpayments of its current year's estimated Federal and state income taxes in Account 165, Prepayments.

- PPL Electric improperly accounted for manufactured gas plant remediation expenses in Account 930.2, Miscellaneous General Expenses. These expenses should have been accounted for so that no amounts would be recovered from wholesale transmission customers since these costs were not associated with obligations related to wholesale transmission customers. As a result of the incorrect accounting, these expenses were improperly included in the formula rate computation.

- KU and LG&E neither sought nor received Commission approval to recover asset retirement obligation costs in their transmission formula rate.

- KU did not remove all amounts from its formula rate calculations associated with its Virginia distribution utility plant facilities, as required by the Commission.

- KU and LG&E improperly accounted for cost of removal on physical assets related to asset retirement obligations.

- PPL's three franchised public utilities (KU, LG&E, and PPL Electric) incorrectly included some transaction-related costs related to PPL's merger with E.ON U.S. in formula rate billings to wholesale power and transmission customers.

- KU's method of computing Allowance for Funds Used During Construction (AFUDC) on Construction Work In Progress (CWIP) was deficient by compounding AFUDC monthly instead of semi-annually, including unrealized losses in its common equity balance used to calculate AFUDC, and using an incorrect balance for the common equity component.

- KU and LG&E's formula rate Attachment O included multiple inaccurate line references.

- FERC Form No. 60 filings that PPL Services Corporation (PPL Services) and LG&E and KU Services Company (LKS) made contained several reporting errors relating to account misclassifications, supporting schedule discrepancies, and the reporting of convenience payments.

## D. Summary of Recommendations

Audit staff's recommendations to remedy the findings are summarized below. Detailed recommendations are in section IV. To address the areas of noncompliance, audit staff recommends the following:

1. PPL Electric should provide notice of its material accounting changes to its wholesale transmission customers as required by section III.B of Attachment H-8H, Formula Rate Implementation Protocols, of its Open Access Transmission Tariff.

2. PPL Electric should implement procedures to ensure that it follows the equity method of accounting for all investments in subsidiaries and ensure no deviation between accounting practices and Commission accounting regulations.

3. PPL Electric should adopt controls that will ensure all costs related to PPL Receivables' operating activities are excluded from all components in PPL Electric's formula rate calculation.

4. PPL Electric should refund all costs incorrectly included in and recovered through the formula rate since its inception, with interest, calculated in accordance with the formula rate protocols approved by the Commission through the formula rate true-up process in 2014.

5. PPL Electric should file a refund report with the Commission that reflects amounts refunded to PPL Electric's wholesale transmission customers.

6. PPL Electric should reclassify Federal and state income taxes recorded in Account 165, Prepayments, applicable to those years in which PPL Electric chose to receive a refund of those amounts to Account 146, Accounts Receivable from Associated Companies, or Account 143, Other Accounts Receivable, as appropriate.

7. PPL Electric should submit correcting entries to the Division of Audits and Accounting within 30 days of this report.

8. PPL Electric should revise procedures to ensure its income tax transactions recorded to Account 165 represent actual prepayments.

9. PPL Electric should revise procedures to appropriately determine its tax accrual amount.

10. PPL Electric should record the necessary correcting entries as of December 31 to reflect the proper accounting for Federal and state estimated tax overpayment.

11. For each year these amounts were included in the formula rate calculations, PPL Electric should refund all costs incorrectly included in and recovered through the formula rate, with interest, calculated pursuant to its formula rate protocols approved by the Commission through the formula rate true-up process in 2014.

12. PPL Electric should file a refund report with the Commission that reflects amounts refunded to PPL Electric's wholesale transmission customers.

13. PPL Electric should amend its accounting policies to ensure manufactured gas plant remediation expenses are accounted for consistent with the Commission's accounting regulations.

14. PPL Electric should refrain from including manufactured gas plant remediation expenses in the formula rate determinations, since such costs were not incurred in providing service to wholesale transmission customers.

15. PPL Electric should determine the amount of manufactured gas plant remediation costs recovered through its formula rate.

16. For each year affected, PPL Electric should refund the manufactured gas plant remediation expense amounts improperly included and recovered through the formula rate, calculated pursuant to its formula rate protocols approved by the Commission through the formula rate true-up process in 2014.

17. PPL Electric should file a refund report with the Commission that reflects amounts refunded to its wholesale transmission customers.

18. LG&E and KU should submit a filing with the Commission under FPA section 205 to address their recovery of asset retirement obligation costs.

19. LG&E and KU should calculate the rate impact of recovering these ARO costs in the formula rate, and provide these calculations to the Division of Audits and Accounting.

20. For each year affected since the inception of their stand-alone formula rate, LG&E and KU should refund to ratepayers amounts inappropriately recovered through the transmission formula rate due to recovering asset retirement obligation costs, calculated with interest under section 35.19a of the Commission's regulations.

21. LG&E and KU should calculate the rate impact of recovering these costs in their stand-alone formula rate, and provide these calculations to the Division of Audits and Accounting.

22. For each year these Virginia distribution utility costs were included in their stand alone formula rate calculation, LG&E and KU should refund to ratepayers amounts inappropriately recovered through the transmission formula rate, calculated with interest under section 35.19a of the Commission's regulations.

23. LG&E and KU should provide to the Division of Audits and Accounting correcting entries that show the reversal of amounts from Account 254.

24. For each year these amounts were included in their stand-alone formula rate, LG&E and KU should refund all costs, calculated with interest under section 35.19a of Commission regulations.

25. LG&E and KU should file a refund report with the Commission that reflects amounts refunded to their customers.

26. PPL Electric, LG&E, and KU should strengthen existing procedures so that no transaction-related costs flow through an FPU's formula rates.

27. PPL Electric, LG&E, and KU should calculate the rate impact of recovering transaction-related costs in their respective formula rates, and provide these calculations to the Division of Audits and Accounting.

28. PPL Electric, LG&E and KU should refund to ratepayers amounts inappropriately recovered through the transmission formula rate due to the incorrect allocation of transaction-related costs, calculated with interest in accordance to the Commission-approved formula rate protocols for PPL Electric and under section 35.19a of the Commission's regulations for LG&E and KU.

29. KU should revise and implement procedures going forward to ensure its AFUDC base and rate calculation is consistent with Electric Plant Instruction 3(17) and other applicable Commission requirements.

30. LG&E and KU should develop and implement controls to ensure accurate and complete line references.

31. LG&E and KU should submit a filing with the Commission under FPA section 205 to address the incorrect formula rate line references.

32. LKS and PPL Services should develop and implement procedures to ensure proper account classification, consistent reporting, and completion of all supporting schedules of the FERC Form No. 60. As part of these procedures, incorporate an annual review to ensure the FERC Form No. 60 filed with the Commission is complete and accurate.

33. LKS and PPL Services should refile 2010 FERC Form No. 60, correcting all reporting errors within 90 days after this report is issued.

## E. Compliance and Implementation of Recommendations

Audit staff further recommends that PPL:

- Submit its plans for implementing audit staff's recommendations for audit staff's review. PPL should submit these plans to audit staff within 30 days after this final audit report is issued.

- Submit all correcting entries to the Division of Audits and Accounting within 30 days after this final audit report is issued, including all correcting entries affecting the books for its associated franchised public utilities.

- Submit quarterly reports to the Division of Audits and Accounting describing PPL's progress in completing each corrective action recommended in this final audit report. PPL should make quarterly filings no later than 30 days after the end of each calendar quarter, beginning with the first quarter after the final audit report in this docket is issued, and continuing until PPL completes all recommended corrective actions.

- Submit copies of any written policies and procedures developed in response to recommendations in the final audit report. These policies and procedures should be submitted for audit staff review in the first quarterly filing after PPL completes these products.

## II. Background Information

### A. Description of PPL Corporation System

Headquartered in Allentown, PA, PPL is a public utility holding company with public utility and nonutility subsidiaries in the United States. PPL controls or owns approximately 19,000 megawatts of generating capacity in the United States, sells energy in U.S. markets, and delivers electricity and natural gas to about 10 million customers in the United States. PPL also owns a regulated distribution company in the United Kingdom that serves 7.8 million customers in Wales, and southwest and central England. During the audit period, PPL was the parent of three Commission-jurisdictional franchised public utilities (FPUs): PPL Electric, LG&E, and KU.[6]

PPL Electric delivers electricity to 1.4 million customers in eastern and central Pennsylvania, and owns transmission facilities within PJM's balancing authority area. PPL Electric does not have captive wholesale or retail customers, but is the default supplier for retail customers within its service area. LG&E is a public utility that owns and operates electric generation, transmission, and distribution facilities, as well as natural gas distribution, transmission, and storage facilities, in Kentucky and Indiana. LG&E serves 397,000 electric customers. KU is a public utility that owns and operates electric generation, transmission, and distribution facilities in Kentucky, with limited operations in Tennessee and Virginia. KU serves 516,000 electric customers in Kentucky and 30,000 electric customers in Virginia.

PPL's two centralized service company subsidiaries (LKS and PPL Services) provide a variety of services to PPL, affiliated FPUs, and other affiliates.

LKS provides a variety of administrative, management, engineering, construction, environmental, and support services to affiliated entities, including KU and LG&E, at cost. LKS was formed as a Kentucky corporation on June 2, 2000 and commenced operations as a service company on January 1, 2001. Following the repeal of the Public Utility Holding Company Act (PUHCA) of 1935 and the enactment of PUHCA 2005, LKS transitioned, effective January 1, 2008, to the Commission's USofA for centralized service companies under part 367. LKS is a wholly owned subsidiary of LG&E and KU Energy LLC (LKE), which in turn is a wholly owned subsidiary of PPL. LKS became an indirect, wholly owned subsidiary of PPL when PPL acquired all of the limited liability company's interest of LKE from E.ON U.S. LLC (E.ON U.S.) on November 1, 2010.

[6] The term franchised public utility means a public utility with a franchised service obligation under state law.

PPL Services, a Delaware corporation, is a wholly owned subsidiary of PPL. PPL Services also provides various administrative services at cost to affiliated entities, including LKS and PPL Electric. PPL Services was formed as a corporate entity on February 14, 2000 as a PPL subsidiary. When PPL Services was formed, PPL was a single state exempt holding company under PUHCA 1935, so PPL Services was not subject to regulation as a centralized service company. PPL remained a single state exempt holding company after PUHCA 2005 was passed. On October 26, 2010, the Commission issued an order under section 203 of the Federal Power Act (FPA), authorizing PPL's acquisition of E.ON U.S. As a result of the acquisition of E.ON U.S., PPL derived more than 13 percent of its public utility company revenues from outside of a single state. After the acquisition, PPL notified the Commission that it no longer qualified for the waiver from applicable accounting, record retention, and reporting requirements under part 366 of the Commission's regulations as a single state holding company and notified the Commission it no longer sought to maintain its waiver as a single state holding company. Due to the acquisition of E.ON U.S. and PPL's change in status under PUHCA 2005, PPL Services fell under regulation as a centralized service company under PUHCA 2005 on November 1, 2010. The basic organizational structure of PPL Services has not changed significantly since it was formed in 2000.

## B. Non-Power Goods and Services

LKS and PPL Services are the centralized service companies within PPL's holding company system that provide business support services to PPL, affiliated FPUs, and other subsidiaries. During the audit period, the service companies had service agreements between themselves and the FPUs. Under these agreements, the service companies provided administrative and professional services to PPL, its associated public utilities, and other PPL nonregulated operating companies "at-cost." Specifically, these administrative and professional services included, among others, corporate audit services, environmental management services, facilities management, financial accounting and reporting services, human resources, IT support, tax services, and legal services. Also, affiliated companies provided PPL's FPUs with other non-power goods and services. Such services were provided under agreements for mutual assistance, gas transportation services, insurance services, third-party services, data hosting, and intercompany billing support.

## C. Service Company Accounting Systems

Cost accumulation and tracking at PPL Services is accomplished using two systems: PeopleSoft Project Costing (Project Costing) and PowerPlant. Project Costing is the system where projects are created and serves as the repository for amounts from various subsystems, such as payroll, accounts payable, and inventory. PPL Services tracks expenses by project. These can either be expense or capital projects. The Commission account for applicable costs is assigned as part of this Project Costing. PowerPlant contains plant records for PPL Services and serves as the database for its property records. PowerPlant data fields are updated by a nightly interface with PeopleSoft. Any capital projects established in PowerPlant are reviewed for proper accounting set up by the Asset Management group, which is part of the Controller's department. PowerPlant calculates depreciation expense as well as any capitalized interest. At month end, PowerPlant creates journal entries that are interfaced back to the PeopleSoft general ledger. PowerPlant is used exclusively for accumulating costs for capital projects.

Classification of accounts is maintained by the Corporate Accounting department in the Shared Accounting Services group and conforms to the requirements of the USofA. The classification also establishes accounting requirements as applicable to transactions occurring under normal circumstances in the ordinary course of business. The general ledger records and maintains activity and balances for direct and indirect costs. The general ledger also runs a monthly process to allocate indirect service company costs recorded, by category, from the service company to various PPL business lines as defined by the Financial Planning group. Also, the Financial Planning group created manual journal entries, and reviewed and approved direct cost allocations from the service company to the various business lines.

LKS cost accumulation and tracking is accomplished using Oracle products. Transactions affecting LKS post to the Oracle general ledger and originate from spreadsheet journal entries and mass allocations generated within the Oracle general ledger module, and from the subsidiary systems' Oracle Project Accounting, Oracle Payables, Oracle Purchasing, PowerPlant, the VOLTS timekeeping system, and the Transportation Resource Management System.

LKS uses the Oracle Project Accounting (Project Accounting) module to capture and accumulate direct and indirect costs. Projects have been created for each associated company, which receives charges with tasks designated to record income statement charges for direct and indirect labor, and for direct and indirect nonlabor. Charges from LKS to projects with tasks set up to balance sheet accounts on associated companies are designated as direct. Labor burdens are designated as indirect, consistent with the treatment on the FERC Form No. 1. LKS employees record their time through the timekeeping system to the appropriate direct or indirect labor tasks, and the labor is interfaced to Project Accounting and the general ledger. Nonlabor charges are recorded to appropriate direct or indirect nonlabor tasks via coding on purchase orders, disbursement requests, purchasing cards, or expense reports. After employees' labor charged to associated companies is interfaced from Project Accounting and posted to the general ledger, an Oracle process calculates burden components on this labor. This process debits direct burden accounts for all labor, including indirect labor. Another Oracle process then moves burden amounts from direct burden accounts to indirect burden accounts.

## D. Cost Allocation Methods

The service companies directly and indirectly charge costs to affiliates. Directly charged costs are identifiable and charged entirely to the appropriate affiliate, while indirectly charged costs require application of different cost allocation methodologies to determine charges. These methodologies are based on several factors such as number of employees, number of transactions, number of customers, or occupied square footage. In general, the service companies charge costs to affiliates in one of three ways:

- Costs for services performed for an affiliate are directly charged to the affiliate.
- Costs for services performed for two or more affiliates are distributed among and charged to the affiliates, using methods determined on a cost-causation basis consistent with the type of work performed and based on an allocation method.
- Costs for general services, which are applicable to all affiliates or a class or classes of affiliates, are allocated among or charged to such affiliates by application of one or more cost allocation methods.

LKS reported approximately $296 million in service costs for 2011. Moreover, LKS directly charged some 47 percent and allocated 53 percent of costs to affiliates with respect to non-power goods and services it provided. KU and LG&E received about 88 percent of the service company's charges during 2011. LKS neither directly charged nor allocated any costs to PPL Electric during 2011. LKS directly charged or allocated costs to affiliates using 18 different allocation methods.

PPL Services reported approximately $400 million in service costs for 2011. Moreover, it directly charged some 59 percent and allocated 41 percent of costs to affiliates with respect to non-power goods and services it provided. PPL Electric received about 36 percent of the service company's charges during 2011. PPL Services neither directly charged nor allocated any costs to KU or LG&E during 2011. PPL Services directly charged or allocated costs to affiliates using 11 different allocation methods.

## E. Internal Audit Role and Reporting

PPL's Internal Audit department is divided into three branches: PPL Audit Services, Special Projects, and LKE Audit Services. The executive director of the Internal Audit department reports functionally to the Audit Committee of the Board of Directors and reports administratively to the Chairman/President/CEO. Most of these staffers have Certified Public Accountant and/or Certified Internal Auditor professional certifications.

The Internal Audit department uses and complies with the Institute of Internal Auditors' International Standards for the Professional Practice of Internal Auditing. Each quarter, the Internal Audit department prepares a report for the PPL Audit Committee that addresses key risk areas assessed during the quarter, a summary of audit results, a summary of significant or material control deficiencies, audit performance measures, and a summary of select in-progress audits. Each year, the Internal Audit department also reports to the PPL Audit Committee on overall control environment, Sarbanes-Oxley section 404 compliance, audit organization and qualifications, budget and expenditures, annual audit plans, and the Internal Audit department's charter. The Internal Audit department did not perform any work that directly related to the scope areas in this audit.

## F. Acquisition of E.ON U.S.

On November 1, 2010, PPL purchased E.ON U.S., the parent company of Kentucky's two major utilities, KU and LG&E, for $7.625 billion from German utility firm E.ON AG. On October 25, 2010, the Commission issued an order approving this acquisition of all issued and outstanding limited liability company interests of E.ON U.S.[7] As a result of the transaction, E.ON U.S. became a direct, wholly owned subsidiary of PPL, and E.ON U.S.'s subsidiaries, including KU and LG&E, became indirect, wholly owned subsidiaries of PPL. In its Merger Order approving the transaction, the Commission required that transmission and wholesale customers be held harmless from costs related to the transaction for five years to the extent that such costs would exceed savings related to the transaction.

[7] *PPL Corporation*, 133 FERC ¶ 61,083 (2010) (Merger Order).

# III. Introduction

## A. Objectives

The audit's objectives were to determine whether PPL and its associated companies complied with: (1) Commission cross-subsidization restrictions on affiliate transactions; (2) accounting, recordkeeping, and reporting requirements; (3) the USofA for centralized service companies; (4) Commission preservation of records requirements for holding companies and service companies; and (5) FERC Form No. 60 Annual Report requirements. The audit evaluated PPL's associated public utilities' compliance with Commission accounting requirements for transactions with associated companies and applicable reporting requirements in the FERC Form No. 1. The audit also evaluated compliance with the conditions upon which the Commission granted merger and acquisition of jurisdictional facilities authorizations in Docket No. EC10-77-000. Lastly, audit staff examined KU, LG&E, and PPL Electric's compliance with their transmission cost-of-service formula rate schedules within the respective OATTs. The audit covered January 1, 2010 through December 31, 2011.

## B. Scope and Methodology

To address overall audit objectives, audit staff:

- Identified standards and criteria used to evaluate compliance with each audit scope area. They included Commission rules, regulations, letter orders, and other requirements for holding and service companies, and Commission accounting regulations for jurisdictional public utilities.

- Reviewed FERC-65, Notification of Holding Company Status, and FERC Form No. 60 Annual Reports to ensure filed information was reliable, accurate, and complete.

- Reviewed publicly available materials to understand PPL's operations, including select filings to the SEC (Forms 10-K and 10-Q), FERC Form Nos. 1 and 60 filings, prior audits, and other filings with the Commission.

- Conferred with officials from the Pennsylvania, Kentucky, Virginia, and Tennessee public utility commissions, which have jurisdiction over PPL's FPUs.

- Conducted site visits to corporate headquarters in Allentown, PA, and Louisville, KY. The visits enabled audit staff to understand PPL's structure, activities, functions, systems, and the processes used in its operations. While on site, audit staff reviewed and tested supporting details for PPL's allocation methods; interviewed PPL staff responsible for accounting, financial reporting, record retention, cost allocations, and PPL's compliance program; sampled select supporting documents to ensure the service companies' accounting complied with Commission accounting regulations; sampled select supporting documents to ensure that billings and associated public utilities' accounting for these billings complied with Commission accounting regulations; and tested compliance with preservation of records requirements.

- Conducted interviews, teleconferences, and met with PPL employees to discuss processes, procedures, operations, and observations.

- Discussed data responses with PPL employees, and clarified and supplemented data responses with more information on areas of specific concern.

- Reviewed relevant audit reports and working papers of the Internal Audit department and external audit firm Ernst & Young LLP.

- Conferred with other Commission staff on various compliance issues to ensure audit findings would be consistent with Commission precedent and policy. For example, audit staff spoke with staff from other divisions within the Office of Enforcement, and with technical and legal staff from other Commission offices, including the Office of Energy Market Regulation and the Office of General Counsel.

Audit staff performed several specific actions to evaluate compliance with all relevant requirements relating to audit objectives. A summary of these actions includes:

*Cross-subsidization Restrictions*

To evaluate compliance with Commission cross-subsidization restrictions on affiliate transactions, audit staff:

- Reviewed policies, procedures, and practices related to the sale of non-power goods and services.

- Interviewed PPL employees, particularly those who account and report transfers of non-power goods and services.

- Reviewed and tested pricing mechanisms for non-power goods and services the FPUs provided to and received from each other, service companies, and other nonutility affiliates.

- Sampled charges and payments to determine accurate pricing for the sale of goods and services.

*Accounting, Recordkeeping, and Financial Reporting*

To evaluate compliance with Commission accounting, recordkeeping, and financial reporting regulations, audit staff:

- Reviewed FERC Form No. 60 Annual Report filings, Notification of Holding Company Status – FERC-65 filings, and the public utilities' FERC Form No. 1 reports. Audit staff also verified select, electronically filed information reported on the FERC Form No. 60 filings with supporting books and records to ensure reported information was accurate and complete.

- Compared select information in the FERC Form No. 1s with the FERC Form No. 60s to ensure information was reported accurately and consistently. Also, audit staff reviewed page 429 of the FERC Form No. 1s, which included non-power goods and services transactions for each FPU.

- Reviewed, sampled, analyzed, and tested select centralized service company accounting data.

- Sampled FPUs' accounting for select costs received from the centralized service companies.

*Cost Allocation and Billings*

To evaluate service company cost allocation methodologies and billings, audit staff:

- Identified cost allocation methods used, and identified and reviewed new allocation methods to facilitate our review of the service companies' cost allocation methods and costs the service companies billed to PPL's FPUs. Also, audit staff reviewed and tested billings and supporting details behind select allocation methods.

*Preservation of Records*

To evaluate compliance with Commission preservation of records requirements, audit staff:

- Interviewed PPL employees responsible for retaining records for the service companies.

- Requested and tested select records to ensure their retention.

*Merger and Acquisition Authorizations Compliance Review*

To evaluate compliance with conditions of the Commission's Merger Order, audit staff:

- Reviewed PPL's applications and related Commission filings and orders to understand the terms, conditions, and context of the merger and acquisition request, and identify commitments made in applicable orders.

- Examined procedures and controls for compliance with "hold harmless" provisions the Commission established in its merger and acquisition order. This included a review of accounting filings for recovery of transaction-related costs, controls for compliance oversight, and rates to ensure cost recoveries were appropriate.

- Discussed the merger with state public utility commissions that regulate PPL to understand their merger oversight and any concerns related to the post-merger company.

- Evaluated PPL's implementation process to ensure compliance with the merger's hold harmless provisions, requiring PPL to hold wholesale power and transmission customers harmless for five years from merger costs that may exceed merger-related savings.

- Interviewed employees involved in merger costs and synergy savings tracking.

- Tested certain amounts recorded as merger costs and synergy savings to determine appropriate classification and the level of support maintained.

*Transmission Formula Rate*

To evaluate each FPU's compliance with its respective formula rates, audit staff:

- Evaluated PPL Electric's compliance with its transmission cost-of-service formula rate in Attachment H-8G and the related Protocols set forth in Attachment H-8H to PJM's OATT, and KU and LG&E's compliance with their transmission cost-of-service formula rate in Attachment O to their joint OATT, including filings containing inputs to the formula rate.

- Reviewed initial and all subsequent Commission orders accepting the formula rate, including orders approving related settlements and PPL filings. Determined the level of functionalization, derivation of allocation factors, return on equity, rate base, accumulated depreciation, and other expenses. Reviewed background information about specific cost treatment, deferrals, cost caps, disallowances, and other matters disclosed as part of approving the derivation of the formula rate.

- Evaluated processes, procedures, and controls used to prepare and review the formula rate and annual updates, true-ups, or informational filings associated with the formula rate.

- Reviewed formula rate mechanics (forward-looking, historical, true-up, and informational filings), including a comprehensive overview of the formula rate mechanism the company provided.

- Evaluated the FERC Form No. 1 reporting processes and procedures to ensure accurate and complete reporting. As part of this evaluation, audit staff reconciled FERC Form No. 1 data with formula rate calculations and reviewed all discrepancies.

- Reviewed the FERC Form Nos. 1 and 3-Q, including related notes to financial statements to identify major accounting matters. Audit staff highlighted significant notes to understand financial statement and formula rate implications, and identified underlying accounting entries for these significant accounting matters.

- Determined whether the FPUs' accounting for significant matters impacted the formula rate calculation.

- Evaluated whether PPL's FPUs applied formula rate inputs in compliance with rate approval orders.

- Reconciled formula rate inputs derived from the FERC Form No. 1 to FPU books and records. Evaluated compliance with the USofA for the inputs under review, including all related guidance and accounting releases and accounting treatment of input items.

- Evaluated various accounts incorporated into cost-of-service formula rates and compliance with relevant accounting regulations in the UsofA.

Besides these actions, audit staff reviewed PPL's regulatory compliance program. Audit staff assessed the program for audit scope areas consistent with prior Commission orders and policy statements. Specifically, audit staff:

- Reviewed PPL's regulatory compliance program structure, including its authority and responsibilities for overseeing corporate compliance and the delegation of compliance responsibilities.

- Reviewed the Internal Audit department structure, including its chain-of-command and access to the Board of Directors through its Audit Committee to assess the effectiveness and independence of the audit function.

- Interviewed PPL executives, managers, and operational employees to evaluate their knowledge and application of the compliance program.

# IV. Findings and Recommendations

## 1. Long-Term Investment in Subsidiary

PPL Electric improperly accounted for its investment in PPL Receivables under the consolidated method of accounting instead of using the equity method of accounting, as required by the Commission. As a result of using the consolidated method instead of the equity method of accounting, PPL Electric erroneously included certain amounts in its formula rate billings to wholesale transmission customers.

## Pertinent Guidance

On February 1, 1973, the Commission issued Order No. 469 to amend the requirements of the Uniform System of Accounts to adopt the equity method of accounting for long-term investments in subsidiaries.[8]

18 C.F.R. pt. 101, Account 123.1, Investment in Subsidiary Companies, states:

> A. This account shall include the cost of investments in securities issued or assumed by subsidiary companies and investment advances to such companies, including interest accrued thereon when such interest is not subject to current settlement plus the equity in undistributed earnings or losses of such subsidiary companies since acquisition. This account shall be credited with any dividends declared by such subsidiaries.

18 C.F.R. pt. 101, Account 418.1, Equity in Earnings of Subsidiary Companies, states:

> This account shall include the utility's equity in the earnings or losses of subsidiary companies for the year.

Instructions to the schedule on page 224 of the FERC Form No. 1, Investments in Subsidiary Companies (Account 123.1), require in part:

> 1. Report below investments in Accounts 123.1, Investments in Subsidiary Companies.

[8] *Revisions in the Uniform System of Accounts, and Annual Report Forms No. 1 and No. 2 to Adopt the Equity Method of Accounting for Long-Term Investments in Subsidiaries*, Order No. 469, 49 FPC 326 (1973), *rehearing denied*, 49 FPC 1028 (1973).

> 3. Report separately the equity in undistributed subsidiary earnings since acquisition. The TOTAL in column (e) should equal the amount entered for Account 418.1.

PJM Interconnection L.L.C., FERC Electric Tariff, Attachment H-8H, sections I, III.B states, in part:

> I.H "Material Accounting Change" means any (i) change in PPL Electric's accounting policies and practices, or (ii) change in PPL Electric's inter-corporate cost allocation policies or practices from those policies and/or practices in effect for the Rate Year upon which the immediately preceding Annual Update was based, which change causes a result under the Formula Rate difference than the result under the Formula Rate as calculated without such change.
>
> III.B. (2) The Annual Transmission Revenue Requirement shall be based on PPL Electric's books and records which reflect data properly recorded in: PPL Electric's FERC Form No. 1 to the extent the Formula Rate specifies the FERC Form No. 1 data as the input source; and The Commission's Uniform System of Accounts, as each exists as of the last day of the preceding calendar year.
>
> III.B. (3)(b) The Annual Update shall provide notice of Material Accounting Changes, which may incorporate by reference applicable disclosure statements filed with the SEC.

## Background

Since 1973, the Commission has adopted the equity method of accounting for long-term investments in subsidiaries. Under the equity method of accounting, the investment in subsidiaries is recorded in Account 123.1, Investment in Subsidiary Companies (Major Only).[9] This account is increased or decreased based on a utility's proportionate share of subsidiary earnings regardless of whether such earnings were paid out as dividends to that utility. Although the Commission adopted the equity method of accounting for long-term investment in subsidiaries, it maintained its policy for ratemaking purposes that undistributed earnings of the subsidiary are to be excluded from the equity portion of the jurisdictional company capital structure in determining the rate of return.

[9] *Id*.

PPL Electric has three investments in the following subsidiary companies: CEP Commerce, LLC (CEP Commerce), CEP Lending, Inc. (CEP Lending), and PPL Receivables Corporation (PPL Receivables). PPL Electric has full control of these entities through 100 percent ownership of direct voting rights. CEP Commerce is the parent of CEP Lending, a company formed to make intercompany loans to all of PPL affiliates. PPL informed audit staff that PPL Receivables was formed to serve only the financing needs of PPL Electric. PPL Receivables is a special purpose entity whose sole purpose is to buy eligible accounts receivable and unbilled revenue from PPL Electric to secure asset-backed commercial paper from a third party.

Audit staff examined PPL Electric's accounting for its long-term investment in subsidiaries and found that it used the equity method of accounting to account for its long-term investment in CEP Commerce and CEP Lending. Conversely, it used the consolidated method of accounting to account for its long-term investment in PPL Receivables since its inception in 2004.

PPL Electric used various income statement and balance sheet accounts to record its long-term investment in PPL Receivables under the consolidated method of accounting. During the course of the audit fieldwork, PPL Electric filed its 2012 FERC Form No. 1 as required by Commission regulations.[10] On page 450.1 of the refiled 2012 FERC Form No. 1, PPL Electric disclosed the accounting impact if it had followed the Commission's approved method of accounting for subsidiary investments, which was the equity method of accounting. In addition, audit staff noted that some of these accounts and associated amounts flowed through the formula rate billings to transmission customers.

Audit staff determined that PPL Electric appropriately accounted for its long-term investment in CEP Commerce and CEP Lending using the equity method of accounting. However, PPL Electric did not properly account for its long-term investment in PPL Receivables based on the equity method of accounting, as required by Commission accounting regulations. The Commission's accounting regulations require that long-term investments in subsidiaries be recorded in Accounts 123.1 and 418.1, Equity in Earnings of Subsidiary Companies. Also, PPL Electric should not have included certain amounts in formula rate billings to wholesale transmission customers associated with using the consolidated method of accounting for PPL Receivables. Lastly, audit staff did not find sufficient evidence demonstrating that PPL Electric provided notification to its customers that it was using an accounting method not prescribed by the Commission to account for its long-term investment in PPL Receivables using the consolidated versus the equity method of accounting.

[10] 18 C.F.R. section 141.1.

Since PPL Electric neither sought nor received retroactive relief to use the consolidated method of accounting for its subsidiary investment in PPL Receivables, it must refund amounts erroneously included in formula rate billings to transmission customers since 2004.

**Recommendations**

We recommend that:

1. PPL Electric should provide notice of its material accounting changes to its wholesale transmission customers as required by section III.B of Attachment H-8H, Formula Rate Implementation Protocols, of its Open Access Transmission Tariff.

2. PPL Electric should implement procedures to ensure that it follows the equity method of accounting for all investments in subsidiaries and ensure no deviation between accounting practices and Commission accounting regulations.

3. PPL Electric should adopt controls that will ensure all costs related to PPL Receivables' operating activities are excluded from all components in PPL Electric's formula rate calculation.

4. PPL Electric should refund all costs incorrectly included in and recovered through the formula rate since its inception, with interest, calculated in accordance with the formula rate protocols approved by the Commission through the formula rate true-up process in 2014.

5. PPL Electric should file a refund report with the Commission that reflects amounts refunded to PPL Electric's wholesale transmission customers.

## 2. Tax Overpayments

PPL Electric improperly accounted for overpayments of its 2010 and 2011 estimated Federal and state income tax liability in Account 165, Prepayments.

## Pertinent Guidance

18 C.F.R. pt. 101, Account 236(A) (B), Taxes Accrued, states:

> A. This account shall be credited with the amount of taxes accrued during the accounting period, corresponding debits being made to the appropriate accounts for tax charges. Such credits may be based upon estimates, but from time to time during the year as the facts become known, the amount of the periodic credits shall be adjusted so as to include as nearly as can be determined in each year the taxes applicable thereto. Any amount representing a prepayment of taxes applicable to the period subsequent to the date of the balance sheet, shall be shown under account 165, Prepayments.
>
> B. If accruals for taxes are found to be insufficient or excessive, correction therefore shall be made through current tax accruals.

## Background

Audit staff reviewed PPL Electric's taxes and related procedures to understand why PPL Electric characterized taxes as prepaid. Specifically, audit staff asked PPL Electric to explain: (1) the calculation of its estimated Federal and state income tax liability each year; (2) the procedures for determining its estimated and actual Federal and state income tax liability; and (3) the documentation supporting its estimated and actual Federal and state income tax liability and Federal and state income tax prepayment determinations for 2010 and 2011.

PPL Electric determined its estimated Federal and state income tax liability each month by applying the applicable Federal and state income tax rates to its estimated taxable income. When quarterly income tax payments exceeded the estimated income tax liability, PPL Electric considered the income tax overpayment as a prepayment and then recorded this amount in Account 165. PPL Electric paid estimated Federal and state income taxes in four quarterly installments based on its estimated annualized taxable income.

Based on the examination of tax information, audit staff found that PPL Electric recorded Federal and state income tax overpayment amounts in Account 165 that were refunded to PPL Electric for tax years ending 2010 and 2011. Specifically, PPL Electric received refunds amounting to $59,843,908 and $17,272,745 for tax years 2010 and 2011, respectively. Thus, PPL Electric did not reduce any future year's tax liability by the 2010 and 2011 income tax overpayments.

While Account 165 of the Commission's accounting regulations allows the prepayment of income taxes to be recorded therein, Account 236 requires that such prepayments must be applicable to periods subsequent to the date of the balance sheet. Further, the Commission has defined prepayments included in Account 165 as expenses for a service or a supply paid in advance that will be consumed or used in future accounting periods, such as rent and insurance.[11] Audit staff believes PPL Electric's treatment of income tax overpayments as a prepayment is not consistent with the requirements of Account 165 or other Commission requirements because these monies were refunded and not used to pay PPL Electric's income tax obligations in advance.

PPL Electric included the income tax overpayments recorded in Account 165 in its formula rate as a component of rate base. Under the PJM OATT, PPL Electric is allowed to include prepaid amounts recorded to Account 165, Prepayments, as an item in the derivation of its rate base calculated in its formula rates. Prepayments, which represent amounts paid in advance for a good or service, are included as an adjustment to rate base and serve as an added benefit to transmission owners for costs essential to their operations but are prepaid, like insurance premiums. PPL Electric's prepayment input was the product of its applicable prepayment balance and its wages and salaries allocation factor. In conformance with notes to PPL Electric's formula rate, it can only include prepayments for its electric operations.

Because PPL Electric elected not to apply the income tax overpayments to future tax obligations, it should not have been reclassifying excess tax payments in Account 236 to Account 165. Audit staff is aware that PPL Electric engaged in this accounting practice during and prior to the audit period. Also, PPL Electric should not have recovered amounts for its overpayment of income taxes through its formula rate. For amounts determined to be potential refunds and not used to pay PPL Electric's tax obligations in advance, PPL Electric should reclassify state income tax prepayments to Account 143, Other Accounts Receivable, and Federal income tax prepayments to Account 146, Accounts Receivable from Associated Companies.

[11] *Entergy Services, Inc.*, Opinion No. 505, 130 FERC ¶ 61,023, at P 190 (2010).

### Recommendations

We recommend that:

6. PPL Electric should reclassify Federal and state income taxes recorded in Account 165, Prepayments, applicable to those years in which PPL Electric chose to receive a refund of those amounts to Account146, Accounts Receivable from Associated Companies or Account 143, Other Accounts Receivable, as appropriate.

7. PPL Electric should submit correcting entries to the Division of Audits and Accounting within 30 days of this report.

8. PPL Electric should revise procedures to ensure its income tax transactions recorded to Account 165 represent actual prepayments.

9. PPL Electric should revise procedures to appropriately determine its tax accrual amount.

10. PPL Electric should record the necessary correcting entries as of December 31 to reflect the proper accounting for Federal and state estimated tax overpayment.

11. For each year these amounts were included in the formula rate calculations, PPL Electric should refund all costs incorrectly included in and recovered through the formula rate, with interest, calculated pursuant to its formula rate protocols approved by the Commission through the formula rate true-up process in 2014.

12. PPL Electric should file a refund report with the Commission that reflects amounts refunded to PPL Electric's wholesale transmission customers.

## 3. Manufactured Gas Plant Obligations

PPL Electric improperly accounted for manufactured gas plant remediation expenses in Account 930.2, Miscellaneous General Expenses. As a result of the incorrect accounting, these expenses were improperly included in the formula rate computation. These expenses should have been treated such that no amounts would be recovered from wholesale transmission customers since these costs were not associated with providing service to wholesale transmission customers.

### Pertinent Guidance

18 C.F.R. pt. 101, Account 242, Miscellaneous Current and Accrued Liabilities, states:

> This account shall include the amount of all other current and accrued liabilities not provided for elsewhere appropriately designated and supported so as to show the nature of each liability.

18 C.F.R. pt. 101, Account 253, Other Deferred Credits, states:

> This account shall include advance billings and receipts and other deferred credit items, not provided for elsewhere, including amounts which cannot be entirely cleared or disposed of until additional information has been received.

18 C.F.R. pt. 101, Account 426.5, Other Deductions, states:

> This account shall include other miscellaneous expenses which are nonoperating in nature, but which are properly deductible before determining total income before interest charges.

18 C.F.R. pt. 101, Account 930.2, Miscellaneous General Expense, states:

> This account shall include the cost of labor and expenses incurred in connection with the general management of the utility not provided for elsewhere.

### Background

PPL Electric incurred manufactured gas plant (MGP) environmental obligations to clean up contaminated sites in conjunction with the Comprehensive Environmental Response, Compensation, and Liability Act of 1980. This act imposed joint and several liability for cleaning up contamination caused by hazardous substances. PPL Electric estimated its liability for MGP environmental remediation to be $3,874,758 and $696,010 in 2010 and 2011, respectively. PPL Electric accounted for the MGP environmental remediation contingencies by debiting Account 930.2, and crediting Account 242 or Account 253, as appropriate.

PPL Electric represented that it included the environmental remediation obligations related to the MGPs in Account 930.2 because the environmental costs could not be identified with a specific business line. Consistent with PPL Electric's accounting policy, when a specific business line cannot be identified, either due to contamination that related to the purchase of property or related to former operation of facilities no longer in service, the costs are recorded in Account 930.2.

Audit staff believes that PPL Electric's accounting for its MGP environmental obligations was not consistent with the Commission's accounting regulations because such obligations should not have been included in Accounts 930.2. Audit staff also noted that these costs were not related to providing service to wholesale transmission customers. Therefore, under the Commission's accounting regulations, PPL Electric should have accounted for the MGP environmental obligations by debiting the appropriate nonutility expense account, not a transmission or administrative and general expense account tied to the transmission formula rate, and crediting Account 242 or Account 253, as appropriate.

For ratemaking purposes, PPL Electric included amounts in Account 930.2 in formula rate determinations. The formula rate template permits PPL Electric to recover costs recorded in this account through the application of the transmission wages and salaries allocator. The transmission wages and salaries allocator is the ratio of transmission wages expense to total wages expense less administrative and general wages expense. The application of this allocation factor allowed PPL Electric to recover transmission-related costs recorded in Account 930.2.

As part of the examination of Account 930.2, audit staff determined that in 2010 and 2011 PPL Electric recorded $3,874,758 and $696,010, respectively, of MGP environmental remediation costs in this account and subsequently included these amounts in formula rate determinations. In addition, audit staff noted that PPL Electric recorded these MGP environmental obligations in Account 930.2 for years prior to the audit period. PPL Electric represented to audit staff that these amounts were related to its former MGPs, which include Brodhead Creek, Columbia Gas Plant, Milton Gas Plant, Mt. Joy Gas Plant, and Shamokin Gas Plant. These MGPs were owned by Pennsylvania Power and Light Company, to which PPL Electric is the successor. However, these MGPs are no longer reflected on PPL Electric's books. The MGPs were not used in PPL Electric's wholesale transmission operations. Rather, they were historically used to produce a low Btu gas that was distributed to the Pennsylvania Power and Light Company's retail gas utility customers during the earlier years of the company's operations, when it was both a natural gas and electric utility.

PPL Electric should amend its accounting policy for MGP environmental obligations to record such contingencies by debiting the appropriate nonoperating expense account and crediting Account 242 or Account 253, as appropriate. PPL Electric should also refrain from including these costs in formula rate determinations, since these costs were not associated with providing service to wholesale transmission customers.

**Recommendations**

We recommend that:

13. PPL Electric should amend its accounting policies to ensure manufactured gas plant remediation expenses are accounted for consistent with the Commission's accounting regulations.

14. PPL Electric should refrain from including manufactured gas plant remediation expenses in the formula rate determinations, since such costs were not incurred in providing service to wholesale transmission customers.

15. PPL Electric should determine the amount of manufactured gas plant remediation expenses recovered through its formula rate.

16. For each year affected, PPL Electric should refund the manufactured gas plant remediation expense amounts improperly included and recovered through the formula rate, calculated pursuant to its formula rate protocols approved by the Commission through the formula rate true-up process in 2014.

17. PPL Electric should file a refund report with the Commission that reflects amounts refunded to its wholesale transmission customers.

## 4. Asset Retirement Obligation

KU and LG&E neither sought nor received Commission approval to recover asset retirement obligation costs in their transmission formula rate.

## Pertinent Guidance

Order No. 631 states:

> However, public utilities, licensees, and natural gas companies with formula rate tariffs must not include any cost components related to asset retirement obligations in their formula rate billing tariffs for automatic recovery in their billing determinations without obtaining Commission approval. [12]

Order No. 631 goes on to say:

> The Commission finds that the issue of whether, and to what extent, a particular asset retirement cost must be recovered through jurisdictional rates should be addressed on a case-by-case basis in the individual rate change filed by public utilities, licensees, and natural gas companies. To ensure that all rate base amounts related to asset retirement obligations can be identified and excluded from the rate base calculation in a rate change filing, the Commission adds sections 35.18 and 154.315 to its rate change filing requirements. These new regulations require that public utilities, licensees, and natural gas companies who have recorded an asset retirement obligation on their books in accordance with this rule must, as part of any initial rate filing or general rate change filing, provide a schedule identifying all cost components related to the asset retirement obligation that are included in the book balances of all accounts reflected in the cost of service computation supporting the proposed rates. In addition, the regulations require that all asset retirement obligations related rate base items be removed from the rate base computation through an adjustment. If the public utility, licensee, or natural gas company is seeking recovery of an asset retirement obligation in rates, it must also provide a detailed study supporting the amounts proposed to be collected in rates. If the public utility, licensee, or natural gas company is not seeking

[12] *Accounting, Financial Reporting, and Rate Filing Requirements for Asset Retirement Obligations*, Order No. 631, 103 FERC ¶ 61,021, at P 60 (2003).

> recovery of the asset retirement obligation in rates, then it must remove all asset retirement obligation related cost components from its cost of service.[13]

Section 35.18 of the Commission's regulations specifically states:

> (a) A public utility that files a rate schedule, tariff or service agreement under section 35.12 or section 35.13 and has recorded an asset retirement obligation on its books must provide a schedule, as part of the supporting work papers, identifying all cost components related to the asset retirement obligations that are included in the book balances of all accounts reflected in the cost of service computation supporting the proposed rates. However, all cost components related to asset retirement obligations that would impact the calculation of rate base, such as electric plant and related accumulated depreciation and accumulated deferred income taxes, may not be reflected in rates and must be removed from the rate base calculation through a single adjustment.
>
> (b) A public utility seeking to recover nonrate base costs related to asset retirement costs in rates must provide, with its filing under section 35.12 or section 35.13, a detailed study supporting the amounts proposed to be collected in rates.
>
> (c) A public utility that has recorded asset retirement obligations on its books, but is not seeking recovery of the asset retirement costs in rates, must remove all asset-retirement-obligations-related cost components from the cost of service supporting its proposed rates.[14]

18 C.F.R. pt. 101, Account 182.3, Other Regulatory Assets, states, in part:

> When specific identification of the particular source of a regulatory asset cannot be made, such as in plant phase-ins, rate moderation plans, or rate levelization plans, account 407.4, Regulatory credits, shall be credited.

[13] *Id.* P 62.

[14] 18 C.F.R. section 35.18 (2012).

## Background

KU and LG&E recorded liabilities to reflect various legal obligations associated with the retirement of long-lived assets. Initially, this obligation is measured at fair value and offset with a separate asset, which is depreciated over the asset's useful life. Until the obligation is settled, the liability is increased to reflect changes in the obligation due to the passage of time through the recognition of accretion expense.

General Instruction 25 of part 101 of the USofA defines an asset retirement obligation (ARO) as:

> A liability for the legal obligation associated with the retirement of a tangible long-lived asset that a company is required to settle as a result of an existing or enacted law, statute, ordinance, or written or oral contract or by legal construction of a contract under the doctrine of promissory estoppel.[15]

KU and LG&E initially recorded the ARO by debiting Account 101, Electric Plant in Service, and crediting Account 230, Asset Retirement Obligation. These AROs were for obligations associated with ash ponds, chemical storage, asbestos, coal storage, environmental ponds, and other operational matters.

To record the depreciation on the ARO assets, KU and LG&E debited Account 403.1, Depreciation Expense for Asset Retirement Costs, and credited Account 108, Accumulated Provision for Depreciation of Electric Utility Plant. This depreciation is calculated on a straight line basis over a life dictated by the settlement date of the ARO liability.

For accretion expense, KU and LG&E debited Account 411.10, Accretion Expense, and credited Account 230. The accretion expense recognizes the increase in the cost of removing an asset over its useful life.

Lastly, to defer the total depreciation on ARO costs and accretion on ARO liabilities, KU and LG&E debited Account 182.3, Other Regulatory Assets, and credited Account 407.4, Regulatory Credits. Account instructions to Account 182.3 would require KU and LG&E to credit Account 407.4, Regulatory Credits, when "specific identification of the particular source of a regulatory asset cannot be made." However, in this case, the particular source of the regulatory asset can be specifically identified as the depreciation initially recorded in Account 403.1 and the accretion initially recorded in Account 411.10. Therefore, KU and LG&E should have credited Accounts 403.1 and

[15] 18 C.F.R. pt. 101, General Instruction 25.

411.10 rather than Account 407.4. Audit staff understands that amounts deferred in Account 182.3 may have been included in depreciation expense recorded in Account 403.1 and previously collected from wholesale power and transmission customers. Due to these being previously collected, KU and LG&E overstated the regulatory asset recorded in Account 182.3. However, audit staff will not require KU and LG&E to reduce the regulatory asset to the extent KU and LG&E make refunds for the amounts previously collected.

Although KU and LG&E recorded the ARO assets and liability in Accounts 101 and 230, respectively, it included in rate base only the amounts recorded in Account 101 resulting in an increase in rate base. By not decreasing rate base by the amount recorded in Account 230, KU and LG&E overstated amounts included in rate base. Also, KU and LG&E flowed through the effects of the depreciation of the ARO assets recorded in Accounts 403.1 and 108 in the formula rate.

It is audit staff's understanding that ARO costs were included in LG&E and KU's formula rate calculation since inception of the formula rate. Based on Commission requirements, audit staff believes no aspect of the ARO should have been included in formula rate billings to wholesale power and transmission customers, absent KU and LG&E seeking approval from the Commission to include ARO amounts in formula rate determinations. This would have afforded the Commission the opportunity to request further information regarding KU and LG&E's accounting and the impacts of including ARO amounts to determine the annual revenue requirement. KU and LG&E should refund amounts previously collected from wholesale power and transmission customers related to their ARO obligations.

**Recommendation**

We recommend that:

18. LG&E and KU should submit a filing with the Commission under FPA section 205 to address their recovery of asset retirement obligation costs.

19. LG&E and KU should calculate the rate impact of recovering these ARO costs in the formula rate, and provide these calculations to the Division of Audits and Accounting.

20. For each year affected since the inception of their stand-alone formula rate, LG&E and KU should refund to ratepayers amounts inappropriately recovered through the transmission formula rate due to recovering asset retirement obligation costs, calculated with interest under section 35.19a of the Commission's regulations.

### 5. Virginia Distribution Utility Plant Costs

KU did not remove all amounts from its formula rate calculations associated with its Virginia distribution utility plant facilities, as required by the Commission.

### Pertinent Guidance

The March 17, 2006 Commission order accepting KU and LG&E's attachment O formula rate stated:

> We accept the attachment O rate formula for use in Applicants' stand-alone OATT, subject to revision. We agree with Applicants that the proposed rate formula represents an appropriate rate methodology for inclusion in Applicants' stand-alone OATT. However, Applicants must exclude the cost of certain facilities in Virginia that the Commission has found to serve a distribution function and not a transmission function. [16]

Note M of Attachment O requires KU to remove transmission plant determined by Commission order to be state-jurisdictional according to the seven-factor test (until FERC Form No. 1 balances are adjusted to reflect application of seven-factor test).[17]

[16] *Louisville Gas and Electric Company, et al.*, 114 FERC ¶ 61,282 at P198, (2006) (Citing *Louisville Gas & Electric Co*., 109 FERC ¶ 61,330 at P 8-9 (2004) (order affirming Presiding Judge's finding that certain facilities in Virginia that perform a distribution function must be excluded from the formula rates used in an interconnection agreement and transmission service agreement between Applicants and East Kentucky Coop.), *order denying reh'g*, 111 FERC ¶ 61,323 at P 50 (2005)).

[17] FERC uses a seven-factor test to determine whether an electric facility is distribution or transmission. FERC will give deference to state commission determinations, but that is limited by the expectation that the state follows the seven-factor test: (1) Local distribution facilities are normally in close proximity to retail customers; (2) local distribution facilities are primarily radial in character; (3) power flows into local distribution systems; it rarely, if ever, flows out; (4) when power enters a local distribution system, it is not reconsigned or transported onto some other market; (5) power entering a local distribution system is consumed in a comparatively restricted geographic area; (6) meters are based at the transmission/local distribution interface to measure flows into the local distribution system; and (7) local distribution systems will be of reduced voltage. Order No. 888, FERC Stats. & Regs. ¶ 31,036 at 31,771, 31,981 (1996).

**Background**

KU's transmission facilities in southwestern Virginia consist of 22 miles of 500-kV lines, 44 miles of 161-kV lines, 8 miles of 138-kV lines, 114 miles of 69-kV lines, and 5 transmission substations.

In a March 2004 initial decision, an administrative law judge determined that these Virginia transmission facilities serve a distribution function and not a transmission function, and, therefore, KU must eliminate the cost of these facilities from the transmission rates it charges.[18] In December 2004, the Commission affirmed the administrative law judge's finding that these Virginia transmission facilities serve a distribution function and not a transmission function and stated that the costs of these facilities must be eliminated from the rates charged.[19] In the March 2006 order that conditionally approved KU's withdrawal from Midwest Independent Transmission System Operator, Inc. (MISO), the Commission again required KU to "exclude the cost of certain facilities in Virginia that the Commission has found to serve a distribution function and not a transmission function."[20]

During a review of the transmission formula rate calculation, audit staff determined that KU did not comply with Note M of Attachment O, which requires KU to remove transmission plant determined by Commission order to be state-jurisdictional according to the seven-factor test. KU acknowledged that its Virginia transmission facilities were state-jurisdictional, and KU should have removed the Gross Plant in Service cost of its Virginia transmission facilities and associated depreciation in the calculation of the Transmission Plant Allocator of Attachment O, in conformity with Note M of Attachment O.

Audit staff determined that, by not complying with Note M, KU did not remove certain expenses related to these Virginia distribution plant facilities from formula rate determinations. This includes not only amounts included in the calculation of rate base, return, depreciation, and income taxes that are allocated directly using the transmission plant allocator, but also amounts or expenses, such as accumulated deferred income taxes, operation and maintenance expenses, administrative and general expenses, or taxes other than income taxes that are allocated using other allocators (based on net or gross plant balances, wages and salaries, transmission operation and maintenance expenses,

[18] *Louisville Gas & Electric Co*., 106 FERC ¶ 63,039, at P 64 (2004), *aff'd*. 109 FERC ¶ 61,330 at P 8 (2004), reh'g denied, 111 FERC ¶ 61,323.

[19] *Louisville Gas & Electric Co.*, 109 FERC ¶ 61,330 (2004).

[20] *Louisville Gas & Electric Co*., 114 FERC ¶ 61,282, at P 197 (2006).

etc.) that indirectly incorporate the transmission plant allocator. This resulted in KU erroneously collecting amounts from wholesale power and transmission customers since it did not remove all costs associated with the Virginia distribution plant facilities from formula rate determinations.

### Recommendations

We recommend that:

21. LG&E and KU should calculate the rate impact of recovering these costs in their stand-alone formula rate, and provide these calculations to the Division of Audits and Accounting.

22. For each year these Virginia distribution utility costs were included in their stand alone formula rate calculation, LG&E and KU should refund to ratepayers amounts inappropriately recovered through the transmission formula rate, calculated with interest under section 35.19a of the Commission's regulations.

## 6. Accounting for Cost of Removal

KU and LG&E improperly accounted for cost of removal on physical assets with legal asset retirement obligations.

## Pertinent Guidance

18 C.F.R. pt. 101, Account 108, Accumulated Provision for Depreciation of Electric Utility plant (Major Only), states, in part:

> A. This account shall be credited with the following:
>
> (1) Amounts charged to account 403, Depreciation expense, or to clearing accounts for current depreciation expense for electric plant in service.
>
> (2) Amounts charged to account 403.1, Depreciation expense for asset retirement costs, for current depreciation expense related to asset retirement costs in electric plant in service in a separate subaccount.

E. The utility is restricted in its use of the accumulated provision of depreciation to the purposes set forth above. It shall not transfer any portion of this account … or make any other use thereof without authorization by the Commission.

## Background

Audit staff examined KU and LG&E’s cost of removal accounting for physical assets with legal asset retirement obligations, such as ash ponds, landfills, and coal storage facilities. KU and LG&E booked the cost of removal related to these assets by debiting Account 403, Depreciation Expense, and crediting Account 108, Accumulated Provision for Depreciation of Electric Utility Plant. KU and LG&E then reclassified these amounts to a regulatory liability account by debiting Account 108 and crediting Account 254, Other Regulatory Liabilities. Once KU and LG&E retired the asset and settled the ARO, KU and LG&E debited Account 254 and credited Account 108.

While KU and LG&E received state commission guidance from the Kentucky Public Service Commission that approved this accounting treatment, such approval does not dictate how this transaction should be accounted for under the Commission’s accounting regulations. Under the Commission’s accounting regulations, cost of removal is typically factored in the depreciation rate, and depreciation expense is accounted for in Accounts 403 and 108. According to the instructions to Account 108, amounts recorded herein must not be transferred to any other account absent of approval from the Commission. KU and LG&E did not seek nor receive approval from the Commission to transfer any amounts from Account 108. By transferring amounts initially recorded in Account 108 to Account 254, KU and LG&E did not follow the instructions for Account 108. For rate purposes, Account 108 is typically used to reduce rate base while amounts recorded in Account 254 are typically not used in the formula rate calculations. Since KU and LG&E removed these amounts from Account 108, it erroneously overstated rate base used to determine formula rate billings to transmission customers. Audit staff is aware that this accounting practice was used for years prior to the audit period.

### Recommendations

We recommend that:

23. LG&E and KU should provide to the Division of Audits and Accounting correcting entries that show the reversal of amounts from Account 254.

24. For each year these amounts were included in their stand-alone formula rate, LG&E and KU should refund all costs, calculated with interest under section 35.19a of Commission regulations.

25. LG&E and KU should file a refund report with the Commission that reflects amounts refunded to their customers.

## 7. Merger Costs

PPL's three franchised public utilities (KU, LG&E, and PPL Electric) incorrectly included some transaction-related costs related to PPL's merger with E.ON U.S. in formula rate billings to wholesale power and transmission customers.[21]

## Pertinent Guidance

The October 25, 2010 Commission order approving the merger of PPL and E.ON U.S., LLC stated:

> With respect to transaction-related costs, we accept Applicants' commitment to hold transmission and wholesale customers harmless from costs related to the transaction for a period of five years to the extent that such costs exceed savings related to the transaction, which we interpret to include all transaction-related costs, not only costs related to consummating the transaction.
>
> If Applicants seek to recover transaction-related costs through their wholesale power or transmission rates they must submit a compliance filing that details how they are satisfying the hold harmless requirement. If Applicants seek to recover transaction-related costs in an existing formula rate that allows for such recovery, then that compliance filing must be filed in the section 205 docket in which the formula rate was approved by the Commission, as well as in the instant section 203 docket. We also note that, if Applicants seek to recover transaction-related costs in a filing whereby they are proposing a new rate (either a new formula rate or a new stated rate), then that filing must be made in a new section 205 docket as well as in the instant section 203 docket. The Commission will notice such filings for public comment. In such filings, Applicants must: specifically identify the transaction-related costs they are seeking to recover, and (2) demonstrate that those costs are exceeded by the savings produced by the transaction, in addition to any requirements associated with filings made under section 205. Such a hold

[21] KU sells wholesale power to certain municipal utilities under long-term agreements that established cost-based wholesale power rates based on a formula rate. Moreover, PPL Electric, LG&E, and KU provide transmission service at formula rates.

> harmless commitment will protect customers' wholesale power and transmission rates from being adversely affected by the proposed transaction. [22]

## Background

On June 28, 2010, PPL filed an application seeking authorization under sections 203(a)(1)(A), 203(a)(1)(B), and 203(a)(2) of the FPA for a proposed transaction in which PPL would acquire all of the issued and outstanding limited liability company interests of E.ON U.S. from E.ON AG's indirect, wholly owned subsidiary, E.ON U.S. Investments Corp. PPL sought to acquire E.ON U.S. for a purchase price of $7.625 billion, comprised of $2.062 billion in cash (subject to adjustment), the repayment of outstanding debt of E.ON U.S., LG&E, and KU estimated at $4.638 billion, and the assumption of $925 million in tax-exempt bonds of LG&E and KU. On October 25, 2010, the Commission issued an order approving the transaction under Docket No. EC10-77-000. [23] Audit staff evaluated PPL and its FPU subsidiaries for compliance with the conditions of this order. Besides reviewing Commission orders and company filings, understanding processes and procedures, and interviewing company staff, audit staff reviewed and tested compliance with the order's various provisions, such as verifying that the transaction did not result in any: (1) transfer of jurisdictional facilities between affiliated entities; (2) any securities issued for the benefit of any affiliated entity or in any new pledge or encumbrance of assets of an affiliated entity; or (3) any new affiliate contracts between affiliated entities. Audit staff also verified that all purchase accounting adjustment amounts were removed from account balances reported in the FERC Form No. 1.

Audit staff also evaluated compliance with the order's hold harmless provision, which required PPL to "hold transmission and wholesale customers harmless from costs related to the transaction for a period of five years to the extent that such costs exceed savings related to the transaction, which we interpret to include all transaction-related costs, not only costs related to consummating the transaction."

PPL properly excluded most of its transaction-related costs from formula rate billings to wholesale power and transmission customers, which included legal fees, consulting expenses, third-party costs, and internal labor costs. PPL had controls and procedures in place to hold harmless wholesale power and transmission customers, such as: payroll and time-reporting controls, communications from appropriate groups on how to charge certain costs, and supervisory review and approval of nonpayroll charges.

[22] *PPL Corporation*, 133 FERC ¶ 61,083, at PP 26-27 (2010).

[23] *Id.* P 1.

However, audit staff identified a small amount of transaction-related costs that flowed through to the formula rate billings.

In our review of transaction-related costs, audit staff determined that PPL's two service companies (PPL Services and LKS) allocated the most transaction-related costs to PPL ($113 million), LG&E & KU Capital ($32 million), and PPL Strategic Development ($1 million). These three entities held $146 million of the approximately $150 million in total transaction-related costs incurred during the audit period. The remaining $4 million of transaction-related costs were allocated to 12 other PPL entities, including PPL's 3 franchised public utilities, KU, LG&E, and PPL Electric, which are in bold in the table below. This table shows transaction costs allocated to each entity:

| PPL Entity | Total Transaction Costs |
|---|---|
| 1. PPL Corporation | $113,164,077 |
| 2. LG&E and KU Capital | $32,133,630 |
| 3. PPL Strategic Development | $1,262,186 |
| 4. PPL Global, LLC | $734,575 |
| 5. PPL Susquehanna LLC | $573,396 |
| 6. PPL Energy Services Holdings, LLC | $301,957 |
| 7. PPL Energy Plus, LLC | $298,902 |
| 8. PPL Generation LLC | $257,975 |
| 9. PPL Brunner Island, LLC | $222,337 |
| 10. PPL Montour LLC | $194,040 |
| **11. PPL Electric** | **$163,329** |
| **12. Louisville Gas & Electric** | **$108,981** |
| **13. Kentucky Utilities** | **$95,060** |
| 14. PPL Martins Creek, LLC | $58,814 |
| 15. PPL University Park, LLC | $24,408 |
| **Total** | **$149,593,668** |

In summary, PPL's three FPUs, KU, LG&E, and PPL Electric, were allocated approximately $367,000 in transaction-related costs, and they included approximately $329,229 of these costs in their wholesale power and transmission formula rate calculations. These costs consisted primarily of legal fees, consulting fees, wages of PPL staff in different departments, office supplies, and general and administrative expenses. These transaction-related costs included costs that were incurred before PPL filed its merger application with the Commission, during the transaction, and after the transaction was consummated. The Merger Order defines costs related to the transaction as "all transaction-related costs, not only costs related to consummating the transaction." The Merger Order also states, "If Applicants seek to recover transaction-related costs through their wholesale power or transmission rates they must submit a compliance filing that details how they are satisfying the hold harmless requirement. If Applicants seek to recover transaction-related costs in an existing formula rate that allows for such recovery, then that compliance filing must be filed in the section 205 docket in which the formula rate was approved by the Commission, as well as in the instant section 203 docket." PPL made no such filing to seek recovery for these costs.

### Recommendations

We recommend that:

26. PPL Electric, LG&E, and KU should strengthen existing procedures so that no transaction-related costs flow through an FPU's formula rates.

27. PPL Electric, LG&E, and KU should calculate the rate impact of recovering transaction-related costs in their respective formula rates, and provide these calculations to the Division of Audits and Accounting.

28. PPL Electric, LG&E and KU should refund to ratepayers amounts inappropriately recovered through the transmission formula rate due to the incorrect allocation of transaction-related costs, calculated with interest in accordance to the Commission-approved formula rate protocols for PPL Electric and under section 35.19a of the Commission's regulations for LG&E and KU.

## 8. Allowance for Funds Used During Construction

KU's method of computing AFUDC on CWIP was deficient by compounding AFUDC monthly instead of semi-annually, including unrealized losses in its common equity balance used to calculate AFUDC, and using an incorrect balance for the common equity component.

## Pertinent Guidance

AFUDC allows a company to recover its debt and equity costs used for funding construction. In Federal Power Commission's (FPC) Order No. 561, the Commission's predecessor agency, the FPC established a uniform formula for determining maximum rates to use for computing AFUDC.[24] The order states:

> The balances of long-term debt, preferred stock, and common equity for use in the formula for the current year will be the balances in such accounts at the end of the prior year; the cost rates for long-term debt and preferred stock will be the effective weighted average cost of such capital. The average short-term debt balances and related cost and the average construction work in progress balance will be estimated for the current year. We shall require, however, that public utilities and natural gas companies monitor their actual experience and adjust to actual at year-end if a significant deviation from the estimate should occur. For this purpose we shall consider a significant deviation to exist if the gross AFUDC rate exceeds by more than one-quarter of a percentage point (25 basis points) the rate that is derived from the formula by use of actual 13 monthly balances of construction work in progress and the actual weighted average cost and balances for short-term debt outstanding during the year.

On frequency of compounding of the AFUDC base, Order No. 561 states:

> We believe that a monthly compounding of AFUDC may result in excessive amounts capitalized since cash outlays for interest and dividends are not normally made on a monthly basis. We shall

[24] *Order Adopting Amendment to Uniform System of Accounts for Public Utilities and Licensees and for Natural Gas Companies*, Order No. 561, 57 FPC 608 (1977), *Order On Reh'g and Clarification*, Order 561-A, 59 FPC 1340 (1977), *further clarified*, 2 FERC ¶ 61,050 (1978).

> therefore permit compounding but no more frequently than semiannually.

18 C.F.R. pt. 101, Electric Plant Instruction 3 (17), Allowance for Funds Used During Construction, states in part:

> (a) Includes the net cost for the period of construction of borrowed funds used for construction purposes and a reasonable rate on other funds.
>
> (b) The rates shall be determined annually. The balances for long-term debt, preferred stock and common equity shall be the actual book balances as of the end of the prior year … the short-term debt balances and related cost and the average balance for construction work in progress plus nuclear fuel in process of refinement, conversion, enrichment, and fabrication shall be estimated for the current year with appropriate adjustments as actual data becomes available.

18 C.F.R. pt. 101, General Instruction 23 (C), Accounting for Other Comprehensive Income, states:

> (c) When it is probable that an item of other comprehensive income will be included in the development of cost-of-service rates in subsequent periods, that amount of unrealized losses or gains will be recorded in Accounts 182.3 or 254 as appropriate.

## Background

AFUDC includes the net cost for the period borrowed funds were used for construction and a reasonable rate on other funds. KU recorded the balances below in Account 419.1, Allowance for Other Funds Used During Construction, and Account 432, Allowance for Borrowed Funds Used During Construction – Credit, during the audit period:

| Year | Account 419.1 | Account 432 |
|---|---|---|
| 2010 | $521,152 | $968,597 |
| 2011 | $42,662 | $12,955 |

Audit staff evaluated KU's AFUDC base and rate calculations, and the application of these calculations, to determine the accrual of AFUDC on CWIP for select construction projects. This evaluation identified several deficiencies with KU's AFUDC calculation methodology.

1. *AFUDC Compounded Monthly* – KU improperly compounded its AFUDC on a monthly basis. The Commission allows for compounding of AFUDC no more frequently than semi-annually.

2. *Unrealized Losses* – KU incorrectly included unrealized losses from Account 219, Accumulated Other Comprehensive Income (AOCI), in the common equity component of the AFUDC rate calculation. Specifically, KU recorded unrealized losses for its 20 percent ownership of Electric Energy, Inc.'s AOCI, which consisted of the unfunded portion of its pension and postretirement obligations. KU recorded Account 219 balances of ($2,854) and ($467,077) in 2010 and 2011, respectively. Accounting treatment for these unrealized losses was a debit to Account 219 and a credit to Account 123, Investment in Associated Companies (Major Only). Since these losses are unrealized and not used in determining KU's retained earnings, these amounts should not impact the amount of retained earnings used to calculate the AFUDC rate. Therefore, Account 219 should not be in the common equity component of the AFUDC calculation. However, it is appropriate for KU to include losses in determining the AFUDC rate once these amounts are realized, and enter retained earnings.

3. *Common Equity Balance* – KU input the wrong balance as the common equity component to its AFUDC calculation. For its 2010 AFUDC calculation, KU input the long-term debt amount of $1,648,779,405, instead of the common equity amount of $1,951,966,344, as found in the 2009 KU FERC Form No. 1 on line 16(c).

During the 2010 and 2011 years, KU accrued an aggregate amount of $1,545,366 in total AFUDC. Due to the above errors, this amount understated the correct actual amount, which was $1,550,647. The errors included overstatement effects of $290 and $305, due to the monthly compounding and inclusion of AOCI balance errors, respectively, offset by an understatement effect of $5,876 due to the common equity input error.

## Recommendations

We recommend that:

29. KU should revise and implement procedures going forward to ensure its AFUDC base and rate calculation is consistent with Electric Plant Instruction 3(17) and other applicable Commission requirements.

## 9. Formula Rate Line References

KU and LG&E's formula rate Attachment O included multiple inaccurate line references.

### Pertinent Guidance

Attachment O (Transmission Formula Rate) of KU and LG&E's OATT required formula rate inputs derived from FERC Form No. 1 amounts.

### Background

During our review, audit staff determined that KU and LG&E's formula rate Attachment O included multiple inaccurate line references. Specifically, audit staff identified these incorrect line references:

| Formula Rate Component | Att. O Reference | FERC Form No. 1 Line Item |
|---|---|---|
| Gross Plant in Service - Production | 206.46g | 205.46g |
| Gross Plant in Service - Transmission | 206.58g | 207.58g |
| Gross Plant in Service - Distribution | 206.75g | 207.75g |
| Gross Plant in Service - General & Intangible | 206.5g and 206.90g | 205.5g and 207.99g |
| Accumulated Depreciation - General & Intangible | 219.27c | 219.28c and 200.21c |
| Land Held For Future Use | 214xd | Must specify line number |
| Materials & Supplies | 227.8c and 227.15c | 227.8c and 227.16c |
| O&M - Transmission | 321.100b | 321.112 |
| O&M - Account 565 | 321.88b | 321.96b |
| Depreciation Expense - General | 336.10f | 336.1f and 336.10f |
| Payroll Taxes | 263i | Must specify line number |
| Highway and Vehicle Taxes | 263i | Must specify line number |
| Property Taxes | 263i | Must specify line number |
| Gross Receipts Taxes | 263i | Must specify line number |
| Other Taxes | 263i | Must specify line number |
| Wages & Salaries - Production | 354.18b | 354.20b |
| Wages & Salaries - Transmission | 354.19b | 354.21b |
| Wages & Salaries - Distribution | 354.20b | 354.23b |
| Wages & Salaries - Other | 354.21, 22, 23b | 354.24, 25, 27b |
| Proprietary Capital | 112.15d | 112.16d |
| Long term debt | 112.18c-21c | 112.18c-23c |
| Preferred Stock | 112.3d | 112.3c |
| Sales for Resale | 311xh | Must specify page/line/column |

Also, audit staff determined that KU and LG&E can improve the transparency of their formula rate calculations by better presenting all manual adjustments and purchase accounting adjustments that impact balances reported within Attachment O.

**Recommendations**

We recommend that:

30. LG&E and KU should develop and implement controls to ensure accurate and complete line references.

31. LG&E and KU should submit a filing with the Commission under FPA section 205 to address the incorrect formula rate line references.

## 10. FERC Form No. 60 Reporting

FERC Form No. 60 filings that PPL Services and LKS made contained several reporting errors relating to account misclassifications, supporting schedule discrepancies, and the reporting of convenience payments.

### Pertinent Guidance

In 2006, centralized service companies became subject to the requirements of PUHCA 2005, which are incorporated into the Commission regulations in 18 C.F.R. pts. 366-369. The FERC Form No. 60 has specific reporting instructions for preparation of individual schedules and pages of the report. Regulations applicable to FERC Form No. 60 reporting by centralized service companies are:

18 C.F.R. section 366.23(a)(1), FERC Form No. 60, annual reports of centralized service companies, states, in part, "Every report must be submitted on the FERC Form No. 60 then in effect and must be prepared in accordance with the instructions incorporated into that form."

18 C.F.R. section 369(2)(ii), FERC Form No. 60, annual report of centralized service company, states in part, "The annual report in effect must be filed with the Commission as prescribed in Section 385.2011 of this chapter and as indicated in the General Instructions set out in the form, and must be properly completed and verified."

### Background

Audit staff analyzed the FERC Form No. 60 filings made by PPL's two service companies – PPL Services and LKS. This analysis identified these reporting errors:

<u>900 Series Account Misclassifications</u>

PPL Services misclassified amounts reported on its 2010 FERC Form No. 60 for Accounts 920, Administrative and General Salaries, 921, Office Supplies and Expenses, and 923, Outside Services Employed. Specifically, PPL Services over-reported Account 920 by approximately $7 million, over-reported Account 921 by approximately $5 million, and under-reported Account 923 by approximately $12 million.

<u>Accounts 457.1, Regional Transmission Service Revenues, and 457.2, Miscellaneous Revenues, Reporting</u>

In its 2010 FERC Form No. 60, which reported only November and December 2010, PPL Services reported total billings of $67,368,843 on Schedule XVII – Analysis of Billing-Associate Companies. PPL Services then provided supporting documentation for total billings for November and December 2010 that totaled $68,300,671. This resulted in a variance of $931,828.

LKS identified adjustments in February 2010 for $138,642.20 and September 2010 for $1,426,588.45 in Account 457.1. For both months, both revenue and expenses were understated.

These errors occurred for various reasons, including administrative oversight, limited review procedures, and the absence of appropriate verification procedures.

Convenience Payments

Service companies report convenience payments on Schedule V of its FERC Form No. 60. Specifically, instruction 2 of Schedule V states:

> *If the service company has provided accommodation or convenience payments for associate companies, provide in a separate footnote a listing of total payments for each associate company.*

Audit staff reviewed convenience payment data from LKS. During this review, audit staff learned that some convenience payments, amounting to $252,448, were reflected on the 2010 income statement. These payments were recorded in Account 923, and were identified as having convenience payment expenditure types in error. Also, additional expenses, amounting to $1,570, were reflected as 2010 convenience payments and should not have been. Convenience payments should be charged only to balance sheet accounts and not income statement accounts. Therefore, these amounts were recorded in error. These errors caused no financial impact as they were included in both revenue and expense on the service company's income statement.

These errors were due to human error involving misclassification and improper recording of expenses. To address them, LKS developed and implemented a procedure to determine if convenience payments had been modified to use a more detailed review of transactions to be disclosed.

**Recommendations**

We recommend that:

32. LKS and PPL Services should develop and implement procedures to ensure proper account classification, consistent reporting, and completion of all supporting schedules of the FERC Form No. 60. As part of these procedures, incorporate an annual review to ensure the FERC Form No. 60 filed with the Commission is complete and accurate.

33. LKS and PPL Services should refile 2010 FERC Form No. 60, correcting all reporting errors within 90 days after this report is issued.

# V. Other Matters

## Formula Rate Recovery of Intangible Plant

KU and LG&E's formula rate under Attachment O of its joint OATT included templates for calculating rate base and cost-of-service components used to determine transmission formula rate billings. As relevant here, the Attachment O formula rate included a FERC Form No. 1 line reference for gross intangible plant in service. However, the Attachment O formula rate did not include a FERC Form No. 1 line reference for accumulated amortization related to intangible plant. Also, the Attachment O formula rate did not include a FERC Form No. 1 line reference for amortization expense of intangible plant. When KU and LG&E withdrew from MISO and began recovering their transmission revenue requirement under their joint OATT in March 2006, they adopted a formula rate that is substantially the same formula rate template in Attachment O to the MISO OATT, and carried over the same omissions related to intangible plant.

In October 2011, MISO and its transmission owners filed revisions to portions of the Attachment O formula rate, under FPA section 205**,** to clarify inclusion of intangible plant in the calculation of Attachment O revenue requirements under Docket No. ER12-297-000. The filing parties proposed to clarify the inclusion of intangible plant by adding the appropriate FERC Form No. 1 reference to intangible plant for the line item that contains accumulated depreciation on general and intangible plant. The filing parties also proposed to add the language "and Amortization" to the column heading for "Depreciation Expense" and add the language "and Intangible" to the line item for "General" depreciation and amortization expense. Finally, the filing parties proposed to add the appropriate FERC Form No. 1 reference for amortization expense of intangible plant. On December 21, 2011, the Commission accepted MISO's submittal for filing.

During audit fieldwork, audit staff pointed out that KU and LG&E's formula rate under its joint OATT continues to have omissions related to intangible plant that were identified and corrected in Docket No. ER12-297-000. Since KU and LG&E now recover their cost of service based on a formula rate substantially the same as the MISO formula rate, they should have made a filing with the Commission under FPA section 205, similar to what MISO and its transmission owners did in ER12-297-000, to address the proper recovery of intangible plant.

Specifically, in calculating the revenue requirement for the transmission formula rate, KU and LG&E included intangible plant assets recorded in Accounts 301, Organization, 302, Franchise and Consents, and 303, Miscellaneous Intangible Plant, as components of its rate base. However, KU and LG&E did not reduce any of these amounts by any related corresponding amortization recorded in Account 111, Accumulated Provision for Amortization of Electric Plant.

**Recommendation**

We recommend that:

LG&E and KU submit a filing with the Commission under FPA section 205 to adopt the revisions for intangible plant MISO proposed in Docket No. ER12-297-000 and incorporate them into KU and LG&E's formula rate template under their joint OATT.

**Vincent Sorgi**
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Chief Financial Officer
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**PPL Corporation**
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http://www.pplweb.com/

September 26, 2014

Bryan K. Craig
Director and Chief Accountant, Division of Audits and Accounting
Federal Energy Regulatory Commission
888 First Street N.E. - Room 5K-13
Washington, DC 20425

Re: PPL Corporation, Docket No. FA12-12-000
Comments on Draft Audit Report

Dear Mr. Craig:

PPL Corporation ("PPL") appreciates this opportunity to comment on the September 11, 2014 Draft Audit Report provided to PPL by the Division of Audits and Accounting of the Office of Enforcement of the Federal Energy Regulatory Commission ("DAA") relating to an audit conducted in the above-referenced docket (the "Draft Audit Report"). PPL agrees with the findings and accepts the recommendations contained in the Draft Audit Report.

In many cases, PPL already has completed implementation or begun implementation of corrective measures related to the audit findings. Attachment A to this letter explains the corrective actions taken or planned, and provides actual or target completion dates for these actions.

PPL wishes to thank DAA personnel involved in the audit for their professionalism and courtesy.

Sincerely,

Vincent Sorgi

Attachment

**Attachment A**

## I. Draft Audit Report Section IV. Findings and Recommendation

### *1. Long-Term Investment in Subsidiary*

**Recommendation 1 - PPL Electric should provide notice of its material accounting changes to its wholesale transmission customers as required by section III.B of Attachment H-8H, Formula Rate Implementation Protocols, of its Open Access Transmission Tariff.**

Corrective Action: On May 15, 2014, PPL Electric filed its 2014 Annual Update with the Federal Energy Regulatory Commission ("Commission") in Docket No. ER09-1148 pursuant to the Formula Rate Implementation Protocols of its Open Access Transmission Tariff. The Commission publicly posted the filing on its eLibrary system the same day. Therein, PPL Electric explained that it changed its method of accounting for the activities of its subsidiary PPL Receivables Corporation from the consolidated method of accounting to the equity method of accounting in accordance with the Commission's regulations and that the changes affected PPL Electric's 2009 through 2013 Rate Years, given that the formula rate was first implemented on November 1, 2008. PPL Electric served the 2014 Annual Update on all parties to the docket on May 15, 2014, and provided a copy to its Regional Transmission Organization, PJM Interconnection, L.L.C. ("PJM") for posting on the PJM website. This action is completed.

**Recommendation 2 - PPL Electric should implement procedures to ensure that it follows the equity method of accounting for all investments in subsidiaries and ensure no deviation between accounting practices and Commission accounting regulations.**

Corrective Action 1: By November 30, 2014, PPL Electric will finalize its policy related to the differences in FERC and Securities and Exchange Commission ("SEC") reporting. Included in this policy will be a discussion of the accounting for investments in subsidiaries using the equity method of accounting and recording those investments in Account 123.1, Investment in Subsidiary Companies, for FERC reporting purposes, consistent with the FERC's accounting guidelines.

Corrective Action 2: In December 2013, PPL Electric implemented a new methodology that involves reviewing and cataloging electric industry-wide FERC Audit Report findings to ensure that PPL Electric appropriately reflects the accounting for similar transactions identified in such audit findings. The associated database is updated quarterly.

Corrective Action 3: On November 8, 2013, PPL Corporation modified its Journal Entry policy and procedures to specifically state that the impact on rate making mechanisms be considered for all journal entries affecting the domestic regulated utilities within the PPL family of companies.

Corrective Action 4: PPL Electric, together with PPL Services, will establish enhanced senior management-level procedures for on-going communication and oversight of company analysis and implementation of FERC developments related to accounting procedures and transmission formula rate calculations. This is expected to be completed within 90 days of the issuance of a final audit report.

**Recommendation 3 - PPL Electric should adopt controls that will ensure all costs related to PPL Receivables' operating activities are excluded from all components in PPL Electric's formula rate calculation.**

Corrective Action 1: By November 30, 2014, PPL Electric will finalize its policy related to the differences in FERC and SEC reporting. Included in this policy will be a discussion of the accounting for investments in subsidiaries using the equity method of accounting and recording those investments in Account 123.1, Investment in Subsidiary Companies, for FERC reporting purposes, consistent with the FERC's accounting guidelines.

Corrective Action 2: PPL Electric has modified its reporting of PPL Receivables in FERC Form 1 to use the equity method of accounting. PPL Electric utilizes the FERC Form 1 as the basis for its formula rate inputs. By reporting PPL Receivables using the equity method, PPL Electric will no longer include PPL Receivables' operating activities in the formula rate calculation.

**Recommendation 4 - PPL Electric should refund all costs incorrectly included in and recovered through the formula rate since its inception, with interest, calculated in accordance with the formula rate protocols approved by the Commission through the formula rate true-up process in 2014.**

Corrective Action: In accordance with Section VII of PPL Electric's Formula Rate Implementation Protocols, PPL Electric refunded the costs to properly account for PPL Receivables Corporation using the equity versus consolidated method of accounting recovered through the formula rate since its inception, with interest, as detailed in its 2014 Annual Update filed on May 15, 2014 with the Commission. The changes to the revenue requirement detailed in the 2014 Annual Update took effect in the 2014 rate year, which began on June 1, 2014 and ends on May 31, 2015.

**Recommendation 5 - PPL Electric should file a refund report with the Commission that reflects amounts refunded to PPL Electric's wholesale transmission customers.**

Corrective Action: PPL Electric expects to file a refund report within 90 days of the issuance of a final audit report.

2. ***Tax Overpayments***

**Recommendation 6 - PPL Electric should reclassify federal and state income taxes recorded in Account 165, Prepayments, applicable to those years in which PPL Electric chose to receive a refund of those amounts to Account 146, Accounts Receivable from Associated Companies or Account 143, Other Accounts Receivable, as appropriate.**

Corrective Action: PPL Electric reclassified federal and state income tax overpayments to the appropriate receivable accounts for the 2011 and 2012 balance sheets and for supporting pages of the 2012 FERC Form I Restatement filed on October 29, 2013. PPL Electric also reclassified federal and state income tax overpayments to the appropriate receivable accounts for rate years 2009-2013 and refunded the reduction in the revenue requirement, with interest, that resulted from including overpayments as receivables rather than prepayments as explained in the 2014 Annual Update filed with the Commission in May 15, 2014.

**Recommendation 7 - PPL Electric should submit correcting entries to the Division of Audits and Accounting within 30 days of this report.**

Corrective Action: PPL Electric will submit correcting entries to DAA within 30 days of the date of the issuance of the final audit report.

**Recommendation 8 - PPL Electric should revise procedures to ensure its income tax transactions recorded to Account 165 represent actual prepayments.**

Corrective Action 1: PPL Electric revised procedural documentation to explain the accounting of federal and state income tax overpayments on November 25, 2013. PPL Electric also implemented an automated process that will no longer reclassify federal and state income tax overpayments to Account 165, which began with the December 31, 2013 accounting close.

Corrective Action 2: In addition, as this is an area where FERC accounting differs from SEC accounting, the policy relating to differences in FERC and SEC reporting that is referenced in Corrective Action 1 of Recommendation 2 will make reference to this issue. That policy will be completed by November 30, 2014.

**Recommendation 9 - PPL Electric should revise procedures to appropriately determine its tax accrual amount.**

Corrective Action: PPL Electric has revised its procedures to properly reclassify income tax overpayments, determined through its accrual and payment process, recorded in Account 236 to either Account 143 or Account 146. See corrective action to Recommendation 8.

**Recommendation 10 - PPL Electric should record the necessary correcting entries as of December 31 to reflect the proper accounting for Federal and state estimated tax overpayment.**

Corrective Action: PPL Electric has completed this as part of the corrective actions discussed in response to Recommendation 6 above.

**Recommendation 11 - For each year these amounts were included in the formula rate calculations, PPL Electric should refund all costs incorrectly included in and recovered through the formula rate, with interest, calculated pursuant to its formula rate protocols approved by the Commission through the formula rate true-up process in 2014.**

Corrective Action: In accordance with Section VII of PPL Electric's Formula Rate Implementation Protocols, PPL Electric refunded the costs incorrectly included in and recovered through the formula rate since its inception, with interest, as detailed in its 2014 Annual Update filed on May 15, 2014 with the Commission. The changes to the revenue requirement detailed in the 2014 Annual Update took effect in the 2014 rate year, which began on June 1, 2014 and ends on May 31, 2015.

**Recommendation 12 - PPL Electric should file a refund report with the Commission that reflects amounts refunded to PPL Electric's wholesale transmission customers.**

Corrective Action: PPL Electric expects to file a refund report within 90 days of the issuance of a final audit report.

### *3. Manufactured Gas Plant Obligations*

**Recommendation 13 - PPL Electric should amend its accounting policies to ensure manufactured gas plant remediation expenses are accounted for consistent with the Commission's accounting regulations.**

Corrective Action: As referenced in Corrective Action 1 of Recommendation 2, PPL Electric will finalize its policy related to the differences in FERC and SEC reporting by November 30, 2014. Included in this policy is a discussion of the recording of manufactured gas site remediation expenses to Account 426.5, Other Deductions, for FERC reporting purposes, consistent with the FERC's accounting guidelines.

**Recommendation 14 - PPL Electric should refrain from including manufactured gas plant remediation expenses in the formula rate determinations, since such costs were not incurred in providing service to wholesale transmission customers.**

Corrective Action: PPL Electric provided notice of its accounting change relating to Manufactured Gas Plant costs in its 2014 Annual Update filed with the Commission on May 15, 2014 and will refrain on an ongoing basis from including these costs in its formula rate determinations based on the Division of Audits and Accounting's view that such costs were not incurred in providing service to wholesale transmission customers.

**Recommendation 15 - PPL Electric should determine the amount of manufactured gas plant remediation expenses recovered through its formula rate.**

Corrective Action: In September 2014, PPL Electric provided to DAA as Attachment 19 the amount of MGP environmental remediation expenses recovered through PPL Electric's transmission formula rate.

**Recommendation 16 - For each year affected, PPL Electric should refund the manufactured gas plant remediation expense amounts improperly included and recovered through the formula rate, calculated pursuant to its formula rate protocols approved by the Commission through the formula rate true-up process in 2014.**

Corrective Action: In accordance with Section VII of PPL Electric's Formula Rate Implementation Protocols, PPL Electric refunded the manufactured gas plant remediation expenses improperly included in and recovered through the formula rate since its inception, with interest, as detailed in its 2014 Annual Update filed on May 15, 2014 with the Commission. The changes to the revenue requirement detailed in the 2014 Annual Update took effect in the 2014 rate year, which began on June 1, 2014 and ends on May 31, 2015.

**Recommendation 17 - PPL Electric should file a refund report with the Commission that reflects amounts refunded to its wholesale transmission customers.**

Corrective Action: PPL Electric expects to file a refund report within 90 days of the issuance of a final audit report.

### 4. *Asset Retirement Obligation*

**Recommendation 18 - LG&E and KU should submit a filing with the Commission under FPA section 205 to address their recovery of asset retirement obligation costs.**

Corrective Action: LG&E and KU anticipate that they will submit the recommended FPA Section 205 filing relating to the recovery of asset retirement obligations within 90 days of the issuance of a final audit report.

**Recommendation 19 - LG&E and KU should calculate the rate impact of recovering these ARO costs in the formula rate, and provide these calculations to the Division of Audits and Accounting.**

Corrective Action: In September 2014, LG&E and KU provided estimated rate impact calculations (interest through June 2014) regarding the consolidated anticipated audit findings, including ARO costs, and certain rate under-billings to the Division of Audits and Accounting. LG&E and KU anticipate that they will provide to DAA and file with the Commission for approval a report showing updated consolidated rate impact calculations, including ARO costs, (through a then-current date) within 60 days following issuance of a final audit report. Thereafter, LG&E and KU anticipate that they will provide to DAA and file with the Commission for approval a report showing rate impacts for any final or remaining period of ARO cost recovery within 60 days following effectiveness of new rates pursuant to the FPA section 205 proceeding.

**Recommendation 20 - For each year affected since the inception of their stand-alone formula rate, LG&E and KU should refund to ratepayers amounts inappropriately recovered through the transmission formula rate due to recovering asset retirement obligation costs, calculated with interest under § 35.19a of the Commission's regulations.**

Corrective Action: LG&E and KU will refund or credit to ratepayers amounts inappropriately recovered through the transmission formula rate during such period due to recovering asset retirement obligation costs with interest, and anticipate that they will do so within 30 days of each applicable final Commission order accepting the respective refund reports filed in response to Recommendation 19.

### ***5. Virginia Distribution Utility Plant Costs***

**Recommendation 21 - LG&E and KU should calculate the rate impact of recovering these costs in their stand-alone formula rate, and provide these calculations to the Division of Audits and Accounting.**

Corrective Action: In September 2014, LG&E and KU provided estimated rate impact calculations (with interest through June 2014) regarding the consolidated anticipated audit findings, including Virginia distribution plant costs, and certain rate under-billings to the Division of Audits and Accounting. LG&E and KU anticipate that they will provide to DAA and file with the Commission for approval a report showing updated consolidated rate impact calculations, including Virginia distribution plant costs, (through a then-current date) within 60 days following issuance of a final audit report.

**Recommendation 22 - For each year these Virginia distribution utility costs were included in their stand alone formula rate calculation, LG&E and KU should refund to ratepayers amounts inappropriately recovered through the transmission formula rate, calculated with interest under § 35.19a of the Commission's regulations.**

Corrective Action: In connection with LG&E and KU's 2012 Annual Update for rates effective in the 2012 rate year which began on June 1, 2013 and ended on May 31, 2014, LG&E and KU corrected the inputs for Virginia plant so that costs associated with Virginia distribution utility plant no longer would flow through the formula rate. LG&E and KU will refund or credit to ratepayers amounts recovered through the transmission formula rate during such period associated with Virginia plant distribution costs with interest and anticipate that they will do so within 30 days of each applicable final Commission order accepting the refund report filed in response to Recommendation 21.

### ***6. Accounting for Cost of Removal***

**Recommendation 23 - LG&E and KU should provide to the Division of Audits and Accounting correcting entries that show the reversal of amounts from Account 254.**

Corrective Action: As part of the August 2013 accounting close, LG&E and KU corrected their accounting entries for cost of removal. Effective with

LG&E and KU's 2013 Annual Update for rates effective in the 2013 rate year which began on June 1, 2014 and ends on May 31, 2015, LG&E and KU's formula rate no longer included rate impacts from such cost of removal accounting. LG&E and KU will file such correcting entries showing the reversal of amounts from Account 254 within 30 days of the issuance of the final audit report.

**Recommendation 24 - For each year these amounts were included in their stand-alone formula rate, LG&E and KU should refund all costs, calculated with interest under section 35.19a of Commission regulations.**

Corrective Action: LG&E and KU will refund or credit to ratepayers amounts recovered through the transmission formula rate during such period due to cost of removal with interest and anticipate that they will do so within 30 days of each applicable final Commission order accepting the refund report filed in response to Recommendation 25.

**Recommendation 25 - LG&E and KU should file a refund report with the Commission that reflects amounts refunded to their customers.**

Corrective Action: In September 2014, LG&E and KU provided estimated rate impact calculations (interest through June 2014) regarding the consolidated anticipated audit findings, including cost of removal, and certain rate under-billings to the Division of Audits and Accounting. LG&E and KU anticipate that they will provide to DAA and file with the Commission for approval a report showing updated consolidated rate impact calculations including cost of removal (through a then-current date) within 60 days following issuance of a final audit report.

### *7. Merger Costs*

**Recommendation 26 - PPL Electric, LG&E and KU should strengthen existing procedures so that no transaction-related costs flow through an FPU's formula rates.**

Corrective Action 1: PPL Corporation made organizational changes in 2011 to create PPL Strategic Development, LLC for the Strategic Development group, the group that coordinates merger and acquisition ("M&A") activities and bears the costs of these activities. This organizational change has made it easier to direct M&A charges to the proper business unit and thereby exclude them from the regulated entities.

Corrective Action 2: PPL Services has improved communications among the Strategic Development group, Office of General Counsel, the Financial

Department and other appropriate groups within PPL Corporation in an effort to establish proper accounting for M&A projects at the onset of such projects by:

a) Reviewing the FERC audit with budget coordinators and reemphasizing the need for stronger controls and accurate accounting for costs associated with Strategic Development acquisition and divesture activities. (completed December 2012).
b) Drafting and reviewing with budget coordinators the proposed Accounting Policy and Procedures for Costs Associated with Acquisitions and Divestures. (completed April 2014).
c) Issuing an email communication to budget coordinators instructing them how to charge transaction and transition costs related to the spinoff of PPL Corporation Supply Segment. (completed June 2014).
d) Conducting meetings with key individuals for the purpose of discussing and reviewing issues related to proper charging of PPL Corporation Supply Segment spinoff costs. (completed July and August, 2014).
e) Issuing the Accounting Policy and Procedures for Costs Associated with Acquisitions and Divestures and communicating said issuance to all budget coordinators. (completed August 2014).
f) Developing and issuing a message to all PPL Corporation supervisors to emphasize the importance of properly capturing all costs related to the spinoff of PPL Corporation Supply Segment. (completed September 2014).

<u>Corrective Action 3</u>: As of August 2014, PPL Services' Financial and Accounting Departments developed an accounting policy/procedure related to M&A activities and included it with other accounting policies and procedures on the Controller's Department Accounting Policies and Procedures intranet web site.

<u>Corrective Action 4</u>: PPL Services will include a summary of the M&A accounting policy in the Cost Allocation Manual during the next update by December 31, 2014.

<u>Corrective Action 5</u>: Commencing with LG&E and KU's 2013 Annual Update for rates effective in the 2013 rate year which began on June 1, 2014 and ends on May 31, 2015, LG&E and KU no longer included rate impacts from such transaction-related costs.

<u>Corrective Action 6</u>: During September 2013, LG&E and KU modified their Regulatory Compliance accounting policy to provide additional guidance on merger costs. Examples of merger transaction and transition costs were included in this accounting policy.

Corrective Action 7: During September 2013, LG&E and KU updated its "Merger Transaction and Transition Cost" accounting treatment guidance on the Company's intranet site with information regarding how merger transaction and transition costs are to be handled.

**Recommendation 27 - PPL Electric, LG&E and KU should calculate the rate impact of recovering transaction-related costs in their respective formula rates, and provide these calculations to the Division of Audits and Accounting.**

Corrective Action 1: In September 2014, LG&E and KU provided estimated rate impact calculations (interest through June 2014) regarding the consolidated anticipated audit findings, including transaction-related costs, and certain rate under-billings to DAA. LG&E and KU anticipate that they will provide to DAA and file with the Commission for approval a report showing updated consolidated rate impact calculations regarding transaction-related costs (through a then-current date) within 60 days following issuance of a final audit report.

Corrective Action 2: In September 2014, PPL Electric provided DAA with Attachment 1 that identifies the rate impact of recovering transaction-related costs through PPL Electric's transmission formula rate.

**Recommendation 28 - PPL Electric, LG&E and KU should refund to ratepayers amounts inappropriately recovered through the transmission formula rate due to the incorrect allocation of transaction-related costs, calculated with interest in accordance to the Commission-approved formula rate protocols for PPL Electric and under § 35.19a of the Commission's regulations for LG&E and KU.**

Corrective Action 1: LG&E and KU will refund or credit to ratepayers amounts recovered through the transmission formula rate due to such transaction-related costs, with interest, and anticipate that they will do so within 30 days of each applicable final Commission order accepting the respective refund report filed in response to Recommendation 27.

Corrective Action 2: In accordance with Section VII of PPL Electric's Formula Rate Implementation Protocols, PPL Electric refunded the transaction-related costs improperly included in and recovered through the formula rate since its inception, with interest, as detailed in its 2014 Annual Update filed on May 15, 2014 with the Commission. The changes to the revenue requirement detailed in the 2014 Annual Update took effect in the 2014 rate year, which began on June 1, 2014 and ends on May 31, 2015.

### 8. ***Allowance for Funds Used During Construction***

**Recommendation 29 - KU should revise and implement procedures going forward to ensure its AFUDC base and rate calculation is consistent with Electric Plant Instruction 3(17) and other applicable Commission requirements.**

Corrective Action 1: Beginning with the February 2012 accounting close, KU modified its PowerPlant fixed asset accounting system to properly account for AFUDC. The PowerPlant automated AFUDC calculation was updated to compound interest semiannually rather than monthly.

Corrective Action 2:
During August 2012, KU finalized modifications to its AFUDC accounting policy and procedures to record AFUDC in accordance with Electric Plant Instruction 3(17) and Federal Power Commission Order 561.

### 9. ***Formula Rate Line References***

**Recommendation 30 - LG&E and KU should develop and implement controls to ensure accurate and complete line references.**

Corrective Action: During 2012 and 2013, LG&E and KU developed and implemented, enhanced controls and procedures for the transmission formula rate template to ensure appropriate references going forward, similar to Sarbanes-Oxley–level controls. LG&E and KU strengthened spreadsheet controls on the formula rate template, such as password protection, increased automation and protection for calculations, clearly labeled input data entry, and increased internal cross-check features. LG&E and KU implemented written process documentation and a narrative for the controls describing the specific procedures and responsibilities for calculating and reviewing the transmission formula rate relating to calculation performed by its Rates Department, reviews performed by its Rates, Accounting, and Transmission Departments and sign-off at the senior management level prior to posting.

**Recommendation 31 - LG&E and KU should submit a filing with the Commission under FPA section 205 to address the incorrect formula rate line references.**

Corrective Action: LG&E and KU anticipate that they will submit the recommended FPA Section 205 filing(s) relating to incorrect formula rate line references within 90 days of the issuance of a final audit report.

### *10. FERC Form No. 60 Reporting*

**Recommendation 32 - LKS and PPL Services should develop and implement procedures to ensure proper account classification, consistent reporting, and completion of all supporting schedules of the FERC Form No. 60. As part of these procedures, incorporate an annual review to ensure the FERC Form No. 60 filed with the Commission is complete and accurate.**

Corrective Action 1: In March 2012, during preparation for the 2012 Form 60 filing, LG&E and KU developed a query within its Oracle financial system to better identify and capture LKS intercompany transactions that should be distinguished as convenience payments. Further enhancements were made to this query throughout 2013 to improve the efficiency of the query and to reduce manual adjustments to identify the convenience payments. In January and February 2013 LG&E and KU set up additional expenditure types within Oracle to also aid in identifying convenience payments.

Corrective Action 2: In November 2012, LG&E and KU developed a document to further educate employees on the identification of convenience payments. This document, along with a decision tree, has been shared with all employees via their intranet site.

Corrective Action 3: PPL Services implemented an automated process in 2012, using delivered allocation functionality in its general ledger software. The automated process performs the reclassification among Accounts 920, 921 and 923 based on cost type. The automated process mirrors the manual reclassification journal entries reflected in the 2011 FERC Form 60. As an additional control for PPL Services, beginning in 2012, the cost types in accounts 920, 921, and 923 are reviewed on a monthly basis to ensure that amounts are appropriately classified in these accounts.

Corrective Action 4: PPL Services developed written procedures for the preparation of Form 60. Prior to the filing of the 2013 Form 60 which occurred on April 30, 2014, Corporate Audit Services reviewed the process for preparing PPL Services' Form 60, the procedures used to allocate cost in the 2013 Form 60, and the completeness and accuracy of the 2013 Form 60. Management has requested Corporate Audit Services to include a review of the Form 60 in its audit plan.

**Recommendation 33 - LKS and PPL Services should refile 2010 FERC Form No. 60, correcting all reporting errors within 90 days after this report is issued.**

Corrective Action 1: LKS will refile the 2010 FERC Form No. 60 within 90 days of the date the final audit report is issued.

Corrective Action 2: PPL Services will refile the 2010 FERC Form No. 60 within 90 days of the date the final audit report is issued.

II. **Draft Audit Report Section V. Other Matters**

***Formula Rate Recovery of Intangible Plant***

**Recommendation - LG&E and KU submit a filing with the Commission under FPA section 205 to adopt the revisions for intangible plant MISO proposed in Docket No. ER12-297-000 and incorporate them into KU and LG&E's formula rate template under their joint OATT.**

Corrective Action: LG&E and KU anticipate that they will submit the recommended FPA Section 205 filing(s) adopting revisions for intangible plant as proposed by MISO and incorporating those changes into the formula rate template under their joint OATT within 90 days of the issuance of a final audit report.

**Louisville Gas and Electric Company**
**Case No. 2018-00295**
**Forecasted Test Period Filing Requirements**
**(Forecasted Test Period 12ME 4/30/20; Base Period 12ME 12/31/18)**

**Filing Requirement**
**807 KAR 5:001 Section 16(7)(j)**
**Sponsoring Witness: Daniel K. Arbough**

**Description of Filing Requirement:**

*The prospectuses of the most recent stock or bond offerings.*

**Response:**

See attached.

**NOT NEW ISSUES** **BOOK-ENTRY ONLY**

*On March 22, 2002, the date on which the Bonds of each series were originally issued, Bond Counsel delivered its opinion that stated that, subject to the conditions and exceptions set forth under the caption "Tax Treatment," under then current law, interest on each series of Bonds would be excludable from the gross income of the recipients thereof for federal income tax purposes, except that no opinion was expressed regarding such exclusion from gross income with respect to any Bond during any period in which it is held by a "substantial user" of the related Project or a "related person" of a substantial user as such terms are used in Section 147(a) of the Internal Revenue Code of 1986, as amended (the "Code"). Interest on each series of Bonds will be an item of tax preference in determining alternative minimum taxable income for individuals or corporations under the Code. The alternative minimum tax has been repealed with respect to corporations for taxable years beginning after December 31, 2017. Such interest may be subject to certain federal income taxes imposed on certain corporations, including imposition of the branch profits tax on a portion of such interest. Bond Counsel was further of the opinion that interest on each series of Bonds would be excludable from the gross income of the recipients thereof for Kentucky income tax purposes and that, under then current law, principal of the Bonds would be exempt from ad valorem taxes in Kentucky. Such opinions have not been updated as of the date hereof and no continuing tax exemption opinions are expressed by Bond Counsel. However, in connection with the expiration of the current Long Term Rate Period and the change to a new Long Term Rate Period on each series of Bonds, as more fully described in this Reoffering Circular, Bond Counsel will deliver its opinions to the effect that such change for each series of Bonds (a) is authorized or permitted by the Act and the related Indenture and (b) will not adversely affect the validity of the Bonds or any exclusion of the interest thereon from the gross income of the owners of the Bonds for federal income tax purposes. See the information under the caption "Tax Treatment" in this Reoffering Circular.*

**$35,000,000**
**LOUISVILLE/JEFFERSON COUNTY METRO GOVERNMENT, KENTUCKY**
**Pollution Control Revenue Bonds,**
**2001 Series B**
**(Louisville Gas and Electric Company Project)**
**Due: November 1, 2027**
**Mandatory Purchase Date: May 3, 2021**
**Interest Payment Dates: May 1 and November 1**
**Interest Rate: 2.55%**

**$35,000,000**
**COUNTY OF TRIMBLE, KENTUCKY**
**Pollution Control Revenue Bonds,**
**2001 Series B**
**(Louisville Gas and Electric Company Project)**
**Due: November 1, 2027**
**Mandatory Purchase Date: May 3, 2021**
**Interest Payment Dates: May 1 and November 1**
**Interest Rate: 2.55%**

**Date of Change of Long Term Rate Period: May 1, 2018**

The Bonds of each issue (individually, the "Jefferson County Bonds" and the "Trimble County Bonds" and, collectively, the "Bonds") are special and limited obligations of the Louisville/Jefferson County Metro Government, Kentucky (as successor in interest to the County of Jefferson) and Trimble County, Kentucky (the "Issuers"), payable by the respective Issuers solely from and secured by payments to be received by the Issuers pursuant to separate Loan Agreements with Louisville Gas and Electric Company (the "Company"), except as payable from proceeds of such Bonds or investment earnings thereon. The Bonds do not constitute general obligations of the Issuers or a charge against the general credit or taxing powers thereof or of the Commonwealth of Kentucky or any other political subdivision of Kentucky.

Principal of, and interest on, the Bonds are further secured by the delivery to U.S. Bank National Association, as Trustee, of First Mortgage Bonds of

## LOUISVILLE GAS AND ELECTRIC COMPANY

The Bonds of each issue were originally issued on March 22, 2002 and each series currently bears interest at a Long Term Rate. Pursuant to the Indentures under which the Bonds were issued, the Company has elected to exercise its option to change the existing Long Term Rate Period on each series of Bonds to a new Long Term Rate Period, effective as of May 1, 2018 (the "Change Date"). As a result of the expiration of the current Long Term Rate Period on each series of Bonds, the Bonds are subject to mandatory purchase on the Change Date and are being reoffered hereby. Morgan Stanley & Co. LLC and PNC Capital Markets LLC will serve as Initial Co-Remarketing Agents for purposes of this reoffering of the Bonds. Following this reoffering, Morgan Stanley & Co. LLC will serve as the sole Remarketing Agent for the Bonds.

The Bonds of each issue are separate series, and the sale and delivery of one series is not dependent on the sale and delivery of the other series. The Bonds will accrue interest from the Change Date, payable on May 1 and November 1, commencing on November 1, 2018 and will be subject to mandatory purchase following this Long Term Rate Period on May 3, 2021 (the "Mandatory Purchase Date"). **Failure to pay the purchase price of a series of the Bonds on the Mandatory Purchase Date will constitute an Event of Default under the applicable Indenture (as defined herein). See the information contained under the caption "Summary of the Bonds — Mandatory Purchase of Bonds — Remarketing and Purchase of Bonds" below.** The interest rate period, interest rate and Interest Rate Mode for each series of the Bonds will be subject to change under certain conditions, in whole or in part, as described in this Reoffering Circular. Prior to the Mandatory Purchase Date, the Bonds will not be subject to optional redemption, but will be subject to extraordinary redemption and mandatory redemption following any determination of taxability prior to maturity as described under the caption "Summary of the Bonds – Redemptions."

The Bonds are registered in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository. Except as described in this Reoffering Circular, purchases of beneficial ownership interests in the Bonds will be made in book-entry only form in denominations of $5,000 and integral multiples thereof. Purchasers will not receive certificates representing their beneficial interest in the Bonds. See the information contained under the caption "Summary of the Bonds—Book-Entry-Only System" herein. The principal of, premium, if any, and interest on the Bonds will be paid by U.S. Bank National Association, as Trustee, to Cede & Co., as long as Cede & Co. is the registered owner of the Bonds. Disbursement of such payments to the DTC Participants is the responsibility of DTC, and disbursement of such payments to the purchasers of beneficial ownership interests is the responsibility of DTC Direct Participants and Indirect Participants, as more fully described herein.

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**PRICE: 100%**

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The Bonds are reoffered subject to prior sale, withdrawal or modification of the offer without notice (provided, however, that any such notice of withdrawal must be given on the Business Day prior to the Change Date) and to the approval of legality by Stoll Keenon Ogden PLLC, Louisville, Kentucky, as Bond Counsel and upon satisfaction of certain conditions. Certain legal matters will be passed upon for the Company by its counsel, Jones Day, Chicago, Illinois, and John R. Crockett III, General Counsel, Chief Compliance Officer and Corporate Secretary of the Company, and for the Remarketing Agents by their counsel, McGuireWoods LLP, Chicago, Illinois. It is expected that the Bonds will be available for redelivery to DTC in New York, New York on or about May 1, 2018.

**Morgan Stanley** **PNC Capital Markets LLC**

April 24, 2018

No dealer, broker, salesman or other person has been authorized by the Issuers or either of them, the Company or the Remarketing Agents to give any information or to make any representation with respect to the Bonds, other than those contained in this Reoffering Circular, and, if given or made, such other information or representation must not be relied upon as having been authorized by any of the foregoing. The Remarketing Agents have provided the following sentence for inclusion in this Reoffering Circular. The Remarketing Agents have reviewed the information in this Reoffering Circular in accordance with, and as part of, their responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Remarketing Agents do not guarantee the accuracy or completeness of such information. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Reoffering Circular nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the parties referred to above since the date hereof. The information set forth herein with respect to the Issuers has been obtained from the respective Issuer, and all other information has been obtained from the Company and from other sources which are believed to be reliable, but it is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation by, the Remarketing Agents.

In connection with the reoffering of the Bonds, the Remarketing Agents may over-allot or effect transactions which stabilize or maintain the market prices of the Bonds at levels above those that might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time.

IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE TERMS OF THE REOFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

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## INTRODUCTORY STATEMENT

This Reoffering Circular, including the cover page and Appendices, is provided to furnish information in connection with the reoffering of (i) the Louisville/Jefferson County Metro Government, Kentucky ("Jefferson County") Pollution Control Revenue Bonds, 2001 Series B (Louisville Gas and Electric Company Project), in the aggregate principal amount of $35,000,000 (the "Jefferson County Bonds") issued pursuant to an Indenture of Trust dated as of November 1, 2001, and as amended by Supplemental Indenture No. 1 dated as of September 1, 2010 (collectively, the "Jefferson County Indenture") between Louisville/Jefferson County Metro Government, as successor in interest to the County of Jefferson, and U.S. Bank National Association, as successor trustee (the "Jefferson County Trustee"), and (ii) the County of Trimble, Kentucky ("Trimble County") Pollution Control Revenue Bonds, 2001 Series B (Louisville Gas and Electric Company Project), in the aggregate principal amount of $35,000,000 (the "Trimble County Bonds") issued pursuant to an Indenture of Trust dated as of November 1, 2001 and as amended by Supplemental Indenture No. 1 dated as of September 1, 2010 (collectively, the "Trimble County Indenture") between Trimble County and U.S. Bank National Association, as successor trustee (the "Trimble County Trustee").

Pursuant to separate Loan Agreements by and between Louisville Gas and Electric Company (the "Company") and each of the Issuers, dated as of November 1, 2001, and as amended by Amendment No. 1 dated as of September 1, 2010 (each a "Loan Agreement" and, collectively, the "Loan Agreements"), proceeds from the sale of the Jefferson County Bonds and the Trimble County Bonds were loaned by the applicable Issuer to the Company. The Loan Agreements are separate undertakings by and between the Company and the applicable Issuer.

The proceeds of the Jefferson County Bonds were applied to pay and discharge $35,000,000 in outstanding principal amount of "County of Jefferson, Kentucky, Pollution Control Revenue Bonds, 1997 Series A (Louisville Gas and Electric Company Project)," dated November 13, 1997 (the "1997 Jefferson Bonds") on the date of issuance of the Jefferson County Bonds. The proceeds of the Trimble County Bonds were applied to pay and discharge $35,000,000 in outstanding principal amount of "County of Trimble, Kentucky, Pollution Control Revenue Bonds, 1997 Series A (Louisville Gas and Electric Company Project)," dated November 13, 1997 (the "1997 Trimble Bonds"), on the date of issuance of the Trimble County Bonds. The 1997 Jefferson Bonds and the 1997 Trimble Bonds were issued to refinance the costs of construction of, respectively, the Jefferson County Project and the Trimble County Project (each as described herein).

The Company will continue to repay each loan under the applicable Loan Agreement by making payments to the applicable Trustee in sufficient amounts to pay the principal of and interest and any premium on, and the purchase price of, the applicable series of Bonds. See "Summary of the Loan Agreement—General." Pursuant to the applicable Indenture, an Issuer's rights under the applicable Loan Agreement (other than with respect to certain indemnification and expense payments) were assigned to the applicable Trustee as security for the applicable series of Bonds.

For the purpose of further securing the Bonds of a series, the Company has issued and delivered to each of the Trustees a separate tranche of the Company's First Mortgage Bonds, Collateral Series 2010 (the "First Mortgage Bonds"). The principal amount, maturity date and interest rate (or method of determining interest rates) of each such tranche of First Mortgage Bonds are identical to the principal amount, maturity date and interest rate (or method of determining interest rates) of the related series of Bonds. The First Mortgage Bonds will only be payable, and interest thereon will only accrue, as described herein. See "Summary of the Loan Agreement — Issuance and Delivery of First Mortgage Bonds" and "Summary of the First Mortgage Bonds and the First Mortgage Indenture." The First Mortgage Bonds will not provide a direct source of liquidity to pay the purchase price of Bonds of a series tendered for purchase in accordance with the applicable Indenture.

The First Mortgage Bonds have been issued under, and are secured by, an Indenture, dated as of October 1, 2010, as supplemented by a supplemental indenture dated as of October 15, 2010 relating to the Bonds (the "Supplemental Indenture"), (the Indenture, as so supplemented, the "First Mortgage Indenture"), between the Company and The Bank of New York Mellon, as trustee (the "First Mortgage Trustee").

The Company is a wholly-owned subsidiary of LG&E and KU Energy LLC and an indirect wholly-owned subsidiary of PPL Corporation. The Company's obligations under the Loan Agreements are solely its own, and not those of any of its affiliates. None of PPL Corporation or the Company's other affiliates will be obligated to make any payments due under the Loan Agreements or First Mortgage Bonds or any other payments of principal, interest, premium or purchase price of the Bonds.

The Company has elected to exercise its option to change the existing Long Term Rate Period for the Bonds to a new Long Term Rate Period commencing on the Change Date. On the Mandatory Purchase Date of May 3, 2021, each series of Bonds may be subsequently converted to a new Interest Rate Mode or the Long Term Rate Period for each series of Bonds may be changed at its expiration to a new Long Term Rate Period. ***This Reoffering Circular pertains only to the Bonds during such period of time that they bear interest at the Long Term Rate established on the Change Date of May 1, 2018. In the event of a remarketing of the Bonds on or after the Mandatory Purchase Date, a supplement to this Reoffering Circular or a new reoffering circular will be prepared to describe the new terms and provisions then applicable to the Bonds.***

The Bonds are special and limited obligations of the respective Issuer and the respective Issuer's obligation to pay the principal of and interest and any premium on, and purchase price of, its respective series of Bonds is limited solely to the revenues and other amounts received by the Trustee under the applicable Indenture pursuant to the applicable Loan Agreement and amounts payable under the applicable First Mortgage Bonds. The Bonds will not constitute an indebtedness, general obligation or pledge of the faith and credit or taxing power of the respective Issuer, the Commonwealth of Kentucky or any political subdivision thereof.

Morgan Stanley & Co. LLC and PNC Capital Markets LLC (each, a "Remarketing Agent" and collectively, the "Remarketing Agents") will be appointed under the Indenture to serve as Initial Co-Remarketing Agents for purposes of this reoffering of the Bonds. Following this reoffering, Morgan Stanley & Co. LLC will serve as the sole Remarketing Agent for the Bonds. Any Remarketing Agent may resign or be removed and a successor Remarketing Agent may be appointed in accordance with the terms of the Indenture and the Remarketing Agreement for the Bonds between such Remarketing Agent and the Company.

Brief descriptions of the Company, the Issuers, the Bonds, the Loan Agreements, the Indentures and the First Mortgage Bonds (including the First Mortgage Indenture) are included in this Reoffering Circular. Such descriptions and information do not purport to be complete, comprehensive or definitive and are not to be construed as a representation or a guaranty of accuracy or completeness. All references herein to the documents are qualified in their entirety by reference to such documents, and references herein to a series of Bonds are qualified in their entirety by reference to the definitive form thereof included in the applicable Indenture. Copies of the Loan Agreements and the Indentures will be available for inspection at the principal corporate trust office of the Trustee. The First Mortgage Indenture (including the forms of the First Mortgage Bonds) is available for inspection at the office of the Company in Louisville, Kentucky, and at the corporate trust office of the First Mortgage Trustee in New York, New York. Certain information relating to The Depository Trust Company ("DTC") and the book-entry-only system has been furnished by DTC. Appendix A to this Reoffering Circular and all information contained under the heading The Projects" has been furnished by the Company. The Issuers and Bond Counsel assume no responsibility for the accuracy or completeness of such Appendix A or such information. Appendix B to this Reoffering Circular contains the opinions of Bond Counsel delivered in connection with the initial issuance and delivery of the Bonds and the proposed forms of opinion of Bond Counsel to be delivered in connection with the change in the Long Term Rate Period on the Bonds.

## THE ISSUERS

Each Issuer is a public body corporate and politic duly created and existing as a county and political subdivision under the Constitution and laws of the Commonwealth of Kentucky. Each Issuer is authorized by Section 103.200 to 103.285, inclusive, and, with respect to Jefferson County, Chapter 67C, of the Kentucky Revised Statutes (collectively, the "Act") to (i) convert and reoffer the respective series of Bonds and (ii) continue to perform its obligations under the Loan Agreements and the Indentures. The Issuers, through their respective legislative bodies, the Metro Government Legislative Council or Fiscal Court, have adopted one or more ordinances authorizing the issuance of the Bonds and the execution and delivery of the related documents.

THE BONDS OF EACH ISSUE ARE SPECIAL AND LIMITED OBLIGATIONS PAYABLE SOLELY AND ONLY FROM CERTAIN SOURCES, INCLUDING AMOUNTS TO BE RECEIVED BY OR ON BEHALF OF THE APPLICABLE ISSUER UNDER THE APPLICABLE LOAN AGREEMENT AND OTHER AMOUNTS RECEIVED FROM PAYMENTS MADE UNDER THE APPLICABLE FIRST MORTGAGE BONDS. THE BONDS OF EACH ISSUE WILL NOT CONSTITUTE AN INDEBTEDNESS, GENERAL OBLIGATION OR PLEDGE OF THE FAITH AND CREDIT OR TAXING POWER OF THE RESPECTIVE ISSUER, THE COMMONWEALTH OF KENTUCKY OR ANY POLITICAL

SUBDIVISION THEREOF, AND WILL NOT GIVE RISE TO A PECUNIARY LIABILITY OF THE RESPECTIVE ISSUER OR A CHARGE AGAINST ITS GENERAL CREDIT OR TAXING POWERS.

## THE PROJECTS

### Jefferson County Project

The Jefferson County Project has been completed and consists of certain air pollution control facilities completed in connection with the Mill Creek and Cane Run Stations of the Company situated in Jefferson County, Kentucky. Major components of the Jefferson County Project include the acquisition, construction, installation and equipping of major reconstructions, and modifications for the sulphur dioxide removal systems serving seven generating units at the two generating stations.

The Department for Natural Resources and Environmental Protection of the Commonwealth of Kentucky and the Air Pollution Control District of Jefferson County, Kentucky, the agencies exercising jurisdiction with respect to the Jefferson County Project, have previously certified that the Jefferson County Project, as designed, was in furtherance of the purposes of controlling atmospheric pollutants or contaminants.

The Company has retired all coal units at the Cane Run Station, including units that include components that are part of the Jefferson County Project.

### Trimble County Project

The Trimble County Project has been completed and consists of certain air and water pollution control and solid waste disposal facilities in connection with Unit 1 of the Trimble County Station situated in Trimble County, Kentucky. Major components of the Project include electrostatic precipitators to capture flyash and particulate emissions from the Unit 1 steam-boilers; sulphur dioxide removal systems (scrubbers) to remove sulphur dioxide from flue gases; water pollution control and solid waste disposal facilities, including retention basins, sludge and ash ponds for the receipt of sludge wastes produced by sulphur dioxide removal facilities and by electrostatic precipitators as well as bottom ash; both exterior and interior systems for the collection and transmission to treatment and neutralization facilities of polluted liquids, including coal pile liquid runoffs and fuel oil and other chemical spills; a natural draft cooling tower for the abatement of thermal pollution to the interstate stream (Ohio River); and facilities for the reception, transportation, preparation and holding of reactant chemicals and materials used in sulphur dioxide removal systems, which facilities are functionally related and subordinate to such sulphur dioxide removal systems.

The Department for Natural Resources and Environmental Protection of the Commonwealth of Kentucky, the agency exercising jurisdiction with respect to the Trimble County Project, has previously certified that the Trimble County Project, as designed, was in furtherance of the purposes of controlling atmospheric pollutants or contaminants and water pollution.

## SEPARATE SERIES

The Jefferson County Bonds and the Trimble County Bonds will be paid from payments made by or on behalf of the Company, will have substantially the same claim to such source of funds and are treated for federal income tax purposes as a single issue of obligations. However, the Jefferson County Bonds and the Trimble County Bonds are separate series and optional or mandatory redemption of either the Jefferson County Bonds or the Trimble County Bonds may be made in the manner described below without the redemption of the other series. Similarly, a default under one of the series of Bonds or Loan Agreements will not necessarily constitute a default under the other series of Bonds or Loan Agreement. Each series of Bonds can bear interest at an Interest Rate Mode different from the Interest Rate Mode borne by the other series of Bonds. Each series of Bonds is separately secured by a separate tranche of First Mortgage Bonds. Unless specifically otherwise noted, the following discussion under the captions "Summary of the Bonds," "Summary of the Loan Agreement," "Summary of the Indenture," "Summary of the First Mortgage Bonds and the First Mortgage Indenture," "Enforceability of Remedies," "Tax Treatment" and "Continuing Disclosure" applies equally, but separately, to the Jefferson County Bonds and the Trimble County Bonds.

As used under such captions with respect to the Jefferson County Bonds, the term "Issuer" shall mean Jefferson County, the term "Project" shall mean the Jefferson County Project, the term "Generating Station" shall mean the Mill Creek Station or the Cane Run Station, the term "Bonds" shall mean the Jefferson County Bonds, the term "First Mortgage Bonds" shall mean the related tranche of First Mortgage Bonds, the term "1997 Bonds" shall mean the 1997 Jefferson Bonds, the term "Loan Agreement" shall mean the Loan Agreement pursuant to which Jefferson County loaned the proceeds from the sale of the Jefferson County Bonds to the Company, the term "Indenture" shall mean the Jefferson County Indenture, and the term "Trustee" shall mean the Jefferson County Trustee.

As used under such captions with respect to the Trimble County Bonds, the term "Issuer" shall mean Trimble County, the term "Project" shall mean the Trimble County Project, the term "Generating Station" shall mean the Trimble County Station, the term "Bonds" shall mean the Trimble County Bonds, the term "First Mortgage Bonds" shall mean the related tranche of First Mortgage Bonds, the term "1997 Bonds" shall mean the 1997 Trimble Bonds, the term, "Loan Agreement" shall mean the Loan Agreement pursuant to which Trimble County loaned the proceeds from the sale of the Trimble County Bonds to the Company, the term "Indenture" shall mean the Trimble County Indenture, and the term "Trustee" shall mean the Trimble County Trustee.

## SUMMARY OF THE BONDS

### General

The Bonds will be reoffered in the aggregate principal amount set forth on the cover page of this Reoffering Circular and will mature on November 1, 2027. The Bonds are also subject to redemption prior to maturity as described herein.

The Bonds currently bear interest at a Long Term Rate to and including April 30, 2018. Pursuant to the terms and provisions of the Indentures summarized below, the Company has exercised its option, effective on the Change Date, to change the existing Long Term Rate Period to a new Long Term Rate Period. The Jefferson County Bonds will bear interest at the Long Term Rate of 2.55% per annum from May 1, 2018 and, following the expiration of this new Long Term Rate Period, will be subject to mandatory purchase on the Mandatory Purchase Date of May 3, 2021. The Trimble County Bonds will bear interest at the Long Term Rate of 2.55% per annum from May 1, 2018 and, following the expiration of this new Long Term Rate Period, will be subject to mandatory purchase on the Mandatory Purchase Date of May 3, 2021. Interest on the Bonds is payable on each May 1 and November 1, commencing November 1, 2018 (unless any such interest payment date is not a Business Day, in which case interest will be paid on the next succeeding Business Day), to the persons who are the registered owners of the Bonds as of the Record Date preceding such interest payment date.

The Bonds will continue to bear interest at a Long Term Rate until a Conversion to another Interest Rate Mode is specified by the Company or until the redemption or maturity of the Bonds. Also, following the new Long Term Rate Period, the Company may elect to change the Long Term Rate Period to a different Long Term Rate Period. The permitted Interest Rate Modes for the Bonds are (i) the "Flexible Rate," (ii) the "Daily Rate," (iii) the "Weekly Rate," (iv) the "Semi-Annual Rate," (v) the "Annual Rate," (vi) the "Long Term Rate" and (vii) the "Dutch Auction Rate."

This Reoffering Circular pertains only to the Bonds during such period of time that they bear interest at the Long Term Rate established on the Change Date of May 1, 2018. In the event of a remarketing of the Bonds on or after the Mandatory Purchase Date, a supplement to this Reoffering Circular or a new reoffering circular will be prepared describing the new terms and provisions then applicable to such Bonds.

Interest on the Bonds will be computed on the basis of a 360-day year of twelve 30-day months. Interest payable on any Interest Payment Date will be payable to the registered owner of the Bond as of the Record Date for such payment. The Record Date will be the close of business on the fifteenth day (whether or not a Business Day) of the month preceding each Interest Payment Date.

The Bonds have been issued solely in book-entry-only form through DTC (or its nominee, Cede & Co.). So long as the Bonds are held in the book-entry-only system, DTC or its nominee will be the registered owner or holder of the Bonds for all purposes of the Indenture, the Bonds and this Reoffering Circular. See " — Book-Entry-Only System" below. Individual purchases of book-entry interests in the Bonds will be made in book-entry-only form in denominations of $5,000 and integral multiples thereof.

Except as otherwise described below for Bonds held in DTC's book-entry-only system, the principal or redemption price of the Bonds is payable at the designated corporate trust office in New York, New York, of the Trustee, as paying agent (the "Paying Agent"). Except as otherwise described below for Bonds held in DTC's book-entry-only system, interest on the Bonds is payable by check mailed to the owner of record; provided that interest payable on each Bond will be payable in immediately available funds by wire transfer within the continental United States or by deposit into a bank account maintained with the Paying Agent at the written request of any owner of record holding at least $1,000,000 aggregate principal amount of the Bonds, received by the Trustee, as bond registrar (the "Bond Registrar"), at least one Business Day prior to any Record Date.

Bonds may be transferred or exchanged for an equal total amount of Bonds of other authorized denominations upon surrender of such Bonds at the principal office of the Bond Registrar, accompanied by a written instrument of transfer or authorization for exchange in form and with guaranty of signature satisfactory to the Bond Registrar, duly executed by the registered owner or the owner's duly authorized attorney. Except as provided in the Indenture, the Bond Registrar will not be required to register the transfer or exchange of any Bond (i) during the fifteen days before any mailing of a notice of redemption of Bonds, (ii) after such Bond has been called for redemption or (iii) which has been purchased (see "— Mandatory Purchase of Bonds — Payment of Purchase Price" below). Registration of transfers and exchanges will be made without charge to the registered owners of Bonds, except that the Bond Registrar may require any registered owner requesting registration of transfer or exchange to pay any required tax or governmental charge.

**Security**

Payment of the principal of and interest and any premium on the Bonds is secured by an assignment by the Issuer to the Trustee of the Issuer's interest in and to the Loan Agreement and all payments to be made pursuant thereto (other than certain indemnification and expense payments). Pursuant to the Loan Agreement, the Company has agreed to pay, among other things, amounts sufficient to pay the aggregate principal amount of and premium, if any, on the Bonds, together with interest thereon as and when the same become due. The Company further has agreed to make payments of the purchase price of the Bonds tendered for purchase to the extent that funds are not otherwise available therefor under the provisions of the Indenture.

The payment of the principal of and interest and any premium on the Bonds is further secured by a separate tranche of the Company's First Mortgage Bonds issued under the First Mortgage Indenture between the Company and the First Mortgage Trustee. The principal amount of the First Mortgage Bonds equals the principal amount of the Bonds. If the Bonds become immediately due and payable as a result of a default in payment of the principal of, premium, if any, or interest on the Bonds, or a default in payment of the purchase price of such Bonds, due to an event of default under the Loan Agreement and upon receipt by the First Mortgage Trustee of a written demand from the Trustee for redemption of the First Mortgage Bonds ("Redemption Demand"), or if all first mortgage bonds outstanding under the First

Mortgage Indenture shall have been immediately due and payable, such First Mortgage Bonds will bear interest at the same interest rate or rates borne by the Bonds and the principal of such First Mortgage Bonds, together with interest accrued thereon from the last date or dates to which interest on the Bonds has been paid in full, will be payable in accordance with the Supplemental Indenture. See "Summary of the First Mortgage Bonds and the First Mortgage Indenture."

The First Mortgage Bonds are not intended to provide a direct source of liquidity to pay the purchase price of Bonds tendered for purchase in accordance with the Indenture. The First Mortgage Bonds are secured by a lien on certain property owned by the Company. In certain circumstances, the Company is permitted to reduce the aggregate principal amount of its First Mortgage Bonds held by the Trustee, but in no event to an amount lower than the aggregate outstanding principal amount of the Bonds.

**Tender Agent**

Owners will be required to tender their Bonds to the Tender Agent for purchase at the times and in the manner described herein under "— Mandatory Purchase of Bonds." So long as the Bonds are held in DTC's book-entry-only system, the Trustee will act as Tender Agent under the Indenture. Any successor Tender Agent appointed pursuant to the Indenture will also be a Paying Agent.

**Remarketing Agents**

Morgan Stanley & Co. LLC and PNC Capital Markets LLC will serve as Initial Co-Remarketing Agents for purposes of this reoffering of the Bonds. Following this reoffering, Morgan Stanley & Co. LLC will serve as the sole Remarketing Agent for the Bonds. The Remarketing Agent may be removed by the Issuer, if so directed by the Company, upon seven days' notice, and may resign in accordance with the Remarketing Agreement upon sixty days' notice.

**Certain Definitions**

As used herein, each of the following terms will have the meaning indicated:

"*Beneficial Owner*" means the person in whose name a Bond is recorded as such upon the systems of DTC and each DTC Participant or the registered holder of such Bonds if such Bond is not then registered in the name of CEDE & Co.

"*Business Day*" means any day other than (i) a Saturday or Sunday or legal holiday or a day on which banking institutions in the city in which the principal office of the Trustee, the Bond Registrar, the Tender Agent, the Paying Agent, the Company or the Remarketing Agent are located are authorized by law or executive order to close or (ii) a day on which the New York Stock Exchange is closed.

"*Conversion*" means any conversion from time to time in accordance with the terms of the Indenture of the Bonds from one Interest Rate Mode to another Interest Rate Mode.

"*Interest Payment Date*" means each May 1 and November 1 and also the day following the end of the Long Term Rate Period.

"*Interest Period*" means the period from and including each Interest Payment Date to and including the day immediately preceding the next Interest Payment Date, provided, however that the first Interest Period for the Bonds will begin on (and include) the date of issuance of the Bonds and the final Interest Period will end on October 31, 2027.

"*Interest Rate Mode*" means the Flexible Rate, the Daily Rate, the Weekly Rate, the Semi-Annual Rate, the Annual Rate, the Long Term Rate and the Dutch Auction Rate.

"*Long Term Rate Period*" means any period established by the Company and beginning on, and including, the date of Conversion to the Long Term Rate and ending on, and including, the day preceding the last Interest Payment Date for such period and, thereafter, each successive period of the same duration as the Long Term Rate Period previously established until the day preceding the earliest of the change to a different Long Term Rate Period, the Conversion to a different Interest Rate Mode or the maturity of the Bonds.

**Mandatory Purchase of Bonds**

***General.*** The Bonds will be subject to mandatory purchase on the Mandatory Purchase Date at a purchase price equal to the principal amount thereof plus accrued and unpaid interest. Notice to owners of Bonds subject to such mandatory purchase will be given by the Bond Registrar by first class mail at least 30 days prior the Mandatory Purchase Date. The notice of mandatory purchase will state those matters required to be set forth therein under the Indenture.

***Remarketing and Purchase of Bonds.*** The Indenture provides that, subject to the terms of a Remarketing Agreement with the Company, unless otherwise instructed by the Company, the Remarketing Agent will use its commercially reasonable best efforts to remarket Bonds purchased on the Mandatory Purchase Date. Each such sale will be at a price equal to the principal amount thereof, plus interest accrued to the date of sale. The Remarketing Agent, the Trustee, the Paying Agent, the Bond Registrar or the Tender Agent each may purchase any Bonds offered for sale for its own account.

The purchase price of Bonds tendered for purchase will be paid by the Tender Agent from moneys derived from the remarketing of such Bonds by the Remarketing Agent and, if such remarketing proceeds are insufficient, from moneys made available by the Company. The Company is obligated to purchase any Bonds tendered for purchase to the extent such Bonds have not been remarketed. Any such purchases by the Company will not result in the extinguishment of the purchased Bonds. The Company currently maintains lines of credit or other liquidity facilities in amounts determined by it to be sufficient to meet its current needs and expects to continue to maintain such lines of credit or other liquidity facilities from time to time to the extent determined by it to be necessary to meet its then-current needs. The Trustee, any Paying Agent, the Tender Agent and the owners of the Bonds have no right to draw under any line of credit or other liquidity facility maintained by the Company. There is no provision in the Indenture or the Loan Agreement requiring the Company to maintain such financing arrangements which may be discontinued at any time without notice. The First Mortgage Bonds are not intended to provide a direct source of liquidity to pay the purchase price of Bonds tendered for purchase pursuant to the Indenture.

Any deficiency in purchase price payments resulting from the Remarketing Agent's failure to deliver remarketing proceeds of all Bonds with respect to which the Remarketing Agent notified the Tender Agent were remarketed will not result in an Event of Default under the Indenture until the opening of business on the next succeeding Business Day unless the Company fails to provide sufficient funds to pay such purchase price by the opening of business on such next succeeding Business Day. If sufficient funds are not available for the purchase of all tendered Bonds, no purchase of Bonds will be consummated, but failure to consummate such purchase will not be deemed to be an Event of Default under the Indenture if sufficient funds have been provided in a timely manner by the Company to the Tender Agent for such purpose.

***Payment of Purchase Price.*** Payment of the purchase price of any Bond will be payable on the Mandatory Purchase Date upon delivery of such Bond to the Tender Agent on such Mandatory Purchase Date; provided that such Bond must be delivered to the Tender Agent at or prior to 11:00 a.m. (New York City time). When a book-entry-only system is in effect, the requirement for physical delivery of the Bonds will be deemed satisfied when the ownership rights in the Bonds are transferred by Direct Participants on the records of DTC to the participant account of the Tender Agent. If the Mandatory Purchase Date is not a Business Day, the purchase price will be payable on the next succeeding Business Day.

Any Bond delivered for payment of the purchase price must be accompanied by an instrument of transfer thereof in form satisfactory to the Tender Agent executed in blank by the registered owner thereof and with all signatures guaranteed. The Tender Agent may refuse to accept delivery of any Bond for which an instrument of transfer satisfactory to it has not been provided and has no obligation to pay the purchase price of such Bond until a satisfactory instrument is delivered.

If the registered owner of any Bond (or portion thereof) that is subject to purchase pursuant to the Indenture fails to deliver such Bond with an appropriate instrument of transfer to the Tender Agent for purchase on the Mandatory Purchase Date, and if the Tender Agent is in receipt of the purchase price therefor, such Bond (or portion thereof) nevertheless will be deemed purchased on the Mandatory Purchase Date. Any owner who so fails to deliver such Bond for purchase on (or before) the Mandatory Purchase Date will have no further rights thereunder, except the right to receive the purchase price thereof from those moneys deposited with the Tender Agent in the Purchase Fund pursuant to the Indenture upon presentation and surrender of such Bond to the Tender Agent properly endorsed for transfer in blank with all signatures guaranteed.

**Redemptions**

***Optional Redemption.*** Except as described below under the subheadings "--- Extraordinary Optional Redemption in Whole" and "--- Extraordinary Optional Redemption in Whole or in Part," the Bonds are not subject to optional redemption prior to the Mandatory Purchase Date.

***Extraordinary Optional Redemption in Whole.*** The Bonds may be redeemed by the Issuer in whole at any time at 100% of the principal amount thereof plus accrued interest to the redemption date upon the exercise by the Company of an option under the Loan Agreement to prepay the loan if any of the following events shall have occurred within 180 days preceding the giving of written notice by the Company to the Trustee of such election:

(i) if the Project or a portion thereof or other property of the Company in connection with which the Project is used has been damaged or destroyed to such an extent so as, in the judgment of the Company, to render the Project or such other property of the Company in connection with which the Project is used unsatisfactory to the Company for its intended use, and such condition continues for a period of six months;

(ii) there has occurred condemnation of all or substantially all of the Project or the taking by eminent domain of such use or control of the Project or other property of the Company in connection with which the Project is used so as, in the judgment of the Company, to render the Project or such other property of the Company unsatisfactory to the Company for its intended use;

(iii) the Loan Agreement has become void or unenforceable or impossible of performance by reason of any changes in the Constitution of the Commonwealth of Kentucky or the Constitution of the United States of America or by reason of legislative or administrative action (whether state of federal) or any final decree, judgment or order of any court or administrative body, whether state or federal; or

(iv) a final order or decree of any court or administrative body after the issuance of the Bonds requires the Company to cease a substantial part of its operation at the Generating Station where any of the Project is located to such extent that the Company will be prevented from carrying on its normal operations at such Generating Station for a period of six months.

As a result of a Company Letter Agreement between the Issuer and the Company, dated as of December 15, 2014, and as to be extended pursuant to a notice dated as of April 30, 2018, the Company will agree that it will not, prior to the Mandatory Purchase Date, exercise the rights under the Loan Agreement it would otherwise have to redeem the Bonds under the following circumstances:

(i) if in the judgment of the Company, unreasonable burdens or excessive liabilities have been imposed upon the Company after the issuance of the Bonds with respect to the Project or the operation thereof, including without limitation federal, state or other ad valorem property, income or other taxes not imposed on the date the Bonds are issued, other than ad valorem taxes levied upon privately owned property used for the same general purpose as the Project; or

(ii) in the event changes, which the Company cannot reasonably control, in the economic availability of materials, supplies, labor, equipment or other properties or things necessary for the efficient operation of the Generating Station where any of the Project is located have occurred, which, in the judgment of the Company, render the continued operation of such Generating Station or any generating unit at such station uneconomical; or changes in circumstances after the issuance of the Bonds, including but not limited to changes in clean air or other air and water pollution control requirements or solid waste disposal requirements, have occurred such that the Company determines that use of the Project is no longer required or desirable.

***Extraordinary Optional Redemption in Whole or in Part.*** The Bonds are also subject to redemption in whole or in part at 100% of the principal amount thereof plus accrued interest to the redemption date at the option of the Company in an amount not to exceed the net proceeds received from insurance or any condemnation award received by the Issuer, the Company or the First Mortgage Trustee in the event of damage, destruction or condemnation of all or a portion of the Project, subject to receipt of an opinion of Bond Counsel that such redemption will not adversely affect the exclusion of interest on any of the Bonds from gross income for federal income tax purposes. See "Summary of the Loan Agreement — Maintenance; Damage, Destruction and Condemnation."

***Mandatory Redemption; Determination of Taxability.*** The Bonds are required to be redeemed by the Issuer, in whole, or in such part as described below, at a redemption price equal to 100% of the principal amount thereof, without redemption premium, plus accrued interest, if any, to the redemption date, within 180 days following a "Determination of Taxability." As used herein, a "Determination of Taxability" means the receipt by the Trustee of written notice from a current or former registered owner of a Bond or from the Company or the Issuer of (i) the issuance of a published or private ruling or a technical advice memorandum by the Internal Revenue Service in which the Company participated or has been given the opportunity to participate, and which ruling or memorandum the Company, in its discretion, does not contest or from which no further right of administrative or judicial review or appeal exists, or (ii) a final determination from which no further right of appeal exists of any court of competent jurisdiction in the United States in a proceeding in which the Company has participated or has been a party, or has been given the opportunity to participate or be a party, in each case, to the effect that as a result of a failure by the Company to perform or observe any covenant or agreement or the inaccuracy of any representation contained in the Loan Agreement or any other agreement or certificate delivered in connection with the Bonds, the interest on the Bonds is included in the gross income of the owners thereof for federal income tax purposes, other than with respect to a person who is a "substantial user" of the Project or a "related person" of a substantial user within the meaning of Section 147 of Internal Revenue Code of 1986, as amended (the "Code"); provided, however, that no such Determination of Taxability shall be considered to exist as a result of the Trustee receiving notice from a current or former registered owner of a Bond or from the Issuer unless (i) the Issuer or the registered owner or former registered owner of the Bond involved in such proceeding or action (A) gives the Company and the Trustee prompt notice of the commencement thereof, and (B) (if the Company agrees to pay all expenses in connection therewith) offers the Company the opportunity to control unconditionally the defense thereof, and (ii) either (A) the Company does not agree within 30 days of receipt of such offer to pay such expenses and liabilities and to control such defense, or (B) the Company shall exhaust or choose not to exhaust all available proceedings for the contest, review, appeal or rehearing of such decree, judgment or action which the Company determines to be appropriate. No Determination of Taxability described above will result from the inclusion of interest on any Bond in the computation of minimum or indirect taxes. All of the Bonds are required to be redeemed upon a Determination of Taxability as described above unless, in the opinion of Bond Counsel, redemption of a portion of such Bonds would have the result that interest payable on the remaining Bonds outstanding after the redemption would not be so included in any such gross income.

In the event any of the Issuer, the Company or the Trustee has been put on notice or becomes aware of the existence or pendency of any inquiry, audit or other proceedings relating to the Bonds being conducted by the Internal Revenue Service, the party so put on notice is required to give immediate written notice to the other parties of such matters. Promptly upon learning of the occurrence of a Determination of Taxability (whether or not the same is being contested), or any of the events described above, the Company is required to give notice thereof to the Trustee and the Issuer.

If the Internal Revenue Service or a court of competent jurisdiction determines that the interest paid or to be paid on any Bond (except to a "substantial user" of the Project or a "related person" of a substantial user within the meaning of Section 147(a) of the Code) is or was includable in the gross income of the recipient for federal income tax purposes for reasons other than as a result of a failure by the Company to perform or observe any of its covenants, agreements or representations in the Loan Agreement or any other agreement or certificate delivered in connection therewith, the Bonds are not subject to redemption. In such circumstances, Bondholders would continue to hold their Bonds, receiving principal and interest at the applicable rate as and when due, but would be required to include such interest payments in gross income for federal income tax purposes. Also, if the lien of the Indenture is discharged or defeased prior to the occurrence of a final Determination of Taxability, Bonds will not be redeemed as described herein.

***General Redemption Terms.*** Notice of redemption will be given by mailing a redemption notice by first class mail to the registered owners of the Bonds to be redeemed not less than 30 days but not more than 45 days prior to the redemption date. Any notice mailed as provided in the Indenture will be conclusively presumed to have been given, irrespective of whether the owner receives the notice. Failure to give any such notice by mailing or any defect therein in respect of any Bond will not affect the validity of any proceedings for the redemption of any other Bond. No further interest will accrue on the principal of any Bond called for redemption after the redemption date if funds sufficient for such redemption have been deposited with the Paying Agent as of the redemption date. So long as the Bonds are held in book-entry-only form, all redemption notices will be sent only to Cede & Co.

**Conversion of Interest Rate Modes**

The Interest Rate Mode for the Bonds is subject to Conversion from time to time, including on the Mandatory Purchase Date following the end of the new Long Term Rate Period, at the option of the Company in accordance with the terms of the Indenture, upon notice from the Bond Registrar to the registered owners of the Bonds. With any notice of Conversion, the Company must also deliver to the Bond Registrar an opinion of Bond Counsel stating that such Conversion is authorized or permitted by the Act and is authorized by the Indenture and will not adversely affect the exclusion from gross income of interest on the Bonds for federal income tax purposes.

**Book-Entry-Only System**

*Portions of the following information concerning DTC and DTC's book-entry-only system have been obtained from DTC. The Issuer, the Company and the Remarketing Agents make no representation as to the accuracy of such information.*

Initially, DTC will act as securities depository for the Bonds and the Bonds initially will be issued solely in book-entry-only form to be held under DTC's book-entry-only system, registered in the name of Cede & Co. (DTC's partnership nominee). One fully registered bond in the aggregate principal amount of the Bonds will be deposited with DTC.

DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934 (the "Exchange Act"). DTC holds and provides asset servicing of U.S. and non-U.S. equity, corporate and municipal debt issues, and money market instruments that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants" and, together with "Direct Participants," "Participants"). The DTC Rules applicable to its Participants are on file with the SEC. More information about DTC can be found at www.dtcc.com.

Purchases of the Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is, in turn, to be recorded on the Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners, however, are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry-only system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices will be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Bonds will be made to Cede & Co. or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from the Issuer or the Trustee on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, the Trustee, the Company or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Issuer or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

A Beneficial Owner will effect delivery of purchased Bonds by causing the Direct Participant to transfer the Participant's interest in the Bonds on DTC's records to the Tender Agent. The requirement for physical delivery of Bonds in connection with a mandatory purchase will be deemed satisfied when the ownership rights in the Bonds are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Bonds to the Tender Agent's DTC account.

DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to the Issuer, the Company, the Tender Agent and the Trustee. The Issuer, at the request of the Company, may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository for the Bonds). Under such circumstances, in the event that a successor securities depository is not obtained, bond certificates are required to be printed and delivered as described in the Indenture (see "— Revision of Book -Entry-Only System; Replacement Bonds" below). The Beneficial Owner, upon registration of certificates held in the Beneficial Owner's name, will become the registered owner of the Bonds.

So long as Cede & Co. is the registered owner of the Bonds, as nominee of DTC, references herein to the registered owners of the Bonds will mean Cede & Co. and will not mean the Beneficial Owners. Under the Indenture, payments made by the Trustee to DTC or its nominee will satisfy the Issuer's obligations under the Indenture and the Company's obligations under the Loan Agreement and the First Mortgage Bonds, to the extent of the payments so made. Beneficial Owners will not be, and will not be considered by the Issuer or the Trustee to be, and will not have any rights as, owners of Bonds under the Indenture.

The Trustee and the Issuer, so long as a book-entry-only system is used for the Bonds, will send any notice of redemption or of proposed document amendments requiring consent of registered owners and any other notices required by the document (including notices of Conversion and mandatory purchase) to be sent to registered owners only to DTC (or any successor securities depository) or its nominee. Any failure of DTC to advise any Direct Participant, or of any Direct Participant or Indirect Participant to notify the Beneficial Owner, of any such notice and its content or effect will not affect the validity of the redemption of the Bonds called for redemption, the document amendment, the Conversion, the mandatory purchase or any other action premised on that notice.

The Issuer, the Company, the Trustee and the Remarketing Agents cannot and do not give any assurances that DTC will distribute payments on the Bonds made to DTC or its nominee as the registered owner or any redemption or other notices, to the Participants, or that the Participants or others will distribute such payments or notices to the Beneficial Owners, or that they will do so on a timely basis, or that DTC will serve and act in the manner described in this Reoffering Circular.

THE ISSUER, THE COMPANY, THE REMARKETING AGENTS AND THE TRUSTEE WILL HAVE NO RESPONSIBILITY OR OBLIGATION TO ANY DIRECT PARTICIPANT, INDIRECT PARTICIPANT OR ANY BENEFICIAL OWNER OR ANY OTHER PERSON NOT SHOWN ON THE REGISTRATION BOOKS OF THE TRUSTEE AS BEING A REGISTERED OWNER WITH RESPECT TO: (1) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT; (2) THE PAYMENT OF ANY AMOUNT DUE BY DTC TO ANY DIRECT PARTICIPANT OR BY ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL AMOUNT OR REDEMPTION OR PURCHASE PRICE OF OR INTEREST ON THE BONDS; (3) THE DELIVERY OF ANY NOTICE BY DTC TO ANY DIRECT PARTICIPANT OR BY ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT TO ANY BENEFICIAL OWNER WHICH IS REQUIRED OR PERMITTED TO BE GIVEN TO REGISTERED OWNERS UNDER THE TERMS OF THE INDENTURE; (4) THE SELECTION OF THE BENEFICIAL

OWNERS TO RECEIVE PAYMENT IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE BONDS; OR (5) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS REGISTERED OWNER.

***Revision of Book-Entry-Only System; Replacement Bonds***. In the event that DTC determines not to continue as securities depository or is removed by the Issuer, at the direction of the Company, as securities depository, the Issuer, at the direction of the Company, may appoint a successor securities depository reasonably acceptable to the Trustee. If the Issuer does not or is unable to appoint a successor securities depository, the Issuer will issue and the Trustee will authenticate and deliver fully registered Bonds, in authorized denominations, to the assignees of DTC or their nominees.

In the event that the book-entry-only system is discontinued, the following provisions will apply. The Bonds may be issued in denominations of $5,000 and integral multiples thereof. Bonds may be transferred or exchanged for an equal total amount of Bonds of other authorized denominations upon surrender of such Bonds at the principal office of the Bond Registrar, accompanied by a written instrument of transfer or authorization for exchange in form and with guaranty of signature satisfactory to the Bond Registrar, duly executed by the registered owner or the registered owner's duly authorized attorney. Except as provided in the Indenture, the Bond Registrar will not be required to register the transfer or exchange of any Bond during the fifteen days before any mailing of a notice of redemption, after such Bond has been called for redemption in whole or in part, or after such Bond has been tendered or deemed tendered for mandatory purchase as described under "— Mandatory Purchase of Bonds." Registration of transfers and exchanges will be made without charge to the registered owners of Bonds, except that the Bond Registrar may require any registered owner requesting registration of transfer or exchange to pay any required tax or governmental charge.

## SUMMARY OF THE LOAN AGREEMENT

*The following, in addition to the provisions contained elsewhere in this Reoffering Circular, is a brief description of certain provisions of the Loan Agreement. Reference is made to the Loan Agreement for the detailed provisions thereof.*

### General

The term of the Loan Agreement commenced as of its date and will end on the earliest to occur of November 1, 2027, or the date on which all of the Bonds shall have been fully paid or provision has been made for such payment pursuant to the Indenture. See "Summary of the Indenture — Discharge of Indenture."

The Company has agreed to repay the loan pursuant to the Loan Agreement by making timely payments to the Trustee in sufficient amounts to pay the principal of, premium, if any, and interest required to be paid on the Bonds on each date upon which any such payments are due. The Company has also agreed to pay (a) the reasonable fees and expenses of the Trustee, the Bond Registrar, any Tender Agent and any Paying Agent appointed under the Indenture, (b) the expenses in connection with any redemption of the Bonds and (c) the reasonable expenses of the Issuer.

The Company covenants and agrees with the Issuer that it will cause the purchase of tendered Bonds that are not remarketed in accordance with the Indenture and, to that end, the Company shall cause funds to be made available to the Tender Agent at the times and in the manner required to effect such purchases in accordance with the Indenture (see "Summary of the Bonds — Mandatory Purchase of Bonds — Remarketing and Purchase of Bonds").

All payments to be made by the Company to the Issuer pursuant to the Loan Agreement (except the reasonable out-of-pocket expenses of the Issuer, the Trustee, the Paying Agent, the Bond Registrar, the Tender Agent and amounts related to indemnification) have been assigned by the Issuer to the Trustee, and the Company will pay such amounts directly to the Trustee. The obligations of the Company to make the payments pursuant to the Loan Agreement are absolute and unconditional.

**Maintenance of Tax Exemption**

The Company and the Issuer have agreed not to take any action that would result in the interest paid on the Bonds being included in gross income of any Bondholder (other than a holder who is a "substantial user" of the Project or a "related person" within the meaning of Section 147(a) of the Code) for federal income tax purposes or that adversely affects the validity of the Bonds.

**Issuance and Delivery of First Mortgage Bonds**

For the purpose of providing security for the Bonds, the Company has executed and delivered to the Trustee the First Mortgage Bonds. The principal amount of the First Mortgage Bonds executed and delivered to the Trustee equals the aggregate principal amount of the Bonds. If the Bonds become immediately due and payable as a result of a default in payment of the principal of, premium, if any, or interest on the Bonds, or a default in payment of the purchase price of such Bonds, due to an event of default under the Loan Agreement and upon receipt by the First Mortgage Trustee of a Redemption Demand, or if all first mortgage bonds outstanding under the First Mortgage Indenture shall have been immediately due and payable, such First Mortgage Bonds will bear interest at the same interest rate or rates borne by the Bonds and the principal of such First Mortgage Bonds, together with interest accrued thereon from the last date to which interest on the Bonds shall have been paid in full, will then be payable. See, however, "Summary of the Indenture — Waiver of Events of Default."

Upon payment of the principal of, premium, if any, and interest on any of the Bonds, and the surrender to and cancellation thereof by the Trustee, or upon provision for the payment thereof having been made in accordance with the Indenture, First Mortgage Bonds with corresponding principal amounts equal to the aggregate principal amount of the Bonds so surrendered and canceled or for the payment of which provision has been made, will be surrendered by the Trustee to the First Mortgage Trustee and will be canceled by the First Mortgage Trustee. The First Mortgage Bonds are registered in the name of the Trustee and are nontransferable, except to effect transfers to any successor trustee under the Indenture.

**Payment of Taxes**

The Company has agreed to pay certain taxes and other governmental charges that may be lawfully assessed, levied or charged against or with respect to the Project (see, however, subparagraph (i) under "Summary of the Bonds — Redemptions — *Extraordinary Optional Redemption in Whole*"). The Company may contest such taxes or other governmental charges unless the security provided by the Indenture would be materially endangered.

**Maintenance; Damage, Destruction and Condemnation**

So long as any Bonds are outstanding, the Company will maintain the Project or cause the Project to be maintained in good working condition and will make or cause to be made all proper repairs, replacements and renewals necessary to continue to constitute the Project as air and water pollution control and abatement facilities and solid waste disposal facilities, as applicable, under Section 103(b)(4)(E) and (F) of the Internal Revenue Code of 1954, as amended. However, the Company will have no obligation to maintain, repair, replace or renew any portion of the Project, the maintenance, repair, replacement or renewal of which becomes uneconomical to the Company because of certain events, including damage or destruction by a cause not within the Company's control, condemnation of the Project, change in government standards and regulations, economic or other obsolescence or termination of operation of generating facilities to the Project.

The Company, at its own expense, may remodel the Project or make substitutions, modifications and improvements to the Project as it deems desirable, which remodeling, substitutions, modifications and improvements shall be deemed, under the terms of the Loan Agreement to be a part of the Project. The Company may not, however, change or alter the basic nature of the Project or cause it to lose its status under Section 103(b) (4) (E) and (F) of the Internal Revenue Code of 1954, as amended.

If, prior to the payment of all Bonds outstanding, the Project or any portion thereof is destroyed, damaged or taken by the exercise of the power of eminent domain and the Issuer, the Company or the First Mortgage Trustee receives net proceeds from insurance or a condemnation award in connection therewith, the Company shall (i) cause such net proceeds to be used to repair or restore the Project or (ii) take any other action, including the redemption of the Bonds in whole or in part at their principal amount, which, by the opinion of Bond Counsel, will not adversely affect the exclusion of the interest on the Bonds from gross income for federal income tax purposes. See "Summary of the Bonds — Redemptions — Extraordinary Optional Redemption in Whole or in Part."

**Insurance**

The Company has agreed to insure the Project in accordance with the provisions of the First Mortgage Indenture.

**Assignment, Merger and Release of Obligations of the Company**

The Company may assign the Loan Agreement, pursuant to an opinion of Bond Counsel that such assignment will not adversely affect the exclusion of the interest on the Bonds from gross income for federal income tax purposes, without obtaining the consent of either the Issuer or the Trustee. Such assignment, however, shall not relieve the Company from primary liability for any of its obligations under the Loan Agreement and performance and observance of the other covenants and agreements to be performed by the Company. The Company may dispose of all or substantially all of its assets or consolidate with or merge into another corporation, provided the acquirer of the Company's assets or the corporation with which it shall consolidate with or merge into shall be a corporation organized and existing under the laws of one of the states of the United States of America, shall be qualified and admitted to do business in the Commonwealth of Kentucky, and shall assume in writing all of the obligations of the Company under the Loan Agreement.

**Release and Indemnification Covenant**

The Company will indemnify and hold the Issuer harmless against any expense or liability incurred, including attorneys' fees, resulting from any loss or damage to property or any injury to or death of any person occurring on or about or resulting from any defect in the Project or from any action commenced in connection with the financing thereof.

**Events of Default**

Each of the following events constitutes an "event of default" under the Loan Agreement:

(1) failure by the Company to pay the amounts required for payment of the principal of, including purchase price for tendered Bonds and redemption and acceleration prices, and interest accrued, on the Bonds, at the times specified therein taking into account any periods of grace provided in the Indenture and the Bonds for the applicable payment of interest on the Bonds (see "Summary of the Indenture — Defaults and Remedies");

(2) failure by the Company to observe and perform any covenant, condition or agreement, other than as referred to in paragraph (1) above, for a period of thirty days after written notice by the Issuer or Trustee, provided, however, that if such failure is capable of being corrected, but cannot be corrected in such 30-day period, it will not constitute an event of default under the Loan Agreement if corrective action with respect thereto is being diligently pursued;

(3) all first mortgage bonds outstanding under the First Mortgage Indenture, if not already due, shall have become immediately due and payable, whether by declaration or otherwise, and such acceleration shall not have been rescinded by the First Mortgage Trustee;

(4) certain events of bankruptcy, dissolution, liquidation, reorganization or insolvency of the Company; or

(5) the occurrence of an event of default under the Indenture.

Under the Loan Agreement, certain of the Company's obligations (other than the Company's obligations, among others, (i) not to permit any action which would result in interest paid on the Bonds being included in gross income for federal and Kentucky income taxes, (ii) to maintain its corporate existence and good standing, and to neither dispose of all or substantially all of its assets or consolidate with or merge into another corporation unless certain provisions of the Loan Agreement are satisfied; and (iii) to make loan payments and certain other payments under the provisions of the Loan Agreement) may be suspended if by reason of force majeure (as defined in the Loan Agreement) the Company is unable to carry out such obligations.

**Remedies**

Upon the happening of an event of default under the Loan Agreement, the Trustee, on behalf of the Issuer, may, among other things, take whatever action at law or in equity may appear necessary or desirable to collect the amounts then due and thereafter to become due, or to enforce performance and observance of any obligation, agreement or covenant of the Company, under the Loan Agreement, including any remedies available in respect of the First Mortgage Bonds.

Upon the happening of an event of default under the Loan Agreement that results in an event of a default in payment of the principal of, premium, if any, or interest on the Bonds or a default in the payment of the purchase price of the Bonds tendered for purchase, and the acceleration of the maturity date of the Bonds (to the extent not already due and payable) as a consequence of such event of default, the Trustee may demand redemption of the First Mortgage Bonds. See "Summary of the First Mortgage Bonds and the First Mortgage Indenture" and "Summary of the Indenture — Defaults and Remedies." Any amounts collected upon the happening of any such event of default will be applied in accordance with the Indenture or, if the Bonds have been fully paid (or provision for payment thereof has been made in accordance with the Indenture) and all other liabilities of the Company accrued under the Indenture and the Loan Agreement have been paid or satisfied, made available to the Company.

**Options to Prepay, Obligation to Prepay**

The Company may prepay the loan pursuant to the Loan Agreement, in whole or in part, on certain dates, at the prepayment prices as shown under the captions "Summary of the Bonds — Redemptions — Optional Redemption," "Extraordinary Optional Redemption in Whole" and "Extraordinary Optional Redemption in Whole or in Part." Upon the occurrence of the event described under the caption "Summary of the Bonds — Redemptions — Mandatory Redemption; Determination of Taxability," the Company shall be obligated to prepay the loan in an aggregate amount sufficient to redeem the required principal amount of the Bonds.

In each instance, the loan prepayment price shall be a sum sufficient, together with other funds deposited with the Trustee and available for such purpose, to redeem the requisite amount of the Bonds at a price equal to the applicable redemption price plus accrued interest to the redemption date, and to pay all reasonable and necessary fees and expenses of the Trustee, the Paying Agent and all other liabilities of the Company under the Loan Agreement accrued to the redemption date.

**Amendments and Modifications**

No amendment or modification of the Loan Agreement is permissible without the written consent of the Trustee. The Issuer and the Trustee may, however, without the consent of or notice to any Bondholders, enter into any amendment or modification of the Loan Agreement (i) which may be required by the provisions of the Loan Agreement or the Indenture, (ii) for the purpose of curing any ambiguity or formal defect or omission, (iii) in connection with any modification or change necessary to conform the Loan Agreement with changes and modifications in the Indenture or (iv) in connection with any other change which, in the judgment of the Trustee, does not adversely affect the Trustee or the Bondholders. Except for such amendments, the Loan Agreement may be amended or modified only with the consent of the Bondholders holding a majority in principal amount of the Bonds then outstanding (see "Summary of the Indenture — Supplemental Indentures" for an explanation of the procedures necessary for Bondholder consent); provided, however, that the approval of the Bondholders holding 100% in principal amount of the Bonds then outstanding is necessary to effectuate an amendment or modification with respect to the Loan Agreement of the type described in clauses (i) through (iv) of the first sentence of the second paragraph of "Summary of the Indenture — Supplemental Indentures."

## SUMMARY OF THE FIRST MORTGAGE BONDS AND THE FIRST MORTGAGE INDENTURE

*The following, in addition to the provisions contained elsewhere in this Reoffering Circular, is a brief description of certain provisions of the First Mortgage Bonds and the First Mortgage Indenture. Reference is made to the First Mortgage Indenture and to the form of the First Mortgage Bonds for the detailed provisions thereof.*

**General**

The First Mortgage Bonds, in a principal amount equal to the principal amount of the Bonds, were issued as a new tranche from a new series of first mortgage bonds under the First Mortgage Indenture (see "Summary of the Loan Agreement — Issuance and Delivery of First Mortgage Bonds"). The statements herein made (being for the most part summaries of certain provisions of the First Mortgage Indenture) are subject to the detailed provisions of the First Mortgage Indenture, which is incorporated herein by this reference. Words or phrases italicized are defined in the First Mortgage Indenture.

The First Mortgage Bonds will mature on the same date and bear interest at the same rate or rates as the Bonds; however, the principal of and interest on the First Mortgage Bonds will not be payable other than upon the occurrence of an event of default under the Loan Agreement. If the Bonds become immediately due and payable as a result of the occurrence of an event of default under the Loan Agreement that has resulted in a default in payment of the principal of, premium, if any, or interest on the Bonds, or a default in payment of the purchase price of any such Bonds tendered for purchase, and the maturity date of the Bonds has been accelerated (to the extent the Bonds are not already due and payable) as a consequence of such event of default, and if all first mortgage bonds outstanding under the First Mortgage Indenture shall not have become immediately due and payable following an event of default under the First Mortgage

Indenture, the Company will be obligated to redeem the First Mortgage Bonds upon receipt by the First Mortgage Trustee of a Redemption Demand from the Trustee for redemption, at a redemption price equal to the principal amount thereof plus accrued interest at the rates borne by the Bonds from the last date to which interest on the Bonds has been paid.

The First Mortgage Bonds at all times will be in fully registered form registered in the name of the Trustee, will be non-negotiable, and will be nontransferable except to any successor trustee under the Indenture. Upon payment and cancellation of Bonds by the Trustee or the Paying Agent (other than any Bond or portion thereof that was canceled by the Trustee or the Paying Agent and for which one or more Bonds were delivered and authenticated pursuant to the Indenture), whether at maturity, by redemption or otherwise, or upon provision for the payment of the Bonds having been made in accordance with the Indenture, an equal principal amount of First Mortgage Bonds will be deemed fully paid and the obligations of the Company thereunder will cease.

**Security; Lien of the First Mortgage Indenture**

***General.*** Except as described below under this heading and under "— Issuance of Additional First Mortgage Bonds," and subject to the exceptions described under "— Satisfaction and Discharge," all first mortgage bonds issued under the First Mortgage Indenture, including the First Mortgage Bonds, will be secured, equally and ratably, by the lien of the First Mortgage Indenture, which constitutes, subject to *permitted liens* and exclusions as described below, a first mortgage lien on substantially all of the Company's real and tangible personal property located in Kentucky and used or to be used in connection with the generation, transmission and distribution of electricity and the storage, transportation and distribution of natural gas (other than property duly released from the lien of the First Mortgage Indenture in accordance with the provisions thereof and other than *excepted property*, as described below). Property that is subject to the lien of the First Mortgage Indenture is referred to below as "Mortgaged Property."

The Company may obtain the release of property from the lien of the First Mortgage Indenture from time to time, upon the bases provided for such release in the First Mortgage Indenture. See "— Release of Property."

The Company may enter into supplemental indentures with the First Mortgage Trustee, without the consent of the holders of the first mortgage bonds, in order to subject additional property (including property that would otherwise be excepted from such lien) to the lien of the First Mortgage Indenture. This property would constitute *property additions* and would be available as a basis for the issuance of additional first mortgage bonds. See "— Issuance of Additional First Mortgage Bonds."

The First Mortgage Indenture provides that after-acquired property (other than *excepted property*) will be subject to the lien of the First Mortgage Indenture. However, in the case of consolidation or merger (whether or not the Company is the surviving company) or transfer of the Mortgaged Property as or substantially as an entirety, the First Mortgage Indenture will not be required to be a lien upon any of the properties either owned or subsequently acquired by the successor company except properties acquired from the Company in or as a result of such transfer, as well as improvements, extensions and additions (as defined in the First Mortgage Indenture) to such properties and renewals, replacements and substitutions of or for any part or parts thereof. See "— Consolidation, Merger and Conveyance of Assets as an Entirety."

***Excepted Property.*** The lien of the First Mortgage Indenture does not cover, among other things, the following types of property: property located outside of Kentucky and not specifically subjected or required to be subjected to the lien of the First Mortgage Indenture; property not used by the Company in its electric generation, transmission and distribution business or its natural gas storage, transportation and distribution business; cash and securities not paid, deposited or held under the First Mortgage Indenture or required so to be; contracts, leases and other agreements of all kinds, contract rights, bills, notes and other instruments, revenues, accounts receivable, claims, demands and judgments; governmental and other licenses, permits, franchises, consents and allowances; intellectual property rights and other general intangibles; vehicles, movable equipment, aircraft and vessels; all goods, stock in trade, wares, merchandise and inventory held for the purpose of sale or lease in the ordinary course of business; materials, supplies, inventory and other personal property consumable in the operation of the Company's business; fuel; tools and equipment; furniture and furnishings; computers and data processing, telecommunications and other facilities used primarily for administrative or clerical purposes or otherwise not used in connection with the operation or maintenance of electric generation, transmission and distribution facilities or natural gas storage, transportation and distribution facilities; coal, ore, gas, oil and other minerals and timber rights; electric energy and capacity, gas, steam, water and other products generated, produced, manufactured, purchased or otherwise acquired; real property and facilities used primarily for the production or gathering of natural gas; property which has been released from the lien of the First Mortgage Indenture; and leasehold interests. Property of the Company not covered by the lien of the First Mortgage Indenture is referred to herein as excepted property. Properties held by any of the Company's subsidiaries, as well as properties leased from others, would not be subject to the lien of the First Mortgage Indenture.

***Permitted Liens.*** The lien of the First Mortgage Indenture is subject to permitted liens described in the First Mortgage Indenture. Such *permitted liens* include liens existing at the execution date of the First Mortgage Indenture, purchase money liens and other liens placed or otherwise existing on property acquired by the Company after the execution date of the First Mortgage Indenture at the time the Company acquires it, tax liens and other governmental charges which are not delinquent or which are being contested in good faith, mechanics', construction and materialmen's liens, certain judgment liens, easements, reservations and rights of others (including governmental entities) in, and defects of title to, the Company's property, certain leases and leasehold interests, liens to secure public obligations, rights of others to take minerals, timber, electric energy or capacity, gas, water, steam or other products produced by the Company or by others on the Company's property, rights and interests of persons other than the Company arising out of agreements relating to the common ownership or joint use of property, and liens on the interests of such persons in such property and liens which have been bonded or for which other security arrangements have been made.

The First Mortgage Indenture also provides that the First Mortgage Trustee will have a lien, prior to the lien on behalf of the holders of the first mortgage bonds, including the First Mortgage Bonds, upon the Mortgaged Property as security for the Company's payment of its reasonable compensation and expenses and for indemnity against certain liabilities. Any such lien would be a *permitted lien* under the First Mortgage Indenture.

**Issuance of Additional First Mortgage Bonds**

The maximum principal amount of first mortgage bonds that may be authenticated and delivered under the First Mortgage Indenture is subject to the issuance restrictions described below; provided, however, that the maximum principal amount of first mortgage bonds outstanding at any one time shall not exceed One Quintillion Dollars ($1,000,000,000,000,000,000), which amount may be changed by supplemental indenture. As of December 31, 2017, first mortgage bonds in an aggregate principal amount of $1,624,200,000 were outstanding under the First Mortgage Indenture, of which $539,200,000 were issued to secure the Company's payment obligations with respect to its outstanding pollution control and environmental facilities revenue bonds, including the Bonds.

First mortgage bonds of any series may be issued from time to time on the basis of, and in an aggregate principal amount not exceeding:

- 66 2/3% of the *cost* or *fair value* to the Company (whichever is less) of *property additions* (as described below) which do not constitute *funded property* (generally, *property additions* which have been made the basis of the authentication and delivery of first mortgage bonds, the release of Mortgaged Property or the withdrawal of cash, which have been substituted for retired *funded property* or which have been used for other specified purposes) after certain deductions and additions, primarily including adjustments to offset property retirements;

- the aggregate principal amount of *retired securities* (as described below); or

- an amount of cash deposited with the First Mortgage Trustee.

*Property additions* generally include any property which is owned by the Company and is subject to the lien of the First Mortgage Indenture except (with certain exceptions) goodwill, going concern value rights or intangible property, or any property the acquisition or construction of which is properly chargeable to one of the Company's operating expense accounts in accordance with U.S. generally accepted accounting principles.

*Retired securities* means, generally, first mortgage bonds which are no longer outstanding under the First Mortgage Indenture, which have not been retired by the application of *funded cash* and which have not been used as the basis for the authentication and delivery of first mortgage bonds, the release of property or the withdrawal of cash.

At December 31, 2017, approximately $1.77 billion of property additions and $285 million of retired securities were available to be used as the basis for the authentication and delivery of first mortgage bonds.

**Release of Property**

Unless an *event of default* has occurred and is continuing, the Company may obtain the release from the lien of the First Mortgage Indenture of any Mortgaged Property, except for cash held by the First Mortgage Trustee, upon delivery to the First Mortgage Trustee of an amount in cash equal to the amount, if any, by which sixty-six and two-thirds percent (66-2/3%) of the cost of the property to be released (or, if less, the *fair value* to the Company of such property at the time it became *funded property*) exceeds the aggregate of:

- an amount equal to 66 2/3% of the aggregate principal amount of obligations secured by *purchase money liens* upon the property to be released and delivered to the First Mortgage Trustee;
- an amount equal to 66 2/3% of the *cost* or *fair value* to the Company (whichever is less) of certified *property additions* not constituting *funded property* after certain deductions and additions, primarily including adjustments to offset property retirements (except that such adjustments need not be made if such *property additions* were acquired or made within the 90-day period preceding the release);
- the aggregate principal amount of first mortgage bonds the Company would be entitled to issue on the basis of *retired securities* (with such entitlement being waived by operation of such release);
- the aggregate principal amount of first mortgage bonds delivered to the First Mortgage Trustee (with such first mortgage bonds to be canceled by the First Mortgage Trustee);
- any amount of cash and/or an amount equal to 66 2/3% of the aggregate principal amount of obligations secured by *purchase money liens* upon the property released that is delivered to the trustee or other holder of a lien prior to the lien of the First Mortgage Indenture, subject to certain limitations described in the First Mortgage Indenture; and
- any taxes and expenses incidental to any sale, exchange, dedication or other disposition of the property to be released.

As used in the First Mortgage Indenture, the term *purchase money* lien means, generally, a lien on the property being released which is retained by the transferor of such property or granted to one or more other persons in connection with the transfer or release thereof, or granted to or held by a trustee or agent for any such persons, and may include liens which cover property in addition to the property being released and/or which secure indebtedness in addition to indebtedness to the transferor of such property.

Unless an *event of default* has occurred and is continuing, property which is not *funded property* may generally be released from the lien of the First Mortgage Indenture without depositing any cash or property with the First Mortgage Trustee as long as (a) the aggregate amount of *cost* or *fair value* to the Company (whichever is less) of all *property additions* which do not constitute *funded property* (excluding the property to be released) after certain deductions and additions, primarily including adjustments to offset property retirements, is not less than zero or (b) the cost or *fair value* (whichever is less) of property to be released does not exceed the aggregate amount of the cost or fair value to the Company (whichever is less) of *property additions* acquired or made within the 90-day period preceding the release.

The First Mortgage Indenture provides simplified procedures for the release of minor properties and property taken by eminent domain and provides for dispositions of certain obsolete property and grants or surrender of certain rights without any release or consent by the First Mortgage Trustee.

If the Company retains any interest in any property released from the lien of the First Mortgage Indenture, the First Mortgage Indenture will not become a lien on such property or such interest therein or any improvements, extensions or additions to such property or renewals, replacements or substitutions of or for such property or any part or parts thereof.

**Withdrawal of Cash**

Unless an *event of default* has occurred and is continuing, and subject to certain limitations, cash held by the First Mortgage Trustee may, generally, (1) be withdrawn by the Company (a) to the extent of sixty-six and two-thirds percent (66-2/3%) of the cost or *fair value* to the Company (whichever is less) of *property additions* not constituting *funded property*, after certain deductions and additions, primarily including adjustments to offset retirements (except that such adjustments need not be made if such *property additions* were acquired or made within the 90-day period preceding the withdrawal) or (b) in an amount equal to the aggregate principal amount of first mortgage bonds that the Company would be entitled to issue on the basis of *retired securities* (with the entitlement to such issuance being waived by operation of such withdrawal) or (c) in an amount equal to the aggregate principal amount of any outstanding first mortgage bonds delivered to the First Mortgage Trustee; or (2) upon the Company's request, be applied to (a) the purchase of first mortgage bonds in a manner and at a price approved by the Company or (b) the payment (or provision for payment) at stated maturity of any first mortgage bonds or the redemption (or provision for payment) of any first mortgage bonds which are redeemable; provided, however, that cash deposited with the First Mortgage Trustee as the basis for the authentication and delivery of first mortgage bonds may, in addition, be withdrawn in an amount not exceeding the aggregate principal amount of cash delivered to the First Mortgage Trustee for such purpose.

**Events of Default**

An "*event of default*" occurs under the First Mortgage Indenture if

- the Company does not pay any interest on any first mortgage bonds within 30 days of the due date;

- the Company does not pay principal or premium, if any, on any first mortgage bonds on the due date;

- the Company remains in breach of any other covenant (excluding covenants specifically dealt with elsewhere in this section) in respect of any first mortgage bonds for 90 days after the Company receives a written notice of default stating the Company is in breach and requiring remedy of the breach; the notice must be sent by either the First Mortgage Trustee or holders of 25% of the principal amount of outstanding first mortgage bonds; the First Mortgage Trustee or such holders can agree to extend the 90-day period and such an agreement to extend will be automatically deemed to occur if the Company initiates corrective action within such 90 day period and the Company is diligently pursuing such action to correct the default; or

- the Company files for bankruptcy or certain other events in bankruptcy, insolvency, receivership or reorganization occur.

**Remedies**

***Acceleration of Maturity.*** If an event of default occurs and is continuing, then either the First Mortgage Trustee or the holders of not less than 25% in principal amount of the outstanding first mortgage bonds may declare the principal amount of all of the first mortgage bonds to be due and payable immediately.

***Rescission of Acceleration.*** After the declaration of acceleration has been made and before the First Mortgage Trustee has obtained a judgment or decree for payment of the money due, such declaration and its consequences will be rescinded and annulled, if

- the Company pays or deposits with the First Mortgage Trustee a sum sufficient to pay:
  - all overdue interest;
  - the principal of and premium, if any, which have become due otherwise than by such declaration of acceleration and interest thereon;
  - interest on overdue interest to the extent lawful; and
  - all amounts due to the First Mortgage Trustee under the First Mortgage Indenture; and
- all *events of default*, other than the nonpayment of the principal which has become due solely by such declaration of acceleration, have been cured or waived as provided in the First Mortgage Indenture.

For more information as to waiver of defaults, see "— Waiver of Default and of Compliance" below.

***Appointment of Receiver and Other Remedies.*** Subject to the First Mortgage Indenture, under certain circumstances and to the extent permitted by law, if an *event of default* occurs and is continuing, the First Mortgage Trustee has the power to appoint a receiver of the Mortgaged Property, and is entitled to all other remedies available to mortgagees and secured parties under the Uniform Commercial Code or any other applicable law.

***Control by Holders; Limitations.*** Subject to the First Mortgage Indenture, if an *event of default* occurs and is continuing, the holders of a majority in principal amount of the outstanding first mortgage bonds will have the right to

- direct the time, method and place of conducting any proceeding for any remedy available to the First Mortgage Trustee, or
- exercise any trust or power conferred on the First Mortgage Trustee.

The rights of holders to make direction are subject to the following limitations:

- the holders' directions may not conflict with any law or the First Mortgage Indenture; and
- the holders' directions may not involve the First Mortgage Trustee in personal liability where the First Mortgage Trustee believes indemnity is not adequate.

The First Mortgage Trustee may also take any other action it deems proper which is not inconsistent with the holders' direction.

In addition, the First Mortgage Indenture provides that no holder of any first mortgage bond will have any right to institute any proceeding, judicial or otherwise, with respect to the First Mortgage Indenture for the appointment of a receiver or for any other remedy thereunder unless

- that holder has previously given the First Mortgage Trustee written notice of a continuing *event of default*;
- the holders of 25% in aggregate principal amount of the outstanding first mortgage bonds have made written request to the First Mortgage Trustee to institute proceedings in respect of that *event of default* and have offered the First Mortgage Trustee reasonable indemnity against costs, expenses and liabilities incurred in complying with such request; and
- for 60 days after receipt of such notice, request and offer of indemnity, the First Mortgage Trustee has failed to institute any such proceeding and no direction inconsistent with such request has been given to the First Mortgage Trustee during such 60-day period by the holders of a majority in aggregate principal amount of outstanding first mortgage bonds.

Furthermore, no holder of first mortgage bonds will be entitled to institute any such action if and to the extent that such action would disturb or prejudice the rights of other holders of first mortgage bonds.

However, each holder of first mortgage bonds has an absolute and unconditional right to receive payment when due and to bring a suit to enforce that right.

***Notice of Default.*** The First Mortgage Trustee is required to give the holders of the first mortgage bonds notice of any default under the First Mortgage Indenture to the extent required by the Trust Indenture Act, unless such default has been cured or waived; except that in the case of an *event of default* of the character specified in the third bullet point under "— Events of Default" (regarding a breach of certain covenants continuing for 90 days after the receipt of a written notice of default), no such notice shall be given to such holders until at least 60 days after the occurrence thereof. The Trust Indenture Act currently permits the First Mortgage Trustee to withhold notices of default (except for certain payment defaults) if the First Mortgage Trustee in good faith determines the withholding of such notice to be in the interests of the holders of the first mortgage bonds.

The Company will furnish the First Mortgage Trustee with an annual statement as to its compliance with the conditions and covenants in the First Mortgage Indenture.

***Waiver of Default and of Compliance.*** The holders of a majority in aggregate principal amount of the outstanding first mortgage bonds may waive, on behalf of the holders of all outstanding first mortgage bonds, any past default under the First Mortgage Indenture, except a default in the payment of principal, premium or interest, or with respect to compliance with certain provisions of the First Mortgage Indenture that cannot be amended without the consent of the holder of each outstanding first mortgage bond affected.

Compliance with certain covenants in the First Mortgage Indenture or otherwise provided with respect to first mortgage bonds may be waived by the holders of a majority in aggregate principal amount of the affected first mortgage bonds, considered as one class.

**Consolidation, Merger and Conveyance of Assets as an Entirety**

Subject to the provisions described below, the Company has agreed to preserve its corporate existence.

The Company has agreed not to consolidate with or merge with or into any other entity or convey, transfer or lease the Mortgaged Property as or substantially as an entirety to any entity unless

- the entity formed by such consolidation or into which the Company merges, or the entity which acquires or which leases the Mortgaged Property substantially as an entirety, is an entity organized and existing under the laws of the United States of America or any State or Territory thereof or the District of Columbia, and
    - expressly assumes, by supplemental indenture, the due and punctual payment of the principal of, and premium and interest on, all the outstanding first mortgage bonds and the performance of all of the Company's covenants under the First Mortgage Indenture, and
    - such entity confirms the lien of the First Mortgage Indenture on the Mortgaged Property; and
- in the case of a lease, such lease is made expressly subject to termination by (i) the Company or by the First Mortgage Trustee and (ii) the purchaser of the property so leased at any sale thereof, at any time during the continuance of an *event of default*; and

- immediately after giving effect to such transaction, no *event of default*, and no event which after notice or lapse of time or both would become an *event of default*, will have occurred and be continuing.

In the case of the conveyance or other transfer of the Mortgaged Property as or substantially as an entirety to any other person, upon the satisfaction of all the conditions described above the Company would be released and discharged from all obligations under the First Mortgage Indenture and on the first mortgage bonds then outstanding unless the Company elects to waive such release and discharge.

The First Mortgage Indenture does not prevent or restrict:

- any consolidation or merger after the consummation of which the Company would be the surviving or resulting entity; or

- any conveyance or other transfer, or lease, of any part of the Mortgaged Property which does not constitute the entirety or substantially the entirety thereof.

If following a conveyance or other transfer, or lease, of any part of the Mortgaged Property, the fair value of the Mortgaged Property retained by the Company exceeds an amount equal to three-halves (3/2) of the aggregate principal amount of all outstanding first mortgage bonds, then the part of the Mortgaged Property so conveyed, transferred or leased shall be deemed not to constitute the entirety or substantially the entirety of the Mortgaged Property. This fair value will be determined within 90 days of the conveyance or transfer by an independent expert that the Company selects and that is approved by the First Mortgage Trustee.

**Modification of First Mortgage Indenture**

***Without Holder Consent.*** Without the consent of any holders of first mortgage bonds, the Company and the First Mortgage Trustee may enter into one or more supplemental indentures for any of the following purposes:

- to evidence the succession of another entity to the Company;

- to add one or more covenants or other provisions for the benefit of the holders of all or any series or tranche of first mortgage bonds, or to surrender any right or power conferred upon the Company;

- to correct or amplify the description of any property at any time subject to the lien of the First Mortgage Indenture; or to better assure, convey and confirm unto the First Mortgage Trustee any property subject or required to be subjected to the lien of the First Mortgage Indenture; or to subject to the lien of the First Mortgage Indenture additional property (including property of others), to specify any additional Permitted Liens with respect to such additional property and to modify the provisions in the First Mortgage Indenture for dispositions of certain types of property without release in order to specify any additional items with respect to such additional property;

- to add any additional *events of default*, which may be stated to remain in effect only so long as the first mortgage bonds of any one more particular series remains outstanding;

- to change or eliminate any provision of the First Mortgage Indenture or to add any new provision to the First Mortgage Indenture that does not adversely affect the interests of the holders in any material respect;

- to establish the form or terms of any series or tranche of first mortgage bonds;

- to provide for the issuance of bearer securities;

- to evidence and provide for the acceptance of appointment of a successor First Mortgage Trustee or by a co-trustee or separate trustee;

- to provide for the procedures required to permit the utilization of a noncertificated system of registration for any series or tranche of first mortgage bonds;

- to change any place or places where

    - the Company may pay principal, premium and interest,

    - first mortgage bonds may be surrendered for transfer or exchange, and

    - notices and demands to or upon the Company may be served;

- to amend and restate the First Mortgage Indenture as originally executed, and as amended from time to time, with such additions, deletions and other changes that do not adversely affect the interest of the holders in any material respect;

- to cure any ambiguity, defect or inconsistency or to make any other changes that do not adversely affect the interests of the holders in any material respect; or

- to increase or decrease the maximum principal amount of first mortgage bonds that may be outstanding at any time.

In addition, if the Trust Indenture Act is amended after the date of the First Mortgage Indenture so as to require changes to the First Mortgage Indenture or so as to permit changes to, or the elimination of, provisions which, at the date of the First Mortgage Indenture or at any time thereafter, were required by the Trust Indenture Act to be contained in the First Mortgage Indenture, the First Mortgage Indenture will be deemed to have been amended so as to conform to such amendment or to effect such changes or elimination, and the Company and the First Mortgage Trustee may, without the consent of any holders, enter into one or more supplemental indentures to effect or evidence such amendment.

***With Holder Consent.*** Except as provided above, the consent of the holders of at least a majority in aggregate principal amount of the first mortgage bonds of all outstanding series, considered as one class, is generally required for the purpose of adding to, or changing or eliminating any of the provisions of, the First Mortgage Indenture pursuant to a supplemental indenture. However, if less than all of the series of outstanding first mortgage bonds are directly affected by a proposed supplemental indenture, then such proposal only requires the consent of the holders of a majority in aggregate principal amount of the outstanding first mortgage bonds of all directly affected series, considered as one class. Moreover, if the first mortgage bonds of any series have been issued in more than one tranche and if the proposed supplemental indenture directly affects the rights of the holders of first mortgage bonds of one or more, but less than all, of such tranches, then such proposal only requires the consent of the holders of a majority in aggregate principal amount of the outstanding first mortgage bonds of all directly affected tranches, considered as one class.

However, no amendment or modification may, without the consent of the holder of each outstanding first mortgage bond directly affected thereby:

- change the stated maturity of the principal or interest on any first mortgage bond (other than pursuant to the terms thereof), or reduce the principal amount, interest or premium payable (or the method of calculating such rates) or change the currency in which any first mortgage bond is payable, or impair the right to bring suit to enforce any payment;

- create any lien (not otherwise permitted by the First Mortgage Indenture) ranking prior to the lien of the First Mortgage Indenture with respect to all or substantially all of the Mortgaged Property, or terminate the lien of the First Mortgage Indenture on all or substantially all of the Mortgaged Property (other than in accordance with the terms of the First Mortgage Indenture), or deprive any holder of the benefits of the security of the lien of the First Mortgage Indenture;

- reduce the percentages of holders whose consent is required for any supplemental indenture or waiver of compliance with any provision of the First Mortgage Indenture or of any default thereunder and its consequences, or reduce the requirements for quorum and voting under the First Mortgage Indenture; or

- modify certain of the provisions of the First Mortgage Indenture relating to supplemental indentures, waivers of certain covenants and waivers of past defaults with respect to first mortgage bonds.

A supplemental indenture which changes, modifies or eliminates any provision of the First Mortgage Indenture expressly included solely for the benefit of holders of first mortgage bonds of one or more particular series or tranches will be deemed not to affect the rights under the First Mortgage Indenture of the holders of first mortgage bonds of any other series or tranche.

**Satisfaction and Discharge**

Any first mortgage bonds or any portion thereof will be deemed to have been paid and no longer outstanding for purposes of the First Mortgage Indenture and, at the Company's election, the Company's entire indebtedness with respect to those securities will be satisfied and discharged, if there shall have been irrevocably deposited with the First Mortgage Trustee or any Paying Agent (other than the Company), in trust:

- money sufficient, or
- in the case of a deposit made prior to the maturity of such first mortgage bonds, non-redeemable *eligible obligations* (as defined in the First Mortgage Indenture) sufficient, or
- a combination of the items listed in the preceding two bullet points, which in total are sufficient,

to pay when due the principal of, and any premium, and interest due and to become due on such first mortgage bonds or portions of such first mortgage bonds on and prior to their maturity.

The Company's right to cause its entire indebtedness in respect of the first mortgage bonds of any series to be deemed to be satisfied and discharged as described above will be subject to the satisfaction of any conditions specified in the instrument creating such series.

The First Mortgage Indenture will be deemed satisfied and discharged when no first mortgage bonds remain outstanding and when the Company has paid all other sums payable by it under the First Mortgage Indenture.

All moneys the Company pays to the First Mortgage Trustee or any Paying Agent on First Mortgage Bonds that remain unclaimed at the end of two years after payments have become due may be paid to or upon the Company's order. Thereafter, the holder of such First Mortgage Bond may look only to the Company for payment.

**Duties of the First Mortgage Trustee; Resignation and Removal of the First Mortgage Trustee; Deemed Resignation**

The First Mortgage Trustee will have, and will be subject to, all the duties and responsibilities specified with respect to an indenture trustee under the Trust Indenture Act. Subject to these provisions, the First Mortgage Trustee will be under no obligation to exercise any of the powers vested in it by the First Mortgage Indenture at the request of any holder of first mortgage bonds, unless offered reasonable indemnity by such holder against the costs, expenses and liabilities which might be incurred thereby. The First Mortgage Trustee will not be required to expend or risk its own funds or otherwise incur financial liability in the performance of its duties if the First Mortgage Trustee reasonably believes that repayment or adequate indemnity is not reasonably assured to it.

The First Mortgage Trustee may resign at any time by giving written notice to the Company.

The First Mortgage Trustee may also be removed by act of the holders of a majority in principal amount of the then outstanding first mortgage bonds.

No resignation or removal of the First Mortgage Trustee and no appointment of a successor trustee will become effective until the acceptance of appointment by a successor trustee in accordance with the requirements of the First Mortgage Indenture.

Under certain circumstances, the Company may appoint a successor trustee and if the successor accepts, the First Mortgage Trustee will be deemed to have resigned.

**Evidence to be Furnished to the First Mortgage Trustee**

Compliance with First Mortgage Indenture provisions is evidenced by written statements of the Company's officers or persons selected or paid by the Company. In certain cases, opinions of counsel and certifications of an engineer, accountant, appraiser or other expert (who in some cases must be independent) must be furnished. In addition, the First Mortgage Indenture requires the Company to give to the First Mortgage Trustee, not less than annually, a brief statement as to the Company's compliance with the conditions and covenants under the First Mortgage Indenture.

**Miscellaneous Provisions**

The First Mortgage Indenture provides that certain first mortgage bonds, including those for which payment or redemption money has been deposited or set aside in trust as described under "— Satisfaction and Discharge" above, will not be deemed to be "outstanding" in determining whether the holders of the requisite principal amount of the outstanding first mortgage bonds have given or taken any demand, direction, consent or other action under the First Mortgage Indenture as of any date, or are present at a meeting of holders for quorum purposes.

The Company will be entitled to set any day as a record date for the purpose of determining the holders of outstanding first mortgage bonds of any series entitled to give or take any demand, direction, consent or other action under the First Mortgage Indenture, in the manner and subject to the limitations provided in the First Mortgage Indenture. In certain circumstances, the First Mortgage Trustee also will be entitled to set a record date for action by holders. If such a record date is set for any action to be taken by holders of particular first mortgage bonds, such action may be taken only by persons who are holders of such first mortgage bonds on the record date.

**Governing Law**

The First Mortgage Indenture and the first mortgage bonds provide that they are to be governed by and construed in accordance with the laws of the State of New York except where the Trust Indenture Act is applicable or where otherwise required by law. The effectiveness of the lien of the First Mortgage Indenture, and the perfection and priority thereof, will be governed by Kentucky law.

## SUMMARY OF THE INDENTURE

*The following, in addition to the provisions contained elsewhere in this Reoffering Circular, is a brief description of certain provisions of the Indenture. Reference is made to the Indenture for the detailed provisions thereof.*

**Security**

Pursuant to the Indenture, the Issuer has assigned and pledged to the Trustee its interest in and to the Loan Agreement, including payments and other amounts due the Issuer thereunder, together with all moneys, property and securities from time to time held by the Trustee under the Indenture (with certain exceptions, including moneys held in or earnings on the Rebate Fund and the Purchase Fund). The Bonds have been further secured by the First Mortgage Bonds delivered to the Trustee (see "Summary of the Loan Agreement — Issuance and Delivery of First Mortgage Bonds"). The First Mortgage Bonds have been registered in the name of the Trustee and are nontransferable, except to effect a transfer to any successor trustee. The Bonds will not be directly secured by the Project (although the Project is subject to the lien of the First Mortgage Indenture).

**No Pecuniary Liability of the Issuer**

No provision, covenant or agreement contained in the Indenture or in the Loan Agreement, nor any breach thereof, shall give rise to any pecuniary liability of the Issuer or any charge upon its general credit or taxing powers. The Issuer has not obligated itself by making the covenants, agreements or provisions contained in the Indenture or in the Loan Agreement, except with respect to the Project and the application of the amounts assigned to the payment of the principal of, premium, if any, and interest on the Bonds.

**The Bond Fund**

The payments to be made by the Company pursuant to the Loan Agreement to the Issuer and certain other amounts specified in the Indenture will be deposited into a Bond Fund established pursuant to the Indenture (the "Bond Fund") and will be maintained in trust by the Trustee. Moneys in the Bond Fund will be used solely for the payment of the principal of, premium, if any, and interest on the Bonds, for the redemption of Bonds prior to maturity and for the payment of the reasonable and necessary fees and expenses to which the Trustee, Paying Agent and the Issuer are entitled pursuant to the Indenture or the Loan Agreement. Any moneys held in the Bond Fund will be invested by the Trustee at the specific written direction of the Company in certain Governmental Obligations, investment-grade corporate obligations and other investments permitted under the Indenture.

**The Rebate Fund**

A Rebate Fund has been created by the Indenture (the "Rebate Fund") and will be maintained as a separate fund free and clear of the lien of the Indenture. The Issuer, the Trustee and the Company have agreed to comply with all rebate requirements of the Code and, in particular, the Company has agreed that if necessary, it will deposit in the Rebate Fund any such amount as is required under the Code. However, the Issuer, the Trustee and the Company may disregard the Rebate Fund provisions to the extent that they shall receive an opinion of Bond Counsel that such failure to comply will not adversely affect the exclusion of the interest on the Bonds from gross income for federal income tax purposes.

**Discharge of Indenture**

When all the Bonds and all fees and charges accrued and to accrue of the Trustee and the Paying Agent have been paid or provided for, and when proper notice has been given to the Bondholders or the Trustee that the proper amounts have been so paid or provided for, and if the Issuer is not in default in any other respect under the Indenture, the Indenture shall become null and void. The Bonds shall be deemed to have been paid and discharged when there shall have been irrevocably deposited with the Trustee moneys sufficient to pay the principal, premium, if any, and accrued interest on such Bonds to the due date (whether such date be by reason of maturity or upon redemption) or, in lieu thereof, Governmental Obligations shall have been deposited which mature in such amounts and at such times as will provide the funds necessary to so pay such Bonds, and when all reasonable and necessary fees and expenses of the Trustee, the Authenticating Agent, the Bond Registrar and the Paying Agent have been paid or provided for.

**Surrender of First Mortgage Bonds**

Upon payment of any principal of, premium, if any, and interest on any of the Bonds which reduces the principal amount of Bonds outstanding, or upon provision for the payment thereof having been made in accordance with the Indenture (see "Discharge of Indenture" above), First Mortgage Bonds in a principal amount equal to the principal amount of the Bonds so paid, or for the payment of which such provision has been made, shall be surrendered by the Trustee to the First Mortgage Trustee. The First Mortgage Bonds so surrendered shall be deemed fully paid and the obligations of the Company thereunder terminated.

**Defaults and Remedies**

Each of the following events constitutes an "Event of Default" under the Indenture:

(a) Failure to make payment of any installment of interest on any Bond (i) if such Bond bears interest at other than the Long Term Rate, within a period of one Business Day from the due date and (ii) if such Bond bears interest at the Long Term Rate, within a period of five Business Days from the date due;

(b) Failure to make punctual payment of the principal of, or premium, if any, on any Bond on the due date, whether at the stated maturity thereof, or upon proceedings for redemption, or upon the maturity thereof by declaration or if payment of the purchase price of any Bond required to be purchased pursuant to the Indenture is not made when such payment has become due and payable, provided that no event of default shall have occurred in respect of failure to receive such purchase price for any Bond if the Company shall have made the payment on the next Business Day as described in the last paragraph under "Summary of the Bonds — Mandatory Purchase of Bonds — Remarketing and Purchase of Bonds" above;

(c) Failure of the Issuer to perform or observe any other of the covenants, agreements or conditions in the Indenture or in the Bonds which failure continues for a period of 30 days after written notice by the Trustee, provided, however, that if such failure is capable of being cured, but cannot be cured in such 30-day period, it will not constitute an event of default under the Indenture if corrective action in respect of such failure is being diligently pursued;

(d) The occurrence of an "event of default" under the Loan Agreement (see "Summary of the Loan Agreement — Events of Default"); or

(e) All first mortgage bonds outstanding under the First Mortgage Indenture, if not already due, shall have become due and payable, whether by declaration or otherwise, and such acceleration shall not have been rescinded by the First Mortgage Trustee.

Upon the occurrence of an Event of Default under the Indenture, the Trustee may, and upon the written request of the registered owners holding not less than 25% in principal amount of Bonds then outstanding and upon receipt of indemnity satisfactory to it shall: (i) enforce each and every right granted to the Trustee as a holder of the First Mortgage Bonds (see "Summary of the First Mortgage Bonds and the First Mortgage Indenture"), (ii) declare the principal of all Bonds and interest accrued thereon to be immediately due and payable and (iii) declare all payments under the Loan Agreement to be immediately due and payable and enforce each and every other right granted to the Issuer under the Loan Agreement for the benefit of the Bondholders. Interest on the Bonds will cease to accrue on the date of issuance of the declaration of acceleration of payment of principal and interest on the Bonds. In exercising such rights, the Trustee shall take any action that, in the judgment of the Trustee, would best serve the interests of the registered owners. Upon the occurrence of an Event of Default under the Indenture, the Trustee may also proceed to pursue any available remedy by suit at law or in equity to enforce the payment of the principal of, premium, if any, and interest on the Bonds then outstanding and may also issue a Redemption Demand for such First Mortgage Bonds to the First Mortgage Trustee.

If an Event of Default under the Indenture shall occur and be continuing and the maturity date of the Bonds has been accelerated (to the extent the Bonds are not already due and payable) as a consequence of such event of default, the Trustee may, and upon the written request of the registered owners holding not less than 25% in principal amount of all Bonds then outstanding and upon receipt of indemnity satisfactory to it shall, exercise such rights as it shall possess under the First Mortgage Indenture as a holder of the First Mortgage Bonds.

If the Trustee recovers any moneys following an Event of Default, unless the principal of the Bonds shall have been declared due and payable, all such moneys shall be applied in the following order: (i) to the payment of the fees, expenses, liabilities and advances incurred or made by the Trustee and the Paying Agent and the payment of any sums due and payable to the United States pursuant to Section 148(f) of the Code, (ii) to the payment of all interest then due on the Bonds, and (iii) to the payment of unpaid principal and premium, if any, of the Bonds. If the principal of the Bonds has become due or has been accelerated, such moneys shall be applied in the following order: (i) to the payment of the fees, expenses, liabilities and advances incurred or made by the Trustee and the Paying Agent and the payment of any sums due and payable to the United States pursuant to Section 148(f) of the Code and (ii) to the payment of principal of and interest then due and unpaid on the Bonds.

No Bondholder may institute any suit or proceeding in equity or at law for the enforcement of the Indenture unless an Event of Default has occurred of which the Trustee has been notified or is deemed to have notice, and registered owners holding not less than 25% in aggregate principal amount of Bonds then outstanding shall have made written request to the Trustee to proceed to exercise the powers granted under the Indenture or to institute such action in their own name and the Trustee shall fail or refuse to exercise its powers within a reasonable time after receipt of indemnity satisfactory to it.

Any judgment against the Issuer pursuant to the exercise of rights under the Indenture shall be enforceable only against specific assigned payments, funds and accounts under the Indenture in the hands of the Trustee. No deficiency judgment shall be authorized against the general credit of the Issuer.

No default under paragraph (c) above shall constitute an Event of Default until actual notice is given to the Issuer and the Company by the Trustee, or to the Issuer, the Company and the Trustee by the registered owners holding not less than 25% in aggregate principal amount of all Bonds outstanding and the Issuer and the Company shall have had thirty days after such notice to correct the default and failed to do so. If the default is such that it cannot be corrected within the applicable period but is capable of being cured, it will not constitute an Event of Default if corrective action is instituted within the applicable period.

**Waiver of Events of Default**

Except as provided below, the Trustee may in its discretion waive any Event of Default under the Indenture and shall do so upon the written request of the registered owners holding a majority in principal amount of all Bonds then outstanding. If, after the principal of all Bonds then outstanding shall have been declared to be due and payable and prior to any judgment or decree for the appointment of a receiver or for the payment of the moneys due shall have been entered, (i) the Company has caused to be deposited with the Trustee a sum sufficient to pay all matured installments of interest upon all Bonds and the principal of and premium, if any, on any and all Bonds which shall have become due otherwise than by reason of such declaration (with interest thereon as provided in the Indenture) and the expenses of the Trustee in connection with such default and (ii) all Events of Default under the Indenture (other than nonpayment of the principal of Bonds due by said declaration) shall have been remedied, then such Event of Default shall be deemed waived and such declaration and its consequences rescinded and annulled by the Trustee. Such waiver, rescission and annulment shall be binding upon all Bondholders. No such waiver, rescission and annulment shall extend to or affect any subsequent Event of Default or impair any right or remedy consequent thereon.

Upon any waiver or rescission as described above or any discontinuance or abandonment of proceedings under the Indenture, the Trustee shall immediately rescind in writing any Redemption Demand of First Mortgage Bonds previously given to the First Mortgage Trustee. The rescission under the First Mortgage Indenture of a declaration that all first mortgage bonds outstanding under the First Mortgage Indenture are immediately due and payable shall also constitute a waiver of an Event of Default described in paragraph (e) under the sub caption "—Defaults and Remedies" above and a waiver and rescission of its consequences, provided that no such waiver or rescission shall extend to or affect any subsequent or other default or impair any right consequent thereon.

Notwithstanding the foregoing, nothing in the Indenture shall affect the right of a registered owner to enforce the payment of principal of, premium, if any, and interest on the Bonds after the maturity thereof.

**Voting of First Mortgage Bonds Held by Trustee**

The Trustee, as holder of the First Mortgage Bonds, shall attend any meeting of holders of first mortgage bonds outstanding under the First Mortgage Indenture as to which it receives due notice. The Trustee shall vote the First Mortgage Bonds held by it, or shall consent with respect thereto, proportionally in the way in which the Trustee reasonably believes will be the vote or consent of all other holders of first mortgage bonds outstanding under the First Mortgage Indenture then eligible to vote or consent.

Notwithstanding the foregoing, the Trustee may not vote the First Mortgage Bonds in favor of, or give consent to, any action which, in the Trustee's opinion, would materially adversely affect the First Mortgage Bonds in a manner not generally shared by all other series of first mortgage bonds, except upon notification by the Trustee to the registered owners of all Bonds then outstanding of such proposal and consent thereto of the registered owners of at least $66^{2/3}$% in aggregate principal amount of all Bonds then outstanding.

**Supplemental Indentures**

The Issuer and the Trustee may enter into indentures supplemental to the Indenture without the consent of or notice to, the Bondholders in order (i) to cure any ambiguity or formal defect or omission in the Indenture, (ii) to grant to the Trustee, as may lawfully be granted, additional rights for the benefit of the Bondholders, (iii) to subject to the Indenture additional revenues, properties or collateral, (iv) to permit qualification of the Indenture under any federal statute or state blue sky law, (v) to add additional covenants and agreements of the Issuer for the protection of the Bondholders or to surrender or limit any rights reserved to the Issuer, (vi) to make any modification or change to the Indenture which, in the sole judgment of the Trustee, does not adversely affect the Trustee or any Bondholder, (vii) to make amendments to provisions relating to federal income tax matters under the Code or other relevant provisions if, in the opinion of Bond Counsel, those amendments would not adversely affect the exclusion of the interest on the Bonds from gross income for federal income tax purposes, (viii) to make any modification or change to the Indenture necessary to provide liquidity or credit support for the Bonds, or (ix) to permit the issuance of the Bonds in other than book-entry-only form or to provide changes to or for the book-entry system.

Exclusive of supplemental indentures for the purposes set forth in the preceding paragraph, the consent of registered owners holding a majority in principal amount of all Bonds then outstanding is required to approve any supplemental indenture, except no such supplemental indenture shall permit, without the consent of all of the registered owners of the Bonds then outstanding, (i) an extension of the maturity of the principal of or the interest on any Bond issued under the Indenture or a reduction in the principal amount of any Bond or the rate of interest or time of redemption or redemption premium thereon, (ii) a privilege or priority of any Bond or Bonds over any other Bond or Bonds, (iii) a reduction in the principal amount of the Bonds required for consent to such supplemental indenture, or (iv) the deprivation of any registered owners of the lien of the Indenture.

If at any time the Issuer shall request the Trustee to enter into any supplemental indenture requiring the consent of the registered owners of the Bonds, the Trustee, upon being satisfactorily indemnified with respect to expenses, must notify all such registered owners. Such notice shall set forth the nature of the proposed supplemental indenture and shall state that copies thereof are on file at the principal office of the Trustee for inspection. If, within sixty days (or such longer period as shall be prescribed by the Issuer or the Company) following the mailing of such notice, the registered owners holding the requisite amount of the Bonds outstanding shall have consented to the execution thereof, no Bondholder shall have any right to object or question the execution thereof.

No supplemental indenture shall become effective unless the Company consents to the execution and delivery of such supplemental indenture. The Company shall be deemed to have consented to the execution and delivery of any supplemental indenture if the Trustee does not receive a notice of protest or objection signed by the Company on or before 4:30 p.m., local time in the city in which the principal office of the Trustee is located, on the fifteenth day after the mailing to the Company of a notice of the proposed changes and a copy of the proposed supplemental indenture.

## ENFORCEABILITY OF REMEDIES

The remedies available to the Trustee, the Issuer and the owners upon an event of default under the Loan Agreement, the Indenture or the First Mortgage Indenture are in many respects dependent upon judicial actions which are often subject to discretion and delay. Under existing constitutional and statutory law and judicial decisions, the remedies specified by the Loan Agreement, the Indenture and the First Mortgage Indenture may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Bonds will be qualified as to the enforceability of the various legal instruments by limitations imposed by principles of equity, bankruptcy, reorganization, insolvency, moratorium or other similar laws affecting the rights of creditors generally.

## REOFFERING

Subject to the terms and conditions of the Remarketing and Bond Purchase Agreement dated as of April 24, 2018 (the "Remarketing Agreement"), between the Company and Morgan Stanley & Co. LLC, as Representative of the Remarketing Agents, the Remarketing Agents have agreed to purchase and reoffer the Bonds delivered to the Paying Agent for purchase on May 1, 2018, at a price equal to 100% of the principal amount of the Bonds, plus accrued interest (if any), and in connection therewith will receive compensation in the amount of $113,750 for the Jefferson County Bonds and $113,750 for the Trimble County Bonds, plus reimbursement of certain expenses. Under the terms of the Remarketing Agreement, the Company has agreed to indemnify the Remarketing Agents against certain civil liabilities, including liabilities under federal securities laws.

The Remarketing Agents and their affiliates are full-service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. The Remarketing Agents and certain of their affiliates have, from time to time, performed, and may in the future perform, various investment banking and commercial banking services for the Company, for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the Remarketing Agents and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (which may include bank loans and/or credit default swaps) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of the Company.

Morgan Stanley, parent company of Morgan Stanley & Co. LLC, one of the Remarketing Agents of the Bonds, has entered into a retail brokerage joint venture. As part of the joint venture, Morgan Stanley & Co. LLC will distribute municipal securities to retail investors through the financial advisor network of a new broker-dealer, Morgan Stanley Smith Barney LLC. This distribution arrangement became effective on June 1, 2009. As part of this arrangement, Morgan Stanley & Co. LLC will compensate Morgan Stanley Smith Barney LLC for its selling efforts with respect to the Bonds.

## TAX TREATMENT

On March 22, 2002, the date on which the Bonds of each series were originally issued, Bond Counsel delivered its opinions that stated that, under existing law, including then current statutes, regulations, administrative rulings and official interpretations, subject to the qualifications and exceptions set forth below, interest on the Bonds would be excluded from the gross income of the recipients thereof for federal income tax purposes, except that no opinion would be expressed regarding such exclusion from gross income with respect to any Bond during any period in which it is held by a "substantial user" of the Project or a "related person" of a substantial user as such terms are used in Section 147(a) of the Code. Interest on the Bonds will be an item of tax preference in determining alternative minimum taxable income for individuals and corporations under the Code. The alternative minimum tax has been repealed with respect to corporations for taxable years beginning after December 31, 2017. Bond Counsel further opined that, subject to the assumptions stated in the preceding sentence, (i) interest on the Bonds would be excluded from gross income of the owners thereof for Kentucky income tax purposes and (ii) the Bonds would be exempt from all ad valorem taxes in Kentucky. Such opinions have not been updated as of the date hereof and no continuing tax exemption opinions are expressed by Bond Counsel.

Bond Counsel also will deliver opinions in connection with this reoffering to the effect that the change to the Long Term Rate Period (i) is authorized or permitted by Sections 103.200 to 103.285, inclusive, of the Kentucky Revised Statutes (the "Act") and the related Indenture and (ii) will not adversely affect the validity of the Bonds or any exclusion from gross income of interest on the Bonds for federal income tax purposes to which interest on the Bonds would otherwise be entitled.

The opinion of Bond Counsel as to the excludability of interest from gross income for federal income tax purposes was based upon and assumed the accuracy of certain representations of facts and circumstances, including with respect to the Project, which are within the knowledge of the Company and compliance by the Company with certain covenants and undertakings set forth in the proceedings authorizing the Bonds which are intended to assure that the Bonds are and will remain obligations the interest on which is not includable in gross income of the recipients thereof under the law in effect on the date of such opinion. Bond Counsel did not independently verify the accuracy of the certifications and representations made by the Company and the Issuer. On the date of the opinion and subsequent to the original delivery of the Bonds, such representations of facts and circumstances must be accurate and such covenants and undertakings must continue to be complied with in order that interest on the Bonds be and remain excludable from gross income of the recipients thereof for federal income tax purposes under existing law. Bond Counsel expressed no opinion (i) regarding the exclusion of interest on any Bond from gross income for federal income tax purposes on or after the date on which any change, including any interest rate conversion, permitted by the documents other than with the approval of Bond Counsel is taken which adversely affects the tax treatment of the Bonds or (ii) as to the treatment for purposes of federal income taxation of interest on the Bonds upon a Determination of Taxability.

The Code prescribes a number of qualifications and conditions for the interest on state and local government obligations to be and to remain excluded from gross income for federal income tax purposes, some of which, including provisions for potential payments by the Issuer to the federal government, require future or continued compliance after issuance of the Bonds in order for the interest to be and to continue to be so excluded from the date of issuance. Noncompliance with certain of these requirements by the Company or the Issuer with respect to the Bonds could cause the interest on the Bonds to be included in gross income for federal income tax purposes and to be subject to federal income taxation retroactively to the date of their issuance. The Company and the Issuer have each covenanted to take all actions required of each to assure that the interest on the Bonds shall be and remain excluded from gross income for federal income tax purposes, and not to take any actions that would adversely affect that exclusion.

The opinion of Bond Counsel as to the exclusion of interest on the Bonds from gross income for federal income tax purposes and federal tax treatment of interest on the Bonds was subject to the following exceptions and qualifications:

(a) The Code provides for "branch profits tax" which subjects to tax, at a rate of 30%, the effectively connected earnings and profits of a foreign corporation which engages in a United States trade or business. Interest on the Bonds would be includable in the amount of effectively connected earnings and profits and thus would increase the branch profits tax liability.

(b) The Code also provides that passive investment income, including interest on the Bonds, may be subject to taxation for any S corporation with Subchapter C earnings and profits at the close of its taxable year if greater than 25% of its gross receipts is passive investment income.

Except as stated above, Bond Counsel expressed no opinion as to any federal or Kentucky tax consequences resulting from the receipt of interest on the Bonds.

Owners of the Bonds should be aware that the ownership of the Bonds may result in collateral federal income tax consequences. For instance, the Code provides that property and casualty insurance companies will be required to reduce their loss reserve deductions by 15% of the tax-exempt interest received on certain obligations, such as the Bonds, acquired after August 7, 1986. (For purposes of the immediately preceding sentence, a portion of dividends paid to an affiliated insurance company may be treated as tax-exempt interest.) The Code further provides for the disallowance of any deduction for interest expenses incurred by banks and certain other financial institutions allocable to carrying certain tax-exempt obligations, such as the Bonds, acquired after August 7, 1986. The Code also provides that, with respect to taxpayers other than such financial institutions, such taxpayers will be unable to deduct any portion of the interest expenses incurred or continued to purchase or carry the Bonds. The Code also provides, with respect to individuals, that interest on tax-exempt obligations, including the Bonds, is included in modified adjusted gross income for purposes of determining the taxability of social security and railroad retirement benefits. Furthermore, the earned income tax credit is not allowed for individuals with an aggregate amount of disqualified income within the meaning of Section 32 of the Code, which exceeds $2,200. Interest on the Bonds will be taken into account in the calculation of disqualified income. Prospective purchasers of the Bonds should consult their own tax advisors regarding such matters and any other tax consequences of holding the Bonds.

From time to time, there are legislative proposals in Congress which, if enacted, could alter or amend one or more of the federal tax matters referred to above or could adversely affect the market value of the Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, it would apply to obligations (such as the Bonds) issued prior to enactment.

The opinions of Bond Counsel delivered on the original date of issuance of the Bonds are attached as Appendix B-1. The opinions of Bond Counsel related to the change in the Long Term Rate Period of the Bonds as described herein, prepared as of the date the holders of the Bonds were previously notified of such change in accordance with the respective Indentures, and redated as of the effective date of such change, are attached as Appendix B-2.

## LEGAL MATTERS

Certain legal matters in connection with the mandatory purchase and reoffering of the Bonds will be passed upon by Stoll Keenon Ogden PLLC, Louisville, Kentucky, Bond Counsel. Certain legal matters pertaining to the Company will be passed upon by Jones Day, Chicago, Illinois, and John R. Crockett III, General Counsel, Chief Compliance Officer and Corporate Secretary of the Company. McGuireWoods LLP, Chicago, Illinois, will pass upon certain legal matters for the Remarketing Agents.

## CONTINUING DISCLOSURE

Because the Bonds are special and limited obligations of the Issuers, neither Issuer is an "obligated person" for purposes of Rule 15c2-12 (the "Rule") promulgated by the SEC under the Exchange Act, or has any continuing obligations thereunder. Accordingly, neither Issuer will provide any continuing disclosure information with respect to the Bonds or such Issuer.

In order to enable the Remarketing Agents to comply with the requirements of the Rule, the Company has covenanted in a continuing disclosure undertaking agreement delivered to the Trustee for the benefit of the holders of the Bonds (the "Continuing Disclosure Agreement") to provide certain continuing disclosure for the benefit of the holders of the Bonds. Under its Continuing Disclosure Agreement, the Company has covenanted to take the following actions:

(i) The Company will provide to the Municipal Securities Rulemaking Board ("MSRB") (in electronic format) (a) annual financial information of the type set forth in Appendix A to this Reoffering Circular (including any information incorporated by reference in Appendix A) and (b) audited financial statements prepared in accordance with generally accepted accounting principles, in each case not later than 120 days after the end of the Company's fiscal year.

(ii) The Company will file in a timely manner not in excess of 10 business days after the occurrence of the event with the MSRB notice of the occurrence of any of the following events (if applicable) with respect to the Bonds: (a) principal and interest payment delinquencies; (b) non-payment related defaults, if material; (c) any unscheduled draws on debt service reserves reflecting financial difficulties; (d) unscheduled draws on credit enhancement facilities reflecting financial difficulties; (e) substitution of credit or liquidity providers, or their failure to perform; (f) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds; (g) modifications to rights of the holders of the Bonds, if material; (h) the giving of notice of optional or unscheduled redemption of any Bonds, if material, and tender offers; (i) defeasance of the Bonds or any portion thereof; (j) release, substitution, or sale of property securing repayment of the Bonds, if material; (k) rating changes; (l) bankruptcy, insolvency, receivership or similar event of the Company; (m) the consummation of a merger, consolidation or acquisition involving the Company, or the sale of all or substantially all of the assets of the Company, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and (n) appointment of a successor or additional trustee or a change of name of a trustee, if material.

(iii) The Company will file in a timely manner with the MSRB notice of a failure by the Company to file any of the information referred to in paragraph (i) above by the due date.

The Company may amend its Continuing Disclosure Agreement (and the Trustee shall agree to any amendment so requested by the Company that does not change the duties of the Trustee thereunder) or waive any provision thereof, but only with a change in circumstances that arises from a change in legal requirements, change in law, or change in the nature or status of the Company with respect to the Bonds or the type of business conducted by the Company; provided that the undertaking, as amended or following such waiver, would have complied with the requirements of the Rule on the date of issuance of the Bonds, after taking into account any amendments to the Rule as well as any change in circumstances, and the amendment or waiver does not materially impair the interests of the holders of the Bonds to which such undertaking relates, in the opinion of the Trustee or counsel expert in federal securities laws acceptable to both the Company and the Trustee, or is approved by the Beneficial Owners of a majority in aggregate principal amount of the outstanding Bonds. The Company acknowledges that its undertakings pursuant to the Rule described under this heading are intended to be for the benefit of the holders of the Bonds and shall be enforceable by the holders of those Bonds or by the Trustee on behalf of such holders. Any breach by the Company of these undertakings pursuant to the Rule will not constitute an event of default under the Indenture, the Loan Agreement or the Bonds.

The Company is a party to continuing disclosure agreements with respect to nine series of pollution control bonds. The MSRB's Electronic Municipal Market Access ("EMMA") website reflects that, within the past five years, for two series of such bonds, the Company's 2011 annual financial statements were timely posted, but to outdated CUSIP numbers. The 2011 annual financial statements were re-posted to the correct CUSIP numbers for those series in May 2012. With respect to both series of bonds, the Company also failed to file on the MSRB's EMMA website in a timely manner a notice of the Company's failure to file such 2011 financial statements in accordance with the applicable continuing disclosure agreements. The Company has subsequently made these corrective filings. The Company's 2011 annual financial statements had been filed with the SEC on February 28, 2012. The Company has had, and continues to have, procedures in place in order to make material event notices and financial statement filings on an ongoing basis.

This Reoffering Circular has been duly approved, executed and delivered by the Company.

LOUISVILLE GAS AND ELECTRIC COMPANY

By: /s/ Daniel K. Arbough
Daniel K. Arbough
Treasurer

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**APPENDIX A**

## THE COMPANY

Louisville Gas and Electric Company (the "Company"), incorporated in Kentucky in 1913, is a regulated public utility engaged in the generation, transmission, distribution and sale of electric energy and the distribution and sale of natural gas. As of December 31, 2017, the Company provides electric service to approximately 411,000 customers in Louisville and adjacent areas in Kentucky, covering approximately 700 square miles in nine counties and provides natural gas service to approximately 326,000 customers in its electric service area and eight additional counties in Kentucky. The Company's coal-fired electric generating stations, all equipped with systems to reduce sulphur dioxide emissions, produce most of the Company's electricity. The remainder is generated by a natural gas combined cycle combustion turbine, a hydroelectric power plant, natural gas and oil fueled combustion turbines and a small solar facility. Underground natural gas storage fields help the Company provide economical and reliable natural gas service to customers.

The Company is a wholly-owned subsidiary of LG&E and KU Energy LLC and an indirect wholly-owned subsidiary of PPL Corporation. The Company's affiliate, Kentucky Utilities Company ("KU"), is a regulated public utility engaged in the generation, transmission, distribution and sale of electric energy in Kentucky, Virginia and Tennessee. The Company's obligations under the Loan Agreement are solely its own, and not those of any of its affiliates. None of KU, PPL Corporation or the Company's other affiliates will be obligated to make any payment on the Loan Agreement or the Bonds.

The Company's executive offices are located at 220 West Main Street, Louisville, Kentucky 40202, telephone: (502) 627-2000.

The information above concerning the Company is only a summary and does not purport to be comprehensive. Additional information regarding the Company, including audited financial statements, is available in the documents listed under the heading "Documents Incorporated by Reference," which documents are incorporated by reference herein.

## Selected Financial Data
## (Dollars in millions)

| | Year Ended December 31, 2017 | Year Ended December 31, 2016 | Year Ended December 31, 2015 |
|---|---|---|---|
| Operating revenues | $ 1,453 | $ 1,430 | $ 1,444 |
| Operating income | $ 420 | $ 405 | $ 362 |
| Net income | $ 213 | $ 203 | $ 185 |
| Total assets | $ 6,559 | $ 6,300 | $ 6,068 |
| Long-term debt obligations (including amounts due within one year) | $ 1,709 | $ 1,617 | $ 1,642 |
| Ratio of earnings to fixed charges[1] | 5.5 | 5.3 | 5.9 |

Capitalization:

| | December 31, 2017 | % of Capitalization |
|---|---|---|
| Long-term debt and notes payable | $1,908 | 43.0% |
| Common equity | $2,527 | 57.0% |
| Total capitalization | $ 4,435 | 100.0% |

(1) For purposes of this ratio, "Earnings" consist of earnings (as defined below) from continuing operations plus fixed charges. Fixed charges consist of all interest on indebtedness, amortization of debt discount and expense and the portion of rental expense that represents an imputed interest component. Earnings from continuing operations consist of income before taxes and the mark-to-market impact of derivative instruments.

The selected financial data presented above for the three fiscal years ended December 31, 2017, and as of December 31 for each of those years, have been derived from the Company's audited financial statements. The Company's audited financial statements for the three fiscal years ended December 31, 2017, and as of December 31 for each of those years, are included in the Company's Form 10-K for the year ended December 31, 2017 incorporated by reference herein. "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" in the Company's Form 10-K for the year ended December 31, 2017, as well as the Combined Notes to Financial Statements as of December 31, 2017, 2016 and 2015, should be read in conjunction with the above information. Deloitte & Touche LLP audited the Company's financial statements for the fiscal years ended December 31, 2017 and 2016. Ernst & Young LLP audited the Company's financial statements for the fiscal year ended December 31, 2015.

## Risk Factors

Investing in the Bonds involves risk. Please see the risk factors in the Company's Annual Report on Form 10-K for the year ended December 31, 2017, which is incorporated by reference in this Appendix A. Before making an investment decision, you should carefully consider these risks as well as the other information contained or incorporated by reference in this Appendix A. Risks and uncertainties not presently known to the Company or that the Company currently deems immaterial may also impair its business operations, its financial results and the value of the Bonds.

## Available Information

The Company is subject to the information requirements of the Securities Exchange Act of 1934, as amended, and, accordingly, files reports and other information with the Securities and Exchange Commission (the "SEC"). Such reports and other information on file can be inspected and copied at the public reference facilities of the SEC, currently at 100 F Street, N.E., Room 1580, Washington, D.C. 20549; or from the SEC's Web Site (http://www.sec.gov). Please call the SEC at 1-800-SEC-0330 for further information on the public reference room.

## Documents Incorporated by Reference

The following documents, as filed by the Company with the SEC, are incorporated herein by reference:

1. Form 10-K Annual Report of the Company for the year ended December 31, 2017; and

2. Form 8-K Current Reports of the Company filed with the SEC on January 16, 2018 and March 26, 2018.

All documents filed by the Company with the SEC pursuant to Section 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934 subsequent to the date of this Reoffering Circular and prior to the termination of the offering of the Bonds shall be deemed to be incorporated by reference in this Appendix and to be made a part hereof from their respective dates of filing. Any statement contained in a document incorporated or deemed to be incorporated by reference in this Reoffering Circular shall be deemed to be modified or superseded for purposes of this Reoffering Circular to the extent that a statement contained in this Reoffering Circular or in any other subsequently filed document which also is or is deemed to be incorporated by reference in this Reoffering Circular modifies or supersedes such statement. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Reoffering Circular.

The Company hereby undertakes to provide without charge to each person (including any beneficial owner) to whom a copy of this Reoffering Circular has been delivered, on the written or oral request of any such person, a copy of any or all of the documents referred to above which have been or may be incorporated in this Reoffering Circular by reference, other than certain exhibits to such documents. Requests for such copies should be directed to Treasurer, Louisville Gas and Electric Company, 220 West Main Street, Louisville, Kentucky 40202, telephone: (502) 627-2000.

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APPENDIX B-1

(ORIGINAL OPINIONS OF BOND COUNSEL)

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HARPER, FERGUSON & DAVIS
ATTORNEYS AT LAW
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LOUISVILLE, KENTUCKY 40202-3413

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COVINGTON OFFICE
(606) 491-0712
TELECOPIER (606) 491-0187

March 22, 2002

Re: $35,000,000 County of Trimble, Kentucky, Pollution Control Revenue Bonds, 2001 Series B (Louisville Gas and Electric Company Project)

We hereby certify that we have examined certified copies of the proceedings of record of the County of Trimble, Kentucky (the "County"), acting by and through its Fiscal Court as its duly authorized governing body, preliminary to and in connection with the issuance by the County of its Pollution Control Revenue Bonds, 2001 Series B (Louisville Gas and Electric Company Project), dated their date of issuance, in the aggregate principal amount of $35,000,000 (the "Bonds"). The Bonds are issued under the provisions of Sections 103.200 to 103.285, inclusive, of the Kentucky Revised Statutes (the "Act"), for the purpose of providing funds which will be used, with other funds provided by Louisville Gas and Electric Company (the "Company") for the current refunding of $35,000,000 aggregate principal amount of the County's Pollution Control Revenue Bonds, 1997 Series A (Louisville Gas and Electric Company Project), dated November 13, 1997 (the "Prior Bonds"), the proceeds of which were loaned to the Company to currently refund a portion of the costs of construction of air and water pollution control facilities and solid waste disposal facilities to serve certain electric generating units of the Company in Trimble County, Kentucky ("the Project") in order to provide for the control, containment, reduction and abatement of atmospheric and liquid pollutants and contaminants and for the disposal of solid wastes, as provided by the Act.

The Bonds mature on November 1, 2027 and bear interest initially at Flexible Rates, as defined in the Indenture, hereinafter described, subject to change as provided in such Indenture. The Bonds will be subject to optional and mandatory redemption prior to maturity at the times, in the manner and upon the terms set forth in each of the Bonds. From such examination of the proceedings of the Fiscal Court of the County referred to above and from an examination of the Act, we are of the opinion that the County is duly authorized and empowered to issue the Bonds under the laws of the Commonwealth of Kentucky now in force.

We have examined an executed counterpart of a certain Loan Agreement, dated as of November 1, 2001 (the "Loan Agreement"), between the County and the Company and a certified copy of the proceedings of record of the Fiscal Court of the County preliminary to and in connection with the execution and delivery of the Loan Agreement, pursuant to which the County has agreed to issue the Bonds and to lend the proceeds thereof to the Company to provide funds to pay and discharge, with other funds provided by the Company, the Prior Bonds and the Company has agreed to make Loan payments to the Trustee at times and in amounts fully adequate to pay maturing principal of, interest on and redemption premium, if any, on the Bonds as same become due and payable. From such examination, we are of the opinion that such proceedings of the Fiscal Court of the County show lawful authority for the execution and delivery of the Loan Agreement; that the Loan Agreement has been duly authorized, executed and delivered by the County; and that the Loan Agreement is a legal, valid and binding obligation of the County, enforceable in accordance with its terms, subject to the qualification that the enforcement thereof may be limited by laws relating to bankruptcy, insolvency or other similar laws affecting creditors' rights generally, including equitable provisions where equitable remedies are sought.

We have also examined an executed counterpart of a certain Indenture of Trust, dated as of November 1, 2001 (the "Indenture"), by and between the County and Bankers Trust Company, as trustee (the "Trustee"), securing the Bonds and setting forth the covenants and undertakings of the County in connection with the Bonds and a certified copy of the proceedings of record of the Fiscal Court of the County preliminary to and in connection with the execution and delivery of the Indenture. Pursuant to the Indenture, certain of the County's rights under the Loan Agreement, including the right to receive payments thereunder, and all moneys and securities held by the Trustee in accordance with the Indenture (except moneys and securities in the Rebate Fund created thereby) have been assigned to the Trustee, as security for the holders of the Bonds. From such examination, we are of the opinion that such proceedings of the Fiscal Court of the County show lawful authority for the execution and delivery of the Indenture; that the Indenture has been duly authorized, executed and delivered by the County; and that the Indenture is a legal, valid and binding obligation upon the parties thereto according to its terms, subject to the qualification that the enforcement thereof may be limited by laws relating to bankruptcy, insolvency or other similar laws affecting creditors' rights generally, including equitable provisions where equitable remedies are sought.

In our opinion the Bonds have been validly authorized, executed and issued in accordance with the laws of the Commonwealth of Kentucky now in full force and effect, and constitute legal, valid and binding special obligations of the County entitled to the benefit of the security provided by the Indenture and enforceable in accordance with their terms, subject to the qualification that the enforcement thereof may be limited by laws relating to bankruptcy, insolvency or other similar laws affecting creditors' rights generally, including equitable provisions where equitable remedies are sought. The Bonds are payable by the County solely and only from payments and other amounts derived from the Loan Agreement and as provided in the Indenture.

In our opinion, under existing laws, including current statutes, regulations, administrative rulings and official interpretations by the Internal Revenue Service, subject to the exceptions and qualifications contained in the succeeding paragraphs, interest on the Bonds is excluded from the gross income of the recipients thereof for federal income tax purposes, except that no opinion is expressed regarding such exclusion from gross income with respect to any Bond during any period in which it is held by a "substantial user" of the Project or a "related person," as such terms are used in Section 147(a) of the Internal Revenue Code of 1986, as amended (the "Code"). Interest on the Bonds is a separate item of tax preference in determining alternative minimum taxable income for individuals and corporations under the Code. In arriving at this opinion, we have relied upon representations, factual statements and certifications of the Company with respect to certain material facts which are solely within the Company's knowledge in reaching our conclusion, inter alia, that all of the proceeds of the Prior Bonds were used to currently refinance certain bonds, all of the proceeds of which were used to currently refinance certain original bonds, not less than 95% of the net proceeds of which original bonds were used to finance air and water pollution control facilities and solid waste disposal facilities qualified for financing under Section 103(b)(4)(E) and (F) of the Internal Revenue Code of 1954, as amended, and permitted by Section 1312(a) of the Tax Reform Act of 1986. Further, in arriving at the opinion set forth in this paragraph as to the exclusion from gross income of interest on the Bonds, we have assumed and this opinion is conditioned on, the accuracy of and continuing compliance by the Company and the County with representations and covenants set forth in the Loan Agreement and the Indenture which are intended to assure compliance with certain tax-exempt interest provisions of the Code. Such representations and covenants must be accurate and must be complied with subsequent to the issuance of the Bonds in order that interest on the Bonds be excluded from gross income for federal income tax purposes. Failure to comply with certain of such representations and covenants in respect of the Bonds (or with similar requirements with respect to certain other bonds issued by the County of Jefferson, Kentucky at substantially the same time as the Bonds) subsequent to the issuance of the Bonds could cause the interest thereon to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds. We express no opinion (i) regarding the exclusion of interest on any Bond from gross income for federal income tax purposes on or after the date on which any change, including any interest rate conversion, permitted by the documents (other than with approval of this firm) is taken which adversely affects the tax treatment of the Bonds or (ii) as to the treatment for purposes of federal income taxation of interest on the Bonds upon a Determination of Taxability. We are further of the opinion that interest on the Bonds is excluded from gross income of the recipients thereof for Kentucky income tax purposes and that the Bonds are exempt from ad valorem taxation by the Commonwealth of Kentucky and all political subdivisions thereof.

Our opinion as to the exclusion of interest on the Bonds from gross income for federal income tax purposes and federal tax treatment of interest on the Bonds is subject to the following exceptions and qualifications:

(a) The Code provides for a "branch profits tax" which subjects to tax, at a rate of 30%, the effectively connected earnings and profits of a foreign corporation which engages in a United States trade or business. Interest on the Bonds would be includable in the amount of effectively connected earnings and profits and thus would increase the branch profits tax liability.

(b) The Code also provides that passive investment income, including interest on the Bonds, may be subject to taxation for any S corporation with Subchapter C earnings and profits at the close of its taxable year if greater than 25% of its gross receipts is passive investment income.

Except as stated above, we express no opinion as to any federal or Kentucky tax consequences resulting from the receipt of interest on the Bonds.

Holders of the Bonds should be aware that the ownership of the Bonds may result in collateral federal income tax consequences. For instance, the Code provides that, for taxable years beginning after December 31, 1986, property and casualty insurance companies will be required to reduce their loss reserve deductions by 15% of the tax-exempt interest received on certain obligations, such as the Bonds, acquired after August 7, 1986. (For purposes of the immediately preceding sentence, a portion of dividends paid to an affiliated insurance company may be treated as tax-exempt interest.) The Code further provides for the disallowance of any deduction for interest expenses incurred by banks and certain other financial institutions allocable to carrying certain tax-exempt obligations, such as the Bonds, acquired after August 7, 1986. The Code also provides that, with respect to taxpayers other than such financial institutions, such taxpayers will be unable to deduct any portion of the interest expenses incurred or continued to purchase or carry the Bonds. The Code also provides, with respect to individuals, that interest on tax-exempt obligations, including the Bonds, is included in modified adjusted gross income for purposes of determining the taxability of social security and railroad retirement benefits. Furthermore, the earned income credit is not allowed for individuals with an aggregate amount of disqualified income within the meaning of section 32 of the Code, which exceeds $2,200. Interest on the Bonds will be taken into account in the calculation of disqualified income.

We have received and relied upon opinions of John R. McCall, Esq., General Counsel of the Company and Jones, Day, Reavis & Pogue, Chicago, Illinois, counsel to the Company, of even date herewith. In rendering this opinion, we have relied upon said opinions with respect to the matters therein. We have also received an opinion of even date herewith of Hon. Perry Arnold, County Attorney of the County, and relied upon said opinion with respect to the matters therein. Said opinions are in forms satisfactory to us as to both scope and content.

We express no opinion as to the title to, the description of, or the existence or priority of any liens, charges or encumbrances on, the Project.

HARPER, FERGUSON & DAVIS

March 22, 2002
Page 5

In rendering the foregoing opinions, we are passing upon only those matters specifically set forth in such opinions and are not passing upon the investment quality of the Bonds or the accuracy or completeness of any statements made in connection with any sale thereof. The opinions herein are expressed as of the date hereof and we assume no obligation to supplement or update such opinions to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

We are members of the Bar of the Commonwealth of Kentucky and do not purport to be experts on the laws of any jurisdiction other than the Commonwealth of Kentucky and the United States of America, and we express no opinion as to the laws of any jurisdiction other than those specified.

HARPER, FERGUSON & DAVIS

By: ______________________
SPENCER E. HARPER, JR.

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March 22, 2002

Re: $35,000,000 County of Jefferson, Kentucky, Pollution Control Revenue Bonds, 2001 Series B (Louisville Gas and Electric Company Project)

We hereby certify that we have examined certified copies of the proceedings of record of the County of Jefferson, Kentucky (the "County"), acting by and through its Fiscal Court as its duly authorized governing body, preliminary to and in connection with the issuance by the County of its Pollution Control Revenue Bonds, 2001 Series B (Louisville Gas and Electric Company Project), dated their date of issuance, in the aggregate principal amount of $35,000,000 (the "Bonds"). The Bonds are issued under the provisions of Sections 103.200 to 103.285, inclusive, of the Kentucky Revised Statutes (the "Act"), for the purpose of providing funds which will be used, with other funds provided by Louisville Gas and Electric Company (the "Company") for the current refunding of $35,000,000 aggregate principal amount of the County's Pollution Control Revenue Bonds, 1997 Series A (Louisville Gas and Electric Company Project), dated November 13, 1997 (the "Prior Bonds"), the proceeds of which were loaned to the Company to currently refund a portion of the costs of construction of air pollution control facilities to serve certain electric generating units of the Company in Jefferson County, Kentucky ("the Project") in order to provide for the control, containment, reduction and abatement of atmospheric pollutants and contaminants, as provided by the Act.

The Bonds mature on November 1, 2027 and bear interest initially at Flexible Rates, as defined in the Indenture, hereinafter described, subject to change as provided in such Indenture. The Bonds will be subject to optional and mandatory redemption prior to maturity at the times, in the manner and upon the terms set forth in each of the Bonds. From such examination of the proceedings of the Fiscal Court of the County referred to above and from an examination of the Act, we are of the opinion that the County is duly authorized and empowered to issue the Bonds under the laws of the Commonwealth of Kentucky now in force.

We have examined an executed counterpart of a certain Loan Agreement, dated as of November 1, 2001 (the "Loan Agreement"), between the County and the Company and a certified copy of the proceedings of record of the Fiscal Court of the County preliminary to and in connection with the execution and delivery of the Loan Agreement, pursuant to which the County has agreed to issue the Bonds and to lend the proceeds thereof to the Company to provide funds to pay and discharge, with other funds provided by the Company, the Prior Bonds and the Company has agreed to make Loan payments to the Trustee at times and in amounts fully adequate to pay maturing principal of, interest on and redemption premium, if any, on the Bonds as same become due and payable. From such examination, we are of the opinion that such proceedings of the Fiscal Court of the County show lawful authority for the execution and delivery of the Loan Agreement; that the Loan Agreement has been duly authorized, executed and delivered by the County; and that the Loan Agreement is a legal, valid and binding obligation of the County, enforceable in accordance with its terms, subject to the qualification that the enforcement thereof may be limited by laws relating to bankruptcy, insolvency or other similar laws affecting creditors' rights generally, including equitable provisions where equitable remedies are sought.

We have also examined an executed counterpart of a certain Indenture of Trust, dated as of November 1, 2001 (the "Indenture"), by and between the County and Bankers Trust Company, as trustee (the "Trustee"), securing the Bonds and setting forth the covenants and undertakings of the County in connection with the Bonds and a certified copy of the proceedings of record of the Fiscal Court of the County preliminary to and in connection with the execution and delivery of the Indenture. Pursuant to the Indenture, certain of the County's rights under the Loan Agreement, including the right to receive payments thereunder, and all moneys and securities held by the Trustee in accordance with the Indenture (except moneys and securities in the Rebate Fund created thereby) have been assigned to the Trustee, as security for the holders of the Bonds. From such examination, we are of the opinion that such proceedings of the Fiscal Court of the County show lawful authority for the execution and delivery of the Indenture; that the Indenture has been duly authorized, executed and delivered by the County; and that the Indenture is a legal, valid and binding obligation upon the parties thereto according to its terms, subject to the qualification that the enforcement thereof may be limited by laws relating to bankruptcy, insolvency or other similar laws affecting creditors' rights generally, including equitable provisions where equitable remedies are sought.

In our opinion the Bonds have been validly authorized, executed and issued in accordance with the laws of the Commonwealth of Kentucky now in full force and effect, and constitute legal, valid and binding special obligations of the County entitled to the benefit of the security provided by the Indenture and enforceable in accordance with their terms, subject to the qualification that the enforcement thereof may be limited by laws relating to bankruptcy, insolvency or other similar laws affecting creditors' rights generally, including equitable provisions where equitable remedies are sought. The Bonds are payable by the County solely and only from payments and other amounts derived from the Loan Agreement and as provided in the Indenture.

In our opinion, under existing laws, including current statutes, regulations, administrative rulings and official interpretations by the Internal Revenue Service, subject to the exceptions and qualifications contained in the succeeding paragraphs, interest on the Bonds is excluded from the gross income of the recipients thereof for federal income tax purposes, except that no opinion is expressed regarding such exclusion from gross income with respect to any Bond during any period in which it is held by a "substantial user" of the Project or a "related person," as such terms are used in Section 147(a) of the Internal Revenue Code of 1986, as amended (the "Code"). Interest on the Bonds is a separate item of tax preference in determining alternative minimum taxable income for individuals and corporations under the Code. In arriving at this opinion, we have relied upon representations, factual statements and certifications of the Company with respect to certain material facts which are solely within the Company's knowledge in reaching our conclusion, inter alia, that all of the proceeds of the Prior Bonds were used to currently refinance certain bonds, all of the proceeds of which were used to currently refinance certain original bonds, not less than 95% of the net proceeds of which original bonds were used to finance air pollution control facilities qualified for financing under Section 103(b)(4)(F) of the Internal Revenue Code of 1954, as amended, and permitted by Section 1312(a) of the Tax Reform Act of 1986. Further, in arriving at the opinion set forth in this paragraph as to the exclusion from gross income of interest on the Bonds, we have assumed and this opinion is conditioned on, the accuracy of and continuing compliance by the Company and the County with representations and covenants set forth in the Loan Agreement and the Indenture which are intended to assure compliance with certain tax-exempt interest provisions of the Code. Such representations and covenants must be accurate and must be complied with subsequent to the issuance of the Bonds in order that interest on the Bonds be excluded from gross income for federal income tax purposes. Failure to comply with certain of such representations and covenants in respect of the Bonds (or with similar requirements with respect to certain bonds issued by the County of Trimble, Kentucky at substantially the same time as the Bonds) subsequent to the issuance of the Bonds could cause the interest thereon to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds. We express no opinion (i) regarding the exclusion of interest on any Bond from gross income for federal income tax purposes on or after the date on which any change, including any interest rate conversion, permitted by the documents other than with approval of this firm is taken which adversely affects the tax treatment of the Bonds or (ii) as to the treatment for purposes of federal income taxation of interest on the Bonds upon a Determination of Taxability. We are further of the opinion that interest on the Bonds is excluded from gross income of the recipients thereof for Kentucky income tax purposes and that the Bonds are exempt from ad valorem taxation by the Commonwealth of Kentucky and all political subdivisions thereof.

Our opinion as to the exclusion of interest on the Bonds from gross income for federal income tax purposes and federal tax treatment of interest on the Bonds is subject to the following exceptions and qualifications:

(a) The Code provides for a "branch profits tax" which subjects to tax, at a rate of 30%, the effectively connected earnings and profits of a foreign corporation which engages in a United States trade or business. Interest on the Bonds would be includable in the amount of effectively connected earnings and profits and thus would increase the branch profits tax liability.

(b) The Code also provides that passive investment income, including interest on the Bonds, may be subject to taxation for any S corporation with Subchapter C earnings and profits at the close of its taxable year if greater than 25% of its gross receipts is passive investment income.

Except as stated above, we express no opinion as to any federal or Kentucky tax consequences resulting from the receipt of interest on the Bonds.

Holders of the Bonds should be aware that the ownership of the Bonds may result in collateral federal income tax consequences. For instance, the Code provides that, for taxable years beginning after December 31, 1986, property and casualty insurance companies will be required to reduce their loss reserve deductions by 15% of the tax-exempt interest received on certain obligations, such as the Bonds, acquired after August 7, 1986. (For purposes of the immediately preceding sentence, a portion of dividends paid to an affiliated insurance company may be treated as tax-exempt interest.) The Code further provides for the disallowance of any deduction for interest expenses incurred by banks and certain other financial institutions allocable to carrying certain tax-exempt obligations, such as the Bonds, acquired after August 7, 1986. The Code also provides that, with respect to taxpayers other than such financial institutions, such taxpayers will be unable to deduct any portion of the interest expenses incurred or continued to purchase or carry the Bonds. The Code also provides, with respect to individuals, that interest on tax-exempt obligations, including the Bonds, is included in modified adjusted gross income for purposes of determining the taxability of social security and railroad retirement benefits. Furthermore, the earned income credit is not allowed for individuals with an aggregate amount of disqualified income within the meaning of section 32 of the Code, which exceeds $2,200. Interest on the Bonds will be taken into account in the calculation of disqualified income.

We have received and relied upon opinions of John R. McCall, Esq., General Counsel of the Company and Jones, Day, Reavis & Pogue, Chicago, Illinois, counsel to the Company, of even date herewith. In rendering this opinion, we have relied upon said opinions with respect to the matters therein. We have also received an opinion of even date herewith of Hon. Irv Maze, County Attorney of the County, and relied upon said opinion with respect to the matters therein. Said opinions are in forms satisfactory to us as to both scope and content.

We express no opinion as to the title to, the description of, or the existence or priority of any liens, charges or encumbrances on, the Project.

In rendering the foregoing opinions, we are passing upon only those matters specifically set forth in such opinions and are not passing upon the investment quality of the Bonds or the accuracy or completeness of any statements made in connection with any sale thereof. The opinions herein are expressed as of the date hereof and we assume no obligation to supplement or update such opinions to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

We are members of the Bar of the Commonwealth of Kentucky and do not purport to be experts on the laws of any jurisdiction other than the Commonwealth of Kentucky and the United States of America, and we express no opinion as to the laws of any jurisdiction other than those specified.

HARPER, FERGUSON & DAVIS

By: Spencer E. Harper
SPENCER E. HARPER, JR.

# APPENDIX B-2

## (SUPPLEMENTAL OPINIONS OF BOND COUNSEL)

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May 1, 2018

County of Trimble, Kentucky
Bedford, Kentucky

U.S. Bank National Association, as
successor Trustee
Louisville, Kentucky

Re: **Change in Long Term Rate Period of $35,000,000 County of Trimble, Kentucky, Pollution Control Revenue Bonds, 2001 Series B (Louisville Gas and Electric Company Project)**

Ladies and Gentlemen:

This opinion is being furnished in accordance with the requirements of the Indenture of Trust, dated as of November 1, 2001, as amended and supplemented pursuant to Supplemental Indenture No. 1 to Indenture of Trust dated as of September 1, 2010 (collectively, the "**Indenture**"), between the County of Trimble, Kentucky (the "**Issuer**") and U.S. Bank National Association, as successor Trustee, Bond Registrar, Paying Agent, and Tender Agent (the "**Trustee**"), pertaining to $35,000,000 principal amount of County of Trimble, Kentucky, Pollution Control Revenue Bonds, 2001 Series B (Louisville Gas and Electric Company Project), dated March 22, 2002 (the "**2001 Series B Bonds**"), in order to satisfy certain requirements of Section 2.02(d)(ii) of the Indenture. Pursuant to Section 2.02(d)(ii) of the Indenture, the Company has elected to change the existing Long Term Rate Period applicable to the 2001 Series B Bonds expiring on April 30, 2018 to a new Long Term Rate Period applicable to the 2001 Series B Bonds commencing on and effective as of May 1, 2018 and ending on May 2, 2021. The 2001 Series B Bonds will be subject to mandatory tender for purchase on May 3, 2021 following expiration of the new Long Term Rate Period. The 2001 Series B Bonds mature on November 1, 2027. The terms used herein denoted by initial capitals and not otherwise defined shall have the meanings specified in the Indenture.

We have examined the law and such documents and matters as we have deemed necessary to provide this opinion. As to questions of fact material to the opinions expressed herein, we have relied upon the provisions of the Indenture and related documents, and upon representations made to us without undertaking to verify the same by independent investigation.

Based upon the foregoing, as of the date hereof, we are of the opinion that the change in the Long Term Rate Period applicable to the 2001 Series B Bonds expiring on April 30, 2018 to a new Long Term Rate Period commencing on and effective as of May 1, 2018 and ending on May 2, 2021 as described herein (a) is authorized or permitted by the Act and is authorized by the Indenture and (b) will not adversely affect the validity of the 2001 Series B Bonds or any exclusion from gross income of the interest on the 2001 Series B Bonds for federal income tax purposes to which interest on the 2001 Series B Bonds would otherwise be entitled. Interest on the 2001 Series B Bonds is not and will not be excluded from gross income during any period when the 2001 Series B Bonds are held by the Company or a "related person" of the Company as defined in Section 147(a) of the Internal Revenue Code of 1986, as amended.

In rendering this opinion, we assume, without verifying, that the Issuer and the Company have complied and will comply with all covenants contained in the Indenture, the Loan Agreement between the Issuer and the Company, dated as of November 1, 2001, as amended and supplemented pursuant to Amendment No. 1 to Loan Agreement dated as of September 1, 2010, and other documents relating to the 2001 Series B Bonds. We rendered our approving opinion at the time of the issuance of the 2001 Series B Bonds relating to, among other things, the validity of the 2001 Series B Bonds and the exclusion from federal income taxation of interest on the 2001 Series B Bonds. We have not been requested to update or continue our opinion and have not undertaken to do so. Accordingly, we do not express any opinion with respect to the 2001 Series B Bonds except as set forth above.

Our opinion represents our legal judgment based upon our review of the law and the facts that we deem relevant to render such opinion and is not a guarantee of a result. This opinion is given as of the date hereof and we assume no obligation to review or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

We express no opinion herein as to the investment quality of the 2001 Series B Bonds or the adequacy, accuracy, or completeness of any information furnished to any person in connection with any offer or sale of the 2001 Series B Bonds.

Respectfully submitted,

**STOLL KEENON OGDEN PLLC**

May 1, 2018

Louisville/Jefferson County Metro Government, Kentucky
Louisville, Kentucky

U.S. Bank National Association, as successor Trustee
Louisville, Kentucky

**Re: Change in Long Term Rate Period of $35,000,000 Louisville/Jefferson County Metro Government, Kentucky, Pollution Control Revenue Bonds, 2001 Series B (Louisville Gas and Electric Company Project)**

Ladies and Gentlemen:

This opinion is being furnished in accordance with the requirements of the Indenture of Trust, dated as of November 1, 2001, as amended and supplemented pursuant to Supplemental Indenture No. 1 to Indenture of Trust dated as of September 1, 2010 (collectively, the "**Indenture**"), between Louisville/Jefferson County Metro Government, Kentucky (the "**Issuer**") and U.S. Bank National Association, as Successor Trustee, Bond Registrar, Paying Agent, and Tender Agent (the "**Trustee**"), pertaining to $35,000,000 principal amount of Louisville/Jefferson County Metro Government, Kentucky, Pollution Control Revenue Bonds, 2001 Series B (Louisville Gas and Electric Company Project), dated March 22, 2002 (the "**2001 Series B Bonds**"), in order to satisfy certain requirements of Section 2.02(d)(ii) of the Indenture. Pursuant to Section 2.02(d)(ii) of the Indenture, the Company has elected to change the existing Long Term Rate Period applicable to the 2001 Series B Bonds expiring on April 30, 2018 to a new Long Term Rate Period applicable to the 2001 Series B Bonds commencing on and effective as of May 1, 2018 and ending on May 2, 2021. The 2001 Series B Bonds will be subject to mandatory tender for purchase on May 3, 2021 following expiration of the new Long Term Rate Period. The 2001 Series B Bonds mature on November 1, 2027. The terms used herein denoted by initial capitals and not otherwise defined shall have the meanings specified in the Indenture.

We have examined the law and such documents and matters as we have deemed necessary to provide this opinion. As to questions of fact material to the opinions expressed herein, we have relied upon the provisions of the Indenture and related documents, and upon representations made to us without undertaking to verify the same by independent investigation.

Based upon the foregoing, as of the date hereof, we are of the opinion that the change in the Long Term Rate Period applicable to the 2001 Series B Bonds expiring on April 30, 2018 to a new Long Term Rate Period commencing on and effective as of May 1, 2018 and ending on May 2, 2021 as described herein (a) is authorized or permitted by the Act and is authorized by the Indenture and (b) will not adversely affect the validity of the 2001 Series B Bonds or any exclusion from gross income of the interest on the 2001 Series B Bonds for federal income tax purposes to which interest on the 2001 Series B Bonds would otherwise be entitled. Interest on the 2001 Series B Bonds is not and will not be excluded from gross income during any period when the 2001 Series B Bonds are held by the Company or a "related person" of the Company as defined in Section 147(a) of the Internal Revenue Code of 1986, as amended.

In rendering this opinion, we assume, without verifying, that the Issuer and the Company have complied and will comply with all covenants contained in the Indenture, the Loan Agreement between the Issuer and the Company, dated as of November 1, 2001, as amended and supplemented pursuant to Amendment No. 1 to Loan Agreement dated as of September 1, 2010, and other documents relating to the 2001 Series B Bonds. We rendered our approving opinion at the time of the issuance of the 2001 Series B Bonds relating to, among other things, the validity of the 2001 Series B Bonds and the exclusion from federal income taxation of interest on the 2001 Series B Bonds. We have not been requested to update or continue our opinion and have not undertaken to do so. Accordingly, we do not express any opinion with respect to the 2001 Series B Bonds except as set forth above.

Our opinion represents our legal judgment based upon our review of the law and the facts that we deem relevant to render such opinion and is not a guarantee of a result. This opinion is given as of the date hereof and we assume no obligation to review or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

We express no opinion herein as to the investment quality of the 2001 Series B Bonds or the adequacy, accuracy, or completeness of any information furnished to any person in connection with any offer or sale of the 2001 Series B Bonds.

Respectfully submitted,

**STOLL KEENON OGDEN PLLC**

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**Louisville Gas and Electric Company**
**Case No. 2018-00295**
**Forecasted Test Period Filing Requirements**
**(Forecasted Test Period 12ME 4/30/20; Base Period 12ME 12/31/18)**

**Filing Requirement**
**807 KAR 5:001 Section 16(7)(k)**
**Sponsoring Witness: Christopher M. Garrett**

**Description of Filing Requirement:**

*The most recent Federal Energy Regulatory Commission Form 1 (electric), Federal Energy Regulatory Commission Form 2 (gas), or Public Service Commission Form T (telephone).*

**Response:**

LG&E's most recent FERC Form 1 and KPSC Annual Report for Major Natural Gas Companies for the year ended December 31, 2017 are attached. Please note that by a FERC Order dated July 12, 2007 in FERC Docket No. CP07-232-000, LG&E was granted a Section (7) exemption by the FERC under the Natural Gas Act, and as a part of that exemption LG&E was granted "a waiver of reporting and accounting requirements," which includes the filing of Form 2 with the FERC. In addition, on February 15, 2008, the Public Service Commission issued an order granting LG&E's request to cease the annual filing of the FERC Form 2. In lieu of filing a FERC Form 2 with the Public Service Commission, LG&E was ordered to file a paper copy of the annual report information that it files with the Public Service Commission electronically, and include with such copy a paper copy of the notes to its financial statements that LG&E had previously filed as part of its FERC Form 2.

| THIS FILING IS | | |
|---|---|---|
| Item 1: [X] An Initial (Original) Submission | OR [ ] | Resubmission No. ____ |

Form 1 Approved
OMB No.1902-0021
(Expires 12/31/2019)
Form 1-F Approved
OMB No.1902-0029
(Expires 12/31/2019)
Form 3-Q Approved
OMB No.1902-0205
(Expires 12/31/2019)

# FERC FINANCIAL REPORT
# FERC FORM No. 1: Annual Report of Major Electric Utilities, Licensees and Others and Supplemental Form 3-Q: Quarterly Financial Report

These reports are mandatory under the Federal Power Act, Sections 3, 4(a), 304 and 309, and 18 CFR 141.1 and 141.400. Failure to report may result in criminal fines, civil penalties and other sanctions as provided by law. The Federal Energy Regulatory Commission does not consider these reports to be of confidential nature

| Exact Legal Name of Respondent (Company) | Year/Period of Report |
|---|---|
| Louisville Gas and Electric Company | End of 2017/Q4 |

## INSTRUCTIONS FOR FILING FERC FORM NOS. 1 and 3-Q

## GENERAL INFORMATION

### I. Purpose

FERC Form No. 1 (FERC Form 1) is an annual regulatory requirement for Major electric utilities, licensees and others (18 C.F.R. § 141.1). FERC Form No. 3-Q ( FERC Form 3-Q)is a quarterly regulatory requirement which supplements the annual financial reporting requirement (18 C.F.R. § 141.400). These reports are designed to collect financial and operational information from electric utilities, licensees and others subject to the jurisdiction of the Federal Energy Regulatory Commission. These reports are also considered to be non-confidential public use forms.

### II. Who Must Submit

Each Major electric utility, licensee, or other, as classified in the Commission's Uniform System of Accounts Prescribed for Public Utilities and Licensees Subject To the Provisions of The Federal Power Act (18 C.F.R. Part 101), must submit FERC Form 1 (18 C.F.R. § 141.1), and FERC Form 3-Q (18 C.F.R. § 141.400).

Note: Major means having, in each of the three previous calendar years, sales or transmission service that exceeds one of the following:

(1) one million megawatt hours of total annual sales,
(2) 100 megawatt hours of annual sales for resale,
(3) 500 megawatt hours of annual power exchanges delivered, or
(4) 500 megawatt hours of annual wheeling for others (deliveries plus losses).

### III. What and Where to Submit

(a) Submit FERC Forms 1 and 3-Q electronically through the forms submission software. Retain one copy of each report for your files. Any electronic submission must be created by using the forms submission software provided free by the Commission at its web site: http://www.ferc.gov/docs-filing/forms/form-1/elec-subm-soft.asp. The software is used to submit the electronic filing to the Commission via the Internet.

(b) The Corporate Officer Certification must be submitted electronically as part of the FERC Forms 1 and 3-Q filings.

(c) Submit immediately upon publication, by either eFiling or mail, two (2) copies to the Secretary of the Commission, the latest Annual Report to Stockholders. Unless eFiling the Annual Report to Stockholders, mail the stockholders report to the Secretary of the Commission at:

Secretary
Federal Energy Regulatory Commission
888 First Street, NE
Washington, DC 20426

(d) For the CPA Certification Statement, submit within 30 days after filing the FERC Form 1, a letter or report (not applicable to filers classified as Class C or Class D prior to January 1, 1984). The CPA Certification Statement can be either eFiled or mailed to the Secretary of the Commission at the address above.

The CPA Certification Statement should:

a) Attest to the conformity, in all material aspects, of the below listed (schedules and pages) with the Commission's applicable Uniform System of Accounts (including applicable notes relating thereto and the Chief Accountant's published accounting releases), and

b) Be signed by independent certified public accountants or an independent licensed public accountant certified or licensed by a regulatory authority of a State or other political subdivision of the U. S. (See 18 C.F.R. §§ 41.10-41.12 for specific qualifications.)

| Reference Schedules | Pages |
|---|---|
| Comparative Balance Sheet | 110-113 |
| Statement of Income | 114-117 |
| Statement of Retained Earnings | 118-119 |
| Statement of Cash Flows | 120-121 |
| Notes to Financial Statements | 122-123 |

e) The following format must be used for the CPA Certification Statement unless unusual circumstances or conditions, explained in the letter or report, demand that it be varied. Insert parenthetical phrases only when exceptions are reported.

"In connection with our regular examination of the financial statements of _____ for the year ended on which we have reported separately under date of ___________ , we have also reviewed schedules ___________________of FERC Form No. 1 for the year filed with the Federal Energy Regulatory Commission, for conformity in all material respects with the requirements of the Federal Energy Regulatory Commission as set forth in its applicable Uniform System of Accounts and published accounting releases. Our review for this purpose included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

Based on our review, in our opinion the accompanying schedules identified in the preceding paragraph (except as noted below) conform in all material respects with the accounting requirements of the Federal Energy Regulatory Commission as set forth in its applicable Uniform System of Accounts and published accounting releases."

The letter or report must state which, if any, of the pages above do not conform to the Commission's requirements. Describe the discrepancies that exist.

(f) Filers are encouraged to file their Annual Report to Stockholders, and the CPA Certification Statement using eFiling. To further that effort, new selections, "Annual Report to Stockholders," and "CPA Certification Statement" have been added to the dropdown "pick list" from which companies must choose when eFiling. Further instructions are found on the Commission's website at http://www.ferc.gov/help/how-to.asp.

(g) Federal, State and Local Governments and other authorized users may obtain additional blank copies of FERC Form 1 and 3-Q free of charge from http://www.ferc.gov/docs-filing/forms/form-1/form-1.pdf and http://www.ferc.gov/docs-filing/forms.asp#3Q-gas .

**IV. When to Submit:**

FERC Forms 1 and 3-Q must be filed by the following schedule:

a) FERC Form 1 for each year ending December 31 must be filed by April 18th of the following year (18 CFR § 141.1), and

b) FERC Form 3-Q for each calendar quarter must be filed within 60 days after the reporting quarter (18 C.F.R. § 141.400).

**V. Where to Send Comments on Public Reporting Burden.**

The public reporting burden for the FERC Form 1 collection of information is estimated to average 1,168 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data-needed, and completing and reviewing the collection of information. The public reporting burden for the FERC Form 3-Q collection of information is estimated to average 168 hours per response.

Send comments regarding these burden estimates or any aspect of these collections of information, including suggestions for reducing burden, to the Federal Energy Regulatory Commission, 888 First Street NE, Washington, DC 20426 (Attention: Information Clearance Officer); and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Washington, DC 20503 (Attention: Desk Officer for the Federal Energy Regulatory Commission). No person shall be subject to any penalty if any collection of information does not display a valid control number (44 U.S.C. § 3512 (a)).

## GENERAL INSTRUCTIONS

I. Prepare this report in conformity with the Uniform System of Accounts (18 CFR Part 101) (USofA). Interpret all accounting words and phrases in accordance with the USofA.

II. Enter in whole numbers (dollars or MWH) only, except where otherwise noted. (Enter cents for averages and figures per unit where cents are important. The truncating of cents is allowed except on the four basic financial statements where rounding is required.) The amounts shown on all supporting pages must agree with the amounts entered on the statements that they support. When applying thresholds to determine significance for reporting purposes, use for balance sheet accounts the balances at the end of the current reporting period, and use for statement of income accounts the current year's year to date amounts.

III Complete each question fully and accurately, even if it has been answered in a previous report. Enter the word "None" where it truly and completely states the fact.

IV. For any page(s) that is not applicable to the respondent, omit the page(s) and enter "NA," "NONE," or "Not Applicable" in column (d) on the List of Schedules, pages 2 and 3.

V. Enter the month, day, and year for all dates. Use customary abbreviations. **The "Date of Report" included in the header of each page is to be completed only for resubmissions** (see VII. below).

VI. Generally, except for certain schedules, all numbers, whether they are expected to be debits or credits, must be reported as positive. Numbers having a sign that is different from the expected sign must be reported by enclosing the numbers in parentheses.

VII For any resubmissions, submit the electronic filing using the form submission software only. Please explain the reason for the resubmission in a footnote to the data field.

VIII. Do not make references to reports of previous periods/years or to other reports in lieu of required entries, except as specifically authorized.

IX. Wherever (schedule) pages refer to figures from a previous period/year, the figures reported must be based upon those shown by the report of the previous period/year, or an appropriate explanation given as to why the different figures were used.

Definitions for statistical classifications used for completing schedules for transmission system reporting are as follows:

FNS - Firm Network Transmission Service for Self. "Firm" means service that can not be interrupted for economic reasons and is intended to remain reliable even under adverse conditions. "Network Service" is Network Transmission Service as described in Order No. 888 and the Open Access Transmission Tariff. "Self" means the respondent.

FNO - Firm Network Service for Others. "Firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions. "Network Service" is Network Transmission Service as described in Order No. 888 and the Open Access Transmission Tariff.

LFP - for Long-Term Firm Point-to-Point Transmission Reservations. "Long-Term" means one year or longer and” firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions. "Point-to-Point Transmission Reservations" are described in Order No. 888 and the Open Access Transmission Tariff. For all transactions identified as LFP, provide in a footnote the termination date of the contract defined as the earliest date either buyer or seller can unilaterally cancel the contract.

OLF - Other Long-Term Firm Transmission Service. Report service provided under contracts which do not conform to the terms of the Open Access Transmission Tariff. "Long-Term" means one year or longer and “firm” means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions. For all transactions identified as OLF, provide in a footnote the termination date of the contract defined as the earliest date either buyer or seller can unilaterally get out of the contract.

SFP - Short-Term Firm Point-to-Point Transmission Reservations. Use this classification for all firm point-to-point transmission reservations, where the duration of each period of reservation is less than one-year.

NF - Non-Firm Transmission Service, where firm means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions.

OS - Other Transmission Service. Use this classification only for those services which can not be placed in the above-mentioned classifications, such as all other service regardless of the length of the contract and service FERC Form. Describe the type of service in a footnote for each entry.

AD - Out-of-Period Adjustments. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting periods. Provide an explanation in a footnote for each adjustment.

DEFINITIONS

I. Commission Authorization (Comm. Auth.) -- The authorization of the Federal Energy Regulatory Commission, or any other Commission. Name the commission whose authorization was obtained and give date of the authorization.

II. Respondent -- The person, corporation, licensee, agency, authority, or other Legal entity or instrumentality in whose behalf the report is made.

## EXCERPTS FROM THE LAW

**Federal Power Act, 16 U.S.C. § 791a-825r**

Sec. 3. The words defined in this section shall have the following meanings for purposes of this Act, to with:

(3) ’Corporation' means any corporation, joint-stock company, partnership, association, business trust, organized group of persons, whether incorporated or not, or a receiver or receivers, trustee or trustees of any of the foregoing. It shall not include 'municipalities, as hereinafter defined;

(4) 'Person' means an individual or a corporation;

(5) 'Licensee, means any person, State, or municipality Licensed under the provisions of section 4 of this Act, and any assignee or successor in interest thereof;

(7) 'municipality means a city, county, irrigation district, drainage district, or other political subdivision or agency of a State competent under the Laws thereof to carry and the business of developing, transmitting, unitizing, or distributing power; ......

(11) "project' means. a complete unit of improvement or development, consisting of a power house, all water conduits, all dams and appurtenant works and structures (including navigation structures) which are a part of said unit, and all storage, diverting, or fore bay reservoirs directly connected therewith, the primary line or lines transmitting power there from to the point of junction with the distribution system or with the interconnected primary transmission system, all miscellaneous structures used and useful in connection with said unit or any part thereof, and all water rights, rights-of-way, ditches, dams, reservoirs, Lands, or interest in Lands the use and occupancy of which are necessary or appropriate in the maintenance and operation of such unit;

"Sec. 4. The Commission is hereby authorized and empowered

(a) To make investigations and to collect and record data concerning the utilization of the water 'resources of any region to be developed, the water-power industry and its relation to other industries and to interstate or foreign commerce, and concerning the location, capacity, development -costs, and relation to markets of power sites; ... to the extent the Commission may deem necessary or useful for the purposes of this Act."

"Sec. 304. (a) Every Licensee and every public utility shall file with the Commission such annual and other periodic or special* reports as the Commission may be rules and regulations or other prescribe as necessary or appropriate to assist the Commission in the -proper administration of this Act. The Commission may prescribe the manner and FERC Form in which such reports salt be made, and require from such persons specific answers to all questions upon which the Commission may need information. The Commission may require that such reports shall include, among other things, full information as to assets and Liabilities, capitalization, net investment, and reduction thereof, gross receipts, interest due and paid, depreciation, and other reserves, cost of project and other facilities, cost of maintenance and operation of the project and other facilities, cost of renewals and replacement of the project works and other facilities, depreciation, generation, transmission, distribution, delivery, use, and sale of electric energy. The Commission may require any such person to make adequate provision for currently determining such costs and other facts. Such reports shall be made under oath unless the Commission otherwise specifies*.10

"Sec. 309. The Commission shall have power to perform any and all acts, and to prescribe, issue, make, and rescind such orders, rules and regulations as it may find necessary or appropriate to carry out the provisions of this Act. Among other things, such rules and regulations may define accounting, technical, and trade terms used in this Act; and may prescribe the FERC Form or FERC Forms of all statements, declarations, applications, and reports to be filed with the Commission, the information which they shall contain, and the time within which they shall be field..."

**General Penalties**

The Commission may assess up to $1 million per day per violation of its rules and regulations. *See* FPA § 316(a) (2005), 16 U.S.C. § 825o(a).

## FERC FORM NO. 1/3-Q:
## REPORT OF MAJOR ELECTRIC UTILITIES, LICENSEES AND OTHER

**IDENTIFICATION**

| | |
|---|---|
| 01 Exact Legal Name of Respondent<br>Louisville Gas and Electric Company | 02 Year/Period of Report<br>End of 2017/Q4 |
| 03 Previous Name and Date of Change *(if name changed during year)*<br>/ / | |
| 04 Address of Principal Office at End of Period *(Street, City, State, Zip Code)*<br>220 West Main Street, Louisville, KY 40202 | |
| 05 Name of Contact Person<br>Rita A. Toubia | 06 Title of Contact Person<br>Mgr-Regulatory Acct & Report |
| 07 Address of Contact Person *(Street, City, State, Zip Code)*<br>220 West Main Street, Louisville, KY 40202 | |

| | | |
|---|---|---|
| 08 Telephone of Contact Person, *Including Area Code*<br>(502) 627-4823 | 09 This Report Is<br>(1) [X] An Original (2) [ ] A Resubmission | 10 Date of Report *(Mo, Da, Yr)*<br>/ / |

**ANNUAL CORPORATE OFFICER CERTIFICATION**

The undersigned officer certifies that:

I have examined this report and to the best of my knowledge, information, and belief all statements of fact contained in this report are correct statements of the business affairs of the respondent and the financial statements, and other financial information contained in this report, conform in all material respects to the Uniform System of Accounts.

| | | |
|---|---|---|
| 01 Name<br>Kent W. Blake<br>02 Title<br>Chief Financial Officer | 03 Signature<br>Kent W. Blake | 04 Date Signed *(Mo, Da, Yr)*<br>03/27/2018 |

Title 18, U.S.C. 1001 makes it a crime for any person to knowingly and willingly to make to any Agency or Department of the United States any false, fictitious or fraudulent statements as to any matter within its jurisdiction.

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year/Period of Report |
|---|---|---|---|
| Louisville Gas and Electric Company | (1) [X] An Original<br>(2) [ ] A Resubmission | / / | End of 2017/Q4 |

LIST OF SCHEDULES (Electric Utility)

Enter in column (c) the terms "none," "not applicable," or "NA," as appropriate, where no information or amounts have been reported for certain pages. Omit pages where the respondents are "none," "not applicable," or "NA".

| Line No. | Title of Schedule<br>(a) | Reference Page No.<br>(b) | Remarks<br>(c) |
|---|---|---|---|
| 1 | General Information | 101 | |
| 2 | Control Over Respondent | 102 | |
| 3 | Corporations Controlled by Respondent | 103 | None |
| 4 | Officers | 104 | |
| 5 | Directors | 105 | |
| 6 | Information on Formula Rates | 106(a)(b) | |
| 7 | Important Changes During the Year | 108-109 | |
| 8 | Comparative Balance Sheet | 110-113 | |
| 9 | Statement of Income for the Year | 114-117 | |
| 10 | Statement of Retained Earnings for the Year | 118-119 | |
| 11 | Statement of Cash Flows | 120-121 | |
| 12 | Notes to Financial Statements | 122-123 | |
| 13 | Statement of Accum Comp Income, Comp Income, and Hedging Activities | 122(a)(b) | |
| 14 | Summary of Utility Plant & Accumulated Provisions for Dep, Amort & Dep | 200-201 | |
| 15 | Nuclear Fuel Materials | 202-203 | None |
| 16 | Electric Plant in Service | 204-207 | |
| 17 | Electric Plant Leased to Others | 213 | None |
| 18 | Electric Plant Held for Future Use | 214 | |
| 19 | Construction Work in Progress-Electric | 216 | |
| 20 | Accumulated Provision for Depreciation of Electric Utility Plant | 219 | |
| 21 | Investment of Subsidiary Companies | 224-225 | |
| 22 | Materials and Supplies | 227 | |
| 23 | Allowances | 228(ab)-229(ab) | |
| 24 | Extraordinary Property Losses | 230 | None |
| 25 | Unrecovered Plant and Regulatory Study Costs | 230 | None |
| 26 | Transmission Service and Generation Interconnection Study Costs | 231 | |
| 27 | Other Regulatory Assets | 232 | |
| 28 | Miscellaneous Deferred Debits | 233 | |
| 29 | Accumulated Deferred Income Taxes | 234 | |
| 30 | Capital Stock | 250-251 | |
| 31 | Other Paid-in Capital | 253 | |
| 32 | Capital Stock Expense | 254 | |
| 33 | Long-Term Debt | 256-257 | |
| 34 | Reconciliation of Reported Net Income with Taxable Inc for Fed Inc Tax | 261 | |
| 35 | Taxes Accrued, Prepaid and Charged During the Year | 262-263 | |
| 36 | Accumulated Deferred Investment Tax Credits | 266-267 | |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year/Period of Report |
|---|---|---|---|
| Louisville Gas and Electric Company | (1) [X] An Original<br>(2) [ ] A Resubmission | / / | End of 2017/Q4 |

LIST OF SCHEDULES (Electric Utility) (continued)

Enter in column (c) the terms "none," "not applicable," or "NA," as appropriate, where no information or amounts have been reported for certain pages. Omit pages where the respondents are "none," "not applicable," or "NA".

| Line No. | Title of Schedule (a) | Reference Page No. (b) | Remarks (c) |
|---|---|---|---|
| 37 | Other Deferred Credits | 269 | |
| 38 | Accumulated Deferred Income Taxes-Accelerated Amortization Property | 272-273 | None |
| 39 | Accumulated Deferred Income Taxes-Other Property | 274-275 | |
| 40 | Accumulated Deferred Income Taxes-Other | 276-277 | |
| 41 | Other Regulatory Liabilities | 278 | |
| 42 | Electric Operating Revenues | 300-301 | |
| 43 | Regional Transmission Service Revenues (Account 457.1) | 302 | None |
| 44 | Sales of Electricity by Rate Schedules | 304 | |
| 45 | Sales for Resale | 310-311 | |
| 46 | Electric Operation and Maintenance Expenses | 320-323 | |
| 47 | Purchased Power | 326-327 | |
| 48 | Transmission of Electricity for Others | 328-330 | |
| 49 | Transmission of Electricity by ISO/RTOs | 331 | None |
| 50 | Transmission of Electricity by Others | 332 | |
| 51 | Miscellaneous General Expenses-Electric | 335 | |
| 52 | Depreciation and Amortization of Electric Plant | 336-337 | |
| 53 | Regulatory Commission Expenses | 350-351 | |
| 54 | Research, Development and Demonstration Activities | 352-353 | |
| 55 | Distribution of Salaries and Wages | 354-355 | |
| 56 | Common Utility Plant and Expenses | 356 | |
| 57 | Amounts included in ISO/RTO Settlement Statements | 397 | |
| 58 | Purchase and Sale of Ancillary Services | 398 | |
| 59 | Monthly Transmission System Peak Load | 400 | |
| 60 | Monthly ISO/RTO Transmission System Peak Load | 400a | None |
| 61 | Electric Energy Account | 401 | |
| 62 | Monthly Peaks and Output | 401 | |
| 63 | Steam Electric Generating Plant Statistics | 402-403 | |
| 64 | Hydroelectric Generating Plant Statistics | 406-407 | |
| 65 | Pumped Storage Generating Plant Statistics | 408-409 | None |
| 66 | Generating Plant Statistics Pages | 410-411 | |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year/Period of Report |
|---|---|---|---|
| Louisville Gas and Electric Company | (1) [X] An Original<br>(2) [ ] A Resubmission | / / | End of 2017/Q4 |

LIST OF SCHEDULES (Electric Utility) (continued)

Enter in column (c) the terms "none," "not applicable," or "NA," as appropriate, where no information or amounts have been reported for certain pages. Omit pages where the respondents are "none," "not applicable," or "NA".

| Line No. | Title of Schedule (a) | Reference Page No. (b) | Remarks (c) |
|---|---|---|---|
| 67 | Transmission Line Statistics Pages | 422-423 | |
| 68 | Transmission Lines Added During the Year | 424-425 | None |
| 69 | Substations | 426-427 | |
| 70 | Transactions with Associated (Affiliated) Companies | 429 | |
| 71 | Footnote Data | 450 | |
| | Stockholders' Reports Check appropriate box:<br>[ ] Two copies will be submitted<br>[X] No annual report to stockholders is prepared | | |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year/Period of Report |
|---|---|---|---|
| Louisville Gas and Electric Company | (1) [X] An Original<br>(2) [ ] A Resubmission | / / | End of 2017/Q4 |

## GENERAL INFORMATION

1. Provide name and title of officer having custody of the general corporate books of account and address of office where the general corporate books are kept, and address of office where any other corporate books of account are kept, if different from that where the general corporate books are kept.

Kent W. Blake, Chief Financial Officer
220 West Main Street
Louisville, KY 40202

2. Provide the name of the State under the laws of which respondent is incorporated, and date of incorporation. If incorporated under a special law, give reference to such law. If not incorporated, state that fact and give the type of organization and the date organized.

Kentucky July 2, 1913

3. If at any time during the year the property of respondent was held by a receiver or trustee, give (a) name of receiver or trustee, (b) date such receiver or trustee took possession, (c) the authority by which the receivership or trusteeship was created, and (d) date when possession by receiver or trustee ceased.

Not Applicable

4. State the classes or utility and other services furnished by respondent during the year in each State in which the respondent operated.

Respondent furnishes electric and natural gas services in Metro Louisville and adjacent territory in Kentucky.

5. Have you engaged as the principal accountant to audit your financial statements an accountant who is not the principal accountant for your previous year's certified financial statements?

(1) [ ] Yes...Enter the date when such independent accountant was initially engaged:
(2) [X] No

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year/Period of Report |
|---|---|---|---|
| Louisville Gas and Electric Company | (1) [X] An Original<br>(2) [ ] A Resubmission | / / | End of 2017/Q4 |

## CONTROL OVER RESPONDENT

1. If any corporation, business trust, or similar organization or a combination of such organizations jointly held control over the repondent at the end of the year, state name of controlling corporation or organization, manner in which control was held, and extent of control. If control was in a holding company organization, show the chain of ownership or control to the main parent company or organization. If control was held by a trustee(s), state name of trustee(s), name of beneficiary or beneficiearies for whom trust was maintained, and purpose of the trust.

Louisville Gas and Electric Company (LG&E) is a wholly-owned subsidiary of LG&E and KU Energy LLC (LKE). LKE is a wholly-owned subsidiary of PPL Corporation (PPL), based in Allentown, PA.

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year/Period of Report |
|---|---|---|---|
| Louisville Gas and Electric Company | (1) [X] An Original<br>(2) [ ] A Resubmission | / / | End of 2017/Q4 |

CORPORATIONS CONTROLLED BY RESPONDENT

1. Report below the names of all corporations, business trusts, and similar organizations, controlled directly or indirectly by respondent at any time during the year. If control ceased prior to end of year, give particulars (details) in a footnote.
2. If control was by other means than a direct holding of voting rights, state in a footnote the manner in which control was held, naming any intermediaries involved.
3. If control was held jointly with one or more other interests, state the fact in a footnote and name the other interests.

Definitions
1. See the Uniform System of Accounts for a definition of control.
2. Direct control is that which is exercised without interposition of an intermediary.
3. Indirect control is that which is exercised by the interposition of an intermediary which exercises direct control.
4. Joint control is that in which neither interest can effectively control or direct action without the consent of the other, as where the voting control is equally divided between two holders, or each party holds a veto power over the other. Joint control may exist by mutual agreement or understanding between two or more parties who together have control within the meaning of the definition of control in the Uniform System of Accounts, regardless of the relative voting rights of each party.

| Line No. | Name of Company Controlled (a) | Kind of Business (b) | Percent Voting Stock Owned (c) | Footnote Ref. (d) |
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| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year/Period of Report |
|---|---|---|---|
| Louisville Gas and Electric Company | (1) [X] An Original<br>(2) [ ] A Resubmission | / / | End of 2017/Q4 |

## OFFICERS

1. Report below the name, title and salary for each executive officer whose salary is $50,000 or more. An "executive officer" of a respondent includes its president, secretary, treasurer, and vice president in charge of a principal business unit, division or function (such as sales, administration or finance), and any other person who performs similar policy making functions.
2. If a change was made during the year in the incumbent of any position, show name and total remuneration of the previous incumbent, and the date the change in incumbency was made.

| Line No. | Title (a) | Name of Officer (b) | Salary for Year (c) |
|---|---|---|---|
| 1 | EXECUTIVE OFFICERS AT DECEMBER 31, 2017 | | |
| 2 | | | |
| 3 | Chairman of the Board and Chief Executive Officer | Victor A. Staffieri | |
| 4 | Chief Financial Officer | Kent W. Blake | |
| 5 | President and Chief Operating Officer | Paul W. Thompson | |
| 6 | Vice President-Human Resources | Gregory J. Meiman | |
| 7 | Senior Vice President-Operations | Lonnie E. Bellar | |
| 8 | | | |
| 9 | FORMER EXECUTIVE OFFICER DURING 2017 | | |
| 10 | | | |
| 11 | General Counsel, Chief Compliance Officer and | | |
| 12 | Corporate Secretary | Gerald A. Reynolds | |
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| Name of Respondent<br>Louisville Gas and Electric Company | This Report is:<br>(1) X An Original<br>(2) __ A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>/ / | Year/Period of Report<br>2017/Q4 |
|---|---|---|---|

FOOTNOTE DATA

**Schedule Page: 104 Line No.: 3 Column: b**

Victor A. Staffieri, Chairman of the Board and Chief Executive Officer, announced his retirement, effective March 15, 2018.

**Schedule Page: 104 Line No.: 3 Column: c**

Salary information for all officers is on file in the office of the respondent.

**Schedule Page: 104 Line No.: 5 Column: b**

Paul W. Thompson, Chief Operating Officer, was named President and Chief Operating Officer effective January 3, 2017 and was named Chairman of the Board, President and Chief Executive Officer, effective March 16, 2018.

**Schedule Page: 104 Line No.: 7 Column: b**

Lonnie E. Bellar, Senior Vice President-Operations, was named Chief Operating Officer, effective March 16, 2018.

**Schedule Page: 104 Line No.: 12 Column: b**

Gerald A. Reynolds, General Counsel, Chief Compliance Officer and Corporate Secretary, resigned September 21, 2017.

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year/Period of Report |
|---|---|---|---|
| Louisville Gas and Electric Company | (1) [X] An Original<br>(2) [ ] A Resubmission | / / | End of 2017/Q4 |

## DIRECTORS

1. Report below the information called for concerning each director of the respondent who held office at any time during the year. Include in column (a), abbreviated titles of the directors who are officers of the respondent.
2. Designate members of the Executive Committee by a triple asterisk and the Chairman of the Executive Committee by a double asterisk.

| Line No. | Name (and Title) of Director<br>(a) | Principal Business Address<br>(b) |
|---|---|---|
| 1 | BOARD OF DIRECTORS AT DECEMBER 31, 2017 | |
| 2 | | |
| 3 | Victor A. Staffieri, Chairman of the Board and Chief | |
| 4 | Executive Officer | 220 West Main Street, Louisville, KY 40202 |
| 5 | Paul W. Thompson, President and Chief Operating Officer | 220 West Main Street, Louisville, KY 40202 |
| 6 | Kent W. Blake, Chief Financial Officer | 220 West Main Street, Louisville, KY 40202 |
| 7 | Vincent Sorgi, Senior Vice President and | |
| 8 | Chief Financial Officer of PPL | 2 North Ninth Street, Allentown, PA 18101 |
| 9 | William H. Spence, Chairman, President and | |
| 10 | Chief Executive Officer of PPL | 2 North Ninth Street, Allentown, PA 18101 |
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| Name of Respondent | This Report is: | Date of Report (Mo, Da, Yr) | Year/Period of Report |
|---|---|---|---|
| Louisville Gas and Electric Company | (1) X An Original<br>(2) __ A Resubmission | / / | 2017/Q4 |

FOOTNOTE DATA

**Schedule Page: 105 Line No.: 3 Column: a**

Victor A. Staffieri, Chairman of the Board and Chief Executive Officer, announced his retirement, effective March 15, 2018.

**Schedule Page: 105 Line No.: 5 Column: a**

Paul W. Thompson, Chief Operating Officer, was named President and Chief Operating Officer effective January 3, 2017 and was named Chairman of the Board, President and Chief Executive Officer, effective March 16, 2018. Lonnie E. Bellar, Senior Vice President, Operations, was named Chief Operating Officer and a director, effective March 16, 2018.

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year/Period of Report |
|---|---|---|---|
| Louisville Gas and Electric Company | (1) [X] An Original<br>(2) [ ] A Resubmission | / / | End of 2017/Q4 |

INFORMATION ON FORMULA RATES
FERC Rate Schedule/Tariff Number FERC Proceeding

Does the respondent have formula rates?

[X] Yes
[ ] No

1. Please list the Commission accepted formula rates including FERC Rate Schedule or Tariff Number and FERC proceeding (i.e. Docket No) accepting the rate(s) or changes in the accepted rate.

| Line No. | FERC Rate Schedule or Tariff Number | FERC Proceeding |
|---|---|---|
| 1 | Open Access Transmission Taraiff (OATT) | |
| 2 | Attachment O | Docket No. ER15-828-003 |
| 3 | | |
| 4 | OATT Schedule 1 | Docket No. ER16-1543 |
| 5 | | |
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| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year/Period of Report |
|---|---|---|---|
| Louisville Gas and Electric Company | (1) [X] An Original<br>(2) [ ] A Resubmission | / / | End of 2017/Q4 |

INFORMATION ON FORMULA RATES
FERC Rate Schedule/Tariff Number FERC Proceeding

Does the respondent file with the Commission annual (or more frequent) filings containing the inputs to the formula rate(s)?

[ ] Yes
[X] No

2. If yes, provide a listing of such filings as contained on the Commission's eLibrary website

| Line No. | Accession No. | Document Date \ Filed Date | Docket No. | Description | Formula Rate FERC Rate Schedule Number or Tariff Number |
|---|---|---|---|---|---|
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| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year/Period of Report |
|---|---|---|---|
| Louisville Gas and Electric Company | (1) [X] An Original<br>(2) [ ] A Resubmission | / / | End of 2017/Q4 |

INFORMATION ON FORMULA RATES
Formula Rate Variances

1. If a respondent does not submit such filings then indicate in a footnote to the applicable Form 1 schedule where formula rate inputs differ from amounts reported in the Form 1.
2. The footnote should provide a narrative description explaining how the "rate" (or billing) was derived if different from the reported amount in the Form 1.
3. The footnote should explain amounts excluded from the ratebase or where labor or other allocation factors, operating expenses, or other items impacting formula rate inputs differ from amounts reported in Form 1 schedule amounts.
4. Where the Commission has provided guidance on formula rate inputs, the specific proceeding should be noted in the footnote.

| Line No. | Page No(s). | Schedule | Column | Line No |
|---|---|---|---|---|
| 1 | Page 3 of 5 | Schedule 10 | 3 | 1 |
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| Name of Respondent | This Report is: | Date of Report (Mo, Da, Yr) | Year/Period of Report |
|---|---|---|---|
| Louisville Gas and Electric Company | (1) X An Original<br>(2) __ A Resubmission | / / | 2017/Q4 |

FOOTNOTE DATA

***Schedule Page: 1062 Line No.: 1 Column: b***

Transmission operating and maintenance expenses exclude the amortization of certain regulatory assets approved by the Public Service Commission of Kentucky only.

| Name of Respondent | This Report Is: | Date of Report | Year/Period of Report |
|---|---|---|---|
| Louisville Gas and Electric Company | (1) [X] An Original<br>(2) [ ] A Resubmission | / / | End of 2017/Q4 |

IMPORTANT CHANGES DURING THE QUARTER/YEAR

Give particulars (details) concerning the matters indicated below. Make the statements explicit and precise, and number them in accordance with the inquiries. Each inquiry should be answered. Enter "none," "not applicable," or "NA" where applicable. If information which answers an inquiry is given elsewhere in the report, make a reference to the schedule in which it appears.

1. Changes in and important additions to franchise rights: Describe the actual consideration given therefore and state from whom the franchise rights were acquired. If acquired without the payment of consideration, state that fact.
2. Acquisition of ownership in other companies by reorganization, merger, or consolidation with other companies: Give names of companies involved, particulars concerning the transactions, name of the Commission authorizing the transaction, and reference to Commission authorization.
3. Purchase or sale of an operating unit or system: Give a brief description of the property, and of the transactions relating thereto, and reference to Commission authorization, if any was required. Give date journal entries called for by the Uniform System of Accounts were submitted to the Commission.
4. Important leaseholds (other than leaseholds for natural gas lands) that have been acquired or given, assigned or surrendered: Give effective dates, lengths of terms, names of parties, rents, and other condition. State name of Commission authorizing lease and give reference to such authorization.
5. Important extension or reduction of transmission or distribution system: State territory added or relinquished and date operations began or ceased and give reference to Commission authorization, if any was required. State also the approximate number of customers added or lost and approximate annual revenues of each class of service. Each natural gas company must also state major new continuing sources of gas made available to it from purchases, development, purchase contract or otherwise, giving location and approximate total gas volumes available, period of contracts, and other parties to any such arrangements, etc.
6. Obligations incurred as a result of issuance of securities or assumption of liabilities or guarantees including issuance of short-term debt and commercial paper having a maturity of one year or less. Give reference to FERC or State Commission authorization, as appropriate, and the amount of obligation or guarantee.
7. Changes in articles of incorporation or amendments to charter: Explain the nature and purpose of such changes or amendments.
8. State the estimated annual effect and nature of any important wage scale changes during the year.
9. State briefly the status of any materially important legal proceedings pending at the end of the year, and the results of any such proceedings culminated during the year.
10. Describe briefly any materially important transactions of the respondent not disclosed elsewhere in this report in which an officer, director, security holder reported on Page 104 or 105 of the Annual Report Form No. 1, voting trustee, associated company or known associate of any of these persons was a party or in which any such person had a material interest.
11. (Reserved.)
12. If the important changes during the year relating to the respondent company appearing in the annual report to stockholders are applicable in every respect and furnish the data required by Instructions 1 to 11 above, such notes may be included on this page.
13. Describe fully any changes in officers, directors, major security holders and voting powers of the respondent that may have occurred during the reporting period.
14. In the event that the respondent participates in a cash management program(s) and its proprietary capital ratio is less than 30 percent please describe the significant events or transactions causing the proprietary capital ratio to be less than 30 percent, and the extent to which the respondent has amounts loaned or money advanced to its parent, subsidiary, or affiliated companies through a cash management program(s). Additionally, please describe plans, if any to regain at least a 30 percent proprietary ratio.

PAGE 108 INTENTIONALLY LEFT BLANK
SEE PAGE 109 FOR REQUIRED INFORMATION.

| Name of Respondent | This Report is: | Date of Report | Year/Period of Report |
|---|---|---|---|
| Louisville Gas and Electric Company | (1) X An Original<br>(2) __ A Resubmission | (Mo, Da, Yr)<br>/ / | 2017/Q4 |

IMPORTANT CHANGES DURING THE QUARTER/YEAR (Continued)

1. See Note 4 of Notes to Financial Statements on page 123.

2. None.

3. During September 2016, Louisville Gas and Electric Company ("LG&E") completed the sale of 73 rail cars owned by LG&E. The sale resulted in a gain of $76,448 in Account 102 (Electric Plant Purchased or Sold). In December 2016, LG&E filed a request with the Commission seeking approval to clear the balance of Account 102 to Account 151 pursuant to the Kentucky Public Service Commission's January 2, 1997 Order in Case No. 92-493, requiring that the gain on the sale of railcars depreciated through the Company's fuel adjustment clause (FAC) be passed to customers through the Company's FAC. The use of Account 151 is also consistent with the entries approved by the FERC under Docket No. AC10-137-000 for a similar rail car sale completed in 2009 by the Company. In December 2016, LG&E received FERC authorization in FERC Docket No. AC17-17-000 to clear the balance of Account 102 to Account 151.

4. None of a material nature.

5. None.

6. LG&E received FERC authorization in FERC Docket No. ES17-41-000 for up to $500 million in the form of money pool debt, commercial paper or any other type of short-term loan through November 30, 2019. LG&E's money pool balance was zero at December 31, 2017 and December 31, 2016. LG&E's commercial paper program limit is $350 million as of April 30, 2013. As of December 31, 2017 and December 31, 2016, the outstanding commercial paper balance is $199 million and $169 million, respectively.

   LG&E has a revolving credit facility totaling $500 million. The facility was approved by the Kentucky Public Service Commission Order, Case No. 2015-00138 on July 2, 2015. The Kentucky Public Service Commission approved an extension of the credit facility in Case No. 2016-00361 on December 9, 2016. On January 29, 2017, LG&E amended this revolving credit facility to extend the termination date from December 31, 2020 to January 29, 2022. There were no borrowings outstanding under this facility at December 31, 2017 and December 31, 2016.

   On October 26, 2017, LG&E executed a $200 million term loan with US Bank due October 25, 2019. Upon execution, an initial $100 million was drawn on the term loan at an interest rate of 1.74%. A second draw of $100 million was made on January 11, 2018. This agreement was executed pursuant to FERC Order Docket No. ES17-41-000 issued September 18, 2017.

7. None.

8. During the first quarter of 2017, exempt and non-exempt employees received routine wage increases in accordance with annual salary reviews. There were no changes to wage scales during the second or third quarters of 2017. The LG&E IBEW ratified a three-year contract including wage increases effective in the fourth quarter of 2017.

| Name of Respondent | This Report is: | Date of Report (Mo, Da, Yr) | Year/Period of Report |
|---|---|---|---|
| Louisville Gas and Electric Company | (1) X An Original<br>(2) _ A Resubmission | / / | 2017/Q4 |

IMPORTANT CHANGES DURING THE QUARTER/YEAR (Continued)

9. See Notes 4 and 10 of Notes to Financial Statements on page 123.

10. None.

11. N/A

12. See Notes to Financial Statements on page 123.

13. Victor A. Staffieri, Chairman of the Board and Chief Executive Officer, announced his retirement, effective March 15, 2018.

Paul W. Thompson, Chief Operating Officer, was named President and Chief Operating Officer effective January 3, 2017 and was named Chairman of the Board, President and Chief Executive Officer, effective March 16, 2018.

Lonnie E. Bellar, Vice President, Gas Distribution, was named Senior Vice President-Operations effective January 15, 2017. He was named Chief Operating Officer and a director, effective March 16, 2018. John. P. Malloy, Vice President, Customer Services, was named Vice President, Gas Distribution effective January 15, 2017. Elizabeth J. McFarland was named Vice President, Customer Services effective January 15, 2017.

George R. Siemens, Vice President, External Affairs, retired January 20, 2017. David J. Freibert was named Vice President, External Affairs effective January 21, 2017.

Laura M. Douglas, Vice President, Corporate Responsibility and Community Affairs, retired January 20, 2017.

John N. Voyles, Jr., Vice President, Transmission and Generation Services, retired March 31, 2017. R. Scott Straight was named Vice President, Project Engineering effective April 1, 2017.

Gerald A. Reynolds, General Counsel, Chief Compliance Officer and Corporate Secretary, resigned September 21, 2017. Dorothy E. O'Brien, Vice President and Deputy General Counsel, Legal and Environmental Affairs was named Vice President and Deputy General Counsel, Legal and Environmental Affairs and Corporate Secretary, effective October 9, 2017. She was named Vice President and Deputy General Counsel, effective January 1, 2018 and announced her retirement, effective April 17, 2018. John R. Crockett III was named General Counsel, Chief Compliance Officer and Corporate Secretary, effective January 1, 2018.

Valerie L. Scott, Controller, was named Vice President, Accounting effective January 1, 2018 and announced her retirement, effective February 19, 2018. Christopher M. Garrett, Director of Rates was named Controller, effective January 1, 2018.

14. LG&E is a participant in a cash pooling arrangement, but its proprietary capital ratio is above 30 percent.

| Name of Respondent | This Report is: | Date of Report (Mo, Da, Yr) | Year/Period of Report |
|---|---|---|---|
| Louisville Gas and Electric Company | (1) X An Original<br>(2) _ A Resubmission | / / | 2017/Q4 |

IMPORTANT CHANGES DURING THE QUARTER/YEAR (Continued)

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year/Period of Report |
|---|---|---|---|
| Louisville Gas and Electric Company | (1) [X] An Original<br>(2) [ ] A Resubmission | / / | End of 2017/Q4 |

## COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS)

| Line No. | Title of Account (a) | Ref. Page No. (b) | Current Year End of Quarter/Year Balance (c) | Prior Year End Balance 12/31 (d) |
|---|---|---|---|---|
| 1 | **UTILITY PLANT** | | | |
| 2 | Utility Plant (101-106, 114) | 200-201 | 6,848,417,484 | 6,633,229,128 |
| 3 | Construction Work in Progress (107) | 200-201 | 304,939,291 | 133,728,166 |
| 4 | TOTAL Utility Plant (Enter Total of lines 2 and 3) | | 7,153,356,775 | 6,766,957,294 |
| 5 | (Less) Accum. Prov. for Depr. Amort. Depl. (108, 110, 111, 115) | 200-201 | 2,144,465,521 | 2,053,028,397 |
| 6 | Net Utility Plant (Enter Total of line 4 less 5) | | 5,008,891,254 | 4,713,928,897 |
| 7 | Nuclear Fuel in Process of Ref., Conv.,Enrich., and Fab. (120.1) | 202-203 | 0 | 0 |
| 8 | Nuclear Fuel Materials and Assemblies-Stock Account (120.2) | | 0 | 0 |
| 9 | Nuclear Fuel Assemblies in Reactor (120.3) | | 0 | 0 |
| 10 | Spent Nuclear Fuel (120.4) | | 0 | 0 |
| 11 | Nuclear Fuel Under Capital Leases (120.6) | | 0 | 0 |
| 12 | (Less) Accum. Prov. for Amort. of Nucl. Fuel Assemblies (120.5) | 202-203 | 0 | 0 |
| 13 | Net Nuclear Fuel (Enter Total of lines 7-11 less 12) | | 0 | 0 |
| 14 | Net Utility Plant (Enter Total of lines 6 and 13) | | 5,008,891,254 | 4,713,928,897 |
| 15 | Utility Plant Adjustments (116) | | 0 | 0 |
| 16 | Gas Stored Underground - Noncurrent (117) | | 2,139,990 | 2,139,990 |
| 17 | **OTHER PROPERTY AND INVESTMENTS** | | | |
| 18 | Nonutility Property (121) | | 630,897 | 630,897 |
| 19 | (Less) Accum. Prov. for Depr. and Amort. (122) | | 63,360 | 63,362 |
| 20 | Investments in Associated Companies (123) | | 0 | 0 |
| 21 | Investment in Subsidiary Companies (123.1) | 224-225 | 594,286 | 594,286 |
| 22 | (For Cost of Account 123.1, See Footnote Page 224, line 42) | | | |
| 23 | Noncurrent Portion of Allowances | 228-229 | 0 | 0 |
| 24 | Other Investments (124) | | 0 | 0 |
| 25 | Sinking Funds (125) | | 0 | 0 |
| 26 | Depreciation Fund (126) | | 0 | 0 |
| 27 | Amortization Fund - Federal (127) | | 0 | 0 |
| 28 | Other Special Funds (128) | | 0 | 3,450,339 |
| 29 | Special Funds (Non Major Only) (129) | | 0 | 0 |
| 30 | Long-Term Portion of Derivative Assets (175) | | 0 | 0 |
| 31 | Long-Term Portion of Derivative Assets – Hedges (176) | | 0 | 0 |
| 32 | TOTAL Other Property and Investments (Lines 18-21 and 23-31) | | 1,161,823 | 4,612,160 |
| 33 | **CURRENT AND ACCRUED ASSETS** | | | |
| 34 | Cash and Working Funds (Non-major Only) (130) | | 0 | 0 |
| 35 | Cash (131) | | 7,984,379 | 4,472,295 |
| 36 | Special Deposits (132-134) | | 0 | 0 |
| 37 | Working Fund (135) | | 19,790 | 19,790 |
| 38 | Temporary Cash Investments (136) | | 6,665,308 | 295,811 |
| 39 | Notes Receivable (141) | | 0 | 0 |
| 40 | Customer Accounts Receivable (142) | | 117,088,628 | 109,744,880 |
| 41 | Other Accounts Receivable (143) | | 13,213,814 | 11,495,970 |
| 42 | (Less) Accum. Prov. for Uncollectible Acct.-Credit (144) | | 1,126,694 | 1,621,998 |
| 43 | Notes Receivable from Associated Companies (145) | | 0 | 0 |
| 44 | Accounts Receivable from Assoc. Companies (146) | | 24,486,942 | 28,083,431 |
| 45 | Fuel Stock (151) | 227 | 44,674,354 | 60,061,204 |
| 46 | Fuel Stock Expenses Undistributed (152) | 227 | 0 | 0 |
| 47 | Residuals (Elec) and Extracted Products (153) | 227 | 0 | 0 |
| 48 | Plant Materials and Operating Supplies (154) | 227 | 35,480,555 | 34,700,605 |
| 49 | Merchandise (155) | 227 | 0 | 0 |
| 50 | Other Materials and Supplies (156) | 227 | 0 | 0 |
| 51 | Nuclear Materials Held for Sale (157) | 202-203/227 | 0 | 0 |
| 52 | Allowances (158.1 and 158.2) | 228-229 | 147 | 151 |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year/Period of Report |
|---|---|---|---|
| Louisville Gas and Electric Company | (1) [X] An Original<br>(2) [ ] A Resubmission | / / | End of 2017/Q4 |

COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS)(Continued)

| Line No. | Title of Account<br>(a) | Ref. Page No.<br>(b) | Current Year End of Quarter/Year Balance<br>(c) | Prior Year End Balance 12/31<br>(d) |
|---|---|---|---|---|
| 53 | (Less) Noncurrent Portion of Allowances | | 0 | 0 |
| 54 | Stores Expense Undistributed (163) | 227 | 7,654,120 | 6,716,994 |
| 55 | Gas Stored Underground - Current (164.1) | | 42,560,968 | 41,703,685 |
| 56 | Liquefied Natural Gas Stored and Held for Processing (164.2-164.3) | | 0 | 0 |
| 57 | Prepayments (165) | | 14,947,784 | 15,041,152 |
| 58 | Advances for Gas (166-167) | | 0 | 0 |
| 59 | Interest and Dividends Receivable (171) | | 732 | 2,569 |
| 60 | Rents Receivable (172) | | 535,536 | 377,071 |
| 61 | Accrued Utility Revenues (173) | | 90,773,246 | 75,119,083 |
| 62 | Miscellaneous Current and Accrued Assets (174) | | 0 | 0 |
| 63 | Derivative Instrument Assets (175) | | 0 | 0 |
| 64 | (Less) Long-Term Portion of Derivative Instrument Assets (175) | | 0 | 0 |
| 65 | Derivative Instrument Assets - Hedges (176) | | 0 | 0 |
| 66 | (Less) Long-Term Portion of Derivative Instrument Assets - Hedges (176 | | 0 | 0 |
| 67 | Total Current and Accrued Assets (Lines 34 through 66) | | 404,959,609 | 386,212,693 |
| 68 | **DEFERRED DEBITS** | | | |
| 69 | Unamortized Debt Expenses (181) | | 13,944,469 | 13,358,278 |
| 70 | Extraordinary Property Losses (182.1) | 230a | 0 | 0 |
| 71 | Unrecovered Plant and Regulatory Study Costs (182.2) | 230b | 0 | 0 |
| 72 | Other Regulatory Assets (182.3) | 232 | 414,621,892 | 457,449,383 |
| 73 | Prelim. Survey and Investigation Charges (Electric) (183) | | 2,102,686 | 2,913,826 |
| 74 | Preliminary Natural Gas Survey and Investigation Charges 183.1) | | 0 | 0 |
| 75 | Other Preliminary Survey and Investigation Charges (183.2) | | 718,430 | 165,764 |
| 76 | Clearing Accounts (184) | | -45,000 | 0 |
| 77 | Temporary Facilities (185) | | 0 | 0 |
| 78 | Miscellaneous Deferred Debits (186) | 233 | 4,854,383 | 445,365,185 |
| 79 | Def. Losses from Disposition of Utility Plt. (187) | | 0 | 0 |
| 80 | Research, Devel. and Demonstration Expend. (188) | 352-353 | 753,306 | 1,174,053 |
| 81 | Unamortized Loss on Reaquired Debt (189) | | 15,557,927 | 15,588,304 |
| 82 | Accumulated Deferred Income Taxes (190) | 234 | 319,875,911 | 278,298,582 |
| 83 | Unrecovered Purchased Gas Costs (191) | | 0 | 0 |
| 84 | Total Deferred Debits (lines 69 through 83) | | 772,384,004 | 1,214,313,375 |
| 85 | TOTAL ASSETS (lines 14-16, 32, 67, and 84) | | 6,189,536,680 | 6,321,207,115 |

| Name of Respondent | This Report is: | Date of Report (Mo, Da, Yr) | Year/Period of Report |
|---|---|---|---|
| Louisville Gas and Electric Company | (1) X An Original<br>(2) __ A Resubmission | / / | 2017/Q4 |

FOOTNOTE DATA

***Schedule Page: 110 Line No.: 2 Column: c***

Current period numbers reflected throughout the Form 1 do not include Purchase Accounting adjustments as presented in the Company's letter to the FERC dated August 3, 2017.

***Schedule Page: 110 Line No.: 69 Column: d***

| | | |
|---|---|---|
| Unamortized Debt Expenses (181) Without Purchase Accounting | $ | 14,453,917 |
| Purchase Accounting Adjustment | | (1,095,639) |
| Total for Unamortized Debt Expenses (181) | $ | 13,358,278 |

***Schedule Page: 110 Line No.: 72 Column: d***

| | | |
|---|---|---|
| Other Regulatory Assets (182.3) Without Purchase Accounting | $ | 456,353,744 |
| Purchase Accounting Adjustment | | 1,095,639 |
| Total for Other Regulatory Assets (182.3) | $ | 457,449,383 |

***Schedule Page: 110 Line No.: 78 Column: d***

| | | |
|---|---|---|
| Miscellaneous Deferred Debits (186) Without Purchase Accounting | $ | 3,723,079 |
| Purchase Accounting Adjustment | | 441,642,106 |
| Total for Miscellaneous Deferred Debits (186) | $ | 445,365,185 |

***Schedule Page: 110 Line No.: 82 Column: d***

| | | |
|---|---|---|
| Accumulated Deferred Income Taxes (190) Without Purchase Accounting | $ | 258,465,334 |
| Purchase Accounting Adjustment | | 19,833,248 |
| Total for Accumulated Deferred Income Taxes (190) | $ | 278,298,582 |

| Name of Respondent | This Report is: | Date of Report (mo, da, yr) | Year/Period of Report |
|---|---|---|---|
| Louisville Gas and Electric Company | (1) [X] An Original<br>(2) [ ] A Resubmission | / / | end of 2017/Q4 |

COMPARATIVE BALANCE SHEET (LIABILITIES AND OTHER CREDITS)

| Line No. | Title of Account (a) | Ref. Page No. (b) | Current Year End of Quarter/Year Balance (c) | Prior Year End Balance 12/31 (d) |
|---|---|---|---|---|
| 1 | PROPRIETARY CAPITAL | | | |
| 2 | Common Stock Issued (201) | 250-251 | 425,170,424 | 425,170,424 |
| 3 | Preferred Stock Issued (204) | 250-251 | 0 | 0 |
| 4 | Capital Stock Subscribed (202, 205) | | 0 | 0 |
| 5 | Stock Liability for Conversion (203, 206) | | 0 | 0 |
| 6 | Premium on Capital Stock (207) | | 0 | 0 |
| 7 | Other Paid-In Capital (208-211) | 253 | 518,081,499 | 1,682,167,368 |
| 8 | Installments Received on Capital Stock (212) | 252 | 0 | 0 |
| 9 | (Less) Discount on Capital Stock (213) | 254 | 0 | 0 |
| 10 | (Less) Capital Stock Expense (214) | 254b | 835,889 | 835,889 |
| 11 | Retained Earnings (215, 215.1, 216) | 118-119 | 1,196,179,717 | 370,071,653 |
| 12 | Unappropriated Undistributed Subsidiary Earnings (216.1) | 118-119 | 0 | 0 |
| 13 | (Less) Reaquired Capital Stock (217) | 250-251 | 0 | 0 |
| 14 | Noncorporate Proprietorship (Non-major only) (218) | | 0 | 0 |
| 15 | Accumulated Other Comprehensive Income (219) | 122(a)(b) | 0 | 0 |
| 16 | Total Proprietary Capital (lines 2 through 15) | | 2,138,595,751 | 2,476,573,556 |
| 17 | LONG-TERM DEBT | | | |
| 18 | Bonds (221) | 256-257 | 1,724,200,000 | 1,634,304,000 |
| 19 | (Less) Reaquired Bonds (222) | 256-257 | 0 | 0 |
| 20 | Advances from Associated Companies (223) | 256-257 | 0 | 0 |
| 21 | Other Long-Term Debt (224) | 256-257 | 0 | -1,499,542 |
| 22 | Unamortized Premium on Long-Term Debt (225) | | 0 | 0 |
| 23 | (Less) Unamortized Discount on Long-Term Debt-Debit (226) | | 4,207,953 | 4,390,992 |
| 24 | Total Long-Term Debt (lines 18 through 23) | | 1,719,992,047 | 1,628,413,466 |
| 25 | OTHER NONCURRENT LIABILITIES | | | |
| 26 | Obligations Under Capital Leases - Noncurrent (227) | | 0 | 0 |
| 27 | Accumulated Provision for Property Insurance (228.1) | | 0 | 0 |
| 28 | Accumulated Provision for Injuries and Damages (228.2) | | 4,017,396 | 3,869,121 |
| 29 | Accumulated Provision for Pensions and Benefits (228.3) | | 120,771,318 | 129,016,150 |
| 30 | Accumulated Miscellaneous Operating Provisions (228.4) | | 0 | 0 |
| 31 | Accumulated Provision for Rate Refunds (229) | | 0 | 0 |
| 32 | Long-Term Portion of Derivative Instrument Liabilities | | 21,996,483 | 26,543,174 |
| 33 | Long-Term Portion of Derivative Instrument Liabilities - Hedges | | 0 | 0 |
| 34 | Asset Retirement Obligations (230) | | 130,270,439 | 168,407,831 |
| 35 | Total Other Noncurrent Liabilities (lines 26 through 34) | | 277,055,636 | 327,836,276 |
| 36 | CURRENT AND ACCRUED LIABILITIES | | | |
| 37 | Notes Payable (231) | | 198,888,138 | 168,714,279 |
| 38 | Accounts Payable (232) | | 196,952,372 | 159,143,116 |
| 39 | Notes Payable to Associated Companies (233) | | 0 | 0 |
| 40 | Accounts Payable to Associated Companies (234) | | 22,497,457 | 25,844,666 |
| 41 | Customer Deposits (235) | | 27,456,982 | 26,675,850 |
| 42 | Taxes Accrued (236) | 262-263 | 24,804,245 | 40,246,772 |
| 43 | Interest Accrued (237) | | 10,602,817 | 10,665,488 |
| 44 | Dividends Declared (238) | | 0 | 0 |
| 45 | Matured Long-Term Debt (239) | | 0 | 0 |

| Name of Respondent | This Report is: | Date of Report | Year/Period of Report |
|---|---|---|---|
| Louisville Gas and Electric Company | (1) [X] An Original<br>(2) [ ] A Resubmission | (mo, da, yr)<br>/ / | end of 2017/Q4 |

COMPARATIVE BALANCE SHEET (LIABILITIES AND OTHER CREDITS)(continued)

| Line No. | Title of Account (a) | Ref. Page No. (b) | Current Year End of Quarter/Year Balance (c) | Prior Year End Balance 12/31 (d) |
|---|---|---|---|---|
| 46 | Matured Interest (240) | | 0 | 0 |
| 47 | Tax Collections Payable (241) | | 1,560,813 | 1,711,724 |
| 48 | Miscellaneous Current and Accrued Liabilities (242) | | 20,057,489 | 20,575,379 |
| 49 | Obligations Under Capital Leases-Current (243) | | 0 | 0 |
| 50 | Derivative Instrument Liabilities (244) | | 26,321,424 | 30,965,017 |
| 51 | (Less) Long-Term Portion of Derivative Instrument Liabilities | | 21,996,483 | 26,543,174 |
| 52 | Derivative Instrument Liabilities - Hedges (245) | | 0 | 0 |
| 53 | (Less) Long-Term Portion of Derivative Instrument Liabilities-Hedges | | 0 | 0 |
| 54 | Total Current and Accrued Liabilities (lines 37 through 53) | | 507,145,254 | 457,999,117 |
| 55 | DEFERRED CREDITS | | | |
| 56 | Customer Advances for Construction (252) | | 17,274,172 | 6,471,505 |
| 57 | Accumulated Deferred Investment Tax Credits (255) | 266-267 | 35,252,005 | 36,357,161 |
| 58 | Deferred Gains from Disposition of Utility Plant (256) | | 0 | 0 |
| 59 | Other Deferred Credits (253) | 269 | 2,097,058 | 1,946,440 |
| 60 | Other Regulatory Liabilities (254) | 278 | 600,465,356 | 132,750,349 |
| 61 | Unamortized Gain on Reaquired Debt (257) | | 0 | 0 |
| 62 | Accum. Deferred Income Taxes-Accel. Amort.(281) | 272-277 | 0 | 0 |
| 63 | Accum. Deferred Income Taxes-Other Property (282) | | 739,127,184 | 1,069,944,848 |
| 64 | Accum. Deferred Income Taxes-Other (283) | | 152,532,217 | 182,914,397 |
| 65 | Total Deferred Credits (lines 56 through 64) | | 1,546,747,992 | 1,430,384,700 |
| 66 | TOTAL LIABILITIES AND STOCKHOLDER EQUITY (lines 16, 24, 35, 54 and 65) | | 6,189,536,680 | 6,321,207,115 |

| Name of Respondent | This Report is: | Date of Report (Mo, Da, Yr) | Year/Period of Report |
|---|---|---|---|
| Louisville Gas and Electric Company | (1) X An Original<br>(2) __ A Resubmission | / / | 2017/Q4 |

FOOTNOTE DATA

**Schedule Page: 112 Line No.: 7 Column: d**

| | | |
|---|---|---|
| Other Paid-In Capital (208-211) Without Purchase Accounting | $ | 488,081,499 |
| Purchase Accounting Adjustment | | 1,194,085,869 |
| Total for Other Paid-In Capital (208-211) | $ | 1,682,167,368 |

**Schedule Page: 112 Line No.: 11 Column: c**

| | | |
|---|---|---|
| Retained Earnings (215, 215.1, 216) Without Purchase Accounting | $ | 1,196,179,717 |
| Purchase Accounting Adjustment in accordance with Docket No. AC11-83-000 | | (808,946,891) |
| Amortization of Purchase Accounting Adjustments - (net of deferred taxes of $2,558,343) | | 4,018,374 |
| Total for Retained Earnings (215, 215.1, 216) with Purchase Accounting Adjustments | $ | 391,251,200 |

As of December 31, 2017, in compliance with FERC Docket No. EL12-27-000, the amount in the Company's equity accounts available to be paid in the form of dividends is as follows:

| | | |
|---|---|---|
| Retained Earnings as of 12/31/2017 with Purchase Accounting Adjustments | $ | 391,251,200 |
| Add: Stated capital account, reflecting pre-acquisition retained earnings less dividends applied to the account -- tracked in a separate purchase accounting general ledger | | 808,946,891 |
| Add: Net after-tax losses attributable to amortization of pushdown accounting net assets and liabilities and impairment, if any, cumulative -- tracked on a separate purchase accounting general ledger | | (4,018,374) |
| Retained earnings as of 12/31/2017, adjusted to remove the affects of push-down accounting ("adjusted retained earnings") | $ | 1,196,179,717 |
| | | |
| Retained earnings prior to the 11/1/2010 acquisition | | 808,946,891 |
| Cumulative post-acquisition net income | | 1,195,732,826 |
| Cumulative post-acquisition dividends | | (808,500,000) |
| Retained earnings as of 12/31/2017, adjusted to remove the affects of push-down accounting ("adjusted retained earnings") | $ | 1,196,179,717 |

**Schedule Page: 112 Line No.: 11 Column: d**

| | | |
|---|---|---|
| Retained Earnings (215, 215.1, 216) Without Purchase Accounting | $ | 1,174,083,951 |
| Purchase Accounting Adjustment in accordance with FERC Docket No. AC11-83-000 | | (808,946,891) |
| Amortization of Purchase Accounting Adjustments - (net of deferred taxes of $3,141,665) | | 4,934,594 |
| Rounding | | (1) |
| Total for Retained Earnings (215, 215.1, 216) with Purchase Accounting Adjustments | $ | 370,071,653 |

As of December 31, 2016, in compliance with FERC Docket No. EL12-27-000, the amount in the Company's equity accounts available to be paid in the form of dividends is as follows:

Retained Earnings as of 12/31/2016 with Purchase Accounting

| Name of Respondent<br>Louisville Gas and Electric Company | This Report is:<br>(1) X An Original<br>(2) _ A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>/ / | Year/Period of Report<br>2017/Q4 |
|---|---|---|---|

FOOTNOTE DATA

| | | |
|---|---|---|
| Adjustments | $ | 370,071,653 |
| Add: Stated capital account, reflecting pre-acquisition retained earnings less dividends applied to the account -- tracked in a separate purchase accounting general ledger -- a component of the amount on line 7 on page 112 (Other Paid-In Capital) | | 808,946,891 |
| Add: Net after-tax losses attributable to amortization of pushdown accounting net assets and liabilities and impairment, if any, cumulative -- tracked on a separate purchase accounting general ledger -- a component of the amount on line 7 on page 112 (Other Paid-In-Capital) | | (4,934,594) |
| Rounding | | 1 |
| Retained earnings as of 12/31/2016, adjusted to remove the affects of push-down accounting ("adjusted retained earnings") | $ | 1,174,083,951 |
| | | |
| Retained earnings prior to the 11/1/2010 acquisition | | 808,946,891 |
| Cumulative post-acquisition net income | | 981,637,060 |
| Cumulative post-acquisition dividends | | (616,500,000) |
| Retained earnings as of 12/31/2016, adjusted to remove the affects of push-down accounting ("adjusted retained earnings") | $ | 1,174,083,951 |

***Schedule Page: 112 Line No.: 21 Column: d***

The balance represents a purchase accounting adjustment.

***Schedule Page: 112 Line No.: 60 Column: d***

| | | |
|---|---|---|
| Other Regulatory Liabilities (254) Without Purchase Accounting | $ | 80,265,594 |
| Purchase Accounting Adjustment | | 52,484,755 |
| Total for Other Regulatory Liabilities (254) | $ | 132,750,349 |

***Schedule Page: 112 Line No.: 64 Column: d***

| | | |
|---|---|---|
| Accumulated Deferred Income Taxes - Other (283) Without Purchase Accounting | $ | 162,497,827 |
| Purchase Accounting Adjustment | | 20,416,570 |
| Total for Accumulated Deferred Income Taxes - Other (283) | $ | 182,914,397 |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year/Period of Report |
|---|---|---|---|
| Louisville Gas and Electric Company | (1) [X] An Original<br>(2) [ ] A Resubmission | / / | End of 2017/Q4 |

## STATEMENT OF INCOME

Quarterly
1. Report in column (c) the current year to date balance. Column (c) equals the total of adding the data in column (g) plus the data in column (i) plus the data in column (k). Report in column (d) similar data for the previous year. This information is reported in the annual filing only.
2. Enter in column (e) the balance for the reporting quarter and in column (f) the balance for the same three month period for the prior year.
3. Report in column (g) the quarter to date amounts for electric utility function; in column (i) the quarter to date amounts for gas utility, and in column (k) the quarter to date amounts for other utility function for the current year quarter.
4. Report in column (h) the quarter to date amounts for electric utility function; in column (j) the quarter to date amounts for gas utility, and in column (l) the quarter to date amounts for other utility function for the prior year quarter.
5. If additional columns are needed, place them in a footnote.

Annual or Quarterly if applicable
5. Do not report fourth quarter data in columns (e) and (f)
6. Report amounts for accounts 412 and 413, Revenues and Expenses from Utility Plant Leased to Others, in another utility columnin a similar manner to a utility department. Spread the amount(s) over lines 2 thru 26 as appropriate. Include these amounts in columns (c) and (d) totals.
7. Report amounts in account 414, Other Utility Operating Income, in the same manner as accounts 412 and 413 above.

| Line No. | Title of Account<br>(a) | (Ref.) Page No.<br>(b) | Total Current Year to Date Balance for Quarter/Year<br>(c) | Total Prior Year to Date Balance for Quarter/Year<br>(d) | Current 3 Months Ended Quarterly Only No 4th Quarter<br>(e) | Prior 3 Months Ended Quarterly Only No 4th Quarter<br>(f) |
|---|---|---|---|---|---|---|
| 1 | UTILITY OPERATING INCOME | | | | | |
| 2 | Operating Revenues (400) | 300-301 | 1,456,228,107 | 1,427,845,121 | | |
| 3 | Operating Expenses | | | | | |
| 4 | Operation Expenses (401) | 320-323 | 714,287,845 | 710,724,060 | | |
| 5 | Maintenance Expenses (402) | 320-323 | 97,927,490 | 101,251,004 | | |
| 6 | Depreciation Expense (403) | 336-337 | 168,162,017 | 158,381,538 | | |
| 7 | Depreciation Expense for Asset Retirement Costs (403.1) | 336-337 | | | | |
| 8 | Amort. & Depl. of Utility Plant (404-405) | 336-337 | 14,818,616 | 11,392,913 | | |
| 9 | Amort. of Utility Plant Acq. Adj. (406) | 336-337 | | | | |
| 10 | Amort. Property Losses, Unrecov Plant and Regulatory Study Costs (407) | | | | | |
| 11 | Amort. of Conversion Expenses (407) | | | | | |
| 12 | Regulatory Debits (407.3) | | 326,452 | 95,997 | | |
| 13 | (Less) Regulatory Credits (407.4) | | | | | |
| 14 | Taxes Other Than Income Taxes (408.1) | 262-263 | 41,853,436 | 39,887,729 | | |
| 15 | Income Taxes - Federal (409.1) | 262-263 | 1,023,123 | -20,335,314 | | |
| 16 | - Other (409.1) | 262-263 | 5,317,905 | 1,228,245 | | |
| 17 | Provision for Deferred Income Taxes (410.1) | 234, 272-277 | 315,733,919 | 458,039,379 | | |
| 18 | (Less) Provision for Deferred Income Taxes-Cr. (411.1) | 234, 272-277 | 187,931,891 | 312,874,044 | | |
| 19 | Investment Tax Credit Adj. - Net (411.4) | 266 | -1,105,156 | 1,713,690 | | |
| 20 | (Less) Gains from Disp. of Utility Plant (411.6) | | | | | |
| 21 | Losses from Disp. of Utility Plant (411.7) | | | | | |
| 22 | (Less) Gains from Disposition of Allowances (411.8) | | 33,526 | 70 | | |
| 23 | Losses from Disposition of Allowances (411.9) | | | | | |
| 24 | Accretion Expense (411.10) | | | | | |
| 25 | TOTAL Utility Operating Expenses (Enter Total of lines 4 thru 24) | | 1,170,380,230 | 1,149,505,127 | | |
| 26 | Net Util Oper Inc (Enter Tot line 2 less 25) Carry to Pg117,line 27 | | 285,847,877 | 278,339,994 | | |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year/Period of Report |
|---|---|---|---|
| Louisville Gas and Electric Company | (1) [X] An Original (2) [ ] A Resubmission | / / | End of 2017/Q4 |

STATEMENT OF INCOME FOR THE YEAR (Continued)

9. Use page 122 for important notes regarding the statement of income for any account thereof.
10. Give concise explanations concerning unsettled rate proceedings where a contingency exists such that refunds of a material amount may need to be made to the utility's customers or which may result in material refund to the utility with respect to power or gas purchases. State for each year effected the gross revenues or costs to which the contingency relates and the tax effects together with an explanation of the major factors which affect the rights of the utility to retain such revenues or recover amounts paid with respect to power or gas purchases.
11 Give concise explanations concerning significant amounts of any refunds made or received during the year resulting from settlement of any rate proceeding affecting revenues received or costs incurred for power or gas purches, and a summary of the adjustments made to balance sheet, income, and expense accounts.
12. If any notes appearing in the report to stokholders are applicable to the Statement of Income, such notes may be included at page 122.
13. Enter on page 122 a concise explanation of only those changes in accounting methods made during the year which had an effect on net income, including the basis of allocations and apportionments from those used in the preceding year. Also, give the appropriate dollar effect of such changes.
14. Explain in a footnote if the previous year's/quarter's figures are different from that reported in prior reports.
15. If the columns are insufficient for reporting additional utility departments, supply the appropriate account titles report the information in a footnote to this schedule.

| ELECTRIC UTILITY | | GAS UTILITY | | OTHER UTILITY | | |
|---|---|---|---|---|---|---|
| Current Year to Date (in dollars) (g) | Previous Year to Date (in dollars) (h) | Current Year to Date (in dollars) (i) | Previous Year to Date (in dollars) (j) | Current Year to Date (in dollars) (k) | Previous Year to Date (in dollars) (l) | Line No. |
| | | | | | | 1 |
| 1,144,298,965 | 1,139,116,720 | 311,929,142 | 288,728,401 | | | 2 |
| | | | | | | 3 |
| 538,705,360 | 552,634,079 | 175,582,485 | 158,089,981 | | | 4 |
| 80,959,958 | 84,348,864 | 16,967,532 | 16,902,140 | | | 5 |
| 136,460,987 | 127,470,277 | 31,701,030 | 30,911,261 | | | 6 |
| | | | | | | 7 |
| 10,224,814 | 7,975,011 | 4,593,802 | 3,417,902 | | | 8 |
| | | | | | | 9 |
| | | | | | | 10 |
| | | | | | | 11 |
| 326,452 | 95,997 | | | | | 12 |
| | | | | | | 13 |
| 31,439,291 | 29,938,281 | 10,414,145 | 9,949,448 | | | 14 |
| 576,238 | -24,086,035 | 446,885 | 3,750,721 | | | 15 |
| 3,915,326 | 397,403 | 1,402,579 | 830,842 | | | 16 |
| 268,465,384 | 393,299,911 | 47,268,535 | 64,739,468 | | | 17 |
| 162,145,330 | 265,776,857 | 25,786,561 | 47,097,187 | | | 18 |
| -1,058,636 | 1,774,110 | -46,520 | -60,420 | | | 19 |
| | | | | | | 20 |
| | | | | | | 21 |
| 33,526 | 70 | | | | | 22 |
| | | | | | | 23 |
| | | | | | | 24 |
| 907,836,318 | 908,070,971 | 262,543,912 | 241,434,156 | | | 25 |
| 236,462,647 | 231,045,749 | 49,385,230 | 47,294,245 | | | 26 |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year/Period of Report |
|---|---|---|---|
| Louisville Gas and Electric Company | (1) [X] An Original<br>(2) [ ] A Resubmission | / / | End of 2017/Q4 |

STATEMENT OF INCOME FOR THE YEAR (continued)

| Line No. | Title of Account (a) | (Ref.) Page No. (b) | TOTAL Current Year (c) | TOTAL Previous Year (d) | Current 3 Months Ended Quarterly Only No 4th Quarter (e) | Prior 3 Months Ended Quarterly Only No 4th Quarter (f) |
|---|---|---|---|---|---|---|
| 27 | Net Utility Operating Income (Carried forward from page 114) | | 285,847,877 | 278,339,994 | | |
| 28 | Other Income and Deductions | | | | | |
| 29 | Other Income | | | | | |
| 30 | Nonutilty Operating Income | | | | | |
| 31 | Revenues From Merchandising, Jobbing and Contract Work (415) | | 35,324 | 1,970 | | |
| 32 | (Less) Costs and Exp. of Merchandising, Job. & Contract Work (416) | | 94 | 942 | | |
| 33 | Revenues From Nonutility Operations (417) | | 1,617,920 | 1,448,245 | | |
| 34 | (Less) Expenses of Nonutility Operations (417.1) | | | | | |
| 35 | Nonoperating Rental Income (418) | | | | | |
| 36 | Equity in Earnings of Subsidiary Companies (418.1) | 119 | | | | |
| 37 | Interest and Dividend Income (419) | | 98,068 | 53,310 | | |
| 38 | Allowance for Other Funds Used During Construction (419.1) | | | | | |
| 39 | Miscellaneous Nonoperating Income (421) | | 32,108 | 3,451 | | |
| 40 | Gain on Disposition of Property (421.1) | | 49,408 | 71,467 | | |
| 41 | TOTAL Other Income (Enter Total of lines 31 thru 40) | | 1,832,734 | 1,577,501 | | |
| 42 | Other Income Deductions | | | | | |
| 43 | Loss on Disposition of Property (421.2) | | 27,594 | 10,608 | | |
| 44 | Miscellaneous Amortization (425) | | | | | |
| 45 | Donations (426.1) | | 3,241,111 | 4,086,014 | | |
| 46 | Life Insurance (426.2) | | | | | |
| 47 | Penalties (426.3) | | 6,171 | 51,032 | | |
| 48 | Exp. for Certain Civic, Political & Related Activities (426.4) | | 482,792 | 628,722 | | |
| 49 | Other Deductions (426.5) | | 1,365,986 | 2,894,870 | | |
| 50 | TOTAL Other Income Deductions (Total of lines 43 thru 49) | | 5,123,654 | 7,671,246 | | |
| 51 | Taxes Applic. to Other Income and Deductions | | | | | |
| 52 | Taxes Other Than Income Taxes (408.2) | 262-263 | 7,044 | 6,804 | | |
| 53 | Income Taxes-Federal (409.2) | 262-263 | -1,025,004 | -1,903,276 | | |
| 54 | Income Taxes-Other (409.2) | 262-263 | -186,931 | -347,102 | | |
| 55 | Provision for Deferred Inc. Taxes (410.2) | 234, 272-277 | 39,041 | 2,967 | | |
| 56 | (Less) Provision for Deferred Income Taxes-Cr. (411.2) | 234, 272-277 | 4,853 | 18,608 | | |
| 57 | Investment Tax Credit Adj.-Net (411.5) | | | | | |
| 58 | (Less) Investment Tax Credits (420) | | | | | |
| 59 | TOTAL Taxes on Other Income and Deductions (Total of lines 52-58) | | -1,170,703 | -2,259,215 | | |
| 60 | Net Other Income and Deductions (Total of lines 41, 50, 59) | | -2,120,217 | -3,834,530 | | |
| 61 | Interest Charges | | | | | |
| 62 | Interest on Long-Term Debt (427) | | 63,634,887 | 64,935,703 | | |
| 63 | Amort. of Debt Disc. and Expense (428) | | 1,849,616 | 2,053,683 | | |
| 64 | Amortization of Loss on Reaquired Debt (428.1) | | 998,222 | 2,414,011 | | |
| 65 | (Less) Amort. of Premium on Debt-Credit (429) | | | | | |
| 66 | (Less) Amortization of Gain on Reaquired Debt-Credit (429.1) | | | | | |
| 67 | Interest on Debt to Assoc. Companies (430) | | 250,170 | 61,261 | | |
| 68 | Other Interest Expense (431) | | 2,898,999 | 1,866,926 | | |
| 69 | (Less) Allowance for Borrowed Funds Used During Construction-Cr. (432) | | | | | |
| 70 | Net Interest Charges (Total of lines 62 thru 69) | | 69,631,894 | 71,331,584 | | |
| 71 | Income Before Extraordinary Items (Total of lines 27, 60 and 70) | | 214,095,766 | 203,173,880 | | |
| 72 | Extraordinary Items | | | | | |
| 73 | Extraordinary Income (434) | | | | | |
| 74 | (Less) Extraordinary Deductions (435) | | | | | |
| 75 | Net Extraordinary Items (Total of line 73 less line 74) | | | | | |
| 76 | Income Taxes-Federal and Other (409.3) | 262-263 | | | | |
| 77 | Extraordinary Items After Taxes (line 75 less line 76) | | | | | |
| 78 | Net Income (Total of line 71 and 77) | | 214,095,766 | 203,173,880 | | |

| Name of Respondent<br>Louisville Gas and Electric Company | This Report is:<br>(1) X An Original<br>(2) __ A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>/ / | Year/Period of Report<br>2017/Q4 |
|---|---|---|---|

FOOTNOTE DATA

***Schedule Page: 114 Line No.: 17 Column: d***

| | |
|---|---|
| Provision for Deferred Income Taxes (410.1) Without Purchase Accounting | $ 451,830,767 |
| Amortization of Purchase Accounting Adjustment | 6,208,612 |
| Total for Provision for Deferred Income Taxes (410.1) | $ 458,039,379 |

***Schedule Page: 114 Line No.: 17 Column: h***

| | |
|---|---|
| Provision for Deferred Income Taxes (410.1) Without Purchase Accounting | $ 387,091,691 |
| Amortization of Purchase Accounting Adjustment | 6,208,220 |
| Total for Provision for Deferred Income Taxes (410.1) | $ 393,299,911 |

***Schedule Page: 114 Line No.: 17 Column: j***

| | |
|---|---|
| Provision for Deferred Income Taxes (410.1) Without Purchase Accounting | $ 64,739,076 |
| Amortization of Purchase Accounting Adjustment | 392 |
| Total for Provision for Deferred Income Taxes (410.1) | $ 64,739,468 |

***Schedule Page: 114 Line No.: 18 Column: d***

| | |
|---|---|
| Provision for Deferred Income Taxes (411.1) Without Purchase Accounting | $ 306,630,028 |
| Amortization of Purchase Accounting Adjustment | 6,244,016 |
| Total for Provision for Deferred Income Taxes (411.1) | $ 312,874,044 |

***Schedule Page: 114 Line No.: 18 Column: h***

| | |
|---|---|
| Provision for Deferred Income Taxes (411.1) Without Purchase Accounting | $ 259,540,491 |
| Amortization of Purchase Accounting Adjustment | 6,236,366 |
| Total for Provision for Deferred Income Taxes (411.1) | $ 265,776,857 |

***Schedule Page: 114 Line No.: 18 Column: j***

| | |
|---|---|
| Provision for Deferred Income Taxes (411.1) Without Purchase Accounting | $ 47,089,537 |
| Amortization of Purchase Accounting Adjustment | 7,650 |
| Total for Provision for Deferred Income Taxes (411.1) | $ 47,097,187 |

***Schedule Page: 114 Line No.: 22 Column: c***

The balance includes the sale of renewable energy credits associated with Brown Solar Facility in the amount of $33,459.

***Schedule Page: 114 Line No.: 62 Column: d***

| | |
|---|---|
| Interest on Long-Term Debt (427) Without Purchase Accounting | $ 64,844,691 |
| Amortization of Purchase Accounting Adjustment | 91,012 |
| Total for Interest on Long-Term Debt (427) | $ 64,935,703 |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year/Period of Report |
|---|---|---|---|
| Louisville Gas and Electric Company | (1) [X] An Original<br>(2) [ ] A Resubmission | / / | End of 2017/Q4 |

STATEMENT OF RETAINED EARNINGS

1. Do not report Lines 49-53 on the quarterly version.
2. Report all changes in appropriated retained earnings, unappropriated retained earnings, year to date, and unappropriated undistributed subsidiary earnings for the year.
3. Each credit and debit during the year should be identified as to the retained earnings account in which recorded (Accounts 433, 436 - 439 inclusive). Show the contra primary account affected in column (b)
4. State the purpose and amount of each reservation or appropriation of retained earnings.
5. List first account 439, Adjustments to Retained Earnings, reflecting adjustments to the opening balance of retained earnings. Follow by credit, then debit items in that order.
6. Show dividends for each class and series of capital stock.
7. Show separately the State and Federal income tax effect of items shown in account 439, Adjustments to Retained Earnings.
8. Explain in a footnote the basis for determining the amount reserved or appropriated. If such reservation or appropriation is to be recurrent, state the number and annual amounts to be reserved or appropriated as well as the totals eventually to be accumulated.
9. If any notes appearing in the report to stockholders are applicable to this statement, include them on pages 122-123.

| Line No. | Item (a) | Contra Primary Account Affected (b) | Current Quarter/Year Year to Date Balance (c) | Previous Quarter/Year Year to Date Balance (d) |
|---|---|---|---|---|
| | UNAPPROPRIATED RETAINED EARNINGS (Account 216) | | | |
| 1 | Balance-Beginning of Period | | 1,174,083,951 | 294,897,774 |
| 2 | Changes | | | |
| 3 | Adjustments to Retained Earnings (Account 439) | | | |
| 4 | | | | |
| 5 | Rounding | | | ( 1) |
| 6 | | | | |
| 7 | | | | |
| 8 | | | | |
| 9 | TOTAL Credits to Retained Earnings (Acct. 439) | | | ( 1) |
| 10 | | | | |
| 11 | | | | |
| 12 | | | | |
| 13 | | | | |
| 14 | | | | |
| 15 | TOTAL Debits to Retained Earnings (Acct. 439) | | | |
| 16 | Balance Transferred from Income (Account 433 less Account 418.1) | | 214,095,766 | 203,173,880 |
| 17 | Appropriations of Retained Earnings (Acct. 436) | | | |
| 18 | | | | |
| 19 | | | | |
| 20 | | | | |
| 21 | | | | |
| 22 | TOTAL Appropriations of Retained Earnings (Acct. 436) | | | |
| 23 | Dividends Declared-Preferred Stock (Account 437) | | | |
| 24 | | | | |
| 25 | | | | |
| 26 | | | | |
| 27 | | | | |
| 28 | | | | |
| 29 | TOTAL Dividends Declared-Preferred Stock (Acct. 437) | | | |
| 30 | Dividends Declared-Common Stock (Account 438) | | | |
| 31 | Without Par Value | | -192,000,000 | ( 128,000,000) |
| 32 | | | | |
| 33 | | | | |
| 34 | | | | |
| 35 | | | | |
| 36 | TOTAL Dividends Declared-Common Stock (Acct. 438) | | -192,000,000 | ( 128,000,000) |
| 37 | Transfers from Acct 216.1, Unapprop. Undistrib. Subsidiary Earnings | | | |
| 38 | Balance - End of Period (Total 1,9,15,16,22,29,36,37) | | 1,196,179,717 | 370,071,653 |
| | APPROPRIATED RETAINED EARNINGS (Account 215) | | | |
| 39 | | | | |
| 40 | | | | |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year/Period of Report |
|---|---|---|---|
| Louisville Gas and Electric Company | (1) [X] An Original<br>(2) [ ] A Resubmission | / / | End of 2017/Q4 |

STATEMENT OF RETAINED EARNINGS

1. Do not report Lines 49-53 on the quarterly version.
2. Report all changes in appropriated retained earnings, unappropriated retained earnings, year to date, and unappropriated undistributed subsidiary earnings for the year.
3. Each credit and debit during the year should be identified as to the retained earnings account in which recorded (Accounts 433, 436 - 439 inclusive). Show the contra primary account affected in column (b)
4. State the purpose and amount of each reservation or appropriation of retained earnings.
5. List first account 439, Adjustments to Retained Earnings, reflecting adjustments to the opening balance of retained earnings. Follow by credit, then debit items in that order.
6. Show dividends for each class and series of capital stock.
7. Show separately the State and Federal income tax effect of items shown in account 439, Adjustments to Retained Earnings.
8. Explain in a footnote the basis for determining the amount reserved or appropriated. If such reservation or appropriation is to be recurrent, state the number and annual amounts to be reserved or appropriated as well as the totals eventually to be accumulated.
9. If any notes appearing in the report to stockholders are applicable to this statement, include them on pages 122-123.

| Line No. | Item (a) | Contra Primary Account Affected (b) | Current Quarter/Year Year to Date Balance (c) | Previous Quarter/Year Year to Date Balance (d) |
|---|---|---|---|---|
| 41 | | | | |
| 42 | | | | |
| 43 | | | | |
| 44 | | | | |
| 45 | TOTAL Appropriated Retained Earnings (Account 215) | | | |
| | APPROP. RETAINED EARNINGS - AMORT. Reserve, Federal (Account 215.1) | | | |
| 46 | TOTAL Approp. Retained Earnings-Amort. Reserve, Federal (Acct. 215.1) | | | |
| 47 | TOTAL Approp. Retained Earnings (Acct. 215, 215.1) (Total 45,46) | | | |
| 48 | TOTAL Retained Earnings (Acct. 215, 215.1, 216) (Total 38, 47) (216.1) | | 1,196,179,717 | 370,071,653 |
| | UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS (Account | | | |
| | Report only on an Annual Basis, no Quarterly | | | |
| 49 | Balance-Beginning of Year (Debit or Credit) | | | |
| 50 | Equity in Earnings for Year (Credit) (Account 418.1) | | | |
| 51 | (Less) Dividends Received (Debit) | | | |
| 52 | | | | |
| 53 | Balance-End of Year (Total lines 49 thru 52) | | | |

| Name of Respondent | This Report is: | Date of Report (Mo, Da, Yr) | Year/Period of Report |
|---|---|---|---|
| Louisville Gas and Electric Company | (1) X An Original<br>(2) __ A Resubmission | / / | 2017/Q4 |

FOOTNOTE DATA

***Schedule Page: 118 Line No.: 48 Column: c***

See footnote data detail on Schedule Page: 112, Line No.: 11, Column: c.

***Schedule Page: 118 Line No.: 48 Column: d***

See footnote data detail on Schedule Page: 112, Line No.: 11, Column: d.

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year/Period of Report |
|---|---|---|---|
| Louisville Gas and Electric Company | (1) [X] An Original<br>(2) [ ] A Resubmission | / / | End of 2017/Q4 |

## STATEMENT OF CASH FLOWS

(1) Codes to be used:(a) Net Proceeds or Payments;(b)Bonds, debentures and other long-term debt; (c) Include commercial paper; and (d) Identify separately such items as investments, fixed assets, intangibles, etc.
(2) Information about noncash investing and financing activities must be provided in the Notes to the Financial statements. Also provide a reconciliation between "Cash and Cash Equivalents at End of Period" with related amounts on the Balance Sheet.
(3) Operating Activities - Other: Include gains and losses pertaining to operating activities only. Gains and losses pertaining to investing and financing activities should be reported in those activities. Show in the Notes to the Financials the amounts of interest paid (net of amount capitalized) and income taxes paid.
(4) Investing Activities: Include at Other (line 31) net cash outflow to acquire other companies. Provide a reconciliation of assets acquired with liabilities assumed in the Notes to the Financial Statements. Do not include on this statement the dollar amount of leases capitalized per the USofA General Instruction 20; instead provide a reconciliation of the dollar amount of leases capitalized with the plant cost.

| Line No. | Description (See Instruction No. 1 for Explanation of Codes)<br>(a) | Current Year to Date Quarter/Year<br>(b) | Previous Year to Date Quarter/Year<br>(c) |
|---|---|---|---|
| 1 | Net Cash Flow from Operating Activities: | | |
| 2 | Net Income (Line 78(c) on page 117) | 214,095,766 | 203,173,880 |
| 3 | Noncash Charges (Credits) to Income: | | |
| 4 | Depreciation and Depletion | 168,162,017 | 158,381,538 |
| 5 | Amortization of Plant and Regulatory Debits and Credits | 25,302,906 | 21,501,234 |
| 6 | Other Noncash Charges (Credits) to Income | 9,998,226 | 12,367,422 |
| 7 | | | |
| 8 | Deferred Income Taxes (Net) | 127,836,216 | 145,493,237 |
| 9 | Investment Tax Credit Adjustment (Net) | -1,105,156 | 1,713,690 |
| 10 | Net (Increase) Decrease in Receivables | -19,696,290 | -41,754,061 |
| 11 | Net (Increase) Decrease in Inventory | 13,253,539 | 7,706,126 |
| 12 | Net (Increase) Decrease in Allowances Inventory | 5 | 8 |
| 13 | Net Increase (Decrease) in Payables and Accrued Expenses | -24,283,109 | 49,149,934 |
| 14 | Net (Increase) Decrease in Other Regulatory Assets | 35,316,102 | 8,094,881 |
| 15 | Net Increase (Decrease) in Other Regulatory Liabilities | -1,537,965 | -7,583,282 |
| 16 | (Less) Allowance for Other Funds Used During Construction | | |
| 17 | (Less) Undistributed Earnings from Subsidiary Companies | | |
| 18 | Other (provide details in footnote): | -36,642,546 | -67,526,950 |
| 19 | Change in Other Deferred Debits | 1,205,937 | 757,399 |
| 20 | Change in Other Deferred Credits | -149,382 | -96,507 |
| 21 | Interest Rate Swap Settlement | | -9,409,000 |
| 22 | Net Cash Provided by (Used in) Operating Activities (Total 2 thru 21) | 511,756,266 | 481,969,549 |
| 23 | | | |
| 24 | Cash Flows from Investment Activities: | | |
| 25 | Construction and Acquisition of Plant (including land): | | |
| 26 | Gross Additions to Utility Plant (less nuclear fuel) | -414,833,093 | -393,542,154 |
| 27 | Gross Additions to Nuclear Fuel | | |
| 28 | Gross Additions to Common Utility Plant | -19,854,741 | -28,494,623 |
| 29 | Gross Additions to Nonutility Plant | | |
| 30 | (Less) Allowance for Other Funds Used During Construction | | |
| 31 | Other (provide details in footnote): | -23,131,736 | -17,113,406 |
| 32 | | | |
| 33 | | | |
| 34 | Cash Outflows for Plant (Total of lines 26 thru 33) | -457,819,570 | -439,150,183 |
| 35 | | | |
| 36 | Acquisition of Other Noncurrent Assets (d) | | |
| 37 | Proceeds from Disposal of Noncurrent Assets (d) | | |
| 38 | | | |
| 39 | Investments in and Advances to Assoc. and Subsidiary Companies | | |
| 40 | Contributions and Advances from Assoc. and Subsidiary Companies | | |
| 41 | Disposition of Investments in (and Advances to) | | |
| 42 | Associated and Subsidiary Companies | | |
| 43 | | | |
| 44 | Purchase of Investment Securities (a) | | |
| 45 | Proceeds from Sales of Investment Securities (a) | | |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year/Period of Report |
|---|---|---|---|
| Louisville Gas and Electric Company | (1) [X] An Original<br>(2) [ ] A Resubmission | / / | End of 2017/Q4 |

STATEMENT OF CASH FLOWS

(1) Codes to be used:(a) Net Proceeds or Payments;(b)Bonds, debentures and other long-term debt; (c) Include commercial paper; and (d) Identify separately such items as investments, fixed assets, intangibles, etc.
(2) Information about noncash investing and financing activities must be provided in the Notes to the Financial statements. Also provide a reconciliation between "Cash and Cash Equivalents at End of Period" with related amounts on the Balance Sheet.
(3) Operating Activities - Other: Include gains and losses pertaining to operating activities only. Gains and losses pertaining to investing and financing activities should be reported in those activities. Show in the Notes to the Financials the amounts of interest paid (net of amount capitalized) and income taxes paid.
(4) Investing Activities: Include at Other (line 31) net cash outflow to acquire other companies. Provide a reconciliation of assets acquired with liabilities assumed in the Notes to the Financial Statements. Do not include on this statement the dollar amount of leases capitalized per the USofA General Instruction 20; instead provide a reconciliation of the dollar amount of leases capitalized with the plant cost.

| Line No. | Description (See Instruction No. 1 for Explanation of Codes)<br>(a) | Current Year to Date Quarter/Year<br>(b) | Previous Year to Date Quarter/Year<br>(c) |
|---|---|---|---|
| 46 | Loans Made or Purchased | | |
| 47 | Collections on Loans | | |
| 48 | | | |
| 49 | Net (Increase) Decrease in Receivables | | |
| 50 | Net (Increase ) Decrease in Inventory | | |
| 51 | Net (Increase) Decrease in Allowances Held for Speculation | | |
| 52 | Net Increase (Decrease) in Payables and Accrued Expenses | | |
| 53 | Other (provide details in footnote): | | |
| 54 | | | |
| 55 | | | |
| 56 | Net Cash Provided by (Used in) Investing Activities | | |
| 57 | Total of lines 34 thru 55) | -457,819,570 | -439,150,183 |
| 58 | | | |
| 59 | Cash Flows from Financing Activities: | | |
| 60 | Proceeds from Issuance of: | | |
| 61 | Long-Term Debt (b) | 160,000,000 | 125,000,000 |
| 62 | Preferred Stock | | |
| 63 | Common Stock | | |
| 64 | Other (provide details in footnote): | 30,000,000 | 71,000,000 |
| 65 | | | |
| 66 | Net Increase in Short-Term Debt (c) | 30,173,859 | 26,750,000 |
| 67 | Other (provide details in footnote): | | |
| 68 | | | |
| 69 | | | |
| 70 | Cash Provided by Outside Sources (Total 61 thru 69) | 220,173,859 | 222,750,000 |
| 71 | | | |
| 72 | Payments for Retirement of: | | |
| 73 | Long-term Debt (b) | -70,104,000 | -150,000,000 |
| 74 | Preferred Stock | | |
| 75 | Common Stock | | |
| 76 | Other (provide details in footnote): | -2,124,974 | -1,562,566 |
| 77 | | | |
| 78 | Net Decrease in Short-Term Debt (c) | | |
| 79 | | | |
| 80 | Dividends on Preferred Stock | | |
| 81 | Dividends on Common Stock | -192,000,000 | -128,000,000 |
| 82 | Net Cash Provided by (Used in) Financing Activities | | |
| 83 | (Total of lines 70 thru 81) | -44,055,115 | -56,812,566 |
| 84 | | | |
| 85 | Net Increase (Decrease) in Cash and Cash Equivalents | | |
| 86 | (Total of lines 22,57 and 83) | 9,881,581 | -13,993,200 |
| 87 | | | |
| 88 | Cash and Cash Equivalents at Beginning of Period | 4,787,896 | 18,781,096 |
| 89 | | | |
| 90 | Cash and Cash Equivalents at End of period | 14,669,477 | 4,787,896 |

| Name of Respondent<br>Louisville Gas and Electric Company | This Report is:<br>(1) X An Original<br>(2) __ A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>/ / | Year/Period of Report<br>2017/Q4 |
|---|---|---|---|

FOOTNOTE DATA

**Schedule Page: 120 Line No.: 6 Column: b**

| | | |
|---|---|---|
| Amortization of Debt Discount and Debt Issuance Costs | $ | 2,844,476 |
| Amortization of Research and Development and Demonstration Expenditures | | 168,571 |
| Provision for Pension and Postretirement Benefits | | 7,083,439 |
| Gain on Disposal of Assets | | (98,262) |
| Rounding | | 2 |
| Total | $ | 9,998,225 |

**Schedule Page: 120 Line No.: 6 Column: c**

| | | |
|---|---|---|
| Amortization of Debt Discount and Debt Issuance Costs | $ | 4,444,779 |
| Provision for Pension and Postretirement Benefits | | 7,574,354 |
| Gain on Disposal of Assets | | (60,859) |
| Property Write-off | | 353,540 |
| Change in Pollution Control Bonds - Purchase Accounting | | 91,012 |
| Change in Deferred Income Taxes - Purchase Accounting | | (35,403) |
| Rounding | | (1) |
| Total | $ | 12,367,422 |

**Schedule Page: 120 Line No.: 18 Column: b**

| | | |
|---|---|---|
| Net change in Prepayments and Other Assets | $ | 93,368 |
| Net change in Special Funds | | 3,450,337 |
| Net change in Customer Advances for Construction | | 10,802,667 |
| Net change in Asset Retirement Obligation | | (34,103,687) |
| Pension and Postretirement Funding | | (4,249,171) |
| Expenditures for Asset Retirement Obligations | | (15,548,615) |
| Net change in Other Liabilities | | 2,912,555 |
| Total | $ | (36,642,546) |

**Schedule Page: 120 Line No.: 18 Column: c**

| | | |
|---|---|---|
| Net change in Prepayments and Other Assets | $ | (8,568,615) |
| Net change in Special Funds | | 5,661,276 |
| Net change in Customer Advances for Construction | | (957,141) |
| Net change in Asset Retirement Obligations | | (3,143,712) |
| Pension and Postretirement Funding | | (45,702,700) |
| Expenditures for Asset Retirement Obligations | | (17,818,306) |
| Net change in Other Liabilities | | 3,002,248 |
| Total | $ | (67,526,950) |

**Schedule Page: 120 Line No.: 31 Column: b**

| | | |
|---|---|---|
| Costs of removal of utility plant | $ | (23,131,736) |

**Schedule Page: 120 Line No.: 31 Column: c**

| | | |
|---|---|---|
| Costs of removal of utility plant | $ | (17,113,406) |

**Schedule Page: 120 Line No.: 64 Column: b**

| | | |
|---|---|---|
| LG&E and KU Energy LLC Equity Contribution | $ | 30,000,000 |

**Schedule Page: 120 Line No.: 64 Column: c**

| | | |
|---|---|---|
| LG&E and KU Energy LLC Equity Contribution | $ | 71,000,000 |

**Schedule Page: 120 Line No.: 76 Column: b**

| | | |
|---|---|---|
| Debt issuance costs | $ | (2,124,974) |

**Schedule Page: 120 Line No.: 76 Column: c**

| | | |
|---|---|---|
| Debt issuance costs | $ | (1,562,566) |

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FOOTNOTE DATA

***Schedule Page: 120 Line No.: 90 Column: b***

| | | |
|---|---|---|
| Cash (131) | $ | 7,984,379 |
| Working Fund (135) | | 19,790 |
| Temporary Cash Investments (136) | | 6,665,308 |
| Total Cash and Cash Equivalents | $ | 14,669,477 |

***Schedule Page: 120 Line No.: 90 Column: c***

| | | |
|---|---|---|
| Cash (131) | $ | 4,472,295 |
| Working Fund (135) | | 19,790 |
| Temporary Cash Investments (136) | | 295,811 |
| Total Cash and Cash Equivalents | $ | 4,787,896 |

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NOTES TO FINANCIAL STATEMENTS

1. Use the space below for important notes regarding the Balance Sheet, Statement of Income for the year, Statement of Retained Earnings for the year, and Statement of Cash Flows, or any account thereof. Classify the notes according to each basic statement, providing a subheading for each statement except where a note is applicable to more than one statement.
2. Furnish particulars (details) as to any significant contingent assets or liabilities existing at end of year, including a brief explanation of any action initiated by the Internal Revenue Service involving possible assessment of additional income taxes of material amount, or of a claim for refund of income taxes of a material amount initiated by the utility. Give also a brief explanation of any dividends in arrears on cumulative preferred stock.
3. For Account 116, Utility Plant Adjustments, explain the origin of such amount, debits and credits during the year, and plan of disposition contemplated, giving references to Cormmission orders or other authorizations respecting classification of amounts as plant adjustments and requirements as to disposition thereof.
4. Where Accounts 189, Unamortized Loss on Reacquired Debt, and 257, Unamortized Gain on Reacquired Debt, are not used, give an explanation, providing the rate treatment given these items. See General Instruction 17 of the Uniform System of Accounts.
5. Give a concise explanation of any retained earnings restrictions and state the amount of retained earnings affected by such restrictions.
6. If the notes to financial statements relating to the respondent company appearing in the annual report to the stockholders are applicable and furnish the data required by instructions above and on pages 114-121, such notes may be included herein.
7. For the 3Q disclosures, respondent must provide in the notes sufficient disclosures so as to make the interim information not misleading. Disclosures which would substantially duplicate the disclosures contained in the most recent FERC Annual Report may be omitted.
8. For the 3Q disclosures, the disclosures shall be provided where events subsequent to the end of the most recent year have occurred which have a material effect on the respondent. Respondent must include in the notes significant changes since the most recently completed year in such items as: accounting principles and practices; estimates inherent in the preparation of the financial statements; status of long-term contracts; capitalization including significant new borrowings or modifications of existing financing agreements; and changes resulting from business combinations or dispositions. However were material contingencies exist, the disclosure of such matters shall be provided even though a significant change since year end may not have occurred.
9. Finally, if the notes to the financial statements relating to the respondent appearing in the annual report to the stockholders are applicable and furnish the data required by the above instructions, such notes may be included herein.

PAGE 122 INTENTIONALLY LEFT BLANK
SEE PAGE 123 FOR REQUIRED INFORMATION.

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NOTES TO FINANCIAL STATEMENTS (Continued)

## GLOSSARY OF TERMS AND ABBREVIATIONS

***KU*** - Kentucky Utilities Company, a public utility subsidiary of LKE engaged in the regulated generation, transmission, distribution and sale of electricity, primarily in Kentucky.

***LG&E*** - Louisville Gas and Electric Company, a public utility subsidiary of LKE engaged in the regulated generation, transmission, distribution and sale of electricity and the distribution and sale of natural gas in Kentucky.

***LKE*** - LG&E and KU Energy LLC, a subsidiary of PPL and the parent of LG&E, KU and other subsidiaries.

***LKS*** - LG&E and KU Services Company, a subsidiary of LKE that provides administrative, management and support services primarily to LKE and its subsidiaries.

***PPL*** - PPL Corporation, the parent holding company of LKE and other subsidiaries.

***PPL Services*** - PPL Services Corporation, a subsidiary of PPL that provides administrative, management and support services to PPL and its subsidiaries.

### ***Other terms and abbreviations***

***401(h) account(s)*** - a sub-account established within a qualified pension trust to provide for the payment of retiree medical costs.

***Advanced Metering System*** - meters and meter reading systems that provide two-way communication capabilities, which communicate usage and other relevant data to LG&E at regular intervals, and are also able to receive information from LG&E, such as software upgrades and requests to provide meter readings in real time.

***AFUDC*** - allowance for funds used during construction. The cost of equity and debt funds used to finance construction projects of regulated businesses, which is capitalized as part of construction costs.

***ARO*** - asset retirement obligation.

***CCR(s)*** - Coal Combustion Residual(s). CCRs include fly ash, bottom ash and sulfur dioxide scrubber wastes.

***Clean Air Act*** - federal legislation enacted to address certain environmental issues related to air emissions, including acid rain, ozone and toxic air emissions.

***Clean Water Act*** - federal legislation enacted to address certain environmental issues relating to water quality including effluent discharges, cooling water intake, and dredge and fill activities.

***CPCN*** - Certificate of Public Convenience and Necessity. Authority granted by the KPSC pursuant to Kentucky Revised Statute 278.020 to provide utility service to or for the public or the construction of certain plant, equipment, property or facility for furnishing of utility service to the public.

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NOTES TO FINANCIAL STATEMENTS (Continued)

***Distribution Automation*** - advanced grid intelligence enabling LG&E to perform remote monitoring and control, circuit segmentation and "self-healing" of select distribution system circuits, improving grid reliability and efficiency.

***DSM*** - Demand Side Management. Pursuant to Kentucky Revised Statute 278.285, the KPSC may determine the reasonableness of DSM programs proposed by any utility under its jurisdiction. DSM programs consist of energy efficiency programs intended to reduce peak demand and delay the investment in additional power plant construction, provide customers with tools and information regarding their energy usage and support energy efficiency.

***ECR*** - Environmental Cost Recovery. Pursuant to Kentucky Revised Statute 278.183, Kentucky electric utilities are entitled to the current recovery of costs of complying with the Clean Air Act, as amended, and those federal, state or local environmental requirements that apply to coal combustion wastes and by products from the production of energy from coal.

***ELG(s)*** - Effluent Limitation Guidelines, regulations promulgated by the EPA.

***EPA*** - Environmental Protection Agency, a U.S. government agency.

***FERC*** - Federal Energy Regulatory Commission, the U.S. federal agency that regulates, among other things, interstate transmission and wholesale sales of electricity, hydroelectric power projects and related matters.

***GAAP*** - Generally Accepted Accounting Principles in the U.S.

***GHG*** - greenhouse gas(es).

***GLT*** - gas line tracker. The KPSC approved mechanism for LG&E's recovery of costs associated with gas transmission lines, gas service lines, gas risers, leak mitigation, and gas main replacements.

***IBEW*** - International Brotherhood of Electrical Workers.

***IRS*** - Internal Revenue Service, a U.S. government agency.

***KPSC*** - Kentucky Public Service Commission, the state agency that has jurisdiction over the regulation of rates and service of utilities in Kentucky.

***kWh*** - kilowatt hour, basic unit of electrical energy.

***LG&E 2010 Mortgage Indenture*** - LG&E's Indenture, dated as of October 1, 2010, to The Bank of New York Mellon, as supplemented.

***LIBOR*** - London Interbank Offered Rate.

***MW*** - megawatt, one thousand kilowatts.

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NOTES TO FINANCIAL STATEMENTS (Continued)

***NAAQS*** - National Ambient Air Quality Standards periodically adopted pursuant to the Clean Air Act.

***NERC*** - North American Electric Reliability Corporation.

***NGCC*** - Natural gas-fired combined-cycle generating plant.

***NPNS*** - the normal purchases and normal sales exception as permitted by derivative accounting rules. Derivatives that qualify for this exception may receive accrual accounting treatment.

***OVEC*** - Ohio Valley Electric Corporation, located in Piketon, Ohio, an entity in which LG&E owns a 5.63% interest, which is accounted for as a cost-method investment. OVEC owns and operates two coal-fired power plants, the Kyger Creek plant in Ohio and the Clifty Creek plant in Indiana, with combined capacities of 2,120 MW.

***PP&E*** - property, plant and equipment.

***RCRA*** - Resource Conservation and Recovery Act of 1976.

***RFC*** - Reliability*First* Corporation, one of eight regional entities with delegated authority from NERC that work to safeguard the reliability of the bulk power systems throughout North America.

***SCRs*** - selective catalytic reduction, a pollution control process for the removal of nitrogen oxide from exhaust gas.

***Scrubber*** - an air pollution control device that can remove particulates and/or gases (primarily sulfur dioxide) from exhaust gases.

***SEC*** - the U.S. Securities and Exchange Commission, a U.S. government agency primarily responsible to protect investors and maintain the integrity of the securities markets.

***SERC*** - SERC Reliability Corporation, one of eight regional entities with delegated authority from NERC that work to safeguard the reliability of the bulk power systems throughout North America.

***Superfund*** - federal environmental statute that addresses remediation of contaminated sites; states also have similar statutes.

***TCJA*** - Tax Cuts and Jobs Act. Comprehensive U.S. federal tax legislation enacted on December 22, 2017.

***VEBA*** - Voluntary Employee Benefit Association Trust, accounts for health and welfare plans for future benefit payments for employees, retirees or their beneficiaries.

**As permitted by the FERC for the Year Ended December 31, 2017 Form 1, the Notes to Financial Statements set forth below are principally from the Respondent's SEC Form 10-K for the Year Ended December 31, 2017, which was filed with the SEC on February 22, 2018. Accordingly, these Notes do not reflect updated information since this filing date except for information disclosed in Note 18 and Note 19.**

## NOTES TO FINANCIAL STATEMENTS

### 1. Summary of Significant Accounting Policies

### General

Capitalized terms and abbreviations appearing in the notes to financial statements are defined in the glossary. Dollars are in millions unless otherwise noted.

Presentation

The accompanying financial statements are prepared on the regulatory basis of accounting in accordance with the requirements of the FERC, which is a comprehensive basis of accounting other than GAAP. The significant differences between GAAP and FERC reporting are as follows:

| Reporting Classifications | FERC reporting | GAAP reporting |
|---|---|---|
| Cost of removal obligations | Reported in accumulated depreciation. | Reported in regulatory liabilities. |
| Certain retirement work in progress amounts | Reported in accumulated depreciation. | Reported in asset retirement obligations. |
| Certain intangible assets | Reported in utility plant and accumulated depreciation. | Reported in other intangibles. |
| Debt maturity classification | Reported in total in the long-term debt section. | Reported separately in current liabilities for the short-term portion and in long-term debt for the long-term portion. |
| Deferred taxes | Reported gross on the Balance Sheet (a deferred asset and a deferred liability are recorded). | Reported as a net asset or net liability. |
| Income taxes | Income taxes, deferred taxes and investment tax credits are reported on separate lines on the Income Statement. | Income taxes, deferred taxes and investment tax credits are netted on a single line on the Income Statement. |
| Utility plant acquired before November 1, 2010 | Reported at original cost. | Restated to net fair value as of November 1, 2010. |

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NOTES TO FINANCIAL STATEMENTS (Continued)

| Reporting Classifications | FERC reporting | GAAP reporting |
|---|---|---|
| Regulatory asset maturity classification | Reported in total in deferred debits. | Short-term regulatory assets are reported in current assets and long-term regulatory assets are reported in other noncurrent assets. |
| Regulatory liability maturity classification | Reported in total in deferred credits. | Short-term regulatory liabilities are reported in current liabilities and long-term regulatory liabilities are reported in deferred credits and other noncurrent liabilities. |
| Deferred financing costs | Reported as deferred debits. | Reported as contra-liabilities and netted with long-term debt. |
| Amounts presented within the Balance Sheet and Income Statement | Reported without purchase accounting adjustments. | Reported with purchase accounting adjustments. |

Beginning in 2017, certain balances have been adjusted to reflect amounts at the original cost basis of accounting. Prior to 2017, certain amounts reflected the impact of purchase business combination accounting. While both presentations conform to the FERC USofA, the 2017 presentation more closely aligns with the manner in which LG&E's rates are calculated and reflective of amounts included in separate regulatory filings. This change in the basis of presentation is included in the 2017 regulatory basis financial statements only; the 2016 regulatory basis financial statements have not been revised. As GAAP requires a comparative presentation; we have reconciled the changes that would have been made to the 2016 statements in the Footnote Data (pages 450.X) to the regulatory basis financial statements had they been revised. This change in presentation was communicated to the FERC by letter dated August 3, 2017 and a related phone conversation. Purchase accounting amounts as of December 31, 2017 are presented below:

| FERC Line Item | Current Year |
|---|---|
| Utility Plant (101-106, 114) | $(1,256,617,708) |
| Accum. Prov. for Depr. Amort. Depl. (108, 110, 111, 115) | (1,256,617,708) |
| Nonutility Property (121) | (63,360) |
| Accum. Prov. for Depr. and Amort. (122) | (63,360) |
| Unamortized Debt Expenses (181) | (86,420) |
| Other Regulatory Assets (182.3) | 86,420 |
| Miscellaneous Deferred Debits (186) (a) | 435,967,597 |
| Accumulated Deferred Income Taxes (190) | 12,048,957 |
| Other Paid-In Capital (208-211) | 1,194,085,869 |
| Retained Earnings (215, 215.1, 216) | (804,928,517) |
| Other Regulatory Liabilities (254) | 46,810,245 |

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NOTES TO FINANCIAL STATEMENTS (Continued)

| FERC Line Item | Current Year |
|---|---|
| Accum. Deferred Income Taxes-Other (283) | $12,048,957 |
| Provision for Deferred Income Taxes (410.1) | 11,330,571 |
| Provision for Deferred Income Taxes-Cr. (411.1) | 11,913,893 |
| Interest on Long-Term Debt (427) | 1,499,542 |

(a) Includes goodwill amounts of $389,157,352.

Business and Consolidation

LG&E is engaged in the generation, transmission, distribution and sale of electricity and in the distribution and sale of natural gas in Kentucky.

LG&E has no controlling interest in any variable interest entities. All other investments are carried at cost or fair value.

LG&E's financial statements include its share of any undivided interests in jointly owned facilities, as well as its share of the related operating costs of those facilities. See Note 9 for additional information.

Regulation

LG&E is a cost-based rate-regulated utility for which rates are set by regulators to enable LG&E to recover the costs of providing electric or gas service and to provide a reasonable return to its shareholder. Base rates are generally established based on a future test period. As a result, the financial statements are subject to the accounting for certain types of regulation as prescribed by GAAP and reflect the effects of regulatory actions. Regulatory assets are recognized for the effect of transactions or events where future recovery of underlying costs is probable in regulated customer rates. The effect of such accounting is to defer certain or qualifying costs that would otherwise currently be charged to expense. Regulatory liabilities are recognized for amounts expected to be returned through future regulated customer rates. In certain cases, regulatory liabilities are recorded based on an understanding or agreement with the regulator that rates have been set to recover costs that are expected to be incurred in the future, and the regulated entity is accountable for any amounts charged pursuant to such rates and not yet expended for the intended purpose. The accounting for regulatory assets and regulatory liabilities is based on specific ratemaking decisions or precedent for each transaction or event as prescribed by the FERC or the applicable state regulatory commissions. See Note 4 for additional details regarding regulatory matters.

Accounting Records

LG&E's system of accounts is maintained in accordance with the Uniform System of Accounts prescribed by the FERC and adopted by the applicable state regulatory commissions.

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NOTES TO FINANCIAL STATEMENTS (Continued)

Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Loss Accruals

Potential losses are accrued when (1) information is available that indicates it is "probable" that a loss has been incurred, given the likelihood of the uncertain future events and (2) the amount of the loss can be reasonably estimated. Accounting guidance defines "probable" as cases in which "the future event or events are likely to occur." LG&E continuously assesses potential loss contingencies for environmental remediation, litigation claims, regulatory penalties and other events.

The accrual of contingencies that might result in gains is not recorded, unless realization is assured.

**Price Risk Management**

Interest rate contracts are used to hedge exposure to changes in the fair value of debt instruments and to hedge exposure to variability in expected cash flows associated with existing floating-rate debt instruments or forecasted fixed-rate issuances of debt. Similar derivatives may receive different accounting treatment, depending on management's intended use and documentation.

Certain contracts may not meet the definition of a derivative because they lack a notional amount or a net settlement provision. In cases where there is no net settlement provision, markets are periodically assessed to determine whether market mechanisms have evolved that would facilitate net settlement. Certain derivative contracts may be excluded from the requirements of derivative accounting treatment because NPNS has been elected. These contracts are accounted for using accrual accounting. Contracts that have been classified as derivative contracts are reflected on the Balance Sheets at fair value. The portion of derivative positions that deliver within a year are included in "Current Assets" and "Current Liabilities," while the portion of derivative positions that deliver beyond a year are recorded in "Other Noncurrent Assets" and "Deferred Credits and Other Noncurrent Liabilities." LG&E considers intra-month transactions to be spot activity, which is not accounted for as a derivative.

Cash inflows and outflows related to derivative instruments are included as a component of operating, investing or financing activities on the Statements of Cash Flows, depending on the classification of the hedged items.

LG&E has elected not to offset net derivative positions against the right to reclaim cash collateral (a receivable) or the obligation to return cash collateral (a payable) under master netting arrangements.

Processes exist that allow for subsequent review and validation of the contract information as it relates to interest rate derivatives. The accounting department provides the treasury department with guidelines on appropriate accounting classifications for various contract types and strategies. Examples of accounting guidelines provided to the treasury department staff include, but are not limited to:

- Transactions to lock in an interest rate prior to a debt issuance can be designated as cash flow hedges, to the extent the forecasted debt issuances remain probable of occurring.

- Derivative transactions may be marked to fair value through regulatory assets/liabilities if approved by the appropriate regulatory body. These transactions generally include the effect of interest rate swaps that are included in customer rates.

See Notes 12 and 13 for additional information on derivatives.

**Revenue**

Revenue Recognition

Operating revenues are recorded based on energy deliveries through the end of the calendar month. Unbilled retail revenues result because customers' meters are read and bills are rendered throughout the month, rather than all meters being read and bills rendered at the end of the month. Unbilled revenues for a month are calculated by multiplying an estimate of unbilled kWh by the estimated average cents per kWh. Any difference between estimated and actual revenues is adjusted the following month.

**Accounts Receivable**

Accounts receivable are reported on the Balance Sheets at the gross outstanding amount.

Allowance for Doubtful Accounts

Accounts receivable collectability is evaluated using a combination of factors, including past due status based on contractual terms, trends in write-offs and the age of the receivable. Specific events, such as bankruptcies, are also considered. Adjustments to the allowance for doubtful accounts are made when necessary based on the results of analysis, the aging of receivables and historical and industry trends.

Accounts receivable are written off in the period in which the receivable is deemed uncollectible.

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NOTES TO FINANCIAL STATEMENTS (Continued)

The changes in the allowance for doubtful accounts at December 31 were:

| | Balance at Beginning of Period | Additions: Charged to Income | Additions: Charged to Other Accounts | Deductions (a) | Balance at End of Period |
|---|---|---|---|---|---|
| 2017 | $ 2 | $ 2 | $ (1) | $ 2 | $ 1 |
| 2016 | 1 | 2 | 1 | 2 | 2 |

(a) Primarily related to uncollectible accounts written off.

**Cash**

Cash Equivalents

All highly liquid investments with original maturities of three months or less are considered to be cash equivalents.

**Fair Value Measurements**

LG&E values certain financial and nonfinancial assets and liabilities at fair value. Generally, the most significant fair value measurements relate to price risk management assets and liabilities, investments in securities in defined benefit plans, and cash and cash equivalents. LG&E uses, as appropriate, a market approach (generally, data from market transactions), an income approach (generally, present value techniques and option-pricing models) and/or a cost approach (generally, replacement cost) to measure the fair value of an asset or liability. These valuation approaches incorporate inputs such as observable, independent market data and/or unobservable data that management believes are predicated on the assumptions market participants would use to price an asset or liability. These inputs may incorporate, as applicable, certain risks such as nonperformance risk, which includes credit risk.

LG&E classifies fair value measurements within one of three levels in the fair value hierarchy. The level assigned to a fair value measurement is based on the lowest level input that is significant to the fair value measurement in its entirety. The three levels of the fair value hierarchy are as follows:

- **Level 1** - quoted prices (unadjusted) in active markets for identical assets or liabilities that are accessible at the measurement date. Active markets are those in which transactions for the asset or liability occur with sufficient frequency and volume to provide pricing information on an ongoing basis.

- **Level 2** - inputs other than quoted prices included within Level 1 that are either directly or indirectly observable for substantially the full term of the asset or liability.

- **Level 3 -** unobservable inputs that management believes are predicated on the assumptions market participants would use to measure the asset or liability at fair value.

Assessing the significance of a particular input requires judgment that considers factors specific to the asset or liability. As such, LG&E's assessment of the significance of a particular input may affect how the assets and liabilities are classified within the fair value hierarchy.

**Investments**

Generally, the original maturity date of an investment and management's intent and ability to sell an investment prior to its original maturity determine the classification of investments as either short-term or long-term. Investments that would otherwise be classified as short-term, but are restricted as to withdrawal or use for other than current operations or are clearly designated for expenditure in the acquisition or construction of noncurrent assets or for the liquidation of long-term debts, are classified as long-term.

Short-term Investments

Short-term investments generally include certain deposits as well as securities that are considered highly liquid or provide for periodic reset of interest rates. Investments with original maturities greater than three months and less than a year, as well as investments with original maturities of greater than a year that management has the ability and intent to sell within a year, are included in "Other current assets" on the Balance Sheets.

Cost Method Investment

LG&E has an investment in OVEC, which is accounted for using the cost method. The investment is recorded in "Other noncurrent assets" on the Balance Sheets. LG&E and 11 other electric utilities are equity owners of OVEC. OVEC's power is currently supplied to LG&E and 12 other companies affiliated with the various owners. LG&E owns 5.63% of OVEC's common stock. Pursuant to a power purchase agreement, LG&E is contractually entitled to its ownership percentage of OVEC's output, which is approximately 120 MW.

LG&E's investment in OVEC is not significant. The direct exposure to loss as a result of LG&E's involvement with OVEC is generally limited to the value of its investment; however, LG&E is conditionally responsible for a pro-rata share of certain OVEC obligations, pursuant to its power purchase contract with OVEC. As part of PPL's acquisition of LKE, the value of the power purchase contract was recorded as an intangible asset with an offsetting regulatory liability, both of which are being amortized using the units-of-production method until March 2026. See Notes 4, 10 and 14 for additional discussion of the power purchase agreement.

**Long-Lived and Intangible Assets**

Property, Plant and Equipment

PP&E is recorded at original cost, unless impaired. If impaired, the asset is written down to fair value at that time, which becomes the new cost basis of the asset. Original cost for constructed assets includes material, labor, contractor costs, certain overheads and financing costs, where applicable. The cost of repairs and minor

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replacements are charged to expense as incurred. LG&E records costs associated with planned major maintenance projects in the period in which the costs are incurred. No costs associated with planned major maintenance projects are accrued to PP&E in advance of the period in which the work is performed. LG&E accrues costs of removal net of estimated salvage value through depreciation, which is included in the calculation of customer rates over the assets' depreciable lives in accordance with regulatory practices. All ARO depreciation expense is reclassified to a regulatory asset. See "Asset Retirement Obligations" below, Note 4, and Note 15 for additional information.

LG&E does not record AFUDC as a return is provided on construction work in progress.

Depreciation

Depreciation is recorded over the estimated useful lives of property using various methods including the straight-line, composite and group methods. When a component of PP&E that was depreciated under the composite or group method is retired, the original cost is charged to accumulated depreciation. When all or a significant portion of an operating unit that was depreciated under the composite or group method is retired or sold, the property and the related accumulated depreciation account is reduced and any gain or loss is included in income, unless otherwise required by regulators. LG&E's weighted-average rates of depreciation for regulated utility plant were 3.63% and 3.58% at December 31, 2017 and 2016.

Goodwill and Other Intangible Assets

Goodwill represents the excess of the purchase price paid over the fair value of the identifiable net assets acquired in a business combination.

Other acquired intangible assets are initially measured based on their fair value. Intangibles that have finite useful lives are amortized over their useful lives based upon the pattern in which the economic benefits of the intangible assets are consumed or otherwise used. Costs incurred to obtain an initial license and renew or extend terms of licenses are capitalized as intangible assets.

When determining the useful life of an intangible asset, including intangible assets that are renewed or extended, LG&E considers:
- the expected use of the asset;
- the expected useful life of other assets to which the useful life of the intangible asset may relate;
- legal, regulatory, or contractual provisions that may limit the useful life;
- the company's historical experience as evidence of its ability to support renewal or extension;
- the effects of obsolescence, demand, competition, and other economic factors; and,
- the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

Asset Impairment (Excluding Investments)

LG&E reviews long-lived assets that are subject to depreciation or amortization, including finite-lived intangibles, for impairment when events or circumstances indicate carrying amounts may not be recoverable.

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A long-lived asset classified as held and used is impaired when the carrying amount of the asset exceeds the sum of the undiscounted cash flows expected to result from the use and eventual disposition of the asset. If impaired, the asset's carrying value is written down to its fair value.

A long-lived asset classified as held for sale is impaired when the carrying amount of the asset (disposal group) exceeds its fair value less cost to sell. If impaired, the asset's (disposal group's) carrying value is written down to its fair value less cost to sell.

LG&E reviews goodwill for impairment at the reporting unit level annually or more frequently when events or circumstances indicate that the carrying amount of a reporting unit may be greater than the unit's fair value. Additionally, goodwill must be tested for impairment in circumstances when a portion of goodwill has been allocated to a business to be disposed. LG&E is a single reporting unit.

LG&E may elect either to initially make a qualitative evaluation about the likelihood of an impairment of goodwill or to bypass the qualitative evaluation and test goodwill for impairment using a two-step quantitative test. If the qualitative evaluation (referred to as "step zero") is elected and the assessment results in a determination that it is not more likely than not that the fair value of a reporting unit is less than the carrying amount, the two-step quantitative impairment test is not necessary. However, the quantitative impairment test is required if management concludes it is more likely than not that the fair value of a reporting unit is less than the carrying amount based on the step zero assessment.

If the carrying amount of the reporting unit, including goodwill, exceeds its fair value, the implied fair value of goodwill must be calculated in the same manner as goodwill in a business combination. The fair value of a reporting unit is allocated to all assets and liabilities of that unit as if the reporting unit had been acquired in a business combination. The excess of the fair value of the reporting unit over the amounts assigned to its assets and liabilities is the implied fair value of goodwill. If the implied fair value of goodwill is less than the carrying amount, goodwill is written down to its implied fair value.

LG&E elected to perform the qualitative step zero evaluation of goodwill as of October 1, 2017. This evaluation considered the excess of fair value over the carrying value of LG&E's reporting unit that was calculated during step one of the quantitative impairment tests performed in the fourth quarter of 2015, and the relevant events and circumstances that occurred since those tests were performed including:

- current year financial performance versus the prior year,
- changes in planned capital expenditures,
- the consistency of forecasted free cash flows,
- earnings quality and sustainability,
- changes in market participant discount rates,
- changes in long-term growth rates,
- changes in PPL's market capitalization, and
- the overall economic and regulatory environments in which these regulated entities operate.

Based on this evaluation, management concluded it was not more likely than not that the fair value of LG&E's reporting unit was less than its carrying value. As such, the two-step quantitative impairment test was not

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performed and no impairment was recognized.

Asset Retirement Obligations

LG&E records liabilities to reflect various legal obligations associated with the retirement of long-lived assets. Initially, this obligation is measured at fair value and offset with an increase in the value of the capitalized asset, which is depreciated over the asset's useful life. Until the obligation is settled, the liability is increased through the recognition of accretion expense. All ARO accretion and depreciation expenses are reclassified as a regulatory asset. ARO regulatory assets associated with certain CCR projects are amortized to expense in accordance with regulatory approvals. For other AROs, at the time of retirement, the related ARO regulatory asset is offset against the associated cost of removal regulatory liability, PP&E and ARO liability.

Estimated ARO costs and settlement dates, which affect the carrying value of the ARO and the related capitalized asset, are reviewed periodically to ensure that any material changes are incorporated into the latest estimate of the ARO. Any change to the capitalized asset, positive or negative, is generally amortized over the remaining life of the associated long-lived asset. See Note 15 for additional information on AROs.

**Compensation and Benefits**

Defined Benefits

LG&E sponsors and participates in various defined benefit pension and other postretirement plans. The plans LG&E participates in are sponsored by LG&E and LKE. LKE allocates a portion of the liability and net periodic defined benefit pension and other postretirement costs of certain plans to LG&E based on its participation in those plans. An asset or liability is recorded to recognize the funded status of all defined benefit plans with an offsetting entry to regulatory assets or liabilities. Consequently, the funded status of all defined benefit plans is fully recognized on the Balance Sheets.

The expected return on plan assets is determined based on a market-related value of plan assets, which is calculated by rolling forward the prior year market-related value with contributions, disbursements and long-term expected return on investments. One-fifth of the difference between the actual value and the expected value is added (or subtracted if negative) to the expected value to determine the new market-related value.

LG&E and LKE use an accelerated amortization method for the recognition of gains and losses for its defined benefit pension plans. Under the accelerated method, actuarial gains and losses in excess of 30% of the plan's projected benefit obligation are amortized on a straight-line basis over one-half of the expected average remaining service of active plan participants. Actuarial gains and losses in excess of 10% of the greater of the plan's projected benefit obligation or the market-related value of plan assets and less than 30% of the plan's projected benefit obligation are amortized on a straight-line basis over the expected average remaining service period of active plan participants.

See Note 4 for a discussion of the regulatory treatment of defined benefit costs and Note 8 for a discussion of defined benefits.

**Taxes**

Income Taxes

LG&E is included in PPL’s consolidated U.S. federal income tax return.

LG&E has completed or made reasonable estimates of the effects of the TCJA and reflected these amounts in its December 31, 2017 financial statements. LG&E continues to evaluate the application of the TCJA and has used significant management judgement to make certain assumptions concerning the application of various components of the law in the calculation of 2017 income tax expense. The current and deferred components of the income tax expense calculations that LG&E considers provisional due to uncertainty either with respect to the technical application of the law or the quantification of the impact of the law include (but are not limited to) tax depreciation. LG&E believes that classification of these items as provisional is appropriate. LG&E has accounted for these items based on their interpretation of the TCJA.

Further interpretive guidance on the TCJA from the IRS, Treasury, the Joint Committee on Taxation through its "Blue Book" or from Congress in the form of Technical Corrections may differ from LG&E's interpretation of the TCJA.

Significant management judgment is required in developing LG&E’s provision for income taxes, primarily due to the uncertainty related to tax positions taken or expected to be taken in tax returns and valuation allowances on deferred tax assets.

Significant management judgment is also required to determine the amount of benefit to be recognized in relation to an uncertain tax position. LG&E uses a two-step process to evaluate tax positions. The first step requires LG&E to determine whether, based on the technical merits supporting a particular tax position, it is more likely than not (greater than a 50% chance) that the tax position will be sustained. This determination assumes that the relevant taxing authority will examine the tax position and is aware of all the relevant facts surrounding the tax position. The second step requires LG&E to recognize in the financial statements the benefit of a tax position that meets the more-likely-than-not recognition criterion. The benefit recognized is measured at the largest amount of benefit that has a likelihood of realization, upon settlement, that exceeds 50%. The amounts ultimately paid upon resolution of issues raised by taxing authorities may differ materially from the amounts accrued and may materially impact LG&E’s financial statements in future periods.

Deferred income taxes reflect the net future tax effects of temporary differences between the carrying amounts of assets and liabilities for accounting purposes and their basis for income tax purposes, as well as the tax effects of net operating losses and tax credit carryforwards.

LG&E records valuation allowances to reduce deferred tax assets to the amounts that are more likely than not to be realized. LG&E considers the reversal of temporary differences, future taxable income and ongoing prudent and feasible tax planning strategies in initially recording and subsequently reevaluating the need for valuation allowances. If LG&E determines that it is able to realize deferred tax assets in the future in excess of recorded net deferred tax assets, adjustments to the valuation allowances increase income by reducing tax expense in the period that such determination is made. Likewise, if LG&E determines that it is not able to realize all or part of

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net deferred tax assets in the future, adjustments to the valuation allowances would decrease income by increasing tax expense in the period that such determination is made.

LG&E defers investment tax credits when the credits are utilized and amortize the deferred amounts over the average lives of the related assets.

LG&E recognizes interest and penalties in "Income Taxes" on its Statements of Income.

See Note 3 for additional discussion regarding income taxes, including the impact of the TCJA.

LG&E's provision for deferred income taxes for regulated assets is based upon the ratemaking principles reflected in rates established by the regulators. The difference in the provision for deferred income taxes for regulated assets and the amount that otherwise would be recorded under GAAP is deferred and included on the Balance Sheets in noncurrent "Regulatory assets" or "Regulatory liabilities."

LG&E's income tax provision is calculated in accordance with an intercompany tax sharing agreement which provides that taxable income be calculated as if LG&E filed a separate return. Tax benefits are not shared between companies. LG&E is only entitled to tax benefits that it generated. The effect of PPL filing a consolidated tax return is taken into account in the settlement of current taxes and the recognition of deferred taxes. LG&E did not have an intercompany tax payable or receivable at December 31, 2017 and an intercompany tax payable of $18 million at December 31, 2016.

Taxes, Other Than Income

LG&E presents sales taxes in "Other current liabilities" on the Balance Sheets. These taxes are not reflected on the Statements of Income. See Note 3 for details on taxes included in "Taxes, other than income" on the Statements of Income.

**Other**

Leases

LG&E evaluates whether arrangements entered into contain leases for accounting purposes. See Note 7 for additional information.

Fuel, Materials and Supplies

Fuel, natural gas stored underground and materials and supplies are valued using the average cost method. Fuel costs for electric generation are charged to expense as used. Natural gas supply costs are charged to expense as delivered to the distribution system. See Note 4 for further discussion of the fuel adjustment clause and gas supply clause.

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"Fuel, materials and supplies" on the Balance Sheets consisted of the following at December 31:

| | 2017 | 2016 |
|---|---|---|
| Fuel | $ 45 | $ 60 |
| Natural gas stored underground | 43 | 42 |
| Materials and supplies | 43 | 41 |
| Total | $ 131 | $ 143 |

Guarantees

Generally, the initial measurement of a guarantee liability is the fair value of the guarantee at its inception. However, there are certain guarantees excluded from the scope of accounting guidance and other guarantees that are not subject to the initial recognition and measurement provisions of accounting guidance that only require disclosure. See Note 10 for further discussion of recorded and unrecorded guarantees.

**2. Preferred Securities**

LG&E is authorized to issue up to 1,720,000 shares of preferred stock at a $25 par value and 6,750,000 shares of preferred stock without par value. LG&E had no preferred stock issued or outstanding in 2017 or 2016.

**3. Income and Other Taxes**

Tax Cuts and Jobs Act (TCJA)

On December 22, 2017, President Trump signed into law the TCJA. Substantially all of the provisions of the TCJA are effective for taxable years beginning after December 31, 2017. The TCJA includes significant changes to the taxation of corporations, including provisions specifically applicable to regulated public utilities. The more significant changes that impact LG&E are:

- The reduction in the U.S. federal corporate income tax rate from a top marginal rate of 35% to a flat rate of 21%, effective January 1, 2018;
- Limitations on the tax deductibility of interest expense, with an exception to these limitations for regulated public utilities;
- Full current year expensing of capital expenditures with an exception for regulated public utilities that qualify for the exception to the interest expense limitation; and
- The continuation of certain rate normalization requirements for accelerated depreciation benefits. For non-regulated businesses, the TCJA generally provides for full expensing of property acquired after September 27, 2017.

Under GAAP, the tax effect of changes in tax laws must be recognized in the period in which the law is enacted, or December 2017 for TCJA. The changes enacted by the TCJA were recorded as an adjustment to LG&E's deferred tax provision.

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The components of these adjustments are discussed below:

Reduction of U.S. Federal Corporate Income Tax Rate

GAAP requires deferred tax assets and liabilities to be measured at the enacted tax rate expected to apply when temporary differences are to be realized or settled. Thus, at the date of enactment, LG&E's deferred taxes were remeasured based upon the new U.S. federal corporate income tax rate of 21%. The changes in deferred taxes were, in large part, recorded as an offset to either a regulatory asset or regulatory liability and will be reflected in future rates charged to customers.

As indicated in Note 1 - "Summary of Significant Accounting Policies - Income Taxes", LG&E's regulated operations' accounting for income taxes is impacted by rate regulation. Therefore, reductions in accumulated deferred income tax balances due to the reduction in the U.S. federal corporate income tax rate to 21% under the provisions of the TCJA may result in amounts previously collected from utility customers for these deferred taxes to be refundable to such customers over a period of time. The TCJA includes provisions that stipulate how these excess deferred taxes are to be passed back to customers for certain accelerated tax depreciation benefits. Potential refunds of other deferred taxes will be determined by LG&E's regulators. The Balance Sheet at December 31, 2017 reflects a net increase of $532 million to LG&E's regulatory liabilities as a result of the TCJA.

The measurement period ends at the earlier of the time the company finalizes its accounting for the impact of the TCJA or one year.

LG&E has completed or made reasonable estimates of the effects of the TCJA and reflected these amounts in its December 31, 2017 financial statements. LG&E continues to evaluate the application of the TCJA and has made certain assumptions concerning the application of various components of the law in the calculation of 2017 income tax expense. The current and deferred components of the income tax expense calculations that LG&E considers provisional within the meaning of the SEC guidance due to uncertainty either with respect to the technical application of the law or the quantification of the impact of the law include (but are not limited to) tax depreciation. LG&E believes that classification of these items as provisional is appropriate. LG&E has accounted for these items based on its interpretation of the TCJA.

Further interpretive guidance on the TCJA from the IRS, Treasury, the Joint Committee on Taxation through its “Blue Book” or from Congress in the form of Technical Corrections may differ from LG&E's interpretation of the TCJA.

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for accounting purposes and their basis for income tax purposes and the tax effects of net operating loss and tax credit carryforwards. Net deferred tax assets have been recognized based on management's estimates of future taxable income.

LG&E’s provision for deferred income taxes for regulated assets and liabilities is based upon the ratemaking principles reflected in rates established by the KPSC and the FERC. The difference in the provision for deferred income taxes for regulated assets and liabilities and the amount that otherwise would be recorded under GAAP

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is deferred and included in "Regulatory assets" or "Regulatory liabilities" on the Balance Sheets.

Significant components of LG&E's deferred income tax assets and liabilities at December 31 were as follows:

| | 2017 (a) | 2016 |
|---|---|---|
| **Deferred Tax Assets** | | |
| Federal loss carryforwards | $ 29 | $ 80 |
| Contribution in aid of construction | 11 | 18 |
| Regulatory liabilities | 21 | 34 |
| Deferred investment tax credits | 9 | 14 |
| Income taxes due to customers (b) | 142 | 17 |
| Derivative liability | 7 | 12 |
| Other | 12 | 17 |
| Total deferred tax assets | 231 | 192 |
| **Deferred Tax Liabilities** | | |
| Plant - net (b) | 724 | 1,058 |
| Regulatory assets | 40 | 65 |
| Accrued pension costs | 34 | 35 |
| Other | 5 | 8 |
| Total deferred tax liabilities | 803 | 1,166 |
| Net deferred tax liability | $ 572 | $ 974 |

(a) Deferred tax assets and liabilities at December 31, 2017 reflect the U.S. federal corporate income tax rate reduction from 35% to 21% enacted by the TCJA.
(b) The impact on net deferred tax liabilities as a result of the U.S. federal tax rate reduction enacted by the TCJA is primarily related to plant (net of net operating losses) and resulted in a regulatory liability for income taxes due to customers, the deferred tax impact of which is reflected as a deferred tax asset.

LG&E expects to have adequate levels of taxable income to realize its recorded deferred income tax assets.

At December 31, 2017, LG&E had $140 million of federal net operating loss carryforwards that expire in 2035, and $6 million of federal credit carryforwards that expire from 2034 to 2037.

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Details of the components of income tax expense and a reconciliation of federal income taxes derived from statutory tax rates applied to "Income Before Income Taxes" to income taxes for reporting purposes for the years ended were:

| | 2017 | 2016 |
|---|---|---|
| **Income Tax Expense (Benefit)** | | |
| Current - Federal | $ - | $ (22) |
| Current - State | 5 | 1 |
| Total Current Expense (Benefit) | 5 | (21) |
| Deferred - Federal | 112 | 134 |
| Deferred - State | 14 | 18 |
| Total Deferred Expense, excluding benefits of operating loss carryforwards | 126 | 152 |
| Investment tax credit, net - Federal | (1) | (1) |
| Tax expense (benefit) of operating loss carryforwards | | |
| Deferred - Federal | 1 | (4) |
| Total Tax Expense (Benefit) of Operating Loss Carryforwards | 1 | (4) |
| Total income tax expense | $ 131 | $ 126 |
| | | |
| Total income tax expense - Federal | $ 112 | $ 107 |
| Total income tax expense - State | 19 | 19 |
| Total income tax expense | $ 131 | $ 126 |

| | 2017 | 2016 |
|---|---|---|
| **Reconciliation of Income Taxes** | | |
| Federal income tax on Income Before Income Taxes at statutory tax rate - 35% | $ 120 | $ 115 |
| Increase (decrease) due to: | | |
| State income taxes, net of federal income tax benefit | 13 | 12 |
| Amortization of investment tax credit | (1) | (1) |
| Other | (1) | - |
| Total increase | 11 | 11 |
| Total income tax expense | $ 131 | $ 126 |
| **Effective income tax rate** | 38.1% | 38.3% |

For the years ended December 31, 2017 and 2016, LG&E incurred expenses of $33 million and $32 million related to taxes, other than income. Taxes, other than income were comprised primarily of property taxes.

**Unrecognized Tax Benefits**

LG&E’s income tax provision is calculated in accordance with an intercompany tax sharing agreement which provides that taxable income be calculated as if LG&E filed a separate return. Based on this tax sharing agreement, LG&E indirectly files tax returns in two major tax jurisdictions. At December 31, 2017, these jurisdictions, as well as the tax years that are no longer subject to examination, were as follows:

| | |
|---|---|
| U.S. (federal) | 2013 and prior |
| Kentucky (state) | 2012 and prior |

**4. Utility Rate Regulation**

**Regulatory Assets and Liabilities**

LG&E reflects the effects of regulatory actions in the financial statements for its cost-based rate-regulated utility operations. Regulatory assets and liabilities are classified as current if, upon initial recognition, the entire amount related to that item will be recovered or refunded within a year of the balance sheet date.

LG&E is subject to the jurisdiction of the KPSC and FERC.

LG&E's base rates are calculated based on a return on capitalization (common equity, long-term debt and short-term debt) including adjustments for certain net investments and costs recovered separately through other means. As such, LG&E generally earns a return on regulatory assets.

As a result of purchase accounting requirements, certain fair value amounts related to contracts that had favorable or unfavorable terms relative to market were recorded on the Balance Sheets with an offsetting regulatory asset or liability. LG&E recovers in customer rates the cost of power purchases. As a result, management believes the regulatory assets and liabilities created to offset the fair value amounts at LKE's acquisition date meet the recognition criteria established by existing accounting guidance and eliminate any rate-making impact of the fair value adjustments. LG&E's customer rates continue to reflect the original contracted prices for remaining contracts.

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The following table provides information about the regulatory assets and liabilities of cost-based rate-regulated utility operations at December 31:

| | 2017 | 2016 |
|---|---|---|
| Current Regulatory Assets: | | |
| Environmental cost recovery | $ 5 | $ 6 |
| Gas supply clause | 4 | 3 |
| Other | 3 | - |
| Total current regulatory assets | $ 12 | $ 9 |
| Noncurrent Regulatory Assets: | | |
| Defined benefit plans | $ 234 | $ 246 |
| Storm costs | 18 | 26 |
| Unamortized loss on debt | 16 | 16 |
| Interest rate swaps | 26 | 31 |
| Terminated interest rate swaps | 54 | 57 |
| AROs | 61 | 70 |
| Other | 2 | 4 |
| Total noncurrent regulatory assets | $ 411 | $ 450 |
| Current Regulatory Liabilities: | | |
| Gas line tracker | $ 3 | $ - |
| Fuel adjustment clause | - | 2 |
| Demand side management | - | 2 |
| Other | - | 1 |
| Total current regulatory liabilities | $ 3 | $ 5 |
| Noncurrent Regulatory Liabilities: | | |
| Net deferred taxes (a) | $ 552 | $ 23 |
| Accumulated cost of removal of utility plant | 282 | 305 |
| Power purchase agreement - OVEC (b) | 47 | 52 |
| Terminated interest rate swaps | 37 | 39 |
| Other | 1 | - |
| Total noncurrent regulatory liabilities | $ 919 | $ 419 |

(a) Primarily relates to excess deferred taxes recorded as a result of the TCJA, which lowered the federal corporate income tax rate effective January 1, 2018 requiring deferred tax balances and the associated regulatory liabilities to be remeasured as of December 31, 2017.
(b) This liability was recorded as an offset to an intangible asset that was recorded at fair value upon the acquisition of LKE by PPL.

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Following is an overview of selected regulatory assets and liabilities detailed in the preceding tables. Specific developments with respect to certain of these regulatory assets and liabilities are discussed in "Regulatory Matters."

Defined Benefit Plans

Defined benefit plan regulatory assets and liabilities represent prior service costs and net actuarial gains and losses that will be recovered in defined benefit plans expense through future base rates based upon established regulatory practices and, generally, are amortized over the average remaining service lives of plan participants. These regulatory assets are adjusted at least annually or whenever the funded status of defined benefit plans is remeasured. Of the regulatory asset balances recorded, costs of $26 million are expected to be amortized into net periodic defined benefit costs in 2018 in accordance with LG&E's pension accounting policy.

As a result of the 2014 Kentucky rate case settlement that became effective July 1, 2015, the difference between pension cost calculated in accordance with LG&E's pension accounting policy and pension cost calculated using a 15-year amortization period for actuarial gains and losses is recorded as a regulatory asset. As of December 31, 2017 and 2016, the balances were $18 million and $11 million. Of the costs expected to be amortized into net periodic defined benefit costs in 2018, $10 million is expected to be recorded as a regulatory asset in 2018.

Storm Costs

LG&E has the ability to request from the KPSC the authority to treat expenses related to specific extraordinary storms as a regulatory asset and defer such costs for regulatory accounting and reporting purposes. Once such authority is granted, LG&E can request recovery of those expenses in a base rate case and begin amortizing the costs when recovery starts. LG&E's regulatory assets for storm costs are being amortized through various dates ending in 2020.

Unamortized Loss on Debt

Unamortized loss on reacquired debt represents losses on long-term debt reacquired or redeemed that have been deferred and will be amortized and recovered over either the original life of the extinguished debt or the life of the replacement debt (in the case of refinancing). Such costs are being amortized through 2044.

Regulatory Liability Associated with Net Deferred Taxes

Regulatory liabilities associated with net deferred taxes represent the future revenue impact from the adjustment of deferred income taxes required primarily for excess deferred taxes and unamortized investment tax credits. At December 31, 2017, excess deferred taxes recorded as a result of the TCJA were $532 million, which includes the gross-up associated with the excess deferred taxes.

Environmental Cost Recovery

Kentucky law permits LG&E to recover the costs, including a return of operating expenses and a return of and

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on capital invested, of complying with the Clean Air Act and those federal, state or local environmental requirements, which apply to coal combustion wastes and by-products from coal-fired electricity generating facilities. The KPSC requires reviews of the past operations of the environmental surcharge for six-month and two-year billing periods to evaluate the related charges, credits and rates of return, as well as to provide for the roll-in of ECR amounts to base rates each two-year period. In December 2017, the KPSC issued orders continuing the use of an authorized return on equity of 9.7% for all existing approved ECR plans and projects. The ECR regulatory asset or liability represents the amount that has been under- or over-recovered due to timing or adjustments to the mechanism and is typically recovered within 12 months.

Fuel Adjustment Clause

LG&E's retail electric rates contain a fuel adjustment clause, whereby variances in the cost of fuel to generate electricity, including transportation costs, from the costs embedded in base rates are adjusted in LG&E's rates. The KPSC requires public hearings at six-month intervals to examine past fuel adjustments and at two-year intervals to review past operations of the fuel adjustment clause and, to the extent appropriate, reestablish the fuel charge included in base rates. The regulatory assets or liabilities represent the amounts that have been under- or over-recovered due to timing or adjustments to the mechanism and are typically recovered within 12 months.

Demand Side Management

LG&E's DSM programs consist of energy efficiency programs, intended to reduce peak demand and delay investment in additional power plant construction, provide customers with tools and information to become better managers of their energy usage and prepare for potential future legislation governing energy efficiency. LG&E's rates contain a DSM provision, which includes a rate recovery mechanism that provides for concurrent recovery of DSM costs and incentives, and allows for the recovery of DSM revenues from lost sales associated with the DSM programs. Additionally, LG&E earns an approved return on equity for capital expenditures associated with the residential and commercial load management and demand conservation programs. The cost of DSM programs is assigned only to the class or classes of customers that benefit from the programs.

AROs

As discussed in Note 1, all ARO accretion and depreciation expenses are reclassified as a regulatory asset. ARO regulatory assets associated with certain CCR projects are amortized to expense in accordance with regulatory approvals. For other AROs, at the time of retirement, the related ARO regulatory asset is offset against the associated cost of removal regulatory liability, PP&E and ARO liability.

Power Purchase Agreement – OVEC

As a result of purchase accounting associated with PPL's acquisition of LKE, the fair values of the OVEC power purchase agreement were recorded on the Balance Sheets with an offset to a regulatory liability. The regulatory liability is being amortized using the units-of-production method until March 2026, the expiration date of the agreement at the date of the acquisition. See Notes 1, 10 and 14 for additional discussion of the power purchase agreement.

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Interest Rate Swaps

Unrealized gains and losses are recorded as regulatory assets or regulatory liabilities until they are realized as interest expense. Interest expense from existing swaps is realized and recovered over the terms of the associated debt, which matures through 2033.

Terminated Interest Rate Swaps

Net realized gains and losses on all interest rate swaps are probable of recovery through regulated rates; as such, any gains and losses on these derivatives are included in regulatory assets or liabilities and are primarily recognized in "Interest Expense" on the Statements of Income over the life of the associated debt.

A net cash settlement of $9 million was paid on a swap that was terminated in December 2016. The KPSC authorized the recording of a regulatory asset and the recovery of such costs. As part of the Stipulation to the 2016 Kentucky rate case that became effective July 1, 2017, the KPSC authorized LG&E to recover the swap termination payment through amortization of the regulatory asset using a straight-line method over 17 years. The amortization of the regulatory asset is recognized in "Interest Expense" on the Statements of Income.

Plant Outage Costs

The Stipulation to the 2016 Kentucky rate case that became effective July 1, 2017 provided for the normalization of expenses associated with plant outages using an eight-year average. The eight-year average is comprised of four historical years' and four forecasted years' expenses. Plant outage expenses that are greater or less than the eight-year average will be collected from or returned to customers, through future base rates. These amounts are included in other current regulatory assets or other current regulatory liabilities above.

Gas Line Tracker

The GLT authorizes LG&E to recover its incremental operating expenses, depreciation, property taxes and cost of capital, including a return on equity, for capital associated with the five year gas service riser, leak mitigation and customer service line ownership programs. As part of this program, LG&E makes necessary repairs to the gas distribution system and assumes ownership of service lines when replaced. In the 2016 rate case, the KPSC approved additional projects for recovery through the GLT mechanism related to further gas line replacements and transmission pipeline modernizations. Effective July 1, 2017, LG&E is authorized to earn a 9.7% return on equity for the GLT mechanism. As part of the 2016 rate case, LG&E now annually files a combined application which includes revised rates based on projected costs and a balancing adjustment calculation with rates effective on the first billing cycle in May. After the completion of a plan year, the balancing adjustment, as part of the combined application filing to the KPSC, amends rates charged for the differences between the actual costs and actual GLT charges for the preceding year. The regulatory assets or liabilities represent the amounts that have been under- or over-recovered due to these cost differences.

Gas Supply Clause

LG&E's natural gas rates contain a gas supply clause, whereby the expected cost of natural gas supply and

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variances between actual and expected costs from prior periods are adjusted quarterly in rates, subject to approval by the KPSC. The gas supply clause also includes a separate natural gas procurement incentive mechanism, which allows rates to be adjusted annually to share savings between the actual cost of gas purchases and market indices with the shareholders and the customers during each performance-based rate year (12 months ending October 31). The regulatory assets or liabilities represent the total amounts that have been under- or over-recovered due to timing or adjustments to the mechanisms and are typically recovered within 18 months.

**Regulatory Matters**

*Rate Case Proceedings*

In November 2016, LG&E filed a request with the KPSC for increases in annual base electricity and gas rates. The application included requests for CPCNs for implementing an Advanced Metering System program and a Distribution Automation program.

In April and May 2017, LG&E along with all intervening parties to the proceeding, filed with the KPSC, stipulation and recommendation agreements (stipulations) resolving all issues with the parties. Among other things, the proposed stipulations provided for increases in annual revenue requirements associated with base electricity rates of $59 million and base gas rates of $8 million, reflecting a return on equity of 9.75%, the withdrawal of the request for a CPCN for the Advanced Metering System and other changes to the revenue requirements, which dealt primarily with the timing of cost recovery, including depreciation rates.

In June 2017, the KPSC issued orders approving, with certain modifications, the proposed stipulations filed in April and May 2017. The orders modified the stipulations to provide for increases in annual revenue requirements associated with base electricity rates of $57 million, base gas rates of $7 million and incorporated an authorized return on equity of 9.7%. Consistent with the stipulations, the orders approved the request for implementing a Distribution Automation program and the withdrawal of a request for a CPCN for the Advanced Metering System program. The orders also approved new depreciation rates that resulted in higher depreciation of approximately $4 million in 2017, exclusive of net additions to PP&E. The orders resulted in base electricity and gas rate increases of 5.2% and 2.1%. The new base rates and all elements of the orders became effective July 1, 2017. On June 23, 2017, the KPSC issued orders establishing an authorized return on equity of 9.7% for all existing approved ECR plans and projects, replacing the prior authorized return on equity levels of 9.8% for CCR projects and 10% for all other ECR approved projects, effective with bills issued in August 2017. The annual impact of the new authorized return for ECR projects is not expected to be significant.

*CPCN Filing*

On January 10, 2018, LG&E filed an application for a CPCN with the KPSC requesting approval for implementing Advanced Metering Systems across its service territory, including gas operations. The full Advanced Metering Systems deployment is expected to be completed in 2021 with estimated capital costs of $104 million and $62 million for electric and gas service. The full deployment will also result in incremental operation and maintenance costs during the deployment phase of $11 million and $3 million for electric and gas service.

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*TCJA Impact on Rates*

On December 21, 2017, Kentucky Industrial Utility Customers, Inc. submitted a complaint with the KPSC against LG&E and other utility companies in Kentucky, alleging that their respective rates would no longer be fair, just and reasonable following the enactment of the TCJA reducing the federal corporate tax rate from 35% to 21%. The complaint requested the KPSC to issue an order requiring LG&E to begin deferring, as of January 1, 2018, the revenue requirement effect of all income tax expense savings resulting from the federal corporate income tax reduction, including the amortization of excess deferred income taxes by recording those savings in a regulatory liability account and establishing a process by which the federal corporate income tax savings will be passed back to customers.

On December 27, 2017, as a result of the complaint, the KPSC ordered LG&E to satisfy or address the complaint and commence recording regulatory liabilities to reflect the reduction in the federal corporate tax rate to 21% and the associated savings in excess deferred taxes on an interim basis until utility rates are adjusted to reflect the federal tax savings.

On January 8, 2018, LG&E responded to the complaint, denying certain claims in the complaint but concurring that the TCJA will result in savings for its customers. LG&E stated in its response that the company recorded regulatory liabilities as of December 31, 2017 to reflect the reduction in the federal corporate tax rate and the associated savings in excess deferred taxes and will make changes to its ECR, DSM and GLT rate mechanisms to begin providing the applicable savings to customers. LG&E also offered to establish a new bill credit mechanism effective with the April 2018 billing cycle to begin distributing the tax savings associated with base rates to customers.

On January 29, 2018, LG&E reached a settlement agreement to commence returning savings related to the TCJA to its customers. The savings will be distributed through its ECR, DSM and GLT rate mechanisms beginning in March 2018 and through a new bill credit mechanism from April 1, 2018 through April 30, 2019. The estimated impact of the rate reduction represents approximately $69 million in electricity revenues and $17 million in gas revenues for the period January 2018 through April 2019. Ongoing tax savings are expected to also be addressed in LG&E's next base rate case. LG&E indicated its intent to file an application for base rate changes during 2018 to be effective during spring 2019. The settlement agreement is subject to review and approval by the KPSC. An order in the proceeding may occur during the first quarter of 2018.

The FERC has not issued any guidance on the effect on rates of the TCJA.
LG&E cannot predict the outcome of these proceedings.

*Gas Franchise*

LG&E’s gas franchise agreement for the Louisville/Jefferson County service area expired in March 2016. In August 2016, LG&E and Louisville/Jefferson County entered into a revised franchise agreement with a five-year term (with renewal options). The franchise fee may be modified at Louisville/Jefferson County's election upon 60 days' notice. However, any franchise fee is capped at 3% of gross receipts for natural gas service within the franchise area. The agreement further provides that if the KPSC determines that the franchise fee should be recovered from LG&E's customers, the franchise fee shall revert to zero. In August 2016, LG&E

filed an application in a KPSC proceeding to review and rule upon the recoverability of the franchise fee.

In August 2016, Louisville/Jefferson County submitted a motion to dismiss the proceeding filed by LG&E and, in November 2016, filed an amended complaint against LG&E relating to these issues. LG&E submitted KPSC filings to respond to, request dismissal of and consolidate certain claims or aspects of the proceedings. In January 2017, the KPSC issued an order denying Louisville/Jefferson County's motion to dismiss, consolidating the matter with LG&E's filed application and establishing a procedural schedule for the case. In September 2017, oral arguments were heard by the KPSC and a final order is expected in 2018. Until the KPSC issues a final order in this proceeding, LG&E cannot predict the ultimate outcome of this matter but does not anticipate that it will have a material effect on its financial condition or results of operation. LG&E continues to provide gas service to customers in this franchise area at existing rates, but without collecting or remitting a franchise fee.

## 5. Financing Activities

### Credit Arrangements and Short-term Debt

LG&E maintains a credit facility to enhance liquidity, provide credit support and provide a backstop to its commercial paper program. The Syndicated Credit Facility is recorded as “Short-term debt” on the Balance Sheets and the borrowings under the Term Loan Facility are recorded as “Long-term debt” on the Balance Sheet. The following credit facilities were in place at December 31:

| | 2017 | | | 2016 |
|---|---|---|---|---|
| | Syndicated Credit Facility (a) (b) | Term Loan Credit Facility (a) (c) | Total Credit Facilities | Syndicated Credit Facility |
| Expiration Date | Jan-2022 | Oct-2019 | | Dec 2020 |
| Capacity | $ 500 | $ 200 | $ 700 | $ 500 |
| Borrowed | $ - | $ 100 | $ 100 | $ - |
| Commercial Paper Issuances | $ 199 | $ - | $ 199 | $ 169 |
| Unused Capacity | $ 301 | $ 100 | $ 401 | $ 331 |

(a) LG&E pays customary fees under its facilities and borrowings generally bear interest at LIBOR-based rates plus an applicable margin.
(b) The facilities contain a financial covenant requiring debt to total capitalization not to exceed 70% as calculated in accordance with the facility and other customary covenants. Additionally, as it relates to the syndicated credit facility and subject to certain conditions, LG&E may request up to a $100 million increase in its facility's capacity.
(c) LG&E entered into a term loan credit agreement in October 2017 whereby it may borrow up to $200 million. The outstanding borrowings at December 31, 2017 bore interest at a rate of 2.06%

In January 2018, LG&E borrowed the remaining $100 million available under its $200 million term loan facility. The proceeds were used to repay short-term debt and for general corporate purposes.

In January 2018, the expiration date for LG&E's syndicated credit facility expiring in January 2022 was extended to January 2023.

LG&E maintains a commercial paper program to provide an additional financing source to fund short-term liquidity needs, as necessary. Commercial paper issuances, included in "Short-term debt" on the Balance Sheets, are supported by LG&E's syndicated credit facility. The following commercial paper program was in place at December 31:

| | 2017 | | 2016 | |
|---|---|---|---|---|
| Weighted - Average Interest Rate | | 1.83% | | 0.94% |
| Capacity | $ | 350 | $ | 350 |
| Commercial Paper Issuances | $ | 199 | $ | 169 |
| Unused Capacity | $ | 151 | $ | 181 |

See Note 11 for discussion of intercompany borrowings.

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**Long-term Debt**

| | December 31, 2017 | December 31, 2016 |
|---|---|---|
| Term Loan Credit Facility | $ 100 | $ - |
| First Mortgage Bonds | 1,624 | 1,634 |
| Total Long-term Debt Before Adjustments | 1,724 | 1,634 |
| **Other** | | |
| Fair market value adjustments | - | (1) |
| Unamortized discount | (4) | (4) |
| Unamortized debt issuance costs | (11) | (12) |
| Total Long-term Debt | 1,709 | 1,617 |
| Less current portion of Long-term Debt | 98 | 194 |
| Total Long-term Debt, noncurrent | $ 1,611 | $ 1,423 |
| Weighted-Average Rate (a): | | |
| Term Loan | 2.06% | - |
| First Mortgage Bonds | 3.48% | 3.45% |
| Maturities (a): | | |
| Term Loan | 2019 | - |
| First Mortgage Bonds | 2018 - 2045 | 2017 - 2045 |

(a) The table reflects principal maturities only, based on stated maturities or earlier put dates, and the weighted-average rates as of December 31, 2017.

LG&E's first mortgage bonds are secured by the lien of the LG&E 2010 Mortgage Indenture which creates a lien, subject to certain exceptions and exclusions, on substantially all of LG&E's real and tangible personal property located in Kentucky and used or to be used in connection with the generation, transmission and distribution of electricity and the storage and distribution of natural gas. The aggregate carrying value of the property subject to the lien was $4.7 billion and $4.4 billion at December 31, 2017 and 2016.

The first mortgage bonds were issued to the respective trustees of tax-exempt revenue bonds to secure obligations to make payments with respect to each series of bonds. The first mortgage bonds were issued in the same principal amounts, contain payment and redemption provisions that correspond to and bear the same interest rate as such tax-exempt revenue bonds. The related tax-exempt revenue bonds were issued by various governmental entities, principally counties in Kentucky, on behalf of LG&E. The related revenue bond documents allow LG&E to convert the interest rate mode on the bonds from time to time to a commercial paper rate, daily rate, weekly rate, term rate of at least one year or, in some cases, an auction rate or a LIBOR index rate.

At December 31, 2017, the aggregate tax-exempt revenue bonds issued on behalf of LG&E that were in a term rate mode totaled $391 million. At December 31, 2017, the aggregate tax-exempt revenue bonds issued on behalf of LG&E that were in a variable rate mode totaled $147 million. These variable rate tax-exempt revenue bonds are subject to tender for purchase by LG&E at the option of the holder and to mandatory tender for purchase by LG&E upon the occurrence of certain events.

None of the outstanding debt securities noted above have sinking fund requirements. The aggregate maturities of long-term debt, based on stated maturities or earlier put dates, for the periods 2018 through 2022 and thereafter are as follows:

| | | |
|---|---|---|
| 2018 | $ | 98 |
| 2019 | | 334 |
| 2020 | | - |
| 2021 | | - |
| 2022 | | - |
| Thereafter | | 1,292 |
| Total | $ | 1,724 |

In April 2017, the Louisville/Jefferson County Metro Government of Kentucky remarketed $128 million of Pollution Control Revenue Bonds, 2003 Series A (Louisville Gas and Electric Company Project) due 2033 previously issued on behalf of LG&E. The bonds were remarketed at a long-term rate and will bear interest at 1.50% through their mandatory purchase date of April 1, 2019.

In June 2017, the County of Trimble, Kentucky issued $60 million of Environmental Facilities Revenue Refunding Bonds, 2017 Series A (Louisville Gas and Electric Company Project) due 2033 on behalf of LG&E. The bonds were issued bearing interest at a rate of 3.75% through their maturity and are subject to an optional redemption on or after June 1, 2027. The proceeds of the bonds were used to redeem $60 million of Environmental Facilities Revenue Refunding Bonds, 2007 Series A (Louisville Gas and Electric Company Project) due 2033 previously issued by the County of Trimble, Kentucky on behalf of LG&E.

In June 2017, the Louisville/Jefferson County Metro Government of Kentucky remarketed $31 million of Environmental Facilities Revenue Refunding Bonds, 2007 Series A (Louisville Gas and Electric Company Project) due 2033 previously issued on behalf of LG&E. The bonds were remarketed at a long-term rate and will bear interest at 1.25% through their mandatory purchase date of June 3, 2019.

In June 2017, the Louisville/Jefferson County Metro Government of Kentucky remarketed $35 million of Environmental Facilities Revenue Refunding Bonds, 2007 Series B (Louisville Gas and Electric Company Project) due 2033 previously issued on behalf of LG&E. The bonds were remarketed at a long-term rate and will bear interest at 1.25% through their mandatory purchase date of June 3, 2019.

In October 2017, LG&E entered into a term loan credit facility with a term expiring in October 2019. As of

December 31, 2017, LG&E had outstanding borrowings of $100 million under this agreement at a rate of 2.06%. In January 2018, LG&E borrowed the remaining $100 million available under this facility.

In November 2017, LG&E redeemed, at par, its $10 million Louisville/Jefferson Country Metro Government Environmental Facilities Revenue Bonds, 2001 Series A (Louisville Gas and Electric Company Project) due 2027.

**Legal Separateness**

The subsidiaries of PPL are separate legal entities. PPL's subsidiaries are not liable for the debts of PPL. Accordingly, creditors of PPL may not satisfy their debts from the assets of PPL's subsidiaries absent a specific contractual undertaking by a subsidiary to pay PPL's creditors or as required by applicable law or regulation. Similarly, PPL is not liable for the debts of its subsidiaries, nor are its subsidiaries liable for the debts of one another. Accordingly, creditors of PPL's subsidiaries may not satisfy their debts from the assets of PPL or its other subsidiaries absent a specific contractual undertaking by PPL or its other subsidiaries to pay the creditors or as required by applicable law or regulation.

Similarly, the subsidiaries of LKE are each separate legal entities. These subsidiaries are not liable for the debts of LKE. Accordingly, creditors of LKE may not satisfy their debts from the assets of its subsidiaries absent a specific contractual undertaking by a subsidiary to pay the creditors or as required by applicable law or regulation. Similarly, LKE is not liable for the debts of its subsidiaries, nor are its subsidiaries liable for the debts of one another. Accordingly, creditors of its subsidiaries may not satisfy their debts from the assets of LKE (or its other subsidiaries) absent a specific contractual undertaking by that parent or other subsidiary to pay such creditors or as required by applicable law or regulation.

**Distributions and Related Restrictions**

LKE primarily relies on dividends from its subsidiaries to fund its distributions to PPL. LG&E is subject to Section 305(a) of the Federal Power Act, which makes it unlawful for a public utility to make or pay a dividend from any funds "properly included in capital account." The meaning of this limitation has never been clarified under the Federal Power Act. LG&E believes, however, that this statutory restriction, as applied to its circumstances, would not be construed or applied by the FERC to prohibit the payment from retained earnings of dividends that are not excessive and are for lawful and legitimate business purposes. In February 2012, LG&E petitioned the FERC requesting authorization to pay dividends in the future based on retained earnings balances calculated without giving effect to the impact of purchase accounting adjustments for the acquisition of LKE by PPL. In May 2012, the FERC approved the petition with the further condition that LG&E may not pay dividends if such payment would cause its adjusted equity ratio to fall below 30% of total capitalization. Accordingly, at December 31, 2017, net assets of $1.1 billion were restricted for purposes of paying dividends to LKE, and net assets of $1.4 billion were available for payment of dividends to LKE. LG&E believes it will not be required to change its current dividend practice as a result of the foregoing requirement. Orders from the KPSC require LG&E to obtain prior consent or approval before lending amounts to PPL or LKE.

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## 6. Acquisitions, Development and Divestitures

From time to time, LG&E evaluates opportunities for potential acquisitions, divestitures and development projects. Development projects are reexamined based on market conditions and other factors to determine whether to proceed with, modify or terminate the projects. Any resulting transactions may impact future financial results.

### Development

Capacity Needs

In December 2014, a final order was issued by the KPSC approving LG&E's and KU's request to construct a solar generation facility at the E.W. Brown facility. The jointly-owned 10 MW facility was placed into commercial operation in June 2016 at a cost of $25 million.

## 7. Leases

LG&E has entered into various agreements for the lease of office space, vehicles, land, gas storage and other equipment.

Rent - Operating Leases

Rent expense for operating leases was $15 million for the years ended December 31, 2017 and 2016.

Total future minimum rental payments for all operating leases are estimated to be:

| | | |
|---|---|---|
| 2018 | $ | 15 |
| 2019 | | 8 |
| 2020 | | 5 |
| 2021 | | 3 |
| 2022 | | 2 |
| Thereafter | | 6 |
| Total | $ | 39 |

## 8. Retirement and Postemployment Benefits

### Defined Benefits

In addition to the plan it sponsors, LG&E is allocated a portion of the funded status and costs of the plan sponsored by LKE based on its participation in the plan, which management believes is reasonable. LG&E's and LKE's defined benefit pension plans were closed to new salaried and bargaining unit employees hired after December 31, 2005. Employees hired after December 31, 2005 receive additional company contributions above

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the standard matching contributions to their savings plans.

The majority of employees are eligible for certain health care and life insurance benefits upon retirement through a contributory plan sponsored by LKE. Postretirement health benefits may be paid from 401(h) accounts established as part of the LKE plan within the PPL Services Corporation Master Trust, funded VEBA trusts, and company funds.

The following table provides the components of net periodic defined benefit costs for LG&E's pension benefit plan for the years ended December 31:

| | 2017 | 2016 |
|---|---|---|
| **Net periodic defined benefit costs (credits):** | | |
| Service cost | $ 1 | $ 1 |
| Interest cost | 13 | 15 |
| Expected return on plan assets | (22) | (21) |
| Amortization of: | | |
| Prior service cost | 5 | 4 |
| Actuarial loss (a) | 9 | 7 |
| Net periodic defined benefit costs (b) | $ 6 | $ 6 |
| Settlements (b) | | |
| Net periodic defined benefit costs (credits) | $ 6 | $ 6 |
| **Other Changes in Plan Assets and Benefit Obligations Recognized in Regulatory Assets - Gross:** | | |
| Net (gain) loss | $ (9) | $ 22 |
| Prior service cost | 7 | - |
| Amortization of: | | |
| Prior service credit | (5) | (4) |
| Actuarial gain | (9) | (7) |
| Total recognized in regulatory assets | (16) | 11 |
| Total recognized in net periodic benefit costs (credits) and regulatory assets | $ (10) | $ 17 |

(a) As a result of the 2014 Kentucky rate case settlement that became effective July 1, 2015, the difference between actuarial (gain)/loss calculated in accordance with LG&E's pension accounting policy and the actuarial (gain)/loss calculated using a 15 year amortization period is recorded as a regulatory asset. This difference was $4 million in 2017 and $5 million in 2016.
(b) Due to the amount of lump sum payment distributions from the LG&E qualified pension plan, a settlement charge of $5 million was incurred. In accordance with existing regulatory accounting treatment, LG&E has maintained the settlement charge in regulatory assets. The amount will be amortized in accordance with existing regulatory practice.

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For the pension plan sponsored by LG&E, the estimated amount to be amortized from regulatory assets into net periodic defined benefit costs in 2018 is $14 million ($5 million amortization of prior service cost and $9 million amortization of actuarial loss). For LG&E's participation in LKE's pension plan, the estimated amount to be amortized from regulatory assets into net periodic defined benefit costs in 2018 is $11 million ($2 million amortization of prior service cost and $9 million amortization of actuarial loss). For LG&E's participation in LKE's other postretirement plan, the estimated amount to be amortized from regulatory assets into net periodic defined benefit costs in 2018 is less than $1 million (amortization of prior service cost).

For the pension plan sponsored by LG&E, of the costs expected to be amortized into net periodic defined benefit costs in 2018, $3 million is expected to be recorded as a regulatory asset representing the difference between net periodic defined benefit costs under the pension accounting policy and using a 15 year amortization period for gains and losses. For LG&E's participation in LKE's pension plan, of the costs expected to be amortized into net periodic defined benefit costs in 2018, $4 million is expected to be recorded as a regulatory asset for this difference.

The net periodic defined benefit costs charged to operating expense or regulatory assets, excluding amounts charged to construction work in progress and other non-expense accounts, for pension benefits sponsored by LG&E were $3 million and $4 million in 2017 and in 2016. Allocations to LG&E for net periodic defined benefit costs charged to operating expense or regulatory assets, excluding amounts charged to construction work in progress and other non-expense accounts, for pension benefits were $5 million and $4 million in 2017 and 2016. Allocations to LG&E for net periodic defined benefit costs charged to operating expense, excluding amounts charged to construction work in progress and other non-expense accounts, for other postretirement benefits were $3 million in 2017 and 2016. These allocated amounts are based on LG&E's participation in those plans, which management believes is reasonable.

For the pension plan sponsored by LG&E, of the costs charged to operating expense or regulatory assets, excluding amounts charged to construction and other non-expense accounts, $2 million were recorded as regulatory assets during 2017 and 2016, representing the difference between net periodic defined benefit costs under the pension accounting policy and using a 15 year amortization period for gains and losses. An additional $2 million and $1 million were recorded as a regulatory asset for this difference for the pension plan in which LG&E participates during 2017 and 2016.

LG&E is also allocated costs of defined benefit plans sponsored by LKE. See Note 11 for additional information on costs allocated to LG&E from LKS. Allocations are based on LG&E's participation in those plans, which management believes are reasonable.

LKE and LG&E utilized the mortality tables issued by the Society of Actuaries in October 2014 (RP-2014 base tables with collar and factor adjustments, where applicable) for their defined benefit pension plans and LKE's other postretirement benefit plan. In addition, in 2014, LKE and LG&E updated the basis for estimating projected mortality improvements and selected the IRS BB-2D two-dimensional improvement scales on a generational basis for all their defined benefit pension plans and LKE's other postretirement benefit plan. In 2017, LKE and LG&E updated to the MP-2017 mortality improvement scale from 2006 on a generational basis. This new mortality assumption reflects the expectation of lower ongoing improvements in life expectancies.

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For the pension plan sponsored by LG&E, the following weighted-average assumptions were used in the valuation of the benefit obligations at December 31:

| | 2017 | 2016 |
|---|---|---|
| Discount rate | 3.65% | 4.13% |

For the pension plan sponsored by LG&E, the following weighted-average assumptions were used to determine the net periodic defined benefit costs for the years ended December 31:

| | 2017 | 2016 |
|---|---|---|
| Discount rate | 4.13% | 4.49% |
| Expected return on plan assets (a) | 7.00% | 7.00% |

(a) The expected long-term rates of return for pension benefits are based on management's projections using a best-estimate of expected returns, volatilities and correlations for each asset class. The plan's specific current and expected asset allocations are also considered in developing a reasonable return assumption.

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The funded status of LG&E's plan at December 31 was as follows:

| | 2017 | 2016 |
|---|---|---|
| **Change in Benefit Obligation** | | |
| Benefit Obligation, beginning of period | $ 329 | $ 326 |
| Service cost | 1 | 1 |
| Interest cost | 13 | 15 |
| Plan amendments | 6 | - |
| Actuarial loss | 11 | 15 |
| Gross benefits paid (a) | (34) | (28) |
| Benefit Obligation, end of period | $ 326 | $ 329 |
| **Change in Plan Assets** | | |
| Plan assets at fair value, beginning of period | 318 | 297 |
| Actual return on plan assets | 41 | 14 |
| Employer contributions | - | 35 |
| Gross benefits paid (a) | (34) | (28) |
| Plan assets at fair value, end of period | 325 | 318 |
| Funded Status, end of period | $ (1) | $ (11) |
| **Amounts recognized in the Balance Sheets consist of:** | | |
| Noncurrent liability | (1) | (11) |
| Net amount recognized, end of period | $ (1) | $ (11) |
| **Amounts recognized in regulatory assets (pre-tax) consists of:** | | |
| Prior service cost | $ 27 | $ 25 |
| Net actuarial loss | 92 | 110 |
| Total | $ 119 | $ 135 |
| **Total accumulated benefit obligation for defined benefit** | $ 326 | $ 329 |

(a) The pension plan was amended in December 2015 to allow active participants and terminated vested participants who had not previously elected a form of payment of their benefit to elect to receive their accrued pension benefit as a one-time lump-sum payment effective January 1, 2016. The projected benefit obligation at December 31, 2015 increased by $10 million as a result of the amendment. Gross benefits paid by the plan include $19 million and $14 million of lump-sum cash payments made to the participants during 2017 and 2016 in connection with this offering.

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Amounts recognized in LG&E's regulatory assets based on LG&E's participation in LKE's pension plan and other postretirement plan at December 31 were as follows:

| | Pension Benefits | | Other Postretirement Benefits | |
|---|---|---|---|---|
| | 2017 | 2016 | 2017 | 2016 |
| Prior service cost | $ 3 | $ 5 | $ 6 | $ 3 |
| Net actuarial loss | 85 | 88 | 2 | 5 |
| Total | $ 88 | $ 93 | $ 8 | $ 8 |

As a result of the 2014 Kentucky rate case settlement that became effective July 1, 2015, the difference between net periodic defined benefit costs calculated in accordance with LG&E's pension accounting policy and the net periodic defined benefit costs calculated using a 15 year amortization period for actuarial gains and losses is recorded as a regulatory asset. This difference for LG&E's plan, LG&E's participation in LKE's plan and allocations to LG&E from LKS was $19 million and $10 million as of December 31, 2017 and 2016.

LG&E's pension plan had projected and accumulated benefit obligations in excess of plan assets at December 31, 2017 and 2016.

In addition to the plan it sponsors, LG&E is allocated a portion of the funded status and costs of certain defined benefit plans sponsored by LKE. LG&E is also allocated costs of defined benefit plans from LKS for defined benefit plans sponsored by LKE. See Note 11 for additional information on costs allocated to LG&E from LKS. These allocations are based on LG&E's participation in those plans, which management believes are reasonable. The actuarially determined obligations of current active employees and retired employees are used as a basis to allocate total plan activity, including active and retiree costs and obligations. Allocations to LG&E for pension benefits resulted in a liability of $44 million and $42 million at December 31, 2017 and 2016. Allocations to LG&E for other postretirement benefits resulted in a liability of $74 million and $76 million at December 31, 2017 and 2016.

**Plan Assets - Pension Plans**

The pension plans sponsored by LKE and LG&E are invested in the PPL Services Corporation Master Trust (the Master Trust) that also includes 401(h) accounts that are restricted for certain other postretirement benefit obligations of PPL and LKE. The investment strategy for the Master Trust is to achieve a risk-adjusted return on a mix of assets that, in combination with LG&E's funding policy, will ensure that sufficient assets are available to provide long-term growth and liquidity for benefit payments, while also managing the duration of the assets to complement the duration of the liabilities. The Master Trust benefits from a wide diversification of asset types, investment fund strategies and external investment fund managers, and therefore has no significant concentration of risk.

The investment policy of the Master Trust outlines investment objectives and defines the responsibilities of the EBPB, external investment managers, investment advisor and trustee and custodian. The investment policy is reviewed annually by PPL's Board of Directors.

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The EBPB created a risk management framework around the trust assets and pension liabilities. This framework considers the trust assets as being composed of three sub-portfolios: growth, immunizing and liquidity portfolios. The growth portfolio is comprised of investments that generate a return at a reasonable risk, including equity securities, certain debt securities and alternative investments. The immunizing portfolio consists of debt securities, generally with long durations, and derivative positions. The immunizing portfolio is designed to offset a portion of the change in the pension liabilities due to changes in interest rates. The liquidity portfolio consists primarily of cash and cash equivalents.

Target allocation ranges have been developed for each portfolio based on input from external consultants with a goal of limiting funded status volatility. The EBPB monitors the investments in each portfolio, and seeks to obtain a target portfolio that emphasizes reduction of risk of loss from market volatility. In pursuing that goal, the EBPB establishes revised guidelines from time to time. EBPB investment guidelines as of the end of 2017 are presented below.

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The asset allocation for the trust and the target allocation by portfolio at December 31 are as follows:

| | Percentage of Trust Assets 2017 (a) | 2017 Target Asset Allocation (a) Weighted Average |
|---|---|---|
| **Growth Portfolio** | **56%** | **55%** |
| Equity securities | 32% | |
| Debt securities (b) | 14% | |
| Alternative investments | 10% | |
| **Immunizing Portfolio** | **43%** | **43%** |
| Debt securities (b) | 39% | |
| Derivatives | 4% | |
| **Liquidity Portfolio** | **1%** | **2%** |
| Total | 100% | 100% |

| | Percentage of Trust Assets 2016 |
|---|---|
| **Growth Portfolio** | **52%** |
| Equity securities | 30% |
| Debt securities (b) | 12% |
| Alternative investments | 10% |
| **Immunizing Portfolio** | **46%** |
| Debt securities (b) | 43% |
| Derivatives | 3% |
| **Liquidity Portfolio** | **2%** |
| Total | 100% |

(a) Allocations exclude consideration of a group annuity contract held by the plan sponsored by LKE.
Includes commingled debt funds, which are treated as debt securities for asset allocation purposes.

LG&E's and LKE's pension plan assets are invested solely in the Master Trust, which is fully disclosed below. The fair value of LG&E's plan's assets of $325 million and $318 million at December 31, 2017 and 2016 represents an interest of approximately 9% and 10% in the Master Trust. The fair value of LKE's plans' assets of $1.4 billion and $1.3 billion at December 31, 2017 and 2016 represents an interest of approximately 40% and 41% in the Master Trust.

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The fair value of net assets in the PPL Services Corporation Master Trust by asset class and level within the fair value hierarchy as of December 31 was:

| | 2017 | | | |
|---|---|---|---|---|
| | Total | Level 1 | Level 2 | Level 3 |
| Cash and cash equivalents | $ 301 | $ 301 | $ - | $ - |
| Equity securities: | | | | |
| U.S. Equity | 229 | 229 | - | - |
| U.S. Equity fund measured at NAV (a) | 364 | - | - | - |
| International equity fund at NAV (a) | 538 | - | - | - |
| Commingled debt measured at NAV (a) | 611 | - | - | - |
| Debt securities: | | | | |
| U.S. Treasury and U.S. government sponsored agency | 186 | 186 | - | - |
| Corporate | 883 | - | 870 | 13 |
| Other | 10 | - | 10 | - |
| Alternative investments: | | | | |
| Real estate measured at NAV (a) | 109 | - | - | - |
| Private equity measured at NAV (a) | 80 | - | - | - |
| Hedge funds measured at NAV (a) | 175 | - | - | - |
| Derivatives: | | | | |
| Interest rate swaps and swaptions | 50 | - | 50 | - |
| Other | 1 | - | 1 | - |
| Insurance contracts | 24 | - | - | 24 |
| PPL Services Corporation Master Trust assets, at fair value | $ 3,561 | $ 716 | $ 931 | $ 37 |
| Receivables and payables, net (b) | 72 | | | |
| 401(h) accounts restricted for other postretirement benefit obligations | (145) | | | |
| Total PPL Services Corporation Master Trust pension assets | $ 3,488 | | | |

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| | 2016 | | | |
|---|---|---|---|---|
| | Total | Level 1 | Level 2 | Level 3 |
| Cash and cash equivalents | $ 181 | $ 181 | $ - | $ - |
| Equity securities: | | | | |
| U.S. Equity | 152 | 152 | - | - |
| U.S. Equity fund measured at NAV (a) | 272 | - | - | - |
| International equity fund at NAV (a) | 551 | - | - | - |
| Commingled debt measured at NAV (a) | 546 | - | - | - |
| Debt securities: | | | | |
| U.S. Treasury and U.S. government sponsored agency | 381 | 381 | - | - |
| Corporate | 850 | - | 837 | 13 |
| Other | 8 | - | 8 | - |
| Alternative investments: | | | | |
| Real estate measured at NAV (a) | 102 | - | - | - |
| Private equity measured at NAV (a) | 80 | - | - | - |
| Hedge funds measured at NAV (a) | 167 | - | - | - |
| Derivatives: | | | | |
| Interest rate swaps and swaptions | 61 | - | 61 | - |
| Other | 3 | - | 3 | - |
| Insurance contracts | 27 | - | - | 27 |
| PPL Services Corporation Master Trust assets, at fair value | $ 3,381 | $ 714 | $ 909 | $ 40 |
| Receivables and payables, net (b) | (15) | | | |
| 401(h) accounts restricted for other postretirement benefit obligations | (123) | | | |
| Total PPL Services Corporation Master Trust pension assets | $ 3,243 | | | |

(a) In accordance with accounting guidance certain investments that are measured at fair value using the net asset value per share (NAV), or its equivalent practical expedient, have not been classified in the fair value hierarchy. The fair value amounts presented in the table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statement of financial position.

(b) Receivables and payables represent amounts for investments sold/purchased but not yet settled along with interest and dividends earned but not yet received.

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A reconciliation of the Master Trust assets classified as Level 3 at December 31, 2017 is as follows:

| | Corporate debt | Insurance contracts | Total |
|---|---|---|---|
| Balance at beginning of period | $ 13 | $ 27 | $ 40 |
| Actual return on plan assets | | | |
| Relating to assets still held | | | |
| at the reporting date | - | 1 | 1 |
| Purchases, sales and settlements | - | (4) | (4) |
| Balance at end of period | $ 13 | $ 24 | $ 37 |

A reconciliation of the Master Trust assets classified as Level 3 at December 31, 2016 is as follows:

| | Corporate debt | Insurance contracts | Total |
|---|---|---|---|
| Balance at beginning of period | $ 10 | $ 32 | $ 42 |
| Actual return on plan assets | | | |
| Relating to assets still held | | | |
| at the reporting date | - | 1 | 1 |
| Purchases, sales and settlements | 3 | (6) | (3) |
| Balance at end of period | $ 13 | $ 27 | $ 40 |

The fair value measurements of cash and cash equivalents are based on the amounts on deposit.

The market approach is used to measure fair value of equity securities. The fair value measurements of equity securities (excluding commingled funds), which are generally classified as Level 1, are based on quoted prices in active markets. These securities represent actively and passively managed investments that are managed against various equity indices.

Investments in commingled equity and debt funds are categorized as equity securities. Investments in commingled equity funds include funds that invest in U.S. and international equity securities. Investments in commingled debt funds include funds that invest in a diversified portfolio of emerging market debt obligations, as well as funds that invest in investment grade long-duration fixed-income securities.

The fair value measurements of debt securities are generally based on evaluations that reflect observable market information, such as actual trade information for identical securities or for similar securities, adjusted for observable differences. The fair value of debt securities is generally measured using a market approach, including the use of pricing models which incorporate observable inputs. Common inputs include benchmark yields, relevant trade data, broker/dealer bid/ask prices, benchmark securities and credit valuation adjustments. When necessary, the fair value of debt securities is measured using the income approach, which incorporates similar observable inputs as well as payment data, future predicted cash flows, collateral performance and new

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NOTES TO FINANCIAL STATEMENTS (Continued)

issue data. For the Master Trust, these securities represent investments in securities issued by U.S. Treasury and U.S. government sponsored agencies; investments securitized by residential mortgages, auto loans, credit cards and other pooled loans; investments in investment grade and non-investment grade bonds issued by U.S. companies across several industries; investments in debt securities issued by foreign governments and corporations.

Investments in real estate represent an investment in a partnership whose purpose is to manage investments in core U.S. real estate properties diversified geographically and across major property types (e.g., office, industrial, retail, etc.). The manager is focused on properties with high occupancy rates with quality tenants. This results in a focus on high income and stable cash flows with appreciation being a secondary factor. Core real estate generally has a lower degree of leverage when compared with more speculative real estate investing strategies. The partnership has limitations on the amounts that may be redeemed based on available cash to fund redemptions. Additionally, the general partner may decline to accept redemptions when necessary to avoid adverse consequences for the partnership, including legal and tax implications, among others. The fair value of the investment is based upon a partnership unit value.

Investments in private equity represent interests in partnerships in multiple early-stage venture capital funds and private equity fund of funds that use a number of diverse investment strategies. The partnerships have limited lives of at least 10 years, after which liquidating distributions will be received. Prior to the end of each partnership's life, the investment cannot be redeemed with the partnership; however, the interest may be sold to other parties, subject to the general partner's approval. The Master Trust has unfunded commitments of $28 million that may be required during the lives of the partnerships. Fair value is based on an ownership interest in partners' capital to which a proportionate share of net assets is attributed.

Investments in hedge funds represent investments in a fund of hedge funds. Hedge funds seek a return utilizing a number of diverse investment strategies. The strategies, when combined, aim to reduce volatility and risk while attempting to deliver positive returns under most market conditions. Major investment strategies for the fund of hedge funds include long/short equity, tactical trading, event driven, and relative value. Shares may be redeemed within 45 days with prior written notice. The fund is subject to short term lockups and other restrictions. The fair value for the fund has been estimated using the net asset value per share.

The fair value measurements of derivative instruments utilize various inputs that include quoted prices for similar contracts or market-corroborated inputs. In certain instances, these instruments may be valued using models, including standard option valuation models and standard industry models. These securities primarily represent investments in interest rate swaps and swaptions (the option to enter into an interest rate swap), which are valued based on the swap details, such as swap curves, notional amount, index and term of index, reset frequency, volatility and payer/receiver credit ratings.

Insurance contracts, classified as Level 3, represent an investment in an immediate participation guaranteed group annuity contract. The fair value is based on contract value, which represents cost plus interest income less distributions for benefit payments and administrative expenses.

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**Plan Assets - Other Postretirement Benefit Plans**

| | Percentage of Plan Assets 2017 | 2017 Target Asset Allocation Weighted Average |
|---|---|---|
| **Asset Class** | | |
| U.S. Equity securities | 47% | 45% |
| Debt securities (a) | 49% | 50% |
| Cash and cash equivalents (b) | 4% | 5% |
| Total | 100% | 100% |

| | Percentage of Plan Assets 2016 |
|---|---|
| **Asset Class** | |
| U.S. Equity securities | 48% |
| Debt securities (a) | 50% |
| Cash and cash equivalents (b) | 2% |
| Total | 100% |

(a) Includes commingled debt funds and debt securities.
(b) Includes money market funds.

LKE's other postretirement benefit plan is invested primarily in a 401(h) account, as disclosed in the PPL Services Corporation Master Trust, with insignificant amounts invested in money market funds within VEBA trusts for liquidity.

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The fair value of assets in the U.S. other postretirement benefit plans by asset class and level within the fair value hierarchy was:

| | 2017 | | | |
|---|---|---|---|---|
| | Total | Level 1 | Level 2 | Level 3 |
| Money market funds | $ 10 | $ 10 | $ - | $ - |
| U.S. Equity securities: | | | | |
| Large-cap equity fund measure at NAV (a) | 123 | - | - | - |
| Commingled debt measured at NAV (a) | 96 | - | - | - |
| Debt securities: | | | | |
| Corporate bonds | 30 | - | 30 | - |
| Total VEBA trust assets, at fair value | $ 259 | $ 10 | $ 30 | $ - |
| Receivables and payables, net (b) | 1 | | | |
| 401(h) account assets | 145 | | | |
| Total other postretirement benefit plan assets | $ 405 | | | |

| | 2016 | | | |
|---|---|---|---|---|
| | Total | Level 1 | Level 2 | Level 3 |
| Money market funds | $ 5 | $ 5 | $ - | $ - |
| U.S. Equity securities: | | | | |
| Large-cap equity fund measure at NAV (a) | 123 | - | - | - |
| Commingled debt measured at NAV (a) | 114 | - | - | - |
| Debt securities: | | | | |
| Municipalities | 12 | - | 12 | - |
| Total VEBA trust assets, at fair value | $ 254 | $ 5 | $ 12 | $ - |
| Receivables and payables, net (b) | 1 | | | |
| 401(h) account assets | 123 | | | |
| Total other postretirement benefit plan assets | $ 378 | | | |

(a) In accordance with accounting guidance certain investments that are measured at fair value using the net asset value per share (NAV), or its equivalent, practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in the table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statement of financial position.
(b) Receivables and payables represent amounts for investments sold/purchased but not yet settled along with interest and dividends earned but not yet received.

Investments in money market funds represent investments in funds that invest primarily in a diversified portfolio of investment grade money market instruments, including, but not limited to, commercial paper, notes, repurchase agreements and other evidences of indebtedness with a maturity not exceeding 13 months from the

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date of purchase. The primary objective of the fund is a level of current income consistent with stability of principal and liquidity. Redemptions can be made daily on this fund.

Investments in large-cap equity securities represent investments in a passively managed equity index fund that invests in securities and a combination of other collective funds. Fair value measurements are not obtained from a quoted price in an active market but are based on firm quotes of net asset values per share as provided by the trustee of the fund. Redemptions can be made daily on this fund.

Investments in commingled debt securities represent investments in a fund that invests in a diversified portfolio of investment grade long-duration fixed income securities. Redemptions can be made daily on these funds.

Investments in corporate bonds represent investment in a diversified portfolio of investment grade long-duration fixed income securities. The fair value of debt securities are generally based on evaluations that reflect observable market information, such as actual trade information for identical securities or for similar securities, adjusted for observable differences.

Investments in municipalities represent investments in a diverse mix of tax-exempt municipal securities. The fair value measurements for these securities are based on recently executed transactions for identical securities or for similar securities.

**Expected Cash Flows - Defined Benefit Plans**

While LG&E's and LKE's defined benefit pension plans have the option to utilize available prior year credit balances to meet current and future contribution requirements, LG&E contributed $10 million to its pension plan and $44 million to the LKE pension plan in January 2018. No additional contributions are expected in 2018.

LKE is not required to make contributions to its other postretirement benefit plan but has historically funded this plan in amounts equal to the postretirement benefit costs recognized. The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid by the plans for LG&E retirees.

| | LG&E Sponsored Pensions | Allocated from LKE Pension Plan | Other Postretirement Benefits |
|---|---|---|---|
| 2018 | $ 26 | $ 17 | $ 6 |
| 2019 | 26 | 17 | 7 |
| 2020 | 26 | 18 | 7 |
| 2021 | 25 | 18 | 7 |
| 2022 | 24 | 18 | 7 |
| 2023 - 2027 | 104 | 86 | 30 |

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**Savings Plans**

Substantially all employees of LG&E are eligible to participate in deferred savings plans (401(k)s). Employer contributions to the plans were $5 million each in 2017 and 2016.

**9. Jointly Owned Facilities**

At December 31, 2017 and 2016, the Balance Sheets reflect the owned interests in the facilities listed below.

| | Ownership Interest | Electric Plant | Accumulated Depreciation | Construction Work in Progress |
|---|---|---|---|---|
| **2017** | | | | |
| Generating Plants | | | | |
| E.W. Brown Units 6-7 | 38.00% | $ 41 | $ 17 | $ - |
| Paddy's Run Unit 13 & E.W. Brown Unit 5 | 53.00% | 52 | 15 | - |
| Trimble County Unit 1 | 75.00% | 427 | 69 | 1 |
| Trimble County Unit 2 | 14.25% | 215 | 36 | 102 |
| Trimble County Units 5-6 | 29.00% | 32 | 9 | - |
| Trimble County Units 7-10 | 37.00% | 73 | 21 | - |
| Cane Run Unit 7 | 22.00% | 120 | 8 | 1 |
| E.W. Brown Solar Unit | 39.00% | 10 | 1 | - |
| **2016** | | | | |
| Generating Plants | | | | |
| E.W. Brown Units 6-7 | 38.00% | $ 40 | $ 15 | $ - |
| Paddy's Run Unit 13 & E.W. Brown Unit 5 | 53.00% | 55 | 12 | 1 |
| Trimble County Unit 1 | 75.00% | 407 | 55 | 1 |
| Trimble County Unit 2 | 14.25% | 214 | 32 | 43 |
| Trimble County Units 5-6 | 29.00% | 30 | 8 | 1 |
| Trimble County Units 7-10 | 37.00% | 71 | 17 | 1 |
| Cane Run Unit 7 | 22.00% | 114 | 5 | 2 |
| E.W. Brown Solar Unit | 39.00% | 10 | - | - |

LG&E provides its own funding for its share of each of the above facilities. LG&E receives a portion of the total output of the generating plants equal to its percentage ownership. The share of fuel and other operating costs associated with the plants is included in the corresponding operating expenses on the Statements of Income.

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## 10. Commitments and Contingencies

### Energy Purchase Commitments

LG&E enters into purchase contracts to supply the coal and natural gas requirements for generation facilities and retail natural gas supply operations. These contracts include the following commitments:

| Contract Type | Maximum Maturity Date |
|---|---|
| Natural Gas Fuel | 2019 |
| Natural Gas Retail Supply | 2019 |
| Coal | 2023 |
| Coal Transportation and Fleeting Services | 2024 |
| Natural Gas Transportation | 2026 |

LG&E has a power purchase agreement with OVEC expiring in June 2040. See "Guarantees and Other Assurances" below for information on the OVEC power purchase contract, including recent developments in credit or debt conditions relating to OVEC. Future obligations for power purchases from OVEC are unconditional demand payments, comprised of debt-service payments and contractually-required reimbursements of plant operating, maintenance and other expenses, and are projected as follows:

| | | |
|---|---|---|
| 2018 | $ | 20 |
| 2019 | | 19 |
| 2020 | | 18 |
| 2021 | | 19 |
| 2022 | | 19 |
| Thereafter | | 316 |
| | $ | 411 |

LG&E had total energy purchases under the OVEC power purchase agreement of $14 million and $16 million for the years ended December 31, 2017 and 2016.

### Legal Matters

LG&E is involved in legal proceedings, claims and litigation in the ordinary course of business and cannot predict the outcome of such matters, or whether such matters may result in material liabilities, unless otherwise noted.

Cane Run Environmental Claims

In December 2013, six residents, on behalf of themselves and others similarly situated, filed a class action

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complaint against LG&E and PPL in the U.S. District Court for the Western District of Kentucky alleging violations of the Clean Air Act, RCRA, and common law claims of nuisance, trespass and negligence. These plaintiffs seek injunctive relief and civil penalties, plus costs and attorney fees, for the alleged statutory violations. Under the common law claims, these plaintiffs seek monetary compensation and punitive damages for property damage and diminished property values for a class consisting of residents within four miles of the Cane Run plant. In their individual capacities, these plaintiffs sought compensation for alleged adverse health effects. In July 2014, the court dismissed the RCRA claims and all but one Clean Air Act claim, but declined to dismiss the common law tort claims. In November 2016, the plaintiffs filed an amended complaint removing the personal injury claims and removing certain previously named plaintiffs. In February 2017, the District Court issued an order dismissing PPL as a defendant and dismissing the final federal claim against LG&E. On April 13, 2017, the federal District Court issued an order declining to exercise supplemental jurisdiction on the state law claims and dismissed the case in its entirety. On June 16, 2017, the plaintiffs filed a class action complaint in Jefferson Circuit Court, Kentucky, against LG&E alleging state law nuisance, negligence and trespass tort claims. The plaintiffs seek compensatory and punitive damages for alleged property damage due to purported plant emissions on behalf of a class of residents within one to three miles of the plant. Proceedings are currently underway regarding potential class certification, for which a decision may occur in late 2018 or in 2019. LG&E cannot predict the outcome of this matter. LG&E retired one coal-fired unit at the Cane Run plant in March 2015 and the remaining two coal-fired units at the plant in June 2015.

Trimble County Water Discharge Permit

In May 2010, the Kentucky Waterways Alliance and other environmental groups filed a petition with the Kentucky Energy and Environment Cabinet (KEEC) challenging the Kentucky Pollutant Discharge Elimination System permit issued in April 2010, which covers water discharges from the Trimble County plant. In November 2010, the KEEC issued a final order upholding the permit, which was subsequently appealed by the environmental groups. In September 2013, the Franklin Circuit Court reversed the KEEC order and remanded the permit to the agency for further proceedings. LG&E and the KEEC appealed the order to the Kentucky Court of Appeals. In July 2015, the Court of Appeals upheld the lower court ruling. LG&E and the KEEC moved for discretionary review by the Kentucky Supreme Court. In February 2016, the Kentucky Supreme Court issued an order granting discretionary review and oral arguments were held in September 2016. On April 27, 2017, the Kentucky Supreme Court issued an order reversing the decision of the appellate court and upholding the permit issued to LG&E by the KEEC.

Trimble County Landfill

Various state and federal permits and regulatory approvals are required in order to construct a landfill at the Trimble County plant to be used for disposal of CCRs. In October 2016, the Kentucky Division of Water issued a water quality certification and in February 2017, the Kentucky Division of Waste Management issued a "special waste" landfill permit. In March 2017, the Sierra Club and a resident adjacent to the plant filed administrative challenges to the landfill permit which were subsequently dismissed by agreed order entered in August 2017. In June 2017, the U.S. Army Corps of Engineers issued a dredge and fill permit, the final approval required for construction of the landfill. LG&E believes that all permits and regulatory approvals issued for the project comply with applicable state and federal laws.

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**Regulatory Issues**

See Note 4 for information on regulatory matters related to utility rate regulation.

Electricity - Reliability Standards

The NERC is responsible for establishing and enforcing mandatory reliability standards (Reliability Standards) regarding the bulk electric system in North America. The FERC oversees this process and independently enforces the Reliability Standards.

The Reliability Standards have the force and effect of law and apply to certain users of the bulk electric system, including electric utility companies, generators and marketers. Under the Federal Power Act, the FERC may assess civil penalties for certain violations.

LG&E monitors its compliance with the Reliability Standards and self-reports or self-logs potential violations of applicable reliability requirements whenever identified, and submits accompanying mitigation plans, as required. The resolution of a small number of potential violations is pending. Penalties incurred to date have not been significant. Any Regional Reliability Entity (including RFC or SERC) determination concerning the resolution of violations of the Reliability Standards remains subject to the approval of the NERC and the FERC.

In the course of implementing its programs to ensure compliance with the Reliability Standards, certain other instances of potential non-compliance may be identified from time to time. LG&E cannot predict the outcome of these matters, and cannot estimate a range of reasonably possible losses, if any.

**Environmental Matters**

Due to the environmental issues discussed below or other environmental matters, it may be necessary for LG&E to modify, curtail, replace or cease operation of certain facilities or performance of certain operations to comply with statutes, regulations and other requirements of regulatory bodies or courts. In addition, legal challenges to new environmental permits or rules add to the uncertainty of estimating the future cost of these permits and rules. Finally, the regulatory reviews specified in the President's March 2017 Executive Order (the March 2017 Executive Order) promoting energy independence and economic growth could result in future regulatory changes and additional uncertainty.

LG&E is entitled to recover, through the ECR mechanism, certain costs of complying with the Clean Air Act, as amended, and those federal, state or local environmental requirements applicable to coal combustion wastes and by-products from facilities that generate electricity from coal in accordance with approved compliance plans. Costs not covered by the ECR mechanism are subject to rate recovery before the KPSC or the FERC, if applicable. LG&E can provide no assurances as to the ultimate outcome of future environmental or rate proceedings before regulatory authorities.

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Air

*NAAQS*

The Clean Air Act, which regulates air pollutants from mobile and stationary sources in the United States, has a significant impact on the operation of fossil fuel generation plants. Among other things, the Clean Air Act requires the EPA periodically to review and establish concentration levels in the ambient air for six pollutants to protect public health and welfare. The six pollutants are carbon monoxide, lead, nitrogen dioxide, ozone (contributed to by nitrogen oxide emissions), particulate matter and sulfur dioxide. The established concentration levels for these six pollutants are known as NAAQS. Under the Clean Air Act, the EPA is required to reassess the NAAQS on a five-year schedule.

Federal environmental regulations of these six pollutants require states to adopt implementation plans, known as state implementation plans, which detail how the state will attain the standards that are mandated by the relevant law or regulation. Each state identifies the areas within its boundaries that meet the NAAQS (attainment areas) and those that do not (non-attainment areas), and must develop a state implementation plan both to bring non-attainment areas into compliance with the NAAQS and to maintain good air quality in attainment areas. In addition, for attainment of ozone and fine particulates standards, states in the eastern portion of the country, including Kentucky, are subject to a regional program developed by the EPA known as the Cross-State Air Pollution Rule. The NAAQS, future revisions to the NAAQS and state implementation plans, or future revisions to regional programs, may require installation of additional pollution controls, the costs of which LG&E believes are subject to cost recovery.

Although LG&E does not anticipate significant costs to comply with these programs, changes in market or operating conditions could result in different costs than anticipated.

*Ozone*

The EPA issued the current ozone standard in October 2015. The states and the EPA are required to determine (based on ambient air monitoring data) those areas that meet the standard and those that are in non-attainment. The EPA was scheduled to designate areas as being in attainment or nonattainment of the current ozone standard by no later than October 2017 which was to be followed by further regulatory proceedings identifying compliance measures and deadlines. However, the current implementation and compliance schedule is uncertain because the EPA failed to make nonattainment demonstrations by the applicable deadline. In addition, some industry groups have requested the EPA to defer implementation of the 2015 ozone standard, but the EPA has not yet acted on this request. While implementation of the 2015 ozone standard could potentially require the addition of SCRs at some generating units, LG&E is currently unable to determine what the compliance measures and deadlines may ultimately be with respect to the new standard.

States are also obligated to address interstate transport issues associated with ozone standards through the establishment of "good neighbor" state implementation plans for those states that are found to contribute significantly to another state's non-attainment. As a result of a partial consent decree addressing claims regarding federal implementation, the EPA and several states, including Kentucky, are evaluating the need for further nitrogen oxide reductions from fossil-fueled plants to address interstate impacts. While LG&E is unable to predict the outcome of ongoing and future evaluations by the EPA and the states, such evaluations could potentially result in requirements for nitrogen oxide reductions beyond those currently required under the Cross State Air Pollution Rule.

*Sulfur Dioxide*

In 2010, the EPA issued the current NAAQS for sulfur dioxide and required states to identify areas that meet those standards and areas that are in "non-attainment". In July 2013, the EPA finalized non-attainment designations for parts of the country, including part of Jefferson County in Kentucky. Attainment must be achieved by 2018. As a result of scrubber replacements completed at the Mill Creek plant in 2016, all Jefferson County monitors now indicate compliance with the sulfur dioxide standards. Additionally, LG&E accepted a new sulfur dioxide emission limit to ensure continuing compliance with the NAAQS. LG&E does not anticipate any further measures to achieve compliance with the new sulfur dioxide standards.

*Climate Change*

There is continuing world-wide attention focused on issues related to climate change. In June 2016, President Obama announced that the United States, Canada and Mexico established the North American Climate, Clean Energy, and Environment Partnership Plan, which specifies actions to promote clean energy, address climate change and protect the environment. The plan includes a goal to provide 50% of the energy used in North America from clean energy sources by 2025. The plan does not impose any nation-specific requirements.

In December 2015, 195 nations, including the U.S., signed the Paris Agreement on Climate, which establishes a comprehensive framework for the reduction of GHG emissions from both developed and developing nations. Although the agreement does not establish binding reduction requirements, it requires each nation to prepare, communicate, and maintain GHG reduction commitments. Reductions can be achieved in a variety of ways, including energy conservation, power plant efficiency improvements, reduced utilization of coal-fired generation or replacing coal-fired generation with natural gas or renewable generation. Based on the EPA's rules issued in 2015 imposing GHG emission standards for both new and existing power plants, the U.S. committed to an initial reduction target of 26% to 28% below 2005 levels by 2025. However, on June 1, 2017, President Trump announced a plan to withdraw from the Paris Agreement and undertake negotiations to reenter the current agreement or enter a new agreement on terms more favorable to the U.S. Under the terms of the Paris Agreement, any U.S. withdrawal would not be complete until November 2020.

Additionally, the March 2017 Executive Order directed the EPA to review its 2015 greenhouse gas rules for consistency with certain policy directives and suspend, revise, or rescind those rules as appropriate. The March 2017 Executive Order also directs rescission of specified guidance, directives, and prior Presidential actions regarding climate change. LG&E cannot predict the outcome of such regulatory actions or the impact, if any, on plant operations, rate treatment or future capital or operating needs.

*The EPA's Rules under Section 111 of the Clean Air Act*

There continues to be uncertainty around the EPA's regulation of existing coal-fired power plants. In 2015 the EPA had finalized rules imposing GHG emission standards for both new and existing power plants and had

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proposed a federal implementation plan that would apply to any states that failed to submit an acceptable state implementation plan to reduce GHG emissions on a state-by-state basis (the 2015 EPA Rules).

Following legal challenges to the 2015 EPA Rules, a stay of those rules by the U.S. Supreme Court, and the President's March 2017 Executive Order (requiring the EPA to review the 2015 EPA Rules), however, in October 2017, the EPA proposed to rescind the 2015 EPA Rules and in December 2017, released an advanced notice of proposed rulemaking for a replacement rule (Replacement Rules) which contemplates GHG reductions based on "inside the fence" measures implemented at individual plants. The contemplated approach in the Replacement Rules is a more limited approach than that taken in the 2015 EPA Rules which had included assumed increased levels of fuel switching and renewable energy in determining the level of emission reduction required by each state. At present, the 2015 EPA Rules remain stayed and the Replacement Rules have not yet been published.

In April 2014, the Kentucky General Assembly passed legislation limiting the measures that the Kentucky Energy and Environment Cabinet may consider in setting performance standards to comply with the 2015 EPA Rules, if enacted. The legislation provides that such state GHG performance standards will be based on emission reductions, efficiency measures and other improvements available at each power plant, rather than renewable energy, end-use energy efficiency, fuel switching and re-dispatch. These statutory restrictions are consistent with the EPA's notice of proposed rulemaking on the Replacement Rules.

LG&E is monitoring developments at the state and federal level. Until there is more clarity about the potential requirements that may be imposed under the Replacement Rules and Kentucky's implementation plan, LG&E cannot predict the potential impact, if any, on plant operations, future capital or operating costs. LG&E believes that the costs, which could be significant, would be subject to rate recovery.

*Sulfuric Acid Mist Emissions*

In June 2016, the EPA issued a notice of violation under the Clean Air Act alleging rules related to sulfuric acid mist emissions at the Mill Creek plant were violated. The notice alleges failure to install proper controls, failure to operate the facility consistent with good air pollution control practice, and causing emissions exceeding applicable requirements or constituting a nuisance or endangerment. LG&E believes it has complied with applicable regulations during the relevant time period. Discussions with the EPA are ongoing. The parties have entered into a tolling agreement with respect to this matter through December 2018. LG&E is unable to predict the outcome of this matter or the potential impact on operations of the Mill Creek plant, including increased capital or operating costs, and potential civil penalties or remedial measures, if any.

Water/Waste

*CCRs*

In April 2015, the EPA published its final rule regulating CCRs. CCRs include fly ash, bottom ash and sulfur dioxide scrubber wastes. The rule became effective in October 2015. It imposes extensive new requirements, including location restrictions, design and operating standards, groundwater monitoring and corrective action requirements, and closure and post-closure care requirements on CCR impoundments and landfills that are located on active power plants and not closed. Under the rule, CCRs are regulated as non-hazardous under Subtitle D of RCRA and beneficial use of CCRs is allowed, with some restrictions. The rule's requirements for covered CCR impoundments and landfills include implementation of groundwater monitoring and commencement or completion of closure activities generally between three and ten years from certain triggering events. The rule requires posting of compliance documentation on a publicly accessible website. Industry groups, environmental groups, individual companies and others have filed legal challenges to the final rule, which are pending before the D.C. Circuit Court of Appeals. The EPA has advised the court that it expects to reconsider certain aspects of the CCR Rule in the near future.

In January 2017, Kentucky issued a new state rule relating to CCR matters, effective May 2017, aimed at reflecting the requirements of the federal CCR Rule. In May 2017, a resident adjacent to LG&E's and KU's Trimble County plant filed a lawsuit in Franklin County, Kentucky Circuit Court against the Kentucky Energy and Environmental Cabinet and LG&E seeking to invalidate the new rule. On January 31, 2018, the state court issued an opinion invalidating certain elements of the new rule. LG&E cannot predict the ultimate outcome of the litigation. LG&E and KU presently operate their Trimble County facilities under continuing permits authorized via the former program and do not currently anticipate material impacts as a result of the challenge to the new rule. Separately, in December 2016, federal legislation was enacted that authorized the EPA to approve equally protective state programs that would operate in lieu of the CCR Rule. The Kentucky Energy and Environmental Cabinet indicated it may propose rules under such authority in the future.

LG&E received KPSC approval for a compliance plan providing for the closure of impoundments and construction of process water management facilities at the Mill Creek and Trimble County plants.

In connection with the final CCR rule, LG&E recorded adjustments to existing AROs during 2016 and 2017. See Note 15 for additional information. Further changes to AROs, current capital plans or operating costs may be required as estimates are refined based on closure developments, groundwater monitoring results, and regulatory or legal proceedings. Costs relating to this rule are subject to rate recovery.

*Clean Water Act*

Regulations under the federal Clean Water Act dictate permitting and mitigation requirements for facilities and construction projects in the United States. Many of those requirements relate to power plant operations, including requirements related to the treatment of pollutants in effluents prior to discharge, the temperature of effluent discharges and the location, design and construction of cooling water intake structures at generating facilities, standards intended to protect aquatic organisms that become trapped at or pulled through cooling water intake structures at generating facilities. The requirements could impose significant costs for LG&E, which are subject to rate recovery.

*ELGs*

In September 2015, the EPA released its final ELGs for wastewater discharge permits for new and existing steam electric generating facilities. The rule provides strict technology-based discharge limitations for control of pollutants in scrubber wastewater, fly ash and bottom ash transport water, mercury control wastewater, gasification wastewater and combustion residual leachate. The new guidelines require deployment of additional control technologies providing physical, chemical and biological treatment of wastewaters. The guidelines also mandate operational changes including "no discharge" requirements for fly ash and bottom ash transport waters and mercury control wastewaters. The implementation date for individual generating stations will be determined by the states on a case-by-case basis according to criteria provided by the EPA. Industry groups, environmental groups, individual companies and others have filed legal challenges to the final rule, which have been consolidated before the U.S. Court of Appeals for the Fifth Circuit. In April 2017, the EPA announced that it would grant petitions for reconsideration of the rule. In September 2017, the EPA published in the Federal Register a proposed rule that would postpone the compliance date for requirements relating to bottom ash transport waters and scrubber wastewaters discharge limits. The EPA expects to complete its reconsideration of best available technology standards by the fall of 2020. Upon completion of the ongoing regulatory proceedings, the rule will be implemented by the states in the course of their normal permitting activities. LG&E is developing compliance strategies and schedules and is unable to predict the outcome of the EPA's pending reconsideration of the rule or fully estimate compliance costs or timing. Additionally, certain aspects of these compliance plans and estimates relate to developments in state water quality standards, which are separate from the ELG rule or its implementation. Costs to comply with ELGs or other discharge limits, which are expected to be significant, are subject to rate recovery.

*Seepages and Groundwater Infiltration*

Seepages or groundwater infiltration have been detected at active and retired wastewater basins and landfills at various LG&E plants. LG&E completed, or is completing, assessments of seepages or groundwater infiltration at various facilities and completed, or is working with agencies to implement, further testing, monitoring or abatement measures, where applicable. A range of reasonably possible costs cannot currently be estimated. Depending on the circumstances in each case, certain costs, which may be subject to rate recovery, could be significant.

*Other Issues*

In June 2016, the "Frank Lautenberg Chemical Safety Act" took effect as an amendment to the Toxic Substance Control Act (TSCA). The Act made no changes to the pre-existing TSCA rules as it pertains to polychlorinated biphenyls (PCB). The EPA continues to reassess its PCB regulations as part of the 2010 Advanced Notice of Proposed Rulemaking (ANPRM). The EPA's ANPRM rulemaking is to occur in two phases. Only the second part of the rule, currently scheduled for November 2017, is applicable to LG&E operations. This part of the rule relates to the use of PCBs in electrical equipment and natural gas pipelines, as well as continued use of PCB-contaminated porous surfaces. Although the first rulemaking will not directly affect LG&E’s operations, it may indicate certain approaches or principles to occur in the later rulemaking which may affect LG&E’s facilities, including phase-out of some or all equipment containing PCBs. Should such a phase-out be required, the costs, which are subject to rate recovery, could be significant.

Superfund and Other Remediation

LG&E is investigating, responding to agency inquiries, taking various measures, remediating, or have completed the remediation of, for several sites that were not addressed under a regulatory program such as Superfund, but for which it may be liable for remediation. These include a number of former coal gas manufacturing plants in Kentucky previously owned or operated or currently owned by predecessors or affiliates of LG&E. To date, the costs of these sites have not been significant.

There are additional sites, formerly owned or operated by LG&E predecessors or affiliates. LG&E lacks sufficient information on such additional sites and are therefore is unable to estimate any potential liability it may have or a range of reasonably possible losses, if any, related to these matters.

The EPA is evaluating the risks associated with polycyclic aromatic hydrocarbons and naphthalene, chemical by-products of coal gas manufacturing. As a result of the EPA's evaluation, individual states may establish stricter standards for water quality and soil cleanup. This could require LG&E to take more extensive assessment and remedial actions at former coal gas manufacturing plants. LG&E cannot estimate a range of reasonably possible losses, if any, related to these matters.

From time to time, LG&E undertakes testing, monitoring or remedial action in response to notices of violations, spills or other releases at various on-site and off-site locations, negotiates with the EPA and state and local agencies regarding actions necessary for compliance with applicable requirements, negotiates with property owners and other third parties alleging impacts from its operations and undertakes similar actions necessary to resolve environmental matters that arise in the course of normal operations. Based on analyses to date, resolution of these environmental matters is not expected to have a significant adverse impact on operations.

Future cleanup or remediation work at sites under review, or at sites not yet identified, may result in significant additional costs. Insurance policies maintained by LG&E may be applicable to certain of the costs or other obligations related to these matters but the amount of insurance coverage or reimbursement cannot be estimated or assured.

**Other**

Labor Union Agreements

In November 2017, LG&E and the IBEW ratified a three-year labor agreement through November 2020. The agreement covers approximately 671 employees. The terms of the new labor agreement do not have a significant impact on LG&E's financial results.

LG&E cannot predict the outcome of future union labor negotiations.

Guarantees and Other Assurances

In the normal course of business, LG&E enters into agreements that provide financial performance assurance to third parties. Such agreements include, for example, guarantees, stand-by letters of credit issued by financial institutions and surety bonds issued by insurance companies. These agreements are entered into primarily to support or enhance creditworthiness or to facilitate commercial activities.

Pursuant to the OVEC power purchase contract, LG&E is obligated to pay for its share of OVEC's excess debt service, post-retirement and decommissioning costs, as well as any shortfall from amounts included within a demand charge designed and expected to cover these costs over the term of the contract. LG&E's proportionate share of OVEC's outstanding debt was $81 million at December 31, 2017. The maximum exposure and the expiration date of these potential obligations are not presently determinable. See "Energy Purchase Commitments" above for additional information on the OVEC power purchase contract. In connection with recent credit market related developments at OVEC or certain of its sponsors, such parties, including LG&E, have allowed implementation of a limited, partial OVEC reserve fund for debt costs and are analyzing certain potential additional credit support actions to preserve OVEC's access to credit markets or mitigate risks or adverse impacts relating thereto, including increased interest costs and accelerated maturities of OVEC's existing short and long-term debt. The ultimate outcome of these matters, including any potential impact on LG&E's obligations relating to OVEC debt under the power purchase contract cannot be predicted.

LG&E provides other miscellaneous guarantees through contracts entered into in the normal course of business. These guarantees are primarily in the form of indemnification or warranties related to services or equipment and vary in duration. The amounts of these guarantees often are not explicitly stated, and the overall maximum amount of the obligation under such guarantees cannot be reasonably estimated. Historically, no significant payments have been made with respect to these types of guarantees and the probability of payment/performance under these guarantees is remote.

PPL, on behalf of itself and certain of its subsidiaries, including LG&E, maintains insurance that covers liability assumed under contract for bodily injury and property damage. The coverage provides maximum aggregate coverage of $225 million. This insurance may be applicable to obligations under certain of these contractual arrangements.

## 11. Related Party Transactions

### Wholesale Sales and Purchases

LG&E and KU jointly dispatch their generation units with the lowest cost generation used to serve their retail customers. When LG&E has excess generation capacity after serving its own retail customers and its generation cost is lower than that of KU, KU purchases electricity from LG&E, and vice versa. These transactions are reflected in the Statements of Income as "Electric revenue from affiliate" and "Energy purchases from affiliate" and are recorded at a price equal to the seller's fuel cost plus any split savings. Savings realized from such intercompany transactions are shared equally between both companies. The volume of energy each company has to sell to the other is dependent on its retail customers' needs and its available generation.

### Support Costs

LKS provides LG&E with administrative, management and support services. The costs of these services are charged to LG&E as direct support costs. General costs that cannot be directly attributed to a specific LKE subsidiary are allocated and charged to LG&E and other subsidiaries as indirect support costs. LKS bases its indirect allocations on the subsidiaries' number of employees, total assets, revenues, number of customers and/or other statistical information.

LKS charged LG&E $169 million and $178 million for the years ended December 31, 2017 and 2016, including

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amounts applied to accounts that are further distributed between capital and expense on LG&E's books, based on methods that are believed to be reasonable.

In addition to the charges for services noted above, LKS makes payments on behalf of LG&E for fuel purchases and other costs for products or services provided by third parties. LG&E and KU also provide services to each other and to LKS. Billings between LG&E and KU relate to labor and overhead costs associated with union and hourly employees performing work for the other company, charges related to jointly owned generating units and other miscellaneous charges. Tax settlements between LKE and LG&E are reimbursed through LKS.

**Intercompany Borrowings**

LG&E participates in an intercompany money pool agreement whereby LKE and/or KU make available to LG&E funds up to $500 million at an interest rate based on a market index of commercial paper issues. No balances were outstanding at December 31, 2017 and 2016. Interest expense incurred on the money pool agreement with KU was not significant 2017 or 2016.

**Intercompany Derivatives**

Periodically, LG&E enters into forward-starting interest rate swaps with PPL. These hedging instruments have terms identical to forward-starting swaps entered into by PPL with third parties.

**Other**

See Note 1 for discussions regarding the intercompany tax sharing agreement. See Note 8 for discussions regarding intercompany allocations associated with defined benefits.

**12. Fair Value Measurements**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (an exit price). A market approach (generally, data from market transactions), an income approach (generally, present value techniques and option-pricing models), and/or a cost approach (generally, replacement cost) are used to measure the fair value of an asset or liability, as appropriate. These valuation approaches incorporate inputs such as observable, independent market data and/or unobservable data that management believes are predicated on the assumptions market participants would use to price an asset or liability. These inputs may incorporate, as applicable, certain risks such as nonperformance risk, which includes credit risk. The fair value of a group of financial assets and liabilities is measured on a net basis. Transfers between levels are recognized at end-of-reporting-period values. During 2017 and 2016, there were no transfers between Level 1 and Level 2. See Note 1 for information on the levels in the fair value hierarchy.

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**Recurring Fair Value Measurements**

The assets and liabilities measured at fair value were:

| | December 31, 2017 | | | |
|---|---|---|---|---|
| | **Total** | **Level 1** | **Level 2** | **Level 3** |
| Assets | | | | |
| Cash and cash equivalents | $ 15 | $ 15 | $ - | $ - |
| Total assets | $ 15 | $ 15 | $ - | $ - |
| Liabilities | | | | |
| Price risk management liabilities: | | | | |
| Interest rate swaps | $ 26 | $ - | $ 26 | $ - |
| Total liabilities | $ 26 | $ - | $ 26 | $ - |

| | December 31, 2016 | | | |
|---|---|---|---|---|
| | **Total** | **Level 1** | **Level 2** | **Level 3** |
| Assets | | | | |
| Cash and cash equivalents | $ 5 | $ 5 | $ - | $ - |
| Cash collateral posted to counterparties (a) | 3 | 3 | - | - |
| Total assets | $ 8 | $ 8 | $ - | $ - |
| Liabilities | | | | |
| Price risk management liabilities: | | | | |
| Interest rate swaps | $ 31 | $ - | $ 31 | $ - |
| Total liabilities | $ 31 | $ - | $ 31 | $ - |

(a) Included in “Other noncurrent assets” on the Balance Sheets. Represents cash collateral posted to offset the exposure with counterparties related to certain interest rate swaps under master netting arrangements that are not offset.

Price Risk Management Assets/Liabilities - Interest Rate Swaps

To manage interest rate risk, LG&E uses interest rate contracts such as forward-starting swaps and floating-to-fixed swaps. An income approach is used to measure the fair value of these contracts, utilizing readily observable inputs, such as forward interest rates (e.g., LIBOR and government security rates), as well as inputs that may not be observable, such as credit valuation adjustments. In certain cases, market information cannot practicably be obtained to value credit risk and therefore internal models are relied upon. These models use projected probabilities of default and estimated recovery rates based on historical observances. When the credit valuation adjustment is significant to the overall valuation, the contracts are classified as Level 3.

**Financial Instruments Not Recorded at Fair Value**

The carrying amounts of long-term debt on the Balance Sheets and their estimated fair values are set forth below. The fair values were estimated using an income approach by discounting future cash flows at estimated current cost of funding rates, which incorporate LG&E's credit risk. Long-term debt is classified as Level 2. The effect of third-party credit enhancements is not included in the fair value measurement.

| December 31, 2017 | | December 31, 2016 | |
|---|---|---|---|
| Carrying Amount (a) | Fair Value | Carrying Amount (a) | Fair Value |
| $ 1,709 | $ 1,865 | $ 1,617 | $ 1,710 |

(a) Amount is net of debt issuance costs.

The carrying amounts of other current financial instruments (except for long-term debt due within one year) approximate their fair values because of their short-term nature.

**13. Derivative Instruments and Hedging Activities**

**Risk Management Objectives**

PPL has a risk management policy approved by the Board of Directors to manage market risk associated with commodities and interest rates on debt issuances (including price, liquidity and volumetric risk), and credit risk (including non-performance risk and payment default risk). The Risk Management Committee, comprised of senior management and chaired by the Senior Director - Risk Management, oversees the risk management function. Key risk control activities designed to ensure compliance with the risk policy and detailed programs include, but are not limited to, credit review and approval, validation of transactions, verification of risk and transaction limits and the coordination and reporting of the Enterprise Risk Management program.

**Market Risk**

Market risk includes the potential loss that may be incurred as a result of price changes associated with a particular financial or commodity instrument as well as market liquidity and volumetric risks. Forward contracts and swaps are utilized as part of risk management strategies to minimize unanticipated fluctuations in earnings caused by changes in commodity prices and interest rates. Many of these contracts meet the definition of a derivative. All derivatives are recognized on the Balance Sheets at their fair value, unless NPNS is elected.

The following summarizes the market risks that affect LG&E.

*Interest rate risk*

- LG&E is exposed to interest rate risk associated with forecasted fixed-rate and existing floating-rate debt issuances. LG&E utilizes over-the-counter interest rate swaps to limit exposure to market fluctuations on

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floating-rate debt, and utilizes forward starting interest rate swaps to hedge changes in benchmark interest rates, when appropriate, in connection with future debt issuances.

- LG&E is exposed to interest rate risk associated with debt securities and derivatives held by defined benefit plans. This risk is significantly mitigated to the extent that the plans are sponsored at or sponsored on behalf of LG&E due to the recovery methods in place.

*Commodity price risk*

- LG&E's rates include a mechanism for fuel, fuel-related expenses and energy purchases. In addition, LG&E's rates include a mechanism for natural gas supply expenses. These mechanisms generally provide for timely recovery of market price fluctuations associated with these expenses.

*Volumetric risk*

- LG&E is exposed to volumetric risk on retail sales, mainly due to weather and other economic conditions for which there is limited mitigation between rate cases.

*Equity securities price risk*

- LG&E is exposed to equity securities price risk associated with the fair value of the defined benefit plans' assets. This risk is significantly mitigated due to the recovery methods in place.

**Credit Risk**

Credit risk is the potential loss that may be incurred due to a counterparty's non-performance.

In the event a supplier of LG&E defaults on its obligation, LG&E would be required to seek replacement power or replacement fuel in the market. In general, subject to regulatory review or other processes, appropriate incremental costs incurred by LG&E would be recoverable from customers through applicable rate mechanisms, thereby mitigating its financial risk.

LG&E has credit policies in place to manage credit risk, including the use of an established credit approval process, daily monitoring of counterparty positions and the use of master netting agreements or provisions. These agreements generally include credit mitigation provisions, such as margin, prepayment or collateral requirements. LG&E may request additional credit assurance, in certain circumstances, in the event that the counterparties' credit ratings fall below investment grade, their tangible net worth falls below specified percentages or their exposures exceed an established credit limit.

**Master Netting Arrangements**

Net derivative positions on the balance sheets are not offset against the right to reclaim cash collateral (a receivable) or the obligation to return cash collateral (a payable) under master netting arrangements.

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LG&E had no obligation to return cash collateral under master netting arrangements at December 31, 2017 and 2016.

LG&E had no cash collateral posted under master netting arrangements at December 31, 2017. LG&E posted $3 million of cash collateral under master netting arrangements at December 31, 2016.

See "Offsetting Derivative Instruments" below for a summary of derivative positions presented in the balance sheets where a right of setoff exists under these arrangements.

**Interest Rate Risk**

LG&E issues debt to finance its operations, which exposes it to interest rate risk. A variety of financial derivative instruments are utilized to adjust the mix of fixed and floating interest rates in its debt portfolios, adjust the duration of the debt portfolios and lock in benchmark interest rates in anticipation of future financing, when appropriate. Risk limits under LG&E's risk management program are designed to balance risk exposure to volatility in interest expense and changes in the fair value of the debt portfolio due to changes in benchmark interest rates. In addition, LG&E's interest rate risk is potentially mitigated as a result of the existing regulatory framework or the timing of rate cases.

Economic Activity

LG&E entered into interest rate swap contracts that economically hedge interest payments on variable rate debt. Because realized gains and losses from the swaps, including terminated swap contracts, are recoverable through regulated rates, any subsequent changes in fair value of these derivatives are included in regulatory assets or liabilities until they are realized as interest expense. Realized gains and losses are recognized in "Interest Expense" on the Statements of Income at the time the underlying hedged interest expense is recorded. In December 2016, a swap with a notional amount of $32 million was terminated. A cash settlement of $9 million was paid on the terminated swap. The settlement is included in noncurrent regulatory assets on the Balance Sheet and in "Cash Flows from Operating Activities" on the Statement of Cash Flows. At December 31, 2017, LG&E held contracts with a notional amount of $147 million that range in maturity through 2033.

**Accounting and Reporting**

All derivative instruments are recorded at fair value on the Balance Sheets as an asset or liability unless NPNS is elected. NPNS contracts include physical purchase contracts. Changes in the fair value of derivatives not designated as NPNS are recognized in earnings unless specific hedge accounting criteria are met and designated as such, except for the changes in fair values of LG&E's interest rate swaps that are recognized as regulatory assets or regulatory liabilities. See Note 4 for amounts recorded in regulatory assets and regulatory liabilities at December 31, 2017 and 2016.

See Note 1 for additional information on accounting policies related to derivative instruments.

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The following table presents the fair value and the location on the Balance Sheets of derivatives not designated as hedging instruments.

| | December 31, 2017 | | December 31, 2016 | |
|---|---|---|---|---|
| | Assets | Liabilities | Assets | Liabilities |
| Current: | | | | |
| Price Risk Management | | | | |
| Assets/Liabilities: | | | | |
| Interest rate swaps | $ - | $ 4 | $ - | $ 4 |
| Total current | - | 4 | - | 4 |
| Noncurrent: | | | | |
| Price Risk Management | | | | |
| Assets/Liabilities: | | | | |
| Interest rate swaps | - | 22 | - | 27 |
| Total noncurrent | - | 22 | - | 27 |
| Total derivatives | $ - | $ 26 | $ - | $ 31 |

The following tables present the pre-tax effect of derivatives not designated as cash flow hedges that are recognized in income or regulatory assets.

| Derivative Instruments | Location of Gain (Loss) Recognized in Income on Derivatives | 2017 | 2016 |
|---|---|---|---|
| Interest rate swaps | Interest expense | $ (6) | $ (7) |

| Derivative Instruments | Location of Gain (Loss) Recognized in Regulatory Assets | 2017 | 2016 |
|---|---|---|---|
| Interest rate swaps | Regulatory assets - noncurrent | $ 5 | $ 7 |

**Offsetting Derivative Instruments**

LG&E has master netting arrangements in place and also enters into agreements pursuant to which it purchases or sells certain energy and other products. Under the agreements, upon termination of the agreement as a result of a default or other termination event, the non-defaulting party typically would have a right to set off amounts owed under the agreement against any other obligations arising between the two parties (whether under the agreement or not), whether matured or contingent and irrespective of the currency, place of payment or place of booking of the obligation.

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NOTES TO FINANCIAL STATEMENTS (Continued)

LG&E has elected not to offset derivative assets and liabilities and not to offset net derivative positions against the right to reclaim cash collateral pledged (an asset) or the obligation to return cash collateral received (a liability) under derivatives agreements. The table below summarizes the derivative positions presented in the balance sheets where a right of setoff exists under these arrangements and related cash collateral received or pledged as of December 31:

| | Liabilities | |
|---|---|---|
| Gross | $ 26 | $ 31 |
| Eligible for Offset | | |
| Cash Collateral Pledged | - | 3 |
| Net | $ 26 | $ 28 |

**Credit Risk-Related Contingent Features**

Certain derivative contracts contain credit risk-related contingent features which, when in a net liability position, would permit the counterparties to require the transfer of additional collateral upon a decrease in LG&E's credit ratings. Most of these features would require the transfer of additional collateral or permit the counterparty to terminate the contract if the applicable credit rating were to fall below investment grade. Some of these features also would allow the counterparty to require additional collateral upon each downgrade in credit rating at levels that remain above investment grade. In either case, if the applicable credit rating were to fall below investment grade, most of these credit contingent features require either immediate payment of the net liability as a termination payment or immediate and ongoing full collateralization on derivative instruments in net liability positions.

Additionally, certain derivative contracts contain credit risk-related contingent features that require adequate assurance of performance be provided if the other party has reasonable concerns regarding LG&E's performance obligations under the contracts. A counterparty demanding adequate assurance could require a transfer of additional collateral or other security, including letters of credit, cash and guarantees from a creditworthy entity. This would typically involve negotiations among the parties. However, amounts disclosed below represent assumed immediate payment or immediate and ongoing full collateralization for derivative instruments in net liability positions with "adequate assurance" features.

At December 31, 2017, derivative contracts in a net liability position that contain credit risk-related contingent features, collateral posted on those positions and the related effect of a decrease in credit ratings below investment grade are summarized as follows:

| | |
|---|---|
| Aggregate fair value of derivative instruments in a net liability position with credit risk-related contingent features | $ 10 |
| Aggregate fair value of additional collateral requirements in the event of a credit downgrade below investment grade (a) | 10 |

(a) Includes the effect of net receivables and payables already recorded on the Balance Sheet.

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NOTES TO FINANCIAL STATEMENTS (Continued)

**14. Other Intangible Assets**

The gross carrying amount and the accumulated amortization of other intangible assets at December 31 were:

| | 2017 | | 2016 | |
|---|---|---|---|---|
| | Gross Carrying Amount | Accumulated Amortization | Gross Carrying Amount | Accumulated Amortization |
| **Subject to amortization:** | | | | |
| Coal contracts (a) | $ - | $ - | $ 124 | $ 124 |
| Land and transmission rights | 7 | 1 | 7 | 1 |
| OVEC power purchase agreement (b) | 87 | 40 | 87 | 34 |
| **Total subject to amortization** | $ 94 | $ 41 | $ 218 | $ 159 |

(a) Gross carrying amount represents the fair value at the acquisition date of coal contracts with terms favorable to market recognized as a result of the 2010 acquisition by PPL. An offsetting regulatory liability was recorded related to these contracts, which was amortized over the same period as the intangible asset, eliminating any income statement impact.

(b) Gross carrying amount represents the fair value at the acquisition date of the OVEC power purchase contract recognized as a result of the 2010 acquisition by PPL. An offsetting regulatory liability was recorded related to this contract, which is being amortized over the same period as the intangible asset, eliminating any income statement impact. See Note 4 for additional information.

Long-term intangible assets are presented as "Other intangibles" on the Balance Sheets.

Amortization expense was as follows:

| | 2017 | 2016 |
|---|---|---|
| Intangible assets with regulatory offset | $ 6 | $ 13 |

Amortization expense for each of the next five years is estimated to be:

| | Intangible assets with regulatory offset |
|---|---|
| 2018 | $ 6 |
| 2019 | 6 |
| 2020 | 6 |
| 2021 | 6 |
| 2022 | 6 |

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NOTES TO FINANCIAL STATEMENTS (Continued)

**15. Asset Retirement Obligations**

LG&E's AROs are primarily related to the final retirement of assets associated with generating units. LG&E also has AROs related to natural gas mains and wells. LG&E's transmission and distribution lines largely operate under perpetual property easement agreements which do not generally require restoration upon removal of the property. Therefore, no material AROs are recorded for transmission and distribution assets. As described in Notes 1 and 4, LG&E's ARO accretion and depreciation expenses are reclassified as a regulatory asset. ARO regulatory assets associated with certain CCR projects are amortized to expense in accordance with regulatory approvals. For other AROs, at the time of retirement, the related ARO regulatory asset is offset against the associated cost of removal regulatory liability, PP&E and ARO liability.

The changes in the carrying amounts of AROs were as follows.

| | 2017 | 2016 |
|---|---|---|
| ARO at beginning of period | $ 145 | $ 175 |
| Accretion | 7 | 7 |
| Changes in estimated timing or cost (a) | (8) | (19) |
| Obligations settled | (23) | (18) |
| ARO at end of period | $ 121 | $ 145 |

(a) LG&E recorded decreases of $8 million and $24 million to the existing AROs during 2017 and 2016 related to the closure of CCR impoundments. These revisions are the result of changes in closure plans related to expected costs and timing of closures. Further changes to AROs, capital plans or operating costs may be required as estimates of future cash flows are refined based on closure developments and regulatory or legal proceedings.

See Note 10 for information on the final CCR rule and Note 4 for information on the rate recovery applications.

**16. New Accounting Guidance Pending Adoption**

Accounting for Revenue from Contracts with Customers

In May 2014, the Financial Accounting Standards Board (FASB) issued accounting guidance that establishes a comprehensive new model for the recognition of revenue from contracts with customers. This model is based on the core principle that revenue should be recognized to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

LG&E has completed an assessment of its revenue under this new guidance and has determined it will not have a material impact on current revenue recognition policies. LG&E’s operating revenues are derived primarily from tariff-based sales that result from providing electricity and natural gas to customers with no defined contractual term. Tariff-based sales are within the scope of the new guidance, and operating revenues under the new guidance will be equivalent to the electricity and natural gas delivered and billed in that period (including estimated billings), which is consistent with current practice.

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The disclosure requirements included in the standard will result in increased information being provided to enable the users of the financial statements to understand the nature, amount, timing and uncertainty of revenue arising from contracts with customers. These disclosures will include disaggregation of revenues by geographic location, customer class or type of service. Some revenue arrangements, including alternative revenue programs and lease income, are excluded from the scope of the new guidance and will be accounted for and disclosed separately from revenues from contracts with customers. LG&E will also disclose the opening and closing balances of accounts receivable and any contract assets or contract liabilities resulting from contracts with customers.

LG&E adopted this guidance effective January 1, 2018 using the modified retrospective transition method.

Accounting for Leases

In February 2016, the FASB issued accounting guidance for leases. This new guidance requires lessees to recognize a right-of-use asset and a lease liability for virtually all of their leases (other than leases that meet the definition of a short-term lease). For income statement purposes, the FASB retained a dual model for lessees, requiring leases to be classified as either operating or finance. Operating leases will result in straight-line expense (similar to current operating leases) while finance leases will result in a front-loaded expense pattern (similar to current capital leases). Classification will be based on criteria that are largely similar to those applied in current lease accounting, but without explicit bright line tests.

Lessor accounting under the new guidance is similar to the current model, but updated to align with certain changes to the lessee model and the new revenue recognition standard. Similar to current practice, lessors will classify leases as operating, direct financing, or sales-type.

The standard is effective for public business entities for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2018. Early adoption is permitted. The new standard must be adopted using a modified retrospective transition, and provides for certain practical expedients. One of these practical expedients allows entities to elect to not evaluate land easements as leases that exist or expired before the adoption date and were not previously accounted for as leases under current lease guidance. Transition will require application of the new guidance at the beginning of the earliest comparative period presented.

LG&E is currently assessing the impact of adopting this guidance and will adopt this guidance effective January 1, 2019.

Accounting for Financial Instrument Credit Losses

In June 2016, the FASB issued accounting guidance that requires the use of a current expected credit loss (CECL) model for the measurement of credit losses on financial instruments within the scope of this guidance, which includes accounts receivable. The CECL model requires an entity to measure credit losses using historical information, current information and reasonable and supportable forecasts of future events, rather than the incurred loss impairment model required under current GAAP.

For public business entities, this guidance will be applied using a modified retrospective approach and is

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effective for fiscal years beginning after December 15, 2019, and interim periods within those years. All entities may early adopt this guidance beginning after December 15, 2018, including interim periods within those years.

LG&E is currently assessing the impact of adopting this guidance and the period it will be adopted.

Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost

In March 2017, the FASB issued accounting guidance that changes the GAAP income statement presentation of net periodic benefit cost. This new guidance requires the service cost component to be disaggregated from other components of net benefit cost and presented in the same income statement line items as other employee compensation costs arising from services rendered during the period. The other components of net periodic benefits will be presented separately from the line items that include the service cost and outside of any subtotal of operating income. Only the service cost component is eligible for capitalization.

For public business entities, the guidance on the presentation of the components of net periodic benefit costs will be applied retrospectively. The guidance that limits the capitalization to the service cost component of net periodic benefit costs will be applied prospectively. This guidance is effective for fiscal years beginning after December 15, 2017 and interim periods within those years. LG&E will adopt this guidance effective January 1, 2018.

For LG&E's U.S. defined benefit pension plan and for LKE's defined benefit pension and other postretirement benefit plans allocated to LG&E, the adoption of this new guidance is not expected to have a material impact on either the presentation on the GAAP income statements or the amounts capitalized and related impact to expense, as the difference between the service cost and the non-service cost components of net periodic benefit costs has not historically been and is not expected to be material in 2018.

LG&E is finalizing the expected 2018 impacts of adopting the guidance as the amounts are affected by market conditions and assumptions selected at December 31, 2017.

The adoption of this guidance will have no impact on the FERC income statements and balance sheets and will represent a FERC to GAAP reporting difference.

Improvements to Accounting for Hedging Activities

In August 2017, the FASB issued accounting guidance that reduces complexity when applying hedge accounting as well as improves transparency about an entity's risk management activities. This guidance eliminates recognizing hedge ineffectiveness for cash flow and net investment hedges and provides for the ability to perform subsequent effectiveness assessments qualitatively. The guidance also makes certain changes to allowable methodologies such as allowing entities to apply the short-cut method to partial-term fair value hedges of interest rate risk as well as expands the ability to apply the critical terms match method to cash flow hedges of groups of forecasted transactions. The guidance also updates certain recognition and presentation requirements as well as disclosure requirements.

For public business entities, this guidance is effective for fiscal years, and interim periods within those fiscal

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years, beginning after December 15, 2018. Early adoption is permitted. This standard must be adopted using a modified retrospective approach and provides for certain transition elections that must be made prior to the first effectiveness testing date after adoption.

LG&E is currently assessing the impact of adopting this guidance and the period it will be adopted.

Simplifying the Test for Goodwill Impairment

In January 2017, the FASB issued accounting guidance that simplifies the test for goodwill impairment by eliminating the second step of the quantitative test. The second step of the quantitative test requires a calculation of the implied fair value of goodwill, which is determined in the same manner as the amount of goodwill in a business combination. Under this new guidance, an entity will now compare the estimated fair value of a reporting unit with its carrying value and recognize an impairment charge for the amount the carrying amount exceeds the fair value of the reporting unit.

For public business entities, this guidance will be applied prospectively and is effective for annual or any interim goodwill impairment tests for fiscal years beginning after December 15, 2019. All entities may early adopt this guidance for interim or annual goodwill impairment tests performed on testing dates after January 1, 2017.

LG&E is currently assessing the impact of adopting this guidance and the period it will be adopted.

**17. Notes to Statement of Cash Flows**

| | December 31, 2017 | December 31, 2016 |
|---|---|---|
| Cash paid (received) during the period for: | | |
| Income taxes | $ 22 | $ (43) |
| Interest | 59 | 58 |
| Other cash paid for interest | 6 | 7 |
| Significant noncash transactions: | | |
| Accrued expenditures for property, plant and equipment | 92 | 56 |

**18. Notes to Statement of Income for the Year**

See page 115, line 6, column (g). Electric Utility Depreciation Expense includes $6 million applicable to Common Utility Plant apportioned to Electric Operations.

See page 115, line 6, column (i). Gas Utility Depreciation Expense $3 million applicable to Common Utility Plant apportioned to Gas Operations.

See page 115, line 8, column (g). Electric Utility Amortization and Depletion of Utility Plant includes $10

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million applicable to Common Utility Plant apportioned to Electric Operations.

See page 115, line 8, column (i). Gas Utility Amortization and Depletion of Utility Plant includes $5 million applicable to Common Utility Plant apportioned to Gas Operations.

**19. Subsequent Events**

Management has evaluated the impact of events occurring after December 31, 2017 up to February 22, 2018, the date that LG&E's U.S. GAAP financial statements were issued and has updated such evaluation for disclosure purposes through March 21, 2018. These updates are included below.

*TCJA Impact on Kentucky Rates*

On March 20, 2018, the KPSC issued an order in the regulatory proceeding related to the TCJA approving the parties' prior settlement agreement with certain modifications. The KPSC has estimated the impact of these additional modifications to reduce LG&E's electricity revenues by an additional $10 million from the initial settlement amounts for the period January 2018 through April 2019. Changes to LG&E's gas revenues were not significant. On March 26, 2018, LG&E filed a petition for reconsideration and request for hearing with the KPSC, taking exception with the KPSC's modifications and the process, and also requested certain relief from implementing the amounts represented by the additional reductions until the matter is fully resolved. LG&E cannot predict the ultimate outcome of this proceeding.

See Note 4 for more information on the TCJA complaint and subsequent settlement agreement.

*Gas Franchise*

On March 14, 2018, the KPSC issued an order in the regulatory proceeding relating to the Louisville/Jefferson County franchise fee matter, which order confirmed that such franchise fee is to be recovered from LG&E's customers. As a result, the franchise fee will continue to be zero in accordance with the terms of the August 2016 five-year gas franchise agreement with Louisville/Jefferson County.

See Note 4 for more information on the gas franchise agreement and proceeding with the KPSC.

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## STATEMENTS OF ACCUMULATED COMPREHENSIVE INCOME, COMPREHENSIVE INCOME, AND HEDGING ACTIVITIES

1. Report in columns (b),(c),(d) and (e) the amounts of accumulated other comprehensive income items, on a net-of-tax basis, where appropriate.
2. Report in columns (f) and (g) the amounts of other categories of other cash flow hedges.
3. For each category of hedges that have been accounted for as "fair value hedges", report the accounts affected and the related amounts in a footnote.
4. Report data on a year-to-date basis.

| Line No. | Item (a) | Unrealized Gains and Losses on Available-for-Sale Securities (b) | Minimum Pension Liability adjustment (net amount) (c) | Foreign Currency Hedges (d) | Other Adjustments (e) |
|---|---|---|---|---|---|
| 1 | Balance of Account 219 at Beginning of Preceding Year | | | | |
| 2 | Preceding Qtr/Yr to Date Reclassifications from Acct 219 to Net Income | | | | |
| 3 | Preceding Quarter/Year to Date Changes in Fair Value | | | | |
| 4 | Total (lines 2 and 3) | | | | |
| 5 | Balance of Account 219 at End of Preceding Quarter/Year | | | | |
| 6 | Balance of Account 219 at Beginning of Current Year | | | | |
| 7 | Current Qtr/Yr to Date Reclassifications from Acct 219 to Net Income | | | | |
| 8 | Current Quarter/Year to Date Changes in Fair Value | | | | |
| 9 | Total (lines 7 and 8) | | | | |
| 10 | Balance of Account 219 at End of Current Quarter/Year | | | | |

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|---|---|---|---|

STATEMENTS OF ACCUMULATED COMPREHENSIVE INCOME, COMPREHENSIVE INCOME, AND HEDGING ACTIVITIES

| Line No. | Other Cash Flow Hedges Interest Rate Swaps<br>(f) | Other Cash Flow Hedges [Specify]<br>(g) | Totals for each category of items recorded in Account 219<br>(h) | Net Income (Carried Forward from Page 117, Line 78)<br>(i) | Total Comprehensive Income<br>(j) |
|---|---|---|---|---|---|
| 1 | | | | [redacted] | [redacted] |
| 2 | | | | [redacted] | [redacted] |
| 3 | | | | [redacted] | [redacted] |
| 4 | | | | 203,173,880 | 203,173,880 |
| 5 | | | | [redacted] | [redacted] |
| 6 | | | | [redacted] | [redacted] |
| 7 | | | | [redacted] | [redacted] |
| 8 | | | | [redacted] | [redacted] |
| 9 | | | | 214,095,766 | 214,095,766 |
| 10 | | | | [redacted] | [redacted] |

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SUMMARY OF UTILITY PLANT AND ACCUMULATED PROVISIONS
FOR DEPRECIATION. AMORTIZATION AND DEPLETION

Report in Column (c) the amount for electric function, in column (d) the amount for gas function, in column (e), (f), and (g) report other (specify) and in column (h) common function.

| Line No. | Classification (a) | Total Company for the Current Year/Quarter Ended (b) | Electric (c) |
|---|---|---|---|
| 1 | Utility Plant | | |
| 2 | In Service | | |
| 3 | Plant in Service (Classified) | 5,536,048,324 | 4,149,104,946 |
| 4 | Property Under Capital Leases | | |
| 5 | Plant Purchased or Sold | | |
| 6 | Completed Construction not Classified | 1,309,242,410 | 1,244,368,147 |
| 7 | Experimental Plant Unclassified | | |
| 8 | Total (3 thru 7) | 6,845,290,734 | 5,393,473,093 |
| 9 | Leased to Others | | |
| 10 | Held for Future Use | 3,126,750 | 3,126,750 |
| 11 | Construction Work in Progress | 304,939,291 | 268,646,844 |
| 12 | Acquisition Adjustments | | |
| 13 | Total Utility Plant (8 thru 12) | 7,153,356,775 | 5,665,246,687 |
| 14 | Accum Prov for Depr, Amort, & Depl | 2,144,465,521 | 1,680,041,513 |
| 15 | Net Utility Plant (13 less 14) | 5,008,891,254 | 3,985,205,174 |
| 16 | Detail of Accum Prov for Depr, Amort & Depl | | |
| 17 | In Service: | | |
| 18 | Depreciation | 2,086,154,562 | 1,680,041,513 |
| 19 | Amort & Depl of Producing Nat Gas Land/Land Right | | |
| 20 | Amort of Underground Storage Land/Land Rights | 209 | |
| 21 | Amort of Other Utility Plant | 58,310,750 | |
| 22 | Total In Service (18 thru 21) | 2,144,465,521 | 1,680,041,513 |
| 23 | Leased to Others | | |
| 24 | Depreciation | | |
| 25 | Amortization and Depletion | | |
| 26 | Total Leased to Others (24 & 25) | | |
| 27 | Held for Future Use | | |
| 28 | Depreciation | | |
| 29 | Amortization | | |
| 30 | Total Held for Future Use (28 & 29) | | |
| 31 | Abandonment of Leases (Natural Gas) | | |
| 32 | Amort of Plant Acquisition Adj | | |
| 33 | Total Accum Prov (equals 14) (22,26,30,31,32) | 2,144,465,521 | 1,680,041,513 |

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SUMMARY OF UTILITY PLANT AND ACCUMULATED PROVISIONS
FOR DEPRECIATION. AMORTIZATION AND DEPLETION

| Gas (d) | Other (Specify) (e) | Other (Specify) (f) | Other (Specify) (g) | Common (h) | Line No. |
|---|---|---|---|---|---|
| | | | | | 1 |
| | | | | | 2 |
| 1,137,481,599 | | | | 249,461,779 | 3 |
| | | | | | 4 |
| | | | | | 5 |
| 41,736,601 | | | | 23,137,662 | 6 |
| | | | | | 7 |
| 1,179,218,200 | | | | 272,599,441 | 8 |
| | | | | | 9 |
| | | | | | 10 |
| 20,256,464 | | | | 16,035,983 | 11 |
| | | | | | 12 |
| 1,199,474,664 | | | | 288,635,424 | 13 |
| 324,732,270 | | | | 139,691,738 | 14 |
| 874,742,394 | | | | 148,943,686 | 15 |
| | | | | | 16 |
| | | | | | 17 |
| 324,732,061 | | | | 81,380,988 | 18 |
| | | | | | 19 |
| 209 | | | | | 20 |
| | | | | 58,310,750 | 21 |
| 324,732,270 | | | | 139,691,738 | 22 |
| | | | | | 23 |
| | | | | | 24 |
| | | | | | 25 |
| | | | | | 26 |
| | | | | | 27 |
| | | | | | 28 |
| | | | | | 29 |
| | | | | | 30 |
| | | | | | 31 |
| | | | | | 32 |
| 324,732,270 | | | | 139,691,738 | 33 |

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NUCLEAR FUEL MATERIALS (Account 120.1 through 120.6 and 157)

1. Report below the costs incurred for nuclear fuel materials in process of fabrication, on hand, in reactor, and in cooling; owned by the respondent.
2. If the nuclear fuel stock is obtained under leasing arrangements, attach a statement showing the amount of nuclear fuel leased, the quantity used and quantity on hand, and the costs incurred under such leasing arrangements.

| Line No. | Description of item (a) | Balance Beginning of Year (b) | Changes during Year Additions (c) |
|---|---|---|---|
| 1 | Nuclear Fuel in process of Refinement, Conv, Enrichment & Fab (120.1) | | |
| 2 | Fabrication | | |
| 3 | Nuclear Materials | | |
| 4 | Allowance for Funds Used during Construction | | |
| 5 | (Other Overhead Construction Costs, provide details in footnote) | | |
| 6 | SUBTOTAL (Total 2 thru 5) | | |
| 7 | Nuclear Fuel Materials and Assemblies | | |
| 8 | In Stock (120.2) | | |
| 9 | In Reactor (120.3) | | |
| 10 | SUBTOTAL (Total 8 & 9) | | |
| 11 | Spent Nuclear Fuel (120.4) | | |
| 12 | Nuclear Fuel Under Capital Leases (120.6) | | |
| 13 | (Less) Accum Prov for Amortization of Nuclear Fuel Assem (120.5) | | |
| 14 | TOTAL Nuclear Fuel Stock (Total 6, 10, 11, 12, less 13) | | |
| 15 | Estimated net Salvage Value of Nuclear Materials in line 9 | | |
| 16 | Estimated net Salvage Value of Nuclear Materials in line 11 | | |
| 17 | Est Net Salvage Value of Nuclear Materials in Chemical Processing | | |
| 18 | Nuclear Materials held for Sale (157) | | |
| 19 | Uranium | | |
| 20 | Plutonium | | |
| 21 | Other (provide details in footnote): | | |
| 22 | TOTAL Nuclear Materials held for Sale (Total 19, 20, and 21) | | |

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NUCLEAR FUEL MATERIALS (Account 120.1 through 120.6 and 157)

| Changes during Year: Amortization (d) | Changes during Year: Other Reductions (Explain in a footnote) (e) | Balance End of Year (f) | Line No. |
|---|---|---|---|
| | | | 1 |
| | | | 2 |
| | | | 3 |
| | | | 4 |
| | | | 5 |
| | | | 6 |
| | | | 7 |
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| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year/Period of Report |
|---|---|---|---|
| Louisville Gas and Electric Company | (1) [X] An Original<br>(2) [ ] A Resubmission | / / | End of 2017/Q4 |

ELECTRIC PLANT IN SERVICE (Account 101, 102, 103 and 106)

1. Report below the original cost of electric plant in service according to the prescribed accounts.
2. In addition to Account 101, Electric Plant in Service (Classified), this page and the next include Account 102, Electric Plant Purchased or Sold; Account 103, Experimental Electric Plant Unclassified; and Account 106, Completed Construction Not Classified-Electric.
3. Include in column (c) or (d), as appropriate, corrections of additions and retirements for the current or preceding year.
4. For revisions to the amount of initial asset retirement costs capitalized, included by primary plant account, increases in column (c) additions and reductions in column (e) adjustments.
5. Enclose in parentheses credit adjustments of plant accounts to indicate the negative effect of such accounts.
6. Classify Account 106 according to prescribed accounts, on an estimated basis if necessary, and include the entries in column (c). Also to be included in column (c) are entries for reversals of tentative distributions of prior year reported in column (b). Likewise, if the respondent has a significant amount of plant retirements which have not been classified to primary accounts at the end of the year, include in column (d) a tentative distribution of such retirements, on an estimated basis, with appropriate contra entry to the account for accumulated depreciation provision. Include also in column (d)

| Line No. | Account (a) | Balance Beginning of Year (b) | Additions (c) |
|---|---|---|---|
| 1 | 1. INTANGIBLE PLANT | | |
| 2 | (301) Organization | 2,240 | |
| 3 | (302) Franchises and Consents | | |
| 4 | (303) Miscellaneous Intangible Plant | | |
| 5 | TOTAL Intangible Plant (Enter Total of lines 2, 3, and 4) | 2,240 | |
| 6 | 2. PRODUCTION PLANT | | |
| 7 | A. Steam Production Plant | | |
| 8 | (310) Land and Land Rights | 7,627,462 | 1,245,242 |
| 9 | (311) Structures and Improvements | 299,174,388 | 3,070,494 |
| 10 | (312) Boiler Plant Equipment | 2,158,959,344 | 40,762,147 |
| 11 | (313) Engines and Engine-Driven Generators | | |
| 12 | (314) Turbogenerator Units | 225,183,311 | 2,873,479 |
| 13 | (315) Accessory Electric Equipment | 165,273,718 | 17,143,821 |
| 14 | (316) Misc. Power Plant Equipment | 18,704,349 | 1,820,692 |
| 15 | (317) Asset Retirement Costs for Steam Production | 126,930,208 | 4,981,350 |
| 16 | TOTAL Steam Production Plant (Enter Total of lines 8 thru 15) | 3,001,852,780 | 71,897,225 |
| 17 | B. Nuclear Production Plant | | |
| 18 | (320) Land and Land Rights | | |
| 19 | (321) Structures and Improvements | | |
| 20 | (322) Reactor Plant Equipment | | |
| 21 | (323) Turbogenerator Units | | |
| 22 | (324) Accessory Electric Equipment | | |
| 23 | (325) Misc. Power Plant Equipment | | |
| 24 | (326) Asset Retirement Costs for Nuclear Production | | |
| 25 | TOTAL Nuclear Production Plant (Enter Total of lines 18 thru 24) | | |
| 26 | C. Hydraulic Production Plant | | |
| 27 | (330) Land and Land Rights | 6 | |
| 28 | (331) Structures and Improvements | 10,880,394 | 2,018,581 |
| 29 | (332) Reservoirs, Dams, and Waterways | 21,534,081 | 2,966,174 |
| 30 | (333) Water Wheels, Turbines, and Generators | 80,676,834 | 11,104,240 |
| 31 | (334) Accessory Electric Equipment | 11,240,774 | 1,850,707 |
| 32 | (335) Misc. Power PLant Equipment | 2,664,249 | 925,353 |
| 33 | (336) Roads, Railroads, and Bridges | 29,931 | |
| 34 | (337) Asset Retirement Costs for Hydraulic Production | 466,646 | |
| 35 | TOTAL Hydraulic Production Plant (Enter Total of lines 27 thru 34) | 127,492,915 | 18,865,055 |
| 36 | D. Other Production Plant | | |
| 37 | (340) Land and Land Rights | 123,879 | |
| 38 | (341) Structures and Improvements | 33,095,858 | 519,486 |
| 39 | (342) Fuel Holders, Products, and Accessories | 24,267,178 | 396,411 |
| 40 | (343) Prime Movers | 235,710,051 | 9,518,425 |
| 41 | (344) Generators | 59,076,999 | -28,678 |
| 42 | (345) Accessory Electric Equipment | 27,643,007 | 4,421,053 |
| 43 | (346) Misc. Power Plant Equipment | 4,924,769 | 100,336 |
| 44 | (347) Asset Retirement Costs for Other Production | 78,099 | 39,043 |
| 45 | TOTAL Other Prod. Plant (Enter Total of lines 37 thru 44) | 384,919,840 | 14,966,076 |
| 46 | TOTAL Prod. Plant (Enter Total of lines 16, 25, 35, and 45) | 3,514,265,535 | 105,728,356 |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year/Period of Report |
|---|---|---|---|
| Louisville Gas and Electric Company | (1) [X] An Original<br>(2) [ ] A Resubmission | / / | End of 2017/Q4 |

ELECTRIC PLANT IN SERVICE (Account 101, 102, 103 and 106) (Continued)

| Line No. | Account (a) | Balance Beginning of Year (b) | Additions (c) |
|---|---|---|---|
| 47 | 3. TRANSMISSION PLANT | | |
| 48 | (350) Land and Land Rights | 11,144,162 | |
| 49 | (352) Structures and Improvements | 17,097,340 | 127,436 |
| 50 | (353) Station Equipment | 193,112,567 | 3,830,844 |
| 51 | (354) Towers and Fixtures | 43,757,248 | -1,918 |
| 52 | (355) Poles and Fixtures | 91,256,422 | 4,285,242 |
| 53 | (356) Overhead Conductors and Devices | 59,326,539 | 606,746 |
| 54 | (357) Underground Conduit | 1,687,813 | 95,630 |
| 55 | (358) Underground Conductors and Devices | 7,365,472 | 6,594 |
| 56 | (359) Roads and Trails | | |
| 57 | (359.1) Asset Retirement Costs for Transmission Plant | 208,300 | |
| 58 | TOTAL Transmission Plant (Enter Total of lines 48 thru 57) | 424,955,863 | 8,950,574 |
| 59 | 4. DISTRIBUTION PLANT | | |
| 60 | (360) Land and Land Rights | 4,100,654 | |
| 61 | (361) Structures and Improvements | 6,833,646 | 91,614 |
| 62 | (362) Station Equipment | 131,778,750 | 9,446,991 |
| 63 | (363) Storage Battery Equipment | | |
| 64 | (364) Poles, Towers, and Fixtures | 194,802,997 | 10,056,903 |
| 65 | (365) Overhead Conductors and Devices | 312,278,916 | 16,453,844 |
| 66 | (366) Underground Conduit | 79,875,476 | 4,682,821 |
| 67 | (367) Underground Conductors and Devices | 226,911,351 | 28,888,045 |
| 68 | (368) Line Transformers | 162,525,780 | 6,237,630 |
| 69 | (369) Services | 32,540,620 | 2,764,815 |
| 70 | (370) Meters | 44,239,742 | 677,061 |
| 71 | (371) Installations on Customer Premises | | |
| 72 | (372) Leased Property on Customer Premises | | |
| 73 | (373) Street Lighting and Signal Systems | 104,202,592 | 6,594,331 |
| 74 | (374) Asset Retirement Costs for Distribution Plant | 441,293 | 43,497 |
| 75 | TOTAL Distribution Plant (Enter Total of lines 60 thru 74) | 1,300,531,817 | 85,937,552 |
| 76 | 5. REGIONAL TRANSMISSION AND MARKET OPERATION PLANT | | |
| 77 | (380) Land and Land Rights | | |
| 78 | (381) Structures and Improvements | | |
| 79 | (382) Computer Hardware | | |
| 80 | (383) Computer Software | | |
| 81 | (384) Communication Equipment | | |
| 82 | (385) Miscellaneous Regional Transmission and Market Operation Plant | | |
| 83 | (386) Asset Retirement Costs for Regional Transmission and Market Oper | | |
| 84 | TOTAL Transmission and Market Operation Plant (Total lines 77 thru 83) | | |
| 85 | 6. GENERAL PLANT | | |
| 86 | (389) Land and Land Rights | | |
| 87 | (390) Structures and Improvements | | |
| 88 | (391) Office Furniture and Equipment | | |
| 89 | (392) Transportation Equipment | 6,035,677 | 197,314 |
| 90 | (393) Stores Equipment | | |
| 91 | (394) Tools, Shop and Garage Equipment | 6,390,922 | 44,828 |
| 92 | (395) Laboratory Equipment | | |
| 93 | (396) Power Operated Equipment | 2,309,807 | 110,497 |
| 94 | (397) Communication Equipment | 5,970,922 | 881,371 |
| 95 | (398) Miscellaneous Equipment | | |
| 96 | SUBTOTAL (Enter Total of lines 86 thru 95) | 20,707,328 | 1,234,010 |
| 97 | (399) Other Tangible Property | | |
| 98 | (399.1) Asset Retirement Costs for General Plant | | |
| 99 | TOTAL General Plant (Enter Total of lines 96, 97 and 98) | 20,707,328 | 1,234,010 |
| 100 | TOTAL (Accounts 101 and 106) | 5,260,462,783 | 201,850,492 |
| 101 | (102) Electric Plant Purchased (See Instr. 8) | | |
| 102 | (Less) (102) Electric Plant Sold (See Instr. 8) | 76,448 | |
| 103 | (103) Experimental Plant Unclassified | | |
| 104 | TOTAL Electric Plant in Service (Enter Total of lines 100 thru 103) | 5,260,386,335 | 201,850,492 |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year/Period of Report |
|---|---|---|---|
| Louisville Gas and Electric Company | (1) [X] An Original (2) [ ] A Resubmission | / / | End of 2017/Q4 |

ELECTRIC PLANT IN SERVICE (Account 101, 102, 103 and 106) (Continued)

distributions of these tentative classifications in columns (c) and (d), including the reversals of the prior years tentative account distributions of these amounts. Careful observance of the above instructions and the texts of Accounts 101 and 106 will avoid serious omissions of the reported amount of respondent's plant actually in service at end of year.
7. Show in column (f) reclassifications or transfers within utility plant accounts. Include also in column (f) the additions or reductions of primary account classifications arising from distribution of amounts initially recorded in Account 102, include in column (e) the amounts with respect to accumulated provision for depreciation, acquisition adjustments, etc., and show in column (f) only the offset to the debits or credits distributed in column (f) to primary account classifications.
8. For Account 399, state the nature and use of plant included in this account and if substantial in amount submit a supplementary statement showing subaccount classification of such plant conforming to the requirement of these pages.
9. For each amount comprising the reported balance and changes in Account 102, state the property purchased or sold, name of vendor or purchase, and date of transaction. If proposed journal entries have been filed with the Commission as required by the Uniform System of Accounts, give also date

| Retirements (d) | Adjustments (e) | Transfers (f) | Balance at End of Year (g) | | Line No. |
|---|---|---|---|---|---|
| | | | | | 1 |
| | | | 2,240 | | 2 |
| | | | | | 3 |
| | | | | | 4 |
| | | | 2,240 | | 5 |
| | | | | | 6 |
| | | | | | 7 |
| | | | 8,872,704 | | 8 |
| 209,322 | | | 302,035,560 | | 9 |
| 13,091,125 | | | 2,186,630,366 | | 10 |
| | | | | | 11 |
| 1,207,097 | | | 226,849,693 | | 12 |
| 22,054 | | | 182,395,485 | | 13 |
| 207,367 | | | 20,317,674 | | 14 |
| 20,817,966 | -14,097,482 | | 96,996,110 | | 15 |
| 35,554,931 | -14,097,482 | | 3,024,097,592 | | 16 |
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| | | | 6 | | 27 |
| 28,267 | | | 12,870,708 | | 28 |
| 7,416 | | | 24,492,839 | | 29 |
| 153,828 | | | 91,627,246 | | 30 |
| 21,090 | | | 13,070,391 | | 31 |
| 3,310 | | | 3,586,292 | | 32 |
| | | | 29,931 | | 33 |
| | | | 466,646 | | 34 |
| 213,911 | | | 146,144,059 | | 35 |
| | | | | | 36 |
| | | | 123,879 | | 37 |
| | | | 33,615,344 | | 38 |
| 21,564 | | | 24,642,025 | | 39 |
| 890,335 | | -285,047 | 244,053,094 | | 40 |
| 308,016 | | 285,047 | 59,025,352 | | 41 |
| | | | 32,064,060 | | 42 |
| 22,885 | | | 5,002,220 | | 43 |
| | -5,159 | | 111,983 | | 44 |
| 1,242,800 | -5,159 | | 398,637,957 | | 45 |
| 37,011,642 | -14,102,641 | | 3,568,879,608 | | 46 |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year/Period of Report |
|---|---|---|---|
| Louisville Gas and Electric Company | (1) [X] An Original<br>(2) [ ] A Resubmission | / / | End of 2017/Q4 |

ELECTRIC PLANT IN SERVICE (Account 101, 102, 103 and 106) (Continued)

| Retirements (d) | Adjustments (e) | Transfers (f) | Balance at End of Year (g) | | Line No. |
|---|---|---|---|---|---|
| | | | | | 47 |
| | | | 11,144,162 | | 48 |
| 26,706 | | -72,053 | 17,126,017 | | 49 |
| 1,324,027 | | 975,672 | 196,595,056 | | 50 |
| -91,139 | | | 43,846,469 | | 51 |
| 468,266 | | | 95,073,398 | | 52 |
| 241,277 | | | 59,692,008 | | 53 |
| | | | 1,783,443 | | 54 |
| | | | 7,372,066 | | 55 |
| | | | | | 56 |
| 7,371 | -3,758 | | 197,171 | | 57 |
| 1,976,508 | -3,758 | 903,619 | 432,829,790 | | 58 |
| | | | | | 59 |
| | | | 4,100,654 | | 60 |
| 22,760 | | 72,053 | 6,974,553 | | 61 |
| 711,865 | | -974,073 | 139,539,803 | | 62 |
| | | | | | 63 |
| 2,893,219 | | | 201,966,681 | | 64 |
| 2,802,230 | | -1,599 | 325,928,931 | | 65 |
| 408,132 | | | 84,150,165 | | 66 |
| 1,580,439 | | | 254,218,957 | | 67 |
| 2,952,154 | | | 165,811,256 | | 68 |
| 78,595 | | | 35,226,840 | | 69 |
| 3,161,254 | | | 41,755,549 | | 70 |
| | | | | | 71 |
| | | | | | 72 |
| 288,353 | | | 110,508,570 | | 73 |
| 42,151 | -74,675 | | 367,964 | | 74 |
| 14,941,152 | -74,675 | -903,619 | 1,370,549,923 | | 75 |
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| | | | | | 88 |
| 164,622 | | | 6,068,369 | | 89 |
| | | | | | 90 |
| 143,955 | | | 6,291,795 | | 91 |
| | | | | | 92 |
| 421,229 | | | 1,999,075 | | 93 |
| | | | 6,852,293 | | 94 |
| | | | | | 95 |
| 729,806 | | | 21,211,532 | | 96 |
| | | | | | 97 |
| | | | | | 98 |
| 729,806 | | | 21,211,532 | | 99 |
| 54,659,108 | -14,181,074 | | 5,393,473,093 | | 100 |
| | | | | | 101 |
| | | -76,448 | | | 102 |
| | | | | | 103 |
| 54,659,108 | -14,181,074 | 76,448 | 5,393,473,093 | | 104 |

| Name of Respondent | This Report is: | Date of Report (Mo, Da, Yr) | Year/Period of Report |
|---|---|---|---|
| Louisville Gas and Electric Company | (1) X An Original<br>(2) __ A Resubmission | / / | 2017/Q4 |

FOOTNOTE DATA

***Schedule Page: 204 Line No.: 15 Column: e***

Adjustment due to changes in asset retirement cost estimates.

***Schedule Page: 204 Line No.: 41 Column: c***

Amounts temporarily classified to plant account Generators (344) in Completed Construction Not Classified - Electric (106) were reclasssed to the correct plant account at the time of final unitization.

***Schedule Page: 204 Line No.: 44 Column: e***

Adjustment due to changes in asset retirement cost estimates.

***Schedule Page: 204 Line No.: 51 Column: c***

Amounts temporarily classified to plant account Towers and Fixtures (354) in Completed Construction Not Classified - Electric (106) were reclassed to the correct plant account at the time of final unitization.

***Schedule Page: 204 Line No.: 51 Column: d***

Reversal of estimated retirements recorded in Completed Construction Not Classified - Electric (106) that were on a preliminary basis. Upon recording of final retirement, the estimated amounts were higher than the actual retirement amount.

***Schedule Page: 204 Line No.: 57 Column: e***

Adjustment due to changes in asset retirement cost estimates.

***Schedule Page: 204 Line No.: 74 Column: e***

Adjustment due to changes in asset retirement cost estimates.

***Schedule Page: 204 Line No.: 102 Column: f***

Gain on the sale of railcars from the Cane Run facility in Louisville, KY. The gain was recorded in Electric Plant Purchased or Sold (102). This transaction occurred in October 2016. The journal entries for this transaction were filed with the FERC on December 2, 2016, in Docket No. AC17-17-000 and were subsequently approved by the FERC.

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year/Period of Report |
|---|---|---|---|
| Louisville Gas and Electric Company | (1) [X] An Original<br>(2) [ ] A Resubmission | / / | End of 2017/Q4 |

ELECTRIC PLANT LEASED TO OTHERS (Account 104)

| Line No. | Name of Lessee (Designate associated companies with a double asterisk) (a) | Description of Property Leased (b) | Commission Authorization (c) | Expiration Date of Lease (d) | Balance at End of Year (e) |
|---|---|---|---|---|---|
| 1 | | | | | |
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| 47 | TOTAL | | | | |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year/Period of Report |
|---|---|---|---|
| Louisville Gas and Electric Company | (1) [X] An Original<br>(2) [ ] A Resubmission | / / | End of 2017/Q4 |

## ELECTRIC PLANT HELD FOR FUTURE USE (Account 105)

1. Report separately each property held for future use at end of the year having an original cost of $250,000 or more. Group other items of property held for future use.
2. For property having an original cost of $250,000 or more previously used in utility operations, now held for future use, give in column (a), in addition to other required information, the date that utility use of such property was discontinued, and the date the original cost was transferred to Account 105.

| Line No. | Description and Location Of Property (a) | Date Originally Included in This Account (b) | Date Expected to be used in Utility Service (c) | Balance at End of Year (d) |
|---|---|---|---|---|
| 1 | Land and Rights: | | | |
| 2 | Five Tracts in or near Louisville, Kentucky | Various | Various | 505,041 |
| 3 | | | | |
| 4 | US 42: Tract No. D152 | 01/31/2000 | 2019-2024 | 253,321 |
| 5 | | | | |
| 6 | Fegenbush Lane at the General Electric Plant | 05/01/2012 | 2020-2024 | 519,009 |
| 7 | | | | |
| 8 | Tucker Station Distribution Substation - | | | |
| 9 | Blankenbaker Station Business Park, Tract 13 | 07/01/2012 | 2019-2023 | 745,731 |
| 10 | | | | |
| 11 | Land at Green River Facility | 11/01/2014 | 2029 | 211,409 |
| 12 | | | | |
| 13 | Land at Billtown Substation | 08/01/2016 | 2021-2026 | 871,644 |
| 14 | | | | |
| 15 | | | | |
| 16 | | | | |
| 17 | | | | |
| 18 | | | | |
| 19 | | | | |
| 20 | | | | |
| 21 | Other Property: | | | |
| 22 | Site Development - Kentucky Substation, Tract D146 | 06/30/1992 | 2021-2026 | 20,595 |
| 23 | | | | |
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| 45 | | | | |
| 46 | | | | |
| 47 | Total | | | 3,126,750 |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year/Period of Report |
|---|---|---|---|
| Louisville Gas and Electric Company | (1) [X] An Original<br>(2) [ ] A Resubmission | / / | End of 2017/Q4 |

CONSTRUCTION WORK IN PROGRESS - - ELECTRIC (Account 107)

1. Report below descriptions and balances at end of year of projects in process of construction (107)
2. Show items relating to "research, development, and demonstration" projects last, under a caption Research, Development, and Demonstrating (see Account 107 of the Uniform System of Accounts)
3. Minor projects (5% of the Balance End of the Year for Account 107 or $1,000,000, whichever is less) may be grouped.

| Line No. | Description of Project (a) | Construction work in progress - Electric (Account 107) (b) |
|---|---|---|
| 1 | STEAM PRODUCTION MAJOR | |
| 2 | MILL CREEK PROCESS WATER SYSTEM | 71,093,118 |
| 3 | MILL CREEK GYPSUM DEWATERING | 31,641,930 |
| 4 | TRIMBLE COUNTY COAL COMBUSTION RESIDUALS TREATMENT - GYPSUM | 30,160,036 |
| 5 | TRIMBLE COUNTY COAL COMBUSTION RESIDUALS TREATMENT - LANDFILL | 24,471,698 |
| 6 | TRIMBLE COUNTY COAL COMBUSTION RESIDUALS TREATMENT - FLY ASH | 24,231,382 |
| 7 | TRIMBLE COUNTY PROCESS WATER SYSTEM | 14,523,768 |
| 8 | MILL CREEK 3 FGD & FABRIC FILTER | 6,210,246 |
| 9 | TRIMBLE COUNTY COAL COMBUSTION RESIDUALS TREATMENT TRANSPORT | 5,821,362 |
| 10 | MILL CREEK EFFLUENT WATER STUDY | 3,684,062 |
| 11 | MILL CREEK 4 FGD & FABRIC FILTER | 3,596,792 |
| 12 | MILL CREEK 1 & 2 FGD AND FABRIC FILTER ENVIRONMENTAL COMPLIANCE | 2,608,748 |
| 13 | CANE RUN ASH POND & LANDFILL CAPPING AND CLOSURE | 2,019,148 |
| 14 | MILL CREEK 4 CONDENSER | 1,929,857 |
| 15 | TRIMBLE COUNTY EFFLUENT WATER STUDY | 1,402,897 |
| 16 | MILL CREEK CCR RULE - ADDITIONAL LAND | 1,217,291 |
| 17 | MILL CREEK LIMESTONE BARGE | 1,127,254 |
| 18 | MILL CREEK 3C GENERATOR STEP UP TRANSFORMER | 1,095,921 |
| 19 | STEAM PRODUCTION MINOR | 7,625,409 |
| 20 | | |
| 21 | HYDRAULIC POWER MAJOR | |
| 22 | OHIO FALLS STATION GANTRY CRANE | 1,295,750 |
| 23 | HYDRAULIC POWER MINOR | 760,220 |
| 24 | | |
| 25 | OTHER PRODUCTION MAJOR | |
| 26 | CANE RUN 7 NGCC SPARE PARTS INVENTORY | 1,110,518 |
| 27 | OTHER PRODUCTION MINOR | 512,003 |
| 28 | | |
| 29 | TRANSMISSION MAJOR | |
| 30 | MIDDLETOWN CIP SECURITY UPGRADES | 2,806,942 |
| 31 | MILL CREEK PROACTIVE REPLACEMENT TRANSMISSION SYSTEM IMPROVEMENT PLAN | 2,586,781 |
| 32 | CANE RUN SOUTH WEST INSULATORS CONTROLS AND PROTECTIONS | 1,532,108 |
| 33 | RELAY REPLACEMENTS | 1,398,118 |
| 34 | SPARE 345KV BREAKER | 1,239,109 |
| 35 | PRIORITY REPLACEMENT TRANSMISSION LINES | 1,173,031 |
| 36 | 69KV BREAKER STATION MILL CREEK AND CANE RUN SOUTHWEST SUBSTATION | 1,120,190 |
| 37 | TRANSMISSION MINOR | 10,698,280 |
| 38 | | |
| 39 | DISTRIBUTION MAJOR | |
| 40 | UPS CENTENNIAL HUB EXPANSION FACILITY | 1,576,977 |
| 41 | DISTRIBUTION MINOR | 6,252,479 |
| 42 | | |
| 43 | TOTAL | 268,646,844 |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year/Period of Report |
|---|---|---|---|
| Louisville Gas and Electric Company | (1) [X] An Original<br>(2) [ ] A Resubmission | / / | End of 2017/Q4 |

CONSTRUCTION WORK IN PROGRESS - - ELECTRIC (Account 107)

1. Report below descriptions and balances at end of year of projects in process of construction (107)
2. Show items relating to "research, development, and demonstration" projects last, under a caption Research, Development, and Demonstrating (see Account 107 of the Uniform System of Accounts)
3. Minor projects (5% of the Balance End of the Year for Account 107 or $1,000,000, whichever is less) may be grouped.

| Line No. | Description of Project (a) | Construction work in progress - Electric (Account 107) (b) |
|---|---|---|
| 1 | RESEARCH, DEVELOPMENT, AND DEMONSTRATING MINOR | 123,419 |
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| 40 | | |
| 41 | | |
| 42 | | |
| 43 | TOTAL | 268,646,844 |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year/Period of Report |
|---|---|---|---|
| Louisville Gas and Electric Company | (1) [X] An Original<br>(2) [ ] A Resubmission | / / | End of 2017/Q4 |

ACCUMULATED PROVISION FOR DEPRECIATION OF ELECTRIC UTILITY PLANT (Account 108)

1. Explain in a footnote any important adjustments during year.
2. Explain in a footnote any difference between the amount for book cost of plant retired, Line 11, column (c), and that reported for electric plant in service, pages 204-207, column 9d), excluding retirements of non-depreciable property.
3. The provisions of Account 108 in the Uniform System of accounts require that retirements of depreciable plant be recorded when such plant is removed from service. If the respondent has a significant amount of plant retired at year end which has not been recorded and/or classified to the various reserve functional classifications, make preliminary closing entries to tentatively functionalize the book cost of the plant retired. In addition, include all costs included in retirement work in progress at year end in the appropriate functional classifications.
4. Show separately interest credits under a sinking fund or similar method of depreciation accounting.

**Section A. Balances and Changes During Year**

| Line No. | Item (a) | Total (c+d+e) (b) | Electric Plant in Service (c) | Electric Plant Held for Future Use (d) | Electric Plant Leased to Others (e) |
|---|---|---|---|---|---|
| 1 | Balance Beginning of Year | 1,616,514,434 | 1,616,514,434 | | |
| 2 | Depreciation Provisions for Year, Charged to | | | | |
| 3 | (403) Depreciation Expense | 130,157,747 | 130,157,747 | | |
| 4 | (403.1) Depreciation Expense for Asset Retirement Costs | | | | |
| 5 | (413) Exp. of Elec. Plt. Leas. to Others | | | | |
| 6 | Transportation Expenses-Clearing | 415,479 | 415,479 | | |
| 7 | Other Clearing Accounts | | | | |
| 8 | Other Accounts (Specify, details in footnote): | | | | |
| 9 | Fuel Stock | 441,049 | 441,049 | | |
| 10 | TOTAL Deprec. Prov for Year (Enter Total of lines 3 thru 9) | 131,014,275 | 131,014,275 | | |
| 11 | Net Charges for Plant Retired: | | | | |
| 12 | Book Cost of Plant Retired | 33,791,620 | 33,791,620 | | |
| 13 | Cost of Removal | 31,491,046 | 31,491,046 | | |
| 14 | Salvage (Credit) | 538,089 | 538,089 | | |
| 15 | TOTAL Net Chrgs. for Plant Ret. (Enter Total of lines 12 thru 14) | 64,744,577 | 64,744,577 | | |
| 16 | Other Debit or Cr. Items (Describe, details in footnote): | 18,124,869 | 18,124,869 | | |
| 17 | | | | | |
| 18 | Book Cost or Asset Retirement Costs Retired | -20,867,488 | -20,867,488 | | |
| 19 | Balance End of Year (Enter Totals of lines 1, 10, 15, 16, and 18) | 1,680,041,513 | 1,680,041,513 | | |
| | **Section B. Balances at End of Year According to Functional Classification** | | | | |
| 20 | Steam Production | 858,426,030 | 858,426,030 | | |
| 21 | Nuclear Production | | | | |
| 22 | Hydraulic Production-Conventional | 13,197,816 | 13,197,816 | | |
| 23 | Hydraulic Production-Pumped Storage | | | | |
| 24 | Other Production | 134,241,178 | 134,241,178 | | |
| 25 | Transmission | 158,104,570 | 158,104,570 | | |
| 26 | Distribution | 506,337,746 | 506,337,746 | | |
| 27 | Regional Transmission and Market Operation | | | | |
| 28 | General | 9,734,173 | 9,734,173 | | |
| 29 | TOTAL (Enter Total of lines 20 thru 28) | 1,680,041,513 | 1,680,041,513 | | |

| Name of Respondent | This Report is: | Date of Report (Mo, Da, Yr) | Year/Period of Report |
|---|---|---|---|
| Louisville Gas and Electric Company | (1) X An Original<br>(2) __ A Resubmission | / / | 2017/Q4 |

FOOTNOTE DATA

***Schedule Page: 219 Line No.: 16 Column: c***

| | | |
|---|---|---|
| Accrual for Depreciation on Asset Retirement Costs - (Other Regulatory Assets FERC 182.3) | $ | 17,079,159 |
| Customer Payments Related to Construction Projects | | 1,045,710 |
| Total Other Debit or Credit Items | $ | 18,124,869 |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year/Period of Report |
|---|---|---|---|
| Louisville Gas and Electric Company | (1) [X] An Original<br>(2) [ ] A Resubmission | / / | End of 2017/Q4 |

INVESTMENTS IN SUBSIDIARY COMPANIES (Account 123.1)

1. Report below investments in Accounts 123.1, investments in Subsidiary Companies.
2. Provide a subheading for each company and List there under the information called for below. Sub - TOTAL by company and give a TOTAL in columns (e),(f),(g) and (h)
(a) Investment in Securities - List and describe each security owned. For bonds give also principal amount, date of issue, maturity and interest rate.
(b) Investment Advances - Report separately the amounts of loans or investment advances which are subject to repayment, but which are not subject to current settlement. With respect to each advance show whether the advance is a note or open account. List each note giving date of issuance, maturity date, and specifying whether note is a renewal.
3. Report separately the equity in undistributed subsidiary earnings since acquisition. The TOTAL in column (e) should equal the amount entered for Account 418.1.

| Line No. | Description of Investment (a) | Date Acquired (b) | Date Of Maturity (c) | Amount of Investment at Beginning of Year (d) |
|---|---|---|---|---|
| 1 | OVEC (5.63%) | | | |
| 2 | Common Stock, $100 par value, 5,630 shares | | | |
| 3 | 700 shares | 11/18/52 | | 70,000 |
| 4 | 700 shares | 01/08/53 | | 70,000 |
| 5 | 700 shares | 02/25/53 | | 70,000 |
| 6 | 700 shares | 04/10/53 | | 70,000 |
| 7 | 700 shares | 05/12/53 | | 70,000 |
| 8 | 1400 shares | 07/27/53 | | 140,000 |
| 9 | 730 shares | 03/04/05 | | 104,286 |
| 10 | | | | |
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| 40 | | | | |
| 41 | | | | |
| 42 | Total Cost of Account 123.1 $ 0 | | TOTAL | 594,286 |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year/Period of Report |
|---|---|---|---|
| Louisville Gas and Electric Company | (1) [X] An Original (2) [ ] A Resubmission | / / | End of 2017/Q4 |

INVESTMENTS IN SUBSIDIARY COMPANIES (Account 123.1) (Continued)

4. For any securities, notes, or accounts that were pledged designate such securities, notes, or accounts in a footnote, and state the name of pledgee and purpose of the pledge.
5. If Commission approval was required for any advance made or security acquired, designate such fact in a footnote and give name of Commission, date of authorization, and case or docket number.
6. Report column (f) interest and dividend revenues form investments, including such revenues form securities disposed of during the year.
7. In column (h) report for each investment disposed of during the year, the gain or loss represented by the difference between cost of the investment (or the other amount at which carried in the books of account if difference from cost) and the selling price thereof, not including interest adjustment includible in column (f).
8. Report on Line 42, column (a) the TOTAL cost of Account 123.1

| Equity in Subsidiary Earnings of Year (e) | Revenues for Year (f) | Amount of Investment at End of Year (g) | Gain or Loss from Investment Disposed of (h) | Line No. |
|---|---|---|---|---|
| | | | | 1 |
| | | | | 2 |
| | | 70,000 | | 3 |
| | | 70,000 | | 4 |
| | | 70,000 | | 5 |
| | | 70,000 | | 6 |
| | | 70,000 | | 7 |
| | | 140,000 | | 8 |
| | | 104,286 | | 9 |
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| | | | | 39 |
| | | | | 40 |
| | | | | 41 |
| | | 594,286 | | 42 |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year/Period of Report |
|---|---|---|---|
| Louisville Gas and Electric Company | (1) [X] An Original<br>(2) [ ] A Resubmission | / / | End of 2017/Q4 |

## MATERIALS AND SUPPLIES

1. For Account 154, report the amount of plant materials and operating supplies under the primary functional classifications as indicated in column (a); estimates of amounts by function are acceptable. In column (d), designate the department or departments which use the class of material.
2. Give an explanation of important inventory adjustments during the year (in a footnote) showing general classes of material and supplies and the various accounts (operating expenses, clearing accounts, plant, etc.) affected debited or credited. Show separately debit or credits to stores expense clearing, if applicable.

| Line No. | Account<br>(a) | Balance Beginning of Year<br>(b) | Balance End of Year<br>(c) | Department or Departments which Use Material<br>(d) |
|---|---|---|---|---|
| 1 | Fuel Stock (Account 151) | 60,061,204 | 44,674,354 | Electric |
| 2 | Fuel Stock Expenses Undistributed (Account 152) | | | |
| 3 | Residuals and Extracted Products (Account 153) | | | |
| 4 | Plant Materials and Operating Supplies (Account 154) | | | |
| 5 | Assigned to - Construction (Estimated) | | | |
| 6 | Assigned to - Operations and Maintenance | | | |
| 7 | Production Plant (Estimated) | 29,100,567 | 29,343,223 | Electric |
| 8 | Transmission Plant (Estimated) | 2,635,503 | 2,571,700 | Electric |
| 9 | Distribution Plant (Estimated) | 2,964,535 | 3,565,632 | Electric, Gas |
| 10 | Regional Transmission and Market Operation Plant (Estimated) | | | |
| 11 | Assigned to - Other (provide details in footnote) | | | |
| 12 | TOTAL Account 154 (Enter Total of lines 5 thru 11) | 34,700,605 | 35,480,555 | |
| 13 | Merchandise (Account 155) | | | |
| 14 | Other Materials and Supplies (Account 156) | | | |
| 15 | Nuclear Materials Held for Sale (Account 157) (Not applic to Gas Util) | | | |
| 16 | Stores Expense Undistributed (Account 163) | 6,716,994 | 7,654,120 | Various |
| 17 | | | | |
| 18 | | | | |
| 19 | | | | |
| 20 | TOTAL Materials and Supplies (Per Balance Sheet) | 101,478,803 | 87,809,029 | |

| Name of Respondent | This Report is: | Date of Report (Mo, Da, Yr) | Year/Period of Report |
|---|---|---|---|
| Louisville Gas and Electric Company | (1) X An Original<br>(2) __ A Resubmission | / / | 2017/Q4 |

FOOTNOTE DATA

***Schedule Page: 227     Line No.: 9     Column: b***

| | | Balance at End of Year |
|---|---|---|
| Electric | $ | 2,001,875 |
| Gas | | 962,660 |
| Total Distribution | $ | 2,964,535 |

***Schedule Page: 227     Line No.: 9     Column: c***

| | | Balance at End of Year |
|---|---|---|
| Electric | $ | 2,308,172 |
| Gas | | 1,257,460 |
| Total Distribution | $ | 3,565,632 |

***Schedule Page: 227     Line No.: 16     Column: c***

| | | |
|---|---|---|
| Balance at Beginning of Year | $ | 6,716,994 |
| Total Debits | | 3,289,651 |
| Total Credits | | (2,352,525) |
| Balance at End of Year | $ | 7,654,120 |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year/Period of Report |
|---|---|---|---|
| Louisville Gas and Electric Company | (1) [X] An Original<br>(2) [ ] A Resubmission | / / | End of 2017/Q4 |

## Allowances (Accounts 158.1 and 158.2)

1. Report below the particulars (details) called for concerning allowances.
2. Report all acquisitions of allowances at cost.
3. Report allowances in accordance with a weighted average cost allocation method and other accounting as prescribed by General Instruction No. 21 in the Uniform System of Accounts.
4. Report the allowances transactions by the period they are first eligible for use: the current year's allowances in columns (b)-(c), allowances for the three succeeding years in columns (d)-(i), starting with the following year, and allowances for the remaining succeeding years in columns (j)-(k).
5. Report on line 4 the Environmental Protection Agency (EPA) issued allowances. Report withheld portions Lines 36-40.

| Line No. | SO2 Allowances Inventory (Account 158.1) (a) | Current Year No. (b) | Current Year Amt. (c) | 2018 No. (d) | 2018 Amt. (e) |
|---|---|---|---|---|---|
| 1 | Balance-Beginning of Year | 287,631.00 | 151 | 80,120.00 | |
| 2 | | | | | |
| 3 | Acquired During Year: | | | | |
| 4 | Issued (Less Withheld Allow) | 7,320.00 | | | |
| 5 | Returned by EPA | | | | |
| 6 | | | | | |
| 7 | | | | | |
| 8 | Purchases/Transfers: | | | | |
| 9 | IMEA/IMPA | -6,129.00 | | | |
| 10 | | | | | |
| 11 | | | | | |
| 12 | | | | | |
| 13 | | | | | |
| 14 | | | | | |
| 15 | Total | -6,129.00 | | | |
| 16 | | | | | |
| 17 | Relinquished During Year: | | | | |
| 18 | Charges to Account 509 | 12,921.00 | 4 | | |
| 19 | Other: | | | | |
| 20 | Charges to Account 549 | 7.00 | | | |
| 21 | Cost of Sales/Transfers: | | | | |
| 22 | | | | | |
| 23 | | | | | |
| 24 | | | | | |
| 25 | | | | | |
| 26 | | | | | |
| 27 | | | | | |
| 28 | Total | | | | |
| 29 | Balance-End of Year | 275,894.00 | 147 | 80,120.00 | |
| 30 | | | | | |
| 31 | Sales: | | | | |
| 32 | Net Sales Proceeds(Assoc. Co.) | | | | |
| 33 | Net Sales Proceeds (Other) | | | | |
| 34 | Gains | | | | |
| 35 | Losses | | | | |
| | Allowances Withheld (Acct 158.2) | | | | |
| 36 | Balance-Beginning of Year | 901.00 | | 901.00 | |
| 37 | Add: Withheld by EPA | | | | |
| 38 | Deduct: Returned by EPA | | | | |
| 39 | Cost of Sales | 901.00 | | | |
| 40 | Balance-End of Year | | | 901.00 | |
| 41 | | | | | |
| 42 | Sales: | | | | |
| 43 | Net Sales Proceeds (Assoc. Co.) | | | | |
| 44 | Net Sales Proceeds (Other) | 901.00 | 54 | | |
| 45 | Gains | | 54 | | |
| 46 | Losses | | | | |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year/Period of Report |
|---|---|---|---|
| Louisville Gas and Electric Company | (1) [X] An Original (2) [ ] A Resubmission | / / | End of 2017/Q4 |

Allowances (Accounts 158.1 and 158.2) (Continued)

6. Report on Lines 5 allowances returned by the EPA. Report on Line 39 the EPA's sales of the withheld allowances. Report on Lines 43-46 the net sales proceeds and gains/losses resulting from the EPA's sale or auction of the withheld allowances.
7. Report on Lines 8-14 the names of vendors/transferors of allowances acquire and identify associated companies (See "associated company" under "Definitions" in the Uniform System of Accounts).
8. Report on Lines 22 - 27 the name of purchasers/ transferees of allowances disposed of an identify associated companies.
9. Report the net costs and benefits of hedging transactions on a separate line under purchases/transfers and sales/transfers.
10. Report on Lines 32-35 and 43-46 the net sales proceeds and gains or losses from allowance sales.

| 2019 | | 2020 | | Future Years | | Totals | | Line |
|---|---|---|---|---|---|---|---|---|
| No. (f) | Amt. (g) | No. (h) | Amt. (i) | No. (j) | Amt. (k) | No. (l) | Amt. (m) | No. |
| 62,379.00 | | 62,379.00 | | 1,621,854.00 | | 2,114,363.00 | 151 | 1 |
| | | | | | | | | 2 |
| | | | | | | | | 3 |
| | | | | 62,379.00 | | 69,699.00 | | 4 |
| | | | | | | | | 5 |
| | | | | | | | | 6 |
| | | | | | | | | 7 |
| | | | | | | | | 8 |
| | | | | | | -6,129.00 | | 9 |
| | | | | | | | | 10 |
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| | | | | | | | | 13 |
| | | | | | | | | 14 |
| | | | | | | -6,129.00 | | 15 |
| | | | | | | | | 16 |
| | | | | | | | | 17 |
| | | | | | | 12,921.00 | 4 | 18 |
| | | | | | | | | 19 |
| | | | | | | 7.00 | | 20 |
| | | | | | | | | 21 |
| | | | | | | | | 22 |
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| | | | | | | | | 26 |
| | | | | | | | | 27 |
| | | | | | | | | 28 |
| 62,379.00 | | 62,379.00 | | 1,684,233.00 | | 2,165,005.00 | 147 | 29 |
| | | | | | | | | 30 |
| | | | | | | | | 31 |
| | | | | | | | | 32 |
| | | | | | | | | 33 |
| | | | | | | | | 34 |
| | | | | | | | | 35 |
| | | | | | | | | |
| 901.00 | | 901.00 | | 44,149.00 | | 47,753.00 | | 36 |
| | | | | 1,802.00 | | 1,802.00 | | 37 |
| | | | | | | | | 38 |
| | | | | 901.00 | | 1,802.00 | | 39 |
| 901.00 | | 901.00 | | 45,050.00 | | 47,753.00 | | 40 |
| | | | | | | | | 41 |
| | | | | | | | | 42 |
| | | | | | | | | 43 |
| | | | | 901.00 | 13 | 1,802.00 | 67 | 44 |
| | | | | | 13 | | 67 | 45 |
| | | | | | | | | 46 |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year/Period of Report |
|---|---|---|---|
| Louisville Gas and Electric Company | (1) [X] An Original<br>(2) [ ] A Resubmission | / / | End of 2017/Q4 |

Allowances (Accounts 158.1 and 158.2)

1. Report below the particulars (details) called for concerning allowances.
2. Report all acquisitions of allowances at cost.
3. Report allowances in accordance with a weighted average cost allocation method and other accounting as prescribed by General Instruction No. 21 in the Uniform System of Accounts.
4. Report the allowances transactions by the period they are first eligible for use: the current year's allowances in columns (b)-(c), allowances for the three succeeding years in columns (d)-(i), starting with the following year, and allowances for the remaining succeeding years in columns (j)-(k).
5. Report on line 4 the Environmental Protection Agency (EPA) issued allowances. Report withheld portions Lines 36-40.

| Line No. | NOx Allowances Inventory (Account 158.1) (a) | Current Year No. (b) | Current Year Amt. (c) | 2018 No. (d) | 2018 Amt. (e) |
|---|---|---|---|---|---|
| 1 | Balance-Beginning of Year | 27,328.00 | | 17,252.00 | |
| 2 | | | | | |
| 3 | Acquired During Year: | | | | |
| 4 | Issued (Less Withheld Allow) | 3,703.00 | | | |
| 5 | Returned by EPA | | | | |
| 6 | | | | | |
| 7 | | | | | |
| 8 | Purchases/Transfers: | | | | |
| 9 | Transfer to IMEA/IMPA | -669.00 | | | |
| 10 | | | | | |
| 11 | | | | | |
| 12 | | | | | |
| 13 | | | | | |
| 14 | | | | | |
| 15 | Total | -669.00 | | | |
| 16 | | | | | |
| 17 | Relinquished During Year: | | | | |
| 18 | Charges to Account 509 | 15,613.00 | | | |
| 19 | Other: | | | | |
| 20 | Charges to Account 549 | 621.00 | | | |
| 21 | Cost of Sales/Transfers: | | | | |
| 22 | | | | | |
| 23 | | | | | |
| 24 | | | | | |
| 25 | | | | | |
| 26 | | | | | |
| 27 | | | | | |
| 28 | Total | | | | |
| 29 | Balance-End of Year | 14,128.00 | | 17,252.00 | |
| 30 | | | | | |
| 31 | Sales: | | | | |
| 32 | Net Sales Proceeds(Assoc. Co.) | | | | |
| 33 | Net Sales Proceeds (Other) | | | | |
| 34 | Gains | | | | |
| 35 | Losses | | | | |
| | Allowances Withheld (Acct 158.2) | | | | |
| 36 | Balance-Beginning of Year | | | | |
| 37 | Add: Withheld by EPA | | | | |
| 38 | Deduct: Returned by EPA | | | | |
| 39 | Cost of Sales | | | | |
| 40 | Balance-End of Year | | | | |
| 41 | | | | | |
| 42 | Sales: | | | | |
| 43 | Net Sales Proceeds (Assoc. Co.) | | | | |
| 44 | Net Sales Proceeds (Other) | | | | |
| 45 | Gains | | | | |
| 46 | Losses | | | | |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year/Period of Report |
|---|---|---|---|
| Louisville Gas and Electric Company | (1) [X] An Original<br>(2) [ ] A Resubmission | / / | End of 2017/Q4 |

Allowances (Accounts 158.1 and 158.2) (Continued)

6. Report on Lines 5 allowances returned by the EPA. Report on Line 39 the EPA's sales of the withheld allowances. Report on Lines 43-46 the net sales proceeds and gains/losses resulting from the EPA's sale or auction of the withheld allowances.
7. Report on Lines 8-14 the names of vendors/transferors of allowances acquire and identify associated companies (See "associated company" under "Definitions" in the Uniform System of Accounts).
8. Report on Lines 22 - 27 the name of purchasers/ transferees of allowances disposed of an identify associated companies.
9. Report the net costs and benefits of hedging transactions on a separate line under purchases/transfers and sales/transfers.
10. Report on Lines 32-35 and 43-46 the net sales proceeds and gains or losses from allowance sales.

| 2019 | | 2020 | | Future Years | | Totals | | Line |
|---|---|---|---|---|---|---|---|---|
| No. (f) | Amt. (g) | No. (h) | Amt. (i) | No. (j) | Amt. (k) | No. (l) | Amt. (m) | No. |
| | | | | | | 44,580.00 | | 1 |
| | | | | | | | | 2 |
| | | | | | | | | 3 |
| | | | | | | 3,703.00 | | 4 |
| | | | | | | | | 5 |
| | | | | | | | | 6 |
| | | | | | | | | 7 |
| | | | | | | | | 8 |
| | | | | | | -669.00 | | 9 |
| | | | | | | | | 10 |
| | | | | | | | | 11 |
| | | | | | | | | 12 |
| | | | | | | | | 13 |
| | | | | | | | | 14 |
| | | | | | | -669.00 | | 15 |
| | | | | | | | | 16 |
| | | | | | | | | 17 |
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| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year/Period of Report |
|---|---|---|---|
| Louisville Gas and Electric Company | (1) [X] An Original<br>(2) [ ] A Resubmission | / / | End of 2017/Q4 |

EXTRAORDINARY PROPERTY LOSSES (Account 182.1)

| Line No. | Description of Extraordinary Loss [Include in the description the date of Commission Authorization to use Acc 182.1 and period of amortization (mo, yr to mo, yr).] (a) | Total Amount of Loss (b) | Losses Recognised During Year (c) | WRITTEN OFF DURING YEAR Account Charged (d) | WRITTEN OFF DURING YEAR Amount (e) | Balance at End of Year (f) |
|---|---|---|---|---|---|---|
| 1 | | | | | | |
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| 19 | | | | | | |
| 20 | TOTAL | | | | | |

| Name of Respondent<br>Louisville Gas and Electric Company | This Report Is:<br>(1) [X] An Original<br>(2) [ ] A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>/ / | Year/Period of Report<br>End of 2017/Q4 |
|---|---|---|---|

UNRECOVERED PLANT AND REGULATORY STUDY COSTS (182.2)

| Line No. | Description of Unrecovered Plant and Regulatory Study Costs [Include in the description of costs, the date of Commission Authorization to use Acc 182.2 and period of amortization (mo, yr to mo, yr)]<br>(a) | Total Amount of Charges<br>(b) | Costs Recognised During Year<br>(c) | WRITTEN OFF DURING YEAR<br>Account Charged<br>(d) | WRITTEN OFF DURING YEAR<br>Amount<br>(e) | Balance at End of Year<br>(f) |
|---|---|---|---|---|---|---|
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| 49 | TOTAL | | | | | |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year/Period of Report |
|---|---|---|---|
| Louisville Gas and Electric Company | (1) [X] An Original<br>(2) [ ] A Resubmission | / / | End of 2017/Q4 |

## Transmission Service and Generation Interconnection Study Costs

1. Report the particulars (details) called for concerning the costs incurred and the reimbursements received for performing transmission service and generator interconnection studies.
2. List each study separately.
3. In column (a) provide the name of the study.
4. In column (b) report the cost incurred to perform the study at the end of period.
5. In column (c) report the account charged with the cost of the study.
6. In column (d) report the amounts received for reimbursement of the study costs at end of period.
7. In column (e) report the account credited with the reimbursement received for performing the study.

| Line No. | Description (a) | Costs Incurred During Period (b) | Account Charged (c) | Reimbursements Received During the Period (d) | Account Credited With Reimbursement (e) |
|---|---|---|---|---|---|
| 1 | **Transmission Studies** | | | | |
| 2 | System Impact Studies | | 0 | | |
| 3 | Ashbottom | 346 | 561.6 | 346 | 561.6 |
| 4 | Feasability Studies | | | | |
| 5 | Ashbottom | 317 | 561.6 | 317 | 561.6 |
| 6 | | | | | |
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| 21 | **Generation Studies** | | | | |
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| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year/Period of Report |
|---|---|---|---|
| Louisville Gas and Electric Company | (1) [X] An Original (2) [ ] A Resubmission | / / | End of 2017/Q4 |

OTHER REGULATORY ASSETS (Account 182.3)

1. Report below the particulars (details) called for concerning other regulatory assets, including rate order docket number, if applicable.
2. Minor items (5% of the Balance in Account 182.3 at end of period, or amounts less than $100,000 which ever is less), may be grouped by classes.
3. For Regulatory Assets being amortized, show period of amortization.

| Line No. | Description and Purpose of Other Regulatory Assets (a) | Balance at Beginning of Current Quarter/Year (b) | Debits (c) | CREDITS Written off During the Quarter/Year Account Charged (d) | CREDITS Written off During the Period Amount (e) | Balance at end of Current Quarter/Year (f) |
|---|---|---|---|---|---|---|
| 1 | ASC 715 - Pension and Postretirement (Ongoing) | 235,653,624 | 21,336,144 | 228 | 41,786,402 | 215,203,366 |
| 2 | KPSC 2003-00433 | | | | | |
| 3 | KPSC 2008-00252 | | | | | |
| 4 | KPSC 2009-00549 | | | | | |
| 5 | KPSC 2012-00222 | | | | | |
| 6 | KPSC 2014-00372 | | | | | |
| 7 | KPSC 2016-00371 | | | | | |
| 8 | FERC AI04-2-000 | | | | | |
| 9 | FERC AI07-1-000 | | | | | |
| 10 | | | | | | |
| 11 | Forward Starting Swaps Losses (Sep-15 to Oct-45) | 40,667,886 | | 427 | 2,391,436 | 38,276,450 |
| 12 | KPSC 2014-00089 | | | | | |
| 13 | KPSC 2014-00372 | | | | | |
| 14 | KPSC 2016-00371 | | | | | |
| 15 | | | | | | |
| 16 | Asset Retirement Obligation - Electric (Ongoing) | 35,868,176 | 11,409,505 | 230 | 33,080,812 | 14,196,869 |
| 17 | KPSC 2003-00426 | | | | | |
| 18 | KPSC 2003-00433 | | | | | |
| 19 | KPSC 2008-00252 | | | | | |
| 20 | KPSC 2009-00549 | | | | | |
| 21 | KPSC 2012-00222 | | | | | |
| 22 | KPSC 2014-00372 | | | | | |
| 23 | KPSC 2016-00371 | | | | | |
| 24 | FERC FA 12-12-000 | | | | | |
| 25 | FERC ER08-1588-000 | | | | | |
| 26 | | | | | | |
| 27 | Asset Retirement Obligation - Gas (Ongoing) | 3,373,993 | 1,385,779 | 230 | 389,883 | 4,369,889 |
| 28 | KPSC 2003-00426 | | | | | |
| 29 | KPSC 2003-00433 | | | | | |
| 30 | KPSC 2008-00252 | | | | | |
| 31 | KPSC 2009-00549 | | | | | |
| 32 | KPSC 2012-00222 | | | | | |
| 33 | KPSC 2014-00372 | | | | | |
| 34 | KPSC 2016-00371 | | | | | |
| 35 | FERC FA 12-12-000 | | | | | |
| 36 | FERC ER08-1588-000 | | | | | |
| 37 | | | | | | |
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| 41 | | | | | | |
| 42 | | | | | | |
| 43 | | | | | | |
| 44 | TOTAL | 456,353,744 | 76,431,864 | | 118,163,716 | 414,621,892 |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year/Period of Report |
|---|---|---|---|
| Louisville Gas and Electric Company | (1) [X] An Original<br>(2) [ ] A Resubmission | / / | End of 2017/Q4 |

OTHER REGULATORY ASSETS (Account 182.3)

1. Report below the particulars (details) called for concerning other regulatory assets, including rate order docket number, if applicable.
2. Minor items (5% of the Balance in Account 182.3 at end of period, or amounts less than $100,000 which ever is less), may be grouped by classes.
3. For Regulatory Assets being amortized, show period of amortization.

| Line No. | Description and Purpose of Other Regulatory Assets (a) | Balance at Beginning of Current Quarter/Year (b) | Debits (c) | CREDITS Written off During the Quarter/Year Account Charged (d) | CREDITS Written off During the Period Amount (e) | Balance at end of Current Quarter/Year (f) |
|---|---|---|---|---|---|---|
| 1 | ARO - Generation - Coal Combustion Residuals | 30,968,244 | 11,672,942 | 407 | 326,452 | 42,314,734 |
| 2 | KPSC 2003-00426 | | | | | |
| 3 | KPSC 2003-00433 | | | | | |
| 4 | KPSC 2008-00252 | | | | | |
| 5 | KPSC 2009-00549 | | | | | |
| 6 | KPSC 2012-00222 | | | | | |
| 7 | KPSC 2014-00372 | | | | | |
| 8 | KPSC 2016-00027 | | | | | |
| 9 | KPSC 2016-00371 | | | | | |
| 10 | FERC FA 12-12-000 | | | | | |
| 11 | | | | | | |
| 12 | Interest Rate Swap (Mark To Market) (through 2033) | 30,965,017 | 3,869,588 | 244/427 | 8,513,181 | 26,321,424 |
| 13 | KPSC 2000-00275 | | | | | |
| 14 | KPSC 2003-00299 | | | | | |
| 15 | KPSC 2003-00433 | | | | | |
| 16 | KPSC 2008-00252 | | | | | |
| 17 | KPSC 2009-00549 | | | | | |
| 18 | KPSC 2012-00222 | | | | | |
| 19 | KPSC 2014-00372 | | | | | |
| 20 | KPSC 2016-00371 | | | | | |
| 21 | | | | | | |
| 22 | Winter Storm 2009 - Electric (Aug-10 to Jul-20) | 15,648,668 | | 571/593 | 4,367,070 | 11,281,598 |
| 23 | KPSC 2009-00175 | | | | | |
| 24 | KPSC 2009-00549 | | | | | |
| 25 | KPSC 2012-00222 | | | | | |
| 26 | KPSC 2014-00372 | | | | | |
| 27 | KPSC 2016-00371 | | | | | |
| 28 | | | | | | |
| 29 | Winter Storm 2009 - Gas (Aug-10 to Jul-20) | 60,089 | | 880 | 16,769 | 43,320 |
| 30 | KPSC 2009-00175 | | | | | |
| 31 | KPSC 2009-00549 | | | | | |
| 32 | KPSC 2012-00222 | | | | | |
| 33 | KPSC 2014-00372 | | | | | |
| 34 | KPSC 2016-00371 | | | | | |
| 35 | | | | | | |
| 36 | ASC 740 - Income Taxes (Ongoing) | 14,175,284 | 2,640 | Various | 6,643,962 | 7,533,962 |
| 37 | KPSC 2009-00549 | | | | | |
| 38 | KPSC 2012-00222 | | | | | |
| 39 | KPSC 2014-00372 | | | | | |
| 40 | KPSC 2016-00371 | | | | | |
| 41 | KPSC 2018-00034 | | | | | |
| 42 | | | | | | |
| 43 | | | | | | |
| 44 | TOTAL | 456,353,744 | 76,431,864 | | 118,163,716 | 414,621,892 |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year/Period of Report |
|---|---|---|---|
| Louisville Gas and Electric Company | (1) [X] An Original<br>(2) [ ] A Resubmission | / / | End of 2017/Q4 |

OTHER REGULATORY ASSETS (Account 182.3)

1. Report below the particulars (details) called for concerning other regulatory assets, including rate order docket number, if applicable.
2. Minor items (5% of the Balance in Account 182.3 at end of period, or amounts less than $100,000 which ever is less), may be grouped by classes.
3. For Regulatory Assets being amortized, show period of amortization.

| Line No. | Description and Purpose of Other Regulatory Assets<br>(a) | Balance at Beginning of Current Quarter/Year<br>(b) | Debits<br>(c) | CREDITS Written off During the Quarter/Year Account Charged<br>(d) | CREDITS Written off During the Period Amount<br>(e) | Balance at end of Current Quarter/Year<br>(f) |
|---|---|---|---|---|---|---|
| 1 | Pension Gain/Loss Amortization - 15 Year (Ongoing) | 10,885,242 | 8,678,237 | 926 | 968,312 | 18,595,167 |
| 2 | KPSC 2014-00372 | | | | | |
| 3 | KPSC 2016-00371 | | | | | |
| 4 | | | | | | |
| 5 | Swap Termination - Bank of America | 9,409,000 | | 427 | 279,475 | 9,129,525 |
| 6 | Jul-17 to Mar-34 | | | | | |
| 7 | KPSC 2016-00393 | | | | | |
| 8 | KPSC 2016-00371 | | | | | |
| 9 | | | | | | |
| 10 | Wind Storm 2008 (Aug-10 to Jul-20) | 8,435,286 | | 593 | 2,354,033 | 6,081,253 |
| 11 | KPSC 2008-00456 | | | | | |
| 12 | KPSC 2009-00549 | | | | | |
| 13 | KPSC 2012-00222 | | | | | |
| 14 | KPSC 2014-00372 | | | | | |
| 15 | KPSC 2016-00371 | | | | | |
| 16 | | | | | | |
| 17 | Swap Termination - Wachovia (Aug-10 to Apr-35) | 7,124,110 | | 930 | 388,659 | 6,735,451 |
| 18 | KPSC 2009-00549 | | | | | |
| 19 | KPSC 2012-00222 | | | | | |
| 20 | KPSC 2014-00372 | | | | | |
| 21 | KPSC 2016-00371 | | | | | |
| 22 | | | | | | |
| 23 | Environmental Cost Recovery (Ongoing) | 6,434,000 | 6,361,000 | 440-445 | 8,095,000 | 4,700,000 |
| 24 | KRS 278.183 | | | | | |
| 25 | | | | | | |
| 26 | Gas Supply Clause (Ongoing) | 2,816,121 | 5,147,516 | 803 | 4,161,952 | 3,801,685 |
| 27 | KPSC 9133 | | | | | |
| 28 | KPSC 2003-00433 | | | | | |
| 29 | KPSC 2008-00252 | | | | | |
| 30 | KPSC 2009-00549 | | | | | |
| 31 | KPSC 2012-00222 | | | | | |
| 32 | KPSC 2014-00372 | | | | | |
| 33 | KPSC 2016-00371 | | | | | |
| 34 | | | | | | |
| 35 | Summer Storm 2011 (Ongoing) | 1,610,425 | | 593 | 1,207,819 | 402,606 |
| 36 | KPSC 2011-00380 | | | | | |
| 37 | KPSC 2012-00222 | | | | | |
| 38 | KPSC 2014-00372 | | | | | |
| 39 | KPSC 2016-00371 | | | | | |
| 40 | | | | | | |
| 41 | 2016 Rate Case Expenses - Electric (Ongoing) | 1,088,658 | 556,903 | 928 | 183,303 | 1,462,258 |
| 42 | KPSC 2016-00371 | | | | | |
| 43 | | | | | | |
| 44 | TOTAL | 456,353,744 | 76,431,864 | | 118,163,716 | 414,621,892 |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year/Period of Report |
|---|---|---|---|
| Louisville Gas and Electric Company | (1) [X] An Original<br>(2) [ ] A Resubmission | / / | End of 2017/Q4 |

## OTHER REGULATORY ASSETS (Account 182.3)

1. Report below the particulars (details) called for concerning other regulatory assets, including rate order docket number, if applicable.
2. Minor items (5% of the Balance in Account 182.3 at end of period, or amounts less than $100,000 which ever is less), may be grouped by classes.
3. For Regulatory Assets being amortized, show period of amortization.

| Line No. | Description and Purpose of Other Regulatory Assets (a) | Balance at Beginning of Current Quarter/Year (b) | Debits (c) | CREDITS Written off During the Quarter/Year Account Charged (d) | CREDITS Written off During the Period Amount (e) | Balance at end of Current Quarter/Year (f) |
|---|---|---|---|---|---|---|
| 1 | 2016 Rate Case Expenses - Gas (Ongoing) | 304,452 | 151,745 | 928 | 48,734 | 407,463 |
| 2 | KPSC 2016-00371 | | | | | |
| 3 | | | | | | |
| 4 | 2014 Rate Case Expenses - Electric (Jul-15 -Jun-18) | 568,799 | | 928 | 379,199 | 189,600 |
| 5 | KPSC 2014-00372 | | | | | |
| 6 | KPSC 2016-00371 | | | | | |
| 7 | | | | | | |
| 8 | 2014 Rate Case Expenses - Gas (Jul-15 to Jun-18) | 142,200 | | 928 | 94,800 | 47,400 |
| 9 | KPSC 2014-00372 | | | | | |
| 10 | KPSC 2016-00371 | | | | | |
| 11 | | | | | | |
| 12 | Carbon Mgmt. Research Group (Aug-10 to Jul-20) | 154,470 | 351,120 | 930 | 351,120 | 154,470 |
| 13 | KPSC 2008-00308 | | | | | |
| 14 | KPSC 2009-00549 | | | | | |
| 15 | KPSC 2012-00222 | | | | | |
| 16 | KPSC 2014-00372 | | | | | |
| 17 | KPSC 2016-00371 | | | | | |
| 18 | | | | | | |
| 19 | Gas Line Tracker (Ongoing) | | 1,163,561 | 480-482 | 1,163,561 | |
| 20 | KPSC 2012-00222 | | | | | |
| 21 | KPSC 2014-00372 | | | | | |
| 22 | KPSC 2016-00371 | | | | | |
| 23 | | | | | | |
| 24 | DSM Cost Recovery - Electric (Ongoing) | | 1,301,868 | 440-445 | 971,782 | 330,086 |
| 25 | KRS 278.285 | | | | | |
| 26 | | | | | | |
| 27 | Plant Outage Normalization (Ongoing) | | 3,043,316 | | | 3,043,316 |
| 28 | KPSC 2016-00371 | | | | | |
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| 41 | | | | | | |
| 42 | | | | | | |
| 43 | | | | | | |
| 44 | TOTAL | 456,353,744 | 76,431,864 | | 118,163,716 | 414,621,892 |

| Name of Respondent | This Report is: | Date of Report (Mo, Da, Yr) | Year/Period of Report |
|---|---|---|---|
| Louisville Gas and Electric Company | (1) X An Original<br>(2) __ A Resubmission | / / | 2017/Q4 |

FOOTNOTE DATA

***Schedule Page: 232.1 Line No.: 8 Column: a***

Amortization period for closed plants is from July 2016 through June 2026 and amortization period for open plants is from July 2016 through June 2041.

***Schedule Page: 232.1 Line No.: 36 Column: d***

Accounts credited include 190, 282 and 283.

***Schedule Page: 232.1 Line No.: 36 Column: e***

The balance includes $6,304,192 adjustments due to Tax Reform. Please see Footnote 3, Income and Other Taxes, within the Notes to Financial Statements for additional detail.

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year/Period of Report |
|---|---|---|---|
| Louisville Gas and Electric Company | (1) [X] An Original<br>(2) [ ] A Resubmission | / / | End of 2017/Q4 |

MISCELLANEOUS DEFFERED DEBITS (Account 186)

1. Report below the particulars (details) called for concerning miscellaneous deferred debits.
2. For any deferred debit being amortized, show period of amortization in column (a)
3. Minor item (1% of the Balance at End of Year for Account 186 or amounts less than $100,000, whichever is less) may be grouped by classes.

| Line No. | Description of Miscellaneous Deferred Debits<br>(a) | Balance at Beginning of Year<br>(b) | Debits<br>(c) | CREDITS Account Charged<br>(d) | CREDITS Amount<br>(e) | Balance at End of Year<br>(f) |
|---|---|---|---|---|---|---|
| 1 | Cane Run 7 LTPC Asset | 3,297,663 | 901,670 | 107, 553 | 1,710,843 | 2,488,490 |
| 2 | | | | | | |
| 3 | Brown 6 and 7 LTPC Asset | | 2,045,524 | | | 2,045,524 |
| 4 | | | | | | |
| 5 | Financing Expense | 55,376 | 341,975 | 181, 923 | 262,575 | 134,776 |
| 6 | | | | | | |
| 7 | Long-Term Customer Accounts | | | | | |
| 8 | Receivable | 347,144 | | 142 | 217,713 | 129,431 |
| 9 | | | | | | |
| 10 | Cellular Antenna Billable Chgs | 22,896 | 114,231 | Various | 80,965 | 56,162 |
| 11 | | | | | | |
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| 46 | | | | | | |
| 47 | Misc. Work in Progress | | | | | |
| 48 | Deferred Regulatory Comm. Expenses (See pages 350 - 351) | | | | | |
| 49 | TOTAL | 3,723,079 | | | | 4,854,383 |

| Name of Respondent | This Report is: | Date of Report (Mo, Da, Yr) | Year/Period of Report |
|---|---|---|---|
| Louisville Gas and Electric Company | (1) X An Original<br>(2) __ A Resubmission | / / | 2017/Q4 |

FOOTNOTE DATA

***Schedule Page: 233     Line No.: 10     Column: d***

Accounts credited include 142, 143, 172, and 456.

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year/Period of Report |
|---|---|---|---|
| Louisville Gas and Electric Company | (1) [X] An Original<br>(2) [ ] A Resubmission | / / | End of 2017/Q4 |

ACCUMULATED DEFERRED INCOME TAXES (Account 190)

1. Report the information called for below concerning the respondent's accounting for deferred income taxes.
2. At Other (Specify), include deferrals relating to other income and deductions.

| Line No. | Description and Location (a) | Balance of Begining of Year (b) | Balance at End of Year (c) |
|---|---|---|---|
| 1 | Electric | | |
| 2 | Net Operating Loss | 75,469,753 | 27,538,497 |
| 3 | Coal Combustion Residual ARO | 33,535,755 | 20,314,290 |
| 4 | Regulatory Tax Adjustment | 27,217,489 | 126,204,300 |
| 5 | Interest Rate Swaps | 21,631,156 | 13,061,826 |
| 6 | Excess Deferred Taxes - TCJA | | 50,846,955 |
| 7 | Other | 67,224,292 | 26,303,230 |
| 8 | TOTAL Electric (Enter Total of lines 2 thru 7) | 225,078,445 | 264,269,098 |
| 9 | Gas | | |
| 10 | Net Operating Loss | 4,848,376 | 1,938,593 |
| 11 | Capitalized Gas Inventory | 2,887,961 | 1,687,989 |
| 12 | Regulatory Tax Adjustment | 1,030,511 | 29,171,430 |
| 13 | Interest Rate Swaps | 5,407,691 | 3,265,392 |
| 14 | Excess Deferred Taxes - TCJA | | 9,340,980 |
| 15 | Other | 19,125,350 | 10,149,617 |
| 16 | TOTAL Gas (Enter Total of lines 10 thru 15 | 33,299,889 | 55,554,001 |
| 17 | Other (Specify) | 87,000 | 52,812 |
| 18 | TOTAL (Acct 190) (Total of lines 8, 16 and 17) | 258,465,334 | 319,875,911 |

Notes

| | Electric Amounts Beg. Bal. | Electric Amounts End. Bal. | Gas Amounts Beg. Bal. | Gas Amounts End. Bal. |
|---|---|---|---|---|
| Asset Retirement Obligation | $ 24,292,059 | $ 7,899,087 | $ 7,682,829 | $ 5,318,231 |
| Vacation Pay | 1,376,600 | 900,523 | 435,035 | 285,269 |
| Workers' Compensation | 919,276 | 652,917 | 288,257 | 201,897 |
| Air Permit Fees | 568,912 | 455,528 | - | - |
| Other Postretirement & Employment Benefits | 19,151,403 | 12,592,485 | 5,387,423 | 3,540,963 |
| Pensions | 11,706,410 | (1,971,919) | 4,669,795 | 187,206 |
| Tax Credit Carryforwards | 4,952,504 | 5,861,617 | - | - |
| Demand Side Management | 76,997 | 3,010 | 622,971 | 24,349 |
| Other | 4,180,131 | (90,018) | 39,040 | 591,702 |
| Total Line No. 7/15 | $ 67,224,292 | $ 26,303,230 | $ 19,125,350 | $ 10,149,617 |

| | Other Amounts Beginning | Other Amounts Ending |
|---|---|---|
| Non-Qualified Thrift | $ 87,000 | $ 52,812 |
| Line 17 | $ 87,000 | $ 52,812 |

| | |
|---|---|
| Balance Beginning of Year | $258,465,334 |
| Less Debits to | |
| Account 410.1 | 106,046,969 |
| Account 410.2 | 39,041 |
| Plus Credits to | |
| Account 411.1 | 40,364,004 |
| Account 411.2 | 4,853 |
| Other Balance Sheet Accounts | 127,127,730 |
| Balance at End of Year | $319,875,911 |

Note: This year beginning balance will not tie to last year Form 1 due to eliminating purchase accounting. Additionally, some beginning balance amounts were reordered from prior years' Form 1 ending balance amounts for

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year/Period of Report |
|---|---|---|---|
| Louisville Gas and Electric Company | (1) [X] An Original<br>(2) [ ] A Resubmission | / / | End of 2017/Q4 |

ACCUMULATED DEFERRED INCOME TAXES (Account 190) (continued)

1. Report the information called for below concerning the respondent's accounting for deferred income taxes.
2. At Other (Specify), include deferrals relating to other income and deductions.

presentation purposes.

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year/Period of Report |
|---|---|---|---|
| Louisville Gas and Electric Company | (1) [X] An Original<br>(2) [ ] A Resubmission | / / | End of 2017/Q4 |

## CAPITAL STOCKS (Account 201 and 204)

1. Report below the particulars (details) called for concerning common and preferred stock at end of year, distinguishing separate series of any general class. Show separate totals for common and preferred stock. If information to meet the stock exchange reporting requirement outlined in column (a) is available from the SEC 10-K Report Form filing, a specific reference to report form (i.e., year and company title) may be reported in column (a) provided the fiscal years for both the 10-K report and this report are compatible.
2. Entries in column (b) should represent the number of shares authorized by the articles of incorporation as amended to end of year.

| Line No. | Class and Series of Stock and Name of Stock Series (a) | Number of shares Authorized by Charter (b) | Par or Stated Value per share (c) | Call Price at End of Year (d) |
|---|---|---|---|---|
| 1 | Common Stock | | | |
| 2 | Common Stock, Without Par Value | 75,000,000 | | |
| 3 | Total Common | 75,000,000 | | |
| 4 | | | | |
| 5 | Preferred Stock | | | |
| 6 | Preferred Stock, $25 Par Value | 1,720,000 | | |
| 7 | Preferred Stock, Without Par Value | 6,750,000 | | |
| 8 | Total Preferred | 8,470,000 | | |
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| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year/Period of Report |
|---|---|---|---|
| Louisville Gas and Electric Company | (1) [X] An Original<br>(2) [ ] A Resubmission | / / | End of 2017/Q4 |

CAPITAL STOCKS (Account 201 and 204) (Continued)

3. Give particulars (details) concerning shares of any class and series of stock authorized to be issued by a regulatory commission which have not yet been issued.
4. The identification of each class of preferred stock should show the dividend rate and whether the dividends are cumulative or non-cumulative.
5. State in a footnote if any capital stock which has been nominally issued is nominally outstanding at end of year.
Give particulars (details) in column (a) of any nominally issued capital stock, reacquired stock, or stock in sinking and other funds which is pledged, stating name of pledgee and purposes of pledge.

| OUTSTANDING PER BALANCE SHEET (Total amount outstanding without reduction for amounts held by respondent) | | HELD BY RESPONDENT | | | | Line No. |
|---|---|---|---|---|---|---|
| | | AS REACQUIRED STOCK (Account 217) | | IN SINKING AND OTHER FUNDS | | |
| Shares (e) | Amount (f) | Shares (g) | Cost (h) | Shares (i) | Amount (j) | |
| | | | | | | 1 |
| 21,294,223 | 425,170,424 | | | | | 2 |
| 21,294,223 | 425,170,424 | | | | | 3 |
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| Name of Respondent | This Report is: | Date of Report (Mo, Da, Yr) | Year/Period of Report |
|---|---|---|---|
| Louisville Gas and Electric Company | (1) X An Original<br>(2) __ A Resubmission | / / | 2017/Q4 |

FOOTNOTE DATA

***Schedule Page: 250 Line No.: 2 Column: d***

There is no call price for common stock, without par value.

***Schedule Page: 250 Line No.: 3 Column: a***

The common stock of LG&E is owned by its parent company, LKE.

***Schedule Page: 250 Line No.: 8 Column: a***

No shares of preferred stock remain issued or outstanding.

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year/Period of Report |
|---|---|---|---|
| Louisville Gas and Electric Company | (1) [X] An Original<br>(2) [ ] A Resubmission | / / | End of 2017/Q4 |

OTHER PAID-IN CAPITAL (Accounts 208-211, inc.)

Report below the balance at the end of the year and the information specified below for the respective other paid-in capital accounts. Provide a subheading for each account and show a total for the account, as well as total of all accounts for reconciliation with balance sheet, Page 112. Add more columns for any account if deemed necessary. Explain changes made in any account during the year and give the accounting entries effecting such change.
(a) Donations Received from Stockholders (Account 208)-State amount and give brief explanation of the origin and purpose of each donation.
(b) Reduction in Par or Stated value of Capital Stock (Account 209): State amount and give brief explanation of the capital change which gave rise to amounts reported under this caption including identification with the class and series of stock to which related.
(c) Gain on Resale or Cancellation of Reacquired Capital Stock (Account 210): Report balance at beginning of year, credits, debits, and balance at end of year with a designation of the nature of each credit and debit identified by the class and series of stock to which related.
(d) Miscellaneous Paid-in Capital (Account 211)-Classify amounts included in this account according to captions which, together with brief explanations, disclose the general nature of the transactions which gave rise to the reported amounts.

| Line No. | Item (a) | Amount (b) |
|---|---|---|
| 1 | Account 211: | |
| 2 | Contributed Capital - Misc. - Balance January 1, 2017 | 488,081,499 |
| 3 | Contributed Capital December 31, 2017 | 30,000,000 |
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| 39 | | |
| 40 | TOTAL | 518,081,499 |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year/Period of Report |
|---|---|---|---|
| Louisville Gas and Electric Company | (1) [X] An Original<br>(2) [ ] A Resubmission | / / | End of 2017/Q4 |

## CAPITAL STOCK EXPENSE (Account 214)

1. Report the balance at end of the year of discount on capital stock for each class and series of capital stock.
2. If any change occurred during the year in the balance in respect to any class or series of stock, attach a statement giving particulars (details) of the change. State the reason for any charge-off of capital stock expense and specify the account charged.

| Line No. | Class and Series of Stock (a) | Balance at End of Year (b) |
|---|---|---|
| 1 | Expenses on Common Stock | 835,889 |
| 2 | | |
| 3 | | |
| 4 | | |
| 5 | | |
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| 21 | | |
| 22 | TOTAL | 835,889 |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year/Period of Report |
|---|---|---|---|
| Louisville Gas and Electric Company | (1) [X] An Original<br>(2) [ ] A Resubmission | / / | End of 2017/Q4 |

LONG-TERM DEBT (Account 221, 222, 223 and 224)

1. Report by balance sheet account the particulars (details) concerning long-term debt included in Accounts 221, Bonds, 222, Reacquired Bonds, 223, Advances from Associated Companies, and 224, Other long-Term Debt.
2. In column (a), for new issues, give Commission authorization numbers and dates.
3. For bonds assumed by the respondent, include in column (a) the name of the issuing company as well as a description of the bonds.
4. For advances from Associated Companies, report separately advances on notes and advances on open accounts. Designate demand notes as such. Include in column (a) names of associated companies from which advances were received.
5. For receivers, certificates, show in column (a) the name of the court -and date of court order under which such certificates were issued.
6. In column (b) show the principal amount of bonds or other long-term debt originally issued.
7. In column (c) show the expense, premium or discount with respect to the amount of bonds or other long-term debt originally issued.
8. For column (c) the total expenses should be listed first for each issuance, then the amount of premium (in parentheses) or discount. Indicate the premium or discount with a notation, such as (P) or (D). The expenses, premium or discount should not be netted.
9. Furnish in a footnote particulars (details) regarding the treatment of unamortized debt expense, premium or discount associated with issues redeemed during the year. Also, give in a footnote the date of the Commission's authorization of treatment other than as specified by the Uniform System of Accounts.

| Line No. | Class and Series of Obligation, Coupon Rate (For new issue, give commission Authorization numbers and dates) (a) | Principal Amount Of Debt issued (b) | Total expense, Premium or Discount (c) |
|---|---|---|---|
| 1 | ACCOUNT 221: | | |
| 2 | Pollution Control Bonds: | | |
| 3 | Jefferson County 2001 Series A, due 09/01/2027, Variable | 10,104,000 | 526,085 |
| 4 | Jefferson County 2001 Series A, due 09/01/2026, Variable | 22,500,000 | 242,653 |
| 5 | Trimble County 2001 Series A, due 09/01/2026, 1.050% | 27,500,000 | 263,855 |
| 6 | Jefferson County 2001 Series B, due 11/01/2027, 1.350% | 35,000,000 | 281,244 |
| 7 | Trimble County 2001 Series B, due 11/01/2027, 1.350% | 35,000,000 | 281,283 |
| 8 | Louisville Metro 2003 Series A, due 10/01/2033, 1.500% | 128,000,000 | 5,341,292 |
| 9 | Louisville Metro 2005 Series A, due 02/01/2035, 2.200% | 40,000,000 | 1,428,142 |
| 10 | Trimble County 2007 Series A, due 06/01/2033, 4.600% | 60,000,000 | 1,239,280 |
| 11 | Louisville Metro 2007 Series A, due 06/01/2033, 1.250% | 31,000,000 | 1,138,873 |
| 12 | Louisville Metro 2007 Series B, due 06/01/2033, 1.250% | 35,200,000 | 1,298,319 |
| 13 | Trimble County 2016 Series A, due 09/01/2044, Variable | 125,000,000 | 848,537 |
| 14 | Trimble County 2017 Series A, due 06/01/2033, 3.750% | 60,000,000 | 657,374 |
| 15 | | | |
| 16 | Mid-Term Debt: | | |
| 17 | US Bank Term Loan Tranche 1, due 10/25/2019, Variable | 100,000,000 | 111,167 |
| 18 | | | |
| 19 | Interest Rate Swaps: | | |
| 20 | | | |
| 21 | First Mortgage Bonds: | | |
| 22 | 2010 due 11/15/2040, 5.125% | 285,000,000 | 3,570,026 |
| 23 | | | 3,100,600 D |
| 24 | 2013 due 11/15/2043, 4.650% | 250,000,000 | 2,742,758 |
| 25 | | | 1,800,000 D |
| 26 | 2015 due 10/1/2025, 3.300% | 300,000,000 | 2,374,181 |
| 27 | | | 129,000 D |
| 28 | 2015 due 10/1/2045, 4.375% | 250,000,000 | 2,569,890 |
| 29 | | | 207,500 D |
| 30 | TOTAL ACCOUNT 221 | 1,794,304,000 | 30,152,059 |
| 31 | | | |
| 32 | | | |
| 33 | TOTAL | 1,794,304,000 | 30,152,059 |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year/Period of Report |
|---|---|---|---|
| Louisville Gas and Electric Company | (1) [X] An Original<br>(2) [ ] A Resubmission | / / | End of 2017/Q4 |

## LONG-TERM DEBT (Account 221, 222, 223 and 224)

1. Report by balance sheet account the particulars (details) concerning long-term debt included in Accounts 221, Bonds, 222, Reacquired Bonds, 223, Advances from Associated Companies, and 224, Other long-Term Debt.
2. In column (a), for new issues, give Commission authorization numbers and dates.
3. For bonds assumed by the respondent, include in column (a) the name of the issuing company as well as a description of the bonds.
4. For advances from Associated Companies, report separately advances on notes and advances on open accounts. Designate demand notes as such. Include in column (a) names of associated companies from which advances were received.
5. For receivers, certificates, show in column (a) the name of the court -and date of court order under which such certificates were issued.
6. In column (b) show the principal amount of bonds or other long-term debt originally issued.
7. In column (c) show the expense, premium or discount with respect to the amount of bonds or other long-term debt originally issued.
8. For column (c) the total expenses should be listed first for each issuance, then the amount of premium (in parentheses) or discount. Indicate the premium or discount with a notation, such as (P) or (D). The expenses, premium or discount should not be netted.
9. Furnish in a footnote particulars (details) regarding the treatment of unamortized debt expense, premium or discount associated with issues redeemed during the year. Also, give in a footnote the date of the Commission's authorization of treatment other than as specified by the Uniform System of Accounts.

| Line No. | Class and Series of Obligation, Coupon Rate (For new issue, give commission Authorization numbers and dates) (a) | Principal Amount Of Debt issued (b) | Total expense, Premium or Discount (c) |
|---|---|---|---|
| 1 | | | |
| 2 | | | |
| 3 | ACCOUNT 222: | | |
| 4 | TOTAL ACCOUNT 222 | | |
| 5 | | | |
| 6 | ACCOUNT 223: | | |
| 7 | TOTAL ACCOUNT 223 | | |
| 8 | | | |
| 9 | ACCOUNT 224: | | |
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| 13 | TOTAL ACCOUNT 224 | | |
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| 30 | | | |
| 31 | | | |
| 32 | | | |
| 33 | TOTAL | 1,794,304,000 | 30,152,059 |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year/Period of Report |
|---|---|---|---|
| Louisville Gas and Electric Company | (1) [X] An Original<br>(2) [ ] A Resubmission | / / | End of 2017/Q4 |

LONG-TERM DEBT (Account 221, 222, 223 and 224) (Continued)

10. Identify separate undisposed amounts applicable to issues which were redeemed in prior years.
11. Explain any debits and credits other than debited to Account 428, Amortization and Expense, or credited to Account 429, Premium on Debt - Credit.
12. In a footnote, give explanatory (details) for Accounts 223 and 224 of net changes during the year. With respect to long-term advances, show for each company: (a) principal advanced during year, (b) interest added to principal amount, and (c) principle repaid during year. Give Commission authorization numbers and dates.
13. If the respondent has pledged any of its long-term debt securities give particulars (details) in a footnote including name of pledgee and purpose of the pledge.
14. If the respondent has any long-term debt securities which have been nominally issued and are nominally outstanding at end of year, describe such securities in a footnote.
15. If interest expense was incurred during the year on any obligations retired or reacquired before end of year, include such interest expense in column (i). Explain in a footnote any difference between the total of column (i) and the total of Account 427, interest on Long-Term Debt and Account 430, Interest on Debt to Associated Companies.
16. Give particulars (details) concerning any long-term debt authorized by a regulatory commission but not yet issued.

| Nominal Date of Issue (d) | Date of Maturity (e) | AMORTIZATION PERIOD Date From (f) | AMORTIZATION PERIOD Date To (g) | Outstanding (Total amount outstanding without reduction for amounts held by respondent) (h) | Interest for Year Amount (i) | Line No. |
|---|---|---|---|---|---|---|
| | | | | | | 1 |
| | | | | | | 2 |
| 09/11/2001 | 09/01/2027 | 09/11/2001 | 11/28/2017 | | 163,377 | 3 |
| 03/06/2002 | 09/01/2026 | 03/06/2002 | 09/01/2026 | 22,500,000 | 217,221 | 4 |
| 03/06/2002 | 09/01/2026 | 03/06/2002 | 09/01/2026 | 27,500,000 | 288,750 | 5 |
| 03/22/2002 | 11/01/2027 | 03/22/2002 | 11/01/2027 | 35,000,000 | 472,500 | 6 |
| 03/22/2002 | 11/01/2027 | 03/22/2002 | 11/01/2027 | 35,000,000 | 472,500 | 7 |
| 11/20/2003 | 10/01/2033 | 11/20/2003 | 10/01/2033 | 128,000,000 | 1,969,067 | 8 |
| 04/13/2005 | 02/01/2035 | 04/13/2005 | 02/01/2035 | 40,000,000 | 880,000 | 9 |
| 04/26/2007 | 06/01/2033 | 04/26/2007 | 6/1/2017 | | 1,510,333 | 10 |
| 04/26/2007 | 06/01/2033 | 04/26/2007 | 06/01/2033 | 31,000,000 | 374,583 | 11 |
| 04/26/2007 | 06/01/2033 | 04/26/2007 | 06/01/2033 | 35,200,000 | 491,333 | 12 |
| 09/15/2016 | 09/01/2044 | 09/15/2016 | 09/01/2044 | 125,000,000 | 1,131,737 | 13 |
| 06/01/2017 | 06/01/2033 | 06/01/2017 | 06/01/2033 | 60,000,000 | 1,312,500 | 14 |
| | | | | | | 15 |
| | | | | | | 16 |
| 10/26/2017 | 10/25/2019 | 10/26/2017 | 10/25/2019 | 100,000,000 | 335,778 | 17 |
| | | | | | | 18 |
| | | | | | 5,988,726 | 19 |
| | | | | | | 20 |
| | | | | | | 21 |
| 11/16/2010 | 11/15/2040 | 11/16/2010 | 11/15/2040 | 285,000,000 | 14,606,250 | 22 |
| | | | | | | 23 |
| 11/14/2013 | 11/15/2043 | 11/14/2013 | 11/15/2043 | 250,000,000 | 10,191,296 | 24 |
| | | | | | | 25 |
| 9/28/2015 | 10/01/2025 | 09/28/2015 | 10/01/2025 | 300,000,000 | 11,305,380 | 26 |
| | | | | | | 27 |
| 9/28/2015 | 10/01/2045 | 09/28/2015 | 10/01/2045 | 250,000,000 | 11,923,556 | 28 |
| | | | | | | 29 |
| | | | | 1,724,200,000 | 63,634,887 | 30 |
| | | | | | | 31 |
| | | | | | | 32 |
| | | | | 1,724,200,000 | 63,634,887 | 33 |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year/Period of Report |
|---|---|---|---|
| Louisville Gas and Electric Company | (1) [X] An Original<br>(2) [ ] A Resubmission | / / | End of 2017/Q4 |

LONG-TERM DEBT (Account 221, 222, 223 and 224) (Continued)

10. Identify separate undisposed amounts applicable to issues which were redeemed in prior years.
11. Explain any debits and credits other than debited to Account 428, Amortization and Expense, or credited to Account 429, Premium on Debt - Credit.
12. In a footnote, give explanatory (details) for Accounts 223 and 224 of net changes during the year. With respect to long-term advances, show for each company: (a) principal advanced during year, (b) interest added to principal amount, and (c) principle repaid during year. Give Commission authorization numbers and dates.
13. If the respondent has pledged any of its long-term debt securities give particulars (details) in a footnote including name of pledgee and purpose of the pledge.
14. If the respondent has any long-term debt securities which have been nominally issued and are nominally outstanding at end of year, describe such securities in a footnote.
15. If interest expense was incurred during the year on any obligations retired or reacquired before end of year, include such interest expense in column (i). Explain in a footnote any difference between the total of column (i) and the total of Account 427, interest on Long-Term Debt and Account 430, Interest on Debt to Associated Companies.
16. Give particulars (details) concerning any long-term debt authorized by a regulatory commission but not yet issued.

| Nominal Date of Issue (d) | Date of Maturity (e) | AMORTIZATION PERIOD Date From (f) | AMORTIZATION PERIOD Date To (g) | Outstanding (Total amount outstanding without reduction for amounts held by respondent) (h) | Interest for Year Amount (i) | Line No. |
|---|---|---|---|---|---|---|
| | | | | | | 1 |
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| | | | | 1,724,200,000 | 63,634,887 | 33 |

| Name of Respondent<br>Louisville Gas and Electric Company | This Report is:<br>(1) X An Original<br>(2) __ A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>/ / | Year/Period of Report<br>2017/Q4 |
|---|---|---|---|

FOOTNOTE DATA

**Schedule Page: 256 Line No.: 1 Column: a**

Per instruction 9 concerning the treatment of unamortized debt expense, premium or discount, original debt premiums and expenses are being amortized over the lives of the related issues and remarketing expenses are being amortized through the put dates of the remarketed bonds.

**Schedule Page: 256 Line No.: 2 Column: a**

Pollution control series bonds are obligations of LG&E, issued in connection with tax-exempt pollution control revenue bonds issued by various governmental entities, principally counties in Kentucky. A loan agreement obligates LG&E to make debt service payments to the county that equate to the debt service due from the county on the related pollution control revenue bonds.

**Schedule Page: 256 Line No.: 3 Column: a**

As of November 28, 2017, the Louisville Metro (previously, Jefferson County) 2001 Series A was redeemed and the remaining unamortized debt expense associated with this bond was reclassified to loss on reacquired debt and is being amortized over the life of the original issue.

**Schedule Page: 256 Line No.: 14 Column: a**

By Order in Case No. 2017-00081 on May 11, 2017, LG&E was authorized by the KPSC to issue debt in order to refinance one of its outstanding pollution control bonds. As of June 1, 2017, the Trimble County 2007 Series A pollution control bond was refinanced resulting in a new bond issue, Trimble County 2017 Series A. The remaining unamortized debt expense associated with the refinanced bond was reclassified to loss on reacquired debt and is now being amortized over the life of the new issue.

**Schedule Page: 256 Line No.: 17 Column: a**

By Order in 130 FERC ¶ 61,269, Docket No. ES17-41-000, issued on September 18, 2017, LG&E was authorized by the FERC to issue secured and unsecured notes, not to exceed $250 million, in an effort to reduce short-term borrowings and for general corporate purposes. On October 26, 2017, LG&E entered into a $200 million Credit Agreement with US Bank, whereby LG&E borrowed $100 million resulting in the US Bank Term Loan - Tranche 1.

**Schedule Page: 256 Line No.: 19 Column: a**

As of December 31, 2017, the company had in effect three interest-rate swap agreements to hedge its exposure to tax exempt rates related to Pollution Control Bonds, Variable Rate Series. The Company’s position under the swap agreements are to pay a fixed rate and receive a variable rate based on the Securities Industry and Financial Markets Association Index or London Interbank Offered Rate (LIBOR). The specifics for each swap agreement related to notional amounts, maturity dates, payable and receivable positions are as follows:

| Notional Amount | Maturity | Payable | Receivable |
|---|---|---|---|
| $83,335,000 | 11/01/2020 | Fixed 5.495% | SIFMA Index |
| $32,000,000 | 10/01/2033 | Fixed 3.657% | 68% of 1 mo LIBOR |
| $32,000,000 | 10/01/2033 | Fixed 3.645% | 68% of 1 mo LIBOR |

As of December 6, 2016, the company terminated the following interest rate swap agreement that hedged its exposure to tax exempt rates related to Louisville Metro 2000 Series A, which was redeemed as of December 1, 2016:

| Notional Amount | Maturity | Payable | Receivable |
|---|---|---|---|
| $32,000,000 | 10/01/2033 | Fixed 3.695% | 68% of 1 mo LIBOR |

The swap was settled at a loss of $9,409,000. By Order in Case No. 2016-00393 on December 14, 2016, LG&E was authorized by the KPSC to establish a regulatory asset for this amount. By Order in Case No. 2016-00371, the loss is being amortizated over the life of the related debt.

**Schedule Page: 256 Line No.: 21 Column: a**

Proceeds from LG&E's First Mortgage Bonds issued in 2010 were used to repay loans from a

| Name of Respondent | This Report is: | Date of Report | Year/Period of Report |
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| Louisville Gas and Electric Company | (1) X An Original<br>(2) __ A Resubmission | (Mo, Da, Yr)<br>/ / | 2017/Q4 |

FOOTNOTE DATA

PPL subsidiary and for general corporate purposes. Proceeds from LG&E's First Mortgage Bonds issued in 2013 were used for captial expenditures and general corporate purposes. Proceeds from LG&E's First Mortgage Bonds issued in 2015 were used to pay maturing debt, pay short-term debt, and general corporate purposes. The First Mortgage Bonds were issued at a discount.

As of December 31, 2017, all of the Company’s long-term debt, except for the US Bank Term Loan issued on October 26, 2017, is collateralized by a first mortgage lien on substantially all of the assets of the Company in Kentucky.

***Schedule Page: 256.1 Line No.: 6 Column: a***

LG&E did not have long-term notes with associated companies in 2017.

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|---|---|---|---|
| Louisville Gas and Electric Company | (1) [X] An Original<br>(2) [ ] A Resubmission | / / | End of 2017/Q4 |

## RECONCILIATION OF REPORTED NET INCOME WITH TAXABLE INCOME FOR FEDERAL INCOME TAXES

1. Report the reconciliation of reported net income for the year with taxable income used in computing Federal income tax accruals and show computation of such tax accruals. Include in the reconciliation, as far as practicable, the same detail as furnished on Schedule M-1 of the tax return for the year. Submit a reconciliation even though there is no taxable income for the year. Indicate clearly the nature of each reconciling amount.
2. If the utility is a member of a group which files a consolidated Federal tax return, reconcile reported net income with taxable net income as if a separate return were to be field, indicating, however, intercompany amounts to be eliminated in such a consolidated return. State names of group member, tax assigned to each group member, and basis of allocation, assignment, or sharing of the consolidated tax among the group members.
3. A substitute page, designed to meet a particular need of a company, may be used as Long as the data is consistent and meets the requirements of the above instructions. For electronic reporting purposes complete Line 27 and provide the substitute Page in the context of a footnote.

| Line No. | Particulars (Details) (a) | Amount (b) |
|---|---|---|
| 1 | Net Income for the Year (Page 117) | 214,095,766 |
| 2 | | |
| 3 | | |
| 4 | Taxable Income Not Reported on Books | |
| 5 | See Footnote | 12,279,483 |
| 6 | | |
| 7 | | |
| 8 | | |
| 9 | Deductions Recorded on Books Not Deducted for Return | |
| 10 | See Footnote | 162,762,147 |
| 11 | | |
| 12 | | |
| 13 | | |
| 14 | Income Recorded on Books Not Included in Return | |
| 15 | See Footnote | 5,841,125 |
| 16 | | |
| 17 | | |
| 18 | | |
| 19 | Deductions on Return Not Charged Against Book Income | |
| 20 | See Footnote | 383,296,271 |
| 21 | | |
| 22 | | |
| 23 | | |
| 24 | | |
| 25 | | |
| 26 | | |
| 27 | Federal Tax Net Income | |
| 28 | Show Computation of Tax: | |
| 29 | 35% Rounded | |
| 30 | Add: Adjustment of Prior Years' Taxes and Other | -1,881 |
| 31 | | |
| 32 | Total | -1,881 |
| 33 | | |
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| Name of Respondent | This Report is: | Date of Report (Mo, Da, Yr) | Year/Period of Report |
|---|---|---|---|
| Louisville Gas and Electric Company | (1) X An Original<br>(2) __ A Resubmission | / / | 2017/Q4 |

FOOTNOTE DATA

**Schedule Page: 261 Line No.: 5 Column: b**

| | |
|---|---|
| Contribution in Aid of Construction | $ 8,250,000 |
| Environmental Cost Recovery | 1,734,000 |
| Gas Line Tracker | 1,865,662 |
| Refined Coal Regulatory Liability | 429,821 |
| Total | $ 12,279,483 |

**Schedule Page: 261 Line No.: 10 Column: b**

| | |
|---|---|
| Federal Income Taxes: | |
| Utility Operating Income | $ 1,023,123 |
| Provision for Deferred Income Taxes | 127,836,216 |
| Customer Advances for Construction | 10,802,667 |
| Capitalized Interest | 9,125,000 |
| Amortization of Regulatory Assets Associated with Storms | 7,945,691 |
| Current State Income Tax | 1,280,931 |
| Amortization of Regulatory Assets/Liability Associated with Terminated Swaps | 957,732 |
| Post Employment | 751,432 |
| Prepaid Insurance | 632,682 |
| Nondeductible Expenses | 558,538 |
| Swap Termination | 668,134 |
| Other | 1,180,001 |
| Total | $ 162,762,147 |

**Schedule Page: 261 Line No.: 15 Column: b**

| | |
|---|---|
| Purchased Gas Adjustment | $ 985,564 |
| Fuel Adjustment Clause KY | 2,049,000 |
| Demand Side Management | 1,693,114 |
| Amortization of Investment Tax Credit | 1,113,447 |
| Total | $ 5,841,125 |

**Schedule Page: 261 Line No.: 20 Column: b**

| | |
|---|---|
| Federal Income Taxes: | |
| Other Income and Deductions | $ 1,025,004 |
| Tax over Book Depreciation, Net and Repairs | 193,410,747 |
| Pensions | 39,197,734 |
| Cost of Removal | 37,149,596 |
| Coal Combustion Residual ARO | 2,527,382 |
| Obsolete Inventory | 6,979,639 |
| Plant Outage Normalization - Regulatory Asset | 3,043,316 |
| Deferred Operating | 1,214,625 |
| Capitalized Gas Inventory | 811,366 |
| Postretirement | 1,003,815 |
| Contribution Carryforward | 7,434,173 |
| Net Operating Loss Carryforward | 87,597,899 |
| Other | 1,900,975 |
| Total | $ 383,296,271 |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year/Period of Report |
|---|---|---|---|
| Louisville Gas and Electric Company | (1) [X] An Original<br>(2) [ ] A Resubmission | / / | End of 2017/Q4 |

## TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR

1. Give particulars (details) of the combined prepaid and accrued tax accounts and show the total taxes charged to operations and other accounts during the year. Do not include gasoline and other sales taxes which have been charged to the accounts to which the taxed material was charged. If the actual, or estimated amounts of such taxes are know, show the amounts in a footnote and designate whether estimated or actual amounts.
2. Include on this page, taxes paid during the year and charged direct to final accounts, (not charged to prepaid or accrued taxes.) Enter the amounts in both columns (d) and (e). The balancing of this page is not affected by the inclusion of these taxes.
3. Include in column (d) taxes charged during the year, taxes charged to operations and other accounts through (a) accruals credited to taxes accrued, (b)amounts credited to proportions of prepaid taxes chargeable to current year, and (c) taxes paid and charged direct to operations or accounts other than accrued and prepaid tax accounts.
4. List the aggregate of each kind of tax in such manner that the total tax for each State and subdivision can readily be ascertained.

| Line No. | Kind of Tax (See instruction 5) (a) | BALANCE AT BEGINNING OF YEAR Taxes Accrued (Account 236) (b) | Prepaid Taxes (Include in Account 165) (c) | Taxes Charged During Year (d) | Taxes Paid During Year (e) | Adjust-ments (f) |
|---|---|---|---|---|---|---|
| 1 | Federal: | | | | | |
| 2 | Income | 17,972,994 | | 95,393 | 18,068,387 | |
| 3 | FICA | 881,706 | | 7,684,128 | 7,652,511 | |
| 4 | | | | | | |
| 5 | Kentucky & Other States: | | | | | |
| 6 | Income | 822,828 | | 5,130,974 | 3,850,042 | |
| 7 | Public Service Commission | | 1,385,682 | 2,784,547 | 2,797,729 | |
| 8 | Use (Kentucky) | 733,872 | | 6,343,873 | 6,373,264 | |
| 9 | Use (Indiana) | | | 20,137 | 20,137 | |
| 10 | | | | | | |
| 11 | Federal & Kentucky: | | | | | |
| 12 | Unemployment Insurance | 53,432 | | 96,702 | 115,806 | |
| 13 | | | | | | |
| 14 | Miscellaneous | | | 93,956 | 93,956 | |
| 15 | | | | | | |
| 16 | Kentucky & Indiana: | | | | | |
| 17 | Property Taxes | 19,781,940 | | 31,046,251 | 29,779,838 | |
| 18 | | | | | | |
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| 40 | | | | | | |
| 41 | TOTAL | 40,246,772 | 1,385,682 | 53,295,961 | 68,751,670 | |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year/Period of Report |
|---|---|---|---|
| Louisville Gas and Electric Company | (1) [X] An Original<br>(2) [ ] A Resubmission | / / | End of 2017/Q4 |

TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR (Continued)

5. If any tax (exclude Federal and State income taxes)- covers more then one year, show the required information separately for each tax year, identifying the year in column (a).
6. Enter all adjustments of the accrued and prepaid tax accounts in column (f) and explain each adjustment in a foot- note. Designate debit adjustments by parentheses.
7. Do not include on this page entries with respect to deferred income taxes or taxes collected through payroll deductions or otherwise pending transmittal of such taxes to the taxing authority.
8. Report in columns (i) through (l) how the taxes were distributed. Report in column (l) only the amounts charged to Accounts 408.1 and 409.1 pertaining to electric operations. Report in column (l) the amounts charged to Accounts 408.1 and 109.1 pertaining to other utility departments and amounts charged to Accounts 408.2 and 409.2. Also shown in column (l) the taxes charged to utility plant or other balance sheet accounts.
9. For any tax apportioned to more than one utility department or account, state in a footnote the basis (necessity) of apportioning such tax.

| BALANCE AT END OF YEAR | | DISTRIBUTION OF TAXES CHARGED | | | | Line No. |
|---|---|---|---|---|---|---|
| (Taxes accrued Account 236) (g) | Prepaid Taxes (Incl. in Account 165) (h) | Electric (Account 408.1, 409.1) (i) | Extraordinary Items (Account 409.3) (j) | Adjustments to Ret. Earnings (Account 439) (k) | Other (l) | |
| | | | | | | 1 |
| | | 576,238 | | | -480,845 | 2 |
| 913,323 | | 6,134,766 | | | 1,549,362 | 3 |
| | | | | | | 4 |
| | | | | | | 5 |
| 2,103,760 | | 3,915,326 | | | 1,215,648 | 6 |
| | 1,398,864 | 2,186,484 | | | 598,063 | 7 |
| 704,481 | | | | | 6,343,873 | 8 |
| | | | | | 20,137 | 9 |
| | | | | | | 10 |
| | | | | | | 11 |
| 34,328 | | 127,759 | | | -31,057 | 12 |
| | | | | | | 13 |
| | | 73,286 | | | 20,670 | 14 |
| | | | | | | 15 |
| | | | | | | 16 |
| 21,048,353 | | 22,916,996 | | | 8,129,255 | 17 |
| | | | | | | 18 |
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| | | | | | | 40 |
| 24,804,245 | 1,398,864 | 35,930,855 | | | 17,365,106 | 41 |

| Name of Respondent | This Report is: | Date of Report (Mo, Da, Yr) | Year/Period of Report |
|---|---|---|---|
| Louisville Gas and Electric Company | (1) X An Original<br>(2) __ A Resubmission | / / | 2017/Q4 |

FOOTNOTE DATA

***Schedule Page: 262 Line No.: 1 Column: a***

| Segregation of Other | Column Other (1) | Page 115 Gas Acct. 408.1 - 409.1 | Page 117 Other Inc & Deductions 408.2 - 409.2 | Other Accounts |
|---|---|---|---|---|
| Federal: | | | | |
| Income | $(480,845) | $ 446,885 | $(1,025,004) | $97,274 |
| FICA | 1,549,362 | 2,064,808 | - | (515,446) |
| Kentucky & Other States: | | | | |
| Income | 1,215,648 | 1,402,579 | (186,931) | - |
| PSC | 598,063 | 598,063 | - | - |
| 6% Use (Kentucky) | 6,343,873 | - | - | 6,343,873 |
| 7% Use (Indiana) | 20,137 | - | - | 20,137 |
| Federal & Kentucky: | | | | |
| Unemployment Ins | (31,057) | 37,311 | - | (68,368) |
| Miscellaneous | 20,670 | 20,670 | - | - |
| Kentucky & Indiana: | | | | |
| Property Taxes | 8,129,255 | 7,693,293 | 7,044 | 428,918 |
| Total | $ 17,365,106 | $ 12,263,609 | $(1,204,891) | $ 6,306,388 |

Reconciliation to Schedule Page: 114-115,
Line No.: 14-16:

| Federal Income: | | State Income: | | Other: | |
|---|---|---|---|---|---|
| Electric | $576,238 | Electric | $ 3,915,326 | Elec Total | $ 35,930,855 |
| Gas | 446,885 | Gas | 1,402,579 | Gas Total | 12,263,609 |
| Total | $1,023,123 | Total | $5,317,905 | Less Federal Inc. | (1,023,123) |
| | | | | Less State Inc. | (5,317,905) |
| | | | | Total | $41,853,436 |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year/Period of Report |
|---|---|---|---|
| Louisville Gas and Electric Company | (1) [X] An Original<br>(2) [ ] A Resubmission | / / | End of 2017/Q4 |

## ACCUMULATED DEFERRED INVESTMENT TAX CREDITS (Account 255)

Report below information applicable to Account 255. Where appropriate, segregate the balances and transactions by utility and nonutility operations. Explain by footnote any correction adjustments to the account balance shown in column (g).Include in column (i) the average period over which the tax credits are amortized.

| Line No. | Account Subdivisions (a) | Balance at Beginning of Year (b) | Deferred for Year | | Allocations to Current Year's Income | | Adjustments (g) |
|---|---|---|---|---|---|---|---|
| | | | Account No. (c) | Amount (d) | Account No. (e) | Amount (f) | |
| 1 | Electric Utility | | | | | | |
| 2 | 3% | | | | | | |
| 3 | 4% | | | | | | |
| 4 | 7% | | | | | | |
| 5 | 10% | | | | | | |
| 6 | 15% | 20,829,995 | | | 411.4 | 466,429 | |
| 7 | Various | 15,445,261 | 411.4 | 8,291 | 411.4 | 600,498 | |
| 8 | TOTAL | 36,275,256 | | 8,291 | | 1,066,927 | |
| 9 | Other (List separately and show 3%, 4%, 7%, 10% and TOTAL) | | | | | | |
| 10 | | | | | | | |
| 11 | | | | | | | |
| 12 | | | | | | | |
| 13 | | | | | | | |
| 14 | | | | | | | |
| 15 | | | | | | | |
| 16 | Gas Utility | 81,905 | | | 411.4 | 46,520 | |
| 17 | TOTAL | 81,905 | | | | 46,520 | |
| 18 | | | | | | | |
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| 45 | | | | | | | |
| 46 | | | | | | | |
| 47 | | 36,357,161 | | 8,291 | 411.4 | 1,113,447 | |
| 48 | Grand Total | 36,357,161 | | 8,291 | | 1,113,447 | |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year/Period of Report |
|---|---|---|---|
| Louisville Gas and Electric Company | (1) [X] An Original (2) [ ] A Resubmission | / / | End of 2017/Q4 |

ACCUMULATED DEFERRED INVESTMENT TAX CREDITS (Account 255) (continued)

| Balance at End of Year (h) | Average Period of Allocation to Income (i) | ADJUSTMENT EXPLANATION | Line No. |
|---|---|---|---|
| | | | 1 |
| | | | 2 |
| | | | 3 |
| | | | 4 |
| | | | 5 |
| 20,363,566 | 47 years | | 6 |
| 14,853,054 | 25 and 43 Years | | 7 |
| 35,216,620 | | | 8 |
| | | | 9 |
| | | | 10 |
| | | | 11 |
| | | | 12 |
| | | | 13 |
| | | | 14 |
| | | | 15 |
| 35,385 | 33 Years | | 16 |
| 35,385 | | | 17 |
| | | | 18 |
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| | | | 20 |
| | | | 21 |
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| | | | 23 |
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| | | | 46 |
| 35,252,005 | | | 47 |
| 35,252,005 | | | 48 |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year/Period of Report |
|---|---|---|---|
| Louisville Gas and Electric Company | (1) [X] An Original<br>(2) [ ] A Resubmission | / / | End of 2017/Q4 |

OTHER DEFFERED CREDITS (Account 253)

1. Report below the particulars (details) called for concerning other deferred credits.
2. For any deferred credit being amortized, show the period of amortization.
3. Minor items (5% of the Balance End of Year for Account 253 or amounts less than $100,000, whichever is greater) may be grouped by classes.

| Line No. | Description and Other Deferred Credits (a) | Balance at Beginning of Year (b) | DEBITS Contra Account (c) | DEBITS Amount (d) | Credits (e) | Balance at End of Year (f) |
|---|---|---|---|---|---|---|
| 1 | Corporate Headquarters Lease | | | | | |
| 2 | (Jul-12 to Dec-25) | 1,214,625 | 931 | 1,217,223 | 1,213,086 | 1,210,488 |
| 3 | | | | | | |
| 4 | Prepaid Transmission System Fee: | | | | | |
| 5 | MCI Telecom (Apr-09 to Apr-29) | 410,891 | 454 | 36,796 | | 374,095 |
| 6 | | | | | | |
| 7 | Long-Term Retainage | | | | 300,000 | 300,000 |
| 8 | | | | | | |
| 9 | Deferred Compensation | 223,650 | 926 | 47,884 | 29,408 | 205,174 |
| 10 | | | | | | |
| 11 | Clearing Accounts Transferred | | | | | |
| 12 | from Other Deferred Debits | | 184 | 9,351,074 | 9,358,375 | 7,301 |
| 13 | | | | | | |
| 14 | Uncertain Tax Position - Federal | 97,274 | 236 | 97,274 | | |
| 15 | | | | | | |
| 16 | | | | | | |
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| 45 | | | | | | |
| 46 | | | | | | |
| 47 | TOTAL | 1,946,440 | | 10,750,251 | 10,900,869 | 2,097,058 |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year/Period of Report |
|---|---|---|---|
| Louisville Gas and Electric Company | (1) [X] An Original<br>(2) [ ] A Resubmission | / / | End of 2017/Q4 |

ACCUMULATED DEFERRED INCOME TAXES - ACCELERATED AMORTIZATION PROPERTY (Account 281)

1. Report the information called for below concerning the respondent's accounting for deferred income taxes rating to amortizable property.
2. For other (Specify),include deferrals relating to other income and deductions.

| Line No. | Account<br>(a) | Balance at Beginning of Year<br>(b) | CHANGES DURING YEAR<br>Amounts Debited to Account 410.1<br>(c) | CHANGES DURING YEAR<br>Amounts Credited to Account 411.1<br>(d) |
|---|---|---|---|---|
| 1 | Accelerated Amortization (Account 281) | | | |
| 2 | Electric | | | |
| 3 | Defense Facilities | | | |
| 4 | Pollution Control Facilities | | | |
| 5 | Other (provide details in footnote): | | | |
| 6 | | | | |
| 7 | | | | |
| 8 | TOTAL Electric (Enter Total of lines 3 thru 7) | | | |
| 9 | Gas | | | |
| 10 | Defense Facilities | | | |
| 11 | Pollution Control Facilities | | | |
| 12 | Other (provide details in footnote): | | | |
| 13 | | | | |
| 14 | | | | |
| 15 | TOTAL Gas (Enter Total of lines 10 thru 14) | | | |
| 16 | | | | |
| 17 | TOTAL (Acct 281) (Total of 8, 15 and 16) | | | |
| 18 | Classification of TOTAL | | | |
| 19 | Federal Income Tax | | | |
| 20 | State Income Tax | | | |
| 21 | Local Income Tax | | | |

NOTES

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year/Period of Report |
|---|---|---|---|
| Louisville Gas and Electric Company | (1) [X] An Original<br>(2) [ ] A Resubmission | / / | End of 2017/Q4 |

ACCUMULATED DEFERRED INCOME TAXES _ ACCELERATED AMORTIZATION PROPERTY (Account 281) (Continued)

3. Use footnotes as required.

| CHANGES DURING YEAR | | ADJUSTMENTS | | | | | |
|---|---|---|---|---|---|---|---|
| Amounts Debited to Account 410.2 | Amounts Credited to Account 411.2 | Debits | | Credits | | Balance at End of Year | Line No. |
| | | Account Credited | Amount | Account Debited | Amount | | |
| (e) | (f) | (g) | (h) | (i) | (j) | (k) | |
| | | | | | | | 1 |
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NOTES (Continued)

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year/Period of Report |
|---|---|---|---|
| Louisville Gas and Electric Company | (1) [X] An Original<br>(2) [ ] A Resubmission | / / | End of 2017/Q4 |

ACCUMULATED DEFFERED INCOME TAXES - OTHER PROPERTY (Account 282)

1. Report the information called for below concerning the respondent's accounting for deferred income taxes rating to property not subject to accelerated amortization
2. For other (Specify),include deferrals relating to other income and deductions.

| Line No. | Account<br>(a) | Balance at Beginning of Year<br>(b) | CHANGES DURING YEAR<br>Amounts Debited to Account 410.1<br>(c) | CHANGES DURING YEAR<br>Amounts Credited to Account 411.1<br>(d) |
|---|---|---|---|---|
| 1 | Account 282 | | | |
| 2 | Electric | 863,414,676 | 142,295,574 | 89,784,011 |
| 3 | Gas | 206,530,172 | 35,345,915 | 19,347,749 |
| 4 | | | | |
| 5 | TOTAL (Enter Total of lines 2 thru 4) | 1,069,944,848 | 177,641,489 | 109,131,760 |
| 6 | | | | |
| 7 | | | | |
| 8 | | | | |
| 9 | TOTAL Account 282 (Enter Total of lines 5 thru | 1,069,944,848 | 177,641,489 | 109,131,760 |
| 10 | Classification of TOTAL | | | |
| 11 | Federal Income Tax | 962,972,146 | 152,189,883 | 94,050,956 |
| 12 | State Income Tax | 106,972,702 | 25,451,606 | 15,080,804 |
| 13 | Local Income Tax | | | |

NOTES

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year/Period of Report |
|---|---|---|---|
| Louisville Gas and Electric Company | (1) [X] An Original<br>(2) [ ] A Resubmission | / / | End of 2017/Q4 |

ACCUMULATED DEFERRED INCOME TAXES - OTHER PROPERTY (Account 282) (Continued)

3. Use footnotes as required.

| CHANGES DURING YEAR | | ADJUSTMENTS | | | | | |
|---|---|---|---|---|---|---|---|
| | | Debits | | Credits | | | |
| Amounts Debited to Account 410.2 (e) | Amounts Credited to Account 411.2 (f) | Account Credited (g) | Amount (h) | Account Debited (i) | Amount (j) | Balance at End of Year (k) | Line No. |
| | | | | | | | 1 |
| | | 182/254 | 359,454,863 | 182/254 | 37,963,948 | 594,435,324 | 2 |
| | | 254 | 86,868,455 | 254 | 9,031,977 | 144,691,860 | 3 |
| | | | | | | | 4 |
| | | | 446,323,318 | | 46,995,925 | 739,127,184 | 5 |
| | | | | | | | 6 |
| | | | | | | | 7 |
| | | | | | | | 8 |
| | | | 446,323,318 | | 46,995,925 | 739,127,184 | 9 |
| | | | | | | | 10 |
| | | | 446,291,297 | | 46,354,862 | 621,174,638 | 11 |
| | | | 32,021 | | 641,063 | 117,952,546 | 12 |
| | | | | | | | 13 |

NOTES (Continued)

| Name of Respondent | This Report is: | Date of Report | Year/Period of Report |
|---|---|---|---|
| Louisville Gas and Electric Company | (1) X An Original<br>(2) __ A Resubmission | (Mo, Da, Yr)<br>/ / | 2017/Q4 |

FOOTNOTE DATA

***Schedule Page: 274 Line No.: 2 Column: b***

The ARO balance in Accumulated Deferred Income Taxes - Other Property (282) at December 31, 2016, is $10,339,339 and the Coal Combustion Residual ARO balance is $23,971,470.

The Regulatory Tax Adjustments balance in Accumulated Deferred Income Taxes - Other Property (282) at December 31, 2016, is $2,186,007.

***Schedule Page: 274 Line No.: 2 Column: k***

The ARO balance in Accumulated Deferred Income Taxes - Other Property (282) at December 31, 2017, is $4,244,813 and the Coal Combustion Residual ARO balance is $11,715,596.

The Regulatory Tax Adjustments balance in Accumulated Deferred Income Taxes - Other Property (282) at December 31, 2017, is $(319,304,909). Please see Footnote 3, Income and Other Taxes, within the Notes to Financial Statements for additional detail.

***Schedule Page: 274 Line No.: 3 Column: b***

The ARO balance in Accumulated Deferred Income Taxes - Other Property (282) at December 31, 2016, is $6,370,348.

The Regulatory Tax Adjustments balance in Accumulated Deferred Income Taxes - Other Property (282) at December 31, 2016, is $(1,536,712).

***Schedule Page: 274 Line No.: 3 Column: k***

The ARO balance in Accumulated Deferred Income Taxes - Other Property (282) at December 31, 2017, is $4,193,423.

The Regulatory Tax Adjustments balance in Accumulated Deferred Income Taxes - Other Property (282) at December 31, 2017, is $(79,373,190). Please see Footnote 3, Income and Other Taxes, within the Notes to Financial Statements for additional detail.

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year/Period of Report |
|---|---|---|---|
| Louisville Gas and Electric Company | (1) [X] An Original<br>(2) [ ] A Resubmission | / / | End of 2017/Q4 |

ACCUMULATED DEFFERED INCOME TAXES - OTHER (Account 283)

1. Report the information called for below concerning the respondent's accounting for deferred income taxes relating to amounts recorded in Account 283.
2. For other (Specify),include deferrals relating to other income and deductions.

| Line No. | Account (a) | Balance at Beginning of Year (b) | CHANGES DURING YEAR Amounts Debited to Account 410.1 (c) | CHANGES DURING YEAR Amounts Credited to Account 411.1 (d) |
|---|---|---|---|---|
| 1 | Account 283 | | | |
| 2 | Electric | | | |
| 3 | Coal Combustion ARO | 12,046,647 | 4,652,061 | 238,276 |
| 4 | Storm Damages | 9,995,108 | 166,507 | 3,250,858 |
| 5 | Interest Rate Swaps - Reg Asse | 22,292,237 | 118,188 | 2,307,490 |
| 6 | Excess Deferred Taxes - TCJA | | | |
| 7 | Pension - Regulatory Asset | 57,065,028 | 15,455,484 | 13,429,673 |
| 8 | Other | 34,717,095 | 8,491,491 | 15,645,098 |
| 9 | TOTAL Electric (Total of lines 3 thru 8) | 136,116,115 | 28,883,731 | 34,871,395 |
| 10 | Gas | | | |
| 11 | Loss on Required Debt | 386,181 | 33,723 | 35,626 |
| 12 | Interest Rate Swaps - Reg Asse | 5,572,962 | 29,547 | 576,872 |
| 13 | Excess Deferred Taxes - TCJA | | | |
| 14 | Purchased Gas | 1,095,470 | 940,225 | 556,840 |
| 15 | Pension - Regulatory Asset | 17,045,398 | 1,085,723 | 1,604,903 |
| 16 | Other | 2,281,701 | 1,072,512 | 790,491 |
| 17 | TOTAL Gas (Total of lines 11 thru 16) | 26,381,712 | 3,161,730 | 3,564,732 |
| 18 | | | | |
| 19 | TOTAL (Acct 283) (Enter Total of lines 9, 17 and 18) | 162,497,827 | 32,045,461 | 38,436,127 |
| 20 | Classification of TOTAL | | | |
| 21 | Federal Income Tax | 137,433,895 | 27,604,456 | 32,202,572 |
| 22 | State Income Tax | 25,063,932 | 4,441,005 | 6,233,555 |
| 23 | Local Income Tax | | | |

NOTES

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year/Period of Report |
|---|---|---|---|
| Louisville Gas and Electric Company | (1) [X] An Original<br>(2) [ ] A Resubmission | / / | End of 2017/Q4 |

ACCUMULATED DEFERRED INCOME TAXES - OTHER (Account 283) (Continued)

3. Provide in the space below explanations for Page 276 and 277. Include amounts relating to insignificant items listed under Other.
4. Use footnotes as required.

| CHANGES DURING YEAR | | ADJUSTMENTS | | | | | |
|---|---|---|---|---|---|---|---|
| | | Debits | | Credits | | | |
| Amounts Debited to Account 410.2 (e) | Amounts Credited to Account 411.2 (f) | Account Credited (g) | Amount (h) | Account Debited (i) | Amount (j) | Balance at End of Year (k) | Line No. |
| | | | | | | | 1 |
| | | | | | | | 2 |
| | | 254 | 5,568,619 | | | 10,891,813 | 3 |
| | | 254 | 2,337,934 | | | 4,572,823 | 4 |
| | | 254 | 6,800,889 | | | 13,302,046 | 5 |
| | | | | 254 | 45,395,499 | 45,395,499 | 6 |
| | | 254 | 23,277,274 | | | 35,813,565 | 7 |
| | | 182/254 | 11,257,055 | 182/254 | 271,328 | 16,577,761 | 8 |
| | | | 49,241,771 | | 45,666,827 | 126,553,507 | 9 |
| | | | | | | | 10 |
| | | 254 | 130,003 | | | 254,275 | 11 |
| | | 254 | 1,700,190 | | | 3,325,447 | 12 |
| | | | | 254 | 9,011,962 | 9,011,962 | 13 |
| | | 254 | 500,302 | | | 978,553 | 14 |
| | | 254 | 5,828,660 | | | 10,697,558 | 15 |
| | | 254 | 852,807 | | | 1,710,915 | 16 |
| | | | 9,011,962 | | 9,011,962 | 25,978,710 | 17 |
| | | | | | | | 18 |
| | | | 58,253,733 | | 54,678,789 | 152,532,217 | 19 |
| | | | | | | | 20 |
| | | | 57,851,483 | | 54,675,018 | 129,659,314 | 21 |
| | | | 402,250 | | 3,771 | 22,872,903 | 22 |
| | | | | | | | 23 |

NOTES (Continued)

| Name of Respondent | This Report is: | Date of Report (Mo, Da, Yr) | Year/Period of Report |
|---|---|---|---|
| Louisville Gas and Electric Company | (1) X An Original<br>(2) __ A Resubmission | / / | 2017/Q4 |

FOOTNOTE DATA

**Schedule Page: 276 Line No.: 8 Column: b**

| | |
|---|---|
| Prepaid Insurance | $ 729,968 |
| Loss on Reaquired Debt | 5,677,670 |
| Rate Case Expenses | 644,749 |
| Regulatory Tax Adjustments | 5,514,187 |
| Swap Termination | 6,431,377 |
| FAC Over/Under Recovery | (956,161) |
| Asset Retirement Obligation - Electric | 13,952,720 |
| Post Retirement - Regulatory Asset | 2,011,601 |
| Other | 710,984 |
| | ----------- |
| Total for Accumulated Deferred Income Taxes - Other (283) | $ 34,717,095 |

**Schedule Page: 276 Line No.: 8 Column: c**

| | |
|---|---|
| Amounts Debited to Account 410.1: | |
| Prepaid Insurance | $ 10,762 |
| Loss on Required Debt | 175,738 |
| Rate Case Expenses | 1,074,143 |
| Swap Termination | 14,031 |
| FAC Over/Under Recovery | 1,459,246 |
| Asset Retirement Obligation - Electric | 4,164,782 |
| Plant Outage Normalization - Reg Asset | 1,247,760 |
| Post Retirement - Regulatory Asset | 205,763 |
| Other | 139,266 |
| | ----------- |
| Total for Amounts Debited to Account (410.1) | $ 8,491,491 |

**Schedule Page: 276 Line No.: 8 Column: d**

| | |
|---|---|
| Amounts Credited to Account 411.1: | |
| Prepaid Insurance | $ 210,114 |
| Loss on Reaquired Debt | 185,653 |
| Rate Case Expenses | 1,076,321 |
| Swap Termination | 273,935 |
| FAC Over/Under Recovery | 662,185 |
| Asset Retirement Obligation - Electric | 12,594,921 |
| Plant Outage Normalization - Reg Asset | 63,910 |
| Post Retirement - Regulatory Asset | 390,867 |
| Other | 187,192 |
| | ------------ |
| Total for Amounts Credited to Account (411.1) | $ 15,645,098 |

**Schedule Page: 276 Line No.: 8 Column: h**

| | |
|---|---|
| Prepaid Insurance | $ 179,509 |
| Loss on Reaquired Debt | 1,917,420 |
| Rate Case Expenses | 217,384 |
| Regulatory Tax Adjustment | 3,846,272 |
| Swap Termination | 2,087,831 |
| FAC Over/Under Recovery | (53,825) |
| Asset Retirement Obligation - Electric | 1,868,307 |
| Plant Outage Normalization - Reg Asset | 400,501 |
| Post Retirement - Regulatory Asset | 569,340 |
| Other | 224,316 |
| | ------------ |
| Total for Adjustments Amount Credited | $ 11,257,055 |

**Schedule Page: 276 Line No.: 8 Column: j**

| | |
|---|---|
| Regulatory Tax Adjustment | $ 271,328 |

**Schedule Page: 276 Line No.: 8 Column: k**

| | |
|---|---|
| Prepaid Insurance | $ 351,107 |
| Loss on Reaquired Debt | 3,750,335 |
| Rate Case Expenses | 425,187 |

| Name of Respondent | This Report is: | Date of Report (Mo, Da, Yr) | Year/Period of Report |
|---|---|---|---|
| Louisville Gas and Electric Company | (1) X An Original<br>(2) __ A Resubmission | / / | 2017/Q4 |

FOOTNOTE DATA

| | |
|---|---|
| Regulatory Tax Adjustment | 1,939,243 |
| Swap Termination | 4,083,642 |
| FAC Over/Under Recovery | (105,275) |
| Asset Retirement Obligation - Electric | 3,654,274 |
| Plant Outage Normalization - Reg Asset | 783,349 |
| Post Retirement - Regulatory Asset | 1,257,157 |
| Other | 438,742 |
| Total for Accumulated Deferred Income Taxes - Other (283) | $ 16,577,761 |

**Schedule Page: 276 Line No.: 16 Column: b**

| | |
|---|---|
| Prepaid Insurance | $ 171,230 |
| Rate Case Expenses | 173,748 |
| Storm Damages | 23,375 |
| Post Retirement - Regulatory Asset | 600,867 |
| Asset Retirement Obligation - Gas | 1,312,481 |
| Total for Accumulated Deferred Income Taxes - Other (283) | $ 2,281,701 |

**Schedule Page: 276 Line No.: 16 Column: c**

| | |
|---|---|
| Amounts Debited to Account 410.1: | |
| Prepaid Insurance | $ 2,524 |
| Rate Case Expenses | 3,367 |
| Gas Line Tracker - Regulatory Asset | 596,490 |
| Storm Damages | 353 |
| Post Retirement - Regulatory Asset | 61,461 |
| Asset Retirement Obligation - Gas | 408,317 |
| Total Amounts Debited to Account 410.1 | $ 1,072,512 |

**Schedule Page: 276 Line No.: 16 Column: d**

| | |
|---|---|
| Amounts Credited to Account 411.1: | |
| Prepaid Insurance | $ 49,286 |
| Rate Case Expenses | 174 |
| Gas Line Tracker - Regulatory Asset | 596,490 |
| Storm Damages | 6,875 |
| Post Retirement - Regulatory Asset | 116,752 |
| Asset Retirement Obligation - Gas | 20,914 |
| Total Amounts Credited to Account 411.1 | $ 790,491 |

**Schedule Page: 276 Line No.: 16 Column: h**

| | |
|---|---|
| Prepaid Insurance | $ 42,108 |
| Rate Case Expenses | 59,859 |
| Storm Damages | 5,702 |
| Post Retirement - Regulatory Asset | 170,062 |
| Asset Retirement Obligation - Gas | 575,076 |
| Total Adjustments Account Credited | $ 852,807 |

**Schedule Page: 276 Line No.: 16 Column: k**

| | |
|---|---|
| Prepaid Insurance | $ 82,360 |
| Rate Case Expenses | 117,082 |
| Storm Damages | 11,151 |
| Post Retirement - Regulatory Asset | 375,514 |
| Asset Retirement Obligation - Gas | 1,124,808 |
| Total for Accumulated Deferred Income Taxes - Other (283) | $ 1,710,915 |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year/Period of Report |
|---|---|---|---|
| Louisville Gas and Electric Company | (1) [X] An Original<br>(2) [ ] A Resubmission | / / | End of 2017/Q4 |

## OTHER REGULATORY LIABILITIES (Account 254)

1. Report below the particulars (details) called for concerning other regulatory liabilities, including rate order docket number, if applicable.
2. Minor items (5% of the Balance in Account 254 at end of period, or amounts less than $100,000 which ever is less), may be grouped by classes.
3. For Regulatory Liabilities being amortized, show period of amortization.

| Line No. | Description and Purpose of Other Regulatory Liabilities | Balance at Begining of Current Quarter/Year | DEBITS | | Credits | Balance at End of Current Quarter/Year |
|---|---|---|---|---|---|---|
| | | | Account Credited | Amount | | |
| | (a) | (b) | (c) | (d) | (e) | (f) |
| 1 | Forward Starting Swaps Gains (Sep-15 to Oct-45) | 38,543,589 | 427 | 1,433,704 | | 37,109,885 |
| 2 | KPSC 2012-00233 | | | | | |
| 3 | KPSC 2012-00222 | | | | | |
| 4 | KPSC 2014-00372 | | | | | |
| 5 | KPSC 2016-00371 | | | | | |
| 6 | | | | | | |
| 7 | ASC 740 - Income Taxes (Ongoing) | 36,259,802 | 190/282 | 2,097,082 | 525,485,828 | 559,648,548 |
| 8 | KPSC 2005-00180 | | | | | |
| 9 | KPSC 2006-00457 | | | | | |
| 10 | KPSC 2009-00549 | | | | | |
| 11 | KPSC 2012-00222 | | | | | |
| 12 | KPSC 2014-00372 | | | | | |
| 13 | KPSC 2016-00371 | | | | | |
| 14 | KPSC 2018-00034 | | | | | |
| 15 | | | | | | |
| 16 | Fuel Adjustment Clause (Ongoing) | 2,458,000 | 440-445 | 8,791,000 | 6,742,000 | 409,000 |
| 17 | 807 KAR 5:056 | | | | | |
| 18 | | | | | | |
| 19 | DSM Cost Recovery (Ongoing) | 1,799,401 | Various | 2,377,607 | 1,014,580 | 436,374 |
| 20 | KRS 278.285 | | | | | |
| 21 | | | | | | |
| 22 | Off-System Sales Tracker (Ongoing) | 740,153 | 440-445 | 873,365 | 365,015 | 231,803 |
| 23 | KPSC 2014-00372 | | | | | |
| 24 | KPSC 2016-00371 | | | | | |
| 25 | 807 KAR 5:056 | | | | | |
| 26 | | | | | | |
| 27 | MISO Exit Fee Refund (Jul-15 to Jun-17) | 130,386 | 575 | 130,386 | | |
| 28 | KPSC 2003-00266 | | | | | |
| 29 | KPSC 2008-00252 | | | | | |
| 30 | KPSC 2012-00222 | | | | | |
| 31 | KPSC 2014-00372 | | | | | |
| 32 | FERC EC06-4-000 | | | | | |
| 33 | FERC EC06-4-001 | | | | | |
| 34 | FERC ER06-20-000 | | | | | |
| 35 | FERC ER06-20-001 | | | | | |
| 36 | | | | | | |
| 37 | Refined Coal (Ongoing) | 292,825 | 456 | 86,929 | 516,750 | 722,646 |
| 38 | KPSC 2015-00264 | | | | | |
| 39 | KPSC 2016-00371 | | | | | |
| 40 | FERC EL 15-92-000 | | | | | |
| 41 | TOTAL | 80,265,594 | | 15,958,158 | 536,157,920 | 600,465,356 |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year/Period of Report |
|---|---|---|---|
| Louisville Gas and Electric Company | (1) [X] An Original<br>(2) [ ] A Resubmission | / / | End of 2017/Q4 |

OTHER REGULATORY LIABILITIES (Account 254)

1. Report below the particulars (details) called for concerning other regulatory liabilities, including rate order docket number, if applicable.
2. Minor items (5% of the Balance in Account 254 at end of period, or amounts less than $100,000 which ever is less), may be grouped by classes.
3. For Regulatory Liabilities being amortized, show period of amortization.

| Line No. | Description and Purpose of Other Regulatory Liabilities<br>(a) | Balance at Begining of Current Quarter/Year<br>(b) | DEBITS Account Credited<br>(c) | DEBITS Amount<br>(d) | Credits<br>(e) | Balance at End of Current Quarter/Year<br>(f) |
|---|---|---|---|---|---|---|
| 1 | Gas Line Tracker (Ongoing) | 41,438 | 480-482 | 168,085 | 2,033,747 | 1,907,100 |
| 2 | KPSC 2012-00222 | | | | | |
| 3 | KPSC 2014-00372 | | | | | |
| 4 | KPSC 2016-00371 | | | | | |
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| 37 | | | | | | |
| 38 | | | | | | |
| 39 | | | | | | |
| 40 | | | | | | |
| 41 | TOTAL | 80,265,594 | | 15,958,158 | 536,157,920 | 600,465,356 |

| Name of Respondent | This Report is: | Date of Report (Mo, Da, Yr) | Year/Period of Report |
|---|---|---|---|
| Louisville Gas and Electric Company | (1) X An Original<br>(2) __ A Resubmission | / / | 2017/Q4 |

FOOTNOTE DATA

***Schedule Page: 278 Line No.: 7 Column: e***

The balance includes $525,480,549 adjustments due to Tax Reform. Please see Footnote 3, Income and Other Taxes, within the Notes to Financial Statements for additional detail.

***Schedule Page: 278 Line No.: 19 Column: c***

Accounts debited include 440-445, 480-482, and 489.

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year/Period of Report |
|---|---|---|---|
| Louisville Gas and Electric Company | (1) [X] An Original<br>(2) [ ] A Resubmission | / / | End of 2017/Q4 |

## ELECTRIC OPERATING REVENUES (Account 400)

1. The following instructions generally apply to the annual version of these pages. Do not report quarterly data in columns (c), (e), (f), and (g). Unbilled revenues and MWH related to unbilled revenues need not be reported separately as required in the annual version of these pages.
2. Report below operating revenues for each prescribed account, and manufactured gas revenues in total.
3. Report number of customers, columns (f) and (g), on the basis of meters, in addition to the number of flat rate accounts; except that where separate meter readings are added for billing purposes, one customer should be counted for each group of meters added. The -average number of customers means the average of twelve figures at the close of each month.
4. If increases or decreases from previous period (columns (c),(e), and (g)), are not derived from previously reported figures, explain any inconsistencies in a footnote.
5. Disclose amounts of $250,000 or greater in a footnote for accounts 451, 456, and 457.2.

| Line No. | Title of Account<br>(a) | Operating Revenues Year to Date Quarterly/Annual<br>(b) | Operating Revenues Previous year (no Quarterly)<br>(c) |
|---|---|---|---|
| 1 | Sales of Electricity | | |
| 2 | (440) Residential Sales | 436,549,540 | 438,833,400 |
| 3 | (442) Commercial and Industrial Sales | | |
| 4 | Small (or Comm.) (See Instr. 4) | 376,498,100 | 373,019,337 |
| 5 | Large (or Ind.) (See Instr. 4) | 174,950,770 | 176,634,496 |
| 6 | (444) Public Street and Highway Lighting | 3,405,759 | 3,143,323 |
| 7 | (445) Other Sales to Public Authorities | 94,057,099 | 96,463,602 |
| 8 | (446) Sales to Railroads and Railways | | |
| 9 | (448) Interdepartmental Sales | | |
| 10 | TOTAL Sales to Ultimate Consumers | 1,085,461,268 | 1,088,094,158 |
| 11 | (447) Sales for Resale | 39,446,600 | 31,342,938 |
| 12 | TOTAL Sales of Electricity | 1,124,907,868 | 1,119,437,096 |
| 13 | (Less) (449.1) Provision for Rate Refunds | | |
| 14 | TOTAL Revenues Net of Prov. for Refunds | 1,124,907,868 | 1,119,437,096 |
| 15 | Other Operating Revenues | | |
| 16 | (450) Forfeited Discounts | 2,657,222 | 2,760,333 |
| 17 | (451) Miscellaneous Service Revenues | 874,332 | 1,340,188 |
| 18 | (453) Sales of Water and Water Power | | |
| 19 | (454) Rent from Electric Property | 4,109,507 | 3,903,183 |
| 20 | (455) Interdepartmental Rents | | |
| 21 | (456) Other Electric Revenues | 622,026 | 1,867,074 |
| 22 | (456.1) Revenues from Transmission of Electricity of Others | 11,128,010 | 9,808,846 |
| 23 | (457.1) Regional Control Service Revenues | | |
| 24 | (457.2) Miscellaneous Revenues | | |
| 25 | | | |
| 26 | TOTAL Other Operating Revenues | 19,391,097 | 19,679,624 |
| 27 | TOTAL Electric Operating Revenues | 1,144,298,965 | 1,139,116,720 |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year/Period of Report |
|---|---|---|---|
| Louisville Gas and Electric Company | (1) [X] An Original<br>(2) [ ] A Resubmission | / / | End of 2017/Q4 |

ELECTRIC OPERATING REVENUES (Account 400)

6. Commercial and industrial Sales, Account 442, may be classified according to the basis of classification (Small or Commercial, and Large or Industrial) regularly used by the respondent if such basis of classification is not generally greater than 1000 Kw of demand. (See Account 442 of the Uniform System of Accounts. Explain basis of classification in a footnote.)
7. See pages 108-109, Important Changes During Period, for important new territory added and important rate increase or decreases.
8. For Lines 2,4,5,and 6, see Page 304 for amounts relating to unbilled revenue by accounts.
9. Include unmetered sales. Provide details of such Sales in a footnote.

| MEGAWATT HOURS SOLD | | AVG.NO. CUSTOMERS PER MONTH | | Line No. |
|---|---|---|---|---|
| Year to Date Quarterly/Annual (d) | Amount Previous year (no Quarterly) (e) | Current Year (no Quarterly) (f) | Previous Year (no Quarterly) (g) | |
| | | | | 1 |
| 4,004,001 | 4,215,244 | 359,658 | 356,424 | 2 |
| | | | | 3 |
| 3,854,216 | 3,942,673 | 43,574 | 42,914 | 4 |
| 2,561,708 | 2,639,668 | 573 | 580 | 5 |
| 19,693 | 18,646 | 680 | 672 | 6 |
| 1,086,973 | 1,130,821 | 4,253 | 4,154 | 7 |
| | | | | 8 |
| | | | | 9 |
| 11,526,591 | 11,947,052 | 408,738 | 404,744 | 10 |
| 1,606,543 | 1,209,441 | 11 | 12 | 11 |
| 13,133,134 | 13,156,493 | 408,749 | 404,756 | 12 |
| | | | | 13 |
| 13,133,134 | 13,156,493 | 408,749 | 404,756 | 14 |

Line 12, column (b) includes $ 11,522,461 of unbilled revenues.
Line 12, column (d) includes 23,847 MWH relating to unbilled revenues

| Name of Respondent | This Report is: | Date of Report | Year/Period of Report |
|---|---|---|---|
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FOOTNOTE DATA

**Schedule Page: 300 Line No.: 21 Column: b**

Items which compose Other Electric Revenues (456) year-to-date activity:

| | |
|---|---|
| Kosmos | $ 256,844 |
| Other items less than $250,000 | 365,182 |
| Total for Other Electric Revenues (456) | $ 622,026 |

**Schedule Page: 300 Line No.: 21 Column: c**

Items which compose Other Electric Revenues (456) year-to-date activity:

| | |
|---|---|
| Kosmos | $ 1,450,896 |
| Other items less than $250,000 | 416,178 |
| Total for Other Electric Revenues (456) | $ 1,867,074 |

**Schedule Page: 300 Line No.: 22 Column: b**

Items which compose Revenues from Transmission of Electricity of Others (456.1) year-to-date activity:

| | |
|---|---|
| Owensboro Municipal Utilities | $ 3,202,767 |
| East Kentucky Power Cooperative | 3,087,846 |
| Kentucky Municipal Power Agency | 1,035,562 |
| City of Frankfort | 882,017 |
| Tennessee Valley Authority | 547,805 |
| Midcontinent Independent System Operator | 519,140 |
| City of Madisonville | 359,724 |
| Kentucky Utilities | 271,227 |
| Other items less than $250,000 each | 1,221,922 |
| Total for Revenues from Transmission of Electricity of Others (456.1) | $ 11,128,010 |

**Schedule Page: 300 Line No.: 22 Column: c**

Items which compose Revenues from Transmission of Electricity of Others (456.1) year-to-date activity:

| | |
|---|---|
| Owensboro Municipal Utilities | $ 2,740,760 |
| East Kentucky Power Cooperative | 2,402,245 |
| Kentucky Municipal Power Agency | 1,004,557 |
| City of Frankfort | 810,422 |
| Midcontinent Independent System Operator | 547,572 |
| Tennessee Valley Authority | 421,719 |
| Kentucky Utilities Company | 387,337 |
| City of Madisonville | 331,012 |
| Other items less than $250,000 each | 1,163,222 |
| Total for Revenues from Transmission of Electricity of Others (456.1) | $ 9,808,846 |

**Schedule Page: 300 Line No.: 1 Column: $**

This net unbilled revenue represents the following:

| | |
|---|---|
| Base Revenue | $ 9,778,000 |
| Environmental Cost Recovery Accrual | (1,734,000) |
| Fuel Adjustment Clause Accrual | 2,049,000 |
| Demand Side Management Accrual | 921,111 |
| Off-System Sales Tracker Accrual | 508,350 |
| Total Accrual | $ 11,522,461 |

**Schedule Page: 300 Line No.: 1 Column: MWH**

Unbilled revenue of 23,847 MWH represents the net change of unbilled MWH from the previous

| Name of Respondent | This Report is: | Date of Report (Mo, Da, Yr) | Year/Period of Report |
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FOOTNOTE DATA

period; as a result, it could be positive or negative.

| Name of Respondent<br>Louisville Gas and Electric Company | This Report Is:<br>(1) [X] An Original<br>(2) [ ] A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>/ / | Year/Period of Report<br>End of 2017/Q4 |
|---|---|---|---|

REGIONAL TRANSMISSION SERVICE REVENUES (Account 457.1)

1. The respondent shall report below the revenue collected for each service (i.e., control area administration, market administration, etc.) performed pursuant to a Commission approved tariff. All amounts separately billed must be detailed below.

| Line No. | Description of Service<br>(a) | Balance at End of Quarter 1<br>(b) | Balance at End of Quarter 2<br>(c) | Balance at End of Quarter 3<br>(d) | Balance at End of Year<br>(e) |
|---|---|---|---|---|---|
| 1 | | | | | |
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| 43 | | | | | |
| 44 | | | | | |
| 45 | | | | | |
| 46 | TOTAL | | | | |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year/Period of Report |
|---|---|---|---|
| Louisville Gas and Electric Company | (1) [X] An Original<br>(2) [ ] A Resubmission | / / | End of 2017/Q4 |

## SALES OF ELECTRICITY BY RATE SCHEDULES

1. Report below for each rate schedule in effect during the year the MWH of electricity sold, revenue, average number of customer, average Kwh per customer, and average revenue per Kwh, excluding date for Sales for Resale which is reported on Pages 310-311.
2. Provide a subheading and total for each prescribed operating revenue account in the sequence followed in "Electric Operating Revenues," Page 300-301. If the sales under any rate schedule are classified in more than one revenue account, List the rate schedule and sales data under each applicable revenue account subheading.
3. Where the same customers are served under more than one rate schedule in the same revenue account classification (such as a general residential schedule and an off peak water heating schedule), the entries in column (d) for the special schedule should denote the duplication in number of reported customers.
4. The average number of customers should be the number of bills rendered during the year divided by the number of billing periods during the year (12 if all billings are made monthly).
5. For any rate schedule having a fuel adjustment clause state in a footnote the estimated additional revenue billed pursuant thereto.
6. Report amount of unbilled revenue as of end of year for each applicable revenue account subheading.

| Line No. | Number and Title of Rate schedule (a) | MWh Sold (b) | Revenue (c) | Average Number of Customers (d) | KWh of Sales Per Customer (e) | Revenue Per KWh Sold (f) |
|---|---|---|---|---|---|---|
| 1 | Account 440 | | | | | |
| 2 | Residential Service (RS) | 3,982,032 | 429,555,141 | 362,799 | 10,976 | 0.1079 |
| 3 | Residential Time-of-Day (RTOD) | 484 | 48,179 | 38 | 12,737 | 0.0995 |
| 4 | Volunteer Fire Department (VFD) | 340 | 32,884 | 2 | 170,000 | 0.0967 |
| 5 | General Service (GS) | 420 | 62,337 | 442 | 950 | 0.1484 |
| 6 | Power Service (PS) | 9 | 5,915 | 3 | 3,000 | 0.6572 |
| 7 | Lighting Service (LS) | 2,988 | 780,871 | 4,125 | 724 | 0.2613 |
| 8 | Restricted Lighting Service (RLS) | 2,162 | 474,927 | 2,137 | 1,012 | 0.2197 |
| 9 | Duplicate Customers | | | -9,888 | | |
| 10 | | | | | | |
| 11 | Reclassifications and Adjustments | | -50,135 | | | |
| 12 | | | | | | |
| 13 | | | | | | |
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| 36 | | | | | | |
| 37 | | | | | | |
| 38 | Subtotal | 3,988,435 | 430,910,119 | 359,658 | 11,090 | 0.1080 |
| 39 | Unbilled | 15,566 | 5,639,421 | | | 0.3623 |
| 40 | Total | 4,004,001 | 436,549,540 | 359,658 | 11,133 | 0.1090 |
| | | | | | | |
| 41 | TOTAL Billed | 11,502,744 | 1,073,938,807 | 408,738 | 28,142 | 0.0934 |
| 42 | Total Unbilled Rev.(See Instr. 6) | 23,847 | 11,522,461 | 0 | 0 | 0.4832 |
| 43 | TOTAL | 11,526,591 | 1,085,461,268 | 408,738 | 28,200 | 0.0942 |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year/Period of Report |
|---|---|---|---|
| Louisville Gas and Electric Company | (1) [X] An Original<br>(2) [ ] A Resubmission | / / | End of 2017/Q4 |

SALES OF ELECTRICITY BY RATE SCHEDULES

1. Report below for each rate schedule in effect during the year the MWH of electricity sold, revenue, average number of customer, average Kwh per customer, and average revenue per Kwh, excluding date for Sales for Resale which is reported on Pages 310-311.
2. Provide a subheading and total for each prescribed operating revenue account in the sequence followed in "Electric Operating Revenues," Page 300-301. If the sales under any rate schedule are classified in more than one revenue account, List the rate schedule and sales data under each applicable revenue account subheading.
3. Where the same customers are served under more than one rate schedule in the same revenue account classification (such as a general residential schedule and an off peak water heating schedule), the entries in column (d) for the special schedule should denote the duplication in number of reported customers.
4. The average number of customers should be the number of bills rendered during the year divided by the number of billing periods during the year (12 if all billings are made monthly).
5. For any rate schedule having a fuel adjustment clause state in a footnote the estimated additional revenue billed pursuant thereto.
6. Report amount of unbilled revenue as of end of year for each applicable revenue account subheading.

| Line No. | Number and Title of Rate schedule (a) | MWh Sold (b) | Revenue (c) | Average Number of Customers (d) | KWh of Sales Per Customer (e) | Revenue Per KWh Sold (f) |
|---|---|---|---|---|---|---|
| 1 | Account 442 | | | | | |
| 2 | Residential Service (RS) | 105 | 11,097 | 124 | 847 | 0.1057 |
| 3 | General Service (GS) | 1,170,917 | 138,734,480 | 42,013 | 27,870 | 0.1185 |
| 4 | Power Service (PS) | 1,599,359 | 148,877,271 | 2,599 | 615,375 | 0.0931 |
| 5 | Time-of-Day Secondary (TODS) | 1,067,234 | 87,007,284 | 350 | 3,049,240 | 0.0815 |
| 6 | Time-of-Day Primary (TODP) | 1,549,446 | 107,725,019 | 105 | 14,756,629 | 0.0695 |
| 7 | Retail Transmission Service (RTS) | 975,365 | 53,978,654 | 7 | 139,337,857 | 0.0553 |
| 8 | Lighting Service (LS) | 32,309 | 5,955,118 | 7,214 | 4,479 | 0.1843 |
| 9 | Restricted Lighting Service (RLS) | 14,957 | 4,046,458 | 2,624 | 5,700 | 0.2705 |
| 10 | Lighting Energy Service (LE) | 2 | 164 | 7 | 286 | 0.0820 |
| 11 | Traffic Energy Service (TE) | 1 | 101 | 5 | 200 | 0.1010 |
| 12 | Electric Vehicle Charging (EVC) | 1 | 671 | 4 | 250 | 0.6710 |
| 13 | School Power Service (SPS) | 2,325 | 243,965 | 3 | 775,000 | 0.1049 |
| 14 | Outdoor Sports Lighting Svc (OSL) | 20 | 2,918 | 1 | 20,000 | 0.1459 |
| 15 | Duplicate Customers | | | -10,909 | | |
| 16 | | | | | | |
| 17 | Reclassifications and Adjustments | | 80,866 | | | |
| 18 | | | | | | |
| 19 | | | | | | |
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| 36 | | | | | | |
| 37 | | | | | | |
| 38 | Subtotal | 6,412,041 | 546,664,066 | 44,147 | 145,243 | 0.0853 |
| 39 | Unbilled | 3,883 | 4,784,804 | | | 1.2322 |
| 40 | Total | 6,415,924 | 551,448,870 | 44,147 | 145,331 | 0.0860 |
| | | | | | | |
| 41 | TOTAL Billed | 11,502,744 | 1,073,938,807 | 408,738 | 28,142 | 0.0934 |
| 42 | Total Unbilled Rev.(See Instr. 6) | 23,847 | 11,522,461 | 0 | 0 | 0.4832 |
| 43 | TOTAL | 11,526,591 | 1,085,461,268 | 408,738 | 28,200 | 0.0942 |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year/Period of Report |
|---|---|---|---|
| Louisville Gas and Electric Company | (1) [X] An Original<br>(2) [ ] A Resubmission | / / | End of 2017/Q4 |

## SALES OF ELECTRICITY BY RATE SCHEDULES

1. Report below for each rate schedule in effect during the year the MWH of electricity sold, revenue, average number of customer, average Kwh per customer, and average revenue per Kwh, excluding date for Sales for Resale which is reported on Pages 310-311.
2. Provide a subheading and total for each prescribed operating revenue account in the sequence followed in "Electric Operating Revenues," Page 300-301. If the sales under any rate schedule are classified in more than one revenue account, List the rate schedule and sales data under each applicable revenue account subheading.
3. Where the same customers are served under more than one rate schedule in the same revenue account classification (such as a general residential schedule and an off peak water heating schedule), the entries in column (d) for the special schedule should denote the duplication in number of reported customers.
4. The average number of customers should be the number of bills rendered during the year divided by the number of billing periods during the year (12 if all billings are made monthly).
5. For any rate schedule having a fuel adjustment clause state in a footnote the estimated additional revenue billed pursuant thereto.
6. Report amount of unbilled revenue as of end of year for each applicable revenue account subheading.

| Line No. | Number and Title of Rate schedule (a) | MWh Sold (b) | Revenue (c) | Average Number of Customers (d) | KWh of Sales Per Customer (e) | Revenue Per KWh Sold (f) |
|---|---|---|---|---|---|---|
| 1 | Account 444 | | | | | |
| 2 | General Service (GS) | 178 | 18,640 | 10 | 17,800 | 0.1047 |
| 3 | Lighting Service (LS) | 8,503 | 1,384,504 | 457 | 18,606 | 0.1628 |
| 4 | Restricted Lighting Service (RLS) | 6,394 | 1,574,197 | 595 | 10,746 | 0.2462 |
| 5 | Lighting Energy Service (LE) | 2,338 | 163,679 | 67 | 34,896 | 0.0700 |
| 6 | Traffic Energy Service (TE) | 2,128 | 215,648 | 26 | 81,846 | 0.1013 |
| 7 | Duplicate Customers | | | -475 | | |
| 8 | | | | | | |
| 9 | Reclassifications and Adjustments | | -32 | | | |
| 10 | | | | | | |
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| 35 | | | | | | |
| 36 | | | | | | |
| 37 | | | | | | |
| 38 | Subtotal | 19,541 | 3,356,636 | 680 | 28,737 | 0.1718 |
| 39 | Unbilled | 152 | 49,123 | | | 0.3232 |
| 40 | Total | 19,693 | 3,405,759 | 680 | 28,960 | 0.1729 |
| | | | | | | |
| 41 | TOTAL Billed | 11,502,744 | 1,073,938,807 | 408,738 | 28,142 | 0.0934 |
| 42 | Total Unbilled Rev.(See Instr. 6) | 23,847 | 11,522,461 | 0 | 0 | 0.4832 |
| 43 | TOTAL | 11,526,591 | 1,085,461,268 | 408,738 | 28,200 | 0.0942 |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year/Period of Report |
|---|---|---|---|
| Louisville Gas and Electric Company | (1) [X] An Original<br>(2) [ ] A Resubmission | / / | End of 2017/Q4 |

SALES OF ELECTRICITY BY RATE SCHEDULES

1. Report below for each rate schedule in effect during the year the MWH of electricity sold, revenue, average number of customer, average Kwh per customer, and average revenue per Kwh, excluding date for Sales for Resale which is reported on Pages 310-311.
2. Provide a subheading and total for each prescribed operating revenue account in the sequence followed in "Electric Operating Revenues," Page 300-301. If the sales under any rate schedule are classified in more than one revenue account, List the rate schedule and sales data under each applicable revenue account subheading.
3. Where the same customers are served under more than one rate schedule in the same revenue account classification (such as a general residential schedule and an off peak water heating schedule), the entries in column (d) for the special schedule should denote the duplication in number of reported customers.
4. The average number of customers should be the number of bills rendered during the year divided by the number of billing periods during the year (12 if all billings are made monthly).
5. For any rate schedule having a fuel adjustment clause state in a footnote the estimated additional revenue billed pursuant thereto.
6. Report amount of unbilled revenue as of end of year for each applicable revenue account subheading.

| Line No. | Number and Title of Rate schedule (a) | MWh Sold (b) | Revenue (c) | Average Number of Customers (d) | KWh of Sales Per Customer (e) | Revenue Per KWh Sold (f) |
|---|---|---|---|---|---|---|
| 1 | Account 445 | | | | | |
| 2 | Residential Service (RS) | 1,512 | 169,555 | 409 | 3,697 | 0.1121 |
| 3 | Volunteer Fire Department (VFD) | 1 | 251 | 1 | 1,000 | 0.2510 |
| 4 | General Service (GS) | 98,239 | 11,052,307 | 2,104 | 46,692 | 0.1125 |
| 5 | Power Service (PS) | 271,870 | 27,500,172 | 281 | 967,509 | 0.1012 |
| 6 | Time-of-Day Secondary (TODS) | 52,038 | 4,467,450 | 20 | 2,601,900 | 0.0858 |
| 7 | Time-of-Day Primary (TODP) | 380,018 | 26,491,287 | 22 | 17,273,545 | 0.0697 |
| 8 | Retail Transmission Service (RTS) | 95,040 | 6,263,095 | 6 | 15,840,000 | 0.0659 |
| 9 | Lighting Service (LS) | 17,878 | 3,394,045 | 1,151 | 15,533 | 0.1898 |
| 10 | Restricted Lighting Service (RLS) | 15,455 | 3,598,785 | 814 | 18,986 | 0.2329 |
| 11 | Lighting Energy Service (LE) | 1,708 | 119,422 | 119 | 14,353 | 0.0699 |
| 12 | Traffic Energy Service (TE) | 1,115 | 105,609 | 903 | 1,235 | 0.0947 |
| 13 | School Power Service (SPS) | 18,667 | 1,862,839 | 26 | 717,962 | 0.0998 |
| 14 | School Time-of-Day Service (STOD) | 1,987 | 195,524 | 2 | 993,500 | 0.0984 |
| 15 | Special Contracts (SPEC) | 127,199 | 7,787,560 | 3 | 42,399,667 | 0.0612 |
| 16 | Duplicate Customers | | | -1,608 | | |
| 17 | | | | | | |
| 18 | Reclassifications and Adjustments | | 85 | | | |
| 19 | | | | | | |
| 20 | | | | | | |
| 21 | | | | | | |
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| 36 | | | | | | |
| 37 | | | | | | |
| 38 | Subtotal | 1,082,727 | 93,007,986 | 4,253 | 254,580 | 0.0859 |
| 39 | Unbilled | 4,246 | 1,049,113 | | | 0.2471 |
| 40 | Total | 1,086,973 | 94,057,099 | 4,253 | 255,578 | 0.0865 |
| | | | | | | |
| 41 | TOTAL Billed | 11,502,744 | 1,073,938,807 | 408,738 | 28,142 | 0.0934 |
| 42 | Total Unbilled Rev.(See Instr. 6) | 23,847 | 11,522,461 | 0 | 0 | 0.4832 |
| 43 | TOTAL | 11,526,591 | 1,085,461,268 | 408,738 | 28,200 | 0.0942 |

| Name of Respondent | This Report is: | Date of Report (Mo, Da, Yr) | Year/Period of Report |
|---|---|---|---|
| Louisville Gas and Electric Company | (1) X An Original<br>(2) _ A Resubmission | / / | 2017/Q4 |

FOOTNOTE DATA

***Schedule Page: 304 Line No.: 2 Column: c***
Includes Fuel Adjustment Clause of ($9,137,001)
***Schedule Page: 304 Line No.: 3 Column: c***
Includes Fuel Adjustment Clause of ($1,076)
***Schedule Page: 304 Line No.: 4 Column: c***
Includes Fuel Adjustment Clause of ($784)
***Schedule Page: 304 Line No.: 5 Column: c***
Includes Fuel Adjustment Clause of ($946)
***Schedule Page: 304 Line No.: 6 Column: c***
Includes Fuel Adjustment Clause of ($26)
***Schedule Page: 304 Line No.: 7 Column: c***
Includes Fuel Adjustment Clause of ($6,366)
***Schedule Page: 304 Line No.: 8 Column: c***
Includes Fuel Adjustment Clause of ($4,603)
***Schedule Page: 304 Line No.: 11 Column: a***
Includes current and prior period reclassifications between FERC accounts and net billing adjustments.
***Schedule Page: 304.1 Line No.: 2 Column: c***
Includes Fuel Adjustment Clause of ($233)
***Schedule Page: 304.1 Line No.: 3 Column: c***
Includes Fuel Adjustment Clause of ($2,661,389)
***Schedule Page: 304.1 Line No.: 4 Column: c***
Includes Fuel Adjustment Clause of ($3,622,543)
***Schedule Page: 304.1 Line No.: 5 Column: c***
Includes Fuel Adjustment Clause of ($2,395,493)
***Schedule Page: 304.1 Line No.: 6 Column: c***
Includes Fuel Adjustment Clause of ($3,459,956)
***Schedule Page: 304.1 Line No.: 7 Column: c***
Includes Fuel Adjustment Clause of ($2,283,674)
***Schedule Page: 304.1 Line No.: 8 Column: c***
Includes Fuel Adjustment Clause of ($68,886)
***Schedule Page: 304.1 Line No.: 9 Column: c***
Includes Fuel Adjustment Clause of ($31,888)
***Schedule Page: 304.1 Line No.: 10 Column: c***
Includes Fuel Adjustment Clause of ($5)
***Schedule Page: 304.1 Line No.: 11 Column: c***
Includes Fuel Adjustment Clause of ($2)
***Schedule Page: 304.1 Line No.: 12 Column: c***
Includes Fuel Adjustment Clause of ($2)
***Schedule Page: 304.1 Line No.: 13 Column: c***
Includes Fuel Adjustment Clause of ($5,157)
***Schedule Page: 304.1 Line No.: 14 Column: c***
Includes Fuel Adjustment Clause of ($38)
***Schedule Page: 304.1 Line No.: 17 Column: a***
Includes current and prior period reclassifications between FERC accounts and net billing adjustments.
***Schedule Page: 304.2 Line No.: 2 Column: c***
Includes Fuel Adjustment Clause of ($398)
***Schedule Page: 304.2 Line No.: 3 Column: c***
Includes Fuel Adjustment Clause of ($18,163)
***Schedule Page: 304.2 Line No.: 4 Column: c***
Includes Fuel Adjustment Clause of ($13,620)
***Schedule Page: 304.2 Line No.: 5 Column: c***
Includes Fuel Adjustment Clause of ($5,102)

| Name of Respondent | This Report is: | Date of Report (Mo, Da, Yr) | Year/Period of Report |
|---|---|---|---|
| Louisville Gas and Electric Company | (1) X An Original<br>(2) __ A Resubmission | / / | 2017/Q4 |

FOOTNOTE DATA

***Schedule Page: 304.2 Line No.: 6 Column: c***
Includes Fuel Adjustment Clause of ($4,641)

***Schedule Page: 304.2 Line No.: 9 Column: a***
Includes current and prior period reclassifications between FERC accounts and net billing adjustments.

***Schedule Page: 304.3 Line No.: 2 Column: c***
Includes Fuel Adjustment Clause of ($3,428)

***Schedule Page: 304.3 Line No.: 3 Column: c***
Includes Fuel Adjustment Clause of ($3)

***Schedule Page: 304.3 Line No.: 4 Column: c***
Includes Fuel Adjustment Clause of ($221,027)

***Schedule Page: 304.3 Line No.: 5 Column: c***
Includes Fuel Adjustment Clause of ($626,507)

***Schedule Page: 304.3 Line No.: 6 Column: c***
Includes Fuel Adjustment Clause of ($118,493)

***Schedule Page: 304.3 Line No.: 7 Column: c***
Includes Fuel Adjustment Clause of ($896,397)

***Schedule Page: 304.3 Line No.: 8 Column: c***
Includes Fuel Adjustment Clause of ($207,665)

***Schedule Page: 304.3 Line No.: 9 Column: c***
Includes Fuel Adjustment Clause of ($38,573)

***Schedule Page: 304.3 Line No.: 10 Column: c***
Includes Fuel Adjustment Clause of ($33,261)

***Schedule Page: 304.3 Line No.: 11 Column: c***
Includes Fuel Adjustment Clause of ($3,435)

***Schedule Page: 304.3 Line No.: 12 Column: c***
Includes Fuel Adjustment Clause of ($2,402)

***Schedule Page: 304.3 Line No.: 13 Column: c***
Includes Fuel Adjustment Clause of ($41,304)

***Schedule Page: 304.3 Line No.: 14 Column: c***
Includes Fuel Adjustment Clause of ($4,565)

***Schedule Page: 304.3 Line No.: 15 Column: c***
Includes Fuel Adjustment Clause of ($286,233)

***Schedule Page: 304.3 Line No.: 18 Column: a***
Includes current and prior period reclassifications between FERC accounts and net billing adjustments.

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year/Period of Report |
|---|---|---|---|
| Louisville Gas and Electric Company | (1) [X] An Original (2) [ ] A Resubmission | / / | End of 2017/Q4 |

SALES FOR RESALE (Account 447)

1. Report all sales for resale (i.e., sales to purchasers other than ultimate consumers) transacted on a settlement basis other than power exchanges during the year. Do not report exchanges of electricity ( i.e., transactions involving a balancing of debits and credits for energy, capacity, etc.) and any settlements for imbalanced exchanges on this schedule. Power exchanges must be reported on the Purchased Power schedule (Page 326-327).
2. Enter the name of the purchaser in column (a). Do note abbreviate or truncate the name or use acronyms. Explain in a footnote any ownership interest or affiliation the respondent has with the purchaser.
3. In column (b), enter a Statistical Classification Code based on the original contractual terms and conditions of the service as follows:
RQ - for requirements service. Requirements service is service which the supplier plans to provide on an ongoing basis (i.e., the supplier includes projected load for this service in its system resource planning). In addition, the reliability of requirements service must be the same as, or second only to, the supplier's service to its own ultimate consumers.
LF - for tong-term service. "Long-term" means five years or Longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions (e.g., the supplier must attempt to buy emergency energy from third parties to maintain deliveries of LF service). This category should not be used for Long-term firm service which meets the definition of RQ service. For all transactions identified as LF, provide in a footnote the termination date of the contract defined as the earliest date that either buyer or setter can unilaterally get out of the contract.
IF - for intermediate-term firm service. The same as LF service except that "intermediate-term" means longer than one year but Less than five years.
SF - for short-term firm service. Use this category for all firm services where the duration of each period of commitment for service is one year or less.
LU - for Long-term service from a designated generating unit. "Long-term" means five years or Longer. The availability and reliability of service, aside from transmission constraints, must match the availability and reliability of designated unit.
IU - for intermediate-term service from a designated generating unit. The same as LU service except that "intermediate-term" means Longer than one year but Less than five years.

| Line No. | Name of Company or Public Authority (Footnote Affiliations) (a) | Statistical Classifi-cation (b) | FERC Rate Schedule or Tariff Number (c) | Average Monthly Billing Demand (MW) (d) | Actual Demand (MW) Average Monthly NCP Demand (e) | Average Monthly CP Demand (f) |
|---|---|---|---|---|---|---|
| 1 | Benham Power Board | OS | (9) | N/A | N/A | N/A |
| 2 | Cargill Power Markets, LLC | OS | (3) | N/A | N/A | N/A |
| 3 | East Kentucky Power Cooperative, Inc. | OS | (9) | N/A | N/A | N/A |
| 4 | ETC Endure Energy, LLC | OS | (3) | N/A | N/A | N/A |
| 5 | Illinois Municipal Electric Agency | OS | (5) | N/A | N/A | N/A |
| 6 | Illinois Municipal Electric Agency | OS | (6) | N/A | N/A | N/A |
| 7 | Illinois Municipal Electric Agency | AD | (6) | N/A | N/A | N/A |
| 8 | Illinois Municipal Electric Agency | OS | (8) | N/A | N/A | N/A |
| 9 | Indiana Municipal Power Agency | OS | (7) | N/A | N/A | N/A |
| 10 | Indiana Municipal Power Agency | OS | (6) | N/A | N/A | N/A |
| 11 | Indiana Municipal Power Agency | AD | (6) | N/A | N/A | N/A |
| 12 | Indiana Municipal Power Agency | OS | (8) | N/A | N/A | N/A |
| 13 | Kentucky Municipal Energy Agency | OS | (9) | N/A | N/A | N/A |
| 14 | Kentucky Municipal Power Agency | OS | (9) | N/A | N/A | N/A |
| | | | | | | |
| | Subtotal RQ | | | 0 | 0 | 0 |
| | Subtotal non-RQ | | | 0 | 0 | 0 |
| | **Total** | | | **0** | **0** | **0** |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year/Period of Report |
|---|---|---|---|
| Louisville Gas and Electric Company | (1) [X] An Original<br>(2) [ ] A Resubmission | / / | End of 2017/Q4 |

SALES FOR RESALE (Account 447)

1. Report all sales for resale (i.e., sales to purchasers other than ultimate consumers) transacted on a settlement basis other than power exchanges during the year. Do not report exchanges of electricity ( i.e., transactions involving a balancing of debits and credits for energy, capacity, etc.) and any settlements for imbalanced exchanges on this schedule. Power exchanges must be reported on the Purchased Power schedule (Page 326-327).
2. Enter the name of the purchaser in column (a). Do note abbreviate or truncate the name or use acronyms. Explain in a footnote any ownership interest or affiliation the respondent has with the purchaser.
3. In column (b), enter a Statistical Classification Code based on the original contractual terms and conditions of the service as follows:
RQ - for requirements service. Requirements service is service which the supplier plans to provide on an ongoing basis (i.e., the supplier includes projected load for this service in its system resource planning). In addition, the reliability of requirements service must be the same as, or second only to, the supplier's service to its own ultimate consumers.
LF - for tong-term service. "Long-term" means five years or Longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions (e.g., the supplier must attempt to buy emergency energy from third parties to maintain deliveries of LF service). This category should not be used for Long-term firm service which meets the definition of RQ service. For all transactions identified as LF, provide in a footnote the termination date of the contract defined as the earliest date that either buyer or setter can unilaterally get out of the contract.
IF - for intermediate-term firm service. The same as LF service except that "intermediate-term" means longer than one year but Less than five years.
SF - for short-term firm service. Use this category for all firm services where the duration of each period of commitment for service is one year or less.
LU - for Long-term service from a designated generating unit. "Long-term" means five years or Longer. The availability and reliability of service, aside from transmission constraints, must match the availability and reliability of designated unit.
IU - for intermediate-term service from a designated generating unit. The same as LU service except that "intermediate-term" means Longer than one year but Less than five years.

| Line No. | Name of Company or Public Authority (Footnote Affiliations) | Statistical Classifi-cation | FERC Rate Schedule or Tariff Number | Average Monthly Billing Demand (MW) | Actual Demand (MW) | |
|---|---|---|---|---|---|---|
| | | | | | Average Monthly NCP Demand | Average Monthly CP Demand |
| | (a) | (b) | (c) | (d) | (e) | (f) |
| 1 | Kentucky Utilities Company | SF | (1) | N/A | N/A | N/A |
| 2 | Midcontinent Independent System Operat. | OS | (3) | N/A | N/A | N/A |
| 3 | Midcontinent Independent System Operat. | AD | (3) | N/A | N/A | N/A |
| 4 | Owensboro Municipal Utilities | OS | (10) | N/A | N/A | N/A |
| 5 | Owensboro Municipal Utilities | OS | (9) | N/A | N/A | N/A |
| 6 | PJM Settlement, Inc. | OS | (3) | N/A | N/A | N/A |
| 7 | Tenaska Power Services Company | OS | (3) | N/A | N/A | N/A |
| 8 | Tennessee Valley Authority | OS | (3) | N/A | N/A | N/A |
| 9 | The Energy Authority, Inc. | OS | (10) | N/A | N/A | N/A |
| 10 | Westar Energy, Inc. | OS | (3) | N/A | N/A | N/A |
| 11 | | | | | | |
| 12 | | | | | | |
| 13 | | | | | | |
| 14 | | | | | | |
| | | | | | | |
| | Subtotal RQ | | | 0 | 0 | 0 |
| | Subtotal non-RQ | | | 0 | 0 | 0 |
| | **Total** | | | **0** | **0** | **0** |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year/Period of Report |
|---|---|---|---|
| Louisville Gas and Electric Company | (1) [X] An Original<br>(2) [ ] A Resubmission | / / | End of 2017/Q4 |

SALES FOR RESALE (Account 447) (Continued)

OS - for other service. use this category only for those services which cannot be placed in the above-defined categories, such as all non-firm service regardless of the Length of the contract and service from designated units of Less than one year. Describe the nature of the service in a footnote.
AD - for Out-of-period adjustment. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting years. Provide an explanation in a footnote for each adjustment.
4. Group requirements RQ sales together and report them starting at line number one. After listing all RQ sales, enter "Subtotal - RQ" in column (a). The remaining sales may then be listed in any order. Enter "Subtotal-Non-RQ" in column (a) after this Listing. Enter "Total" in column (a) as the Last Line of the schedule. Report subtotals and total for columns (9) through (k)
5. In Column (c), identify the FERC Rate Schedule or Tariff Number. On separate Lines, List all FERC rate schedules or tariffs under which service, as identified in column (b), is provided.
6. For requirements RQ sales and any type of-service involving demand charges imposed on a monthly (or Longer) basis, enter the average monthly billing demand in column (d), the average monthly non-coincident peak (NCP) demand in column (e), and the average monthly coincident peak (CP)
demand in column (f). For all other types of service, enter NA in columns (d), (e) and (f). Monthly NCP demand is the maximum metered hourly (60-minute integration) demand in a month. Monthly CP demand is the metered demand during the hour (60-minute integration) in which the supplier's system reaches its monthly peak. Demand reported in columns (e) and (f) must be in megawatts. Footnote any demand not stated on a megawatt basis and explain.
7. Report in column (g) the megawatt hours shown on bills rendered to the purchaser.
8. Report demand charges in column (h), energy charges in column (i), and the total of any other types of charges, including out-of-period adjustments, in column (j). Explain in a footnote all components of the amount shown in column (j). Report in column (k) the total charge shown on bills rendered to the purchaser.
9. The data in column (g) through (k) must be subtotaled based on the RQ/Non-RQ grouping (see instruction 4), and then totaled on the Last -line of the schedule. The "Subtotal - RQ" amount in column (g) must be reported as Requirements Sales For Resale on Page 401, line 23. The "Subtotal - Non-RQ" amount in column (g) must be reported as Non-Requirements Sales For Resale on Page 401,iine 24.
10. Footnote entries as required and provide explanations following all required data.

| MegaWatt Hours Sold (g) | REVENUE Demand Charges ($) (h) | Energy Charges ($) (i) | Other Charges ($) (j) | Total ($) (h+i+j) (k) | Line No. |
|---|---|---|---|---|---|
| 4 | | 111 | | 111 | 1 |
| 10,340 | | 393,006 | | 393,006 | 2 |
| 512 | | 15,683 | | 15,683 | 3 |
| 4,171 | | 178,246 | | 178,246 | 4 |
| 190 | | 6,654 | | 6,654 | 5 |
| 326 | | | | | 6 |
| -119 | | | | | 7 |
| 866 | | 35,815 | | 35,815 | 8 |
| 1,249 | | 43,402 | | 43,402 | 9 |
| 493 | | | | | 10 |
| -182 | | | | | 11 |
| 1,291 | | 57,512 | | 57,512 | 12 |
| 62 | | 1,888 | | 1,888 | 13 |
| 1,138 | | 37,868 | | 37,868 | 14 |
| | | | | | |
| 0 | 0 | 0 | 0 | 0 | |
| 1,606,543 | 0 | 39,446,600 | 0 | 39,446,600 | |
| **1,606,543** | **0** | **39,446,600** | **0** | **39,446,600** | |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year/Period of Report |
|---|---|---|---|
| Louisville Gas and Electric Company | (1) [X] An Original<br>(2) [ ] A Resubmission | / / | End of 2017/Q4 |

SALES FOR RESALE (Account 447) (Continued)

OS - for other service. use this category only for those services which cannot be placed in the above-defined categories, such as all non-firm service regardless of the Length of the contract and service from designated units of Less than one year. Describe the nature of the service in a footnote.
AD - for Out-of-period adjustment. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting years. Provide an explanation in a footnote for each adjustment.
4. Group requirements RQ sales together and report them starting at line number one. After listing all RQ sales, enter "Subtotal - RQ" in column (a). The remaining sales may then be listed in any order. Enter "Subtotal-Non-RQ" in column (a) after this Listing. Enter "Total" in column (a) as the Last Line of the schedule. Report subtotals and total for columns (9) through (k)
5. In Column (c), identify the FERC Rate Schedule or Tariff Number. On separate Lines, List all FERC rate schedules or tariffs under which service, as identified in column (b), is provided.
6. For requirements RQ sales and any type of-service involving demand charges imposed on a monthly (or Longer) basis, enter the average monthly billing demand in column (d), the average monthly non-coincident peak (NCP) demand in column (e), and the average monthly coincident peak (CP)
demand in column (f). For all other types of service, enter NA in columns (d), (e) and (f). Monthly NCP demand is the maximum metered hourly (60-minute integration) demand in a month. Monthly CP demand is the metered demand during the hour (60-minute integration) in which the supplier's system reaches its monthly peak. Demand reported in columns (e) and (f) must be in megawatts. Footnote any demand not stated on a megawatt basis and explain.
7. Report in column (g) the megawatt hours shown on bills rendered to the purchaser.
8. Report demand charges in column (h), energy charges in column (i), and the total of any other types of charges, including out-of-period adjustments, in column (j). Explain in a footnote all components of the amount shown in column (j). Report in column (k) the total charge shown on bills rendered to the purchaser.
9. The data in column (g) through (k) must be subtotaled based on the RQ/Non-RQ grouping (see instruction 4), and then totaled on the Last -line of the schedule. The "Subtotal - RQ" amount in column (g) must be reported as Requirements Sales For Resale on Page 401, line 23. The "Subtotal - Non-RQ" amount in column (g) must be reported as Non-Requirements Sales For Resale on Page 401,iine 24.
10. Footnote entries as required and provide explanations following all required data.

| MegaWatt Hours Sold (g) | REVENUE Demand Charges ($) (h) | Energy Charges ($) (i) | Other Charges ($) (j) | Total ($) (h+i+j) (k) | Line No. |
|---|---|---|---|---|---|
| 1,369,876 | | 30,444,750 | | 30,444,750 | 1 |
| 72,890 | | 2,636,268 | | 2,636,268 | 2 |
| | | -2,632 | | -2,632 | 3 |
| 521 | | 14,705 | | 14,705 | 4 |
| 1,215 | | 44,206 | | 44,206 | 5 |
| 106,848 | | 4,144,776 | | 4,144,776 | 6 |
| 44 | | 1,590 | | 1,590 | 7 |
| 22,015 | | 906,701 | | 906,701 | 8 |
| 12 | | 484 | | 484 | 9 |
| 12,781 | | 485,567 | | 485,567 | 10 |
| | | | | | 11 |
| | | | | | 12 |
| | | | | | 13 |
| | | | | | 14 |
| 0 | 0 | 0 | 0 | 0 | |
| 1,606,543 | 0 | 39,446,600 | 0 | 39,446,600 | |
| **1,606,543** | **0** | **39,446,600** | **0** | **39,446,600** | |

| Name of Respondent<br>Louisville Gas and Electric Company | This Report is:<br>(1) X An Original<br>(2) __ A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>/ / | Year/Period of Report<br>2017/Q4 |
|---|---|---|---|

FOOTNOTE DATA

**Schedule Page: 310 Line No.: 1 Column: b**
Imbalance
**Schedule Page: 310 Line No.: 1 Column: c**
(9) LG&E and KU Joint ProForma Open Access Transmission Tariff (OATT) Schedule 4.
**Schedule Page: 310 Line No.: 2 Column: b**
Market Based Sale
**Schedule Page: 310 Line No.: 2 Column: c**
(3) LGE and KU Joint Market Based Rate Tariff (MBRT) (Short Form Tariff)
**Schedule Page: 310 Line No.: 3 Column: b**
Imbalance
**Schedule Page: 310 Line No.: 3 Column: c**
(9) LG&E and KU Joint ProForma OATT Schedule 4.
**Schedule Page: 310 Line No.: 4 Column: b**
Market Based Sale
**Schedule Page: 310 Line No.: 4 Column: c**
(3) LGE and KU Joint MBRT (Short Form Tariff)
**Schedule Page: 310 Line No.: 5 Column: b**
Cost Based Sale
**Schedule Page: 310 Line No.: 5 Column: c**
(5) LGE Cost Based Rate (CBR) Tariff First Revised Service Agreement No. 3
**Schedule Page: 310 Line No.: 6 Column: b**
Imbalance
**Schedule Page: 310 Line No.: 6 Column: c**
(6) Participation Agreement dated February 9, 2004.
**Schedule Page: 310 Line No.: 7 Column: b**
December 2016 correction made in 2017.
**Schedule Page: 310 Line No.: 7 Column: c**
(6) Participation Agreement dated February 9, 2004.
**Schedule Page: 310 Line No.: 8 Column: b**
Imbalance
**Schedule Page: 310 Line No.: 8 Column: c**
(8) LG&E and KU Joint ProForma OATT Schedule 9.
**Schedule Page: 310 Line No.: 9 Column: b**
Cost Based Sale
**Schedule Page: 310 Line No.: 9 Column: c**
(7) LGE CBR Tariff Service Agreement No. 4
**Schedule Page: 310 Line No.: 10 Column: b**
Imbalance
**Schedule Page: 310 Line No.: 10 Column: c**
(6) Participation Agreement dated February 9, 2004.
**Schedule Page: 310 Line No.: 11 Column: b**
December 2016 correction made in 2017.
**Schedule Page: 310 Line No.: 11 Column: c**
(6) Participation Agreement dated February 9, 2004.
**Schedule Page: 310 Line No.: 12 Column: b**
Imbalance
**Schedule Page: 310 Line No.: 12 Column: c**
(8) LG&E and KU Joint ProForma OATT Schedule 9.
**Schedule Page: 310 Line No.: 13 Column: b**
Imbalance
**Schedule Page: 310 Line No.: 13 Column: c**
(9) LG&E and KU Joint ProForma OATT Schedule 4.
**Schedule Page: 310 Line No.: 14 Column: b**
Imbalance

| Name of Respondent<br>Louisville Gas and Electric Company | This Report is:<br>(1) X An Original<br>(2) __ A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>/ / | Year/Period of Report<br>2017/Q4 |
|---|---|---|---|

FOOTNOTE DATA

**Schedule Page: 310 Line No.: 14 Column: c**
(9) LG&E and KU Joint ProForma OATT Schedule 4.
**Schedule Page: 310.1 Line No.: 1 Column: a**
LG&E and KU are owned by PPL.
**Schedule Page: 310.1 Line No.: 1 Column: c**
(1) FERC Rate Schedule No. 1. The Power Supply System Agreement, FERC Docket No. ER-98-111-000
**Schedule Page: 310.1 Line No.: 2 Column: b**
Market Based Sale
**Schedule Page: 310.1 Line No.: 2 Column: c**
(3) LGE and KU Joint MBRT (Short Form Tariff)
**Schedule Page: 310.1 Line No.: 3 Column: b**
December 2016 correction made in 2017
**Schedule Page: 310.1 Line No.: 3 Column: c**
(3) LGE and KU Joint MBRT (Short Form Tariff)
**Schedule Page: 310.1 Line No.: 4 Column: b**
Cost Based Sale
**Schedule Page: 310.1 Line No.: 4 Column: c**
(10) LGE CBR Tariff
**Schedule Page: 310.1 Line No.: 5 Column: b**
Imbalance
**Schedule Page: 310.1 Line No.: 5 Column: c**
(9) LG&E and KU Joint ProForma OATT Schedule 4.
**Schedule Page: 310.1 Line No.: 6 Column: b**
Market Based Sale
**Schedule Page: 310.1 Line No.: 6 Column: c**
(3) LGE and KU Joint MBRT (Short Form Tariff)
**Schedule Page: 310.1 Line No.: 7 Column: b**
Market Based Sale
**Schedule Page: 310.1 Line No.: 7 Column: c**
(3) LGE and KU Joint MBRT (Short Form Tariff)
**Schedule Page: 310.1 Line No.: 8 Column: b**
Market Based Sale
**Schedule Page: 310.1 Line No.: 8 Column: c**
(3) LGE and KU Joint MBRT (Short Form Tariff)
**Schedule Page: 310.1 Line No.: 9 Column: b**
Cost Based Sale
**Schedule Page: 310.1 Line No.: 9 Column: c**
(10) LGE CBR Tariff
**Schedule Page: 310.1 Line No.: 10 Column: b**
Market Based Sale
**Schedule Page: 310.1 Line No.: 10 Column: c**
(3) LGE and KU Joint MBRT (Short Form Tariff)

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year/Period of Report |
|---|---|---|---|
| Louisville Gas and Electric Company | (1) [X] An Original<br>(2) [ ] A Resubmission | / / | End of 2017/Q4 |

ELECTRIC OPERATION AND MAINTENANCE EXPENSES

If the amount for previous year is not derived from previously reported figures, explain in footnote.

| Line No. | Account (a) | Amount for Current Year (b) | Amount for Previous Year (c) |
|---|---|---|---|
| 1 | 1. POWER PRODUCTION EXPENSES | | |
| 2 | A. Steam Power Generation | | |
| 3 | Operation | | |
| 4 | (500) Operation Supervision and Engineering | 4,953,655 | 5,202,523 |
| 5 | (501) Fuel | 255,985,169 | 265,508,539 |
| 6 | (502) Steam Expenses | 17,007,689 | 17,319,972 |
| 7 | (503) Steam from Other Sources | | |
| 8 | (Less) (504) Steam Transferred-Cr. | | |
| 9 | (505) Electric Expenses | 2,617,433 | 2,565,759 |
| 10 | (506) Miscellaneous Steam Power Expenses | 16,179,078 | 16,024,641 |
| 11 | (507) Rents | 36,000 | 36,000 |
| 12 | (509) Allowances | 3 | 75 |
| 13 | TOTAL Operation (Enter Total of Lines 4 thru 12) | 296,779,027 | 306,657,509 |
| 14 | Maintenance | | |
| 15 | (510) Maintenance Supervision and Engineering | 4,861,558 | 4,791,858 |
| 16 | (511) Maintenance of Structures | 2,488,938 | 3,611,593 |
| 17 | (512) Maintenance of Boiler Plant | 31,647,418 | 32,427,625 |
| 18 | (513) Maintenance of Electric Plant | 6,941,782 | 7,528,966 |
| 19 | (514) Maintenance of Miscellaneous Steam Plant | 2,397,858 | 2,524,165 |
| 20 | TOTAL Maintenance (Enter Total of Lines 15 thru 19) | 48,337,554 | 50,884,207 |
| 21 | TOTAL Power Production Expenses-Steam Power (Entr Tot lines 13 & 20) | 345,116,581 | 357,541,716 |
| 22 | B. Nuclear Power Generation | | |
| 23 | Operation | | |
| 24 | (517) Operation Supervision and Engineering | | |
| 25 | (518) Fuel | | |
| 26 | (519) Coolants and Water | | |
| 27 | (520) Steam Expenses | | |
| 28 | (521) Steam from Other Sources | | |
| 29 | (Less) (522) Steam Transferred-Cr. | | |
| 30 | (523) Electric Expenses | | |
| 31 | (524) Miscellaneous Nuclear Power Expenses | | |
| 32 | (525) Rents | | |
| 33 | TOTAL Operation (Enter Total of lines 24 thru 32) | | |
| 34 | Maintenance | | |
| 35 | (528) Maintenance Supervision and Engineering | | |
| 36 | (529) Maintenance of Structures | | |
| 37 | (530) Maintenance of Reactor Plant Equipment | | |
| 38 | (531) Maintenance of Electric Plant | | |
| 39 | (532) Maintenance of Miscellaneous Nuclear Plant | | |
| 40 | TOTAL Maintenance (Enter Total of lines 35 thru 39) | | |
| 41 | TOTAL Power Production Expenses-Nuc. Power (Entr tot lines 33 & 40) | | |
| 42 | C. Hydraulic Power Generation | | |
| 43 | Operation | | |
| 44 | (535) Operation Supervision and Engineering | 130,252 | 126,199 |
| 45 | (536) Water for Power | 39,136 | 39,092 |
| 46 | (537) Hydraulic Expenses | | |
| 47 | (538) Electric Expenses | 370,671 | 304,697 |
| 48 | (539) Miscellaneous Hydraulic Power Generation Expenses | 140,113 | 127,472 |
| 49 | (540) Rents | 524,198 | 588,213 |
| 50 | TOTAL Operation (Enter Total of Lines 44 thru 49) | 1,204,370 | 1,185,673 |
| 51 | C. Hydraulic Power Generation (Continued) | | |
| 52 | Maintenance | | |
| 53 | (541) Mainentance Supervision and Engineering | | |
| 54 | (542) Maintenance of Structures | 282,081 | 255,450 |
| 55 | (543) Maintenance of Reservoirs, Dams, and Waterways | 262,909 | 96,840 |
| 56 | (544) Maintenance of Electric Plant | 314,546 | 354,203 |
| 57 | (545) Maintenance of Miscellaneous Hydraulic Plant | 64,377 | 56,922 |
| 58 | TOTAL Maintenance (Enter Total of lines 53 thru 57) | 923,913 | 763,415 |
| 59 | TOTAL Power Production Expenses-Hydraulic Power (tot of lines 50 & 58) | 2,128,283 | 1,949,088 |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year/Period of Report |
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| Louisville Gas and Electric Company | (1) [X] An Original<br>(2) [ ] A Resubmission | / / | End of 2017/Q4 |

ELECTRIC OPERATION AND MAINTENANCE EXPENSES (Continued)

If the amount for previous year is not derived from previously reported figures, explain in footnote.

| Line No. | Account (a) | Amount for Current Year (b) | Amount for Previous Year (c) |
|---|---|---|---|
| 60 | D. Other Power Generation | | |
| 61 | Operation | | |
| 62 | (546) Operation Supervision and Engineering | 322,195 | 343,577 |
| 63 | (547) Fuel | 44,131,857 | 45,158,928 |
| 64 | (548) Generation Expenses | 239,454 | 213,926 |
| 65 | (549) Miscellaneous Other Power Generation Expenses | 3,111,829 | 1,131,762 |
| 66 | (550) Rents | 18,292 | 18,193 |
| 67 | TOTAL Operation (Enter Total of lines 62 thru 66) | 47,823,627 | 46,866,386 |
| 68 | Maintenance | | |
| 69 | (551) Maintenance Supervision and Engineering | 135,066 | 127,494 |
| 70 | (552) Maintenance of Structures | 296,867 | 298,357 |
| 71 | (553) Maintenance of Generating and Electric Plant | 1,543,469 | 1,768,527 |
| 72 | (554) Maintenance of Miscellaneous Other Power Generation Plant | 1,099,464 | 1,111,910 |
| 73 | TOTAL Maintenance (Enter Total of lines 69 thru 72) | 3,074,866 | 3,306,288 |
| 74 | TOTAL Power Production Expenses-Other Power (Enter Tot of 67 & 73) | 50,898,493 | 50,172,674 |
| 75 | E. Other Power Supply Expenses | | |
| 76 | (555) Purchased Power | 53,308,448 | 55,379,006 |
| 77 | (556) System Control and Load Dispatching | 1,158,600 | 1,105,413 |
| 78 | (557) Other Expenses | -54,109 | 46,863 |
| 79 | TOTAL Other Power Supply Exp (Enter Total of lines 76 thru 78) | 54,412,939 | 56,531,282 |
| 80 | TOTAL Power Production Expenses (Total of lines 21, 41, 59, 74 & 79) | 452,556,296 | 466,194,760 |
| 81 | 2. TRANSMISSION EXPENSES | | |
| 82 | Operation | | |
| 83 | (560) Operation Supervision and Engineering | 892,859 | 889,517 |
| 84 | | | |
| 85 | (561.1) Load Dispatch-Reliability | 219,907 | 236,757 |
| 86 | (561.2) Load Dispatch-Monitor and Operate Transmission System | 1,029,227 | 1,084,957 |
| 87 | (561.3) Load Dispatch-Transmission Service and Scheduling | 468,875 | 401,682 |
| 88 | (561.4) Scheduling, System Control and Dispatch Services | | |
| 89 | (561.5) Reliability, Planning and Standards Development | 371,551 | 442,032 |
| 90 | (561.6) Transmission Service Studies | | 8,626 |
| 91 | (561.7) Generation Interconnection Studies | | |
| 92 | (561.8) Reliability, Planning and Standards Development Services | | |
| 93 | (562) Station Expenses | 800,907 | 857,977 |
| 94 | (563) Overhead Lines Expenses | 191,250 | 336,947 |
| 95 | (564) Underground Lines Expenses | | |
| 96 | (565) Transmission of Electricity by Others | 627,209 | 639,923 |
| 97 | (566) Miscellaneous Transmission Expenses | 6,522,066 | 6,259,347 |
| 98 | (567) Rents | 51,090 | 55,635 |
| 99 | TOTAL Operation (Enter Total of lines 83 thru 98) | 11,174,941 | 11,213,400 |
| 100 | Maintenance | | |
| 101 | (568) Maintenance Supervision and Engineering | | |
| 102 | (569) Maintenance of Structures | | |
| 103 | (569.1) Maintenance of Computer Hardware | | |
| 104 | (569.2) Maintenance of Computer Software | | |
| 105 | (569.3) Maintenance of Communication Equipment | | |
| 106 | (569.4) Maintenance of Miscellaneous Regional Transmission Plant | | |
| 107 | (570) Maintenance of Station Equipment | 1,481,214 | 1,636,156 |
| 108 | (571) Maintenance of Overhead Lines | 2,496,853 | 1,945,145 |
| 109 | (572) Maintenance of Underground Lines | | |
| 110 | (573) Maintenance of Miscellaneous Transmission Plant | 190,202 | 198,928 |
| 111 | TOTAL Maintenance (Total of lines 101 thru 110) | 4,168,269 | 3,780,229 |
| 112 | TOTAL Transmission Expenses (Total of lines 99 and 111) | 15,343,210 | 14,993,629 |

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ELECTRIC OPERATION AND MAINTENANCE EXPENSES (Continued)

If the amount for previous year is not derived from previously reported figures, explain in footnote.

| Line No. | Account (a) | Amount for Current Year (b) | Amount for Previous Year (c) |
|---|---|---|---|
| 113 | 3. REGIONAL MARKET EXPENSES | | |
| 114 | Operation | | |
| 115 | (575.1) Operation Supervision | | |
| 116 | (575.2) Day-Ahead and Real-Time Market Facilitation | | |
| 117 | (575.3) Transmission Rights Market Facilitation | | |
| 118 | (575.4) Capacity Market Facilitation | | |
| 119 | (575.5) Ancillary Services Market Facilitation | | |
| 120 | (575.6) Market Monitoring and Compliance | | |
| 121 | (575.7) Market Facilitation, Monitoring and Compliance Services | -123,555 | -257,187 |
| 122 | (575.8) Rents | | |
| 123 | Total Operation (Lines 115 thru 122) | -123,555 | -257,187 |
| 124 | Maintenance | | |
| 125 | (576.1) Maintenance of Structures and Improvements | | |
| 126 | (576.2) Maintenance of Computer Hardware | | |
| 127 | (576.3) Maintenance of Computer Software | | |
| 128 | (576.4) Maintenance of Communication Equipment | | |
| 129 | (576.5) Maintenance of Miscellaneous Market Operation Plant | | |
| 130 | Total Maintenance (Lines 125 thru 129) | | |
| 131 | TOTAL Regional Transmission and Market Op Expns (Total 123 and 130) | -123,555 | -257,187 |
| 132 | 4. DISTRIBUTION EXPENSES | | |
| 133 | Operation | | |
| 134 | (580) Operation Supervision and Engineering | 1,712,305 | 1,469,807 |
| 135 | (581) Load Dispatching | 638,892 | 687,246 |
| 136 | (582) Station Expenses | 1,887,389 | 1,948,015 |
| 137 | (583) Overhead Line Expenses | 5,498,580 | 5,588,737 |
| 138 | (584) Underground Line Expenses | 464,917 | 457,354 |
| 139 | (585) Street Lighting and Signal System Expenses | | |
| 140 | (586) Meter Expenses | 6,363,705 | 6,675,900 |
| 141 | (587) Customer Installations Expenses | -26,361 | -136,418 |
| 142 | (588) Miscellaneous Expenses | 5,037,045 | 4,748,413 |
| 143 | (589) Rents | 24,987 | 12,204 |
| 144 | TOTAL Operation (Enter Total of lines 134 thru 143) | 21,601,459 | 21,451,258 |
| 145 | Maintenance | | |
| 146 | (590) Maintenance Supervision and Engineering | 71,359 | 10,072 |
| 147 | (591) Maintenance of Structures | 7,951 | 696 |
| 148 | (592) Maintenance of Station Equipment | 1,028,738 | 1,130,593 |
| 149 | (593) Maintenance of Overhead Lines | 20,139,853 | 21,330,734 |
| 150 | (594) Maintenance of Underground Lines | 1,171,348 | 1,294,339 |
| 151 | (595) Maintenance of Line Transformers | 160,778 | 157,116 |
| 152 | (596) Maintenance of Street Lighting and Signal Systems | 411,185 | 418,544 |
| 153 | (597) Maintenance of Meters | | |
| 154 | (598) Maintenance of Miscellaneous Distribution Plant | 616,090 | 588,179 |
| 155 | TOTAL Maintenance (Total of lines 146 thru 154) | 23,607,302 | 24,930,273 |
| 156 | TOTAL Distribution Expenses (Total of lines 144 and 155) | 45,208,761 | 46,381,531 |
| 157 | 5. CUSTOMER ACCOUNTS EXPENSES | | |
| 158 | Operation | | |
| 159 | (901) Supervision | 1,229,704 | 1,131,655 |
| 160 | (902) Meter Reading Expenses | 2,410,404 | 2,380,302 |
| 161 | (903) Customer Records and Collection Expenses | 7,045,154 | 6,664,816 |
| 162 | (904) Uncollectible Accounts | 2,017,199 | 1,760,288 |
| 163 | (905) Miscellaneous Customer Accounts Expenses | 3,309 | 7,998 |
| 164 | TOTAL Customer Accounts Expenses (Total of lines 159 thru 163) | 12,705,770 | 11,945,059 |

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|---|---|---|---|
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ELECTRIC OPERATION AND MAINTENANCE EXPENSES (Continued)

If the amount for previous year is not derived from previously reported figures, explain in footnote.

| Line No. | Account (a) | Amount for Current Year (b) | Amount for Previous Year (c) |
|---|---|---|---|
| 165 | 6. CUSTOMER SERVICE AND INFORMATIONAL EXPENSES | | |
| 166 | Operation | | |
| 167 | (907) Supervision | 334,497 | 302,526 |
| 168 | (908) Customer Assistance Expenses | 14,969,842 | 15,113,078 |
| 169 | (909) Informational and Instructional Expenses | 481,599 | 418,345 |
| 170 | (910) Miscellaneous Customer Service and Informational Expenses | 670,148 | 627,530 |
| 171 | TOTAL Customer Service and Information Expenses (Total 167 thru 170) | 16,456,086 | 16,461,479 |
| 172 | 7. SALES EXPENSES | | |
| 173 | Operation | | |
| 174 | (911) Supervision | | |
| 175 | (912) Demonstrating and Selling Expenses | | |
| 176 | (913) Advertising Expenses | 1,032,261 | 920,198 |
| 177 | (916) Miscellaneous Sales Expenses | | |
| 178 | TOTAL Sales Expenses (Enter Total of lines 174 thru 177) | 1,032,261 | 920,198 |
| 179 | 8. ADMINISTRATIVE AND GENERAL EXPENSES | | |
| 180 | Operation | | |
| 181 | (920) Administrative and General Salaries | 25,599,201 | 25,699,113 |
| 182 | (921) Office Supplies and Expenses | 5,834,273 | 5,078,958 |
| 183 | (Less) (922) Administrative Expenses Transferred-Credit | 4,312,293 | 4,523,516 |
| 184 | (923) Outside Services Employed | 12,641,543 | 17,069,244 |
| 185 | (924) Property Insurance | 4,205,603 | 4,586,850 |
| 186 | (925) Injuries and Damages | 2,534,185 | 2,727,451 |
| 187 | (926) Employee Pensions and Benefits | 23,052,071 | 23,960,413 |
| 188 | (927) Franchise Requirements | 29,436 | 29,577 |
| 189 | (928) Regulatory Commission Expenses | 1,183,521 | 991,537 |
| 190 | (929) (Less) Duplicate Charges-Cr. | 218,015 | 250,842 |
| 191 | (930.1) General Advertising Expenses | 4,805 | 29,765 |
| 192 | (930.2) Miscellaneous General Expenses | 3,523,432 | 3,182,174 |
| 193 | (931) Rents | 1,560,673 | 1,078,298 |
| 194 | TOTAL Operation (Enter Total of lines 181 thru 193) | 75,638,435 | 79,659,022 |
| 195 | Maintenance | | |
| 196 | (935) Maintenance of General Plant | 848,054 | 684,452 |
| 197 | TOTAL Administrative & General Expenses (Total of lines 194 and 196) | 76,486,489 | 80,343,474 |
| 198 | TOTAL Elec Op and Maint Expns (Total 80,112,131,156,164,171,178,197) | 619,665,318 | 636,982,943 |

| Name of Respondent | This Report is: | Date of Report (Mo, Da, Yr) | Year/Period of Report |
|---|---|---|---|
| Louisville Gas and Electric Company | (1) X An Original<br>(2) __ A Resubmission | / / | 2017/Q4 |

FOOTNOTE DATA

***Schedule Page: 320 Line No.: 78 Column: b***

The credit is the result of a refund from PJM Interconnection L.L.C. (PJM) to the Company per FERC Docket No. IN17-2-000 issued February 1, 2017. As stated in the Docket, PJM received a disgorgement payment from a separate PJM market participant relating to violations that this participant committed between May 2011 and September 2013. PJM was directed by the Federal Energy Regulatory Commission (FERC) to allocate the disgorged funds to any customer that incurred deviations during the aforementioned period. As a market participant customer during this period, the company received a refund from PJM and allocated the credit back to the original accounts charged as of September 2013.

***Schedule Page: 320 Line No.: 121 Column: b***

The credit balance is the result of the monthly amortization of the net Regulatory Liability for the MISO Exit Fee. During the 2012 KY base rate case, the Company netted the MISO Exit Fee Regulatory Asset and Regulatory Liability together for a net Regulatory Liability as of January 1, 2013.

***Schedule Page: 320 Line No.: 121 Column: c***

The credit balance is the result of the monthly amortization of the net Regulatory Liability for the MISO Exit Fee. During the 2012 KY base rate case, the Company netted the MISO Exit Fee Regulatory Asset and Regulatory Liability together for a net Regulatory Liability as of January 1, 2013.

***Schedule Page: 320 Line No.: 141 Column: b***

The credit balance is due to meter tampering charges billed to customers to offset the cost of meter maintenance.

***Schedule Page: 320 Line No.: 141 Column: c***

The credit balance is due to meter tampering charges billed to customers to offset the cost of meter maintenance.

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year/Period of Report |
|---|---|---|---|
| Louisville Gas and Electric Company | (1) [X] An Original<br>(2) [ ] A Resubmission | / / | End of 2017/Q4 |

## PURCHASED POWER (Account 555)
(Including power exchanges)

1. Report all power purchases made during the year. Also report exchanges of electricity (i.e., transactions involving a balancing of debits and credits for energy, capacity, etc.) and any settlements for imbalanced exchanges.
2. Enter the name of the seller or other party in an exchange transaction in column (a). Do not abbreviate or truncate the name or use acronyms. Explain in a footnote any ownership interest or affiliation the respondent has with the seller.
3. In column (b), enter a Statistical Classification Code based on the original contractual terms and conditions of the service as follows:

RQ - for requirements service. Requirements service is service which the supplier plans to provide on an ongoing basis (i.e., the supplier includes projects load for this service in its system resource planning). In addition, the reliability of requirement service must be the same as, or second only to, the supplier's service to its own ultimate consumers.

LF - for long-term firm service. "Long-term" means five years or longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions (e.g., the supplier must attempt to buy emergency energy from third parties to maintain deliveries of LF service). This category should not be used for long-term firm service firm service which meets the definition of RQ service. For all transaction identified as LF, provide in a footnote the termination date of the contract defined as the earliest date that either buyer or seller can unilaterally get out of the contract.

IF - for intermediate-term firm service. The same as LF service expect that "intermediate-term" means longer than one year but less than five years.

SF - for short-term service. Use this category for all firm services, where the duration of each period of commitment for service is one year or less.

LU - for long-term service from a designated generating unit. "Long-term" means five years or longer. The availability and reliability of service, aside from transmission constraints, must match the availability and reliability of the designated unit.

IU - for intermediate-term service from a designated generating unit. The same as LU service expect that "intermediate-term" means longer than one year but less than five years.

EX - For exchanges of electricity. Use this category for transactions involving a balancing of debits and credits for energy, capacity, etc. and any settlements for imbalanced exchanges.

OS - for other service. Use this category only for those services which cannot be placed in the above-defined categories, such as all non-firm service regardless of the Length of the contract and service from designated units of Less than one year. Describe the nature of the service in a footnote for each adjustment.

| Line No. | Name of Company or Public Authority (Footnote Affiliations) (a) | Statistical Classifi-cation (b) | FERC Rate Schedule or Tariff Number (c) | Average Monthly Billing Demand (MW) (d) | Actual Demand (MW) Average Monthly NCP Demand (e) | Actual Demand (MW) Average Monthly CP Demand (f) |
|---|---|---|---|---|---|---|
| 1 | Benham Power Board | OS | (3) | N/A | N/A | N/A |
| 2 | East Kentucky Power Cooperative, Inc. | OS | (11) | N/A | N/A | N/A |
| 3 | East Kentucky Power Cooperative, Inc. | OS | (3) | N/A | N/A | N/A |
| 4 | East Kentucky Power Cooperative, Inc. | IU | (9) | N/A | N/A | N/A |
| 5 | East Kentucky Power Cooperative, Inc. | IU | (9) | N/A | N/A | N/A |
| 6 | Illinois Municipal Electric Agency | OS | (5) | N/A | N/A | N/A |
| 7 | Illinois Municipal Electric Agency | OS | (8) | N/A | N/A | N/A |
| 8 | Illinois Municipal Electric Agency | AD | (8) | N/A | N/A | N/A |
| 9 | Illinois Municipal Electric Agency | OS | (12) | N/A | N/A | N/A |
| 10 | Indiana Municipal Power Agency | OS | (7) | N/A | N/A | N/A |
| 11 | Indiana Municipal Power Agency | OS | (8) | N/A | N/A | N/A |
| 12 | Indiana Municipal Power Agency | AD | (8) | N/A | N/A | N/A |
| 13 | Indiana Municipal Power Agency | OS | (12) | N/A | N/A | N/A |
| 14 | Kentucky Municipal Power Agency | OS | (3) | N/A | N/A | N/A |
| | Total | | | | | |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year/Period of Report |
|---|---|---|---|
| Louisville Gas and Electric Company | (1) [X] An Original (2) [ ] A Resubmission | / / | End of 2017/Q4 |

PURCHASED POWER (Account 555)
(Including power exchanges)

1. Report all power purchases made during the year. Also report exchanges of electricity (i.e., transactions involving a balancing of debits and credits for energy, capacity, etc.) and any settlements for imbalanced exchanges.
2. Enter the name of the seller or other party in an exchange transaction in column (a). Do not abbreviate or truncate the name or use acronyms. Explain in a footnote any ownership interest or affiliation the respondent has with the seller.
3. In column (b), enter a Statistical Classification Code based on the original contractual terms and conditions of the service as follows:

RQ - for requirements service. Requirements service is service which the supplier plans to provide on an ongoing basis (i.e., the supplier includes projects load for this service in its system resource planning). In addition, the reliability of requirement service must be the same as, or second only to, the supplier's service to its own ultimate consumers.

LF - for long-term firm service. "Long-term" means five years or longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions (e.g., the supplier must attempt to buy emergency energy from third parties to maintain deliveries of LF service). This category should not be used for long-term firm service firm service which meets the definition of RQ service. For all transaction identified as LF, provide in a footnote the termination date of the contract defined as the earliest date that either buyer or seller can unilaterally get out of the contract.

IF - for intermediate-term firm service. The same as LF service expect that "intermediate-term" means longer than one year but less than five years.

SF - for short-term service. Use this category for all firm services, where the duration of each period of commitment for service is one year or less.

LU - for long-term service from a designated generating unit. "Long-term" means five years or longer. The availability and reliability of service, aside from transmission constraints, must match the availability and reliability of the designated unit.

IU - for intermediate-term service from a designated generating unit. The same as LU service expect that "intermediate-term" means longer than one year but less than five years.

EX - For exchanges of electricity. Use this category for transactions involving a balancing of debits and credits for energy, capacity, etc. and any settlements for imbalanced exchanges.

OS - for other service. Use this category only for those services which cannot be placed in the above-defined categories, such as all non-firm service regardless of the Length of the contract and service from designated units of Less than one year. Describe the nature of the service in a footnote for each adjustment.

| Line No. | Name of Company or Public Authority (Footnote Affiliations) (a) | Statistical Classification (b) | FERC Rate Schedule or Tariff Number (c) | Average Monthly Billing Demand (MW) (d) | Actual Demand (MW) Average Monthly NCP Demand (e) | Actual Demand (MW) Average Monthly CP Demand (f) |
|---|---|---|---|---|---|---|
| 1 | Kentucky Muncipal Energy Agency | OS | (3) | N/A | N/A | N/A |
| 2 | Kentucky Utilities Company | SF | (2) | N/A | N/A | N/A |
| 3 | Ohio Valley Electric Corporation | OS | (6) | N/A | N/A | N/A |
| 4 | Ohio Valley Electric Corporation | AD | (6) | N/A | N/A | N/A |
| 5 | Owensboro Municipal Utilities | OS | (3) | N/A | N/A | N/A |
| 6 | PJM Interconnection LLC | OS | (1) | N/A | N/A | N/A |
| 7 | Tennessee Valley Authority | OS | (10) | N/A | N/A | N/A |
| 8 | Tennessee Valley Authority | OS | (4) | N/A | N/A | N/A |
| 9 | Tennessee Valley Authority | OS | (3) | N/A | N/A | N/A |
| 10 | Inadvertent Interchange | | | | | |
| 11 | | | | | | |
| 12 | | | | | | |
| 13 | | | | | | |
| 14 | | | | | | |
| | Total | | | | | |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year/Period of Report |
|---|---|---|---|
| Louisville Gas and Electric Company | (1) [X] An Original<br>(2) [ ] A Resubmission | / / | End of 2017/Q4 |

PURCHASED POWER(Account 555) (Continued)
(Including power exchanges)

AD - for out-of-period adjustment. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting years. Provide an explanation in a footnote for each adjustment.

4. In column (c), identify the FERC Rate Schedule Number or Tariff, or, for non-FERC jurisdictional sellers, include an appropriate designation for the contract. On separate lines, list all FERC rate schedules, tariffs or contract designations under which service, as identified in column (b), is provided.
5. For requirements RQ purchases and any type of service involving demand charges imposed on a monnthly (or longer) basis, enter the monthly average billing demand in column (d), the average monthly non-coincident peak (NCP) demand in column (e), and the average monthly coincident peak (CP) demand in column (f). For all other types of service, enter NA in columns (d), (e) and (f). Monthly NCP demand is the maximum metered hourly (60-minute integration) demand in a month. Monthly CP demand is the metered demand during the hour (60-minute integration) in which the supplier's system reaches its monthly peak. Demand reported in columns (e) and (f) must be in megawatts. Footnote any demand not stated on a megawatt basis and explain.
6. Report in column (g) the megawatthours shown on bills rendered to the respondent. Report in columns (h) and (i) the megawatthours of power exchanges received and delivered, used as the basis for settlement. Do not report net exchange.
7. Report demand charges in column (j), energy charges in column (k), and the total of any other types of charges, including out-of-period adjustments, in column (l). Explain in a footnote all components of the amount shown in column (l). Report in column (m) the total charge shown on bills received as settlement by the respondent. For power exchanges, report in column (m) the settlement amount for the net receipt of energy. If more energy was delivered than received, enter a negative amount. If the settlement amount (l) include credits or charges other than incremental generation expenses, or (2) excludes certain credits or charges covered by the agreement, provide an explanatory footnote.
8. The data in column (g) through (m) must be totalled on the last line of the schedule. The total amount in column (g) must be reported as Purchases on Page 401, line 10. The total amount in column (h) must be reported as Exchange Received on Page 401, line 12. The total amount in column (i) must be reported as Exchange Delivered on Page 401, line 13.
9. Footnote entries as required and provide explanations following all required data.

| MegaWatt Hours Purchased (g) | POWER EXCHANGES | | COST/SETTLEMENT OF POWER | | | | Line No. |
|---|---|---|---|---|---|---|---|
| | MegaWatt Hours Received (h) | MegaWatt Hours Delivered (i) | Demand Charges ($) (j) | Energy Charges ($) (k) | Other Charges ($) (l) | Total (j+k+l) of Settlement ($) (m) | |
| 3 | | | | 81 | | 81 | 1 |
| 5,489 | | | | 162,394 | | 162,394 | 2 |
| 140 | | | | 4,358 | | 4,358 | 3 |
| 40,026 | | | 9,950,985 | | | 9,950,985 | 4 |
| | | | | | -3,309 | -3,309 | 5 |
| | | | | 24 | | 24 | 6 |
| 12 | | | | | | | 7 |
| 15 | | | | | | | 8 |
| 493 | | | | 8,867 | | 8,867 | 9 |
| | | | | 24 | | 24 | 10 |
| 11 | | | | | | | 11 |
| 14 | | | | | | | 12 |
| 704 | | | | 12,016 | | 12,016 | 13 |
| 802 | | | | 23,799 | | 23,799 | 14 |
| 1,022,202 | | 350,078 | 29,621,521 | 23,690,236 | -3,309 | 53,308,448 | |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year/Period of Report |
|---|---|---|---|
| Louisville Gas and Electric Company | (1) [X] An Original<br>(2) [ ] A Resubmission | / / | End of 2017/Q4 |

PURCHASED POWER(Account 555) (Continued)
(Including power exchanges)

AD - for out-of-period adjustment. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting years. Provide an explanation in a footnote for each adjustment.

4. In column (c), identify the FERC Rate Schedule Number or Tariff, or, for non-FERC jurisdictional sellers, include an appropriate designation for the contract. On separate lines, list all FERC rate schedules, tariffs or contract designations under which service, as identified in column (b), is provided.
5. For requirements RQ purchases and any type of service involving demand charges imposed on a monnthly (or longer) basis, enter the monthly average billing demand in column (d), the average monthly non-coincident peak (NCP) demand in column (e), and the average monthly coincident peak (CP) demand in column (f). For all other types of service, enter NA in columns (d), (e) and (f). Monthly NCP demand is the maximum metered hourly (60-minute integration) demand in a month. Monthly CP demand is the metered demand during the hour (60-minute integration) in which the supplier's system reaches its monthly peak. Demand reported in columns (e) and (f) must be in megawatts. Footnote any demand not stated on a megawatt basis and explain.
6. Report in column (g) the megawatthours shown on bills rendered to the respondent. Report in columns (h) and (i) the megawatthours of power exchanges received and delivered, used as the basis for settlement. Do not report net exchange.
7. Report demand charges in column (j), energy charges in column (k), and the total of any other types of charges, including out-of-period adjustments, in column (l). Explain in a footnote all components of the amount shown in column (l). Report in column (m) the total charge shown on bills received as settlement by the respondent. For power exchanges, report in column (m) the settlement amount for the net receipt of energy. If more energy was delivered than received, enter a negative amount. If the settlement amount (l) include credits or charges other than incremental generation expenses, or (2) excludes certain credits or charges covered by the agreement, provide an explanatory footnote.
8. The data in column (g) through (m) must be totalled on the last line of the schedule. The total amount in column (g) must be reported as Purchases on Page 401, line 10. The total amount in column (h) must be reported as Exchange Received on Page 401, line 12. The total amount in column (i) must be reported as Exchange Delivered on Page 401, line 13.
9. Footnote entries as required and provide explanations following all required data.

| MegaWatt Hours Purchased (g) | POWER EXCHANGES: MegaWatt Hours Received (h) | POWER EXCHANGES: MegaWatt Hours Delivered (i) | COST/SETTLEMENT OF POWER: Demand Charges ($) (j) | Energy Charges ($) (k) | Other Charges ($) (l) | Total (j+k+l) of Settlement ($) (m) | Line No. |
|---|---|---|---|---|---|---|---|
| 30 | | | | 960 | | 960 | 1 |
| 421,609 | | | | 9,761,641 | | 9,761,641 | 2 |
| 548,974 | | | 19,809,302 | 13,489,899 | | 33,299,201 | 3 |
| | | | -138,766 | 92,494 | | -46,272 | 4 |
| 2,246 | | | | 63,203 | | 63,203 | 5 |
| 466 | | | | 8,369 | | 8,369 | 6 |
| 700 | | | | 10,746 | | 10,746 | 7 |
| 454 | | | | 50,998 | | 50,998 | 8 |
| 14 | | | | 363 | | 363 | 9 |
| | | 350,078 | | | | | 10 |
| | | | | | | | 11 |
| | | | | | | | 12 |
| | | | | | | | 13 |
| | | | | | | | 14 |
| 1,022,202 | | 350,078 | 29,621,521 | 23,690,236 | -3,309 | 53,308,448 | |

| Name of Respondent | This Report is: | Date of Report | Year/Period of Report |
|---|---|---|---|
| Louisville Gas and Electric Company | (1) X An Original<br>(2) __ A Resubmission | (Mo, Da, Yr)<br>/ / | 2017/Q4 |

FOOTNOTE DATA

***Schedule Page: 326 Line No.: 1 Column: b***
Imbalance
***Schedule Page: 326 Line No.: 1 Column: c***
(3) LGE and KU Joint Pro Forma Open Access Transmission Tariff Schedule 4
***Schedule Page: 326 Line No.: 2 Column: b***
Market Based Purchase
***Schedule Page: 326 Line No.: 2 Column: c***
(11) EEI Master Power Purchase and Sale Agreement dated September 14, 2006.
***Schedule Page: 326 Line No.: 3 Column: b***
Imbalance
***Schedule Page: 326 Line No.: 3 Column: c***
(3) LGE and KU Joint Pro Forma Open Access Transmission Tariff Schedule 4
***Schedule Page: 326 Line No.: 4 Column: b***
Tolling Agreement
***Schedule Page: 326 Line No.: 4 Column: c***
(9) Capacity Purchase and Tolling Agreement dated August 26, 2014.
***Schedule Page: 326 Line No.: 5 Column: b***
Tolling Agreement
***Schedule Page: 326 Line No.: 5 Column: c***
(9) Capacity Purchase and Tolling Agreement dated August 26, 2014.
***Schedule Page: 326 Line No.: 5 Column: l***
Represents a monthly fuel adjustment per the Tolling Agreement.
***Schedule Page: 326 Line No.: 6 Column: b***
Account 447 line No. 6, write off under cost based rate tariff.
***Schedule Page: 326 Line No.: 6 Column: c***
(5) LGE CBR Tariff First Revised Service Agreement No. 3
***Schedule Page: 326 Line No.: 7 Column: b***
Imbalance
***Schedule Page: 326 Line No.: 7 Column: c***
(8) Participation Agreement dated February 9, 2004.
***Schedule Page: 326 Line No.: 8 Column: b***
December 2016 correction made in 2017.
***Schedule Page: 326 Line No.: 8 Column: c***
(8) Participation Agreement dated February 9, 2004.
***Schedule Page: 326 Line No.: 9 Column: b***
Imbalance
***Schedule Page: 326 Line No.: 9 Column: c***
(12) LG&E and KU Joint ProForma OATT Schedule 9.
***Schedule Page: 326 Line No.: 10 Column: b***
Account 447 line No. 10, write off under cost based rate tariff.
***Schedule Page: 326 Line No.: 10 Column: c***
(7) LGE CBR Tariff Service Agreement No. 4
***Schedule Page: 326 Line No.: 11 Column: b***
Imbalance
***Schedule Page: 326 Line No.: 11 Column: c***
(8) Participation Agreement dated February 9, 2004.
***Schedule Page: 326 Line No.: 12 Column: b***
December 2016 Correction made in 2017.
***Schedule Page: 326 Line No.: 12 Column: c***
(8) Participation Agreement dated February 9, 2004.
***Schedule Page: 326 Line No.: 13 Column: b***
Imbalance
***Schedule Page: 326 Line No.: 13 Column: c***
(12) LG&E and KU Joint ProForma OATT Schedule 9.

| Name of Respondent | This Report is: | Date of Report (Mo, Da, Yr) | Year/Period of Report |
|---|---|---|---|
| Louisville Gas and Electric Company | (1) X An Original<br>(2) __ A Resubmission | / / | 2017/Q4 |

FOOTNOTE DATA

**Schedule Page: 326 Line No.: 14 Column: b**
Imbalance
**Schedule Page: 326 Line No.: 14 Column: c**
(3) LGE and KU Joint Pro Forma Open Access Transmission Tariff Schedule 4
**Schedule Page: 326.1 Line No.: 1 Column: b**
Imbalance
**Schedule Page: 326.1 Line No.: 1 Column: c**
(3) LGE and KU Joint Pro Forma Open Access Transmission Tariff Schedule 4
**Schedule Page: 326.1 Line No.: 2 Column: a**
LG&E and KU are owned by PPL.
**Schedule Page: 326.1 Line No.: 2 Column: c**
(2) FERC Rate Schedule No. 1. The Power Supply System Agreement, FERC Docket No. ER98-111-000
**Schedule Page: 326.1 Line No.: 3 Column: a**
Intercompany Power Agreement dated September 10, 2010. The Company owns 5.63% of the common stock of OVEC. Purchase of surplus power pursuant to Article 4 of the Amended and Restated Intercompany Power Agreement among OVEC and Sponsoring Companies dated September 10, 2010.
**Schedule Page: 326.1 Line No.: 3 Column: b**
Surplus Power
**Schedule Page: 326.1 Line No.: 3 Column: c**
(6) Intercompany Power Agreement v 0.0.0 on file with the Commission. Amended and Restated Intercompany Power Agreement among OVEC and Sponsoring Companies dated September 10, 2010.
**Schedule Page: 326.1 Line No.: 4 Column: a**
Intercompany Power Agreement dated September 10, 2010. The Company owns 5.63% of the common stock of OVEC. Purchase of surplus power pursuant to Article 4 of the Amended and Restated Intercompany Power Agreement among OVEC and Sponsoring Companies dated September 10, 2010.
**Schedule Page: 326.1 Line No.: 4 Column: b**
December 2016 true-up of accrual estimate for both energy and demand charges made in 2017.
**Schedule Page: 326.1 Line No.: 4 Column: c**
(6) Intercompany Power Agreement v 0.0.0 on file with the Commission. Amended and Restated Intercompany Power Agreement among OVEC and Sponsoring Companies dated September 10, 2010.
**Schedule Page: 326.1 Line No.: 5 Column: b**
Imbalance
**Schedule Page: 326.1 Line No.: 5 Column: c**
(3) LGE and KU Joint Pro Forma Open Access Transmission Tariff Schedule 4
**Schedule Page: 326.1 Line No.: 6 Column: b**
Market Based Purchase
**Schedule Page: 326.1 Line No.: 6 Column: c**
(1) FERC-approved tariff and/or rate schedule as on file with the Commission
**Schedule Page: 326.1 Line No.: 7 Column: b**
Market Based Purchase
**Schedule Page: 326.1 Line No.: 7 Column: c**
(10) FERC Electric Rate Schedule No. 28 Interchange Agreement dated July 1, 1977
**Schedule Page: 326.1 Line No.: 8 Column: b**
Emergency Power
**Schedule Page: 326.1 Line No.: 8 Column: c**
(4) Contingency Reserve Sharing Agreement dated November 20, 2009.
**Schedule Page: 326.1 Line No.: 9 Column: b**
Imbalance
**Schedule Page: 326.1 Line No.: 9 Column: c**
(3) LGE and KU Joint Pro Forma Open Access Transmission Tariff Schedule 4

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year/Period of Report |
|---|---|---|---|
| Louisville Gas and Electric Company | (1) [X] An Original<br>(2) [ ] A Resubmission | / / | End of 2017/Q4 |

## TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456.1)
(Including transactions referred to as 'wheeling')

1. Report all transmission of electricity, i.e., wheeling, provided for other electric utilities, cooperatives, other public authorities, qualifying facilities, non-traditional utility suppliers and ultimate customers for the quarter.
2. Use a separate line of data for each distinct type of transmission service involving the entities listed in column (a), (b) and (c).
3. Report in column (a) the company or public authority that paid for the transmission service. Report in column (b) the company or public authority that the energy was received from and in column (c) the company or public authority that the energy was delivered to. Provide the full name of each company or public authority. Do not abbreviate or truncate name or use acronyms. Explain in a footnote any ownership interest in or affiliation the respondent has with the entities listed in columns (a), (b) or (c)
4. In column (d) enter a Statistical Classification code based on the original contractual terms and conditions of the service as follows: FNO - Firm Network Service for Others, FNS - Firm Network Transmission Service for Self, LFP - "Long-Term Firm Point to Point Transmission Service, OLF - Other Long-Term Firm Transmission Service, SFP - Short-Term Firm Point to Point Transmission Reservation, NF - non-firm transmission service, OS - Other Transmission Service and AD - Out-of-Period Adjustments. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting periods. Provide an explanation in a footnote for each adjustment. See General Instruction for definitions of codes.

| Line No. | Payment By (Company of Public Authority) (Footnote Affiliation) (a) | Energy Received From (Company of Public Authority) (Footnote Affiliation) (b) | Energy Delivered To (Company of Public Authority) (Footnote Affiliation) (c) | Statistical Classifi-cation (d) |
|---|---|---|---|---|
| 1 | East Kentucky Power Cooperative | East Kentucky Power Cooperative | East Kentucky Power Cooperative | FNO |
| 2 | East Kentucky Power Cooperative | East Kentucky Power Cooperative | East Kentucky Power Cooperative | SFP |
| 3 | East Kentucky Power Cooperative | East Kentucky Power Cooperative | East Kentucky Power Cooperative | NF |
| 4 | East Kentucky Power Cooperative | East Kentucky Power Cooperative | East Kentucky Power Cooperative | AD |
| 5 | Indiana Municipal Power Agency | Indiana Municipal Power Agency | Midwest ISO and PJM | OLF |
| 6 | Indiana Municipal Power Agency | Indiana Municipal Power Agency | Midwest ISO and PJM | LFP |
| 7 | Illinois Municipal Electric Agency | IL Municipal Electric Agency | Midwest ISO | OLF |
| 8 | Illinois Municipal Electric Agency | IL Municipal Electric Agency | Midwest ISO | LFP |
| 9 | LG&E/KU | Various | Various | NF |
| 10 | LG&E/KU | Various | Various | SFP |
| 11 | LG&E/KU | Various | Various | LFP |
| 12 | Hoosier Energy | Midwest ISO | Hoosier Energy | FNO |
| 13 | Kentucky Municipal Power Agency | Midwest ISO | Kentucky Municipal Power Agency | FNO |
| 14 | Owensboro Municipal Utilities | Owensboro Municipal Utilities | Various | FNO |
| 15 | Owensboro Municipal Utilities | Owensboro Municipal Utilities | Various | LFP |
| 16 | Owensboro Municipal Utilities | Owensboro Municipal Utilities | Various | SFP |
| 17 | Owensboro Municipal Utilities | Owensboro Municipal Utilities | Various | NF |
| 18 | Big Rivers Electric Corporation | Big Rivers Electric Corporation | Big Rivers Electric Corporation | FNO |
| 19 | City of Benham | Midwest ISO | City of Benham | FNO |
| 20 | Kentucky Municipal Energy Agency | Midwest ISO | Kentucky Municipal Energy Agency | FNO |
| 21 | Cargill Power Markets, LLC | Various | Various | SFP |
| 22 | The Energy Authority | Various | Various | NF |
| 23 | Tennessee Valley Authority | Tennessee Valley Authority | Tennessee Valley Authority | FNO |
| 24 | Tennessee Valley Authority | Tennessee Valley Authority | Tennessee Valley Authority | SFP |
| 25 | Tennessee Valley Authority | Tennessee Valley Authority | Tennessee Valley Authority | NF |
| 26 | Tennessee Valley Authority | Tennessee Valley Authority | Tennessee Valley Authority | AD |
| 27 | NextEra Energy | Various | Various | AD |
| 28 | Midwest ISO | Various | Various | OS |
| 29 | NRG | Various | Various | OS |
| 30 | City of Barbourville | Various | City of Barbourville | FNO |
| 31 | City of Bardstown | Various | City of Bardstown | FNO |
| 32 | City of Bardwell | Various | City of Bardwell | FNO |
| 33 | City of Berea | Various | City of Berea | FNO |
| 34 | City of Corbin | Various | City of Corbin | FNO |
| | TOTAL | | | |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year/Period of Report |
|---|---|---|---|
| Louisville Gas and Electric Company | (1) [X] An Original<br>(2) [ ] A Resubmission | / / | End of 2017/Q4 |

## TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456.1)
(Including transactions referred to as 'wheeling')

1. Report all transmission of electricity, i.e., wheeling, provided for other electric utilities, cooperatives, other public authorities, qualifying facilities, non-traditional utility suppliers and ultimate customers for the quarter.
2. Use a separate line of data for each distinct type of transmission service involving the entities listed in column (a), (b) and (c).
3. Report in column (a) the company or public authority that paid for the transmission service. Report in column (b) the company or public authority that the energy was received from and in column (c) the company or public authority that the energy was delivered to. Provide the full name of each company or public authority. Do not abbreviate or truncate name or use acronyms. Explain in a footnote any ownership interest in or affiliation the respondent has with the entities listed in columns (a), (b) or (c)
4. In column (d) enter a Statistical Classification code based on the original contractual terms and conditions of the service as follows: FNO - Firm Network Service for Others, FNS - Firm Network Transmission Service for Self, LFP - "Long-Term Firm Point to Point Transmission Service, OLF - Other Long-Term Firm Transmission Service, SFP - Short-Term Firm Point to Point Transmission Reservation, NF - non-firm transmission service, OS - Other Transmission Service and AD - Out-of-Period Adjustments. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting periods. Provide an explanation in a footnote for each adjustment. See General Instruction for definitions of codes.

| Line No. | Payment By (Company of Public Authority) (Footnote Affiliation) (a) | Energy Received From (Company of Public Authority) (Footnote Affiliation) (b) | Energy Delivered To (Company of Public Authority) (Footnote Affiliation) (c) | Statistical Classifi-cation (d) |
|---|---|---|---|---|
| 1 | City of Falmouth | Various | City of Falmouth | FNO |
| 2 | City of Frankfort | Various | City of Frankfort | FNO |
| 3 | City of Madisonville | Various | City of Madisonville | FNO |
| 4 | City of Nicholasville | Various | City of Nicholasville | FNO |
| 5 | City of Paris | Various | City of Paris | FNO |
| 6 | City of Providence | Various | City of Providence | FNO |
| 7 | | | | |
| 8 | | | | |
| 9 | | | | |
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| 30 | | | | |
| 31 | | | | |
| 32 | | | | |
| 33 | | | | |
| 34 | | | | |
| | **TOTAL** | | | |

| Name of Respondent | This Report Is: | Date of Report | Year/Period of Report |
|---|---|---|---|
| Louisville Gas and Electric Company | (1) [X] An Original<br>(2) [ ] A Resubmission | (Mo, Da, Yr)<br>/ / | End of 2017/Q4 |

TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456)(Continued)
(Including transactions reffered to as 'wheeling')

5. In column (e), identify the FERC Rate Schedule or Tariff Number, On separate lines, list all FERC rate schedules or contract designations under which service, as identified in column (d), is provided.
6. Report receipt and delivery locations for all single contract path, "point to point" transmission service. In column (f), report the designation for the substation, or other appropriate identification for where energy was received as specified in the contract. In column (g) report the designation for the substation, or other appropriate identification for where energy was delivered as specified in the contract.
7. Report in column (h) the number of megawatts of billing demand that is specified in the firm transmission service contract. Demand reported in column (h) must be in megawatts. Footnote any demand not stated on a megawatts basis and explain.
8. Report in column (i) and (j) the total megawatthours received and delivered.

| FERC Rate Schedule of Tariff Number (e) | Point of Receipt (Subsatation or Other Designation) (f) | Point of Delivery (Substation or Other Designation) (g) | Billing Demand (MW) (h) | TRANSFER OF ENERGY MegaWatt Hours Received (i) | TRANSFER OF ENERGY MegaWatt Hours Delivered (j) | Line No. |
|---|---|---|---|---|---|---|
| LGE/KU Joint | East Kentucky Power | East Kentucky Power | 126 | 610,874 | 610,874 | 1 |
| LGE/KU Joint | East Kentucky Power | East Kentucky Power | 4 | 27,008 | 27,008 | 2 |
| LGE/KU Joint | East Kentucky Power | East Kentucky Power | | 3,934 | 3,934 | 3 |
| LGE/KU Joint | East Kentucky Power | East Kentucky Power | | | | 4 |
| LGE/KU Joint | Trimble Co. Unit 1 | Midwest ISO and PJM | | 420,232 | 420,232 | 5 |
| LGE/KU Joint | Trimble Co. Unit 2 | Midwest ISO and PJM | | 629,427 | 629,427 | 6 |
| LGE/KU Joint | Trimble Co. Unit 1 | Midwest ISO | | 375,780 | 375,780 | 7 |
| LGE/KU Joint | Trimble Co. Unit 2 | Midwest ISO | | 529,484 | 529,484 | 8 |
| LGE/KU Joint | Various | Various | | | | 9 |
| LGE/KU Joint | Various | Various | 5 | | | 10 |
| LGE/KU Joint | Various | Various | 8 | | | 11 |
| LGE/KU Joint | Midwest ISO | Hoosier Energy | 2 | 11,470 | 11,470 | 12 |
| SA 13 | Various | LGEE.KMPA | 38 | 223,415 | 223,415 | 13 |
| SA 15 | Owensboro Municipal | Various | 43 | 95,341 | 95,341 | 14 |
| LGE/KU Joint | Owensboro Municipal | Various | 87 | 245,496 | 245,496 | 15 |
| LGE/KU Joint | Owensboro Municipal | Various | 6 | | | 16 |
| LGE/KU Joint | Owensboro Municipal | Various | | | | 17 |
| LGE/KU Joint | Big Rivers Electric | Big Rivers Electric | 3 | 20,979 | 20,979 | 18 |
| LGE/KU Joint | Midwest ISO | City of Benham | | 763 | 763 | 19 |
| LGE/KU Joint | Various | LGEE.KYMEA | 2 | 11,764 | 11,764 | 20 |
| LGE/KU Joint | Various | Various | | 4,130 | 4,130 | 21 |
| LGE/KU Joint | Various | Various | | 293 | 293 | 22 |
| LGE/KU Joint | TVA | TVA | 21 | 116,365 | 116,365 | 23 |
| LGE/KU Joint | TVA | TVA | | 7,942 | 7,942 | 24 |
| LGE/KU Joint | TVA | TVA | | 202 | 202 | 25 |
| LGE/KU Joint | TVA | TVA | | | | 26 |
| LGE/KU Joint | Various | Various | | | | 27 |
| LGE/KU Joint | Various | Various | | | | 28 |
| LGE/KU Joint | Various | Various | | | | 29 |
| 184 | Various | City of Barbourville | 64 | | | 30 |
| 185 | Various | City of Bardstown | 128 | | | 31 |
| 186 | Various | City of Bardwell | 6 | | | 32 |
| 197 | Various | City of Berea | 88 | | | 33 |
| 188 | Various | City of Corbin | 57 | | | 34 |
| | | | **1,510** | **3,334,899** | **3,334,899** | |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year/Period of Report |
|---|---|---|---|
| Louisville Gas and Electric Company | (1) [X] An Original<br>(2) [ ] A Resubmission | / / | End of 2017/Q4 |

TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456)(Continued)
(Including transactions reffered to as 'wheeling')

5. In column (e), identify the FERC Rate Schedule or Tariff Number, On separate lines, list all FERC rate schedules or contract designations under which service, as identified in column (d), is provided.
6. Report receipt and delivery locations for all single contract path, "point to point" transmission service. In column (f), report the designation for the substation, or other appropriate identification for where energy was received as specified in the contract. In column (g) report the designation for the substation, or other appropriate identification for where energy was delivered as specified in the contract.
7. Report in column (h) the number of megawatts of billing demand that is specified in the firm transmission service contract. Demand reported in column (h) must be in megawatts. Footnote any demand not stated on a megawatts basis and explain.
8. Report in column (i) and (j) the total megawatthours received and delivered.

| FERC Rate Schedule of Tariff Number (e) | Point of Receipt (Subsatation or Other Designation) (f) | Point of Delivery (Substation or Other Designation) (g) | Billing Demand (MW) (h) | TRANSFER OF ENERGY MegaWatt Hours Received (i) | TRANSFER OF ENERGY MegaWatt Hours Delivered (j) | Line No. |
|---|---|---|---|---|---|---|
| 189 | Various | City of Falmouth | 13 | | | 1 |
| 190 | Various | City of Frankfort | 461 | | | 2 |
| 161 | Various | City of Madisonville | 188 | | | 3 |
| 157 | Various | City of Nicholasvile | 127 | | | 4 |
| 83 | Various | City of Paris | 14 | | | 5 |
| 195 | Various | City of Providence | 19 | | | 6 |
| | | | | | | 7 |
| | | | | | | 8 |
| | | | | | | 9 |
| | | | | | | 10 |
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| | | | | | | 31 |
| | | | | | | 32 |
| | | | | | | 33 |
| | | | | | | 34 |
| | | | **1,510** | **3,334,899** | **3,334,899** | |

| Name of Respondent | This Report Is: | Date of Report | Year/Period of Report |
|---|---|---|---|
| Louisville Gas and Electric Company | (1) [X] An Original<br>(2) [ ] A Resubmission | (Mo, Da, Yr)<br>/ / | End of 2017/Q4 |

TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456) (Continued)
(Including transactions reffered to as 'wheeling')

9. In column (k) through (n), report the revenue amounts as shown on bills or vouchers. In column (k), provide revenues from demand charges related to the billing demand reported in column (h). In column (l), provide revenues from energy charges related to the amount of energy transferred. In column (m), provide the total revenues from all other charges on bills or vouchers rendered, including out of period adjustments. Explain in a footnote all components of the amount shown in column (m). Report in column (n) the total charge shown on bills rendered to the entity Listed in column (a). If no monetary settlement was made, enter zero (11011) in column (n). Provide a footnote explaining the nature of the non-monetary settlement, including the amount and type of energy or service rendered.
10. The total amounts in columns (i) and (j) must be reported as Transmission Received and Transmission Delivered for annual report purposes only on Page 401, Lines 16 and 17, respectively.
11. Footnote entries and provide explanations following all required data.

REVENUE FROM TRANSMISSION OF ELECTRICITY FOR OTHERS

| Demand Charges ($) (k) | Energy Charges ($) (l) | (Other Charges) ($) (m) | Total Revenues ($) (k+l+m) (n) | Line No. |
|---|---|---|---|---|
| 2,780,950 | | 199,260 | 2,980,210 | 1 |
| 64,880 | | 5,787 | 70,667 | 2 |
| | 15,338 | 824 | 16,162 | 3 |
| 19,449 | | 1,358 | 20,807 | 4 |
| | | | | 5 |
| | | | | 6 |
| | | | | 7 |
| | | | | 8 |
| | 352,602 | 20,515 | 373,117 | 9 |
| 15,718 | | 845 | 16,563 | 10 |
| 178,652 | | 13,036 | 191,688 | 11 |
| 32,885 | | 2,337 | 35,222 | 12 |
| 833,063 | | 202,499 | 1,035,562 | 13 |
| 778,964 | | 210,055 | 989,019 | 14 |
| 1,857,976 | | 135,576 | 1,993,552 | 15 |
| 135,619 | | 7,183 | 142,802 | 16 |
| | 72,841 | 4,553 | 77,394 | 17 |
| 69,853 | | 5,138 | 74,991 | 18 |
| 3,374 | | 976 | 4,350 | 19 |
| 58,032 | | 13,471 | 71,503 | 20 |
| | 13,437 | 723 | 14,160 | 21 |
| | 1,175 | 66 | 1,241 | 22 |
| 471,539 | | 33,820 | 505,359 | 23 |
| | 25,810 | 1,387 | 27,197 | 24 |
| | 463 | 35 | 498 | 25 |
| 14,135 | | 616 | 14,751 | 26 |
| | | -27 | -27 | 27 |
| | | 519,140 | 519,140 | 28 |
| | | 35,911 | 35,911 | 29 |
| 116,852 | | 5,184 | 122,036 | 30 |
| 234,846 | | 10,416 | 245,262 | 31 |
| 10,670 | | 472 | 11,142 | 32 |
| 160,659 | | 7,138 | 167,797 | 33 |
| 105,062 | | 4,651 | 109,713 | 34 |
| **9,446,828** | **481,666** | **1,509,657** | **11,438,151** | |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year/Period of Report |
|---|---|---|---|
| Louisville Gas and Electric Company | (1) [X] An Original (2) [ ] A Resubmission | / / | End of 2017/Q4 |

TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456) (Continued)
(Including transactions reffered to as 'wheeling')

9. In column (k) through (n), report the revenue amounts as shown on bills or vouchers. In column (k), provide revenues from demand charges related to the billing demand reported in column (h). In column (l), provide revenues from energy charges related to the amount of energy transferred. In column (m), provide the total revenues from all other charges on bills or vouchers rendered, including out of period adjustments. Explain in a footnote all components of the amount shown in column (m). Report in column (n) the total charge shown on bills rendered to the entity Listed in column (a). If no monetary settlement was made, enter zero (11011) in column (n). Provide a footnote explaining the nature of the non-monetary settlement, including the amount and type of energy or service rendered.
10. The total amounts in columns (i) and (j) must be reported as Transmission Received and Transmission Delivered for annual report purposes only on Page 401, Lines 16 and 17, respectively.
11. Footnote entries and provide explanations following all required data.

REVENUE FROM TRANSMISSION OF ELECTRICITY FOR OTHERS

| Demand Charges ($) (k) | Energy Charges ($) (l) | (Other Charges) ($) (m) | Total Revenues ($) (k+l+m) (n) | Line No. |
|---|---|---|---|---|
| 23,324 | | 1,033 | 24,357 | 1 |
| 844,568 | | 37,449 | 882,017 | 2 |
| 344,475 | | 15,249 | 359,724 | 3 |
| 231,694 | | 10,283 | 241,977 | 4 |
| 23,957 | | 1,120 | 25,077 | 5 |
| 35,632 | | 1,578 | 37,210 | 6 |
| | | | | 7 |
| | | | | 8 |
| | | | | 9 |
| | | | | 10 |
| | | | | 11 |
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| | | | | 30 |
| | | | | 31 |
| | | | | 32 |
| | | | | 33 |
| | | | | 34 |
| **9,446,828** | **481,666** | **1,509,657** | **11,438,151** | |

| Name of Respondent | This Report is: | Date of Report (Mo, Da, Yr) | Year/Period of Report |
|---|---|---|---|
| Louisville Gas and Electric Company | (1) X An Original<br>(2) __ A Resubmission | / / | 2017/Q4 |

FOOTNOTE DATA

**Schedule Page: 328 Line No.: 1 Column: m**
Schedule 1 and Schedule 2 charges
**Schedule Page: 328 Line No.: 2 Column: m**
Schedule 1 and Schedule 2 charges
**Schedule Page: 328 Line No.: 3 Column: m**
Schedule 1 and Schedule 2 charges
**Schedule Page: 328 Line No.: 4 Column: k**
True-up of prior periods
**Schedule Page: 328 Line No.: 4 Column: m**
True-up of prior periods
**Schedule Page: 328 Line No.: 5 Column: a**
LG&E transmits electricity for Indiana Municipal Power Agency (IMPA) from Trimble County Unit 1 to the MISO-LGEE interface or the PJM-LGEE interface at no cost to IMPA. This agreement was reached between LG&E and IMPA as a result of LG&E's exit from the MISO.
**Schedule Page: 328 Line No.: 5 Column: d**
The OLF transmission service agreement between LG&E and IMPA has no expiration date.
**Schedule Page: 328 Line No.: 6 Column: a**
LG&E transmits electricity for IMPA from Trimble County Unit 2 to the MISO-LGEE interface or the PJM-LGEE interface at no cost to IMPA. This agreement was reached between LG&E and IMPA as a result of LG&E's exit from the MISO.
**Schedule Page: 328 Line No.: 6 Column: d**
The LFP transmission service agreement between LG&E and IMPA has a termination date of 1/01/2020 for Trimble County Unit 2.
**Schedule Page: 328 Line No.: 7 Column: a**
LG&E transmits electricity for Illinois Municipal Electric Agency (IMEA) from Trimble County Unit 1 to the MISO-LGEE interface or the PJM-LGEE interface at no cost to IMEA. This agreement was reached between LG&E and IMEA as a result of LG&E's exit from the MISO.
**Schedule Page: 328 Line No.: 7 Column: d**
The OLF transmission service agreement between LG&E and IMEA has a termination date of 3/01/2023 for Trimble County Unit 1.
**Schedule Page: 328 Line No.: 8 Column: a**
LG&E transmits electricity for IMEA from Trimble County Unit 2 to the MISO-LGEE interface or the PJM-LGEE interface at no cost to IMEA. This agreement was reached between LG&E and IMEA as a result of LG&E's exit from the MISO.
**Schedule Page: 328 Line No.: 8 Column: d**
The LFP transmission service agreement between LG&E and IMEA has a termination date of 1/01/2020 for Trimble County Unit 2.
**Schedule Page: 328 Line No.: 9 Column: a**
LG&E and KU are owned by PPL Corporation
**Schedule Page: 328 Line No.: 9 Column: m**
Schedule 1 and Schedule 2 charges related to various counterparties
**Schedule Page: 328 Line No.: 10 Column: a**
LG&E and KU are owned by PPL Corporation
**Schedule Page: 328 Line No.: 10 Column: m**
Schedule 1 and Schedule 2 charges related to various counterparties
**Schedule Page: 328 Line No.: 11 Column: a**
LG&E and KU are owned by PPL Corporation
**Schedule Page: 328 Line No.: 11 Column: d**
Long-term Firm purchases by LG&E and KU take place under the Open Access Transmission Tariff with intercompany allocations for revenues and expenses determined by the Transmission Coordination Agreement between the Companies. The Tariff is evergreen and the Transmission Coordination Agreement automatically renews unless terminated.
**Schedule Page: 328 Line No.: 11 Column: m**
Schedule 1 and Schedule 2 charges
**Schedule Page: 328 Line No.: 12 Column: m**

| Name of Respondent<br>Louisville Gas and Electric Company | This Report is:<br>(1) X An Original<br>(2) __ A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>/ / | Year/Period of Report<br>2017/Q4 |
|---|---|---|---|

FOOTNOTE DATA

Schedule 1 and Schedule 2 charges

**Schedule Page: 328 Line No.: 13 Column: m**
Schedule 1, Schedule 2, Schedule 3, Schedule 5 and Schedule 6 charges

**Schedule Page: 328 Line No.: 14 Column: m**
Schedule 1, Schedule 2, Schedule 3, Schedule 5 and Schedule 6 charges

**Schedule Page: 328 Line No.: 15 Column: m**
Schedule 1 and Schedule 2 charges

**Schedule Page: 328 Line No.: 16 Column: m**
Schedule 1 and Schedule 2 charges

**Schedule Page: 328 Line No.: 17 Column: m**
Schedule 1 and Schedule 2 charges

**Schedule Page: 328 Line No.: 18 Column: m**
Schedule 1 and Schedule 2 charges

**Schedule Page: 328 Line No.: 19 Column: m**
Schedule 1, Schedule 2, Schedule 3, Schedule 5 and Schedule 6 charges

**Schedule Page: 328 Line No.: 20 Column: m**
Schedule 1, Schedule 2, Schedule 3, Schedule 5 and Schedule 6 charges

**Schedule Page: 328 Line No.: 21 Column: m**
Schedule 1 and Schedule 2 charges

**Schedule Page: 328 Line No.: 22 Column: m**
Schedule 1 and Schedule 2 charges

**Schedule Page: 328 Line No.: 23 Column: m**
Schedule 1 and Schedule 2 charges

**Schedule Page: 328 Line No.: 24 Column: m**
Schedule 1 and Schedule 2 charges

**Schedule Page: 328 Line No.: 25 Column: m**
Schedule 1 and Schedule 2 charges

**Schedule Page: 328 Line No.: 26 Column: k**
True-up of prior periods

**Schedule Page: 328 Line No.: 26 Column: m**
True-up of prior periods

**Schedule Page: 328 Line No.: 27 Column: m**
True-up of prior periods

**Schedule Page: 328 Line No.: 28 Column: m**
LG&E receives ongoing monthly payments from MISO in a Joint Party Settlement Agreement related to uncompensated MISO usage above the 1,000 MW contract right.

**Schedule Page: 328 Line No.: 29 Column: m**
LG&E receives ongoing monthly payments from NRG in a Joint Party Settlement Agreement related to uncompensated MISO usage above the 1,000 MW contract right.

**Schedule Page: 328 Line No.: 30 Column: m**
Schedule 1 charges

**Schedule Page: 328 Line No.: 31 Column: m**
Schedule 1 charges

**Schedule Page: 328 Line No.: 32 Column: m**
Schedule 1 charges

**Schedule Page: 328 Line No.: 33 Column: m**
Schedule 1 charges

**Schedule Page: 328 Line No.: 34 Column: m**
Schedule 1 charges

**Schedule Page: 328.1 Line No.: 1 Column: m**
Schedule 1 charges

**Schedule Page: 328.1 Line No.: 2 Column: m**
Schedule 1 charges

**Schedule Page: 328.1 Line No.: 3 Column: m**
Schedule 1 charges

| Name of Respondent | This Report is: | Date of Report (Mo, Da, Yr) | Year/Period of Report |
|---|---|---|---|
| Louisville Gas and Electric Company | (1) X An Original<br>(2) __ A Resubmission | / / | 2017/Q4 |

FOOTNOTE DATA

***Schedule Page: 328.1 Line No.: 4 Column: m***

Schedule 1 charges

***Schedule Page: 328.1 Line No.: 5 Column: m***

Schedule 1 charges

***Schedule Page: 328.1 Line No.: 6 Column: m***

Schedule 1 charges

***Schedule Page: 328.1 Line No.: 6 Column: n***

This footnote is not to reference this cell, but the total on Line No.: 35, Column: n.

Reconciliation of revenues from transmission of electricity of others to amount reported in electric operating revenues:

| | |
|---|---|
| Schedule Page: 330.1, Line No.: 35, Column: n | $ 11,438,151 |
| Elimination of intracompany transmission revenues | (310,141) |
| Schedule Page: 300, Line No.: 22, Column: b | $ 11,128,010 |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year/Period of Report |
|---|---|---|---|
| Louisville Gas and Electric Company | (1) [X] An Original<br>(2) [ ] A Resubmission | / / | End of 2017/Q4 |

## TRANSMISSION OF ELECTRICITY BY ISO/RTOs

1. Report in Column (a) the Transmission Owner receiving revenue for the transmission of electricity by the ISO/RTO.
2. Use a separate line of data for each distinct type of transmission service involving the entities listed in Column (a).
3. In Column (b) enter a Statistical Classification code based on the original contractual terms and conditions of the service as follows: FNO – Firm Network Service for Others, FNS – Firm Network Transmission Service for Self, LFP – Long-Term Firm Point-to-Point Transmission Service, OLF – Other Long-Term Firm Transmission Service, SFP – Short-Term Firm Point-to-Point Transmission Reservation, NF – Non-Firm Transmission Service, OS – Other Transmission Service and AD- Out-of-Period Adjustments. Use this code for any accounting adjustments or “true-ups” for service provided in prior reporting periods. Provide an explanation in a footnote for each adjustment. See General Instruction for definitions of codes.
4. In column (c) identify the FERC Rate Schedule or tariff Number, on separate lines, list all FERC rate schedules or contract designations under which service, as identified in column (b) was provided.
5. In column (d) report the revenue amounts as shown on bills or vouchers.
6. Report in column (e) the total revenues distributed to the entity listed in column (a).

| Line No. | Payment Received by (Transmission Owner Name) (a) | Statistical Classification (b) | FERC Rate Schedule or Tariff Number (c) | Total Revenue by Rate Schedule or Tarirff (d) | Total Revenue (e) |
|---|---|---|---|---|---|
| 1 | | | | | |
| 2 | | | | | |
| 3 | | | | | |
| 4 | | | | | |
| 5 | | | | | |
| 6 | | | | | |
| 7 | | | | | |
| 8 | | | | | |
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| 30 | | | | | |
| 31 | | | | | |
| 32 | | | | | |
| 33 | | | | | |
| 34 | | | | | |
| 35 | | | | | |
| 36 | | | | | |
| 37 | | | | | |
| 38 | | | | | |
| 39 | | | | | |
| 40 | TOTAL | | | | |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year/Period of Report |
|---|---|---|---|
| Louisville Gas and Electric Company | (1) [X] An Original<br>(2) [ ] A Resubmission | / / | End of 2017/Q4 |

TRANSMISSION OF ELECTRICITY BY OTHERS (Account 565)
(Including transactions referred to as "wheeling")

1. Report all transmission, i.e. wheeling or electricity provided by other electric utilities, cooperatives, municipalities, other public authorities, qualifying facilities, and others for the quarter.
2. In column (a) report each company or public authority that provided transmission service. Provide the full name of the company, abbreviate if necessary, but do not truncate name or use acronyms. Explain in a footnote any ownership interest in or affiliation with the transmission service provider. Use additional columns as necessary to report all companies or public authorities that provided transmission service for the quarter reported.
3. In column (b) enter a Statistical Classification code based on the original contractual terms and conditions of the service as follows: FNS - Firm Network Transmission Service for Self, LFP - Long-Term Firm Point-to-Point Transmission Reservations. OLF - Other Long-Term Firm Transmission Service, SFP - Short-Term Firm Point-to- Point Transmission Reservations, NF - Non-Firm Transmission Service, and OS - Other Transmission Service. See General Instructions for definitions of statistical classifications.
4. Report in column (c) and (d) the total megawatt hours received and delivered by the provider of the transmission service.
5. Report in column (e), (f) and (g) expenses as shown on bills or vouchers rendered to the respondent. In column (e) report the demand charges and in column (f) energy charges related to the amount of energy transferred. On column (g) report the total of all other charges on bills or vouchers rendered to the respondent, including any out of period adjustments. Explain in a footnote all components of the amount shown in column (g). Report in column (h) the total charge shown on bills rendered to the respondent. If no monetary settlement was made, enter zero in column (h). Provide a footnote explaining the nature of the non-monetary settlement, including the amount and type of energy or service rendered.
6. Enter "TOTAL" in column (a) as the last line.
7. Footnote entries and provide explanations following all required data.

| Line No. | Name of Company or Public Authority (Footnote Affiliations) (a) | Statistical Classification (b) | TRANSFER OF ENERGY: Magawatt-hours Received (c) | TRANSFER OF ENERGY: Magawatt-hours Delivered (d) | EXPENSES FOR TRANSMISSION OF ELECTRICITY BY OTHERS: Demand Charges ($) (e) | Energy Charges ($) (f) | Other Charges ($) (g) | Total Cost of Transmission ($) (h) |
|---|---|---|---|---|---|---|---|---|
| 1 | LG&E/KU | LFP | 29,522 | 29,522 | 70,027 | | 5,162 | 75,189 |
| 2 | LG&E/KU | SFP | 8,749 | 8,749 | 28,434 | | 1,498 | 29,932 |
| 3 | LG&E/KU | NF | 209,691 | 209,691 | | 780,449 | 46,008 | 826,457 |
| 4 | PJM Interconnect | NF | 456 | 456 | | 368 | 5,296 | 5,664 |
| 5 | PJM Interconnect | AD | | | | | 108 | 108 |
| 6 | | | | | | | | |
| 7 | | | | | | | | |
| 8 | | | | | | | | |
| 9 | | | | | | | | |
| 10 | | | | | | | | |
| 11 | | | | | | | | |
| 12 | | | | | | | | |
| 13 | | | | | | | | |
| 14 | | | | | | | | |
| 15 | | | | | | | | |
| 16 | | | | | | | | |
| | TOTAL | | 248,418 | 248,418 | 98,461 | 780,817 | 58,072 | 937,350 |

| Name of Respondent<br>Louisville Gas and Electric Company | This Report is:<br>(1) X An Original<br>(2) __ A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>/ / | Year/Period of Report<br>2017/Q4 |
|---|---|---|---|

FOOTNOTE DATA

***Schedule Page: 332 Line No.: 1 Column: a***

LG&E and KU are owned by PPL.

***Schedule Page: 332 Line No.: 1 Column: b***

Long-Term Firm purchases by LG&E and KU take place under the Open Access Transmission Tariff (OATT) with intercompany allocations for revenues and expenses determined by the Transmission Coordination Agreement between the Companies. The Tariff is evergreen and the Transmission Coordination Agreement automatically renews unless terminated.

***Schedule Page: 332 Line No.: 1 Column: g***

Schedule 1 and Schedule 2 charges

***Schedule Page: 332 Line No.: 2 Column: a***

LG&E and KU are owned by PPL.

***Schedule Page: 332 Line No.: 2 Column: g***

Schedule 1 and Schedule 2 charges

***Schedule Page: 332 Line No.: 3 Column: a***

LG&E and KU are owned by PPL.

***Schedule Page: 332 Line No.: 3 Column: g***

Schedule 1 and Schedule 2 charges

***Schedule Page: 332 Line No.: 4 Column: g***

Schedule 1 and Schedule 2 charges

***Schedule Page: 332 Line No.: 5 Column: g***

True-up of prior periods of Black Start service charges

***Schedule Page: 332 Line No.: 5 Column: h***

This footnote is not to reference this cell, but the total on Line No.: 17, Column: h.

Reconciliation of transmission of electricity by others to amount reported in transmission expenses:

| | |
|---|---|
| Schedule Page: 332, Line No.: 17, Column: h | $ 937,350 |
| Elimination of intracompany transmission expenses | (310,141) |
| Schedule Page: 321, Line No.: 96, Column: b | $ 627,209 |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year/Period of Report |
|---|---|---|---|
| Louisville Gas and Electric Company | (1) [X] An Original<br>(2) [ ] A Resubmission | / / | End of 2017/Q4 |

MISCELLANEOUS GENERAL EXPENSES (Account 930.2) (ELECTRIC)

| Line No. | Description (a) | Amount (b) |
|---|---|---|
| 1 | Industry Association Dues | 647,776 |
| 2 | Nuclear Power Research Expenses | |
| 3 | Other Experimental and General Research Expenses | 2,269,751 |
| 4 | Pub & Dist Info to Stkhldrs...expn servicing outstanding Securities | |
| 5 | Oth Expn >=5,000 show purpose, recipient, amount. Group if < $5,000 | |
| 6 | PPL Services Corporation: | |
| 7 | Stockholder and Debt Service Expenses | 286,385 |
| 8 | Amortization of Regulatory Asset: | |
| 9 | Swap Termination (Wachovia) | 294,345 |
| 10 | Direct Employers Association Inc: | |
| 11 | Recruiting Expenses | 5,175 |
| 12 | Various Vendors (< $5,000 each): | |
| 13 | Recruiting Expenses | 3,666 |
| 14 | Cell Phone Expenses | 6,332 |
| 15 | Miscellaneous | 10,002 |
| 16 | | |
| 17 | | |
| 18 | | |
| 19 | | |
| 20 | | |
| 21 | | |
| 22 | | |
| 23 | | |
| 24 | | |
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| 35 | | |
| 36 | | |
| 37 | | |
| 38 | | |
| 39 | | |
| 40 | | |
| 41 | | |
| 42 | | |
| 43 | | |
| 44 | | |
| 45 | | |
| 46 | TOTAL | 3,523,432 |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year/Period of Report |
|---|---|---|---|
| Louisville Gas and Electric Company | (1) [X] An Original<br>(2) [ ] A Resubmission | / / | End of 2017/Q4 |

DEPRECIATION AND AMORTIZATION OF ELECTRIC PLANT (Account 403, 404, 405)
(Except amortization of aquisition adjustments)

1. Report in section A for the year the amounts for : (b) Depreciation Expense (Account 403; (c) Depreciation Expense for Asset Retirement Costs (Account 403.1; (d) Amortization of Limited-Term Electric Plant (Account 404); and (e) Amortization of Other Electric Plant (Account 405).
2. Report in Section 8 the rates used to compute amortization charges for electric plant (Accounts 404 and 405). State the basis used to compute charges and whether any changes have been made in the basis or rates used from the preceding report year.
3. Report all available information called for in Section C every fifth year beginning with report year 1971, reporting annually only changes to columns (c) through (g) from the complete report of the preceding year.
Unless composite depreciation accounting for total depreciable plant is followed, list numerically in column (a) each plant subaccount, account or functional classification, as appropriate, to which a rate is applied. Identify at the bottom of Section C the type of plant included in any sub-account used.
In column (b) report all depreciable plant balances to which rates are applied showing subtotals by functional Classifications and showing composite total. Indicate at the bottom of section C the manner in which column balances are obtained. If average balances, state the method of averaging used.
For columns (c), (d), and (e) report available information for each plant subaccount, account or functional classification Listed in column (a). If plant mortality studies are prepared to assist in estimating average service Lives, show in column (f) the type mortality curve selected as most appropriate for the account and in column (g), if available, the weighted average remaining life of surviving plant. If composite depreciation accounting is used, report available information called for in columns (b) through (g) on this basis.
4. If provisions for depreciation were made during the year in addition to depreciation provided by application of reported rates, state at the bottom of section C the amounts and nature of the provisions and the plant items to which related.

A. Summary of Depreciation and Amortization Charges

| Line No. | Functional Classification (a) | Depreciation Expense (Account 403) (b) | Depreciation Expense for Asset Retirement Costs (Account 403.1) (c) | Amortization of Limited Term Electric Plant (Account 404) (d) | Amortization of Other Electric Plant (Acc 405) (e) | Total (f) |
|---|---|---|---|---|---|---|
| 1 | Intangible Plant | | | | | |
| 2 | Steam Production Plant | 66,302,126 | | | | 66,302,126 |
| 3 | Nuclear Production Plant | | | | | |
| 4 | Hydraulic Production Plant-Conventional | 3,375,647 | | | | 3,375,647 |
| 5 | Hydraulic Production Plant-Pumped Storage | | | | | |
| 6 | Other Production Plant | 14,742,488 | | | | 14,742,488 |
| 7 | Transmission Plant | 8,810,214 | | | | 8,810,214 |
| 8 | Distribution Plant | 35,780,968 | | | | 35,780,968 |
| 9 | Regional Transmission and Market Operation | | | | | |
| 10 | General Plant | 1,146,304 | | | | 1,146,304 |
| 11 | Common Plant-Electric | 6,303,240 | | 10,224,814 | | 16,528,054 |
| 12 | TOTAL | 136,460,987 | | 10,224,814 | | 146,685,801 |

B. Basis for Amortization Charges

| ACCOUNT | RATE | PLANT BALANCE @ 12/31/2017 | AMORTIZATION | |
|---|---|---|---|---|
| 330300 | 22% | $ 56,989,993 | $ 6,615,184 | |
| 330310 | 10% | 56,702,715 | 3,609,630 | |
| | | | ----------------------- | |
| | | | $ 10,224,814 | Column (d) |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year/Period of Report |
|---|---|---|---|
| Louisville Gas and Electric Company | (1) [X] An Original<br>(2) [ ] A Resubmission | / / | End of 2017/Q4 |

DEPRECIATION AND AMORTIZATION OF ELECTRIC PLANT (Continued)

C. Factors Used in Estimating Depreciation Charges

| Line No. | Account No. (a) | Depreciable Plant Base (In Thousands) (b) | Estimated Avg. Service Life (c) | Net Salvage (Percent) (d) | Applied Depr. rates (Percent) (e) | Mortality Curve Type (f) | Average Remaining Life (g) |
|---|---|---|---|---|---|---|---|
| 12 | Electric Plant | | | | | | |
| 13 | Elec Intangible Plant | 2 | | | | | |
| 14 | Steam Production Plant | | | | | | |
| 15 | 310.20 - Land | 8,873 | | | | | |
| 16 | | | | | | | |
| 17 | 311 Strctrs & Imprvmts | | | | | | |
| 18 | 0112 Cane Run Unit 1 | 1,786 | 95.00 | -10.00 | | 95-R2.5 | |
| 19 | 0121 Cane Run Unit 2 | 1,228 | 95.00 | -10.00 | | 95-R2.5 | |
| 20 | 0131 Cane Run Unit 3 | 2,035 | 95.00 | -10.00 | | 95-R2.5 | |
| 21 | 0141 Cane Run Unit 4 | 1,913 | 95.00 | -10.00 | | 95-R2.5 | |
| 22 | 0142 Cane Run 4 FGD | 17 | 95.00 | -10.00 | | 95-R2.5 | |
| 23 | 0151 Cane Run Unit 5 | 2,776 | 100.00 | -10.00 | | 100-S1 | 4.00 |
| 24 | 0152 Cane Run 5 FGD | | 100.00 | | | 100-S1 | |
| 25 | 0161 Cane Run Unit 6 | 7,056 | 100.00 | -10.00 | | 100-S1 | 4.00 |
| 26 | 0162 Cane Run 6 FGD | | 100.00 | | | 100-S1 | |
| 27 | 0211 Mill Creek Unit 1 | 21,232 | 95.00 | -10.00 | 1.08 | 95-R2.5 | 16.20 |
| 28 | 0212 Mill Creek 1 FGD | | 100.00 | | | 100-S1 | |
| 29 | 0221 Mill Creek Unit 2 | 14,161 | 95.00 | -10.00 | 1.10 | 95-R2.5 | 18.20 |
| 30 | 0222 Mill Creek 2 FGD | 4,971 | 95.00 | -10.00 | | 95-R2.5 | 18.40 |
| 31 | 0231 Mill Creek Unit 3 | 29,123 | 95.00 | -10.00 | 1.06 | 95-R2.5 | 21.80 |
| 32 | 0232 Mill Creek 3 FGD | 5,495 | 95.00 | -10.00 | | 95-R2.5 | 21.70 |
| 33 | 0241 Mill Creek Unit 4 | 73,281 | 95.00 | -10.00 | 1.84 | 95-R2.5 | 25.80 |
| 34 | 0241 MC U4 RP Dist Cen | 5,310 | 95.00 | -25.00 | 1.84 | 95-R2.5 | 46.00 |
| 35 | 0242 Mill Creek 4 FGD | 5,792 | 95.00 | -10.00 | 0.56 | 95-R2.5 | 26.10 |
| 36 | 0311 Trimble Cty 1 | 107,482 | 95.00 | -16.00 | 1.77 | 95-R2.5 | 32.90 |
| 37 | 0312 Trimble Cty 1 FGD | 889 | 95.00 | -16.00 | 1.13 | 95-R2.5 | 33.70 |
| 38 | 0321 Trimble Cty 2 | 17,403 | 95.00 | -16.00 | 2.34 | 95-R2.5 | 48.50 |
| 39 | 0322 Trimble Cty 2 FGD | 85 | 95.00 | -16.00 | 2.34 | 95-R2.5 | 48.50 |
| 40 | | | | | | | |
| 41 | 312 Boiler Plant Eqpmt | | | | | | |
| 42 | 0112 Cane Run Unit 1 | | 50.00 | | | FUL. ACC. | |
| 43 | 0121 Cane Run Unit 2 | | 50.00 | | | FUL. ACC. | |
| 44 | 0131 Cane Run Unit 3 | | 50.00 | | | FUL. ACC. | |
| 45 | 0141 Cane Run Unit 4 | 119 | 54.00 | -10.00 | | 54-R1.5 | |
| 46 | 0142 Cane Run 4 FGD | | 50.00 | | | 50-R1.5 | |
| 47 | 0151 Cane Run Unit 5 | 156 | 54.00 | -10.00 | | 54-R1.5 | |
| 48 | 0152 Cane Run 5 FGD | 10 | 54.00 | -10.00 | | 54-R1.5 | |
| 49 | 0161 Cane Run Unit 6 | 5,574 | 54.00 | -10.00 | | 54-R1.5 | |
| 50 | 0162 Cane Run 6 FGD | 86 | 54.00 | -10.00 | | 54-R1.5 | |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year/Period of Report |
|---|---|---|---|
| Louisville Gas and Electric Company | (1) [X] An Original<br>(2) [ ] A Resubmission | / / | End of 2017/Q4 |

DEPRECIATION AND AMORTIZATION OF ELECTRIC PLANT (Continued)

C. Factors Used in Estimating Depreciation Charges

| Line No. | Account No. (a) | Depreciable Plant Base (In Thousands) (b) | Estimated Avg. Service Life (c) | Net Salvage (Percent) (d) | Applied Depr. rates (Percent) (e) | Mortality Curve Type (f) | Average Remaining Life (g) |
|---|---|---|---|---|---|---|---|
| 12 | 0211 Mill Creek Unit 1 | 182,136 | 54.00 | -10.00 | 2.82 | 54-R1.5 | 15.80 |
| 13 | 0211 MC Unit 1 - AP | 412 | 100.00 | | | 100-S4 | 16.40 |
| 14 | 0212 Mill Creek 1 FGD | 16,929 | 54.00 | -10.00 | 1.96 | 54-R1.5 | 15.50 |
| 15 | 0221 Mill Creek Unit 2 | 198,502 | 54.00 | -10.00 | 3.16 | 54-R1.5 | 17.60 |
| 16 | 0222 Mill Creek 2 FGD | 114,822 | 54.00 | -10.00 | 1.56 | 54-R1.5 | 17.80 |
| 17 | 0231 Mill Creek Unit 3 | 277,197 | 54.00 | -10.00 | 2.94 | 54-R1.5 | 20.40 |
| 18 | 0231 MC Unit 3 - AP | 1,264 | 100.00 | | | 100-S4 | 20.40 |
| 19 | 0232 Mill Creek 3 FGD | 150,337 | 54.00 | -10.00 | 2.42 | 54-R1.5 | 20.40 |
| 20 | 0241 Mill Creek Unit 4 | 471,457 | 54.00 | -10.00 | 2.83 | 54-R1.5 | 24.20 |
| 21 | 0242 Mill Creek 4 FGD | 206,349 | 54.00 | -10.00 | 1.74 | 54-R1.5 | 24.60 |
| 22 | 0311 Trimble Cty 1 | 322,918 | 54.00 | -16.00 | 2.83 | 54-R1.5 | 29.60 |
| 23 | 0311 TC 1 - Ash Pond | 4,868 | 100.00 | | | 100-S4 | 34.50 |
| 24 | 0312 Trimble Cty 1 FGD | 66,838 | 54.00 | -16.00 | 1.39 | 54-R1.5 | 28.10 |
| 25 | 0321 Trimble Cty 2 | 146,448 | 54.00 | -16.00 | 2.74 | 54-R1.5 | 41.50 |
| 26 | 0321 TC 2 - Ash Pond | 5,057 | 100.00 | | | 100-S4 | 34.50 |
| 27 | 0322 Trimble Cty 2 FGD | 15,152 | 54.00 | -16.00 | 2.75 | 54-R1.5 | 41.50 |
| 28 | | | | | | | |
| 29 | 314 Turbogenerator Unt | | | | | | |
| 30 | 0112 Cane Run Unit 1 | | 60.00 | | | FUL. ACC. | |
| 31 | 0121 Cane Run Unit 2 | | 60.00 | | | FUL. ACC. | |
| 32 | 0131 Cane Run Unit 3 | | 60.00 | | | FUL. ACC. | |
| 33 | 0141 Cane Run Unit 4 | 1,099 | 60.00 | -10.00 | | 60-R2.5 | |
| 34 | 0151 Cane Run Unit 5 | 81 | 60.00 | -10.00 | | 60-R2.5 | |
| 35 | 0161 Cane Run Unit 6 | | 60.00 | | | 60-S1.5 | 4.00 |
| 36 | 0211 Mill Creek Unit 1 | 25,971 | 60.00 | -10.00 | 1.15 | 60-R2.5 | 15.90 |
| 37 | 0221 Mill Creek Unit 2 | 28,261 | 60.00 | -10.00 | 1.66 | 60-R2.5 | 17.80 |
| 38 | 0231 Mill Creek Unit 3 | 34,874 | 60.00 | -10.00 | 2.13 | 60-R2.5 | 20.90 |
| 39 | 0241 Mill Creek Unit 4 | 55,058 | 60.00 | -10.00 | 1.75 | 60-R2.5 | 24.50 |
| 40 | 0311 Trimble Cty 1 | 59,538 | 60.00 | -16.00 | 2.43 | 60-R2.5 | 30.30 |
| 41 | 0321 Trimble Cty 2 | 21,967 | 60.00 | -16.00 | 2.35 | 60-R2.5 | 43.60 |
| 42 | | | | | | | |
| 43 | 315 Accessry Elec Eqpm | | | | | | |
| 44 | 0112 Cane Run Unit 1 | | 55.00 | | | FUL. ACC. | |
| 45 | 0121 Cane Run Unit 2 | | 55.00 | | | FUL. ACC. | |
| 46 | 0131 Cane Run Unit 3 | | 55.00 | | | FUL. ACC. | |
| 47 | 0141 Cane Run Unit 4 | | 55.00 | | | FUL. ACC. | |
| 48 | 0142 Cane Run 4 FGD | | 55.00 | | | FUL. ACC. | |
| 49 | 0151 Cane Run Unit 5 | | 55.00 | | | 55-S2 | 4.00 |
| 50 | 0152 Cane Run 5 FGD | | 55.00 | | | FUL. ACC. | |

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|---|---|---|---|
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DEPRECIATION AND AMORTIZATION OF ELECTRIC PLANT (Continued)

C. Factors Used in Estimating Depreciation Charges

| Line No. | Account No. (a) | Depreciable Plant Base (In Thousands) (b) | Estimated Avg. Service Life (c) | Net Salvage (Percent) (d) | Applied Depr. rates (Percent) (e) | Mortality Curve Type (f) | Average Remaining Life (g) |
|---|---|---|---|---|---|---|---|
| 12 | 0161 Cane Run Unit 6 | | 55.00 | | | 55-S2 | 4.00 |
| 13 | 0162 Cane Run 6 FGD | | 55.00 | | | FUL. ACC. | |
| 14 | 0211 Mill Creek Unit 1 | 18,582 | 60.00 | -10.00 | 3.06 | 60-R3 | 15.90 |
| 15 | 0212 Mill Creek 1 FGD | 202 | 55.00 | -10.00 | | 55-S2 | |
| 16 | 0221 Mill Creek Unit 2 | 13,147 | 60.00 | -10.00 | 1.98 | 60-R3 | 17.40 |
| 17 | 0222 Mill Creek 2 FGD | 2,695 | 60.00 | -10.00 | | 60-R3 | 18.40 |
| 18 | 0231 Mill Creek Unit 3 | 26,791 | 60.00 | -10.00 | 1.02 | 60-R3 | 20.10 |
| 19 | 0232 Mill Creek 3 FGD | 9,792 | 60.00 | -10.00 | | 60-R3 | 20.30 |
| 20 | 0241 Mill Creek Unit 4 | 31,006 | 60.00 | -10.00 | 1.66 | 60-R3 | 24.20 |
| 21 | 0242 Mill Creek 4 FGD | 1,664 | 60.00 | -10.00 | 0.42 | 60-R3 | 26.10 |
| 22 | 0311 Trimble Cty 1 | 65,099 | 60.00 | -16.00 | 2.23 | 60-R3 | 29.50 |
| 23 | 0312 Trimble Cty 1 FGD | 2,737 | 60.00 | -16.00 | 0.98 | 60-R3 | 29.20 |
| 24 | 0321 Trimble Cty 2 | 10,679 | 60.00 | -16.00 | 2.55 | 60-R3 | 46.00 |
| 25 | | | | | | | |
| 26 | 316 Misc Plant Eqpmt | | | | | | |
| 27 | 0112 Cane Run Unit 1 | | 50.00 | -10.00 | | 50-R2.5 | |
| 28 | 0131 Cane Run Unit 3 | | 50.00 | -10.00 | | 50-R2.5 | |
| 29 | 0141 Cane Run Unit 4 | | 45.00 | | | FUL. ACC. | |
| 30 | 0142 Cane Run 4 FGD | | 45.00 | | | 45-R2.5 | |
| 31 | 0151 Cane Run Unit 5 | 133 | 50.00 | -10.00 | | 50-R2.5 | |
| 32 | 0152 Cane Run 5 FGD | | 50.00 | -10.00 | | 50-R2.5 | |
| 33 | 0161 Cane Run Unit 6 | 475 | 45.00 | -10.00 | | 45-R2.5 | 4.00 |
| 34 | 0162 Cane Run 6 FGD | | 45.00 | | | 45-R2.5 | |
| 35 | 0211 Mill Creek Unit 1 | 1,037 | 50.00 | -10.00 | 2.80 | 50-R2.5 | 14.50 |
| 36 | 0221 Mill Creek Unit 2 | 141 | 50.00 | -10.00 | 1.96 | 50-R2.5 | 16.80 |
| 37 | 0231 Mill Creek Unit 3 | 348 | 50.00 | -10.00 | 1.36 | 50-R2.5 | 20.10 |
| 38 | 0241 MIll Creek Unit 4 | 10,935 | 50.00 | -10.00 | 3.02 | 50-R2.5 | 24.30 |
| 39 | 0241 MC U4 RP Dist Cen | 583 | 50.00 | -5.00 | 3.02 | 50-R2.5 | 41.10 |
| 40 | 0242 Mill Creek 4 FGD | 43 | 50.00 | -10.00 | 2.28 | 50-R2.5 | 25.00 |
| 41 | 0311 Trimble Cty 1 | 3,094 | 50.00 | -16.00 | 2.75 | 50-R2.5 | 27.20 |
| 42 | 0321 Trimble Cty 2 | 3,529 | 50.00 | -16.00 | 2.83 | 50-R2.5 | 42.00 |
| 43 | | | | | | | |
| 44 | 317 Asset Rtiremt Oblg | 96,996 | | | | | |
| 45 | | | | | | | |
| 46 | Hydraulic Prodctn Plnt | | | | | | |
| 47 | Project 289 | | | | | | |
| 48 | 0451 - Ohio Falls | | | | | | |
| 49 | 330.20 Land | | | | | | |
| 50 | 331 Strctrs & Imprvmts | 12,805 | 100.00 | -2.00 | 1.59 | 100-S2 | 29.70 |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year/Period of Report |
|---|---|---|---|
| Louisville Gas and Electric Company | (1) [X] An Original<br>(2) [ ] A Resubmission | / / | End of 2017/Q4 |

DEPRECIATION AND AMORTIZATION OF ELECTRIC PLANT (Continued)

C. Factors Used in Estimating Depreciation Charges

| Line No. | Account No. (a) | Depreciable Plant Base (In Thousands) (b) | Estimated Avg. Service Life (c) | Net Salvage (Percent) (d) | Applied Depr. rates (Percent) (e) | Mortality Curve Type (f) | Average Remaining Life (g) |
|---|---|---|---|---|---|---|---|
| 12 | 332 Resrvrs Dams Wtrty | 24,493 | 100.00 | -2.00 | 0.91 | 100-S2.5 | 93.30 |
| 13 | 333 Wtr Whls Trbns Gen | 91,627 | 100.00 | -2.00 | 3.24 | 100-R3 | 29.60 |
| 14 | 334 Accessry Elec Eqpm | 13,070 | 80.00 | -2.00 | 2.39 | 80-R4 | 29.60 |
| 15 | 335 Misc Pwr Plnt Eqpm | 3,561 | 80.00 | -2.00 | 3.10 | 80-R2.5 | 29.10 |
| 16 | 336 Rds Railrds Bridge | 29 | 80.00 | -2.00 | 2.32 | 80-S4 | 16.80 |
| 17 | | | | | | | |
| 18 | Hydraulic Prodctn Plnt | | | | | | |
| 19 | Other Than Proj 289 | | | | | | |
| 20 | 0450 - Ohio Falls | | | | | | |
| 21 | 330.20 Land | | | | | | |
| 22 | 331 Strctrs & Imprvmts | 66 | 100.00 | -2.00 | 1.43 | 100-S2 | 26.60 |
| 23 | 335 Misc Pwr Plnt Eqpm | 25 | 80.00 | -2.00 | 2.77 | 80-R2.5 | 28.00 |
| 24 | 336 Rds Railrds Bridge | 1 | 80.00 | -2.00 | | 80-S4 | 19.30 |
| 25 | 337 Asset Rtiremt Oblg | 467 | | | | | |
| 26 | | | | | | | |
| 27 | Other Production Plant | | | | | | |
| 28 | 340.20 Land | 124 | | | | | |
| 29 | | | | | | | |
| 30 | 341 Strctrs & Imprvmts | | | | | | |
| 31 | 0171 Cane Run GT 11 | 329 | 55.00 | -4.00 | 19.67 | 55-R4 | 2.50 |
| 32 | 0172 Cane Run Unit 7 | 16,950 | 55.00 | -7.00 | 2.16 | 55-R4 | 38.40 |
| 33 | 0410 Zorn and River | 8 | 55.00 | -5.00 | | 55-R4 | |
| 34 | 0431 Paddys Run Gen 12 | 64 | 55.00 | -9.00 | 6.75 | 55-R4 | 2.50 |
| 35 | 0432 Paddys Run Gen 13 | 2,466 | 55.00 | -9.00 | 4.25 | 55-R4 | 15.40 |
| 36 | 0459 Brown CT5 | 1,172 | 55.00 | -9.00 | 3.97 | 55-R4 | 15.40 |
| 37 | 0460 Brown CT6 | 106 | 55.00 | -9.00 | 4.54 | 55-R4 | 13.40 |
| 38 | 0461 Brown CT7 | 144 | 55.00 | -9.00 | 4.53 | 55-R4 | 13.40 |
| 39 | 0470 Trimble Cty CT5 | 1,556 | 55.00 | -6.00 | 3.72 | 55-R4 | 16.40 |
| 40 | 0471 Trimble Cty CT6 | 1,468 | 55.00 | -6.00 | 3.70 | 55-R4 | 16.40 |
| 41 | 0474 Trimble Cty CT7 | 2,084 | 55.00 | -6.00 | 3.62 | 55-R4 | 18.30 |
| 42 | 0475 Trimble Cty CT8 | 2,076 | 55.00 | -6.00 | 3.62 | 55-R4 | 18.30 |
| 43 | 0476 Trimble Cty CT9 | 2,137 | 55.00 | -6.00 | 3.64 | 55-R4 | 18.30 |
| 44 | 0477 Trimble Cty CT10 | 2,133 | 55.00 | -6.00 | 3.64 | 55-R4 | 18.30 |
| 45 | 5648 Brown Solar | 924 | 40.00 | -5.00 | 4.24 | 40-S3 | 24.80 |
| 46 | | | | | | | |
| 47 | 342 Fuel Holders Prdcr | | | | | | |
| 48 | 0171 Cane Run GT 11 | 319 | 55.00 | -4.00 | 19.79 | 55-R2.5 | 2.50 |
| 49 | 0172 Cane Run Unit 7 | 1,761 | 55.00 | -7.00 | 2.85 | 55-R2.5 | 37.10 |
| 50 | 0173 Cane Run CT PL | 6,602 | 55.00 | -7.00 | 2.85 | 55-R2.5 | 37.10 |

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DEPRECIATION AND AMORTIZATION OF ELECTRIC PLANT (Continued)

C. Factors Used in Estimating Depreciation Charges

| Line No. | Account No. (a) | Depreciable Plant Base (In Thousands) (b) | Estimated Avg. Service Life (c) | Net Salvage (Percent) (d) | Applied Depr. rates (Percent) (e) | Mortality Curve Type (f) | Average Remaining Life (g) |
|---|---|---|---|---|---|---|---|
| 12 | 0410 Zorn & River | 23 | 55.00 | -5.00 | 9.31 | 55-R2.5 | 3.50 |
| 13 | 0430 Paddys Run Gen 11 | 9 | 55.00 | -9.00 | | 55-R2.5 | |
| 14 | 0431 Paddys Run Gen 12 | 22 | 55.00 | -9.00 | 9.54 | 55-R2.5 | 2.50 |
| 15 | 0432 Paddys Run Gen 13 | 2,235 | 55.00 | -9.00 | 4.00 | 55-R2.5 | 15.00 |
| 16 | 0433 Paddys Run CT Ppl | 7,693 | 45.00 | -9.00 | 2.73 | 45-R2.5 | 15.00 |
| 17 | 0459 Brown CT5 | 847 | 55.00 | -9.00 | 4.43 | 55-R2.5 | 15.00 |
| 18 | 0460 Brown CT6 | 745 | 55.00 | -9.00 | 6.73 | 55-R2.5 | 13.30 |
| 19 | 0461 Brown CT7 | 484 | 55.00 | -9.00 | 7.88 | 55-R2.5 | 13.30 |
| 20 | 0470 Trimble Cty CT5 | 98 | 55.00 | -6.00 | 3.77 | 55-R2.5 | 16.00 |
| 21 | 0471 Trimble Cty CT6 | 98 | 55.00 | -6.00 | 3.77 | 55-R2.5 | 16.00 |
| 22 | 0473 Trim Cty Pipeline | 2,320 | 55.00 | -6.00 | 3.40 | 55-R2.5 | 17.80 |
| 23 | 0474 Trimble Cty CT7 | 338 | 55.00 | -6.00 | 3.70 | 55-R2.5 | 17.90 |
| 24 | 0475 Trimble Cty CT8 | 337 | 55.00 | -6.00 | 3.70 | 55-R2.5 | 17.90 |
| 25 | 0476 Trimble Cty CT9 | 347 | 55.00 | -6.00 | 3.71 | 55-R2.5 | 17.90 |
| 26 | 0477 Trimble Cty CT10 | 362 | 55.00 | -6.00 | 3.72 | 55-R2.5 | 17.90 |
| 27 | | | | | | | |
| 28 | 343 Prime Movers | | | | | | |
| 29 | 0171 Cane Run Gt 11 | 23 | 35.00 | -4.00 | | 35-R2 | 2.50 |
| 30 | 0172 Cane Run Unit 7 | 73,914 | 35.00 | -7.00 | 3.33 | 35-R2 | 31.60 |
| 31 | 0432 Paddys Run Gen 13 | 22,293 | 35.00 | -9.00 | 5.60 | 35-R2 | 14.10 |
| 32 | 0459 Brown CT5 | 20,384 | 35.00 | -9.00 | 4.40 | 35-R2 | 13.90 |
| 33 | 0460 Brown CT6 | 20,131 | 35.00 | -9.00 | 6.17 | 35-R2 | 12.40 |
| 34 | 0461 Brown CT7 | 18,615 | 35.00 | -9.00 | 5.20 | 35-R2 | 12.30 |
| 35 | 0470 Trimble Cty CT5 | 15,700 | 35.00 | -6.00 | 4.34 | 35-R2 | 14.80 |
| 36 | 0471 Trimble Cty CT6 | 14,427 | 35.00 | -6.00 | 4.35 | 35-R2 | 14.80 |
| 37 | 0474 Trimble Cty CT7 | 14,713 | 35.00 | -6.00 | 4.37 | 35-R2 | 16.60 |
| 38 | 0475 Trimble Cty CT8 | 14,745 | 35.00 | -6.00 | 4.42 | 35-R2 | 16.60 |
| 39 | 0476 Trimble Cty CT9 | 14,530 | 35.00 | -6.00 | 4.34 | 35-R2 | 16.50 |
| 40 | 0477 Trimble Cty CT10 | 14,579 | 35.00 | -6.00 | 4.34 | 35-R2 | 16.60 |
| 41 | | | | | | | |
| 42 | 344 Generators | | | | | | |
| 43 | 0171 Cane Run GT 11 | 2,910 | 60.00 | -4.00 | 5.68 | 60-S3 | 2.50 |
| 44 | 0172 Cane Run Unit 7 | 16,236 | 60.00 | -7.00 | 2.70 | 60-S3 | 39.00 |
| 45 | 0410 Zorn & River | 1,823 | 60.00 | -5.00 | | 60-S3 | |
| 46 | 0430 Paddys Run Gen 11 | 1,540 | 60.00 | -9.00 | | 60-S3 | |
| 47 | 0431 Paddys Run Gen 12 | 3,335 | 60.00 | -9.00 | | 60-S3 | |
| 48 | 0432 Paddys Run Gen 13 | 6,150 | 60.00 | -9.00 | 4.36 | 60-S3 | 15.40 |
| 49 | 0459 Brown CT5 | 3,285 | 60.00 | -9.00 | 4.05 | 60-S3 | 15.40 |
| 50 | 0460 Brown CT6 | 2,449 | 60.00 | -9.00 | 4.32 | 60-S3 | 13.50 |

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DEPRECIATION AND AMORTIZATION OF ELECTRIC PLANT (Continued)

C. Factors Used in Estimating Depreciation Charges

| Line No. | Account No. (a) | Depreciable Plant Base (In Thousands) (b) | Estimated Avg. Service Life (c) | Net Salvage (Percent) (d) | Applied Depr. rates (Percent) (e) | Mortality Curve Type (f) | Average Remaining Life (g) |
|---|---|---|---|---|---|---|---|
| 12 | 0461 Brown CT7 | 2,450 | 60.00 | -9.00 | 4.38 | 60-S3 | 13.50 |
| 13 | 0470 Trimble Cty CT5 | 1,636 | 60.00 | -6.00 | 3.73 | 60-S3 | 16.40 |
| 14 | 0471 Trimble Cty CT6 | 1,596 | 60.00 | -6.00 | 3.73 | 60-S3 | 16.40 |
| 15 | 0474 Trimble Cty CT7 | 1,756 | 60.00 | -6.00 | 3.64 | 60-S3 | 18.40 |
| 16 | 0475 Trimble Cty CT8 | 1,746 | 60.00 | -6.00 | 3.64 | 60-S3 | 18.40 |
| 17 | 0476 Trimble Cty CT9 | 1,997 | 60.00 | -6.00 | 3.66 | 60-S3 | 18.40 |
| 18 | 0477 Trimble Cty CT10 | 1,753 | 60.00 | -6.00 | 3.66 | 60-S3 | 18.40 |
| 19 | 5648 Brown Solar | 8,363 | 30.00 | -5.00 | 4.61 | 30-S1.5 | 22.80 |
| 20 | | | | | | | |
| 21 | 345 Accessry Elec Eqpm | | | | | | |
| 22 | 0171 Cane Run GT 11 | 144 | 45.00 | -4.00 | 5.37 | 45-S2.5 | 2.50 |
| 23 | 0172 Cane Run Unit 7 | 7,364 | 45.00 | -7.00 | 2.88 | 45-S2.5 | 36.50 |
| 24 | 0410 Zorn & River | 95 | 45.00 | -5.00 | 14.60 | 45-S2.5 | 3.40 |
| 25 | 0430 Paddys Run Gen 11 | 592 | 45.00 | -9.00 | 38.28 | 45-S2.5 | 2.50 |
| 26 | 0431 Paddys Run Gen 12 | 898 | 45.00 | -9.00 | 18.33 | 45-S2.5 | 2.50 |
| 27 | 0432 Paddys Run Gen 13 | 2,843 | 45.00 | -9.00 | 4.10 | 45-S2.5 | 14.90 |
| 28 | 0459 Brown CT5 | 2,602 | 45.00 | -9.00 | 4.02 | 45-S2.5 | 14.90 |
| 29 | 0460 Brown CT6 | 980 | 45.00 | -9.00 | 4.48 | 45-S2.5 | 13.10 |
| 30 | 0461 Brown CT7 | 963 | 45.00 | -9.00 | 4.51 | 45-S2.5 | 13.00 |
| 31 | 0470 Trimble Cty CT5 | 740 | 45.00 | -6.00 | 4.26 | 45-S2.5 | 16.00 |
| 32 | 0471 Trimble Cty CT6 | 1,709 | 45.00 | -6.00 | 3.98 | 45-S2.5 | 15.90 |
| 33 | 0474 Trimble Cty CT7 | 2,169 | 45.00 | -6.00 | 4.06 | 45-S2.5 | 18.00 |
| 34 | 0475 Trimble Cty CT8 | 1,944 | 45.00 | -6.00 | 3.68 | 45-S2.5 | 17.80 |
| 35 | 0476 Trimble Cty CT9 | 1,898 | 45.00 | -6.00 | 3.87 | 45-S2.5 | 17.90 |
| 36 | 0477 Trimble Cty CT10 | 6,838 | 45.00 | -6.00 | 3.88 | 45-S2.5 | 17.90 |
| 37 | 5648 Brown Solar | 285 | 45.00 | -5.00 | 4.36 | 45-R2.5 | 24.10 |
| 38 | | | | | | | |
| 39 | 346 Misc Plant Eqpmt | | | | | | |
| 40 | 0172 Cane Run Unit 7 | 906 | 50.00 | -7.00 | 2.79 | 50-R4 | 38.30 |
| 41 | 0410 Zorn & River | 9 | 50.00 | -5.00 | 17.56 | 50-R4 | 3.50 |
| 42 | 0430 Paddys Run Gen 11 | 9 | 50.00 | -9.00 | 23.74 | 50-R4 | 2.50 |
| 43 | 0432 Paddys Run Gen 13 | 1,292 | 50.00 | -9.00 | 4.00 | 50-R4 | 15.30 |
| 44 | 0459 Brown CT5 | 2,412 | 50.00 | -9.00 | 4.01 | 50-R4 | 15.30 |
| 45 | 0460 Brown CT6 | 22 | 50.00 | -9.00 | 4.36 | 50-R4 | 13.40 |
| 46 | 0461 Brown CT7 | 23 | 50.00 | -9.00 | 4.42 | 50-R4 | 13.40 |
| 47 | 0470 Trimble Cty CT5 | 15 | 50.00 | -6.00 | 3.94 | 50-R4 | 16.40 |
| 48 | 0474 Trimble Cty CT7 | 5 | 50.00 | -6.00 | 3.69 | 50-R4 | 18.30 |
| 49 | 0475 Trimble Cty CT8 | 5 | 50.00 | -6.00 | 3.69 | 50-R4 | 18.30 |
| 50 | 0476 Trimble Cty CT9 | 5 | 50.00 | -6.00 | 3.70 | 50-R4 | 18.30 |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year/Period of Report |
|---|---|---|---|
| Louisville Gas and Electric Company | (1) [X] An Original<br>(2) [ ] A Resubmission | / / | End of 2017/Q4 |

DEPRECIATION AND AMORTIZATION OF ELECTRIC PLANT (Continued)

C. Factors Used in Estimating Depreciation Charges

| Line No. | Account No. (a) | Depreciable Plant Base (In Thousands) (b) | Estimated Avg. Service Life (c) | Net Salvage (Percent) (d) | Applied Depr. rates (Percent) (e) | Mortality Curve Type (f) | Average Remaining Life (g) |
|---|---|---|---|---|---|---|---|
| 12 | 0477 Trimble Cty CT10 | 25 | 50.00 | -6.00 | 4.40 | 50-R4 | 18.40 |
| 13 | 5648 Brown Solar | 272 | 35.00 | | 4.25 | 35-R2.5 | 23.50 |
| 14 | | | | | | | |
| 15 | 347 Asset Rtiremt Oblg | 112 | | | | | |
| 16 | | | | | | | |
| 17 | Elec Trnsmsm Plant | | | | | | |
| 18 | 350.20 Trnsmsn Lines L | 2,557 | | | | | |
| 19 | 350.10 Land Rights | 8,588 | 70.00 | | 1.14 | 70-R4 | 57.40 |
| 20 | 352.10 Strctr&Imprvmts | 17,126 | 60.00 | -10.00 | 1.75 | 60-R1.5 | 54.00 |
| 21 | 353.10 Station Eqpmt | 196,595 | 60.00 | -15.00 | 1.61 | 60-R2 | 47.80 |
| 22 | 354 Towers & Fixtures | 43,846 | 70.00 | -50.00 | 1.84 | 70-R4 | 51.20 |
| 23 | 355 Poles & Fixtures | 95,073 | 59.00 | -75.00 | 2.98 | 59-R2 | 48.30 |
| 24 | 356 Ovrhead Cndctrs&Dv | 59,692 | 55.00 | -75.00 | 3.32 | 55-R2 | 37.80 |
| 25 | 357 Undrground Conduit | 1,783 | 55.00 | -5.00 | 1.83 | 55-R3 | 41.90 |
| 26 | 358 Undrgrnd Cndctrs&D | 7,372 | 40.00 | -10.00 | 2.44 | 40-R2.5 | 29.00 |
| 27 | 359 Asset Rtiremt Oblg | 197 | | | | | |
| 28 | | | | | | | |
| 29 | Distribution Plant | | | | | | |
| 30 | 360.20 Substation Land | 4,101 | | | | | |
| 31 | 361 Substation Strctrs | 6,975 | 48.00 | -10.00 | 2.05 | 48-S0.5 | 39.70 |
| 32 | 362 Substation Eqpmt | 139,540 | 50.00 | -15.00 | 2.10 | 50-R1 | 39.50 |
| 33 | 364 Poles Twrs & Fxtur | 201,967 | 56.00 | -80.00 | 3.18 | 56-R2 | 43.20 |
| 34 | 365 Ovhd Cndctrs&Dvcs | 325,929 | 53.00 | -75.00 | 3.25 | 53-R1.5 | 42.10 |
| 35 | 366 Undrground Conduit | 84,150 | 75.00 | -30.00 | 1.60 | 75-R4 | 58.60 |
| 36 | 367 Undrgrnd Cndctrs&D | 254,219 | 65.00 | -40.00 | 2.06 | 65-R3 | 54.20 |
| 37 | 368 Line Trnsformr | 165,811 | 46.00 | -20.00 | 2.33 | 46-R3 | 31.50 |
| 38 | 369.10 Undrgrnd Srvcs | 11,094 | 47.00 | -50.00 | 3.73 | 47-S1.5 | 34.60 |
| 39 | 369.20 Ovrhead Srvcs | 24,133 | 60.00 | -100.00 | 2.63 | 60-R2.5 | 37.40 |
| 40 | 370 Meters | 34,093 | 25.00 | | 3.30 | 25-L1 | 15.70 |
| 41 | 370.01 AMS Meters | 1,741 | 15.00 | | 6.85 | 15-S2.5 | 14.50 |
| 42 | 370.20 Meters CT PT | 5,922 | 25.00 | | 2.79 | 25-L1 | 4.30 |
| 43 | 373.10 Ovrhd St Lightn | 48,001 | 27.00 | -30.00 | 5.38 | 27-S0 | 18.70 |
| 44 | 373.20 Undrgrd St Lght | 62,508 | 38.00 | -40.00 | 3.64 | 38-R2.5 | 25.80 |
| 45 | 374 Asset Rtiremt Oblg | 368 | | | | | |
| 46 | | | | | | | |
| 47 | General Plant | | | | | | |
| 48 | 392.00 Cars and Light | 889 | 14.00 | | 4.12 | 14-S2 | 10.90 |
| 49 | 392.10 Trnsp Heavy Tr | 4,662 | 13.00 | | 4.18 | 13-R2 | 10.70 |
| 50 | 392.20 Trnsprtatn Trlr | 518 | 25.00 | | 5.33 | 25-L4 | 14.40 |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year/Period of Report |
|---|---|---|---|
| Louisville Gas and Electric Company | (1) [X] An Original<br>(2) [ ] A Resubmission | / / | End of 2017/Q4 |

DEPRECIATION AND AMORTIZATION OF ELECTRIC PLANT (Continued)

C. Factors Used in Estimating Depreciation Charges

| Line No. | Account No. (a) | Depreciable Plant Base (In Thousands) (b) | Estimated Avg. Service Life (c) | Net Salvage (Percent) (d) | Applied Depr. rates (Percent) (e) | Mortality Curve Type (f) | Average Remaining Life (g) |
|---|---|---|---|---|---|---|---|
| 12 | 394 Tools Shp Grage Eq | 6,292 | 25.00 | | 4.28 | 25-SQ | 14.80 |
| 13 | 396.10 Pwr Op Eqp Lg | 1,803 | 20.00 | | 0.38 | 20-S1.5 | 16.40 |
| 14 | 396.20 Pwr Pwr Eqp Oth | 196 | 22.00 | | 3.57 | 22-S1 | 17.10 |
| 15 | 397.20 DSM Comm Equip | 6,852 | 10.00 | | 12.28 | 10-SQ | 6.50 |
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| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year/Period of Report |
|---|---|---|---|
| Louisville Gas and Electric Company | (1) [X] An Original (2) [ ] A Resubmission | / / | End of 2017/Q4 |

## REGULATORY COMMISSION EXPENSES

1. Report particulars (details) of regulatory commission expenses incurred during the current year (or incurred in previous years, if being amortized) relating to format cases before a regulatory body, or cases in which such a body was a party.
2. Report in columns (b) and (c), only the current year's expenses that are not deferred and the current year's amortization of amounts deferred in previous years.

| Line No. | Description (Furnish name of regulatory commission or body the docket or case number and a description of the case) (a) | Assessed by Regulatory Commission (b) | Expenses of Utility (c) | Total Expense for Current Year (b) + (c) (d) | Deferred in Account 182.3 at Beginning of Year (e) |
|---|---|---|---|---|---|
| 1 | FERC | | | | |
| 2 | Annual Charge | 326,064 | | 326,064 | |
| 3 | Administrative Charge, Project #289 | 293,533 | | 293,533 | |
| 4 | | | | | |
| 5 | KPSC | | | | |
| 6 | 2016 Rate Case - Electric (Ongoing) | | 183,303 | 183,303 | 1,088,658 |
| 7 | 2016 Rate Case - Gas (Ongoing) | | 48,734 | 48,734 | 304,452 |
| 8 | KPSC Case No. 2016-00371 | | | | |
| 9 | | | | | |
| 10 | 2014 Rate Case - Electric (Jul-15 to Jun-18) | | 379,199 | 379,199 | 568,799 |
| 11 | 2014 Rate Case - Gas (Jul-15 to Jun-18) | | 94,800 | 94,800 | 142,200 |
| 12 | KPSC Case No. 2014-00372 | | | | |
| 13 | | | | | |
| 14 | Other | | 639 | 639 | |
| 15 | Other | | 1,421 | 1,421 | |
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| 45 | | | | | |
| 46 | TOTAL | 619,597 | 708,096 | 1,327,693 | 2,104,109 |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year/Period of Report |
|---|---|---|---|
| Louisville Gas and Electric Company | (1) [X] An Original<br>(2) [ ] A Resubmission | / / | End of 2017/Q4 |

REGULATORY COMMISSION EXPENSES (Continued)

3. Show in column (k) any expenses incurred in prior years which are being amortized. List in column (a) the period of amortization.
4. List in column (f), (g), and (h) expenses incurred during year which were charged currently to income, plant, or other accounts.
5. Minor items (less than $25,000) may be grouped.

| EXPENSES INCURRED DURING YEAR | | | | AMORTIZED DURING YEAR | | | |
|---|---|---|---|---|---|---|---|
| CURRENTLY CHARGED TO | | | Deferred to Account 182.3 | Contra Account | Amount | Deferred in Account 182.3 End of Year | Line No. |
| Department (f) | Account No. (g) | Amount (h) | (i) | (j) | (k) | (l) | |
| | | | | | | | 1 |
| Electric | 928 | 326,064 | | | | | 2 |
| Electric | 928 | 293,533 | | | | | 3 |
| | | | | | | | 4 |
| | | | | | | | 5 |
| | | | 556,903 | 928 | 183,303 | 1,462,258 | 6 |
| | | | 151,745 | 928 | 48,734 | 407,463 | 7 |
| | | | | | | | 8 |
| | | | | | | | 9 |
| | | | | 928 | 379,199 | 189,600 | 10 |
| | | | | 928 | 94,800 | 47,400 | 11 |
| | | | | | | | 12 |
| | | | | | | | 13 |
| Gas | 928 | 639 | | | | | 14 |
| Electric | 928 | 1,421 | | | | | 15 |
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| | | 621,657 | 708,648 | | 706,036 | 2,106,721 | 46 |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year/Period of Report |
|---|---|---|---|
| Louisville Gas and Electric Company | (1) [X] An Original<br>(2) [ ] A Resubmission | / / | End of 2017/Q4 |

## RESEARCH, DEVELOPMENT, AND DEMONSTRATION ACTIVITIES

1. Describe and show below costs incurred and accounts charged during the year for technological research, development, and demonstration (R, D & D) project initiated, continued or concluded during the year. Report also support given to others during the year for jointly-sponsored projects.(Identify recipient regardless of affiliation.) For any R, D & D work carried with others, show separately the respondent's cost for the year and cost chargeable to others (See definition of research, development, and demonstration in Uniform System of Accounts).
2. Indicate in column (a) the applicable classification, as shown below:

Classifications:

A. Electric R, D & D Performed Internally:
 (1) Generation
  a. hydroelectric
   i. Recreation fish and wildlife
   ii Other hydroelectric
  b. Fossil-fuel steam
  c. Internal combustion or gas turbine
  d. Nuclear
  e. Unconventional generation
  f. Siting and heat rejection
 (2) Transmission
  a. Overhead
  b. Underground
 (3) Distribution
 (4) Regional Transmission and Market Operation
 (5) Environment (other than equipment)
 (6) Other (Classify and include items in excess of $50,000.)
 (7) Total Cost Incurred

B. Electric, R, D & D Performed Externally:
 (1) Research Support to the electrical Research Council or the Electric Power Research Institute

| Line No. | Classification (a) | Description (b) |
|---|---|---|
| 1 | A(1)e: Energy Storage | Amortization for Energy Storage Project at Brown |
| 2 | A(1)e: Other Research Support | Energy Storage Project at Brown: 8 items <$50,000 each plus internal |
| 3 | | labor and sales tax |
| 4 | A(5): Pollution Demonstration Project | Sulfer Analyzer for Future Waste Water Treatment Operations |
| 5 | A(6): Research Support Other | Internal Labor and Sales Tax |
| 6 | B(1): EPRI | Annual Membership and Annual Research Portfolio |
| 7 | B(1): EPRI | Annual Membership and Annual Research Portfolio |
| 8 | B(4): Univ. of Kentucky Research Foundation | Amortization of Carbon Capturing Research Regulatory Asset |
| 9 | B(4): Research Support Other | 7 items < $50,000 each |
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| Name of Respondent | This Report Is: | Date of Report | Year/Period of Report |
|---|---|---|---|
| Louisville Gas and Electric Company | (1) [X] An Original<br>(2) [ ] A Resubmission | (Mo, Da, Yr)<br>/ / | End of 2017/Q4 |

RESEARCH, DEVELOPMENT, AND DEMONSTRATION ACTIVITIES (Continued)

(2) Research Support to Edison Electric Institute
(3) Research Support to Nuclear Power Groups
(4) Research Support to Others (Classify)
(5) Total Cost Incurred

3. Include in column (c) all R, D & D items performed internally and in column (d) those items performed outside the company costing $50,000 or more, briefly describing the specific area of R, D & D (such as safety, corrosion control, pollution, automation, measurement, insulation, type of appliance, etc.). Group items under $50,000 by classifications and indicate the number of items grouped. Under Other, (A (6) and B (4)) classify items by type of R, D & D activity.
4. Show in column (e) the account number charged with expenses during the year or the account to which amounts were capitalized during the year, listing Account 107, Construction Work in Progress, first. Show in column (f) the amounts related to the account charged in column (e)
5. Show in column (g) the total unamortized accumulating of costs of projects. This total must equal the balance in Account 188, Research, Development, and Demonstration Expenditures, Outstanding at the end of the year.
6. If costs have not been segregated for R, D &D activities or projects, submit estimates for columns (c), (d), and (f) with such amounts identified by "Est."
7. Report separately research and related testing facilities operated by the respondent.

| Costs Incurred Internally Current Year (c) | Costs Incurred Externally Current Year (d) | AMOUNTS CHARGED IN CURRENT YEAR Account (e) | AMOUNTS CHARGED IN CURRENT YEAR Amount (f) | Unamortized Accumulation (g) | Line No. |
|---|---|---|---|---|---|
| | | 930 | 168,571 | | 1 |
| | | | | | 2 |
| 1,057 | -253,233 | 188 | -252,176 | 753,306 | 3 |
| | 27,491 | 930 | 27,491 | | 4 |
| 206,514 | | 930 | 206,514 | | 5 |
| | 1,715,503 | 930 | 1,715,503 | | 6 |
| | 123,419 | 107 | 123,419 | | 7 |
| | 97,560 | 930 | 97,560 | | 8 |
| | 54,112 | 930 | 54,112 | | 9 |
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| Name of Respondent | This Report is: | Date of Report (Mo, Da, Yr) | Year/Period of Report |
|---|---|---|---|
| Louisville Gas and Electric Company | (1) X An Original<br>(2) __ A Resubmission | / / | 2017/Q4 |

FOOTNOTE DATA

***Schedule Page: 352 Line No.: 3 Column: d***

This amount includes reclassification of expenses ($282,981) to Kentucky Utilities and additional expenses $29,748 (various items each < $50,000).

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year/Period of Report |
|---|---|---|---|
| Louisville Gas and Electric Company | (1) [X] An Original (2) [ ] A Resubmission | / / | End of 2017/Q4 |

DISTRIBUTION OF SALARIES AND WAGES

Report below the distribution of total salaries and wages for the year. Segregate amounts originally charged to clearing accounts to Utility Departments, Construction, Plant Removals, and Other Accounts, and enter such amounts in the appropriate lines and columns provided. In determining this segregation of salaries and wages originally charged to clearing accounts, a method of approximation giving substantially correct results may be used.

| Line No. | Classification (a) | Direct Payroll Distribution (b) | Allocation of Payroll charged for Clearing Accounts (c) | Total (d) |
|---|---|---|---|---|
| 1 | Electric | | | |
| 2 | Operation | | | |
| 3 | Production | 18,941,092 | | |
| 4 | Transmission | 2,382,494 | | |
| 5 | Regional Market | | | |
| 6 | Distribution | 8,589,956 | | |
| 7 | Customer Accounts | 4,377,588 | | |
| 8 | Customer Service and Informational | 828,510 | | |
| 9 | Sales | | | |
| 10 | Administrative and General | 18,636,512 | | |
| 11 | TOTAL Operation (Enter Total of lines 3 thru 10) | 53,756,152 | | |
| 12 | Maintenance | | | |
| 13 | Production | 10,580,533 | | |
| 14 | Transmission | 589,473 | | |
| 15 | Regional Market | | | |
| 16 | Distribution | 2,190,407 | | |
| 17 | Administrative and General | 491,494 | | |
| 18 | TOTAL Maintenance (Total of lines 13 thru 17) | 13,851,907 | | |
| 19 | Total Operation and Maintenance | | | |
| 20 | Production (Enter Total of lines 3 and 13) | 29,521,625 | | |
| 21 | Transmission (Enter Total of lines 4 and 14) | 2,971,967 | | |
| 22 | Regional Market (Enter Total of Lines 5 and 15) | | | |
| 23 | Distribution (Enter Total of lines 6 and 16) | 10,780,363 | | |
| 24 | Customer Accounts (Transcribe from line 7) | 4,377,588 | | |
| 25 | Customer Service and Informational (Transcribe from line 8) | 828,510 | | |
| 26 | Sales (Transcribe from line 9) | | | |
| 27 | Administrative and General (Enter Total of lines 10 and 17) | 19,128,006 | | |
| 28 | TOTAL Oper. and Maint. (Total of lines 20 thru 27) | 67,608,059 | 17,582,053 | 85,190,112 |
| 29 | Gas | | | |
| 30 | Operation | | | |
| 31 | Production-Manufactured Gas | | | |
| 32 | Production-Nat. Gas (Including Expl. and Dev.) | | | |
| 33 | Other Gas Supply | 624,451 | | |
| 34 | Storage, LNG Terminaling and Processing | 2,026,819 | | |
| 35 | Transmission | 1,094,323 | | |
| 36 | Distribution | 5,115,307 | | |
| 37 | Customer Accounts | 3,436,784 | | |
| 38 | Customer Service and Informational | 306,009 | | |
| 39 | Sales | | | |
| 40 | Administrative and General | 5,427,440 | | |
| 41 | TOTAL Operation (Enter Total of lines 31 thru 40) | 18,031,133 | | |
| 42 | Maintenance | | | |
| 43 | Production-Manufactured Gas | | | |
| 44 | Production-Natural Gas (Including Exploration and Development) | | | |
| 45 | Other Gas Supply | | | |
| 46 | Storage, LNG Terminaling and Processing | 1,596,139 | | |
| 47 | Transmission | 724,395 | | |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year/Period of Report |
|---|---|---|---|
| Louisville Gas and Electric Company | (1) [X] An Original (2) [ ] A Resubmission | / / | End of 2017/Q4 |

DISTRIBUTION OF SALARIES AND WAGES (Continued)

| Line No. | Classification (a) | Direct Payroll Distribution (b) | Allocation of Payroll charged for Clearing Accounts (c) | Total (d) |
|---|---|---|---|---|
| 48 | Distribution | 4,545,094 | | |
| 49 | Administrative and General | 220,816 | | |
| 50 | TOTAL Maint. (Enter Total of lines 43 thru 49) | 7,086,444 | | |
| 51 | Total Operation and Maintenance | | | |
| 52 | Production-Manufactured Gas (Enter Total of lines 31 and 43) | | | |
| 53 | Production-Natural Gas (Including Expl. and Dev.) (Total lines 32, | | | |
| 54 | Other Gas Supply (Enter Total of lines 33 and 45) | 624,451 | | |
| 55 | Storage, LNG Terminaling and Processing (Total of lines 31 thru | 3,622,958 | | |
| 56 | Transmission (Lines 35 and 47) | 1,818,718 | | |
| 57 | Distribution (Lines 36 and 48) | 9,660,401 | | |
| 58 | Customer Accounts (Line 37) | 3,436,784 | | |
| 59 | Customer Service and Informational (Line 38) | 306,009 | | |
| 60 | Sales (Line 39) | | | |
| 61 | Administrative and General (Lines 40 and 49) | 5,648,256 | | |
| 62 | TOTAL Operation and Maint. (Total of lines 52 thru 61) | 25,117,577 | 6,281,414 | 31,398,991 |
| 63 | Other Utility Departments | | | |
| 64 | Operation and Maintenance | | | |
| 65 | TOTAL All Utility Dept. (Total of lines 28, 62, and 64) | 92,725,636 | 23,863,467 | 116,589,103 |
| 66 | Utility Plant | | | |
| 67 | Construction (By Utility Departments) | | | |
| 68 | Electric Plant | 12,971,352 | 13,486,750 | 26,458,102 |
| 69 | Gas Plant | 6,456,006 | 4,496,830 | 10,952,836 |
| 70 | Other (provide details in footnote): | 3,681,274 | 1,319,501 | 5,000,775 |
| 71 | TOTAL Construction (Total of lines 68 thru 70) | 23,108,632 | 19,303,081 | 42,411,713 |
| 72 | Plant Removal (By Utility Departments) | | | |
| 73 | Electric Plant | 2,000,937 | 979,743 | 2,980,680 |
| 74 | Gas Plant | 528,119 | 301,432 | 829,551 |
| 75 | Other (provide details in footnote): | 3,354 | 929 | 4,283 |
| 76 | TOTAL Plant Removal (Total of lines 73 thru 75) | 2,532,410 | 1,282,104 | 3,814,514 |
| 77 | Other Accounts (Specify, provide details in footnote): | | | |
| 78 | Accounts Receivable (work done for others) | 12,941,633 | 3,204,398 | 16,146,031 |
| 79 | Deferred Debits | 316,715 | -115,924 | 200,791 |
| 80 | Certain Civic, Political and Related Activities and Other | 222,243 | 22,959 | 245,202 |
| 81 | Accounts Receivable (Non-Jurisdictional - Trimble County) | 2,444,950 | 657,749 | 3,102,699 |
| 82 | | | | |
| 83 | | | | |
| 84 | | | | |
| 85 | | | | |
| 86 | | | | |
| 87 | | | | |
| 88 | | | | |
| 89 | | | | |
| 90 | | | | |
| 91 | | | | |
| 92 | | | | |
| 93 | | | | |
| 94 | | | | |
| 95 | TOTAL Other Accounts | 15,925,541 | 3,769,182 | 19,694,723 |
| 96 | TOTAL SALARIES AND WAGES | 134,292,219 | 48,217,834 | 182,510,053 |

| Name of Respondent | This Report is: | Date of Report (Mo, Da, Yr) | Year/Period of Report |
|---|---|---|---|
| Louisville Gas and Electric Company | (1) X An Original<br>(2) __ A Resubmission | / / | 2017/Q4 |

FOOTNOTE DATA

***Schedule Page: 354 Line No.: 70 Column: b***

The balance consists of direct labor associated with plant construction charged to common utility plants.

***Schedule Page: 354 Line No.: 70 Column: c***

The balance consists of indirect and allocated local engineering labor associated with plant construction charged to common utility plants.

***Schedule Page: 354 Line No.: 75 Column: b***

The balance consists of direct labor associated with plant retirement charged to common utility plants.

***Schedule Page: 354 Line No.: 75 Column: c***

The balance consists of indirect and allocated labor associated with plant retirement charged to common utility plants.

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year/Period of Report |
|---|---|---|---|
| Louisville Gas and Electric Company | (1) [X] An Original<br>(2) [ ] A Resubmission | / / | End of 2017/Q4 |

COMMON UTILITY PLANT AND EXPENSES

1. Describe the property carried in the utility's accounts as common utility plant and show the book cost of such plant at end of year classified by accounts as provided by Plant Instruction 13, Common Utility Plant, of the Uniform System of Accounts. Also show the allocation of such plant costs to the respective departments using the common utility plant and explain the basis of allocation used, giving the allocation factors.
2. Furnish the accumulated provisions for depreciation and amortization at end of year, showing the amounts and classifications of such accumulated provisions, and amounts allocated to utility departments using the Common utility plant to which such accumulated provisions relate, including explanation of basis of allocation and factors used.
3. Give for the year the expenses of operation, maintenance, rents, depreciation, and amortization for common utility plant classified by accounts as provided by the Uniform System of Accounts. Show the allocation of such expenses to the departments using the common utility plant to which such expenses are related. Explain the basis of allocation used and give the factors of allocation.
4. Give date of approval by the Commission for use of the common utility plant classification and reference to order of the Commission or other authorization.

(1) See attached sheet, page 356.1.

(2) See attached sheet, page 356.1.

(3) Depreciation - Electric $6,303,240; Gas $2,831,891. Amortization - Electric $10,224,814; Gas $4,593,757.

Common Utility expense accounts are not maintained but such expenses are allocated to Electric and Gas Departments as follows:

Customer Accounts Expenses (excluding for uncollectable accounts)

Allocated between departments based on average number of customers served by each department for the year ending December 31, 2016.

Customer Service and Informational Expenses

Allocated between departments based on gross revenues from ultimate consumers by departments for the twelve month period.

Administrative and General Expenses

The administrative and general expenses are allocated based on general measures of cost causation.

(4) The property original cost studies made pursuant to the Uniform System of Accounts included a separate classification for Common Utility Plant. Orders were issued in connection with such studies by Public Service Commission of Kentucky on September 16, 1941, and January 5, 1945, and the Federal Power Commission on December 15, 1944.

Common Utility Plant (1)

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year/Period of Report |
|---|---|---|---|
| Louisville Gas and Electric Company | (1) [X] An Original<br>(2) [ ] A Resubmission | / / | End of 2017/Q4 |

COMMON UTILITY PLANT AND EXPENSES

1. Describe the property carried in the utility's accounts as common utility plant and show the book cost of such plant at end of year classified by accounts as provided by Plant Instruction 13, Common Utility Plant, of the Uniform System of Accounts. Also show the allocation of such plant costs to the respective departments using the common utility plant and explain the basis of allocation used, giving the allocation factors.
2. Furnish the accumulated provisions for depreciation and amortization at end of year, showing the amounts and classifications of such accumulated provisions, and amounts allocated to utility departments using the Common utility plant to which such accumulated provisions relate, including explanation of basis of allocation and factors used.
3. Give for the year the expenses of operation, maintenance, rents, depreciation, and amortization for common utility plant classified by accounts as provided by the Uniform System of Accounts. Show the allocation of such expenses to the departments using the common utility plant to which such expenses are related. Explain the basis of allocation used and give the factors of allocation.
4. Give date of approval by the Commission for use of the common utility plant classification and reference to order of the Commission or other authorization.

| | Allocation to Utility Department (2) | | |
|---|---|---|---|
| | Electric 69% | Gas 31% | Balance End of Year |
| **Accounts 101 and 106** | | | |
| Intangible Plant | | | |
| 301 Organization | | | $ 83,782 |
| 303 Miscellaneous Intangible Plant | | | 113,692,708 |
| Total Intangible Plant | | | $ 113,776,490 |
| Common Plant | | | |
| 389 Land and Land Rights | | | $ 1,564,394 |
| 390 Structures and Improvements | | | 81,283,628 |
| 391 Office and Furniture and Equipment | | | 35,391,641 |
| 392 Transportation Equipment | | | 278,200 |
| 393 Stores Equipment | | | 1,471,075 |
| 394 Tools, Shop and Garage Equipment | | | 4,200,056 |
| 396 Power Operated Equipment | | | 541,716 |
| 397 Communication Equipment | | | 34,092,241 |
| Total Common Plant | | | $ 158,822,951 |
| Total Accounts 101 and 106 | | | $ 272,599,441 |
| Account 107 | | | 16,035,983 |
| Total Common Utility Plant | $ 199,158,443 | $ 89,476,981 | $ 288,635,424 |
| **Accumulated Provision for Depreciation of Common Utility Plant** | | | |
| Balance at end of year | $ 96,387,330 | $ 43,304,453 | $ 139,691,738 |

(1) Common plant consists of land, structures and equipment of a general nature used by all departments not specifically assignable to one department, and includes offices, storerooms, communication, transportation and work equipment, etc.

(2) Based on estimated usage by departments.

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year/Period of Report |
|---|---|---|---|
| Louisville Gas and Electric Company | (1) [X] An Original<br>(2) [ ] A Resubmission | / / | End of 2017/Q4 |

## AMOUNTS INCLUDED IN ISO/RTO SETTLEMENT STATEMENTS

1. The respondent shall report below the details called for concerning amounts it recorded in Account 555, Purchase Power, and Account 447, Sales for Resale, for items shown on ISO/RTO Settlement Statements. Transactions should be separately netted for each ISO/RTO administered energy market for purposes of determining whether an entity is a net seller or purchaser in a given hour. Net megawatt hours are to be used as the basis for determining whether a net purchase or sale has occurred. In each monthly reporting period, the hourly sale and purchase net amounts are to be aggregated and separately reported in Account 447, Sales for Resale, or Account 555, Purchased Power, respectively.

| Line No. | Description of Item(s)<br>(a) | Balance at End of Quarter 1<br>(b) | Balance at End of Quarter 2<br>(c) | Balance at End of Quarter 3<br>(d) | Balance at End of Year<br>(e) |
|---|---|---|---|---|---|
| 1 | Energy | | | | |
| 2 | Net Purchases (Account 555) | | | | |
| 3 | Net Sales (Account 447) | ( 3,843,461) | ( 4,987,754) | ( 5,357,707) | ( 6,770,042) |
| 4 | Transmission Rights | | | | |
| 5 | Ancillary Services | | | | |
| 6 | Other Items (list separately) | | | | |
| 7 | | | | | |
| 8 | | | | | |
| 9 | | | | | |
| 10 | | | | | |
| 11 | | | | | |
| 12 | | | | | |
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| 36 | | | | | |
| 37 | | | | | |
| 38 | | | | | |
| 39 | | | | | |
| 40 | | | | | |
| 41 | | | | | |
| 42 | | | | | |
| 43 | | | | | |
| 44 | | | | | |
| 45 | | | | | |
| 46 | TOTAL | ( 3,843,461) | ( 4,987,754) | ( 5,357,707) | ( 6,770,042) |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year/Period of Report |
|---|---|---|---|
| Louisville Gas and Electric Company | (1) [X] An Original<br>(2) [ ] A Resubmission | / / | End of 2017/Q4 |

## PURCHASES AND SALES OF ANCILLARY SERVICES

Report the amounts for each type of ancillary service shown in column (a) for the year as specified in Order No. 888 and defined in the respondents Open Access Transmission Tariff.

In columns for usage, report usage-related billing determinant and the unit of measure.

(1) On line 1 columns (b), (c), (d), (e), (f) and (g) report the amount of ancillary services purchased and sold during the year.

(2) On line 2 columns (b) (c), (d), (e), (f), and (g) report the amount of reactive supply and voltage control services purchased and sold during the year.

(3) On line 3 columns (b) (c), (d), (e), (f), and (g) report the amount of regulation and frequency response services purchased and sold during the year.

(4) On line 4 columns (b), (c), (d), (e), (f), and (g) report the amount of energy imbalance services purchased and sold during the year.

(5) On lines 5 and 6, columns (b), (c), (d), (e), (f), and (g) report the amount of operating reserve spinning and supplement services purchased and sold during the period.

(6) On line 7 columns (b), (c), (d), (e), (f), and (g) report the total amount of all other types ancillary services purchased or sold during the year. Include in a footnote and specify the amount for each type of other ancillary service provided.

| | | Amount Purchased for the Year | | | Amount Sold for the Year | | |
|---|---|---|---|---|---|---|---|
| | | Usage - Related Billing Determinant | | | Usage - Related Billing Determinant | | |
| Line No. | Type of Ancillary Service (a) | Number of Units (b) | Unit of Measure (c) | Dollars (d) | Number of Units (e) | Unit of Measure (f) | Dollars (g) |
| 1 | Scheduling, System Control and Dispatch | 248,418 | MWH | 31,792 | 1,379,976 | MWH | 443,758 |
| 2 | Reactive Supply and Voltage | 248,418 | MWH | 26,172 | 1,379,976 | MWH | 185,790 |
| 3 | Regulation and Frequency Response | | | | 576,779 | MWH | 79,289 |
| 4 | Energy Imbalance | 3,287,000 | MWH | 92,764 | 3,449,000 | | 99,756 |
| 5 | Operating Reserve - Spinning | | | | 576,779 | MWH | 122,898 |
| 6 | Operating Reserve - Supplement | | | | 576,779 | MWH | 122,898 |
| 7 | Other | | | 108 | | | 555,024 |
| 8 | Total (Lines 1 thru 7) | 3,783,836 | | 150,836 | 7,939,289 | | 1,609,413 |

| Name of Respondent<br>Louisville Gas and Electric Company | This Report is:<br>(1) X An Original<br>(2) __ A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>/ / | Year/Period of Report<br>2017/Q4 |
|---|---|---|---|

FOOTNOTE DATA

***Schedule Page: 398 Line No.: 7 Column: b***

The Other services amounts are not associated with a number of units or a unit of measure.

***Schedule Page: 398 Line No.: 7 Column: d***

The amount consists of Black Start services.

***Schedule Page: 398 Line No.: 7 Column: e***

The Other services amounts are not associated with a number of units or a unit of measure.

***Schedule Page: 398 Line No.: 7 Column: g***

The amount consists of:

| | |
|---|---|
| MISO Joint Party Settlement Payments | $ 519,140 |
| NRG Joint Party Settlement Payments | 35,911 |
| NextEra Energy prior period adjustment | (27) |
| | $ 555,024 |

***Schedule Page: 398 Line No.: 8 Column: b***

The number of units per ancillary service type cover multiple schedules and should not be accumulated in total.

***Schedule Page: 398 Line No.: 8 Column: e***

The number of units per ancillary service type cover multiple schedules and should not be accumulated in total.

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year/Period of Report |
|---|---|---|---|
| Louisville Gas and Electric Company | (1) [X] An Original<br>(2) [ ] A Resubmission | / / | End of 2017/Q4 |

## MONTHLY TRANSMISSION SYSTEM PEAK LOAD

(1) Report the monthly peak load on the respondent's transmission system. If the respondent has two or more power systems which are not physically integrated, furnish the required information for each non-integrated system.
(2) Report on Column (b) by month the transmission system's peak load.
(3) Report on Columns (c ) and (d) the specified information for each monthly transmission - system peak load reported on Column (b).
(4) Report on Columns (e) through (j) by month the system' monthly maximum megawatt load by statistical classifications. See General Instruction for the definition of each statistical classification.

NAME OF SYSTEM:

| Line No. | Month<br>(a) | Monthly Peak MW - Total<br>(b) | Day of Monthly Peak<br>(c) | Hour of Monthly Peak<br>(d) | Firm Network Service for Self<br>(e) | Firm Network Service for Others<br>(f) | Long-Term Firm Point-to-point Reservations<br>(g) | Other Long-Term Firm Service<br>(h) | Short-Term Firm Point-to-point Reservation<br>(i) | Other Service<br>(j) |
|---|---|---|---|---|---|---|---|---|---|---|
| 1 | January | 2,266 | 6 | 19 | 1,791 | 257 | 201 | | 17 | |
| 2 | February | 2,042 | 10 | 8 | 1,599 | 225 | 201 | | 17 | |
| 3 | March | 2,051 | 16 | 7 | 1,618 | 232 | 201 | | | |
| 4 | Total for Quarter 1 | | | | 5,008 | 714 | 603 | | 34 | |
| 5 | April | 2,187 | 20 | 16 | 1,802 | 184 | 201 | | | |
| 6 | May | 2,572 | 18 | 15 | 2,092 | 220 | 201 | | 59 | |
| 7 | June | 2,831 | 13 | 14 | 2,367 | 263 | 201 | | | |
| 8 | Total for Quarter 2 | | | | 6,261 | 667 | 603 | | 59 | |
| 9 | July | 3,098 | 21 | 15 | 2,606 | 288 | 204 | | | |
| 10 | August | 2,929 | 17 | 14 | 2,460 | 265 | 204 | | | |
| 11 | September | 2,769 | 21 | 16 | 2,305 | 260 | 204 | | | |
| 12 | Total for Quarter 3 | | | | 7,371 | 813 | 612 | | | |
| 13 | October | 2,289 | 4 | 16 | 1,880 | 205 | 204 | | | |
| 14 | November | 1,993 | 20 | 8 | 1,535 | 220 | 204 | | 34 | |
| 15 | December | 2,156 | 28 | 9 | 1,651 | 267 | 204 | | 34 | |
| 16 | Total for Quarter 4 | | | | 5,066 | 692 | 612 | | 68 | |
| 17 | Total Year to Date/Year | | | | 23,706 | 2,886 | 2,430 | | 161 | |
| | | | | | | | | | | |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year/Period of Report |
|---|---|---|---|
| Louisville Gas and Electric Company | (1) [X] An Original<br>(2) [ ] A Resubmission | / / | End of 2017/Q4 |

## MONTHLY ISO/RTO TRANSMISSION SYSTEM PEAK LOAD

(1) Report the monthly peak load on the respondent's transmission system. If the Respondent has two or more power systems which are not physically integrated, furnish the required information for each non-integrated system.
(2) Report on Column (b) by month the transmission system's peak load.
(3) Report on Column (c) and (d) the specified information for each monthly transmission - system peak load reported on Column (b).
(4) Report on Columns (e) through (i) by month the system's transmission usage by classification. Amounts reported as Through and Out Service in Column (g) are to be excluded from those amounts reported in Columns (e) and (f).
(5) Amounts reported in Column (j) for Total Usage is the sum of Columns (h) and (i).

NAME OF SYSTEM:

| Line No. | Month (a) | Monthly Peak MW - Total (b) | Day of Monthly Peak (c) | Hour of Monthly Peak (d) | Imports into ISO/RTO (e) | Exports from ISO/RTO (f) | Through and Out Service (g) | Network Service Usage (h) | Point-to-Point Service Usage (i) | Total Usage (j) |
|---|---|---|---|---|---|---|---|---|---|---|
| 1 | January | | | | | | | | | |
| 2 | February | | | | | | | | | |
| 3 | March | | | | | | | | | |
| 4 | Total for Quarter 1 | | | | | | | | | |
| 5 | April | | | | | | | | | |
| 6 | May | | | | | | | | | |
| 7 | June | | | | | | | | | |
| 8 | Total for Quarter 2 | | | | | | | | | |
| 9 | July | | | | | | | | | |
| 10 | August | | | | | | | | | |
| 11 | September | | | | | | | | | |
| 12 | Total for Quarter 3 | | | | | | | | | |
| 13 | October | | | | | | | | | |
| 14 | November | | | | | | | | | |
| 15 | December | | | | | | | | | |
| 16 | Total for Quarter 4 | | | | | | | | | |
| 17 | Total Year to Date/Year | | | | | | | | | |
| | | | | | | | | | | |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year/Period of Report |
|---|---|---|---|
| Louisville Gas and Electric Company | (1) [X] An Original (2) [ ] A Resubmission | / / | End of 2017/Q4 |

ELECTRIC ENERGY ACCOUNT

Report below the information called for concerning the disposition of electric energy generated, purchased, exchanged and wheeled during the year.

| Line No. | Item (a) | MegaWatt Hours (b) | Line No. | Item (a) | MegaWatt Hours (b) |
|---|---|---|---|---|---|
| 1 | SOURCES OF ENERGY | | 21 | DISPOSITION OF ENERGY | |
| 2 | Generation (Excluding Station Use): | | 22 | Sales to Ultimate Consumers (Including Interdepartmental Sales) | 11,526,591 |
| 3 | Steam | 11,612,434 | | | |
| 4 | Nuclear | | 23 | Requirements Sales for Resale (See instruction 4, page 311.) | |
| 5 | Hydro-Conventional | 277,577 | | | |
| 6 | Hydro-Pumped Storage | | 24 | Non-Requirements Sales for Resale (See instruction 4, page 311.) | 1,606,543 |
| 7 | Other | 1,111,366 | | | |
| 8 | Less Energy for Pumping | | 25 | Energy Furnished Without Charge | 1,388 |
| 9 | Net Generation (Enter Total of lines 3 through 8) | 13,001,377 | 26 | Energy Used by the Company (Electric Dept Only, Excluding Station Use) | 20,747 |
| 10 | Purchases | 1,022,202 | 27 | Total Energy Losses | 518,232 |
| 11 | Power Exchanges: | | 28 | TOTAL (Enter Total of Lines 22 Through 27) (MUST EQUAL LINE 20) | 13,673,501 |
| 12 | Received | | | | |
| 13 | Delivered | 350,078 | | | |
| 14 | Net Exchanges (Line 12 minus line 13) | -350,078 | | | |
| 15 | Transmission For Other (Wheeling) | | | | |
| 16 | Received | 3,334,899 | | | |
| 17 | Delivered | 3,334,899 | | | |
| 18 | Net Transmission for Other (Line 16 minus line 17) | | | | |
| 19 | Transmission By Others Losses | | | | |
| 20 | TOTAL (Enter Total of lines 9, 10, 14, 18 and 19) | 13,673,501 | | | |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year/Period of Report |
|---|---|---|---|
| Louisville Gas and Electric Company | (1) [X] An Original (2) [ ] A Resubmission | / / | End of 2017/Q4 |

## MONTHLY PEAKS AND OUTPUT

1. Report the monthly peak load and energy output. If the respondent has two or more power which are not physically integrated, furnish the required information for each non- integrated system.
2. Report in column (b) by month the system's output in Megawatt hours for each month.
3. Report in column (c) by month the non-requirements sales for resale. Include in the monthly amounts any energy losses associated with the sales.
4. Report in column (d) by month the system's monthly maximum megawatt load (60 minute integration) associated with the system.
5. Report in column (e) and (f) the specified information for each monthly peak load reported in column (d).

NAME OF SYSTEM:

| Line No. | Month | Total Monthly Energy | Monthly Non-Requirments Sales for Resale & Associated Losses | MONTHLY PEAK Megawatts (See Instr. 4) | MONTHLY PEAK Day of Month | MONTHLY PEAK Hour |
|---|---|---|---|---|---|---|
| | (a) | (b) | (c) | (d) | (e) | (f) |
| 29 | January | 1,310,157 | 334,757 | 1,791 | 6 | 1900 |
| 30 | February | 1,097,996 | 270,902 | 1,609 | 9 | 2000 |
| 31 | March | 1,210,565 | 293,444 | 1,627 | 16 | 800 |
| 32 | April | 931,091 | 53,844 | 1,802 | 20 | 1600 |
| 33 | May | 1,116,534 | 113,052 | 2,118 | 18 | 1600 |
| 34 | June | 1,192,668 | 55,031 | 2,431 | 14 | 1600 |
| 35 | July | 1,325,170 | 23,957 | 2,608 | 21 | 1600 |
| 36 | August | 1,220,630 | 26,852 | 2,460 | 17 | 1400 |
| 37 | September | 1,043,238 | 31,615 | 2,305 | 21 | 1600 |
| 38 | October | 1,049,767 | 121,699 | 1,880 | 4 | 1600 |
| 39 | November | 904,238 | 15,372 | 1,538 | 20 | 900 |
| 40 | December | 1,271,447 | 266,018 | 1,731 | 27 | 1900 |
| 41 | TOTAL | 13,673,501 | 1,606,543 | | | |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year/Period of Report |
|---|---|---|---|
| Louisville Gas and Electric Company | (1) [X] An Original<br>(2) [ ] A Resubmission | / / | End of 2017/Q4 |

STEAM-ELECTRIC GENERATING PLANT STATISTICS (Large Plants)

1. Report data for plant in Service only. 2. Large plants are steam plants with installed capacity (name plate rating) of 25,000 Kw or more. Report in this page gas-turbine and internal combustion plants of 10,000 Kw or more, and nuclear plants. 3. Indicate by a footnote any plant leased or operated as a joint facility. 4. If net peak demand for 60 minutes is not available, give data which is available, specifying period. 5. If any employees attend more than one plant, report on line 11 the approximate average number of employees assignable to each plant. 6. If gas is used and purchased on a therm basis report the Btu content or the gas and the quantity of fuel burned converted to Mct. 7. Quantities of fuel burned (Line 38) and average cost per unit of fuel burned (Line 41) must be consistent with charges to expense accounts 501 and 547 (Line 42) as show on Line 20. 8. If more than one fuel is burned in a plant furnish only the composite heat rate for all fuels burned.

| Line No. | Item (a) | Plant Name: *Mill Creek* (b) | | | Plant Name: *Trimble County* (c) | | |
|---|---|---|---|---|---|---|---|
| 1 | Kind of Plant (Internal Comb, Gas Turb, Nuclear | | | Steam | | | Steam |
| 2 | Type of Constr (Conventional, Outdoor, Boiler, etc) | | | Conventional | | | Conventional |
| 3 | Year Originally Constructed | | | 1972 | | | 1990 |
| 4 | Year Last Unit was Installed | | | 1982 | | | 2011 |
| 5 | Total Installed Cap (Max Gen Name Plate Ratings-MW) | | | 1717.00 | | | 544.00 |
| 6 | Net Peak Demand on Plant - MW (60 minutes) | | | 1482 | | | 480 |
| 7 | Plant Hours Connected to Load | | | 8007 | | | 4058 |
| 8 | Net Continuous Plant Capability (Megawatts) | | | 1465 | | | 474 |
| 9 | When Not Limited by Condenser Water | | | 1465 | | | 474 |
| 10 | When Limited by Condenser Water | | | 0 | | | 0 |
| 11 | Average Number of Employees | | | 255 | | | 100 |
| 12 | Net Generation, Exclusive of Plant Use - KWh | | | 8862650000 | | | 2749784000 |
| 13 | Cost of Plant: Land and Land Rights | | | 2759368 | | | 4801141 |
| 14 | Structures and Improvements | | | 159365104 | | | 125859419 |
| 15 | Equipment Costs | | | 1880536217 | | | 727922342 |
| 16 | Asset Retirement Costs | | | 58308110 | | | 23089453 |
| 17 | Total Cost | | | 2100968799 | | | 881672355 |
| 18 | Cost per KW of Installed Capacity (line 17/5) Including | | | 1223.6277 | | | 1620.7212 |
| 19 | Production Expenses: Oper, Supv, & Engr | | | 3166431 | | | 1780559 |
| 20 | Fuel | | | 196319224 | | | 59663510 |
| 21 | Coolants and Water (Nuclear Plants Only) | | | 0 | | | 0 |
| 22 | Steam Expenses | | | 14561914 | | | 2429138 |
| 23 | Steam From Other Sources | | | 0 | | | 0 |
| 24 | Steam Transferred (Cr) | | | 0 | | | 0 |
| 25 | Electric Expenses | | | 1821893 | | | 790936 |
| 26 | Misc Steam (or Nuclear) Power Expenses | | | 11727086 | | | 4031386 |
| 27 | Rents | | | 36000 | | | 0 |
| 28 | Allowances | | | 2 | | | 1 |
| 29 | Maintenance Supervision and Engineering | | | 3716631 | | | 1128368 |
| 30 | Maintenance of Structures | | | 1908555 | | | 508665 |
| 31 | Maintenance of Boiler (or reactor) Plant | | | 24025617 | | | 7611290 |
| 32 | Maintenance of Electric Plant | | | 6056616 | | | 882208 |
| 33 | Maintenance of Misc Steam (or Nuclear) Plant | | | 1668744 | | | 724318 |
| 34 | Total Production Expenses | | | 265008713 | | | 79550379 |
| 35 | Expenses per Net KWh | | | 0.0299 | | | 0.0289 |
| 36 | Fuel: Kind (Coal, Gas, Oil, or Nuclear) | Coal | Gas | | Coal | Oil | |
| 37 | Unit (Coal-tons/Oil-barrel/Gas-mcf/Nuclear-indicate) | tons | mcf | | tons | barrels | |
| 38 | Quantity (Units) of Fuel Burned | 4034177 | 340481 | 0 | 1697298 | 4797 | 0 |
| 39 | Avg Heat Cont - Fuel Burned (btu/indicate if nuclear) | 11583 | 1022 | 0 | 11327 | 3333 | 0 |
| 40 | Avg Cost of Fuel/unit, as Delvd f.o.b. during year | 46.380 | 11.140 | 0.000 | 45.330 | 49.785 | 0.000 |
| 41 | Average Cost of Fuel per Unit Burned | 47.724 | 11.140 | 0.000 | 34.588 | 49.785 | 0.000 |
| 42 | Average Cost of Fuel Burned per Million BTU | 2.060 | 10.903 | 0.000 | 1.527 | 8.467 | 0.000 |
| 43 | Average Cost of Fuel Burned per KWh Net Gen | 0.022 | 0.000 | 0.000 | 0.021 | 0.000 | 0.000 |
| 44 | Average BTU per KWh Net Generation | 10545.000 | 0.000 | 0.000 | 13983.000 | 0.000 | 0.000 |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year/Period of Report |
|---|---|---|---|
| Louisville Gas and Electric Company | (1) [X] An Original (2) [ ] A Resubmission | / / | End of 2017/Q4 |

## STEAM-ELECTRIC GENERATING PLANT STATISTICS (Large Plants) *(Continued)*

1. Report data for plant in Service only. 2. Large plants are steam plants with installed capacity (name plate rating) of 25,000 Kw or more. Report in this page gas-turbine and internal combustion plants of 10,000 Kw or more, and nuclear plants. 3. Indicate by a footnote any plant leased or operated as a joint facility. 4. If net peak demand for 60 minutes is not available, give data which is available, specifying period. 5. If any employees attend more than one plant, report on line 11 the approximate average number of employees assignable to each plant. 6. If gas is used and purchased on a therm basis report the Btu content or the gas and the quantity of fuel burned converted to Mct. 7. Quantities of fuel burned (Line 38) and average cost per unit of fuel burned (Line 41) must be consistent with charges to expense accounts 501 and 547 (Line 42) as show on Line 20. 8. If more than one fuel is burned in a plant furnish only the composite heat rate for all fuels burned.

| Line No. | Item (a) | Plant Name: *Brown CT* (b) | | | Plant Name: *Trimble County CT* (c) | | |
|---|---|---|---|---|---|---|---|
| 1 | Kind of Plant (Internal Comb, Gas Turb, Nuclear | Combustion Turbine | | | Combustion Turbine | | |
| 2 | Type of Constr (Conventional, Outdoor, Boiler, etc) | Conventional | | | Conventional | | |
| 3 | Year Originally Constructed | 1999 | | | 2002 | | |
| 4 | Year Last Unit was Installed | 2001 | | | 2004 | | |
| 5 | Total Installed Cap (Max Gen Name Plate Ratings-MW) | 200.00 | | | 409.00 | | |
| 6 | Net Peak Demand on Plant - MW (60 minutes) | 54 | | | 255 | | |
| 7 | Plant Hours Connected to Load | 73 | | | 354 | | |
| 8 | Net Continuous Plant Capability (Megawatts) | 190 | | | 328 | | |
| 9 | When Not Limited by Condenser Water | 190 | | | 328 | | |
| 10 | When Limited by Condenser Water | 0 | | | 0 | | |
| 11 | Average Number of Employees | 3 | | | 3 | | |
| 12 | Net Generation, Exclusive of Plant Use - KWh | 24093000 | | | 262223000 | | |
| 13 | Cost of Plant: Land and Land Rights | 5015 | | | 10526 | | |
| 14 | Structures and Improvements | 1422304 | | | 11452997 | | |
| 15 | Equipment Costs | 76392211 | | | 118431933 | | |
| 16 | Asset Retirement Costs | 0 | | | 38850 | | |
| 17 | Total Cost | 77819530 | | | 129934306 | | |
| 18 | Cost per KW of Installed Capacity (line 17/5) Including | 389.0977 | | | 317.6878 | | |
| 19 | Production Expenses: Oper, Supv, & Engr | 37864 | | | 0 | | |
| 20 | Fuel | 966537 | | | 16957292 | | |
| 21 | Coolants and Water (Nuclear Plants Only) | 0 | | | 0 | | |
| 22 | Steam Expenses | 0 | | | 0 | | |
| 23 | Steam From Other Sources | 0 | | | 0 | | |
| 24 | Steam Transferred (Cr) | 0 | | | 0 | | |
| 25 | Electric Expenses | 29763 | | | 216238 | | |
| 26 | Misc Steam (or Nuclear) Power Expenses | 0 | | | 0 | | |
| 27 | Rents | 9120 | | | 0 | | |
| 28 | Allowances | 0 | | | 0 | | |
| 29 | Maintenance Supervision and Engineering | 25829 | | | 0 | | |
| 30 | Maintenance of Structures | 63858 | | | 0 | | |
| 31 | Maintenance of Boiler (or reactor) Plant | 0 | | | 0 | | |
| 32 | Maintenance of Electric Plant | 269954 | | | 411803 | | |
| 33 | Maintenance of Misc Steam (or Nuclear) Plant | 0 | | | 0 | | |
| 34 | Total Production Expenses | 1402925 | | | 17585333 | | |
| 35 | Expenses per Net KWh | 0.0582 | | | 0.0671 | | |
| 36 | Fuel: Kind (Coal, Gas, Oil, or Nuclear) | Gas | | | Gas | | |
| 37 | Unit (Coal-tons/Oil-barrel/Gas-mcf/Nuclear-indicate) | mcf | | | mcf | | |
| 38 | Quantity (Units) of Fuel Burned | 297932 | 0 | 0 | 2885021 | 0 | 0 |
| 39 | Avg Heat Cont - Fuel Burned (btu/indicate if nuclear) | 1025 | 0 | 0 | 1033 | 0 | 0 |
| 40 | Avg Cost of Fuel/unit, as Delvd f.o.b. during year | 2.108 | 0.000 | 0.000 | 5.878 | 0.000 | 0.000 |
| 41 | Average Cost of Fuel per Unit Burned | 2.108 | 0.000 | 0.000 | 5.878 | 0.000 | 0.000 |
| 42 | Average Cost of Fuel Burned per Million BTU | 2.057 | 0.000 | 0.000 | 5.690 | 0.000 | 0.000 |
| 43 | Average Cost of Fuel Burned per KWh Net Gen | 0.026 | 0.000 | 0.000 | 0.065 | 0.000 | 0.000 |
| 44 | Average BTU per KWh Net Generation | 12675.000 | 0.000 | 0.000 | 11365.000 | 0.000 | 0.000 |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year/Period of Report |
|---|---|---|---|
| Louisville Gas and Electric Company | (1) [X] An Original<br>(2) [ ] A Resubmission | / / | End of 2017/Q4 |

STEAM-ELECTRIC GENERATING PLANT STATISTICS (Large Plants) *(Continued)*

1. Report data for plant in Service only. 2. Large plants are steam plants with installed capacity (name plate rating) of 25,000 Kw or more. Report in this page gas-turbine and internal combustion plants of 10,000 Kw or more, and nuclear plants. 3. Indicate by a footnote any plant leased or operated as a joint facility. 4. If net peak demand for 60 minutes is not available, give data which is available, specifying period. 5. If any employees attend more than one plant, report on line 11 the approximate average number of employees assignable to each plant. 6. If gas is used and purchased on a therm basis report the Btu content or the gas and the quantity of fuel burned converted to Mct. 7. Quantities of fuel burned (Line 38) and average cost per unit of fuel burned (Line 41) must be consistent with charges to expense accounts 501 and 547 (Line 42) as show on Line 20. 8. If more than one fuel is burned in a plant furnish only the composite heat rate for all fuels burned.

| Line No. | Item (a) | Plant Name: (b) | | | Plant Name: (c) | | |
|---|---|---|---|---|---|---|---|
| 1 | Kind of Plant (Internal Comb, Gas Turb, Nuclear | | | | | | |
| 2 | Type of Constr (Conventional, Outdoor, Boiler, etc) | | | | | | |
| 3 | Year Originally Constructed | | | | | | |
| 4 | Year Last Unit was Installed | | | | | | |
| 5 | Total Installed Cap (Max Gen Name Plate Ratings-MW) | 0.00 | | | 0.00 | | |
| 6 | Net Peak Demand on Plant - MW (60 minutes) | 0 | | | 0 | | |
| 7 | Plant Hours Connected to Load | 0 | | | 0 | | |
| 8 | Net Continuous Plant Capability (Megawatts) | 0 | | | 0 | | |
| 9 | When Not Limited by Condenser Water | 0 | | | 0 | | |
| 10 | When Limited by Condenser Water | 0 | | | 0 | | |
| 11 | Average Number of Employees | 0 | | | 0 | | |
| 12 | Net Generation, Exclusive of Plant Use - KWh | 0 | | | 0 | | |
| 13 | Cost of Plant: Land and Land Rights | 0 | | | 0 | | |
| 14 | Structures and Improvements | 0 | | | 0 | | |
| 15 | Equipment Costs | 0 | | | 0 | | |
| 16 | Asset Retirement Costs | 0 | | | 0 | | |
| 17 | Total Cost | 0 | | | 0 | | |
| 18 | Cost per KW of Installed Capacity (line 17/5) Including | 0 | | | 0 | | |
| 19 | Production Expenses: Oper, Supv, & Engr | 0 | | | 0 | | |
| 20 | Fuel | 0 | | | 0 | | |
| 21 | Coolants and Water (Nuclear Plants Only) | 0 | | | 0 | | |
| 22 | Steam Expenses | 0 | | | 0 | | |
| 23 | Steam From Other Sources | 0 | | | 0 | | |
| 24 | Steam Transferred (Cr) | 0 | | | 0 | | |
| 25 | Electric Expenses | 0 | | | 0 | | |
| 26 | Misc Steam (or Nuclear) Power Expenses | 0 | | | 0 | | |
| 27 | Rents | 0 | | | 0 | | |
| 28 | Allowances | 0 | | | 0 | | |
| 29 | Maintenance Supervision and Engineering | 0 | | | 0 | | |
| 30 | Maintenance of Structures | 0 | | | 0 | | |
| 31 | Maintenance of Boiler (or reactor) Plant | 0 | | | 0 | | |
| 32 | Maintenance of Electric Plant | 0 | | | 0 | | |
| 33 | Maintenance of Misc Steam (or Nuclear) Plant | 0 | | | 0 | | |
| 34 | Total Production Expenses | 0 | | | 0 | | |
| 35 | Expenses per Net KWh | 0.0000 | | | 0.0000 | | |
| 36 | Fuel: Kind (Coal, Gas, Oil, or Nuclear) | | | | | | |
| 37 | Unit (Coal-tons/Oil-barrel/Gas-mcf/Nuclear-indicate) | | | | | | |
| 38 | Quantity (Units) of Fuel Burned | 0 | 0 | 0 | 0 | 0 | 0 |
| 39 | Avg Heat Cont - Fuel Burned (btu/indicate if nuclear) | 0 | 0 | 0 | 0 | 0 | 0 |
| 40 | Avg Cost of Fuel/unit, as Delvd f.o.b. during year | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| 41 | Average Cost of Fuel per Unit Burned | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| 42 | Average Cost of Fuel Burned per Million BTU | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| 43 | Average Cost of Fuel Burned per KWh Net Gen | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| 44 | Average BTU per KWh Net Generation | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year/Period of Report |
|---|---|---|---|
| Louisville Gas and Electric Company | (1) [X] An Original<br>(2) [ ] A Resubmission | / / | End of 2017/Q4 |

STEAM-ELECTRIC GENERATING PLANT STATISTICS (Large Plants) *(Continued)*

1. Report data for plant in Service only. 2. Large plants are steam plants with installed capacity (name plate rating) of 25,000 Kw or more. Report in this page gas-turbine and internal combustion plants of 10,000 Kw or more, and nuclear plants. 3. Indicate by a footnote any plant leased or operated as a joint facility. 4. If net peak demand for 60 minutes is not available, give data which is available, specifying period. 5. If any employees attend more than one plant, report on line 11 the approximate average number of employees assignable to each plant. 6. If gas is used and purchased on a therm basis report the Btu content or the gas and the quantity of fuel burned converted to Mct. 7. Quantities of fuel burned (Line 38) and average cost per unit of fuel burned (Line 41) must be consistent with charges to expense accounts 501 and 547 (Line 42) as show on Line 20. 8. If more than one fuel is burned in a plant furnish only the composite heat rate for all fuels burned.

| Line No. | Item (a) | Plant Name: (b) | | | Plant Name: (c) | | |
|---|---|---|---|---|---|---|---|
| | | | | | | | |
| 1 | Kind of Plant (Internal Comb, Gas Turb, Nuclear | | | | | | |
| 2 | Type of Constr (Conventional, Outdoor, Boiler, etc) | | | | | | |
| 3 | Year Originally Constructed | | | | | | |
| 4 | Year Last Unit was Installed | | | | | | |
| 5 | Total Installed Cap (Max Gen Name Plate Ratings-MW) | 0.00 | | | 0.00 | | |
| 6 | Net Peak Demand on Plant - MW (60 minutes) | 0 | | | 0 | | |
| 7 | Plant Hours Connected to Load | 0 | | | 0 | | |
| 8 | Net Continuous Plant Capability (Megawatts) | 0 | | | 0 | | |
| 9 | When Not Limited by Condenser Water | 0 | | | 0 | | |
| 10 | When Limited by Condenser Water | 0 | | | 0 | | |
| 11 | Average Number of Employees | 0 | | | 0 | | |
| 12 | Net Generation, Exclusive of Plant Use - KWh | 0 | | | 0 | | |
| 13 | Cost of Plant: Land and Land Rights | 0 | | | 0 | | |
| 14 | Structures and Improvements | 0 | | | 0 | | |
| 15 | Equipment Costs | 0 | | | 0 | | |
| 16 | Asset Retirement Costs | 0 | | | 0 | | |
| 17 | Total Cost | 0 | | | 0 | | |
| 18 | Cost per KW of Installed Capacity (line 17/5) Including | 0 | | | 0 | | |
| 19 | Production Expenses: Oper, Supv, & Engr | 0 | | | 0 | | |
| 20 | Fuel | 0 | | | 0 | | |
| 21 | Coolants and Water (Nuclear Plants Only) | 0 | | | 0 | | |
| 22 | Steam Expenses | 0 | | | 0 | | |
| 23 | Steam From Other Sources | 0 | | | 0 | | |
| 24 | Steam Transferred (Cr) | 0 | | | 0 | | |
| 25 | Electric Expenses | 0 | | | 0 | | |
| 26 | Misc Steam (or Nuclear) Power Expenses | 0 | | | 0 | | |
| 27 | Rents | 0 | | | 0 | | |
| 28 | Allowances | 0 | | | 0 | | |
| 29 | Maintenance Supervision and Engineering | 0 | | | 0 | | |
| 30 | Maintenance of Structures | 0 | | | 0 | | |
| 31 | Maintenance of Boiler (or reactor) Plant | 0 | | | 0 | | |
| 32 | Maintenance of Electric Plant | 0 | | | 0 | | |
| 33 | Maintenance of Misc Steam (or Nuclear) Plant | 0 | | | 0 | | |
| 34 | Total Production Expenses | 0 | | | 0 | | |
| 35 | Expenses per Net KWh | 0.0000 | | | 0.0000 | | |
| 36 | Fuel: Kind (Coal, Gas, Oil, or Nuclear) | | | | | | |
| 37 | Unit (Coal-tons/Oil-barrel/Gas-mcf/Nuclear-indicate) | | | | | | |
| 38 | Quantity (Units) of Fuel Burned | 0 | 0 | 0 | 0 | 0 | 0 |
| 39 | Avg Heat Cont - Fuel Burned (btu/indicate if nuclear) | 0 | 0 | 0 | 0 | 0 | 0 |
| 40 | Avg Cost of Fuel/unit, as Delvd f.o.b. during year | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| 41 | Average Cost of Fuel per Unit Burned | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| 42 | Average Cost of Fuel Burned per Million BTU | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| 43 | Average Cost of Fuel Burned per KWh Net Gen | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| 44 | Average BTU per KWh Net Generation | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year/Period of Report |
|---|---|---|---|
| Louisville Gas and Electric Company | (1) [X] An Original (2) [ ] A Resubmission | / / | End of 2017/Q4 |

STEAM-ELECTRIC GENERATING PLANT STATISTICS (Large Plants) *(Continued)*

9. Items under Cost of Plant are based on U. S. of A. Accounts. Production expenses do not include Purchased Power, System Control and Load Dispatching, and Other Expenses Classified as Other Power Supply Expenses. 10. For IC and GT plants, report Operating Expenses, Account Nos. 547 and 549 on Line 25 "Electric Expenses," and Maintenance Account Nos. 553 and 554 on Line 32, "Maintenance of Electric Plant." Indicate plants designed for peak load service. Designate automatically operated plants. 11. For a plant equipped with combinations of fossil fuel steam, nuclear steam, hydro, internal combustion or gas-turbine equipment, report each as a separate plant. However, if a gas-turbine unit functions in a combined cycle operation with a conventional steam unit, include the gas-turbine with the steam plant. 12. If a nuclear power generating plant, briefly explain by footnote (a) accounting method for cost of power generated including any excess costs attributed to research and development; (b) types of cost units used for the various components of fuel cost; and (c) any other informative data concerning plant type fuel used, fuel enrichment type and quantity for the report period and other physical and operating characteristics of plant.

| Plant Name: *Cane Run CT* (d) | | | Plant Name: *Paddy's Run CT* (e) | | | Plant Name: *Zorn CT* (f) | | | Line No. |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | |
| Combustion Turbine | | | Combustion Turbine | | | Combustion Turbine | | | 1 |
| Conventional | | | Conventional | | | Conventional | | | 2 |
| 1968 | | | 1968 | | | 1969 | | | 3 |
| 1968 | | | 2001 | | | 1969 | | | 4 |
| 16.00 | | | 143.00 | | | 18.00 | | | 5 |
| 8 | | | 105 | | | 12 | | | 6 |
| 8 | | | 103 | | | 8 | | | 7 |
| 14 | | | 113 | | | 14 | | | 8 |
| 14 | | | 113 | | | 14 | | | 9 |
| 0 | | | 0 | | | 0 | | | 10 |
| 1 | | | 4 | | | 0 | | | 11 |
| -180000 | | | 33509000 | | | 15000 | | | 12 |
| 0 | | | 2957 | | | 0 | | | 13 |
| 328536 | | | 2529739 | | | 8241 | | | 14 |
| 3396332 | | | 48911167 | | | 1950893 | | | 15 |
| 0 | | | 39043 | | | 15555 | | | 16 |
| 3724868 | | | 51482906 | | | 1974689 | | | 17 |
| 232.8043 | | | 360.0203 | | | 109.7049 | | | 18 |
| 0 | | | 0 | | | 0 | | | 19 |
| 333283 | | | 3706766 | | | 18528 | | | 20 |
| 0 | | | 0 | | | 0 | | | 21 |
| 0 | | | 0 | | | 0 | | | 22 |
| 0 | | | 0 | | | 0 | | | 23 |
| 0 | | | 0 | | | 0 | | | 24 |
| 2156 | | | 68172 | | | 6047 | | | 25 |
| 0 | | | 0 | | | 0 | | | 26 |
| 0 | | | 9172 | | | 0 | | | 27 |
| 0 | | | 0 | | | 0 | | | 28 |
| 0 | | | 18052 | | | 0 | | | 29 |
| 471 | | | 1175 | | | 0 | | | 30 |
| 0 | | | 0 | | | 0 | | | 31 |
| 79761 | | | 458497 | | | 36602 | | | 32 |
| 0 | | | 0 | | | 0 | | | 33 |
| 415671 | | | 4261834 | | | 61177 | | | 34 |
| -2.3093 | | | 0.1272 | | | 4.0785 | | | 35 |
| Gas | Oil | | Gas | | | Gas | | | 36 |
| mcf | barrels | | mcf | | | mcf | | | 37 |
| 1835 | 1 | 0 | 364442 | 0 | 0 | 3161 | 0 | 0 | 38 |
| 1010 | 3284 | 0 | 1030 | 0 | 0 | 1012 | 0 | 0 | 39 |
| 181.596 | 50.530 | 0.000 | 10.171 | 0.000 | 0.000 | 5.862 | 0.000 | 0.000 | 40 |
| 181.596 | 50.530 | 0.000 | 10.171 | 0.000 | 0.000 | 5.862 | 0.000 | 0.000 | 41 |
| 179.769 | 8.723 | 0.000 | 9.873 | 0.000 | 0.000 | 5.794 | 0.000 | 0.000 | 42 |
| 0.000 | 0.000 | 0.000 | 0.111 | 0.000 | 0.000 | 1.235 | 0.000 | 0.000 | 43 |
| 0.000 | 0.000 | 0.000 | 11205.000 | 0.000 | 0.000 | 213200.000 | 0.000 | 0.000 | 44 |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year/Period of Report |
|---|---|---|---|
| Louisville Gas and Electric Company | (1) [X] An Original<br>(2) [ ] A Resubmission | / / | End of 2017/Q4 |

STEAM-ELECTRIC GENERATING PLANT STATISTICS (Large Plants) *(Continued)*

9. Items under Cost of Plant are based on U. S. of A. Accounts. Production expenses do not include Purchased Power, System Control and Load Dispatching, and Other Expenses Classified as Other Power Supply Expenses. 10. For IC and GT plants, report Operating Expenses, Account Nos. 547 and 549 on Line 25 "Electric Expenses," and Maintenance Account Nos. 553 and 554 on Line 32, "Maintenance of Electric Plant." Indicate plants designed for peak load service. Designate automatically operated plants. 11. For a plant equipped with combinations of fossil fuel steam, nuclear steam, hydro, internal combustion or gas-turbine equipment, report each as a separate plant. However, if a gas-turbine unit functions in a combined cycle operation with a conventional steam unit, include the gas-turbine with the steam plant. 12. If a nuclear power generating plant, briefly explain by footnote (a) accounting method for cost of power generated including any excess costs attributed to research and development; (b) types of cost units used for the various components of fuel cost; and (c) any other informative data concerning plant type fuel used, fuel enrichment type and quantity for the report period and other physical and operating characteristics of plant.

| Plant Name: *Cane Run NGCC* (d) | Plant Name: (e) | Plant Name: (f) | Line No. |
|---|---|---|---|
| | | | |
| Steam | | | 1 |
| Conventional | | | 2 |
| 2015 | | | 3 |
| 2015 | | | 4 |
| 178.00 | 0.00 | 0.00 | 5 |
| 153 | 0 | 0 | 6 |
| 1352 | 0 | 0 | 7 |
| 146 | 0 | 0 | 8 |
| 146 | 0 | 0 | 9 |
| 0 | 0 | 0 | 10 |
| 10 | 0 | 0 | 11 |
| 784900000 | 0 | 0 | 12 |
| 1762 | 0 | 0 | 13 |
| 16949581 | 0 | 0 | 14 |
| 106784191 | 0 | 0 | 15 |
| 18535 | 0 | 0 | 16 |
| 123754069 | 0 | 0 | 17 |
| 695.2476 | 0 | 0 | 18 |
| 284330 | 0 | 0 | 19 |
| 18512348 | 0 | 0 | 20 |
| 0 | 0 | 0 | 21 |
| 0 | 0 | 0 | 22 |
| 0 | 0 | 0 | 23 |
| 0 | 0 | 0 | 24 |
| 841206 | 0 | 0 | 25 |
| 0 | 0 | 0 | 26 |
| 0 | 0 | 0 | 27 |
| 0 | 0 | 0 | 28 |
| 91186 | 0 | 0 | 29 |
| 231363 | 0 | 0 | 30 |
| 0 | 0 | 0 | 31 |
| 1308331 | 0 | 0 | 32 |
| 0 | 0 | 0 | 33 |
| 21268764 | 0 | 0 | 34 |
| 0.0271 | 0.0000 | 0.0000 | 35 |

| | | | | | | | | | Line No. |
|---|---|---|---|---|---|---|---|---|---|
| Gas | | | | | | | | | 36 |
| mcf | | | | | | | | | 37 |
| 5218174 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 38 |
| 1026 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 39 |
| 3.548 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 40 |
| 3.548 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 41 |
| 3.457 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 42 |
| 0.024 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 43 |
| 6823.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 44 |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year/Period of Report |
|---|---|---|---|
| Louisville Gas and Electric Company | (1) [X] An Original (2) [ ] A Resubmission | / / | End of 2017/Q4 |

STEAM-ELECTRIC GENERATING PLANT STATISTICS (Large Plants) *(Continued)*

9. Items under Cost of Plant are based on U. S. of A. Accounts. Production expenses do not include Purchased Power, System Control and Load Dispatching, and Other Expenses Classified as Other Power Supply Expenses. 10. For IC and GT plants, report Operating Expenses, Account Nos. 547 and 549 on Line 25 "Electric Expenses," and Maintenance Account Nos. 553 and 554 on Line 32, "Maintenance of Electric Plant." Indicate plants designed for peak load service. Designate automatically operated plants. 11. For a plant equipped with combinations of fossil fuel steam, nuclear steam, hydro, internal combustion or gas-turbine equipment, report each as a separate plant. However, if a gas-turbine unit functions in a combined cycle operation with a conventional steam unit, include the gas-turbine with the steam plant. 12. If a nuclear power generating plant, briefly explain by footnote (a) accounting method for cost of power generated including any excess costs attributed to research and development; (b) types of cost units used for the various components of fuel cost; and (c) any other informative data concerning plant type fuel used, fuel enrichment type and quantity for the report period and other physical and operating characteristics of plant.

| Plant Name: (d) | | | Plant Name: (e) | | | Plant Name: (f) | | | Line No. |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | |
| | | | | | | | | | 1 |
| | | | | | | | | | 2 |
| | | | | | | | | | 3 |
| | | | | | | | | | 4 |
| 0.00 | | | 0.00 | | | 0.00 | | | 5 |
| 0 | | | 0 | | | 0 | | | 6 |
| 0 | | | 0 | | | 0 | | | 7 |
| 0 | | | 0 | | | 0 | | | 8 |
| 0 | | | 0 | | | 0 | | | 9 |
| 0 | | | 0 | | | 0 | | | 10 |
| 0 | | | 0 | | | 0 | | | 11 |
| 0 | | | 0 | | | 0 | | | 12 |
| 0 | | | 0 | | | 0 | | | 13 |
| 0 | | | 0 | | | 0 | | | 14 |
| 0 | | | 0 | | | 0 | | | 15 |
| 0 | | | 0 | | | 0 | | | 16 |
| 0 | | | 0 | | | 0 | | | 17 |
| 0 | | | 0 | | | 0 | | | 18 |
| 0 | | | 0 | | | 0 | | | 19 |
| 0 | | | 0 | | | 0 | | | 20 |
| 0 | | | 0 | | | 0 | | | 21 |
| 0 | | | 0 | | | 0 | | | 22 |
| 0 | | | 0 | | | 0 | | | 23 |
| 0 | | | 0 | | | 0 | | | 24 |
| 0 | | | 0 | | | 0 | | | 25 |
| 0 | | | 0 | | | 0 | | | 26 |
| 0 | | | 0 | | | 0 | | | 27 |
| 0 | | | 0 | | | 0 | | | 28 |
| 0 | | | 0 | | | 0 | | | 29 |
| 0 | | | 0 | | | 0 | | | 30 |
| 0 | | | 0 | | | 0 | | | 31 |
| 0 | | | 0 | | | 0 | | | 32 |
| 0 | | | 0 | | | 0 | | | 33 |
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| 0.0000 | | | 0.0000 | | | 0.0000 | | | 35 |
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| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 38 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 39 |
| 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 40 |
| 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 41 |
| 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 42 |
| 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 43 |
| 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 44 |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year/Period of Report |
|---|---|---|---|
| Louisville Gas and Electric Company | (1) [X] An Original<br>(2) [ ] A Resubmission | / / | End of 2017/Q4 |

STEAM-ELECTRIC GENERATING PLANT STATISTICS (Large Plants) *(Continued)*

9. Items under Cost of Plant are based on U. S. of A. Accounts. Production expenses do not include Purchased Power, System Control and Load Dispatching, and Other Expenses Classified as Other Power Supply Expenses. 10. For IC and GT plants, report Operating Expenses, Account Nos. 547 and 549 on Line 25 "Electric Expenses," and Maintenance Account Nos. 553 and 554 on Line 32, "Maintenance of Electric Plant." Indicate plants designed for peak load service. Designate automatically operated plants. 11. For a plant equipped with combinations of fossil fuel steam, nuclear steam, hydro, internal combustion or gas-turbine equipment, report each as a separate plant. However, if a gas-turbine unit functions in a combined cycle operation with a conventional steam unit, include the gas-turbine with the steam plant. 12. If a nuclear power generating plant, briefly explain by footnote (a) accounting method for cost of power generated including any excess costs attributed to research and development; (b) types of cost units used for the various components of fuel cost; and (c) any other informative data concerning plant type fuel used, fuel enrichment type and quantity for the report period and other physical and operating characteristics of plant.

| Plant Name: (d) | | | Plant Name: (e) | | | Plant Name: (f) | | | Line No. |
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| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 38 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 39 |
| 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 40 |
| 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 41 |
| 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 42 |
| 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 43 |
| 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 44 |

| Name of Respondent | This Report is: | Date of Report (Mo, Da, Yr) | Year/Period of Report |
|---|---|---|---|
| Louisville Gas and Electric Company | (1) X An Original<br>(2) __ A Resubmission | / / | 2017/Q4 |

FOOTNOTE DATA

**Schedule Page: 402 Line No.: -1 Column: c**

Partnership Expenses included in Column c:

| | | |
|---|---|---|
| Line No.: 19 | Production Expenses: Oper, Supv & Engr | $ (593,522) |
| Line No.: 20 | Fuel | (22,126,494) |
| Line No.: 22 | Steam Expenses | (849,292) |
| Line No.: 25 | Electric Expenses | (263,646) |
| Line No.: 26 | Misc Steam Power Expenses | (1,343,799) |
| Line No.: 29 | Maintenance Supervision and Engineering | (492,736) |
| Line No.: 30 | Maintenance of Structures | (267,377) |
| Line No.: 31 | Maintenance of Boiler Plant | (3,384,729) |
| Line No.: 32 | Maintenance of Electric Plant | (1,181,340) |
| Line No.: 33 | Maintenance of Misc Steam Plant | (243,548) |
| Line No.: 34 | Total Production Expenses | $ (30,746,483) |

| | |
|---|---|
| Total Power Production Expenses per Schedule Page: 402-403, Sum of Line No.: 34, Column: b-f | $ 422,488,920 |
| Operation and Maintenance Expenses on Retired Plant | 557,548 |
| Maintenance Expenses on Solar Plant per Schedule Page: 410-411, Line No.: 1, Column: j | 77,985 |
| EKPC - Oldham Co. Unit 3 Agreement Fuel Expenses | 3,637,102 |
| IMEA-IMPA Partnership Expenses | (30,746,483) |
| Rounding | 2 |
| Total Power Production Expenses per Schedule Page: 320-321, Sum of Line No.: 21 & 74, Column: b | $ 396,015,074 |

**Schedule Page: 403 Line No.: -1 Column: d**

Cane Run CT is a peak load service unit.

**Schedule Page: 403 Line No.: -1 Column: e**

LG&E owns 100% of Paddy's Run Unit 11, a 16 MW unit, and Unit 12, a 33 MW unit, and 53% of Unit 13, a 178 MW unit. The remaining percentage of Unit 13 is owned by KU. Paddy's Run Units 11, 12 and 13 are peak load service units. The information presented in here represents LG&E's share.

**Schedule Page: 403 Line No.: -1 Column: f**

No production/operation employees are directly assigned to the Zorn station. Employees from the Cane Run Plant maintain the Zorn station. Zorn station is peak load service unit only and is automatically operated.

**Schedule Page: 402 Line No.: 1 Column: c**

LG&E owns 75% of Trimble County Steam Unit 1, a 566 MW unit, with the remaining 25% owned by IMEA and IMPA. LG&E also owns 14.25% of Trimble County Steam Unit 2, a 838 MW unit, with the remaining percentages owned by KU, IMEA and IMPA. The information presented in here represents LG&E's share.

**Schedule Page: 402.1 Line No.: -1 Column: b**

LG&E owns 53% of Brown CT unit 5, a 123 MW unit, and 38% of Units 6 and 7, 177 MW each. The remaining percentages of Units 5, 6 and 7 are owned by KU. Brown CT units 5, 6, and 7 are peak load service units. The information presented in here represents LG&E's share.

**Schedule Page: 402.1 Line No.: -1 Column: c**

LG&E owns 29% of Trimble County CT units 5 and 6 and 37% of Units 7, 8, 9 and 10. The remaining percentages for Units 5, 6, 7, 8, 9 and 10 are owned by KU. The total Nameplate Ratings for these units are 199 MW per unit and they are peak load servies units. The information presented in here represents LG&E's share.

**Schedule Page: 403.1 Line No.: -1 Column: d**

LG&E owns 22% of Cane Run NGCC, a 808 MW unit, with the remaining percentage owned by KU. The information presented in here represents LG&E's share.

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year/Period of Report |
|---|---|---|---|
| Louisville Gas and Electric Company | (1) [X] An Original<br>(2) [ ] A Resubmission | / / | End of 2017/Q4 |

## HYDROELECTRIC GENERATING PLANT STATISTICS (Large Plants)

1. Large plants are hydro plants of 10,000 Kw or more of installed capacity (name plate ratings)
2. If any plant is leased, operated under a license from the Federal Energy Regulatory Commission, or operated as a joint facility, indicate such facts in a footnote. If licensed project, give project number.
3. If net peak demand for 60 minutes is not available, give that which is available specifying period.
4. If a group of employees attends more than one generating plant, report on line 11 the approximate average number of employees assignable to each plant.

| Line No. | Item<br>(a) | FERC Licensed Project No. 289<br>Plant Name: Ohio Falls<br>(b) | FERC Licensed Project No. 0<br>Plant Name:<br>(c) |
|---|---|---|---|
| | | | |
| | | | |
| 1 | Kind of Plant (Run-of-River or Storage) | Run-of-River | |
| 2 | Plant Construction type (Conventional or Outdoor) | Conventional | |
| 3 | Year Originally Constructed | 1928 | |
| 4 | Year Last Unit was Installed | 1928 | |
| 5 | Total installed cap (Gen name plate Rating in MW) | 98.00 | 0.00 |
| 6 | Net Peak Demand on Plant-Megawatts (60 minutes) | 52 | 0 |
| 7 | Plant Hours Connect to Load | 6,488 | 0 |
| 8 | Net Plant Capability (in megawatts) | | |
| 9 | (a) Under Most Favorable Oper Conditions | 62 | 0 |
| 10 | (b) Under the Most Adverse Oper Conditions | 0 | 0 |
| 11 | Average Number of Employees | 9 | 0 |
| 12 | Net Generation, Exclusive of Plant Use - Kwh | 277,577,000 | 0 |
| 13 | Cost of Plant | | |
| 14 | Land and Land Rights | 6 | 0 |
| 15 | Structures and Improvements | 12,870,708 | 0 |
| 16 | Reservoirs, Dams, and Waterways | 24,492,839 | 0 |
| 17 | Equipment Costs | 108,283,929 | 0 |
| 18 | Roads, Railroads, and Bridges | 29,931 | 0 |
| 19 | Asset Retirement Costs | 466,646 | 0 |
| 20 | TOTAL cost (Total of 14 thru 19) | 146,144,059 | 0 |
| 21 | Cost per KW of Installed Capacity (line 20 / 5) | 1,491.2659 | 0.0000 |
| 22 | Production Expenses | | |
| 23 | Operation Supervision and Engineering | 130,252 | 0 |
| 24 | Water for Power | 39,136 | 0 |
| 25 | Hydraulic Expenses | 0 | 0 |
| 26 | Electric Expenses | 370,671 | 0 |
| 27 | Misc Hydraulic Power Generation Expenses | 140,113 | 0 |
| 28 | Rents | 524,198 | 0 |
| 29 | Maintenance Supervision and Engineering | 0 | 0 |
| 30 | Maintenance of Structures | 282,081 | 0 |
| 31 | Maintenance of Reservoirs, Dams, and Waterways | 262,909 | 0 |
| 32 | Maintenance of Electric Plant | 314,546 | 0 |
| 33 | Maintenance of Misc Hydraulic Plant | 64,377 | 0 |
| 34 | Total Production Expenses (total 23 thru 33) | 2,128,283 | 0 |
| 35 | Expenses per net KWh | 0.0077 | 0.0000 |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year/Period of Report |
|---|---|---|---|
| Louisville Gas and Electric Company | (1) [X] An Original<br>(2) [ ] A Resubmission | / / | End of 2017/Q4 |

HYDROELECTRIC GENERATING PLANT STATISTICS (Large Plants) (Continued)

5. The items under Cost of Plant represent accounts or combinations of accounts prescribed by the Uniform System of Accounts. Production Expenses do not include Purchased Power, System control and Load Dispatching, and Other Expenses classified as "Other Power Supply Expenses."
6. Report as a separate plant any plant equipped with combinations of steam, hydro, internal combustion engine, or gas turbine equipment.

| FERC Licensed Project No. 0<br>Plant Name:<br>(d) | FERC Licensed Project No. 0<br>Plant Name:<br>(e) | FERC Licensed Project No. 0<br>Plant Name:<br>(f) | Line No. |
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| 0.0000 | 0.0000 | 0.0000 | 21 |
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| 0 | 0 | 0 | 32 |
| 0 | 0 | 0 | 33 |
| 0 | 0 | 0 | 34 |
| 0.0000 | 0.0000 | 0.0000 | 35 |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year/Period of Report |
|---|---|---|---|
| Louisville Gas and Electric Company | (1) [X] An Original<br>(2) [ ] A Resubmission | / / | End of 2017/Q4 |

## PUMPED STORAGE GENERATING PLANT STATISTICS (Large Plants)

1. Large plants and pumped storage plants of 10,000 Kw or more of installed capacity (name plate ratings)
2. If any plant is leased, operating under a license from the Federal Energy Regulatory Commission, or operated as a joint facility, indicate such facts in a footnote. Give project number.
3. If net peak demand for 60 minutes is not available, give the which is available, specifying period.
4. If a group of employees attends more than one generating plant, report on line 8 the approximate average number of employees assignable to each plant.
5. The items under Cost of Plant represent accounts or combinations of accounts prescribed by the Uniform System of Accounts. Production Expenses do not include Purchased Power System Control and Load Dispatching, and Other Expenses classified as "Other Power Supply Expenses."

| Line No. | Item<br>(a) | FERC Licensed Project No.<br>Plant Name:<br>(b) |
|---|---|---|
| | | |
| | | |
| 1 | Type of Plant Construction (Conventional or Outdoor) | |
| 2 | Year Originally Constructed | |
| 3 | Year Last Unit was Installed | |
| 4 | Total installed cap (Gen name plate Rating in MW) | |
| 5 | Net Peak Demaind on Plant-Megawatts (60 minutes) | |
| 6 | Plant Hours Connect to Load While Generating | |
| 7 | Net Plant Capability (in megawatts) | |
| 8 | Average Number of Employees | |
| 9 | Generation, Exclusive of Plant Use - Kwh | |
| 10 | Energy Used for Pumping | |
| 11 | Net Output for Load (line 9 - line 10) - Kwh | |
| 12 | Cost of Plant | |
| 13 | Land and Land Rights | |
| 14 | Structures and Improvements | |
| 15 | Reservoirs, Dams, and Waterways | |
| 16 | Water Wheels, Turbines, and Generators | |
| 17 | Accessory Electric Equipment | |
| 18 | Miscellaneous Powerplant Equipment | |
| 19 | Roads, Railroads, and Bridges | |
| 20 | Asset Retirement Costs | |
| 21 | Total cost (total 13 thru 20) | |
| 22 | Cost per KW of installed cap (line 21 / 4) | |
| 23 | Production Expenses | |
| 24 | Operation Supervision and Engineering | |
| 25 | Water for Power | |
| 26 | Pumped Storage Expenses | |
| 27 | Electric Expenses | |
| 28 | Misc Pumped Storage Power generation Expenses | |
| 29 | Rents | |
| 30 | Maintenance Supervision and Engineering | |
| 31 | Maintenance of Structures | |
| 32 | Maintenance of Reservoirs, Dams, and Waterways | |
| 33 | Maintenance of Electric Plant | |
| 34 | Maintenance of Misc Pumped Storage Plant | |
| 35 | Production Exp Before Pumping Exp (24 thru 34) | |
| 36 | Pumping Expenses | |
| 37 | Total Production Exp (total 35 and 36) | |
| 38 | Expenses per KWh (line 37 / 9) | |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year/Period of Report |
|---|---|---|---|
| Louisville Gas and Electric Company | (1) [X] An Original<br>(2) [ ] A Resubmission | / / | End of 2017/Q4 |

PUMPED STORAGE GENERATING PLANT STATISTICS (Large Plants) (Continued)

6. Pumping energy (Line 10) is that energy measured as input to the plant for pumping purposes.
7. Include on Line 36 the cost of energy used in pumping into the storage reservoir. When this item cannot be accurately computed leave Lines 36, 37 and 38 blank and describe at the bottom of the schedule the company's principal sources of pumping power, the estimated amounts of energy from each station or other source that individually provides more than 10 percent of the total energy used for pumping, and production expenses per net MWH as reported herein for each source described. Group together stations and other resources which individually provide less than 10 percent of total pumping energy. If contracts are made with others to purchase power for pumping, give the supplier contract number, and date of contract.

| FERC Licensed Project No.<br>Plant Name:<br>(c) | FERC Licensed Project No.<br>Plant Name:<br>(d) | FERC Licensed Project No.<br>Plant Name:<br>(e) | Line No. |
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| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year/Period of Report |
|---|---|---|---|
| Louisville Gas and Electric Company | (1) [X] An Original<br>(2) [ ] A Resubmission | / / | End of 2017/Q4 |

GENERATING PLANT STATISTICS (Small Plants)

1. Small generating plants are steam plants of, less than 25,000 Kw; internal combustion and gas turbine-plants, conventional hydro plants and pumped storage plants of less than 10,000 Kw installed capacity (name plate rating). 2. Designate any plant leased from others, operated under a license from the Federal Energy Regulatory Commission, or operated as a joint facility, and give a concise statement of the facts in a footnote. If licensed project, give project number in footnote.

| Line No. | Name of Plant<br>(a) | Year Orig. Const.<br>(b) | Installed Capacity Name Plate Rating (In MW)<br>(c) | Net Peak Demand MW (60 min.)<br>(d) | Net Generation Excluding Plant Use<br>(e) | Cost of Plant<br>(f) |
|---|---|---|---|---|---|---|
| 1 | Brown Solar | 2016 | 3.90 | 4.0 | 6,806,000 | 9,947,589 |
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| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year/Period of Report |
|---|---|---|---|
| Louisville Gas and Electric Company | (1) [X] An Original<br>(2) [ ] A Resubmission | / / | End of 2017/Q4 |

GENERATING PLANT STATISTICS (Small Plants) (Continued)

3. List plants appropriately under subheadings for steam, hydro, nuclear, internal combustion and gas turbine plants. For nuclear, see instruction 11, Page 403. 4. If net peak demand for 60 minutes is not available, give the which is available, specifying period. 5. If any plant is equipped with combinations of steam, hydro internal combustion or gas turbine equipment, report each as a separate plant. However, if the exhaust heat from the gas turbine is utilized in a steam turbine regenerative feed water cycle, or for preheated combustion air in a boiler, report as one plant.

| Plant Cost (Incl Asset Retire. Costs) Per MW (g) | Operation Exc'l. Fuel (h) | Production Expenses Fuel (i) | Production Expenses Maintenance (j) | Kind of Fuel (k) | Fuel Costs (in cents (per Million Btu) (l) | Line No. |
|---|---|---|---|---|---|---|
| 2,550,664 | | | 77,985 | | | 1 |
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| Name of Respondent | This Report is: | Date of Report (Mo, Da, Yr) | Year/Period of Report |
|---|---|---|---|
| Louisville Gas and Electric Company | (1) X An Original<br>(2) __ A Resubmission | / / | 2017/Q4 |

FOOTNOTE DATA

***Schedule Page: 410 Line No.: 1 Column: c***

The Namemplate Rating for Brown Photovoltaic Solar Unit represents 39% ownership of the 10 MW unit. The remaining percentage of the unit is owned by KU.

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year/Period of Report |
|---|---|---|---|
| Louisville Gas and Electric Company | (1) [X] An Original<br>(2) [ ] A Resubmission | / / | End of 2017/Q4 |

## TRANSMISSION LINE STATISTICS

1. Report information concerning transmission lines, cost of lines, and expenses for year. List each transmission line having nominal voltage of 132 kilovolts or greater. Report transmission lines below these voltages in group totals only for each voltage.
2. Transmission lines include all lines covered by the definition of transmission system plant as given in the Uniform System of Accounts. Do not report substation costs and expenses on this page.
3. Report data by individual lines for all voltages if so required by a State commission.
4. Exclude from this page any transmission lines for which plant costs are included in Account 121, Nonutility Property.
5. Indicate whether the type of supporting structure reported in column (e) is: (1) single pole wood or steel; (2) H-frame wood, or steel poles; (3) tower; or (4) underground construction If a transmission line has more than one type of supporting structure, indicate the mileage of each type of construction by the use of brackets and extra lines. Minor portions of a transmission line of a different type of construction need not be distinguished from the remainder of the line.
6. Report in columns (f) and (g) the total pole miles of each transmission line. Show in column (f) the pole miles of line on structures the cost of which is reported for the line designated; conversely, show in column (g) the pole miles of line on structures the cost of which is reported for another line. Report pole miles of line on leased or partly owned structures in column (g). In a footnote, explain the basis of such occupancy and state whether expenses with respect to such structures are included in the expenses reported for the line designated.

| Line No. | DESIGNATION | | VOLTAGE (KV) (Indicate where other than 60 cycle, 3 phase) | | Type of Supporting | LENGTH (Pole miles) (In the case of underground lines report circuit miles) | | Number Of |
|---|---|---|---|---|---|---|---|---|
| | From (a) | To (b) | Operating (c) | Designed (d) | Structure (e) | On Structure of Line Designated (f) | On Structures of Another Line (g) | Circuits (h) |
| 1 | Mill Creek Sub | Paddy's West Sub | 345.00 | 345.00 | ST | 15.94 | | 2 |
| 2 | Paddy's West Sub | Kenzig Road | 345.00 | 345.00 | ST,SP | 5.64 | | 1 |
| 3 | Trimble County Sub | Clifty Creek Sub | 345.00 | 345.00 | ST,WP | 12.35 | | 2 |
| 4 | Blue Lick Sub | Middletown Sub | 345.00 | 345.00 | ST | 0.12 | 19.22 | 1 |
| 5 | Buckner | Wises Landing | 345.00 | 345.00 | ST,SP | 0.32 | 13.11 | 1 |
| 6 | Middletown | Buckner | 345.00 | 345.00 | ST,SP | 0.16 | 14.13 | 1 |
| 7 | Middletown Sub | Trimble County Sub | 345.00 | 345.00 | ST | 27.96 | | 1 |
| 8 | Mill Creek Sub | Blue Lick Sub | 345.00 | 345.00 | ST | 0.24 | 11.80 | 1 |
| 9 | Mill Creek Sub | Middletown Sub | 345.00 | 345.00 | ST | 31.36 | | 1 |
| 10 | Paddy's Run Sub | T.V.A. Tower | 161.00 | 161.00 | ST | 66.16 | 50.25 | 2 |
| 11 | Appl Park Switching Station | Middletown Sub | 138.00 | 138.00 | ST | 0.08 | 12.56 | 1 |
| 12 | Appl Park Switching Station | Ethel Sub | 138.00 | 138.00 | WP,ST | 1.95 | | 1 |
| 13 | Ashbottom Sub | Appl Park Switching Station | 138.00 | 138.00 | ST | 4.61 | 1.30 | 1 |
| 14 | Grade Lane | Fern Valley Sub | 138.00 | 138.00 | ST,SP | 2.79 | | 1 |
| 15 | Ashbottom | Grade Lane | 138.00 | 138.00 | ST,SP | 0.92 | | 1 |
| 16 | Ashbottom Sub | Manslick Sub | 138.00 | 138.00 | WP,ST | 3.43 | | 1 |
| 17 | Ashby Sub | Pleasure Ridge Park Sub | 138.00 | 138.00 | WP,SP,CP | 2.82 | | 1 |
| 18 | Beargrass Sub | Lyndon South Sub | 138.00 | 138.00 | ST | 0.10 | 7.33 | 1 |
| 19 | Beargrass Sub | Middletown Sub | 138.00 | 138.00 | ST | 9.06 | 5.53 | 2 |
| 20 | Beargrass Sub | Northside Sub | 138.00 | 138.00 | ST,SP | 6.37 | | 1 |
| 21 | Beargrass Sub | Northside Sub | 138.00 | 138.00 | ST | 0.23 | 6.11 | 1 |
| 22 | Breckenridge Sub | Hurstbourne Sub | 138.00 | 138.00 | WP,SP,CP | 3.89 | 0.17 | 1 |
| 23 | Campground | Cane Run Switching Station | 138.00 | 138.00 | ST | 3.08 | 3.29 | 2 |
| 24 | Canal Sub | Waterside West | 138.00 | 138.00 | ST | 0.23 | 0.87 | 1 |
| 25 | Cane Run Switching Station | Ashbottom Sub | 138.00 | 138.00 | ST | 9.64 | 7.87 | 3 |
| 26 | Cane Run | Cane Run Switching Station | 138.00 | 138.00 | ST,WP | 2.39 | | 2 |
| 27 | Cane Run | Cane Run Switching Station | 138.00 | 138.00 | ST,WP | 2.28 | | 2 |
| 28 | Cane Run | Cane Run Switching Station | 138.00 | 138.00 | ST | 1.37 | 2.26 | 1 |
| 29 | Cane Run | Cane Run Switching Station | 138.00 | 138.00 | ST | 0.11 | 2.19 | 1 |
| 30 | Cane Run Switching Station | International | 138.00 | 138.00 | ST,SP,WP | 2.25 | | 1 |
| 31 | Centerfield Sub | Trimble County Sub | 138.00 | 138.00 | WP,ST | 15.08 | 0.67 | 1 |
| 32 | Dixie Sub | Algonquin Sub | 138.00 | 138.00 | WP,SP | 0.80 | | 1 |
| 33 | Ethel Sub | Breckenridge Sub | 138.00 | 138.00 | WP,ST,SP | 3.90 | | 1 |
| 34 | Fern Valley Sub | Okolona Sub | 138.00 | 138.00 | WP,SP | 1.40 | | 1 |
| 35 | Fern Valley Sub | Watterson Sub | 138.00 | 138.00 | ST | 3.92 | 1.36 | 1 |
| 36 | | | | | TOTAL | 674.59 | 241.58 | 88 |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year/Period of Report |
|---|---|---|---|
| Louisville Gas and Electric Company | (1) [X] An Original (2) [ ] A Resubmission | / / | End of 2017/Q4 |

## TRANSMISSION LINE STATISTICS

1. Report information concerning transmission lines, cost of lines, and expenses for year. List each transmission line having nominal voltage of 132 kilovolts or greater. Report transmission lines below these voltages in group totals only for each voltage.
2. Transmission lines include all lines covered by the definition of transmission system plant as given in the Uniform System of Accounts. Do not report substation costs and expenses on this page.
3. Report data by individual lines for all voltages if so required by a State commission.
4. Exclude from this page any transmission lines for which plant costs are included in Account 121, Nonutility Property.
5. Indicate whether the type of supporting structure reported in column (e) is: (1) single pole wood or steel; (2) H-frame wood, or steel poles; (3) tower; or (4) underground construction If a transmission line has more than one type of supporting structure, indicate the mileage of each type of construction by the use of brackets and extra lines. Minor portions of a transmission line of a different type of construction need not be distinguished from the remainder of the line.
6. Report in columns (f) and (g) the total pole miles of each transmission line. Show in column (f) the pole miles of line on structures the cost of which is reported for the line designated; conversely, show in column (g) the pole miles of line on structures the cost of which is reported for another line. Report pole miles of line on leased or partly owned structures in column (g). In a footnote, explain the basis of such occupancy and state whether expenses with respect to such structures are included in the expenses reported for the line designated.

| Line No. | DESIGNATION | | VOLTAGE (KV) (Indicate where other than 60 cycle, 3 phase) | | Type of Supporting | LENGTH (Pole miles) (In the case of underground lines report circuit miles) | | Number Of |
|---|---|---|---|---|---|---|---|---|
| | From (a) | To (b) | Operating (c) | Designed (d) | Structure (e) | On Structure of Line Designated (f) | On Structures of Another Line (g) | Circuits (h) |
| 1 | Hurstbourne Sub | Bluegrass Sub | 138.00 | 138.00 | SP,WP | 2.02 | | 1 |
| 2 | Knob Creek Sub | Tip Top Sub | 138.00 | 138.00 | WP,ST,CP | 11.79 | | 1 |
| 3 | Lyndon South Sub | Middletown Sub | 138.00 | 138.00 | ST,SP | 5.58 | | 1 |
| 4 | Magazine Sub | Hancock Sub | 138.00 | 138.00 | SP,WP | 2.38 | 0.04 | 1 |
| 5 | Magazine Sub | Waterside West | 138.00 | 138.00 | ST,SP,WP | 3.38 | | 1 |
| 6 | Manslick Sub | Mill Creek Sub | 138.00 | 138.00 | WP,ST | 10.52 | | 1 |
| 7 | Middletown Sub | Centerfield Sub | 138.00 | 138.00 | WP,ST | 12.26 | | 1 |
| 8 | Mill Creek Sub | Ashby Sub | 138.00 | 138.00 | WP,SP | 5.56 | | 1 |
| 9 | Mill Creek Sub | Knob Creek Sub | 138.00 | 138.00 | WP,ST | 2.80 | 3.59 | 1 |
| 10 | Mill Creek Sub | Kosmosdale Prim. Meter Stn. | 138.00 | 138.00 | WP,ST | 1.27 | 0.44 | 2 |
| 11 | Mud Lane Sub | Blue Lick Sub | 138.00 | 138.00 | SP,WP | 5.45 | | 1 |
| 12 | Okolona Sub | Mud Lane Sub | 138.00 | 138.00 | WP,ST | 3.86 | 0.18 | 1 |
| 13 | Paddy's Run Sub | Campground | 138.00 | 138.00 | ST | 0.45 | | 1 |
| 14 | Paddy's Run Sub | Dixie Sub | 138.00 | 138.00 | WP,SP | 3.58 | | 1 |
| 15 | Paddy's Run Sub | Ohio Falls Sub | 138.00 | 138.00 | ST | 12.41 | 0.39 | 3 |
| 16 | Paddy's Run Sub | Paddy's West Sub | 138.00 | 138.00 | ST | 0.69 | 0.12 | 2 |
| 17 | Plainview Sub | Hurstbourne Sub | 138.00 | 138.00 | WP,SP | 2.18 | | 1 |
| 18 | Paddy's West Sub | PSI Connection Gallagher | 138.00 | 138.00 | SP | 0.42 | | 1 |
| 19 | Northside Sub | Clifty Creek Sub | 138.00 | 138.00 | ST,WP | 32.54 | | 1 |
| 20 | Northside Sub | Tower No. 43 at P.S.I. | | | | | | |
| 21 | | Connection | 138.00 | 138.00 | ST | 0.19 | 0.04 | 1 |
| 22 | Clifty Creek Sub | Tower No.220 Connection | | | | | | |
| 23 | | with CG&E Co. | 138.00 | 138.00 | ST | 4.24 | 2.50 | 1 |
| 24 | Watterson Sub | Middletown Sub | 138.00 | 138.00 | ST,WP | 7.20 | 0.22 | 1 |
| 25 | Tip Top Sub | Cloverport Sub | 138.00 | 138.00 | WP,SP,ST | 32.81 | 2.74 | 1 |
| 26 | Waterside West | Beargrass Sub | 138.00 | 138.00 | ST,SP | 2.08 | | 2 |
| 27 | Waterside West | Beargrass Sub | 138.00 | 138.00 | SP | 0.25 | 1.81 | 1 |
| 28 | Mill Creek Sub | Cane Run Sub | 138.00 | 138.00 | ST,SP | 1.55 | 13.15 | 1 |
| 29 | Mill Creek | East Fort Knox | 345.00 | 345.00 | HF,ST | 6.89 | | 1 |
| 30 | Middletown | Old Henry | 138.00 | 138.00 | ST | 3.76 | | 1 |
| 31 | Old Henry | Collins | 138.00 | 138.00 | SP | 3.80 | 0.20 | 1 |
| 32 | Trimble County | Speed | 345.00 | 345.00 | ST,SP | 2.48 | | 1 |
| 33 | Trimble County | Ghent | 345.00 | 345.00 | ST,SP | 0.04 | 2.44 | 1 |
| 34 | Kenzig Road | Northside | 345.00 | 345.00 | ST,SP | 9.19 | 0.31 | 1 |
| 35 | Kenzig Road | Speed Tap | 345.00 | 345.00 | SP | 0.86 | | 1 |
| 36 | | | | | TOTAL | 674.59 | 241.58 | 88 |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year/Period of Report |
|---|---|---|---|
| Louisville Gas and Electric Company | (1) [X] An Original<br>(2) [ ] A Resubmission | / / | End of 2017/Q4 |

## TRANSMISSION LINE STATISTICS

1. Report information concerning transmission lines, cost of lines, and expenses for year. List each transmission line having nominal voltage of 132 kilovolts or greater. Report transmission lines below these voltages in group totals only for each voltage.
2. Transmission lines include all lines covered by the definition of transmission system plant as given in the Uniform System of Accounts. Do not report substation costs and expenses on this page.
3. Report data by individual lines for all voltages if so required by a State commission.
4. Exclude from this page any transmission lines for which plant costs are included in Account 121, Nonutility Property.
5. Indicate whether the type of supporting structure reported in column (e) is: (1) single pole wood or steel; (2) H-frame wood, or steel poles; (3) tower; or (4) underground construction If a transmission line has more than one type of supporting structure, indicate the mileage of each type of construction by the use of brackets and extra lines. Minor portions of a transmission line of a different type of construction need not be distinguished from the remainder of the line.
6. Report in columns (f) and (g) the total pole miles of each transmission line. Show in column (f) the pole miles of line on structures the cost of which is reported for the line designated; conversely, show in column (g) the pole miles of line on structures the cost of which is reported for another line. Report pole miles of line on leased or partly owned structures in column (g). In a footnote, explain the basis of such occupancy and state whether expenses with respect to such structures are included in the expenses reported for the line designated.

| Line No. | DESIGNATION | | VOLTAGE (KV) (Indicate where other than 60 cycle, 3 phase) | | Type of Supporting | LENGTH (Pole miles) (In the case of underground lines report circuit miles) | | Number Of Circuits |
|---|---|---|---|---|---|---|---|---|
| | From (a) | To (b) | Operating (c) | Designed (d) | Structure (e) | On Structure of Line Designated (f) | On Structures of Another Line (g) | (h) |
| 1 | Kenzig Road | Ramsey Tap | 345.00 | 345.00 | SP | 0.07 | 0.80 | 1 |
| 2 | Overhead Lines under | | | | | | | |
| 3 | 132KV | | 69.00 | 69.00 | WP,ST | 230.37 | 52.59 | |
| 4 | Ashbottom Sub | Grade Lane Sub | 138.00 | 138.00 | Undg. (26) | 0.58 | | 1 |
| 5 | Waterside West | Canal Sub | 138.00 | 138.00 | Undg. (26) | 0.75 | | 1 |
| 6 | Magazine Sub | Waterside West | 138.00 | 138.00 | Undg. (26) | 0.75 | | 1 |
| 7 | Waterside West | Beargrass Sub | 138.00 | 138.00 | Undg. (26) | 0.93 | | 1 |
| 8 | Waterside West | Beargrass Sub | 138.00 | 138.00 | Undg. (26) | 0.93 | | 1 |
| 9 | Underground Lines under | | | | | | | |
| 10 | 132KV | | 69.00 | 69.00 | Undg. (26) | 2.78 | | |
| 11 | | | | | | | | |
| 12 | | | | | | | | |
| 13 | | | | | | | | |
| 14 | | | | | | | | |
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| 29 | | | | | | | | |
| 30 | | | | | | | | |
| 31 | | | | | | | | |
| 32 | | | | | | | | |
| 33 | | | | | | | | |
| 34 | | | | | | | | |
| 35 | Exp Applicable to All Lines | | | | | | | |
| 36 | | | | | TOTAL | 674.59 | 241.58 | 88 |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year/Period of Report |
|---|---|---|---|
| Louisville Gas and Electric Company | (1) [X] An Original<br>(2) [ ] A Resubmission | / / | End of 2017/Q4 |

TRANSMISSION LINE STATISTICS (Continued)

7. Do not report the same transmission line structure twice. Report Lower voltage Lines and higher voltage lines as one line. Designate in a footnote if you do not include Lower voltage lines with higher voltage lines. If two or more transmission line structures support lines of the same voltage, report the pole miles of the primary structure in column (f) and the pole miles of the other line(s) in column (g)
8. Designate any transmission line or portion thereof for which the respondent is not the sole owner. If such property is leased from another company, give name of lessor, date and terms of Lease, and amount of rent for year. For any transmission line other than a leased line, or portion thereof, for which the respondent is not the sole owner but which the respondent operates or shares in the operation of, furnish a succinct statement explaining the arrangement and giving particulars (details) of such matters as percent ownership by respondent in the line, name of co-owner, basis of sharing expenses of the Line, and how the expenses borne by the respondent are accounted for, and accounts affected. Specify whether lessor, co-owner, or other party is an associated company.
9. Designate any transmission line leased to another company and give name of Lessee, date and terms of lease, annual rent for year, and how determined. Specify whether lessee is an associated company.
10. Base the plant cost figures called for in columns (j) to (l) on the book cost at end of year.

| Size of Conductor and Material (i) | COST OF LINE (Include in Column (j) Land, Land rights, and clearing right-of-way) Land (j) | Construction and Other Costs (k) | Total Cost (l) | EXPENSES, EXCEPT DEPRECIATION AND TAXES Operation Expenses (m) | Maintenance Expenses (n) | Rents (o) | Total Expenses (p) | Line No. |
|---|---|---|---|---|---|---|---|---|
| 954 mcm | 113,337 | 5,820,641 | 5,933,978 | | | | | 1 |
| 1024.5 mcm | 102,753 | 6,299,799 | 6,402,552 | | | | | 2 |
| 954 mcm | | 3,479,667 | 3,479,667 | | | | | 3 |
| 954 mcm | | 2,100,853 | 2,100,853 | | | | | 4 |
| 954 mcm | | 2,990,335 | 2,990,335 | | | | | 5 |
| 954 mcm | | 2,941,946 | 2,941,946 | | | | | 6 |
| 954 mcm | 479,907 | 8,529,451 | 9,009,358 | | | | | 7 |
| 954 mcm | | 2,279,989 | 2,279,989 | | | | | 8 |
| 954 mcm | 314,954 | 4,264,302 | 4,579,256 | | | | | 9 |
| 500 mcm | 98,666 | 3,479,252 | 3,577,918 | | | | | 10 |
| 795 mcm | 102,525 | 927,549 | 1,030,074 | | | | | 11 |
| 795 mcm | 862 | 566,587 | 567,449 | | | | | 12 |
| 795 mcm | 42,502 | 490,157 | 532,659 | | | | | 13 |
| 795 mcm | | 566,798 | 566,798 | | | | | 14 |
| 795 mcm | | 210,537 | 210,537 | | | | | 15 |
| 795 mcm | | 795,305 | 795,305 | | | | | 16 |
| 1272 mcm | | 1,021,519 | 1,021,519 | | | | | 17 |
| 795 mcm | | 121,569 | 121,569 | | | | | 18 |
| 795 mcm | 159,406 | 1,544,115 | 1,703,521 | | | | | 19 |
| 1024.5 mcm | 67,983 | 3,560,055 | 3,628,038 | | | | | 20 |
| 1024.5 mcm | 6,427 | 1,210,499 | 1,216,926 | | | | | 21 |
| 1272 mcm | 15,419 | 1,459,668 | 1,475,087 | | | | | 22 |
| 795 mcm | 8,216 | 253,452 | 261,668 | | | | | 23 |
| 795 mcm | | 258,996 | 258,996 | | | | | 24 |
| 795 mcm | 38,205 | 1,462,865 | 1,501,070 | | | | | 25 |
| 795 mcm | 18,788 | 1,612,294 | 1,631,082 | | | | | 26 |
| 795 mcm | | 180,493 | 180,493 | | | | | 27 |
| 954 mcm | | 584,089 | 584,089 | | | | | 28 |
| 954 mcm | | 320,876 | 320,876 | | | | | 29 |
| 795 mcm | | 596,345 | 596,345 | | | | | 30 |
| 795 mcm | 85,784 | 2,912,840 | 2,998,624 | | | | | 31 |
| 795 mcm | 1,446 | 427,777 | 429,223 | | | | | 32 |
| 1272 mcm | 27,072 | 1,179,516 | 1,206,588 | | | | | 33 |
| 1272 mcm | | 439,833 | 439,833 | | | | | 34 |
| 795 mcm | 2,054 | 57,683 | 59,737 | | | | | 35 |
| | 9,343,438 | 207,767,383 | 217,110,821 | 191,250 | 2,496,853 | 51,090 | 2,739,193 | 36 |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year/Period of Report |
|---|---|---|---|
| Louisville Gas and Electric Company | (1) [X] An Original (2) [ ] A Resubmission | / / | End of 2017/Q4 |

TRANSMISSION LINE STATISTICS (Continued)

7. Do not report the same transmission line structure twice. Report Lower voltage Lines and higher voltage lines as one line. Designate in a footnote if you do not include Lower voltage lines with higher voltage lines. If two or more transmission line structures support lines of the same voltage, report the pole miles of the primary structure in column (f) and the pole miles of the other line(s) in column (g)
8. Designate any transmission line or portion thereof for which the respondent is not the sole owner. If such property is leased from another company, give name of lessor, date and terms of Lease, and amount of rent for year. For any transmission line other than a leased line, or portion thereof, for which the respondent is not the sole owner but which the respondent operates or shares in the operation of, furnish a succinct statement explaining the arrangement and giving particulars (details) of such matters as percent ownership by respondent in the line, name of co-owner, basis of sharing expenses of the Line, and how the expenses borne by the respondent are accounted for, and accounts affected. Specify whether lessor, co-owner, or other party is an associated company.
9. Designate any transmission line leased to another company and give name of Lessee, date and terms of lease, annual rent for year, and how determined. Specify whether lessee is an associated company.
10. Base the plant cost figures called for in columns (j) to (l) on the book cost at end of year.

| Size of Conductor and Material | COST OF LINE (Include in Column (j) Land, Land rights, and clearing right-of-way) | | | EXPENSES, EXCEPT DEPRECIATION AND TAXES | | | | Line No. |
|---|---|---|---|---|---|---|---|---|
| (i) | Land (j) | Construction and Other Costs (k) | Total Cost (l) | Operation Expenses (m) | Maintenance Expenses (n) | Rents (o) | Total Expenses (p) | |
| 1272 mcm | 37,300 | 1,164,786 | 1,202,086 | | | | | 1 |
| 636 mcm | 7,955 | 1,852,843 | 1,860,798 | | | | | 2 |
| 795 mcm | 35,941 | 1,663,346 | 1,699,287 | | | | | 3 |
| 1272 mcm | | 1,805,684 | 1,805,684 | | | | | 4 |
| 795 mcm | 2,600 | 1,232,065 | 1,234,665 | | | | | 5 |
| 636 mcm | 16,570 | 1,614,226 | 1,630,796 | | | | | 6 |
| 795 mcm | 42,761 | 1,407,437 | 1,450,198 | | | | | 7 |
| 1272 mcm | 528 | 1,932,380 | 1,932,908 | | | | | 8 |
| 636 mcm | 10,855 | 428,693 | 439,548 | | | | | 9 |
| 840.2 mcm | | 1,267,754 | 1,267,754 | | | | | 10 |
| 840.2 mcm | 46,432 | 2,601,256 | 2,647,688 | | | | | 11 |
| 1272 mcm | 79,825 | 1,363,940 | 1,443,765 | | | | | 12 |
| 795 mcm | 1,455 | 64,918 | 66,373 | | | | | 13 |
| 795 mcm | 27,351 | 997,202 | 1,024,553 | | | | | 14 |
| 300 mcm | 81,226 | 3,670,576 | 3,751,802 | | | | | 15 |
| 954 mcm | 2,763 | 421,996 | 424,759 | | | | | 16 |
| 1272 mcm | 3,591 | 766,819 | 770,410 | | | | | 17 |
| 954 mcm | | 219,011 | 219,011 | | | | | 18 |
| 336.4 mcm | 73,852 | 1,550,541 | 1,624,393 | | | | | 19 |
| | | | | | | | | 20 |
| 954 mcm | | 45,884 | 45,884 | | | | | 21 |
| | | | | | | | | 22 |
| 336.4 mcm | 22,743 | 889,814 | 912,557 | | | | | 23 |
| 840.2 mcm | | 361,979 | 361,979 | | | | | 24 |
| 397.5 mcm | 48,020 | 3,731,076 | 3,779,096 | | | | | 25 |
| 795 mcm | 17,950 | 567,097 | 585,047 | | | | | 26 |
| 795 mcm | | 913,129 | 913,129 | | | | | 27 |
| 954 mcm | 20,979 | 1,089,717 | 1,110,696 | | | | | 28 |
| 954 mcm | 941,552 | 8,321,901 | 9,263,453 | | | | | 29 |
| 954 mcm | | 4,715,373 | 4,715,373 | | | | | 30 |
| 954 mcm | 10,100 | 2,116,725 | 2,126,825 | | | | | 31 |
| 954 mcm | 188,845 | 15,468,099 | 15,656,944 | | | | | 32 |
| 954 mcm | 389,275 | 1,357,164 | 1,746,439 | | | | | 33 |
| 954 mcm | | 357,406 | 357,406 | | | | | 34 |
| 954 mcm | | 8,462,751 | 8,462,751 | | | | | 35 |
| | 9,343,438 | 207,767,383 | 217,110,821 | 191,250 | 2,496,853 | 51,090 | 2,739,193 | 36 |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year/Period of Report |
|---|---|---|---|
| Louisville Gas and Electric Company | (1) [X] An Original<br>(2) [ ] A Resubmission | / / | End of 2017/Q4 |

TRANSMISSION LINE STATISTICS (Continued)

7. Do not report the same transmission line structure twice. Report Lower voltage Lines and higher voltage lines as one line. Designate in a footnote if you do not include Lower voltage lines with higher voltage lines. If two or more transmission line structures support lines of the same voltage, report the pole miles of the primary structure in column (f) and the pole miles of the other line(s) in column (g)
8. Designate any transmission line or portion thereof for which the respondent is not the sole owner. If such property is leased from another company, give name of lessor, date and terms of Lease, and amount of rent for year. For any transmission line other than a leased line, or portion thereof, for which the respondent is not the sole owner but which the respondent operates or shares in the operation of, furnish a succinct statement explaining the arrangement and giving particulars (details) of such matters as percent ownership by respondent in the line, name of co-owner, basis of sharing expenses of the Line, and how the expenses borne by the respondent are accounted for, and accounts affected. Specify whether lessor, co-owner, or other party is an associated company.
9. Designate any transmission line leased to another company and give name of Lessee, date and terms of lease, annual rent for year, and how determined. Specify whether lessee is an associated company.
10. Base the plant cost figures called for in columns (j) to (l) on the book cost at end of year.

| Size of Conductor and Material (i) | COST OF LINE (Include in Column (j) Land, Land rights, and clearing right-of-way) Land (j) | Construction and Other Costs (k) | Total Cost (l) | EXPENSES, EXCEPT DEPRECIATION AND TAXES Operation Expenses (m) | Maintenance Expenses (n) | Rents (o) | Total Expenses (p) | Line No. |
|---|---|---|---|---|---|---|---|---|
| 954 mcm | | 303,590 | 303,590 | | | | | 1 |
| | | | | | | | | 2 |
| Various | 5,546,663 | 59,242,850 | 64,789,513 | | | | | 3 |
| 1500 Kcmil cu | | 1,042,460 | 1,042,460 | | | | | 4 |
| 1750 mcm ho | | 584,760 | 584,760 | | | | | 5 |
| 1500 mcm ho | | 584,626 | 584,626 | | | | | 6 |
| 1500 mcm cu | | 1,659,275 | 1,659,275 | | | | | 7 |
| 1500 mcm ho | | 1,465,974 | 1,465,974 | | | | | 8 |
| | | | | | | | | 9 |
| Various | | 3,512,608 | 3,512,608 | | | | | 10 |
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| | | | | | | | | 33 |
| | | | | | | | | 34 |
| | | | | 191,250 | 2,496,853 | 51,090 | 2,739,193 | 35 |
| | 9,343,438 | 207,767,383 | 217,110,821 | 191,250 | 2,496,853 | 51,090 | 2,739,193 | 36 |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year/Period of Report |
|---|---|---|---|
| Louisville Gas and Electric Company | (1) [X] An Original<br>(2) [ ] A Resubmission | / / | End of 2017/Q4 |

## TRANSMISSION LINES ADDED DURING YEAR

1. Report below the information called for concerning Transmission lines added or altered during the year. It is not necessary to report minor revisions of lines.
2. Provide separate subheadings for overhead and under- ground construction and show each transmission line separately. If actual costs of competed construction are not readily available for reporting columns (l) to (o), it is permissible to report in these columns the

| Line No. | LINE DESIGNATION From (a) | LINE DESIGNATION To (b) | Line Length in Miles (c) | SUPPORTING STRUCTURE Type (d) | SUPPORTING STRUCTURE Average Number per Miles (e) | CIRCUITS PER STRUCTURE Present (f) | CIRCUITS PER STRUCTURE Ultimate (g) |
|---|---|---|---|---|---|---|---|
| 1 | | | | | | | |
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| 40 | | | | | | | |
| 41 | | | | | | | |
| 42 | | | | | | | |
| 43 | | | | | | | |
| 44 | TOTAL | | | | | | |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year/Period of Report |
|---|---|---|---|
| Louisville Gas and Electric Company | (1) [X] An Original<br>(2) [ ] A Resubmission | / / | End of 2017/Q4 |

TRANSMISSION LINES ADDED DURING YEAR (Continued)

costs. Designate, however, if estimated amounts are reported. Include costs of Clearing Land and Rights-of-Way, and Roads and Trails, in column (l) with appropriate footnote, and costs of Underground Conduit in column (m).
3. If design voltage differs from operating voltage, indicate such fact by footnote; also where line is other than 60 cycle, 3 phase, indicate such other characteristic.

| CONDUCTORS Size (h) | Specification (i) | Configuration and Spacing (j) | Voltage KV (Operating) (k) | LINE COST Land and Land Rights (l) | Poles, Towers and Fixtures (m) | Conductors and Devices (n) | Asset Retire. Costs (o) | Total (p) | Line No. |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | 1 |
| | | | | | | | | | 2 |
| | | | | | | | | | 3 |
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| | | | | | | | | | 44 |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year/Period of Report |
|---|---|---|---|
| Louisville Gas and Electric Company | (1) [X] An Original (2) [ ] A Resubmission | / / | End of 2017/Q4 |

SUBSTATIONS

1. Report below the information called for concerning substations of the respondent as of the end of the year.
2. Substations which serve only one industrial or street railway customer should not be listed below.
3. Substations with capacities of Less than 10 MVa except those serving customers with energy for resale, may be grouped according to functional character, but the number of such substations must be shown.
4. Indicate in column (b) the functional character of each substation, designating whether transmission or distribution and whether attended or unattended. At the end of the page, summarize according to function the capacities reported for the individual stations in column (f).

| Line No. | Name and Location of Substation (a) | Character of Substation (b) | VOLTAGE (In MVa) Primary (c) | Secondary (d) | Tertiary (e) |
|---|---|---|---|---|---|
| 1 | Aiken | Transmission* | 69.00 | | |
| 2 | Algonquin | Transmission* | 138.00 | 69.00 | 13.80 |
| 3 | Appliance Park | Transmission* | 138.00 | | |
| 4 | Ashbottom | Transmission* | 138.00 | 69.00 | 13.80 |
| 5 | Beargrass | Transmission* | 138.00 | 69.00 | 13.80 |
| 6 | Beargrass Pumping | Transmission* | 69.00 | | |
| 7 | Blue Lick, Brooks, KY | Transmission* | 345.00 | 138.00 | |
| 8 | Blue Lick, Brooks, KY | Transmission* | 345.00 | 161.00 | |
| 9 | Blue Lick, Brooks, KY | Transmission* | 138.00 | 69.00 | 13.80 |
| 10 | Breckenridge | Transmission* | 138.00 | 69.00 | 13.20 |
| 11 | Canal | Transmission* | 136.80 | 66.00 | 14.00 |
| 12 | Cane Run CT | Transmission* | 345.00 | 138.00 | 13.80 |
| 13 | Cane Run Switching | Transmission* | 138.00 | 69.00 | 13.80 |
| 14 | Centerfield | Transmission* | 138.00 | 69.00 | 13.80 |
| 15 | Clay | Transmission* | 69.00 | | |
| 16 | Clifton | Transmission* | 69.00 | | |
| 17 | Cloverport | Transmission* | 138.00 | | |
| 18 | Collins | Transmission* | 138.00 | 69.00 | |
| 19 | Eastwood | Transmission* | 69.00 | | |
| 20 | Ethel | Transmission* | 138.00 | 69.00 | 13.80 |
| 21 | Farnsley | Transmission* | 69.00 | | |
| 22 | Fern Valley | Transmission* | 138.00 | 69.00 | 13.80 |
| 23 | Ford | Transmission* | 69.00 | | |
| 24 | Grady | Transmission* | 69.00 | | |
| 25 | Hancock | Transmission* | 138.00 | 69.00 | 13.80 |
| 26 | Harrods Creek | Transmission* | 69.00 | | |
| 27 | Kenzig Road | Transmission* | 345.00 | | |
| 28 | Lyndon | Transmission* | 69.00 | | |
| 29 | Lyndon South, Lyndon, KY | Transmission* | 138.00 | 69.00 | 13.80 |
| 30 | Madison | Transmission* | 69.00 | | |
| 31 | Middletown 345, Middletown, KY | Transmission* | 345.00 | 138.00 | |
| 32 | Middletown, Middletown, KY | Transmission* | 138.00 | 69.00 | 13.80 |
| 33 | Mill Creek, Kosmosdale, KY | Transmission* | 345.00 | 138.00 | 13.80 |
| 34 | Mill Creek, Kosmosdale, KY | Transmission* | 138.00 | 69.00 | 13.80 |
| 35 | Mud Lane | Transmission* | 138.00 | 69.00 | 13.80 |
| 36 | Northside, Jeffersonville, IN | Transmission* | 345.00 | 138.00 | 13.80 |
| 37 | Oxmoor | Transmission* | 69.00 | | |
| 38 | Paddy's Run | Transmission* | 161.00 | 138.00 | |
| 39 | Paddy's Run | Transmission* | 138.00 | 69.00 | 14.00 |
| 40 | Paddy's West - IN | Transmission* | 345.00 | 138.00 | 13.80 |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year/Period of Report |
|---|---|---|---|
| Louisville Gas and Electric Company | (1) [X] An Original<br>(2) [ ] A Resubmission | / / | End of 2017/Q4 |

## SUBSTATIONS

1. Report below the information called for concerning substations of the respondent as of the end of the year.
2. Substations which serve only one industrial or street railway customer should not be listed below.
3. Substations with capacities of Less than 10 MVa except those serving customers with energy for resale, may be grouped according to functional character, but the number of such substations must be shown.
4. Indicate in column (b) the functional character of each substation, designating whether transmission or distribution and whether attended or unattended. At the end of the page, summarize according to function the capacities reported for the individual stations in column (f).

| Line No. | Name and Location of Substation (a) | Character of Substation (b) | VOLTAGE (In MVa) Primary (c) | Secondary (d) | Tertiary (e) |
|---|---|---|---|---|---|
| 1 | Seminole | Transmission* | 69.00 | | |
| 2 | Shively | Transmission* | 69.00 | | |
| 3 | Smyrna | Transmission* | 69.00 | | |
| 4 | Taylor | Transmission* | 69.00 | | |
| 5 | Tip Top, KY | Transmission* | 135.00 | 66.00 | 14.00 |
| 6 | Tip Top, KY | Transmission* | 135.00 | 66.00 | 37.00 |
| 7 | Trimble County | Transmission* | 345.00 | 138.00 | |
| 8 | Waterside West | Transmission* | 138.00 | | |
| 9 | Watterson | Transmission* | 138.00 | 69.00 | 13.80 |
| 10 | Worthington | Transmission* | 69.00 | | |
| 11 | Total Transmission | | 7605.80 | 2636.00 | 340.60 |
| 12 | | | | | |
| 13 | Aiken | Distribution* | 69.00 | 12.47 | |
| 14 | Algonquin | Distribution* | 69.00 | 13.80 | |
| 15 | Ashbottom | Distribution* | 138.00 | 13.80 | |
| 16 | Ashby | Distribution* | 138.00 | 12.47 | |
| 17 | Bishop | Distribution* | 69.00 | 12.47 | |
| 18 | Bluegrass | Distribution* | 138.00 | 12.47 | |
| 19 | Brandenburg, near Brandenburg, KY | Distribution* | 69.00 | 12.47 | |
| 20 | Breckenridge | Distribution* | 69.00 | 13.80 | |
| 21 | Breckenridge | Distribution* | 69.00 | 12.47 | |
| 22 | Campground | Distribution* | 138.00 | 13.80 | |
| 23 | Canal | Distribution* | 69.00 | 13.80 | |
| 24 | Cane Run | Distribution* | 69.00 | 13.80 | |
| 25 | Centerfield | Distribution* | 138.00 | 12.47 | |
| 26 | Clay | Distribution* | 69.00 | 13.80 | |
| 27 | Clifton | Distribution* | 69.00 | 13.80 | |
| 28 | Clifton | Distribution* | 69.00 | 12.47 | |
| 29 | Collins | Distribution* | 69.00 | 12.47 | |
| 30 | Conestoga | Distribution* | 69.00 | 12.47 | |
| 31 | Crestwood, Crestwood, KY | Distribution* | 69.00 | 12.47 | |
| 32 | Crop | Distribution* | 13.80 | 4.16 | |
| 33 | Dahila | Distribution* | 69.00 | 12.47 | |
| 34 | Del Park | Distribution* | 69.00 | 13.80 | |
| 35 | Dixie | Distribution* | 138.00 | 12.47 | |
| 36 | Eastwood West | Distribution* | 69.00 | 12.47 | |
| 37 | Ethel | Distribution* | 69.00 | 13.80 | |
| 38 | Ethel | Distribution* | 69.00 | 12.47 | |
| 39 | Fairmount | Distribution* | 69.00 | 12.47 | |
| 40 | Farnsley Shively, KY | Distribution* | 69.00 | 12.47 | |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year/Period of Report |
|---|---|---|---|
| Louisville Gas and Electric Company | (1) [X] An Original<br>(2) [ ] A Resubmission | / / | End of 2017/Q4 |

## SUBSTATIONS

1. Report below the information called for concerning substations of the respondent as of the end of the year.
2. Substations which serve only one industrial or street railway customer should not be listed below.
3. Substations with capacities of Less than 10 MVa except those serving customers with energy for resale, may be grouped according to functional character, but the number of such substations must be shown.
4. Indicate in column (b) the functional character of each substation, designating whether transmission or distribution and whether attended or unattended. At the end of the page, summarize according to function the capacities reported for the individual stations in column (f).

| Line No. | Name and Location of Substation (a) | Character of Substation (b) | VOLTAGE (In MVa) Primary (c) | Secondary (d) | Tertiary (e) |
|---|---|---|---|---|---|
| 1 | Fern Valley | Distribution* | 138.00 | 13.80 | |
| 2 | Fern Valley | Distribution* | 138.00 | 12.47 | |
| 3 | Floyd | Distribution* | 69.00 | 13.80 | |
| 4 | Ford Truck Plant | Distribution* | 69.00 | 12.47 | |
| 5 | Frey's Hill | Distribution* | 69.00 | 12.47 | |
| 6 | Grade Lane | Distribution* | 138.00 | 13.80 | |
| 7 | Grady | Distribution* | 69.00 | 13.80 | |
| 8 | Hancock | Distribution* | 138.00 | 12.47 | |
| 9 | Harmony Landing, near Goshen, KY | Distribution* | 69.00 | 12.47 | |
| 10 | Harrod's Creek | Distribution* | 69.00 | 12.47 | |
| 11 | Herman | Distribution* | 13.80 | 4.16 | |
| 12 | Highland #1 | Distribution* | 69.00 | 12.47 | |
| 13 | Highland | Distribution* | 69.00 | 13.80 | |
| 14 | Hillcrest | Distribution* | 69.00 | 12.47 | |
| 15 | Hillcrest | Distribution* | 69.00 | 13.80 | |
| 16 | Hurstbourne, Jeffersontown, KY | Distribution* | 138.00 | 12.47 | |
| 17 | International | Distribution* | 138.00 | 12.47 | |
| 18 | Jeffersontown | Distribution* | 69.00 | 12.47 | |
| 19 | Kenwood | Distribution* | 69.00 | 12.47 | |
| 20 | Knob Creek, near Shepherdsville, KY | Distribution* | 138.00 | 34.50 | 14.00 |
| 21 | Locust | Distribution* | 69.00 | 12.47 | |
| 22 | Lyndon, KY | Distribution* | 69.00 | 12.47 | |
| 23 | Lyndon South | Distribution* | 69.00 | 12.47 | |
| 24 | Lynn | Distribution* | 13.80 | 4.16 | |
| 25 | Madison | Distribution* | 69.00 | 13.80 | |
| 26 | Magazine | Distribution* | 13.80 | 4.16 | |
| 27 | Magazine | Distribution* | 69.00 | 13.80 | |
| 28 | Manslick | Distribution* | 138.00 | 12.47 | |
| 29 | Mill Creek | Distribution* | 138.00 | 12.47 | |
| 30 | Mud Lane | Distribution* | 138.00 | 12.47 | |
| 31 | Nachand | Distribution* | 69.00 | 12.47 | |
| 32 | Okolona | Distribution* | 138.00 | 12.47 | |
| 33 | Old Henry | Distribution* | 138.00 | 12.47 | |
| 34 | Oxmoor | Distribution* | 69.00 | 12.47 | |
| 35 | Paddy's Run | Distribution* | 138.00 | 13.80 | |
| 36 | Pirtle | Distribution* | 13.80 | 4.16 | |
| 37 | Plainview | Distribution* | 138.00 | 12.47 | |
| 38 | Pleasure Ridge Park | Distribution* | 138.00 | 12.47 | |
| 39 | Seminole | Distribution* | 69.00 | 12.47 | |
| 40 | Seminole | Distribution* | 69.00 | 13.80 | |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year/Period of Report |
|---|---|---|---|
| Louisville Gas and Electric Company | (1) [X] An Original<br>(2) [ ] A Resubmission | / / | End of 2017/Q4 |

SUBSTATIONS

1. Report below the information called for concerning substations of the respondent as of the end of the year.
2. Substations which serve only one industrial or street railway customer should not be listed below.
3. Substations with capacities of Less than 10 MVa except those serving customers with energy for resale, may be grouped according to functional character, but the number of such substations must be shown.
4. Indicate in column (b) the functional character of each substation, designating whether transmission or distribution and whether attended or unattended. At the end of the page, summarize according to function the capacities reported for the individual stations in column (f).

| Line No. | Name and Location of Substation (a) | Character of Substation (b) | VOLTAGE (In MVa) Primary (c) | Secondary (d) | Tertiary (e) |
|---|---|---|---|---|---|
| 1 | Seventh Street | Distribution* | 13.80 | 4.16 | |
| 2 | Shepherdsville, KY | Distribution* | 69.00 | 12.47 | |
| 3 | Shively | Distribution* | 69.00 | 12.47 | |
| 4 | Shively | Distribution* | 69.00 | 13.80 | |
| 5 | Skylight, KY | Distribution* | 69.00 | 12.47 | |
| 6 | Smyrna | Distribution* | 69.00 | 12.47 | |
| 7 | South Park | Distribution* | 69.00 | 12.47 | |
| 8 | South Park | Distribution* | 69.00 | 34.50 | 14.00 |
| 9 | Southern | Distribution* | 13.80 | 4.16 | |
| 10 | Stewart | Distribution* | 69.00 | 12.47 | |
| 11 | Taylor | Distribution* | 69.00 | 12.47 | |
| 12 | Terry | Distribution* | 69.00 | 12.47 | |
| 13 | Tip Top | Distribution* | 138.00 | 34.50 | 28.00 |
| 14 | Waterside West | DIstribution* | 138.00 | 13.80 | |
| 15 | Watterson | Distribution* | 138.00 | 12.47 | |
| 16 | West Point | Distribution* | 34.50 | 12.47 | |
| 17 | Western | Distribution* | 13.80 | 4.16 | |
| 18 | Worthington | Distribution* | 69.00 | 12.47 | |
| 19 | WHAS | Distribution* | 69.00 | 12.47 | |
| 20 | 20 Stations Less Than 10 MVa | | | | |
| 21 | Total Distribution | | 7182.90 | 1113.76 | 56.00 |
| 22 | | | | | |
| 23 | | | | | |
| 24 | | | | | |
| 25 | | | | | |
| 26 | | | | | |
| 27 | | | | | |
| 28 | Summary | | | | |
| 29 | Transmission 45 | | | | |
| 30 | Distribution 97 | | | | |
| 31 | Total 142 | | | | |
| 32 | | | | | |
| 33 | * Unattended | | | | |
| 34 | | | | | |
| 35 | | | | | |
| 36 | | | | | |
| 37 | | | | | |
| 38 | | | | | |
| 39 | | | | | |
| 40 | | | | | |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year/Period of Report |
|---|---|---|---|
| Louisville Gas and Electric Company | (1) [X] An Original<br>(2) [ ] A Resubmission | / / | End of 2017/Q4 |

SUBSTATIONS (Continued)

5. Show in columns (I), (j), and (k) special equipment such as rotary converters, rectifiers, condensers, etc. and auxiliary equipment for increasing capacity.
6. Designate substations or major items of equipment leased from others, jointly owned with others, or operated otherwise than by reason of sole ownership by the respondent. For any substation or equipment operated under lease, give name of lessor, date and period of lease, and annual rent. For any substation or equipment operated other than by reason of sole ownership or lease, give name of co-owner or other party, explain basis of sharing expenses or other accounting between the parties, and state amounts and accounts affected in respondent's books of account. Specify in each case whether lessor, co-owner, or other party is an associated company.

| Capacity of Substation (In Service) (In MVa) | Number of Transformers In Service | Number of Spare Transformers | CONVERSION APPARATUS AND SPECIAL EQUIPMENT | | | Line No. |
|---|---|---|---|---|---|---|
| | | | Type of Equipment | Number of Units | Total Capacity (In MVa) | |
| (f) | (g) | (h) | (i) | (j) | (k) | |
| | | | NONE | | | 1 |
| 140 | 1 | | NONE | | | 2 |
| | | | NONE | | | 3 |
| 224 | 2 | | NONE | | | 4 |
| 185 | 1 | | NONE | | | 5 |
| | | | NONE | | | 6 |
| 448 | 1 | | NONE | | | 7 |
| 240 | 1 | | NONE | | | 8 |
| 112 | 1 | | NONE | | | 9 |
| 112 | 1 | | NONE | | | 10 |
| 93 | 1 | | NONE | | | 11 |
| 450 | 1 | | NONE | | | 12 |
| 224 | 2 | | NONE | | | 13 |
| 140 | 1 | | NONE | | | 14 |
| | | | NONE | | | 15 |
| | | | NONE | | | 16 |
| | | | NONE | | | 17 |
| 149 | 1 | | NONE | | | 18 |
| | | | NONE | | | 19 |
| 140 | 1 | | NONE | | | 20 |
| | | | NONE | | | 21 |
| 80 | 2 | | NONE | | | 22 |
| | | | NONE | | | 23 |
| | | | NONE | | | 24 |
| 140 | 1 | | NONE | | | 25 |
| | | | NONE | | | 26 |
| | | | NONE | | | 27 |
| | | | NONE | | | 28 |
| 140 | 1 | | NONE | | | 29 |
| | | | NONE | | | 30 |
| 1794 | 4 | | NONE | | | 31 |
| 448 | 3 | | NONE | | | 32 |
| 672 | 2 | | NONE | | | 33 |
| 80 | 2 | | NONE | | | 34 |
| 120 | 1 | | NONE | | | 35 |
| 448 | 1 | | NONE | | | 36 |
| | | | NONE | | | 37 |
| 200 | 1 | | NONE | | | 38 |
| 187 | 1 | | NONE | | | 39 |
| 448 | 1 | | NONE | | | 40 |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year/Period of Report |
|---|---|---|---|
| Louisville Gas and Electric Company | (1) [X] An Original<br>(2) [ ] A Resubmission | / / | End of 2017/Q4 |

SUBSTATIONS (Continued)

5. Show in columns (I), (j), and (k) special equipment such as rotary converters, rectifiers, condensers, etc. and auxiliary equipment for increasing capacity.
6. Designate substations or major items of equipment leased from others, jointly owned with others, or operated otherwise than by reason of sole ownership by the respondent. For any substation or equipment operated under lease, give name of lessor, date and period of lease, and annual rent. For any substation or equipment operated other than by reason of sole ownership or lease, give name of co-owner or other party, explain basis of sharing expenses or other accounting between the parties, and state amounts and accounts affected in respondent's books of account. Specify in each case whether lessor, co-owner, or other party is an associated company.

| Capacity of Substation (In Service) (In MVa) (f) | Number of Transformers In Service (g) | Number of Spare Transformers (h) | CONVERSION APPARATUS AND SPECIAL EQUIPMENT: Type of Equipment (i) | Number of Units (j) | Total Capacity (In MVa) (k) | Line No. |
|---|---|---|---|---|---|---|
| | | | NONE | | | 1 |
| | | | NONE | | | 2 |
| | | | NONE | | | 3 |
| | | | NONE | | | 4 |
| 33 | 1 | | NONE | | | 5 |
| 45 | 1 | 1 | NONE | | | 6 |
| 448 | 2 | 1 | NONE | | | 7 |
| | | | NONE | | | 8 |
| 152 | 2 | | NONE | | | 9 |
| | | | NONE | | | 10 |
| 8092 | 41 | 2 | | | | 11 |
| | | | | | | 12 |
| 73 | 2 | | NONE | | | 13 |
| 101 | 3 | | Ground Transformer | 4 | 12 | 14 |
| 95 | 2 | | Ground Transformer | 2 | 10 | 15 |
| 56 | 2 | | NONE | | | 16 |
| 56 | 2 | | NONE | | | 17 |
| 90 | 2 | | NONE | | | 18 |
| 11 | 1 | 1 | NONE | | | 19 |
| 40 | 2 | | Ground Transformer | 2 | 5 | 20 |
| 84 | 3 | | NONE | | | 21 |
| 45 | 1 | | Ground Transformer | 1 | 5 | 22 |
| 60 | 2 | | Ground Transformer | 2 | 8 | 23 |
| 120 | 2 | | Ground Transformer | 9 | 60 | 24 |
| 45 | 1 | | NONE | | | 25 |
| 53 | 2 | | Ground Transformer | 2 | 10 | 26 |
| 48 | 2 | | Ground Transformer | 2 | 9 | 27 |
| 56 | 2 | | NONE | | | 28 |
| 56 | 2 | | NONE | | | 29 |
| 28 | 1 | | NONE | | | 30 |
| 56 | 2 | | NONE | | | 31 |
| 12 | 2 | | NONE | | | 32 |
| 56 | 2 | | NONE | | | 33 |
| 45 | 1 | | Ground Transformer | 1 | 5 | 34 |
| 45 | 1 | | NONE | | | 35 |
| 45 | 1 | | NONE | | | 36 |
| 25 | 1 | | Ground Transformer | 1 | 4 | 37 |
| 56 | 2 | | NONE | | | 38 |
| 73 | 2 | | NONE | | | 39 |
| 56 | 2 | | NONE | | | 40 |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year/Period of Report |
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| Louisville Gas and Electric Company | (1) [X] An Original<br>(2) [ ] A Resubmission | / / | End of 2017/Q4 |

SUBSTATIONS (Continued)

5. Show in columns (I), (j), and (k) special equipment such as rotary converters, rectifiers, condensers, etc. and auxiliary equipment for increasing capacity.
6. Designate substations or major items of equipment leased from others, jointly owned with others, or operated otherwise than by reason of sole ownership by the respondent. For any substation or equipment operated under lease, give name of lessor, date and period of lease, and annual rent. For any substation or equipment operated other than by reason of sole ownership or lease, give name of co-owner or other party, explain basis of sharing expenses or other accounting between the parties, and state amounts and accounts affected in respondent's books of account. Specify in each case whether lessor, co-owner, or other party is an associated company.

| Capacity of Substation (In Service) (In MVa) (f) | Number of Transformers In Service (g) | Number of Spare Transformers (h) | CONVERSION APPARATUS AND SPECIAL EQUIPMENT Type of Equipment (i) | Number of Units (j) | Total Capacity (In MVa) (k) | Line No. |
|---|---|---|---|---|---|---|
| 78 | 2 | | Ground Transformer | 2 | 9 | 1 |
| 101 | 3 | | NONE | | | 2 |
| 45 | 1 | | Ground Transformer | 1 | 5 | 3 |
| 134 | 2 | 1 | NONE | | | 4 |
| 73 | 2 | | NONE | | | 5 |
| 202 | 3 | | Ground Transformer | 2 | 10 | 6 |
| 66 | 3 | | Ground Transformer | 2 | 9 | 7 |
| 45 | 1 | | NONE | | | 8 |
| 28 | 1 | | NONE | | | 9 |
| 84 | 3 | | NONE | | | 10 |
| 11 | 2 | | NONE | | | 11 |
| 45 | 1 | | Ground Transformer | 1 | 5 | 12 |
| 34 | 1 | | NONE | | | 13 |
| 45 | 1 | | Ground Transformer | 1 | 5 | 14 |
| 34 | 1 | | NONE | | | 15 |
| 90 | 2 | | NONE | | | 16 |
| 90 | 2 | | NONE | | | 17 |
| 73 | 2 | | NONE | | | 18 |
| 56 | 2 | | NONE | | | 19 |
| 30 | 1 | | NONE | | | 20 |
| 45 | 1 | | NONE | | | 21 |
| 28 | 1 | | NONE | | | 22 |
| 73 | 2 | | NONE | | | 23 |
| 12 | 2 | | NONE | | | 24 |
| 134 | 3 | | Ground Transformer | 2 | 10 | 25 |
| 15 | 2 | | Ground Transformer | 3 | 15 | 26 |
| 111 | 3 | | NONE | | | 27 |
| 90 | 2 | | NONE | | | 28 |
| 28 | 1 | | Ground Transformer | 2 | 19 | 29 |
| 90 | 2 | | NONE | | | 30 |
| 84 | 3 | | NONE | | | 31 |
| 45 | 1 | | NONE | | | 32 |
| 45 | 1 | | NONE | | | 33 |
| 56 | 2 | | NONE | | | 34 |
| 210 | 4 | 1 | Ground Transformer | 5 | 70 | 35 |
| 14 | 2 | | NONE | | | 36 |
| 45 | 1 | | NONE | | | 37 |
| 45 | 1 | | NONE | | | 38 |
| 45 | 1 | | NONE | | | 39 |
| 229 | 5 | | NONE | | | 40 |

| Name of Respondent | This Report Is: | Date of Report (Mo, Da, Yr) | Year/Period of Report |
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| Louisville Gas and Electric Company | (1) [X] An Original<br>(2) [ ] A Resubmission | / / | End of 2017/Q4 |

SUBSTATIONS (Continued)

5. Show in columns (I), (j), and (k) special equipment such as rotary converters, rectifiers, condensers, etc. and auxiliary equipment for increasing capacity.
6. Designate substations or major items of equipment leased from others, jointly owned with others, or operated otherwise than by reason of sole ownership by the respondent. For any substation or equipment operated under lease, give name of lessor, date and period of lease, and annual rent. For any substation or equipment operated other than by reason of sole ownership or lease, give name of co-owner or other party, explain basis of sharing expenses or other accounting between the parties, and state amounts and accounts affected in respondent's books of account. Specify in each case whether lessor, co-owner, or other party is an associated company.

| Capacity of Substation (In Service) (In MVa) (f) | Number of Transformers In Service (g) | Number of Spare Transformers (h) | CONVERSION APPARATUS AND SPECIAL EQUIPMENT Type of Equipment (i) | Number of Units (j) | Total Capacity (In MVa) (k) | Line No. |
|---|---|---|---|---|---|---|
| 14 | 2 | | NONE | | | 1 |
| 21 | 2 | | NONE | | | 2 |
| 45 | 1 | | Ground Transformer | 1 | 5 | 3 |
| 25 | 1 | | NONE | | | 4 |
| 10 | 1 | | NONE | | | 5 |
| 56 | 2 | | NONE | | | 6 |
| 28 | 1 | | NONE | | | 7 |
| 10 | 1 | | NONE | | | 8 |
| 14 | 2 | | NONE | | | 9 |
| 62 | 3 | | NONE | | | 10 |
| 84 | 3 | | NONE | | | 11 |
| 73 | 2 | | NONE | | | 12 |
| 101 | 2 | | NONE | | | 13 |
| 200 | 4 | | NONE | | | 14 |
| 73 | 2 | | NONE | | | 15 |
| 11 | 1 | | NONE | | | 16 |
| 14 | 2 | | NONE | | | 17 |
| 90 | 2 | | NONE | | | 18 |
| 20 | 2 | | NONE | | | 19 |
| 104 | 27 | 17 | NONE | | | 20 |
| 5449 | 189 | 20 | | 48 | 290 | 21 |
| | | | | | | 22 |
| | | | | | | 23 |
| | | | | | | 24 |
| | | | | | | 25 |
| | | | | | | 26 |
| | | | | | | 27 |
| | | | | | | 28 |
| 8092 | 41 | 2 | | | | 29 |
| 5449 | 189 | | | 48 | 290 | 30 |
| 13541 | 230 | 2 | | 48 | 290 | 31 |
| | | | | | | 32 |
| | | | | | | 33 |
| | | | | | | 34 |
| | | | | | | 35 |
| | | | | | | 36 |
| | | | | | | 37 |
| | | | | | | 38 |
| | | | | | | 39 |
| | | | | | | 40 |

| Name of Respondent<br>Louisville Gas and Electric Company | This Report is:<br>(1) X An Original<br>(2) __ A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>/ / | Year/Period of Report<br>2017/Q4 |
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FOOTNOTE DATA

***Schedule Page: 426.3 Line No.: 20 Column: h***

Sixteen spare transformers are stored at the South Service Center and 1 spare transformer is stored at the Solite Substation.

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**TRANSACTIONS WITH ASSOCIATED (AFFILIATED) COMPANIES**

1. Report below the information called for concerning all non-power goods or services received from or provided to associated (affiliated) companies.
2. The reporting threshold for reporting purposes is $250,000. The threshold applies to the annual amount billed to the respondent or billed to an associated/affiliated company for non-power goods and services. The good or service must be specific in nature. Respondents should not attempt to include or aggregate amounts in a nonspecific category such as "general".
3. Where amounts billed to or received from the associated (affiliated) company are based on an allocation process, explain in a footnote.

| Line No. | Description of the Non-Power Good or Service (a) | Name of Associated/Affiliated Company (b) | Account Charged or Credited (c) | Amount Charged or Credited (d) |
|---|---|---|---|---|
| 1 | **Non-power Goods or Services Provided by Affiliated** | | | |
| 2 | Capital Expenditures | Kentucky Utilities Company | see footnote | 2,510,443 |
| 3 | Direct-Indirect Labor | Kentucky Utilities Company | see footnote | 895,168 |
| 4 | Equipment and Facilities | Kentucky Utilities Company | see footnote | 410,539 |
| 5 | Office and Administrative Services | Kentucky Utilities Company | see footnote | 22,297 |
| 6 | Materials and Fuels | Kentucky Utilities Company | see footnote | 135,164 |
| 7 | Outside Services | Kentucky Utilities Company | see footnote | 252,024 |
| 8 | Transmission | Kentucky Utilities Company | see footnote | 599,125 |
| 9 | | | | |
| 10 | Capital Expenditures | LG&E and KU Services Company | see footnote | 37,832,235 |
| 11 | Direct-Indirect Labor | LG&E and KU Services Company | see footnote | 90,849,558 |
| 12 | Equipment and Facilities | LG&E and KU Services Company | see footnote | 14,354,970 |
| 13 | Office and Administrative Services | LG&E and KU Services Company | see footnote | 6,115,001 |
| 14 | Materials | LG&E and KU Services Company | see footnote | 2,762,726 |
| 15 | Outside Services | LG&E and KU Services Company | see footnote | 16,373,349 |
| 16 | | | | |
| 17 | | | | |
| 18 | | | | |
| 19 | | | | |
| 20 | **Non-power Goods or Services Provided for Affiliate** | | | |
| 21 | Capital Expenditures | Kentucky Utilities Company | see footnote | 9,834,777 |
| 22 | Direct-Indirect Labor | Kentucky Utilities Company | see footnote | 20,309,397 |
| 23 | Equipment and Facilities | Kentucky Utilities Company | see footnote | 927,478 |
| 24 | Office and Administrative Services | Kentucky Utilities Company | see footnote | 21,226 |
| 25 | Materials and Fuels | Kentucky Utilities Company | see footnote | 76,264 |
| 26 | Outside Services | Kentucky Utilities Company | see footnote | 487,692 |
| 27 | Transmission | Kentucky Utilities Company | see footnote | 182,171 |
| 28 | | | | |
| 29 | Capital Expenditures | LG&E and KU Services Company | see footnote | 445,807 |
| 30 | Direct-Indirect Labor | LG&E and KU Services Company | see footnote | 2,584,016 |
| 31 | Equipment and Facilities | LG&E and KU Services Company | see footnote | 398,778 |
| 32 | Office and Administrative Services | LG&E and KU Services Company | see footnote | 16,297 |
| 33 | Materials | LG&E and KU Services Company | see footnote | 255,134 |
| 34 | Outside Services | LG&E and KU Services Company | see footnote | 112,273 |
| 35 | | | | |
| 36 | | | | |
| 37 | | | | |
| 38 | | | | |
| 39 | | | | |
| 40 | | | | |
| 41 | | | | |
| 42 | See footnote for allocation process | | | |
| 1 | **Non-power Goods or Services Provided by Affiliated** | | | |
| 2 | Capital Expenditures | PPL Services Corporation | see footnote | 261,462 |

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**TRANSACTIONS WITH ASSOCIATED (AFFILIATED) COMPANIES**

1. Report below the information called for concerning all non-power goods or services received from or provided to associated (affiliated) companies.
2. The reporting threshold for reporting purposes is $250,000. The threshold applies to the annual amount billed to the respondent or billed to an associated/affiliated company for non-power goods and services. The good or service must be specific in nature. Respondents should not attempt to include or aggregate amounts in a nonspecific category such as "general".
3. Where amounts billed to or received from the associated (affiliated) company are based on an allocation process, explain in a footnote.

| Line No. | Description of the Non-Power Good or Service (a) | Name of Associated/Affiliated Company (b) | Account Charged or Credited (c) | Amount Charged or Credited (d) |
|---|---|---|---|---|
| 3 | Direct-Indirect Labor | PPL Services Corporation | see footnote | 764,902 |
| 4 | Equipment and Facilities | PPL Services Corporation | see footnote | 143,198 |
| 5 | Office and Administrative Services | PPL Services Corporation | see footnote | 424,397 |
| 6 | Outside Services | PPL Services Corporation | see footnote | 705,644 |
| 7 | | | | |
| 8 | | | | |
| 9 | | | | |
| 10 | | | | |
| 11 | | | | |
| 12 | | | | |
| 13 | | | | |
| 14 | | | | |
| 15 | | | | |
| 16 | | | | |
| 17 | | | | |
| 18 | See footnote for allocation process | | | |
| 19 | | | | |
| 20 | **Non-power Goods or Services Provided for Affiliate** | | | |
| 21 | | | | |
| 22 | | | | |
| 23 | | | | |
| 24 | | | | |
| 25 | | | | |
| 26 | | | | |
| 27 | | | | |
| 28 | | | | |
| 29 | | | | |
| 30 | | | | |
| 31 | | | | |
| 32 | | | | |
| 33 | | | | |
| 34 | | | | |
| 35 | | | | |
| 36 | | | | |
| 37 | | | | |
| 38 | | | | |
| 39 | | | | |
| 40 | | | | |
| 41 | | | | |
| 42 | | | | |

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|---|---|---|---|

FOOTNOTE DATA

**Schedule Page: 429 Line No.: 2 Column: c**
Accounts charged include: 107 and 108

**Schedule Page: 429 Line No.: 3 Column: c**
Accounts charged include: 173, 184, 408.1, 426.5, 500, 501, 510, 513, 546, 549, 551-554, 556, 560, 566, 570, 580, 583, 588, 593, 595, 901, 903, 920, 922, 925, 926 and 935

**Schedule Page: 429 Line No.: 4 Column: c**
Accounts charged include: 143, 163, 165, 173, 184, 416, 426.4, 426.5, 456, 500-502, 506, 510-513, 546, 549, 553, 560, 562, 563, 566, 567, 570, 571, 573, 580, 582-584, 586, 588, 590, 592-594, 596, 818, 851, 871, 878, 901, 903, 921, 931 and 935

**Schedule Page: 429 Line No.: 5 Column: c**
Accounts charged include: 184, 426.5, 500, 502, 506, 510, 513, 561.1, 566, 570, 583, 586, 588, 590, 593, 880, 901, 903, 920, 921 and 935

**Schedule Page: 429 Line No.: 6 Column: c**
Accounts charged include: 163, 184, 186, 188, 500, 506, 510-514, 553, 566, 571, 593, 902, 921 and 923

**Schedule Page: 429 Line No.: 7 Column: c**
Accounts charged include: 184, 188, 500, 506, 510, 511, 553, 560, 562, 566, 570, 571, 580, 582, 880, 902, 921 and 923

**Schedule Page: 429 Line No.: 8 Column: c**
Accounts charged include: 565

**Schedule Page: 429 Line No.: 10 Column: c**
Accounts charged include: 107 and 108

**Schedule Page: 429 Line No.: 11 Column: c**
Accounts charged include: 143, 163, 183, 184, 232, 236, 408.1, 416, 426.4, 426.5, 456, 500-502, 505, 506, 510-514, 546, 549, 552-554, 556, 560, 561.1, 561.2, 561.3, 561.5, 561.6, 562, 563, 566, 570, 571, 573, 580-583, 586, 588, 590, 592, 593, 596, 598, 814, 817, 850, 851, 871, 874, 877, 878, 880, 901-903, 905, 907, 908, 920, 921, 925, 926, 930.2 and 935

**Schedule Page: 429 Line No.: 12 Column: c**
Accounts charged include: 143, 163, 165, 183, 184, 188, 416, 421, 426.4, 426.5, 456, 500-502, 506, 510-514, 546, 549, 553, 554, 556, 560, 561.1, 561.5, 562, 563, 566, 570, 571, 573, 580, 582, 583, 586, 588, 593, 596, 598, 814, 817, 818, 837, 850, 851, 863, 871, 874, 877, 880, 894, 901-903, 907, 908, 910, 921, 923, 925, 930.2, 931 and 935

**Schedule Page: 429 Line No.: 13 Column: c**
Accounts charged include: 184, 186, 188, 236, 408.1, 421, 426.4, 426.5, 500-502, 506, 510-514, 539, 546, 549, 552, 553, 556, 560, 561.1, 561.3, 561.5, 562, 563, 566, 570, 571, 573, 580-583, 586, 588, 590, 593, 595, 598, 807, 814, 817, 818, 850, 851, 863, 874, 877-880, 894, 901-903, 905, 907, 908, 910, 920, 921, 925, 930.2 and 935

**Schedule Page: 429 Line No.: 14 Column: c**
Accounts charged include: 163, 184, 188, 426.5, 500-502, 505, 506, 510-512, 514, 545, 554, 560, 561.1, 562, 566, 570, 573, 580, 583, 586, 588, 598, 818, 837, 850, 851, 874, 877, 878, 880, 894, 902, 903, 907, 921, 923, 930.2 and 935

**Schedule Page: 429 Line No.: 15 Column: c**
Accounts charged include: 163, 165, 184, 186, 188, 426.4, 426.5, 500-502, 505, 506, 510-514, 539, 545, 549, 554, 560, 561.1, 561.2, 561.5, 562, 566, 570, 571, 573, 580, 582, 583, 586, 588, 592, 593, 598, 818, 832, 837, 850, 874, 877, 878, 880, 887, 894, 901, 903, 908-910, 921, 923, 930.2 and 935

**Schedule Page: 429 Line No.: 21 Column: c**
Accounts charged include: 107 and 108

**Schedule Page: 429 Line No.: 22 Column: c**
Accounts charged include: 173, 182.3, 184, 408.1, 426.4, 426.5, 500-502, 505, 506, 510-514, 544, 546, 548, 549, 551-554, 556, 560, 561.1, 566, 570, 580, 583, 586, 588, 592, 595, 901, 903, 908, 920, 921, 925, 926 and 935

**Schedule Page: 429 Line No.: 23 Column: c**
Accounts charged include: 143, 163, 165, 173, 183, 184, 426.4, 426.5, 454, 493, 500-502,

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506, 510-514, 544, 549, 554, 556, 560, 561.1, 562, 563, 566, 570, 571, 573, 580, 582, 583, 586, 588, 592-595, 598, 901-903, 907, 908, 921, 931 and 935

***Schedule Page: 429 Line No.: 24 Column: c***

Accounts charged include: 426.4, 426.5, 500, 506, 510, 511, 513, 554, 561.1, 570, 580, 586, 588, 901, 903, 907, 921 and 930.2

***Schedule Page: 429 Line No.: 25 Column: c***

Accounts charged include: 163, 184, 188, 500, 510-514, 566, 570, 580, 588, 593, 902, 921 and 923

***Schedule Page: 429 Line No.: 26 Column: c***

Accounts charged include: 163, 184, 188, 500, 506, 510, 511, 513, 553, 554, 562, 566, 570, 580, 582, 588, 592, 594, 921, 923 and 935

***Schedule Page: 429 Line No.: 27 Column: c***

Accounts charged include: 456.1

***Schedule Page: 429 Line No.: 29 Column: c***

Accounts charged include: 107 and 108

***Schedule Page: 429 Line No.: 30 Column: c***

Accounts charged include: 163, 183, 184, 408.1, 426.4, 426.5, 456, 500-502, 505, 506, 510, 512, 513, 549, 556, 560, 561.1, 561.2, 561.3, 561.5, 562, 563, 566, 570, 571, 580-583, 586, 588, 590, 593, 814, 850, 878, 880, 901-903, 905, 907, 908, 920, 925, 926, 930.2 and 935

***Schedule Page: 429 Line No.: 31 Column: c***

Accounts charged include: 184

***Schedule Page: 429 Line No.: 32 Column: c***

Accounts charged include: 184 and 921

***Schedule Page: 429 Line No.: 33 Column: c***

Accounts charged include: 184 and 588

***Schedule Page: 429 Line No.: 34 Column: c***

Accounts charged include: 184

***Schedule Page: 429 Line No.: 42 Column: a***

Costs between Louisville Gas and Electric Company and Kentucky Utilities Company are either charged directly or are allocated by certain assignment methods described below that most accurately distribute the costs.

LG&E and KU Services Company (LKS) either directly charges or allocates the costs of service among the affiliated companies using one of several methods that most accurately distributes the costs. The method of cost allocation varies based on the department rendering the service. Any of the methods may be adjusted for any known and reasonably quantifiable events, or at such time as may be required due to significant changes in the business, but are generally determined annually. The assignment methods used by LKS and PPL Services are as follows:

**Contract Ratio** - Based on the sum of the physical amount (i.e. tons of coal, mmbtu of natural gas) of the contract for coal and natural gas fuel burned for the immediately preceding twelve consecutive calendar months, the numerator of which is for an operating company and the denominator of which is for all operating companies. This ratio is calculated on an annual basis. Any changes in the ratio will be determined no later than May 1st of the following calendar year, and charges to date will be reallocated for any significant changes in the ratio from that used in the prior year.

**Corporate Information Security Ratio** - This ratio allocates the cost of cyber security

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|---|---|---|---|

FOOTNOTE DATA

activities using an allocation consistent with the methodology used by third party insurers providing cyber security insurance to the organization. The methodology assigns a percentage of the premium based on the various risks (e.g., number of employees, the number of customers, etc.). The total of the percentages equals 100%. This ratio is calculated on an annual basis. Any changes in the ratio will be determined no later than May 1st of the following calendar year, and charges to date will be reallocated for any significant changes in the ratio from that used in the prior year.

**Departmental Charge Ratio** – A specific department ratio based upon various factors. The departmental charge ratio typically applies to indirectly attributable costs such as departmental administrative, support, and/or material and supply costs that benefit more than one affiliate and that require allocation using general measures of cost causation. Methods for assignment are department-specific depending on the type of service being performed and are documented and monitored by the Budget Coordinators for each department. The numerator and denominator vary by department. The ratio is based upon various factors such as labor hours, labor dollars, departmental or entity headcount, capital expenditures, operations and maintenance costs, retail energy sales, charitable contributions, generating plant sites, average allocation of direct reports, net book value of utility plant, total line of business assets, electric capital expenditures, substation assets and transformer assets. The Departmental Charge Ratio will only be used with prior approval by the Controller when other applicable ratios would not result in the fair assignment of costs. These ratios are calculated on an annual basis. Any changes in these ratios will be determined no later than May 1st of the following calendar year, and charges to date will be reallocated for any significant changes in any of these ratios from that used in the prior year.

**Electric Peak Load Ratio** – Based on the sum of the monthly electric maximum system demands for the immediately preceding twelve consecutive calendar months, the numerator of which is for an operating company and the denominator of which is for all operating companies. This ratio is calculated on an annual basis. Any changes in the ratio will be determined no later than May 1st of the following calendar year, and charges to date will be reallocated for any significant changes in the ratio from that used in the prior year.

**Facilities Ratio** – Based on a two-tiered approach with one tier based on the number of employees by department or line of business and the other tier based on the applicable department or line of business ratio. The numerator for the number of employees is the number of employees by department or line of business at the facility and the denominator is the total employees at the facility. The numerator and denominator for the applicable department or line of business for the service provided as described in this document. Any changes in the ratio will be determined no later than May 1st of the following calendar year, and charges to date will be reallocated for any significant changes in the ratio from that used in the prior year.

**Generation Ratio** – Based on the annual forecast of megawatt hours, the numerator of which is for an operating company and the denominator of which is for all operating companies. This ratio is calculated on an annual basis. Any changes in the ratio will be determined no later than May 1st of the following calendar year, and charges to date will be reallocated for any significant changes in the ratio from that used in the prior year.

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**Network Users Ratio** – Based on the number of IT network users at the end of the previous calendar year. A two-step assignment methodology is utilized to properly allocate costs to the proper legal entity. The numerator for the first step of this ratio is the total number of network users for each specific company, and the denominator is the total number of network users for all companies in which an allocator is assigned (i.e. LG&E, KU, LKS and PPL). For the second step, the ratio of LKS network users, to total network users will then be allocated to the other companies (LG&E, KU, and LKC) based on each company's ratio of LKS labor hours to total LKS labor hours. This ratio is calculated on an annual basis. Any changes in the ratio will be determined no later than May 1st of the following calendar year, and charges to date will be reallocated for any significant changes in the ratio from that used in the prior year.

**Non-Fuel Material and Services Expenditures** – Based on non-fuel material and services expenditures, net of reimbursements, for the immediately preceding twelve consecutive calendar months. The numerator is equal to such expenditures for a specific entity and/or line-of-business as appropriate and the denominator is equal to such expenditures for all applicable entities. This ratio is calculated on an annual basis. Any changes in the ratio will be determined no later than May 1st of the following calendar year, and charges to date will be reallocated for any significant changes in the ratio from that used in the prior year.

**Number of Customers Ratio** – Based on the number of retail electric and/or gas customers. This ratio will be determined based on the actual number of customers at the end of the previous calendar year. In some cases, the ratio may be calculated based on the type of customer class being served (i.e. Residential, Commercial or Industrial). The numerator is the total number of each Company's retail customers. The denominator is the total number of retail customers for both LG&E and KU. This ratio is calculated on an annual basis. Any changes in the ratio will be determined no later than May 1st of the following calendar year, and charges to date will be reallocated for any significant changes in the ratio from that used in the prior year.

**Number of Employees Ratio** – Based on the number of employees benefiting from the performance of a service. This ratio will be determined based on actual counts of applicable employees at the end of the previous calendar year. A two-step assignment methodology is utilized to properly allocate LKS employee costs to the proper legal entity. The numerator for the first step of this ratio is the total number of employees for each specific company, and the denominator is the total number of employees for all companies in which an allocator is assigned (i.e. LG&E, KU and LKS). For the second step, the ratio of LKS to total employees will then be allocated to the other companies (LG&E, KU and LKC) based on each company's ratio of labor hours to total labor hours. LKC has no employees, but non-utility related labor is charged to it. In some cases, the ratio may be calculated based on the number of employees at a specific location for the first step with the ratio of LKS to total employees being allocated based on labor hours of the

| Name of Respondent<br>Louisville Gas and Electric Company | This Report is:<br>(1) X An Original<br>(2) _ A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>/ / | Year/Period of Report<br>2017/Q4 |
|---|---|---|---|

FOOTNOTE DATA

employees at the specific location. This ratio is calculated on an annual basis. Any changes in the ratio will be determined no later than May 1st of the following calendar year, and charges to date will be reallocated for any significant changes in the ratio from that used in the prior year.

**Number of Meters Ratio** – Based on the number or types of meters being utilized by customer classes within the system for the immediately preceding twelve consecutive calendar months. The numerator is equal to the number of meters for each utility and the denominator is equal to the total meters for KU and LG&E. This ratio is calculated on an annual basis. Any changes in the ratio will be determined no later than May 1st of the following calendar year, and charges to date will be reallocated for any significant changes in the ratio from that used in the prior year.

**Number of Transactions Ratio** – Based on the number of transactions occurring in the immediately preceding twelve consecutive calendar months, the numerator of which is for an operating company and the denominator of which is for all operating companies. The Controller’s organization is responsible for maintaining and monitoring specific product/service methodology documentation for actual transactions related to LKS billings. This ratio is calculated on an annual basis. Any changes in the ratio will be determined no later than May 1st of the following calendar year, and charges to date will be reallocated for any significant changes in the ratio from that used in the prior year.

**Ownership Percentages** – Based on the contractual ownership percentages of jointly-owned generating units, information technology, facilities and other capital projects. This ratio is updated as a result of new jointly-owned capital projects and is based on the benefit to the respective company. The numerator is the specific company’s forecasted usage. The denominator is the total forecasted usage of all respective companies.

**Revenue Ratio** – Based on the sum of the revenue for the immediately preceding twelve consecutive calendar months, the numerator of which is for an operating company and the denominator of which is for all operating companies. This ratio is calculated on an annual basis. Any changes in the ratio will be determined no later than May 1st of the following calendar year, and charges to date will be reallocated for any significant changes in the ratio from that used in the prior year.

**Revenue, Total Assets and Number of Employees Ratio** – Based on an average of the revenue, total assets and number of employees ratios. The numerator is the sum of Revenue Ratio, Total Assets Ratio and Number of Employees Ratio for the specific company. The denominator is three – the number of ratios being averaged. This ratio is calculated on an annual basis. Any changes in the ratio will be determined no later than May 1st of the following calendar year, and charges to date will be reallocated for any significant changes in the ratio from that used in the prior year.

**Total Assets Ratio** – Based on the total assets at year end for the preceding year. In the

| Name of Respondent<br>Louisville Gas and Electric Company | This Report is:<br>(1) X An Original<br>(2) __ A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>/ / | Year/Period of Report<br>2017/Q4 |
|---|---|---|---|

FOOTNOTE DATA

event of joint ownership of a specific asset, asset ownership percentages are utilized to assign costs. The numerator is the total assets for each specific company at the end of the preceding year. The denominator is the sum of total assets for each company in which an allocator is assigned (LG&E, KU and LKC). This ratio is calculated on an annual basis. Any changes in the ratio will be determined no later than May 1st of the following calendar year, and charges to date will be reallocated for any significant changes in the ratio from that used in the prior year.

**Total Utility Plant Assets Ratio** – Based on the total utility plant assets at year end for the preceding year, the numerator of which is for an operating company and the denominator of which is for all operating companies. In the event of joint ownership of a specific asset, ownership percentages are utilized to assign costs. This ratio is calculated on an annual basis. Any changes in the ratio will be determined no later than May 1st of the following calendar year, and charges to date will be reallocated for any significant changes in the ratio from that used in the prior year.

**Transmission Ratio –**The Transmission Coordination Agreement (TCA) provides "the contractual basis for the coordinated planning, operation, and maintenance of the combined" LG&E and KU transmission system. Pursuant to the terms of the TCA, LG&E/KU "operate their transmission systems as a single control area." The TCA establishes cost and revenue allocations between LG&E and KU. The Transmission Ratio is based upon Schedule A (Allocation of Operating Expenses of the Transmission System Operator) of the TCA. Transmission System Operator Company allocation percentages are calculated during June of each year to be effective July 1st of each year using the previous year's summation of the Transmission Peak Demands as found in FERC Form 1 for Kentucky Utilities Company (KU) and Louisville Gas & Electric Company (LG&E) page 400 line 17(b).

**Ultimate Users Ratio** – Based on the number of ultimate users of an IT product or service (i.e., software, hardware, mobile devices, etc.) at the end of the previous calendar year. A two-step assignment methodology is utilized to properly allocate costs to the proper legal entity. The numerator for the first step of this ratio is the total number of ultimate users for each specific company, and the denominator is the total number of ultimate users for all companies in which an allocator is assigned (i.e. LG&E, KU, LKS and PPL). For the second step, the ratio of LKS ultimate users, to total ultimate users will then be allocated to the other companies (LG&E, KU, and LKC) based on each company's ratio of LKS labor hours to total LKS labor hours. This ratio is calculated on an annual basis. Any changes in the ratio will be determined no later than May 1st of the following calendar year, and charges to date will be reallocated for any significant changes in the ratio from that used in the prior year.

**Vehicle Cost Allocation Ratio** – Based on the costs associated with providing and operating transportation fleet for all affiliated companies including developing fleet policy, administering regulatory compliance programs, managing repair and maintenance of vehicles and procuring vehicles. Such rates are applied based on the specific equipment employment

| Name of Respondent | This Report is: | Date of Report (Mo, Da, Yr) | Year/Period of Report |
|---|---|---|---|
| Louisville Gas and Electric Company | (1) X An Original<br>(2) __ A Resubmission | / / | 2017/Q4 |

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and the measured usage of services by the various company entities. This ratio is calculated monthly based on the actual transportation charges from the previous month. The numerator is the department labor charged to a specific company. The denominator is the total labor costs for the specific department. The ratio is then multiplied by the total transportation costs to determine the amount charged to each company.

***Schedule Page: 429.1 Line No.: 2 Column: c***
Accounts charged include: 107

***Schedule Page: 429.1 Line No.: 3 Column: c***
Accounts charged include: 920 and 926

***Schedule Page: 429.1 Line No.: 4 Column: c***
Accounts charged include: 165 and 921

***Schedule Page: 429.1 Line No.: 5 Column: c***
Accounts charged include: 921, 923 and 930.2

***Schedule Page: 429.1 Line No.: 6 Column: c***
Accounts charged include: 921, 923 and 930.2

***Schedule Page: 429.1 Line No.: 18 Column: a***
Costs from PPL Services Corporation are charged directly.

## INDEX

Schedule | Page No.

INDEX (continued)

INDEX (continued)

INDEX (continued)

INDEX (continued)

a PPL company

# ANNUAL REPORT

# Major Natural Gas Companies

Public Service Commission
of Kentucky

| Exact Legal Name of Respondent (Company) | Year/Period of Report |
|---|---|
| Louisville Gas and Electric Company | End of 2017/Q4 |

## 22200500 Louisville Gas and Electric Company 01/01/2017 - 12/31/2017

### Principal Payment and Interest Information

| | Amount | Yes/No |
|---|---|---|
| Amount of Principal Payment During Calendar Year | $70,104,000.00 | |
| Is Principal Current? | Y | |
| Is Interest Current? | Y | |

## 22200500 Louisville Gas and Electric Company 01/01/2017 - 12/31/2017

### Services Performed by Independent CPA

| | Yes/No | A/C/R |
|---|---|---|
| Are your financial statements examined by a Certified Public Accountant? | | |
| Enter Y for Yes or N for No | Y | |
| If yes, which service is performed? | | |
| Enter an X on each appropriate line | | |
| Audit | | X |
| Compilation | | |
| Review | | |
| Please enclose a copy of the accountant's report with annual report. | | |

## Gas Purchases

| | Seller | Acct | Gas Purc MCF | Cost of Gas |
|---|---|---|---|---|
| | Gas Purchases | 803 | 30,334,165 | $121,106,867.00 |
| | Performance Based Ratemaking Incentive | 803 | 0 | ($130,951.00) |
| | Gas Supply Adjustments | 803 | 0 | ($854,613.00) |
| | Wholesale Purchases | 803 | 538,587 | $1,359,933.00 |
| Total | | | 30,872,752 | $121,481,236.00 |

Note:
See Note 4 of Notes to Financial Statements for a description of the Performance Based Ratemaking Incentive in hard copy Form 1.

**Additional Information - Counties**

**Barren, Bullitt, Green, Hardin, Hart, Henry, Jefferson, Larue, Marion, Meade, Metcalfe, Nelson, Oldham, Shelby, Spencer, Trimble, Washington**

## 22200500 Louisville Gas and Electric Company 01/01/2017 - 12/31/2017

### Revenues, Customers and MCF Sales

| | Revenues | MCFs Nat Gas Sold | Customers |
|---|---|---|---|
| Residential (480) | $200,229,080.00 | 16,730,860 | 297,758 |
| Commercial and Industrial Sales (481) | | | |
| Small (or Commercial) | $76,509,716.00 | 8,057,235 | 25,054 |
| Large (Or Industrial) | $11,763,081.00 | 1,406,335 | 425 |
| Other Sales to Public Authorities (482) | $8,781,894.00 | 1,121,814 | 1,168 |
| Interdepartmental Sales (484) | $3,793,100.00 | 340,482 | 1 |
| Total Sales to Ultimate Customers | $301,076,871.00 | 27,656,726 | 324,406 |
| Sales for Resale (483) | $1,556,853.00 | 538,587 | 2 |
| Total Natural Gas Service | $302,633,724.00 | 28,195,313 | 324,408 |

## Identification (Ref Page: 1)

| | Name | Address1 | Address2 | City | State | Zip | Phone |
|---|---|---|---|---|---|---|---|
| Exact Legal Name of Respondent | | | | | | | |
| | Louisville Gas and Electric Company | | | | | | |
| Previous Name and Date of change (if name changed during the year) | | | | | | | |
| | | | | | | | |
| Name Address and Phone number of the contact person | | | | | | | |
| | Rita A. Toubia | 220 West Main Street | P.O. Box 32030 | Louisville | KY | 40202 | (502) 627-4823 |
| Note File: Attestation and signature via Electronic Filing | | | | | | | |

## General Information - (1) (Ref Page: 101)

| | Name | Address | City | State | Zip |
|---|---|---|---|---|---|
| Provide name and title of the Officer having custody of the general corporate books of account | Kent W. Blake, Cheif Financial Officer | | | | |
| Provide Address of Office where the general Corporate books are kept | | 220 West Main Street | Louisville | KY | 40202 |
| Provide the Address of any other offices where other coprorate books are kept if different from where the general corporate books are kept | | | | | |
| | | | | | |

## General Information (2,3,4) (Ref Page: 101)

| | Explain |
|---|---|
| Provide the name of the State under the laws which respondent is incorporated and date | |
| If incorporated under a special law give reference to such law | |
| If not incorporated state that fact and give the type of organization and the date organized | |
| | Kentucky July 2, 1913 |
| If at any time during the year the property of respondent was held by a receiver or trustee | |
| give (a) the name of receiver or trustee | |
| (b) date such receiver or trustee took possession | |
| (c) the authority by which the receivership or trusteeship was created and | |
| (d) date when possession by receiver or trustee ceased. | |
| | Not Applicable |
| State the classes or utility and other services furnished by respondent during the year in each State in which the respondent operated. | |
| | Respondent furnishes electric and natural gas services in Metro Louisville and adjacent territory in Kentucky. |

## General Information - (5) (Ref Page: 101)

| | Yes/No | Date |
|---|---|---|
| Have you engaged as the principal acountant to audit your financial statements an accountant who is not the principal account for the previous years certified financial statements? | | |
| Enter Y for Yes or N for No | N | |
| If yes, Enter the date when such independend accountant was initially engaged | | |

## Corporations Controlled by Respondent (Ref Page: 103)

| Name of Company (a) | Type (b) | Business (c) | Percent Voting Stock (d) |
|---|---|---|---|
| Not Applicable | | | 0.00000000 |

## Security Holders and Voting Powers - Part 1 (Ref Page: 107)

| | Explain | Date | Total |
|---|---|---|---|
| 1. Give date of the latest closing of the stock book prior to end of the year, and state the purpose of such closing: | Stock books not closed during the year. | | |
| 2. State the total number of votes cast at the latest general meeting prior to end of year for election of directors or the respondent and the number of such votes cast by proxy | | | |
| Total: | | | 21,294,223 |
| By Proxy: | | | 21,294,223 |
| 3. Give the date and place of such a meeting | Louisville, KY | 10/9/2017 | |
| Voting Securities | | | |
| Number of votes as of Date: | | | 21,294,223 |

## Security Holders and Voting Powers - Part 2 (Ref Page: 107)

| | Name | Address | Total Votes | Common Stock | Preferred Stock | Other |
|---|---|---|---|---|---|---|
| 4. Total votes of all voting securities | | | 21,294,223 | 21,294,223 | 0 | 0 |
| 5. Total number of all security holders | | | 1 | 1 | 0 | 0 |
| 6. Total Votes of Security Holders listed below | | | | | | |
| | LG&E and KU Energy LLC | Louisville, KY | 21,294,223 | 21,294,223 | 0 | 0 |

## Important Changes During the Year (Ref Page: 108)

| | Explain |
|---|---|
| Give particulars concerning the matters indicated below. | |
| 1. Changes in and important additions to franchise rights: | See Note 4 of Notes to Financial Statements on page 123. |
| 2. Acquisition of ownership in other companies by reorganization, merger or consolidation with other companies: | None. |
| 3. Purchase or sale of an operating unit or system: | During September 2016, Louisville Gas and Electric Company ("LG&E") completed the sale of 73 rail cars owned by LG&E. The sale resulted in a gain of $76,448 in Account 102 (Electric Plant Purchased or Sold). In December 2016, LG&E filed a request with the Commission seeking approval to clear the balance of Account 102 to Account 151 pursuant to the Kentucky Public Service Commission's January 2, 1997 Order in Case No. 92-493, requiring that the gain on the sale of railcars depreciated through the Company's fuel adjustment clause (FAC) be passed to customers through the Company's FAC. The use of Account 151 is also consistent with the entries approved by the FERC under Docket No. AC10-137-000 for a similar rail car sale completed in 2009 by the Company. In December 2016, LG&E received FERC authorization in FERC Docket No. AC17-17-000 to clear the balance of Account 102 to Account 151. |
| 4. Important leaseholds (other than leaseholds for natural gas lands) thant have been accquired or given assigned or surrendered: | None of a material nature. |
| 5. Important extension or reduction of transmission or distribution system: | None. |
| 6. Obligations incurred as a result of issuance of securities or assumption of liabilities or guarantees. | LG&E received FERC authorization in FERC Docket No. ES17-41-000 for up to $500 million in the form of money pool debt, commercial paper or any other type of short-term loan through November 30, 2019. LG&E's money pool balance was zero at December 31, 2017 and December 31, 2016. LG&E's commercial paper program limit is $350 million as of April 30, 2013. As of December 31, 2017 and December 31, 2016, the outstanding commercial paper balance is $199 million and $169 million, respectively.<br><br>LG&E has a revolving credit facility totaling $500 million. The facility was approved by the Kentucky Public Service Commission Order, Case No. 2015-00138 on July 2, 2015. The Kentucky Public Service Commission approved an extension of the credit facility in Case No. 2016-00361 on December 9, 2016. On January 29, 2017, LG&E amended this revolving credit facility to extend the termination date from December 31, 2020 to January 29, 2022. There were no borrowings outstanding under this facility at December 31, 2017 and December 31, 2016.<br><br>On October 26, 2017, LG&E executed a $200 million term loan with US Bank due October 25, 2019. Upon execution, an initial $100 million was drawn on the term loan at an interest rate of 1.74%. A second draw of $100 million was made on January 11, 2018. This agreement was executed pursuant to FERC Order Docket No. ES17-41-000 issued September 18, 2017. |
| 7. Changes in articles of incoporation or amendments to charter: Explain the nature and purpose of such changes or amendments. | None. |
| 8. State the estimated annual effect and nature of any important wage scale changes during the year. | During the first quarter of 2017, exempt and non-exempt employees received routine wage increases in accordance with annual salary reviews. There were no changes to wage scales during the second or third quarters of 2017. The LG&E IBEW ratified a three-year contract including wage increases effective in the fourth quarter of 2017. |
| 9. State briefly the status of any materially important legal proceedings pending at the end of the year and the results. | See Notes 4 and 10 of Notes to Financial Statements on page 123. |

## Important Changes During the Year (Ref Page: 108)

| | Explain |
|---|---|
| 10. Describe briefly any materially important transactions not disclosed elsewhere in this report in which an officer, director, or associated company was a party or had a material interest. | None. |
| 11. Estimated increase or decrease in annual revenues caused by important rate changes. | N/A |

## Balance Sheet - Assets and Other Debits (Ref Page: 110)

| | Balance Beginning of Year | Balance End of Year |
|---|---|---|
| 1. UTILITY PLANT | | |
| 2. Utility Plant (101-106,114) | $6,633,229,128.00 | $6,848,417,484.00 |
| 3, Construction Work in Progress (107) | $133,728,166.00 | $304,939,291.00 |
| 4. TOTAL UTILITY PLANT | $6,766,957,294.00 | $7,153,356,775.00 |
| 5. (Less) Accum. Prov. for Depr. Amort. Depl. (108,111,115) | $2,053,028,397.00 | $2,144,465,521.00 |
| 6. Net Utility Plant (Line 4 less Line 5) | $4,713,928,897.00 | $5,008,891,254.00 |
| 7. Nuclear Fuel (120.1-120.4,120.6) | $0.00 | |
| 8. (Less) Accum. Prov. for Amort. of Nucl. Assemblies (120.5) | $0.00 | |
| 9. Nuclear Fuel (Line 7 less Line 8) | $0.00 | |
| 10. Net Utility Plant (Enter Total of Line 6 and Line 9) | $4,713,928,897.00 | $5,008,891,254.00 |
| 11. Utility Plant Adjustments (116) | $0.00 | |
| 12. Gas Stored-Base Gas (117.1) | $2,139,990.00 | $2,139,990.00 |
| 13. System Balancing Gas (117.2) | $0.00 | |
| 14. Gas Stored Underground - Non Current (117.3) | $0.00 | |
| 15. Gas Owned to System Gas (117.4) | $0.00 | |
| 16. OTHER PROPERTY AND INVESTMENTS | | |
| 17. Nonutility Property (121) | $630,897.00 | $630,897.00 |
| 18. (Less) Accum. Prov. for Depr and Amort. (122) | $63,362.00 | $63,360.00 |
| 19. Investment in Associated Companies (123) | $0.00 | |
| 20. Investments in Subsidiary Companies (123.1) | $594,286.00 | $594,286.00 |
| 21. | | |
| 22. Noncurrent Portion of Allowances | $0.00 | |
| 23. Other Investments (124) | $0.00 | |
| 24. Special Funds (125-128) | $3,450,339.00 | |
| 25. TOTAL Other Property and Investments | $4,612,160.00 | $1,161,823.00 |
| 26. CURRENT AND ACCRUED ASSETS | | |
| 27. Cash (131) | $4,472,295.00 | $7,984,379.00 |
| 28. Special Deposits (132-134) | $0.00 | |
| 29. Working Fund (135) | $19,790.00 | $19,790.00 |
| 30. Temporary Cash Investments (136) | $295,811.00 | $6,665,308.00 |
| 31. Notes Receivable (141) | $0.00 | |
| 32. Customer Accounts Receivable (142) | $109,744,880.00 | $117,088,628.00 |

## Balance Sheet - Assets and Other Debits (Ref Page: 110)

| | Balance Beginning of Year | Balance End of Year |
|---|---|---|
| 33. Other Accounts Receivable (143) | $11,495,970.00 | $13,213,814.00 |
| 34. (Less) Accum. Prov. for Uncollectible Acct. Credit (144) | $1,621,998.00 | $1,126,694.00 |
| 35. Notes Receivable from Associated Companies (145) | $0.00 | |
| 6. Accounts Receivable from Assoc. Companies (146) | $28,083,431.00 | $24,486,942.00 |
| 37. Fuel Stock (151) | $60,061,204.00 | $44,674,354.00 |
| 38. Fuel Stock Expenses Undistributed (152) | $0.00 | |
| 39. Residuals (Elec) and Extracted Products (153) | $0.00 | |
| 40. Plant Materials and Operating Supplies (154) | $34,700,605.00 | $35,480,555.00 |
| 41. Merchandise (155) | $0.00 | |
| 42. Other Materials and Supplies (156) | $0.00 | |
| 43. Nuclear Materials Held for Sale (157) | $0.00 | |
| 44. Allowances (158.1 and 158.2) | $151.00 | $147.00 |
| 45. (Less) Noncurrent Portion of Allowances | $0.00 | |
| 46. Stores Expense Undistributed (163) | $6,716,994.00 | $7,654,120.00 |
| 47. Gas Stored Underground - Current (164.1) | $41,703,685.00 | $42,560,968.00 |
| 48. Liquefied Natural Gas Stored and Held for Processing (164.2-164.3) | $0.00 | |
| 49. Prepayments (165) | $15,041,152.00 | $14,947,784.00 |
| 50. Advances for Gas (166-167) | $0.00 | |
| 51. Interest and Dividends Receivable (171) | $2,569.00 | $732.00 |
| 52. Rents Receivable (172) | $377,071.00 | $535,536.00 |
| 53. Accrued Utility Revenues (173) | $75,119,083.00 | $90,773,246.00 |
| 54. Miscellaneous Current and Accrued Assets (174) | $0.00 | |
| 54.a Derivative Instrument Assets (175) | $0.00 | |
| 54.b Derivative Instrument Assets - Hedges (176) | $0.00 | |
| 55. TOTAL Current and Accrued Assets (Lines 27 - 54.b) | $386,212,693.00 | $404,959,609.00 |
| 56. DEFERRED DEBITS | | |
| 57. Unamortized Debt Expenses (181) | $13,358,278.00 | $13,944,469.00 |
| 58. Extraordinary Property Losses (181.1) | $0.00 | |
| 59. Unrecovered Plant and Regulatory Study Costs (182.2) | $0.00 | |
| 60. Other Regulatory Assets (182.3) | $457,449,383.00 | $414,621,892.00 |
| 61. Prelim. Survey and Investigation Charges (Electric) (183) | $2,913,826.00 | $2,102,686.00 |

## Balance Sheet - Assets and Other Debits (Ref Page: 110)

| | Balance Beginning of Year | Balance End of Year |
|---|---|---|
| 62. Prelim. Sur. and Invest. Charges (Gas) (183.1,183.2) | $165,764.00 | $718,430.00 |
| 63. Clearing Accounts (184) | $0.00 | ($45,000.00) |
| 64. Temporary Facilities (185) | $0.00 | |
| 65. Miscellaneous Deferred Debits (186) | $445,365,185.00 | $4,854,383.00 |
| 66. Def. Losses from Disposition of Utility Plt. (187) | $0.00 | |
| 67. Research, Devel. and Demonstration Expend. (188) | $1,174,053.00 | $753,306.00 |
| 68. Unamortized Loss on Reacquired Debt (189) | $15,588,304.00 | $15,557,927.00 |
| 69. Accumulated Deferred Income Taxes (190) | $278,298,582.00 | $319,875,911.00 |
| 70. Unrecovered Purchased Gas Costs (191) | $0.00 | |
| 71. TOTAL Deferred Debits (Lines 57-70) | $1,214,313,375.00 | $772,384,004.00 |
| 72. Total Assets and other Debits (Total Lines 10-15,22,55,71) | $6,321,207,115.00 | $6,189,536,680.00 |

Note:
Current period numbers reflected throughout this filing and in the FERC Form 1 do not include Purchase Accounting adjustments as presented in the Company's letter to the FERC dated August 3, 2017.

Due to software limitations see footnote information provided in total in hard copy FERC Form 1.

## Balance Sheet - Liabilities and Other Credits (Ref Page: 112)

| | Balance Beginning of Year | Balance End of Year |
|---|---|---|
| 1. PROPRIETARY CAPITAL | | |
| 2. Common Stock Issued (201) | $425,170,424.00 | $425,170,424.00 |
| 3. Preferred Stock Issued (204) | $0.00 | |
| 4. Capital Stock Subscribed (202,205) | $0.00 | |
| 5. Stock Liability for Conversion (203,206) | $0.00 | |
| 6. Premium on Capital Stock (207) | $0.00 | |
| 7. Other Paid-in Capital Stock (208-211) | $1,682,167,368.00 | $518,081,499.00 |
| 8. Installments Received on Capital stock (212) | $0.00 | |
| 9. (Less) Discount on Capital Stock (213) | $0.00 | |
| 10. (Less) Capital Stock Expense (214) | $835,889.00 | $835,889.00 |
| 11. Retained Earnings (215,215.1,216) | $370,071,653.00 | $1,196,179,717.00 |
| 12. Unappropriated Undistributed Subsidaiary Earnings (216.1) | $0.00 | |
| 13. (Less) Reacquired Capital Stock (217) | $0.00 | |
| 14. Accumulated Other Comprehensive Income (219) | $0.00 | |
| 15. TOTAL Proprietary Capital | $2,476,573,556.00 | $2,138,595,751.00 |
| 16. LONG TERM DEBT | | |
| 17. Bonds (221) | $1,634,304,000.00 | $1,724,200,000.00 |
| 18. (Less) Reacquired Bonds (222) | $0.00 | |
| 19. Advances from Associated Companies (223) | $0.00 | |
| 20. Other Long-Term Debt (224) | ($1,499,542.00) | |
| 21. Unamortized Premium on Long-Term Debt (225) | $0.00 | |
| 22. (Less) Unamortized Discount on LongTerm Debt (226) | $4,390,992.00 | $4,207,953.00 |
| 23. (Less) Current Portion of Long Term Debt | $0.00 | $97,500,000.00 |
| 24. TOTAL Long Term Debt | $1,628,413,466.00 | $1,622,492,047.00 |
| 25. OTHER NONCURRENT LIABILITIES | | |
| 26. Obligations Under Capital Leases-NonCurrent (227) | $0.00 | |
| 27. Accumulated Provision for Property Insurance (228.1) | $0.00 | |
| 28. Accumulated Provision for Injuries and Damages (228.2) | $3,869,121.00 | $4,017,396.00 |
| 29. Accumulated Provision for Pensions and Benefits (228.3) | $129,016,150.00 | $120,771,318.00 |
| 30. Accumulated Miscellaneous Operating Provisions (228.4) | $0.00 | |
| 31. Accumulated Provision for Rate Refunds (229) | $0.00 | |
| 32. Asset Retirement Obligations (230) | $168,407,831.00 | $130,270,439.00 |

## Balance Sheet - Liabilities and Other Credits (Ref Page: 112)

| | Balance Beginning of Year | Balance End of Year |
|---|---|---|
| 33. TOTAL OTHER Noncurrent Liabilities | $301,293,102.00 | $255,059,153.00 |
| 34. CURRENT AND ACCRUED LIABILITIES | | |
| 35. Current Portion of Long-Term Debt | $0.00 | $97,500,000.00 |
| 36. Notes Payable (231) | $168,714,279.00 | $198,888,138.00 |
| 37. Accounts Payable (232) | $159,143,116.00 | $196,952,372.00 |
| 38. Notes Payable to Associated Companies (233) | $0.00 | |
| 39. Account Payable to Associated Companies (234) | $25,844,666.00 | $22,497,457.00 |
| 40. Customer Deposits (235) | $26,675,850.00 | $27,456,982.00 |
| 41. Taxes Accrued (236) | $40,246,772.00 | $24,804,245.00 |
| 42. Interest Accrued (237) | $10,665,488.00 | $10,602,817.00 |
| 43. Dividends Declared (238) | $0.00 | |
| 44. Matured Long-Term Debt (239) | $0.00 | |
| 45. Matured Interests (240) | $0.00 | |
| 46. Tax Collections Payable (241) | $1,711,724.00 | $1,560,813.00 |
| 47. Miscellaneous current and Accrued Liabilities (242) | $20,575,379.00 | $20,057,489.00 |
| 48. Obligatons Under Capital Leases - Current (243) | $0.00 | |
| 49. Derivative Instrument Liabilities (244) | $30,965,017.00 | $26,321,424.00 |
| 50. Derivative Instrument Liabilties - Hedges (245) | $0.00 | |
| 51. TOTAL Current and Accrued Liabilities | $484,542,291.00 | $626,641,737.00 |
| 52. DEFERRED CREDITS | | |
| 53. Customer Advances for Construction (252) | $6,471,505.00 | $17,274,172.00 |
| 54. Accumulated Deferred Investment Tax Credits (255) | $36,357,161.00 | $35,252,005.00 |
| 55. Deferred Gains from Disposition of Utility Plant (256) | $0.00 | |
| 56. Other Deferred Credits (253) | $1,946,440.00 | $2,097,058.00 |
| 57. Other Regulatory Liabilities (254) | $132,750,349.00 | $600,465,356.00 |
| 58. Unamortized gain on Reacquired Debt (257) | $0.00 | |
| 59. Accumulated Deferred Income Taxes (281-283) | $1,252,859,245.00 | $891,659,401.00 |
| 60. TOTAL Deferred Credits | $1,430,384,700.00 | $1,546,747,992.00 |
| 61. TOTAL Liabilities and Other Credits (Total Lines 15,24,33,51 and 60) | $6,321,207,115.00 | $6,189,536,680.00 |



**Case No. 2018-00295**
**Attachment to Filing Requirement**
**807 KAR 5:001 Section 16(7)(k)**
**Page 20 of 143**
**Garrett**

**Balance Sheet - Liabilities and Other Credits (Ref Page: 112) - NOTES**

Note:
Current period numbers reflected throughout this filing and in the FERC Form 1 do not include Purchase Accounting adjustments as presented in the Company's letter to the FERC dated August 3, 2017.

Due to software limitations see footnote information provided in total in hard copy FERC Form 1.

## 22200500 Louisville Gas and Electric Company 01/01/2017 - 12/31/2017

### Statement of Income for the Year (Ref Page: 114)

| | Total (c) | Total - Prev Yr (d) | Electric (e) | Gas (g) | Other (i) |
|---|---|---|---|---|---|
| 1..UTILITY OPERATING INCOME | | | | | |
| 2. Gas Operating Revenues (400) | $1,456,228,107.00 | $1,427,845,121.00 | $1,144,298,965.00 | $311,929,142.00 | $0.00 |
| 3. Operating Expenses | | | | | |
| 4. Operation Expenses (401) | $714,287,845.00 | $710,724,060.00 | $538,705,360.00 | $175,582,485.00 | $0.00 |
| 5. Maintenance Expenses (402) | $97,927,490.00 | $101,251,004.00 | $80,959,958.00 | $16,967,532.00 | $0.00 |
| 6. Depreciation Expense (403) | $168,162,017.00 | $158,381,538.00 | $136,460,987.00 | $31,701,030.00 | $0.00 |
| 7. Depreciation Expense for Asset Retirement Costs (403.1) | | $0.00 | | | |
| 8. Amort and Depl of Utility Plant (404-405) | $14,818,616.00 | $11,392,913.00 | $10,224,814.00 | $4,593,802.00 | $0.00 |
| 9. Amort of Utility Plant Acq. Adj (406) | | $0.00 | | | |
| 10. Amort of Property Losses, Unrecovered Plant and Regulatory Study Costs (407.1) | | $0.00 | | | |
| 11. Amort. of Conversion Expenses (407.2) | | $0.00 | | | |
| 12. Regulatory Debits (407.3) | $326,452.00 | $95,997.00 | $326,452.00 | $0.00 | $0.00 |
| 13. (Less) Regulatory Credits (407.4) | | $0.00 | | | |
| 14. Taxes Other than Income Taxes (408.1) | $41,853,436.00 | $39,887,729.00 | $31,439,291.00 | $10,414,145.00 | $0.00 |
| 15. Income Taxes - Federal (409.1) | $1,023,123.00 | ($20,335,314.00) | $576,238.00 | $446,885.00 | $0.00 |
| 16. Income Taxes - Other (409.1) | $5,317,905.00 | $1,228,245.00 | $3,915,326.00 | $1,402,579.00 | $0.00 |
| 17. Provision for Deferred Income Taxes (410.1) | $315,733,919.00 | $458,039,379.00 | $268,465,384.00 | $47,268,535.00 | $0.00 |
| 18. (Less) Provision for Deferred Income Taxes (411.1) | $187,931,891.00 | $312,874,044.00 | $162,145,330.00 | $25,786,561.00 | $0.00 |
| 19. Investment Tax Credit Adj. - Net (411.4) | ($1,105,156.00) | $1,713,690.00 | ($1,058,636.00) | ($46,520.00) | $0.00 |
| 20. (Less) Gains from Disp. of Utility Plant (411.6) | | $0.00 | | | |



**Case No. 2018-00295**
**Attachment to Filing Requirement**
**807 KAR 5:001 Section 16(7)(k)**
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**Garrett**

## Statement of Income for the Year (Ref Page: 114)

| | Total (c) | Total - Prev Yr (d) | Electric (e) | Gas (g) | Other (i) |
|---|---|---|---|---|---|
| 21. Losses from Disp. of Utility Plant (411.7) | | $0.00 | | | |
| 22. (Less) Gains from Disposition of Allowances (411.8) | $33,526.00 | $70.00 | $33,526.00 | $0.00 | $0.00 |
| 23. Losses from Disposition of Allowances (411.9) | | $0.00 | | | |
| 24. Accretion Expense (411.10) | | $0.00 | | | |
| 25. Total Utility Operating Expenses (Enter Total of Lines 4 - 22) | $1,170,380,230.00 | $1,149,505,127.00 | $907,836,318.00 | $262,543,912.00 | $0.00 |
| 26. Net Utility Operating Income (Line 2 less line 23 - Carry forward to pg 117 line 25) | $285,847,877.00 | $278,339,994.00 | $236,462,647.00 | $49,385,230.00 | $0.00 |

Note:
Due to software limitations see footnote information provided in total in hard copy FERC Form 1.

## Statement of Income (continued) (Ref Page: 116)

| | Current Year | Previous Year |
|---|---|---|
| 27. Net Utility Operating Income (Carried from pg 114) | $285,847,877.00 | $278,339,994.00 |
| 28. Other Income and Deductions | | |
| 29. Other Income | | |
| 30. Nonutility Operating Income | | |
| 31. Revenues From Merchandising, Jobbing and Contract Work (415) | $35,324.00 | $1,970.00 |
| 32. (Less) Costs and Exp. of Merchandising,Job. and Contract Work (416) | $94.00 | $942.00 |
| 33. Revenues From Nonutility Operations (417) | $1,617,920.00 | $1,448,245.00 |
| 34. (Less) Expenses of Nonutility Operations (417.1) | | $0.00 |
| 35. Nonoperating Rental Income (418) | | $0.00 |
| 36. Equity in Earnings of Subsidiary Companies (418.1) | | $0.00 |
| 37. Interest and Dividend Income (419) | $98,068.00 | $53,310.00 |
| 38. Allowance for Other Funds Used During Construction (419.1) | | $0.00 |
| 39. Miscellaneous Nonoperating Income (421) | $32,108.00 | $3,451.00 |
| 40. Gain on Disposition of Property (421.1) | $49,408.00 | $71,467.00 |
| 41. TOTAL Other Income | $1,832,734.00 | $1,577,501.00 |
| 42. Other Income Deductions | | |
| 43. Loss on Disposition of Property (421.2) | $27,594.00 | $10,608.00 |
| 44. Miscellaneous Amortization (425) | | $0.00 |
| 45. Miscellaneous Income Deductions (426.1 - 426.5) | $5,096,060.00 | $7,660,638.00 |
| 46.TOTAL Other Income Deductions | $5,123,654.00 | $7,671,246.00 |
| 47. Taxes Applic. to Other Income and Deductions | | |
| 48. Taxes Other Than Income Taxes (408.2) | $7,044.00 | $6,804.00 |
| 49. Income Taxes - Federal (409.2) | ($1,025,004.00) | ($1,903,276.00) |
| 50. Income Taxes - Other (409.2) | ($186,931.00) | ($347,102.00) |
| 51. Provision for Deferred Inc. Taxes (410.2) | $39,041.00 | $2,967.00 |
| 52. (Less) Provision for Deferred Income Taxes CR (411.2) | $4,853.00 | $18,608.00 |
| 53. Investment Tax Credit Adj. Net (411.5) | | $0.00 |
| 54. (Less) Investment Tax Credits (420) | | $0.00 |
| 55. TOTAL Taxes on Other Income and Deduct. | ($1,170,703.00) | ($2,259,215.00) |
| 56. Net Other Income and Deductions (Lines 39,44,53) | ($2,120,217.00) | ($3,834,530.00) |

## Statement of Income (continued) (Ref Page: 116)

| | Current Year | Previous Year |
|---|---|---|
| 57. Interest Charges | | |
| 58. Interest on Long Term Debt (427) | $63,634,887.00 | $64,935,703.00 |
| 59. Amort of Debt Disc. and Expense (428) | $1,849,616.00 | $2,053,683.00 |
| 60. Amortization of Loss on Reacquired Debt (428.1) | $998,222.00 | $2,414,011.00 |
| 61. (Less) Amort. of Premium on Debt - CR (429) | | $0.00 |
| 62. (Less) Amortization of Gain on Reacquired Debt - CR (429.1) | | $0.00 |
| 63. Interest on Debt to Assoc. Companies (430) | $250,170.00 | $61,261.00 |
| 64. Other Interest Expense (431) | $2,898,999.00 | $1,866,926.00 |
| 65. (Less) Allowance for Borrowed Funds Used During Construction CR (432) | | $0.00 |
| 66. Net Interest Charges | $69,631,894.00 | $71,331,584.00 |
| 67. Income Before Extraordinay Items (Lines 25,54 and 64) | $214,095,766.00 | $203,173,880.00 |
| 68. Extraordinary Items | | |
| 69. Extraordinary Income (434) | | $0.00 |
| 70. (Less) Extraordinary Deductions (435) | | $0.00 |
| 71. Net Extraordinary Items (Lines 67 less 68) | | $0.00 |
| 72. Income Taxes - Federal and Other (409.3) | | $0.00 |
| 73. Extraordinary Items After Taxes (Lines 69 less 70) | | $0.00 |
| 74. Net Income (Lines 67 and 73) | $214,095,766.00 | $203,173,880.00 |

Note:
Due to software limitations see footnote information provided in total in hard copy FERC Form 1.

## 22200500 Louisville Gas and Electric Company 01/01/2017 - 12/31/2017

### Statement of Retained Earnings for the Year (Ref Page: 118)

| Item (a) | Acct (b) | Amount (c) |
|---|---|---|
| UNAPPROPRIATED RETAINED EARNINGS (216) | | |
| State balance and purpose of each appropriated retained earnings amount at end of year and | | |
| 1. Balance - Beginning of the Year | | $1,174,083,951.00 |
| Changes (Identify by prescribed retained earnings accounts) | | |
| give accounting entries for any applications of appropriated retained earnings during the year. | | |
| Adjustments to Retained Earnings (439) | | |
| Credit: Rounding | 0 | $0.00 |
| 4. TOTAL Credits to Retained Earnings (439) | | $0.00 |
| Debit: | | |
| 5. TOTAL Debits to Retained Earnings (439) | | |
| 6. Balance Transferred from Income (433 less 418.1) | 0 | $214,095,766.00 |
| Appropriations of Retained Earnings (436) | | |
| | | |
| 8. TOTAL appropriations of Retained Earnings (436) | | |
| Dividends Declared - Preferred stock (437) | | |
| | | |
| 10. TOTAL Dividends Declared - Preferred Stock (437) | | |
| Dividends Declared - Common Stock (438) | | |
| Without Par Value | 0 | ($192,000,000.00) |
| 12. TOTAL Dividends Declared - Common Stock (438) | | ($192,000,000.00) |
| 13. Transfers from Acct 216.1, Unappropriated Undistributed Subsidary Earnings | | |
| 14. Balance End of Year (Total Lines 1,4,5,6,8,10,12,13) | | $1,196,179,717.00 |
| APPROPRIATED RETAINED EARNINGS (215) | | |
| (215) | | |
| 16. TOTAL Appropriated Retained Earnings (215) | | |

## Statement of Retained Earnings for the Year (Ref Page: 118)

| Item (a) | Acct (b) | Amount (c) |
|---|---|---|
| APPROPRIATED RETAINED EARNINGS - AMORTIZATION RESERVE, FEDERAL | | |
| 17.TOTAL Appropriated Retained Earnings - Amortization Reserve, Federal (215.1) | | |
| 18. TOTAL Appropriated Retained Earnings (total lines 16 and 17) (214,215.1) | | |
| 19. TOTAL Retained Earnings (Lines 14 and 18) (215, 215.1, 216) | | $1,196,179,717.00 |
| UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS (216.1) | | |
| 20. Balance - Beginning of Year (Debit or Credit) | | |
| 21. Equity in Earnings for Year (Credit) (418.1) | | |
| 22. (Less) Dividends Received (Debit) | | |
| 23. Other Charges (explain) | | |
| 24. Balance - End of Year | | |

Note:
Due to software space limitations see footnote information provided in total in hard copy FERC Form 1.

## Statement of Cash Flows (Ref Page: 120)

| | Description | Amounts |
|---|---|---|
| 1. Net Cash Flow From Operating Activities: | | |
| 2. Net Income (Line 72 c on page 117) | | $214,095,766.00 |
| 3. Noncash Charges (Credits) to Income: | | |
| 4. Depreciation and Depletion | | $168,162,017.00 |
| Amortization of (Specifiy) | | |
| 5. | Plant and Regulatory Debits and Credits | $25,302,906.00 |
| 6. Deferred Income Taxes (Net) | | $127,836,216.00 |
| 7. Investment Tax Credit Adjustment (Net) | | ($1,105,156.00) |
| 8. Net (Increase) Decrease in Receivables | | ($19,696,290.00) |
| 9. Net (Increase) Decrease in Inventory | | $13,253,539.00 |
| 10. Net (Increase) Decrease in Allowances Inventory | | $5.00 |
| 11. Net Increase (Decrease) in Payables and Acccrued Expenses | | ($24,283,109.00) |
| 12. Net (Increase) Decrease in Other Regulatory Assets | | $35,316,102.00 |
| 13. Net Increase (Decrease) in Other Regulatory Liabilities | | ($1,537,965.00) |
| 14. (Less) Allowance for Other Funds Used During Construction | | |
| 15. (Less) Undistributed Earnings from Subsidiary Companies | | |
| Other: | | |
| 16. | Other Noncash Charges (Credits) to Income | $9,998,226.00 |
| 16. | Other (See FERC Form 1 Footnotes): | ($36,642,546.00) |
| 16. | Change in Other Deferred Debits | $1,205,937.00 |
| 16. | Change in Other Deferred Credits | ($149,382.00) |
| 17. Net Cash Provided by (Used in) Operating Activities (Total lines 2 thru 16) | | $511,756,266.00 |
| Cash Flows from Investment Activities: | | |
| 21. Construction and Acquisition of Plant (Including Land): | | |
| 22. Gross Additions to Utility Plant (Less nuclear fuel) | | ($414,833,093.00) |
| 23. Gross Additions to Nuclear Fuel | | |
| 24. Gross Additions to Common Utility Plant | | ($19,854,741.00) |
| 25. Gross Additons to Nonutility Plant | | |
| 26. (Less) Allowance for Other Funds Used During Construction | | |
| Other | | |

## Statement of Cash Flows (Ref Page: 120)

| | Description | Amounts |
|---|---|---|
| 27. | Other (See FERC Form 1 Footnotes): | ($23,131,736.00) |
| Cash Outflows for Plant (Total lines 22-27) | | ($457,819,570.00) |
| 30. Acquisition of Other Noncurrent Assets (d) | | |
| 31. Proceeds from Disposal of Noncurrent Assets (d) | | |
| 32. Retirements of Property,Plant and Equipment | | |
| 33. Investments in and Advances to Assoc. and Subsidary Companies | | |
| 34. Contributions and Advances from Assoc. and Subsidiary Companies | | |
| 35. Disposition of Investments in (and Advances to) Associated and Subsidiary Companies | | |
| 37. Purchase of Investment Securities (a) | | |
| 38. Proceeds from Sales of Investment Securities (a) | | |
| 40. Loans Made or Purchased | | |
| 41. Collections on Loans | | |
| 43. Net (Increase) Decrease in Receivables | | |
| 44. Net (Increase) Decrease in Inventory | | |
| 45. Net (Increase) Decrease in Allowances Held for Speculation | | |
| 46. Net Increase (Decrease) in Payables and Accrued Expenses | | |
| Other: | | |
| 47. | | |
| 48. Net Cash Provided by (used in) investing Activities (Lines 28-47) | | ($457,819,570.00) |
| Cash Flows from Financing Activities: | | |
| 52. Proceeds from Issuance of: | | |
| 53. Long - Term Debt (b) | | $160,000,000.00 |
| 54. Preferred Stock | | |
| 55. Common Stock | | |
| Other | | |
| 56 | LG&E and KU Energy LLC Equity Contribution | $30,000,000.00 |
| 57. Net Increase in Short-Term Debt (c) | | $30,173,859.00 |
| Other | | |
| 58. | | |

## Statement of Cash Flows (Ref Page: 120)

| Description | | Amounts |
|---|---|---|
| 59. Cash Provided by Outside Sources (Total lines 53-58) | | $220,173,859.00 |
| 61. Payments for Retirement of | | |
| 62. Long-Term Debt (b) | | ($70,104,000.00) |
| 63. Preferred Stock | | |
| 64. Common Stock | | |
| Other | | |
| 65. | Debt Issuance Costs | ($2,124,974.00) |
| 66. Net Decrease in Short-Term Debt (c) | | |
| 68. Dividends on Preferred Stock | | |
| 69. Dividends on Common Stock | | ($192,000,000.00) |
| 70. Net Cash Provided by (used in) Financing Activities (Lines 59-69) | | ($44,055,115.00) |
| Net Increase (Decrease) in Cash and Cash Equivalents ( Total Lines 18,49,71) | | $9,881,581.00 |
| Cash and Cash Equivalents at Beginning of Year | | $4,787,896.00 |
| Cash and Cash Equivalents at End of Year | | $14,669,477.00 |

Note:
Due to software space limitations see footnote information provided in total in hard copy FERC Form 1.

## Summary of Utility Plant and Accumulated Provisions for Depreciation Amortization and Depletion (Ref Page: 200)

| | Total (b) | Electric (c) | Gas (d) | Other (Total) | Common (h) |
|---|---|---|---|---|---|
| Utility Plant | | | | | |
| In Service | | | | | |
| 3. Plant in Service (Classified) | $5,536,048,324.00 | $4,149,104,946.00 | $1,137,481,599.00 | $0.00 | $249,461,779.00 |
| 4. Property under Capital Leases | | | | | |
| 5. Plant Purchased or Sold | | | | | |
| 6. Completed Construction not Classified | $1,309,242,410.00 | $1,244,368,147.00 | $41,736,601.00 | $0.00 | $23,137,662.00 |
| 7. Experimental Plant Unclassifed | | | | | |
| 8. Total - Utility Plant (Lines 3-7) | $6,845,290,734.00 | $5,393,473,093.00 | $1,179,218,200.00 | $0.00 | $272,599,441.00 |
| 9. Leased to Others | | | | | |
| 10. Held for Future Use | $3,126,750.00 | $3,126,750.00 | $0.00 | $0.00 | $0.00 |
| 11. Construction Work in Progress | $304,939,291.00 | $268,646,844.00 | $20,256,464.00 | $0.00 | $16,035,983.00 |
| 12. Acquisition Adjustments | | | | | |
| 13. Total Utility Plant (Lines 8 - 12) | $7,153,356,775.00 | $5,665,246,687.00 | $1,199,474,664.00 | $0.00 | $288,635,424.00 |
| 14. Accum. Prov. for Depr, Amort, And Depl. | $2,144,465,521.00 | $1,680,041,513.00 | $324,732,270.00 | $0.00 | $139,691,738.00 |
| 15. Net Utility Plant (Line 13 less 14) | $5,008,891,254.00 | $3,985,205,174.00 | $874,742,394.00 | $0.00 | $148,943,686.00 |
| 16. Detail of Accumulated Provisions for Depreciation Amortization and Depletion | | | | | |
| 17. In Service | | | | | |
| 18. Depreciation | $2,086,154,562.00 | $1,680,041,513.00 | $324,732,061.00 | $0.00 | $81,380,988.00 |
| 19. Amort. and Depl. of Production Natural Gas Land and Land Rights | | | | | |
| 20. Amort of Underground Storage Land and Land Rights | $209.00 | $0.00 | $209.00 | $0.00 | $0.00 |
| 21. Amort of Other Utility Plant | $58,310,750.00 | $0.00 | $0.00 | $0.00 | $58,310,750.00 |
| 22. Total In Service (Lines 18-21) | $2,144,465,521.00 | $1,680,041,513.00 | $324,732,270.00 | $0.00 | $139,691,738.00 |
| 23. Leased to Others | | | | | |

## Summary of Utility Plant and Accumulated Provisions for Depreciation Amortization and Depletion (Ref Page: 200)

| | Total (b) | Electric (c) | Gas (d) | Other (Total) | Common (h) |
|---|---|---|---|---|---|
| 24. Depreciation | | | | | |
| 25. Amortization and Depletion | | | | | |
| 26. Total Leased to Others (Lines 24 and 25) | | | | | |
| 27. Held for Future Use | | | | | |
| 28. Depreciation | | | | | |
| 29. Amortization | | | | | |
| 30. Total Held for Future Use (Lines 28 and 29) | | | | | |
| 31. Abandonment of Leases (Naturual Gas) | | | | | |
| 32. Amort. Of Plant Aquision Adj. | | | | | |
| 33. Total Accumulated Provisions (Should agree with Line 14, Total 22,26,30,31 and 32) | $2,144,465,521.00 | $1,680,041,513.00 | $324,732,270.00 | $0.00 | $139,691,738.00 |

## Gas Plant in Service - Intangible and Production Plant (Ref Page: 204)

| | Bal Beg Yr (b) | Addition (c) | Retirements (d) | Adjustments (e) | Transfers (f) | Bal End Yr (g) |
|---|---|---|---|---|---|---|
| INTANGIBLE PLANT | | | | | | |
| 2. Organization (301) | | | | | | |
| 3. Franchises and Consents (302) | $387.00 | $0.00 | $0.00 | $0.00 | $0.00 | $387.00 |
| 4. Miscellaneous Intangible Plant (303) | | | | | | |
| 5. Total Intangible Plant | $387.00 | $0.00 | $0.00 | $0.00 | $0.00 | $387.00 |
| PRODUCTION PLANT | | | | | | |
| 7. Natural Gas Production and Gathering Plant | | | | | | |
| 8. Producing Lands (325.1) | | | | | | |
| 9. Producing Leaseholds (325.2) | | | | | | |
| 10. Gas Rights (325.3) | | | | | | |
| 11. Rights of Way (325.4) | | | | | | |
| 12. Other Land and Land Rights (325.5) | | | | | | |
| 13. Gas Well Structures (326) | | | | | | |
| 14. Field Compressor Station Structures (327) | | | | | | |
| 15. Field Measuring and Regulating Station Equipment (328) | | | | | | |
| 16. Other Structures (329) | | | | | | |
| 17. Producing Gas Wells - Well Construction (330) | | | | | | |
| 18. Producing Gas Wells - Well Equipment (331) | | | | | | |
| 19. Field Lines (332) | | | | | | |
| 20. Field Compressor Station Equipment (333) | | | | | | |
| 21. Field Measuring and Regulating Station Equipment (334) | | | | | | |
| 22. Drillnig and Cleaning Equipment (335) | | | | | | |

## Gas Plant in Service - Intangible and Production Plant (Ref Page: 204)

| | Bal Beg Yr (b) | Addition (c) | Retirements (d) | Adjustments (e) | Transfers (f) | Bal End Yr (g) |
|---|---|---|---|---|---|---|
| 23. Purification Equipment (336) | | | | | | |
| 24. Other Equipment (337) | | | | | | |
| 25. Unsuccessful Exploration and Development Costs (338) | | | | | | |
| 26. Asset Retirement Costs for Natural Gas Production and Gathering Plant (339) | | | | | | |
| 27. Total Production and Gathering Plant | | | | | | |
| 28. PRODUCTS EXTRACTION PLANT | | | | | | |
| 29. Land and Land Rights (340) | | | | | | |
| 30. Structures and Improvements (341) | | | | | | |
| 31. Extraction and Refining Equipment (342) | | | | | | |
| 32. Pipe Lines (343) | | | | | | |
| 33. Extracted Products Storage Equipment (344) | | | | | | |
| 34. Compressor Equipment (345) | | | | | | |
| 35. Gas Measuring and Regulating Equipment (346) | | | | | | |
| 36. Other Equipment (347) | | | | | | |
| 37. Asset Retirement Costs for Products Extraction Plant (348) | | | | | | |
| 38. Total Products Extraction Plant | | | | | | |
| 39. Total Natural Gas Production Plant (Lines 27 and 38) | | | | | | |
| 40. Manufactured Gas Production Plant | | | | | | |

## Gas Plant in Service - Intangible and Production Plant (Ref Page: 204)

| | Bal Beg Yr (b) | Addition (c) | Retirements (d) | Adjustments (e) | Transfers (f) | Bal End Yr (g) |
|---|---|---|---|---|---|---|
| 41. Total Production Plant (Lines 39 and 40) | | | | | | |

## 22200500 Louisville Gas and Electric Company 01/01/2017 - 12/31/2017

## Gas Plant in Service - Storage and Processing (Ref Page: 206)

| | Bal Beg Yr (b) | Addition (c) | Retirements (d) | Adjustments (e) | Transfers (f) | Bal End Yr (g) |
|---|---|---|---|---|---|---|
| NATURAL GAS STORAGE AND PROCESSING PLANT | | | | | | |
| Underground Storage Plant | | | | | | |
| 44. Land (350.1) | $32,865.00 | $0.00 | $0.00 | $0.00 | $0.00 | $32,865.00 |
| 45. Rights-of-Way (350.2 ) | $101,212.00 | $0.00 | $0.00 | $0.00 | $0.00 | $101,212.00 |
| 46. Structures and Improvements (351) | $15,812,721.00 | $776,807.00 | ($14,566.00) | $0.00 | $0.00 | $16,574,962.00 |
| 47. Wells (352) | $19,718,258.00 | $895,215.00 | ($115,945.00) | $0.00 | $0.00 | $20,497,528.00 |
| 48. Storage Leaseholds and Rights (352.1) | $548,241.00 | $0.00 | $0.00 | $0.00 | $0.00 | $548,241.00 |
| 49. Reservoirs (352.2) | $400,511.00 | $0.00 | $0.00 | $0.00 | $0.00 | $400,511.00 |
| 50. Non-recoverable Natural Gas (352.3) | $9,648,855.00 | $0.00 | $0.00 | $0.00 | $0.00 | $9,648,855.00 |
| 51. Lines (353) | $23,292,604.00 | $1,481,299.00 | ($36,754.00) | $0.00 | $0.00 | $24,737,149.00 |
| 52. Compressor Station Equipment (354) | $56,199,067.00 | $5,724,027.00 | ($140,347.00) | $0.00 | $0.00 | $61,782,747.00 |
| 53. Measuring and Regulating Equipment (355) | $1,985,204.00 | $150,842.00 | ($13,111.00) | $0.00 | $0.00 | $2,122,935.00 |
| 54. Purification Equipment (356) | $22,844,423.00 | $350,864.00 | ($178,700.00) | $0.00 | $0.00 | $23,016,587.00 |
| 55. Other Equipment (357) | $3,715,649.00 | $174,247.00 | $0.00 | $0.00 | $0.00 | $3,889,896.00 |
| 56. Asset Retirement Costs for Underground Storage Plant (358) | $5,180,301.00 | $44,531.00 | ($174,375.00) | ($694,597.00) | $0.00 | $4,355,860.00 |
| 57. Total Underground Storage Plant | $159,479,911.00 | $9,597,832.00 | ($673,798.00) | ($694,597.00) | $0.00 | $167,709,348.00 |
| Other Storage Plant | | | | | | |
| 59. Land and Land Rights (360) | | | | | | |
| 60. Structures and Imporvements (361) | | | | | | |
| 61. Gas Holders (362) | | | | | | |
| 62. Purification Equipment (363) | | | | | | |

## Gas Plant in Service - Storage and Processing (Ref Page: 206)

| | Bal Beg Yr (b) | Addition (c) | Retirements (d) | Adjustments (e) | Transfers (f) | Bal End Yr (g) |
|---|---|---|---|---|---|---|
| 63. Liquefaction Equipment (363.1) | | | | | | |
| 64. Vaporaizing Equipment (363.2) | | | | | | |
| 65. Compressor Equipment (363.3) | | | | | | |
| 66. Measuring and Regulating equipment (363.4) | | | | | | |
| 67. Other Equipment (363.5) | | | | | | |
| 68. Asset Retirement Costs for Other Storage Plant (363.6) | | | | | | |
| 69. Total Other storage Plant | | | | | | |
| 70. Base Load Liquefied natural Gas Terminaling and Processing Plant | | | | | | |
| 71. Land and Land Rights (364.1) | | | | | | |
| 72. Structures and Improvements (364.2) | | | | | | |
| 73. LNG Processing Terminal Equipments (364.3) | | | | | | |
| 74. LNG Transportation Equipment (364.4) | | | | | | |
| 75. Measuring and Regulating Equipment (364.5) | | | | | | |
| 76. Compressor Station Equipment (364.6) | | | | | | |
| 77. Communications Equipment (364.7) | | | | | | |
| 78. Other Equipment (364.8) | | | | | | |
| 79. Asset Retirement Costs for Base Load Liquefied Natual Gas Terminaliing and Processing Plant (364.9) | | | | | | |

## Gas Plant in Service - Storage and Processing (Ref Page: 206)

| | Bal Beg Yr (b) | Addition (c) | Retirements (d) | Adjustments (e) | Transfers (f) | Bal End Yr (g) |
|---|---|---|---|---|---|---|
| 80. Total Base Load Liquefied Nat`l Gas, Terminal and Processing Plant | | | | | | |
| 76. Total Nat`l Gas Storage and Processing Plant (57,69,80) | $159,479,911.00 | $9,597,832.00 | ($673,798.00) | ($694,597.00) | $0.00 | $167,709,348.00 |

## Gas Plant in Service - Transmission,Distribution and General (Ref Page: 206)

| | Bal Beg Yr (b) | Addition (c) | Retirements (d) | Adjustments (e) | Transfers (f) | Bal End Yr (g) |
|---|---|---|---|---|---|---|
| TRANSMISSION PLANT | | | | | | |
| 83. Land and Land Rights (365.1) | | | | | | |
| 84. Rights-of-Way (365.2) | $220,660.00 | $0.00 | $0.00 | $0.00 | $0.00 | $220,660.00 |
| 85. Structures and Improvements (366) | | | | | | |
| 86. Mains (367) | $52,506,548.00 | $339,706.00 | ($217,700.00) | $0.00 | $0.00 | $52,628,554.00 |
| 87. Compressor Station Equipment (368) | | | | | | |
| 88. Measuring and Regulating Sstation Equipment (369) | | | | | | |
| 89. Communication Equipment (370) | | | | | | |
| 90. Other Equipment (371) | | | | | | |
| 91. Asset Retirement Costs for Transmission Plant (372) | $2,327,885.00 | $28,516.00 | ($42,504.00) | $0.00 | $0.00 | $2,313,897.00 |
| 92. Total Transmission Plant | $55,055,093.00 | $368,222.00 | ($260,204.00) | $0.00 | $0.00 | $55,163,111.00 |
| DISTRIBUTION PLANT ( ) | | | | | | |
| 94. Land and Land Rights (374) | $134,496.00 | $0.00 | $0.00 | $0.00 | $0.00 | $134,496.00 |
| 95. Structures and Improvements (375) | $1,175,171.00 | $64,116.00 | $0.00 | $0.00 | $0.00 | $1,239,287.00 |
| 96. Mains (376) | $398,444,129.00 | $16,264,119.00 | ($1,280,572.00) | $0.00 | $0.00 | $413,427,676.00 |
| 97. Compressor Station Equipment (377) | | | | | | |
| 98. Measuring and Regulating Station Equipment - General (378) | $20,979,534.00 | $1,630,670.00 | ($9,431.00) | $0.00 | $0.00 | $22,600,773.00 |
| 99. Measuring and Regulating Station Equipment - City Gate (379) | $7,668,455.00 | $4,892,695.00 | ($324,494.00) | $0.00 | $0.00 | $12,236,656.00 |
| 100. Services (380) | $367,345,917.00 | $32,405,082.00 | ($171,008.00) | $0.00 | $0.00 | $399,579,991.00 |
| 101. Meters (381) | $49,165,598.00 | $6,292,711.00 | ($730,340.00) | $0.00 | $0.00 | $54,727,969.00 |

## Gas Plant in Service - Transmission,Distribution and General (Ref Page: 206)

| | Bal Beg Yr (b) | Addition (c) | Retirements (d) | Adjustments (e) | Transfers (f) | Bal End Yr (g) |
|---|---|---|---|---|---|---|
| 102. Meter Installations (382) | | | | | | |
| 103. House Regulators (383) | $25,988,270.00 | $394,291.00 | ($53.00) | $0.00 | $0.00 | $26,382,508.00 |
| 104. House Regulator Installations (384) | | | | | | |
| 105. Industrial Measuring and Regulating Station Equipment (385) | $960,687.00 | $0.00 | $0.00 | $0.00 | $0.00 | $960,687.00 |
| 106. Other Property on Customers Premises (386) | | | | | | |
| 107. Other Equipment (387) | $51,112.00 | $0.00 | $0.00 | $0.00 | $0.00 | $51,112.00 |
| 108. Asset Retirement Costs for Distribution Plant (388) | $11,561,784.00 | $1,120,194.00 | ($60,138.00) | $0.00 | $0.00 | $12,621,840.00 |
| 109. Total Distribution Plant | $883,475,153.00 | $63,063,878.00 | ($2,576,036.00) | $0.00 | $0.00 | $943,962,995.00 |
| GENERAL PLANT | | | | | | |
| 111. Land and Land Rights (389) | | | | | | |
| 112. Structures and Improvements (390) | | | | | | |
| 113. Office Furniture and Equipment (391) | | | | | | |
| 114. Transportation Equipment (392) | $1,798,292.00 | $182,770.00 | ($177,175.00) | $0.00 | $0.00 | $1,803,887.00 |
| 115. Stores Equipment (393) | | | | | | |
| 116. Tools, Shop and garage Equipment (394) | $6,771,339.00 | $447,082.00 | ($335,121.00) | $0.00 | $0.00 | $6,883,300.00 |
| 117. Laboratory Equipment (395) | | | | | | |
| 118. Power Operated Equipment (396) | $3,531,588.00 | $445,434.00 | ($281,850.00) | $0.00 | $0.00 | $3,695,172.00 |
| 119. Communication Equipment (397) | | | | | | |
| 120. Miscellaneous equipment (398) | | | | | | |

## Gas Plant in Service - Transmission,Distribution and General (Ref Page: 206)

| | Bal Beg Yr (b) | Addition (c) | Retirements (d) | Adjustments (e) | Transfers (f) | Bal End Yr (g) |
|---|---|---|---|---|---|---|
| 121. Subtotal (Lines 104-113) | $12,101,219.00 | $1,075,286.00 | ($794,146.00) | $0.00 | $0.00 | $12,382,359.00 |
| 122. Other Tangible Property (399) | | | | | | |
| 123. Asset Retirement Costs for General Plant (399.1) | | | | | | |
| 124. Total General Plant (Lines 121,122 and 123) | $12,101,219.00 | $1,075,286.00 | ($794,146.00) | $0.00 | $0.00 | $12,382,359.00 |
| 125. Total Accounts 101 and 106 | $1,110,111,763.00 | $74,105,218.00 | ($4,304,184.00) | ($694,597.00) | $0.00 | $1,179,218,200.00 |
| 126. Gas Plant Purchased | | | | | | |
| 127. (Less) Gas Plant Sold | | | | | | |
| 128. Experimental Gas Plant Unclassified | | | | | | |
| Total Gas Plant in Service (Lines 125-128) | $1,110,111,763.00 | $74,105,218.00 | ($4,304,184.00) | ($694,597.00) | $0.00 | $1,179,218,200.00 |

Note:
Page 206, Line 56, Column e: Adjustment due to changes in asset retirement cost estimates.

## Gas Property and Capacity Leased From Others (Ref Page: 212)

| | Name of Lessor (a) | * (b) | Description of Lease (c) | Lease Payments For Current Year |
|---|---|---|---|---|
| | Gas Property and Capacity Leased from Others | | | $133,699.62 |
| Total | | | | |

## 22200500 Louisville Gas and Electric Company 01/01/2017 - 12/31/2017

### Gas Plant Held for Future Use (Acct 105) (Ref Page: 214)

| | Description | Date Orig. Included (b) | Date Exp. to Use (c) | Balance (d) |
|---|---|---|---|---|
| | | | | |
| TOTAL | | | | |

## Construction Work in Progress - (Acct 107) (Ref Page: 216)

| | Project (a) | Construction WIP (b) | Est Add Cost |
|---|---|---|---|
| | GAS STORAGE MINOR | $2,898,820.00 | $11,426,990.00 |
| | 0 | $0.00 | $0.00 |
| | GAS TRANSMISSION MAJOR | $0.00 | $0.00 |
| | TMP PENILE-PRESTON | $2,230,027.00 | $20,302,848.00 |
| | BULLITT COUNTY SYSTEM REINFORCEMENT | $1,669,345.00 | $29,932,152.00 |
| | GAS TRANSMISSION MINOR | $1,241,895.00 | $51,058,583.00 |
| | 0 | $0.00 | $0.00 |
| | GAS DISTRIBUTION MAJOR | $0.00 | $0.00 |
| | SCADA HARDWARE REPLACEMENT | $1,506,777.00 | $1,187,665.00 |
| | EAST END REINFORCEMENT | $1,189,153.00 | $5,147,579.00 |
| | BELTLINE SEPARATION | $1,084,867.00 | $0.00 |
| | GAS DISTRIBUTION MINOR | $7,897,710.00 | $35,843,154.00 |
| | 0 | $0.00 | $0.00 |
| | GAS GENERAL PLANT MINOR | $537,870.00 | $150,000.00 |
| TOTAL | | $20,256,464.00 | $155,048,971.00 |

## General Description of Construction Overhead Procedure - Components of Formulat (Ref Page: 218)

| | Amount (b) | Capitalization Ration (Percent) (c) | Cost Rate Percentage (d) |
|---|---|---|---|
| Please include all notes requested for construction overhead with the hard copy. | | | |
| Uppercase Vars (S,D,P,C,W) fall under Amount (b) column | | | |
| Lowercase Vars (s,d,p,c) fall under Cost Rate Percentage (d) column | | | |
| 1. Components of Formula (Derived from actual book balances and actual cost rates) | | | |
| Average Short-Term Debt (Var S) | | | |
| Short-Term Interest (Var s) | | | |
| Long Term Debt (Vars D and d) | | | |
| Preferred Stock (Vars P and p) | | | |
| Common Equity (Vars C and c) | | | |
| Total Capitalization | | | |
| Average Construction Work in Progress Balance (Var W) | | | |
| 2. Gross Rate for Borrowed Funds s(S/W) + d[(D/(D+P+C))(1-(S/W)] | | | |
| 3. Rate for Other Funds [1-(S/W)][p(P/D+P+C)) + c(C/(D+P+C))] | | | |
| 4. Weighted Average Rate Actually Used for the Year: | | | |
| a. Rate for Borrowed Funds | | | |
| b. Rate for Other Funds | | | |

**General Description of Construction Overhead Procedure - Components of Formulat (Ref Page: 218) - NOTES**

LOCAL ENGINEERING:

Salaries and expenses of Gas Distribution Operations personnel engaged in construction work, but not assignable to a particular capital project, are charged to engineering clearing projects. Examples of such charges are: work with the construction budget, cost of estimating, preparation of field reports, conferences on construction matters, and general supervision of construction projects. Each month, the costs accumulated in these clearing projects are allocated to specific capital projects owned by Gas Distribution based on the monthly spend by project. The labor and expenses of engineers and other personnel who are directly assigned to a particular capital project are charged to that project.

EMPLOYEE BENEFITS:

Vacation, holiday, sick and other off-duty payments, medical, dental, group life insurance, long-term disability, 401(k), retirement income account and pension costs, are charged to construction by applying overhead rates to direct labor.

Employee bonuses, known as Team Incentive Awards, are charged to construction by applying overhead rates to direct labor.

ADMIN AND GENERAL:

The allocation of administrative and general expenses to construction is based on a study of the estimated time engaged in construction activities by persons and departments charging time to FERC Account 920. The administrative and general salaries and expenses (FERC Account 920-921) applicable to construction are allocated to all construction projects on the basis of total direct costs.

VEHICLE:

Vehicle costs are allocated to construction based on labor charges from the departments to which the vehicles are assigned. The costs of vehicles are allocated by the pro-rata share of monthly labor incurred from each department which owns vehicles.

Note:
LG&E does not capitalize AFUDC.

## Accumulated Provision for Depreciation of Gas Utility Plant (Acct 108) (Ref Page: 219)

| | Description | Total (b) | Gas Plant In Service (c) | Held for Future (d) | Leased (e) |
|---|---|---|---|---|---|
| A. BALANCES AND CHANGES DURING YEAR | | | | | |
| Balance beginning of Year | | $304,226,344.00 | $304,226,344.00 | $0.00 | $0.00 |
| Depreciation Provisions for Year, Charged to | | | | | |
| Depreciation Expense (403) | | $28,869,139.00 | $28,869,139.00 | $0.00 | $0.00 |
| Depreciation Expense for Asset Retirement Costs (403.1) | | | | | |
| Expense of Gas Plant Leased to Others (413) | | | | | |
| Transportation Expenses - Clearing | | $334,874.00 | $334,874.00 | $0.00 | $0.00 |
| Other Clearing Accounts | | | | | |
| Other Clearing (Specify) | | | | | |
| Total Deprec. Prov. for Year | | $29,204,013.00 | $29,204,013.00 | $0.00 | $0.00 |
| Net Charges for Plant Retired | | | | | |
| Book Cost of Plant Retired | | $4,304,184.00 | $4,304,184.00 | $0.00 | $0.00 |
| Cost of Removal | | $5,048,057.00 | $5,048,057.00 | $0.00 | $0.00 |
| Salvage (Credit) | | $70,853.00 | $70,853.00 | $0.00 | $0.00 |
| Total Net Chrgs for Plant Ret | | $9,281,388.00 | $9,281,388.00 | $0.00 | $0.00 |
| Other Debit or Credit Items (Describe) | | | | | |
| | Accrual for Depreciation on Asset Retirement Costs | $583,392.00 | $583,392.00 | $0.00 | $0.00 |
| | Customer Payments Related To Construction Projects | ($300.00) | ($300.00) | $0.00 | $0.00 |
| | 0 | $0.00 | $0.00 | $0.00 | $0.00 |
| | 0 | $0.00 | $0.00 | $0.00 | $0.00 |
| | 0 | $0.00 | $0.00 | $0.00 | $0.00 |
| Balance at End of Year | | $324,732,061.00 | $324,732,061.00 | $0.00 | $0.00 |
| B. BALANCES AT END OF YEAR ACCORDING TO FUNCTIONAL CLASSIFICATIONS | | | | | |
| Productions - Manufactured Gas | | | | | |

## 22200500 Louisville Gas and Electric Company 01/01/2017 - 12/31/2017

## Accumulated Provision for Depreciation of Gas Utility Plant (Acct 108) (Ref Page: 219)

| Description | Total (b) | Gas Plant In Service (c) | Held for Future (d) | Leased (e) |
|---|---|---|---|---|
| Prodcution of Gathering-Natural Gas | | | | |
| Products Extraction - Natural Gas | | | | |
| Underground Gas Storage | $38,827,632.00 | $38,827,632.00 | $0.00 | $0.00 |
| Other Storage Plant | | | | |
| Base Load LNG Terminaling and Processing Plant | | | | |
| Transmision | $12,264,627.00 | $12,264,627.00 | $0.00 | $0.00 |
| Distribution | $267,950,553.00 | $267,950,553.00 | $0.00 | $0.00 |
| General | $5,689,249.00 | $5,689,249.00 | $0.00 | $0.00 |
| Total | $324,732,061.00 | $324,732,061.00 | $0.00 | $0.00 |

## 22200500 Louisville Gas and Electric Company 01/01/2017 - 12/31/2017

### Gas Stored Accounts (Lines 1-5) (Ref Page: 220)

| | 117.1 (b) | 117.2 (c) | 117.3 (d) | 117.4 (e) | 164.1 (f) | 164.2 (g) | 164.3 (h) | Total (I) |
|---|---|---|---|---|---|---|---|---|
| Balance at Beginning of Year | $2,139,990.00 | $0.00 | $0.00 | $0.00 | $41,703,685.00 | $0.00 | $0.00 | $43,843,675.00 |
| Gas delivered to Storage | $0.00 | $0.00 | $0.00 | $0.00 | $43,453,768.00 | $0.00 | $0.00 | $43,453,768.00 |
| Gas Withdrawn from Storage | $0.00 | $0.00 | $0.00 | $0.00 | $42,596,485.00 | $0.00 | $0.00 | $42,596,485.00 |
| Other Debits and Credits | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Balance at End of Year | $2,139,990.00 | $0.00 | $0.00 | $0.00 | $42,560,968.00 | $0.00 | $0.00 | $44,700,958.00 |

Note:
Gas Withdrawn from Storage, Column (f) includes $2,889,006 for 830,616 Mcf of gas lost in storage operations charged to Gas Losses (823).

Non-current gas in Column (b) consists of recoverable base gas. Current gas in Column (f) consists of working gas.

The weighted average cost inventory method is used to report gas stored underground.

## 22200500 Louisville Gas and Electric Company 01/01/2017 - 12/31/2017

### Gas Stored Accounts (Lines 6-7) (Ref Page: 220)

| | 117.1 (b) | 117.2 (c) | 117.3 (d) | 117.4 (e) | 164.1 (f) | 164.2 (g) | 164.3 (h) | Total (I) |
|---|---|---|---|---|---|---|---|---|
| MCF | $2,930,000.00 | $0.00 | $0.00 | $0.00 | $12,060,303.00 | $0.00 | $0.00 | $14,990,303.00 |
| Amount Per MCF | $0.73 | $0.00 | $0.00 | $0.00 | $3.53 | $0.00 | $0.00 | $2.98 |

Note:
Amounts in row MCF are statistical amounts and not dollars as shown.

## Investments (123,124,136) (Ref Page: 222)

| | Description of Investment (a) | (b) | Book Cost at Beginning of | Purchases or Additions (d) | Sales of Other Dispositions |
|---|---|---|---|---|---|
| Investments in Associated Companies (123) | | | | | |
| (123) | | | $0.00 | $0.00 | $0.00 |
| (123) | | | $0.00 | $0.00 | $0.00 |
| (123) | | | $0.00 | $0.00 | $0.00 |
| (123) | | | $0.00 | $0.00 | $0.00 |
| (123) | | | $0.00 | $0.00 | $0.00 |
| (123) | | | $0.00 | $0.00 | $0.00 |
| (123) | | | $0.00 | $0.00 | $0.00 |
| (123) | | | $0.00 | $0.00 | $0.00 |
| (123) | | | $0.00 | $0.00 | $0.00 |
| Other Investments (124) | | | | | |
| (124) | | | | | |
| Temporary Case Investments (136) | | | | | |
| (136) | Goldman Sachs Financial Square Fed | | $0.00 | $569,000.00 | $569,090.00 |
| (136) | Fidelity Investments MMF Gov't Portfolio | | $11.00 | $409,000.00 | $408,990.00 |
| (136) | Black Rock Institutional Share Fed Fund | | $719.00 | $13,091,000.00 | $13,092,030.00 |
| (136) | WAM Institutional Gov't Reserves | | $295,038.00 | $56,852,000.00 | $57,149,470.00 |
| (136) | Dreyfus Instl Treas and Agency Cash Adv | | $10.00 | $37,930,480.00 | $31,269,000.00 |
| (136) | Wells Fargo Adv Gov't MMF | | $0.00 | $1,000.00 | $980.00 |
| (136) | MS Inst Liquidity Funds Gov't Port | | $20.00 | $0.00 | $0.00 |
| (136) | Invesco Gov't and Agency Port | | $13.00 | $35,541,000.00 | $35,541,920.00 |
| (136) | | | $0.00 | $0.00 | $0.00 |

## Investments (123,124,136) (Ref Page: 222) (Part Two)

| | Description of Investment (a) | Principal Amt or No of | Book Cost End of Year (g) | Revenues for Year (h) | Gain or Loss (i) |
|---|---|---|---|---|---|
| Investments in Associated Companies (123) | | | | | |
| (123) | | $0.00 | $0.00 | $0.00 | $0.00 |
| (123) | | $0.00 | $0.00 | $0.00 | $0.00 |
| (123) | | $0.00 | $0.00 | $0.00 | $0.00 |
| (123) | | $0.00 | $0.00 | $0.00 | $0.00 |
| (123) | | $0.00 | $0.00 | $0.00 | $0.00 |
| (123) | | $0.00 | $0.00 | $0.00 | $0.00 |
| (123) | | $0.00 | $0.00 | $0.00 | $0.00 |
| (123) | | $0.00 | $0.00 | $0.00 | $0.00 |
| (123) | | $0.00 | $0.00 | $0.00 | $0.00 |
| Other Investments (124) | | | | | |
| (124) | | | | | |
| Temporary Case Investments (136) | | | | | |
| (136) | Goldman Sachs Financial Square Fed | $0.00 | $17.00 | $107.00 | $0.00 |
| (136) | Fidelity Investments MMF Gov't Portfolio | $0.00 | $21.00 | $62.00 | $0.00 |
| (136) | Black Rock Institutional Share Fed Fund | $0.00 | $24.00 | $335.00 | $0.00 |
| (136) | WAM Institutional Gov't Reserves | $0.00 | $15.00 | $3,205.00 | $0.00 |
| (136) | Dreyfus Instl Treas and Agency Cash Adv | $0.00 | $6,663,280.00 | $2,799.00 | $0.00 |
| (136) | Wells Fargo Adv Gov't MMF | $0.00 | $20.00 | $0.00 | $0.00 |
| (136) | MS Inst Liquidity Funds Gov't Port | $0.00 | $20.00 | $0.00 | $0.00 |
| (136) | Invesco Gov't and Agency Port | $0.00 | $82.00 | $989.00 | $0.00 |
| (136) | | $0.00 | $0.00 | $0.00 | $0.00 |

Note:
Revenues for Year include Dividend Income from Investments.



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## Investments in Subsidiary Companies (123.1) (Ref Page: 224)

| | Description | Date Acquired (b) | Date Maturity (c) | Investment Beg of Yr. (d) | Equity in Subsidiary (e) | Revenues (f) | Investment End Yr (g) | Invest Disposed of (h) |
|---|---|---|---|---|---|---|---|---|
| | OVEC (5.63%) | | | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| | Common Stock, $100 par value, 5,630 shares | | | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| | 700 shares | 11/18/1952 | | $70,000.00 | $0.00 | $0.00 | $70,000.00 | $0.00 |
| | 700 shares | 1/8/1953 | | $70,000.00 | $0.00 | $0.00 | $70,000.00 | $0.00 |
| | 700 shares | 2/25/1953 | | $70,000.00 | $0.00 | $0.00 | $70,000.00 | $0.00 |
| | 700 shares | 4/10/1953 | | $70,000.00 | $0.00 | $0.00 | $70,000.00 | $0.00 |
| | 700 shares | 5/12/1953 | | $70,000.00 | $0.00 | $0.00 | $70,000.00 | $0.00 |
| | 1400 shares | 7/27/1953 | | $140,000.00 | $0.00 | $0.00 | $140,000.00 | $0.00 |
| | 730 shares | 3/4/2005 | | $104,286.00 | $0.00 | $0.00 | $104,286.00 | $0.00 |
| TOTAL | | | | $594,286.00 | $0.00 | $0.00 | $594,286.00 | $0.00 |

## Prepayments (Ref Page: 230)

| | Balance at End of Year |
|---|---|
| Prepaid Insurance | $1,684,012.00 |
| Prepaid Rents | $128,881.00 |
| Prepaid Taxes | $1,398,865.00 |
| Prepaid Interest | |
| Miscellaneous Prepayments | $11,736,025.00 |
| Total | $14,947,784.00 |

Note:
The Miscellaneous Prepayments line is compromised of various IT contracts $10,043,906,Tennessee Valley Authority $670,143, US Postage Prepaid $326,681, Rights of Way $146,667, Open Systems International, Inc. $92,952, Risk Management & Workers Compensation $90,500, Platts Energy Supply Subscription $82,793, US Lease Prepaid $82,043, Siemens Energy - Cane Run $46,157, Rapid Renewal Membership $44,678, ADP Funding $34,510, Zycus $31,180, Doble Engineering $21,853, Standard & Poor's Annual Surveillance Fee $8,750, Schneider Electric $5,972, Red Vector $5,673, and SNL Software License Fees $1,568.

**22200500 Louisville Gas and Electric Company 01/01/2017 - 12/31/2017**

**Extraordinary Property Losses (182.1) (Ref Page: 230)**

| Description | Balance Beg Yr (b) | Total Loss (b) | Losses During Yr | Acct (d) | Written Off (e) | Balance (f) |
|---|---|---|---|---|---|---|
| | | | | | | |
| TOTAL | | | | | | |



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## 22200500 Louisville Gas and Electric Company 01/01/2017 - 12/31/2017

## Unrecovered Plant and Regulatory Study costs (182.2) (Ref Page: 230)

| | Description | Balance Beg Yr (b) | Total Loss (b) | Losses During Yr | Acct (d) | Written Off (e) | Balance (f) |
|---|---|---|---|---|---|---|---|
| | | | | | | | |
| TOTAL | | | | | | | |

## 22200500 Louisville Gas and Electric Company 01/01/2017 - 12/31/2017

### Other Regulatory Assets (Acct 182.3) (Ref Page: 232)

| Description and Purpose | Bal Beg Yr (b) | Debits (c) | Written Off Acct (d) | Written Off Amt (e) | Balance End Yr (f) |
|---|---|---|---|---|---|
| ASC 715 - Pension and Postretirement (Ongoing) | $235,653,624.00 | $21,336,144.00 | 228 | $41,786,402.00 | $215,203,366.00 |
| Asset Retirement Obligation - Electric (Ongoing) | $35,868,176.00 | $11,409,505.00 | 230 | $33,080,812.00 | $14,196,869.00 |
| Wind Storm 2008 (Aug-10 to Jul-20) | $8,435,286.00 | $0.00 | 593 | $2,354,033.00 | $6,081,253.00 |
| ASC 740 - Income Taxes (Ongoing) | $14,175,284.00 | $2,640.00 | 190/282/283 | $6,643,962.00 | $7,533,962.00 |
| Forward Starting Swaps Losses (Sep-15 to Oct-45) | $40,667,886.00 | $0.00 | 427 | $2,391,436.00 | $38,276,450.00 |
| Asset Retirement Obligation - Gas (Ongoing) | $3,373,993.00 | $1,385,779.00 | 230 | $389,883.00 | $4,369,889.00 |
| Gas Supply Clause (Ongoing) | $2,816,121.00 | $5,147,516.00 | 803 | $4,161,952.00 | $3,801,685.00 |
| Swap Termination - Bank of America | $9,409,000.00 | $0.00 | 427 | $279,475.00 | $9,129,525.00 |
| Winter Storm 2009 - (Aug-10 to Jul-20) | $15,708,757.00 | $0.00 | 571/593/880 | $4,383,839.00 | $11,324,918.00 |
| Environmental Cost Recovery (Ongoing) | $6,434,000.00 | $6,361,000.00 | 440-445 | $8,095,000.00 | $4,700,000.00 |
| 0 | $0.00 | $0.00 | | $0.00 | $0.00 |
| 0 | $0.00 | $0.00 | 0 | $0.00 | $0.00 |
| 2014 Rate Case Expenses - Electric (Jul-15-Jun-18) | $568,799.00 | $0.00 | 928 | $379,199.00 | $189,600.00 |
| 2014 Rate Case Expenses - Gas (Jul-15-Jun-18) | $142,200.00 | $0.00 | 928 | $94,800.00 | $47,400.00 |
| Carbon Mgmt. Research Group (Aug-10 to Jul-20) | $154,470.00 | $351,120.00 | 930 | $351,120.00 | $154,470.00 |
| 2016 Rate Case Expenses - Electric (Ongoing) | $1,088,658.00 | $556,903.00 | 928 | $183,303.00 | $1,462,258.00 |
| 2016 Rate Case Expenses - Gas (Ongoing) | $304,452.00 | $151,745.00 | 928 | $48,734.00 | $407,463.00 |
| Interest Rate Swap (Mark To Market) (through 2033) | $30,965,017.00 | $3,869,588.00 | 244/427 | $8,513,181.00 | $26,321,424.00 |
| ARO - Generation - Coal Combustion Residuals | $30,968,244.00 | $11,672,942.00 | 407 | $326,452.00 | $42,314,734.00 |

## Other Regualatory Assets (Acct 182.3) (Ref Page: 232)

| | Description and Purpose | Bal Beg Yr (b) | Debits (c) | Written Off Acct (d) | Written Off Amt (e) | Balance End Yr (f) |
|---|---|---|---|---|---|---|
| | Swap Termination - Wachovia (Aug-10 to Apr-35) | $7,124,110.00 | $0.00 | 930 | $388,659.00 | $6,735,451.00 |
| | 0 | $0.00 | $0.00 | | $0.00 | $0.00 |
| | Pension Gain/Loss Amortization - 15 Year (Ongoing) | $10,885,242.00 | $8,678,237.00 | 926 | $968,312.00 | $18,595,167.00 |
| | 0 | $0.00 | $0.00 | | $0.00 | $0.00 |
| | Unamortized Debt Expense (through 2033) - PAA | $1,095,639.00 | $0.00 | | $1,095,639.00 | $0.00 |
| | Summer Storm 2011 (Ongoing) | $1,610,425.00 | $0.00 | 593 | $1,207,819.00 | $402,606.00 |
| | Gas Line Tracker (Ongoing) | | $1,163,561.00 | 480-482 | $1,163,561.00 | $0.00 |
| | DSM Cost Recovery - Electric (Ongoing) | | $1,301,868.00 | 440-445 | $971,782.00 | $330,086.00 |
| | Plant Outage Normalization (Ongoing) | | $3,043,316.00 | 0 | $0.00 | $3,043,316.00 |
| Total | | $457,449,383.00 | $76,431,864.00 | | $119,259,355.00 | $414,621,892.00 |

Note:
Adjustments to debits/credits were made to certain line items to eliminate Purchase Accounting adjustments. See the FERC Form 1 for details.

**22200500 Louisville Gas and Electric Company 01/01/2017 - 12/31/2017**

**Miscellaneous Deferred Debits (Acct 186) (Ref Page: 233)**

| | Description (a) | Bal Beg Yr (b) | Debits (c) | CR Acct (d) | CR Amt (e) | Bal End Yr (c) |
|---|---|---|---|---|---|---|
| | Cane Run 7 LTPC Asset | $3,297,663.00 | $901,670.00 | 107, 553 | $1,710,843.00 | $2,488,490.00 |
| | Brown 6 and 7 LTPC Asset | $0.00 | $2,045,524.00 | 0 | $0.00 | $2,045,524.00 |
| | Financing Expense | $55,376.00 | $341,975.00 | 181, 923 | $262,575.00 | $134,776.00 |
| | Long-Term Customer Accounts Receivable | $347,144.00 | $0.00 | 142 | $217,713.00 | $129,431.00 |
| | Cellular Antenna Billable Chgs | $22,896.00 | $114,231.00 | Various | $80,965.00 | $56,162.00 |
| Misc. Work in Progress | | | | | | |
| Total | | $3,723,079.00 | $3,403,400.00 | | $2,272,096.00 | $4,854,383.00 |

Note:
Due to software limitations see footnote information provided in total in hard copy FERC Form 1.

## Accumulated Deferred Income Taxes (Acct 190) (Ref Page: 234)

| Description | Bal Beg Yr | Amt 410.1 (c) | Amt 411.1 (d) | Amt 410.2 (e) | Amt 411.2 (f) |
|---|---|---|---|---|---|
| Account 190 | | | | | |
| Electric | $245,031,274.00 | $97,286,079.00 | $37,489,924.00 | $0.00 | $0.00 |
| Gas | $33,180,308.00 | $8,760,890.00 | $2,874,080.00 | $0.00 | $0.00 |
| Other (Define) | $87,000.00 | $0.00 | $0.00 | $39,041.00 | $4,853.00 |
| Total | $278,298,582.00 | $106,046,969.00 | $40,364,004.00 | $39,041.00 | $4,853.00 |
| Other (Specify) | | | | | |
| | | | | | |
| TOTAL Acct 190 | $278,298,582.00 | $106,046,969.00 | $40,364,004.00 | $39,041.00 | $4,853.00 |
| Classification of TOTAL | | | | | |
| Federal INcome TAx | $248,939,166.00 | $96,878,145.00 | $37,162,589.00 | $37,933.00 | $4,853.00 |
| State Income Tax | $29,359,416.00 | $9,168,824.00 | $3,201,415.00 | $1,108.00 | $0.00 |
| Local Income Tax | | | | | |

## Accumulated Deferred Income Taxes (Acct 190) (Ref Page: 234) (Part Two)

| Description | Debit Adj Acct (g) | Debit Amount (h) | Credit Acct (i) | Credit Amount (j) | Balance End Yr (k) |
|---|---|---|---|---|---|
| Account 190 | | | | | |
| Electric | 254 | $257,468,820.00 | 254 | $158,482,012.00 | $264,269,098.00 |
| Gas | 254 | $52,934,627.00 | 254 | $24,793,705.00 | $55,554,001.00 |
| Other (Define) | | $0.00 | | $0.00 | $52,812.00 |
| Total | | $310,403,447.00 | | $183,275,717.00 | $319,875,911.00 |
| Other (Specify) | | | | | |
| | | | | | |
| TOTAL Acct 190 | | $310,403,447.00 | | $183,275,717.00 | $319,875,911.00 |
| Classification of TOTAL | | | | | |
| Federal INcome TAx | | $266,105,709.00 | | $170,314,994.00 | $268,207,111.00 |
| State Income Tax | | $44,297,738.00 | | $12,960,723.00 | $51,668,800.00 |
| Local Income Tax | | | | | |

Note:
Due to software space limitations see footnote information provided in total in hard copy in FERC Form 1. Additionally, this year's beginning balance includes the following purchase accounting adjustments that should be eliminated to tie to FERC Form 1.

Electric - $19,952,829
Gas - $(119,581)
Total - $19,833,248

Federal Income Tax - $16,774,134
State Income Tax - $3,059,114

## Capital Stock (Accounts 201 and 204) (Ref Page: 250)

| | Class, Series and Name of | Num Shares Auth (b) | Par or Stated Val (c) | Call Price (d) | Outstanding Shares (e) |
|---|---|---|---|---|---|
| Common Stock | | | | | |
| | Common Stock, Without Par Value | 75,000,000 | $0.00 | $0.00 | $21,294,223.00 |
| Total Common Stock | | 75,000,000 | $0.00 | $0.00 | $21,294,223.00 |
| Preferred Stock | | | | | |
| | Preferred Stock, $25 Par Value | 1,720,000 | $0.00 | $0.00 | $0.00 |
| | Preferred Stock, Without Par Value | 6,750,000 | $0.00 | $0.00 | $0.00 |
| Total Preferred Stock | | 8,470,000 | $0.00 | $0.00 | $0.00 |
| TOTAL Capital Stock | | 83,470,000 | $0.00 | $0.00 | $21,294,223.00 |
| Other | | | | | |
| | | | | | |

## Capital Stock (Accounts 201 and 204) (Ref Page: 250) (Part Two)

| | Class, Series and Name | Outstanding Amt (f) | Num Held Rqd 217 (g) | Cost Held Rqd 217 (h) | Num Held Sinking (i) | Num Held Amount (j) |
|---|---|---|---|---|---|---|
| Common Stock | | | | | | |
| | Common Stock, Without Par Value | $425,170,424.00 | 0 | $0.00 | 0 | $0.00 |
| Total Common Stock | | $425,170,424.00 | 0 | $0.00 | 0 | $0.00 |
| Preferred Stock | | | | | | |
| | Preferred Stock, $25 Par Value | $0.00 | 0 | $0.00 | 0 | $0.00 |
| | Preferred Stock, Without Par Value | $0.00 | 0 | $0.00 | 0 | $0.00 |
| Total Preferred Stock | | $0.00 | 0 | $0.00 | 0 | $0.00 |
| TOTAL Capital Stock | | $425,170,424.00 | 0 | $0.00 | 0 | $0.00 |
| Other | | | | | | |
| | | | | | | |

Note:
Due to software space limitations see footnote information provided in total in hard copy FERC Form 1.

## Capital Stock Subscribed, Liability for Conversion Premium and Installments Received (Ref Page: 252)

| Description (a) | | * (b) | Shares (c) | Amount (d) |
|---|---|---|---|---|
| Capital Stock Subscribed (202,205) | | | | |
| | Not applicable for LG&E | | 0 | $0.00 |
| Total Capital Stock Subscribed | | | 0 | $0.00 |
| Stock Liability for Conversion (203,206) | | | | |
| | Not applicable for LG&E | | 0 | $0.00 |
| Total Stock Liability for Conversion | | | 0 | $0.00 |
| Premium on Capital Stock (207) | | | | |
| | Not applicable for LG&E | | 0 | $0.00 |
| Total Premium on Capital Stock (207) | | | 0 | $0.00 |
| Installments Received on Capital Stock (212) | | | | |
| | Not applicable for LG&E | | 0 | $0.00 |
| Total Installments Received on Capital Stock (212) | | | 0 | $0.00 |

## Other Paid-In Capital (208-211) (Ref Page: 253)

| | Item (a) | Amount (b) |
|---|---|---|
| (a) Donations Received from Stockholders (208) | | |
| | | |
| Total (208) | | |
| (b) Reduction in Par or Stated Value (209) | | |
| | | |
| Total (209) | | |
| (c) Gain or Resale or Cancellation of Reacquired Capital Stock (210) | | |
| | | |
| Total (210) | | |
| (d) Miscellaneous Paid-In Capital (211) | | |
| | Contributed Capital-Misc-Balance January 1, 2017 | $488,081,499.00 |
| | Contributed Capital December 31, 2017 | $30,000,000.00 |
| Total (211) | | $518,081,499.00 |
| Total Accts 208-211 | | $518,081,499.00 |

## Discount on Capital Stock (Act 213) (Ref Page: 254)

| | Class and Series (a) | Balance End Yr (b) |
|---|---|---|
| | 0 | 0.0000 |
| TOTAL | | |

## Capital Stock Expense (Act 214) (Ref Page: 254)

| | Class and Series (a) | Balance End Yr (b) |
|---|---|---|
| | Expenses on Common Stock | $835,889.00 |
| TOTAL | | $835,889.00 |

## Long-Term Debt (221,222,223 and 224) (Ref Page: 256)

| | Class Series and Name (a) | Nominal Date of Issue (b) | Date of Maturity (c) | Outstanding (d) | Interest Rate in % (e) |
|---|---|---|---|---|---|
| Acct 221 Bonds | | | | | |
| (221) | Pollution Control Bonds: | | | $0.00 | 0.0000 |
| (221) | Jefferson Co. 2001 Series A, due 09/01/2027, Var | 9/11/2001 | 9/1/2027 | $0.00 | 0.0000 |
| (221) | Jefferson Co. 2001 Series A, due 09/01/2026, Var | 3/6/2002 | 9/1/2026 | $22,500,000.00 | 0.0000 |
| (221) | Trimble Co. 2001 Series A, due 09/01/2026, 1.05% | 3/6/2002 | 9/1/2026 | $27,500,000.00 | 1.0500 |
| (221) | Jefferson Co. 2001 Series B, due 11/01/2027, 1.35% | 3/22/2002 | 11/1/2027 | $35,000,000.00 | 1.3500 |
| (221) | Trimble Co. 2001 Series B, due 11/01/2027, 1.35% | 3/22/2002 | 11/1/2027 | $35,000,000.00 | 1.3500 |
| (221) | Louisville Metro 2003A, due 10/01/2033, 1.50% | 11/20/2003 | 10/1/2033 | $128,000,000.00 | 1.5000 |
| (221) | Louisville Metro 2005A, due 02/01/2035, 2.20% | 4/13/2005 | 2/1/2035 | $40,000,000.00 | 2.2000 |
| (221) | Trimble Co. 2007 Series A, due 06/01/2033, 4.60% | 4/26/2007 | 6/1/2033 | $0.00 | 4.6000 |
| (221) | Louisville Metro 2007A, due 06/01/2033, 1.25% | 4/26/2007 | 6/1/2033 | $31,000,000.00 | 1.2500 |
| (221) | Louisville Metro 2007B, due 06/01/2033, 1.25% | 4/26/2007 | 6/1/2033 | $35,200,000.00 | 1.2500 |
| (221) | Trimble Co. 2016 Series A, due 09/01/2044, Var | 9/15/2016 | 9/1/2044 | $125,000,000.00 | 0.0000 |
| (221) | Trimble Co. 2017 Series A, due 06/01/2033, 3.75% | 6/1/2017 | 6/1/2033 | $60,000,000.00 | 3.7500 |
| (221) | Mid-Term Debt: | | | $0.00 | 0.0000 |
| (221) | US Bank Term Loan Tranche 1, due 10/25/2019, Var | 10/26/2017 | 10/25/2019 | $100,000,000.00 | 0.0000 |
| (221) | Interest Rate Swaps: | | | $0.00 | 0.0000 |
| (221) | First Mortgage Bonds: | | | $0.00 | 0.0000 |
| (221) | 2010 due 11/15/2040, 5.125% | 11/16/2010 | 11/15/2040 | $285,000,000.00 | 5.1250 |
| (221) | 2013 due 11/15/2043, 4.650% | 11/14/2013 | 11/15/2043 | $250,000,000.00 | 4.6500 |
| (221) | 2015 due 10/01/2025, 3.300% | 9/28/2015 | 10/1/2025 | $300,000,000.00 | 3.3000 |
| (221) | 2015 due 10/01/2045, 4.375% | 9/28/2015 | 10/1/2045 | $250,000,000.00 | 4.3750 |
| Total (221) | | | | $1,724,200,000.00 | |
| Acct 222 Reacquired Bonds | | | | | |



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## Long-Term Debt (221,222,223 and 224) (Ref Page: 256)

| | Class Series and Name (a) | Nominal Date of Issue (b) | Date of Maturity (c) | Outstanding (d) | Interest Rate in % (e) |
|---|---|---|---|---|---|
| (222) | | | | | |
| Total (222) | | | | | |
| Acct 223 Advances from Associated Companies | | | | | |
| (223) | | | | | |
| Total (223) | | | | | |
| Acct 224 Other Long Term Debt | | | | | |
| (224) | | | | | |
| Total (224) | | | | | |

## Long-Term Debt (221,222,223 and 224) (Ref Page: 256) (Part Two)

| | Class Series and Name (a) | Interest Amount (f) | Held - Reaquired Bonds | Held - Sinking and Other | Redemption Price Per $100 |
|---|---|---|---|---|---|
| Acct 221 Bonds | | | | | |
| (221) | Pollution Control Bonds: | $0.00 | $0.00 | $0.00 | $0.00 |
| (221) | Jefferson Co. 2001 Series A, due 09/01/2027, Var | $163,377.00 | $0.00 | $0.00 | $0.00 |
| (221) | Jefferson Co. 2001 Series A, due 09/01/2026, Var | $217,221.00 | $0.00 | $0.00 | $0.00 |
| (221) | Trimble Co. 2001 Series A, due 09/01/2026, 1.05% | $288,750.00 | $0.00 | $0.00 | $0.00 |
| (221) | Jefferson Co. 2001 Series B, due 11/01/2027, 1.35% | $472,500.00 | $0.00 | $0.00 | $0.00 |
| (221) | Trimble Co. 2001 Series B, due 11/01/2027, 1.35% | $472,500.00 | $0.00 | $0.00 | $0.00 |
| (221) | Louisville Metro 2003A, due 10/01/2033, 1.50% | $1,969,067.00 | $0.00 | $0.00 | $0.00 |
| (221) | Louisville Metro 2005A, due 02/01/2035, 2.20% | $880,000.00 | $0.00 | $0.00 | $0.00 |
| (221) | Trimble Co. 2007 Series A, due 06/01/2033, 4.60% | $1,510,333.00 | $0.00 | $0.00 | $0.00 |
| (221) | Louisville Metro 2007A, due 06/01/2033, 1.25% | $374,583.00 | $0.00 | $0.00 | $0.00 |
| (221) | Louisville Metro 2007B, due 06/01/2033, 1.25% | $491,333.00 | $0.00 | $0.00 | $0.00 |
| (221) | Trimble Co. 2016 Series A, due 09/01/2044, Var | $1,131,737.00 | $0.00 | $0.00 | $0.00 |
| (221) | Trimble Co. 2017 Series A, due 06/01/2033, 3.75% | $1,312,500.00 | $0.00 | $0.00 | $0.00 |
| (221) | Mid-Term Debt: | $0.00 | $0.00 | $0.00 | $0.00 |
| (221) | US Bank Term Loan Tranche 1, due 10/25/2019, Var | $335,778.00 | $0.00 | $0.00 | $0.00 |
| (221) | Interest Rate Swaps: | $5,988,726.00 | $0.00 | $0.00 | $0.00 |
| (221) | First Mortgage Bonds: | $0.00 | $0.00 | $0.00 | $0.00 |
| (221) | 2010 due 11/15/2040, 5.125% | $14,606,250.00 | $0.00 | $0.00 | $0.00 |
| (221) | 2013 due 11/15/2043, 4.650% | $10,191,296.00 | $0.00 | $0.00 | $0.00 |
| (221) | 2015 due 10/01/2025, 3.300% | $11,305,380.00 | $0.00 | $0.00 | $0.00 |
| (221) | 2015 due 10/01/2045, 4.375% | $11,923,556.00 | $0.00 | $0.00 | $0.00 |
| Total (221) | | $63,634,887.00 | $0.00 | $0.00 | $0.00 |

## Long-Term Debt (221,222,223 and 224) (Ref Page: 256) (Part Two)

| | Class Series and Name (a) | Interest Amount (f) | Held - Reaquired Bonds | Held - Sinking and Other | Redemption Price Per $100 |
|---|---|---|---|---|---|
| Acct 222 Reacquired Bonds | | | | | |
| (222) | | | | | |
| Total (222) | | | | | |
| Acct 223 Advances from Associated Companies | | | | | |
| (223) | | | | | |
| Total (223) | | | | | |
| Acct 224 Other Long Term Debt | | | | | |
| (224) | | | | | |
| Total (224) | | | | | |

Note:
Due to software space limitations see footnote information provided in total in hard copy FERC Form 1.

## 22200500 Louisville Gas and Electric Company 01/01/2017 - 12/31/2017

## Unamortized Debt Expense (181,225,226) (Ref Page: 258)

| | Designation of Long-Term | Principal Amount of Debt | Total Expense Premium or | Amortization Period From (d) | Amortization Period To (e) |
|---|---|---|---|---|---|
| Acct 181 | | | | | |
| (181) | Unamortized Debt Expense: | $0.00 | $0.00 | | |
| (181) | | $0.00 | $0.00 | | |
| (181) | | $0.00 | $0.00 | | |
| (181) | | $0.00 | $0.00 | | |
| (181) | Jefferson Co. 2001 Series A, due 09/01/2027, Var | $10,104,000.00 | $526,085.00 | 9/11/2001 | 9/1/2027 |
| (181) | | $0.00 | $0.00 | | |
| (181) | | $0.00 | $0.00 | | |
| (181) | | $0.00 | $0.00 | | |
| (181) | Jefferson Co. 2001 Series A, due 09/01/2026, Var | $22,500,000.00 | $242,653.00 | 3/6/2002 | 9/1/2026 |
| (181) | Trimble Co. 2001 Series A, due 09/01/2026, 1.05% | $27,500,000.00 | $263,855.00 | 3/6/2002 | 9/1/2026 |
| (181) | Jefferson Co. 2001 Series B, due 11/01/2027, 1.35% | $35,000,000.00 | $281,244.00 | 3/22/2002 | 11/1/2027 |
| (181) | Trimble Co. 2001 Series B, due 11/01/2027, 1.35% | $35,000,000.00 | $281,283.00 | 3/22/2002 | 11/1/2027 |
| (181) | | $0.00 | $0.00 | | |
| (181) | | $0.00 | $0.00 | | |
| (181) | | $0.00 | $0.00 | | |
| (181) | | $0.00 | $0.00 | | |
| (181) | Trimble Co. 2007 Series A, due 06/01/2033, 4.60% | $60,000,000.00 | $1,239,280.00 | 4/26/2007 | 6/1/2033 |
| (181) | | $0.00 | $0.00 | | |
| (181) | 2010 due 11/15/2040, 5.125% | $285,000,000.00 | $3,570,026.00 | 11/16/2010 | 11/15/2040 |
| (181) | Revolving Credit Facility | $0.00 | $6,772,855.00 | 11/1/2010 | 1/27/2022 |
| (181) | Purchase Accounting Adjustment | $0.00 | $0.00 | | |
| (181) | Louisville Metro 2003A, due 10/01/2033, 1.50% | $128,000,000.00 | $5,341,292.00 | 11/20/2003 | 10/1/2033 |
| (181) | Louisville Metro 2007B, due 06/01/2033, 1.25% | $35,200,000.00 | $1,298,319.00 | 4/26/2007 | 6/1/2033 |
| (181) | | $0.00 | $0.00 | | |

## Unamortized Debt Expense (181,225,226) (Ref Page: 258)

| | Designation of Long-Term | Principal Amount of Debt | Total Expense Premium or | Amortization Period From (d) | Amortization Period To (e) |
|---|---|---|---|---|---|
| (181) | Louisville Metro 2005A, due 02/01/2035, 2.20% | $40,000,000.00 | $1,428,142.00 | 4/13/2005 | 2/1/2035 |
| (181) | Louisville Metro 2007A, due 06/01/2033, 1.25% | $31,000,000.00 | $1,138,873.00 | 4/26/2007 | 6/1/2033 |
| (181) | 2013 due 11/15/2043, 4.650% | $250,000,000.00 | $2,742,758.00 | 11/14/2013 | 11/15/2043 |
| (181) | | $0.00 | $0.00 | | |
| (181) | 2015 due 10/01/2025, 3.300% | $300,000,000.00 | $2,374,181.00 | 9/28/2015 | 10/1/2025 |
| (181) | 2015 due 10/01/2045, 4.375% | $250,000,000.00 | $2,569,890.00 | 9/28/2015 | 10/1/2045 |
| (181) | Trimble Co. 2016 Series A, due 09/01/2044, Var | $125,000,000.00 | $848,537.00 | 9/15/2016 | 9/1/2044 |
| (181) | Trimble Co. 2017 Series A, due 06/01/2033, 3.75% | $60,000,000.00 | $657,374.00 | 6/1/2017 | 6/1/2033 |
| (181) | US Bank Term Loan Tranche 1, due 10/25/2019, Var | $100,000,000.00 | $111,167.00 | 10/26/2017 | 10/25/2019 |
| Total (181) | | $1,794,304,000.00 | $31,687,814.00 | | |
| Acct 225 | | | | | |
| (225) | | | | | |
| Total (225) | | | | | |
| Acct 226 | | | | | |
| (226) | Unamortized Det Discount | $0.00 | $0.00 | | |
| (226) | | $0.00 | $0.00 | | |
| (226) | 2010 due 11/15/2040, 5.125% | $285,000,000.00 | $3,100,600.00 | 11/16/2010 | 11/15/2040 |
| (226) | 2013 due 11/15/2043, 4.650% | $250,000,000.00 | $1,800,000.00 | 11/14/2013 | 11/15/2043 |
| (226) | 2015 due 10/01/2025, 3.300% | $300,000,000.00 | $129,000.00 | 9/28/2015 | 10/1/2025 |
| (226) | 2015 due 10/01/2045, 4.375% | $250,000,000.00 | $207,500.00 | 9/28/2015 | 10/1/2045 |
| Total (226) | | $1,085,000,000.00 | $5,237,100.00 | | |

## Unamortized Debt Expense (181,225,226) (Ref Page: 258) (Part Two)

| | Designation of Long-Term | Beginning of Year (f) | Debits (g) | Credits (h) | Balance End of Year (i) |
|---|---|---|---|---|---|
| Acct 181 | | | | | |
| (181) | Unamortized Debt Expense: | $0.00 | $0.00 | $0.00 | $0.00 |
| (181) | | $0.00 | $0.00 | $0.00 | $0.00 |
| (181) | | $0.00 | $0.00 | $0.00 | $0.00 |
| (181) | | $0.00 | $0.00 | $0.00 | $0.00 |
| (181) | Jefferson Co. 2001 Series A, due 09/01/2027, Var | $219,071.00 | $0.00 | $219,071.00 | $0.00 |
| (181) | | $0.00 | $0.00 | $0.00 | $0.00 |
| (181) | | $0.00 | $0.00 | $0.00 | $0.00 |
| (181) | | $0.00 | $0.00 | $0.00 | $0.00 |
| (181) | Jefferson Co. 2001 Series A, due 09/01/2026, Var | $96,251.00 | $0.00 | $9,831.00 | $86,420.00 |
| (181) | Trimble Co. 2001 Series A, due 09/01/2026, 1.05% | $65,226.00 | $0.00 | $37,075.00 | $28,151.00 |
| (181) | Jefferson Co. 2001 Series B, due 11/01/2027, 1.35% | $80,518.00 | $0.00 | $38,320.00 | $42,198.00 |
| (181) | Trimble Co. 2001 Series B, due 11/01/2027, 1.35% | $80,303.00 | $0.00 | $45,441.00 | $34,862.00 |
| (181) | | $0.00 | $0.00 | $0.00 | $0.00 |
| (181) | | $0.00 | $0.00 | $0.00 | $0.00 |
| (181) | | $0.00 | $0.00 | $0.00 | $0.00 |
| (181) | | $0.00 | $0.00 | $0.00 | $0.00 |
| (181) | Trimble Co. 2007 Series A, due 06/01/2033, 4.60% | $780,326.00 | $0.00 | $780,326.00 | $0.00 |
| (181) | | $0.00 | $0.00 | $0.00 | $0.00 |
| (181) | 2010 due 11/15/2040, 5.125% | $2,846,078.00 | $0.00 | $118,817.00 | $2,727,261.00 |
| (181) | Revolving Credit Facility | $2,199,648.00 | $356,937.00 | $507,586.00 | $2,048,999.00 |
| (181) | Purchase Accounting Adjustment | ($1,095,639.00) | $1,095,639.00 | $0.00 | $0.00 |
| (181) | Louisville Metro 2003A, due 10/01/2033, 1.50% | $38,545.00 | $548,555.00 | $196,524.00 | $390,576.00 |
| (181) | Louisville Metro 2007B, due 06/01/2033, 1.25% | $23,089.00 | $212,625.00 | $64,289.00 | $171,425.00 |
| (181) | | $0.00 | $0.00 | $0.00 | $0.00 |

## Unamortized Debt Expense (181,225,226) (Ref Page: 258) (Part Two)

| | Designation of Long-Term | Beginning of Year (f) | Debits (g) | Credits (h) | Balance End of Year (i) |
|---|---|---|---|---|---|
| (181) | Louisville Metro 2005A, due 02/01/2035, 2.20% | $192,018.00 | $0.00 | $72,212.00 | $119,806.00 |
| (181) | Louisville Metro 2007A, due 06/01/2033, 1.25% | $27,610.00 | $200,850.00 | $66,495.00 | $161,965.00 |
| (181) | 2013 due 11/15/2043, 4.650% | $2,451,587.00 | $0.00 | $90,930.00 | $2,360,657.00 |
| (181) | | $0.00 | $0.00 | $0.00 | $0.00 |
| (181) | 2015 due 10/01/2025, 3.300% | $2,077,803.00 | $0.00 | $236,719.00 | $1,841,084.00 |
| (181) | 2015 due 10/01/2045, 4.375% | $2,462,752.00 | $0.00 | $85,374.00 | $2,377,378.00 |
| (181) | Trimble Co. 2016 Series A, due 09/01/2044, Var | $813,092.00 | $28,297.00 | $28,696.00 | $812,693.00 |
| (181) | Trimble Co. 2017 Series A, due 06/01/2033, 3.75% | | $657,374.00 | $19,849.00 | $637,525.00 |
| (181) | US Bank Term Loan Tranche 1, due 10/25/2019, Var | | $111,167.00 | $7,698.00 | $103,469.00 |
| Total (181) | | $13,358,278.00 | $3,211,444.00 | $2,625,253.00 | $13,944,469.00 |
| Acct 225 | | | | | |
| (225) | | | | | |
| Total (225) | | | | | |
| Acct 226 | | | | | |
| (226) | Unamortized Det Discount | $0.00 | $0.00 | $0.00 | $0.00 |
| (226) | | $0.00 | $0.00 | $0.00 | $0.00 |
| (226) | 2010 due 11/15/2040, 5.125% | $2,467,302.00 | $0.00 | $103,193.00 | $2,364,109.00 |
| (226) | 2013 due 11/15/2043, 4.650% | $1,612,230.00 | $0.00 | $60,104.00 | $1,552,126.00 |
| (226) | 2015 due 10/01/2025, 3.300% | $112,717.00 | $0.00 | $12,862.00 | $99,855.00 |
| (226) | 2015 due 10/01/2045, 4.375% | $198,743.00 | $0.00 | $6,880.00 | $191,863.00 |
| Total (226) | | $4,390,992.00 | $0.00 | $183,039.00 | $4,207,953.00 |

Note:
Adjustments to debits/credits were made to certain line items to eliminate Purchase Accounting adjustments. See the FERC Form 1 for details.

## Unamortized Loss and Gain on Reqcquired Debt (189,257) (Ref Page: 260)

| | Designation of Long- | Date Reacquired (b) | Principle of Debt | Net Gain or Loss (d) | Balance Beginning of | Balance End of Year (f) |
|---|---|---|---|---|---|---|
| Acct 189 | | | | | | |
| (189) | Gas Reacquired Debt: | | $0.00 | $0.00 | $0.00 | $0.00 |
| (189) | | | $0.00 | $0.00 | $0.00 | $0.00 |
| (189) | | | $0.00 | $0.00 | $0.00 | $0.00 |
| (189) | | | $0.00 | $0.00 | $0.00 | $0.00 |
| (189) | | | $0.00 | $0.00 | $0.00 | $0.00 |
| (189) | | | $0.00 | $0.00 | $0.00 | $0.00 |
| (189) | 1976 Series B, due 09/01/2006 | 8/1/1993 | $35,200,000.00 | $439,383.00 | $87,059.00 | $81,723.00 |
| (189) | 1975 Series A, due 09/01/2000 | 10/1/1992 | $31,000,000.00 | $286,757.00 | $74,583.00 | $70,011.00 |
| (189) | 1987 Series A, due 08/01/1997 | 10/1/1992 | $60,000,000.00 | $2,574,187.00 | $672,798.00 | $631,562.00 |
| (189) | | | $0.00 | $0.00 | $0.00 | $0.00 |
| (189) | 1990 Series A TC, due 11/01/2020 | 8/1/2000 | $83,335,000.00 | $4,298,037.00 | $1,972,974.00 | $1,901,709.00 |
| (189) | 1996 Series A JC, due 09/01/2026 | 3/1/2002 | $22,500,000.00 | $1,896,244.00 | $748,111.00 | $670,531.00 |
| (189) | 1996 Series A TC, due 09/01/2026 | 3/1/2002 | $27,500,000.00 | $1,601,630.00 | $631,831.00 | $566,313.00 |
| (189) | 1997 Series A JC, due 11/01/2027 | 3/1/2002 | $35,000,000.00 | $1,256,362.00 | $531,094.00 | $481,923.00 |
| (189) | 1997 Series A TC, due 11/01/2027 | 3/1/2002 | $35,000,000.00 | $1,251,639.00 | $529,147.00 | $480,153.00 |
| (189) | 1990 Series B TC, due 10/01/2020 | 10/1/2002 | $41,665,000.00 | $1,671,182.00 | $886,107.00 | $853,581.00 |
| (189) | 1995 Series A JC, due 11/01/2005 | 11/1/2005 | $40,000,000.00 | $1,397,647.00 | $846,901.00 | $799,747.00 |
| (189) | 1993 Series A JC, due 11/01/2003 | 11/1/2003 | $26,000,000.00 | $5,683,169.00 | $3,182,217.00 | $2,990,105.00 |
| (189) | | | $0.00 | $0.00 | $0.00 | $0.00 |
| (189) | 1992 Series A JC, due 09/01/2017 | 4/26/2007 | $31,000,000.00 | $130,784.00 | $82,101.00 | $77,069.00 |
| (189) | 1992 Series A TC, due 09/01/2017 | 4/26/2007 | $60,000,000.00 | $172,943.00 | $108,566.00 | $101,912.00 |
| (189) | 1993 Series A JC, due 08/15/2013 | 4/26/2007 | $35,200,000.00 | $74,067.00 | $46,496.00 | $43,646.00 |

## 22200500 Louisville Gas and Electric Company 01/01/2017 - 12/31/2017

## Unamortized Loss and Gain on Reqcquired Debt (189,257) (Ref Page: 260)

| | Designation of Long- | Date Reacquired (b) | Principle of Debt | Net Gain or Loss (d) | Balance Beginning of | Balance End of Year (f) |
|---|---|---|---|---|---|---|
| (189) | Louisville Metro 2005A, due 02/01/2035, 2.20% | 3/24/2008 | $40,000,000.00 | $1,325,894.00 | $682,819.00 | $644,800.00 |
| (189) | | | $0.00 | $0.00 | $0.00 | $0.00 |
| (189) | Louisville Metro 2003A, due 09/01/2033, 1.65% | 7/8/2008 | $128,000,000.00 | $3,076,081.00 | $2,045,282.00 | $1,921,807.00 |
| (189) | Louisville Metro 2007A, due 06/01/2033, 1.15% | 4/4/2008 | $31,000,000.00 | $915,910.00 | $423,705.00 | $397,736.00 |
| (189) | Louisville Metro 2007B, due 06/01/2033, 1.60% | 4/4/2008 | $35,200,000.00 | $620,418.00 | $405,340.00 | $380,497.00 |
| (189) | Revolving Credit Facility | 7/28/2014 | $500,000,000.00 | $285,775.00 | $162,153.00 | $0.00 |
| (189) | 1996 Series A TC, due 09/01/2026 | 12/15/2014 | $27,500,000.00 | $126,410.00 | $104,302.00 | $93,457.00 |
| (189) | 1997 Series A JC, due 11/01/2027 | 12/15/2014 | $35,000,000.00 | $141,675.00 | $119,163.00 | $108,099.00 |
| (189) | 1997 Series A TC, due 11/01/2027 | 12/15/2014 | $35,000,000.00 | $141,700.00 | $119,142.00 | $108,080.00 |
| (189) | Trimble Co. 2000 Series A, due 08/01/2030, Var | 9/15/2016 | $83,335,000.00 | $539,470.00 | $533,765.00 | $514,485.00 |
| (189) | Trimble Co. 2002 Series A, due 10/01/2032, Var | 9/15/2016 | $41,665,000.00 | $598,984.00 | $592,650.00 | $571,243.00 |
| (189) | Revolving Credit Facility | 1/27/2017 | $500,000,000.00 | $159,293.00 | | $129,720.00 |
| (189) | Trimble Co. 2007 Series A, due 06/01/2033, 4.60% | 6/1/2017 | $60,000,000.00 | $760,544.00 | | $732,689.00 |
| (189) | Jefferson Co. 2001 Series A, due 09/01/2027, Var | 11/28/2017 | $10,104,000.00 | $207,302.00 | | $205,329.00 |
| Total (189) | | | $2,090,204,000.00 | $31,633,487.00 | $15,588,306.00 | $15,557,927.00 |
| Acct 257 | | | | | | |
| (257) | | | | | | |
| Total (257) | | | | | | |

## 22200500 Louisville Gas and Electric Company 01/01/2017 - 12/31/2017

## Reconciliation of Reported Net Income with Taxable Income for Federal Income Taxes (Ref Page: 261)

| | Details (a) | Amount (b) |
|---|---|---|
| Net Income for the Year | | $214,095,766.00 |
| Reconciling Items for the Year | | |
| Taxable Income Not Reported on Books | | |
| | Contribution in Aid of Construction | $8,250,000.00 |
| | Environmental Cost Recovery | $1,734,000.00 |
| | Gas Line Tracker | $1,865,662.00 |
| | Refined Coal Regulatory Liability | $429,821.00 |
| Deductions Recorded on Books Not Deducted For Return | | |
| | Federal Income Taxes - Utility Operating Income | $1,023,123.00 |
| | Provision for Deferred Income Taxes | $127,836,216.00 |
| | Customer Advances for Construction | $10,802,667.00 |
| | Capitalized Interest | $9,125,000.00 |
| | Amortization of Storm Damages Regulatory Asset | $7,945,691.00 |
| | Current State Income Tax | $1,280,931.00 |
| | Amort. of Reg Assets/Liabilities due to Swaps | $957,732.00 |
| | Post Employment Benefits | $751,432.00 |
| | Prepaid Insurance | $632,682.00 |
| | Nondeductible Expenses | $558,538.00 |
| | Amortization of Swap Termination | $668,134.00 |
| | Other | $1,180,001.00 |
| | | $0.00 |
| Income Recorded on Books Not Included in Return | | |
| | Purchased Gas Adjustment | $985,564.00 |
| | Fuel Adjustment Clause KY | $2,049,000.00 |
| | Demand Side Management | $1,693,114.00 |
| | Amortization of Investment Tax Credit | $1,113,447.00 |
| Deductions on Return Not Charged Against Book Income | | |
| | Federal Income Taxes - Other Income and Deductions | $1,025,004.00 |
| | Tax over Book Depreciation, Net and Repairs | $193,410,747.00 |
| | Pensions | $39,197,734.00 |
| | Cost of Removal | $37,149,596.00 |
| | Coal Combustion Residual ARO | $2,527,382.00 |

## Reconciliation of Reported Net Income with Taxable Income for Federal Income Taxes (Ref Page: 261)

| | Details (a) | Amount (b) |
|---|---|---|
| | Obsolete Inventory | $6,979,639.00 |
| | Plant Outage Normalization - Reg Asset | $3,043,316.00 |
| | Deferred Operating | $1,214,625.00 |
| | Capitalized Gas Inventory | $811,366.00 |
| | Postretirement | $1,003,815.00 |
| | Contribution Carryforward | $7,434,173.00 |
| | Net Operating Loss Carryforward | $87,597,899.00 |
| | Other | $1,900,975.00 |
| Federal Tax Net Income | | |
| Show Computation of Tax | | |
| | 35% Rounded | $0.00 |
| | Add: Adjustment of Prior Years' Taxes and Other | ($1,881.00) |
| | Total | ($1,881.00) |

Note:
Due to software space limitations see footnote information provided in total in hard copy FERC Form 1.

## 22200500 Louisville Gas and Electric Company 01/01/2017 - 12/31/2017

## Taxes Accrued, Prepaid and Charged During Year (Ref Page: 262)

| | Kind of Instruction (a) | Bal Beg Yr Taxes Accr (b) | Bal Beg Yr Prepaid Taxes (c) | Taxes Chrg (d) |
|---|---|---|---|---|
| | Federal: | $0.00 | $0.00 | $0.00 |
| | Income | $17,972,994.00 | $0.00 | $95,393.00 |
| | FICA | $881,706.00 | $0.00 | $7,684,128.00 |
| | | $0.00 | $0.00 | $0.00 |
| | | $0.00 | $0.00 | $0.00 |
| | Kentucky & Other States: | $0.00 | $0.00 | $0.00 |
| | Income | $822,828.00 | $0.00 | $5,130,974.00 |
| | Public Service Commission | $0.00 | $1,385,682.00 | $2,784,547.00 |
| | Use (Kentucky) | $733,872.00 | $0.00 | $6,343,873.00 |
| | Use (Indiana) | $0.00 | $0.00 | $20,137.00 |
| | | $0.00 | $0.00 | $0.00 |
| | Federal & Kentucky: | $0.00 | $0.00 | $0.00 |
| | Unemployment Insurance | $53,432.00 | $0.00 | $96,702.00 |
| | | $0.00 | $0.00 | $0.00 |
| | Miscellaneous | $0.00 | $0.00 | $93,956.00 |
| | | $0.00 | $0.00 | $0.00 |
| | | $0.00 | $0.00 | $0.00 |
| | | $0.00 | $0.00 | $0.00 |
| | | $0.00 | $0.00 | $0.00 |
| | Kentucky & Indiana: | $0.00 | $0.00 | $0.00 |
| | Property Taxes | $19,781,940.00 | $0.00 | $31,046,251.00 |
| | | $0.00 | $0.00 | |
| | | $0.00 | $0.00 | |
| | | $0.00 | $0.00 | |
| | | $0.00 | $0.00 | |
| Total | | $40,246,772.00 | $1,385,682.00 | $53,295,961.00 |



**Case No. 2018-00295**
**Attachment to Filing Requirement**
**807 KAR 5:001 Section 16(7)(k)**
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**Garrett**

## Taxes Accrued, Prepaid and Charged During Year (Ref Page: 262) (Part Two)

| | Kind of Instruction (a) | Taxes Paid (e) | Adj (f) | Bal Accr - 236 (g) | Bal Prepaid - 165 (h) |
|---|---|---|---|---|---|
| | Federal: | $0.00 | $0.00 | $0.00 | $0.00 |
| | Income | $18,068,387.00 | $0.00 | $0.00 | $0.00 |
| | FICA | $7,652,511.00 | $0.00 | $913,323.00 | $0.00 |
| | | $0.00 | $0.00 | $0.00 | $0.00 |
| | | $0.00 | $0.00 | $0.00 | $0.00 |
| | Kentucky & Other States: | $0.00 | $0.00 | $0.00 | $0.00 |
| | Income | $3,850,042.00 | $0.00 | $2,103,760.00 | $0.00 |
| | Public Service Commission | $2,797,729.00 | $0.00 | $0.00 | $1,398,864.00 |
| | Use (Kentucky) | $6,373,264.00 | $0.00 | $704,481.00 | $0.00 |
| | Use (Indiana) | $20,137.00 | $0.00 | $0.00 | $0.00 |
| | | $0.00 | $0.00 | $0.00 | $0.00 |
| | Federal & Kentucky: | $0.00 | $0.00 | $0.00 | $0.00 |
| | Unemployment Insurance | $115,806.00 | $0.00 | $34,328.00 | $0.00 |
| | | $0.00 | $0.00 | $0.00 | $0.00 |
| | Miscellaneous | $93,956.00 | $0.00 | $0.00 | $0.00 |
| | | $0.00 | $0.00 | $0.00 | $0.00 |
| | | $0.00 | $0.00 | $0.00 | $0.00 |
| | | $0.00 | $0.00 | $0.00 | $0.00 |
| | | $0.00 | $0.00 | $0.00 | $0.00 |
| | Kentucky & Indiana: | $0.00 | $0.00 | $0.00 | $0.00 |
| | Property Taxes | $29,779,838.00 | $0.00 | $21,048,353.00 | $0.00 |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| Total | | $68,751,670.00 | $0.00 | $24,804,245.00 | $1,398,864.00 |

Note:
Due to software space limitations see footnote information provided in total in hard copy FERC Form 1.

## 22200500 Louisville Gas and Electric Company 01/01/2017 - 12/31/2017

### Taxes Accr, Prepd and Charged - Distribution of Taxes (Ref Page: 262)

| | Kind of Instruction (a) | Electric (408.1, 409.1) (i) | Gas (408.1, 409.1) (j) | Other (408.1,409.1) (k) | Other Inc and Ded (l) |
|---|---|---|---|---|---|
| | Federal: | $0.00 | $0.00 | $0.00 | $0.00 |
| | Income | $576,238.00 | $446,885.00 | $0.00 | ($1,025,004.00) |
| | FICA | $6,134,766.00 | $2,064,808.00 | $0.00 | $0.00 |
| | | $0.00 | $0.00 | $0.00 | $0.00 |
| | | $0.00 | $0.00 | $0.00 | $0.00 |
| | Kentucky & Other States: | $0.00 | $0.00 | $0.00 | $0.00 |
| | Income | $3,915,326.00 | $1,402,579.00 | $0.00 | ($186,931.00) |
| | Public Service Commission | $2,186,484.00 | $598,063.00 | $0.00 | $0.00 |
| | Use (Kentucky) | $0.00 | $0.00 | $0.00 | $0.00 |
| | Use (Indiana) | $0.00 | $0.00 | $0.00 | $0.00 |
| | | $0.00 | $0.00 | $0.00 | $0.00 |
| | Federal & Kentucky: | $0.00 | $0.00 | $0.00 | $0.00 |
| | Unemployment | $127,759.00 | $37,311.00 | $0.00 | $0.00 |
| | | $0.00 | $0.00 | $0.00 | $0.00 |
| | Miscellaneous | $73,286.00 | $20,670.00 | $0.00 | $0.00 |
| | | $0.00 | $0.00 | $0.00 | $0.00 |
| | | $0.00 | $0.00 | $0.00 | $0.00 |
| | | $0.00 | $0.00 | $0.00 | $0.00 |
| | | $0.00 | $0.00 | $0.00 | $0.00 |
| | Kentucky & Indiana: | $0.00 | $0.00 | $0.00 | $0.00 |
| | Property Taxes | $22,916,996.00 | $7,693,293.00 | $0.00 | $7,044.00 |
| | | $0.00 | $0.00 | $0.00 | $0.00 |
| Total | | $35,930,855.00 | $12,263,609.00 | $0.00 | ($1,204,891.00) |

## Taxes Accr, Prepd and Charged - Distribution of Taxes (Ref Page: 262) (Part Two)

| Kind of Instruction (a) | Ext Items (409.3) (m) | Other Opn Income (n) | Adj to Ret. Earnings (439) | Other (p) |
|---|---|---|---|---|
| Federal: | $0.00 | $0.00 | $0.00 | $0.00 |
| Income | $0.00 | $0.00 | $0.00 | $97,274.00 |
| FICA | $0.00 | $0.00 | $0.00 | ($515,446.00) |
| | $0.00 | $0.00 | $0.00 | $0.00 |
| | $0.00 | $0.00 | $0.00 | $0.00 |
| Kentucky & Other States: | $0.00 | $0.00 | $0.00 | $0.00 |
| Income | $0.00 | $0.00 | $0.00 | $0.00 |
| Public Service Commission | $0.00 | $0.00 | $0.00 | $0.00 |
| Use (Kentucky) | $0.00 | $0.00 | $0.00 | $6,343,873.00 |
| Use (Indiana) | $0.00 | $0.00 | $0.00 | $20,137.00 |
| | $0.00 | $0.00 | $0.00 | $0.00 |
| Federal & Kentucky: | $0.00 | $0.00 | $0.00 | $0.00 |
| Unemployment | $0.00 | $0.00 | $0.00 | ($68,368.00) |
| | $0.00 | $0.00 | $0.00 | $0.00 |
| Miscellaneous | $0.00 | $0.00 | $0.00 | $0.00 |
| | $0.00 | $0.00 | $0.00 | $0.00 |
| | $0.00 | $0.00 | $0.00 | $0.00 |
| | $0.00 | $0.00 | $0.00 | $0.00 |
| | $0.00 | $0.00 | $0.00 | $0.00 |
| Kentucky & Indiana: | $0.00 | $0.00 | $0.00 | $0.00 |
| Property Taxes | $0.00 | $0.00 | $0.00 | $428,918.00 |
| | $0.00 | $0.00 | $0.00 | $0.00 |
| Total | $0.00 | $0.00 | $0.00 | $6,306,388.00 |

Note:
Due to software space limitations see footnote information provided in total in hard copy FERC Form 1.

## Miscellaneous Current and Accrued Liabilities (242) (Ref Page: 268)

| | Item (a) | Balance End Yr (b) |
|---|---|---|
| | Vested Vacation Pay Accrued | $5,942,071.00 |
| | No-Notice Gas Payable | $3,878,159.00 |
| | Accounts Receivable Credits | $3,282,438.00 |
| | Post Retirement Benefits | $2,895,568.00 |
| | Retirement Income Liability | $1,541,666.00 |
| | IBNP Medical and Dental Reserve | $1,111,082.00 |
| | Home Energy Assistance | $818,425.00 |
| | Unearned Revenue | $427,091.00 |
| | Other | $160,989.00 |
| TOTAL | | $20,057,489.00 |

## 22200500 Louisville Gas and Electric Company 01/01/2017 - 12/31/2017

### Other Deferred Credits (253) (Ref Page: 269)

| Description (a) | Balance Beg Yr (b) | Debits Acct (c) | Debit Amt (d) | Credits (e) | Balance End Yr (f) |
|---|---|---|---|---|---|
| Corporate Headquarters Lease (Jul-12 to Dec-25) | $1,214,625.00 | 931 | $1,217,223.00 | $1,213,086.00 | $1,210,488.00 |
| Prepaod Transmission System Fee: | $0.00 | 0 | $0.00 | $0.00 | $0.00 |
| MCI Telecom (Apr-09 to Apr-29) | $410,891.00 | 454 | $36,796.00 | $0.00 | $374,095.00 |
| Long-Term Retainage | $0.00 | 0 | $0.00 | $300,000.00 | $300,000.00 |
| Deferred Compensation | $223,650.00 | 926 | $47,884.00 | $29,408.00 | $205,174.00 |
| Clearing Accounts Transferred | $0.00 | 0 | $0.00 | $0.00 | $0.00 |
| from Other Deferred Debits | $0.00 | 184 | $9,351,074.00 | $9,358,375.00 | $7,301.00 |
| Uncertain Tax Position - Federal | $97,274.00 | 236 | $97,274.00 | $0.00 | $0.00 |
| TOTAL | $1,946,440.00 | | $10,750,251.00 | $10,900,869.00 | $2,097,058.00 |

## 22200500 Louisville Gas and Electric Company 01/01/2017 - 12/31/2017

## Accumulated Deferred Income Taxes - Other Property (282) (Ref Page: 274)

| Acct (a) | Balance Beg Yr (b) | Amt Acct 410.1 (c) | Amt Acct 411.1 (d) | Amt Acct 410.2 (e) | Amt Acct 411.2 (f) |
|---|---|---|---|---|---|
| Account 282 | | | | | |
| Electric | $863,414,676.00 | $142,295,574.00 | $89,784,011.00 | $0.00 | $0.00 |
| Gas | $206,530,172.00 | $35,345,915.00 | $19,347,749.00 | $0.00 | $0.00 |
| Other (Define) | | | | | |
| | | | | | |
| Total | $1,069,944,848.00 | $177,641,489.00 | $109,131,760.00 | $0.00 | $0.00 |
| Other (specify) | | | | | |
| | | | | | |
| TOTAL Acct 282 | $1,069,944,848.00 | $177,641,489.00 | $109,131,760.00 | $0.00 | $0.00 |
| Classification of Total | | | | | |
| Federal Income Tax | $962,972,146.00 | $152,189,883.00 | $94,050,956.00 | $0.00 | $0.00 |
| State Income Tax | $106,972,702.00 | $25,451,606.00 | $15,080,804.00 | $0.00 | $0.00 |
| Local Income tax | | | | | |

## Accumulated Deferred Income Taxes - Other Property (282) (Ref Page: 274) (Part Two)

| Acct (a) | Debit Adj Acct (g) | Debit Adj Amt (h) | Credit Adj. Acct (i) | Credit Adj. Amt (j) | Balance End Yr |
|---|---|---|---|---|---|
| Account 282 | | | | | |
| Electric | 182/254 | $359,454,863.00 | 182/254 | $37,963,948.00 | $594,435,324.00 |
| Gas | 254 | $86,868,455.00 | 254 | $9,031,977.00 | $144,691,860.00 |
| Other (Define) | | | | | |
| | | | | | |
| Total | | $446,323,318.00 | | $46,995,925.00 | $739,127,184.00 |
| Other (specify) | | | | | |
| | | | | | |
| TOTAL Acct 282 | | $446,323,318.00 | | $46,995,925.00 | $739,127,184.00 |
| Classification of Total | | | | | |
| Federal Income Tax | | $446,291,297.00 | | $46,354,862.00 | $621,174,638.00 |
| State Income Tax | | $32,021.00 | | $641,063.00 | $117,952,546.00 |
| Local Income tax | | | | | |

Note:
Due to software limitations see footnote information provided in total in hard copy FERC Form 1.

## 22200500 Louisville Gas and Electric Company 01/01/2017 - 12/31/2017

## Accumulated Deferred Income Taxes - Other (283) (Ref Page: 276)

| Acct (a) | Balance Beg Yr (b) | Amt Acct 410.1 (c) | Amt Acct 411.1 (d) | Amt Acct 410.2 (e) | Amt Acct 411.2 (f) |
|---|---|---|---|---|---|
| Account 283 | | | | | |
| Electric | $136,116,115.00 | $28,883,731.00 | $34,871,395.00 | $0.00 | $0.00 |
| Gas | $26,381,712.00 | $3,161,730.00 | $3,564,732.00 | $0.00 | $0.00 |
| Other | | | | | |
| | | | | | |
| Total | $162,497,827.00 | $32,045,461.00 | $38,436,127.00 | $0.00 | $0.00 |
| Other (Specify) | | | | | |
| | | | | | |
| TOTAL (Acct 283) | $162,497,827.00 | $32,045,461.00 | $38,436,127.00 | $0.00 | $0.00 |
| Classification of Total | | | | | |
| Federal Income Tax | $137,433,895.00 | $27,604,456.00 | $32,202,572.00 | $0.00 | $0.00 |
| State Income Tax | $25,063,932.00 | $4,441,005.00 | $6,233,555.00 | $0.00 | $0.00 |
| Local Income tax | | | | | |

## Accumulated Deferred Income Taxes - Other (283) (Ref Page: 276) (Part Two)

| Acct (a) | Debit Adj Acct (g) | Debit Adj Amt (h) | Credit Adj. Acct (i) | Credit Adj. Amt (j) | Balance End Yr |
|---|---|---|---|---|---|
| Account 283 | | | | | |
| Electric | 182/254 | $49,241,771.00 | 182/254 | $45,666,827.00 | $126,553,507.00 |
| Gas | 254 | $9,011,962.00 | 254 | $9,011,962.00 | $25,978,710.00 |
| Other | | | | | |
| | | | | | |
| Total | | $58,253,733.00 | | $54,678,789.00 | $152,532,217.00 |
| Other (Specify) | | | | | |
| | | | | | |
| TOTAL (Acct 283) | | $58,253,733.00 | | $54,678,789.00 | $152,532,217.00 |
| Classification of Total | | | | | |
| Federal Income Tax | | $57,851,483.00 | | $54,675,018.00 | $129,659,314.00 |
| State Income Tax | | $402,250.00 | | $3,771.00 | $22,872,903.00 |
| Local Income tax | | | | | |

Note:
Due to software limitations see footnote information provided in total in hard copy of FERC Form 1.

## Other Regulatory Liabilities (Acct 254) (Ref Page: 278)

| | Description and Purpose | Bal Beg Yr (b) | Debit Acct Credited (c) | Debits Amount (d) | Credits (e) | Balance End Yr (f) |
|---|---|---|---|---|---|---|
| | ASC 740 - Income Taxes (Ongoing) | $36,259,802.00 | 190/282 | $2,097,082.00 | $525,485,828.00 | $559,648,548.00 |
| | 0 | $0.00 | 0 | $0.00 | $0.00 | $0.00 |
| | DSM Cost Recovery (Ongoing) | $1,799,401.00 | Various | $2,377,607.00 | $1,014,580.00 | $436,374.00 |
| | Forward Starting Swaps Gains (Sep-15 to Oct-45) | $38,543,589.00 | 427 | $1,433,704.00 | $0.00 | $37,109,885.00 |
| | Fuel Adjustment Clause (Ongoing) | $2,458,000.00 | 440-445 | $8,791,000.00 | $6,742,000.00 | $409,000.00 |
| | Off-System Sales Tracker (Ongoing) | $740,153.00 | 440-445 | $873,365.00 | $365,015.00 | $231,803.00 |
| | MISO Exit Fee Refund (Jul-15 to Jun-17) | $130,386.00 | 575 | $130,386.00 | $0.00 | $0.00 |
| | Refined Coal (Ongoing) | $292,825.00 | 456 | $86,929.00 | $516,750.00 | $722,646.00 |
| | 0 | $0.00 | 0 | $0.00 | $0.00 | $0.00 |
| | OVEC Power Purchase Contract (Nov-10 to Mar-26) | $52,484,755.00 | 0 | $52,484,755.00 | $0.00 | $0.00 |
| | 0 | $0.00 | 0 | $0.00 | $0.00 | $0.00 |
| | Gas Line Tracker (Ongoing) | $41,438.00 | 480-482 | $168,085.00 | $2,033,747.00 | $1,907,100.00 |
| Total | | $132,750,349.00 | | $68,442,913.00 | $536,157,920.00 | $600,465,356.00 |

Note:
Adjustments to debits/credits were made to certain line items to eliminate Purchase Accounting adjustments. See the FERC Form 1 for details.

## Gas Operating Revenues (Ref Page: 301)

| | Rev for Transistion Current | Rev for Transistion Prev Yr | GRI and ACA Current Yr (d) | GRI and ACA Prev Yr (e) | other Current Yr (f) |
|---|---|---|---|---|---|
| Sales (480-484) | $302,633,724.00 | $278,133,514.00 | $0.00 | $0.00 | $0.00 |
| Intracompany Transfers (485) | | | | | |
| Forfeited Discounts (487) | $1,033,779.00 | $1,001,580.00 | $0.00 | $0.00 | $0.00 |
| Miscellaneous Service Revenues (488) | $76,326.00 | $86,551.00 | $0.00 | $0.00 | $0.00 |
| Revenues from Transportaion of Gas of Others Through Gathering Facilities (489.1) | | | | | |
| Revenues from Transportaion of Gas of Others Through Transmission Facilities (489.2) | $0.00 | $1,155,238.00 | $0.00 | $0.00 | $0.00 |
| Revenues from Transportaion of Gas of Others Through Distribution Facilities (489.3) | $7,807,934.00 | $7,976,079.00 | $0.00 | $0.00 | $0.00 |
| Sales of Prod. Ext. from Natural Gas (490) | | | | | |
| Revenues from Natural Gas Proc. by Others (491) | | | | | |
| Incidental gasoline and Oil Sales (492) | | | | | |
| Rent from Gas Property (493) | $377,205.00 | $374,809.00 | $0.00 | $0.00 | $0.00 |
| Interdepartmental Rents (494) | | | | | |
| Other Gas Revenues (495) | $174.00 | $630.00 | $0.00 | $0.00 | $0.00 |
| Subtotal | $311,929,142.00 | $288,728,401.00 | $0.00 | $0.00 | $0.00 |
| (Less) Provision for Rate Refunds (496) | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Total | $311,929,142.00 | $288,728,401.00 | $0.00 | $0.00 | $0.00 |

## Gas Operating Revenues (Ref Page: 301) (Part Two)

| | Rev for Transistion | Other Prev Yr (g) | Total Current Yr (h) | Total Prev Yr (i) | MCF Current Yr (h) | MCF Prev Yr (i) |
|---|---|---|---|---|---|---|
| Sales (480-484) | $302,633,724.00 | $0.00 | $302,633,724.00 | $278,133,514.00 | 28,195,313 | 29,452,971 |
| Intracompany Transfers (485) | | | | | | |
| Forfeited Discounts (487) | $1,033,779.00 | $0.00 | $1,033,779.00 | $1,001,580.00 | 0 | 0 |
| Miscellaneous Service Revenues (488) | $76,326.00 | $0.00 | $76,326.00 | $86,551.00 | 0 | 0 |
| Revenues from Transportaion of Gas of Others Through Gathering Facilities (489.1) | | | | | | |
| Revenues from Transportaion of Gas of Others Through Transmission Facilities (489.2) | $0.00 | $0.00 | $0.00 | $1,155,238.00 | 0 | 1,027,901 |
| Revenues from Transportaion of Gas of Others Through Distribution Facilities (489.3) | $7,807,934.00 | $0.00 | $7,807,934.00 | $7,976,079.00 | 12,996,437 | 12,863,337 |
| Sales of Prod. Ext. from Natural Gas (490) | | | | | | |
| Revenues from Natural Gas Proc. by Others (491) | | | | | | |
| Incidental gasoline and Oil Sales (492) | | | | | | |
| Rent from Gas Property (493) | $377,205.00 | $0.00 | $377,205.00 | $374,809.00 | 0 | 0 |
| Interdepartmental Rents (494) | | | | | | |
| Other Gas Revenues (495) | $174.00 | $0.00 | $174.00 | $630.00 | 0 | 0 |
| Subtotal | $311,929,142.00 | $0.00 | $311,929,142.00 | $288,728,401.00 | 41,191,750 | 43,344,209 |
| (Less) Provision for Rate Refunds (496) | $0.00 | $0.00 | $0.00 | $0.00 | 0 | 0 |
| Total | $311,929,142.00 | $0.00 | $311,929,142.00 | $288,728,401.00 | 41,191,750 | 43,344,209 |

## 22200500 Louisville Gas and Electric Company 01/01/2017 - 12/31/2017

### Rev From Transportation of Gas through Gathering Facilities (489.1) (Ref Page: 302)

| Rate Schedule and Zone | Rev for Transition Costs | Rev for Transition Costs | Rev for GRI and ACA | Rev for GRI and ACA | Other Rev Current (f) |
|---|---|---|---|---|---|



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## Rev From Transportation of Gas through Gathering Facilities (489.1) (Ref Page: 302) (Part Two)

| Rate Schedule and Zone | Other Rev Previous (g) | Total Operating Rev | Total Operating Rev | MCF Current (j) | MCF Previous (k) |
|---|---|---|---|---|---|
| | | | | | |

## 22200500 Louisville Gas and Electric Company 01/01/2017 - 12/31/2017

### Rev From Transportation of Gas through Transmission Facilities (489.2) (Ref Page: 304)

| Rate Schedule and Zone | Rev for Transition Costs | Rev for Transition Costs | Rev for GRI and ACA | Rev for GRI and ACA | Other Rev Current (f) |
|---|---|---|---|---|---|
| RATE FT/PADDY'S RUN | $0.00 | $1,155,238.00 | $0.00 | $0.00 | $0.00 |

## Rev From Transportation of Gas through Transmission Facilities (489.2) (Ref Page: 304) (Part Two)

| Rate Schedule and Zone | Other Rev Previous (g) | Total Operating Rev | Total Operating Rev | MCF Current (j) | MCF Previous (k) |
|---|---|---|---|---|---|
| RATE FT/PADDY'S RUN | $0.00 | $0.00 | $1,155,238.00 | 0 | 1,027,901 |

Note:
In November 2016, the source of Paddy's Run natural gas from Texas Gas Pipeline through LGE Gas Supply was changed to the Cane Run lateral pipeline.

22200500 Louisville Gas and Electric Company 01/01/2017 - 12/31/2017

Rev From Stroring Gas of Others (489.4) (Ref Page: 306)

| Rate Schedule and Zone | Rev for Transition Costs | Rev for Transition Costs | Rev for GRI and ACA | Rev for GRI and ACA | Other Rev Current (f) |
|---|---|---|---|---|---|

## 22200500 Louisville Gas and Electric Company 01/01/2017 - 12/31/2017

## Rev From Stroring Gas of Others (489.4) (Ref Page: 306) (Part Two)

| Rate Schedule and Zone | Other Rev Previous (g) | Total Operating Rev | Total Operating Rev | MCF Current (j) | MCF Previous (k) |
|---|---|---|---|---|---|

## 22200500 Louisville Gas and Electric Company 01/01/2017 - 12/31/2017

### Other Gas Revenues (495) (Ref Page: 308)

| Description of Transaction | Revenues in Dollars |
|---|---|
| Miscellaneous- All Minor Items | $174.00 |
| | |

## Gas Operation and Maintenance - 1. Production (Ref Page: 317)

| | Amt for Current Yr (b) | Amt for Prev Yr (c) |
|---|---|---|
| 1. PRODUCTION EXPENSES | | |
| A. Manufactured Gas Production | | |
| Manufactured Gas Production | | |
| B. Natural Gas Production | | |
| B1. Natural Gas Produciton and Gathering | | |
| Operation | | |
| Operation Supervision and Engineering (750) | | |
| Production Maps and Records (751) | | |
| Gas Well Expenses (752) | | |
| Field Lines Expenses (753) | | |
| Field compressor Station Expenses (754) | | |
| Field Compressor Station Fuel and Power (755) | | |
| Field Measuring and Regulating Station Expenses (756) | | |
| Purification Expenses (757) | | |
| Gas Well Royalties (758) | | |
| Other Expenses (759) | | |
| Rents (760) | | |
| 18. Total Operation | | |
| Maintenance | | |
| Maintenance Supervision and Engineering (761) | | |
| Maintenance of Structures and Improvements (762) | | |
| Maintenance of Producing Gas Wells (763) | | |
| Maintenance of Field Lines (764) | | |
| Maintenance of Field Compressor Station Equipment (765) | | |
| Maintenance of Field Measuring and Regulating Station Equipment (766) | | |
| Maintenance of Purification Equipment (767) | | |
| Maintenance of Drilling and Cleaning Equipment (768) | | |
| Maintenance of Other Equipment (769) | | |
| 29. Total Maintenance | | |
| Total Natural Gas Production and Gathering (Lines 18,29( | | |
| B2. Products Extraction | | |

## Gas Operation and Maintenance - 1. Production (Ref Page: 317)

| | Amt for Current Yr (b) | Amt for Prev Yr (c) |
|---|---|---|
| Operation | | |
| Operation Supervision and Engineering (770) | | |
| Operation Labor (771) | | |
| Gas Shrinkage (772) | | |
| Fuel (773) | | |
| Power (774) | | |
| Materials (775) | | |
| Operation Supplies and Expenses (776) | | |
| Gas Processed by Others (777) | | |
| Royalties on Products Extracted (778) | | |
| Marketing Expenses (779) | | |
| Products Purchased for Resale (780) | | |
| Variation in Products Inventory (781) | | |
| (Less) Extracted Products Used by the Utility - Credit (782) | | |
| Rents (783) | | |
| 47. Total Operation | | |
| Maintenance | | |
| Maintenance Supervision and Engineering (784) | | |
| Maintenance of Structures and Improvements (785) | | |
| Maintenance of Extraction and Refining Equipment (786) | | |
| Maintenance of Pipe Lines (787) | | |
| Maintenance of Extracted Products Storage Equipment (788) | | |
| Maintenance of Compressor Equipment (789) | | |
| Maintenance of Gas Measuring and Regulating Equipment (790) | | |
| Maintenance of Other Equipment (791) | | |
| 57. Total Maintenance | | |
| 58. Total Products Extraction (Lines 47 and 57) | | |
| C. Exploration and Development | | |
| Operation | | |
| Delay Rentals (795) | | |
| Nonproductive Well Drilling (796) | | |
| Abandoned Leases (797) | | |

## Gas Operation and Maintenance - 1. Production (Ref Page: 317)

| | Amt for Current Yr (b) | Amt for Prev Yr (c) |
|---|---|---|
| Other Exporation (798) | | |
| 65. Total Exploration and Development | | |
| D. Other Gas Supply Expenses | | |
| Operation | | |
| Natural Gas Well Head Purchases (800) | | |
| Natural Gas Well Head Purchases, Intracompany Transfers (800.1) | | |
| Natural Gas Field Line Purchases (801) | | |
| Natural Gas Gasoline Plant Outlet Purchases (802) | | |
| Natural Gas Transmission Line Purchases (803) | $121,481,236.00 | $103,988,949.00 |
| Natural Gas City Gate Purchases (804) | | |
| Liquified Natural Gas Purchases (804.1) | | |
| Other Gas Purchases (805) | | |
| (Less) Purchases Gas Cost Adjustments (805.1) | | |
| 77. Total Purchased Gas | $121,481,236.00 | $103,988,949.00 |
| 78. Exchange Gas (806) | ($350,724.00) | $905,331.00 |
| Purchased Gas Expense | | |
| Well Expense - Purchased Gas (807.1) | | |
| Operation of Purchased Gas Measuring Stations (807.2) | | |
| Maintenance of PUrchased Gas Measuring Stations (807.3) | | |
| Purchased Gas Calculations Expenses (807.4) | | |
| Other Purchased Gas Expenses (807.5) | $848,373.00 | $844,632.00 |
| 85. Total Purchased Gas Expenses | $848,373.00 | $844,632.00 |
| Gas Withdrawn from Storage - Debit (808.1) | $39,707,479.00 | $40,320,522.00 |
| (Less) Gas Delivered to Storage (Credit) (808.2) | $43,453,768.00 | $41,450,688.00 |
| Withdrawals of Liquefied natural Gas for Processing - Debit (809.1) | | |
| (Less) Delieveries of Natural Gas for Processing- Credit (809.2) | | |
| Gas used in Utility Operation - Credit | | |
| 91. Gas Used for Compressor Station Fuel - Credit (810) | ($461,583.00) | ($472,852.00) |
| 92..Gas Used for Products Extraction - Credit (811) | | |
| 93..Gas Used for Other Utility Operations - Credit (812) | ($87,649.00) | ($99,719.00) |



**Case No. 2018-00295**
**Attachment to Filing Requirement**
**807 KAR 5:001 Section 16(7)(k)**

**Garrett**

## 22200500 Louisville Gas and Electric Company 01/01/2017 - 12/31/2017

### Gas Operation and Maintenance - 1. Production (Ref Page: 317)

| | Amt for Current Yr (b) | Amt for Prev Yr (c) |
|---|---|---|
| 94. Total Gas Used in Utility Operations - Credit (91-93) | ($549,232.00) | ($572,571.00) |
| 95. Other Gas Supply Expenses (813) | | |
| 97. Total Other Gas Supply Exp (77,78,85,86-89,94,95) | $117,683,364.00 | $104,036,175.00 |
| Total Production Expenses (3,30,58,65,96) | $117,683,364.00 | $104,036,175.00 |

## Gas Operation and Maintenance - 2. Natural Gas Storage (Ref Page: 320)

| | Amt for Current Yr (b) | Amt for Prev Yr (c) |
|---|---|---|
| 2. NATURAL GAS STORAGE, TERMINALING AND PROCESSING EXPENSES | | |
| A. Underground Storage Expenses | | |
| Operation | | |
| Operation Supervision and Engineering (814) | $1,092,080.00 | $832,314.00 |
| Maps and Records (815) | | |
| Wells Expenses (816) | $66,890.00 | $73,159.00 |
| Lines Expenses (817) | $412,394.00 | $409,636.00 |
| Compressor Station Expenses (818) | $2,140,562.00 | $2,232,439.00 |
| Compressor Station Fuel and Power (819) | $461,583.00 | $472,852.00 |
| Measuring and Regulating Station Expenses (820) | | |
| Purification Expenses (821) | $1,929,253.00 | $1,484,683.00 |
| Exploration and Development (822) | | |
| Gas Losses (823) | $2,889,006.00 | $1,495,041.00 |
| Other Expenses (824) | $25,814.00 | $23,537.00 |
| Storage well Royalties (825) | $164,524.00 | $141,179.00 |
| Rents (826) | | |
| 114. Total Operation | $9,182,106.00 | $7,164,840.00 |
| Maintenance | | |
| Maintenance Supervision and Engineering (830) | $621,220.00 | $584,222.00 |
| Maintenance of Structures and Improvements (831) | | |
| Maintenance of Reservoirs and Wells (832) | $453,720.00 | $321,659.00 |
| Maintenance of Lines (833) | $427,868.00 | $526,433.00 |
| Maintenance of Compressor Station Equipment (834) | $581,459.00 | $550,513.00 |
| Maintenance of Measuring and Regulating Station Equipment (835) | $56,195.00 | $40,257.00 |
| Maintenance of Purification Equipmetn (836) | $842,605.00 | $850,338.00 |
| Maintenance of Other Equipment (837) | $355,604.00 | $334,665.00 |
| 124. Total Maintenance | $3,338,671.00 | $3,208,087.00 |
| Total Underground Storage (Lines 114 and 124) | $12,520,777.00 | $10,372,927.00 |
| B. Other Storage Expenses | | |
| Operation | | |

## Gas Operation and Maintenance - 2. Natural Gas Storage (Ref Page: 320)

| | Amt for Current Yr (b) | Amt for Prev Yr (c) |
|---|---|---|
| Operation Supervision and Engineering (840) | | |
| Operation Labor and Expenses (841) | | |
| Rents (842) | | |
| Fuel (842.1) | | |
| Power (842.2) | | |
| Gas Losses (842.3) | | |
| 134. Total Operation | | |
| Maintenance | | |
| Maintenance Supervision and Engineering (843.1) | | |
| Maintenance of Structures and Improvements (843.2) | | |
| Maintenance of Gas Holders (843.3) | | |
| Maintenance of Purification Equipment (843.4) | | |
| Maintenance of Liquefaction Equipment (843.5) | | |
| Maintenance of Vaporizing Equipment (843.6) | | |
| Maintenance of Compressor Equipment (843.7) | | |
| Maintenance of Measuring and Regulating Equipment (843.8) | | |
| Maintenance of Other Equipment (843.9) | | |
| 145. TOTAL Maintenance | | |
| Total Other Storage Expenses (Lines 134 and 145) | | |
| C. Liquefied Natural Gas Terminaling and Processing Expenses | | |
| Operation | | |
| Operation Supervision and Engineering (844.1) | | |
| LNG Processing Terminal Labor and Expenses (844.2) | | |
| Liquefaction Processing Labor and Expenses (844.3) | | |
| Liquefaction Transportaion Labor and Expenses (844.4) | | |
| Measuring and Regulating Labor and Expenses (844.5) | | |
| Compressor Station Labor and Expenses (544.6) | | |
| Communication System Expenses (844.7) | | |
| System Control and Load Dispatching (844.8) | | |
| Fuel (845.1) | | |
| Power (845.2) | | |
| Rents (845.3) | | |

## Gas Operation and Maintenance - 2. Natural Gas Storage (Ref Page: 320)

| | Amt for Current Yr (b) | Amt for Prev Yr (c) |
|---|---|---|
| Demurrage Charges (845.4) | | |
| (Less) Wharfage Receipts - Credit (845.5) | | |
| Processing Liquefied or Vaporized Gas by Others (845.6) | | |
| Gas Losses (846.1) | | |
| Other Expenses (846.2) | | |
| Total Operation | | |
| Maintenance | | |
| Maintenance Supervision and Engineering (847.1) | | |
| Maintenance of Structures and Improvements (847.2) | | |
| Maintenance of LNG Processing Terminal equipment (847.3) | | |
| Maintenance of LNG Transportation Equipment (847.4) | | |
| Maintenance of Measuring and Regulating Equipment (847.5) | | |
| Maintenance of Compressor Station Equipment (847.6) | | |
| Maintenance of Communication Equipment (847.7) | | |
| Maintenance of Other Equipment (847.8) | | |
| 175. Total Maintenance | | |
| 176. Total Liquiefied Nat Gas Terminaling and Proc Exp (Lines 165 and 175) | | |
| 177. Total Natural Gas Storage (Lines 125,146 and 176) | $12,520,777.00 | $10,372,927.00 |

## Gas Operation and Maintenance - 3 through 8 (Ref Page: 323)

| | Amt for Current Yr (b) | Amt for Prev Yr (c) |
|---|---|---|
| 3. TRANSMISSION EXPENSES | | |
| Operation | | |
| Operation Supervision and Engineering (850) | $766,822.00 | $897,670.00 |
| System Control and Load Dispatching (851) | $415,652.00 | $388,326.00 |
| Communication System Expenses (852) | | |
| Compressor Station labor and Expenses (853) | | |
| Gas for Compressor Station Fuel (854) | | |
| Other Fuel and Power for Compressor Stations (855) | | |
| Mains Expenses (856) | $686,484.00 | $613,787.00 |
| Measuring and Regulating Stations Expenses (857) | | |
| Transmission and Compression of Gas by Others (858) | | |
| Other Expenses (859) | | |
| Rents (860) | $38,393.00 | $17,922.00 |
| 191. Total Operation | $1,907,351.00 | $1,917,705.00 |
| Maintenance | | |
| Maintenance Supervision and Engineering (861) | | |
| Maintenance of Structures and Improvements (862) | | |
| Maintenance of Mains (863) | $1,916,931.00 | $1,557,302.00 |
| Maintenance of Compressor Station Equipment (864) | | |
| Maintenance of Measuring and Regulating Station Equipment (865) | | |
| Maintenance of Communication Equipment (866) | | |
| Maintenance of Other Equipment (867) | | |
| 200. Total Maintenance | $1,916,931.00 | $1,557,302.00 |
| 201. Total Transmission Expenses (Total 191 and 200) | $3,824,282.00 | $3,475,007.00 |
| 4. DISTRIBUTION EXPENSES | | |
| Operation | | |
| Operation Supervision and Engineering (870) | | |
| Distribution Load Dispatching (871) | $661,608.00 | $578,496.00 |
| Compressor Station Labor and Expenses (872) | | |
| Compressor Station Fuel and Power (873) | | |
| Mains and Services Expenses (874) | $3,873,129.00 | $3,362,942.00 |

## Gas Operation and Maintenance - 3 through 8 (Ref Page: 323)

| | Amt for Current Yr (b) | Amt for Prev Yr (c) |
|---|---|---|
| Measuring and Regulating station Expenses - General (875) | $1,291,939.00 | $1,110,188.00 |
| Measuring and Regulating Station Expenses - Industrial (876) | $397,917.00 | $329,012.00 |
| Measuring and Regulating Station Expenses - City Gas Check Station (877) | $176,408.00 | $170,454.00 |
| Meter and House Regulator Expenses (878) | $2,166,358.00 | $1,961,834.00 |
| Customer Installations Expenses (879) | $226,835.00 | $163,881.00 |
| Other Expenses (880) | $3,910,212.00 | $3,839,290.00 |
| Rents (881) | $28,796.00 | $6,663.00 |
| 216. Total Operation | $12,733,202.00 | $11,522,760.00 |
| Maintenance | | |
| Maintenance Supervision and Engineering (885) | | |
| Maintenance of Structures and Improvements (886) | | |
| Maintenance of Mains (887) | $8,818,881.00 | $9,288,176.00 |
| Maintenance of Compressor Station Equipment (888) | | |
| Maintenance of Measuring and Regulating Station Equipment - General (889) | $107,341.00 | $67,232.00 |
| Maintenance of Measuring and Regulating Station Equipment - Industrial (890) | $216,510.00 | $293,221.00 |
| Maintenance of Measuring and Regulating Station Equipment - City Gate Check Station (891) | $493,952.00 | $364,108.00 |
| Maintenance of Services (892) | $1,299,495.00 | $1,386,926.00 |
| Maintenance of Meters and House Regulators (893) | | |
| Maintenance of Other Equipment (894) | $394,741.00 | $443,751.00 |
| 228. Total Maintenance | $11,330,920.00 | $11,843,414.00 |
| 229. Total Distribution Expenses (Lines 216 and 228) | $24,064,122.00 | $23,366,174.00 |
| 5. CUSTOMER ACCOUNTS EXPENSES | | |
| Operation | | |
| Supervision (901) | $966,197.00 | $889,158.00 |
| Meter Reading Expenses (902) | $1,893,888.00 | $1,870,237.00 |
| Customer Records and Collections Expenses (903) | $5,535,478.00 | $5,236,641.00 |
| Uncollectible Accounts (904) | $548,813.00 | $430,210.00 |
| Miscellaneous Customer Accounst Expenses (905) | $2,600.00 | $6,284.00 |
| 237. Total Customer Accounts Expenses | $8,946,976.00 | $8,432,530.00 |

## Gas Operation and Maintenance - 3 through 8 (Ref Page: 323)

| | Amt for Current Yr (b) | Amt for Prev Yr (c) |
|---|---|---|
| 6. CUSTOMER SERVICE AND INFORMATIONAL EXPENSES | | |
| Operation | | |
| Supervision (907) | $83,624.00 | $85,328.00 |
| Customer Assistance Expenses (908) | $3,939,097.00 | $3,616,475.00 |
| Informational and Instructional Expenses (909) | $98,866.00 | $100,409.00 |
| Miscellaneous Customer Service and Informational Expenses (910) | $167,536.00 | $176,996.00 |
| 244. Total Customer Service and Informational Expenses | $4,289,123.00 | $3,979,208.00 |
| 7. SALES EXPENSES | | |
| Operation | | |
| Supervision (911) | | |
| Demonstrating and Selling Expenses (912) | | |
| Advertising Expenses (913) | $257,517.00 | $259,480.00 |
| Miscellaneous Sales Expenses (916) | | |
| 251. TOTAL Sales Expenses | $257,517.00 | $259,480.00 |
| 8. ADMINISTRATIVE AND GENERAL EXPENSES | | |
| Operation | | |
| Administrative and General Salaries (920) | $7,315,921.00 | $7,274,293.00 |
| Office Supplies and Expenses (921) | $1,737,165.00 | $1,489,188.00 |
| (Less) Administrative Expenses Transferred - Credit (922) | $899,745.00 | $885,741.00 |
| Outside Services Employed (923) | $3,203,469.00 | $3,938,854.00 |
| Property Insurance (924) | $256,020.00 | $161,992.00 |
| Injuries and Damanges (925) | $715,000.00 | $640,921.00 |
| Employee Pensions and benefits (926) | $7,718,807.00 | $7,750,513.00 |
| Franchise Requirements (927) | | |
| Regulatory Commission Expenses (928) | $144,173.00 | $108,994.00 |
| (Less) Duplicate Charges - Credit (929) | $522,117.00 | $449,203.00 |
| General Advertising Expenses (930.1) | $2,159.00 | $13,169.00 |
| Miscellaneous General Expenses (930.2) | $471,804.00 | $430,168.00 |
| Rents (931) | $440,190.00 | $304,135.00 |
| 267. Total Operation | $20,582,846.00 | $20,777,283.00 |
| Maintenance | | |

## Gas Operation and Maintenance - 3 through 8 (Ref Page: 323)

| | Amt for Current Yr (b) | Amt for Prev Yr (c) |
|---|---|---|
| 269. Maintenance of General Plant (935) | $381,010.00 | $293,337.00 |
| 270. Total Administrative and General (Total 267 and 269) | $20,963,856.00 | $21,070,620.00 |
| Total Gas O and M Expenses (Total Lines 97,177,201,229,237,244,251 and 270) | $192,550,017.00 | $174,992,121.00 |

## 22200500 Louisville Gas and Electric Company 01/01/2017 - 12/31/2017

## Exchange and Imbalance Transactions (Ref Page: 328)

| | Zone/Rate Schedule | Gas Received Amount (b) | Gas Received MCF (c) | Gas Delivered Amount (d) | Gas Delivered MCF (e) |
|---|---|---|---|---|---|
| | Texas Gas Transmission – Zone 4 NNS | $9,161,386.00 | 2,990,708 | $9,512,110.00 | 3,234,634 |
| Total | | $9,161,386.00 | 2,990,708 | $9,512,110.00 | 3,234,634 |

## Gas Used in Utility Operations (Ref Page: 331)

| | Purpose (a) | Acct Charged (b) | Natural Gas Used MCF (c) | Natural Gas Amount of Credit (d) | Manufactured Gas MCF (e) | Manufactured Gas Amount of Credit (f) |
|---|---|---|---|---|---|---|
| Gas Used for Compressor Station Fuel - Credit (810) | | 819 | 134,479 | $461,583.00 | 0 | $0.00 |
| Gas Used For Products Extration - Credit (811) | | | | | | |
| Gas Shrinkage and Other Usage in Respondent`s Own Processing | | | | | | |
| Gas Shrinkage, etc. for Respondent`s Gas Processed by Others | | | | | | |
| Gas Used for Other Utility Operations - Credit (812) | | | | | | |
| (Report seperately each principal use. Group minor uses.) | | | | | | |
| | Gas Used for Heating & Pressure Reduction | 875,877 | 7,215 | $27,015.00 | 0 | $0.00 |
| | Gas Used in Electric Generation | 547 | 3,161 | $18,528.00 | 0 | $0.00 |
| | Various | Various | 11,998 | $42,106.00 | 0 | $0.00 |
| Total | | | 156,853 | $549,232.00 | 0 | $0.00 |

## Transmission and Compression of Gas by Others (858) (Ref Page: 332)

| Name of Company and Desc. of | * (b) | Amount of Payment (c) | MCF of Gas (d) |
|---|---|---|---|
| | | | |

22200500 Louisville Gas and Electric Company 01/01/2017 - 12/31/2017

Other Gas Supply Expenses (813) (Ref Page: 334)

| Description (a) | Amount (b) |
|---|---|
| No activity | $0.00 |
| Total | |

## 22200500 Louisville Gas and Electric Company 01/01/2017 - 12/31/2017

### Miscellaneous General Expenses (Acct 930.2) (Ref Page: 335)

| Description | | Amount |
|---|---|---|
| Industry association dues | | $241,848.00 |
| Experimental and general research expenses. | | |
| a. Gas Research Institute (GRI) | | $0.00 |
| b. Other | | |
| Publishing and distributing information and reports to stockholders, trustee, registrar and transfer agent fees and expenses and other expenses | | |
| Other | | |
| | Swap Termination (Wachovia) | $81,580.00 |
| | Miscellaneous | $148,376.00 |
| | | $0.00 |
| Total | | $471,804.00 |

## 22200500 Louisville Gas and Electric Company 01/01/2017 - 12/31/2017

### Depreciation, Depletion and Amortization of Gas Plant (403,403.1,404.1,404.2,404.3,405) (Ref Page: 336)

| | Depreciation 403 (b) | Depreciation Exp | 404.1 (d) | 404.2 (e) | 404.3 (f) | 405 (g) | Total (h) |
|---|---|---|---|---|---|---|---|
| Intangible Plant | $0.00 | $0.00 | $0.00 | $0.00 | $45.00 | $0.00 | $45.00 |
| Production Plant, manufactured gas | | | | | | | |
| Production and gathering plant, natural gas | | | | | | | |
| Products extraction plant | | | | | | | |
| Underground gas storage plant | $3,310,183.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $3,310,183.00 |
| Other storage plant | | | | | | | |
| Base load LNG terminaling and processing plant | | | | | | | |
| Transmission plant | $742,386.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $742,386.00 |
| Distribution plant | $24,454,504.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $24,454,504.00 |
| General Plant | $362,066.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $362,066.00 |
| Common plant - gas | $2,831,891.00 | $0.00 | $0.00 | $0.00 | $4,593,757.00 | $0.00 | $7,425,648.00 |
| Other | | | | | | | |
| Total | $31,701,030.00 | $0.00 | $0.00 | $0.00 | $4,593,802.00 | $0.00 | $36,294,832.00 |

## Depreciation, Depletion and Amortization of Gas Plant (cont) (Ref Page: 338)

| | Functional Classification (a) | Plant Bases (thousands) (b) | Applied Depr or Amort Rates (c) |
|---|---|---|---|
| Production and Gathering Plant | | | |
| Offshore | | | |
| | | | |
| Onshore | | | |
| | UNDERGROUND GAS STORAGE PLANT | 167,676 | 2 |
| Underground Gas Storage Plant | | | |
| Transmission Plant | | | |
| Offshore | | | |
| | | | |
| Onshore | | | |
| | TRANSMISSION PLANT | 55,163 | 2 |
| General Plant | | | |
| | GENERAL PLANT | 7,977 | 4 |
| | DISTRIBUTION PLANT | 943,903 | 2 |

## Particulars Concerning Cetrain Income Deductions and Interest Charges Accounts (Ref Page: 340)

| Item (a) | Amount (b) |
|---|---|
| Account 426.1 - Donations | $0.00 |
| Nature Conservatory | $1,000,000.00 |
| Association of Community Ministries | $500,000.00 |
| Various | $1,741,111.00 |
| Total Account 426.1 | $3,241,111.00 |
| Account 426.3 - Penalties | $6,171.00 |
| Total Account 426.3 | $6,171.00 |
| Account 426.4- Civic, Political & Related Activity | $482,792.00 |
| Total Account 426.4 | $482,792.00 |
| Account 426.5 - Other Deductions | $1,365,986.00 |
| Total Account 426.5 | $1,365,986.00 |
| Account 430-Interest on Debt to Associated Company | $0.00 |
| Kentucky Utilities Company - 1.30% Interest Rate | $250,170.00 |
| Total Account 430 | $250,170.00 |
| Account 431 - Other Interest Expense | $0.00 |
| Short-Term Debt - 1.29% Interest Rate | $2,007,571.00 |
| Financial Liabilities - .11% Interest Rate | $701,384.00 |
| Customer Deposits - .66% Interest Rate | $179,546.00 |
| Interest on Customer Refunds - 3.28% Interest Rate | $7,272.00 |
| DSM Cost Recovery - .36% Interest Rate | $3,218.00 |
| Interest on Tax Deficiencies - 4.00% Interest Rate | $8.00 |
| Total Account 431 | $2,898,999.00 |
| | $0.00 |

## 22200500 Louisville Gas and Electric Company 01/01/2017 - 12/31/2017

### Regulatory Commission Expenses (928) (Ref Page: 350)

| Description (a) | Assessed by Reg Commission (b) | Expenses of the Utility (c) | Total Expenses (d) | Deferred in 182.3 Beg of Yr (e) | Expenses Incurred Charged to Department |
|---|---|---|---|---|---|
| FERC | $0.00 | $0.00 | $0.00 | $0.00 | |
| Annual Charge | $326,064.00 | $0.00 | $326,064.00 | $0.00 | Electric |
| Administrative Charge, Project #289 | $293,533.00 | $0.00 | $293,533.00 | $0.00 | Electric |
| KPSC | $0.00 | $0.00 | $0.00 | $0.00 | |
| 2016 Rate Case - Electric (Ongoing) | $0.00 | $183,303.00 | $183,303.00 | $1,088,658.00 | |
| 2016 Rate Case - Gas (Ongoing) | $0.00 | $48,734.00 | $48,734.00 | $304,452.00 | |
| KPSC Case No. 2016-00371 | $0.00 | $0.00 | $0.00 | $0.00 | |
| 2014 Rate Case - Electric (Jul-15 to Jun-18) | $0.00 | $379,199.00 | $379,199.00 | $568,799.00 | |
| 2014 Rate Case - Gas (Jul-15 to Jun-18) | $0.00 | $94,800.00 | $94,800.00 | $142,200.00 | |
| KPSC Case No. 2014-00372 | $0.00 | $0.00 | $0.00 | $0.00 | |
| Other | $0.00 | $639.00 | $639.00 | $0.00 | Gas |
| Other | $0.00 | $1,421.00 | $1,421.00 | $0.00 | Electric |
| | $619,597.00 | $708,096.00 | $1,327,693.00 | $2,104,109.00 | |

## Regulatory Commission Expenses (928) (Ref Page: 350) (Part Two)

| Description (a) | Expenses Incurred Charged to Acct (g) | Expenses Incurred Charged to Amount | Expenses Incurred Deferred to 182.3 (i) | Amortized Contra Acct (j) | Amortized Amt (k) | Deferred in 182.3 End of Yr (l) |
|---|---|---|---|---|---|---|
| FERC | | $0.00 | $0.00 | | $0.00 | $0.00 |
| Annual Charge | 928 | $326,064.00 | $0.00 | | $0.00 | $0.00 |
| Administrative Charge, Project #289 | 928 | $293,533.00 | $0.00 | | $0.00 | $0.00 |
| KPSC | | $0.00 | $0.00 | | $0.00 | $0.00 |
| 2016 Rate Case - Electric (Ongoing) | | $0.00 | $556,903.00 | 928 | $183,303.00 | $1,462,258.00 |
| 2016 Rate Case - Gas (Ongoing) | | $0.00 | $151,745.00 | 928 | $48,734.00 | $407,463.00 |
| KPSC Case No. 2016-00371 | | $0.00 | $0.00 | | $0.00 | $0.00 |
| 2014 Rate Case - Electric (Jul-15 to Jun-18) | | $0.00 | $0.00 | 928 | $379,199.00 | $189,600.00 |
| 2014 Rate Case - Gas (Jul-15 to Jun-18) | | $0.00 | $0.00 | 928 | $94,800.00 | $47,400.00 |
| KPSC Case No. 2014-00372 | | $0.00 | $0.00 | | $0.00 | $0.00 |
| Other | 928 | $639.00 | $0.00 | | $0.00 | $0.00 |
| Other | 928 | $1,421.00 | $0.00 | | $0.00 | $0.00 |
| | | $621,657.00 | $708,648.00 | | $706,036.00 | $2,106,721.00 |

## 22200500 Louisville Gas and Electric Company 01/01/2017 - 12/31/2017

### Distribution of Salaries and Wages - Electric (Ref Page: 355)

| | Specify | Direct Payroll (b) | Alloc Clearing Accts (c) | Total (d) |
|---|---|---|---|---|
| Electric | | | | |
| Operation | | | | |
| 3. Production | | $18,941,092.00 | $5,234,337.00 | $24,175,429.00 |
| 4. Transmission | | $2,382,494.00 | $746,044.00 | $3,128,538.00 |
| 5. Distribution | | $8,589,956.00 | $2,327,078.00 | $10,917,034.00 |
| 6. Customer Accounts | | $4,377,588.00 | $1,332,926.00 | $5,710,514.00 |
| 7. Customer Service and Informational | | $828,510.00 | $264,658.00 | $1,093,168.00 |
| 8. Sales | | | | |
| 9. Administrative and General | | $18,636,512.00 | $4,189,048.00 | $22,825,560.00 |
| 10. Total Operation | | $53,756,152.00 | $14,094,091.00 | $67,850,243.00 |
| Maintenance | | | | |
| 12. Production | | $10,580,533.00 | $2,713,017.00 | $13,293,550.00 |
| 13. Transmission | | $589,473.00 | $145,211.00 | $734,684.00 |
| 14. Distribution | | $2,190,407.00 | $496,946.00 | $2,687,353.00 |
| 15. Administrative and General | | $491,494.00 | $132,788.00 | $624,282.00 |
| 16. Total Maint | | $13,851,907.00 | $3,487,962.00 | $17,339,869.00 |
| Total Operation and Maintenance | | | | |
| 18. Total Production (Lines 3 and 12) | | $29,521,625.00 | $7,947,354.00 | $37,468,979.00 |
| 19. Total Transmission (Lines 4 and 13) | | $2,971,967.00 | $891,255.00 | $3,863,222.00 |
| 20. Total Distribution (Lines 5 and 14) | | $10,780,363.00 | $2,824,024.00 | $13,604,387.00 |
| 21. Customer Accounts (Transcribe from Line 6) | | $4,377,588.00 | $1,332,926.00 | $5,710,514.00 |
| 22. Customer Service and Informational (Transcribe from Line 7) | | $828,510.00 | $264,658.00 | $1,093,168.00 |
| 23. Sales (Transcribe from Line 8) | | | | |
| 24. Administrative and Generatl (Lines 9 and 15) | | $19,128,006.00 | $4,321,836.00 | $23,449,842.00 |
| 25. Total Oper. and Maint. (Lines 18-24) | | $67,608,059.00 | $17,582,053.00 | $85,190,112.00 |



**Case No. 2018-00295**
**Attachment to Filing Requirement**
**807 KAR 5:001 Section 16(7)(k)**

**Garrett**

## Distribution of Salaries and Wages - Gas (Ref Page: 355)

| | Specify | Direct Payroll (b) | Alloc Clearing Accts (c) | Total (d) |
|---|---|---|---|---|
| Gas | | | | |
| Operation | | | | |
| 28. Production -- Manufactured Gas | | | | |
| 29. Production -- Nat. Gas (Including Expl and Dev.) | | | | |
| 20. Other Gas Supply | | $624,451.00 | $175,904.00 | $800,355.00 |
| 31. Storage, LNG Terminaling and Processing | | $2,026,819.00 | $524,169.00 | $2,550,988.00 |
| 32. Transmission | | $1,094,323.00 | $315,045.00 | $1,409,368.00 |
| 33. Distribution | | $5,115,307.00 | $1,297,434.00 | $6,412,741.00 |
| 34. Customer Accounts | | $3,436,784.00 | $1,050,049.00 | $4,486,833.00 |
| 35. Customer Service and Informational | | $306,009.00 | $98,103.00 | $404,112.00 |
| 36. Sales | | | | |
| 37. Administrative and General | | $5,427,440.00 | $1,106,663.00 | $6,534,103.00 |
| 38. Total Operation | | $18,031,133.00 | $4,567,367.00 | $22,598,500.00 |
| Maintenance | | | | |
| 40. Production -- Manufactured Gas | | | | |
| 41. Production -- Natural Gas | | | | |
| 42. Other Gas Supply | | | | |
| 43. Storage, LNG Terminaling and Processing | | $1,596,139.00 | $428,480.00 | $2,024,619.00 |
| 44. Transmission | | $724,395.00 | $139,360.00 | $863,755.00 |
| 45. Distribution | | $4,545,094.00 | $1,086,549.00 | $5,631,643.00 |
| 46. Administrative and General | | $220,816.00 | $59,658.00 | $280,474.00 |
| 47. Total Maint | | $7,086,444.00 | $1,714,047.00 | $8,800,491.00 |
| Total Operation and Maintenance | | | | |
| 50. Total Production -- Manufactured Gas (Lines 28 and 40) | | $0.00 | $0.00 | $0.00 |
| 51. Total Production -- Natural Gas (Lines 29 and 41) | | $0.00 | $0.00 | $0.00 |
| 52. Total Other Gas Supply (Lines 30 and 42) | | $624,451.00 | $175,904.00 | $800,355.00 |
| 53. Total Storage LNG Terminaling and Processing (Lines 31 and 43) | | $3,622,958.00 | $952,649.00 | $4,575,607.00 |

## Distribution of Salaries and Wages - Gas (Ref Page: 355)

| | Specify | Direct Payroll (b) | Alloc Clearing Accts (c) | Total (d) |
|---|---|---|---|---|
| 54. Total Transmission (Lines 32 and 44) | | $1,818,718.00 | $454,405.00 | $2,273,123.00 |
| 55. Total Distribution (Lines 33 and 45) | | $9,660,401.00 | $2,383,983.00 | $12,044,384.00 |
| 56. Customer Accounts (Transcribe Line 34) | | $3,436,784.00 | $1,050,049.00 | $4,486,833.00 |
| 57. Customer Service and Informational (Transcribe Line 35) | | $306,009.00 | $98,103.00 | $404,112.00 |
| 58. Sales (Transcribe Line 36) | | $0.00 | $0.00 | $0.00 |
| 59. Administrative and General (Line 37 + 46) | | $5,648,256.00 | $1,166,321.00 | $6,814,577.00 |
| 60. Total Operation and Maint (Lines 50-59) | | $25,117,577.00 | $6,281,414.00 | $31,398,991.00 |
| Other Utility Departments | | | | |
| 62. Operation and Maintenance | | $0.00 | $0.00 | $0.00 |
| 63. Total All Utility Dept (Lines 25,60,62) | | $92,725,636.00 | $23,863,467.00 | $116,589,103.00 |

## Distribution of Salaries and Wages - Utility Plant (Ref Page: 356)

| | Specify | Direct Payroll (b) | Alloc Clearing Accts (c) | Total (d) |
|---|---|---|---|---|
| Utility Plant | | | | |
| Construction (By Utility Departments) | | | | |
| 66. Electric Plant | | $12,971,352.00 | $13,486,750.00 | $26,458,102.00 |
| 67. Gas Plant | | $6,456,006.00 | $4,496,830.00 | $10,952,836.00 |
| 68. Other | Common Utility Plant | $3,681,274.00 | $1,319,501.00 | $5,000,775.00 |
| 69. Total Construction | | $23,108,632.00 | $19,303,081.00 | $42,411,713.00 |
| 70. Plant Removal (By Utility Departments) | | | | |
| 71. Electric Plant | | $2,000,937.00 | $979,743.00 | $2,980,680.00 |
| 72. Gas Plant | | $528,119.00 | $301,432.00 | $829,551.00 |
| 73. Other | Common Utility Plant | $3,354.00 | $929.00 | $4,283.00 |
| 74. Total Plant Removal | | $2,532,410.00 | $1,282,104.00 | $3,814,514.00 |
| 75. Other Accounts | | | | |
| | Accounts Receivable (work done for others) | $12,941,633.00 | $3,204,398.00 | $16,146,031.00 |
| | Deferred Debits | $316,715.00 | ($115,924.00) | $200,791.00 |
| | Civic, Political & Related Activities & Other | $222,243.00 | $22,959.00 | $245,202.00 |
| | Nonjuridictional | $2,444,950.00 | $657,749.00 | $3,102,699.00 |
| 76. Total Other Accounts | | $15,925,541.00 | $3,769,182.00 | $19,694,723.00 |
| 77. Total Salaries and Wages | | $134,292,219.00 | $48,217,834.00 | $182,510,053.00 |

Note:
Due to software space limitations see footnote information provided in total in hard copy FERC Form 1.

## 22200500 Louisville Gas and Electric Company 01/01/2017 - 12/31/2017

## Charges for Outside Professional and Other Consultative Services (Ref Page: 358)

| Description (a) | * (b) | Amount (2) |
|---|---|---|
| ACCCENTURE LLP | | $978,150.00 |
| ALLTERRAIN PAVING AND CONSTRUCTION LLC | | $2,537,796.00 |
| AREA WIDE PROTECTIVE | | $767,029.00 |
| BRATCHER SERVICES LLC | | $746,449.00 |
| EN ENGINEERING LLC | | $1,016,145.00 |
| ENSITE USA INC | | $2,235,840.00 |
| FISHEL CO | | $956,945.00 |
| FLAGPROS LLC | | $320,455.00 |
| HYDRO EXC INC | | $305,504.00 |
| J Y LEGNER ASSOCIATES INC | | $422,732.00 |
| KENTUCKIANA TRAFFIC AND PATROL SERVICES LLC | | $863,678.00 |
| MARTIN CONTRACTING INC | | $459,000.00 |
| MILLER PIPELINE CORP | | $21,063,417.00 |
| MISTRAS GROUP INC | | $268,369.00 |
| NEXANT INC | | $345,486.00 |
| NITEC LLC | | $352,682.00 |
| OLAMETER CORPORATION | | $1,616,182.00 |
| OPS PLUS INC | | $1,773,346.00 |
| ORACLE AMERICA INC | | $357,831.00 |
| PRECISION ENERGY SERVICES INC | | $293,529.00 |
| PREMIER ENERGY SERVICES LLC | | $2,227,715.00 |
| PROJECT ASSOCIATES INC | | $722,841.00 |
| SAMAC PAINTING INC | | $1,269,275.00 |
| SCHARDEIN MECHANICAL | | $1,472,000.00 |
| SCHNEIDER ELECTRIC SOFTWARE LLC | | $694,935.00 |
| SCOPPECHIO | | $781,481.00 |
| SEEL LLC | | $1,285,905.00 |
| SERCO INC | | $276,765.00 |
| SOUTHERN PIPELINE CONST CO | | $6,241,006.00 |
| STEVEN L PAALZ | | $567,439.00 |

## Charges for Outside Professional and Other Consultative Services (Ref Page: 358)

| Description (a) | * (b) | Amount (2) |
|---|---|---|
| STOLL CONSTRUCTION AND PAVING CO INC | | $3,074,232.00 |
| STOLL KEENON OGDEN PLLC | | $375,178.00 |
| SURVEYS AND ANALYSIS INC | | $1,065,675.00 |
| USIC LOCATING SERVICES LLC | | $2,566,904.00 |
| XEROX CORP | | $495,859.00 |
| OTHER | | $7,828,663.00 |
| TOTAL | | $68,626,405.00 |
| | | $0.00 |
| | | $0.00 |

## 22200500 Louisville Gas and Electric Company 01/01/2017 - 12/31/2017

### Compressor Stations (Ref Page: 508)

| Name of Station and | Number of Units (b) | Certified Horsepower (c) | Plant Cost (d) | Fuel or Power (e) | Fuel or Power Type |
|---|---|---|---|---|---|
| Magnolia Compressor Station | 7 | 11,560 | $37,743,614.00 | $320,586.00 | Natural Gas |
| Muldraugh Compressor Station | 9 | 9,545 | $46,521,081.00 | $63,990.00 | Natural Gas |
| Field Compressor Stations for Self-Use to | 0 | 0 | $0.00 | $0.00 | |
| Recover Underground Storage Gas | 0 | 0 | $0.00 | $0.00 | |
| Doe-Run-Brandenburg, Ky, and Laconia, In. | 10 | 1,365 | $6,006,685.00 | $130,155.00 | Gas/Electricity |
| Muldraugh-Muldraugh, Ky. | 1 | 30 | $114,905.00 | $15,130.00 | Electricity |
| Center Compressor Station | 2 | 2,070 | $16,783,976.00 | $77,007.00 | Natural Gas |

## Compressor Stations (Ref Page: 508) (Part Two)

| Name of Station and | Other (f) | Gas for Comp Fuel MCF | Total Comp Hours | Comp operating at Time | Date of Station Peak (j) |
|---|---|---|---|---|---|
| Magnolia Compressor Station | $2,326,499.00 | 90,940 | 7,490 | 6 | 12/26/2017 |
| Muldraugh Compressor Station | $3,012,079.00 | 131,124 | 1,082 | 4 | 3/14/2017 |
| Field Compressor Stations for Self-Use to | $0.00 | 0 | 0 | 0 | |
| Recover Underground Storage Gas | $0.00 | 0 | 0 | 0 | |
| Doe-Run-Brandenburg, Ky, and Laconia, In. | $1,903,726.00 | 14,825 | 10,476 | 0 | |
| Muldraugh-Muldraugh, Ky. | $0.00 | 0 | 4,909 | 0 | |
| Center Compressor Station | $124,293.00 | 24,966 | 3,469 | 2 | 12/19/2017 |

Note:
Doe-Run-Brandenburg, Ky. and Laconia, In., column (b):
Of total 10 compressors only 3 were in operation in 2017, with a total of 915 horsepower, column (c).

Doe-Run-Brandenburg, Ky. and Laconia, In., column (e):
Of total amount, $54,220.96 is gas and $75,933.78 is electricity.

Doe-Run-Brandenburg, Ky. and Laconia, In., column (j):
Station Peak not applicable for field compressors.

Muldraugh-Muldraugh, Ky., column(j):
Station Peak not applicable for field compressors.

## Gas Storage Projects (Ref Page: 512)

| | Gas Belonging to Respondent MCF (b) | Gas Belonging to Others MCF (c) | Total MCF (d) |
|---|---|---|---|
| Storage Operations (in MCF) | | | |
| Gas Delivered to Storage | | | |
| January | 0 | 0 | 0 |
| February | 35,409 | 0 | 35,409 |
| March | 0 | 0 | 0 |
| April | 0 | 0 | 0 |
| May | 0 | 0 | 0 |
| June | 1,391,039 | 0 | 1,391,039 |
| July | 2,724,984 | 0 | 2,724,984 |
| August | 2,796,242 | 0 | 2,796,242 |
| September | 2,712,620 | 0 | 2,712,620 |
| October | 2,200,618 | 0 | 2,200,618 |
| November | 274,082 | 0 | 274,082 |
| December | 73,980 | 0 | 73,980 |
| Total | 12,208,974 | 0 | 12,208,974 |
| Gas Withdrawn from Storage | | | |
| January | 3,142,669 | 0 | 3,142,669 |
| February | 2,034,315 | 0 | 2,034,315 |
| March | 2,797,470 | 0 | 2,797,470 |
| April | 1,028,580 | 0 | 1,028,580 |
| May | 236,552 | 0 | 236,552 |
| June | 1,192 | 0 | 1,192 |
| July | 5,773 | 0 | 5,773 |
| August | 3,164 | 0 | 3,164 |
| September | 4,337 | 0 | 4,337 |
| October | 2,348 | 0 | 2,348 |
| November | 216,008 | 0 | 216,008 |
| December | 2,092,872 | 0 | 2,092,872 |
| Total | 11,565,280 | 0 | 11,565,280 |

## Gas Storage Projects (cont) (Ref Page: 513)

| | Total Amount (b) | Date |
|---|---|---|
| Storage Operations | | |
| Top or Working Gas End of Year | 12,060,303 | |
| Cushion Gas (Including native gas) | 10,810,000 | |
| Total Gas in Reservoir | 22,870,303 | |
| Certified Storage Capacity | 25,900,000 | |
| Number of Injection - Withdrawal Wells | 301 | |
| Number of Obsevation Wells | 106 | |
| Maximum Days Withdrawal from Storage | 173,010 | |
| Date of Maximum Days Withdrawal | | 1/6/2017 |
| LNG Terminal Companies (MCF) | 0 | |
| Number of Tanks | 0 | |
| Capacity of Tanks | 0 | |
| LNG Volume | 0 | |
| Received at Ship Rail | 0 | |
| Transferred to Tanks | 0 | |
| Withdrawn from Tanks | 0 | |
| Boil Off Vaporization Loss | 0 | |

Note:
Cushion gas includes non-current base gas of 2,930,000 Mcf (Account 117).

## Transmission Lines (Ref Page: 514)

| Designation of Line or Group of Lines (a) | * (b) | Total Miles of Pipe (c) |
|---|---|---|
| Western Kentucky Line | | 49 |
| Magnolia Line | | 130 |
| Calvary Line | | 54 |
| Elder Park Line | | 27 |
| Total | | 260 |

## Transmission System Peak Deliveries (Ref Page: 518)

| | Description | MCF Gas to Interstate Pipelines (b) | MCF Gas to Others (c) | Total (d) |
|---|---|---|---|---|
| Section A: Single Day Peak Deliveries | | | | |
| Date | January 1, 2018 | | | |
| Volumes of Gas Transported | | | | |
| No-Notice Transportation | | 0 | 120,000 | 120,000 |
| Other Firm Transportation | | 0 | 104,000 | 104,000 |
| Interruptible Transportation | | 0 | 0 | 0 |
| Other (Describe) | | | | |
| | End-Use Transportation | 0 | 77,000 | 77,000 |
| Total | | 0 | 301,000 | 301,000 |
| Volumes of gas Withdrawn form Storage under Storage Contracts | | | | |
| No-Notice Storage | | 0 | 8,000 | 8,000 |
| Other Firm Storage | | | | |
| Interruptible Storage | | | | |
| Other (Describe) | | | | |
| | | | | |
| Total | | 0 | 8,000 | 8,000 |
| Other Operational Activities | | | | |
| Gas Withdrawn from Storage for System Operations | | 0 | 157,000 | 157,000 |
| Reduction in Line Pack | | | | |
| Other (Describe) | | | | |
| | | | | |
| Total | | 0 | 157,000 | 157,000 |
| Section B: Consecutive Three-Day Peak Deliveries | | | | |
| Dates: | January 4, 5, 6, 2018 | | | |
| Volumes of Gas Transported | | | | |
| No-Notice Transportation | | 0 | 341,000 | 341,000 |
| Other Firm Transportation | | 0 | 172,000 | 172,000 |
| Interruptible Transportation | | | | |
| Other (Describe) | | | | |
| | End-Use Transportation | 0 | 220,000 | 220,000 |

## 22200500 Louisville Gas and Electric Company 01/01/2017 - 12/31/2017

### Transmission System Peak Deliveries (Ref Page: 518)

| Description | MCF Gas to Interstate Pipelines (b) | MCF Gas to Others (c) | Total (d) |
|---|---|---|---|
| Total | 0 | 733,000 | 733,000 |
| Volumes of Gas Withdrawn from Storage under Storage Contacts | | | |
| No-Notice Storage | 0 | 95,000 | 95,000 |
| Other Firm Storage | | | |
| Interruptible Storage | | | |
| Other (Describe) | | | |
| | | | |
| Total | 0 | 95,000 | 95,000 |
| Other Operational Activities | | | |
| Gas Withdrawn from Storage for System Operations | 0 | 497,000 | 497,000 |
| Reduction in Line Pack | | | |
| Other (Describe) | | | |
| | | | |
| Total | 0 | 497,000 | 497,000 |

## Auxiliary Peaking Facilities (Ref Page: 519)

| Location (a) | Type (b) | Max Daily Delivery Capacity MCF (c) | Cost of Facility (d) | Operated on Date Highest Trans Peak Del? (yes/no) |
|---|---|---|---|---|
| Muldraugh - Meade County, KY | Underground Storage | 183,425 | $51,098,680.00 | Yes |
| Doe Run - Meade Co., KY and Harrison Co., IN | Underground Storage | 59,541 | $25,670,271.00 | Yes |
| Magnolia - Green, Hart and Larue Counties, KY | Underground Storage | 67,940 | $57,843,446.00 | Yes |
| Center - Metcalfe, Green and Barren Counties, KY | Underground Storage | 22,857 | $28,299,402.00 | Yes |
| Canmer - Hart and Green Counties, KY | | 0 | $430,631.00 | No |
| Flint Hill - Hardin County, KY | | 0 | $11,058.00 | No |
| Total | | 313,797 | $163,353,488.00 | |

Note:
Gas fields at Canmer and Flint Hill have been retired. These facilities are currently used in other gas-system operations.

## Gas Account - Natural Gas (Ref Page: 520)

| Description | | Amt MCF |
|---|---|---|
| GAS RECEIVED | | |
| Gas Purchases (800-805) | | 30,627,656 |
| Gas of Others received for Gathering (ref pg 303) (489.1) | | 0 |
| Gas of Others Received for Transmission (Ref pg 305) (489.2) | | 0 |
| Gas of Others Received for Distrubution (ref pg 301) (489.3) | | 12,681,828 |
| Gas of Others Received for Contract Storage (Ref Pg 307) (489.4) | | 0 |
| Exchanged Gas Received from Others (Ref Pg 328) (806) | | 2,990,708 |
| Gas Received as Imbalances (Ref Pg 328) (806) | | 0 |
| Receipts of Respondent`s Gas Transported by Others (Ref pg 332) (858) | | 0 |
| Other Gas Withdrawn from Storage (Explain) | | 11,565,280 |
| Gas Received from Shippers as Compressor Station Fuel | | 0 |
| Gas Received from Shippers as Lost and Unaccounted for | | 0 |
| Other Reciepts (Specify) | | |
| | | |
| Total Receipts | | 57,865,472 |
| GAS DELIVERED | | |
| Gas Sales (480-484) | | 28,195,313 |
| Deliveries of gas Gathered for Others (Ref pg 303) (489.1) | | 0 |
| Deliveries of Gas Transported for Others (Ref Pg 305) (489.2) | | 0 |
| Deliveries of Gas Distributed for Others (Ref Pg 301) (489.3) | | 12,996,437 |
| Deliveries of Contract Storage gas (Ref Pg 307) (489.4) | | 0 |
| Exchange Gas Delivered to Others (Ref Pg 328) (806) | | 3,234,634 |
| Gas Delivered as Imbalances (Ref Pg 328) (806) | | 0 |
| Deliveries of Gas to Others for Transportation (Ref Pg 332) (858) | | 0 |
| Other Gas Delivered to Storage (Explain) | | 12,208,974 |
| Gas Used for Compressor Station Fuel (509) | | 134,479 |
| Other Deliveries (Specify) | | |
| | Duplicate Charges (Gas Department) | 148,085 |
| | Gas Used for Other Utility Operations | 22,374 |
| | Lost and Unaccounted from Gas Transports | 15,632 |

## Gas Account - Natural Gas (Ref Page: 520)

| Description | Amt MCF |
|---|---|
| 28. Total Deliveries | 56,955,928 |
| GAS UNACCOUNTED FOR | |
| Production System Losses | 0 |
| Gathering System Losses | 0 |
| Transmission System Losses | 0 |
| Distribution System Losses | 0 |
| Storage System Losses | 830,616 |
| Other Losses (Specify) | |
| Sales and Transports | 909,544 |
| 36. Total Unaccounted For | 1,740,160 |
| Total Deliveries and Unaccounted For For (Line 28 and 36) | 58,696,088 |

Note:
Gas purchases include volumes recorded in Natural Gas Transmission Line Purchases (803).

Transportation gas is reported on the following lines:
Gas of Others Received for Distribution – 12,681,828 Mcf
Deliveries of Gas Distributed for Others – 12,996,437 Mcf

Other Gas Withdrawn from Storage represents net withdrawal of gas from storage recorded in Gas Withdrawn from Storage--Debit (808.1).

Other Gas Delivered to Storage represents net deliveries of gas to storage recorded in Gas Delivered to Storage--Credit (808.2).

**CheckList**

| Item | Value 1 | Value 2 | Agree | Explain |
|---|---|---|---|---|
| Balance Sheet (Ref pg 110) | | | | |
| Utility Plant agrees with Sched Summary of Utility Plant (Ref pg 200) Line 13. Total Utility Plant less Line 11. Construction Work In Progress | 6848417484.00 | 6848417484.00 | OK | |
| Line 3. Construction Work In Progress agrees with Sched Summary of Utility Plant (Ref pg 200) Line 11. Construction Work In Progress | 304939291.00 | 304939291.00 | OK | |
| Line 5. Accum. Prov for Depr and Amort Depl agrees with Sched Summary of Utility Plant (Ref Pg 200) Lines 14. Accum. Prov for Depr and Amort Depl | 2144465521.00 | 2144465521.00 | OK | |
| Line 5. Accum. Prov for Depr and Amort Depl agrees with Sched Summary of Utility Plant (Ref Pg 200) Lines 33. Total Accumulated Provisions | 2144465521.00 | 2144465521.00 | OK | |
| Line 6. Net Utility Plant agrees with Sched Summary of Utility Plant (Ref Pg 200) Lines 15. Net Utility Plant | 5008891254.00 | 5008891254.00 | OK | |
| Line 11. Utility Plant Adjustments are supported by Submitted Financial Statements as requested on Ref Pg 122 | | | | |
| Line 12. Gas Stored-Base Gas (117.1) agrees with Sched Gas Stored Accounts (Ref Pg 220) Line Balance at End of Year Column 117.1 (b) | 2139990.00 | 2139990.00 | OK | |
| Line 14. Gas Stored Underground - Non Current (117.3) agrees with Sched Gas Stored Accounts (Ref Pg 220) Line Balance at End of Year Column 117.4 (d) | 0 | 0.0000 | OK | |
| Line 15. Gas Owned to System Gas (117.4) agrees with Sched Gas Stored Accounts (Ref Pg 220) Line Balance at End of Year Column 117.4 (e) | 0 | 0.0000 | OK | |
| Line 17. Investments in Subsidiary Companies agrees with Sched Investments in Subsidiary Companies 123.1 (Ref Pg 224) Line Total Column Amt of Investment (g) | 594286.00 | 594286.00 | OK | |
| Line 47. Gas Stored Underground - Current (164.1) agrees with Sched Gas Stored Accounts (Ref Pg 220) Col 164.1 (f) | 42560968.00 | 42560968.00 | OK | |

**CheckList**

| Item | Value 1 | Value 2 | Agree | Explain |
|---|---|---|---|---|
| Line 48. Liquefied Nat Gas Stored and Held (164.3) agrees with Sched Gas Stored Accounts (Ref Pg 220) Sum of Cols 164.2 and 164.3 | 0 | 0.0000 | OK | |
| Line 49. Prepayments agrees with Sched Prepayments (Ref Pg 230) | 14947784.00 | 14947784.00 | OK | |
| Line 58. Extraordinary Property Losses agrees with Sched Extraordinary Property Losses (Ref Pg 230) | 0 | 0 | OK | |
| Line 59 Unrecovered Plant and Regulatory Study Costs agrees with Sched Unrecovered Plant and Regulatory Study Costs (Ref Pg 230) | 0 | 0 | OK | |
| Line 65 Miscellaneous Deferred Debits agrees with Sched Miscellaneous Deferred Debits (Ref Pg 233) | 4854383.00 | 4854383.00 | OK | |
| Line 69 Accumulated Deferred Income Taxes agrees with Sched Accumulated Deferred Income Taxes (Ref Pg 234) Total Acct 190 | 319875911.00 | 319875911.00 | OK | |
| Comparative Balance Sheet (Liabilities and Other Credits) (Ref Pg 112) | | | | |
| Line 2. Common Stock Issued agrees with Sched Capital Stock (Ref Pg 250) Line Total Common Stock Col (f) | 425170424.00 | 425170424.00 | OK | |
| Line 3. Preferred Stock Issued agrees with Sched Capital Stock (Ref Pg 250) Line Total Preferred Stock Col (f) | 0 | 0.0000 | OK | |
| Line 4. Capital Stock Subscribed agrees with Sched Capital Stock Subscribed, Liability for Conversion Premium and Installments Received (Ref Pg 252) Line Total Capital Stock Subscribed Col (d) | 0 | 0.0000 | OK | |
| Line 5. Stock Liability for Conversion agrees with Sched Capital Stock Subscribed, Liability for Conversion Premium and Installments Received (Ref Pg 252) Line Total Stock Liability for Conversion | 0 | 0.0000 | OK | |
| Line 6. Premium on Capital Stock agrees with Sched Capital Stock Subscribed, Liability for Conversion Premium and Installments Received (Ref Pg 252) Line Total Premium on Capital Stock | 0 | 0.0000 | OK | |

**CheckList**

| Item | Value 1 | Value 2 | Agree | Explain |
|---|---|---|---|---|
| Line 7. Other Paid-in Capital Stock agrees with Sched Other Paid in Capital(Ref Pg 253) Line Total | 518081499.00 | 518081499.00 | OK | |
| Line 8 . Installmnts Recvd Capital Stk agrees with Sched Capital Stock Subscribed, Liability for Conversion Premium and Installments Received (Ref Pg 252) Line Tot Inst. Recvd on Capital Stock | 0 | 0.0000 | OK | |
| Line 9. Discount on Capital Stock agrees with Sched Discount on Capital Stock Acct 213 (Ref Pg 254) Line Total | 0 | 0 | OK | |
| Line 10. Capital Stock Expense agrees with Sched Capital Stock Expense Acct 214 (Ref Pg 254) Line Total | 835889.00 | 835889.00 | OK | |
| Line 11 Retained Earnings agrees with Statement of Retained Earnings for the Year (Ref Pg 118) Line 19. Total Retained Earnings | 1196179717.00 | 1196179717.00 | OK | |
| Line 12. Unappropriated Undistributed Subsidiary Earnings agrees with Statement of Retained Earnings for the Year (Ref Pg 118) Line 24. Balance End of Year | 0 | 0 | OK | |
| Line 13. Reacquired Capital Stock agrees with Capital Stock (Ref Pg 250) Line Total col Acct 217 (h) | 0 | 0.0000 | OK | |
| Line 39. Taxes Accrued agrees with Sched Taxes Accrued, Prepaid and Charged (Ref Pg 263) Line Total Col Acct 236 (g) | 24804245.00 | 24804245.00 | OK | |
| Line 45. Misc Current and Accrued Liabilities agrees with Sched Misc Current and Accured Liabilities (Ref Pg 268) Line Total | 20057489.00 | 20057489.00 | OK | |
| Line 52. Other Deferred Credits agrees with Sched Other Deferred Credits (Ref Pg 269) Line Total | 2097058.00 | 2097058.00 | OK | |
| Income Statement (Ref Pg 114) | | | | |
| Line 2. Gas Operating Revenues agrees with Sched Gas Operating Revenues (Ref Pg 300) Line Total Col (h) | 311929142.00 | 311929142.00 | OK | |

**CheckList**

| Item | Value 1 | Value 2 | Agree | Explain |
|---|---|---|---|---|
| Sum of Lines 4 and 5 Operation and Maint Expenses agrees with Sched Gas Operation and Maintenance (Ref Pg 335) Line Total Gas O and M Expenses | 192550017.00 | 192550017.00 | OK | |
| Line 6. Depreciation Exp (403) agrees with Sched Depreciation, Depletion and Amort (Ref Pg 336) Line Total Col Depreciation (b) | 31701030.00 | 31701030.00 | OK | |
| Line 7. Amort and Depl (404-405) agrees with Sched Depreciation, Depletion and Amort (Ref Pg 336) Line Total Sum of Cols (c-f) | 4593802.00 | 4593802.0000 | OK | |
| Sum of Lines 13,14 and 15. Taxes (408.1-409.1) agrees with Sched Taxes Accr, Prepd and Charged (Ref Pg 262) Line Total Col (j) | 12263609.00 | 12263609.00 | OK | |
| Line 16. Provision for Deferred Income Taxes (410.1) agrees with SUM OF Acct 190 (Ref Pg 234) Col c , Acct 282 (Ref Pg 274) Col c and Acct 282 (Ref Pg 276) Col c | 315733919.00 | 315733919.00 | OK | |
| Line 17. (Less) Provision for Deferred Income Taxes (411.1) agrees with SUM OF Acct 190 (Ref Pg 234) Col d , Acct 282 (Ref Pg 274) Col d and Acct 282 (Ref Pg 276) Col d | 187931891.00 | 187931891.00 | OK | |
| Income Statement (Ref Pg 116) | | | | |
| Sum of Lines 48,49 and 50 agrees with Sched Taxes Accr, Prepd and Charged (Ref Pg 262) Line Total Taxes Other Than Income Col (l) | -1204891.00 | -1204891.00 | OK | |
| Line 49. Provision for Deferred Inc. Taxes agrees with Sched Accumulated Deferred Income Taxes (Ref Pg 234) Line Total Acct 190 Col 410.2 (e) | 39041.00 | 39041.00 | OK | |
| Line 52. (Less) Provision for Deferred Inc. Taxes CR agrees with Sched Accumulated Deferred Income Taxes (Ref Pg 234) Line Total Acct 190 Col 411.2 (f) | 4853.00 | 4853.00 | OK | |
| Line 70. Income Taxes - Federal and Other agrees with Sched Taxes Accr, Prepd and Charged (Ref Pg 262) Col 409.3 (m) Sum of Lines Total Income Taxes Federal and Other | 0 | 0.0000 | OK | |

**CheckList**

| Item | Value 1 | Value 2 | Agree | Explain |
|---|---|---|---|---|
| Summary of Utility Plant and Accumulated Provisions for Depreciation Amortization and Depletion (Ref Pg 200) | | | | |
| Line 8. Total Utility Plant agrees with Sched Gas Plant in Service (Ref Pg 206) Line Total Gas Plant in Service Col (g) | 1179218200.00 | 1179218200.00 | OK | |
| Line 10. Held for Future Use agrees with Sched Gas Plant Held for Future Use (Ref Pg 214) Line Total | 0.0000 | 0 | OK | |
| Line 11. Construction Work in Progress agrees with Sched Construction Work in Progress (Ref Pg 216) Line Total | 20256464.00 | 20256464.00 | OK | |
| Line 18. Depreciation agrees with Sched Accumulated Provision for Depreciation of Gas Utility Plant (Ref Pg 219) Line Balance at End of Year | 324732061.00 | 324732061.00 | OK | |
| Statement of Retained Earnings for the Year (Ref Pg 118) | | | | |
| Line 10 Total Dividends Declared - Preferred Stock agrees with Statement of Cash Flows (Ref Pg 120) Line 68. Dividends on Preferred Stock | 0 | 0 | OK | |
| Line 11. Total Dividends Declared - Common Stock agrees with Statement of Cash Flows (Ref Pg 120) Line 69. Dividends on Common Stock | -192000000.00 | -192000000.00 | OK | |
| Miscellaneous General Expenses (Ref Pg 335) | | | | |
| Line Total agrees with Sched Gas Operation and Maintenance (Ref Pg 323) Line Miscellaneous General Expenses | 471804.00 | 471804.00 | OK | |

## Upload supporting documents

| Document | Description | Supports |
| --- | --- | --- |

**OATH**

Commonwealth of Kentucky )
) ss:
County of Jefferson )

Kent W. Blake makes oath and says
(Name of Officer)

that he/she is Chief Financial Officer of
(Official title of officer)

Louisville Gas and Electric Company
(Exact legal title or name of respondent)

that it is his/her duty to have supervision over the books of account of the respondent and to control the manner in which such books are kept; that he/she knows that such books have, during the period covered by the foregoing report, been kept in good faith in accordance with the accounting and other orders of the Public Service Commission of Kentucky, effective during the said period; that he/she has carefully examined the said report and to have the best of his/her knowledge and belief the entries contained in the said report have, so far as they relate to matters of account, been accurately taken from the said books of account and are in exact accordance therewith; that he/she believes that all other statements of fact contained in the said report are true; and that the said report is a correct and complete statement of the business and affairs of the above-named respondent during the period of time from and including

January 1, 20 17, to and including December 31, 20 17

K W Blake
(Signature of Officer)

subscribed and sworn to before me, a Notary Public, in and for the State and County named in the above this 27th day of March, 20 18

(Apply Seal Here)

My Commission expires August 31, 2019

Rhonda Q. Anderson
(Signature of officer authorized to administer oath)

**[Persons making willful false statements in this report may be punished by fine or imprisonment under KRS 523.040 and 523.100.]**

**Louisville Gas and Electric Company**
**Case No. 2018-00295**
**Forecasted Test Period Filing Requirements**
**(Forecasted Test Period 12ME 4/30/20; Base Period 12ME 12/31/18)**

**Filing Requirement**
**807 KAR 5:001 Section 16(7)(l)**
**Sponsoring Witness: Christopher M. Garrett**

**Description of Filing Requirement:**

*The annual report to shareholders or members and the statistical supplements covering the most recent two (2) years from the application filing date.*

**Response:**

There are no annual reports to LG&E's shareholders during the period referenced. LG&E does not publish a statistical supplement.

Federal securities rules generally require the delivery of annual reports to public shareholders when requesting their vote via certain proxy solicitations. During the period in question, the common stock of LG&E has been wholly-owned by LG&E and KU Energy LLC, which is a wholly-owned subsidiary of PPL Corporation.

Copies of the audited annual financial statements and other financial information of LG&E relating to the period described are provided in Filing Requirement 807 KAR 5:001 Section 16(7)(p) [Tab No. 46].

**Louisville Gas and Electric Company**
**Case No. 2018-00295**
**Forecasted Test Period Filing Requirements**
**(Forecasted Test Period 12ME 4/30/20; Base Period 12ME 12/31/18)**

**Filing Requirement**
**807 KAR 5:001 Section 16(7)(m)**
**Sponsoring Witness: Christopher M. Garrett**

## Description of Filing Requirement:

*The current chart of accounts if more detailed than the Uniform System of Accounts chart prescribed by the commission.*

## Response:

See attached.

## Oracle Account Setup Details

| Account Number | Account Description |
|---|---|
| 101102 | PLANT IN SERVICE - ELECTRIC FRANCHISES AND CONSENTS |
| 101103 | PLANT IN SERVICE - MISC. INTANGIBLE PLANT |
| 101104 | PLANT IN SERVICE - ELECTRIC LAND |
| 101105 | PLANT IN SERVICE - ELECTRIC STRUCTURES |
| 101106 | PLANT IN SERVICE - ELECTRIC EQUIPMENT |
| 101107 | PLANT IN SERVICE - ELECTRIC ARO ASSET RETIREMENT COST-EQUIPMENT |
| 101108 | PLANT IN SERVICE - ELECTRIC HYDRO EQUIPMENT |
| 101109 | PLANT IN SERVICE - ELECTRIC DISTRIBUTION EQUIPMENT |
| 101110 | PLANT IN SERVICE - LEASED PROPERTY |
| 101111 | PLANT IN SERVICE - ELECTRIC GENERAL EQUIPMENT |
| 101112 | PLANT IN SERVICE - ELECTRIC COMMUNICATION EQUIPMENT |
| 101113 | PLANT IN SERVICE - ELECTRIC LAND RIGHTS |
| 101125 | PLANT IN SERVICE - ELECTRIC ARO ASSET RETIREMENT COST-LAND/BUILDING |
| 101126 | PLANT IN SERVICE - ELECTRIC ARO ASSET RETIREMENT COST-CCR |
| 101130 | PROPERTY UNDER OPERATING LEASES |
| 101131 | PROPERTY UNDER FINANCING LEASES |
| 101202 | PLANT IN SERVICE - GAS FRANCHISES AND CONSENTS |
| 101203 | PLANT IN SERVICE - GAS MISC. INTANGIBLE PLANT |
| 101204 | PLANT IN SERVICE - GAS LAND |
| 101205 | PLANT IN SERVICE - GAS STRUCTURES |
| 101206 | PLANT IN SERVICE - GAS UNDERGROUND AND TRANSMISSION EQUIPMENT |
| 101207 | PLANT IN SERVICE - GAS ARO ASSET RETIREMENT COST-EQUIPMENT |
| 101208 | PLANT IN SERVICE - GAS TRANSPORTATION EQUIPMENT |
| 101209 | PLANT IN SERVICE - GAS DISTRIBUTION EQUIPMENT |
| 101211 | PLANT IN SERVICE - GAS GENERAL EQUIPMENT |
| 101213 | PLANT IN SERVICE - GAS LAND RIGHTS |
| 101225 | PLANT IN SERVICE - GAS ARO ASSET RETIREMENT COST-LAND/BUILDING |
| 101301 | PLANT IN SERVICE - COMMON ORGANIZATION |
| 101302 | PLANT IN SERVICE - COMMON FRANCHISES AND CONSENTS |
| 101303 | PLANT IN SERVICE - COMMON MISC. INTANGIBLE PLANT |
| 101304 | PLANT IN SERVICE - COMMON LAND |
| 101305 | PLANT IN SERVICE - COMMON STRUCTURES |
| 101311 | PLANT IN SERVICE - COMMON GENERAL EQUIPMENT |
| 101312 | PLANT IN SERVICE - COMMON COMMUNICATION EQUIPMENT |
| 101313 | PLANT IN SERVICE - COMMON LAND RIGHTS |
| 101315 | PLANT IN SERVICE - COMMON GENERAL EQUIPMENT |
| 101700 | PLANT IN SERVICE - CONTRA ASSET - PENSION |
| 101701 | PLANT IN SERVICE - CONTRA ASSET - OPEB |
| 102001 | ELECTRIC PLANT-PURCHASED OR SOLD |
| 105001 | PLT HELD FOR FUT USE |
| 105002 | PLANT HELD FOR FUTURE USE - LAND RIGHTS |
| 106103 | COMPL CONST NOT CL - MISC. INTANGIBLE PLANT |
| 106104 | COMPL CONST NOT CL - ELECTRIC LAND |
| 106105 | COMPL CONST NOT CL - ELECTRIC STRUCTURES |
| 106106 | COMPL CONST NOT CL - ELECTRIC EQUIPMENT |
| 106108 | COMPL CONST NOT CL - ELECTRIC HYDRO EQUIPMENT |
| 106109 | COMPL CONST NOT CL - ELECTRIC DISTRIBUTION EQUIPMENT |
| 106111 | COMPL CONST NOT CL - ELECTRIC GENERAL EQUIPMENT |
| 106112 | COMPL CONST NOT CL - ELECTRIC COMMUNICATION EQUIPMENT |
| 106113 | COMPL CONST NON CL-ELECTRIC LAND RIGHTS |
| 106203 | COMPL CONST NOT CL - GAS MISC. INTANGIBLE PLANT |
| 106205 | COMPL CONST NOT CL - GAS STRUCTURES |
| 106206 | COMPL CONST NOT CL - GAS UGD AND TRANSMISSION EQUIP |
| 106208 | COMPL CONST NOT CL - GAS TRANSPORTATION EQUIPMENT |
| 106209 | COMPL CONST NOT CL - GAS DISTRIBUTION EQUIPMENT |
| 106211 | COMPL CONST NOT CL - GAS GENERAL EQUIPMENT |
| 106213 | COMPL CONST NON CL-GAS LAND RIGHTS |
| 106303 | COMPL CONST NOT CL - COMMON MISC. INTANGIBLE PLANT |
| 106305 | COMPL CONST NOT CL - COMMON STRUCTURES |
| 106311 | COMPL CONST NOT CL - COMMON GENERAL EQUIPMENT |
| 106312 | COMPL CONST NOT CL - COMMON COMMUNICATION EQUIPMENT |
| 106313 | COMPL CONST NON CL-COMMON LAND RIGHTS |
| 106315 | COMPL CONST NOT CL - COMMON GENERAL EQUIPMENT |
| 107001 | CONSTR WORK IN PROG |
| 107700 | CONSTR WORK IN PROG - CONTRA ASSET - PENSION |
| 107701 | CONSTR WORK IN PROG - CONTRA ASSET - OPEB |
| 108104 | ACCUM. DEPR. - ELECTRIC LAND RIGHTS |
| 108105 | ACCUM. DEPR. - ELECTRIC STRUCTURES |

**Oracle Account Setup Details**

| Account Number | Account Description |
|---|---|
| 108106 | ACCUM. DEPR. - ELECTRIC EQUIPMENT |
| 108107 | ACCUM. DEPR. - ELECTRIC ARO ASSET RETIREMENT COST-EQUIPMENT |
| 108108 | ACCUM. DEPR. - ELECTRIC HYDRO EQUIPMENT |
| 108109 | ACCUM. DEPR. - ELECTRIC DISTRIBUTION EQUIPMENT |
| 108110 | ACCUM. DEPR. - LEASED PROPERTY |
| 108111 | ACCUM. DEPR. - ELECTRIC GENERAL EQUIPMENT |
| 108112 | ACCUM. DEPR. - ELECTRIC COMMUNICATION EQUIP. |
| 108113 | ACCUM. DEPR. - ELECTRIC TRANSPORTATION EQUIP. |
| 108114 | ACCUM. DEPR. - COR - ELECTRIC LAND RIGHTS |
| 108115 | ACCUM. DEPR. - COR - ELECTRIC STRUCTURES |
| 108116 | ACCUM. DEPR. - COR - ELECTRIC EQUIPMENT |
| 108118 | ACCUM. DEPR. - COR - ELECTRIC HYDRO EQUIPMENT |
| 108119 | ACCUM. DEPR. - COR - ELECTRIC DISTRIBUTION |
| 108120 | ACCUM. DEPR. - COR - ELECTRIC GENERAL PROPERTY |
| 108121 | ACCUM. DEPR. - COR - ELECTRIC COMMUNICATION EQUIP. |
| 108122 | ACCUM. DEPR. - COR - LEASED PROPERTY |
| 108125 | ACCUM. DEPR. - ELECTRIC ARO ASSET RETIREMENT COST-LAND/BUILDING |
| 108126 | ACCUM. DEPR. - ELECTRIC ARO ASSET RETIREMENT COST-CCR |
| 108204 | ACCUM. DEPR. - GAS LAND RIGHTS |
| 108205 | ACCUM. DEPR. - GAS STRUCTURES |
| 108206 | ACCUM. DEPR. - GAS UNDERGROUND & TRANSMISSION EQUIPMENT |
| 108207 | ACCUM. DEPR. - GAS ARO ASSET RETIREMENT COST-EQUIPMENT |
| 108209 | ACCUM. DEPR. - GAS DISTRIBUTION EQUIPMENT |
| 108211 | ACCUM. DEPR. - GAS GENERAL EQUIP. |
| 108213 | ACCUM. DEPR. - GAS TRANSPORTATION EQUIP. |
| 108215 | ACCUM. DEPR. - COR - GAS STRUCTURES |
| 108216 | ACCUM. DEPR. - COR - GAS UNDERGROUND & TRANSMISSION EQUIP. |
| 108219 | ACCUM. DEPR. - COR - GAS DISTRIBUTION EQUIPMENT |
| 108220 | ACCUM. DEPR. - COR - GAS GENERAL EQUIP. |
| 108225 | ACCUM. DEPR. - GAS ARO ASSET RETIREMENT COST-LAND/BUILDING |
| 108304 | ACCUM. DEPR. - COMMON LAND RIGHTS |
| 108305 | ACCUM. DEPR. - COMMON STRUCTURES |
| 108311 | ACCUM. DEPR. - COMMON GENERAL EQUIPMENT |
| 108312 | ACCUM. DEPR. - COMMON COMMUNICATION EQUIPMENT |
| 108313 | ACCUM. DEPR. - COMMON TRANSPORTATION EQUIP. |
| 108314 | ACCUM. DEPR. - COMMON GENERAL EQUIPMENT - NONUTILITY |
| 108315 | ACCUM. DEPR. - COR - COMMON STRUCTURES |
| 108321 | ACCUM. DEPR. - COR - COMMON EQUIPMENT |
| 108414 | ACCUM. DEPR. - SALVAGE - ELECTRIC LAND RIGHTS |
| 108415 | ACCUM. DEPR. - SALVAGE - ELECTRIC STRUCTURES |
| 108416 | ACCUM. DEPR. - SALVAGE - ELECTRIC EQUIPMENT |
| 108418 | ACCUM. DEPR. - SALVAGE - ELECTRIC HYDRO EQUIPMENT |
| 108419 | ACCUM. DEPR. - SALVAGE - ELECTRIC DISTRIBUTION |
| 108420 | ACCUM. DEPR. - SALVAGE - ELECTRIC GENERAL PROPERTY |
| 108421 | ACCUM. DEPR. - SALVAGE - ELECTRIC COMMUNICATION EQUIP. |
| 108515 | ACCUM. DEPR. - SALVAGE - GAS STRUCTURES |
| 108516 | ACCUM. DEPR. - SALVAGE - GAS UNDERGROUND & TRANSMISSION EQUIP. |
| 108519 | ACCUM. DEPR. - SALVAGE - GAS DISTRIBUTION EQUIPMENT |
| 108520 | ACCUM. DEPR. - SALVAGE - GAS GENERAL EQUIP. |
| 108621 | ACCUM. DEPR. - SALVAGE - COMMON EQUIPMENT |
| 108622 | ACCUM. DEPR. - SALVAGE - COMMON COMMUNICATION EQUIPMENT |
| 108700 | ACCUM DEPR - CONTRA ASSET - PENSION |
| 108701 | ACCUM DEPR - CONTRA ASSET - OPEB |
| 108799 | RWIP-ARO LEGAL |
| 108899 | RWIP-ARO-ECR CLEARING |
| 108901 | RETIREMENT - RWIP |
| 111102 | AMORTIZATION EXPENSE - ELECTRIC FRANCHISES AND CONSENTS |
| 111103 | AMORTIZATION EXPENSE - ELECTRIC INTANGIBLES |
| 111104 | ACCUM DEPR PROPERTY UNDER OPERATING LEASES |
| 111105 | ACCUM DEPR PROPERTY UNDER FINANCING LEASES |
| 111202 | AMORTIZATION EXPENSE - GAS FRANCHISES AND CONSENTS |
| 111203 | AMORTIZATON EXPENSE - GAS INTANGIBLES |
| 111302 | AMORTIZATION EXPENSE - COMMON FRANCHISES AND CONSENTS |
| 111303 | AMORTIZATION EXPENSE - COMMON INTANGIBLES |
| 117001 | GAS STORED-NONCUR |
| 117101 | GAS STORED - NONCURRENT RECOVERABLE BASE GAS |
| 121001 | NONUTIL PROP IN SERV |
| 121007 | PLANT IN SERVICE - ELECTRIC ARO ASSET RETIREMENT COST-EQUIPMENT |

Oracle Account Setup Details

| Account Number | Account Description |
|---|---|
| 121107 | FURNITURE & FIXTURES |
| 122001 | ACCUM DEPR/DEPL |
| 122007 | ACCUM. DEPR. - ELECTRIC ARO ASSET RETIRMENT COST-EQUIPMENT |
| 122207 | FURNITURE & FIXTURES - ACCUM DEPRECIATION |
| 123102 | INVESTMENT IN LGE PA ADJS |
| 123103 | INVEST IN LGE |
| 123104 | INVEST IN LGE CAPITAL |
| 123105 | INVESTMENT IN KU |
| 123108 | INVEST IN LEM |
| 123109 | INVEST IN SERVCO |
| 123116 | INVEST IN WKE |
| 123118 | INVEST IN FCD LLC |
| 123123 | INVESTMENT IN OVEC |
| 123124 | INVESTMENT IN DHA |
| 123125 | INVEST IN LGE CAPITAL PA ADJS |
| 123127 | INVEST IN SERVCO PA ADJS |
| 123128 | INVEST IN WKE PA ADJS |
| 123133 | INVEST IN DOWNTOWN COMMERICAL LOAD FUND |
| 123134 | INVESTMENT IN SUBS - CURRENT-YEAR EQUITY IN EARNINGS |
| 123175 | INVESTMENT IN KU PA ADJS |
| 123186 | NOTES RECEIVABLE FROM LG&E AND KU ENERGY LLC NON-CURRENT |
| 128023 | PREPAID PENSION |
| 128024 | PREPAID PENSION - LG&E UNION PLAN |
| 128026 | COLLATERAL DEPOSIT - IR SWAPS |
| 128027 | RESTRICTED CASH - NON-CURRENT |
| 128028 | PREPAID POSTRETIREMENT |
| 131024 | CASH- BNY MELLON BANK |
| 131033 | US BANK - LGE - LOUISVILLE |
| 131050 | SUNDRY CASH COLLECT |
| 131069 | CASH CLEARING - CCS |
| 131080 | LGE - BANK OF AMERICA - EBOX |
| 131090 | CASH-BOA A/P - CLEARING |
| 131091 | CASH-BOA PAYROLL |
| 131092 | CASH-BOA FUNDING |
| 131093 | UNION BANK - LGE - TRANSCENTRA |
| 131200 | UNION BANK - KU - TRANSCENTRA |
| 131204 | KU - BANK OF AMERICA - EBOX |
| 131227 | US BANK - MASTER ROLL UP ACCOUNT |
| 131235 | BANK OF AMERICA (BANK DRAFTS) - KU LOUISVILLE |
| 131236 | US BANK - BARLOW 134-1 |
| 131237 | US BANK - EARLINGTON 141-5 |
| 131238 | US BANK - EDDYVILLE 150-1 |
| 131239 | US BANK - GREENVILLE 161-2 |
| 131240 | US BANK - MORGANFIELD 171-1 |
| 131241 | US BANK - CAMPBELLSVILLE 222-2 |
| 131242 | US BANK - MOREHEAD 342-2 |
| 131243 | US BANK - PARIS 351-1 |
| 131244 | US BANK - LONDON 421-2 |
| 131245 | US BANK - MIDDLESBORO 431-1 |
| 131246 | US BANK - HARLAN 441-2 |
| 131247 | US BANK - SOMERSET 451-1 |
| 131248 | US BANK - NORTON 761-2 |
| 131249 | US BANK - PENNINGTON GAP 773-1 |
| 131250 | US BANK - DANVILLE 211-2 |
| 131251 | US BANK - RICHMOND 231-2 |
| 131252 | US BANK - E-TOWN 241-1 |
| 131253 | US BANK - SHELBYVILLE 251-2 |
| 131254 | US BANK - LEXINGTON 311-9 |
| 131255 | US BANK - GEORGETOWN 321-3 |
| 131256 | US BANK - VERSAILLES 331-3 |
| 131257 | US BANK - MT. STERLING 341-2 |
| 131258 | US BANK - MAYSVILLE 361-1 |
| 131259 | US BANK - CARROLLTON 371-2 |
| 131260 | US BANK - WINCHESTER 385-3 |
| 135001 | WORKING FUNDS |
| 136005 | TEMP INV-OTHER |
| 136015 | TEMPORARY INVESTMENT ACCOUNTS AT BANK OF AMERICA |
| 136018 | TEMP INV-FIDELITY INVESTMENTS-CASH UNRESTRICTED |

Oracle Account Setup Details

| Account Number | Account Description |
|---|---|
| 136020 | CLOSED 06/18 - TEMP INV-UBS-CASH UNRESTRICTED |
| 136028 | CLOSED 06/18 - TEMP INV-SUNTRUST |
| 141004 | NOTES RECEIVABLE - INDUSTRIAL AUTHORITY |
| 141005 | RESERVE FOR NOTES RECEIVABLE - INDUSTRIAL AUTHORITY |
| 142001 | CUST A/R-ACTIVE |
| 142002 | A/R - UNPOSTED CASH |
| 142003 | WHOLESALE SALES A/R |
| 142004 | TRANSMISSION RECEIVABLE |
| 142012 | ACCTS REC - MISC CUSTOMERS - SUNDRY |
| 142999 | CUST A/R KU SUSP CIS- ACCTG USE ONLY |
| 143001 | A/R-OFFICERS/EMPL |
| 143003 | ACCTS REC - IMEA |
| 143004 | ACCTS REC - IMPA |
| 143006 | ACCTS REC - BILLED PROJECTS |
| 143007 | ACCTS REC - NON PROJECT UTIL ACCT USE ONLY |
| 143011 | INSURANCE CLAIMS |
| 143012 | ACCTS REC - MISCELLANEOUS |
| 143017 | ACCTS REC - DAMAGE CLAIMS (DTS) |
| 143024 | A/R MUTUAL AID |
| 143027 | CLOSED 06/18 - INCOME TAX RECEIVABLE - FEDERAL |
| 143028 | INCOME TAX RECEIVABLE - STATE |
| 143030 | EMPLOYEE PAYROLL ADVANCES |
| 143032 | ACCTS REC - TAX REFUNDS |
| 143036 | SUSPENSE - PPL |
| 143037 | STATE INCOME TAX RECEIVABLE |
| 143038 | ACCTS REC - MISC PAYROLL |
| 143040 | ACCTS REC - WKE UNWIND - DISPATCH, IT ADHOC, & CENTURY |
| 143041 | COBRA/LTD BENEFITS - RECEIVABLE |
| 143042 | AR REFINED COAL |
| 143043 | ACCTS REC - REVENUE FROM CONTRACTS |
| 143052 | ACCOUNTS RECEIVABLE - IMEA/IMPA OFFSET |
| 143053 | LIQUIDATED DAMAGES/WARRANTY CLAIMS RECEIVABLE |
| 144001 | UNCOLL ACCT-CR-UTIL |
| 144002 | UNCOLL ACCT-DR-C/OFF |
| 144003 | UNCOLL ACCT-CR-RECOV |
| 144004 | UNCOLL ACCT-CR-OTHER |
| 144006 | UNCOLL ACCT-A/R MISC |
| 144011 | UNCOLL MISC A/R PROVISION |
| 144014 | UNCOLL A/R - WKE RESERVES |
| 144015 | UNCOLL A/R - LIQUIDATED DAMAGES |
| 145011 | N/R FROM LG&E - MONEY POOL |
| 145012 | N/R FROM KU - MONEY POOL |
| 145013 | N/R FROM LCC - MONEY POOL |
| 145015 | CLOSED 06/18 - N/R FROM LEM - MONEY POOL |
| 145020 | CLOSED 01/18 - NOTES RECEIVABLE FROM LKE - CURRENT |
| 145021 | CLOSED 06/18 - NOTES RECEIVABLE - PPL ENERGY FUNDING - CURRENT |
| 145022 | N/R FROM FCD - MONEY POOL |
| 145023 | N/R FROM WKE - MONEY POOL |
| 145025 | CLOSED 01/18 - NOTES RECEIVABLE FROM LG&E AND KU ENERGY LLC NON-CURRENT |
| 145100 | N/R FROM LKE PARENT - MONEY POOL |
| 146006 | NOTES RECEIVABLE FROM LKE - CURRENT |
| 146048 | CLOSED 03/18 -INTERCOMPANY DIVIDENDS RECEIVABLE FROM LG&E COMPANY |
| 146049 | INTERCOMPANY ADVANCE FROM LG&E |
| 146050 | INTERCOMPANY ADVANCE FROM KU |
| 146053 | INTERCOMPANY PENSION RECEIVABLE |
| 146054 | I/C RECEIVABLE - PPL ELECTRIC UTILITIES CORPORATION |
| 146055 | I/C INTEREST RECEIVABLE - PPL ENERGY FUNDING CURRENT |
| 146056 | CLOSED 03/18 - INTERCOMPANY DIVIDENDS RECEIVABLE FROM KU COMPANY |
| 146057 | I/C RECEIVABLE - PPL SERVICES CORPORATION |
| 146058 | I/C RECEIVABLE - PPL CORPORATION |
| 146061 | INTERCOMPANY INCOME TAX RECEIVABLE - FEDERAL |
| 146067 | I/C RECEIVABLE - PPL EU SERVICES CORPORATION |
| 146070 | I/C RECEIVABLE - PPL TRANSLINK |
| 146100 | INTERCOMPANY |
| 151010 | FUEL STK-LEASED CARS |
| 151020 | COAL PURCHASES - TONS - $ |
| 151021 | COAL - BTU ADJ - BTU |
| 151023 | IN-TRANSIT COAL - TONS - $ |

Oracle Account Setup Details

| Account Number | Account Description |
|---|---|
| 151025 | TC NON-JURISDICTIONAL CONTRA (IMEA-IMPA) - COAL PURCHASES - TONS - $ |
| 151026 | TC NON-JURISDICTIONAL CONTRA (IMEA-IMPA) - COAL PURCHASES (STAT ONLY) |
| 151030 | FUEL OIL - GAL - $ |
| 151031 | FUEL OIL - BTU |
| 151032 | TC NON-JURISDICTIONAL CONTRA (IMEA-IMPA) - FUEL OIL - GAL - $ |
| 151033 | TC NON-JURISDICTIONAL CONTRA (IMEA-IMPA) - FUEL OIL (STAT ONLY) |
| 151060 | RAILCARS-OPER/MTCE |
| 151061 | GAS PIPELINE OPER/MTCE - MCF - $ |
| 151073 | IN-TRANSIT COAL-MMBTU/IN-TRANSIT PET COKE <AUG 2009 |
| 151080 | COAL BARGE SHUTTLING |
| 154001 | MATERIALS/SUPPLIES |
| 154003 | LIMESTONE |
| 154004 | CLOSED 06/18 - COMMERCIAL LIME |
| 154006 | OTHER REAGENTS |
| 154007 | TC NON-JURISDICTIONAL CONTRA (IMEA/IMPA) - LIMESTONE |
| 154008 | TC NON-JURISDICTIONAL CONTRA (IMEA-IMPA) - M&S |
| 154023 | LIMESTONE IN-TRANSIT |
| 158121 | SO2 ALLOWANCE INVENTORY |
| 158122 | NOX OZONE SEASON ALLOWANCE INVENTORY |
| 158125 | NOX ANNUAL ALLOWANCE INVENTORY |
| 163011 | STORES EXPENSE - GENERATION |
| 163012 | WAREHOUSE EXPENSES - GENERATION |
| 163013 | FREIGHT - GENERATION |
| 163015 | SALES TAX - GENERATION |
| 163016 | PHYS INVENT ADJUSTMT - GENERATION |
| 163017 | INVOICE PRICE VARIANCES - GENERATION |
| 163101 | OTHER - GENERATION |
| 163201 | TC NON-JURISDICTIONAL CONTRA (IMEA-IMPA) - STORES |
| 164101 | GAS STORED-CURRENT |
| 165001 | PREPAID INSURANCE |
| 165002 | PREPAID TAXES |
| 165006 | CLOSED 06/18 - PREPAID GAS FRANCH |
| 165012 | PREPAID LEASE |
| 165013 | PREPAID RIGHTS OF WAY |
| 165018 | PREPAID RISK MGMT AND WC |
| 165025 | PREPAID SALES & OTHER TAXES |
| 165026 | PREPAID ADP FUNDING |
| 165100 | PREPAID OTHER |
| 165101 | PREPAID IT CONTRACTS |
| 165102 | TC NON-JURISDICTIONAL CONTRA (IMEA-IMPA) - PREPAID INSURANCE |
| 165201 | PREPAID IT CONTRACTS-LT |
| 165202 | PREPAID POWELL LEASE-LT |
| 165203 | PREPAID RIGHTS OF WAY-LT |
| 165204 | PREPAID INSURANCE - LONG TERM |
| 165900 | PREPAID OTHER - INDIRECT |
| 165950 | PREPAID INSURANCE - INDIRECT |
| 171001 | INTEREST RECEIVABLE |
| 172001 | RENTS RECEIVABLE FOR POLE ATTACHMENTS |
| 172002 | LEASES RECEIVABLE |
| 173001 | ACCRUED UTIL REVENUE |
| 173002 | ACCRUED REVENUE - UNBILLED BEYOND THE METER |
| 173005 | ACCRUED WHOLESALE SALES REVENUE - UNBILLED |
| 174001 | MISC CURR/ACCR ASSET |
| 181100 | UAMORTIZED DEBT EXPENSE |
| 181200 | UNAMORTIZED DEBT EXPENSE REVOLVERS/LCS |
| 181300 | UNAMORTIZED DEBT EXPENSE BONDS |
| 182305 | REGULATORY ASSET - FAS 158 OPEB |
| 182306 | FUEL ADJUSTMENT CLAUSE |
| 182307 | ENVIRONMENTAL COST RECOVERY |
| 182308 | REG ASSET - GAS SUPPLY CLAUSE |
| 182309 | VA FUEL COMPONENT - JURISDICTIONAL CUSTOMERS (CURRENT) |
| 182311 | CLOSED 06/18 - FERC JURISDICTIONAL PENSION EXPENSE |
| 182313 | REG ASSET - PENSION GAIN-LOSS AMORTIZATION-15 YEAR |
| 182315 | REGULATORY ASSET - FAS 158 PENSION |
| 182317 | OTHER REGULATORY ASSETS ARO - GENERATION |
| 182318 | OTHER REG ASSETS ARO - TRANSMISSION |
| 182320 | WINTER STORM - ELECTRIC |
| 182321 | CLOSED 06/18 - MISO EXIT FEE |

Oracle Account Setup Details

| Account Number | Account Description |
|---|---|
| 182325 | OTHER REGULATORY ASSETS ARO - DISTRIBUTION |
| 182326 | OTHER REGULATORY ASSETS ARO - GAS |
| 182328 | FASB 109 ADJ-FED |
| 182329 | FASB 109 GR-UP-FED |
| 182330 | FASB 109 ADJ-STATE |
| 182331 | FASB 109 GR-UP-STATE |
| 182332 | CMRG FUNDING (CARBON MGT RESEARCH GROUP) |
| 182334 | WIND STORM REGULATORY ASSET |
| 182335 | RATE CASE EXPENSES - ELECTRIC |
| 182336 | RATE CASE EXPENSES - GAS |
| 182339 | MOUNTAIN STORM - ELECTRIC |
| 182342 | WINTER STORM - GAS |
| 182344 | REG ASSET - LT - SWAP TERMINATION |
| 182345 | WINTER STORM - ELECTRIC - PRE-PPL MERGER CURRENT PORTION |
| 182346 | WINTER STORM - GAS - PRE-PPL MERGER CURRENT PORTION |
| 182347 | WIND STORM - ELECTRIC - PRE-PPL MERGER CURRENT PORTION |
| 182348 | CMRG FUNDING - PRE-PPL MERGER CURRENT PORTION |
| 182349 | CLOSED 06/18 - KCCS FUNDING - PRE-PPL MERGER CURRENT PORTION |
| 182352 | REG ASSET - LT INTEREST RATE SWAP |
| 182353 | CLOSED 06/18 - REG. ASSET - COAL CONTRACT - ST |
| 182354 | CLOSED 06/18 - REG. ASSET - COAL CONTRACT |
| 182356 | CLOSED 06/18 - VA FUEL COMPONENT - JURISDICTIONAL CUSTOMERS (NON-CURRENT) |
| 182358 | REG ASSET - UNAMORT DEBT EXP PAA |
| 182359 | CLOSED 06/18 - GENERAL MANAGEMENT AUDIT - ELECTRIC |
| 182360 | CLOSED 06/18 - GENERAL MANAGEMENT AUDIT - GAS |
| 182361 | 2011 SUMMER STORM - ELECTRIC |
| 182363 | DSM COST RECOVERY - UNDER-RECOVERY |
| 182365 | GAS LINE TRACKER- REG ASSET |
| 182366 | REG ASSET - MUNI GEN TRUE UP |
| 182367 | REG ASSET - MUNI MISO EXIT FEE |
| 182368 | VA FUEL COMPONENT - NON-JURISDICTIONAL CUSTOMERS (CURRENT) |
| 182369 | GREEN RIVER REGULATORY ASSET |
| 182370 | REGULATORY ASSET - OST |
| 182371 | REG ASSET - FORWARD STARTING SWAPS SEP-2015 |
| 182372 | OTHER REGULATORY ASSETS ARO - GENERATION - CCR |
| 182373 | REG. ASSET - OPEN ARO PONDS - KY |
| 182374 | REG. ASSET - OPEN ARO PONDS - VA |
| 182375 | REG. ASSET - OPEN ARO PONDS - FERC REMAINING MUNI |
| 182376 | REG. ASSET - OPEN ARO PONDS - FERC DEPARTING MUNI |
| 182377 | REG. ASSET - CLOSED ARO PONDS - KY |
| 182378 | REG. ASSET - CLOSED ARO PONDS - VA |
| 182379 | REG. ASSET - CLOSED ARO PONDS - FERC REMAINING MUNI |
| 182380 | REG. ASSET - CLOSED ARO PONDS - FERC DEPARTING MUNI |
| 182381 | REG ASSET - LT - BOA SWAP TERMINATION |
| 182382 | REG. ASSET - CLOSED ARO PONDS - PARIS |
| 182383 | REG. ASSET - OPEN ARO PONDS - PARIS |
| 182384 | REG ASSET - ASU 2017-07 - NON SERVICE COST - PENSION |
| 182385 | REG ASSET - ASU - 2017-07 - NON SERVICE COST - OPEB |
| 182386 | REG ASSET - PLANT OUTAGE NORMALIZATION |
| 182387 | OTHER REGULATORY ASSETS ARO - ECR/CCR |
| 183201 | OTH PREL SUR/INV-GAS |
| 183301 | PRELIM SURV/INV-ELEC |
| 183302 | PRELIMINARY SURV/INV ELEC - LT |
| 184002 | VACATION PAY |
| 184011 | HOLIDAY PAY |
| 184021 | SICK PAY |
| 184031 | OTHER OFF-DUTY PAY |
| 184040 | TEAM INCENTIVE AWARD - BURDEN CLEARING |
| 184075 | WORKERS COMP - BURDEN CLEARING |
| 184076 | ADMINISTRATIVE AND GENERAL - BURDEN CLEARING |
| 184093 | LONG TERM DISABILITY - BURDEN CLEARING |
| 184096 | CLOSED 05/18 - PENSION SERVICE COST - BURDEN CLEARING |
| 184097 | FASB 106 (OPEB) SERVICE COST - BURDEN CLEARING |
| 184098 | FASB 112 - BURDEN CLEARING |
| 184099 | PENSION SERVICE COST - BURDEN CLEARING |
| 184100 | WALL STREET SUSPENSE ACCOUNT |
| 184101 | GROUP LIFE INSURANCE - BURDEN CLEARING |
| 184104 | DENTAL INSURANCE - BURDEN CLEARING |

Oracle Account Setup Details

| Account Number | Account Description |
|---|---|
| 184105 | MEDICAL INSURANCE - BURDEN CLEARING |
| 184108 | 401K - BURDEN CLEARING |
| 184109 | RETIREMENT INCOME - BURDEN CLEARING |
| 184119 | CLOSED 05/18 - PENSION NON SERVICE COST - BURDEN CLEARING |
| 184120 | FASB 106 POST RETIREMENT NON SERVICE COST - BURDEN CLEARING |
| 184121 | OTHER BENEFITS - BURDEN CLEARING |
| 184122 | PENSION NON SERVICE COST - BURDEN CLEARING |
| 184125 | PAYROLL TAX CLEARING - FICA, STATE AND FED UNEMPLOYMENT |
| 184130 | LKS ALLOCATION CLEARING ACCOUNT |
| 184135 | ORACLE PROJECT BURDEN CLEARING ACCOUNT |
| 184136 | LKS ALLOC. CLEARING ACCOUNT FOR ALLOCATED CAPITAL |
| 184140 | MEDICAL PAYMENT HOLDING ACCT - (SERVCO ONLY) |
| 184150 | SYSTEM ALLOC-CO 1 |
| 184301 | GASOLINE-TRANSP |
| 184304 | VEHICLE REPR-TRANSP |
| 184307 | ADMIN/OTH EXP-TRANSP |
| 184308 | VALUE-ADD SVCSTR |
| 184309 | DIESEL FUEL-TRANSP |
| 184312 | RENT/STORAGE-TRANSP |
| 184313 | TELECOM VEHICLE RADIO / COMPUTER EXPENSES |
| 184314 | LICENSE/TAX-TRANSP |
| 184315 | DEPRECIATION-TRANSP |
| 184319 | FUEL ADMINISTRATION VEHICLES |
| 184320 | TRANSPORTATION EXPENSE ALLOCATION - CLEARING |
| 184450 | CL ACC TO OTH DEF CR |
| 184503 | OPERATIONS - SIMPSONVILLE |
| 184504 | OPERATION-SSC |
| 184505 | MAINTENANCE-SSC |
| 184506 | MAINTENANCE - SIMPSONVILLE |
| 184507 | OPERATIONS - KU GENERAL OFFICE |
| 184508 | MAINTENANCE - KU GENERAL OFFICE |
| 184509 | OPERATIONS - LGE CENTER |
| 184513 | OTHER EXPENSES - LGE CENTER |
| 184514 | OPERATION-ESC |
| 184515 | MAINTENANCE-ESC |
| 184516 | OPERATION-BOC |
| 184517 | MAINTENANCE-BOC |
| 184518 | OPERATION-AUBURNDALE |
| 184519 | MAINT-AUBURNDALE |
| 184521 | OPERATIONS - MORGANFIELD |
| 184522 | MAINTENANCE - MORGANFIELD |
| 184523 | OPERATIONS - DIX DAM |
| 184524 | MAINTENANCE - DIX DAM |
| 184525 | OPERATIONS - EARLINGTON |
| 184526 | MAINTENANCE - EARLINGTON |
| 184531 | OPERATIONS - RIVERPORT |
| 184532 | MAINTENANCE - RIVERPORT |
| 184533 | OPERATIONS - PINEVILLE |
| 184534 | MAINTENANCE - PINEVILLE |
| 184599 | MISC FACILITIES ALLOCATION-OFFSET |
| 184600 | ENGINEERING OVERHEADS - GENERATION |
| 184602 | ENGINEERING OVERHEADS - DISTRIBUTION |
| 184603 | ENGINEERING OVERHEADS - RETAIL GAS |
| 184605 | ENGINEERING OVERHEADS - TRANSMISSION |
| 184612 | ENGINEERING OVERHEADS - DISTRIBUTION |
| 184630 | ENGINEERING OVERHEADS - GENERATION DIRECT |
| 184650 | CUSTOMER ADVANCES - CLEARING |
| 184701 | CLOSED 06/18 - EMPLOYEE ADVANCES - CLEARING |
| 184702 | IEXPENSE CREDIT CARD CLEARING |
| 184730 | LEASE PAYMENT - CLEARING |
| 186001 | MISC DEFERRED DEBITS |
| 186004 | FINANCING EXPENSE |
| 186035 | KEY MAN LIFE INSURANCE |
| 186049 | PRELIMINARY CELL SITE COSTS |
| 186074 | CANE RUN 7 LTPC ASSET |
| 186075 | BROWN 6 AND 7 LTSA ASSET |
| 186505 | GOODWILL |
| 186548 | CLOSED 06/18 - OTHER INTANGIBLE ASSETS - SHORT TERM |

Oracle Account Setup Details

| Account Number | Account Description |
|---|---|
| 186549 | OTHER INTANGIBLE ASSETS |
| 186553 | OTH INTANG ASSETS - OVEC PPA ENERGY CONTRACT |
| 186556 | OTH INTANG ASSETS - SO2 ALLOWANCES - CURRENT |
| 186557 | CLOSED 06/18 - OTH INTANG ASSETS - NOX OZONE ALLOWANCES - CURRENT |
| 186558 | CLOSED 06/18 - OTH INTANG ASSETS - NOX ANNUAL ALLOWANCES - CURRENT |
| 186559 | OTH INTANG ASSETS - SO2 ALLOWANCES - FUTURE |
| 186560 | CLOSED 06/18 - OTH INTANG ASSETS - NOX OZONE ALLOWANCES - FUTURE |
| 186561 | CLOSED 06/18 - OTH INTANG ASSETS - NOX ANNUAL ALLOWANCES - FUTURE |
| 186576 | CARROLLTON SALE/LEASEBACK |
| 186700 | OTHER DEFERRED LT ASSET - ASU 2017-07 - NON SERVICE COST - PENSION |
| 186701 | OTHER DEFERRED LT ASSET - ASU 2017-07 - NON SERVICE COST - OPEB |
| 188001 | RESRCH/DEV/DEMO EXP |
| 188901 | RESRCH/DEV/DEMO EXP - INDIRECT |
| 189100 | UAMORTIZED LOSS ON REACQUIRED DEBT |
| 190007 | FASB 109 ADJ-FED |
| 190008 | FASB 109 GRS-UP-FED |
| 190009 | FASB 109 ADJ-STATE |
| 190010 | FASB 109 GRS-UP-ST |
| 190414 | DTA ON PROVISIONS FOR PENSIONS - OCI - FED (NON-CURRENT) |
| 190415 | DTA FEDERAL - NON-CURRENT |
| 190416 | DTA ON FIN 48 - UTP - FEDERAL |
| 190614 | DTA ON PROVISIONS FOR PENSIONS - OCI - ST (NON-CURRENT) |
| 190615 | DTA STATE - NON-CURRENT |
| 190616 | DTA ON FIN 48 - UTP - STATE |
| 201001 | COMMON STOCK-AUTH SH |
| 201002 | COMMON STOCK-W/O PAR |
| 211001 | CONTRIBUTED CAPITAL - MISC. |
| 214010 | CAP STOCK EXP-COMMON |
| 216001 | UNAPP RETAINED EARN |
| 219010 | ACCUM OCI - EQUITY INVEST EEI |
| 219011 | ACCUM OCI OF SUBS - PTAX |
| 219013 | OCI - FAS 158 INCREASE FUNDED STATUS - GROSS |
| 219014 | AOCI - FAS 158 POST-ACQUISITION |
| 219110 | DEFERRED TAX - OCI - EQUITY INVEST EEI |
| 219111 | ACCUM OCI OF SUBS - TAX |
| 219113 | OCI - FAS 158 INCREASE FUNDED STATUS - TAX |
| 219114 | AOCI TAX - FAS 158 POST-ACQUISITION |
| 221100 | LONG TERM DEBT |
| 221899 | CURRENT PORTION OF LONG TERM DEBT |
| 223014 | LT NOTES PAYABLE TO SERVCO |
| 223100 | LT NOTES PAYABLE TO PPL CAPITAL FUNDING PRINCIPAL |
| 223101 | LT - NOTES PAYABLE TO CEP RESERVES |
| 224100 | PAA PCB FMV ADJUSTMENT |
| 224200 | OTHER LONG-TERM DEBT |
| 226100 | DEBT DISCOUNT BONDS |
| 227101 | OBLIGATIONS UNDER CAPITAL LEASES - NONCURRENT |
| 227102 | OBLIGATIONS UNDER FINANCING LEASES - NONCURRENT |
| 228201 | WORKERS COMPENSATION |
| 228202 | WORKERS COMPENSATION - SHORT-TERM |
| 228301 | FASB106-POST RET BEN |
| 228304 | PENSION PAYABLE |
| 228305 | POST EMPLOYMENT BENEFIT PAYABLE |
| 228306 | PENSION PAYABLE SERP |
| 228307 | FASB 106 - MEDICARE SUBSIDY |
| 228325 | FASB 112 - POST EMPLOY MEDICARE SUBSIDY |
| 230011 | ASSET RETIREMENT OBLIGATIONS - STEAM - CCR |
| 230012 | ASSET RETIREMENT OBLIGATIONS - STEAM |
| 230013 | ASSET RETIREMENT OBLIGATIONS - TRANSMISSION |
| 230015 | ASSET RETIREMENT OBLIGATIONS - DISTRIBUTION |
| 230016 | ASSET RETIREMENT OBLIGATIONS - GAS |
| 230021 | ASSET RETIREMENT OBLIGATIONS - STEAM - CCR - ST |
| 230022 | ASSET RETIREMENT OBLIGATIONS - STEAM - ST |
| 230026 | ASSET RETIREMENT OBLIGATIONS - GAS - ST |
| 230799 | RWIP-ARO-ECR |
| 231005 | COMMERCIAL PAPER PAYABLE |
| 231006 | DISCOUNT ON COMMERCIAL PAPER |
| 231100 | CLOSED 06/18 - REVOLVING CREDIT FACILITIES |
| 232001 | ACCTS PAYABLE-REG |

Oracle Account Setup Details

| Account Number | Account Description |
|---|---|
| 232002 | SALS/WAGES ACCRUED |
| 232008 | SUNDRY BILLING REFUNDS |
| 232009 | PURCHASING ACCRUAL |
| 232010 | WHOLESALE PURCHASES A/P |
| 232011 | TRANSMISSION PAYABLE |
| 232014 | RECEIVING/INSPECTION ACCRUAL |
| 232015 | AP FUEL |
| 232022 | ACCRUED AUDIT FEES |
| 232023 | ACCRUED TAXABLE OFFICER BENEFITS |
| 232024 | CREDIT CASH BALANCE |
| 232027 | CREDIT CARD PAYMENTS |
| 232028 | AP FUEL - NATURAL GAS |
| 232029 | BROWN SOLAR REC LIABILITY |
| 232030 | RETAINAGE FEES - NON-ARO |
| 232031 | A/P - CWIP ACCRUALS |
| 232032 | A/P - RWIP ACCRUALS (NON-ARO) |
| 232033 | A/P - RWIP ACCRUALS (ARO) |
| 232034 | RETAINAGE FEES - ARO |
| 232042 | MISO AND PJM ANCILLARY SERVICES CHARGES A/P |
| 232043 | AP REFINED COAL |
| 232060 | AP - GAS SUPPLY PURCHASES |
| 232093 | SUSPENSE - CCS |
| 232094 | SUSPENSE - PPL |
| 232095 | SUSPENSE - SALES TAX BURDEN |
| 232096 | SUSPENSE - OTHER BURDENS |
| 232097 | SUSPENSE - INVENTORY |
| 232099 | SUSPENSE ACCOUNT |
| 232100 | ACCOUNTS PAYABLE-TRADE |
| 232111 | 401K LIABILITY - EMPLOYER |
| 232205 | IBEW UNION DUES WITHHOLDING PAYABLE |
| 232206 | UNITED WAY WITHHOLDING PAYABLE |
| 232211 | TIA LIABILITY |
| 232220 | CREDIT UNION WITHHOLDING PAYABLE |
| 232233 | 401K WITHHOLDING PAYABLE |
| 232235 | UNITED STEEL WORKERS UNION DUES |
| 232243 | LOUISVILLE PAC WITHHOLDING PAYABLE |
| 232244 | GARNISHEES WITHHOLDING PAYABLE |
| 232246 | DCAP WITHHOLDING PAYABLE |
| 232248 | HCRA WITHHOLDING PAYABLE |
| 232249 | UNIVERSAL LIFE INS WITHHOLDING PAYABLE |
| 232252 | HEALTH EQUITY HIGH DEDUCTIBLE WITHHOLDING PAYABLE |
| 233011 | ST - NOTES PAYABLE TO LKE PARENT |
| 233013 | ST - NOTES PAYABLE TO SERVCO |
| 233030 | N/P TO LKE PARENT - MONEY POOL |
| 233100 | N/P TO LG&E - MONEY POOL |
| 233102 | N/P TO KU - MONEY POOL |
| 233103 | N/P TO LEM - MONEY POOL |
| 234012 | I/C PAYABLE CEP RESERVES |
| 234051 | INTERCOMPANY PENSION PAYABLE |
| 234052 | I/C PAYABLE-PPL SERVICES CORPORATION |
| 234055 | I/C PAYABLE-PPL CORPORATION |
| 234056 | I/C PAYABLE-PPL CAPITAL FUNDING, INC. |
| 234057 | I/C PAYABLE-PPL EU SERVICES CORPORATION |
| 234092 | CLOSED 06/18 - I/C PAYABLE TO PPL ENERGY FUNDING CORP |
| 234100 | A/P TO ASSOC CO |
| 235001 | CUSTOMER DEPOSITS |
| 235002 | CUSTOMER DEPOSITS OFF-SYS |
| 235003 | CUSTOMER DEPOSITS - TRANSMISSION |
| 236007 | FICA-OPR |
| 236013 | ST SALES/USE TAX-KY-OPR |
| 236023 | ST SALES/USE TAX-IN-OPR |
| 236025 | CORP INC TAX-FED EST-OPR |
| 236026 | CORP INC TAX-ST EST-OPR |
| 236031 | CORP INCOME-KY-OPR |
| 236032 | CORP INCOME-FED-OPR |
| 236033 | REAL ESTATE AND PERSONAL PROPERTY TAXES |
| 236034 | PROPERTY TAX ON RAILCARS USED FOR COAL |
| 236036 | REAL ESTATE AND PERSONAL PROPERTY TAXES - NON KY |

Oracle Account Setup Details

| Account Number | Account Description |
|---|---|
| 236037 | VIRGINIA USE TAX |
| 236115 | STATE UNEMPLOYMENT-OPR |
| 236116 | FEDERAL UNEMPLOYMENT-OPR |
| 237100 | ACCR INT LONG-TERM DEBT |
| 237300 | INT ACC-OTH LIAB |
| 237301 | INTEREST ACCRUED ON CUSTOMER DEPOSITS |
| 237304 | INTEREST ACCRUED ON TAX LIABILITIES |
| 238200 | CLOSED 03/18 - DIV PAYABLE - PARENT FM LGE |
| 238203 | CLOSED 03/18 - DIV PAYABLE - PARENT FM KU |
| 238204 | CLOSED 03/18 - DIV PAYABLE - PPL FM LKE |
| 241007 | TAX COLL PAY-FICA |
| 241018 | STATE WITHHOLDING TAX PAYABLE |
| 241036 | LOCAL WITHHOLDING TAX PAYABLE |
| 241037 | T/C PAY-PERS INC-FED |
| 241038 | T/C PAY-ST SALES/USE |
| 241039 | T/C PAY-OCCUP/SCHOOL |
| 241046 | CONSUMER UTILITY TAX-VA |
| 241049 | FRANCHISE FEE PAYABLE-CHARGE UNCOLLECTED |
| 241056 | FRANCHISE FEE COLLECTED ON BAD DEBTS |
| 241061 | T/C PAY - ST SALES/USE OVER COLLECTIONS |
| 241062 | T/C PAY - SCHOOL TAX OVER COLLECTIONS |
| 242001 | MISC LIABILITY |
| 242002 | MISC LIAB-VESTED VAC |
| 242005 | UNEARNED REVENUE - CURRENT |
| 242014 | ESCHEATED DEPOSITS |
| 242015 | FRANCHISE FEE PAYABLE-FRANCHISE LOCATIONS |
| 242017 | HOME ENERGY ASSISTANCE |
| 242018 | GREEN POWER REC LIABILITY |
| 242019 | GREEN POWER MKT LIABILITY |
| 242021 | FASB 106-POST RET BEN - CURRENT |
| 242022 | ACCRUED SHORT TERM INCENTIVE |
| 242023 | PENSION PAYABLE SERP CURRENT |
| 242026 | CLOSED 06/18 - PENSION PAYABLE - CURRENT |
| 242027 | AR CREDITS |
| 242028 | SERVICE DEPOSIT REFUND PAYABLE |
| 242030 | WINTERCARE ENERGY FUND |
| 242031 | NO-NOTICE GAS PAYABLE |
| 242034 | MCI UNEARNED REVENUE |
| 242038 | COBRA/LTD BENEFITS - PAYABLE |
| 242039 | SUSPENSE - CASH |
| 242080 | LEASEHOLD INCENTIVE LG&E CENTER LEASE 07012012 - CURRENT |
| 242081 | UNEARNED REVENUE - LEASES CURRENT |
| 242101 | RETIREMENT INCOME LIABILITY |
| 242102 | IBNP MEDICAL AND DENTAL RESERVE |
| 243102 | OBLIGATIONS UNDER OPERATING LEASES - CURRENT |
| 243103 | OBLIGATIONS UNDER FINANCING LEASES - CURRENT |
| 244511 | LT DERIVATIVE LIAB FAS 133 JPM |
| 244512 | LT DERIV LIAB FAS 133-NON HEDGING MS1 |
| 244513 | LT DERIV LIAB FAS 133-NON HEDGING MS2 |
| 244514 | LT DERIV LIAB FAS 133-NON HEDGING BOA |
| 244515 | ST DERIV LIAB FAS 133-NON HEDGING MS1 |
| 244516 | ST DERIV LIAB FAS 133-NON HEDGING MS2 |
| 244517 | ST DERIV LIAB FAS 133-NON HEDGING BOA |
| 244519 | ST DERIV LIAB FAS 133 JPM |
| 252011 | LINE EXTENSIONS |
| 252013 | CUSTOMER ADVANCES - CONSTRUCTION - LONG TERM |
| 252015 | MOBILE HOME LINE |
| 252017 | CUSTOMER ADVANCES - SHORT TERM |
| 253004 | OTH DEFERRED CR-OTHR |
| 253005 | CL ACC FR OTH DEF DR |
| 253025 | DEFERRED COMPENSATION |
| 253027 | DEFERRED RENT PAYABLE |
| 253031 | OTHER LONG TERM OPERATING LIABILITIES |
| 253032 | UNCERTAIN TAX POSITION - FEDERAL |
| 253033 | UNCERTAIN TAX POSITION - STATE |
| 253034 | MCI AMORTIZATION |
| 253037 | CLOSED 06/18 - UNEARNED REVENUE - POLE ATTACHMENTS - LONG-TERM |
| 253038 | CLOSED 06/18 - OTHER DEF. CREDIT - COAL CONTRACT - ST |

Oracle Account Setup Details

| Account Number | Account Description |
|---|---|
| 253039 | CLOSED 06/18 - OTHER DEF. CREDIT - COAL CONTRACT - LT |
| 253040 | LEASEHOLD INCENTIVE LG&E CENTER LEASE 07012012 - LONG TERM |
| 253041 | CANE RUN 7 LTPC LIABILITY |
| 253042 | LONG TERM RETAINAGE - NON-ARO |
| 253043 | LONG TERM RETAINAGE - ARO |
| 253044 | BROWN 6 AND 7 LTSA LIABILITY |
| 253050 | KY TAX RATE REDUCTION |
| 253301 | CLOSED 01/18 - PROVISIONS FOR INDEMNITY OBLIGATIONS |
| 253320 | UNCERTAIN TAX POSITIONS - INTEREST |
| 253576 | DEF GAIN - CARROLLTON SALE/LEASEBACK |
| 253927 | DEFERRED RENT PAYABLE - INDIRECT |
| 254001 | FASB 109 ADJ-FED |
| 254002 | FASB 109 GR-UP-FED |
| 254003 | FASB 109 ADJ-STATE |
| 254004 | FASB 109 GR-UP-STATE |
| 254007 | REG LIABILITY - GAS SUPPLY CLAUSE |
| 254008 | DSM COST RECOVERY |
| 254010 | REGULATORY LIABILITY - FAS 158 OPEB |
| 254011 | VA FUEL COMPONENT - JURISDICTIONAL CUSTOMERS (CURRENT) |
| 254012 | CLOSED 06/18 - SPARE PARTS |
| 254017 | ENVIRONMENTAL COST RECOVERY |
| 254018 | REGULATORY LIABILITY FAC |
| 254020 | GAS LINE TRACKER- REG LIABILITY |
| 254022 | REG LIAB - MUNI GEN TRUE UP |
| 254023 | VA FUEL COMPONENT - NON-JURISDICTIONAL CUSTOMERS (CURRENT) |
| 254024 | REGULATORY LIABILITY - OST |
| 254025 | REG LIABILITY - REFINED COAL - KENTUCKY |
| 254026 | REG LIABILITY - REFINED COAL - VIRGINIA |
| 254027 | REG LIABILITY - REFINED COAL - FERC |
| 254028 | REG LIABILITY - TCJA - KPSC ONLY |
| 254029 | REG LIABILITY - TCJA - VA ONLY |
| 254030 | REG LIAB - ASU 2017-07 - NON SERVICE COST - PENSION |
| 254031 | REG LIAB - ASU - 2017-07 - NON SERVICE COST - OPEB |
| 254054 | CLOSED 06/18 - REG. LIABILITY - COAL CONTRACT - ST |
| 254055 | REG. LIABILITY - COAL CONTRACT - LT |
| 254056 | PAA REG LIABILITY - EMISSION ALLOWANCES - CURRENT |
| 254057 | PAA REG LIABILITY - EMISSION ALLOWANCES - LT |
| 254058 | PAA REGULATORY LIABILITY - OVEC VALUATION |
| 254059 | REG. LIABILITY - PLANT OUTAGE NORMALIZATION |
| 254090 | REGULATORY LIAB FORWARD STARTING SWAPS NOV 2013 |
| 254321 | MISO EXIT FEE REFUND |
| 254356 | CLOSED 06/18 - VA FUEL COMPONENT - JURISDICTIONAL CUSTOMERS (NON-CURRENT) |
| 255004 | ITC TC2 |
| 255006 | JOB DEVELOP CR |
| 255009 | ITC SOLAR |
| 282007 | FASB 109 ADJ-FED PRO |
| 282009 | FASB 109 ADJ-ST PROP |
| 282503 | DTL ON FIXED ASSETS |
| 282703 | DTL ON FIXED ASSETS - STATE (NON-CURRENT) |
| 283011 | FASB 109 GR-UP-F-OTH |
| 283012 | FASB 109 GR-UP-S-OTH |
| 283017 | DEF INC TAX - FED EST |
| 283018 | DEF INC TAX - ST EST |
| 283514 | DTL ON PROVISIONS FOR PENSIONS - OCI - FED (NON-CURRENT) |
| 283515 | DTL FEDERAL - NON-CURRENT |
| 283519 | DTL ON LIABILITIES - EEI -FED (NON-CURRENT) |
| 283714 | DTL ON PROVISIONS FOR PENSIONS - OCI - STATE (NON-CURRENT) |
| 283715 | DTL STATE - NON-CURRENT |
| 283719 | DTL ON LIABILITIES - EEI - STATE (NON-CURRENT) |
| 403011 | DEPREC EXP - STEAM POWER GEN |
| 403012 | DEPREC EXP - HYDRO POWER GEN |
| 403013 | DEPREC EXP - OTH POWER GEN |
| 403014 | DEPREC EXP - TRANSMISSION |
| 403015 | DEPREC EXP - DISTRIBUTION |
| 403016 | GENERAL DEPRECIATION EXPENSE |
| 403021 | DEPREC. EXP. - UNDERGROUND - GAS |
| 403022 | DEPREC. EXP. - TRANSMISSION - GAS |
| 403023 | DEPREC. EXP. - DISTRIBUTION - GAS |

Oracle Account Setup Details

| Account Number | Account Description |
|---|---|
| 403024 | DEPREC. EXP. - GENERAL - GAS |
| 403025 | DEPREC. EXP. - COMMON |
| 403026 | DEPREC. EXP. - STEAM - ECR |
| 403027 | DEPREC EXP - ELECTRIC - DSM |
| 403028 | DEPREC EXP - GAS - DSM |
| 403029 | DEPREC. EXP. - GENERAL - GLT |
| 403030 | DEPREC. EXP. - TRANS - GLT |
| 403050 | DEPREC EXP FINANCE LEASES |
| 403100 | DEPREC EXP |
| 403111 | DEPREC EXP ARO STEAM |
| 403112 | DEPREC EXP ARO TRANSMISSION |
| 403113 | DEPREC EXP ARO OTHER PRODUCTION |
| 403114 | DEPREC EXP ARO HYDRO |
| 403115 | DEPREC EXP ARO DISTRIBUTION |
| 403121 | DEPREC EXP ARO GAS UNDERGROUND STORAGE |
| 403122 | DEPREC EXP ARO GAS DISTRIBUTION |
| 403123 | DEPREC EXP ARO GAS TRANSMISSION |
| 403181 | DEPRECIATION NEUTRALITY - GENERATION DEPRECIATION |
| 403182 | DEPRECIATION NEUTRALITY - TRANSMISSION DEPRECIATION |
| 403185 | DEPRECIATION NEUTRALITY - DISTRIBUTION DEPRECIATION |
| 403186 | DEPRECIATION NEUTRALITY - GAS DEPRECIATION |
| 403700 | DEPREC EXP - CONTRA ASSET - PENSION |
| 403701 | DEPREC EXP - CONTRA ASSET - OPEB |
| 404301 | AMORT-INTANG GAS PLT |
| 404401 | AMT-EL INTAN PLT-RTL |
| 404402 | AMT-EL INTAN PLT-WHS |
| 407304 | AMORT EXPENSE - OPEN ARO PONDS - KY |
| 407305 | AMORT EXPENSE - OPEN ARO PONDS - VA |
| 407306 | AMORT EXPENSE - OPEN ARO PONDS - FERC REMAINING MUNI |
| 407307 | AMORT EXPENSE - OPEN ARO PONDS - FERC DEPARTING MUNI |
| 407308 | AMORT EXPENSE - CLOSED ARO PONDS - KY |
| 407309 | AMORT EXPENSE - CLOSED ARO PONDS - VA |
| 407310 | AMORT EXPENSE - CLOSED ARO PONDS - FERC REMAINING MUNI |
| 407311 | AMORT EXPENSE - CLOSED ARO PONDS - FERC DEPARTING MUNI |
| 407312 | AMORT EXPENSE - OPEN ARO PONDS - VA ADJUSTMENT |
| 407313 | AMORT EXPENSE - OPEN ARO PONDS - FERC REMAIN ADJUSTMENT |
| 407314 | AMORT EXPENSE - OPEN ARO PONDS - FERC DEPART ADJUSTMENT |
| 407315 | AMORT EXPENSE - CLOSED ARO PONDS - VA ADJUSTMENT |
| 407316 | AMORT EXPENSE - CLOSED ARO PONDS - FERC REMAIN ADJUSTMENT |
| 407317 | AMORT EXPENSE - CLOSED ARO PONDS - FERC DEPART ADJUSTMENT |
| 407318 | AMORT EXPENSE - CLOSED ARO PONDS - PARIS |
| 407319 | AMORT EXPENSE - OPEN ARO PONDS - PARIS |
| 407320 | AMORT EXPENSE - CLOSED ARO PONDS - PARIS ADJUSTMENT |
| 407321 | AMORT EXPENSE - OPEN ARO PONDS - PARIS ADJUSTMENT |
| 408101 | TAX-NON INC-UTIL OPR |
| 408102 | REAL AND PERSONAL PROP. TAX |
| 408103 | KY PUBLIC SERVICE COMMISSION TAX |
| 408105 | FEDERAL UNEMP TAX |
| 408106 | FICA TAX |
| 408107 | STATE UNEMP TAX |
| 408108 | REAL AND PERSONAL PROP TAX - ECR |
| 408109 | REAL AND PERSONAL PROP TAX - GLT DISTR |
| 408110 | REAL AND PERSONAL PROP TAX - GLT TRANS |
| 408192 | REAL AND PERSONAL PROP. TAX - INDIRECT |
| 408195 | FEDERAL UNEMP TAX - INDIRECT |
| 408196 | FICA TAX - INDIRECT |
| 408197 | STATE UNEMP TAX - INDIRECT |
| 408202 | TAX-NON INC-OTHER |
| 408203 | TC N/A OTHER TAXES |
| 409101 | FED INC TAX-UTIL OPR |
| 409102 | KY ST INCOME TAXES |
| 409104 | FED INC TAXES - EST |
| 409105 | ST INC TAXES - EST |
| 409106 | FED INC TAX-WKE OPR |
| 409107 | KY ST INCOME TAXES-WKE OPR |
| 409108 | FED INC TAX - UTIL OPR - SPEC ITEM |
| 409109 | KY ST INCOME TAXES - SPEC ITEM |
| 409203 | FED INC TAX-OTHER |

**Oracle Account Setup Details**

| Account Number | Account Description |
|---|---|
| 409206 | ST INC TAX-OTHER |
| 409209 | FED IN TAXES-OTH EST |
| 409210 | ST INC TAXES-OTH EST |
| 409213 | FED CURRENT INC TAX-GAIN ON SALE DISCO |
| 409214 | ST CURRENT INC TAX-GAIN ON SALE DISCO |
| 409218 | FED INC TAX - UTIL OPR - SPEC ITEM-BTL |
| 409219 | KY ST INCOME TAXES - SPEC ITEM-BTL |
| 410101 | DEF FED INC TAX-OPR |
| 410102 | DEF ST INC TAX-OPR |
| 410103 | DEF FED INC TAX - OPR EST |
| 410104 | DEF ST INC TAX - OPR EST |
| 410106 | DEF FED INC TAX-WKE OPR |
| 410107 | DEF ST INC TAX-WKE OPR |
| 410108 | DEF FED INC TAX-SPEC ITEM |
| 410109 | DEF ST INC TAX-SPEC ITEM |
| 410203 | DEF FEDERAL INC TX |
| 410204 | DEF STATE INC TAX |
| 410208 | DEF FED INC TAX-SPEC ITEM-BTL |
| 410209 | DEF ST INC TAX-SPEC ITEM-BTL |
| 411100 | ACCRETION EXPENSE - NEUTRALITY |
| 411101 | FED INC TX DEF-CR-OP |
| 411102 | ST INC TAX DEF-CR-OP |
| 411103 | ACCRETION EXPENSE - ELECTRIC |
| 411104 | ACCRETION EXPENSE - GAS |
| 411106 | FED INC TX DEF-CR-WKE OPR |
| 411107 | ST INC TAX DEF-CR-WKE OPR |
| 411108 | FED INC TX DEF-CR-SPEC ITEM |
| 411109 | ST INC TAX DEF-CR-SPEC ITEM |
| 411201 | FD INC TX DEF-CR-OTH |
| 411202 | ST INC TX DEF-CR-OTH |
| 411208 | FED INC TAX DEF-CR-SPEC ITEM-BTL |
| 411209 | ST INC TAX DEF-CR-SPEC ITEM-BTL |
| 411403 | ITC DEFERRED |
| 411404 | AMORTIZATION OF ITC |
| 411601 | GAIN-PLANT HELD FOR FUTURE USE |
| 411701 | LOSS-PLANT HELD FOR FUTURE USE |
| 411802 | GAIN-DISP OF ALLOW |
| 412001 | SERVICE COMPANY CONSTRUCTION OR OTHER SERVICES EXP |
| 412901 | SERVICE COMPANY CONSTRUCTION OR OTHER SERVICES EXP - INDIRECT |
| 415001 | REVENUE FROM CUSTOMER SERVICE LINES |
| 415004 | MERCHANDISE SALES |
| 416004 | MERCHANDISE COST OF SALES |
| 417004 | SERVICE CHARGE AND SUPERVISORY FEE - IMEA AND IMPA |
| 417005 | IMPA-WORKING CAPITAL |
| 417006 | IMEA-WORKING CAPITAL |
| 417102 | STEAM EXPENSES - (TC ALLOC ONLY) |
| 417105 | ELECTRIC EXPENSES - (TC ALLOC ONLY) |
| 417106 | MISC EXPENSES - (TC ALLOC ONLY) |
| 417107 | RENTS |
| 417108 | OPERATION SUPERVISION / ENGR - (TC ALLOC ONLY) |
| 417109 | EMISSION ALLOWANCES - (TC ALLOC ONLY) |
| 417110 | MTCE SUPERVISION/ENG - (TC ALLOC ONLY) |
| 417111 | MTCE OF STRUCTURES - (TC ALLOC ONLY) |
| 417112 | MTCE OF BOILER PLANT - (TC ALLOC ONLY) |
| 417113 | MTCE OF ELEC PLANT - (TC ALLOC ONLY) |
| 417114 | MTCE OF MISC PLANT - (TC ALLOC ONLY) |
| 417120 | ADMIN AND GEN SAL - (TC ALLOC ONLY) |
| 417121 | OFFICE SUPP AND EXP - (TC ALLOC ONLY) |
| 417123 | OUSIDE SVCE EMPLOYED - (TC ALLOC ONLY) |
| 417124 | PROPERTY INSURANCE - (TC ALLOC ONLY) |
| 417125 | INJURIES AND DAMAGES - (TC ALLOC ONLY) |
| 417126 | EMPL PENSIONS/BEN - (TC ALLOC ONLY) |
| 417129 | DUPLICATE CGS - CR - (TC ALLOC ONLY) |
| 417130 | MISC GENERAL EXP - (TC ALLOC ONLY) |
| 417131 | ADMIN AND GEN RENTS - (TC ALLOC ONLY) |
| 417135 | MTCE OF GEN PLANT - (TC ALLOC ONLY) |
| 417199 | OPERATING EXPENSES OF NON-UTILITY OPERATIONS |
| 418001 | NONOPR RENT INCOME |

Oracle Account Setup Details

| Account Number | Account Description |
|---|---|
| 418110 | EQUITY IN EARNINGS OF CONSOLIDATED SUBSIDIARIES |
| 419002 | INT INC-US TREAS SEC |
| 419005 | INT INC-FED TAX PMT |
| 419006 | INT INC-ST TAX PMT |
| 419014 | DIVS FROM INVESTMENT |
| 419150 | ALLOW FOR FUNDS USED DURING CONSTRUC-EQUITY |
| 419205 | INTEREST INCOME FROM FINANCIAL HOLDINGS |
| 419206 | INTEREST INCOME FROM OTHER LOANS & RECEIVABLES |
| 419207 | INTEREST INCOME FROM SPECIAL FUNDS |
| 419208 | INT INC - PPL ENERGY FUNDING |
| 419209 | INT INC-ASSOC CO |
| 420003 | AMORTIZATION OF ITC |
| 421001 | MISC NONOPR INCOME - INDIRECT |
| 421003 | KM LIFE INS - CASH SURRENDER VALUE |
| 421006 | AOCI ADJUSTMENT OF SUBSIDIARY - EEI |
| 421007 | MISC NONOPR INCOME - DIRECT |
| 421101 | GAIN-PROPERTY DISP |
| 421105 | GAIN ON ARO SETTLEMENT |
| 421106 | GAIN - LEASE DISP |
| 421201 | LOSS-PROPERTY DISP |
| 421206 | LOSS - LEASE DISP |
| 421301 | PRETAX GAIN/LOSS ON DISPOSAL OF DISC OPERS |
| 421306 | PRETAX GAIN/LOSS ON DISPOSAL OF DISC OPERS - CENTURY RECEIVABLE |
| 426101 | DONATIONS |
| 426120 | SPONSORSHIP/OTHER COMMUNITY RELATIONS |
| 426190 | SPONSORSHIP/OTHER COMMUNITY RELATIONS - INDIRECT |
| 426191 | DONATIONS - INDIRECT |
| 426201 | LIFE INSURANCE |
| 426301 | PENALTIES |
| 426391 | PENALTIES - INDIRECT |
| 426401 | EXP-CIVIC/POL/REL |
| 426491 | EXP-CIVIC/POL/REL - INDIRECT |
| 426501 | OTHER DEDUCTIONS |
| 426502 | CLOSED 06/18 - SERP |
| 426504 | CLOSED 06/18 - OFFICERS TIA |
| 426505 | CLOSED 06/18 - OFFICER LONG-TERM INCENT |
| 426513 | OTHER OFFICER BENEFITS |
| 426591 | OTHER DEDUCTIONS - INDIRECT |
| 427100 | INTEREST EXPENSE |
| 428090 | OTHER AMORT OR DEBT DISCOUNT AND EXP |
| 428190 | OTHER AMORT-REACQ DEBT |
| 428200 | AM DISC-LONG TERM DEBT |
| 430002 | INT-DEBT TO ASSOC CO |
| 430004 | I/C INT EXP CEP RESERVES |
| 430100 | I/C INT EXP DEBT WITH PPL CAPITAL FUNDING |
| 430101 | I/C INTEREST EXPENSE - LT-NOTES CEP RESERVES |
| 431002 | INT-CUST DEPOSITS |
| 431003 | INT-FED TAX DEFNCY |
| 431004 | INT-OTHER TAX DEFNCY |
| 431008 | INT-DSM COST RECOVER |
| 431014 | INTEREST ON CUSTOMER REFUNDS |
| 431015 | INTEREST ON RATES REFUND-RETAIL |
| 431016 | INTEREST ON REFUNDS - MUNICIPALS |
| 431017 | UTP INTEREST - FED INC TAX |
| 431018 | UTP INTEREST - STATE INC TAX |
| 431104 | INTEREST EXPENSE FROM FINANCIAL LIABILITIES |
| 431106 | INTEREST ON PROPERTY UNDER FINANCING LEASES |
| 431200 | INTEREST EXP SHORT-TERM DEBT- CP |
| 432001 | ALLOW FOR FUNDS USED DURING CONSTRUC-BORROWED |
| 433100 | REVENUES - DISCONTINUED OPERATIONS |
| 433101 | OTHER EXPENSES - DISCONTINUED OPERATIONS |
| 433102 | FED CURRENT INCOME TAXES - DISCO OPS |
| 433103 | ST CURRENT INCOME TAXES - DISCO OPS |
| 433104 | FED DEFERRED INCOME TAXES - DISCO OPS |
| 433105 | ST DEFERRED INCOME TAXES - DISCO OPS |
| 438003 | COMMON STK DIVS DECL - LEL |
| 438005 | COMMON STK DIVS DECL - PARENT FM KU |
| 438006 | COMMON STOCK DIV DECLARED PPL FM LKE |

Oracle Account Setup Details

| Account Number | Account Description |
| --- | --- |
| 439002 | RETAINED EARNINGS ADJ |
| 440010 | RESID (FUEL) - KWH - (STAT ONLY) |
| 440011 | RESID (FUEL) - CUS - (STAT ONLY) |
| 440012 | ELECTRIC RESIDENTIAL KW |
| 440101 | ELECTRIC RESIDENTIAL DSM |
| 440102 | ELECTRIC RESIDENTIAL ENERGY NON-FUEL REV |
| 440103 | ELECTRIC RESIDENTIAL ENERGY FUEL REV |
| 440104 | ELECTRIC RESIDENTIAL FAC |
| 440111 | ELECTRIC RESIDENTIAL ECR |
| 440112 | CLOSED 02/18 - ELECTRIC RESIDENTIAL MSR |
| 440113 | ELECTRIC RESIDENTIAL OSS TRACKER (ESM) |
| 440115 | ELECTRIC RESIDENTIAL TCJA SURCREDIT |
| 440116 | ELECTRIC RESIDENTIAL DEMAND ECR |
| 440117 | ELECTRIC RESIDENTIAL ENERGY ECR |
| 440118 | ELECTRIC RESIDENTIAL DEMAND CHG REV |
| 440119 | ELECTRIC RESIDENTIAL CUST CHG REV |
| 440121 | ELECTRIC RESIDENTIAL SOLAR CAPACITY CHG |
| 440122 | ELECTRIC RESIDENTIAL SOLAR ENERGY CREDIT |
| 440123 | ELECTRIC RESIDENTIAL SOLAR FAC OFFSET |
| 440124 | ELECTRIC RESIDENTIAL SOLAR OST OFFSET |
| 440126 | ELECTRIC RESIDENTIAL SOLAR ENERGY FUEL CREDIT |
| 442020 | LG COMMERC SALES-EL - KWH - (STAT ONLY) |
| 442021 | LG COMMERC SALES-EL - CUS - (STAT ONLY) |
| 442025 | KU COMMERCIAL SALES - KWH - (STAT ONLY) |
| 442026 | KU COMMERCIAL SALES - CUS - (STAT ONLY) |
| 442030 | LG INDUSTR SALES-El-OTHER - KWH - (STAT ONLY) |
| 442031 | LG INDUSTR SALES-EL-OTHER - CUS - (STAT ONLY) |
| 442035 | KU INDUSTRIAL SALES - KWH - (STAT ONLY) |
| 442036 | KU INDUSTRIAL SALES - CUS - (STAT ONLY) |
| 442101 | ELECTRIC SMALL COMMERCIAL DSM |
| 442102 | ELECTRIC SMALL COMMERCIAL ENERGY NON-FUEL REV |
| 442103 | ELECTRIC SMALL COMMERCIAL ENERGY FUEL REV |
| 442104 | ELECTRIC SMALL COMMERCIAL FAC |
| 442111 | ELECTRIC SMALL COMMERCIAL ECR |
| 442113 | ELECTRIC SMALL COMMERCIAL OSS TRACKER (ESM) |
| 442115 | ELECTRIC SMALL COMMERCIAL TCJA SURCREDIT |
| 442116 | ELECTRIC SMALL COMMERCIAL DEMAND ECR |
| 442117 | ELECTRIC SMALL COMMERCIAL ENERGY ECR |
| 442118 | ELECTRIC SMALL COMMERCIAL DEMAND CHG REV |
| 442119 | ELECTRIC SMALL COMMERCIAL CUST CHG REV |
| 442201 | ELECTRIC LARGE COMMERCIAL DSM |
| 442202 | ELECTRIC LARGE COMMERCIAL ENERGY NON-FUEL REV |
| 442203 | ELECTRIC LARGE COMMERCIAL ENERGY FUEL REV |
| 442204 | ELECTRIC LARGE COMMERCIAL FAC |
| 442211 | ELECTRIC LARGE COMMERCIAL ECR |
| 442213 | ELECTRIC LARGE COMMERCIAL OSS TRACKER (ESM) |
| 442215 | ELECTRIC LARGE COMMERCIAL TCJA SURCREDIT |
| 442216 | ELECTRIC LARGE COMMERCIAL DEMAND ECR |
| 442217 | ELECTRIC LARGE COMMERCIAL ENERGY ECR |
| 442218 | ELECTRIC LARGE COMMERCIAL DEMAND CHG REV |
| 442219 | ELECTRIC LARGE COMMERCIAL CUST CHG REV |
| 442221 | ELECTRIC LARGE COMMERCIAL SOLAR CAPACITY CHG |
| 442222 | ELECTRIC LARGE COMMERCIAL SOLAR ENERGY CREDIT |
| 442223 | ELECTRIC LARGE COMMERCIAL SOLAR FAC OFFSET |
| 442224 | ELECTRIC LARGE COMMERCIAL SOLAR OST OFFSET |
| 442225 | ELECTRIC LARGE COMMERCIAL DEMAND EDR |
| 442226 | ELECTRIC LARGE COMMERCIAL SOLAR ENERGY FUEL CREDIT |
| 442301 | ELECTRIC INDUSTRIAL DSM |
| 442302 | ELECTRIC INDUSTRIAL ENERGY NON-FUEL REV |
| 442303 | ELECTRIC INDUSTRIAL ENERGY FUEL REV |
| 442304 | ELECTRIC INDUSTRIAL FAC |
| 442311 | ELECTRIC INDUSTRIAL ECR |
| 442313 | ELECTRIC INDUSTRIAL OSS TRACKER (ESM) |
| 442315 | ELECTRIC INDUSTRIAL TCJA SURCREDIT |
| 442316 | ELECTRIC INDUSTRIAL DEMAND ECR |
| 442317 | ELECTRIC INDUSTRIAL ENERGY ECR |
| 442318 | ELECTRIC INDUSTRIAL DEMAND CHG REV |
| 442319 | ELECTRIC INDUSTRIAL CUST CHG REV |

Oracle Account Setup Details

| Account Number | Account Description |
|---|---|
| 442321 | ELECTRIC INDUSTRIAL SOLAR CAPACITY CHG |
| 442322 | ELECTRIC INDUSTRIAL SOLAR ENERGY CREDIT |
| 442323 | ELECTRIC INDUSTRIAL SOLAR FAC OFFSET |
| 442324 | ELECTRIC INDUSTRIAL SOLAR OST OFFSET |
| 442325 | ELECTRIC INDUSTRIAL DEMAND EDR |
| 442326 | ELECTRIC INDUSTRIAL SOLAR ENERGY FUEL CREDIT |
| 442601 | MINE POWER DSM |
| 442602 | MINE POWER ENERGY NON-FUEL REV |
| 442603 | MINE POWER ENERGY FUEL REV |
| 442604 | MINE POWER FAC |
| 442611 | MINE POWER ECR |
| 442613 | MINE POWER OSS TRACKER (ESM) |
| 442615 | MINE POWER TCJA SURCREDIT |
| 442616 | MINE POWER DEMAND ECR |
| 442617 | MINE POWER ENERGY ECR |
| 442618 | MINE POWER DEMAND CHG REV |
| 442619 | MINE POWER CUST CHG REV |
| 444010 | PUBLIC ST/HWY LIGHTS - KWH - (STAT ONLY) |
| 444011 | PUBLIC ST/HWY LIGHTS - CUS - (STAT ONLY) |
| 444101 | ELECTRIC STREET LIGHTING DSM |
| 444102 | ELECTRIC STREET LIGHTING ENERGY NON-FUEL REV |
| 444103 | ELECTRIC STREET LIGHTING ENERGY FUEL REV |
| 444104 | ELECTRIC STREET LIGHTING FAC |
| 444111 | ELECTRIC STREET LIGHTING ECR |
| 444113 | ELECTRIC STREET LIGHTING OSS TRACKER (ESM) |
| 444115 | ELECTRIC STREET LIGHTING TCJA SURCREDIT |
| 444117 | ELECTRIC STREET LIGHTING ENERGY ECR |
| 444118 | ELECTRIC STREET LIGHTING DEMAND CHG REV |
| 444119 | ELECTRIC STREET LIGHTING CUST CHG REV |
| 445010 | SALES-PUB AUTH-ELEC - KWH - (STAT ONLY) |
| 445011 | SALES-PUB AUTH-ELEC - CUS - (STAT ONLY) |
| 445101 | ELECTRIC PUBLIC AUTH DSM |
| 445102 | ELECTRIC PUBLIC AUTH ENERGY NON-FUEL REV |
| 445103 | ELECTRIC PUBLIC AUTH ENERGY FUEL REV |
| 445104 | ELECTRIC PUBLIC AUTH FAC |
| 445111 | ELECTRIC PUBLIC AUTH ECR |
| 445113 | ELECTRIC PUBLIC AUTH OSS TRACKER (ESM) |
| 445115 | ELECTRIC PUBLIC AUTH TCJA SURCREDIT |
| 445116 | ELECTRIC PUBLIC AUTH DEMAND ECR |
| 445117 | ELECTRIC PUBLIC AUTH ENERGY ECR |
| 445118 | ELECTRIC PUBLIC AUTH DEMAND CHG REV |
| 445119 | ELECTRIC PUBLIC AUTH CUST CHG REV |
| 445121 | ELECTRIC PUBLIC AUTH SOLAR CAPACITY CHG |
| 445122 | ELECTRIC PUBLIC AUTH SOLAR ENERGY CREDIT |
| 445123 | ELECTRIC PUBLIC AUTH SOLAR FAC OFFSET |
| 445124 | ELECTRIC PUBLIC AUTH SOLAR OST OFFSET |
| 445125 | ELECTRIC PUBLIC AUTH DEMAND EDR |
| 445126 | ELECTRIC PUBLIC AUTH SOLAR ENERGY FUEL CREDIT |
| 445301 | MUNI PUMPING DSM |
| 445302 | MUNI PUMPING ENERGY NON-FUEL REV |
| 445303 | MUNI PUMPING ENERGY FUEL REV |
| 445304 | MUNI PUMPING FAC |
| 445311 | MUNI PUMPING ECR |
| 445313 | MUNI PUMPING OSS TRACKER (ESM) |
| 445315 | MUNI PUMPING TCJA SURCREDIT |
| 445316 | MUNI PUMPING DEMAND ECR |
| 445317 | MUNI PUMPING ENERGY ECR |
| 445318 | MUNI PUMPING DEMAND CHG REV |
| 445319 | MUNI PUMPING CUST CHG REV |
| 447005 | I/C SALES - OSS |
| 447006 | I/C SALES NL |
| 447011 | FIRM SALES - ENERGY-OTHER - CUS - (STAT ONLY) |
| 447021 | FIRM SALES - MUNI/BEREA - KWH - (STAT ONLY) |
| 447022 | FIRM SALES - MUNI/BEREA - CUS |
| 447049 | SPOT SALES - ENERGY |
| 447050 | OFF-SYSTEM SALES REVENUE TO THIRD PARTIES |
| 447302 | RESALE MUNICIPALS BASE REV |
| 447303 | RESALE MUNICIPALS BASE REV FUEL |

Oracle Account Setup Details

| Account Number | Account Description |
|---|---|
| 447304 | RESALE MUNICIPALS FAC |
| 447318 | RESALE MUNICIPALS DEMAND CHG REV |
| 447319 | RESALE MUNICIPALS CUST CHG REV |
| 447402 | ELEC WLSE SPECIAL CONTRACT - NON-FUEL REV |
| 447403 | ELEC WLSE SPECIAL CONTRACT - FUEL REV |
| 447418 | ELEC WLSE SPECIAL CONTRACT - DEMAND CHG REV |
| 447419 | ELEC WLSE SPECIAL CONTRACT - CUST CHG REV |
| 449102 | PROVISION FOR RATE REFUND/COLLECTION |
| 449105 | RATE REFUNDS-RETAIL |
| 450001 | FORFEITED DISC/LATE PAYMENT CHARGE-ELEC |
| 450002 | FORFEITED DISC/LATE PAYMENT CHARGE - MUNI INTEREST |
| 451001 | RECONNECT CHRG-ELEC |
| 451002 | TEMPORARY SERV-ELEC |
| 451004 | OTH SERVICE REV-ELEC |
| 451005 | UNAUTHORIZED RECONNECT (UAR) |
| 454001 | CATV ATTACH RENT |
| 454002 | OTH RENT-ELEC PROP |
| 454003 | RENT FRM FIBER OPTIC |
| 454006 | FACILITY CHARGES |
| 454007 | ELECTRIC VEHICLE CHARGING STATION RENTAL |
| 454008 | REFINED COAL LICENSE FEE |
| 454009 | RENT ELECTRIC PROPERTY - LEASE |
| 454900 | I/C JOINT USE RENT REVENUE-ELEC-INDIRECT |
| 454901 | I/C JOINT USE RENT REVENUE-ELEC-INDIRECT (PPL ELIM) |
| 456003 | COMP-TAX REMIT-ELEC |
| 456004 | COMP-STBY PWR-H2O CO |
| 456007 | RET CHECK CHRG-ELEC |
| 456008 | OTHER MISC ELEC REVS |
| 456018 | COAL RESALE REVENUES - REFINED COAL |
| 456022 | INDUSTRIAL COAL SERVICES INCOME |
| 456023 | COAL RESALE EXPENSES - REFINED COAL |
| 456024 | INDUSTRIAL COAL SERVICES EXPENSE |
| 456028 | EXCESS FACILITIES CHARGES/NRB ELECTRIC REV (ENDED 04/09) |
| 456029 | CLOSED 06/18 - GYPSUM REVENUES |
| 456030 | FORFEITED REFUNDABLE ADVANCES |
| 456031 | SSP - SUBSCRIPTION FEES |
| 456090 | REVENUE FROM RENEWABLE ENERGY CREDITS |
| 456099 | POWER DELIVERED TO GOVERNMENT (STAT ONLY) |
| 456109 | NL TRANSMISSION OF ELECTRIC ENERGY-3RD PARTY |
| 456110 | ELEC WLSE SPECIAL CONTRACT - TRANSMISSION |
| 456130 | THIRD PARTY ENERGY NATIVE LOAD TRANSMISSION |
| 456131 | THIRD PARTY SCHEDULE 1 NATIVE LOAD TRANSMISSION |
| 456132 | THIRD PARTY SCHEDULE 2 NATIVE LOAD TRANSMISSION |
| 456133 | THIRD PARTY SCHEDULE 3 NATIVE LOAD TRANSMISSON |
| 456134 | THIRD PARTY DEMAND NATIVE LOAD TRANSMISSION |
| 456135 | THIRD PARTY SCHEDULE 5 NATIVE LOAD TRANSMISSION |
| 456136 | THIRD PARTY SCHEDULE 6 NATIVE LOAD TRANSMISSION |
| 456140 | INTERCOMPANY NATIVE LOAD ENERGY TRANSMISSION |
| 456141 | INTERCOMPANY NATIVE LOAD SCH 1 TRANSMISSION |
| 456142 | INTERCOMPANY NATIVE LOAD SCH 2 TRANSMISSION |
| 456143 | INTERCOMPANY NATIVE LOAD DEMAND TRANSMISSION |
| 456150 | INTERCOMPANY RETAIL SOURCE ENERGY TRANSMISSION |
| 456151 | INTERCOMPANY RETAIL SOURCE SCH 1 TRANSMISSION |
| 456152 | INTERCOMPANY RETAIL SOURCE SCH 2 TRANSMISSION |
| 456153 | INTERCOMPANY RETAIL SOURCE DEMAND TRANSMISSION |
| 456160 | INTRACOMPANY NATIVE LOAD ENERGY TRANSMISSION |
| 456161 | INTRACOMPANY NATIVE LOAD SCH 1 TRANSMISSION |
| 456162 | INTRACOMPANY NATIVE LOAD SCH 2 TRANSMISSION |
| 456163 | INTRACOMPANY NATIVE LOAD DEMAND TRANSMISSION |
| 456170 | INTRACOMPANY RETAIL SOURCE ENERGY TRANSMISSION |
| 456171 | INTRACOMPANY RETAIL SOURCE SCH 1 TRANSMISSION |
| 456172 | INTRACOMPANY RETAIL SOURCE SCH 2 TRANSMISSION |
| 456173 | INTRACOMPANY RETAIL SOURCE DEMAND TRANSMISSION |
| 456198 | INTRACOMPANY TRANSMISSION REVENUE ELIMINATION - NL |
| 456199 | INTRACOMPANY TRANSMISSION REVENUE ELIMINATION - RETAIL SOURCING OSS |
| 457101 | DIRECT COSTS CHARGED |
| 457201 | INDIRECT COSTS CHARGED |
| 480010 | RESID VARIABLE(FUEL) - MCF - (STAT ONLY) |

Oracle Account Setup Details

| Account Number | Account Description |
|---|---|
| 480011 | RESID VARIABLE(FUEL) - CUS - (STAT ONLY) |
| 480101 | GAS RESIDENTIAL DSM |
| 480102 | GAS RESIDENTIAL ENERGY REV |
| 480104 | GAS RESIDENTIAL GSC |
| 480106 | GAS RESIDENTIAL GLT DISTR |
| 480107 | GAS RESIDENTIAL WNA |
| 480108 | GAS RESIDENTIAL GLT TRANS |
| 480115 | GAS RESIDENTIAL TCJA SURCREDIT |
| 480119 | GAS RESIDENTIAL CUST CHG REV |
| 481010 | COMMERCIAL SALES-GAS - CU - (STAT ONLY) |
| 481011 | COMMERCIAL SALES-GAS - MCF - (STAT ONLY) |
| 481020 | INDUSTRIAL SALES-GAS - CU - (STAT ONLY) |
| 481021 | INDUSTRIAL SALES-GAS - MCF - (STAT ONLY) |
| 481101 | GAS COMMERCIAL DSM |
| 481102 | GAS COMMERCIAL ENERGY REV |
| 481104 | GAS COMMERCIAL GSC |
| 481105 | GAS COMMERCIAL CASHOUT |
| 481106 | GAS COMMERICAL GLT DISTR |
| 481107 | GAS COMMERCIAL WNA |
| 481108 | GAS COMMERCIAL GLT TRANS |
| 481115 | GAS COMMERCIAL TCJA SURCREDIT |
| 481119 | GAS COMMERCIAL CUST CHG REV |
| 481201 | GAS INDUSTRIAL DSM |
| 481202 | GAS INDUSTRIAL ENERGY REV |
| 481204 | GAS INDUSTRIAL GSC |
| 481205 | GAS INDUSTRIAL CASHOUT |
| 481206 | GAS INDUSTRIAL GLT DISTR |
| 481208 | GAS INDUSTRIAL GLT TRANS |
| 481215 | GAS INDUSTRIAL TCJA SURCREDIT |
| 481219 | GAS INDUSTRIAL CUST CHG REV |
| 482010 | SALES-PUB AUTH-GAS - CUS - (STAT ONLY) |
| 482011 | SALES-PUB AUTH-GAS - MCF - (STAT ONLY) |
| 482101 | GAS PUBLIC AUTH DSM |
| 482102 | GAS PUBLIC AUTH ENERGY REV |
| 482104 | GAS PUBLIC AUTH GSC |
| 482105 | GAS PUBLIC AUTH CASHOUT |
| 482106 | GAS PUBLIC AUTH GLT DISTR |
| 482107 | GAS PUBLIC AUTH WNA |
| 482108 | GAS PUBLIC AUTH GLT TRANS |
| 482115 | GAS PUBLIC AUTH TCJA SURCREDIT |
| 482119 | GAS PUBLIC AUTH CUST CHG REV |
| 483001 | OFF SYSTEM SALES FOR RESALE (MCF) - (STAT ONLY) |
| 484001 | GAS INTERDEPARTMENTAL SALES |
| 484102 | GAS INTERDEPARTMENTAL BASE REVENUES |
| 484104 | GAS INTERDEPARTMENTAL GSC |
| 484105 | PADDYS RUN CASHOUT - INTRACOMPANY |
| 484106 | GAS INTERDEPARTMENTAL GLT DISTR |
| 484108 | GAS INTERDEPARTMENTAL GLT TRANS |
| 484115 | GAS INTERDEPARTMENTAL TCJA SURCREDIT |
| 484119 | GAS INTERDEPARTMENTAL CUSTOMER CHARGE |
| 487001 | FORFEITED DISC/LATE PAYMENT CHARGE-GAS |
| 488001 | RECONNECT CHRG-GAS |
| 488003 | INSPECTION CHARGE-GAS |
| 488004 | METER TESTS-GAS |
| 488005 | GAS METER PULSE SERVICE |
| 488006 | UNAUTHORIZED RECONNECT (UAR) - GAS |
| 489201 | GAS TRANSPORT INTERDEPARTMENTAL - BASE |
| 489204 | GAS TRANSPORT INTERDEP - CASHOUT OFO/UCDI |
| 489215 | GAS TRANSPORT - INTERDEPARTMENTAL |
| 489301 | GAS TRANSPORT - DSM |
| 489302 | GAS TRANSPORT - INDUSTRIAL |
| 489304 | GAS TRANSPORT - CASHOUT OFO/UCDI |
| 489306 | GAS TRANSPORT - GLT-DISTRIBUTION |
| 489308 | GAS TRANSPORT - GLT-TRANSMISSION |
| 489310 | GAS TRANSPORT - CUSTOMERS (STAT ONLY) |
| 489312 | GAS TRANSPORT - DIRECT PAY - STATS ONLY |
| 489315 | GAS TRANSPORT - TCJA SURCREDIT |
| 489319 | TRANSPORT GAS - CUSTOMER CHARGE |

Oracle Account Setup Details

| Account Number | Account Description |
|---|---|
| 489322 | GAS TRANSPORT - COMMERCIAL |
| 489332 | GAS TRANSPORT - PUBLIC AUTHORITY |
| 493001 | RENT-GAS PROPERTY |
| 493002 | RENT GAS PROPERTY - LEASE |
| 493900 | I/C JOINT USE RENT REVENUE-GAS-INDIRECT |
| 493901 | I/C JOINT USE RENT REVENUE FROM PPL-GAS-INDIRECT |
| 495002 | COMP-TAX REMIT-GAS |
| 495005 | RET CHECK CHRG-GAS |
| 495006 | OTHER GAS REVENUES |
| 500100 | OPER SUPER/ENG |
| 500900 | OPER SUPER/ENG - INDIRECT |
| 501001 | FUEL-COAL - TON |
| 501002 | FUEL-COAL - BTU - (STAT ONLY) |
| 501003 | CLOSED 06/18 - COAL ADDITIVES |
| 501004 | FUEL COAL - TO SOURCE UTILITY OSS |
| 501005 | FUEL COAL - OSS |
| 501006 | FUEL COAL - OFFSET |
| 501007 | FUEL COAL - TO SOURCE UTILITY RETAIL |
| 501009 | OSS INCREMENTAL COAL EXPENSE |
| 501019 | REFINED COAL - COAL YARD SERVICES |
| 501020 | START-UP OIL -GAL |
| 501021 | START-UP OIL - BTU - (STAT ONLY) |
| 501022 | STABILIZATION OIL - GAL |
| 501023 | STABILIZATION OIL - BTU - (STAT ONLY) |
| 501027 | AMORTIZATION OF REFINED COAL - COAL YARD SERVICES - KY |
| 501090 | FUEL HANDLING |
| 501091 | FUEL SAMPLING AND TESTING |
| 501099 | KWH GENERATED-COAL - (STAT ONLY) |
| 501100 | START-UP GAS - MCF |
| 501101 | START-UP GAS - BTU - (STAT ONLY) |
| 501102 | STABILIZATION GAS - MCF |
| 501103 | STABILIZATION GAS - BTU - (STAT ONLY) |
| 501200 | BOTTOM ASH DISPOSAL |
| 501202 | CLOSED 06/18 - BOTTOM ASH PROCEEDS |
| 501250 | FLY ASH PROCEEDS |
| 501251 | CLOSED 06/18 - FLY ASH DISPOSAL |
| 501253 | ECR FLY ASH DISPOSAL |
| 501990 | FUEL HANDLING - INDIRECT |
| 502001 | OTHER WASTE DISPOSAL |
| 502002 | BOILER SYSTEMS OPR |
| 502003 | SDRS OPERATION |
| 502004 | SDRS-H2O SYS OPR |
| 502005 | CLOSED 06/18 - SLUDGE STAB SYS OPR |
| 502006 | SCRUBBER REACTANT EX |
| 502011 | ECR OTHER WASTE DISPOSAL |
| 502012 | LANDFILL OPERATION |
| 502013 | ECR LANDFILL OPERATIONS |
| 502014 | PROCESS WATER CHEMICALS |
| 502022 | CLOSED 06/18 - OTHER WASTE DISPOSAL - OSS |
| 502023 | CLOSED 06/18 - OTHER WASTE DISPOSAL - OFFSET |
| 502025 | REACTANT - EXTERNAL OSS |
| 502026 | SCRUBBER REACTANT - OFFSET |
| 502027 | SCRUBBER REACTANT - TO SOURCE UTILITY OSS |
| 502056 | CLOSED 06/18 - ECR SCRUBBER REACTANT EX |
| 502057 | CLOSED 06/18 - ECR SCRUBBER REACTANT OSS OFFSET |
| 502058 | CLOSED 06/18 - ECR SCRUBBER REACTANT EX - OSS |
| 502100 | STM EXP(EX SDRS.SPP) |
| 502900 | STM EXP(EX SDRS.SPP) - INDIRECT |
| 504001 | CLOSED 06/18 - STEAM XFERRED - CR - PROJECT USE |
| 505100 | ELECTRIC SYS OPR |
| 506001 | STEAM OPERATION-AIR QUALITY MONITORING AND CONTROL EQUIPMENT |
| 506051 | ECR STEAM OPERATION-AIR QUALITY MONITORING AND CONTROL EQUIPMENT |
| 506100 | MISC STM PWR EXP |
| 506104 | NOX REDUCTION REAGENT |
| 506105 | OPERATION OF SCR/NOX REDUCTION EQUIP |
| 506107 | AMMONIA - EXTERNAL OSS |
| 506108 | SCR/NOX - OFFSET |
| 506109 | SORBENT INJECTION OPERATION |

Oracle Account Setup Details

| Account Number | Account Description |
|---|---|
| 506110 | MERCURY MONITORS OPERATIONS |
| 506111 | ACTIVATED CARBON |
| 506112 | SORBENT REACTANT - REAGENT ONLY |
| 506113 | LIQUID INJECTION - REAGENT ONLY |
| 506114 | AMMONIA - TO SOURCE UTILITY OSS |
| 506150 | ECR MERCURY MONITORS OPERATIONS |
| 506151 | ECR ACTIVATED CARBON |
| 506152 | ECR SORBENT REACTANT - REAGENT ONLY |
| 506153 | ECR LIQUID INJECTION - REAGENT ONLY |
| 506154 | ECR NOX REDUCTION REAGENT |
| 506156 | ECR BAGHOUSE OPERATIONS |
| 506159 | ECR SORBENT INJECTION OPERATION |
| 506160 | ECR OTHER STEAM EXPENSE OSS OFFSET |
| 506161 | ECR ACTIVATED CARBON - OSS |
| 506162 | ECR SORBENT REACTANT - REAGENT ONLY - OSS |
| 506163 | ECR NOX REDUCTION REAGENT - OSS |
| 506164 | ECR LIQUID INJECTION - REAGENT ONLY - OSS |
| 506900 | MISC STM PWR EXP - INDIRECT |
| 507100 | RENTS-STEAM |
| 509002 | SO2 EMISSION ALLOWANCES |
| 509003 | NOX EMISSION ALLOWANCES |
| 509007 | CLOSED 06/18 - EMISSION ALLOWANCES - EXTERNAL OSS |
| 509008 | CLOSED 06/18 - EMISSION ALLOWANCES - OFFSET |
| 509009 | CLOSED 06/18 - EMISSION ALLOWANCES - TO SOURCE UTILITY OSS |
| 509052 | ECR SO2 EMISSION ALLOWANCES |
| 509053 | ECR NOX EMISSION ALLOWANCES |
| 510100 | MTCE SUPER/ENG - STEAM |
| 510900 | MTCE SUPER/ENG - STEAM - INDIRECT |
| 511100 | MTCE-STRUCTURES |
| 512005 | MAINTENANCE-SDRS |
| 512011 | INSTR/CNTRL-ENVRNL |
| 512015 | SDRS-COMMON H2O SYS |
| 512016 | MAINTENANCE - MERC CONTROL |
| 512017 | MTCE-SLUDGE STAB SYS |
| 512055 | ECR MAINTENANCE-SDRS |
| 512056 | ECR MAINTENANCE - MERC CONTROL |
| 512100 | MTCE-BOILER PLANT |
| 512101 | MAINTENANCE OF SCR/NOX REDUCTION EQUIP |
| 512102 | SORBENT INJECTION MAINTENANCE |
| 512103 | MERCURY MONITORS MAINTENANCE |
| 512107 | ECR LANDFILL MAINTENANCE |
| 512108 | ECR CCR BEN REUSE SYSTEM MAINT |
| 512151 | ECR MAINTENANCE OF SCR/NOX REDUCTION EQUIP |
| 512152 | ECR SORBENT INJECTION MAINTENANCE |
| 512156 | ECR BAGHOUSE MAINTENANCE |
| 513100 | MTCE-ELECTRIC PLANT |
| 513900 | MTCE-ELECTRIC PLANT - BOILER |
| 514100 | MTCE-MISC/STM PLANT |
| 535100 | OPER SUPER/ENG-HYDRO |
| 536100 | WATER FOR POWER |
| 536101 | KWH GENERATED-HYDRO - (STAT ONLY) |
| 538100 | ELECTRIC EXPENSES - HYDRO |
| 539100 | MISC HYD PWR GEN EXP |
| 540100 | RENTS-HYDRO |
| 541100 | MTCE-SUPER/ENG - HYDRO |
| 542100 | MAINT OF STRUCTURES - HYDRO |
| 543100 | MTCE-RES/DAMS/WATERW |
| 544100 | MTCE-ELECTRIC PLANT |
| 545100 | MTCE-MISC HYDAULIC PLANT |
| 546100 | OPER SUPER/ENG - TURBINES |
| 546900 | OPER SUPER/ENG - TURBINES - INDIRECT |
| 547010 | KWH GEN-OTH PWR-OIL - (STAT ONLY) |
| 547020 | KWH GEN-OTH PWR-GAS - (STAT ONLY) |
| 547021 | KWH GEN-OTH PWR-SOLAR - (STAT ONLY) |
| 547030 | FUEL-GAS - MCF |
| 547031 | FUEL-GAS - BTU - (STAT ONLY) |
| 547040 | FUEL-OIL - GAL |
| 547041 | FUEL-OIL - BTU - (STAT ONLY) |

Oracle Account Setup Details

| Account Number | Account Description |
|---|---|
| 547051 | FUEL - TO SOURCE UTILITY OSS |
| 547052 | FUEL - OSS |
| 547053 | FUEL - OFFSET |
| 547054 | FUEL - TO SOURCE UTILITY RETAIL |
| 547056 | FUEL - GAS - INTRACOMPANY |
| 547057 | FUEL - GAS - INTRACOMPANY - BTU - (STAT ONLY) |
| 547058 | OSS INCREMENTAL CT EXPENSE |
| 548010 | GENERATION EXP |
| 548910 | GENERATION EXP - INDIRECT |
| 549001 | SO2 EMISSION ALLOWANCES |
| 549002 | AIR QUALITY EXPENSES |
| 549003 | NOX EMISSION ALLOWANCES |
| 549100 | MISC OTH PWR GEN EXP |
| 549900 | MISC OTH PWR GEN EXP - INDIRECT |
| 550100 | RENTS-OTH PWR |
| 551100 | MTCE-SUPER/ENG - TURBINES |
| 551900 | MTCE-SUPER/ENG - TURBINES - INDIRECT |
| 552100 | MTCE-STRUCTURES - OTH PWR |
| 553010 | MTCE-GEN/ELECT EQ |
| 553200 | MTCE-HEAT RECOVERY STM GEN |
| 553910 | MTCE-GEN/ELECT EQ - INDIRECT |
| 554100 | MTCE-MISC OTH PWR GEN |
| 555010 | OSS POWER PURCHASES |
| 555011 | MONTHLY FUEL ADJUSTMENT (MFA) RELATED CAPACITY/TOLLING PURCHASE POWER |
| 555015 | NL POWER PURCHASES - ENERGY |
| 555016 | NL POWER PURCHASES - DEMAND |
| 555017 | DEMAND FOR TOLLING/CAPACITY AGREEMENTS |
| 555020 | OSS I/C POWER PURCHASES |
| 555025 | NL I/C POWER PURCHASES |
| 555080 | PURCHASE POWER NATIVE LOAD - SQF AND LQF TARIFF |
| 555101 | INAD INTER REC-KWH - (STAT ONLY) |
| 555110 | INAD INTER DEL-KWH - (STAT ONLY) |
| 556100 | SYS CTRL / DISPATCHING |
| 556900 | SYS CTRL / DISPATCHING - INDIRECT |
| 557100 | CLOSED 06/18 - OTH POWER SUPPLY EXP |
| 557111 | MARKET FEES - OFF SYSTEM SALES |
| 557207 | MISO DAY 2 OTHER - OFF SYSTEM SALES |
| 557208 | RTO OTHER (NON-MISO) - NL |
| 557209 | RTO OTHER (NON-MISO) - OSS |
| 557211 | RTO OPERATING RESRV (NON-MISO) - NL |
| 557212 | RTO OPERATING RESRV (NON-MISO) - OSS |
| 557920 | ADMIN FEES FOR RESERVE SHARING AGREEMENT - INDIRECT |
| 560100 | OP SUPER/ENG-SSTOPER |
| 560900 | OP SUPER/ENG-SSTOPER - INDIRECT |
| 561100 | CLOSED 06/18 - LOAD DISPATCH-WELOB |
| 561190 | LOAD DISPATCH - INDIRECT |
| 561201 | LOAD DISPATCH-MONITOR AND OPERATE TRANSMISSION SYSTEM |
| 561291 | LOAD DISPATCH-MONITOR AND OPERATE TRANSMISSION SYSTEM - INDIRECT |
| 561391 | LOAD DISPATCH-TRANSMISSION SERVICE AND SCHEDULING - INDIRECT |
| 561590 | RELIABILITY, PLANNING AND STANDARDS DEVELOPMENT - INDIRECT |
| 561601 | TRANSMISSION SERVICE STUDIES |
| 561701 | GENERATION INTERCONNECTION STUDIES |
| 562010 | STA EXP-SUBST OPER |
| 562090 | STA EXP - SUBST OPER - I |
| 563100 | OTHER INSP-ELEC TRAN |
| 565002 | TRANSMISSION ELECTRIC OSS |
| 565005 | TRANSMISSION ELECTRIC NATIVE LOAD |
| 565014 | INTERCOMPANY TRANSMISSION EXPENSE |
| 565018 | INTRACOMPANY TRANSMISSION EXPENSE - NATIVE LOAD |
| 565019 | INTRACOMPANY TRANSMISSION EXPENSE - OSS |
| 565024 | I/C TRANSMISSION RETAIL EXPENSE - NATIVE LOAD |
| 565198 | INTRACOMPANY TRANSMISSION EXPENSE OFFSET - NATIVE LOAD |
| 565199 | INTRACOMPANY TRANSMISSION EXPENSE ELIMINATION - RETAIL SOURCING OSS |
| 566100 | MISC TRANS EXP-SSTMT |
| 566122 | REACTIVE SUPPLY & VOLTAGE CONTROL - NL |
| 566140 | INDEPENDENT OPERATOR |
| 566151 | TRANSMISSION DEPANCAKING EXPENSES |
| 566900 | MISC TRANS EXP-SSTMT - INDIRECT |

**Oracle Account Setup Details**

| Account Number | Account Description |
|---|---|
| 566940 | INDEPENDENT OPERATOR - INDIRECT |
| 567100 | RENTS-ELEC/SUBSTATION OPERATIONS |
| 567900 | I/C JOINT USE RENT EXPENSE-TRANS-INDIRECT |
| 569100 | CLOSED 06/18 - MTCE-STRUCT-SSTMTCE |
| 570010 | MTCE-ST EQ-SSTMTCE |
| 570900 | MTCE-ST EQ-SSTMTCE - INDIRECT |
| 571100 | MTCE OF OVERHEAD LINES |
| 573100 | MTCE-MISC TR PLT-SSTMT |
| 573900 | MTCE-MISC TR PLT-SSTMT INDIRECT |
| 575701 | MISO DAY 2 SCH 17-MARKET ADMIN FEE-OSS |
| 575702 | MISO DAY 2 SCH 16-FTR ADMIN FEE-NL |
| 575703 | MISO DAY 2 SCH 17-MARKET ADMIN FEE-NL |
| 575708 | NL MISO D1 SCHEDULE 10 - MKT ADMIN |
| 580100 | OP SUPER/ENG-SSTOPER |
| 580900 | OP SUPER/ENG-SSTOPER - INDIRECT |
| 581100 | SYS CTRL/SWITCH-DIST |
| 581900 | SYS CTRL/SWITCH-DIST - INDIRECT |
| 582100 | STATION EXP-SSTOPER |
| 583001 | OPR-O/H LINES |
| 583005 | CUST COMPL RESP-O/H |
| 583008 | INST/REMV TRANSF/REG |
| 583009 | INSPC O/H LINE FACIL |
| 583010 | LOC O/H ELEC FAC-BUD |
| 583100 | O/H LINE EXP-SSTOPER |
| 584001 | OPR-UNDERGRND LINES |
| 584002 | INSPC U/G LINE FACIL |
| 584003 | LOAD/VOLT TEST-U/G |
| 584005 | CLOSED 06/18 - RESP-U/G CUST COMPL |
| 584008 | INST/RMV/REPL TRANSF |
| 585100 | CLOSED 06/18 - STREET LIGHTING AND SIGNAL SYST EXP |
| 586100 | METER EXP |
| 586101 | INPECT/TEST METERS |
| 586900 | METER EXP - INDIRECT |
| 587100 | CUST INSTALLATION EXP |
| 588100 | MISC DIST EXP-SUBSTATION OPERATIONS |
| 588900 | MISC DIST EXP-SUBSTATION OPERATIONS - INDIRECT |
| 589100 | RENTS-DISTR / SUBSTAT OPER |
| 590100 | MTCE/SUPER/ENG-SSTMT |
| 590900 | MTCE/SUPER/ENG-SSTMT - INDIRECT |
| 591003 | MTCE-MISC STRUCT-DIS |
| 592100 | MTCE-ST EQ-SSTMTCE |
| 593001 | MTCE-POLE/FIXT-DISTR |
| 593002 | MTCE-COND/DEVICE-DIS |
| 593003 | MTCE-SERVICES |
| 593004 | TREE TRIMMING |
| 593005 | MINOR EXEMPT EXPENSE |
| 593904 | TREE TRIMMING - INDIRECT |
| 594001 | MTCE-ELEC MANHOL ETC |
| 594002 | MTCE-U/G COND ETC |
| 595100 | MTCE-TRANSF/REG |
| 596100 | MTCE OF STREET LIGHTING AND SIGNALS |
| 597100 | CLOSED 06/18 - MAINTENANCE OF METERS |
| 598100 | MTCE OF MISC DISTRIBUTION PLANT |
| 598900 | MTCE OF MISC DISTRIBUTION PLANT - INDIRECT |
| 803001 | GAS TRANS LINE PURCH |
| 803002 | CLOSED 06/18 - PURCHASED GAS REFUND |
| 803003 | GAS COST ACTUAL ADJ |
| 803004 | GAS COST BALANCE ADJ |
| 803006 | PURCHASED GAS - WHOLESALE SALES |
| 803007 | GAS OSS INCENTIVE |
| 803008 | ACQ AND TRANS INCENTIVE |
| 803009 | PBR RECOVERY |
| 803010 | END USERS GAS PURCHASE (MCF ONLY) - (STAT ONLY) |
| 806001 | EXCHANGE GAS - INJECTIONS |
| 806002 | EXCHANGE GAS - WITHDRAWALS |
| 807401 | CLOSED 06/18 - PURCH GAS CALC EXP |
| 807501 | CLOSED 06/18 - OTHER PURCH GAS EXP |
| 807502 | GAS PROCUREMENT EXP |

**Oracle Account Setup Details**

| Account Number | Account Description |
|---|---|
| 808101 | GAS W/D FROM STOR-DR |
| 808201 | GAS DELD TO STOR-CR |
| 810001 | GAS-COMP STA FUEL-CR |
| 812010 | GAS-FUEL-ELEC GEN-CR - MCF - (STAT ONLY) |
| 812011 | GAS-FUEL-ELEC GEN-CR - BTU - (STAT ONLY) |
| 812020 | GAS-CITY GATE-CR |
| 812030 | GAS-OTH DEPT-CR |
| 813001 | CLOSED 06/18 - OTH GAS SUPPLY EXP |
| 813003 | LOST AND UNACCOUNTED FOR GAS - TRANSPORTS (STAT ONLY) |
| 814003 | SUPV-STOR/COMPR STA |
| 816100 | WELLS EXPENSE |
| 817100 | LINES EXPENSE |
| 818100 | COMPR STATION EXP |
| 819100 | COMPR STA FUEL-U/G |
| 821100 | PURIFICATION EXP |
| 823100 | GAS LOSSES |
| 824100 | OPR-U/G STO/COMPR |
| 825100 | ROYALTIES |
| 826100 | CLOSED 06/18 - RENTS-STORAGE FIELDS |
| 830100 | MTCE SUPRV AND ENGR - STOR COMPR |
| 832100 | MTC-RESERVOIRS/WELLS |
| 833100 | MTCE-LINES |
| 834100 | MTCE-COMP STA EQUIP |
| 835100 | MTCE-M/R EQ-COMPR |
| 836100 | MTCE-PURIFICATION EQUP |
| 837100 | MTCE-OTHER EQUIP |
| 850100 | OPR SUPV AND ENGR |
| 851100 | SYS CTRL/DSPTCH-GAS |
| 852100 | CLOSED 06/18 - OPR-COM EQ-GAS TRANS |
| 856100 | MAINS EXPENSES |
| 859100 | OTH GAS TRANS EXP |
| 860100 | RENTS-GAS TRANS |
| 863100 | MTCE-GAS MAINS-TRANS |
| 871100 | DISTR LOAD DISPATCH |
| 874001 | OTHER MAINS/SERV EXP |
| 874002 | LEAK SUR-DIST MN/SVC |
| 874005 | CHEK STOP BOX ACCESS |
| 874006 | PATROLLING MAINS |
| 874007 | CHEK/GREASE VALVES |
| 874008 | OPR-ODOR EQ |
| 874110 | GLT - OTHER MAINS / SERV EXP. |
| 875100 | MEAS/REG STA-GENERAL |
| 876100 | MEAS/REG STA-INDUSTRIAL |
| 877100 | MEAS/REG STA-CITY GATE |
| 878100 | METER/REG EXPENSE |
| 878110 | GLT - METER/REG EXP. |
| 879100 | CUST INSTALL EXPENSE |
| 879110 | GLT-CUSTOMER INSTALL |
| 880016 | GAS LOST / UNACCT FOR (MCF) - (STAT ONLY) |
| 880100 | OTH GAS DISTR EXPENSE |
| 880110 | GAS RISER AND LEAK MITIGATION TRACKER EXPENSES - BUDGET ONLY |
| 880900 | OTH GAS DISTR EXPENSE - INDIRECT |
| 881100 | RENTS-GAS DISTR |
| 886100 | CLOSED 06/18 - MTCE-GAS DIST STRUCT |
| 887100 | MTCE-GAS MAINS-DISTR |
| 887110 | GLT- MTCE GAS MAINS DIST. |
| 889100 | MTCE-M/R STA EQ-GENL |
| 890100 | MTCE-M/R STA EQ-INDL |
| 891100 | MTCE-M/R ST EQ-CITY GATE |
| 892100 | MTCE-OTH SERVICES |
| 892110 | GLT-MTCE-OTHER SERVICE |
| 892900 | MTCE-OTH SERVICES - INDIRECT |
| 893100 | CLOSED 06/18 - MTCE-METER/HOUSE REG |
| 894100 | MTCE-OTHER EQUIP |
| 894900 | MTCE-OTHER EQUIP - INDIRECT |
| 901001 | SUPV-CUST ACCTS |
| 901900 | SUPV-CUST ACCTS - INDIRECT |
| 902001 | METER READ-SERV AREA |

**Oracle Account Setup Details**

| Account Number | Account Description |
|---|---|
| 902002 | METER READ-CLER/OTH |
| 902900 | METER READ-SERV AREA - INDIRECT |
| 903001 | CLOSED 06/18 - AUDIT CUST ACCTS |
| 903002 | CLOSED 06/18 - BILL SPECIAL ACCTS |
| 903003 | PROCESS METER ORDERS |
| 903006 | CUST BILL/ACCTG |
| 903007 | PROCESS PAYMENTS |
| 903008 | INVEST THEFT OF SVC |
| 903011 | MAINTENANCE-CIS |
| 903012 | PROC CUST CNTRT/ORDR |
| 903013 | CLOSED 06/18 - HANDLE CREDIT PROBS |
| 903022 | COLL OFF-LINE BILLS |
| 903023 | PROC BANKRUPT CLAIMS |
| 903025 | MTCE-ASST PROGRAMS |
| 903030 | PROC CUST REQUESTS |
| 903031 | CLOSED 06/18 - PROC CUST PAYMENTS |
| 903032 | DELIVER BILLS-REG |
| 903035 | COLLECTING-OTHER |
| 903036 | CUSTOMER COMPLAINTS |
| 903038 | MISC CASH OVERAGE/SHORTAGE |
| 903901 | AUDIT CUST ACCTS - INDIRECT |
| 903902 | BILL SPECIAL ACCTS - INDIRECT |
| 903903 | PROCESS METER ORDERS - INDIRECT |
| 903906 | CUST BILL/ACCTG - INDIRECT |
| 903907 | PROCESS PAYMENTS - INDIRECT |
| 903908 | INVESTIGATE THEFT OF SERVICE - INDIRECT |
| 903909 | PROC EXCEPTION PMTS - INDIRECT |
| 903912 | PROC CUST CNTRT/ORDR - INDIRECT |
| 903922 | COLLECT OFF-LINE BILLS - INDIRECT |
| 903930 | PROC CUST REQUESTS - INDIRECT |
| 903931 | PROC CUST PAYMENTS - INDIRECT |
| 903935 | COLLECTING-OTHER - INDIRECT |
| 903936 | CUSTOMER COMPLAINTS - INDIRECT |
| 904001 | UNCOLLECTIBLE ACCTS |
| 904003 | UNCOLL ACCTS - A/R MISC |
| 904005 | UNCOLLECTIBLE ACCTS - GSC |
| 905001 | MISC CUST SERV EXP |
| 905002 | CLOSED 06/18 - MISC CUST BILL/ACCTG |
| 905003 | MISC COLLECTING EXP |
| 905900 | MISC CUST SERV EXP - INDIRECT |
| 907001 | SUPV-CUST SER/INFO |
| 907900 | SUPV-CUST SER/INFO - INDIRECT |
| 908004 | DSM - ENERGY AUDIT |
| 908005 | DSM CONSERVATION PROG |
| 908006 | DSM - HVAC |
| 908007 | DSM - CONSERVATION |
| 908009 | MISC MARKETING EXP |
| 908011 | DSM CONSERVATION PROGRAM - GAS EXPENSE RECLASS |
| 908901 | CUST MKTG/ASSIST - INDIRECT |
| 908902 | CLOSED 06/18 - RES CONS/ENG ED PROG - INDIRECT |
| 908909 | MISC MARKETING EXP - INDIRECT |
| 909004 | CLOSED 06/18 - MISC CUST COM-SER/IN |
| 909005 | MEDIA RELATIONS |
| 909010 | PRINT ADVER-SER/INFO |
| 909011 | OTH ADVER-SER/INFO |
| 909013 | SAFETY PROGRAMS |
| 909910 | PRINT ADVER-SER/INFO - INDIRECT |
| 909911 | OTHER ADVER-SER/INFO - INDIRECT |
| 910001 | MISC CUST SER/INFO |
| 910900 | MISC CUST SER/INFO - INDIRECT |
| 912003 | CLOSED 06/18 - GEN MKTG AND MKTG PGMS |
| 913012 | OTH ADVER-SALES |
| 913912 | OTH ADVER-SALES - INDIRECT |
| 920100 | OTHER GENERAL AND ADMIN SALARIES |
| 920900 | OTHER GENERAL AND ADMIN SALARIES - INDIRECT |
| 920902 | AMS REGULATORY ASSET SALARIES - INDIRECT |
| 921002 | EXP-GEN OFFICE EMPL |
| 921003 | GEN OFFICE SUPPL/EXP |

**Oracle Account Setup Details**

| Account Number | Account Description |
|---|---|
| 921004 | OPR-GEN OFFICE BLDG |
| 921902 | INDIRECT EMPLOYEE OFFICE EXPENSE ALLOCATION |
| 921903 | GEN OFFICE SUPPL/EXP - INDIRECT |
| 921904 | I/C OPR-GEN OFFICE BLDG - INDIRECT |
| 921905 | OFC EQUIP DEPR COST OF SALES OFFSET-INDIRECT (LKS ONLY) |
| 922001 | A/G SAL TRANSFER-CR |
| 922002 | OFF SUPP/EXP TRAN-CR |
| 922003 | TRIMBLE CTY TRAN-CR |
| 923100 | OUTSIDE SERVICES |
| 923101 | OUTSIDE SERVICES - AUDIT FEES |
| 923301 | OUTSIDE SERVICES - AUDIT FEES - OTHER |
| 923900 | OUTSIDE SERVICES - INDIRECT |
| 924100 | PROPERTY INSURANCE |
| 924900 | PROPERTY INSURANCE - INDIRECT |
| 925001 | PUBLIC LIABILITY |
| 925002 | WORKERS COMP EXPENSE - BURDENS |
| 925003 | AUTO LIABILITY |
| 925004 | SAFETY AND INDUSTRIAL HEALTH |
| 925100 | OTHER INJURIES AND DAMAGES |
| 925900 | OTHER INURIES AND DAMAGES - INDIRECT |
| 925902 | WORKERS COMP EXPENSE - BURDENS INDIRECT |
| 925904 | CLOSED 06/18 - SAFETY & INDUSTRIAL HEALTH - INDIRECT |
| 926001 | TUITION REFUND PLAN |
| 926002 | GROUP LIFE INSURANCE EXPENSE - BURDENS |
| 926003 | MEDICAL INSURANCE EXPENSE - BURDENS |
| 926004 | DENTAL INSURANCE EXPENSE - BURDENS |
| 926005 | LONG TERM DISABILITY EXPENSE - BURDENS |
| 926019 | OTHER BENEFITS EXPENSE - BURDENS |
| 926100 | EMPLOYEE BENEFITS - NON-BURDEN |
| 926101 | PENSION SERVICE COST - BURDENS |
| 926102 | 401K EXPENSE - BURDENS |
| 926105 | FASB 112 POST EMPLOYMENT EXPENSE - BURDENS |
| 926106 | FASB 106 (OPEB) SERVICE COST - BURDENS |
| 926110 | EMPLOYEE WELFARE |
| 926112 | CLOSED 05/18 - PENSION EXP- VA |
| 926113 | CLOSED 05/18 - PENSION EXP- FERC AND TENN. |
| 926116 | RETIREMENT INCOME EXPENSE - BURDENS |
| 926117 | CLOSED 05/18 - PENSION NON SERVICE COST - BURDENS |
| 926118 | CLOSED 05/18 - FASB 106 POST RETIREMENT NON SERVICE COST EXPENSE - BURDENS |
| 926194 | PENSION NON SERVICE COST - BURDENS - LKS (19) |
| 926195 | FASB 106 POST RETIREMENT NON SERVICE COST EXPENSE - BURDENS - LKS (19) |
| 926196 | PENSION EXP- VA |
| 926197 | PENSION EXP- FERC AND TENN. |
| 926198 | PENSION NON SERVICE COST - BURDENS |
| 926199 | FASB 106 POST RETIREMENT NON SERVICE COST EXPENSE - BURDENS |
| 926900 | EMPLOYEE BENEFITS - NON-BURDEN - INDIRECT |
| 926901 | TUITION REFUND PLAN - INDIRECT |
| 926902 | GROUP LIFE INSURANCE EXPENSE - BURDENS INDIRECT |
| 926903 | MEDICAL INSURANCE EXPENSE - BURDENS INDIRECT |
| 926904 | DENTAL INSURANCE EXPENSE - BURDENS INDIRECT |
| 926905 | LONG TERM DISABILITY EXPENSE - BURDENS INDIRECT |
| 926906 | PENSION EXP- VA - INDIRECT |
| 926907 | PENSION EXP- FERC AND TENN. - INDIRECT |
| 926910 | EMPLOYEE WELFARE - INDIRECT |
| 926911 | PENSION SERVICE COST - BURDENS INDIRECT |
| 926912 | 401K EXPENSE - BURDENS INDIRECT |
| 926915 | FASB 112 POST EMPLOYMENT EXPENSE - BURDENS INDIRECT |
| 926916 | FASB 106 (OPEB) SERVICE COST - BURDENS INDIRECT |
| 926917 | CLOSED 05/18 - PENSION NON SERVICE COSTS - BURDENS INDIRECT |
| 926918 | CLOSED 05/18 - FASB 106 (OPEB) NON SERVICE COSTS - BURDENS INDIRECT |
| 926919 | OTHER BENEFITS EXPENSE - BURDENS INDIRECT |
| 926990 | RETIREMENT INCOME EXPENSE - BURDENS INDIRECT |
| 926994 | PENSION NON SERVICE COSTS - BURDENS INDIRECT - LKS COS ONLY |
| 926995 | ADOPTION ASSISTANCE PROGRAM - INDIRECT |
| 926997 | FASB 106 (OPEB) NON SERVICE COSTS - BURDENS INDIRECT - LKS COS ONLY |
| 926998 | PENSION NON SERVICE COSTS - BURDENS INDIRECT |
| 926999 | FASB 106 (OPEB) NON SERVICE COSTS - BURDENS INDIRECT |
| 927001 | ELEC SUPPL W/O CH-DR |

Oracle Account Setup Details

| Account Number | Account Description |
|---|---|
| 927002 | OTH ITEMS W/O CH-DR |
| 927003 | CLOSED 06/18 - CITY OF LOU GAS FRAN |
| 928001 | FORMAL CASES - FERC |
| 928002 | REG UPKEEP ASSESSMTS |
| 928003 | AMORTIZATION OF RATE CASE EXPENSES |
| 928007 | FORMAL CASES - VIRGINIA |
| 928008 | FORMAL CASES - KENTUCKY |
| 928902 | REG UPKEEP ASSESSMENT - I |
| 929001 | FRANCHISE REQMTS-CR |
| 929002 | ELEC USED-ELEC DEPT |
| 929003 | GAS USED-GAS DEPT |
| 929004 | ELECTRICITY USED - OTHER DEPARTMENTS |
| 929005 | ELECTRICITY USED BY ELECTRIC DEPARTMENT - ODP |
| 929006 | KWH SOURCES - ODP - (STAT ONLY) |
| 929007 | ODP FREE LIGHTING |
| 930101 | GEN PUBLIC INFO EXP |
| 930191 | GEN PUBLIC INFO EXP - INDIRECT |
| 930201 | MISC CORPORATE EXP |
| 930202 | ASSOCIATION DUES |
| 930203 | CLOSED 06/18 - RESEARCH WORK |
| 930207 | OTHER MISC GEN EXP |
| 930217 | MGP EXPENSES |
| 930250 | BROKER FEES-INDIRECT |
| 930271 | MISC CORPORATE EXP - INDIRECT |
| 930272 | ASSOCIATION DUES - INDIRECT |
| 930274 | RESEARCH AND DEVELOPMENT EXPENSES - INDIRECT |
| 930277 | OTHER MISC GEN EXP - INDIRECT |
| 931004 | RENTS-CORPORATE HQ |
| 931100 | RENTS-OTHER |
| 931900 | I/C JOINT USE RENT EXPENSE-INDIRECT |
| 931904 | RENTS - CORPORATE HQ (INDIRECT) |
| 935101 | MTCE-GEN PLANT |
| 935191 | MTCE-GEN PLANT - INDIRECT |
| 935391 | MTCE-COMMUNICATION EQ - INDIRECT |
| 935401 | MTCE-OTH GEN EQ |
| 935402 | MAINT. OF NON-BONDABLE GENERAL PLANT |
| 935403 | MNTC BONDABLE PROPERTY |
| 935488 | MTCE-OTH GEN EQ - INDIRECT |
| 951001 | ECR RATE BASE - 2016 PLANS (STAT ONLY) |
| 951002 | ECR RATE BASE - PRE-2016 PLANS (STAT ONLY) |
| 951003 | ECR RATE OF RETURN - 2016 PLANS (STAT ONLY) |
| 951004 | ECR RATE OF RETURN - PRE-2016 PLANS (STAT ONLY) |
| 951005 | ECR JURISDICTIONAL FACTOR (STAT ONLY) |
| 951006 | ECR - ESTIMATED OPERATING EXPENSES (STAT ONLY) |
| 951101 | DSM DCR RECOVERABLE PROGRAM EXPENSE (STAT ONLY) |
| 951102 | DSM DRLS -  LOST SALES (STAT ONLY) |
| 951103 | DSM DSMI - INCENTIVE (STAT ONLY) |
| 951104 | DSM RECOVERABLE DCCR PROGRAM EXPENSE (STAT ONLY) |
| 951105 | DSM RECOVERABLE DCCR CAPITAL EXPENSE (STAT ONLY) |
| 951106 | DSM RECOVERABLE INTEREST ON DCCR CAPITAL (STAT ONLY) |
| 951107 | DSM DBA STAT ONLY - (BALANCING ADJUSTMENT) |
| 951201 | GLT RATE BASE (STAT ONLY) - DISTR |
| 951202 | GLT DEPRECIATION SAVINGS (STAT ONLY) - DISTR |
| 951203 | GLT COST OF CAPITAL (STAT ONLY) - DISTR |
| 951204 | GLT CHANGE IN YTD AVERAGE RATE BASE, APPLIED TO ALL MONTHS (STAT ONLY) - DISTR |
| 951205 | GLT RATE BASE (STAT ONLY) - TRANS |
| 951206 | GLT DEPRECIATION SAVINGS (STAT ONLY) - TRANS |
| 951207 | GLT COST OF CAPITAL (STAT ONLY) - TRANS |
| 951208 | GLT CHANGE IN YTD AVERAGE RATE BASE, APPLIED TO ALL MONTHS (STAT ONLY) - TRANS |
| 951301 | ACTUAL MONTHLY COOLING DEGREE DAYS (STAT ONLY) |
| 951302 | ACTUAL MONTHLY HEATING DEGREE DAYS (STAT ONLY) |
| 951303 | NORMAL MONTHLY COOLING DEGREE DAYS (STAT ONLY) |
| 951304 | NORMAL MONTHLY HEATING DEGREE DAYS (STAT ONLY) |
| 951305 | ACTUAL MONTHLY AVERAGE TEMPERATURE (STAT ONLY) |
| 951306 | NORMAL MONTHLY AVERAGE TEMPERATURE (STAT ONLY) |

**Louisville Gas and Electric Company**
**Case No. 2018-00295**
**Forecasted Test Period Filing Requirements**
**(Forecasted Test Period 12ME 4/30/20; Base Period 12ME 12/31/18)**

**Filing Requirement**
**807 KAR 5:001 Section 16(7)(n)**
**Sponsoring Witness: Daniel K. Arbough**

## Description of Filing Requirement:

*The latest twelve (12) months of the monthly managerial reports providing financial results of operations in comparison to the forecast.*

## Response:

See attached.

Net Income Continuing Operations - Louisville Gas and Electric Company

September 2017

## Month To Date Actual VS Month To Date Budget

| | MTD Actual | MTD Budget | Variance |
|---|---|---|---|
| Revenues | 110,977,265 | 117,302,100 | (6,324,835) |
| Cost of Revenues | (35,652,475) | (39,093,594) | 3,441,119 |
| Electric Margin | 65,549,405 | 68,288,350 | (2,738,945) |
| Gas Margin | 9,775,386 | 9,920,156 | (144,771) |
| O&M | (25,246,679) | (28,961,739) | 3,715,060 |
| Other Income & Expenses | (102,661) | (204,709) | 102,048 |
| Depreciation | (13,213,753) | (14,557,384) | 1,343,631 |
| Property tax | (2,716,175) | (2,744,290) | 28,115 |
| Interest | (5,758,941) | (6,282,849) | 523,908 |
| Income Tax | (10,275,284) | (9,563,088) | (712,195) |
| **Net Income from Ongoing Operations** | **18,011,298** | **15,894,447** | **2,116,851** |
| Special Items | - | - | - |
| **Net Income** | **18,011,298** | **15,894,447** | **2,116,851** |

Net Income Continuing Operations - Louisville Gas and Electric Company

October 2017

## Month To Date Actual VS Month To Date Budget

| | MTD Actual | MTD Budget | Variance |
|---|---|---|---|
| Revenues | 107,607,442 | 108,084,049 | (476,607) |
| Cost of Revenues | (38,518,380) | (36,535,215) | (1,983,165) |
| Electric Margin | 57,071,378 | 59,544,434 | (2,473,056) |
| Gas Margin | 12,017,685 | 12,004,400 | 13,285 |
| O&M | (29,325,524) | (31,700,968) | 2,375,444 |
| Other Income & Expenses | (76,652) | (150,971) | 74,318 |
| Depreciation | (13,231,357) | (14,626,225) | 1,394,868 |
| Property tax | (2,716,870) | (2,744,290) | 27,419 |
| Interest | (5,890,119) | (6,275,632) | 385,513 |
| Income Tax | (6,845,611) | (6,159,093) | (686,519) |
| **Net Income from Ongoing Operations** | **11,002,929** | **9,891,657** | **1,111,272** |
| Special Items | - | - | - |
| **Net Income** | **11,002,929** | **9,891,657** | **1,111,272** |

Net Income Continuing Operations - Louisville Gas and Electric Company

November 2017

## Month To Date Actual VS Month To Date Budget

| | MTD Actual | MTD Budget | Variance |
|---|---|---|---|
| Revenues | 118,490,943 | 119,476,303 | (985,360) |
| Cost of Revenues | (43,656,255) | (43,234,115) | (422,140) |
| Electric Margin | 56,037,158 | 58,879,550 | (2,842,392) |
| Gas Margin | 18,797,531 | 17,362,638 | 1,434,892 |
| O&M | (26,627,400) | (34,733,971) | 8,106,571 |
| Other Income & Expenses | (104,811) | (305,791) | 200,980 |
| Depreciation | (13,271,443) | (14,708,373) | 1,436,931 |
| Property tax | (2,711,356) | (2,744,290) | 32,934 |
| Interest | (5,867,315) | (6,282,463) | 415,148 |
| Income Tax | (10,118,847) | (6,709,927) | (3,408,919) |
| **Net Income from Ongoing Operations** | **16,133,518** | **10,757,374** | **5,376,144** |
| Special Items | - | - | - |
| **Net Income** | **16,133,518** | **10,757,374** | **5,376,144** |

Net Income Continuing Operations - Louisville Gas and Electric Company

December 2017

## Month To Date Actual VS Month To Date Budget

| | MTD Actual | MTD Budget | Variance |
|---|---|---|---|
| Revenues | 148,588,161 | 151,722,586 | (3,134,426) |
| Cost of Revenues | (60,737,805) | (61,017,944) | 280,140 |
| Electric Margin | 61,857,628 | 65,718,175 | (3,860,547) |
| Gas Margin | 25,992,727 | 24,986,467 | 1,006,261 |
| O&M | (25,738,460) | (27,074,297) | 1,335,837 |
| Other Income & Expenses | (118,945) | (287,498) | 168,553 |
| Depreciation | (13,393,538) | (14,838,340) | 1,444,802 |
| Property tax | (2,654,045) | (2,744,290) | 90,245 |
| Interest | (5,995,559) | (6,304,455) | 308,896 |
| Income Tax | (15,231,150) | (15,008,107) | (223,043) |
| **Net Income from Ongoing Operations** | **24,718,660** | **24,447,656** | **271,004** |
| Special Items | (27,001) | - | (27,001) |
| **Net Income** | **24,691,659** | **24,447,656** | **244,003** |

Net Income Continuing Operations - Louisville Gas and Electric Company

January 2018

## Month To Date Actual VS Month To Date Budget

| | MTD Actual | MTD Budget | Variance |
|---|---|---|---|
| Revenues | 170,373,814 | 155,909,595 | 14,464,219 |
| Cost of Revenues | (79,009,160) | (68,765,517) | (10,243,643) |
| Electric Margin | 64,718,017 | 59,411,351 | 5,306,666 |
| Gas Margin | 26,646,637 | 27,732,727 | (1,086,090) |
| O&M | (25,294,864) | (26,318,840) | 1,023,976 |
| Other Income & Expenses | (1,452,156) | (622,813) | (829,343) |
| Depreciation | (13,572,178) | (13,719,305) | 147,127 |
| Property tax | (2,864,979) | (2,924,649) | 59,670 |
| Interest | (6,132,578) | (6,448,124) | 315,546 |
| Income Tax | (10,729,153) | (9,468,978) | (1,260,176) |
| **Net Income from Ongoing Operations** | **31,318,746** | **27,641,369** | **3,677,377** |
| Special Items | - | - | - |
| **Net Income** | **31,318,746** | **27,641,369** | **3,677,377** |

Net Income Continuing Operations - Louisville Gas and Electric Company

February 2018

## Month To Date Actual VS Month To Date Budget

| | MTD Actual | MTD Budget | Variance |
|---|---|---|---|
| Revenues | 124,004,298 | 139,180,494 | (15,176,196) |
| Cost of Revenues | (49,319,234) | (59,966,876) | 10,647,643 |
| Electric Margin | 52,612,740 | 54,113,688 | (1,500,948) |
| Gas Margin | 22,072,325 | 25,099,930 | (3,027,605) |
| O&M | (24,761,068) | (25,133,820) | 372,752 |
| Other Income & Expenses | (849,038) | (565,359) | (283,679) |
| Depreciation | (13,651,062) | (13,721,400) | 70,337 |
| Property tax | (2,777,823) | (2,924,649) | 146,826 |
| Interest | (6,009,014) | (6,401,151) | 392,137 |
| Income Tax | (6,762,403) | (7,760,705) | 998,301 |
| **Net Income from Ongoing Operations** | **19,874,656** | **22,706,534** | **(2,831,878)** |
| Special Items | - | - | - |
| **Net Income** | **19,874,656** | **22,706,534** | **(2,831,878)** |

Net Income Continuing Operations - Louisville Gas and Electric Company

March 2018

## Month To Date Actual VS Month To Date Budget

| | MTD Actual | MTD Budget | Variance |
|---|---|---|---|
| Revenues | 125,748,331 | 125,236,308 | 512,023 |
| Cost of Revenues | (50,843,131) | (51,636,119) | 792,989 |
| Electric Margin | 54,768,553 | 53,891,835 | 876,718 |
| Gas Margin | 20,136,647 | 19,708,354 | 428,293 |
| O&M | (29,101,942) | (28,181,613) | (920,329) |
| Other Income & Expenses | 696,534 | (1,194,672) | 1,891,206 |
| Depreciation | (13,636,631) | (13,722,933) | 86,302 |
| Property tax | (2,909,283) | (2,924,649) | 15,366 |
| Interest | (6,195,299) | (6,475,513) | 280,214 |
| Income Tax | (3,197,307) | (3,451,004) | 253,697 |
| **Net Income from Ongoing Operations** | **20,561,272** | **17,649,805** | **2,911,467** |
| Special Items | - | - | - |
| **Net Income** | **20,561,272** | **17,649,805** | **2,911,467** |

Net Income Continuing Operations - Louisville Gas and Electric Company

April 2018

## Month To Date Actual VS Month To Date Budget

| | MTD Actual | MTD Budget | Variance |
|---|---|---|---|
| Revenues | 105,695,448 | 103,592,996 | 2,102,451 |
| Cost of Revenues | (41,062,573) | (38,721,780) | (2,340,792) |
| Electric Margin | 51,552,365 | 51,431,437 | 120,928 |
| Gas Margin | 13,080,510 | 13,439,779 | (359,269) |
| O&M | (29,827,157) | (30,061,627) | 234,470 |
| Other Income & Expenses | (1,874,717) | (558,707) | (1,316,010) |
| Depreciation | (13,647,084) | (13,802,973) | 155,889 |
| Property tax | (2,921,936) | (2,924,649) | 2,713 |
| Interest | (6,259,130) | (6,515,453) | 256,322 |
| Income Tax | (1,382,056) | (2,752,321) | 1,370,265 |
| **Net Income from Ongoing Operations** | **8,720,795** | **8,255,487** | **465,308** |
| Special Items | - | - | - |
| **Net Income** | **8,720,795** | **8,255,487** | **465,308** |

Net Income Continuing Operations - Louisville Gas and Electric Company

May 2018

## Month To Date Actual VS Month To Date Budget

| | MTD Actual | MTD Budget | Variance |
|---|---|---|---|
| Revenues | 113,010,700 | 107,099,562 | 5,911,138 |
| Cost of Revenues | (39,177,178) | (38,160,258) | (1,016,921) |
| Electric Margin | 63,824,730 | 58,162,519 | 5,662,211 |
| Gas Margin | 10,008,791 | 10,776,785 | (767,994) |
| O&M | (26,645,979) | (28,699,007) | 2,053,028 |
| Other Income & Expenses | (390,381) | (427,612) | 37,231 |
| Depreciation | (13,675,804) | (13,884,888) | 209,084 |
| Property tax | (2,698,434) | (2,924,649) | 226,215 |
| Interest | (6,435,966) | (6,696,682) | 260,716 |
| Income Tax | (5,890,770) | (4,116,194) | (1,774,576) |
| **Net Income from Ongoing Operations** | **18,096,188** | **12,190,273** | **5,905,915** |
| Special Items | - | - | - |
| **Net Income** | **18,096,188** | **12,190,273** | **5,905,915** |

Net Income Continuing Operations - Louisville Gas and Electric Company

June 2018

## Month To Date Actual VS Month To Date Budget

| | MTD Actual | MTD Budget | Variance |
|---|---|---|---|
| Revenues | 116,875,821 | 117,734,295 | (858,475) |
| Cost of Revenues | (39,264,351) | (41,144,276) | 1,879,926 |
| Electric Margin | 67,882,243 | 66,950,614 | 931,629 |
| Gas Margin | 9,729,227 | 9,639,405 | 89,822 |
| O&M | (27,658,367) | (27,113,061) | (545,306) |
| Other Income & Expenses | 434,800 | (487,038) | 921,838 |
| Depreciation | (13,686,561) | (13,921,079) | 234,517 |
| Property tax | (2,881,697) | (2,924,649) | 42,952 |
| Interest | (6,417,952) | (6,708,457) | 290,505 |
| Income Tax | (4,518,604) | (4,565,896) | 47,293 |
| **Net Income from Ongoing Operations** | **22,883,088** | **20,869,839** | **2,013,249** |
| Special Items | (1,621) | - | (1,621) |
| **Net Income** | **22,881,467** | **20,869,839** | **2,011,628** |

Net Income Continuing Operations - Louisville Gas and Electric Company

July 2018

## Month To Date Actual VS Month To Date Budget

| | MTD Actual | MTD Budget | Variance |
|---|---|---|---|
| Revenues | 122,955,811 | 124,775,168 | (1,819,357) |
| Cost of Revenues | (40,934,300) | (42,916,362) | 1,982,062 |
| Electric Margin | 72,710,745 | 72,505,390 | 205,354 |
| Gas Margin | 9,310,766 | 9,353,416 | (42,650) |
| O&M | (29,332,630) | (27,178,840) | (2,153,790) |
| Other Income & Expenses | (606,148) | (463,053) | (143,095) |
| Depreciation | (13,683,753) | (13,960,457) | 276,704 |
| Property tax | (2,891,880) | (2,929,311) | 37,430 |
| Interest | (6,463,170) | (6,711,733) | 248,563 |
| Income Tax | (7,152,485) | (7,800,501) | 648,017 |
| **Net Income from Ongoing Operations** | **21,891,446** | **22,814,911** | **(923,465)** |
| Special Items | - | - | - |
| **Net Income** | **21,891,446** | **22,814,911** | **(923,465)** |

Net Income Continuing Operations - Louisville Gas and Electric Company

August 2018

## Month To Date Actual VS Month To Date Budget

| | MTD Actual | MTD Budget | Variance |
|---|---|---|---|
| Revenues | 123,265,724 | 125,410,581 | (2,144,857) |
| Cost of Revenues | (41,039,365) | (42,845,894) | 1,806,529 |
| Electric Margin | 72,663,086 | 73,211,509 | (548,423) |
| Gas Margin | 9,563,273 | 9,353,179 | 210,094 |
| O&M | (28,382,015) | (27,278,516) | (1,103,499) |
| Other Income & Expenses | (195,357) | (438,380) | 243,023 |
| Depreciation | (13,695,564) | (13,987,086) | 291,523 |
| Property tax | (2,902,581) | (2,929,311) | 26,729 |
| Interest | (6,413,072) | (6,709,130) | 296,059 |
| Income Tax | (7,550,148) | (7,955,804) | 405,657 |
| **Net Income from Ongoing Operations** | **23,087,623** | **23,266,459** | **(178,837)** |
| Special Items | - | - | - |
| **Net Income** | **23,087,623** | **23,266,459** | **(178,837)** |

**Louisville Gas and Electric Company**
**Case No. 2018-00295**
**Forecasted Test Period Filing Requirements**
**(Forecasted Test Period 12ME 4/30/20; Base Period 12ME 12/31/18)**

**Filing Requirement**
**807 KAR 5:001 Section 16(7)(o)**
**Sponsoring Witness: Daniel K. Arbough**

## Description of Filing Requirement:

*Complete monthly budget variance reports, with narrative explanations, for the twelve (12) months immediately prior to the base period, each month of the base period, and any subsequent months, as they become available.*

## Response:

The Companies have only one monthly budget variance (performance) report used for management reporting to the CEO and executive officers. Certain information responsive to this request is being provided under seal pursuant to a Petition for Confidential Protection.

See attached for the monthly reports for:

- The twelve months prior to the base period - January 2017 through December 2017.
- Each month of the base period - As of the date of the filing only the months of January 2018 through July 2018 are available. The Company will provide this data for the remaining periods requested in the upcoming months as it becomes available.

# Performance Report

# January 2017

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## Kentucky Regulated Dashboard — January 2017

| | Current Month | | Full Year | |
|---|---|---|---|---|
| **Safety** | **Actual** | **PY** | **Forecast** | **PY** |
| TCIR - Employees[(1)] | 0.46 | 0.90 | 1.35 | 1.12 |
| Employee lost-time incidents | 0 | 0 | 8 | 5 |
| **Reliability** | **Actual** | **Budget** | **Forecast** | **Budget** |
| Generation Volumes | 2,917 | 3,213 | 34,129 | 34,425 |
| Utility EFOR | 2.8% | 5.5% | N/A | 5.5% |
| Utility EAF | 85.1% | 92.5% | N/A | 85.2% |
| Steam Fleet Commercial Availability | 94.3% | 93.0% | N/A | 93.0% |
| Combined SAIFI | 0.08 | 0.09 | N/A | 1.03 |
| Combined SAIDI (minutes) | 6.11 | 7.81 | N/A | 93.20 |
| **GwH Sales** | **Actual** | **Budget** | **Forecast** | **Budget** |
| Residential | 1,040 | 1,174 | 10,533 | 10,668 |
| Commercial | 657 | 678 | 7,860 | 7,882 |
| Industrial | 712 | 786 | 9,631 | 9,706 |
| Municipals | 158 | 175 | 1,828 | 1,846 |
| Other | 226 | 236 | 2,744 | 2,753 |
| Off-System Sales | 71 | 21 | 294 | 244 |
| Total | 2,864 | 3,070 | 32,890 | 33,098 |
| **Weather-Normalized Sales Growth** | **TTM** | | | |
| Residential | -1.15% | | | |
| Commercial | 3.95% | | | |
| Industrial | -3.47% | | | |
| Municipal | 0.22% | | | |
| Other | 0.89% | | | |
| Total | -0.38% | | | |

| | Current Month | | Full Year | |
|---|---|---|---|---|
| **Margins ($ millions)** | **Actual** | **Budget** | **Forecast** | **Budget** |
| Electric Margins | $160 | $171 | $1,936 | $1,948 |
| Gas Margins | $24 | $25 | $181 | $183 |
| **Capital Expenditures ($ millions)** | **Actual** | **Budget** | **Forecast** | **Budget** |
| Total | $46 | $52 | $1,107 | $1,107 |
| **O&M ($ millions)[(2)]** | **Actual** | **Budget** | **Forecast** | **Budget** |
| Total | $55 | $56 | $749 | $749 |
| **Head Count** | **Actual** | **Budget** | **Forecast** | **Budget** |
| Full-time Employees | 3,516 | 3,605 | 3,591 | 3,591 |
| **Other Metrics** | **Actual** | **PY** | **Forecast** | **PY** |
| Environmental Events | 1 | 0 | N/A | 3 |
| NERC Possible Violations[(3)] | 1 | 0 | N/A | 5 |

| | TTM | Full Year | |
|---|---|---|---|
| **Financial Metrics** | **Actual** | **Forecast** | **Budget** |
| ROE[(4)] | 9.8% | 9.8% | 9.8% |

### Variance Explanations

• Lower margins primarily due to lower sales volumes from warmer than average weather resulting in lower retail electric base energy and demand revenue of $12 million.

(1) Full year forecast amount shown represents target.

(2) Net of cost recovery mechanisms.

(3) The possible violation issues for YTD Actual is believed to be minimal risk.

(4) Excludes goodwill and other purchase accounting adjustments.

Note: Schedules may not sum due to rounding.

### Major Developments

• In both Louisville and Lexington, January 2017 ranked as the second warmest in the past 20 years. The month of February has also begun with a similar weather pattern and mild temperatures. Retail load continues to be impacted by these conditions.

• LKE employees' continued focus on the customer experience has led to another J.D. Power award. LG&E was named the top-ranking utility in the Midwest segment in the newly released J.D. Power and Associates 2016 Calendar-Year Gas Business Customer Satisfaction Study. In the survey, the Company also was recognized as the top performer nationwide in the customer service category. Between LG&E and KU, the Utilities were the top-ranked utility within their respective segments in all four J.D. Power studies this past year.

• The Company filed over 3,400 responses to data requests (first round with intervenors) in its rate cases at the KPSC, and is addressing responses to 1,500 supplemental data requests which are due on February 20. The formal public hearing has also been scheduled to begin on May 2.

• Company representatives were joined by Lexington city and community leaders to unveil KU's new publicly available electric vehicle charging station. LKE has installed three charging stations in Louisville and two in Lexington. There are three additional stations planned for both the LG&E and KU service territories during 2017.

### Significant Future Events

• Regarding the Kentucky rate cases, intervenor testimony will be filed March 3, and the Company's rebuttal testimony will be submitted April 14.

## Income Statement: Actual vs. Budget (YTD) - LKE Consolidated — January 2017

**($ Millions)**

| | YTD Actual | YTD Budget | YTD Variance | Comments |
|---|---|---|---|---|
| **Revenues:** | | | | |
| Electric Revenues | $ 251 | $ 268 | $ (17) | Due primarily to lower sales volumes driven by mild weather. |
| Gas Revenues | 48 | 54 | (7) | Due primarily to lower sales volumes driven by mild weather. |
| **Total Revenues** | 299 | 322 | (24) | |
| **Cost of Sales:** | | | | |
| Fuel Electric Costs | 72 | 78 | 6 | Primarily due to decreased generation as a result of mild weather. |
| Gas Supply Expenses | 24 | 29 | 6 | Due to lower gas usage (mild weather). |
| Purchased Power | 5 | 5 | (0) | |
| Other Electric Cost | 14 | 14 | 0 | |
| **Total Cost of Sales** | 115 | 126 | 11 | |
| **Gross Margin:** | | | | |
| Electric Margin | 160 | 171 | (11) | Lower margins primarily due to lower sales volumes from warmer than average weather resulting in lower retail electric base energy and demand revenue. |
| Gas Margin | 24 | 25 | (1) | |
| **Total Gross Margin** | 184 | 196 | (12) | |
| **Operating Expenses:** | | | | |
| O&M | 55 | 56 | 2 | |
| Depreciation & Amortization | 30 | 30 | 0 | |
| Taxes, Other than Income | 5 | 5 | 0 | |
| **Total Operating Expenses** | 89 | 91 | 2 | |
| Other income (expense) | (1) | (1) | (0) | |
| EBIT | 94 | 104 | (10) | |
| Interest Expense | 18 | 18 | 0 | |
| **Income from Ongoing Operations before income taxes** | 76 | 86 | (10) | |
| Income Tax Expense | 29 | 33 | 4 | |
| **Net Income (loss) from ongoing operations** | **47** | **53** | **$ (6)** | |
| Discontinued Operations | (0) | (0) | 0 | |
| **Net Income (loss)** | $ 47 | $ 53 | $ (6) | |
| KY Regulated Financing Costs | (3) | $ (3) | (0) | |
| **KY Regulated Net Income** | $ 45 | $ 50 | $ (6) | |
| Earnings Per Share - Ongoing | $ 0.07 | $ 0.07 | $ (0.01) | |

Note: Schedules may not sum due to rounding.

## Income Statement: Actual vs. Budget (YTD) - LG&E — January 2017

**($ Millions)**

| | YTD | | | |
|---|---|---|---|---|
| | Actual | Budget | Variance | Comments |
| **Revenues:** | | | | |
| Electric Revenues | $ 98 | $ 99 | $ (1) | |
| Gas Revenues | 48 | 54 | (7) | Due primarily to lower sales volumes driven by mild weather. |
| **Total Revenues** | 145 | 153 | (8) | |
| **Cost of Sales:** | | | | |
| Fuel Electric Costs | 31 | 29 | (2) | |
| Gas Supply Expenses | 24 | 29 | 6 | Due to lower gas usage (mild weather) |
| Purchased Power | 4 | 4 | 0 | |
| Other Electric Cost | 5 | 6 | 0 | |
| **Total Cost of Sales** | 64 | 68 | 4 | |
| **Gross Margin:** | | | | |
| Electric Margin | 57 | 60 | (3) | |
| Gas Margin | 24 | 25 | (1) | |
| **Total Gross Margin** | 81 | 85 | (4) | |
| **Operating Expenses:** | | | | |
| O&M | 24 | 26 | 1 | |
| Depreciation & Amortization | 12 | 12 | 0 | |
| Taxes, Other than Income | 2 | 2 | 0 | |
| **Total Operating Expenses** | 39 | 40 | 2 | |
| Other income (expense) | (1) | (0) | (0) | |
| EBIT | 42 | 45 | (3) | |
| Interest Expense | 6 | 6 | 0 | |
| **Income from Ongoing Operations before income taxes** | 36 | 39 | (3) | |
| Income Tax Expense | 14 | 15 | 1 | |
| **Net Income (loss) from ongoing operations** | **22** | **24** | **$ (2)** | |

Note: Schedules may not sum due to rounding.

## Income Statement: Actual vs. Budget (YTD) - KU

**January 2017**

**($ Millions)**

| | YTD | | | |
|---|---|---|---|---|
| | **Actual** | **Budget** | **Variance** | **Comments** |
| **Revenues:** | | | | |
| Electric Revenues | $ 160 | $ 175 | $ (15) | Due primarily to lower sales volumes driven by mild weather. |
| Gas Revenues | 0 | 0 | 0 | |
| **Total Revenues** | 160 | 175 | (15) | |
| **Cost of Sales:** | | | | |
| Fuel Electric Costs | 42 | 49 | 7 | Primarily due to decreased generation as a result of mild weather. |
| Gas Supply Expenses | 0 | 0 | 0 | |
| Purchased Power | 7 | 7 | (0) | |
| Other Electric Cost | 8 | 9 | 0 | |
| **Total Cost of Sales** | 58 | 64 | 7 | |
| **Gross Margin:** | | | | |
| Electric Margin | 103 | 111 | (8) | See explanation above |
| Gas Margin | 0 | 0 | 0 | |
| **Total Gross Margin** | 103 | 111 | (8) | |
| **Operating Expenses:** | | | | |
| O&M | 29 | 29 | 0 | |
| Depreciation & Amortization | 18 | 18 | 0 | |
| Taxes, Other than Income | 2 | 2 | 0 | |
| **Total Operating Expenses** | 49 | 50 | 1 | |
| Other income (expense) | (1) | (1) | 0 | |
| EBIT | 53 | 61 | (8) | |
| Interest Expense | 8 | 8 | (0) | |
| **Income from Ongoing Operations before income taxes** | 45 | 53 | (8) | |
| Income Tax Expense | 17 | 20 | 3 | |
| **Net Income (loss) from ongoing operations** | **28** | **32** | **(5)** | |

Note: Schedules may not sum due to rounding.

## O&M January 2017

**($ Millions)**

| | MTD | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Actual | Budget | Total Variance | Labor & Burdens | Resident Contractors | Other Outside Services | Materials | Other |
| Generation | 14 | 13 | (1) | 0 | (0) | (0) | (0) | (0) |
| Project Engineering | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Transmission | 2 | 3 | 1 | (0) | 0 | 0 | 0 | 0 |
| Energy Supply and Analysis | 1 | 1 | 0 | (0) | 0 | 0 | 0 | 0 |
| Generation Services | 1 | 1 | 0 | (0) | (0) | (0) | (0) | 0 |
| Electric Distribution | 5 | 6 | 1 | 0 | 1 | 0 | 0 | 0 |
| Gas Distribution and AMS2 | 3 | 3 | 0 | 0 | 0 | (0) | 0 | (0) |
| Safety and Technical Training | 0 | 0 | (0) | (0) | (0) | 0 | (0) | 0 |
| Customer Services | 7 | 8 | 1 | 0 | 0 | 0 | 0 | 0 |
| **Senior VP Operations** | **34** | **35** | **1** | **0** | **1** | **(0)** | **(0)** | **0** |
| Audit Services | 0 | 0 | 0 | 0 | 0 | (0) | 0 | 0 |
| Controller | 1 | 1 | (0) | (0) | 0 | 0 | (0) | (0) |
| Supply Chain | 0 | 0 | 0 | 0 | 0 | 0 | (0) | 0 |
| Treasurer | 2 | 2 | (0) | (0) | 0 | 0 | (0) | 0 |
| State Regulation and Rates | 0 | 0 | (0) | (0) | 0 | 0 | (0) | 0 |
| **Chief Financial Officer** | **4** | **4** | **(0)** | **(0)** | **0** | **0** | **(0)** | **0** |
| **General Counsel** | **2** | **2** | **0** | **0** | **0** | **0** | **(0)** | **0** |
| **Human Resources** | **1** | **1** | **0** | **0** | **0** | **(0)** | **(0)** | **0** |
| **Information Technology** | **4** | **5** | **0** | **0** | **(0)** | **0** | **0** | **0** |
| **Corporate** | **10** | **10** | **0** | **0** | **0** | **0** | **(0)** | **(0)** |
| **Enterprise Security** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **0** |
| **O&M Total MTD** | **55** | **56** | **2** | **1** | **1** | **0** | **(0)** | **0** |

Note: Schedules may not sum due to rounding.

## Financing Activities  January 2017

($ Millions)

| Balance Sheet | YTD Actual | YTD Budget | YTD Variance |
|---|---|---|---|
| **PCB** | | | |
| Beg Bal | $ 898.8 | $ 898.8 | $ 0.0 |
| End Bal | 898.8 | 898.8 | 0.0 |
| Ave Bal | **$ 898.8** | **$ 898.8** | **$ 0.0** |
| Interest Exp | **$ 1.1** | **$ 1.0** | **$ (0.1)** |
| Rate | **1.44%** | **1.33%** | **-0.11%** |
| **FMB/Sr Nts/Loan with PPL** | | | |
| Beg Bal | $ 4,210.0 | $ 4,210.0 | $ 0.0 |
| End Bal | 4,210.0 | 4,210.0 | 0.0 |
| Ave Bal | **$ 4,210.0** | **$ 4,210.0** | **$ 0.0** |
| Interest Exp | **$ 14.8** | **$ 15.4** | **$ 0.6** |
| Rate | **4.07%** | **4.24%** | **0.16%** |
| **Short-term Debt** | | | |
| Beg Bal | $ 348.1 | $ 509.7 | $ 161.6 |
| End Bal | 317.8 | 432.7 | 114.9 |
| Ave Bal | **$ 332.9** | **$ 471.2** | **$ 138.3** |
| Interest Exp | **$ 0.4** | **$ 0.5** | **$ 0.1** |
| Rate | **1.52%** | **1.28%** | **-0.24%** |
| **Unamortized Debt Expense Bonds** | | | |
| Beg Bal | $ (44.0) | $ (44.0) | $ 0.0 |
| End Bal | (43.7) | (42.8) | 0.9 |
| Ave Bal | **$ (43.8)** | **$ (43.4)** | **$ 0.5** |
| **Total End Bal** | **$ 5,382.9** | **$ 5,498.8** | **$ 115.9** |
| **Total Average Bal** | **$ 5,397.9** | **$ 5,536.6** | **$ 138.7** |
| **Total Expense Excl I/C [(1)]** | **$ 17.7** | **$ 17.8** | **$ 0.1** |
| **Rate** | **3.77%** | **3.70%** | **-0.07%** |

[(1)] Total expense line includes additional revolving credit items. Total will not match sum of PCB, FMB, and STD.

| Credit Facilities ($ Millions) | Committed Capacity | Borrowed[(2)] | Letters of Credit Issued | Unused Capacity |
|---|---|---|---|---|
| LKE | $ 300 | $ 137 | | $ 163 |
| LG&E | 500 | 158 | | 342 |
| KU | 598 | 23 | $ 198 | 377 |
| TOTAL | $ 1,398 | $ 318 | $ 198 | $ 882 |

[(2)] LG&E and KU borrowed amounts represent commercial paper issuances. LKE borrowed amount includes bank revolver and debt with PPL.

| Credit Metrics[1] Moody's | LKE 2017 Actual YTD | LKE 2017 Budget YTD | LG&E 2017 Actual YTD | LG&E 2017 Budget YTD | KU 2017 Actual YTD | KU 2017 Budget YTD |
|---|---|---|---|---|---|---|
| CFO pre-WC / Debt | 20% | 18% | 27% | 26% | 25% | 27% |
| CFO pre-WC + Interest / Interest | 6.0 | 5.8 | 7.9 | 7.9 | 7.2 | 7.6 |
| CFO pre-WC - Dividends / Debt | 15% | 15% | 24% | 25% | 16% | 18% |
| Debt to Capitalization[2] | 47% | 48% | 38% | 38% | 38% | 38% |

| Credit Metrics Moody's | LKE 2017 BP 2018 | LKE 2017 BP 2019 | LG&E 2017 BP 2018 | LG&E 2017 BP 2019 | KU 2017 BP 2018 | KU 2017 BP 2019 |
|---|---|---|---|---|---|---|
| CFO pre-WC / Debt | 18% | 18% | 27% | 29% | 26% | 26% |
| CFO pre-WC + Interest / Interest | 6.0 | 5.7 | 8.5 | 8.7 | 7.8 | 7.6 |
| CFO pre-WC - Dividends / Debt | 11% | 15% | 25% | 22% | 20% | 18% |
| Debt to Capitalization[2] | 50% | 49% | 38% | 36% | 37% | 37% |

(1) Actuals represent a trailing 12 months.
(2) For LG&E and KU this excludes purchase accounting adjustments and corresponding goodwill.

**Financial Strength Factor (40% Weighting) -- Low Business Risk Grid:**

| Moody's Thresholds | Sub-Factor Weighting | A | Baa | Ba |
|---|---|---|---|---|
| CFO pre-WC / Debt | 15.0% | 19% - 27% | 11% - 19% | 5% - 11% |
| CFO pre-WC + Interest / Interest | 7.5% | 4.5x - 6x | 3x - 4.5x | 2x - 3x |
| CFO pre-WC - Dividends / Debt | 10.0% | 15% - 23% | 7% - 15% | 0% - 7% |
| Debt / Capitalization | 7.5% | 40% - 50% | 50% - 59% | 59% - 67% |

| As of December 31, 2016 | Senior Unsecured | Senior Secured | Commercial Paper |
|---|---|---|---|
| Issuer | Moody's | Moody's | Moody's |
| LKE | Baa1 | | |
| LG&E | | A1 | P-2 |
| KU | | A1 | P-2 |

**Definitions**

Issuers assessed **A** are judged to have upper-medium-grade intrinsic, or standalone, financial strength, and thus subject to low credit risk absent any possibility of extraordinary support from an affiliate or a government.
Obligations rated **Baa** are judged to be medium-grade and subject to moderate credit risk and as such may possess certain speculative characteristics.
Issuers (or supporting institutions) rated Prime-2 have a strong ability to repay short-term debt obligations.
Moody's appends numerical modifiers 1, 2, and 3 to each generic rating classification. The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates a ranking in the lower end of that generic rating category.

## Balance Sheet - LKE Consolidated — January 2017

($ Millions)

| | 1/31/2017 | YTD Budget | Variance | Comments |
|---|---|---|---|---|
| Assets: | | | | |
| Current Assets: | | | | |
| Cash and Cash Equivalents | $ 14 | $ 16 | $ (2) | |
| Accounts Receivable (Trade) | 429 | 451 | (23) | |
| Inventory | 285 | 271 | 13 | |
| Deferred Income Taxes | 0 | 0 | 0 | |
| Regulatory Assets Current | 20 | 19 | 1 | |
| Prepayments and other current assets | 43 | 40 | 4 | |
| **Total Current Assets** | 791 | 798 | (7) | |
| Property, Plant, and Equipment | 11,605 | 11,654 | (49) | |
| Intangible Assets | 94 | 96 | (2) | |
| Other Property and Investments | 1 | 1 | 0 | |
| Regulatory Assets Non Current | 827 | 907 | (80) | |
| Goodwill | 997 | 997 | 0 | |
| Other Long-term Assets | 78 | 82 | (4) | |
| **Total Assets** | **$ 14,393** | **$ 14,534** | **$ (141)** | |
| Liabilities and Equity: | | | | |
| Current Liabilities: | | | | |
| Accounts Payable (Trade) | $ 214 | $ 224 | $ (10) | |
| Dividends Payable to Affiliated Companies | 0 | 0 | 0 | |
| Customer Deposits | 56 | 55 | 1 | |
| Derivative Liability | 4 | 6 | (2) | |
| Accrued Taxes | 93 | 34 | 59 | Increase is primarily due to the timing of property tax payments that were assumed to occur in Q4 2016 in the budget and accrual of 2016 extension settlement. |
| Regulatory Liabilities Current | 14 | 24 | (9) | |
| Other Current Liabilities | 223 | 224 | (1) | |
| **Total Current Liabilities** | 605 | 566 | 39 | |
| Debt - Affiliated Company | 537 | 573 | (36) | |
| Debt [1] | 4,846 | 4,926 | (80) | |
| **Total Debt** | 5,383 | 5,499 | (116) | |
| Deferred Tax Liabilities | 1,735 | 1,735 | (0) | |
| Investment Tax Credit | 132 | 131 | 1 | |
| Accum Provision for Pension & Related Benefits | 335 | 411 | (76) | Decrease primarily from funded status adjustment due to change in discount rate. |
| Asset Retirement Obligation | 373 | 359 | 13 | |
| Regulatory Liabilities Non Current | 900 | 872 | 27 | |
| Derivative Liability | 26 | 33 | (6) | Due to change in market interest rates and termination of interest rate swap in December 2016. |
| Other Liabilities | 191 | 199 | (8) | |
| **Total Deferred Credits and Other Liabilities** | 3,691 | 3,740 | (48) | |
| **Equity** | 4,714 | 4,730 | (16) | |
| **Total Liabilities and Equity** | **$ 14,393** | **$ 14,534** | **$ (141)** | |

[1] Includes all ST and LT debt. See Financing Activities page for details.
Note: Schedules may not sum due to rounding.

## Balance Sheet - LG&E

**January 2017**

**($ Millions)**

| | 1/31/2017 | YTD Budget | Variance | Comments |
|---|---|---|---|---|
| Assets: | | | | |
| Current Assets: | | | | |
| Cash and Cash Equivalents | $ 5 | $ 5 | $ 0 | |
| Accounts Receivable (Trade) | 193 | 200 | (7) | |
| Inventory | 129 | 126 | 2 | |
| Deferred Income Taxes | 0 | 0 | 0 | |
| Regulatory Assets Current | 10 | 4 | 6 | |
| Prepayments and other current assets | 73 | 50 | 23 | Primarily due to increase in accounts receivable from associated company related to federal income tax settlement. |
| **Total Current Assets** | 409 | 386 | 23 | |
| Property, Plant, and Equipment | 5,001 | 5,037 | (36) | |
| Intangible Assets | 6 | 6 | (0) | |
| Other Property and Investments | 1 | 1 | 0 | |
| Regulatory Assets Non Current | 449 | 503 | (53) | |
| Goodwill | 0 | 0 | 0 | |
| Other Long-term Assets | 17 | 21 | (4) | |
| **Total Assets** | **$ 5,883** | **$ 5,953** | **$ (70)** | |
| Liabilities and Equity: | | | | |
| Current Liabilities: | | | | |
| Accounts Payable (Trade) | $ 147 | $ 153 | $ (6) | |
| Dividends Payable to Affiliated Companies | 0 | 0 | 0 | |
| Customer Deposits | 27 | 26 | 1 | |
| Derivative Liability | 4 | 6 | (2) | |
| Accrued Taxes | 80 | 18 | 62 | Increase is primarily due to the timing of property tax payments that were assumed to occur in Q4 2016 in the budget and accrual of 2016 extension settlement. |
| Regulatory Liabilities Current | 3 | 5 | (2) | |
| Other Current Liabilities | 89 | 93 | (4) | |
| **Total Current Liabilities** | 350 | 302 | 48 | |
| Debt - Affiliated Company | 0 | 0 | 0 | |
| Debt [(1)] | 1,776 | 1,831 | (55) | |
| **Total Debt** | 1,776 | 1,831 | (55) | |
| Deferred Tax Liabilities | 974 | 973 | 1 | |
| Investment Tax Credit | 36 | 36 | (0) | |
| Accum Provision for Pension & Related Benefits | 53 | 77 | (24) | Decrease primarily from funded status adjustment due to change in discount rate. |
| Asset Retirement Obligation | 103 | 99 | 4 | |
| Regulatory Liabilities Non Current | 367 | 358 | 9 | |
| Derivative Liability | 26 | 33 | (6) | |
| Other Liabilities | 88 | 92 | (4) | |
| **Total Deferred Credits and Other Liabilities** | 1,648 | 1,668 | (20) | |
| **Equity** | 2,109 | 2,152 | (43) | |
| **Total Liabilities and Equity** | **$ 5,883** | **$ 5,953** | **$ (70)** | |

[(1)] Includes all ST and LT debt.
Note: Schedules may not sum due to rounding.

## Balance Sheet - KU

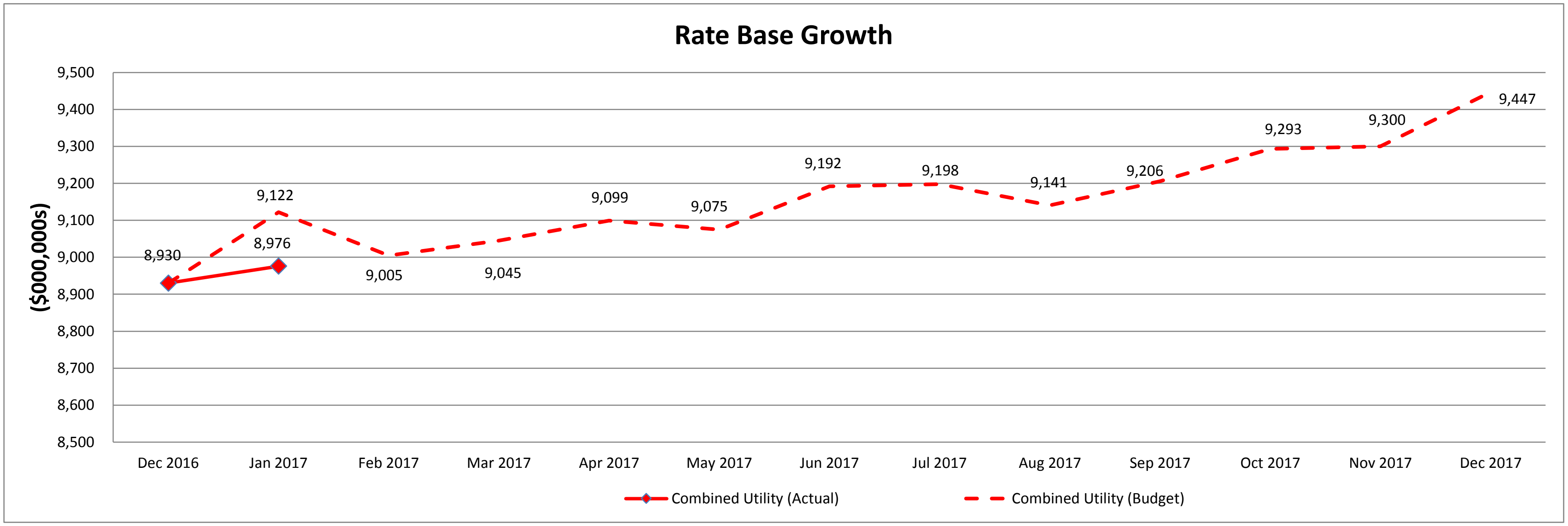
**January 2017**

**($ Millions)**

| | 1/31/2017 | YTD Budget | Variance | Comments |
|---|---|---|---|---|
| Assets: | | | | |
| Current Assets: | | | | |
| Cash and Cash Equivalents | $ 9 | $ 5 | $ 3 | |
| Accounts Receivable (Trade) | 236 | 251 | (15) | |
| Inventory | 156 | 145 | 11 | |
| Deferred Income Taxes | 0 | 0 | 0 | |
| Regulatory Assets Current | 10 | 15 | (4) | |
| Prepayments and other current assets | 21 | 20 | 1 | |
| **Total Current Assets** | 432 | 436 | (4) | |
| Property, Plant, and Equipment | 6,596 | 6,608 | (12) | |
| Intangible Assets | 13 | 13 | (0) | |
| Other Property and Investments | 0 | 0 | 0 | |
| Regulatory Assets Non Current | 375 | 402 | (27) | |
| Goodwill | 0 | 0 | 0 | |
| Other Long-term Assets | 58 | 58 | 0 | |
| **Total Assets** | **$ 7,474** | **$ 7,516** | **$ (43)** | |
| Liabilities and Equity: | | | | |
| Current Liabilities: | | | | |
| Accounts Payable (Trade) | $ 143 | $ 115 | $ 29 | Increase is primarily due to an increase in accounts payable to an associated company related to federal income tax settlement. |
| Dividends Payable to Affiliated Companies | 0 | 0 | 0 | |
| Customer Deposits | 29 | 28 | 1 | |
| Derivative Liability | 0 | 0 | 0 | |
| Accrued Taxes | 36 | 23 | 13 | Increase is primarily due to the timing of property tax payments that were assumed to occur in Q4 2016 in the budget. |
| Regulatory Liabilities Current | 11 | 18 | (7) | |
| Other Current Liabilities | 74 | 76 | (1) | |
| **Total Current Liabilities** | 294 | 259 | 34 | |
| Debt - Affiliated Company | 0 | 0 | 0 | |
| Debt [(1)] | 2,348 | 2,372 | (25) | |
| **Total Debt** | 2,348 | 2,372 | (25) | |
| Deferred Tax Liabilities | 1,170 | 1,206 | (35) | |
| Investment Tax Credit | 96 | 95 | 1 | |
| Accum Provision for Pension & Related Benefits | 45 | 67 | (21) | Decrease primarily from funded status adjustment due to change in discount rate. |
| Asset Retirement Obligation | 269 | 260 | 9 | |
| Regulatory Liabilities Non Current | 457 | 438 | 20 | |
| Derivative Liability | 0 | 0 | 0 | |
| Other Liabilities | 50 | 53 | (3) | |
| **Total Deferred Credits and Other Liabilities** | 2,088 | 2,118 | (30) | |
| **Equity** | 2,744 | 2,767 | (22) | |
| **Total Liabilities and Equity** | **$ 7,474** | **$ 7,516** | **$ (43)** | |

[(1)] Includes all ST and LT debt.
Note: Schedules may not sum due to rounding.

| Combined KU and LG&E Rate Base Growth | January 2017 |
|---|---|



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Arbough

# Performance Report

# February 2017

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## Kentucky Regulated Dashboard — February 2017

| | Current Month | | YTD | | Full Year | |
|---|---|---|---|---|---|---|
| **Safety** | **Actual** | **PY** | **Actual** | **PY** | **Forecast** | **PY** |
| TCIR - Employees(1) | 1.47 | 0.37 | 1.02 | 0.61 | 1.35 | 1.12 |
| Employee lost-time incidents | 2 | 0 | 2 | 0 | 10 | 5 |
| **Reliability** | **Actual** | **Budget** | **Actual** | **Budget** | **Forecast** | **Budget** |
| Generation Volumes | 2,382 | 2,838 | 5,299 | 6,051 | 33,673 | 34,425 |
| Utility EFOR | 7.1% | 5.5% | 4.8% | 5.5% | N/A | 5.5% |
| Utility EAF | 84.1% | 91.2% | 85.4% | 91.9% | N/A | 85.2% |
| Steam Fleet Commercial Availability | 89.5% | 93.0% | 91.9% | 93.0% | N/A | 93.0% |
| Combined SAIFI | 0.04 | 0.06 | 0.12 | 0.15 | N/A | 1.03 |
| Combined SAIDI (minutes) | 3.41 | 4.89 | 9.52 | 12.70 | N/A | 93.20 |
| **GwH Sales** | **Actual** | **Budget** | **Actual** | **Budget** | **Forecast** | **Budget** |
| Residential | 708 | 962 | 1,748 | 2,136 | 10,280 | 10,668 |
| Commercial | 571 | 617 | 1,228 | 1,295 | 7,814 | 7,882 |
| Industrial | 691 | 734 | 1,403 | 1,521 | 9,588 | 9,706 |
| Municipals | 132 | 162 | 290 | 338 | 1,798 | 1,846 |
| Other | 205 | 217 | 431 | 452 | 2,732 | 2,753 |
| Off-System Sales | 7 | 24 | 78 | 45 | 274 | 244 |
| Total | 2,314 | 2,716 | 5,178 | 5,787 | 32,485 | 33,098 |
| **Weather-Normalized Sales Growth** | | | **TTM** | | | |
| Residential | | | -1.23% | | | |
| Commercial | | | 2.79% | | | |
| Industrial | | | -4.41% | | | |
| Municipal | | | -0.52% | | | |
| Other | | | -0.39% | | | |
| Total | | | -1.11% | | | |

| | Current Month | | YTD | | Full Year | |
|---|---|---|---|---|---|---|
| **Margins ($ millions)** | **Actual** | **Budget** | **Actual** | **Budget** | **Forecast** | **Budget** |
| Electric Margins | $138 | $156 | $299 | $327 | $1,912 | $1,948 |
| Gas Margins | $22 | $23 | $46 | $48 | $180 | $183 |
| **Capital Expenditures ($ millions)** | **Actual** | **Budget** | **Actual** | **Budget** | **Forecast** | **Budget** |
| Total | $50 | $57 | $97 | $110 | $1,107 | $1,107 |
| **O&M ($ millions)(2)** | **Actual** | **Budget** | **Actual** | **Budget** | **Forecast** | **Budget** |
| Total | $55 | $57 | $109 | $113 | $749 | $749 |
| **Head Count** | **Actual** | **Budget** | **Actual** | **Budget** | **Forecast** | **Budget** |
| Full-time Employees | 3,489 | 3,604 | 3,489 | 3,604 | 3,584 | 3,591 |
| **Other Metrics** | **Actual** | **PY** | **Actual** | **PY** | **Forecast** | **PY** |
| Environmental Events | 1 | 0 | 2 | 0 | N/A | 3 |
| NERC Possible Violations(3) | 0 | 0 | 1 | 0 | N/A | 5 |

| | TTM | Full Year | |
|---|---|---|---|
| **Financial Metrics** | **Actual** | **Forecast** | **Budget** |
| ROE(4) | 9.7% | 9.5% | 9.8% |

### Variance Explanations

• Lower current month margins primarily due to lower sales volumes from warmer than average weather resulting in lower retail electric base energy and demand revenue of $19 million.

• Lower margins YTD primarily due to lower sales volumes from warmer than average weather resulting in lower retail electric base energy and demand revenue of $31 million.

(1) Full year forecast amount shown represents target.
(2) Net of cost recovery mechanisms.
(3) The possible violation issues for YTD Actual is believed to be minimal risk.
(4) Excludes goodwill and other purchase accounting adjustments.

Note: Schedules may not sum due to rounding.

### Major Developments

• February 2017 represented the warmest February on record for both Louisville and Lexington. Louisville also reached 81 degrees on the 24th, setting a new all-time high for the month. Retail sales continue to be impacted by these conditions.

• LKE filed nearly 1,500 responses to supplemental data requests in the rate case proceeding and is currently analyzing intervenors' testimony from 34 different witnesses. The Company's rebuttal testimony will be submitted on April 14.

• After the Companies' 2011 ECR plans were approved by the KPSC, the Commission hired an external consultant to monitor and report on the construction progress for the approved projects. LKE filed its final quarterly report to the KPSC in January. The Company received a letter of acknowledgement from the KPSC noting that the approved projects achieved an outstanding safety record and were completed significantly under budget and on schedule. The KPSC also commended our efforts in keeping its consultant and the KPSC informed regarding the progress of the projects as well as the Company's professionalism during the review.

• Two of LKE's Research and Development projects have been honored by the Electric Power Research Institute ("EPRI"). The Company's electric vehicle charging station program was recognized with a "Technology Transfer" award for applying EPRI methods and standards in designing and deploying its charging stations. LKE also received a similar honor for its 10-megawatt universal solar facility at E.W. Brown Generating Station.

• The Trimble County Landfill Project received its permit from the Kentucky Division of Waste Management, the second of three key environmental regulatory approvals needed to begin construction of the landfill. The final permit is still being processed by the Corps of Engineers.

• The court dismissed PPL as a defendant and also dismissed the remaining federal law claim involving alleged operation of the Cane Run facility under an expired air permit. The court had previously dismissed the other federal law claims regarding dust emissions from the Cane Run power plant in 2014. The court has directed the parties to file briefs addressing whether the court should exercise supplemental jurisdiction to hear the state law claims remaining in the case.

### Significant Future Events

•Regarding the Kentucky rate cases, a formal public hearing is scheduled to begin on May 2.

## Income Statement: Actual vs. Budget (Month) - LKE Consolidated

**February 2017**

**($ Millions)**

| | MTD | | | |
|---|---|---|---|---|
| | Actual | Budget | Variance | Comments |
| **Revenues:** | | | | |
| Electric Revenues | $ 213 | $ 243 | $ (29) | Due primarily to lower sales volumes driven by mild weather. |
| Gas Revenues | 38 | 50 | (12) | Due primarily to lower sales volumes driven by mild weather. |
| **Total Revenues** | 251 | 292 | (41) | |
| **Cost of Sales:** | | | | |
| Fuel Electric Costs | 58 | 69 | 11 | Primarily due to decreased generation as a result of mild weather. |
| Gas Supply Expenses | 16 | 27 | 11 | Due to lower gas usage (mild weather). |
| Purchased Power | 5 | 5 | 0 | |
| Other Electric Cost | 13 | 13 | 0 | |
| **Total Cost of Sales** | 91 | 113 | 23 | |
| **Gross Margin:** | | | | |
| Electric Margin | 138 | 156 | (18) | Lower margins primarily due to lower sales volumes from warmer than average weather resulting in lower retail electric base energy and demand revenue. |
| Gas Margin | 22 | 23 | (1) | |
| **Total Gross Margin** | 160 | 179 | (18) | |
| **Operating Expenses:** | | | | |
| O&M | 55 | 57 | 2 | |
| Depreciation & Amortization | 30 | 30 | 0 | |
| Taxes, Other than Income | 4 | 5 | 1 | |
| **Total Operating Expenses** | 89 | 92 | 3 | |
| Equity in Earnings | 0 | 0 | 0 | |
| Other income (expense) | (1) | (1) | (0) | |
| EBIT | 70 | 86 | (16) | |
| Interest Expense | 17 | 18 | 0 | |
| **Income from Ongoing Operations before income taxes** | 52 | 68 | (16) | |
| Income Tax Expense | 20 | 26 | 6 | |
| **Net Income (loss) from ongoing operations** | **32** | **42** | **(10)** | |
| Discontinued Operations | (0) | (0) | 0 | |
| **Net Income (loss)** | $ 32 | $ 42 | $ (10) | |
| KY Regulated Financing Costs | (2) | $ (2) | (0) | |
| **KY Regulated Net Income** | $ 30 | $ 40 | $ (10) | |
| Earnings Per Share - Ongoing | $ 0.04 | $ 0.06 | $ (0.01) | |

Note: Schedules may not sum due to rounding.

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## Income Statement: Actual vs. Budget (YTD) - LKE Consolidated

**February 2017**

**($ Millions)**

| | YTD | | | |
|---|---|---|---|---|
| | Actual | Budget | Variance | Comments |
| **Revenues:** | | | | |
| Electric Revenues | $ 465 | $ 510 | $ (46) | Due primarily to lower sales volumes driven by mild weather. |
| Gas Revenues | 85 | 104 | (19) | Due primarily to lower sales volumes driven by mild weather. |
| **Total Revenues** | 550 | 614 | (65) | |
| **Cost of Sales:** | | | | |
| Fuel Electric Costs | 130 | 146 | 17 | Primarily due to decreased generation as a result of mild weather. |
| Gas Supply Expenses | 39 | 56 | 17 | Due primarily to lower gas usage as a result of mild weather. |
| Purchased Power | 10 | 10 | 0 | |
| Other Electric Cost | 27 | 27 | 0 | |
| **Total Cost of Sales** | 206 | 239 | 34 | |
| **Gross Margin:** | | | | |
| Electric Margin | 299 | 327 | (29) | Lower margins primarily due to lower sales volumes from warmer than average weather resulting in lower retail electric base energy and demand revenue. |
| Gas Margin | 46 | 48 | (2) | |
| **Total Gross Margin** | 344 | 375 | (31) | |
| **Operating Expenses:** | | | | |
| O&M | 110 | 113 | 3 | |
| Depreciation & Amortization | 59 | 60 | 1 | |
| Taxes, Other than Income | 9 | 10 | 1 | |
| **Total Operating Expenses** | 178 | 183 | 5 | |
| Other income (expense) | (2) | (2) | (0) | |
| EBIT | 164 | 190 | (26) | |
| Interest Expense | 35 | 35 | 0 | |
| **Income from Ongoing Operations before income taxes** | 128 | 154 | (26) | |
| Income Tax Expense | 49 | 59 | 11 | |
| **Net Income (loss) from ongoing operations** | **80** | **95** | **(15)** | |
| Discontinued Operations | (0) | (0) | 0 | |
| **Net Income (loss)** | $ 80 | $ 95 | $ (15) | |
| KY Regulated Financing Costs | (5) | $ (5) | (0) | |
| **KY Regulated Net Income** | $ 75 | $ 90 | $ (15) | |
| Earnings Per Share - Ongoing | $ 0.11 | $ 0.13 | $ (0.02) | |

Note: Schedules may not sum due to rounding.

**Case Nos. 2018-00294 and 2018-00295**
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## Income Statement: Actual vs. Budget (YTD) - LG&E — February 2017

**($ Millions)**

| | YTD | | | |
|---|---|---|---|---|
| | Actual | Budget | Variance | Comments |
| **Revenues:** | | | | |
| Electric Revenues | $ 182 | $ 189 | $ (7) | Due primarily to lower sales volumes driven by mild weather. |
| Gas Revenues | 85 | 104 | (19) | Due primarily to lower sales volumes driven by mild weather. |
| **Total Revenues** | 267 | 293 | (26) | |
| **Cost of Sales:** | | | | |
| Fuel Electric Costs | 56 | 55 | (1) | |
| Gas Supply Expenses | 39 | 56 | 17 | Due primarily to lower gas usage as a result of mild weather. |
| Purchased Power | 7 | 8 | 1 | |
| Other Electric Cost | 11 | 11 | 0 | |
| **Total Cost of Sales** | 114 | 130 | 17 | |
| **Gross Margin:** | | | | |
| Electric Margin | 108 | 115 | (7) | See explanation above |
| Gas Margin | 46 | 48 | (2) | |
| **Total Gross Margin** | 154 | 163 | (9) | |
| **Operating Expenses:** | | | | |
| O&M | 48 | 51 | 3 | |
| Depreciation & Amortization | 24 | 24 | 0 | |
| Taxes, Other than Income | 5 | 5 | 0 | |
| **Total Operating Expenses** | 77 | 80 | 4 | |
| Other income (expense) | (1) | (1) | (0) | |
| EBIT | 76 | 82 | (6) | |
| Interest Expense | 11 | 12 | 0 | |
| **Income from Ongoing Operations before income taxes** | 65 | 70 | (5) | |
| Income Tax Expense | 25 | 27 | 2 | |
| **Net Income (loss) from ongoing operations** | **40** | **43** | **(3)** | |

Note: Schedules may not sum due to rounding.

## Income Statement: Actual vs. Budget (YTD) - KU

**February 2017**

**($ Millions)**

| | YTD | | | |
|---|---|---|---|---|
| | Actual | Budget | Variance | Comments |
| **Revenues:** | | | | |
| Electric Revenues | $ 296 | $ 334 | $ (38) | Due primarily to lower sales volumes driven by mild weather. |
| Gas Revenues | 0 | 0 | 0 | |
| **Total Revenues** | 296 | 334 | (38) | |
| **Cost of Sales:** | | | | |
| Fuel Electric Costs | 75 | 92 | 17 | Primarily due to decreased generation as a result of mild weather. |
| Gas Supply Expenses | 0 | 0 | 0 | |
| Purchased Power | 14 | 13 | (1) | |
| Other Electric Cost | 16 | 17 | 0 | |
| **Total Cost of Sales** | 105 | 122 | 17 | |
| **Gross Margin:** | | | | |
| Electric Margin | 191 | 212 | (22) | See explanation above |
| Gas Margin | 0 | 0 | 0 | |
| **Total Gross Margin** | 191 | 212 | (22) | |
| **Operating Expenses:** | | | | |
| O&M | 57 | 59 | 1 | |
| Depreciation & Amortization | 35 | 36 | 0 | |
| Taxes, Other than Income | 5 | 5 | 0 | |
| **Total Operating Expenses** | 97 | 99 | 2 | |
| Other income (expense) | (1) | (1) | 0 | |
| EBIT | 92 | 112 | (20) | |
| Interest Expense | 16 | 16 | (0) | |
| **Income from Ongoing Operations before income taxes** | 76 | 96 | (20) | |
| Income Tax Expense | 29 | 37 | 8 | |
| **Net Income (loss) from ongoing operations** | **47** | **59** | **(12)** | |

Note: Schedules may not sum due to rounding.

## O&M

**February 2017**

**($ Millions)**

| | MTD | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Actual | Budget | Total Variance | Labor & Burdens | Resident Contractors | Other Outside Services | Materials | Other |
| Generation | 13 | 14 | 0 | 1 | 0 | (0) | 0 | (0) |
| Project Engineering | 0 | 0 | 0 | 0 | 0 | (0) | (0) | 0 |
| Transmission | 2 | 3 | 0 | (0) | (0) | 0 | (0) | (0) |
| Energy Supply and Analysis | 1 | 1 | (0) | (0) | 0 | 0 | (0) | (0) |
| Generation Services | 1 | 1 | (0) | (0) | 0 | 0 | (0) | (0) |
| Electric Distribution | 5 | 6 | 1 | 0 | 1 | (0) | 0 | (0) |
| Gas Distribution and AMS2 | 3 | 3 | (0) | (0) | (0) | 0 | 0 | (0) |
| Safety and Technical Training | 1 | 1 | (0) | (0) | (0) | (0) | 0 | (0) |
| Customer Services | 7 | 8 | 1 | (0) | 0 | (0) | 0 | 0 |
| **Senior VP Operations** | **34** | **35** | **2** | **0** | **1** | **0** | **0** | **(0)** |
| Audit Services | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (0) |
| Controller | 1 | 1 | (0) | (0) | 0 | 0 | 0 | (0) |
| Supply Chain | 0 | 0 | (0) | (0) | (0) | (0) | (0) | 0 |
| Treasurer | 2 | 2 | (0) | (0) | 0 | 0 | (0) | (0) |
| State Regulation and Rates | 0 | 0 | (0) | (0) | 0 | 0 | (0) | 0 |
| **Chief Financial Officer** | **3** | **3** | **(0)** | **(0)** | **(0)** | **0** | **(0)** | **(0)** |
| **General Counsel** | **3** | **3** | **(0)** | **(0)** | **0** | **(0)** | **0** | **0** |
| **Human Resources** | **1** | **1** | **(0)** | **0** | **0** | **(0)** | **(0)** | **(0)** |
| **Information Technology** | **4** | **4** | **0** | **(0)** | **0** | **0** | **(0)** | **0** |
| **Corporate** | **10** | **10** | **0** | **0** | **0** | **0** | **(0)** | **0** |
| **Enterprise Security** | **0** | **0** | **(0)** | **(0)** | **0** | **0** | **0** | **0** |
| **O&M Total MTD** | **55** | **57** | **2** | **0** | **1** | **0** | **0** | **(0)** |

| | YTD | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Actual | Budget | Total Variance | Labor & Burdens | Resident Contractors | Other Outside Services | Materials | Other |
| Generation | 28 | 27 | (1) | 1 | 0 | (0) | (0) | (1) |
| Project Engineering | 0 | 0 | 0 | 0 | 0 | (0) | (0) | 0 |
| Transmission | 5 | 5 | 1 | (0) | 0 | 1 | (0) | (0) |
| Energy Supply and Analysis | 2 | 1 | (0) | (0) | 0 | 0 | 0 | 0 |
| Generation Services | 2 | 2 | (0) | (0) | 0 | (0) | (0) | 0 |
| Electric Distribution | 10 | 12 | 2 | 0 | 2 | (0) | 0 | 0 |
| Gas Distribution and AMS | 5 | 5 | (0) | 0 | 0 | (0) | 0 | (0) |
| Safety and Technical Training | 1 | 1 | (0) | (0) | (0) | (0) | (0) | 0 |
| Customer Services | 15 | 16 | 1 | 0 | 0 | 0 | 0 | 1 |
| **SVP Operations** | **68** | **71** | **3** | **1** | **2** | **0** | **(0)** | **(0)** |
| Audit Services | 0 | 0 | 0 | 0 | 0 | (0) | 0 | (0) |
| Controller | 1 | 1 | (0) | (0) | 0 | 0 | 0 | (0) |
| Supply Chain | 1 | 1 | (0) | (0) | (0) | (0) | (0) | 0 |
| Treasurer | 4 | 4 | (0) | (0) | 0 | 0 | (0) | (0) |
| State Regulation and Rates | 1 | 1 | (0) | (0) | 0 | 0 | (0) | 0 |
| **Chief Financial Officer** | **7** | **7** | **(0)** | **(0)** | **(0)** | **0** | **(0)** | **(0)** |
| **General Counsel** | **5** | **5** | **0** | **0** | **0** | **(0)** | **(0)** | **0** |
| **Human Resources** | **1** | **1** | **0** | **0** | **0** | **(0)** | **(0)** | **(0)** |
| **Information Technology** | **9** | **9** | **0** | **(0)** | **(0)** | **0** | **(0)** | **0** |
| **Corporate** | **20** | **20** | **0** | **0** | **0** | **0** | **(0)** | **(0)** |
| **Enterprise Security** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **0** |
| **O&M Total YTD** | **109** | **113** | **3** | **1** | **2** | **0** | **(0)** | **0** |

Note: Schedules may not sum due to rounding.

## Financing Activities — February 2017

($ Millions)

| Balance Sheet | YTD Actual | YTD Budget | YTD Variance |
|---|---|---|---|
| **PCB** | | | |
| Beg Bal | $ 898.8 | $ 898.8 | $ 0.0 |
| End Bal | 898.8 | 898.8 | 0.0 |
| Ave Bal | **$ 898.8** | **$ 898.8** | **$ 0.0** |
| Interest Exp | **$ 2.2** | **$ 2.1** | **$ (0.1)** |
| Rate | **1.49%** | **1.39%** | **-0.10%** |
| **FMB/Sr Nts/Loan with PPL** | | | |
| Beg Bal | $ 4,210.0 | $ 4,210.0 | $ 0.0 |
| End Bal | 4,210.0 | 4,210.0 | 0.0 |
| Ave Bal | **$ 4,210.0** | **$ 4,210.0** | **$ 0.0** |
| Interest Exp | **$ 30.6** | **$ 30.7** | **$ 0.2** |
| Rate | **4.43%** | **4.45%** | **0.02%** |
| **Short-term Debt** | | | |
| Beg Bal | $ 348.1 | $ 432.7 | $ 84.6 |
| End Bal | 255.7 | 333.5 | 77.7 |
| Ave Bal | **$ 301.9** | **$ 383.1** | **$ 81.2** |
| Interest Exp | **$ 0.8** | **$ 0.9** | **$ 0.2** |
| Rate | **1.52%** | **1.47%** | **-0.05%** |
| **Unamortized Debt Expense Bonds** | | | |
| Beg Bal | $ (44.0) | $ (42.8) | $ 1.2 |
| End Bal | (43.4) | (42.3) | 1.1 |
| Ave Bal | **$ (43.7)** | **$ (42.6)** | **$ 1.2** |
| **Total End Bal** | **$ 5,321.1** | **$ 5,399.9** | **$ 78.9** |
| **Total Average Bal** | **$ 5,367.0** | **$ 5,449.3** | **$ 82.3** |
| **Total Expense Excl I/C [1]** | **$ 35.1** | **$ 35.4** | **$ 0.3** |
| **Rate** | **3.96%** | **3.94%** | **-0.02%** |

[1] Total expense line includes additional revolving credit items. Total will not match sum of PCB, FMB, and STD.

| Credit Facilities ($ Millions) | Committed Capacity | Borrowed[2] | Letters of Credit Issued | Unused Capacity |
|---|---|---|---|---|
| LKE | $ 300 | $ 128 | | $ 172 |
| LG&E | 500 | 110 | | 390 |
| KU | 598 | 18 | $ 198 | 382 |
| TOTAL | $ 1,398 | $ 256 | $ 198 | $ 944 |

[2] LG&E and KU borrowed amounts represent commercial paper issuances. LKE borrowed amount includes bank revolver and debt with PPL.

| Credit Metrics[1] Moody's | LKE 2017 Actual YTD | LKE 2017 Budget YTD | LG&E 2017 Actual YTD | LG&E 2017 Budget YTD | KU 2017 Actual YTD | KU 2017 Budget YTD |
|---|---|---|---|---|---|---|
| CFO pre-WC / Debt | 19% | 19% | 28% | 27% | 25% | 27% |
| CFO pre-WC + Interest / Interest | 5.9 | 5.8 | 7.8 | 7.9 | 7.0 | 7.6 |
| CFO pre-WC - Dividends / Debt | 15% | 15% | 25% | 26% | 15% | 18% |
| Debt to Capitalization[2] | 47% | 47% | 38% | 38% | 38% | 37% |

| Credit Metrics Moody's | LKE 2017 BP 2018 | LKE 2017 BP 2019 | LG&E 2017 BP 2018 | LG&E 2017 BP 2019 | KU 2017 BP 2018 | KU 2017 BP 2019 |
|---|---|---|---|---|---|---|
| CFO pre-WC / Debt | 18% | 18% | 27% | 29% | 26% | 26% |
| CFO pre-WC + Interest / Interest | 6.0 | 5.7 | 8.5 | 8.7 | 7.8 | 7.6 |
| CFO pre-WC - Dividends / Debt | 11% | 15% | 25% | 22% | 20% | 18% |
| Debt to Capitalization[2] | 50% | 49% | 38% | 36% | 37% | 37% |

[1] Actuals represent a trailing 12 months.
[2] For LG&E and KU this excludes purchase accounting adjustments and corresponding goodwill.

**Financial Strength Factor (40% Weighting) -- Low Business Risk Grid:**

| Moody's Thresholds | Sub-Factor Weighting | A | Baa | Ba |
|---|---|---|---|---|
| CFO pre-WC / Debt | 15.0% | 19% - 27% | 11% - 19% | 5% - 11% |
| CFO pre-WC + Interest / Interest | 7.5% | 4.5x - 6x | 3x - 4.5x | 2x - 3x |
| CFO pre-WC - Dividends / Debt | 10.0% | 15% - 23% | 7% - 15% | 0% - 7% |
| Debt / Capitalization | 7.5% | 40% - 50% | 50% - 59% | 59% - 67% |

| As of December 31, 2016 | Senior Unsecured | Senior Secured | Commercial Paper |
|---|---|---|---|
| Issuer | Moody's | Moody's | Moody's |
| LKE | Baa1 | | |
| LG&E | | A1 | P-2 |
| KU | | A1 | P-2 |

**Definitions**

Issuers assessed **A** are judged to have upper-medium-grade intrinsic, or standalone, financial strength, and thus subject to low credit risk absent any possibility of extraordinary support from an affiliate or a government.
Obligations rated **Baa** are judged to be medium-grade and subject to moderate credit risk and as such may possess certain speculative characteristics.
Issuers (or supporting institutions) rated Prime-2 have a strong ability to repay short-term debt obligations.
Moody's appends numerical modifiers 1, 2, and 3 to each generic rating classification. The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates a ranking in the lower end of that generic rating category.

## Balance Sheet - LKE Consolidated — February 2017

**($ Millions)**

| | 2/28/2017 | YTD Budget | Variance | Comments |
|---|---|---|---|---|
| Assets: | | | | |
| Current Assets: | | | | |
| Cash and Cash Equivalents | $ 17 | $ 27 | $ (10) | Decrease primarily related to higher budgeted temporary investments. |
| Accounts Receivable (Trade) | 397 | 430 | (32) | |
| Inventory | 279 | 254 | 25 | Higher inventory levels due to decreased fuel burn as a result of lower generation |
| Deferred Income Taxes | 0 | 0 | 0 | |
| Regulatory Assets Current | 23 | 21 | 3 | |
| Prepayments and other current assets | 45 | 37 | 8 | |
| **Total Current Assets** | 761 | 768 | (6) | |
| Property, Plant, and Equipment | 11,617 | 11,670 | (53) | |
| Intangible Assets | 93 | 95 | (2) | |
| Other Property and Investments | 1 | 1 | 0 | |
| Regulatory Assets Non Current | 827 | 909 | (82) | |
| Goodwill | 997 | 997 | 0 | |
| Other Long-term Assets | 77 | 81 | (4) | |
| **Total Assets** | **$ 14,374** | **$ 14,521** | **$ (148)** | |
| Liabilities and Equity: | | | | |
| Current Liabilities: | | | | |
| Accounts Payable (Trade) | $ 214 | $ 223 | $ (9) | |
| Dividends Payable to Affiliated Companies | 102 | 0 | 102 | Dividends are considered declared and paid in the same month in the budget. |
| Customer Deposits | 56 | 55 | 2 | |
| Derivative Liability | 4 | 6 | (2) | |
| Accrued Taxes | 97 | 65 | 32 | Increase is primarily due to accrual of 2016 extension settlement. |
| Regulatory Liabilities Current | 12 | 23 | (12) | Decrease primarily related to ECR, DSM, and FAC. |
| Other Current Liabilities | 243 | 237 | 6 | |
| **Total Current Liabilities** | 729 | 609 | 120 | |
| Debt - Affiliated Company | 528 | 573 | (45) | |
| Debt [1] | 4,793 | 4,827 | (34) | |
| **Total Debt** | 5,321 | 5,400 | (79) | |
| Deferred Tax Liabilities | 1,727 | 1,735 | (8) | |
| Investment Tax Credit | 132 | 131 | 1 | |
| Accum Provision for Pension & Related Benefits | 332 | 411 | (78) | Decrease primarily from funded status adjustment due to change in discount rate. |
| Asset Retirement Obligation | 372 | 360 | 12 | |
| Regulatory Liabilities Non Current | 902 | 871 | 30 | |
| Derivative Liability | 26 | 32 | (6) | |
| Other Liabilities | 188 | 199 | (12) | |
| **Total Deferred Credits and Other Liabilities** | 3,678 | 3,740 | (61) | |
| **Equity** | 4,645 | 4,773 | (127) | |
| **Total Liabilities and Equity** | **$ 14,374** | **$ 14,521** | **$ (148)** | |

[1] Includes all ST and LT debt. See Financing Activities page for details.
Note: Schedules may not sum due to rounding.

## Balance Sheet - LG&E

**February 2017**

**($ Millions)**

| | 2/28/2017 | YTD Budget | Variance | Comments |
|---|---|---|---|---|
| Assets: | | | | |
| Current Assets: | | | | |
| Cash and Cash Equivalents | $ 8 | $ 5 | $ 3 | |
| Accounts Receivable (Trade) | 177 | 190 | (14) | |
| Inventory | 121 | 111 | 9 | |
| Deferred Income Taxes | 0 | 0 | 0 | |
| Regulatory Assets Current | 13 | 5 | 8 | |
| Prepayments and other current assets | 48 | 49 | (0) | Primarily due to increase in accounts receivable from associated company related to federal income tax settlement. |
| **Total Current Assets** | 367 | 360 | 6 | |
| Property, Plant, and Equipment | 5,008 | 5,047 | (39) | |
| Intangible Assets | 6 | 6 | (0) | |
| Other Property and Investments | 1 | 1 | 0 | |
| Regulatory Assets Non Current | 448 | 501 | (54) | Primarily due to MTM adjustment of Swaps, a pension funded status adjustment due to change in discount rate, and ARO revaluation. |
| Goodwill | 0 | 0 | 0 | |
| Other Long-term Assets | 16 | 21 | (5) | |
| **Total Assets** | **$ 5,845** | **$ 5,937** | **$ (92)** | |
| Liabilities and Equity: | | | | |
| Current Liabilities: | | | | |
| Accounts Payable (Trade) | $ 146 | $ 152 | $ (6) | |
| Dividends Payable to Affiliated Companies | 87 | 25 | 62 | In the budget dividends are calculated in the month declared and any excess dividends are not recognized until the subsequent month due to balancing within the budget system. |
| Customer Deposits | 27 | 26 | 1 | |
| Derivative Liability | 4 | 6 | (2) | |
| Accrued Taxes | 76 | 33 | 43 | Increase is primarily due to accrual of 2016 extension settlement. |
| Regulatory Liabilities Current | 2 | 5 | (2) | |
| Other Current Liabilities | 93 | 97 | (5) | |
| **Total Current Liabilities** | 435 | 344 | 91 | |
| Debt - Affiliated Company | 0 | 0 | 0 | |
| Debt [(1)] | 1,728 | 1,779 | (51) | |
| **Total Debt** | 1,728 | 1,779 | (51) | |
| Deferred Tax Liabilities | 972 | 973 | (1) | |
| Investment Tax Credit | 36 | 36 | (0) | |
| Accum Provision for Pension & Related Benefits | 51 | 76 | (25) | Decrease primarily from funded status adjustment due to change in discount rate. |
| Asset Retirement Obligation | 103 | 99 | 3 | |
| Regulatory Liabilities Non Current | 369 | 358 | 11 | |
| Derivative Liability | 26 | 32 | (6) | |
| Other Liabilities | 86 | 92 | (6) | |
| **Total Deferred Credits and Other Liabilities** | 1,643 | 1,668 | (24) | |
| **Equity** | 2,039 | 2,146 | (107) | |
| **Total Liabilities and Equity** | **$ 5,845** | **$ 5,937** | **$ (92)** | |

[(1)] Includes all ST and LT debt.
Note: Schedules may not sum due to rounding.

## Balance Sheet - KU

**February 2017**

**($ Millions)**

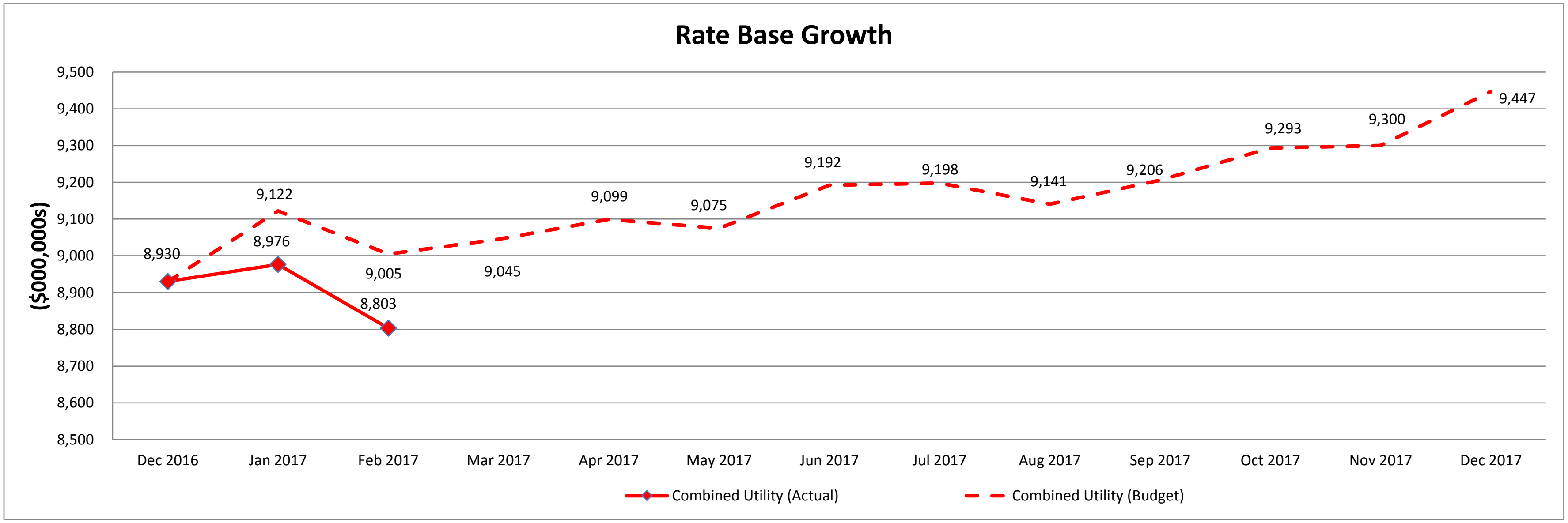
| | 2/28/2017 | YTD Budget | Variance | Comments |
|---|---|---|---|---|
| Assets: | | | | |
| Current Assets: | | | | |
| Cash and Cash Equivalents | $ 8 | $ 18 | $ (9) | |
| Accounts Receivable (Trade) | 220 | 239 | (19) | |
| Inventory | 158 | 142 | 15 | Higher inventory levels due to decreased fuel burn as a result of lower generation |
| Deferred Income Taxes | 0 | 0 | 0 | |
| Regulatory Assets Current | 11 | 16 | (5) | |
| Prepayments and other current assets | 22 | 19 | 3 | |
| **Total Current Assets** | 419 | 433 | (14) | |
| Property, Plant, and Equipment | 6,601 | 6,614 | (13) | |
| Intangible Assets | 13 | 13 | (0) | |
| Other Property and Investments | 0 | 0 | 0 | |
| Regulatory Assets Non Current | 376 | 405 | (29) | |
| Goodwill | 0 | 0 | 0 | |
| Other Long-term Assets | 58 | 58 | 1 | |
| **Total Assets** | **$ 7,467** | **$ 7,522** | **$ (55)** | |
| Liabilities and Equity: | | | | |
| Current Liabilities: | | | | |
| Accounts Payable (Trade) | $ 112 | $ 114 | $ (2) | |
| Dividends Payable to Affiliated Companies | 70 | 40 | 30 | In the budget dividends are calculated in the month declared and any excess dividends are not recognized until the subsequent month due to balancing within the budget system. |
| Customer Deposits | 29 | 28 | 1 | |
| Derivative Liability | 0 | 0 | 0 | |
| Accrued Taxes | 47 | 42 | 5 | |
| Regulatory Liabilities Current | 9 | 18 | (9) | |
| Other Current Liabilities | 84 | 83 | 0 | |
| **Total Current Liabilities** | 351 | 325 | 26 | |
| Debt - Affiliated Company | 0 | 0 | 0 | |
| Debt [1] | 2,343 | 2,325 | 18 | |
| **Total Debt** | 2,343 | 2,325 | 18 | |
| Deferred Tax Liabilities | 1,164 | 1,206 | (42) | |
| Investment Tax Credit | 95 | 95 | 1 | |
| Accum Provision for Pension & Related Benefits | 44 | 67 | (22) | Decrease primarily from funded status adjustment due to change in discount rate. |
| Asset Retirement Obligation | 269 | 261 | 8 | |
| Regulatory Liabilities Non Current | 459 | 437 | 21 | |
| Derivative Liability | 0 | 0 | 0 | |
| Other Liabilities | 49 | 53 | (4) | |
| **Total Deferred Credits and Other Liabilities** | 2,080 | 2,118 | (38) | |
| **Equity** | 2,693 | 2,754 | (61) | |
| **Total Liabilities and Equity** | **$ 7,467** | **$ 7,522** | **$ (55)** | |

[1] Includes all ST and LT debt.
Note: Schedules may not sum due to rounding.



**Case Nos. 2018-00294 and 2018-00295**
**Attachment to Filing Requirement**
**807 KAR 5:001 Sec. 16(7)(o)**

**Arbough**


Rate Base Growth
($000,000s)
9,500
9,400
9,300
9,200
9,100
9,000
8,900
8,800
8,700
8,600
8,500
Dec 2016
Jan 2017
Feb 2017
Mar 2017
Apr 2017
May 2017
Jun 2017
Jul 2017
Aug 2017
Sep 2017
Oct 2017
Nov 2017
Dec 2017
8,930
9,122
8,976
9,005
8,803
9,045
9,099
9,075
9,192
9,198
9,141
9,206
9,293
9,300
9,447
Combined Utility (Actual)
Combined Utility (Budget)

# Performance Report

# March 2017

| Table of Contents | March 2017 |
|---|---|

Content | Page

## Kentucky Regulated Dashboard — March 2017

| | Current Month | | YTD | | Full Year | |
|---|---|---|---|---|---|---|
| **Safety** | **Actual** | **PY** | **Actual** | **PY** | **Forecast** | **PY** |
| TCIR - Employees[(1)] | 1.06 | 1.47 | 1.03 | 0.91 | 1.35 | 1.12 |
| Employee lost-time incidents | 0 | 1 | 2 | 1 | 9 | 5 |
| **Reliability** | **Actual** | **Budget** | **Actual** | **Budget** | **Forecast** | **Budget** |
| Generation Volumes | 2,659 | 2,695 | 7,958 | 8,746 | 33,636 | 34,425 |
| Utility EFOR | 1.4% | 5.0% | 3.7% | 5.0% | N/A | 5.0% |
| Utility EAF | 75.0% | 75.4% | 81.8% | 86.2% | N/A | 85.2% |
| Steam Fleet Commercial Availability | 93.9% | 93.0% | 92.6% | 93.0% | N/A | 93.0% |
| Combined SAIFI | 0.05 | 0.07 | 0.16 | 0.22 | N/A | 1.03 |
| Combined SAIDI (minutes) | 3.26 | 5.91 | 12.77 | 18.61 | N/A | 93.20 |
| **GwH Sales** | **Actual** | **Budget** | **Actual** | **Budget** | **Forecast** | **Budget** |
| Residential | 794 | 866 | 2,542 | 3,003 | 10,207 | 10,668 |
| Commercial | 609 | 603 | 1,836 | 1,898 | 7,820 | 7,882 |
| Industrial | 808 | 758 | 2,211 | 2,279 | 9,637 | 9,706 |
| Municipals | 144 | 151 | 434 | 489 | 1,790 | 1,846 |
| Other | 215 | 214 | 646 | 666 | 2,733 | 2,753 |
| Off-System Sales | 54 | 24 | 132 | 70 | 306 | 244 |
| Total | 2,624 | 2,616 | 7,801 | 8,405 | 32,494 | 33,098 |
| **Weather-Normalized Sales Growth** | | | **TTM** | | | |
| Residential | | | 0.55% | | | |
| Commercial | | | 1.49% | | | |
| Industrial | | | -2.79% | | | |
| Municipal | | | -1.01% | | | |
| Other | | | -0.46% | | | |
| Total | | | -0.39% | | | |

| | Current Month | | YTD | | Full Year | |
|---|---|---|---|---|---|---|
| **Margins ($ millions)** | **Actual** | **Budget** | **Actual** | **Budget** | **Forecast** | **Budget** |
| Electric Margins | $144 | $149 | $442 | $476 | $1,908 | $1,948 |
| Gas Margins | $19 | $18 | $64 | $66 | $180 | $183 |
| **Capital Expenditures ($ millions)** | **Actual** | **Budget** | **Actual** | **Budget** | **Forecast** | **Budget** |
| Total | $64 | $75 | $161 | $185 | $1,107 | $1,107 |
| **O&M ($ millions)** | **Actual** | **Budget** | **Actual** | **Budget** | **Forecast** | **Budget** |
| O&M – Management View [(2)] | $71 | $63 | $181 | $177 | $728 | $749 |
| O&M – Total GAAP View [(3)] | $79 | $72 | $207 | $203 | $843 | $864 |
| **Head Count** | **Actual** | **Budget** | **Actual** | **Budget** | **Forecast** | **Budget** |
| Full-time Employees | 3,459 | 3,607 | 3,459 | 3,607 | 3,583 | 3,591 |
| **Other Metrics** | **Actual** | **PY** | **Actual** | **PY** | **Forecast** | **PY** |
| Environmental Events | 0 | 0 | 2 | 0 | N/A | 3 |
| NERC Possible Violations[(4)] | 2 | 0 | 3 | 0 | N/A | 5 |

| | TTM | Full Year | |
|---|---|---|---|
| **Financial Metrics** | **Actual** | **Forecast** | **Budget** |
| ROE[(5)] | 9.7% | 9.8% | 9.8% |

### Variance Explanations

• Lower current month margins primarily due to lower sales volumes from warmer than average weather resulting in lower retail electric base energy of $4 million.

• Lower margins YTD primarily due to lower sales volumes from warmer than average weather resulting in lower retail electric base energy and demand revenue of $34 million.

• Higher current month O&M due to the timing of maintenance and outage expenses of $2 million, employee benefits and burden costs of $2m and higher allocated and indirect costs for the month of $4 million.

### Major Developments

• On April 19th, LKE filed an agreement signed by virtually all parties in the rate case proceeding, except AT&T and the Kentucky Cable Television Association (who had raised issues in the case related to pole attachments), which addressed substantially all issues in the case. This agreement is not expected to impact PPL's earnings projections. It provides for a 9.75 percent return on equity using the utilities' filed capital structure. Other adjustments from the utilities' filed position on the required revenue increase relate to the timing of cost recovery, such as depreciation rates. Under the terms of the agreement, the Companies agreed to withdraw their current request for a certificate of public convenience and necessity on its proposed full deployment of advanced meter systems and instead will establish a collaborative with interested parties in this proceeding to address their issues with LKE's proposal. The agreement does provide for approval of the utilities' distribution automation project and recovery of its proposed transmission modernization and steel service line replacement programs through LG&E's gas line tracker mechanism. The public hearing is scheduled to begin May 9th.

• During the 2017 Kentucky General Assembly, the Senate confirmed Governor Bevin's appointments of Michael J. Schmitt and Robert J. Cicero, as Chairman and Vice Chair, to the KPSC.

• For both Louisville and Lexington, March 2017 ranked as the seventh warmest March in the last 30 years. This follows the warmest February on record for these cities. The first quarter 2017 also ranked as the warmest first quarter in Lexington over the previous 30 years, and the second warmest in Louisville during the same period.

• KU has completed the Ghent refined coal transaction with Goldman Sachs. It replaces a one year operation agreement with Tinuum and allows KU to sell its coal to Goldman Sachs and repurchase it after the coal is treated. KU will also provide a site license and coal yard services. The transaction will save customers $9.8 million annually and over $43 million for the entire project.

(1) Full year forecast amount shown represents target.

(2) Net of cost recovery mechanisms.

(3) Includes Management O&M, Variable Cost of Production and Mechanism operation and maintenance expenses

(4) The possible violation issues for YTD Actual is believed to be minimal risk.

(5) Excludes goodwill and other purchase accounting adjustments.

### Significant Future Events

• An Order from the KPSC in the rate case proceeding is expected on or around June 30, 2017, with new rates going into effect on July 1st of this year.

Note: Schedules may not sum due to rounding.

## Income Statement: Actual vs. Budget (Month) - LKE Consolidated — March 2017

($ Millions)

| | MTD Actual | MTD Budget | MTD Variance | Comments |
|---|---|---|---|---|
| **Revenues:** | | | | |
| Electric Revenues | $ 224 | $ 232 | $ (8) | Due primarily to lower sales volumes driven by mild weather. |
| Gas Revenues | 36 | 40 | (4) | |
| **Total Revenues** | 260 | 272 | (12) | |
| **Cost of Sales:** | | | | |
| Fuel Electric Costs | 61 | 65 | 3 | |
| Gas Supply Expenses | 16 | 20 | 4 | |
| Purchased Power | 6 | 5 | (1) | |
| Other Electric Cost of Production | 3 | 3 | 0 | |
| Mechanism - ECR, DSM & GLT - Operation and Maintenance | 5 | 5 | (0) | |
| Mechanism - ECR, DSM & GLT - Depreciation and Property Tax | 6 | 6 | 0 | |
| **Total Cost of Sales** | 98 | 105 | 7 | |
| **Gross Margin:** | | | | |
| Electric Margin | 144 | 149 | (5) | See explanation above. |
| Gas Margin | 19 | 18 | 1 | |
| **Total Gross Margin** | 163 | 167 | (5) | |
| **Operating Expenses:** | | | | |
| O&M | 71 | 63 | (8) | Higher O&M due to the timing of maintenance and outage expenses, employee benefits and burden costs, and higher allocated and indirect costs for the month. |
| Depreciation & Amortization | 30 | 30 | 0 | |
| Taxes, Other than Income | 5 | 5 | 0 | |
| **Total Operating Expenses** | 106 | 98 | (7) | |
| Equity in Earnings | 0 | 0 | 0 | |
| Other income (expense) | (1) | (1) | (0) | |
| EBIT | 56 | 68 | (12) | |
| Interest Expense | 18 | 18 | 0 | |
| **Income from Ongoing Operations before income taxes** | 38 | 50 | (12) | |
| Income Tax Expense | 14 | 19 | 4 | |
| **Net Income (loss) from ongoing operations** | **24** | **31** | **(8)** | |
| Special Item - EEI | (1) | 0 | (1) | |
| Discontinued Operations | 0 | 0 | 0 | |
| **Net Income (loss)** | $ 23 | $ 31 | $ (8) | |
| KY Regulated Financing Costs | (3) | $ (3) | (0) | |
| **KY Regulated Net Income** | $ 21 | $ 29 | $ (8) | |
| Earnings Per Share - Ongoing | $ 0.03 | $ 0.04 | $ (0.01) | |

Note: Schedules may not sum due to rounding.

## Income Statement: Actual vs. Budget (YTD) - LKE Consolidated — March 2017

($ Millions)

| | YTD | | | |
|---|---|---|---|---|
| | Actual | Budget | Variance | Comments |
| **Revenues:** | | | | |
| Electric Revenues | $ 689 | $ 742 | $ (54) | Due primarily to lower sales volumes driven by mild weather. |
| Gas Revenues | 121 | 144 | (23) | Due primarily to lower sales volumes driven by mild weather. |
| **Total Revenues** | 810 | 886 | (76) | |
| **Cost of Sales:** | | | | |
| Fuel Electric Costs | 191 | 211 | 20 | Primarily due to decreased generation as a result of mild weather. |
| Gas Supply Expenses | 53 | 74 | 21 | Due primarily to lower gas usage as a result of mild weather. |
| Purchased Power | 15 | 15 | (1) | |
| Other Electric Cost of Production | 9 | 10 | 2 | |
| Mechanism - ECR, DSM & GLT - Operation and Maintenance | 18 | 16 | (2) | |
| Mechanism - ECR, DSM & GLT - Depreciation and Property Tax | 17 | 18 | 1 | |
| **Total Cost of Sales** | 303 | 344 | 41 | |
| **Gross Margin:** | | | | |
| Electric Margin | 442 | 476 | (34) | See explanations above. |
| Gas Margin | 64 | 66 | (2) | |
| **Total Gross Margin** | 507 | 542 | (35) | |
| **Operating Expenses:** | | | | |
| O&M | 181 | 177 | (4) | |
| Depreciation & Amortization | 89 | 90 | 1 | |
| Taxes, Other than Income | 14 | 15 | 1 | |
| **Total Operating Expenses** | 284 | 282 | (2) | |
| Other income (expense) | (4) | (3) | (1) | |
| EBIT | 219 | 258 | (38) | |
| Interest Expense | 53 | 53 | 0 | |
| **Income from Ongoing Operations before income taxes** | 167 | 205 | (38) | |
| Income Tax Expense | 63 | 78 | 15 | |
| **Net Income (loss) from ongoing operations** | **103** | **126** | **(23)** | |
| Special Item - EEI | (1) | 0 | (1) | |
| Discontinued Operations | 0 | 0 | 0 | |
| **Net Income (loss)** | $ 103 | $ 126 | $ (23) | |
| KY Regulated Financing Costs | (8) | (7) | (0) | |
| **KY Regulated Net Income** | 95 | $ 119 | $ (23) | |
| Earnings Per Share - Ongoing | $ 0.14 | $ 0.17 | $ (0.03) | |

Note: Schedules may not sum due to rounding.

## Income Statement: Actual vs. Budget (YTD) - LG&E

March 2017

($ Millions)

| | YTD | | | |
|---|---|---|---|---|
| | Actual | Budget | Variance | Comments |
| **Revenues:** | | | | |
| Electric Revenues | $ 271 | $ 278 | $ (7) | Due primarily to lower sales volumes driven by mild weather. |
| Gas Revenues | 121 | 144 | (23) | Due primarily to lower sales volumes driven by mild weather. |
| **Total Revenues** | 392 | 422 | (30) | |
| **Cost of Sales:** | | | | |
| Fuel Electric Costs | 82 | 82 | (1) | |
| Gas Supply Expenses | 53 | 74 | 21 | Due primarily to lower gas usage as a result of mild weather. |
| Purchased Power | 11 | 11 | 0 | |
| Other Electric Cost of Production | 3 | 4 | 0 | |
| Mechanism - ECR, DSM & GLT - Operation and Maintenance | 7 | 6 | (0) | |
| Mechanism - ECR, DSM & GLT - Depreciation and Property Tax | 10 | 10 | 0 | |
| **Total Cost of Sales** | 166 | 187 | 21 | |
| **Gross Margin:** | | | | |
| Electric Margin | 161 | 168 | (7) | See explanations above. |
| Gas Margin | 64 | 66 | (2) | |
| **Total Gross Margin** | 226 | 235 | (9) | |
| **Operating Expenses:** | | | | |
| O&M | 77 | 79 | 2 | |
| Depreciation & Amortization | 36 | 36 | 1 | |
| Taxes, Other than Income | 7 | 7 | 1 | |
| **Total Operating Expenses** | 120 | 123 | 3 | |
| Other income (expense) | (2) | (2) | (0) | |
| EBIT | 104 | 110 | (6) | |
| Interest Expense | 17 | 17 | 0 | |
| **Income from Ongoing Operations before income taxes** | 87 | 93 | (6) | |
| Income Tax Expense | 33 | 36 | 2 | |
| **Net Income (loss) from ongoing operations** | **$ 54** | **$ 57** | **$ (4)** | |

Note: Schedules may not sum due to rounding.

## Income Statement: Actual vs. Budget (YTD) - KU March 2017

**($ Millions)**

| | YTD | | | |
|---|---|---|---|---|
| | **Actual** | **Budget** | **Variance** | **Comments** |
| **Revenues:** | | | | |
| Electric Revenues | $ 437 | $ 484 | $ (46) | Due primarily to lower sales volumes driven by mild weather. |
| Gas Revenues | 0 | 0 | 0 | |
| **Total Revenues** | 437 | 484 | (46) | |
| **Cost of Sales:** | | | | |
| Fuel Electric Costs | 111 | 131 | 20 | Primarily due to decreased generation as a result of mild weather. |
| Gas Supply Expenses | 0 | 0 | 0 | |
| Purchased Power | 21 | 21 | (0) | |
| Other Electric Cost of Production | 5 | 7 | 1 | |
| Mechanism - ECR, DSM & GLT - Operation and Maintenance | 11 | 10 | (1) | |
| Mechanism - ECR, DSM & GLT - Depreciation and Property Tax | 8 | 8 | 0 | |
| **Total Cost of Sales** | 156 | 176 | 20 | |
| **Gross Margin:** | | | | |
| Electric Margin | 281 | 308 | (27) | See explanations above. |
| Gas Margin | 0 | 0 | 0 | |
| **Total Gross Margin** | 281 | 308 | (27) | |
| **Operating Expenses:** | | | | |
| O&M | 93 | 93 | (0) | |
| Depreciation & Amortization | 53 | 53 | 1 | |
| Taxes, Other than Income | 7 | 7 | 0 | |
| **Total Operating Expenses** | 153 | 154 | 1 | |
| Other income (expense) | (1) | (1) | (0) | |
| EBIT | 127 | 153 | (26) | |
| Interest Expense | 24 | 24 | (0) | |
| **Income from Ongoing Operations before income taxes** | 103 | 129 | (26) | |
| Income Tax Expense | 39 | 49 | 10 | |
| **Net Income (loss) from ongoing operations** | **$ 64** | **$ 80** | **$ (16)** | |

Note: Schedules may not sum due to rounding.

## Income Statement: Forecast vs. Budget - LKE Consolidated — March 2017

($ Millions)

| | Full Year | | | |
|---|---|---|---|---|
| | Q1 Forecast | Budget | Variance | Comments |
| **Revenues:** | | | | |
| Electric Revenues | $ 2,956 | $ 3,017 | $ (61) | Due primarily to lower sales volumes driven by unfavorable weather during the first quarter. |
| Gas Revenues | 306 | 329 | (23) | Due primarily to lower sales volumes driven by unfavorable weather during the first quarter. |
| **Total Revenues** | 3,262 | 3,346 | (85) | |
| **Cost of Sales:** | | | | |
| Fuel Electric Costs | 793 | 813 | 21 | Primarily due to decreased generation as a result of unfavorable weather during the first quarter. |
| Gas Supply Expenses | 114 | 135 | 21 | Due primarily to lower gas usage as a result of unfavorable weather during the first quarter. |
| Purchased Power | 60 | 60 | (1) | |
| Other Electric Cost of Production | 40 | 41 | | |
| Mechanism - ECR, DSM & GLT - Operation and Maintenance | 75 | 74 | | |
| Mechanism - ECR, DSM & GLT - Depreciation and Property Tax | 91 | 93 | 2 | |
| **Total Cost of Sales** | 1,173 | 1,216 | 43 | |
| **Gross Margin:** | | | | |
| Electric Margin | 1,908 | 1,948 | (40) | See explanations above. |
| Gas Margin | 180 | 183 | (2) | |
| **Total Gross Margin** | 2,088 | 2,130 | (42) | |
| **Operating Expenses:** | | | | |
| O&M | 728 | 749 | 21 | Lower O&M primarily due to cost savings across all business units for the year partially offset by increased indirect charges from PPL. |
| Depreciation & Amortization | 393 | 395 | 2 | |
| Taxes, Other than Income | 60 | 61 | 1 | |
| **Total Operating Expenses** | 1,182 | 1,205 | 23 | |
| Other income (expense) | (8) | (8) | (0) | |
| EBIT | 898 | 917 | (19) | |
| Interest Expense | 219 | 217 | (2) | |
| **Income from Ongoing Operations before income taxes** | 679 | 700 | (21) | |
| Income Tax Expense | 258 | 267 | 8 | |
| **Net Income (loss) from ongoing operations** | **421** | **433** | **$ (13)** | |
| Special Item - EEI | (1) | 0 | (1) | |
| Discontinued Operations | 1 | (0) | 1 | |
| **Net Income (loss)** | $ 421 | $ 433 | $ (12) | |
| KY Regulated Financing Costs | (30) | (30) | (0) | |
| **KY Regulated Net Income** | $ 391 | $ 403 | $ (12) | |
| Earnings Per Share - Ongoing | $ 0.56 | $ 0.58 | $ (0.02) | |

Note: Schedules may not sum due to rounding.

| **O&M** | **March 2017** |
|---|---|

**($ Millions)**

| | MTD | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | **Actual** | **Budget** | **Total Variance** | **Labor & Burdens** | **Resident Contractors** | **Other Outside Services** | **Materials** | **Other** |
| Generation | 20 | 18 | (1) | 0 | (0) | (2) | 1 | (1) |
| Project Engineering | 0 | 0 | (0) | 0 | - | (0) | (0) | 0 |
| Transmission | 3 | 3 | 0 | (0) | (0) | 0 | 0 | (0) |
| Energy Supply and Analysis | 1 | 1 | 0 | (0) | - | 0 | 0 | 0 |
| Generation Services | 1 | 1 | 0 | (0) | 0 | 0 | (0) | 0 |
| Electric Distribution | 6 | 6 | 0 | (0) | 1 | (1) | 0 | 0 |
| Gas Distribution and AMS2 | 3 | 3 | (0) | 0 | (0) | (0) | (0) | (0) |
| Safety and Technical Training | 0 | 0 | (0) | (0) | (0) | (0) | (0) | 0 |
| Customer Services | 8 | 8 | 0 | (0) | 0 | 0 | (0) | 0 |
| **Senior VP Operations** | **43** | **41** | **(2)** | **0** | **0** | **(2)** | **1** | **(0)** |
| Audit Services | 0 | 0 | (0) | (0) | - | - | (0) | 0 |
| Controller | 1 | 1 | (0) | (0) | - | 0 | 0 | (0) |
| Supply Chain | 0 | 0 | 0 | 0 | - | 0 | 0 | 0 |
| Treasurer | 2 | 2 | (0) | (0) | - | (0) | (0) | (0) |
| State Regulation and Rates | 0 | 0 | 0 | (0) | - | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | - | (0) | 0 | 0 |
| **Chief Financial Officer** | **4** | **4** | **(0)** | **(0)** | **-** | **0** | **0** | **(0)** |
| **General Counsel** | **3** | **3** | **0** | **0** | **0** | **(0)** | **(0)** | **0** |
| **Human Resources** | **1** | **1** | **0** | **0** | **-** | **0** | **0** | **0** |
| **Information Technology** | **4** | **5** | **0** | **0** | **0** | **0** | **(0)** | **0** |
| **Corporate** | **16** | **10** | **(7)** | **(5)** | **0** | **0** | **(0)** | **(2)** |
| **Enterprise Security** | **0** | **0** | **0** | **0** | **-** | **-** | **0** | **(0)** |
| **O&M Total MTD** | **71** | **63** | **(8)** | **(5)** | **0** | **(2)** | **1** | **(2)** |

| | YTD | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | **Actual** | **Budget** | **Total Variance** | **Labor & Burdens** | **Resident Contractors** | **Other Outside Services** | **Materials** | **Other** |
| Generation | 48 | 46 | (2) | 1 | 0 | (2) | 0 | (1) |
| Project Engineering | 0 | 0 | 0 | 0 | - | (0) | (0) | 0 |
| Transmission | 7 | 8 | 1 | (0) | 0 | 1 | (0) | (0) |
| Energy Supply and Analysis | 2 | 2 | 0 | (0) | - | 0 | 0 | 0 |
| Generation Services | 3 | 3 | (0) | (0) | 0 | 0 | (0) | 0 |
| Electric Distribution | 16 | 18 | 2 | 0 | 2 | (1) | 0 | 0 |
| Gas Distribution and AMS | 9 | 8 | (0) | 0 | (0) | (0) | 0 | (0) |
| Safety and Technical Training | 1 | 1 | (0) | (0) | (0) | (0) | (0) | 0 |
| Customer Services | 23 | 24 | 1 | (0) | 1 | 0 | 0 | 1 |
| **SVP Operations** | **110** | **112** | **1** | **1** | **3** | **(2)** | **1** | **(0)** |
| Audit Services | 0 | 0 | 0 | 0 | - | (0) | (0) | 0 |
| Controller | 2 | 2 | (0) | (0) | - | 0 | 0 | (0) |
| Supply Chain | 1 | 1 | 0 | 0 | (0) | (0) | (0) | 0 |
| Treasurer | 6 | 6 | (0) | (0) | - | 0 | (0) | (0) |
| State Regulation and Rates | 1 | 1 | (0) | (0) | - | 0 | (0) | 0 |
| Other | 0 | 1 | 0 | 0 | - | 0 | 0 | (0) |
| **Chief Financial Officer** | **11** | **11** | **(0)** | **(0)** | **(0)** | **0** | **(0)** | **(0)** |
| **General Counsel** | **7** | **7** | **0** | **0** | **0** | **(0)** | **(0)** | **0** |
| **Human Resources** | **2** | **2** | **0** | **0** | **-** | **(0)** | **(0)** | **0** |
| **Information Technology** | **13** | **14** | **1** | **0** | **(0)** | **0** | **(0)** | **0** |
| **Corporate** | **37** | **30** | **(6)** | **(5)** | **0** | **0** | **(0)** | **(2)** |
| **Enterprise Security** | **1** | **1** | **0** | **(0)** | **-** | **-** | **0** | **0** |
| **O&M Total YTD** | **181** | **177** | **(4)** | **(4)** | **3** | **(2)** | **0** | **(2)** |

| | Full Year | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | **Forecast** | **Budget** | **Total Variance** | **Labor & Burdens** | **Resident Contractors** | **Other Outside Services** | **Materials** | **Other** |
| Generation | 205 | 205 | (0) | 0 | 0 | 0 | 0 | (1) |
| Project Engineering | 1 | 1 | 0 | 0 | - | (0) | (0) | 0 |
| Transmission | 34 | 34 | 0 | (0) | (0) | 1 | (0) | (0) |
| Energy Supply and Analysis | 13 | 13 | 0 | 0 | - | (0) | 0 | 0 |
| Generation Services | 11 | 11 | (0) | (0) | 0 | (0) | (0) | 0 |
| Electric Distribution | 73 | 74 | 1 | (0) | 2 | (1) | 0 | 0 |
| Gas Distribution and AMS | 39 | 38 | (1) | 0 | (1) | 0 | (0) | (0) |
| Safety and Technical Training | 5 | 5 | (0) | (0) | (0) | (0) | 0 | 0 |
| Customer Services | 99 | 99 | 0 | 0 | 1 | (0) | (0) | 0 |
| **SVP Operations** | **480** | **482** | **1** | **1** | **2** | **(0)** | **(0)** | **(1)** |
| Audit Services | 2 | 2 | 0 | 0 | - | - | (0) | 0 |
| Controller | 9 | 9 | 0 | 0 | - | 0 | 0 | (0) |
| Supply Chain | 4 | 4 | 0 | (0) | (0) | (0) | 0 | 0 |
| Treasurer | 24 | 25 | 1 | (0) | - | (0) | (0) | 1 |
| State Regulation and Rates | 4 | 4 | 0 | (0) | - | 0 | (0) | (0) |
| Other | 2 | 2 | 0 | 0 | - | 0 | 0 | (0) |
| **Chief Financial Officer** | **45** | **46** | **1** | **0** | **(0)** | **0** | **(0)** | **1** |
| **General Counsel** | **32** | **32** | **(0)** | **0** | **0** | **(0)** | **(0)** | **0** |
| **Human Resources** | **7** | **7** | **0** | **0** | **-** | **0** | **(0)** | **0** |
| **Information Technology** | **57** | **56** | **(0)** | **(0)** | **(0)** | **0** | **(0)** | **(0)** |
| **Corporate** | **104** | **122** | **18** | **(4)** | **0** | **0** | **(0)** | **22** |
| **Enterprise Security** | **3** | **3** | **0** | **0** | **-** | **-** | **0** | **0** |
| **O&M Total YTD** | **728** | **749** | **21** | **(3)** | **2** | **(0)** | **(0)** | **22** |

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## Financing Activities — March 2017

($ Millions)

| Balance Sheet | YTD Actual | YTD Budget | YTD Variance | Full Year Forecast | Full Year Budget | Full Year Variance |
|---|---|---|---|---|---|---|
| **PCB** | | | | | | |
| Beg Bal | $ 898.8 | $ 898.8 | $ - | $ 898.8 | $ 898.8 | $ - |
| End Bal | 898.8 | 898.8 | 0.0 | 899.6 | 898.7 | (0.9) |
| Ave Bal | **$ 898.8** | **$ 898.8** | **$ 0.0** | **$ 899.2** | **$ 898.7** | **$ (0.4)** |
| Interest Exp | **$ 3.3** | **$ 3.1** | **$ (0.2)** | **$ 12.6** | **$ 11.9** | **$ (0.7)** |
| Rate | **1.48%** | **1.37%** | **-0.11%** | **1.39%** | **1.31%** | **-0.08%** |
| **FMB/Sr Nts/Loan with PPL** | | | | | | |
| Beg Bal | $ 4,210.0 | $ 4,210.0 | $ 0.0 | $ 4,210.0 | $ 4,210.0 | $ 0.0 |
| End Bal | 4,210.0 | 4,210.0 | 0.0 | 4,529.4 | 4,608.5 | 79.1 |
| Ave Bal | **$ 4,210.0** | **$ 4,210.0** | **$ 0.0** | **$ 4,369.7** | **$ 4,409.2** | **$ 39.53** |
| Interest Exp | **$ 45.8** | **$ 46.1** | **$ 0.3** | **$ 187.6** | **$ 187.7** | **$ 0.1** |
| Rate | **4.35%** | **4.38%** | **0.02%** | **4.23%** | **4.20%** | **-0.04%** |
| **Short-term Debt** | | | | | | |
| Beg Bal | $ 348.1 | $ 509.7 | $ 161.6 | $ 348.1 | $ 509.7 | $ 161.6 |
| End Bal | 325.1 | 480.6 | 155.5 | 517.7 | 530.2 | 12.5 |
| Ave Bal (1) | **$ 336.6** | **$ 495.1** | **$ 158.6** | **$ 432.9** | **$ 520.0** | **$ 87.1** |
| Interest Exp | **$ 1.1** | **$ 1.4** | **$ 0.2** | **$ 8.9** | **$ 6.9** | **$ (2.0)** |
| Rate | **1.63%** | **1.12%** | **-0.51%** | **2.02%** | **1.31%** | **-0.71%** |
| **Unamortized Debt Expense Bonds** | | | | | | |
| Beg Bal | $ (44.0) | $ (43.2) | $ 0.7 | $ (44.0) | $ (43.2) | $ 0.7 |
| End Bal | (43.1) | (41.9) | 1.2 | (41.4) | (42.0) | (0.6) |
| Ave Bal | **$ (43.5)** | **$ (42.6)** | **$ 1.0** | **$ (42.7)** | **$ (42.6)** | **$ 0.1** |
| **Total End Bal** | **$ 5,390.7** | **$ 5,547.5** | **$ 156.7** | **$ 5,905.2** | **$ 5,995.3** | **$ 90.1** |
| **Total Average Bal** | **$ 5,346.7** | **$ 5,561.4** | **$ 214.7** | **$ 5,659.1** | **$ 5,785.3** | **$ 126.2** |
| **Total Expense Excl I/C (2)** | **$ 52.8** | **$ 53.2** | **$ 0.4** | **$ 219.5** | **$ 217.2** | **$ (2.3)** |
| **Rate** | **3.92%** | **3.80%** | **-0.12%** | **3.80%** | **3.68%** | **-0.12%** |

(1) Short-term Debt YTD actual reflects average daily balances. All other average balances use the average of the beginning and ending balances.
(2) Total expense line includes additional revolving credit items. Total will not match sum of PCB, FMB, and STD.

| Credit Facilities ($ Millions) | Committed Capacity | Borrowed(3) | Letters of Credit Issued | Unused Capacity |
|---|---|---|---|---|
| LKE | $ 300 | $ 82 | | $ 218 |
| LG&E | 500 | 207 | | 293 |
| KU | 598 | 36 | $ 198 | 364 |
| TOTAL | $ 1,398 | $ 325 | $ 198 | $ 875 |

(3) LG&E and KU borrowed amounts represent commercial paper issuances. LKE borrowed amount includes bank revolver and debt with PPL.

| Credit Metrics[1] Moody's | LKE 2017 Actual YTD | LKE 2017 Budget YTD | LG&E 2017 Actual YTD | LG&E 2017 Budget YTD | KU 2017 Actual YTD | KU 2017 Budget YTD |
|---|---|---|---|---|---|---|
| CFO pre-WC / Debt | 19% | 18% | 26% | 26% | 24% | 26% |
| CFO pre-WC + Interest / Interest | 5.8 | 5.9 | 7.8 | 7.9 | 7.0 | 7.6 |
| CFO pre-WC - Dividends / Debt | 13% | 14% | 18% | 21% | 15% | 16% |
| Debt to Capitalization[2] | 47% | 48% | 38% | 39% | 38% | 38% |

| Credit Metrics Moody's | LKE 2017 BP 2018 | LKE 2017 BP 2019 | LG&E 2017 BP 2018 | LG&E 2017 BP 2019 | KU 2017 BP 2018 | KU 2017 BP 2019 |
|---|---|---|---|---|---|---|
| CFO pre-WC / Debt | 18% | 18% | 27% | 29% | 26% | 26% |
| CFO pre-WC + Interest / Interest | 6.0 | 5.7 | 8.5 | 8.7 | 7.8 | 7.6 |
| CFO pre-WC - Dividends / Debt | 11% | 15% | 25% | 22% | 20% | 18% |
| Debt to Capitalization[2] | 50% | 49% | 38% | 36% | 37% | 37% |

(1) Actuals represent a trailing 12 months.

(2) For LG&E and KU this excludes purchase accounting adjustments and corresponding goodwill.

**Financial Strength Factor (40% Weighting) -- Standard Business Risk Grid:**

| Moody's Thresholds | Sub-Factor Weighting | A | Baa | Ba |
|---|---|---|---|---|
| CFO pre-WC / Debt | 15.0% | 22% - 30% | 13% - 22% | 5% - 13% |
| CFO pre-WC + Interest / Interest | 7.5% | 4.5x - 6x | 3x - 4.5x | 2x - 3x |
| CFO pre-WC - Dividends / Debt | 10.0% | 17% - 25% | 9% - 17% | 0% - 9% |
| Debt / Capitalization | 7.5% | 35% - 45% | 45% - 55% | 55% - 65% |

| As of December 31, 2016 | Senior Unsecured | Senior Secured | Commercial Paper |
|---|---|---|---|
| Issuer | Moody's | Moody's | Moody's |
| LKE | Baa1 | | |
| LG&E | | A1 | P-2 |
| KU | | A1 | P-2 |

**Definitions**

Issuers assessed **A** are judged to have upper-medium-grade intrinsic, or standalone, financial strength, and thus subject to low credit risk absent any possibility of extraordinary support from an affiliate or a government.

Obligations rated **Baa** are judged to be medium-grade and subject to moderate credit risk and as such may possess certain speculative characteristics.

Issuers (or supporting institutions) rated Prime-2 have a strong ability to repay short-term debt obligations.

Moody's appends numerical modifiers 1, 2, and 3 to each generic rating classification. The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates a ranking in the lower end of that generic rating category.

## Balance Sheet - LKE Consolidated

**March 2017**

**($ Millions)**

| | 3/31/2017 | YTD Budget | Variance | Comments |
|---|---|---|---|---|
| Assets: | | | | |
| Current Assets: | | | | |
| Cash and Cash Equivalents | $ 15 | $ 105 | $ (90) | Primarily due to LKE other excess cash from dividends in budget not used to pay down CEP Reserves. |
| Accounts Receivable (Trade) | 375 | 414 | (39) | |
| Inventory | 256 | 242 | 13 | |
| Deferred Income Taxes | 0 | 0 | 0 | |
| Regulatory Assets Current | 23 | 21 | 2 | |
| Prepayments and other current assets | 44 | 33 | 11 | Increases in prepayments, preliminary survey costs, and other transportation and engineering amounts. |
| **Total Current Assets** | 713 | 816 | (102) | |
| | | | | |
| Property, Plant, and Equipment | 11,636 | 11,701 | (65) | |
| Intangible Assets | 93 | 95 | (2) | |
| Other Property and Investments | 1 | 1 | 0 | |
| Regulatory Assets Non Current | 828 | 911 | (84) | |
| Goodwill | 997 | 997 | 0 | |
| Other Long-term Assets | 77 | 81 | (4) | |
| | | | | |
| **Total Assets** | **$ 14,344** | **$ 14,602** | **$ (257)** | |
| | | | | |
| Liabilities and Equity: | | | | |
| Current Liabilities: | | | | |
| Accounts Payable (Trade) | $ 217 | $ 222 | $ (5) | |
| Dividends Payable to Affiliated Companies | 0 | 0 | 0 | |
| Customer Deposits | 56 | 55 | 2 | |
| Derivative Liability | 4 | 6 | (2) | |
| Accrued Taxes | 37 | 43 | (6) | |
| Regulatory Liabilities Current | 16 | 23 | (7) | |
| Other Current Liabilities | 219 | 222 | (3) | |
| **Total Current Liabilities** | 549 | 570 | (21) | |
| | | | | |
| Debt - Affiliated Company | 482 | 589 | (107) | Used tax settlements and dividends from utilities to pay down CEP reserves. |
| Debt [(1)] | 4,909 | 4,959 | (50) | |
| **Total Debt** | 5,391 | 5,547 | (157) | |
| | | | | |
| Deferred Tax Liabilities | 1,786 | 1,781 | 5 | |
| Investment Tax Credit | 131 | 131 | 1 | |
| Accum Provision for Pension & Related Benefits | 332 | 411 | (78) | Decrease primarily from funded status adjustment due to change in discount rate. |
| Asset Retirement Obligation | 374 | 362 | 12 | |
| Regulatory Liabilities Non Current | 897 | 867 | 30 | |
| Derivative Liability | 25 | 32 | (7) | |
| Other Liabilities | 188 | 197 | (8) | |
| **Total Deferred Credits and Other Liabilities** | 3,734 | 3,780 | (46) | |
| | | | | |
| **Equity** | 4,670 | 4,705 | (35) | |
| | | | | |
| **Total Liabilities and Equity** | **$ 14,344** | **$ 14,602** | **$ (257)** | |

[(1)] Includes all ST and LT debt. See Financing Activities page for details.
Note: Schedules may not sum due to rounding.

## Balance Sheet - LG&E

**March 2017**

**($ Millions)**

| | 3/31/2017 | YTD Budget | Variance | Comments |
|---|---|---|---|---|
| Assets: | | | | |
| Current Assets: | | | | |
| Cash and Cash Equivalents | $ 4 | $ 5 | $ (1) | |
| Accounts Receivable (Trade) | 166 | 182 | (17) | |
| Inventory | 110 | 103 | 7 | |
| Deferred Income Taxes | 0 | 0 | 0 | |
| Regulatory Assets Current | 12 | 4 | 8 | |
| Prepayments and other current assets | 48 | 48 | 0 | |
| **Total Current Assets** | 340 | 343 | (3) | |
| Property, Plant, and Equipment | 5,018 | 5,066 | (48) | |
| Intangible Assets | 6 | 6 | (0) | |
| Other Property and Investments | 1 | 1 | 0 | |
| Regulatory Assets Non Current | 446 | 501 | (54) | Primarily due to MTM adjustment of Swaps, a pension funded status adjustment due to change in discount rate, and ARO revaluation. |
| Goodwill | 0 | 0 | 0 | |
| Other Long-term Assets | 16 | 21 | (5) | |
| **Total Assets** | **$ 5,827** | **$ 5,937** | **$ (110)** | |
| Liabilities and Equity: | | | | |
| Current Liabilities: | | | | |
| Accounts Payable (Trade) | $ 137 | $ 152 | $ (15) | Primarily due to timing of actuals. |
| Dividends Payable to Affiliated Companies | 0 | 0 | 0 | |
| Customer Deposits | 27 | 26 | 1 | |
| Derivative Liability | 4 | 6 | (2) | |
| Accrued Taxes | 12 | 14 | (2) | |
| Regulatory Liabilities Current | 5 | 5 | 1 | |
| Other Current Liabilities | 78 | 95 | (16) | Primarily due to timing of cash payments & ARO reclassification from current to long term. |
| **Total Current Liabilities** | 264 | 297 | (33) | |
| Debt - Affiliated Company | 0 | 0 | 0 | |
| Debt [(1)] | 1,825 | 1,849 | (24) | |
| **Total Debt** | 1,825 | 1,849 | (24) | |
| Deferred Tax Liabilities | 1,006 | 1,004 | 2 | |
| Investment Tax Credit | 36 | 36 | (0) | |
| Accum Provision for Pension & Related Benefits | 50 | 76 | (25) | Decrease primarily from funded status adjustment due to change in discount rate. |
| Asset Retirement Obligation | 114 | 100 | 14 | Primarily due to the reclassification of ARO from current to long term. |
| Regulatory Liabilities Non Current | 368 | 355 | 13 | |
| Derivative Liability | 25 | 32 | (7) | |
| Other Liabilities | 85 | 91 | (6) | |
| **Total Deferred Credits and Other Liabilities** | 1,685 | 1,694 | (9) | |
| **Equity** | 2,053 | 2,097 | (44) | |
| **Total Liabilities and Equity** | **$ 5,827** | **$ 5,937** | **$ (110)** | |

[(1)] Includes all ST and LT debt.
Note: Schedules may not sum due to rounding.

**Case Nos. 2018-00294 and 2018-00295**
**Attachment to Filing Requirement**
**807 KAR 5:001 Sec. 16(7)(o)**
**Page 40 of 260**
**Arbough**

## Balance Sheet - KU

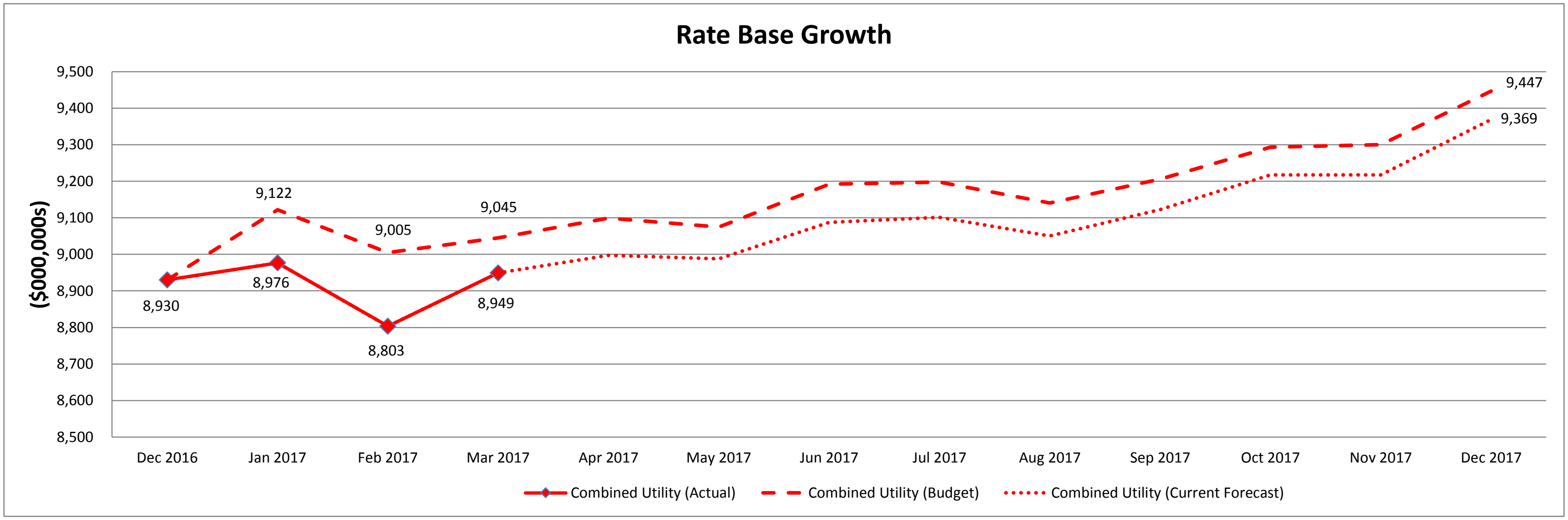
**March 2017**

**($ Millions)**

| | 3/31/2017 | YTD Budget | Variance | Comments |
|---|---|---|---|---|
| Assets: | | | | |
| Current Assets: | | | | |
| Cash and Cash Equivalents | $ 7 | $ 5 | $ 2 | |
| Accounts Receivable (Trade) | 209 | 231 | (22) | Due primarily to lower billed sales driven by mild weather. |
| Inventory | 146 | 139 | 7 | |
| Deferred Income Taxes | 0 | 0 | 0 | |
| Regulatory Assets Current | 11 | 17 | (5) | |
| Prepayments and other current assets | 22 | 17 | 5 | |
| **Total Current Assets** | 394 | 409 | (14) | |
| Property, Plant, and Equipment | 6,610 | 6,627 | (17) | |
| Intangible Assets | 13 | 13 | (0) | |
| Other Property and Investments | 0 | 0 | 0 | |
| Regulatory Assets Non Current | 378 | 409 | (31) | |
| Goodwill | 0 | 0 | 0 | |
| Other Long-term Assets | 59 | 58 | 1 | |
| **Total Assets** | **$ 7,454** | **$ 7,515** | **$ (61)** | |
| Liabilities and Equity: | | | | |
| Current Liabilities: | | | | |
| Accounts Payable (Trade) | $ 126 | $ 114 | $ 12 | Primarily due to timing of actuals. |
| Dividends Payable to Affiliated Companies | 0 | 0 | 0 | |
| Customer Deposits | 29 | 28 | 1 | |
| Derivative Liability | 0 | 0 | 0 | |
| Accrued Taxes | 11 | 18 | (7) | |
| Regulatory Liabilities Current | 11 | 18 | (7) | |
| Other Current Liabilities | 94 | 83 | 11 | Primarily due to timing of cash payments & ARO reclassification from long term to current. |
| **Total Current Liabilities** | 271 | 260 | 11 | |
| Debt - Affiliated Company | 0 | 0 | 0 | |
| Debt [(1)] | 2,361 | 2,387 | (26) | |
| **Total Debt** | 2,361 | 2,387 | (26) | |
| Deferred Tax Liabilities | 1,208 | 1,244 | (37) | |
| Investment Tax Credit | 95 | 95 | 1 | |
| Accum Provision for Pension & Related Benefits | 44 | 67 | (22) | Decrease primarily from funded status adjustment due to change in discount rate. |
| Asset Retirement Obligation | 260 | 262 | (2) | |
| Regulatory Liabilities Non Current | 455 | 436 | 19 | |
| Derivative Liability | 0 | 0 | 0 | |
| Other Liabilities | 49 | 52 | (2) | |
| **Total Deferred Credits and Other Liabilities** | 2,112 | 2,155 | (44) | |
| **Equity** | 2,710 | 2,713 | (2) | |
| **Total Liabilities and Equity** | **$ 7,454** | **$ 7,515** | **$ (61)** | |

[(1)] Includes all ST and LT debt.
Note: Schedules may not sum due to rounding.

| Combined KU and LG&E Rate Base Growth | March 2017 |
| --- | --- |



**KU and LG&E Combined**
**Reconciliation of Allowed Return to**
**Net Income Last Rate Case Regulatory Return**
**and ROE from Ongoing Operations**

| | | | |
|---|---|---|---|
| Allowed Return (1) | | 10.0% | |
| Adjustments (net tax): | | | |
| Change in capitalization - non mechanism | -0.1% | | Growth in capitalization (rate base) between rate cases does not earn a return |
| Change in ROE from average mechanism rate base growth | 0.0% | | Mechanisms have a real-time return |
| Change in weighted cost of debt | -0.1% | | Higher interest rates and borrowing |
| Change in margins | -0.7% | | Lower revenue |
| Change in allowed expenses | 0.6% | | Lower revenue |
| | | -0.3% | |
| Actual Regulated ROE | | 9.7% | |

(1) Based on the most recent base rate filings with test years ending 6/30/16 KPSC, 12/31/15 FERC, 12/31/14 VA.

# Performance Report

# April 2017

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|---|---|

## Content — Page

## Kentucky Regulated Dashboard — April 2017

| | Current Month | | YTD | | Full Year | |
|---|---|---|---|---|---|---|
| **Safety** | Actual | PY | Actual | PY | Forecast | PY |
| TCIR - Employees[1] | 2.29 | 0.56 | 1.33 | 0.80 | 1.35 | 1.12 |
| Employee lost-time incidents | 0 | 0 | 2 | 1 | 8 | 5 |
| **Reliability** | Actual | Budget | Actual | Budget | Forecast | Budget |
| Generation Volumes | 2,377 | 2,369 | 10,334 | 11,116 | 33,644 | 34,425 |
| Utility EFOR | 6.2% | 5.0% | 4.3% | 5.0% | N/A | 5.0% |
| Utility EAF | 71.3% | 69.0% | 79.2% | 81.9% | N/A | 85.2% |
| Steam Fleet Commercial Availability | 92.7% | 93.0% | 92.6% | 93.0% | N/A | 93.0% |
| Combined SAIFI | 0.07 | 0.11 | 0.23 | 0.32 | N/A | 1.03 |
| Combined SAIDI (minutes) | 7.16 | 8.14 | 19.93 | 26.75 | N/A | 93.20 |
| **GwH Sales** | Actual | Budget | Actual | Budget | Forecast | Budget |
| Residential | 591 | 635 | 3,132 | 3,637 | 10,163 | 10,668 |
| Commercial | 582 | 564 | 2,418 | 2,462 | 7,838 | 7,882 |
| Industrial | 772 | 754 | 2,983 | 3,033 | 9,655 | 9,706 |
| Municipals | 129 | 135 | 563 | 624 | 1,784 | 1,846 |
| Other | 209 | 204 | 855 | 870 | 2,738 | 2,753 |
| Off-System Sales | 27 | 14 | 160 | 84 | 320 | 244 |
| Total | 2,310 | 2,306 | 10,111 | 10,710 | 32,498 | 33,098 |
| **Weather-Normalized Sales Growth** | | | TTM | | | |
| Residential | | | -0.20% | | | |
| Commercial | | | 1.21% | | | |
| Industrial | | | -2.98% | | | |
| Municipal | | | -1.40% | | | |
| Other | | | -0.32% | | | |
| Total | | | -0.76% | | | |

| | Current Month | | YTD | | Full Year | |
|---|---|---|---|---|---|---|
| **Margins ($ millions)** | Actual | Budget | Actual | Budget | Forecast | Budget |
| Electric Margins | $135 | $135 | $577 | $611 | $1,908 | $1,948 |
| Gas Margins | $12 | $13 | $77 | $79 | $180 | $183 |
| **Capital Expenditures ($ millions)** | Actual | Budget | Actual | Budget | Forecast | Budget |
| Total | $59 | $98 | $220 | $283 | $1,107 | $1,107 |
| **O&M ($ millions)** | Actual | Budget | Actual | Budget | Forecast | Budget |
| O&M – Management View [2] | $60 | $66 | $241 | $242 | $728 | $749 |
| O&M – Total GAAP View [3] | $68 | $74 | $275 | $277 | $843 | $864 |
| **Head Count** | Actual | Budget | Actual | Budget | Forecast | Budget |
| Full-time Employees | 3,460 | 3,607 | 3,460 | 3,607 | 3,568 | 3,591 |
| **Other Metrics** | Actual | PY | Actual | PY | Forecast | PY |
| Environmental Events | 1 | 0 | 3 | 0 | N/A | 3 |
| NERC Possible Violations[4] | 0 | 0 | 3 | 0 | N/A | 5 |

| | TTM | Full Year | |
|---|---|---|---|
| **Financial Metrics** | Actual | Forecast | Budget |
| ROE[5] | 9.8% | 9.8% | 9.8% |

### Variance Explanations

Lower YTD margins primarily due to lower sales volumes from warmer than average weather resulting in lower retail electric base energy and demand revenue of $35 million.

Lower MTD O&M due to the timing of maintenance and outage expenses of $4m.

(1) Full year forecast amount shown represents target.

(2) Net of cost recovery mechanisms.

(3) Includes Management O&M, Variable Cost of Production and Mechanism operation and maintenance expenses

(4) The possible violation issues for YTD Actual is believed to be minimal risk.

(5) Excludes goodwill and other purchase accounting adjustments.

Note: Schedules may not sum due to rounding.

### Major Developments

A second Stipulation and Recommendation was filed with the KPSC in the 2016 rate case resulting in the resolution of all issues with all parties in the case. LG&E and KU are preparing for the hearing in the case which will begin May 9th. An Order from the KPSC is still expected on or around June 30, 2017, with new rates going into effect on July 1st of this year.

The Company continues its outstanding safety performance with a number of recent milestones and awards:
• Cane Run and Paddy's Run employees are celebrating more than one year without a recordable injury and received the Governor's Safety and Health Award in May.
• The Central Service Shop team, a combination of LG&E and PIC (a generation-services contractor) employees who maintain and repair plant equipment and parts at Riverport, recently completed more than 16 years without a lost-time incident and 175,000 hours without a recordable incident.
• Ohio Falls employees completed more than two years without a recordable injury and 10,000 hours without a lost-time incident.
• E.W. Brown employees celebrated a year in March without a recordable injury.
• LG&E was recognized by the American Gas Association with a Safety Achievement Award by experiencing the lowest incident rate for the number of days away from work, restricted or transferred (DART) among companies of its size and type.

LG&E and KU, along with IBEW Local 2100 and the LG&E and KU Foundation, were recognized for their fundraising efforts during Metro United Way's 2016 campaign. The Company continued its trend of raising over $1 million for the campaign.

### Significant Future Events

See rate case procedural schedule.

## Income Statement: Actual vs. Budget (Month) - LKE Consolidated    April 2017

($ Millions)

| | MTD | | | |
|---|---|---|---|---|
| | Actual | Budget | Variance | Comments |
| **Revenues:** | | | | |
| Electric Revenues | $ 206 | $ 208 | $ (1) | |
| Gas Revenues | 20 | 24 | (4) | |
| **Total Revenues** | 227 | 232 | (5) | |
| **Cost of Sales:** | | | | |
| Fuel Electric Costs | 55 | 55 | (0) | |
| Gas Supply Expenses | 7 | 10 | 3 | |
| Purchased Power | 4 | 5 | 1 | |
| Other Electric Cost of Production | 3 | 3 | 0 | |
| Mechanism - ECR, DSM & GLT - Operation and Maintenance | 5 | 5 | 0 | |
| Mechanism - ECR, DSM & GLT - Depreciation and Property Tax | 6 | 6 | 0 | |
| **Total Cost of Sales** | 79 | 85 | 5 | |
| **Gross Margin:** | | | | |
| Electric Margin | 135 | 135 | 0 | |
| Gas Margin | 12 | 13 | (0) | |
| **Total Gross Margin** | 147 | 147 | 0 | |
| **Operating Expenses:** | | | | |
| O&M | 60 | 66 | 6 | Lower O&M primarily due to the timing of maintenance and outage expenses |
| Depreciation & Amortization | 30 | 30 | 0 | |
| Taxes, Other than Income | 5 | 5 | 0 | |
| **Total Operating Expenses** | 95 | 101 | 6 | |
| Equity in Earnings | 0 | 0 | 0 | |
| Other income (expense) | (0) | (1) | 0 | |
| EBIT | 52 | 46 | 6 | |
| Interest Expense | 18 | 18 | 0 | |
| **Income from Ongoing Operations before income taxes** | 34 | 28 | 6 | |
| Income Tax Expense | 13 | 11 | (3) | |
| **Net Income (loss) from ongoing operations** | **21** | **17** | **4** | |
| Special Item - EEI | 0 | 0 | 0 | |
| Discontinued Operations | (0) | 0 | (0) | |
| **Net Income (loss)** | $ 21 | $ 17 | $ 4 | |
| KY Regulated Financing Costs | (3) | $ (2) | (0) | |
| **KY Regulated Net Income** | $ 19 | $ 15 | $ 4 | |
| Earnings Per Share - Ongoing | $ 0.03 | $ 0.02 | $ 0.01 | |

Note: Schedules may not sum due to rounding.

## Income Statement: Actual vs. Budget (YTD) - LKE Consolidated — April 2017

($ Millions)

| | YTD | | | |
|---|---|---|---|---|
| | Actual | Budget | Variance | Comments |
| **Revenues:** | | | | |
| Electric Revenues | $ 895 | $ 950 | $ (55) | Due primarily to lower sales volumes driven by mild weather in Q1. |
| Gas Revenues | 141 | 168 | (27) | Due primarily to lower sales volumes driven by mild weather in Q1. |
| **Total Revenues** | 1,037 | 1,118 | (82) | |
| **Cost of Sales:** | | | | |
| Fuel Electric Costs | 246 | 266 | 20 | Primarily due to decreased generation as a result of mild weather. |
| Gas Supply Expenses | 60 | 84 | 24 | Due primarily to lower gas usage as a result of mild weather. |
| Purchased Power | 19 | 20 | 1 | |
| Other Electric Cost of Production | 11 | 13 | 2 | |
| Mechanism - ECR, DSM & GLT - Operation and Maintenance | 22 | 21 | (1) | |
| Mechanism - ECR, DSM & GLT - Depreciation and Property Tax | 23 | 24 | 1 | |
| **Total Cost of Sales** | 382 | 429 | 46 | |
| **Gross Margin:** | | | | |
| Electric Margin | 577 | 611 | (33) | See explanations above. |
| Gas Margin | 77 | 79 | (2) | |
| **Total Gross Margin** | 654 | 689 | (35) | |
| **Operating Expenses:** | | | | |
| O&M | 241 | 242 | 1 | |
| Depreciation & Amortization | 119 | 120 | 2 | |
| Taxes, Other than Income | 19 | 20 | 1 | |
| **Total Operating Expenses** | 379 | 382 | 4 | |
| Other income (expense) | (4) | (4) | (0) | |
| EBIT | 271 | 303 | (32) | |
| Interest Expense | 71 | 71 | 0 | |
| **Income from Ongoing Operations before income taxes** | 201 | 232 | (32) | |
| Income Tax Expense | 76 | 89 | 12 | |
| **Net Income (loss) from ongoing operations** | **125** | **144** | **(19)** | |
| Special Item - EEI | (1) | 0 | (1) | |
| Discontinued Operations | 0 | 0 | 0 | |
| **Net Income (loss)** | $ 124 | $ 144 | $ (20) | |
| KY Regulated Financing Costs | (10) | (10) | (0) | |
| **KY Regulated Net Income** | 114 | $ 134 | $ (20) | |
| Earnings Per Share - Ongoing | $ 0.17 | $ 0.19 | $ (0.03) | |

Note: Schedules may not sum due to rounding.

## Income Statement: Actual vs. Budget (YTD) - LG&E

April 2017

($ Millions)

| | YTD | | | |
|---|---|---|---|---|
| | Actual | Budget | Variance | Comments |
| **Revenues:** | | | | |
| Electric Revenues | $ 352 | $ 359 | $ (7) | Due primarily to lower sales volumes driven by mild weather in Q1. |
| Gas Revenues | 141 | 168 | (27) | Due primarily to lower sales volumes driven by mild weather in Q1. |
| **Total Revenues** | 494 | 527 | (34) | |
| **Cost of Sales:** | | | | |
| Fuel Electric Costs | 102 | 101 | (2) | |
| Gas Supply Expenses | 60 | 84 | 24 | Due primarily to lower gas usage as a result of mild weather. |
| Purchased Power | 15 | 17 | 2 | |
| Other Electric Cost of Production | 4 | 5 | 1 | |
| Mechanism - ECR, DSM & GLT - Operation and Maintenance | 8 | 8 | (0) | |
| Mechanism - ECR, DSM & GLT - Depreciation and Property Tax | 13 | 13 | 1 | |
| **Total Cost of Sales** | 203 | 229 | 26 | |
| **Gross Margin:** | | | | |
| Electric Margin | 214 | 220 | (6) | See explanations above. |
| Gas Margin | 77 | 79 | (2) | |
| **Total Gross Margin** | 291 | 299 | (8) | |
| **Operating Expenses:** | | | | |
| O&M | 106 | 109 | 2 | |
| Depreciation & Amortization | 48 | 49 | 1 | |
| Taxes, Other than Income | 9 | 10 | 1 | |
| **Total Operating Expenses** | 164 | 167 | 4 | |
| Other income (expense) | (2) | (2) | (0) | |
| EBIT | 125 | 130 | (5) | |
| Interest Expense | 23 | 23 | 0 | |
| **Income from Ongoing Operations before income taxes** | 102 | 107 | (5) | |
| Income Tax Expense | 39 | 41 | 2 | |
| **Net Income (loss) from ongoing operations** | **$ 63** | **$ 66** | **$ (3)** | |

Note: Schedules may not sum due to rounding.

## Income Statement: Actual vs. Budget (YTD) - KU

**April 2017**

**($ Millions)**

| | YTD | | | |
|---|---|---|---|---|
| | **Actual** | **Budget** | **Variance** | **Comments** |
| **Revenues:** | | | | |
| Electric Revenues | $ 564 | $ 613 | $ (49) | Due primarily to lower sales volumes driven by mild weather in Q1. |
| Gas Revenues | 0 | 0 | 0 | |
| **Total Revenues** | 564 | 613 | (49) | |
| **Cost of Sales:** | | | | |
| Fuel Electric Costs | 146 | 167 | 21 | Primarily due to decreased generation as a result of mild weather. |
| Gas Supply Expenses | 0 | 0 | 0 | |
| Purchased Power | 23 | 23 | 0 | |
| Other Electric Cost of Production | 7 | 9 | 2 | |
| Mechanism - ECR, DSM & GLT - Operation and Maintenance | 14 | 13 | (1) | |
| Mechanism - ECR, DSM & GLT - Depreciation and Property Tax | 10 | 11 | 0 | |
| **Total Cost of Sales** | 201 | 223 | 22 | |
| **Gross Margin:** | | | | |
| Electric Margin | 363 | 391 | (27) | See explanations above. |
| Gas Margin | 0 | 0 | 0 | |
| **Total Gross Margin** | 363 | 391 | (27) | |
| **Operating Expenses:** | | | | |
| O&M | 122 | 127 | 5 | Lower O&M primarily due to timing of plant maintenance, lower storm restoration and vegetation management. |
| Depreciation & Amortization | 71 | 71 | 1 | |
| Taxes, Other than Income | 10 | 10 | 0 | |
| **Total Operating Expenses** | 202 | 209 | 6 | |
| Other income (expense) | (2) | (2) | 0 | |
| EBIT | 160 | 180 | (21) | |
| Interest Expense | 32 | 32 | (0) | |
| **Income from Ongoing Operations before income taxes** | 128 | 149 | (21) | |
| Income Tax Expense | 48 | 57 | 8 | |
| **Net Income (loss) from ongoing operations** | **$ 79** | **$ 92** | **$ (13)** | |

Note: Schedules may not sum due to rounding.

## O&M — April 2017

($ Millions)

| | MTD | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Actual | Budget | Total Variance | Labor & Burdens | Resident Contractors | Other Outside Services | Materials | Other |
| Generation | 20 | 25 | 5 | 0 | (0) | 1 | 3 | 0 |
| Project Engineering | 0 | 0 | 0 | 0 | - | (0) | 0 | 0 |
| Transmission | 2 | 3 | 0 | 0 | 0 | 0 | (0) | 0 |
| Energy Supply and Analysis | 1 | 1 | (0) | (0) | - | (0) | 0 | (0) |
| Electric Distribution | 6 | 6 | 0 | 0 | 0 | (0) | 0 | 0 |
| Gas Distribution and AMS2 | 3 | 3 | (0) | (0) | (0) | 0 | (0) | (0) |
| Safety and Technical Training | 0 | 0 | 0 | 0 | (0) | 0 | 0 | 0 |
| Customer Services | 7 | 7 | 0 | (0) | 0 | 0 | (0) | (0) |
| **Senior VP Operations** | **40** | **45** | **5** | **0** | **0** | **2** | **3** | **0** |
| Audit Services | 0 | 0 | 0 | (0) | - | 0 | 0 | 0 |
| Controller | 1 | 1 | 0 | (0) | (0) | 0 | 0 | 0 |
| Supply Chain | 0 | 0 | 0 | 0 | (0) | 0 | 0 | 0 |
| Treasurer | 2 | 2 | 0 | 0 | - | - | 0 | 0 |
| State Regulation and Rates | 0 | 0 | (0) | (0) | - | 0 | (0) | 0 |
| Other | 0 | 0 | (0) | (0) | - | 0 | 0 | (0) |
| **Chief Financial Officer** | **4** | **4** | **0** | **(0)** | **(0)** | **0** | **(0)** | **0** |
| **General Counsel** | **3** | **2** | **(1)** | **0** | **(0)** | **(0)** | **(0)** | **0** |
| **Human Resources** | **0** | **1** | **0** | **0** | **(0)** | **0** | **(0)** | **0** |
| **Information Technology** | **4** | **4** | **(0)** | **(0)** | **0** | **0** | **0** | **0** |
| **Corporate** | **9** | **10** | **1** | **1** | **0** | **0** | **(0)** | **(0)** |
| **Enterprise Security** | **0** | **0** | **0** | **(0)** | **-** | **-** | **0** | **0** |
| **O&M Total MTD** | **60** | **66** | **6** | **1** | **0** | **1** | **3** | **1** |

| | YTD | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Actual | Budget | Total Variance | Labor & Burdens | Resident Contractors | Other Outside Services | Materials | Other |
| Generation | 71 | 74 | 3 | 1 | (0) | (1) | 3 | (1) |
| Project Engineering | 0 | 0 | 0 | 0 | - | (0) | (0) | 0 |
| Transmission | 9 | 11 | 1 | (0) | 0 | 1 | (0) | 0 |
| Energy Supply and Analysis | 3 | 3 | (0) | (0) | - | 0 | 0 | 0 |
| Electric Distribution | 22 | 24 | 2 | 0 | 3 | (1) | 0 | 0 |
| Gas Distribution and AMS | 12 | 11 | (1) | 0 | (0) | 0 | (0) | (0) |
| Safety and Technical Training | 2 | 2 | (0) | (0) | (0) | (0) | (0) | 0 |
| Customer Services | 30 | 32 | 1 | (0) | 1 | 0 | 0 | 1 |
| **SVP Operations** | **150** | **156** | **7** | **1** | **3** | **(0)** | **4** | **(0)** |
| Audit Services | 1 | 1 | 0 | 0 | - | 0 | 0 | 0 |
| Controller | 3 | 3 | (0) | (0) | (0) | 0 | 0 | (0) |
| Supply Chain | 1 | 1 | 0 | 0 | (0) | 0 | 0 | 0 |
| Treasurer | 8 | 8 | (0) | (0) | - | 0 | (0) | 0 |
| State Regulation and Rates | 1 | 1 | (0) | (0) | - | 0 | (0) | 0 |
| Other | 1 | 1 | 0 | 0 | - | 0 | 0 | (0) |
| **Chief Financial Officer** | **15** | **15** | **(0)** | **(0)** | **(0)** | **0** | **(0)** | **0** |
| **General Counsel** | **10** | **10** | **(0)** | **0** | **0** | **(1)** | **(0)** | **1** |
| **Human Resources** | **2** | **2** | **0** | **0** | **(0)** | **0** | **(0)** | **0** |
| **Information Technology** | **17** | **18** | **1** | **(0)** | **0** | **0** | **(0)** | **0** |
| **Corporate** | **46** | **40** | **(6)** | **(4)** | **0** | **0** | **(0)** | **(2)** |
| **Enterprise Security** | **1** | **1** | **0** | **(0)** | **-** | **-** | **0** | **0** |
| **O&M Total YTD** | **241** | **242** | **1** | **(3)** | **3** | **(0)** | **3** | **(1)** |

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## Financing Activities — April 2017

($ Millions)

| Balance Sheet | YTD Actual | YTD Budget | YTD Variance |
|---|---|---|---|
| **PCB** | | | |
| Beg Bal | $ 898.8 | $ 898.8 | $ 0.0 |
| End Bal | 898.8 | 898.8 | (0.0) |
| Ave Bal | **$ 898.8** | **$ 898.8** | **$ (0.0)** |
| Interest Exp | **$ 4.5** | **$ 4.1** | **$ (0.4)** |
| Rate | **1.50%** | **1.37%** | **-0.13%** |
| **FMB/Sr Nts/Loan with PPL** | | | |
| Beg Bal | $ 4,210.0 | $ 4,210.0 | $ 0.0 |
| End Bal | 4,210.0 | 4,210.0 | 0.0 |
| Ave Bal | **$ 4,210.0** | **$ 4,210.0** | **$ 0.0** |
| Interest Exp | **$ 61.1** | **$ 61.4** | **$ 0.3** |
| Rate | **4.35%** | **4.38%** | **0.02%** |
| **Short-term Debt** | | | |
| Beg Bal | $ 348.1 | $ 509.7 | $ 161.6 |
| End Bal | 322.4 | 543.9 | 221.6 |
| Ave Bal (1) | **$ 335.2** | **$ 526.8** | **$ 191.6** |
| Interest Exp | **$ 1.6** | **$ 1.9** | **$ 0.4** |
| Rate | **1.62%** | **1.10%** | **-0.52%** |
| **Unamortized Debt Expense Bonds** | | | |
| Beg Bal | $ (44.0) | $ (43.2) | $ 0.7 |
| End Bal | (43.2) | (42.1) | 1.1 |
| Ave Bal | **$ (43.6)** | **$ (42.7)** | **$ 0.9** |
| **Total End Bal** | **$ 5,388.0** | **$ 5,610.6** | **$ 222.7** |
| **Total Average Bal** | **$ 5,357.5** | **$ 5,593.0** | **$ 235.5** |
| **Total Expense Excl I/C (2)** | **$ 70.5** | **$ 71.0** | **$ 0.5** |
| **Rate** | **3.92%** | **3.78%** | **-0.14%** |

(1) Short-term Debt YTD actual reflects average daily balances. All other average balances use the average of the beginning and ending balances.

(2) Total expense line includes additional revolving credit items. Total will not match sum of PCB, FMB, and STD.

| Credit Facilities ($ Millions) | Committed Capacity | Borrowed(3) | Letters of Credit Issued | Unused Capacity |
|---|---|---|---|---|
| LKE | $ 300 | $ 113 | | $ 187 |
| LG&E | 500 | 183 | | 317 |
| KU | 598 | 26 | $ 198 | 374 |
| TOTAL | $ 1,398 | $ 322 | $ 198 | $ 878 |

(3) LG&E and KU borrowed amounts represent commercial paper issuances. LKE borrowed amount includes bank revolver and debt with PPL.

| Credit Metrics[1]<br>Moody's | LKE 2017<br>Actual YTD | <br>Budget YTD | LG&E 2017<br>Actual YTD | <br>Budget YTD | KU 2017<br>Actual YTD | <br>Budget YTD |
|---|---|---|---|---|---|---|
| CFO pre-WC / Debt | 19% | 18% | 27% | 25% | 24% | 26% |
| CFO pre-WC + Interest / Interest | 5.8 | 5.8 | 7.9 | 7.8 | 7.0 | 7.5 |
| CFO pre-WC - Dividends / Debt | 13% | 14% | 19% | 20% | 15% | 16% |
| Debt to Capitalization[2] | 47% | 48% | 38% | 39% | 38% | 38% |

| Credit Metrics<br>Moody's | LKE 2017 BP<br>2018 | <br>2019 | LG&E 2017 BP<br>2018 | <br>2019 | KU 2017 BP<br>2018 | <br>2019 |
|---|---|---|---|---|---|---|
| CFO pre-WC / Debt | 18% | 18% | 27% | 29% | 26% | 26% |
| CFO pre-WC + Interest / Interest | 6.0 | 5.7 | 8.5 | 8.7 | 7.8 | 7.6 |
| CFO pre-WC - Dividends / Debt | 11% | 15% | 25% | 22% | 20% | 18% |
| Debt to Capitalization[2] | 50% | 49% | 38% | 36% | 37% | 37% |

(1) Actuals represent a trailing 12 months.

(2) For LG&E and KU this excludes purchase accounting adjustments and corresponding goodwill.

**Financial Strength Factor (40% Weighting) -- Standard Business Risk Grid:**

| Moody's Thresholds | Sub-Factor Weighting | A | Baa | Ba |
|---|---|---|---|---|
| CFO pre-WC / Debt | 15.0% | 22% - 30% | 13% - 22% | 5% - 13% |
| CFO pre-WC + Interest / Interest | 7.5% | 4.5x - 6x | 3x - 4.5x | 2x - 3x |
| CFO pre-WC - Dividends / Debt | 10.0% | 17% - 25% | 9% - 17% | 0% - 9% |
| Debt / Capitalization | 7.5% | 35% - 45% | 45% - 55% | 55% - 65% |

| As of December 31, 2016 | Senior Unsecured | Senior Secured | Commercial Paper |
|---|---|---|---|
| **Issuer** | **Moody's** | **Moody's** | **Moody's** |
| LKE | Baa1 | | |
| LG&E | | A1 | P-2 |
| KU | | A1 | P-2 |

**Definitions**

Issuers assessed **A** are judged to have upper-medium-grade intrinsic, or standalone, financial strength, and thus subject to low credit risk absent any possibility of extraordinary support from an affiliate or a government.

Obligations rated **Baa** are judged to be medium-grade and subject to moderate credit risk and as such may possess certain speculative characteristics.

Issuers (or supporting institutions) rated Prime-2 have a strong ability to repay short-term debt obligations.

Moody's appends numerical modifiers 1, 2, and 3 to each generic rating classification. The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates a ranking in the lower end of that generic rating category.

## Balance Sheet - LKE Consolidated

**April 2017**

**($ Millions)**

| | 4/30/2017 | YTD Budget | Variance | Comments |
|---|---|---|---|---|
| Assets: | | | | |
| Current Assets: | | | | |
| Cash and Cash Equivalents | $ 16 | $ 106 | $ (90) | Primarily due to LKE other excess cash from dividends in budget not used to pay down CEP Reserves. |
| Accounts Receivable (Trade) | 373 | 380 | (6) | |
| Inventory | 263 | 245 | 18 | |
| Deferred Income Taxes | 0 | 0 | 0 | |
| Regulatory Assets Current | 27 | 22 | 6 | |
| Prepayments and other current assets | 51 | 42 | 9 | |
| **Total Current Assets** | 731 | 795 | (63) | |
| Property, Plant, and Equipment | 11,655 | 11,755 | (100) | |
| Intangible Assets | 92 | 94 | (2) | |
| Other Property and Investments | 1 | 1 | 0 | |
| Regulatory Assets Non Current | 830 | 913 | (83) | |
| Goodwill | 997 | 997 | 0 | |
| Other Long-term Assets | 77 | 81 | (4) | |
| **Total Assets** | **$ 14,383** | **$ 14,635** | **$ (252)** | |
| Liabilities and Equity: | | | | |
| Current Liabilities: | | | | |
| Accounts Payable (Trade) | $ 231 | $ 211 | $ 20 | |
| Dividends Payable to Affiliated Companies | 0 | 0 | 0 | |
| Customer Deposits | 56 | 55 | 2 | |
| Derivative Liability | 4 | 6 | (2) | |
| Accrued Taxes | 35 | 19 | 16 | Budget assumed higher Q1 tax settlement to occur in April 2017. |
| Regulatory Liabilities Current | 16 | 22 | (6) | |
| Other Current Liabilities | 224 | 213 | 11 | |
| **Total Current Liabilities** | 566 | 525 | 41 | |
| Debt - Affiliated Company | 513 | 619 | (105) | Used tax settlements and dividends from utilities to pay down CEP reserves. |
| Debt [(1)] | 4,875 | 4,992 | (117) | |
| **Total Debt** | 5,388 | 5,611 | (223) | |
| Deferred Tax Liabilities | 1,786 | 1,781 | 5 | |
| Investment Tax Credit | 131 | 131 | 1 | |
| Accum Provision for Pension & Related Benefits | 335 | 411 | (76) | Decrease primarily from funded status adjustment due to change in discount rate. |
| Asset Retirement Obligation | 374 | 362 | 12 | |
| Regulatory Liabilities Non Current | 897 | 864 | 33 | |
| Derivative Liability | 24 | 31 | (7) | |
| Other Liabilities | 190 | 197 | (7) | |
| **Total Deferred Credits and Other Liabilities** | 3,738 | 3,776 | (39) | |
| **Equity** | 4,691 | 4,723 | (32) | |
| **Total Liabilities and Equity** | **$ 14,383** | **$ 14,635** | **$ (252)** | |

[(1)] Includes all ST and LT debt. See Financing Activities page for details.
Note: Schedules may not sum due to rounding.

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## Balance Sheet - LG&E

**April 2017**

**($ Millions)**

| | 4/30/2017 | YTD Budget | Variance | Comments |
|---|---|---|---|---|
| Assets: | | | | |
| Current Assets: | | | | |
| Cash and Cash Equivalents | $ 7 | $ 5 | $ 2 | |
| Accounts Receivable (Trade) | 156 | 165 | (9) | |
| Inventory | 112 | 104 | 8 | |
| Deferred Income Taxes | 0 | 0 | 0 | |
| Regulatory Assets Current | 14 | 6 | 8 | |
| Prepayments and other current assets | 42 | 47 | (5) | |
| **Total Current Assets** | 331 | 327 | 3 | |
| Property, Plant, and Equipment | 5,030 | 5,090 | (60) | |
| Intangible Assets | 6 | 6 | (0) | |
| Other Property and Investments | 1 | 1 | 0 | |
| Regulatory Assets Non Current | 447 | 499 | (52) | Primarily due to MTM adjustment of Swaps, a pension funded status adjustment due to change in discount rate, and ARO revaluation. |
| Goodwill | 0 | 0 | 0 | |
| Other Long-term Assets | 16 | 21 | (5) | |
| **Total Assets** | **$ 5,829** | **$ 5,944** | **$ (114)** | |
| Liabilities and Equity: | | | | |
| Current Liabilities: | | | | |
| Accounts Payable (Trade) | $ 141 | $ 149 | $ (7) | |
| Dividends Payable to Affiliated Companies | 0 | 0 | 0 | |
| Customer Deposits | 27 | 26 | 1 | |
| Derivative Liability | 4 | 6 | (2) | |
| Accrued Taxes | 20 | 14 | 6 | |
| Regulatory Liabilities Current | 5 | 4 | 0 | |
| Other Current Liabilities | 84 | 89 | (5) | |
| **Total Current Liabilities** | 281 | 288 | (7) | |
| Debt - Affiliated Company | 0 | 0 | 0 | |
| Debt [(1)] | 1,801 | 1,860 | (60) | |
| **Total Debt** | 1,801 | 1,860 | (60) | |
| Deferred Tax Liabilities | 1,006 | 1,004 | 2 | |
| Investment Tax Credit | 36 | 36 | (0) | |
| Accum Provision for Pension & Related Benefits | 51 | 75 | (24) | Decrease primarily from funded status adjustment due to change in discount rate. |
| Asset Retirement Obligation | 114 | 100 | 14 | Primarily due to the reclassification of ARO from current to long term. |
| Regulatory Liabilities Non Current | 367 | 353 | 15 | |
| Derivative Liability | 24 | 31 | (7) | |
| Other Liabilities | 87 | 92 | (4) | |
| **Total Deferred Credits and Other Liabilities** | 1,685 | 1,690 | (5) | |
| **Equity** | 2,063 | 2,105 | (43) | |
| **Total Liabilities and Equity** | **$ 5,829** | **$ 5,944** | **$ (114)** | |

[(1)] Includes all ST and LT debt.
Note: Schedules may not sum due to rounding.



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## Balance Sheet - KU

**April 2017**

**($ Millions)**

| | 4/30/2017 | YTD Budget | Variance | Comments |
|---|---|---|---|---|
| Assets: | | | | |
| Current Assets: | | | | |
| Cash and Cash Equivalents | $ 9 | $ 5 | $ 4 | |
| Accounts Receivable (Trade) | 217 | 214 | 3 | |
| Inventory | 151 | 142 | 10 | |
| Deferred Income Taxes | 0 | 0 | 0 | |
| Regulatory Assets Current | 13 | 15 | (2) | |
| Prepayments and other current assets | 27 | 24 | 3 | |
| **Total Current Assets** | 418 | 400 | 17 | |
| Property, Plant, and Equipment | 6,617 | 6,656 | (40) | |
| Intangible Assets | 13 | 13 | (0) | |
| Other Property and Investments | 0 | 0 | 0 | |
| Regulatory Assets Non Current | 381 | 413 | (32) | |
| Goodwill | 0 | 0 | 0 | |
| Other Long-term Assets | 59 | 57 | 1 | |
| **Total Assets** | **$ 7,487** | **$ 7,539** | **$ (53)** | |
| Liabilities and Equity: | | | | |
| Current Liabilities: | | | | |
| Accounts Payable (Trade) | $ 137 | $ 108 | $ 28 | Primarily due to timing of actuals. |
| Dividends Payable to Affiliated Companies | 0 | 0 | 0 | |
| Customer Deposits | 29 | 28 | 1 | |
| Derivative Liability | 0 | 0 | 0 | |
| Accrued Taxes | 23 | 15 | 9 | |
| Regulatory Liabilities Current | 11 | 18 | (6) | |
| Other Current Liabilities | 95 | 81 | 14 | Primarily due to ARO reclassification from long term to current. |
| **Total Current Liabilities** | 296 | 250 | 46 | |
| Debt - Affiliated Company | 0 | 0 | 0 | |
| Debt [(1)] | 2,351 | 2,409 | (57) | |
| **Total Debt** | 2,351 | 2,409 | (57) | |
| Deferred Tax Liabilities | 1,208 | 1,244 | (37) | |
| Investment Tax Credit | 95 | 95 | 1 | |
| Accum Provision for Pension & Related Benefits | 45 | 67 | (22) | Decrease primarily from funded status adjustment due to change in discount rate. |
| Asset Retirement Obligation | 260 | 262 | (2) | |
| Regulatory Liabilities Non Current | 457 | 436 | 20 | |
| Derivative Liability | 0 | 0 | 0 | |
| Other Liabilities | 49 | 52 | (3) | |
| **Total Deferred Credits and Other Liabilities** | 2,114 | 2,156 | (42) | |
| **Equity** | 2,726 | 2,725 | 1 | |
| **Total Liabilities and Equity** | **$ 7,487** | **$ 7,539** | **$ (53)** | |

[(1)] Includes all ST and LT debt.
Note: Schedules may not sum due to rounding.

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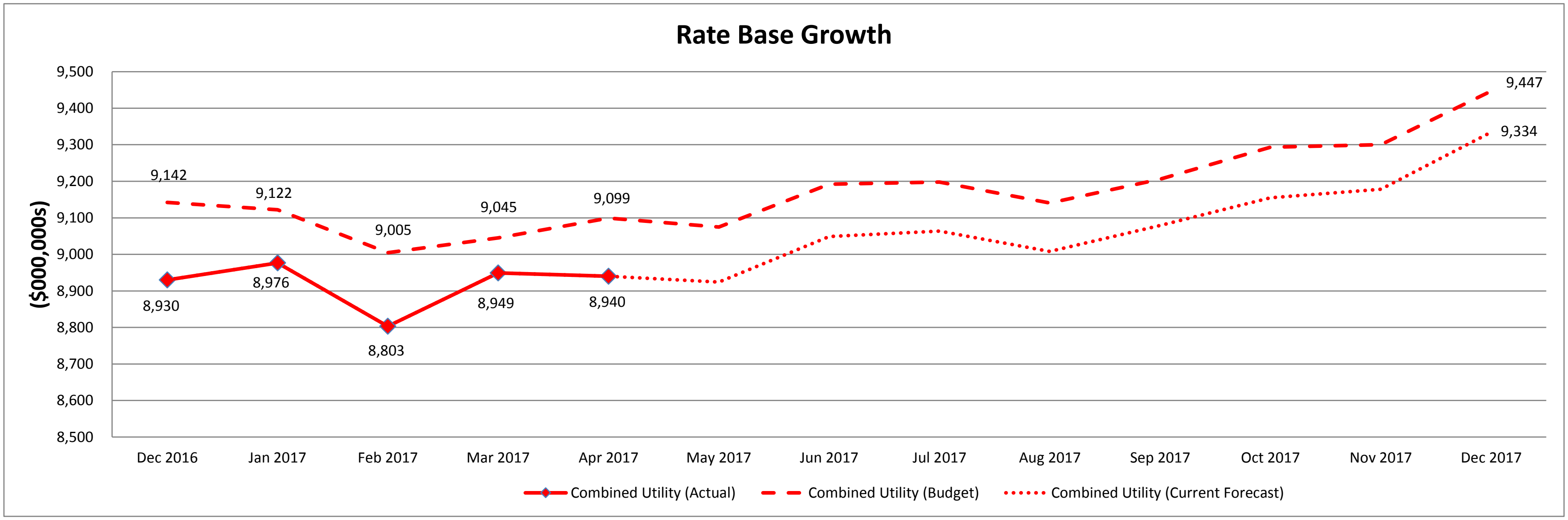
| Combined KU and LG&E Rate Base Growth | April 2017 |
|---|---|



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# Performance Report

# May 2017

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# Kentucky Regulated Dashboard

May 2017

| | Current Month | | YTD | | Full Year | |
|---|---|---|---|---|---|---|
| **Safety** | **Actual** | **PY** | **Actual** | **PY** | **Forecast** | **PY** |
| TCIR - Employees[1] | 1.09 | 1.11 | 1.28 | 0.86 | 1.35 | 1.12 |
| Employee lost-time incidents | 0 | 0 | 2 | 1 | 7 | 5 |
| **Reliability** | **Actual** | **Budget** | **Actual** | **Budget** | **Forecast** | **Budget** |
| Generation Volumes | 2,683 | 2,718 | 13,017 | 13,833 | 33,609 | 34,425 |
| Utility EFOR | 2.7% | 5.0% | 3.9% | 5.0% | N/A | 5.0% |
| Utility EAF | 88.5% | 92.5% | 81.1% | 84.1% | N/A | 85.2% |
| Steam Fleet Commercial Availability | 96.8% | 93.0% | 93.4% | 93.0% | N/A | 93.0% |
| Combined SAIFI | 0.08 | 0.10 | 0.31 | 0.43 | N/A | 1.03 |
| Combined SAIDI (minutes) | 8.12 | 9.25 | 28.06 | 36.00 | N/A | 93.20 |
| **GwH Sales** | **Actual** | **Budget** | **Actual** | **Budget** | **Forecast** | **Budget** |
| Residential | 749 | 710 | 3,881 | 4,348 | 10,201 | 10,668 |
| Commercial | 646 | 650 | 3,065 | 3,113 | 7,820 | 7,882 |
| Industrial | 799 | 858 | 3,782 | 3,891 | 9,610 | 9,706 |
| Municipals | 139 | 138 | 701 | 762 | 1,785 | 1,846 |
| Other | 227 | 231 | 1,081 | 1,102 | 2,733 | 2,753 |
| Off-System Sales | 56 | 34 | 215 | 117 | 341 | 244 |
| Total | 2,615 | 2,622 | 12,726 | 13,332 | 32,491 | 33,098 |
| **Weather-Normalized Sales Growth** | | | **TTM** | | | |
| Residential | | | 0.26% | | | |
| Commercial | | | 1.52% | | | |
| Industrial | | | -2.30% | | | |
| Municipal | | | -1.40% | | | |
| Other | | | -0.31% | | | |
| Total | | | -0.33% | | | |

| | Current Month | | YTD | | Full Year | |
|---|---|---|---|---|---|---|
| **Margins ($ millions)** | **Actual** | **Budget** | **Actual** | **Budget** | **Forecast** | **Budget** |
| Electric Margins[2] | $144 | $145 | $722 | $756 | $1,895 | $1,948 |
| Gas Margins | $10 | $11 | $87 | $89 | $180 | $183 |
| **Capital Expenditures ($ millions)** | **Actual** | **Budget** | **Actual** | **Budget** | **Forecast** | **Budget** |
| Total[2] | $64 | $91 | $284 | $374 | $1,069 | $1,107 |
| **O&M ($ millions)** | **Actual** | **Budget** | **Actual** | **Budget** | **Forecast** | **Budget** |
| O&M – Management View[2] [3] | $56 | $61 | $297 | $303 | $725 | $749 |
| O&M – GAAP View[2] [4] | $64 | $69 | $339 | $346 | $838 | $864 |
| **Head Count** | **Actual** | **Budget** | **Actual** | **Budget** | **Forecast** | **Budget** |
| Full-time Employees | 3,469 | 3,603 | 3,469 | 3,603 | 3,567 | 3,591 |
| **Other Metrics** | **Actual** | **PY** | **Actual** | **PY** | **Forecast** | **PY** |
| Environmental Events | 0 | 0 | 3 | 0 | N/A | 3 |
| NERC Possible Violations[5] | 1 | 1 | 4 | 1 | N/A | 5 |

| | TTM | Full Year | |
|---|---|---|---|
| **Financial Metrics** | **Actual** | **Forecast** | **Budget** |
| Utility ROE[6] | 9.8% | 9.9% | 9.8% |
| Average Utility Capitalization ($ millions) | $8,878 | $9,031 | $9,174 |

## Variance Explanations

Lower margins YTD primarily due to lower sales volumes from warmer than average weather resulting in lower retail electric base energy and demand revenue and lower gas margins.

Lower O&M MTD primarily driven by lower storm restoration, vegetation management, maintenance and outage expense, and labor due to lower overtime and vacancies.

Lower O&M YTD primarily driven by lower storm restoration, vegetation management, maintenance and outage expense, and labor due to lower overtime and vacancies, partially offset by higher allocated and indirect costs.

## Major Developments

The formal hearing in the rate case proceeding was held on May 9 and 10 and was followed by the filing of responses to post-hearing data requests and briefs from LKE and certain intervenors. These milestones were consistent with the procedural schedule and completed the record in the case. An Order from the KPSC is still expected on or around June 30, 2017, with new rates going into effect on July 1st of this year.

The Company was honored recently for its workplace and wellness initiatives. LKE received the United States Defense Department's highest state-level award, the Employer Support of the Guard and Reserve Award, for providing support to employees serving in the Kentucky National Guard and Reserve. LKE was also recognized by the Worksite Wellness Council of Louisville for the second consecutive year as a Platinum Award Winner for its wellness programs, and was awarded the Health Champion Designation Award by the American Diabetes Association.

(1) Full year forecast amount shown represents target.

(2) Includes net impact of proposed settlement stipulation adjustments of deferred AMS Capital and O&M expense, lower depreciation expense and the offsetting revenue reduction included in margins.

(3) Net of cost recovery mechanisms and variable costs of production.

(4) Includes Management O&M, variable cost of production and mechanism operation and maintenance expenses

(5) The possible violation issues for YTD Actual is believed to be minimal risk.

(6) Excludes goodwill and other purchase accounting adjustments.

## Significant Future Events

There are no significant future events to report at this time.

Note: Schedules may not sum due to rounding.

## Income Statement: Actual vs. Budget (Month) - LKE Consolidated — May 2017

($ Millions)

| | MTD | | | |
|---|---|---|---|---|
| | Actual | Budget | Variance | Comments |
| **Revenues:** | | | | |
| Electric Revenues | $ 226 | $ 226 | $ 0 | |
| Gas Revenues | 17 | 18 | (1) | |
| **Total Revenues** | 243 | 244 | (1) | |
| **Cost of Sales:** | | | | |
| Fuel Electric Costs | 63 | 62 | (0) | |
| Gas Supply Expenses | 5 | 6 | 1 | |
| Purchased Power | 5 | 5 | (1) | |
| Other Electric Cost of Production | 3 | 3 | 0 | |
| Mechanism - ECR, DSM & GLT - Operation and Maintenance | 6 | 5 | (0) | |
| Mechanism - ECR, DSM & GLT - Depreciation and Property Tax | 6 | 6 | 0 | |
| **Total Cost of Sales** | 88 | 88 | (0) | |
| **Gross Margin:** | | | | |
| Electric Margin | 144 | 145 | (1) | |
| Gas Margin | 10 | 11 | (0) | |
| **Total Gross Margin** | 155 | 156 | (1) | |
| **Operating Expenses:** | | | | |
| O&M | 56 | 61 | 5 | Primarily driven by lower storm restoration, vegetation management, maintenance and outage expense, and labor due to lower overtime and vacancies. |
| Depreciation & Amortization | 30 | 30 | 0 | |
| Taxes, Other than Income | 5 | 5 | 0 | |
| Equity in Earnings | 0 | 0 | 0 | |
| Other income (expense) | (1) | (1) | (0) | |
| EBIT | 63 | 60 | 4 | |
| Interest Expense | 18 | 18 | 0 | |
| **Income from Ongoing Operations before income taxes** | 46 | 42 | 4 | |
| Income Tax Expense | 18 | 16 | (2) | |
| **Net Income (loss) from ongoing operations** | **28** | **26** | **2** | |
| Special Item - EEI | 0 | 0 | 0 | |
| Discontinued Operations | (0) | 0 | (0) | |
| **Net Income (loss)** | $ 28 | $ 26 | $ 2 | |
| KY Regulated Financing Costs | (3) | $ (3) | (0) | |
| **KY Regulated Net Income** | $ 26 | $ 23 | $ 2 | |
| Earnings Per Share - Ongoing | $ 0.04 | $ 0.03 | $ 0.00 | |

Note: Schedules may not sum due to rounding.



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## Income Statement: Actual vs. Budget (YTD) - LKE Consolidated — May 2017

($ Millions)

| | YTD | | | |
|---|---|---|---|---|
| | Actual | Budget | Variance | Comments |
| **Revenues:** | | | | |
| Electric Revenues | $ 1,121 | $ 1,176 | $ (55) | Due primarily to lower sales volumes driven by mild weather in Q1. |
| Gas Revenues | 158 | 186 | (28) | Due primarily to lower sales volumes driven by mild weather in Q1. |
| **Total Revenues** | 1,279 | 1,362 | (83) | |
| **Cost of Sales:** | | | | |
| Fuel Electric Costs | 309 | 329 | 20 | Primarily due to decreased generation as a result of mild weather. |
| Gas Supply Expenses | 65 | 90 | 25 | Due primarily to lower gas usage as a result of mild weather. |
| Purchased Power | 24 | 24 | (0) | |
| Other Electric Cost of Production | 15 | 17 | 2 | |
| Mechanism - ECR, DSM & GLT - Operation and Maintenance | 28 | 26 | (2) | |
| Mechanism - ECR, DSM & GLT - Depreciation and Property Tax | 29 | 30 | 1 | |
| **Total Cost of Sales** | 470 | 516 | 46 | |
| **Gross Margin:** | | | | |
| Electric Margin | 722 | 756 | (34) | See explanations above. |
| Gas Margin | 87 | 89 | (2) | |
| **Total Gross Margin** | 809 | 845 | (37) | |
| **Operating Expenses:** | | | | |
| O&M | 297 | 303 | 6 | Primarily driven by lower storm restoration, vegetation management, maintenance and outage expense, and labor due to lower overtime and vacancies, partially offset by higher allocated and indirect costs. |
| Depreciation & Amortization | 148 | 150 | 2 | |
| Taxes, Other than Income | 24 | 25 | 1 | |
| Other income (expense) | (5) | (4) | (1) | |
| EBIT | 335 | 363 | (28) | |
| Interest Expense | 88 | 89 | 1 | |
| **Income from Ongoing Operations before income taxes** | 247 | 274 | (28) | |
| Income Tax Expense | 94 | 105 | 11 | |
| **Net Income (loss) from ongoing operations** | **153** | **170** | **(17)** | |
| Special Item - EEI | (1) | 0 | (1) | |
| Discontinued Operations | 0 | 0 | 0 | |
| **Net Income (loss)** | $ 153 | $ 170 | $ (17) | |
| KY Regulated Financing Costs | (13) | (12) | (0) | |
| **KY Regulated Net Income** | 140 | $ 157 | $ (17) | |
| Earnings Per Share - Ongoing | $ 0.20 | $ 0.23 | $ (0.02) | |

Note: Schedules may not sum due to rounding.

## Income Statement: Actual vs. Budget (YTD) - LG&E — May 2017

($ Millions)

| | YTD | | | |
|---|---|---|---|---|
| | Actual | Budget | Variance | Comments |
| **Revenues:** | | | | |
| Electric Revenues | $ 446 | $ 452 | $ (6) | Due primarily to lower sales volumes driven by mild weather in Q1. |
| Gas Revenues | 158 | 186 | (28) | Due primarily to lower sales volumes driven by mild weather in Q1. |
| **Total Revenues** | 604 | 638 | (34) | |
| **Cost of Sales:** | | | | |
| Fuel Electric Costs | 128 | 125 | (3) | |
| Gas Supply Expenses | 65 | 90 | 25 | Due primarily to lower gas usage as a result of mild weather. |
| Purchased Power | 19 | 21 | 2 | |
| Other Electric Cost of Production | 5 | 6 | 1 | |
| Mechanism - ECR, DSM & GLT - Operation and Maintenance | 11 | 10 | (0) | |
| Mechanism - ECR, DSM & GLT - Depreciation and Property Tax | 16 | 17 | 1 | |
| **Total Cost of Sales** | 245 | 270 | 26 | |
| **Gross Margin:** | | | | |
| Electric Margin | 273 | 279 | (6) | See explanations above. |
| Gas Margin | 87 | 89 | (2) | |
| **Total Gross Margin** | 359 | 368 | (8) | |
| **Operating Expenses:** | | | | |
| O&M | 131 | 136 | 6 | Primarily driven by lower storm restoration, bad debt expense, supplemental contract labor, maintenance and outage expense, and generation labor due to lower overtime and vacancies. |
| Depreciation & Amortization | 60 | 61 | 1 | |
| Taxes, Other than Income | 12 | 12 | 1 | |
| Other income (expense) | (2) | (2) | (0) | |
| EBIT | 155 | 156 | (2) | |
| Interest Expense | 28 | 29 | 0 | |
| **Income from Ongoing Operations before income taxes** | 126 | 128 | (1) | |
| Income Tax Expense | 48 | 49 | 1 | |
| **Net Income (loss) from ongoing operations** | **$ 78** | **$ 79** | **$ (1)** | |

Note: Schedules may not sum due to rounding.



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## Income Statement: Actual vs. Budget (YTD) - KU — May 2017

($ Millions)

| | YTD | | | |
|---|---|---|---|---|
| | Actual | Budget | Variance | Comments |
| **Revenues:** | | | | |
| Electric Revenues | $ 699 | $ 750 | $ (51) | Due primarily to lower sales volumes driven by mild weather in Q1. |
| Gas Revenues | 0 | 0 | 0 | |
| **Total Revenues** | 699 | 750 | (51) | |
| **Cost of Sales:** | | | | |
| Fuel Electric Costs | 184 | 206 | 21 | Primarily due to decreased generation as a result of mild weather. |
| Gas Supply Expenses | 0 | 0 | 0 | |
| Purchased Power | 26 | 27 | 1 | |
| Other Electric Cost of Production | 9 | 11 | 2 | |
| Mechanism - ECR, DSM & GLT - Operation and Maintenance | 17 | 16 | (2) | |
| Mechanism - ECR, DSM & GLT - Depreciation and Property Tax | 13 | 14 | 1 | |
| **Total Cost of Sales** | 250 | 273 | 23 | |
| **Gross Margin:** | | | | |
| Electric Margin | 449 | 478 | (28) | See explanations above. |
| Gas Margin | 0 | 0 | 0 | |
| **Total Gross Margin** | 449 | 478 | (28) | |
| **Operating Expenses:** | | | | |
| O&M | 151 | 159 | 7 | Primarily driven by lower storm restoration, vegetation management, bad debt expense, supplemental contract labor, maintenance and outage expense, and generation labor due to lower overtime and vacancies. |
| Depreciation & Amortization | 88 | 89 | 1 | |
| Taxes, Other than Income | 12 | 12 | 0 | |
| Other income (expense) | (2) | (2) | 0 | |
| EBIT | 196 | 215 | (20) | |
| Interest Expense | 40 | 40 | (0) | |
| **Income from Ongoing Operations before income taxes** | 156 | 175 | (20) | |
| Income Tax Expense | 59 | 67 | 8 | |
| **Net Income (loss) from ongoing operations** | **$ 96** | **$ 109** | **$ (12)** | |

Note: Schedules may not sum due to rounding.

| O&M | May 2017 |
|---|---|

($ Millions)

| | MTD | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Actual | Budget | Total Variance | Labor & Burdens | Resident Contractors | Other Outside Services | Materials | Other |
| Generation | 14 | 17 | 3 | 0 | (0) | 2 | 1 | (0) |
| Project Engineering | 0 | 0 | 0 | 0 | - | (0) | (0) | 0 |
| Transmission | 2 | 3 | 0 | 0 | (0) | 0 | (0) | 0 |
| Energy Supply and Analysis | 1 | 1 | 0 | 0 | - | (0) | (0) | 0 |
| Electric Distribution | 6 | 7 | 1 | (0) | 1 | (0) | 0 | (0) |
| Gas Distribution and AMS | 3 | 3 | 0 | (0) | 0 | 0 | 0 | (0) |
| Safety and Technical Training | 0 | 0 | 0 | 0 | (0) | 0 | (0) | 0 |
| Customer Services | 7 | 8 | 1 | 0 | 0 | 0 | 0 | 0 |
| **Senior VP Operations** | **34** | **39** | **5** | **0** | **1** | **2** | **1** | **(0)** |
| Audit Services | 0 | 0 | 0 | 0 | - | (0) | 0 | 0 |
| Controller | 1 | 1 | 0 | 0 | (0) | 0 | (0) | 0 |
| Supply Chain | 0 | 0 | 0 | 0 | - | (0) | 0 | (0) |
| Treasurer | 2 | 2 | 0 | 0 | - | (0) | 0 | 0 |
| State Regulation and Rates | 0 | 0 | 0 | 0 | - | 0 | 0 | 0 |
| Other | 0 | 0 | (0) | 0 | - | (0) | 0 | (0) |
| **Chief Financial Officer** | **4** | **4** | **0** | **0** | **(0)** | **0** | **0** | **0** |
| **General Counsel** | **2** | **3** | **1** | **0** | **0** | **0** | **0** | **0** |
| **Human Resources** | **1** | **1** | **0** | **0** | **(0)** | **0** | **(0)** | **0** |
| **Information Technology** | **4** | **5** | **0** | **0** | **(0)** | **0** | **0** | **(0)** |
| **Corporate** | **9** | **8** | **(0)** | **(0)** | **0** | **0** | **(0)** | **(0)** |
| **Enterprise Security** | **0** | **0** | **0** | **(0)** | **-** | **0** | **0** | **0** |
| **Utility Total** | **53** | **59** | **6** | **1** | **1** | **2** | **2** | **0** |
| **Nonutility Total** | **2** | **2** | **(1)** | **(0)** | **0** | **(0)** | **0** | **(0)** |
| **O&M Total MTD** | **56** | **61** | **5** | **0** | **1** | **2** | **2** | **(0)** |

| | YTD | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Actual | Budget | Total Variance | Labor & Burdens | Resident Contractors | Other Outside Services | Materials | Other |
| Generation | 84 | 90 | 6 | 2 | (0) | 1 | 5 | (1) |
| Project Engineering | 0 | 0 | 0 | 0 | - | (0) | (0) | 0 |
| Transmission | 12 | 13 | 1 | (0) | (0) | 1 | (0) | 0 |
| Energy Supply and Analysis | 5 | 5 | 0 | (0) | - | 0 | 0 | 0 |
| Electric Distribution | 28 | 31 | 3 | (0) | 4 | (2) | 0 | 0 |
| Gas Distribution and AMS | 15 | 14 | (1) | 0 | (0) | 0 | 0 | (0) |
| Safety and Technical Training | 2 | 2 | (0) | (0) | (0) | (0) | (0) | 0 |
| Customer Services | 38 | 40 | 2 | (0) | 1 | 0 | 0 | 1 |
| **SVP Operations** | **184** | **195** | **11** | **1** | **4** | **1** | **5** | **(0)** |
| Audit Services | 1 | 1 | 0 | 0 | - | 0 | 0 | 0 |
| Controller | 4 | 4 | (0) | (0) | (0) | 0 | 0 | 0 |
| Supply Chain | 2 | 2 | 0 | 0 | (0) | 0 | 0 | 0 |
| Treasurer | 10 | 10 | 0 | (0) | - | (0) | (0) | 0 |
| State Regulation and Rates | 1 | 1 | 0 | (0) | - | 0 | (0) | 0 |
| Other | 1 | 1 | 0 | 0 | - | 0 | 0 | (0) |
| **Chief Financial Officer** | **18** | **19** | **0** | **(0)** | **(0)** | **0** | **(0)** | **0** |
| **General Counsel** | **11** | **12** | **1** | **0** | **0** | **0** | **(0)** | **1** |
| **Human Resources** | **3** | **3** | **0** | **0** | **(0)** | **0** | **(0)** | **0** |
| **Information Technology** | **22** | **23** | **1** | **0** | **(0)** | **1** | **(0)** | **0** |
| **Corporate** | **43** | **43** | **(0)** | **(1)** | **0** | **0** | **(0)** | **0** |
| **Enterprise Security** | **1** | **1** | **0** | **(0)** | **-** | **0** | **0** | **0** |
| **Utility Total** | **282** | **295** | **13** | **1** | **4** | **3** | **5** | **1** |
| **Nonutility Total** | **15** | **8** | **(7)** | **(4)** | **(0)** | **(1)** | **(0)** | **(2)** |
| **O&M Total YTD** | **297** | **303** | **6** | **(3)** | **4** | **2** | **5** | **(1)** |

Note: Schedules may not sum due to rounding.

## Financing Activities May 2017

($ Millions)

| Balance Sheet | YTD Actual | YTD Budget | YTD Variance |
|---|---|---|---|
| **PCB** | | | |
| Beg Bal | $ 898.8 | $ 898.8 | $ 0.0 |
| End Bal | 898.8 | 898.8 | (0.0) |
| Ave Bal | **$ 898.8** | **$ 898.8** | **$ (0.0)** |
| Interest Exp | **$ 5.6** | **$ 5.1** | **$ (0.5)** |
| Rate | **1.49%** | **1.35%** | **-0.14%** |
| **FMB/Sr Nts/Loan with PPL** | | | |
| Beg Bal | $ 4,210.0 | $ 4,210.0 | $ 0.0 |
| End Bal | 4,210.0 | 4,210.0 | 0.0 |
| Ave Bal | **$ 4,210.0** | **$ 4,210.0** | **$ 0.0** |
| Interest Exp | **$ 76.3** | **$ 76.8** | **$ 0.5** |
| Rate | **4.32%** | **4.35%** | **0.03%** |
| **Short-term Debt** | | | |
| Beg Bal | $ 348.1 | $ 509.7 | $ 161.6 |
| End Bal | 342.1 | 586.7 | 244.6 |
| Ave Bal [(1)] | **$ 345.1** | **$ 548.2** | **$ 203.1** |
| Interest Exp | **$ 2.0** | **$ 2.5** | **$ 0.5** |
| Rate | **1.63%** | **1.10%** | **-0.53%** |
| **Unamortized Debt Expense Bonds** | | | |
| Beg Bal | $ (44.0) | $ (43.2) | $ 0.7 |
| End Bal | (42.8) | (41.6) | 1.2 |
| Ave Bal | **$ (43.4)** | **$ (42.4)** | **$ 1.0** |
| **Total End Bal** | **$ 5,408.0** | **$ 5,653.8** | **$ 245.8** |
| **Total Average Bal** | **$ 5,364.7** | **$ 5,614.6** | **$ 249.8** |
| **Total Expense Excl I/C [(2)]** | **$ 88.2** | **$ 88.9** | **$ 0.7** |
| **Rate** | **3.89%** | **3.74%** | **-0.14%** |

(1) Short-term Debt YTD actual reflects average daily balances. All other average balances use the average of the beginning and ending balances.
(2) Total expense line includes additional revolving credit items. Total will not match sum of PCB, FMB, and STD.

| Credit Facilities ($ Millions) | Committed Capacity | Borrowed[(3)] | Letters of Credit Issued | Unused Capacity |
|---|---|---|---|---|
| LKE | $ 300 | $ 114 | | $ 186 |
| LG&E | 500 | 190 | | 310 |
| KU | 598 | 38 | $ 198 | 362 |
| TOTAL | $ 1,398 | $ 342 | $ 198 | $ 858 |

(3) LG&E and KU borrowed amounts represent commercial paper issuances. LKE borrowed amount includes bank revolver and debt with PPL.

| Credit Metrics[1] Moody's | LKE 2017 Actual YTD | LKE 2017 Budget YTD | LG&E 2017 Actual YTD | LG&E 2017 Budget YTD | KU 2017 Actual YTD | KU 2017 Budget YTD |
|---|---|---|---|---|---|---|
| CFO pre-WC / Debt | 19% | 18% | 26% | 25% | 24% | 25% |
| CFO pre-WC + Interest / Interest | 5.7 | 5.7 | 7.7 | 7.7 | 6.8 | 7.4 |
| CFO pre-WC - Dividends / Debt | 13% | 14% | 18% | 20% | 14% | 15% |
| Debt to Capitalization[2] | 47% | 48% | 38% | 39% | 38% | 39% |

| Credit Metrics Moody's | LKE 2017 BP 2018 | LKE 2017 BP 2019 | LG&E 2017 BP 2018 | LG&E 2017 BP 2019 | KU 2017 BP 2018 | KU 2017 BP 2019 |
|---|---|---|---|---|---|---|
| CFO pre-WC / Debt | 18% | 18% | 27% | 29% | 26% | 26% |
| CFO pre-WC + Interest / Interest | 6.0 | 5.7 | 8.5 | 8.7 | 7.8 | 7.6 |
| CFO pre-WC - Dividends / Debt | 11% | 15% | 25% | 22% | 20% | 18% |
| Debt to Capitalization[2] | 50% | 49% | 38% | 36% | 37% | 37% |

(1) Actuals represent a trailing 12 months.
(2) For LG&E and KU this excludes purchase accounting adjustments and corresponding goodwill.

**Financial Strength Factor (40% Weighting) -- Standard Business Risk Grid:**

| Moody's Thresholds | Sub-Factor Weighting | A | Baa | Ba |
|---|---|---|---|---|
| CFO pre-WC / Debt | 15.0% | 22% - 30% | 13% - 22% | 5% - 13% |
| CFO pre-WC + Interest / Interest | 7.5% | 4.5x - 6x | 3x - 4.5x | 2x - 3x |
| CFO pre-WC - Dividends / Debt | 10.0% | 17% - 25% | 9% - 17% | 0% - 9% |
| Debt / Capitalization | 7.5% | 35% - 45% | 45% - 55% | 55% - 65% |

| As of December 31, 2016 Issuer | Senior Unsecured Moody's | Senior Secured Moody's | Commercial Paper Moody's |
|---|---|---|---|
| LKE | Baa1 | | |
| LG&E | | A1 | P-2 |
| KU | | A1 | P-2 |

**Definitions**

Issuers assessed **A** are judged to have upper-medium-grade intrinsic, or standalone, financial strength, and thus subject to low credit risk absent any possibility of extraordinary support from an affiliate or a government.
Obligations rated **Baa** are judged to be medium-grade and subject to moderate credit risk and as such may possess certain speculative characteristics.
Issuers (or supporting institutions) rated Prime-2 have a strong ability to repay short-term debt obligations.
Moody's appends numerical modifiers 1, 2, and 3 to each generic rating classification. The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates a ranking in the lower end of that generic rating category.

## Balance Sheet - LKE Consolidated

**May 2017**

**($ Millions)**

| | 5/31/2017 | YTD Budget | Variance | Comments |
|---|---|---|---|---|
| Assets: | | | | |
| Current Assets: | | | | |
| Cash and Cash Equivalents | $ 10 | $ 106 | $ (96) | Primarily due to LKE other excess cash from dividends in budget not used to pay down CEP Reserves. |
| Accounts Receivable (Trade) | 379 | 390 | (12) | |
| Inventory | 256 | 242 | 14 | |
| Deferred Income Taxes | 0 | 0 | 0 | |
| Regulatory Assets Current | 27 | 19 | 8 | |
| Prepayments and other current assets | 55 | 39 | 16 | Primarily due to increases in prepayments, preliminary survey costs, other transportation and engineering amounts, and timing of accounts receivable. |
| **Total Current Assets** | 726 | 796 | (69) | |
| Property, Plant, and Equipment | 11,679 | 11,801 | (122) | |
| Intangible Assets | 91 | 93 | (2) | |
| Other Property and Investments | 1 | 1 | 0 | |
| Regulatory Assets Non Current | 837 | 915 | (78) | |
| Goodwill | 997 | 997 | 0 | |
| Other Long-term Assets | 78 | 81 | (3) | |
| **Total Assets** | **$ 14,409** | **$ 14,684** | **$ (274)** | |
| Liabilities and Equity: | | | | |
| Current Liabilities: | | | | |
| Accounts Payable (Trade) | $ 234 | $ 211 | $ 23 | Primarily due to timing of actuals. |
| Dividends Payable to Affiliated Companies | 116 | 0 | 116 | Dividends are considered declared and paid in the same month in the budget. |
| Customer Deposits | 56 | 55 | 2 | |
| Derivative Liability | 5 | 6 | (1) | |
| Accrued Taxes | 58 | 40 | 18 | Budget assumed higher Q1 tax settlement to occur in April 2017. |
| Regulatory Liabilities Current | 15 | 22 | (7) | |
| Other Current Liabilities | 172 | 174 | (2) | |
| **Total Current Liabilities** | 656 | 507 | 149 | |
| Debt - Affiliated Company | 514 | 626 | (112) | Used tax settlements and dividends from utilities to pay down CEP reserves. |
| Debt [(1)] | 4,894 | 5,027 | (134) | |
| **Total Debt** | 5,408 | 5,654 | (246) | |
| Deferred Tax Liabilities | 1,786 | 1,781 | 5 | |
| Investment Tax Credit | 131 | 130 | 1 | |
| Accum Provision for Pension & Related Benefits | 338 | 410 | (73) | Decrease primarily from funded status adjustment due to change in discount rate. |
| Asset Retirement Obligation | 374 | 362 | 12 | |
| Regulatory Liabilities Non Current | 898 | 861 | 37 | |
| Derivative Liability | 26 | 30 | (4) | |
| Other Liabilities | 189 | 198 | (9) | |
| **Total Deferred Credits and Other Liabilities** | 3,742 | 3,773 | (31) | |
| **Equity** | 4,604 | 4,750 | (146) | |
| **Total Liabilities and Equity** | **$ 14,409** | **$ 14,684** | **$ (274)** | |

[(1)] Includes all ST and LT debt. See Financing Activities page for details.
Note: Schedules may not sum due to rounding.

**Case Nos. 2018-00294 and 2018-00295**
**Attachment to Filing Requirement**
**807 KAR 5:001 Sec. 16(7)(o)**

**Arbough**

| Balance Sheet - LG&E | | | | May 2017 |
|---|---|---|---|---|
| **($ Millions)** | | | | |
| | **5/31/2017** | **YTD Budget** | **Variance** | **Comments** |
| Assets: | | | | |
| Current Assets: | | | | |
| Cash and Cash Equivalents | $ 4 | $ 5 | $ (1) | |
| Accounts Receivable (Trade) | 157 | 169 | (11) | |
| Inventory | 107 | 101 | 7 | |
| Deferred Income Taxes | 0 | 0 | 0 | |
| Regulatory Assets Current | 14 | 5 | 9 | |
| Prepayments and other current assets | 45 | 47 | (2) | |
| **Total Current Assets** | 327 | 327 | 0 | |
| Property, Plant, and Equipment | 5,044 | 5,115 | (71) | |
| Intangible Assets | 6 | 6 | (0) | |
| Other Property and Investments | 1 | 1 | 0 | |
| Regulatory Assets Non Current | 451 | 498 | (47) | |
| Goodwill | 0 | 0 | 0 | |
| Other Long-term Assets | 17 | 21 | (4) | |
| **Total Assets** | **$ 5,845** | **$ 5,967** | **$ (122)** | |
| Liabilities and Equity: | | | | |
| Current Liabilities: | | | | |
| Accounts Payable (Trade) | $ 139 | $ 146 | $ (8) | |
| Dividends Payable to Affiliated Companies | 35 | 37 | (2) | |
| Customer Deposits | 27 | 26 | 1 | |
| Derivative Liability | 5 | 6 | (1) | |
| Accrued Taxes | 32 | 25 | 7 | |
| Regulatory Liabilities Current | 4 | 4 | (0) | |
| Other Current Liabilities | 67 | 81 | (13) | Primarily due to timing of cash payments & ARO reclassification from current to long term partially offset by an increase in customer advances. |
| **Total Current Liabilities** | 308 | 325 | (17) | |
| Debt - Affiliated Company | 0 | 0 | 0 | |
| Debt [(1)] | 1,808 | 1,875 | (67) | |
| **Total Debt** | 1,808 | 1,875 | (67) | |
| Deferred Tax Liabilities | 1,006 | 1,004 | 2 | |
| Investment Tax Credit | 36 | 36 | (0) | |
| Accum Provision for Pension & Related Benefits | 52 | 74 | (23) | Decrease primarily from funded status adjustment due to change in discount rate. |
| Asset Retirement Obligation | 113 | 99 | 14 | Primarily due to the reclassification of ARO from current to long term. |
| Regulatory Liabilities Non Current | 368 | 350 | 18 | |
| Derivative Liability | 26 | 30 | (4) | |
| Other Liabilities | 87 | 92 | (5) | |
| **Total Deferred Credits and Other Liabilities** | 1,687 | 1,686 | 1 | |
| **Equity** | 2,042 | 2,081 | (39) | |
| **Total Liabilities and Equity** | **$ 5,845** | **$ 5,967** | **$ (122)** | |

[(1)] Includes all ST and LT debt.
Note: Schedules may not sum due to rounding.

## Balance Sheet - KU

May 2017

**($ Millions)**

| | 5/31/2017 | YTD Budget | Variance | Comments |
|---|---|---|---|---|
| Assets: | | | | |
| Current Assets: | | | | |
| Cash and Cash Equivalents | $ 6 | $ 5 | $ 1 | |
| Accounts Receivable (Trade) | 221 | 221 | (0) | |
| Inventory | 149 | 141 | 7 | |
| Deferred Income Taxes | 0 | 0 | 0 | |
| Regulatory Assets Current | 13 | 14 | (1) | |
| Prepayments and other current assets | 28 | 21 | 6 | |
| **Total Current Assets** | 416 | 402 | 14 | |
| Property, Plant, and Equipment | 6,627 | 6,678 | (51) | |
| Intangible Assets | 13 | 13 | (0) | |
| Other Property and Investments | 0 | 0 | 0 | |
| Regulatory Assets Non Current | 383 | 416 | (33) | |
| Goodwill | 0 | 0 | 0 | |
| Other Long-term Assets | 59 | 57 | 2 | |
| **Total Assets** | **$ 7,498** | **$ 7,566** | **$ (69)** | |
| Liabilities and Equity: | | | | |
| Current Liabilities: | | | | |
| Accounts Payable (Trade) | $ 132 | $ 110 | $ 22 | Primarily due to timing of actuals. |
| Dividends Payable to Affiliated Companies | 40 | 52 | (12) | Due to lower Net Income in the previous quarter. |
| Customer Deposits | 30 | 28 | 1 | |
| Derivative Liability | 0 | 0 | 0 | |
| Accrued Taxes | 36 | 27 | 9 | |
| Regulatory Liabilities Current | 11 | 17 | (6) | |
| Other Current Liabilities | 67 | 56 | 11 | Primarily due to ARO reclassification from long term to current. |
| **Total Current Liabilities** | 316 | 290 | 26 | |
| Debt - Affiliated Company | 0 | 0 | 0 | |
| Debt [(1)] | 2,363 | 2,430 | (66) | |
| **Total Debt** | 2,363 | 2,430 | (66) | |
| Deferred Tax Liabilities | 1,208 | 1,244 | (37) | |
| Investment Tax Credit | 95 | 94 | 1 | |
| Accum Provision for Pension & Related Benefits | 46 | 66 | (21) | Decrease primarily from funded status adjustment due to change in discount rate. |
| Asset Retirement Obligation | 261 | 262 | (2) | |
| Regulatory Liabilities Non Current | 458 | 437 | 21 | |
| Derivative Liability | 0 | 0 | 0 | |
| Other Liabilities | 49 | 52 | (3) | |
| **Total Deferred Credits and Other Liabilities** | 2,116 | 2,157 | (41) | |
| **Equity** | 2,703 | 2,690 | 13 | |
| **Total Liabilities and Equity** | **$ 7,498** | **$ 7,566** | **$ (69)** | |

[(1)] Includes all ST and LT debt.
Note: Schedules may not sum due to rounding.

# Performance Report

# June 2017

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# Kentucky Regulated Dashboard

**June 2017**

| | Current Month | | YTD | | Full Year | |
|---|---|---|---|---|---|---|
| **Safety** | Actual | PY | Actual | PY | Forecast | PY |
| TCIR - Employees[1] | 0.34 | 1.56 | 1.00 | 0.97 | 1.35 | 1.12 |
| Employee lost-time incidents | 2 | 1 | 4 | 2 | 9 | 5 |
| **Reliability** | Actual | Budget | Actual | Budget | Forecast | Budget |
| Generation Volumes | 2,860 | 3,076 | 15,877 | 16,909 | 33,393 | 34,425 |
| Utility EFOR | 6.1% | 5.0% | 4.4% | 5.0% | N/A | 5.0% |
| Utility EAF | 91.1% | 92.5% | 82.8% | 85.5% | N/A | 85.2% |
| Steam Fleet Commercial Availability | 95.7% | 93.0% | 93.8% | 93.0% | N/A | 93.0% |
| Combined SAIFI | 0.09 | 0.13 | 0.40 | 0.55 | N/A | 1.03 |
| Combined SAIDI (minutes) | 9.38 | 12.24 | 37.49 | 48.24 | N/A | 93.20 |
| **GwH Sales** | Actual | Budget | Actual | Budget | Forecast | Budget |
| Residential | 887 | 906 | 4,768 | 5,253 | 10,121 | 10,668 |
| Commercial | 697 | 727 | 3,762 | 3,840 | 7,772 | 7,882 |
| Industrial | 770 | 886 | 4,552 | 4,777 | 9,256 | 9,706 |
| Municipals | 155 | 161 | 856 | 923 | 1,756 | 1,846 |
| Other | 232 | 250 | 1,313 | 1,352 | 2,741 | 2,753 |
| Off-System Sales | 6 | 18 | 221 | 136 | 329 | 244 |
| Total | 2,746 | 2,948 | 15,472 | 16,280 | 31,974 | 33,098 |
| **Weather-Normalized Sales Growth** | | | TTM | | | |
| Residential | | | 0.63% | | | |
| Commercial | | | 1.72% | | | |
| Industrial | | | -2.39% | | | |
| Municipal | | | -1.75% | | | |
| Other | | | -0.60% | | | |
| Total | | | -0.24% | | | |

| | Current Month | | YTD | | Full Year | |
|---|---|---|---|---|---|---|
| **Margins ($ millions)** | Actual | Budget | Actual | Budget | Forecast | Budget |
| Electric Margins[2] | $155 | $162 | $877 | $918 | $1,865 | $1,948 |
| Gas Margins | $10 | $10 | $97 | $99 | $178 | $183 |
| **Capital Expenditures ($ millions)** | Actual | Budget | Actual | Budget | Forecast | Budget |
| Total[2] | $61 | $95 | $345 | $469 | $1,066 | $1,107 |
| **O&M ($ millions)** | Actual | Budget | Actual | Budget | Forecast | Budget |
| O&M – Management View[2] [3] | $50 | $61 | $346 | $364 | $719 | $749 |
| O&M – GAAP View[2] [4] | $60 | $72 | $399 | $418 | $832 | $864 |
| **Head Count** | Actual | Budget | Actual | Budget | Forecast | Budget |
| Full-time Employees | 3,485 | 3,607 | 3,485 | 3,607 | 3,565 | 3,591 |
| **Other Metrics** | Actual | PY | Actual | PY | Forecast | PY |
| Environmental Events | 0 | 0 | 3 | 0 | N/A | 3 |
| NERC Possible Violations[5] | 0 | 0 | 4 | 1 | N/A | 5 |

| | TTM | Full Year | |
|---|---|---|---|
| **Financial Metrics** | Actual | Forecast | Budget |
| Utility ROE[6] | 9.8% | 9.6% | 9.8% |
| Average Utility Capitalization ($ millions) | $8,897 | $9,021 | $9,174 |

## Variance Explanations

Lower margins MTD primarily due to lower sales volumes resulting in lower retail electric base energy and demand revenue of $5 million and lower retail rate mechanism revenue of $2 million.

Lower margins YTD primarily due to lower sales volumes resulting in lower retail electric base energy and demand revenue of $39 million, lower retail rate mechanism revenue of $5 million and lower gas margins of $2 million partially offset by $2 million of other margin components.

Lower O&M MTD primarily due to lower labor and burdens of $4 million, lower maintenance and materials of $3 million, lower storm and vegetation management expenses of $2 million and other smaller variances combined $3 million.

Lower O&M YTD primarily due to lower maintenance and outage expenses of $5 million, lower storm and vegetation management expenses of $4 million, lower labor and burdens of $3 million and lower uncollectible expense of $1 million and other smaller variances combined $5 million.

## Major Developments

The Company continues to build on its outstanding customer satisfaction performance as it recently won another J.D. Power award. KU ranked first (with a score of 761) and LG&E second (with a score of 743) among the mid-sized utilities in the Midwest region of the 2017 Electric Utility Residential Customer Satisfaction study. LKE also won four awards last year and has earned a total of 20 awards for overall customer satisfaction. These results reflect employee's continued focus on the customer experience.

The KPSC issued orders in the rate case proceeding on June 22nd approving, with certain modifications, the proposed stipulations filed in April and May. On June 29th, the KPSC issued additional orders correcting certain revenue requirement and rate calculations and making other technical corrections. These orders modified the stipulations and reflect a $57 million electric base rate increase for LG&E, a $52 million electric base rate increase for KU, and a $7 million gas base rate increase for LG&E, based on an authorized return on equity of 9.7 percent. Consistent with the stipulations, the orders also approved LKE's request for implementing a Distribution Automation program and its withdrawal of a request for a Certificate of Public Convenience and Necessity for the Advanced Metering System program. The new rates and all elements of the orders became effective July 1, 2017. The KPSC also adjusted the return on equity for our ECR mechanism to be consistent with the rate case order.

Governor Matt Bevin has appointed Talina Rose Mathews, the current executive director of the KPSC, to serve as a Commissioner. Talina replaces former Commissioner Daniel Logsdon, who resigned in June, just prior to the end of his term, to pursue other interests. She assumed the position immediately and will serve a four-year term. An economist by background, Talina brings a wealth of experience in the utility sector and state government. The appointment is subject to confirmation by the Senate.

LG&E long-term gas main replacement project is nearing completion as LG&E completed the installation of plastic pipe in the final section of its system. This initiative began in 1996 when the Company established a program to replace 540 miles of aging cast iron, wrought iron and bare steel natural gas pipelines, for replacement, primarily with more durable plastic natural gas pipelines. This upgrade program enabled LKE to enhance the safety of our system for customers well in advance of its peers, and allowed for additional infrastructure upgrades.

A very significant milestone was achieved recently as the Trimble County Landfill Project received its permit from the Corps of Engineers, representing the final regulatory approval needed to begin construction of the landfill. The approval marked the completion of a nine year process which overcame many external challenges. LKE is currently evaluating construction bids and expects to award the contract in the next few months.

LKE earned 15 communications awards in various categories during the recent Utility Communicators International conference. The 2017 Better Communications Competition receives entries from utilities of all sizes across the U.S. and Canada. The conference is expected to be held in Louisville next year.

As expected, the Kentucky Waterways Alliance and the Sierra Club recently filed a citizen suit complaint against KU alleging discharges at the E.W. Brown plant in violation of the Clean Water Act and Resource Conservation and Recovery Act. This action follows prior notices of intent to file a citizen suit submitted in October and November 2015 and October 2016. We will continue to defend the lawsuit and attempt to work toward a satisfactory solution.

(1) Full year forecast amount shown represents target.

(2) Includes net impact of proposed settlement stipulation adjustments of deferred AMS Capital and O&M expense, lower depreciation expense and the offsetting revenue reduction included in margins.

(3) Net of cost recovery mechanisms and variable costs of production.

(4) Includes Management O&M, variable cost of production and mechanism operation and maintenance expenses

(5) The possible violation issues for YTD Actual is believed to be minimal risk.

(6) Excludes goodwill and other purchase accounting adjustments.

## Significant Future Events

There are no significant future events to report at this time.

Note: Schedules may not sum due to rounding.

**Case Nos. 2018-00294 and 2018-00295**
**Attachment to Filing Requirement**
**807 KAR 5:001 Sec. 16(7)(o)**
**Page 73 of 260**
**Arbough**

## Income Statement: Actual vs. Budget (Month) - LKE Consolidated — June 2017

($ Millions)

| | MTD Actual | MTD Budget | MTD Variance | Comments |
|---|---|---|---|---|
| **Revenues:** | | | | |
| Electric Revenues | $ 240 | $ 255 | $ (15) | Due primarily to lower than budgeted sales volumes. |
| Gas Revenues | 14 | 14 | (0) | |
| **Total Revenues** | 254 | 269 | (15) | |
| **Cost of Sales:** | | | | |
| Fuel Electric Costs | 66 | 73 | 6 | Primarily due to decreased generation as a result of milder weather than Budget. |
| Gas Supply Expenses | 3 | 3 | 0 | |
| Purchased Power | 4 | 5 | 1 | |
| Other Electric Cost of Production | 3 | 4 | 1 | |
| Mechanism - ECR, DSM & GLT - Operation and Maintenance | 7 | 7 | (0) | |
| Mechanism - ECR, DSM & GLT - Depreciation and Property Tax | 6 | 6 | 0 | |
| **Total Cost of Sales** | 89 | 98 | 8 | |
| **Gross Margin:** | | | | |
| Electric Margin | 155 | 162 | (7) | See explanations above. |
| Gas Margin | 10 | 10 | 0 | |
| **Total Gross Margin** | 164 | 171 | (7) | |
| **Operating Expenses:** | | | | |
| O&M | 50 | 61 | 12 | Primarily due to lower labor and burdens, lower maintenance and materials, lower storm and vegetation management expenses and other smaller variances. |
| Depreciation & Amortization | 30 | 30 | 0 | |
| Taxes, Other than Income | 5 | 5 | (0) | |
| Equity in Earnings | 0 | 0 | 0 | |
| Other income (expense) | (1) | (0) | (0) | |
| EBIT | 79 | 74 | 4 | |
| Interest Expense | 19 | 18 | (1) | |
| **Income from Ongoing Operations before income taxes** | 59 | 57 | 3 | |
| Income Tax Expense | 22 | 21 | (1) | |
| **Net Income (loss) from ongoing operations** | **37** | **35** | **2** | |
| Special Item - EEI | 0 | 0 | 0 | |
| Discontinued Operations | 0 | 0 | 0 | |
| **Net Income (loss)** | $ 37 | $ 35 | $ 2 | |
| KY Regulated Financing Costs | (3) | $ (2) | (0) | |
| **KY Regulated Net Income** | $ 35 | $ 33 | $ 2 | |
| Earnings Per Share - Ongoing | $ 0.05 | $ 0.05 | $ 0.00 | |

Note: Schedules may not sum due to rounding.

## Income Statement: Actual vs. Budget (YTD) - LKE Consolidated June 2017

**($ Millions)**

| | YTD | | | |
|---|---|---|---|---|
| | Actual | Budget | Variance | Comments |
| **Revenues:** | | | | |
| Electric Revenues | $ 1,361 | $ 1,431 | $ (70) | Due primarily to lower sales volumes driven by mild weather in Q1. |
| Gas Revenues | 172 | 200 | (28) | Due primarily to lower sales volumes driven by mild weather in Q1. |
| **Total Revenues** | 1,533 | 1,631 | (98) | |
| **Cost of Sales:** | | | | |
| Fuel Electric Costs | 375 | 401 | 26 | Primarily due to decreased generation as a result of mild weather. |
| Gas Supply Expenses | 69 | 94 | 25 | Due primarily to lower gas usage as a result of mild weather. |
| Purchased Power | 29 | 30 | 1 | |
| Other Electric Cost of Production | 18 | 20 | 3 | |
| Mechanism - ECR, DSM & GLT - Operation and Maintenance | 35 | 33 | (2) | |
| Mechanism - ECR, DSM & GLT - Depreciation and Property Tax | 35 | 37 | 2 | |
| **Total Cost of Sales** | 560 | 614 | 54 | |
| **Gross Margin:** | | | | |
| Electric Margin | 877 | 918 | (41) | See explanations above. |
| Gas Margin | 97 | 99 | (2) | |
| **Total Gross Margin** | 973 | 1017 | (44) | |
| **Operating Expenses:** | | | | |
| O&M | 346 | 364 | 18 | Primarily due to lower maintenance and outage expenses, lower storm and vegetation management expenses, lower labor and burdens and lower uncollectible expense and other smaller variances. |
| Depreciation & Amortization | 178 | 180 | 2 | |
| Taxes, Other than Income | 29 | 30 | 1 | |
| Other income (expense) | (6) | (4) | (1) | |
| EBIT | 414 | 438 | (24) | |
| Interest Expense | 108 | 107 | (1) | |
| **Income from Ongoing Operations before income taxes** | 306 | 331 | (25) | |
| Income Tax Expense | 116 | 126 | 10 | |
| **Net Income (loss) from ongoing operations** | **190** | **205** | **(15)** | |
| Special Item - EEI | (1) | 0 | (1) | |
| Discontinued Operations | 0 | 0 | 0 | |
| **Net Income (loss)** | $ 190 | $ 205 | $ (15) | |
| KY Regulated Financing Costs | (15) | (15) | (0) | |
| **KY Regulated Net Income** | 175 | $ 190 | $ (15) | |
| Earnings Per Share - Ongoing | $ 0.26 | $ 0.27 | $ (0.02) | |

Note: Schedules may not sum due to rounding.

## Income Statement: Actual vs. Budget (YTD) - LG&E

**June 2017**

**($ Millions)**

| | YTD | | | |
|---|---|---|---|---|
| | **Actual** | **Budget** | **Variance** | **Comments** |
| **Revenues:** | | | | |
| Electric Revenues | $ 545 | $ 558 | $ (14) | Due primarily to lower sales volumes driven by mild weather in Q1. |
| Gas Revenues | 172 | 200 | (28) | Due primarily to lower sales volumes driven by mild weather in Q1. |
| **Total Revenues** | 717 | 758 | (42) | |
| **Cost of Sales:** | | | | |
| Fuel Electric Costs | 153 | 152 | (1) | |
| Gas Supply Expenses | 69 | 94 | 25 | Due primarily to lower gas usage as a result of mild weather. |
| Purchased Power | 23 | 27 | 4 | |
| Other Electric Cost of Production | 6 | 8 | 1 | |
| Mechanism - ECR, DSM & GLT - Operation and Maintenance | 13 | 13 | 0 | |
| Mechanism - ECR, DSM & GLT - Depreciation and Property Tax | 19 | 20 | 1 | |
| **Total Cost of Sales** | 284 | 314 | 30 | |
| **Gross Margin:** | | | | |
| Electric Margin | 336 | 346 | (9) | See explanations above. |
| Gas Margin | 97 | 99 | (2) | |
| **Total Gross Margin** | 433 | 444 | (12) | |
| **Operating Expenses:** | | | | |
| O&M | 152 | 164 | 12 | Primarily driven by lower storm restoration, supplemental contract labor, maintenance expense, and labor due to lower overtime and vacancies. |
| Depreciation & Amortization | 72 | 73 | 1 | |
| Taxes, Other than Income | 14 | 15 | 1 | |
| Other income (expense) | (3) | (2) | (0) | |
| EBIT | 192 | 191 | 1 | |
| Interest Expense | 35 | 35 | 0 | |
| **Income from Ongoing Operations before income taxes** | 157 | 156 | 1 | |
| Income Tax Expense | 60 | 60 | (1) | |
| **Net Income (loss) from ongoing operations** | **$ 97** | **$ 96** | **$ 1** | |

Note: Schedules may not sum due to rounding.

## Income Statement: Actual vs. Budget (YTD) - KU — June 2017

($ Millions)

| | YTD | | | |
|---|---|---|---|---|
| | Actual | Budget | Variance | Comments |
| **Revenues:** | | | | |
| Electric Revenues | $ 842 | $ 903 | $ (60) | Due primarily to lower sales volumes driven by mild weather in Q1. |
| Gas Revenues | 0 | 0 | 0 | |
| **Total Revenues** | 842 | 903 | (60) | |
| **Cost of Sales:** | | | | |
| Fuel Electric Costs | 225 | 251 | 26 | Primarily due to decreased generation as a result of mild weather. |
| Gas Supply Expenses | 0 | 0 | 0 | |
| Purchased Power | 28 | 30 | 1 | |
| Other Electric Cost of Production | 11 | 13 | 2 | |
| Mechanism - ECR, DSM & GLT - Operation and Maintenance | 22 | 20 | (2) | |
| Mechanism - ECR, DSM & GLT - Depreciation and Property Tax | 16 | 16 | 1 | |
| **Total Cost of Sales** | 302 | 330 | 28 | |
| **Gross Margin:** | | | | |
| Electric Margin | 540 | 572 | (32) | See explanations above. |
| Gas Margin | 0 | 0 | 0 | |
| **Total Gross Margin** | 540 | 572 | (32) | |
| **Operating Expenses:** | | | | |
| O&M | 177 | 191 | 14 | Primarily driven by lower storm restoration, vegetation management, supplemental contract labor, maintenance and outage expense, and labor due to lower overtime and vacancies. |
| Depreciation & Amortization | 106 | 107 | 1 | |
| Taxes, Other than Income | 15 | 15 | 0 | |
| Other income (expense) | (2) | (2) | 0 | |
| EBIT | 240 | 257 | (17) | |
| Interest Expense | 48 | 48 | (0) | |
| **Income from Ongoing Operations before income taxes** | 192 | 209 | (17) | |
| Income Tax Expense | 73 | 79 | 6 | |
| **Net Income (loss) from ongoing operations** | **$ 119** | **$ 130** | **$ (11)** | |

Note: Schedules may not sum due to rounding.

## Income Statement: Forecast vs. Budget - LKE Consolidated — June 2017

($ Millions)

| | Full Year | | | |
|---|---|---|---|---|
| | Q2 Forecast | Budget | Variance | Comments |
| **Revenues:** | | | | |
| Electric Revenues | $ 2,883 | $ 3,017 | $ (134) | Due primarily to lower sales volumes driven by mild weather in Q1, a reduction in the electric load forecast for the remainder of 2017, and lower than budgeted KPSC rates effective July 1, 2017. |
| Gas Revenues | 298 | 329 | (31) | Due primarily to lower sales volumes driven by mild weather in Q1 and lower than budgeted KPSC rates effective July 1, 2017. |
| **Total Revenues** | 3,181 | 3,346 | (165) | |
| **Cost of Sales:** | | | | |
| Fuel Electric Costs | 787 | 813 | 26 | Primarily due to decreased generation as a result of mild weather. |
| Gas Supply Expenses | 110 | 135 | 26 | Due primarily to lower gas usage as a result of mild weather. |
| Purchased Power | 59 | 60 | 1 | |
| Other Electric Cost of Production | 38 | 41 | 3 | |
| Mechanism - ECR, DSM & GLT - Operation and Maintenance | 75 | 74 | (1) | |
| Mechanism - ECR, DSM & GLT - Depreciation and Property Tax | 71 | 93 | 22 | Primarily due to lower depreciation rates. |
| **Total Cost of Sales** | 1,139 | 1,216 | 77 | |
| **Gross Margin:** | | | | |
| Electric Margin | 1,865 | 1,948 | (83) | See explanations above. |
| Gas Margin | 178 | 183 | (4) | See explanations above. |
| **Total Gross Margin** | 2,043 | 2,130 | (87) | |
| **Operating Expenses:** | | | | |
| O&M | 719 | 749 | 30 | Lower O&M primarily due to cost savings across all business units for the year partially offset by increased indirect charges from PPL. |
| Depreciation & Amortization | 378 | 395 | 18 | Primarily due to lower depreciation rates. |
| Taxes, Other than Income | 60 | 61 | 1 | |
| **Total Operating Expenses** | 1,157 | 1,205 | 48 | |
| Other income (expense) | (9) | (8) | (1) | |
| EBIT | 877 | 917 | (40) | |
| Interest Expense | 217 | 217 | 0 | |
| **Income from Ongoing Operations before income taxes** | 660 | 700 | (40) | |
| Income Tax Expense | 251 | 267 | 16 | |
| **Net Income (loss) from ongoing operations** | **409** | **433** | **$ (24)** | |
| Special Item - EEI | (1) | 0 | (1) | |
| Discontinued Operations | 1 | (0) | 1 | |
| **Net Income (loss)** | $ 410 | $ 433 | $ (24) | |
| KY Regulated Financing Costs | (30) | (30) | (0) | |
| **KY Regulated Net Income** | $ 379 | $ 403 | $ (24) | |
| Earnings Per Share - Ongoing | $ 0.55 | $ 0.58 | $ (0.03) | |

Note: Schedules may not sum due to rounding.

| O&M | | | | | | | | June 2017 |
|---|---|---|---|---|---|---|---|---|

($ Millions)

| | MTD | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Actual | Budget | Total Variance | Labor & Burdens | Resident Contractors | Other Outside Services | Materials | Other |
| Generation | 5 | 6 | 2 | (0) | 0 | 1 | 1 | (0) |
| Project Engineering | 0 | 0 | 0 | 0 | - | - | 0 | (0) |
| Transmission | 2 | 3 | 1 | 0 | (0) | 0 | (0) | 0 |
| Energy Supply and Analysis | 1 | 1 | 0 | 0 | - | (0) | 0 | 0 |
| Electric Distribution | 5 | 6 | 1 | (0) | 1 | (0) | 0 | 0 |
| Gas Distribution | 2 | 2 | (0) | (0) | 0 | (0) | - | - |
| Advanced Metering System | 0 | - | (0) | - | - | - | - | (0) |
| Safety and Technical Training | 0 | 0 | 0 | 0 | (0) | 0 | 0 | 0 |
| Customer Services | 3 | 3 | 0 | (0) | 0 | (0) | 0 | (0) |
| **SVP Operations Total** | **19** | **23** | **4** | **(0)** | **2** | **1** | **1** | **0** |
| Audit Services | 0 | 0 | 0 | 0 | - | - | 0 | 0 |
| Controller | 1 | 1 | 0 | 0 | - | 0 | 0 | 0 |
| Supply Chain | 0 | 0 | 0 | 0 | - | (0) | 0 | (0) |
| Treasurer | 1 | 1 | 0 | 0 | - | - | 0 | 0 |
| State Regulation and Rates | 0 | 0 | 0 | 0 | - | 0 | (0) | 0 |
| Other | 0 | 0 | 0 | 0 | - | 0 | 0 | 0 |
| **Chief Financial Officer Total** | **2** | **2** | **0** | **0** | **-** | **0** | **(0)** | **0** |
| **General Counsel** | **1** | **1** | **0** | **(0)** | **0** | **0** | **0** | **0** |
| **Human Resources** | **0** | **0** | **0** | **0** | **(0)** | **0** | **0** | **0** |
| **Information Technology** | **1** | **1** | **0** | **(0)** | **(0)** | **0** | **(0)** | **0** |
| **Corporate** | **1** | **4** | **3** | **3** | **0** | **(0)** | **-** | **0** |
| **Enterprise Security** | **0** | **0** | **0** | **(0)** | **-** | **0** | **0** | **0** |
| **Utility Total** | **24** | **32** | **8** | **3** | **2** | **2** | **1** | **1** |
| **Nonutility Total** | **25** | **29** | **4** | **3** | **0** | **0** | **1** | **(0)** |
| **O&M Total MTD** | **50** | **61** | **12** | **5** | **2** | **2** | **2** | **0** |

| | YTD | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Actual | Budget | Total Variance | Labor & Burdens | Resident Contractors | Other Outside Services | Materials | Other |
| Generation | 47 | 47 | 0 | (0) | (0) | 2 | (1) | (1) |
| Project Engineering | 0 | 0 | 0 | 0 | - | (0) | (0) | (0) |
| Transmission | 14 | 16 | 2 | (0) | (0) | 2 | (0) | 0 |
| Energy Supply and Analysis | 6 | 6 | 0 | (0) | - | (0) | 0 | 0 |
| Electric Distribution | 31 | 35 | 4 | (0) | 5 | (2) | 1 | 0 |
| Gas Distribution | 13 | 13 | (0) | 0 | (0) | 0 | - | - |
| Advanced Metering System | 0 | - | (0) | (0) | - | - | - | (0) |
| Safety and Technical Training | 3 | 3 | (0) | (0) | (0) | 0 | (0) | 0 |
| Customer Services | 17 | 17 | 1 | (0) | 1 | 0 | 0 | (0) |
| **SVP Operations Total** | **132** | **138** | **7** | **(0)** | **5** | **2** | **(0)** | **(1)** |
| Audit Services | 1 | 1 | 0 | 0 | - | 0 | 0 | 0 |
| Controller | 4 | 4 | 0 | (0) | (0) | 0 | 0 | 0 |
| Supply Chain | 1 | 1 | 0 | 0 | (0) | (0) | 0 | 0 |
| Treasurer | 5 | 5 | 0 | (0) | - | (0) | 0 | 0 |
| State Regulation and Rates | 1 | 1 | 0 | (0) | - | 0 | (0) | 0 |
| Other | 1 | 1 | 0 | 0 | - | 0 | 0 | (0) |
| **Chief Financial Officer Total** | **14** | **14** | **0** | **(0)** | **(0)** | **0** | **(0)** | **0** |
| **General Counsel** | **5** | **6** | **0** | **(0)** | **0** | **(0)** | **0** | **1** |
| **Human Resources** | **0** | **0** | **0** | **0** | **(0)** | **0** | **(0)** | **0** |
| **Information Technology** | **8** | **8** | **1** | **(0)** | **(0)** | **1** | **(0)** | **0** |
| **Corporate** | **20** | **23** | **3** | **3** | **0** | **0** | **0** | **0** |
| **Enterprise Security** | **1** | **1** | **0** | **(0)** | **-** | **0** | **0** | **0** |
| **Utility Total** | **180** | **191** | **11** | **2** | **5** | **3** | **(0)** | **1** |
| **Nonutility Total** | **166** | **173** | **7** | **1** | **0** | **0** | **7** | **(2)** |
| **O&M Total YTD** | **346** | **364** | **18** | **3** | **6** | **4** | **7** | **(1)** |

| | Full Year | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Forecast | Budget | Total Variance | Labor & Burdens | Resident Contractors | Other Outside Services | Materials | Other |
| Generation | 207 | 217 | 9 | 3 | (1) | 1 | 7 | (1) |
| Project Engineering | 1 | 1 | 0 | 0 | - | (0) | (0) | 0 |
| Transmission | 33 | 34 | 2 | 0 | 0 | 1 | (0) | 0 |
| Energy Supply and Analysis | 13 | 13 | 0 | 0 | - | 0 | 0 | 0 |
| Electric Distribution | 70 | 74 | 5 | 0 | 6 | (2) | 1 | 0 |
| Gas Distribution | 36 | 35 | (1) | (0) | (1) | 0 | (0) | (0) |
| Advanced Metering System | 0 | 3 | 3 | 1 | - | 2 | - | (0) |
| Safety and Technical Training | 5 | 5 | (0) | (0) | (0) | (0) | 0 | 0 |
| Customer Services | 97 | 99 | 2 | (0) | 1 | 1 | (0) | 1 |
| **SVP Operations Total** | **462** | **482** | **20** | **4** | **6** | **3** | **7** | **(0)** |
| Audit Services | 2 | 2 | 0 | 0 | - | 0 | 0 | 0 |
| Controller | 9 | 9 | 0 | 0 | (0) | 0 | 0 | 0 |
| Supply Chain | 4 | 4 | 0 | 0 | (0) | (0) | 0 | 0 |
| Treasurer | 23 | 24 | 1 | 0 | - | (0) | 0 | 1 |
| State Regulation and Rates | 4 | 4 | 0 | (0) | - | 0 | 0 | (0) |
| Other | 2 | 2 | 0 | 0 | - | 0 | 0 | (0) |
| **Chief Financial Officer Total** | **44** | **46** | **2** | **0** | **(0)** | **0** | **0** | **1** |
| **General Counsel** | **30** | **31** | **2** | **0** | **0** | **1** | **0** | **1** |
| **Human Resources** | **7** | **7** | **1** | **0** | **(0)** | **0** | **(0)** | **0** |
| **Information Technology** | **55** | **56** | **2** | **2** | **(0)** | **1** | **(0)** | **(1)** |
| **Corporate** | **91** | **105** | **14** | **13** | **0** | **0** | **(0)** | **2** |
| **Enterprise Security** | **3** | **3** | **0** | **(0)** | **-** | **0** | **0** | [illegible] |
| **Utility Total** | **690** | **731** | **40** | **20** | **6** | **5** | **7** | **2** |
| **Nonutility Total** | **28** | **18** | **(10)** | **(5)** | **0** | **(1)** | **(0)** | **(4)** |
| **O&M Total YTD** | **719** | **749** | **30** | **15** | **6** | **4** | **7** | **(2)** |

Note: Schedules may not sum due to rounding.

## Financing Activities

June 2017

($ Millions)

| Balance Sheet | YTD Actual | YTD Budget | YTD Variance | Full Year Forecast | Full Year Budget | Full Year Variance |
|---|---|---|---|---|---|---|
| **PCB** | | | | | | |
| Beg Bal | $ 898.8 | $ 898.8 | $ 0.0 | $ 898.8 | $ 898.8 | $ 0.0 |
| End Bal | 900.1 | 898.7 | (1.4) | 900.0 | 898.7 | (1.4) |
| Ave Bal | **$ 899.4** | **$ 898.8** | **$ (0.7)** | **$ 899.4** | **$ 898.7** | **$ (0.7)** |
| Interest Exp | **$ 8.0** | **$ 6.1** | **$ (2.0)** | **$ 15.0** | **$ 11.9** | **$ (3.1)** |
| Rate | **1.78%** | **1.34%** | **-0.43%** | **1.65%** | **1.31%** | **-0.34%** |
| **FMB/Sr Nts/Loan with PPL** | | | | | | |
| Beg Bal | $ 4,210.0 | $ 4,210.0 | $ 0.0 | $ 4,210.0 | $ 4,210.0 | $ 0.0 |
| End Bal | 4,210.0 | 4,245.0 | 35.0 | 4,601.8 | 4,608.5 | 6.7 |
| Ave Bal | **$ 4,210.0** | **$ 4,227.5** | **$ 17.50** | **$ 4,405.9** | **$ 4,409.2** | **$ 3.33** |
| Interest Exp | **$ 91.9** | **$ 92.2** | **$ 0.3** | **$ 184.0** | **$ 187.7** | **$ 3.7** |
| Rate | **4.34%** | **4.34%** | **0.00%** | **4.12%** | **4.20%** | **0.08%** |
| **Short-term Debt** | | | | | | |
| Beg Bal | $ 348.1 | $ 509.7 | $ 161.6 | $ 348.1 | $ 509.7 | $ 161.6 |
| End Bal | 417.9 | 606.9 | 189.0 | 423.7 | 530.2 | 106.5 |
| Ave Bal (1) | **$ 383.0** | **$ 558.3** | **$ 175.3** | **$ 385.9** | **$ 520.0** | **$ 134.1** |
| Interest Exp | **$ 2.5** | **$ 3.2** | **$ 0.6** | **$ 7.6** | **$ 6.9** | **$ (0.7)** |
| Rate | **1.66%** | **1.13%** | **-0.53%** | **1.95%** | **1.31%** | **-0.64%** |
| **Unamortized Debt Expense Bonds** | | | | | | |
| Beg Bal | $ (44.0) | $ (43.2) | $ 0.7 | $ (44.0) | $ (43.2) | $ 0.75 |
| End Bal | (43.3) | (41.9) | 1.4 | (41.4) | (42.0) | (0.6) |
| Ave Bal | **$ (43.6)** | **$ (42.5)** | **$ 1.1** | **$ (42.7)** | **$ (42.6)** | **$ 0.1** |
| **Total End Bal** | **$ 5,484.7** | **$ 5,708.7** | **$ 224.0** | **$ 5,884.1** | **$ 5,995.3** | **$ 111.2** |
| **Total Average Bal** | **$ 5,369.3** | **$ 5,642.0** | **$ 272.7** | **$ 5,648.5** | **$ 5,785.3** | **$ 136.8** |
| **Total Expense Excl I/C (2)** | **$ 107.5** | **$ 106.8** | **$ (0.7)** | **$ 216.7** | **$ 217.2** | **$ 0.5** |
| **Rate** | **3.95%** | **3.74%** | **-0.21%** | **3.76%** | **3.68%** | **-0.08%** |

(1) Short-term Debt YTD actual reflects average daily balances. All other average balances use the average of the beginning and ending balances.

(2) Total expense line includes additional revolving credit items. Total will not match sum of PCB, FMB, and STD.

| Credit Facilities ($ Millions) | Committed Capacity | Borrowed(3) | Letters of Credit Issued | Unused Capacity |
|---|---|---|---|---|
| LKE | $ 300 | $ 159 | | $ 141 |
| LG&E | 500 | 207 | | 293 |
| KU | 598 | 51 | $ 198 | 349 |
| TOTAL | $ 1,398 | $ 418 | $ 198 | $ 782 |

(3) LG&E and KU borrowed amounts represent commercial paper issuances. LKE borrowed amount includes bank revolver and debt with PPL.

| Credit Metrics[1] Moody's | LKE 2017 Actual YTD | LKE 2017 Budget YTD | LG&E 2017 Actual YTD | LG&E 2017 Budget YTD | KU 2017 Actual YTD | KU 2017 Budget YTD |
|---|---|---|---|---|---|---|
| CFO pre-WC / Debt | 19% | 18% | 27% | 26% | 25% | 27% |
| CFO pre-WC + Interest / Interest | 5.8 | 5.8 | 8.1 | 8.1 | 7.2 | 7.8 |
| CFO pre-WC - Dividends / Debt | 12% | 12% | 19% | 22% | 15% | 18% |
| Debt to Capitalization[2] | 47% | 48% | 38% | 39% | 38% | 38% |

| Credit Metrics Moody's | LKE 2017 BP 2018 | LKE 2017 BP 2019 | LG&E 2017 BP 2018 | LG&E 2017 BP 2019 | KU 2017 BP 2018 | KU 2017 BP 2019 |
|---|---|---|---|---|---|---|
| CFO pre-WC / Debt | 18% | 18% | 27% | 29% | 26% | 26% |
| CFO pre-WC + Interest / Interest | 6.0 | 5.7 | 8.5 | 8.7 | 7.8 | 7.6 |
| CFO pre-WC - Dividends / Debt | 11% | 15% | 25% | 22% | 20% | 18% |
| Debt to Capitalization[2] | 50% | 49% | 38% | 36% | 37% | 37% |

(1) Actuals represent a trailing 12 months.
(2) For LG&E and KU this excludes purchase accounting adjustments and corresponding goodwill.

**Financial Strength Factor (40% Weighting) -- Standard Business Risk Grid:**

| Moody's Thresholds | Sub-Factor Weighting | A | Baa | Ba |
|---|---|---|---|---|
| CFO pre-WC / Debt | 15.0% | 22% - 30% | 13% - 22% | 5% - 13% |
| CFO pre-WC + Interest / Interest | 7.5% | 4.5x - 6x | 3x - 4.5x | 2x - 3x |
| CFO pre-WC - Dividends / Debt | 10.0% | 17% - 25% | 9% - 17% | 0% - 9% |
| Debt / Capitalization | 7.5% | 35% - 45% | 45% - 55% | 55% - 65% |

| As of December 31, 2016 | Senior Unsecured | Senior Secured | Commercial Paper |
|---|---|---|---|
| Issuer | Moody's | Moody's | Moody's |
| LKE | Baa1 | | |
| LG&E | | A1 | P-2 |
| KU | | A1 | P-2 |

**Definitions**

Issuers assessed **A** are judged to have upper-medium-grade intrinsic, or standalone, financial strength, and thus subject to low credit risk absent any possibility of extraordinary support from an affiliate or a government.

Obligations rated **Baa** are judged to be medium-grade and subject to moderate credit risk and as such may possess certain speculative characteristics.
Issuers (or supporting institutions) rated Prime-2 have a strong ability to repay short-term debt obligations.

Moody's appends numerical modifiers 1, 2, and 3 to each generic rating classification. The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates a ranking in the lower end of that generic rating category.

## Balance Sheet - LKE Consolidated — June 2017

($ Millions)

| | 6/30/2017 | YTD Budget | Variance | Comments |
|---|---|---|---|---|
| Assets: | | | | |
| Current Assets: | | | | |
| Cash and Cash Equivalents | $ 19 | $ 14 | $ 5 | |
| Accounts Receivable (Trade) | 373 | 413 | (41) | Primarily due to lower than budgeted revenues and variance between actual and budgeted Acccounts Receivable lag factors. |
| Inventory | 257 | 239 | 18 | |
| Deferred Income Taxes | 0 | 0 | 0 | |
| Regulatory Assets Current | 23 | 18 | 5 | |
| Prepayments and other current assets | 75 | 39 | 36 | Primarily due to accounts receivable related to refined coal. |
| **Total Current Assets** | 747 | 723 | 23 | |
| Property, Plant, and Equipment | 11,634 | 11,850 | (217) | |
| Intangible Assets | 90 | 92 | (2) | |
| Other Property and Investments | 1 | 1 | 0 | |
| Regulatory Assets Non Current | 830 | 917 | (87) | Primarily due to MTM adjustment of Swaps, a pension funded status adjustment due to change in discount rate decrease in ARO balance. |
| Goodwill | 997 | 997 | 0 | |
| Other Long-term Assets | 78 | 81 | (2) | |
| **Total Assets** | **$ 14,377** | **$ 14,662** | **$ (285)** | |
| Liabilities and Equity: | | | | |
| Current Liabilities: | | | | |
| Accounts Payable (Trade) | $ 231 | $ 215 | $ 16 | |
| Dividends Payable to Affiliated Companies | 0 | 0 | 0 | |
| Customer Deposits | 57 | 55 | 2 | |
| Derivative Liability | 5 | 6 | (1) | |
| Accrued Taxes | 42 | 17 | 25 | Budget assumed higher Q2 tax settlement to occur in April 2017. |
| Regulatory Liabilities Current | 14 | 21 | (7) | |
| Other Current Liabilities | 219 | 189 | 31 | Primarily due to reclassfication of ARO amounts between current and long-term and timing of payables and credit cash adjustment. |
| **Total Current Liabilities** | 567 | 502 | 65 | |
| Debt - Affiliated Company | 559 | 681 | (121) | Used tax settlements and dividends from utilities to pay down CEP reserves. |
| Debt [(1)] | 4,925 | 5,028 | (103) | |
| **Total Debt** | 5,485 | 5,709 | (224) | |
| Deferred Tax Liabilities | 1,823 | 1,828 | (4) | |
| Investment Tax Credit | 131 | 130 | 1 | |
| Accum Provision for Pension & Related Benefits | 344 | 410 | (67) | Decrease primarily from funded status adjustment due to change in discount rate. |
| Asset Retirement Obligation | 292 | 362 | (70) | Primarily due to ARO revaluation and reclassification from long term to current. |
| Regulatory Liabilities Non Current | 902 | 856 | 46 | |
| Derivative Liability | 25 | 30 | (5) | |
| Other Liabilities | 176 | 187 | (11) | |
| **Total Deferred Credits and Other Liabilities** | 3,693 | 3,804 | (110) | |
| **Equity** | 4,631 | 4,648 | (16) | |
| **Total Liabilities and Equity** | **$ 14,377** | **$ 14,662** | **$ (285)** | |

(1) Includes all ST and LT debt. See Financing Activities page for details.
Note: Schedules may not sum due to rounding.

**Case Nos. 2018-00294 and 2018-00295**
**Attachment to Filing Requirement**
**807 KAR 5:001 Sec. 16(7)(o)**
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**Arbough**

## Balance Sheet - LG&E  June 2017

**($ Millions)**

| | 6/30/2017 | YTD Budget | Variance | Comments |
|---|---|---|---|---|
| Assets: | | | | |
| Current Assets: | | | | |
| Cash and Cash Equivalents | $ 7 | $ 5 | $ 2 | |
| Accounts Receivable (Trade) | 164 | 179 | (14) | |
| Inventory | 111 | 103 | 8 | |
| Deferred Income Taxes | 0 | 0 | 0 | |
| Regulatory Assets Current | 11 | 4 | 7 | |
| Prepayments and other current assets | 43 | 46 | (4) | |
| **Total Current Assets** | 336 | 337 | (1) | |
| Property, Plant, and Equipment | 5,048 | 5,143 | (94) | |
| Intangible Assets | 6 | 6 | (0) | |
| Other Property and Investments | 1 | 1 | 0 | |
| Regulatory Assets Non Current | 448 | 497 | (49) | Primarily due to MTM adjustment of Swaps, a pension funded status adjustment due to change in discount rate decrease in ARO balance. |
| Goodwill | 0 | 0 | 0 | |
| Other Long-term Assets | 16 | 21 | (5) | |
| **Total Assets** | **$ 5,855** | **$ 6,004** | **$ (149)** | |
| Liabilities and Equity: | | | | |
| Current Liabilities: | | | | |
| Accounts Payable (Trade) | $ 139 | $ 151 | $ (12) | |
| Dividends Payable to Affiliated Companies | 0 | 0 | 0 | |
| Customer Deposits | 27 | 26 | 1 | |
| Derivative Liability | 5 | 6 | (1) | |
| Accrued Taxes | 17 | 15 | 3 | |
| Regulatory Liabilities Current | 4 | 4 | 1 | |
| Other Current Liabilities | 79 | 84 | (5) | |
| **Total Current Liabilities** | 271 | 285 | (14) | |
| Debt - Affiliated Company | 0 | 0 | 0 | |
| Debt [(1)] | 1,825 | 1,876 | (51) | |
| **Total Debt** | 1,825 | 1,876 | (51) | |
| Deferred Tax Liabilities | 1,033 | 1,035 | (2) | |
| Investment Tax Credit | 36 | 36 | (0) | |
| Accum Provision for Pension & Related Benefits | 48 | 73 | (25) | Decrease primarily from funded status adjustment due to change in discount rate. |
| Asset Retirement Obligation | 103 | 99 | 4 | |
| Regulatory Liabilities Non Current | 368 | 347 | 21 | |
| Derivative Liability | 25 | 30 | (5) | |
| Other Liabilities | 83 | 90 | (7) | |
| **Total Deferred Credits and Other Liabilities** | 1,697 | 1,710 | (13) | |
| **Equity** | 2,061 | 2,133 | (71) | |
| **Total Liabilities and Equity** | **$ 5,855** | **$ 6,004** | **$ (149)** | |

[(1)] Includes all ST and LT debt.
Note: Schedules may not sum due to rounding.

**Case Nos. 2018-00294 and 2018-00295**
**Attachment to Filing Requirement**
**807 KAR 5:001 Sec. 16(7)(o)**
**Page 83 of 260**
**Arbough**

## Balance Sheet - KU — June 2017

($ Millions)

| | 6/30/2017 | YTD Budget | Variance | Comments |
|---|---|---|---|---|
| Assets: | | | | |
| Current Assets: | | | | |
| Cash and Cash Equivalents | $ 12 | $ 5 | $ 7 | |
| Accounts Receivable (Trade) | 208 | 234 | (26) | Primarily due to lower than budgeted revenues and variance between actual and budgeted Acccounts Receivable lag factors. |
| Inventory | 147 | 136 | 11 | |
| Deferred Income Taxes | 0 | 0 | 0 | |
| Regulatory Assets Current | 11 | 14 | (2) | |
| Prepayments and other current assets | 47 | 22 | 25 | Primarily due to accounts receivable related to refined coal. |
| **Total Current Assets** | 425 | 411 | 14 | |
| Property, Plant, and Equipment | 6,577 | 6,699 | (122) | |
| Intangible Assets | 13 | 13 | (0) | |
| Other Property and Investments | 0 | 0 | 0 | |
| Regulatory Assets Non Current | 379 | 420 | (41) | Primarily due to  a pension funded status adjustment due to change in discount rate and decrease in ARO balance. |
| Goodwill | 0 | 0 | 0 | |
| Other Long-term Assets | 60 | 57 | 2 | |
| **Total Assets** | **$ 7,455** | **$ 7,601** | **$ (147)** | |
| Liabilities and Equity: | | | | |
| Current Liabilities: | | | | |
| Accounts Payable (Trade) | $ 137 | $ 110 | $ 27 | Primarily due to timing of actuals. |
| Dividends Payable to Affiliated Companies | 0 | 0 | 0 | |
| Customer Deposits | 30 | 28 | 1 | |
| Derivative Liability | 0 | 0 | 0 | |
| Accrued Taxes | 16 | 9 | 7 | |
| Regulatory Liabilities Current | 10 | 17 | (7) | |
| Other Current Liabilities | 93 | 63 | 30 | Primarily due to ARO reclassification from long term to current. |
| **Total Current Liabilities** | 285 | 227 | 58 | |
| Debt - Affiliated Company | 0 | 0 | 0 | |
| Debt [(1)] | 2,376 | 2,429 | (52) | |
| **Total Debt** | 2,376 | 2,429 | (52) | |
| Deferred Tax Liabilities | 1,242 | 1,283 | (41) | |
| Investment Tax Credit | 95 | 94 | 1 | |
| Accum Provision for Pension & Related Benefits | 38 | 66 | (29) | Decrease primarily from funded status adjustment due to change in discount rate. |
| Asset Retirement Obligation | 189 | 263 | (74) | Primarily due to ARO revaluation and reclassification from long term to current. |
| Regulatory Liabilities Non Current | 462 | 436 | 26 | |
| Derivative Liability | 0 | 0 | 0 | |
| Other Liabilities | 42 | 48 | (6) | |
| **Total Deferred Credits and Other Liabilities** | 2,068 | 2,191 | (123) | |
| **Equity** | 2,726 | 2,755 | (30) | |
| **Total Liabilities and Equity** | **$ 7,455** | **$ 7,601** | **$ (147)** | |

[(1)] Includes all ST and LT debt.
Note:  Schedules may not sum due to rounding.

**KU and LG&E Combined**
**Reconciliation of Allowed Return to**
**12 months ended June 2017 Regulatory Return**
**and ROE from Ongoing Operations**

| | | | |
|---|---|---|---|
| Allowed Return (1) | | 10.0% | |
| Adjustments (net tax): | | | |
| Change in capitalization - non mechanism | -0.1% | | Growth in capitalization (rate base) between rate cases does not earn a return |
| Change in ROE from average mechanism rate base growth | 0.0% | | Mechanisms have a real-time return |
| Change in weighted cost of debt | -0.1% | | Higher interest rates and borrowing |
| Change in margins | -0.8% | | Lower revenue |
| Change in allowed expenses | 0.7% | | Lower expense |
| | | -0.3% | |
| Actual Regulated ROE | | 9.8% | |

(1) Based on the base rate filings with test years ending 6/30/16 KPSC, 12/31/14 VA and the FERC Formula Rate Filing for the period ended 12/31/15.

# Performance Report

# July 2017

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## Kentucky Regulated Dashboard — July 2017

| | Current Month | | YTD | | Full Year | |
|---|---|---|---|---|---|---|
| **Safety** | Actual | PY | Actual | PY | Forecast | PY |
| TCIR - Employees[1] | 2.01 | 0.34 | 1.13 | 0.87 | 1.35 | 1.12 |
| Employee lost-time incidents | 2 | 0 | 6 | 2 | 10 | 5 |
| **Reliability** | Actual | Budget | Actual | Budget | Forecast | Budget |
| Generation Volumes | 3,217 | 3,290 | 19,094 | 20,199 | 33,320 | 34,425 |
| Utility EFOR | 2.6% | 5.0% | 4.1% | 5.0% | N/A | 5.0% |
| Utility EAF | 96.1% | 92.5% | 84.7% | 86.5% | N/A | 85.2% |
| Steam Fleet Commercial Availability | 97.9% | 93.0% | 94.4% | 93.0% | N/A | 93.0% |
| Combined SAIFI | 0.13 | 0.12 | 0.53 | 0.67 | N/A | 1.03 |
| Combined SAIDI (minutes) | 12.19 | 13.75 | 49.70 | 61.99 | N/A | 93.20 |
| **GwH Sales** | Actual | Budget | Actual | Budget | Forecast | Budget |
| Residential | 1,138 | 1,083 | 5,906 | 6,337 | 10,188 | 10,668 |
| Commercial | 773 | 751 | 4,536 | 4,590 | 7,798 | 7,882 |
| Industrial | 778 | 859 | 5,329 | 5,636 | 9,218 | 9,706 |
| Municipals | 173 | 174 | 1,030 | 1,097 | 1,760 | 1,846 |
| Other | 246 | 251 | 1,559 | 1,603 | 2,735 | 2,753 |
| Off-System Sales | 7 | 20 | 227 | 156 | 315 | 244 |
| Total | 3,115 | 3,138 | 18,587 | 19,418 | 32,015 | 33,098 |
| **Weather-Normalized Sales Growth** | | | TTM | | | |
| Residential | | | 0.41% | | | |
| Commercial | | | 1.70% | | | |
| Industrial | | | -1.75% | | | |
| Municipal | | | -1.98% | | | |
| Other | | | -0.97% | | | |
| Total | | | -0.17% | | | |

| | Current Month | | YTD | | Full Year | |
|---|---|---|---|---|---|---|
| **Margins ($ millions)** | Actual | Budget | Actual | Budget | Forecast | Budget |
| Electric Margins[2] | $184 | $190 | $1,061 | $1,108 | $1,862 | $1,948 |
| Gas Margins | $9 | $10 | $106 | $109 | $178 | $183 |
| **Capital Expenditures ($ millions)** | Actual | Budget | Actual | Budget | Forecast | Budget |
| Total[2] | $96 | $90 | $441 | $558 | $1,071 | $1,107 |
| **O&M ($ millions)** | Actual | Budget | Actual | Budget | Forecast | Budget |
| O&M – Management View[2] [3] | $54 | $61 | $401 | $425 | $717 | $749 |
| O&M – GAAP View[2] [4] | $65 | $72 | $464 | $490 | $826 | $864 |
| **Head Count** | Actual | Budget | Actual | Budget | Forecast | Budget |
| Full-time Employees | 3,473 | 3,613 | 3,473 | 3,613 | 3,561 | 3,591 |
| **Other Metrics** | Actual | PY | Actual | PY | Forecast | PY |
| Environmental Events | 2 | 3 | 5 | 3 | N/A | 3 |
| NERC Possible Violations[5] | 0 | 0 | 4 | 1 | N/A | 5 |

| | TTM | Full Year | |
|---|---|---|---|
| **Financial Metrics** | Actual | Forecast | Budget |
| Utility ROE[6] | 9.8% | 9.6% | 9.8% |
| Average Utility Capitalization ($ millions) | $8,911 | $9,030 | $9,174 |

### Variance Explanations

Lower MTD ECR margins of $1 million due to lower rate base and cost of capital along with rate case outcome relative to filed position including $4 million of lower revenues offset by lower depreciation and O&M.

Lower YTD margins primarily due to lower sales volumes resulting in lower retail electric base energy and demand revenue of $40 million, lower retail rate mechanism revenue of $6 million, lower gas margins of $3 million and rate case outcome relative to filed position.

Lower MTD O&M primarily due to lower labor and burdens of $2 million, lower maintenance and materials of $2 million and the rate case outcome relative to filed position.

Lower YTD O&M primarily due to lower outside service expense of $8 million, lower storm and vegetation management expenses of $5 million, lower plant maintenance of $4 million, lower labor and burdens of $4 million and the rate case outcome relative to filed position.

(1) Full year forecast amount shown represents target.

(2) Includes net impact of approved rate case outcome for deferred AMS Capital and O&M expenses, lower depreciation expense and the offsetting revenue reduction included in margins.

(3) Net of cost recovery mechanisms and variable costs of production.

(4) Includes Management O&M, variable cost of production and mechanism operation and maintenance expenses

(5) The possible violation issues for YTD Actual is believed to be minimal risk.

(6) Excludes goodwill and other purchase accounting adjustments.

Note: Schedules may not sum due to rounding.

### Major Developments

In the recent EEI 2016 Reliability Benchmarking Survey, LKE's Electric Distribution Operations achieved a top quartile performance for System Average Interruption Duration Index (SAIDI) and Customer Average Interruption Duration Index (CAIDI) metrics, and a second quartile ranking for System Average Interruption Frequency Index (SAIFI). LKE's SAIDI represented its lowest figure over the last ten years, and CAIDI was its lowest metric since 2010. Through July of this year, LKE's SAIDI, CAIDI and SAIFI reliability metrics are favorable compared to 2016.

LKE was recognized during the Kentucky Gas Association and Southern Gas Association ("SGA") annual conferences. Gas Operations was honored with the Kentucky Gas Association Accident Prevention Award for Excellence in Safety for having a zero DART rate, which represented the lowest rate among peer companies and groups. This achievement marks the 18th consecutive year LKE has captured the award. The Company's 2016 Summer Stretch video, "Dig Safety: Dig Safely," also won the SGA Safety Excellence Video Award.

The contract between KU and the USW was ratified after weeks of negotiations. The new contract period extends from August 1, 2017 through August 1, 2020. A one-year wage re-opener between KU and the IBEW was also negotiated and ratified. Among other things, the USW contract calls for annual wage increases of 3%, 2% and 2%. The IBEW wage increase was set at 3%. These increases are consistent with the assumptions included in our recent rate case award.

Old Dominion Power Company (KU's operational unit in Virginia) filed a notice of intent with the Virginia State Corporation Commission to increase its rates. The amount of the request is not included in the notice of intent but we expect to seek an additional $6 million in annual revenues (about a 9% increase).

### Significant Future Events

Old Dominion Power Company (KU's operational unit in Virginia) plans to file for its rate increase on September 29, 2017, with rates expected to become effective July 1, 2018, pending approval from the Commission.



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## Income Statement: Actual vs. Budget (Month) - LKE Consolidated — July 2017

($ Millions)

| | MTD Actual | MTD Budget | MTD Variance | Comments |
|---|---|---|---|---|
| **Revenues:** | | | | |
| Electric Revenues | $ 280 | $ 294 | $ (14) | Due primarily to lower fuel revenues, lower ECR revenues and lower than budgeted rate case revenues including the rate case outcome relative to filed position with lower offsetting depreciation and O&M. |
| Gas Revenues | 14 | 13 | 1 | |
| **Total Revenues** | 294 | 306 | (13) | |
| **Cost of Sales:** | | | | |
| Fuel Electric Costs | 75 | 78 | 3 | |
| Gas Supply Expenses | 4 | 3 | (2) | |
| Purchased Power | 5 | 6 | 1 | |
| Other Electric Cost of Production | 3 | 4 | 1 | |
| Mechanism - ECR, DSM & GLT - Operation and Maintenance | 7 | 8 | 1 | |
| Mechanism - ECR, DSM & GLT - Depreciation and Property Tax | 6 | 9 | 4 | |
| **Total Cost of Sales** | 100 | 107 | 7 | |
| **Gross Margin:** | | | | |
| Electric Margin | 184 | 190 | (6) | See explanations above. |
| Gas Margin | 9 | 10 | (0) | |
| **Total Gross Margin** | 194 | 200 | (6) | |
| **Operating Expenses:** | | | | |
| O&M | 54 | 61 | 6 | Primarily due to lower outside service expense, lower maintenance, lower storm and vegetation management expenses, lower labor and burdens, lower uncollectible expense and other smaller variances. |
| Depreciation & Amortization | 33 | 35 | 3 | |
| Taxes, Other than Income | 5 | 5 | (0) | |
| Equity in Earnings | 0 | 0 | 0 | |
| Other income (expense) | 0 | (0) | 0 | |
| EBIT | 101 | 98 | 3 | |
| Interest Expense | 18 | 18 | 0 | |
| **Income from Ongoing Operations before income taxes** | 84 | 80 | 3 | |
| Income Tax Expense | 32 | 31 | (1) | |
| **Net Income (loss) from ongoing operations** | **52** | **49** | **2** | |
| Special Item - EEI | 0 | 0 | 0 | |
| Discontinued Operations | (0) | 0 | (0) | |
| **Net Income (loss)** | $ 52 | $ 49 | $ 2 | |
| KY Regulated Financing Costs | (3) | $ (3) | (0) | |
| **KY Regulated Net Income** | $ 49 | $ 47 | $ 2 | |
| Earnings Per Share - Ongoing | $ 0.07 | $ 0.07 | $ 0.00 | |

Note: Schedules may not sum due to rounding.

## Income Statement: Actual vs. Budget (YTD) - LKE Consolidated — July 2017

($ Millions)

| | YTD | | | |
|---|---|---|---|---|
| | Actual | Budget | Variance | Comments |
| **Revenues:** | | | | |
| Electric Revenues | $ 1,641 | $ 1,725 | $ (84) | Due primarily to lower sales volumes as a result of mild weather and lower than budgeted rate case revenues. |
| Gas Revenues | 186 | 213 | (27) | Due primarily to lower sales volumes driven by mild weather in Q1. |
| **Total Revenues** | 1,827 | 1,937 | (111) | |
| **Cost of Sales:** | | | | |
| Fuel Electric Costs | 450 | 479 | 29 | Primarily due to decreased generation as a result of mild weather. |
| Gas Supply Expenses | 73 | 96 | 23 | Due primarily to lower gas usage as a result of mild weather. |
| Purchased Power | 33 | 35 | 2 | |
| Other Electric Cost of Production | 21 | 24 | 3 | |
| Mechanism - ECR, DSM & GLT - Operation and Maintenance | 42 | 41 | (1) | |
| Mechanism - ECR, DSM & GLT - Depreciation and Property Tax | 41 | 46 | 5 | Primarily due to lower depreciation rates. |
| **Total Cost of Sales** | 660 | 721 | 61 | |
| **Gross Margin:** | | | | |
| Electric Margin | 1,061 | 1,108 | (47) | See explanations above. |
| Gas Margin | 106 | 109 | (3) | |
| **Total Gross Margin** | 1,167 | 1,216 | (49) | |
| **Operating Expenses:** | | | | |
| O&M | 401 | 425 | 24 | Primarily due to lower outside service expense, lower maintenance, lower storm and vegetation management expenses, lower labor and burdens, lower uncollectible expense and other smaller variances. |
| Depreciation & Amortization | 211 | 216 | 5 | Primarily due to lower actual capital spend and closings and the impact of the settled versus as filed depreciation rates. |
| Taxes, Other than Income | 34 | 35 | 1 | |
| Other income (expense) | (6) | (5) | (1) | |
| EBIT | 515 | 536 | (21) | |
| Interest Expense | 125 | 125 | (1) | |
| **Income from Ongoing Operations before income taxes** | 390 | 411 | (21) | |
| Income Tax Expense | 148 | 157 | 9 | |
| **Net Income (loss) from ongoing operations** | **242** | **254** | **(12)** | |
| Special Item - EEI | (1) | 0 | (1) | |
| Discontinued Operations | 0 | 0 | 0 | |
| **Net Income (loss)** | $ 242 | $ 254 | $ (13) | |
| KY Regulated Financing Costs | (18) | (17) | (0) | |
| **KY Regulated Net Income** | 224 | $ 237 | $ (13) | |
| Earnings Per Share - Ongoing | $ 0.33 | $ 0.34 | $ (0.02) | |

Note: Schedules may not sum due to rounding.

## Income Statement: Actual vs. Budget (YTD) - LG&E — July 2017

**($ Millions)**

| | YTD | | | |
|---|---|---|---|---|
| | Actual | Budget | Variance | Comments |
| **Revenues:** | | | | |
| Electric Revenues | $ 662 | $ 683 | $ (20) | Due primarily to lower sales volumes as a result of mild weather and lower than budgeted rate case revenues. |
| Gas Revenues | 186 | 213 | (27) | Due primarily to lower sales volumes driven by mild weather in Q1. |
| **Total Revenues** | 848 | 895 | (47) | |
| **Cost of Sales:** | | | | |
| Fuel Electric Costs | 181 | 181 | 0 | |
| Gas Supply Expenses | 73 | 96 | 23 | Due primarily to lower gas usage as a result of mild weather. |
| Purchased Power | 28 | 33 | 5 | Lower intercompany and market purchases driven by mild weather. |
| Other Electric Cost of Production | 7 | 9 | 1 | |
| Mechanism - ECR, DSM & GLT - Operation and Maintenance | 16 | 16 | 0 | |
| Mechanism - ECR, DSM & GLT - Depreciation and Property Tax | 22 | 24 | 3 | |
| **Total Cost of Sales** | 328 | 360 | 32 | |
| **Gross Margin:** | | | | |
| Electric Margin | 415 | 427 | (12) | See explanations above. |
| Gas Margin | 106 | 109 | (3) | |
| **Total Gross Margin** | 520 | 535 | (15) | |
| **Operating Expenses:** | | | | |
| O&M | 177 | 191 | 13 | Primarily due to lower outside service expense, lower maintenance, lower storm and vegetation management expenses, lower labor and burdens, lower uncollectible expense, and other smaller variances. |
| Depreciation & Amortization | 85 | 87 | 2 | |
| Taxes, Other than Income | 17 | 18 | 1 | |
| Other income (expense) | (3) | (2) | (0) | |
| EBIT | 238 | 237 | 1 | |
| Interest Expense | 40 | 40 | 0 | |
| **Income from Ongoing Operations before income taxes** | 198 | 197 | 1 | |
| Income Tax Expense | 76 | 75 | (0) | |
| **Net Income (loss) from ongoing operations** | **$ 122** | **$ 121** | **$ 0** | |

Note: Schedules may not sum due to rounding.

## Income Statement: Actual vs. Budget (YTD) - KU

**July 2017**

**($ Millions)**

| | YTD | | | |
|---|---|---|---|---|
| | Actual | Budget | Variance | Comments |
| **Revenues:** | | | | |
| Electric Revenues | $ 1,006 | $ 1,075 | $ (69) | Due primarily to lower sales volumes as a result of mild weather and lower than budgeted rate case revenues. |
| Gas Revenues | 0 | 0 | 0 | |
| **Total Revenues** | 1,006 | 1,075 | (69) | |
| **Cost of Sales:** | | | | |
| Fuel Electric Costs | 272 | 300 | 28 | Primarily due to decreased generation as a result of mild weather. |
| Gas Supply Expenses | 0 | 0 | 0 | |
| Purchased Power | 30 | 33 | 3 | |
| Other Electric Cost of Production | 13 | 15 | 2 | |
| Mechanism - ECR, DSM & GLT - Operation and Maintenance | 26 | 24 | (1) | |
| Mechanism - ECR, DSM & GLT - Depreciation and Property Tax | 19 | 21 | 3 | |
| **Total Cost of Sales** | 360 | 394 | 35 | |
| **Gross Margin:** | | | | |
| Electric Margin | 646 | 681 | (35) | See explanations above. |
| Gas Margin | 0 | 0 | 0 | |
| **Total Gross Margin** | 646 | 681 | (35) | |
| **Operating Expenses:** | | | | |
| O&M | 204 | 223 | 19 | Primarily due to lower outside service expense, lower maintenance, lower storm and vegetation management expenses, lower labor and burdens, lower uncollectible expense and other smaller variances. |
| Depreciation & Amortization | 126 | 128 | 2 | |
| Taxes, Other than Income | 17 | 17 | 0 | |
| Other income (expense) | (2) | (3) | 0 | |
| EBIT | 297 | 310 | (13) | |
| Interest Expense | 56 | 56 | (0) | |
| **Income from Ongoing Operations before income taxes** | 241 | 254 | (14) | |
| Income Tax Expense | 92 | 97 | 5 | |
| **Net Income (loss) from ongoing operations** | **$ 149** | **$ 158** | **$ (9)** | |

Note: Schedules may not sum due to rounding.



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## O&M — July 2017

($ Millions)

| | MTD | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Actual | Budget | Total Variance | Labor & Burdens | Resident Contractors | Other Outside Services | Materials | Other |
| Generation | 12 | 14 | 2 | 0 | 0 | 1 | 1 | (0) |
| Project Engineering | 0 | 0 | 0 | 0 | - | - | 0 | 0 |
| Transmission | 3 | 3 | 0 | 0 | 0 | (0) | (0) | (0) |
| Energy Supply and Analysis | 1 | 1 | 0 | 0 | - | 0 | 0 | 0 |
| Electric Distribution | 6 | 7 | 1 | (0) | 1 | (0) | 0 | (0) |
| Gas Distribution | 3 | 3 | 0 | 0 | 0 | (0) | 0 | (0) |
| Advanced Metering System | 0 | 1 | 1 | 0 | - | 0 | - | (0) |
| Safety and Technical Training | 0 | 0 | 0 | (0) | (0) | 0 | (0) | 0 |
| Customer Services | 8 | 9 | 1 | 0 | 0 | 0 | (0) | 0 |
| **SVP Operations Total** | **33** | **38** | **5** | **1** | **2** | **1** | **1** | **0** |
| Audit Services | 0 | 0 | 0 | 0 | - | - | 0 | 0 |
| Controller | 1 | 1 | 0 | 0 | - | 0 | 0 | (0) |
| Supply Chain | 0 | 0 | 0 | 0 | - | 0 | 0 | 0 |
| Treasurer | 2 | 2 | 0 | 0 | - | - | (0) | 0 |
| State Regulation and Rates | 0 | 1 | 0 | 0 | - | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | - | 0 | (0) | 0 |
| **Chief Financial Officer Total** | **4** | **4** | **0** | **0** | **-** | **0** | **0** | **0** |
| **General Counsel** | **2** | **2** | **0** | **0** | **0** | **0** | **(0)** | **0** |
| **Human Resources** | **0** | **1** | **0** | **0** | **-** | **0** | **0** | **0** |
| **Information Technology** | **4** | **5** | **1** | **1** | **(0)** | **0** | **0** | **0** |
| **Corporate** | **9** | **9** | **(0)** | **(0)** | **0** | **0** | **(0)** | **0** |
| **Enterprise Security** | **0** | **0** | **(0)** | **(0)** | **-** | **-** | **0** | **0** |
| **Utility Total** | **52** | **59** | **7** | **2** | **2** | **1** | **1** | **1** |
| **Nonutility Total** | **2** | **2** | **(0)** | **0** | **(0)** | **(0)** | **0** | **(0)** |
| **O&M Total MTD** | **54** | **61** | **6** | **2** | **2** | **1** | **1** | **0** |

| | YTD | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Actual | Budget | Total Variance | Labor & Burdens | Resident Contractors | Other Outside Services | Materials | Other |
| Generation | 109 | 120 | 11 | 3 | (0) | 3 | 7 | (1) |
| Project Engineering | 0 | 0 | 0 | 0 | - | (0) | 0 | 0 |
| Transmission | 18 | 20 | 2 | 0 | 0 | 2 | (0) | 0 |
| Energy Supply and Analysis | 7 | 7 | 0 | 0 | - | 0 | 0 | 0 |
| Electric Distribution | 39 | 45 | 5 | (0) | 7 | (2) | 1 | 0 |
| Gas Distribution | 20 | 20 | (0) | 0 | (0) | (0) | 0 | (0) |
| Advanced Metering System | 0 | 1 | 1 | 0 | - | 0 | - | (0) |
| Safety and Technical Training | 3 | 3 | (0) | (0) | (0) | (0) | (0) | 0 |
| Customer Services | 53 | 56 | 3 | 0 | 1 | 1 | 0 | 1 |
| **SVP Operations Total** | **249** | **272** | **22** | **3** | **8** | **3** | **8** | **0** |
| Audit Services | 1 | 1 | 0 | 0 | - | 0 | 0 | 0 |
| Controller | 5 | 5 | 0 | (0) | (0) | 0 | 0 | 0 |
| Supply Chain | 2 | 2 | 0 | 0 | (0) | (0) | 0 | 0 |
| Treasurer | 14 | 14 | 0 | (0) | - | (0) | 0 | 0 |
| State Regulation and Rates | 2 | 2 | 0 | (0) | - | 0 | 0 | 0 |
| Other | 1 | 1 | 0 | 0 | - | 0 | 0 | (0) |
| **Chief Financial Officer Total** | **26** | **26** | **1** | **(0)** | **(0)** | **0** | **0** | **1** |
| **General Counsel** | **15** | **17** | **2** | **0** | **0** | **1** | **(0)** | **1** |
| **Human Resources** | **4** | **4** | **1** | **0** | **(0)** | **0** | **(0)** | **0** |
| **Information Technology** | **30** | **32** | **2** | **1** | **(0)** | **1** | **(0)** | **0** |
| **Corporate** | **56** | **61** | **4** | **4** | **0** | **0** | **(0)** | **(0)** |
| **Enterprise Security** | **1** | **2** | **0** | **(0)** | **-** | **0** | **0** | **0** |
| **Utility Total** | **382** | **414** | **32** | **8** | **8** | **6** | **8** | **2** |
| **Nonutility Total** | **19** | **11** | **(8)** | **(4)** | **(0)** | **(1)** | **(0)** | **(3)** |
| **O&M Total YTD** | **401** | **425** | **24** | **4** | **8** | **5** | **8** | **(1)** |

Note: Schedules may not sum due to rounding.



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## Financing Activities — July 2017

**($ Millions)**

| Balance Sheet | YTD Actual | YTD Budget | YTD Variance |
|---|---|---|---|
| **PCB** | | | |
| Beg Bal | $ 898.8 | $ 898.8 | $ 0.0 |
| End Bal | 900.1 | 898.7 | (1.4) |
| Ave Bal | **$ 899.4** | **$ 898.8** | **$ (0.7)** |
| Interest Exp | **$ 9.1** | **$ 7.0** | **$ (2.0)** |
| Rate | **1.71%** | **1.33%** | **-0.38%** |
| **FMB/Sr Nts/Loan with PPL** | | | |
| Beg Bal | $ 4,210.0 | $ 4,210.0 | $ 0.0 |
| End Bal | 4,210.0 | 4,245.0 | 35.0 |
| Ave Bal | **$ 4,210.0** | **$ 4,227.5** | **$ 17.50** |
| Interest Exp | **$ 107.3** | **$ 107.7** | **$ 0.5** |
| Rate | **4.33%** | **4.33%** | **0.00%** |
| **Short-term Debt** | | | |
| Beg Bal | $ 348.1 | $ 509.7 | $ 161.6 |
| End Bal | 399.9 | 559.4 | 159.5 |
| Ave Bal (1) | **$ 374.0** | **$ 534.5** | **$ 160.6** |
| Interest Exp | **$ 3.2** | **$ 3.8** | **$ 0.7** |
| Rate | **1.71%** | **1.21%** | **-0.49%** |
| **Unamortized Debt Expense Bonds** | | | |
| Beg Bal | $ (44.0) | $ (43.2) | $ 0.7 |
| End Bal | (43.1) | (41.4) | 1.7 |
| Ave Bal | **$ (43.5)** | **$ (42.3)** | **$ 1.2** |
| **Total End Bal** | **$ 5,466.9** | **$ 5,661.7** | **$ 194.8** |
| **Total Average Bal** | **$ 5,380.8** | **$ 5,618.5** | **$ 237.6** |
| **Total Expense Excl I/C (2)** | **$ 125.4** | **$ 124.8** | **$ (0.6)** |
| **Rate** | **3.93%** | **3.74%** | **-0.18%** |

(1) Short-term Debt YTD actual reflects average daily balances. All other average balances use the average of the beginning and ending balances.
(2) Total expense line includes additional revolving credit items. Total will not match sum of PCB, FMB, and STD.

| Credit Facilities ($ Millions) | Committed Capacity | Borrowed(3) | Letters of Credit Issued | Unused Capacity |
|---|---|---|---|---|
| LKE | $ 300 | $ 151 | | $ 149 |
| LG&E | 500 | 225 | | 275 |
| KU | 598 | 24 | $ 198 | 376 |
| TOTAL | $ 1,398 | $ 400 | $ 198 | $ 800 |

(3) LG&E and KU borrowed amounts represent commercial paper issuances. LKE borrowed amount includes bank revolver and debt with PPL.

| Credit Metrics[1] Moody's | LKE 2017 Actual YTD | LKE 2017 Budget YTD | LG&E 2017 Actual YTD | LG&E 2017 Budget YTD | KU 2017 Actual YTD | KU 2017 Budget YTD |
|---|---|---|---|---|---|---|
| CFO pre-WC / Debt | 19% | 18% | 27% | 27% | 25% | 27% |
| CFO pre-WC + Interest / Interest | 5.8 | 5.8 | 8.0 | 8.2 | 7.2 | 7.8 |
| CFO pre-WC - Dividends / Debt | 12% | 12% | 18% | 22% | 15% | 18% |
| Debt to Capitalization[2] | 47% | 48% | 38% | 38% | 37% | 38% |

| Credit Metrics Moody's | LKE 2017 BP 2018 | LKE 2017 BP 2019 | LG&E 2017 BP 2018 | LG&E 2017 BP 2019 | KU 2017 BP 2018 | KU 2017 BP 2019 |
|---|---|---|---|---|---|---|
| CFO pre-WC / Debt | 18% | 18% | 27% | 29% | 26% | 26% |
| CFO pre-WC + Interest / Interest | 6.0 | 5.7 | 8.5 | 8.7 | 7.8 | 7.6 |
| CFO pre-WC - Dividends / Debt | 11% | 15% | 25% | 22% | 20% | 18% |
| Debt to Capitalization[2] | 50% | 49% | 38% | 36% | 37% | 37% |

(1) Actuals represent a trailing 12 months.
(2) For LG&E and KU this excludes purchase accounting adjustments and corresponding goodwill.

**Financial Strength Factor (40% Weighting) -- Standard Business Risk Grid:**

| Moody's Thresholds | Sub-Factor Weighting | A | Baa | Ba |
|---|---|---|---|---|
| CFO pre-WC / Debt | 15.0% | 22% - 30% | 13% - 22% | 5% - 13% |
| CFO pre-WC + Interest / Interest | 7.5% | 4.5x - 6x | 3x - 4.5x | 2x - 3x |
| CFO pre-WC - Dividends / Debt | 10.0% | 17% - 25% | 9% - 17% | 0% - 9% |
| Debt / Capitalization | 7.5% | 35% - 45% | 45% - 55% | 55% - 65% |

| As of December 31, 2016 Issuer | Senior Unsecured Moody's | Senior Secured Moody's | Commercial Paper Moody's |
|---|---|---|---|
| LKE | Baa1 | | |
| LG&E | | A1 | P-2 |
| KU | | A1 | P-2 |

**Definitions**

Issuers assessed **A** are judged to have upper-medium-grade intrinsic, or standalone, financial strength, and thus subject to low credit risk absent any possibility of extraordinary support from an affiliate or a government.

Obligations rated **Baa** are judged to be medium-grade and subject to moderate credit risk and as such may possess certain speculative characteristics.
Issuers (or supporting institutions) rated Prime-2 have a strong ability to repay short-term debt obligations.

Moody's appends numerical modifiers 1, 2, and 3 to each generic rating classification. The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates a ranking in the lower end of that generic rating category.

## Balance Sheet - LKE Consolidated — July 2017

**($ Millions)**

| | 7/31/2017 | YTD Budget | Variance | Comments |
|---|---|---|---|---|
| Assets: | | | | |
| Current Assets: | | | | |
| Cash and Cash Equivalents | $ 31 | $ 17 | $ 15 | Primarily related to reclass between Accounts Payable and funding accounts. |
| Accounts Receivable (Trade) | 416 | 425 | (9) | |
| Inventory | 257 | 239 | 18 | |
| Deferred Income Taxes | 0 | 0 | 0 | |
| Regulatory Assets Current | 19 | 20 | (1) | |
| Prepayments and other current assets | 86 | 41 | 44 | Primarily due to accounts receivable related to refined coal. |
| **Total Current Assets** | 809 | 742 | 67 | |
| Property, Plant, and Equipment | 11,688 | 11,887 | (199) | |
| Intangible Assets | 90 | 92 | (2) | |
| Other Property and Investments | 1 | 1 | 0 | |
| Regulatory Assets Non Current | 831 | 919 | (88) | Primarily due to MTM adjustment of Swaps, a pension funded status adjustment due to change in discount rate decrease in ARO balance. |
| Goodwill | 997 | 997 | 0 | |
| Other Long-term Assets | 78 | 81 | (2) | |
| **Total Assets** | **$ 14,494** | **$ 14,718** | **$ (224)** | |
| Liabilities and Equity: | | | | |
| Current Liabilities: | | | | |
| Accounts Payable (Trade) | $ 268 | $ 219 | $ 49 | Primarily due to timing of actuals. |
| Dividends Payable to Affiliated Companies | 0 | 0 | 0 | |
| Customer Deposits | 57 | 55 | 2 | |
| Derivative Liability | 5 | 6 | (1) | |
| Accrued Taxes | 76 | 53 | 23 | Budget assumed higher Q2 tax settlement to occur in April 2017. |
| Regulatory Liabilities Current | 17 | 20 | (3) | |
| Other Current Liabilities | 223 | 205 | 18 | |
| **Total Current Liabilities** | 646 | 558 | 88 | |
| Debt - Affiliated Company | 551 | 681 | (130) | Used tax settlements and dividends from utilities to pay down CEP reserves. |
| Debt [(1)] | 4,916 | 4,981 | (65) | |
| **Total Debt** | 5,467 | 5,662 | (195) | |
| Deferred Tax Liabilities | 1,823 | 1,828 | (5) | |
| Investment Tax Credit | 130 | 130 | 1 | |
| Accum Provision for Pension & Related Benefits | 347 | 410 | (63) | Decrease primarily from funded status adjustment due to change in discount rate. |
| Asset Retirement Obligation | 292 | 360 | (69) | Primarily due to ARO revaluation and reclassification from long term to current. |
| Regulatory Liabilities Non Current | 903 | 855 | 48 | |
| Derivative Liability | 25 | 29 | (5) | |
| Other Liabilities | 178 | 188 | (9) | |
| **Total Deferred Credits and Other Liabilities** | 3,699 | 3,800 | (102) | |
| **Equity** | 4,682 | 4,698 | (15) | |
| **Total Liabilities and Equity** | **$ 14,494** | **$ 14,718** | **$ (224)** | |

[(1)] Includes all ST and LT debt. See Financing Activities page for details.
Note: Schedules may not sum due to rounding.

## Balance Sheet - LG&E — July 2017

($ Millions)

| | 7/31/2017 | YTD Budget | Variance | Comments |
|---|---|---|---|---|
| Assets: | | | | |
| Current Assets: | | | | |
| Cash and Cash Equivalents | $ 13 | $ 5 | $ 8 | |
| Accounts Receivable (Trade) | 183 | 182 | 1 | |
| Inventory | 115 | 107 | 8 | |
| Deferred Income Taxes | 0 | 0 | 0 | |
| Regulatory Assets Current | 11 | 5 | 6 | |
| Prepayments and other current assets | 65 | 48 | 17 | Primarily due to timing of accounts receivable and accounts receivable from associated companies. |
| **Total Current Assets** | 386 | 346 | 39 | |
| Property, Plant, and Equipment | 5,088 | 5,169 | (80) | |
| Intangible Assets | 6 | 6 | (0) | |
| Other Property and Investments | 1 | 1 | 0 | |
| Regulatory Assets Non Current | 449 | 495 | (46) | |
| Goodwill | 0 | 0 | 0 | |
| Other Long-term Assets | 15 | 21 | (5) | |
| **Total Assets** | **$ 5,945** | **$ 6,038** | **$ (93)** | |
| Liabilities and Equity: | | | | |
| Current Liabilities: | | | | |
| Accounts Payable (Trade) | $ 165 | $ 153 | $ 12 | |
| Dividends Payable to Affiliated Companies | 0 | 0 | 0 | |
| Customer Deposits | 27 | 26 | 1 | |
| Derivative Liability | 5 | 6 | (1) | |
| Accrued Taxes | 35 | 33 | 2 | |
| Regulatory Liabilities Current | 7 | 3 | 4 | |
| Other Current Liabilities | 78 | 89 | (11) | Primarily due to ARO reclassification from current to long term. |
| **Total Current Liabilities** | 316 | 311 | 5 | |
| Debt - Affiliated Company | 0 | 0 | 0 | |
| Debt [1] | 1,843 | 1,863 | (20) | |
| **Total Debt** | 1,843 | 1,863 | (20) | |
| Deferred Tax Liabilities | 1,033 | 1,035 | (2) | |
| Investment Tax Credit | 36 | 36 | (0) | |
| Accum Provision for Pension & Related Benefits | 50 | 73 | (23) | Decrease primarily from funded status adjustment due to change in discount rate. |
| Asset Retirement Obligation | 102 | 98 | 4 | |
| Regulatory Liabilities Non Current | 369 | 345 | 24 | |
| Derivative Liability | 25 | 29 | (5) | |
| Other Liabilities | 85 | 90 | (5) | |
| **Total Deferred Credits and Other Liabilities** | 1,700 | 1,707 | (6) | |
| **Equity** | 2,086 | 2,158 | (71) | |
| **Total Liabilities and Equity** | **$ 5,945** | **$ 6,038** | **$ (93)** | |

[1] Includes all ST and LT debt.

Note: Schedules may not sum due to rounding.

| Balance Sheet - KU | | | | July 2017 |
|---|---|---|---|---|
| ($ Millions) | | | | |
| | 7/31/2017 | YTD Budget | Variance | Comments |
| Assets: | | | | |
| Current Assets: | | | | |
| Cash and Cash Equivalents | $ 18 | $ 5 | $ 13 | Primarily related to reclass between Accounts Payable and funding accounts. |
| Accounts Receivable (Trade) | 232 | 242 | (9) | |
| Inventory | 142 | 132 | 10 | |
| Deferred Income Taxes | 0 | 0 | 0 | |
| Regulatory Assets Current | 9 | 16 | (7) | |
| Prepayments and other current assets | 53 | 24 | 29 | Primarily due to accounts receivable related to refined coal. |
| **Total Current Assets** | 454 | 418 | 36 | |
| Property, Plant, and Equipment | 6,592 | 6,710 | (118) | |
| Intangible Assets | 13 | 13 | (0) | |
| Other Property and Investments | 0 | 0 | 0 | |
| Regulatory Assets Non Current | 380 | 424 | (44) | Primarily due to a pension funded status adjustment due to change in discount rate and decrease in ARO balance. |
| Goodwill | 0 | 0 | 0 | |
| Other Long-term Assets | 60 | 57 | 3 | |
| **Total Assets** | **$ 7,498** | **$ 7,622** | **$ (123)** | |
| Liabilities and Equity: | | | | |
| Current Liabilities: | | | | |
| Accounts Payable (Trade) | $ 150 | $ 109 | $ 41 | Primarily due to timing of actuals. |
| Dividends Payable to Affiliated Companies | 0 | 0 | 0 | |
| Customer Deposits | 30 | 28 | 1 | |
| Derivative Liability | 0 | 0 | 0 | |
| Accrued Taxes | 36 | 29 | 7 | |
| Regulatory Liabilities Current | 10 | 17 | (6) | |
| Other Current Liabilities | 98 | 71 | 27 | Primarily due to ARO reclassification from long term to current. |
| **Total Current Liabilities** | 324 | 254 | 70 | |
| Debt - Affiliated Company | 0 | 0 | 0 | |
| Debt [(1)] | 2,350 | 2,394 | (45) | |
| **Total Debt** | 2,350 | 2,394 | (45) | |
| Deferred Tax Liabilities | 1,242 | 1,283 | (41) | |
| Investment Tax Credit | 95 | 94 | 1 | |
| Accum Provision for Pension & Related Benefits | 39 | 66 | (27) | Decrease primarily from funded status adjustment due to change in discount rate. |
| Asset Retirement Obligation | 189 | 262 | (73) | Primarily due to ARO revaluation and reclassification from long term to current. |
| Regulatory Liabilities Non Current | 463 | 437 | 26 | |
| Derivative Liability | 0 | 0 | 0 | |
| Other Liabilities | 42 | 48 | (6) | |
| **Total Deferred Credits and Other Liabilities** | 2,070 | 2,191 | (121) | |
| **Equity** | 2,756 | 2,783 | (27) | |
| **Total Liabilities and Equity** | **$ 7,498** | **$ 7,622** | **$ (123)** | |

[(1)] Includes all ST and LT debt.
Note: Schedules may not sum due to rounding.

# Performance Report

# August 2017

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## Content — Page

## Kentucky Regulated Dashboard — August 2017

| | Current Month | | YTD | | Full Year | |
|---|---|---|---|---|---|---|
| **Safety** | Actual | PY | Actual | PY | Forecast | PY |
| TCIR - Employees[1] | 0.37 | 2.59 | 1.04 | 1.08 | 1.35 | 1.12 |
| Employee lost-time incidents | 0 | 1 | 6 | 3 | 9 | 5 |
| **Reliability** | Actual | Budget | Actual | Budget | Forecast | Budget |
| Generation Volumes | 3,030 | 3,361 | 22,124 | 23,560 | 32,989 | 34,425 |
| Utility EFOR | 2.9% | 5.0% | 3.7% | 5.0% | N/A | 5.0% |
| Utility EAF | 97.2% | 92.5% | 86.4% | 87.3% | N/A | 85.2% |
| Steam Fleet Commercial Availability | 98.7% | 93.0% | 94.9% | 93.0% | N/A | 93.0% |
| Combined SAIFI | 0.07 | 0.09 | 0.60 | 0.75 | N/A | 1.03 |
| Combined SAIDI (minutes) | 5.33 | 8.08 | 54.98 | 70.07 | N/A | 93.20 |
| **GwH Sales** | Actual | Budget | Actual | Budget | Forecast | Budget |
| Residential | 939 | 1,097 | 6,845 | 7,433 | 10,042 | 10,668 |
| Commercial | 746 | 759 | 5,281 | 5,349 | 7,791 | 7,882 |
| Industrial | 838 | 888 | 6,167 | 6,524 | 9,202 | 9,706 |
| Municipals | 164 | 177 | 1,194 | 1,274 | 1,759 | 1,846 |
| Other | 263 | 255 | 1,822 | 1,857 | 2,738 | 2,753 |
| Off-System Sales | 4 | 19 | 231 | 175 | 300 | 244 |
| Total | 2,953 | 3,194 | 21,540 | 22,612 | 31,832 | 33,098 |
| **Weather-Normalized Sales Growth** | | | TTM | | | |
| Residential | | | 0.59% | | | |
| Commercial | | | 0.75% | | | |
| Industrial | | | -2.17% | | | |
| Municipal | | | -2.26% | | | |
| Other | | | -1.93% | | | |
| Total | | | -0.56% | | | |

| | Current Month | | YTD | | Full Year | |
|---|---|---|---|---|---|---|
| **Margins ($ millions)** | Actual | Budget | Actual | Budget | Forecast | Budget |
| Electric Margins[2] | $175 | $192 | $1,236 | $1,300 | $1,855 | $1,948 |
| Gas Margins | $10 | $10 | $115 | $118 | $178 | $183 |
| **Capital Expenditures ($ millions)** | Actual | Budget | Actual | Budget | Forecast | Budget |
| Total[2] | $99 | $96 | $540 | $655 | $1,062 | $1,107 |
| **O&M ($ millions)** | Actual | Budget | Actual | Budget | Forecast | Budget |
| O&M – Management View[2] [3] | $55 | $63 | $456 | $488 | $715 | $749 |
| O&M – GAAP View[2] [4] | $65 | $74 | $529 | $564 | $823 | $864 |
| **Head Count** | Actual | Budget | Actual | Budget | Forecast | Budget |
| Full-time Employees | 3,466 | 3,614 | 3,466 | 3,614 | 3,540 | 3,591 |
| **Other Metrics** | Actual | PY | Actual | PY | Forecast | PY |
| Environmental Events | 0 | 0 | 5 | 3 | N/A | 3 |
| NERC Possible Violations[5] | 2 | 0 | 6 | 1 | N/A | 5 |

| | TTM | Full Year | |
|---|---|---|---|
| **Financial Metrics** | Actual | Forecast | Budget |
| Utility ROE[6] | 9.7% | 9.5% | 9.8% |
| Average Utility Capitalization ($ millions) | $8,913 | $9,012 | $9,174 |

### Variance Explanations

Lower MTD margins primarily due to lower sales volumes from unseasonably mild weather, resulting in lower retail electric base energy and demand revenue of $12 million, and other margin components.

Lower YTD margins primarily due to lower sales volumes from unfavorable weather, resulting in lower retail electric base energy and demand revenue of $51 million, lower ECR revenue of $7 million, lower gas margins of $3 million and other offsetting margin components.

Lower MTD O&M primarily due to lower labor and burdens of $4 million and lower outside service expense of $3 million.

Lower YTD O&M primarily due to lower outside service expense of $9 million, lower labor and burdens of $8 million, lower storm and vegetation management expenses of $6 million, lower plant maintenance of $3 million and lower materials of $4 million.

(1) Full year forecast amount shown represents target.

(2) Includes net impact of approved rate case outcome for deferred AMS Capital and O&M expenses, lower depreciation expense and the offsetting revenue reduction included in margins.

(3) Net of cost recovery mechanisms and variable costs of production.

(4) Includes Management O&M, variable cost of production and mechanism operation and maintenance expenses

(5) The possible violation issues for YTD Actual is believed to be minimal risk.

(6) Excludes goodwill and other purchase accounting adjustments.

Note: Schedules may not sum due to rounding.

### Major Developments

LKE's service territory continues to be adversely impacted by unseasonably mild weather in the region. The first eight months of 2017 have been the worst for temperature-driven load in the 20-year history used for weather normalization purposes. The probability of the cumulative degree day count experienced for this eight month period is .41%. Four of the eight months were more than one standard deviation on the negative side of expected temperatures with three of those months being January, February and August, historically our highest sales months.

LKE completed the traditionally hazardous "Summer Stretch" (June 1 – August 31) with only five recordable injuries excluding hearing-loss cases. This ties the lowest number of incidents during a Summer Stretch since LKE began its strategic focus on summer safety. There were also no employee injuries during the month of August.

The Business First newspaper announced that the Company has earned a "Partners in Philanthropy Award" for being an outstanding corporate citizen. LKE moved up one spot to a fourth-place ranking in the large-company category. LKE has been ranked among the top 5 business philanthropists in the region each year since it began competing for the designation in 2012. The Company also received an "Innovative Partnership Award" for our efforts to transform a run-down urban lot into a greenspace which the community can enjoy.

LKE once again has been named as one of the top 10 utilities in economic development by Site Selection magazine. This marks the eighth year the Company has received this honor since 2000.

As part of the Company's participation in mutual assistance organizations, LKE has released support personnel to various states to assist with hurricane restoration efforts. More than 50 of LKE's contractors were dispatched to Texas supporting American Electric Power's Hurricane Harvey restoration efforts. These resources have been redeployed to Florida to be a part of the over 400 LKE employee and contractor support personnel which are assisting Duke Energy Florida and Florida Power & Light with Hurricane Irma.

### Significant Future Events

Old Dominion Power Company (KU's operational unit in Virginia) plans to file for its rate increase on September 29, 2017, with rates expected to become effective July 1, 2018, pending approval from the Virginia State Corporation Commission.

## Income Statement: Actual vs. Budget (Month) - LKE Consolidated — August 2017

**($ Millions)**

| | MTD | | | |
|---|---|---|---|---|
| | Actual | Budget | Variance | Comments |
| **Revenues:** | | | | |
| Electric Revenues | $ 263 | $ 298 | $ (35) | Due primarily to lower sales volumes as a result of unfavorable weather and lower ECR revenues. |
| Gas Revenues | 13 | 13 | 0 | |
| **Total Revenues** | 276 | 310 | (35) | |
| **Cost of Sales:** | | | | |
| Fuel Electric Costs | 69 | 80 | 11 | Primarily due to decreased generation as a result of unfavorable weather. |
| Gas Supply Expenses | 3 | 2 | (0) | |
| Purchased Power | 5 | 6 | 1 | |
| Other Electric Cost of Production | 3 | 4 | 1 | |
| Mechanism - ECR, DSM & GLT - Operation and Maintenance | 7 | 7 | 1 | |
| Mechanism - ECR, DSM & GLT - Depreciation and Property Tax | 6 | 9 | 4 | |
| **Total Cost of Sales** | 91 | 108 | 17 | |
| **Gross Margin:** | | | | |
| Electric Margin | 175 | 192 | (18) | See explanations above. |
| Gas Margin | 10 | 10 | (0) | |
| **Total Gross Margin** | 184 | 202 | (18) | |
| O&M | 55 | 63 | 9 | Primarily due to lower labor and burdens and lower outside service expense. |
| Depreciation & Amortization | 33 | 35 | 3 | |
| Taxes, Other than Income | 5 | 5 | 0 | |
| Other income (expense) | (0) | (0) | 0 | |
| EBIT | 92 | 98 | (6) | |
| Interest Expense | 18 | 18 | 0 | |
| **Income from Ongoing Operations before income taxes** | 74 | 80 | (6) | |
| Income Tax Expense | 28 | 31 | 3 | |
| **Net Income (loss) from ongoing operations** | **46** | **49** | **(3)** | |
| Special Item - EEI | 0 | 0 | 0 | |
| Discontinued Operations | (0) | 0 | (0) | |
| **Net Income (loss)** | $ 46 | $ 49 | $ (3) | |
| KY Regulated Financing Costs | (3) | $ (3) | (0) | |
| **KY Regulated Net Income** | $ 44 | $ 47 | $ (3) | |
| Earnings Per Share - Ongoing | $ 0.06 | $ 0.07 | $ (0.00) | |

Note: Schedules may not sum due to rounding.

**Case Nos. 2018-00294 and 2018-00295**
**Attachment to Filing Requirement**
**807 KAR 5:001 Sec. 16(7)(o)**

**Arbough**

## Income Statement: Actual vs. Budget (YTD) - LKE Consolidated — August 2017

($ Millions)

| | YTD | | | |
|---|---|---|---|---|
| | Actual | Budget | Variance | Comments |
| **Revenues:** | | | | |
| Electric Revenues | $ 1,904 | $ 2,022 | $ (119) | Due primarily to lower sales volumes as a result of unfavorable weather and lower ECR revenues. |
| Gas Revenues | 199 | 225 | (27) | Due primarily to lower sales volumes driven by unfavorable weather in Q1. |
| **Total Revenues** | 2,102 | 2,248 | (146) | |
| **Cost of Sales:** | | | | |
| Fuel Electric Costs | 519 | 559 | 40 | Primarily due to decreased generation as a result of unfavorable weather. |
| Gas Supply Expenses | 75 | 98 | 23 | Due primarily to lower gas usage as a result of unfavorable weather. |
| Purchased Power | 38 | 41 | 3 | |
| Other Electric Cost of Production | 24 | 28 | 4 | |
| Mechanism - ECR, DSM & GLT - Operation and Maintenance | 49 | 48 | (1) | |
| Mechanism - ECR, DSM & GLT - Depreciation and Property Tax | 46 | 55 | 9 | Primarily due to lower actual capital spending and in-service dates and the impact of the settled versus as filed depreciation rates which is offset in margins. |
| **Total Cost of Sales** | 751 | 829 | 78 | |
| **Gross Margin:** | | | | |
| Electric Margin | 1,236 | 1,300 | (65) | See explanations above. |
| Gas Margin | 115 | 118 | (3) | |
| **Total Gross Margin** | 1,351 | 1,419 | (67) | |
| O&M | 456 | 488 | 33 | Primarily due to lower outside service expense, lower labor and burdens, lower storm and vegetation management expenses, lower plant maintenance and lower materials. |
| Depreciation & Amortization | 244 | 251 | 8 | Primarily due to lower actual capital spending and in-service dates and the impact of the settled versus as filed depreciation rates which is offset in margins. |
| Taxes, Other than Income | 39 | 40 | 1 | |
| Other income (expense) | (6) | (5) | (1) | |
| EBIT | 607 | 634 | (27) | |
| Interest Expense | 143 | 143 | (1) | |
| **Income from Ongoing Operations before income taxes** | 463 | 491 | (27) | |
| Income Tax Expense | 175 | 188 | 12 | |
| **Net Income (loss) from ongoing operations** | **288** | **303** | **(15)** | |
| Special Item - EEI | (1) | 0 | (1) | |
| Discontinued Operations | 0 | 0 | 0 | |
| **Net Income (loss)** | $ 288 | $ 303 | $ (16) | |
| KY Regulated Financing Costs | (20) | (20) | (0) | |
| **KY Regulated Net Income** | 268 | $ 283 | $ (16) | |
| Earnings Per Share - Ongoing | $ 0.39 | $ 0.41 | $ (0.02) | |

Note: Schedules may not sum due to rounding.

## Income Statement: Actual vs. Budget (YTD) - LG&E — August 2017

($ Millions)

| | YTD | | | |
|---|---|---|---|---|
| | Actual | Budget | Variance | Comments |
| **Revenues:** | | | | |
| Electric Revenues | $ 771 | $ 808 | $ (37) | Due primarily to lower sales volumes as a result of unfavorable weather and lower ECR revenues. |
| Gas Revenues | 199 | 225 | (27) | Due primarily to lower sales volumes driven by unfavorable weather in Q1. |
| **Total Revenues** | 969 | 1033 | (64) | |
| **Cost of Sales:** | | | | |
| Fuel Electric Costs | 207 | 212 | 4 | |
| Gas Supply Expenses | 75 | 98 | 23 | Due primarily to lower gas usage as a result of unfavorable weather. |
| Purchased Power | 32 | 38 | 6 | Lower intercompany and market purchases driven by unfavorable weather. |
| Other Electric Cost of Production | 9 | 10 | 2 | |
| Mechanism - ECR, DSM & GLT - Operation and Maintenance | 19 | 20 | 1 | |
| Mechanism - ECR, DSM & GLT - Depreciation and Property Tax | 24 | 29 | 4 | |
| **Total Cost of Sales** | 366 | 407 | 40 | |
| **Gross Margin:** | | | | |
| Electric Margin | 488 | 508 | (21) | See explanations above. |
| Gas Margin | 115 | 118 | (3) | |
| **Total Gross Margin** | 603 | 627 | (24) | |
| O&M | 203 | 220 | 17 | Primarily due to lower outside service expense, lower non labor maintenance, lower non labor storm and vegetation management expenses and lower labor and burdens. |
| Depreciation & Amortization | 98 | 102 | 4 | |
| Taxes, Other than Income | 20 | 20 | 1 | |
| Other income (expense) | (3) | (2) | (0) | |
| EBIT | 280 | 282 | (3) | |
| Interest Expense | 46 | 46 | (0) | |
| **Income from Ongoing Operations before income taxes** | 234 | 236 | (3) | |
| Income Tax Expense | 89 | 91 | 1 | |
| **Net Income (loss) from ongoing operations** | **$ 144** | **$ 146** | **$ (1)** | |

Note: Schedules may not sum due to rounding and exclude purchase accounting adjustments and corresponding goodwill.

## Income Statement: Actual vs. Budget (YTD) - KU — August 2017

($ Millions)

| | YTD | | | |
|---|---|---|---|---|
| | Actual | Budget | Variance | Comments |
| **Revenues:** | | | | |
| Electric Revenues | $ 1,161 | $ 1,252 | $ (90) | Due primarily to lower sales volumes as a result of unfavorable weather and lower ECR revenues. |
| Gas Revenues | 0 | 0 | 0 | |
| **Total Revenues** | 1,161 | 1,252 | (90) | |
| **Cost of Sales:** | | | | |
| Fuel Electric Costs | 315 | 350 | 36 | Primarily due to decreased generation as a result of unfavorable weather. |
| Gas Supply Expenses | 0 | 0 | 0 | |
| Purchased Power | 32 | 36 | 4 | |
| Other Electric Cost of Production | 15 | 18 | 3 | |
| Mechanism - ECR, DSM & GLT - Operation and Maintenance | 30 | 29 | (1) | |
| Mechanism - ECR, DSM & GLT - Depreciation and Property Tax | 22 | 26 | 5 | Primarily due to lower actual capital spending and in-service dates and the impact of the settled versus as filed depreciation rates which is offset in margins. |
| **Total Cost of Sales** | 413 | 460 | 46 | |
| **Gross Margin:** | | | | |
| Electric Margin | 748 | 792 | (44) | See explanations above. |
| Gas Margin | 0 | 0 | 0 | |
| **Total Gross Margin** | 748 | 792 | (44) | |
| O&M | 232 | 256 | 23 | Primarily due to lower outside service expense, lower non labor maintenance, Power Production non labor operations, lower storm and vegetation management expenses, lower labor and burdens, lower uncollectible expense and other smaller variances. |
| Depreciation & Amortization | 145 | 149 | 4 | |
| Taxes, Other than Income | 20 | 20 | 0 | |
| Other income (expense) | (2) | (3) | 0 | |
| EBIT | 349 | 365 | (16) | |
| Interest Expense | 64 | 64 | (0) | |
| **Income from Ongoing Operations before income taxes** | 284 | 301 | (16) | |
| Income Tax Expense | 108 | 114 | 6 | |
| **Net Income (loss) from ongoing operations** | **$ 176** | **$ 186** | **$ (10)** | |

Note: Schedules may not sum due to rounding and exclude purchase accounting adjustments and corresponding goodwill.

## O&M — August 2017

($ Millions)

| | MTD | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Actual | Budget | Total Variance | Labor & Burdens | Resident Contractors | Other Outside Services | Materials | Other |
| Generation | 14 | 15 | 1 | 1 | 0 | 0 | 1 | (0) |
| Project Engineering | 0 | 0 | 0 | 0 | - | (0) | 0 | 0 |
| Transmission | 2 | 3 | 0 | 0 | 0 | (0) | (0) | 0 |
| Energy Supply and Analysis | 1 | 1 | 0 | 0 | - | (0) | 0 | 0 |
| Electric Distribution | 6 | 7 | 1 | 0 | 1 | (0) | 0 | 0 |
| Gas Distribution | 3 | 3 | 0 | 0 | (0) | 0 | 0 | 0 |
| Advanced Metering System | 0 | 1 | 1 | 0 | - | 0 | - | (0) |
| Safety and Technical Training | 0 | 1 | 0 | (0) | (0) | (0) | 0 | 0 |
| Customer Services | 8 | 9 | 1 | 0 | 0 | 0 | (0) | 0 |
| **SVP Operations Total** | **35** | **40** | **5** | **1** | **1** | **0** | **1** | **1** |
| Audit Services | 0 | 0 | 0 | 0 | - | 0 | (0) | 0 |
| Controller | 1 | 1 | 0 | 0 | - | 0 | 0 | 0 |
| Supply Chain | 0 | 0 | 0 | 0 | - | (0) | 0 | (0) |
| Treasurer | 2 | 2 | 0 | 0 | - | (0) | 0 | 0 |
| State Regulation and Rates | 0 | 0 | 0 | (0) | - | 0 | (0) | 0 |
| Other | 0 | 0 | 0 | 0 | - | 0 | 0 | (0) |
| **Chief Financial Officer Total** | **4** | **4** | **0** | **0** | **-** | **0** | **0** | **0** |
| **General Counsel** | **2** | **3** | **1** | **0** | **0** | **1** | **0** | **0** |
| **Human Resources** | **1** | **1** | **0** | **0** | **-** | **0** | **0** | **(0)** |
| **Information Technology** | **4** | **5** | **1** | **0** | **(0)** | **0** | **0** | **0** |
| **Corporate** | **7** | **9** | **2** | **2** | **0** | **0** | **(0)** | **0** |
| **Enterprise Security** | **0** | **0** | **0** | **0** | **-** | **0** | **0** | **(0)** |
| **Utility Total** | **53** | **62** | **9** | **4** | **1** | **1** | **1** | **1** |
| **Nonutility Total** | **2** | **2** | **0** | **0** | **(0)** | **(0)** | **0** | **(0)** |
| **O&M Total MTD** | **55** | **63** | **9** | **4** | **1** | **1** | **1** | **1** |

| | YTD | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Actual | Budget | Total Variance | Labor & Burdens | Resident Contractors | Other Outside Services | Materials | Other |
| Generation | 123 | 135 | 12 | 3 | (0) | 3 | 8 | (2) |
| Project Engineering | 0 | 0 | 0 | 0 | - | (0) | 0 | 0 |
| Transmission | 20 | 23 | 2 | 0 | 0 | 2 | (0) | 0 |
| Energy Supply and Analysis | 8 | 8 | 0 | 0 | - | (0) | 0 | 0 |
| Electric Distribution | 45 | 52 | 6 | 0 | 8 | (3) | 1 | 0 |
| Gas Distribution | 23 | 23 | (0) | 0 | (0) | 0 | 0 | (0) |
| Advanced Metering System | 0 | 1 | 1 | 0 | - | 1 | - | (0) |
| Safety and Technical Training | 3 | 4 | 0 | (0) | (0) | (0) | (0) | 0 |
| Customer Services | 62 | 66 | 4 | 0 | 1 | 1 | 0 | 2 |
| **SVP Operations Total** | **285** | **312** | **27** | **4** | **9** | **4** | **9** | **1** |
| Audit Services | 1 | 1 | 0 | 0 | - | 0 | 0 | 0 |
| Controller | 6 | 6 | 0 | (0) | (0) | 0 | 0 | 0 |
| Supply Chain | 3 | 3 | 0 | 0 | (0) | (0) | 0 | 0 |
| Treasurer | 16 | 16 | 1 | (0) | - | (0) | 0 | 1 |
| State Regulation and Rates | 2 | 3 | 0 | (0) | - | 0 | 0 | 0 |
| Other | 1 | 2 | 0 | 0 | - | 0 | 0 | (0) |
| **Chief Financial Officer Total** | **29** | **30** | **1** | **0** | **(0)** | **0** | **0** | **1** |
| **General Counsel** | **17** | **20** | **3** | **1** | **0** | **1** | **(0)** | **1** |
| **Human Resources** | **4** | **5** | **1** | **0** | **(0)** | **0** | **(0)** | **0** |
| **Information Technology** | **35** | **37** | **3** | **1** | **(0)** | **1** | **(0)** | **1** |
| **Corporate** | **64** | **69** | **6** | **6** | **0** | **0** | **(0)** | **(0)** |
| **Enterprise Security** | **2** | **2** | **0** | **(0)** | **-** | **0** | **0** | **0** |
| **Utility Total** | **435** | **476** | **41** | **12** | **9** | **8** | **9** | **3** |
| **Nonutility Total** | **20** | **13** | **(8)** | **(4)** | **(0)** | **(1)** | **(0)** | **(3)** |
| **O&M Total YTD** | **456** | **488** | **33** | **8** | **9** | **6** | **9** | **0** |

Note: Schedules may not sum due to rounding.

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## Financing Activities — August 2017

($ Millions)

| Balance Sheet | YTD Actual | YTD Budget | YTD Variance |
|---|---|---|---|
| **PCB** | | | |
| Beg Bal | $ 898.8 | $ 898.8 | $ 0.0 |
| End Bal | 900.1 | 898.7 | (1.4) |
| Ave Bal | **$ 899.4** | **$ 898.7** | **$ (0.7)** |
| Interest Exp | **$ 10.6** | **$ 8.0** | **$ (2.6)** |
| Rate | **1.75%** | **1.32%** | **-0.43%** |
| **FMB/Sr Nts/Loan with PPL** | | | |
| Beg Bal | $ 4,210.0 | $ 4,210.0 | $ 0.0 |
| End Bal | 4,210.0 | 4,245.0 | 35.0 |
| Ave Bal | **$ 4,210.0** | **$ 4,227.5** | **$ 17.50** |
| Interest Exp | **$ 122.1** | **$ 123.2** | **$ 1.1** |
| Rate | **4.30%** | **4.32%** | **0.02%** |
| **Short-term Debt** | | | |
| Beg Bal | $ 348.1 | $ 509.7 | $ 161.6 |
| End Bal | 296.8 | 506.7 | 209.9 |
| Ave Bal (1) | **$ 322.4** | **$ 508.2** | **$ 185.8** |
| Interest Exp | **$ 3.7** | **$ 4.4** | **$ 0.7** |
| Rate | **1.75%** | **1.29%** | **-0.45%** |
| **Unamortized Debt Expense Bonds** | | | |
| Beg Bal | $ (44.0) | $ (43.2) | $ 0.7 |
| End Bal | (42.9) | (40.9) | 2.0 |
| Ave Bal | **$ (43.4)** | **$ (42.1)** | **$ 1.4** |
| **Total End Bal** | **$ 5,363.9** | **$ 5,609.5** | **$ 245.5** |
| **Total Average Bal** | **$ 5,382.0** | **$ 5,592.4** | **$ 210.4** |
| **Total Expense Excl I/C (2)** | **$ 143.3** | **$ 142.8** | **$ (0.5)** |
| **Rate** | **3.91%** | **3.75%** | **-0.16%** |

(1) Short-term Debt YTD actual reflects average daily balances. All other average balances use the average of the beginning and ending balances.
(2) Total expense line includes additional revolving credit items. Total will not match sum of PCB, FMB, and STD.

| Credit Facilities ($ Millions) | Committed Capacity | Borrowed(3) | Letters of Credit Issued | Unused Capacity |
|---|---|---|---|---|
| LKE | $ 300 | $ 150 | | $ 150 |
| LG&E | 500 | 147 | | 353 |
| KU | 598 | (0) | $ 198 | 400 |
| TOTAL | $ 1,398 | $ 297 | $ 198 | $ 903 |

(3) LG&E and KU borrowed amounts represent commercial paper issuances. LKE borrowed amount includes bank revolver and debt with PPL.

| Credit Metrics | August 2017 |
|---|---|

| Credit Metrics[1] Moody's | LKE 2017 Actual YTD | LKE 2017 Budget YTD | LG&E 2017 Actual YTD | LG&E 2017 Budget YTD | KU 2017 Actual YTD | KU 2017 Budget YTD |
|---|---|---|---|---|---|---|
| CFO pre-WC / Debt | 19% | 19% | 28% | 27% | 26% | 28% |
| CFO pre-WC + Interest / Interest | 6.1 | 5.9 | 8.1 | 8.3 | 7.3 | 7.9 |
| CFO pre-WC - Dividends / Debt | 13% | 13% | 20% | 23% | 16% | 19% |
| Debt to Capitalization | 47% | 48% | 35% | 35% | 34% | 34% |

| Credit Metrics Moody's | LKE 2017 BP 2018 | LKE 2017 BP 2019 | LG&E 2017 BP 2018 | LG&E 2017 BP 2019 | KU 2017 BP 2018 | KU 2017 BP 2019 |
|---|---|---|---|---|---|---|
| CFO pre-WC / Debt | 17.6% | 17.9% | 27% | 29% | 26% | 26% |
| CFO pre-WC + Interest / Interest | 6.0 | 5.7 | 8.6 | 8.8 | 7.9 | 7.6 |
| CFO pre-WC - Dividends / Debt | 10.5% | 14.5% | 25% | 22% | 20% | 17% |
| Debt to Capitalization | 50.5% | 49.0% | 35% | 34% | 34% | 34% |

(1) Actuals represent a trailing 12 months.

**Financial Strength Factor (40% Weighting) -- Standard Business Risk Grid:**

| Moody's Thresholds | Sub-Factor Weighting | A | Baa | Ba |
|---|---|---|---|---|
| CFO pre-WC / Debt | 15.0% | 22% - 30% | 13% - 22% | 5% - 13% |
| CFO pre-WC + Interest / Interest | 7.5% | 4.5x - 6x | 3x - 4.5x | 2x - 3x |
| CFO pre-WC - Dividends / Debt | 10.0% | 17% - 25% | 9% - 17% | 0% - 9% |
| Debt / Capitalization | 7.5% | 35% - 45% | 45% - 55% | 55% - 65% |

| As of December 31, 2016 | Senior Unsecured | Senior Secured | Commercial Paper |
|---|---|---|---|
| Issuer | Moody's | Moody's | Moody's |
| LKE | Baa1 | | |
| LG&E | | A1 | P-2 |
| KU | | A1 | P-2 |

**Definitions**

Issuers assessed **A** are judged to have upper-medium-grade intrinsic, or standalone, financial strength, and thus subject to low credit risk absent any possibility of extraordinary support from an affiliate or a government.

Obligations rated **Baa** are judged to be medium-grade and subject to moderate credit risk and as such may possess certain speculative characteristics.
Issuers (or supporting institutions) rated Prime-2 have a strong ability to repay short-term debt obligations.

Moody's appends numerical modifiers 1, 2, and 3 to each generic rating classification. The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates a ranking in the lower end of that generic rating category.

## Balance Sheet - LKE Consolidated — August 2017

**($ Millions)**

| | 8/31/2017 | YTD Budget | Variance | Comments |
|---|---|---|---|---|
| Assets: | | | | |
| Current Assets: | | | | |
| Cash and Cash Equivalents | $ 15 | $ 18 | $ (3) | |
| Accounts Receivable (Trade) | 403 | 429 | (27) | |
| Inventory | 264 | 240 | 24 | Lower fuel burn due to unfavorable weather has resulted in higher than budgeted coal inventory levels. |
| Regulatory Assets Current | 19 | 22 | (3) | |
| Prepayments and other current assets | 82 | 39 | 43 | Primarily due to higher accounts receivable related to refined coal, dividends receivable and other accounts receivable offset by accounts receivable from affiliates. |
| **Total Current Assets** | 782 | 748 | 34 | |
| Property, Plant, and Equipment | 11,740 | 11,930 | (189) | |
| Intangible Assets | 89 | 91 | (2) | |
| Other Property and Investments | 1 | 1 | 0 | |
| Regulatory Assets Non Current | 834 | 921 | (87) | |
| Goodwill | 997 | 997 | 0 | |
| Other Long-term Assets | 79 | 80 | (2) | |
| **Total Assets** | **$ 14,522** | **$ 14,768** | **$ (246)** | |
| Liabilities and Equity: | | | | |
| Current Liabilities: | | | | |
| Accounts Payable (Trade) | $ 295 | $ 222 | $ 73 | Primarily due to timing of actuals. |
| Dividends Payable to Affiliated Companies | 98 | 0 | 98 | Dividends are considered declared and paid in the same month in the budget. |
| Customer Deposits | 57 | 55 | 2 | |
| Derivative Liability | 5 | 6 | (1) | |
| Accrued Taxes | 112 | 89 | 23 | Budget assumed higher Q2 tax settlement to occur in April 2017. |
| Regulatory Liabilities Current | 21 | 20 | 1 | |
| Other Current Liabilities | 248 | 221 | 26 | Primarily due to ARO reclassification from long term to current and increase in accrued salaries and benefits in actuals versus the budget which assumed a static balance as of September 2017 when the budget was finalized. |
| **Total Current Liabilities** | 836 | 613 | 223 | |
| Debt - Affiliated Company | 550 | 681 | (131) | Used tax settlements and dividends from utilities to pay down CEP reserves. |
| Debt [1] | 4,814 | 4,929 | (114) | |
| **Total Debt** | 5,364 | 5,609 | (246) | |
| Deferred Tax Liabilities | 1,819 | 1,828 | (8) | |
| Investment Tax Credit | 130 | 130 | 1 | |
| Accum Provision for Pension & Related Benefits | 349 | 410 | (61) | Decrease primarily from funded status adjustment due to change in discount rate. |
| Asset Retirement Obligation | 290 | 359 | (69) | Primarily due to ARO revaluation and reclassification from long term to current. |
| Regulatory Liabilities Non Current | 898 | 854 | 45 | |
| Derivative Liability | 26 | 29 | (3) | |
| Other Liabilities | 178 | 188 | (10) | |
| **Total Deferred Credits and Other Liabilities** | 3,691 | 3,797 | (106) | |
| **Equity** | 4,631 | 4,748 | (117) | |
| **Total Liabilities and Equity** | **$ 14,522** | **$ 14,768** | **$ (246)** | |

[1] Includes all ST and LT debt. See Financing Activities page for details.
Note: Schedules may not sum due to rounding.

| Balance Sheet - LG&E | | | | August 2017 |
|---|---|---|---|---|
| **($ Millions)** | **8/31/2017** | **YTD Budget** | **Variance** | **Comments** |
| Assets: | | | | |
| Current Assets: | | | | |
| Cash and Cash Equivalents | $ 6 | $ 5 | $ 0 | |
| Accounts Receivable (Trade) | 175 | 183 | (9) | |
| Inventory | 123 | 112 | 11 | Lower fuel burn due to unfavorable weather has resulted in higher than budgeted coal inventory levels. |
| Regulatory Assets Current | 11 | 5 | 6 | |
| Prepayments and other current assets | 55 | 47 | 8 | |
| **Total Current Assets** | 369 | 353 | 17 | |
| Property, Plant, and Equipment | 5,120 | 5,197 | (78) | |
| Intangible Assets | 6 | 6 | (0) | |
| Other Property and Investments | 1 | 1 | 0 | |
| Regulatory Assets Non Current | 451 | 494 | (43) | |
| Goodwill | 0 | 0 | 0 | |
| Other Long-term Assets | 15 | 21 | (6) | |
| **Total Assets** | **$ 5,962** | **$ 6,071** | **$ (110)** | |
| Liabilities and Equity: | | | | |
| Current Liabilities: | | | | |
| Accounts Payable (Trade) | $ 182 | $ 155 | $ 27 | Primarily due to timing of actuals. |
| Dividends Payable to Affiliated Companies | 28 | 25 | 3 | |
| Customer Deposits | 27 | 26 | 1 | |
| Derivative Liability | 5 | 6 | (1) | |
| Accrued Taxes | 51 | 51 | (0) | |
| Regulatory Liabilities Current | 9 | 3 | 6 | |
| Other Current Liabilities | 89 | 93 | (4) | |
| **Total Current Liabilities** | 390 | 360 | 30 | |
| Debt - Affiliated Company | 30 | 0 | 30 | Increase due to notes payable to KU. |
| Debt [(1)] | 1,765 | 1,852 | (88) | |
| **Total Debt** | 1,795 | 1,852 | (58) | |
| Deferred Tax Liabilities | 1,033 | 1,035 | (2) | |
| Investment Tax Credit | 36 | 36 | (0) | |
| Accum Provision for Pension & Related Benefits | 50 | 72 | (22) | Decrease primarily from funded status adjustment due to change in discount rate. |
| Asset Retirement Obligation | 101 | 97 | 4 | |
| Regulatory Liabilities Non Current | 365 | 344 | 22 | |
| Derivative Liability | 26 | 29 | (3) | |
| Other Liabilities | 85 | 90 | (5) | |
| **Total Deferred Credits and Other Liabilities** | 1,696 | 1,703 | (7) | |
| **Equity** | 2,081 | 2,156 | (76) | |
| **Total Liabilities and Equity** | **$ 5,962** | **$ 6,071** | **$ (110)** | |

(1) Includes all ST and LT debt.
Note: Schedules may not sum due to rounding and exclude purchase accounting adjustments.

## Balance Sheet - KU — August 2017

**($ Millions)**

| | 8/31/2017 | YTD Budget | Variance | Comments |
|---|---|---|---|---|
| Assets: | | | | |
| Current Assets: | | | | |
| Cash and Cash Equivalents | $ 9 | $ 5 | $ 4 | |
| Accounts Receivable (Trade) | 227 | 245 | (18) | |
| Inventory | 140 | 128 | 13 | Lower fuel burn due to unfavorable weather has resulted in higher than budgeted coal inventory levels |
| Regulatory Assets Current | 8 | 17 | (9) | |
| Prepayments and other current assets | 79 | 22 | 56 | Primarily due to accounts receivable related to refined coal and notes receivable from LG&E. |
| **Total Current Assets** | 464 | 417 | 46 | |
| Property, Plant, and Equipment | 6,612 | 6,724 | (112) | |
| Intangible Assets | 13 | 13 | (0) | |
| Other Property and Investments | 0 | 0 | 0 | |
| Regulatory Assets Non Current | 381 | 427 | (46) | Primarily due to a pension funded status adjustment and decrease in ARO balance. |
| Goodwill | 0 | 0 | 0 | |
| Other Long-term Assets | 61 | 57 | 4 | |
| **Total Assets** | **$ 7,530** | **$ 7,638** | **$ (108)** | |
| Liabilities and Equity: | | | | |
| Current Liabilities: | | | | |
| Accounts Payable (Trade) | $ 148 | $ 110 | $ 39 | Primarily due to timing of actuals. |
| Dividends Payable to Affiliated Companies | 61 | 33 | 28 | In the budget dividends are calculated in the month declared and any excess dividends are not recognized until the subsequent month due to balancing within the budget system. |
| Customer Deposits | 30 | 28 | 2 | |
| Derivative Liability | 0 | 0 | 0 | |
| Accrued Taxes | 55 | 49 | 6 | |
| Regulatory Liabilities Current | 12 | 17 | (4) | |
| Other Current Liabilities | 107 | 78 | 28 | Primarily due to ARO reclassification from long term to current. |
| **Total Current Liabilities** | 413 | 315 | 98 | |
| Debt - Affiliated Company | 0 | 0 | 0 | |
| Debt [(1)] | 2,326 | 2,353 | (27) | |
| **Total Debt** | 2,326 | 2,353 | (27) | |
| Deferred Tax Liabilities | 1,242 | 1,283 | (41) | |
| Investment Tax Credit | 95 | 94 | 1 | |
| Accum Provision for Pension & Related Benefits | 39 | 66 | (27) | Decrease primarily from funded status adjustment due to change in discount rate. |
| Asset Retirement Obligation | 189 | 262 | (73) | Primarily due to ARO revaluation and reclassification from long term to current. |
| Regulatory Liabilities Non Current | 463 | 438 | 25 | |
| Derivative Liability | 0 | 0 | 0 | |
| Other Liabilities | 42 | 49 | (6) | |
| **Total Deferred Credits and Other Liabilities** | 2,070 | 2,191 | (122) | |
| **Equity** | 2,721 | 2,779 | (57) | |
| **Total Liabilities and Equity** | **$ 7,530** | **$ 7,638** | **$ (108)** | |

[(1)] Includes all ST and LT debt.
Note: Schedules may not sum due to rounding and exclude purchase accounting adjustments.

# Performance Report

# September 2017

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## Kentucky Regulated Dashboard — September 2017

| | Current Month | | YTD | | Full Year | |
|---|---|---|---|---|---|---|
| **Safety** | **Actual** | **PY** | **Actual** | **PY** | **Forecast** | **PY** |
| TCIR - Employees[1] | 1.11 | 1.39 | 1.05 | 1.13 | 1.35 | 1.12 |
| Employee lost-time incidents | 2 | 0 | 8 | 3 | 10 | 5 |
| **Reliability** | **Actual** | **Budget** | **Actual** | **Budget** | **Forecast** | **Budget** |
| Generation Volumes | 2,628 | 2,702 | 24,751 | 26,261 | 32,915 | 34,425 |
| Utility EFOR | 1.8% | 5.0% | 3.5% | 5.0% | N/A | 5.0% |
| Utility EAF | 94.3% | 90.5% | 87.4% | 87.6% | N/A | 85.2% |
| Steam Fleet Commercial Availability | 99.4% | 93.0% | 95.4% | 93.0% | N/A | 93.0% |
| Combined SAIFI | 0.06 | 0.07 | 0.66 | 0.83 | N/A | 1.03 |
| Combined SAIDI (minutes) | 5.25 | 5.90 | 60.23 | 75.97 | N/A | 93.20 |
| **GwH Sales** | **Actual** | **Budget** | **Actual** | **Budget** | **Forecast** | **Budget** |
| Residential | 702 | 788 | 7,548 | 8,221 | 9,966 | 10,668 |
| Commercial | 640 | 645 | 5,921 | 5,994 | 7,782 | 7,882 |
| Industrial | 790 | 767 | 6,958 | 7,291 | 9,250 | 9,706 |
| Municipals | 140 | 156 | 1,334 | 1,430 | 1,760 | 1,846 |
| Other | 238 | 219 | 2,059 | 2,077 | 2,749 | 2,753 |
| Off-System Sales | 23 | 22 | 255 | 197 | 302 | 244 |
| Total | 2,534 | 2,598 | 24,074 | 25,210 | 31,807 | 33,098 |
| **Weather-Normalized Sales Growth** | | | **TTM** | | | |
| Residential | | | 0.80% | | | |
| Commercial | | | 0.45% | | | |
| Industrial | | | -1.22% | | | |
| Municipal | | | -2.64% | | | |
| Other | | | -2.53% | | | |
| Total | | | -0.36% | | | |

| | Current Month | | YTD | | Full Year | |
|---|---|---|---|---|---|---|
| **Margins ($ millions)** | **Actual** | **Budget** | **Actual** | **Budget** | **Forecast** | **Budget** |
| Electric Margins[2] | $159 | $166 | $1,395 | $1,466 | $1,855 | $1,948 |
| Gas Margins | $10 | $10 | $125 | $128 | $178 | $183 |
| **Capital Expenditures ($ millions)** | **Actual** | **Budget** | **Actual** | **Budget** | **Forecast** | **Budget** |
| Total[2] | $94 | $106 | $634 | $761 | $1,056 | $1,107 |
| **O&M ($ millions)** | **Actual** | **Budget** | **Actual** | **Budget** | **Forecast** | **Budget** |
| O&M – Management View[2] [3] | $59 | $63 | $515 | $551 | $715 | $749 |
| O&M – GAAP View[2] [4] | $68 | $73 | $597 | $637 | $823 | $864 |
| **Head Count** | **Actual** | **Budget** | **Actual** | **Budget** | **Forecast** | **Budget** |
| Full-time Employees | 3,464 | 3,610 | 3,464 | 3,610 | 3,528 | 3,591 |
| **Other Metrics** | **Actual** | **PY** | **Actual** | **PY** | **Forecast** | **PY** |
| Environmental Events | 0 | 0 | 5 | 3 | N/A | 3 |
| NERC Possible Violations[5] | 1 | 4 | 7 | 5 | N/A | 5 |

| | TTM | Full Year | |
|---|---|---|---|
| **Financial Metrics** | **Actual** | **Forecast** | **Budget** |
| Utility ROE[6] | 9.6% | 9.5% | 9.8% |
| Average Utility Capitalization ($ millions) | $8,927 | $8,992 | $9,174 |

### Variance Explanations

Lower margins MTD primarily due to lower net retail electric base energy and demand revenue, lower ECR revenue and other margin components.

Lower margins YTD primarily due to lower sales volumes from unfavorable weather, resulting in lower retail electric base energy and demand revenue of $53 million, lower ECR revenue of $8 million and lower gas margins of $3 million and other offsetting margin components.

Lower O&M YTD primarily due to lower outside service expense of $10 million, lower labor and burdens of $11 million, lower storm and vegetation management expenses of $7 million, lower plant maintenance of $4 million and lower materials of $4 million.

### Major Developments

LKE once again has been recognized among the best in the nation as it has been named one of the top Healthiest 100 Workplaces in the U.S. The winners were honored at the Fitbit Captivate Conference in Chicago for their commitment to employee health and exceptional corporate wellness programs. Thousands of companies competed for the award on a local level, with more than 400 advancing as national finalists. LKE was also honored earlier this year with the Worksite Wellness Council of Louisville's Platinum Award and the Health Champion Designation Award from the American Diabetes Association.

Old Dominion Power (KU's operational unit in Virginia) filed a request with the Virginia State Corporation Commission for an increase of $6.7 million (10 percent) in its base rates. If approved, the new rates will become effective July 1, 2018.

### Significant Future Events

There are no significant future events at this time.

(1) Full year forecast amount shown represents target.

(2) Includes net impact of approved rate case outcome for deferred AMS Capital and O&M expenses, lower depreciation expense and the offsetting revenue reduction included in margins.

(3) Net of cost recovery mechanisms and variable costs of production.

(4) Includes Management O&M, variable cost of production and mechanism operation and maintenance expenses

(5) The possible violation issues for YTD Actual is believed to be minimal risk.

Note: Schedules may not sum due to rounding.



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Arbough

## Income Statement: Actual vs. Budget (Month) - LKE Consolidated — September 2017

($ Millions)

| | MTD | | | |
|---|---|---|---|---|
| | Actual | Budget | Variance | Comments |
| **Revenues:** | | | | |
| Electric Revenues | $ 238 | $ 251 | $ (13) | Due primarily to lower sales volumes as a result of unfavorable weather and lower ECR revenues. |
| Gas Revenues | 12 | 13 | (1) | |
| **Total Revenues** | 250 | 264 | (14) | |
| **Cost of Sales:** | | | | |
| Fuel Electric Costs | 60 | 62 | 2 | |
| Gas Supply Expenses | 2 | 3 | 0 | |
| Purchased Power | 5 | 5 | 0 | |
| Other Electric Cost of Production | 3 | 3 | 0 | |
| Mechanism - ECR, DSM & GLT - Operation and Maintenance | 6 | 7 | 1 | |
| Mechanism - ECR, DSM & GLT - Depreciation and Property Tax | 6 | 9 | 4 | |
| **Total Cost of Sales** | 81 | 89 | 7 | |
| **Gross Margin:** | | | | |
| Electric Margin | 159 | 166 | (7) | See explanations above. |
| Gas Margin | 10 | 10 | (0) | |
| **Total Gross Margin** | 169 | 176 | (7) | |
| O&M | 59 | 63 | 4 | |
| Depreciation & Amortization | 33 | 36 | 3 | |
| Taxes, Other than Income | 5 | 5 | (0) | |
| Other income (expense) | 0 | (0) | 1 | |
| EBIT | 72 | 71 | 1 | |
| Interest Expense | 18 | 19 | 1 | |
| **Income from Ongoing Operations before income taxes** | 54 | 53 | 2 | |
| Income Tax Expense | 20 | 20 | (1) | |
| **Net Income (loss) from ongoing operations** | **34** | **33** | **1** | |
| Special Item - EEI | 0 | 0 | 0 | |
| Discontinued Operations | 0 | 0 | 0 | |
| **Net Income (loss)** | $ 34 | $ 33 | $ 1 | |
| KY Regulated Financing Costs | (3) | $ (2) | (0) | |
| **KY Regulated Net Income** | $ 32 | $ 30 | $ 1 | |
| Earnings Per Share - Ongoing | $ 0.05 | $ 0.04 | $ 0.00 | |

Note: Schedules may not sum due to rounding.

## Income Statement: Actual vs. Budget (YTD) - LKE Consolidated — September 2017

($ Millions)

| | YTD | | | |
|---|---|---|---|---|
| | Actual | Budget | Variance | Comments |
| **Revenues:** | | | | |
| Electric Revenues | $ 2,141 | $ 2,274 | $ (132) | Due primarily to lower sales volumes as a result of unfavorable weather and lower ECR revenues. |
| Gas Revenues | 211 | 238 | (27) | Due primarily to lower sales volumes driven by unfavorable weather in Q1. |
| **Total Revenues** | 2,352 | 2,512 | (160) | |
| **Cost of Sales:** | | | | |
| Fuel Electric Costs | 578 | 621 | 42 | Primarily due to decreased generation as a result of unfavorable weather. |
| Gas Supply Expenses | 78 | 101 | 23 | Due primarily to lower gas usage as a result of unfavorable weather. |
| Purchased Power | 43 | 45 | 3 | |
| Other Electric Cost of Production | 27 | 31 | 4 | |
| Mechanism - ECR, DSM & GLT - Operation and Maintenance | 55 | 55 | 0 | |
| Mechanism - ECR, DSM & GLT - Depreciation and Property Tax | 52 | 65 | 13 | Primarily due to lower actual capital spending and in-service dates and the impact of the settled versus as filed depreciation rates which is offset in margins. |
| **Total Cost of Sales** | 832 | 918 | 85 | |
| **Gross Margin:** | | | | |
| Electric Margin | 1,395 | 1,466 | (71) | See explanations above. |
| Gas Margin | 125 | 128 | (3) | |
| **Total Gross Margin** | 1,520 | 1,594 | (74) | |
| O&M | 515 | 551 | 37 | Primarily due to lower outside service expense, lower labor and burdens, lower storm and vegetation management expenses, lower plant maintenance and lower materials. |
| Depreciation & Amortization | 276 | 287 | 11 | Primarily due to lower actual capital spending and in-service dates and the impact of the settled versus as filed depreciation rates, which is offset in margins. |
| Taxes, Other than Income | 45 | 46 | 1 | |
| Other income (expense) | (5) | (6) | 0 | |
| EBIT | 679 | 705 | (26) | |
| Interest Expense | 161 | 161 | 0 | |
| **Income from Ongoing Operations before income taxes** | 518 | 544 | (26) | |
| Income Tax Expense | 196 | 207 | 12 | |
| **Net Income (loss) from ongoing operations** | **322** | **336** | **(14)** | |
| Special Item - EEI | (1) | 0 | (1) | |
| Discontinued Operations | 1 | 0 | 0 | |
| **Net Income (loss)** | $ 322 | $ 336 | $ (14) | |
| KY Regulated Financing Costs | (23) | (22) | (0) | |
| **KY Regulated Net Income** | 300 | $ 314 | $ (14) | |
| Earnings Per Share - Ongoing | $ 0.44 | $ 0.45 | $ (0.02) | |

Note: Schedules may not sum due to rounding.



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## Income Statement: Actual vs. Budget (YTD) - LG&E — September 2017

**($ Millions)**

| | YTD | | | |
|---|---|---|---|---|
| | **Actual** | **Budget** | **Variance** | **Comments** |
| **Revenues:** | | | | |
| Electric Revenues | $ 869 | $ 912 | $ (43) | Due primarily to lower sales volumes as a result of unfavorable weather and lower ECR revenues. |
| Gas Revenues | 211 | 238 | (27) | Due primarily to lower sales volumes driven by unfavorable weather in Q1. |
| **Total Revenues** | 1,080 | 1151 | (70) | |
| **Cost of Sales:** | | | | |
| Fuel Electric Costs | 230 | 235 | 5 | Primarily due to decreased generation as a result of unfavorable weather. |
| Gas Supply Expenses | 78 | 101 | 23 | Due primarily to lower gas usage as a result of unfavorable weather. |
| Purchased Power | 37 | 43 | 6 | Lower intercompany and market purchases driven by unfavorable weather. |
| Other Electric Cost of Production | 10 | 12 | 2 | |
| Mechanism - ECR, DSM & GLT - Operation and Maintenance | 21 | 22 | 1 | |
| Mechanism - ECR, DSM & GLT - Depreciation and Property Tax | 27 | 33 | 6 | Primarily due to lower actual capital spending and in-service dates and the impact of the settled versus as filed depreciation rates which is offset in margins. |
| **Total Cost of Sales** | 402 | 446 | 44 | |
| **Gross Margin:** | | | | |
| Electric Margin | 553 | 577 | (24) | See explanations above. |
| Gas Margin | 125 | 128 | (3) | |
| **Total Gross Margin** | 678 | 705 | (26) | |
| O&M | 228 | 249 | 21 | Primarily due to lower outside service expense, lower labor and burdens, lower storm and vegetation management expenses, lower plant maintenance and lower materials. |
| Depreciation & Amortization | 111 | 116 | 5 | Primarily due to lower actual capital spending and in-service dates and the impact of the settled versus as filed depreciation rates, which is offset in margins. |
| Taxes, Other than Income | 22 | 23 | 1 | |
| Other income (expense) | (3) | (2) | (0) | |
| EBIT | 314 | 314 | (0) | |
| Interest Expense | 52 | 52 | 1 | |
| **Income from Ongoing Operations before income taxes** | 262 | 262 | 0 | |
| Income Tax Expense | 100 | 100 | 1 | |
| **Net Income (loss) from ongoing operations** | **$ 162** | **$ 161** | **$ 1** | |

Note: Schedules may not sum due to rounding and exclude purchase accounting adjustments and corresponding goodwill.

## Income Statement: Actual vs. Budget (YTD) - KU — September 2017

($ Millions)

| | YTD | | | |
|---|---|---|---|---|
| | Actual | Budget | Variance | Comments |
| **Revenues:** | | | | |
| Electric Revenues | $ 1,302 | $ 1,402 | $ (100) | Due primarily to lower sales volumes as a result of unfavorable weather and lower ECR revenues. |
| Gas Revenues | 0 | 0 | 0 | |
| **Total Revenues** | 1,302 | 1,402 | (100) | |
| **Cost of Sales:** | | | | |
| Fuel Electric Costs | 352 | 389 | 37 | Primarily due to decreased generation as a result of unfavorable weather. |
| Gas Supply Expenses | 0 | 0 | 0 | |
| Purchased Power | 33 | 40 | 6 | Lower intercompany and market purchases driven by unfavorable weather. |
| Other Electric Cost of Production | 17 | 20 | 3 | |
| Mechanism - ECR, DSM & GLT - Operation and Maintenance | 34 | 33 | (1) | |
| Mechanism - ECR, DSM & GLT - Depreciation and Property Tax | 25 | 31 | 7 | Primarily due to lower actual capital spending and in-service dates and the impact of the settled versus as filed depreciation rates, which is offset in margins. |
| **Total Cost of Sales** | 461 | 513 | 52 | |
| **Gross Margin:** | | | | |
| Electric Margin | 842 | 889 | (48) | See explanations above. |
| Gas Margin | 0 | 0 | 0 | |
| **Total Gross Margin** | 842 | 889 | (48) | |
| O&M | 264 | 289 | 25 | Primarily due to lower outside service expense, lower labor and burdens, lower storm and vegetation management expenses, lower plant maintenance and lower materials. |
| Depreciation & Amortization | 164 | 170 | 6 | Primarily due to lower actual capital spending and in-service dates and the impact of the settled versus as filed depreciation rates, which is offset in margins. |
| Taxes, Other than Income | 22 | 22 | 0 | |
| Other income (expense) | (2) | (3) | 1 | |
| EBIT | 389 | 405 | (16) | |
| Interest Expense | 72 | 72 | (1) | |
| **Income from Ongoing Operations before income taxes** | 317 | 333 | (17) | |
| Income Tax Expense | 120 | 127 | 6 | |
| **Net Income (loss) from ongoing operations** | **$ 197** | **$ 207** | **$ (10)** | |

Note: Schedules may not sum due to rounding and exclude purchase accounting adjustments and corresponding goodwill.

## Income Statement: Forecast vs. Budget - LKE Consolidated — September 2017

($ Millions)

| | Full Year | | | |
|---|---|---|---|---|
| | Q3 Forecast | Budget | Variance | Comments |
| **Revenues:** | | | | |
| Electric Revenues | $ 2,843 | $ 3,017 | $ (174) | Due primarily to lower sales volumes as a result of unfavorable weather and lower ECR revenues. |
| Gas Revenues | 299 | 329 | (30) | Due primarily to lower sales volumes driven by unfavorable weather in Q1. |
| **Total Revenues** | 3,142 | 3,346 | (204) | |
| **Cost of Sales:** | | | | |
| Fuel Electric Costs | 763 | 813 | 51 | Primarily due to decreased generation as a result of unfavorable weather. |
| Gas Supply Expenses | 112 | 135 | 24 | Due primarily to lower gas usage as a result of unfavorable weather. |
| Purchased Power | 57 | 60 | 2 | |
| Other Electric Cost of Production | 36 | 41 | 6 | Due to lower than budgeted scrubber reaction ammonia expenses and the amortization of coal yard service fees. |
| Mechanism - ECR, DSM & GLT - Operation and Maintenance | 72 | 74 | 1 | |
| Mechanism - ECR, DSM & GLT - Depreciation and Property Tax | 69 | 93 | 23 | Primarily due to lower actual capital spending and in-service dates and the impact of the settled versus as filed depreciation rates, which is offset in margins. |
| **Total Cost of Sales** | 1,109 | 1,216 | 107 | |
| **Gross Margin:** | | | | |
| Electric Margin | 1,855 | 1,948 | (93) | See explanations above. |
| Gas Margin | 178 | 183 | (5) | See explanations above. |
| **Total Gross Margin** | 2,033 | 2,130 | (98) | |
| O&M | 715 | 749 | 34 | Primarily due to lower outside service expense, lower labor and burdens, lower storm and vegetation management expenses, lower plant maintenance and lower materials. |
| Depreciation & Amortization | 377 | 395 | 19 | Primarily due to lower actual capital spending and in-service dates and the impact of the settled versus as filed depreciation rates, which is offset in margins. |
| Taxes, Other than Income | 60 | 61 | 1 | |
| Other income (expense) | (7) | (8) | 1 | |
| EBIT | 874 | 917 | (44) | |
| Interest Expense | 215 | 217 | 2 | |
| **Income from Ongoing Operations before income taxes** | 658 | 700 | (42) | |
| Income Tax Expense | 249 | 267 | 18 | |
| **Net Income (loss) from ongoing operations** | **409** | **433** | **$ (24)** | |
| Special Item - EEI | (1) | 0 | (1) | |
| Discontinued Operations | 1 | (0) | 1 | |
| **Net Income (loss)** | $ 410 | $ 433 | $ (24) | |
| KY Regulated Financing Costs | (30) | (30) | (0) | |
| **KY Regulated Net Income** | $ 380 | $ 403 | $ (24) | |
| Earnings Per Share - Ongoing | $ 0.55 | $ 0.58 | $ (0.03) | |

Note: Schedules may not sum due to rounding.

**O&M** **September 2017**

($ Millions)

| | MTD | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Actual | Budget | Total Variance | Labor & Burdens | Resident Contractors | Other Outside Services | Materials | Other |
| Generation | 15 | 17 | 2 | 1 | (0) | 2 | 1 | (1) |
| Project Engineering | 5 | 0 | (5) | (1) | 0 | (4) | (0) | (1) |
| Transmission | 3 | 3 | 1 | (0) | 0 | 0 | (0) | 0 |
| Energy Supply and Analysis | 1 | 1 | 0 | (0) | 0 | (0) | (0) | 0 |
| Electric Distribution | 4 | 6 | 1 | 0 | 1 | (0) | 0 | 0 |
| Gas Distribution | 3 | 3 | 0 | 0 | 0 | (0) | (0) | 0 |
| Advanced Metering System | 0 | 1 | 1 | 0 | 0 | 0 | 0 | (0) |
| Safety and Technical Training | 0 | 0 | 0 | (0) | (0) | 0 | (0) | 0 |
| Customer Services | 8 | 9 | 1 | 0 | 0 | 0 | (0) | 0 |
| **SVP Operations Total** | **40** | **40** | **0** | **1** | **2** | **(2)** | **1** | **(2)** |
| Audit Services | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Controller | 1 | 1 | 0 | 0 | 0 | (0) | 0 | 0 |
| Supply Chain | 0 | 0 | 0 | 0 | 0 | (0) | (0) | 0 |
| Treasurer | 2 | 2 | 0 | 0 | 0 | 0 | 0 | 0 |
| State Regulation and Rates | 0 | 0 | (0) | (0) | 0 | (0) | (0) | 0 |
| Other | 0 | 0 | 0 | 0 | 0 | (0) | 0 | 0 |
| **Chief Financial Officer Total** | **4** | **4** | **0** | **0** | **0** | **(0)** | **0** | **0** |
| **General Counsel** | **2** | **3** | **2** | **0** | **0** | **1** | **0** | **0** |
| **Human Resources** | **0** | **1** | **0** | **0** | **0** | **0** | **0** | **0** |
| **Information Technology** | **4** | **5** | **1** | **0** | **(0)** | **0** | **0** | **0** |
| **Corporate** | **7** | **9** | **2** | **2** | **0** | **0** | **(0)** | **0** |
| **Enterprise Security** | **0** | **0** | **0** | **0** | **0** | **(0)** | **0** | **0** |
| **Utility Total** | **57** | **62** | **5** | **4** | **1** | **(0)** | **1** | **(1)** |
| **Nonutility Total** | **2** | **1** | **(1)** | **(1)** | **0** | **(0)** | **(0)** | **(0)** |
| **O&M Total MTD** | **59** | **63** | **4** | **3** | **1** | **(0)** | **1** | **(1)** |

| | YTD | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Actual | Budget | Total Variance | Labor & Burdens | Resident Contractors | Other Outside Services | Materials | Other |
| Generation | 138 | 152 | 14 | 4 | (0) | 5 | 9 | (3) |
| Project Engineering | 6 | 0 | (5) | (0) | 0 | (4) | (0) | (1) |
| Transmission | 23 | 26 | 3 | 0 | 1 | 2 | (0) | 0 |
| Energy Supply and Analysis | 9 | 10 | 0 | 0 | 0 | (0) | 0 | 0 |
| Electric Distribution | 50 | 57 | 8 | 0 | 9 | (3) | 1 | 0 |
| Gas Distribution | 26 | 26 | 0 | 0 | (0) | 0 | 0 | (0) |
| Advanced Metering System | 0 | 2 | 2 | 1 | 0 | 1 | 0 | (0) |
| Safety and Technical Training | 4 | 4 | 0 | (0) | (0) | (0) | (0) | 0 |
| Customer Services | 70 | 74 | 5 | 0 | 1 | 1 | 0 | 2 |
| **SVP Operations Total** | **325** | **351** | **27** | **5** | **11** | **2** | **10** | **(1)** |
| Audit Services | 1 | 1 | 0 | 0 | 0 | 0 | 0 | 0 |
| Controller | 7 | 7 | 0 | (0) | (0) | 0 | 0 | 0 |
| Supply Chain | 3 | 3 | 0 | 0 | (0) | (0) | 0 | 0 |
| Treasurer | 18 | 18 | 1 | (0) | 0 | (0) | 0 | 1 |
| State Regulation and Rates | 3 | 3 | 0 | (0) | 0 | 0 | 0 | 0 |
| Other | 2 | 2 | 0 | 0 | 0 | (0) | 0 | (0) |
| **Chief Financial Officer Total** | **33** | **34** | **2** | **0** | **(0)** | **0** | **0** | **1** |
| **General Counsel** | **19** | **24** | **5** | **1** | **0** | **3** | **0** | **1** |
| **Human Resources** | **5** | **5** | **1** | **0** | **(0)** | **0** | **0** | **0** |
| **Information Technology** | **39** | **42** | **3** | **1** | **(0)** | **1** | **0** | **1** |
| **Corporate** | **71** | **79** | **8** | **8** | **0** | **0** | **(0)** | **0** |
| **Enterprise Security** | **2** | **2** | **0** | **(0)** | **0** | **0** | **0** | **0** |
| **Utility Total** | **492** | **537** | **46** | **15** | **10** | **7** | **10** | **3** |
| **Nonutility Total** | **23** | **14** | **(9)** | **(5)** | **(0)** | **(1)** | **(0)** | **(3)** |
| **O&M Total YTD** | **515** | **551** | **37** | **11** | **10** | **6** | **10** | **(0)** |

| | Full Year | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Forecast | Budget | Total Variance | Labor & Burdens | Resident Contractors | Other Outside Services | Materials | Other |
| Generation | 205 | 217 | 12 | 5 | (1) | 3 | 9 | (4) |
| Project Engineering | 6 | 1 | (5) | (0) | 0 | (4) | 0 | (1) |
| Transmission | 32 | 34 | 2 | 0 | 0 | 1 | (0) | 1 |
| Energy Supply and Analysis | 13 | 13 | 0 | 0 | 0 | (0) | 0 | 0 |
| Electric Distribution | 67 | 74 | 7 | (0) | 8 | (2) | 1 | 0 |
| Gas Distribution | 36 | 35 | (1) | 0 | (0) | (0) | (0) | (0) |
| Advanced Metering System | 0 | 3 | 3 | 1 | 0 | 2 | 0 | (0) |
| Safety and Technical Training | 5 | 5 | (0) | (0) | (0) | (0) | (0) | 0 |
| Customer Services | 95 | 99 | 5 | 0 | 2 | 1 | (0) | 2 |
| **SVP Operations Total** | **458** | **482** | **23** | **6** | **9** | **0** | **10** | **(2)** |
| Audit Services | 2 | 2 | 0 | 0 | 0 | 0 | 0 | 0 |
| Controller | 9 | 9 | (0) | (0) | (0) | (0) | 0 | 0 |
| Supply Chain | 4 | 4 | 0 | 0 | (0) | (0) | 0 | (0) |
| Treasurer | 23 | 24 | 1 | (0) | 0 | (0) | 0 | 1 |
| State Regulation and Rates | 4 | 4 | 0 | (0) | 0 | 0 | 0 | 0 |
| Other | 2 | 2 | 0 | 1 | 0 | (0) | 0 | (0) |
| **Chief Financial Officer Total** | **44** | **46** | **1** | **1** | **(0)** | **(0)** | **0** | **1** |
| **General Counsel** | **29** | **31** | **2** | **0** | **0** | **1** | **0** | **1** |
| **Human Resources** | **6** | **7** | **1** | **0** | **(0)** | **0** | **(0)** | **0** |
| **Information Technology** | **52** | **56** | **4** | **3** | **(1)** | **1** | **0** | **0** |
| **Corporate** | **92** | **105** | **13** | **13** | **0** | **0** | **(0)** | **0** |
| **Enterprise Security** | **3** | **3** | **(0)** | **(0)** | **0** | **0** | **0** | **0** |
| **Utility Total** | **686** | **731** | **44** | **23** | **9** | **3** | **10** | **0** |
| **Nonutility Total** | **29** | **18** | **(11)** | **(5)** | **(0)** | **(1)** | **(0)** | **(4)** |
| **O&M Total YTD** | **715** | **749** | **34** | **18** | **9** | **1** | **10** | **(4)** |

Note: Schedules may not sum due to rounding.



**Case Nos. 2018-00294 and 2018-00295**
**Attachment to Filing Requirement**
**807 KAR 5:001 Sec. 16(7)(o)**

**Arbough**

## Financing Activities — September 2017

($ Millions)

| Balance Sheet | YTD Actual | YTD Budget | YTD Variance | Full Year Forecast | Full Year Budget | Full Year Variance |
|---|---|---|---|---|---|---|
| **PCB** | | | | | | |
| Beg Bal | $ 898.8 | $ 898.8 | $ 0.0 | $ 898.8 | $ 898.8 | $ 0.0 |
| End Bal | 900.1 | 898.7 | (1.4) | 890.0 | 898.7 | 8.7 |
| Ave Bal | **$ 899.4** | **$ 898.7** | **$ (0.7)** | **$ 894.4** | **$ 898.7** | **$ 4.3** |
| Interest Exp | **$ 11.7** | **$ 9.0** | **$ (2.7)** | **$ 15.2** | **$ 11.9** | **$ (3.3)** |
| Rate | **1.72%** | **1.32%** | **-0.40%** | **1.68%** | **1.31%** | **-0.37%** |
| **FMB/Sr Nts/Loan with PPL** | | | | | | |
| Beg Bal | $ 4,210.0 | $ 4,210.0 | $ 0.0 | $ 4,210.0 | $ 4,210.0 | $ 0.0 |
| End Bal | 4,210.0 | 4,495.0 | 285.0 | 4,384.7 | 4,608.5 | 223.8 |
| Ave Bal | **$ 4,210.0** | **$ 4,352.5** | **$ 142.50** | **$ 4,297.3** | **$ 4,409.2** | **$ 111.89** |
| Interest Exp | **$ 137.4** | **$ 139.3** | **$ 1.9** | **$ 183.1** | **$ 187.7** | **$ 4.6** |
| Rate | **4.30%** | **4.22%** | **-0.08%** | **4.20%** | **4.20%** | **0.00%** |
| **Short-term Debt** | | | | | | |
| Beg Bal | $ 348.1 | $ 509.7 | $ 161.6 | $ 348.1 | $ 509.7 | $ 161.6 |
| End Bal | 349.2 | 378.6 | 29.4 | 466.4 | 530.2 | 63.8 |
| Ave Bal (1) | **$ 348.6** | **$ 444.1** | **$ 95.5** | **$ 407.2** | **$ 520.0** | **$ 112.7** |
| Interest Exp | **$ 4.2** | **$ 5.0** | **$ 0.8** | **$ 6.9** | **$ 6.9** | **$ 0.0** |
| Rate | **1.79%** | **1.49%** | **-0.30%** | **1.67%** | **1.31%** | **-0.36%** |
| **Unamortized Debt Expense Bonds** | | | | | | |
| Beg Bal | $ (44.0) | $ (43.2) | $ 0.7 | $ (44.0) | $ (43.2) | $ 0.75 |
| End Bal | (42.6) | (42.8) | (0.3) | (41.3) | (42.0) | (0.7) |
| Ave Bal | **$ (43.3)** | **$ (43.0)** | **$ 0.2** | **$ (42.6)** | **$ (42.6)** | **$ 0.0** |
| **Total End Bal** | **$ 5,416.7** | **$ 5,729.4** | **$ 312.7** | **$ 5,699.8** | **$ 5,995.3** | **$ 295.6** |
| **Total Average Bal** | **$ 5,377.8** | **$ 5,652.4** | **$ 274.6** | **$ 5,556.3** | **$ 5,785.3** | **$ 229.0** |
| **Total Expense Excl I/C (2)** | **$ 161.0** | **$ 161.3** | **$ 0.2** | **$ 215.3** | **$ 217.2** | **$ 2.0** |
| **Rate** | **3.92%** | **3.73%** | **-0.18%** | **3.79%** | **3.68%** | **-0.12%** |

(1) Short-term Debt YTD actual reflects average daily balances. All other average balances use the average of the beginning and ending balances.

(2) Total expense line includes additional revolving credit items. Total will not match sum of PCB, FMB, and STD.

| Credit Facilities ($ Millions) | Committed Capacity | Borrowed(3) | Letters of Credit Issued | Unused Capacity |
|---|---|---|---|---|
| LKE | $ 300 | $ 159 | | $ 141 |
| LG&E | 500 | 190 | | 310 |
| KU | 598 | (0) | $ 198 | 400 |
| TOTAL | $ 1,398 | $ 349 | $ 198 | $ 851 |

(3) LG&E and KU borrowed amounts represent commercial paper issuances. LKE borrowed amount includes bank revolver and debt with PPL.

| Credit Metrics[1] Moody's | LKE 2017 Actual YTD | LKE 2017 Budget YTD | LG&E 2017 Actual YTD | LG&E 2017 Budget YTD | KU 2017 Actual YTD | KU 2017 Budget YTD |
|---|---|---|---|---|---|---|
| CFO pre-WC / Debt | 19% | 17% | 27% | 25% | 26% | 27% |
| CFO pre-WC + Interest / Interest | 6.1 | 5.7 | 7.9 | 7.9 | 7.3 | 7.8 |
| CFO pre-WC - Dividends / Debt | 13% | 12% | 19% | 20% | 17% | 17% |
| Debt to Capitalization | 47% | 48% | 35% | 36% | 34% | 35% |

| Credit Metrics Moody's | LKE 2017 BP 2018 | LKE 2017 BP 2019 | LG&E 2017 BP 2018 | LG&E 2017 BP 2019 | KU 2017 BP 2018 | KU 2017 BP 2019 |
|---|---|---|---|---|---|---|
| CFO pre-WC / Debt | 18% | 18% | 27% | 29% | 26% | 26% |
| CFO pre-WC + Interest / Interest | 6.0 | 5.7 | 8.6 | 8.8 | 7.9 | 7.6 |
| CFO pre-WC - Dividends / Debt | 11% | 15% | 25% | 22% | 20% | 17% |
| Debt to Capitalization | 50% | 49% | 35% | 34% | 34% | 34% |

[1] Actuals represent a trailing 12 months.

**Financial Strength Factor (40% Weighting) -- Standard Business Risk Grid:**

| Moody's Thresholds | Sub-Factor Weighting | A | Baa | Ba |
|---|---|---|---|---|
| CFO pre-WC / Debt | 15.0% | 22% - 30% | 13% - 22% | 5% - 13% |
| CFO pre-WC + Interest / Interest | 7.5% | 4.5x - 6x | 3x - 4.5x | 2x - 3x |
| CFO pre-WC - Dividends / Debt | 10.0% | 17% - 25% | 9% - 17% | 0% - 9% |
| Debt / Capitalization | 7.5% | 35% - 45% | 45% - 55% | 55% - 65% |

| As of December 31, 2016 | Senior Unsecured | Senior Secured | Commercial Paper |
|---|---|---|---|
| **Issuer** | **Moody's** | **Moody's** | **Moody's** |
| LKE | Baa1 | | |
| LG&E | | A1 | P-2 |
| KU | | A1 | P-2 |

**Definitions**

Issuers assessed **A** are judged to have upper-medium-grade intrinsic, or standalone, financial strength, and thus subject to low credit risk absent any possibility of extraordinary support from an affiliate or a government.

Obligations rated **Baa** are judged to be medium-grade and subject to moderate credit risk and as such may possess certain speculative characteristics.
Issuers (or supporting institutions) rated Prime-2 have a strong ability to repay short-term debt obligations.
Moody's appends numerical modifiers 1, 2, and 3 to each generic rating classification. The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates a ranking in the lower end of that generic rating category.

## Balance Sheet - LKE Consolidated — September 2017

($ Millions)

| | 9/30/2017 | YTD Budget | Variance | Comments |
|---|---|---|---|---|
| Assets: | | | | |
| Current Assets: | | | | |
| Cash and Cash Equivalents | $ 40 | $ 60 | $ (20) | Primarily due to a decrease in cash at the non-utility companies partially offset by an increase of cash at the Utilities. |
| Accounts Receivable (Trade) | 369 | 396 | (27) | |
| Inventory | 264 | 252 | 12 | |
| Regulatory Assets Current | 20 | 22 | (2) | |
| Prepayments and other current assets | 75 | 38 | 37 | Primarily due to higher accounts receivable related to refined coal, higher other accounts receivable, and higher notes receivable from affiliates; which are partially offset by accounts receivable from affiliates. |
| **Total Current Assets** | 769 | 768 | 1 | |
| Property, Plant, and Equipment | 11,794 | 11,982 | (188) | |
| Intangible Assets | 88 | 90 | (2) | |
| Other Property and Investments | 1 | 1 | 0 | |
| Regulatory Assets Non Current | 796 | 923 | (127) | Primarily due to pension funded status adjustments, decrease in ARO balances and market adjustments for interest rate swaps. |
| Goodwill | 997 | 997 | 0 | |
| Other Long-term Assets | 70 | 80 | (11) | Primarily due to lower collateral on interest rate swaps, lower primary survey and investigation charges, lower life insurance and other deferred debits, partially offset by higher Cane Run 7 LTPC assets. |
| **Total Assets** | **$ 14,515** | **$ 14,842** | **$ (327)** | |
| Liabilities and Equity: | | | | |
| Current Liabilities: | | | | |
| Accounts Payable (Trade) | $ 291 | $ 222 | $ 69 | Primarily due to timing of actuals. |
| Dividends Payable to Affiliated Companies | 0 | 0 | 0 | |
| Customer Deposits | 57 | 55 | 3 | |
| Derivative Liability | 5 | 6 | (1) | |
| Accrued Taxes | 52 | 44 | 8 | |
| Regulatory Liabilities Current | 15 | 19 | (4) | |
| Other Current Liabilities | 293 | 238 | 55 | Primarily due to ARO reclassification from long term to current in actuals versus the budget which assumed a static balance as of September 2017 when the budget was finalized. |
| **Total Current Liabilities** | 713 | 584 | 129 | |
| Debt - Affiliated Company | 559 | 695 | (136) | Used tax settlements and dividends from utilities to pay down CEP reserves. |
| Debt [(1)] | 4,857 | 5,034 | (177) | |
| **Total Debt** | 5,417 | 5,729 | (313) | |
| Deferred Tax Liabilities | 1,909 | 1,874 | 35 | |
| Investment Tax Credit | 130 | 129 | 1 | |
| Accum Provision for Pension & Related Benefits | 345 | 410 | (66) | Decrease primarily from funded status adjustment due to change in discount rate. |
| Asset Retirement Obligation | 261 | 357 | (96) | Primarily due to ARO settlements, lower revaluations, and reclassifications from long term to current. |
| Regulatory Liabilities Non Current | 873 | 852 | 21 | |
| Derivative Liability | 24 | 28 | (4) | |
| Other Liabilities | 178 | 186 | (8) | |
| **Total Deferred Credits and Other Liabilities** | 3,720 | 3,837 | (117) | |
| **Equity** | 4,666 | 4,691 | (25) | |
| **Total Liabilities and Equity** | **$ 14,515** | **$ 14,842** | **$ (327)** | |

[(1)] Includes all ST and LT debt. See Financing Activities page for details.
Note: Schedules may not sum due to rounding.



**Case Nos. 2018-00294 and 2018-00295**
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## Balance Sheet - LG&E — September 2017

**($ Millions)**

| | 9/30/2017 | YTD Budget | Variance | Comments |
|---|---|---|---|---|
| Assets: | | | | |
| Current Assets: | | | | |
| Cash and Cash Equivalents | $ 9 | $ 5 | $ 4 | |
| Accounts Receivable (Trade) | 161 | 168 | (7) | |
| Inventory | 137 | 123 | 14 | Lower fuel burn due to unfavorable weather has resulted in higher than budgeted coal inventory levels. |
| Regulatory Assets Current | 11 | 6 | 6 | |
| Prepayments and other current assets | 50 | 47 | 3 | |
| **Total Current Assets** | 368 | 349 | 19 | |
| Property, Plant, and Equipment | 5,152 | 5,232 | (80) | |
| Intangible Assets | 6 | 6 | (0) | |
| Other Property and Investments | 1 | 1 | 0 | |
| Regulatory Assets Non Current | 413 | 493 | (80) | Primarily due to a pension funded status adjustment, decrease in ARO balance due to settlements and revaluation and market adjustments for interest rate swaps. |
| Goodwill | 0 | 0 | 0 | |
| Other Long-term Assets | 12 | 21 | (8) | |
| **Total Assets** | **$ 5,952** | **$ 6,101** | **$ (149)** | |
| Liabilities and Equity: | | | | |
| Current Liabilities: | | | | |
| Accounts Payable (Trade) | $ 183 | $ 155 | $ 28 | Primarily due to timing of actuals. |
| Dividends Payable to Affiliated Companies | 0 | 0 | 0 | |
| Customer Deposits | 27 | 26 | 1 | |
| Derivative Liability | 5 | 6 | (1) | |
| Accrued Taxes | 25 | 28 | (3) | |
| Regulatory Liabilities Current | 5 | 3 | 3 | |
| Other Current Liabilities | 101 | 99 | 2 | |
| **Total Current Liabilities** | 346 | 316 | 30 | |
| Debt - Affiliated Company | 10 | 0 | 10 | Increase due to notes payable to KU. |
| Debt [1] | 1,808 | 1,898 | (90) | |
| **Total Debt** | 1,817 | 1,898 | (81) | |
| Deferred Tax Liabilities | 1,073 | 1,066 | 7 | |
| Investment Tax Credit | 36 | 36 | (0) | |
| Accum Provision for Pension & Related Benefits | 47 | 71 | (25) | Decrease primarily from funded status adjustment due to change in discount rate. |
| Asset Retirement Obligation | 85 | 96 | (10) | Decrease primarily due to settlement of Cane Run ash pond and landfill, settlement of Paddy's Run asbestos, reclassification from long term to current, and lower ARO revaluation. |
| Regulatory Liabilities Non Current | 340 | 342 | (2) | |
| Derivative Liability | 24 | 28 | (4) | |
| Other Liabilities | 84 | 89 | (5) | |
| **Total Deferred Credits and Other Liabilities** | 1,689 | 1,729 | (40) | |
| **Equity** | 2,099 | 2,158 | (59) | |
| **Total Liabilities and Equity** | **$ 5,952** | **$ 6,101** | **$ (149)** | |

[1] Includes all ST and LT debt.

Note: Schedules may not sum due to rounding and excludes purchase accounting adjustments.

## Balance Sheet - KU

**September 2017**

**($ Millions)**

| | 9/30/2017 | YTD Budget | Variance | Comments |
|---|---|---|---|---|
| Assets: | | | | |
| Current Assets: | | | | |
| Cash and Cash Equivalents | $ 31 | $ 5 | $ 26 | Increase primarily due to timing of payments and lower capital expenditures. |
| Accounts Receivable (Trade) | 208 | 227 | (20) | |
| Inventory | 127 | 129 | (2) | |
| Regulatory Assets Current | 9 | 16 | (8) | |
| Prepayments and other current assets | 57 | 22 | 35 | Primarily due to higher accounts receivable related to refined coal, higher other accounts receivable, and higher notes receivable from LG&E. |
| **Total Current Assets** | 432 | 400 | 32 | |
| Property, Plant, and Equipment | 6,634 | 6,742 | (107) | |
| Intangible Assets | 13 | 13 | (0) | |
| Other Property and Investments | 0 | 0 | 0 | |
| Regulatory Assets Non Current | 381 | 431 | (50) | Primarily due to a pension funded status adjustment and decrease in ARO balance due to lower actual accretion and depreciation expense versus budgeted. |
| Goodwill | 0 | 0 | 0 | |
| Other Long-term Assets | 55 | 57 | (2) | |
| **Total Assets** | **$ 7,515** | **$ 7,643** | **$ (128)** | |
| Liabilities and Equity: | | | | |
| Current Liabilities: | | | | |
| Accounts Payable (Trade) | $ 147 | $ 110 | $ 36 | Primarily due to timing of actuals. |
| Dividends Payable to Affiliated Companies | 0 | 0 | 0 | |
| Customer Deposits | 30 | 28 | 2 | |
| Derivative Liability | 0 | 0 | 0 | |
| Accrued Taxes | 24 | 24 | 0 | |
| Regulatory Liabilities Current | 10 | 16 | (6) | |
| Other Current Liabilities | 134 | 86 | 48 | Primarily due to ARO reclassification from long term to current in actuals versus the budget which assumed a static balance as of September 2017 when the budget was finalized. |
| **Total Current Liabilities** | 344 | 265 | 80 | |
| Debt - Affiliated Company | 0 | 0 | 0 | |
| Debt [(1)] | 2,326 | 2,413 | (87) | |
| **Total Debt** | 2,326 | 2,413 | (87) | |
| Deferred Tax Liabilities | 1,289 | 1,321 | (33) | |
| Investment Tax Credit | 94 | 94 | 1 | |
| Accum Provision for Pension & Related Benefits | 37 | 66 | (29) | Decrease primarily from funded status adjustment due to change in discount rate. |
| Asset Retirement Obligation | 176 | 261 | (85) | Primarily due to lower ARO revaluation and reclassification from long term to current. |
| Regulatory Liabilities Non Current | 463 | 438 | 25 | |
| Derivative Liability | 0 | 0 | 0 | |
| Other Liabilities | 43 | 47 | (5) | |
| **Total Deferred Credits and Other Liabilities** | 2,102 | 2,229 | (126) | |
| **Equity** | 2,742 | 2,737 | 5 | |
| **Total Liabilities and Equity** | **$ 7,515** | **$ 7,643** | **$ (128)** | |

[(1)] Includes all ST and LT debt.

Note: Schedules may not sum due to rounding and excludes purchase accounting adjustments.

**KU and LG&E Combined**
**Reconciliation of Allowed Return to**
**12 months ended September 2017 Regulatory Return**
**and ROE from Ongoing Operations**

| | | | |
|---|---|---|---|
| Allowed Return (1) | | 9.96% | |
| Adjustments (net tax): | | | |
| Change in capitalization - non mechanism | -0.20% | | Growth in capitalization (rate base) between rate cases does not earn a return |
| Change in ROE from average mechanism rate base growth | 0.00% | | Mechanisms have a real-time return |
| Change in weighted cost of debt | -0.07% | | Higher interest rates and borrowing |
| Change in margins | -0.65% | | Lower revenue |
| Change in allowed expenses | 0.56% | | Lower expense |
| | | -0.35% | |
| Actual Regulated ROE | | 9.61% | |

(1) Based on the most recent base rate filings with test years ending 6/30/18 KPSC, 12/31/16 FERC, 12/31/14 VA.
Note the allowed return is a blended rate of the previous authorized ROE of 10% after 7/1/16 and the current authorized ROE of 9.7% after 7/1/17

# Performance Report

# October 2017

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## Kentucky Regulated Dashboard — October 2017

| | Current Month | | YTD | | Full Year | |
|---|---|---|---|---|---|---|
| **Safety** | Actual | PY | Actual | PY | Forecast | PY |
| TCIR - Employees(1) | 0.37 | 0.74 | 0.98 | 1.09 | 1.35 | 1.12 |
| Employee lost-time incidents | 0 | 0 | 8 | 3 | 10 | 5 |
| **Reliability** | Actual | Budget | Actual | Budget | Forecast | Budget |
| Generation Volumes | 2,517 | 2,490 | 27,268 | 28,751 | 32,942 | 34,425 |
| Utility EFOR | 0.8% | 5.0% | 3.3% | 5.0% | N/A | 5.0% |
| Utility EAF | 71.3% | 69.9% | 85.7% | 85.8% | N/A | 85.2% |
| Steam Fleet Commercial Availability | 92.3% | 93.0% | 95.1% | 93.0% | N/A | 93.0% |
| Combined SAIFI | 0.08 | 0.08 | 0.74 | 0.91 | N/A | 1.03 |
| Combined SAIDI (minutes) | 5.30 | 6.71 | 65.53 | 82.68 | N/A | 93.20 |
| **GwH Sales** | Actual | Budget | Actual | Budget | Forecast | Budget |
| Residential | 634 | 635 | 8,182 | 8,856 | 9,972 | 10,668 |
| Commercial | 649 | 625 | 6,570 | 6,619 | 7,821 | 7,882 |
| Industrial | 757 | 795 | 7,715 | 8,086 | 9,261 | 9,706 |
| Municipals | 134 | 134 | 1,467 | 1,564 | 1,761 | 1,846 |
| Other | 233 | 219 | 2,293 | 2,296 | 2,759 | 2,753 |
| Off-System Sales | 36 | 7 | 290 | 204 | 330 | 244 |
| Total | 2,443 | 2,415 | 26,517 | 27,624 | 31,905 | 33,098 |
| **Weather-Normalized Sales Growth** | | | TTM | | | |
| Residential | | | 0.43% | | | |
| Commercial | | | -0.37% | | | |
| Industrial | | | -1.21% | | | |
| Municipal | | | -2.96% | | | |
| Other | | | -3.32% | | | |
| Total | | | -0.77% | | | |

| | Current Month | | YTD | | Full Year | |
|---|---|---|---|---|---|---|
| **Margins ($ millions)** | Actual | Budget | Actual | Budget | Forecast | Budget |
| Electric Margins(2) | $143 | $150 | $1,537 | $1,616 | $1,850 | $1,948 |
| Gas Margins | $12 | $12 | $137 | $140 | $179 | $183 |
| **Capital Expenditures ($ millions)** | Actual | Budget | Actual | Budget | Forecast | Budget |
| Total(2) | $116 | $138 | $750 | $899 | $1,050 | $1,107 |
| **O&M ($ millions)** | Actual | Budget | Actual | Budget | Forecast | Budget |
| O&M – Management View(2) (3) | $64 | $72 | $579 | $624 | $706 | $749 |
| O&M – GAAP View(2) (4) | $73 | $82 | $671 | $720 | $815 | $864 |
| **Head Count** | Actual | Budget | Actual | Budget | Forecast | Budget |
| Full-time Employees | 3,460 | 3,607 | 3,460 | 3,607 | 3,529 | 3,591 |
| **Other Metrics** | Actual | PY | Actual | PY | Forecast | PY |
| Environmental Events | 0 | 0 | 5 | 3 | N/A | 3 |
| NERC Possible Violations(5) | 0 | 0 | 7 | 5 | N/A | 5 |

| | TTM | Full Year | |
|---|---|---|---|
| **Financial Metrics** | Actual | Forecast | Budget |
| Utility ROE(6) | 9.5% | 9.6% | 9.8% |
| Average Utility Capitalization ($ millions) | $8,938 | $8,987 | $9,174 |

### Variance Explanations

Lower MTD margins primarily due to lower net retail electric base energy and demand revenue.

Lower YTD margins primarily due to lower sales volumes from unfavorable weather, resulting in lower retail electric base energy and demand revenue of $53 million, lower ECR revenue of $9 million and lower gas margins of $3 million and other offsetting margin components.

Lower O&M MTD primarily due to lower labor and burdens of $4 million and lower outside service expense of $2 million.

Lower O&M YTD primarily due to lower labor and burdens of $14 million, lower outside service expense of $10 million, lower storm and vegetation management expenses of $7 million, lower plant maintenance of $4 million and lower materials of $5 million.

(1) Full year forecast amount shown represents target.

(2) Includes net impact of approved rate case outcome for deferred AMS Capital and O&M expenses, lower depreciation expense and the offsetting revenue reduction included in margins.

(3) Net of cost recovery mechanisms and variable costs of production.

(4) Includes Management O&M, variable cost of production and mechanism operation and maintenance expenses

(5) The possible violation issues for YTD Actual is believed to be minimal risk.

(6) Excludes goodwill and other purchase accounting adjustments.

Note: Schedules may not sum due to rounding.

### Major Developments

KU announced its intention to retire Brown units 1 and 2 on or about March 1, 2019, coming out of the 2018-2019 winter season and approaching the termination of existing municipal contracts at the end of April 2019. Environmental compliance costs under the coal combustion residuals regulation and plans for the landfill at the site, drove the analysis that led to this conclusion. The retirement of this 272MW of coal-fired generation capacity with a projected future average capacity factor of approximately 20% was the most economic decision for our customers and is consistent with the assumptions in the current version of our 2018 business plan. No replacement capacity is needed given projected reserve margins following the municipal contract termination.

The contract between LG&E and the IBEW was ratified and covers the period from November 11, 2017 through November 10, 2020. The agreement provides for annual wage increases of 3%, 2.5% and 2.5%, among other provisions that give the Company added flexibility.

LKE recently concluded its annual Power of One employee fundraising campaign which benefits United Way agencies across the state as well as Fund for the Arts and Crusade for Children. For the first time in the 13-year history of the campaign, total funds raised exceeded $2 million. The 100th anniversary campaign of Metro United Way and a 68% payroll participation rate drove this memorable result.

LKE has filed responses to the second and third round of data requests regarding the Virginia rate case.

LG&E recently entered into a $200 million two year term loan credit facility with US Bank and made the first of two $100 million draws. The second draw is expected to occur in early 2018. This loan has a variable rate of Libor plus 50 basis points and will be reset every 30 days, with an initial rate of 1.74 percent. The proceeds will be used to pay down LG&E commercial paper balances, providing cost-effective liquidity prior to LG&E's next first mortgage bond issuance.

### Significant Future Events

The Virginia State Corporation Commission will conduct on site audits regarding the Virginia rate case for two separate weeks in November. These visits are consistent with past practice.

## Income Statement: Actual vs. Budget (Month) - LKE Consolidated — October 2017

**($ Millions)**

| | MTD | | | |
|---|---|---|---|---|
| | Actual | Budget | Variance | Comments |
| **Revenues:** | | | | |
| Electric Revenues | $ 220 | $ 232 | $ (12) | Due primarily to lower retail electric base energy and demand revenue. |
| Gas Revenues | 18 | 16 | 2 | |
| **Total Revenues** | 238 | 248 | (10) | |
| **Cost of Sales:** | | | | |
| Fuel Electric Costs | 58 | 58 | (0) | |
| Gas Supply Expenses | 6 | 4 | (2) | |
| Purchased Power | 5 | 5 | (0) | |
| Other Electric Cost of Production | 3 | 3 | 1 | |
| Mechanism - ECR, DSM & GLT - Operation and Maintenance | 6 | 6 | 1 | |
| Mechanism - ECR, DSM & GLT - Depreciation and Property Tax | 6 | 9 | 4 | |
| **Total Cost of Sales** | 83 | 86 | 2 | |
| **Gross Margin:** | | | | |
| Electric Margin | 143 | 150 | (7) | See explanations above. |
| Gas Margin | 12 | 12 | 0 | |
| **Total Gross Margin** | 155 | 162 | (7) | |
| O&M | 64 | 72 | 8 | Primarily due to lower labor and burdens and lower outside service expense. |
| Depreciation & Amortization | 33 | 36 | 3 | |
| Taxes, Other than Income | 5 | 5 | (0) | |
| Other income (expense) | (0) | (0) | 0 | |
| EBIT | 52 | 48 | 4 | |
| Interest Expense | 18 | 19 | 1 | |
| **Income from Ongoing Operations before income taxes** | 34 | 30 | 5 | |
| Income Tax Expense | 13 | 11 | (2) | |
| **Net Income (loss) from ongoing operations** | **21** | **18** | **3** | |
| Special Item - EEI | 0 | 0 | 0 | |
| Discontinued Operations | (0) | 0 | (0) | |
| **Net Income (loss)** | $ 21 | $ 18 | $ 2 | |
| KY Regulated Financing Costs | (3) | $ (3) | (0) | |
| **KY Regulated Net Income** | $ 18 | $ 16 | $ 2 | |
| Earnings Per Share - Ongoing | $ 0.03 | $ 0.02 | $ 0.00 | |

Note: Schedules may not sum due to rounding.



**Case Nos. 2018-00294 and 2018-00295**
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## Income Statement: Actual vs. Budget (YTD) - LKE Consolidated — October 2017

**($ Millions)**

| | YTD | | | |
|---|---|---|---|---|
| | Actual | Budget | Variance | Comments |
| **Revenues:** | | | | |
| Electric Revenues | $ 2,361 | $ 2,505 | $ (144) | Due primarily to lower sales volumes as a result of unfavorable weather and lower ECR revenues. |
| Gas Revenues | 229 | 255 | (25) | Due primarily to lower sales volumes driven by unfavorable weather in Q1. |
| **Total Revenues** | 2,590 | 2,760 | (169) | |
| **Cost of Sales:** | | | | |
| Fuel Electric Costs | 637 | 679 | 42 | Primarily due to decreased generation as a result of unfavorable weather. |
| Gas Supply Expenses | 83 | 105 | 21 | Due primarily to lower gas usage as a result of unfavorable weather. |
| Purchased Power | 48 | 50 | 2 | |
| Other Electric Cost of Production | 30 | 35 | 5 | Primarily due to decreased generation as a result of unfavorable weather and a reclassification of resale expense to revenues in actuals. |
| Mechanism - ECR, DSM & GLT - Operation and Maintenance | 61 | 62 | 1 | |
| Mechanism - ECR, DSM & GLT - Depreciation and Property Tax | 57 | 74 | 16 | Primarily due to lower actual capital spending and in-service dates and the impact of the settled versus as filed depreciation rates which is offset in margins. |
| **Total Cost of Sales** | 916 | 1004 | 88 | |
| **Gross Margin:** | | | | |
| Electric Margin | 1,537 | 1,616 | (79) | See explanations above. |
| Gas Margin | 137 | 140 | (3) | |
| **Total Gross Margin** | 1,675 | 1,756 | (82) | |
| O&M | 579 | 624 | 45 | Primarily due to lower labor and burdens, lower outside service expense, lower storm and vegetation management expenses, lower plant maintenance and lower materials. |
| Depreciation & Amortization | 309 | 323 | 14 | Primarily due to lower actual capital spending and in-service dates and the impact of the settled versus as filed depreciation rates, which is offset in margins. |
| Taxes, Other than Income | 50 | 51 | 1 | |
| Other income (expense) | (6) | (6) | 0 | |
| EBIT | 731 | 753 | (22) | |
| Interest Expense | 179 | 180 | 1 | |
| **Income from Ongoing Operations before income taxes** | 552 | 573 | (21) | |
| Income Tax Expense | 209 | 218 | 10 | |
| **Net Income (loss) from ongoing operations** | **343** | **355** | **(12)** | |
| Special Item - EEI | (1) | 0 | (1) | |
| Discontinued Operations | 1 | 0 | 0 | |
| **Net Income (loss)** | $ 343 | $ 355 | $ (12) | |
| KY Regulated Financing Costs | (25) | (25) | (0) | |
| **KY Regulated Net Income** | 318 | $ 330 | $ (12) | |
| Earnings Per Share - Ongoing | $ 0.46 | $ 0.48 | $ (0.01) | |

Note: Schedules may not sum due to rounding.

## Income Statement: Actual vs. Budget (YTD) - LG&E — October 2017

**($ Millions)**

| | YTD | | | |
|---|---|---|---|---|
| | Actual | Budget | Variance | Comments |
| **Revenues:** | | | | |
| Electric Revenues | $ 959 | $ 1,004 | $ (45) | Due primarily to lower sales volumes as a result of unfavorable weather and lower ECR revenues. |
| Gas Revenues | 229 | 255 | (25) | Due primarily to lower sales volumes driven by unfavorable weather in Q1. |
| **Total Revenues** | 1,188 | 1259 | (71) | |
| **Cost of Sales:** | | | | |
| Fuel Electric Costs | 253 | 255 | 2 | |
| Gas Supply Expenses | 83 | 105 | 21 | Due primarily to lower gas usage as a result of unfavorable weather. |
| Purchased Power | 41 | 48 | 7 | Lower intercompany and market purchases driven by unfavorable weather. |
| Other Electric Cost of Production | 11 | 13 | 2 | |
| Mechanism - ECR, DSM & GLT - Operation and Maintenance | 23 | 25 | 2 | |
| Mechanism - ECR, DSM & GLT - Depreciation and Property Tax | 30 | 37 | 8 | Primarily due to lower actual capital spending and in-service dates and the impact of the settled versus as filed depreciation rates which is offset in margins. |
| **Total Cost of Sales** | 441 | 482 | 42 | |
| **Gross Margin:** | | | | |
| Electric Margin | 610 | 636 | (26) | See explanations above. |
| Gas Margin | 137 | 140 | (3) | |
| **Total Gross Margin** | 747 | 776 | (29) | |
| O&M | 257 | 280 | 23 | Primarily due to lower outside service expense, lower labor and burdens, lower storm and vegetation management expenses, lower plant maintenance and lower materials. |
| Depreciation & Amortization | 125 | 131 | 6 | Primarily due to lower actual capital spending and in-service dates and the impact of the settled versus as filed depreciation rates, which is offset in margins. |
| Taxes, Other than Income | 25 | 26 | 1 | |
| Other income (expense) | (3) | (3) | (0) | |
| EBIT | 338 | 336 | 1 | |
| Interest Expense | 58 | 59 | 1 | |
| **Income from Ongoing Operations before income taxes** | 280 | 278 | 2 | |
| Income Tax Expense | 106 | 106 | (0) | |
| **Net Income (loss) from ongoing operations** | **$ 173** | **$ 171** | **$ 2** | |

Note: Schedules may not sum due to rounding and exclude purchase accounting adjustments and corresponding goodwill.

## Income Statement: Actual vs. Budget (YTD) - KU

**October 2017**

**($ Millions)**

| | YTD | | | |
|---|---|---|---|---|
| | Actual | Budget | Variance | Comments |
| **Revenues:** | | | | |
| Electric Revenues | $ 1,436 | $ 1,545 | $ (110) | Due primarily to lower sales volumes as a result of unfavorable weather and lower ECR revenues. |
| Gas Revenues | 0 | 0 | 0 | |
| **Total Revenues** | 1,436 | 1,545 | (110) | |
| **Cost of Sales:** | | | | |
| Fuel Electric Costs | 388 | 427 | 39 | Primarily due to decreased generation as a result of unfavorable weather. |
| Gas Supply Expenses | 0 | 0 | 0 | |
| Purchased Power | 37 | 43 | 6 | Lower intercompany and market purchases driven by unfavorable weather. |
| Other Electric Cost of Production | 18 | 22 | 4 | |
| Mechanism - ECR, DSM & GLT - Operation and Maintenance | 38 | 37 | (1) | |
| Mechanism - ECR, DSM & GLT - Depreciation and Property Tax | 28 | 36 | 9 | Primarily due to lower actual capital spending and in-service dates and the impact of the settled versus as filed depreciation rates, which is offset in margins. |
| **Total Cost of Sales** | 508 | 565 | 57 | |
| **Gross Margin:** | | | | |
| Electric Margin | 927 | 980 | (53) | See explanations above. |
| Gas Margin | 0 | 0 | 0 | |
| **Total Gross Margin** | 927 | 980 | (53) | |
| O&M | 297 | 328 | 30 | Primarily due to lower outside service expense, lower labor and burdens, lower storm and vegetation management expenses, lower plant maintenance and lower materials. |
| Depreciation & Amortization | 184 | 191 | 7 | Primarily due to lower actual capital spending and in-service dates and the impact of the settled versus as filed depreciation rates, which is offset in margins. |
| Taxes, Other than Income | 25 | 25 | 0 | |
| Other income (expense) | (2) | (3) | 1 | |
| EBIT | 419 | 433 | (14) | |
| Interest Expense | 80 | 80 | (1) | |
| **Income from Ongoing Operations before income taxes** | 339 | 353 | (14) | |
| Income Tax Expense | 129 | 134 | 5 | |
| **Net Income (loss) from ongoing operations** | **$ 210** | **$ 219** | **$ (9)** | |

Note: Schedules may not sum due to rounding and exclude purchase accounting adjustments and corresponding goodwill.

| O&M | October 2017 |
|---|---|

($ Millions)

| | MTD | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Actual | Budget | Total Variance | Labor & Burdens | Supplemental Contractors | Other Outside Services | Materials | Other |
| Generation | 23 | 27 | 3 | 1 | (0) | 1 | 1 | 0 |
| Project Engineering | 0 | 0 | 0 | 0 | (0) | 0 | 0 | 0 |
| Transmission | 3 | 3 | 0 | 0 | 0 | (0) | 0 | 0 |
| Energy Supply and Analysis | 1 | 1 | 0 | 0 | 0 | 0 | 0 | 0 |
| Electric Distribution | 5 | 6 | 1 | 0 | 1 | (0) | 0 | 0 |
| Gas Distribution | 3 | 3 | 0 | 0 | (0) | 0 | (0) | 0 |
| Advanced Metering System | 0 | 1 | 1 | 0 | 0 | 0 | 0 | (0) |
| Safety and Technical Training | 0 | 0 | 0 | 0 | (0) | (0) | (0) | 0 |
| Customer Services | 8 | 9 | 1 | 0 | 0 | 0 | (0) | 0 |
| **SVP Operations Total** | **44** | **50** | **6** | **2** | **1** | **1** | **1** | **1** |
| Audit Services | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Controller | 1 | 1 | (0) | 0 | 0 | (0) | 0 | (0) |
| Supply Chain | 0 | 0 | 0 | 0 | 0 | (0) | 0 | (0) |
| Treasurer | 2 | 2 | 0 | 0 | 0 | 0 | 0 | 0 |
| State Regulation and Rates | 0 | 0 | (0) | 0 | 0 | (0) | (0) | 0 |
| Other | 0 | 0 | 0 | 0 | 0 | (0) | 0 | 0 |
| **Chief Financial Officer Total** | **4** | **4** | **0** | **0** | **0** | **(0)** | **(0)** | **0** |
| **General Counsel** | **2** | **2** | **(0)** | **(0)** | **0** | **(0)** | **0** | **0** |
| **Human Resources** | **1** | **1** | **0** | **(0)** | **0** | **(0)** | **0** | **0** |
| **Information Technology** | **4** | **5** | **1** | **0** | **(0)** | **0** | **0** | **0** |
| **Corporate** | **7** | **9** | **2** | **2** | **0** | **0** | **(0)** | **(0)** |
| **Communication** | **1** | **1** | **0** | **(0)** | **0** | **0** | **(0)** | **0** |
| **Enterprise Security** | **0** | **0** | **0** | **0** | **0** | **(0)** | **(0)** | **0** |
| **Utility Total** | **63** | **71** | **8** | **4** | **1** | **1** | **1** | **1** |
| **Nonutility** | **2** | **2** | **0** | **0** | **0** | **0** | **0** | **(0)** |
| **O&M Total MTD** | **64** | **72** | **8** | **4** | **1** | **1** | **1** | **1** |

| | YTD | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Actual | Budget | Total Variance | Labor & Burdens | Resident Contractors | Other Outside Services | Materials | Other |
| Generation | 162 | 179 | 17 | 4 | (1) | 6 | 10 | (3) |
| Project Engineering | 6 | 0 | (5) | (0) | (0) | (4) | (0) | (1) |
| Transmission | 26 | 29 | 3 | 0 | 1 | 2 | (0) | 0 |
| Energy Supply and Analysis | 10 | 11 | 0 | 0 | 0 | (0) | 0 | 0 |
| Electric Distribution | 55 | 63 | 8 | 0 | 10 | (3) | 1 | 1 |
| Gas Distribution | 29 | 29 | 0 | 1 | (0) | 0 | 0 | (0) |
| Advanced Metering System | 0 | 2 | 2 | 1 | 0 | 1 | 0 | (0) |
| Safety and Technical Training | 4 | 4 | 0 | (0) | (0) | (0) | (0) | 0 |
| Customer Services | 77 | 83 | 6 | 1 | 2 | 1 | 0 | 2 |
| **SVP Operations Total** | **369** | **401** | **33** | **7** | **12** | **4** | **11** | **0** |
| Audit Services | 1 | 1 | 0 | 0 | 0 | 0 | 0 | 0 |
| Controller | 7 | 7 | 0 | (0) | (0) | 0 | 0 | 0 |
| Supply Chain | 3 | 4 | 0 | 0 | (0) | (0) | 0 | 0 |
| Treasurer | 20 | 20 | 1 | (0) | 0 | (0) | 0 | 1 |
| State Regulation and Rates | 3 | 3 | 0 | (0) | 0 | 0 | 0 | 0 |
| Other | 2 | 2 | 0 | 0 | 0 | (0) | 0 | (0) |
| **Chief Financial Officer Total** | **37** | **38** | **2** | **0** | **(0)** | **(0)** | **0** | **1** |
| **General Counsel** | **16** | **20** | **4** | **0** | **0** | **2** | **0** | **1** |
| **Human Resources** | **5** | **6** | **1** | **0** | **(0)** | **0** | **0** | **0** |
| **Information Technology** | **43** | **47** | **4** | **2** | **(0)** | **2** | **0** | **1** |
| **Corporate** | **78** | **87** | **10** | **9** | **0** | **0** | **(0)** | **(0)** |
| **Communication** | **5** | **6** | **1** | **0** | **0** | **0** | **0** | **0** |
| **Enterprise Security** | **2** | **2** | **0** | **(0)** | **0** | **0** | **0** | **0** |
| **Utility Total** | **554** | **608** | **54** | **19** | **11** | **8** | **11** | **4** |
| **Nonutility** | **24** | **15** | **(9)** | **(4)** | **0** | **(1)** | **(0)** | **(3)** |
| **O&M Total YTD** | **579** | **624** | **45** | **15** | **11** | **7** | **11** | **1** |

Note: Schedules may not sum due to rounding.

## Financing Activities — October 2017

($ Millions)

| Balance Sheet | YTD Actual | | YTD Budget | | YTD Variance | |
|---|---|---|---|---|---|---|
| **PCB** | | | | | | |
| Beg Bal | $ | 898.8 | $ | 898.8 | $ | 0.0 |
| End Bal | | 900.1 | | 898.7 | | (1.4) |
| Ave Bal | **$** | **899.4** | **$** | **898.7** | **$** | **(0.7)** |
| Interest Exp | **$** | **12.9** | **$** | **10.0** | **$** | **(2.9)** |
| Rate | | **1.69%** | | **1.31%** | | **-0.38%** |
| **FMB/Sr Nts/Loan with PPL** | | | | | | |
| Beg Bal | $ | 4,210.0 | $ | 4,210.0 | $ | 0.0 |
| End Bal | | 4,310.0 | | 4,495.0 | | 185.0 |
| Ave Bal | **$** | **4,260.0** | **$** | **4,352.5** | **$** | **92.50** |
| Interest Exp | **$** | **152.7** | **$** | **155.3** | **$** | **2.6** |
| Rate | | **4.25%** | | **4.23%** | | **-0.02%** |
| **Short-term Debt** | | | | | | |
| Beg Bal | $ | 348.1 | $ | 509.7 | $ | 161.6 |
| End Bal | | 232.8 | | 454.5 | | 221.7 |
| Ave Bal [(1)] | **$** | **290.4** | **$** | **482.1** | **$** | **191.7** |
| Interest Exp | **$** | **4.8** | **$** | **5.6** | **$** | **0.8** |
| Rate | | **1.82%** | | **1.37%** | | **-0.45%** |
| **Unamortized Debt Expense Bonds** | | | | | | |
| Beg Bal | $ | (44.0) | $ | (43.2) | $ | 0.7 |
| End Bal | | (42.3) | | (43.0) | | (0.7) |
| Ave Bal | **$** | **(43.1)** | **$** | **(43.1)** | **$** | **0.0** |
| **Total End Bal** | **$** | **5,400.6** | **$** | **5,805.1** | **$** | **404.6** |
| **Total Average Bal** | **$** | **5,428.3** | **$** | **5,690.2** | **$** | **261.9** |
| **Total Expense Excl I/C [(2)]** | **$** | **178.9** | **$** | **179.8** | **$** | **0.9** |
| **Rate** | | **3.87%** | | **3.71%** | | **-0.16%** |

(1) Short-term Debt YTD actual reflects average daily balances. All other average balances use the average of the beginning and ending balances.
(2) Total expense line includes additional revolving credit items. Total will not match sum of PCB, FMB, and STD.

| Credit Facilities ($ Millions) | Committed Capacity | | Borrowed[(3)] | | Letters of Credit Issued | | Unused Capacity | | Money Pool Loans | |
|---|---|---|---|---|---|---|---|---|---|---|
| LKE | $ | 300 | $ | 178 | | | $ | 122 | | |
| LG&E | | 500 | | 55 | | | | 445 | $ | 57 |
| KU | | 598 | | (0) | $ | 198 | | 400 | | |
| TOTAL | $ | 1,398 | $ | 233 | $ | 198 | $ | 967 | $ | 57 |

(3) LG&E and KU borrowed amounts represent commercial paper issuances. LKE borrowed amount includes bank revolver and debt with PPL.

| Credit Metrics[1] Moody's | LKE 2017 Actual YTD | LKE 2017 Budget YTD | LG&E 2017 Actual YTD | LG&E 2017 Budget YTD | KU 2017 Actual YTD | KU 2017 Budget YTD |
|---|---|---|---|---|---|---|
| CFO pre-WC / Debt | 19% | 17% | 27% | 25% | 26% | 27% |
| CFO pre-WC + Interest / Interest | 5.8 | 5.7 | 7.9 | 7.9 | 7.2 | 7.9 |
| CFO pre-WC - Dividends / Debt | 12% | 12% | 18% | 20% | 16% | 17% |
| Debt to Capitalization | 46% | 48% | 35% | 36% | 34% | 35% |

| Credit Metrics Moody's | LKE 2017 BP 2018 | LKE 2017 BP 2019 | LG&E 2017 BP 2018 | LG&E 2017 BP 2019 | KU 2017 BP 2018 | KU 2017 BP 2019 |
|---|---|---|---|---|---|---|
| CFO pre-WC / Debt | 18% | 18% | 27% | 29% | 26% | 26% |
| CFO pre-WC + Interest / Interest | 6.0 | 5.7 | 8.6 | 8.8 | 7.9 | 7.6 |
| CFO pre-WC - Dividends / Debt | 11% | 15% | 25% | 22% | 20% | 17% |
| Debt to Capitalization | 50% | 49% | 35% | 34% | 34% | 34% |

[1] Actuals represent a trailing 12 months.

**Financial Strength Factor (40% Weighting) -- Standard Business Risk Grid:**

| Moody's Thresholds | Sub-Factor Weighting | A | Baa | Ba |
|---|---|---|---|---|
| CFO pre-WC / Debt | 15.0% | 22% - 30% | 13% - 22% | 5% - 13% |
| CFO pre-WC + Interest / Interest | 7.5% | 4.5x - 6x | 3x - 4.5x | 2x - 3x |
| CFO pre-WC - Dividends / Debt | 10.0% | 17% - 25% | 9% - 17% | 0% - 9% |
| Debt / Capitalization | 7.5% | 35% - 45% | 45% - 55% | 55% - 65% |

| As of December 31, 2016 | Senior Unsecured | Senior Secured | Commercial Paper |
|---|---|---|---|
| Issuer | Moody's | Moody's | Moody's |
| LKE | Baa1 | | |
| LG&E | | A1 | P-2 |
| KU | | A1 | P-2 |

**Definitions**

Issuers assessed **A** are judged to have upper-medium-grade intrinsic, or standalone, financial strength, and thus subject to low credit risk absent any possibility of extraordinary support from an affiliate or a government.

Obligations rated **Baa** are judged to be medium-grade and subject to moderate credit risk and as such may possess certain speculative characteristics.

Issuers (or supporting institutions) rated Prime-2 have a strong ability to repay short-term debt obligations.

Moody's appends numerical modifiers 1, 2, and 3 to each generic rating classification. The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates a ranking in the lower end of that generic rating category.

## Balance Sheet - LKE Consolidated — October 2017

($ Millions)

| | 10/31/2017 | YTD Budget | Variance | Comments |
|---|---|---|---|---|
| Assets: | | | | |
| Current Assets: | | | | |
| Cash and Cash Equivalents | $ 13 | $ 60 | $ (47) | Primarily due to a decrease in cash at the non-utility companies. |
| Accounts Receivable (Trade) | 358 | 372 | (14) | |
| Inventory | 266 | 260 | 6 | |
| Regulatory Assets Current | 22 | 25 | (3) | |
| Prepayments and other current assets | 74 | 36 | 38 | Primarily due to higher accounts receivable related to refined coal, higher other accounts receivable, higher prepayments, higher preliminary survey charges and higher clearing accounts; which are offset partially by lower provision for accounts receivable bad debt. |
| **Total Current Assets** | 734 | 754 | (20) | |
| Property, Plant, and Equipment | 11,867 | 12,066 | (199) | |
| Intangible Assets | 88 | 90 | (2) | |
| Other Property and Investments | 1 | 1 | 0 | |
| Regulatory Assets Non Current | 797 | 925 | (128) | Primarily due to pension funded status adjustments, decrease in ARO balances and market adjustments for interest rate swaps. |
| Goodwill | 997 | 997 | 0 | |
| Other Long-term Assets | 60 | 80 | (20) | Primarily due to lower collateral on interest rate swaps, lower primary survey and investigation charges, lower life insurance and other deferred debits and lower Cane Run 7 LTPC assets. |
| **Total Assets** | **$ 14,544** | **$ 14,912** | **$ (369)** | |
| Liabilities and Equity: | | | | |
| Current Liabilities: | | | | |
| Accounts Payable (Trade) | $ 322 | $ 216 | $ 107 | Primarily due to timing of actuals. |
| Dividends Payable to Affiliated Companies | 0 | 0 | 0 | |
| Customer Deposits | 57 | 55 | 3 | |
| Derivative Liability | 4 | 6 | (2) | |
| Accrued Taxes | 70 | 37 | 33 | Primarily due to timing of property tax payments expected to occur during the month in the budget. |
| Regulatory Liabilities Current | 11 | 19 | (8) | |
| Other Current Liabilities | 273 | 230 | 42 | Primarily due to ARO reclassification from long term to current in actuals versus the budget which assumed a static balance as of September 2016 when the budget was finalized. |
| **Total Current Liabilities** | 737 | 563 | 174 | |
| Debt - Affiliated Company | 578 | 705 | (128) | Used tax settlements and dividends from utilities to pay down CEP reserves. |
| Debt (1) | 4,823 | 5,100 | (277) | |
| **Total Debt** | 5,401 | 5,805 | (405) | |
| Deferred Tax Liabilities | 1,909 | 1,874 | 35 | |
| Investment Tax Credit | 130 | 129 | 1 | |
| Accum Provision for Pension & Related Benefits | 347 | 410 | (63) | Decrease primarily from funded status adjustment due to change in discount rate. |
| Asset Retirement Obligation | 260 | 355 | (95) | Primarily due to ARO settlements, lower revaluations and reclassifications from long term to current. |
| Regulatory Liabilities Non Current | 872 | 851 | 21 | |
| Derivative Liability | 23 | 28 | (5) | |
| Other Liabilities | 178 | 186 | (8) | |
| **Total Deferred Credits and Other Liabilities** | 3,719 | 3,833 | (114) | |
| **Equity** | 4,687 | 4,711 | (24) | |
| **Total Liabilities and Equity** | **$ 14,544** | **$ 14,912** | **$ (369)** | |

(1) Includes all ST and LT debt. See Financing Activities page for details.
Note: Schedules may not sum due to rounding.

## Balance Sheet - LG&E — October 2017

**($ Millions)**

| | 10/31/2017 | YTD Budget | Variance | Comments |
|---|---|---|---|---|
| Assets: | | | | |
| Current Assets: | | | | |
| Cash and Cash Equivalents | $ 4 | $ 5 | $ (1) | |
| Accounts Receivable (Trade) | 156 | 156 | (1) | |
| Inventory | 142 | 132 | 10 | |
| Regulatory Assets Current | 13 | 7 | 5 | |
| Prepayments and other current assets | 49 | 46 | 3 | |
| **Total Current Assets** | 364 | 347 | 17 | |
| Property, Plant, and Equipment | 5,191 | 5,280 | (89) | |
| Intangible Assets | 6 | 6 | (0) | |
| Other Property and Investments | 1 | 1 | 0 | |
| Regulatory Assets Non Current | 413 | 492 | (79) | Primarily due to a pension funded status adjustment, decrease in ARO balance due to settlements and revaluation and market adjustments for interest rate swaps. |
| Goodwill | 0 | 0 | 0 | |
| Other Long-term Assets | 10 | 21 | (11) | Primarily due to lower collateral on interest rate swaps, lower primary survey and investigation charges and lower prepaid LT insurance. |
| **Total Assets** | **$ 5,984** | **$ 6,146** | **$ (162)** | |
| Liabilities and Equity: | | | | |
| Current Liabilities: | | | | |
| Accounts Payable (Trade) | $ 196 | $ 154 | $ 43 | Primarily due to timing of actuals. |
| Dividends Payable to Affiliated Companies | 0 | 0 | 0 | |
| Customer Deposits | 27 | 26 | 1 | |
| Derivative Liability | 4 | 6 | (2) | |
| Accrued Taxes | 35 | 27 | 8 | |
| Regulatory Liabilities Current | 4 | 3 | 1 | |
| Other Current Liabilities | 87 | 94 | (7) | |
| **Total Current Liabilities** | 354 | 310 | 44 | |
| Debt - Affiliated Company | 57 | 0 | 57 | Increase due to notes payable to KU. |
| Debt [(1)] | 1,773 | 1,943 | (170) | |
| **Total Debt** | 1,830 | 1,943 | (113) | |
| Deferred Tax Liabilities | 1,073 | 1,066 | 7 | |
| Investment Tax Credit | 35 | 35 | (0) | |
| Accum Provision for Pension & Related Benefits | 47 | 70 | (23) | Decrease primarily from funded status adjustment due to change in discount rate. |
| Asset Retirement Obligation | 85 | 95 | (10) | Decrease primarily due to settlement of Cane Run ash pond and landfill, settlement of Paddy's Run asbestos, reclassification from long term to current and lower ARO revaluation. |
| Regulatory Liabilities Non Current | 341 | 341 | (0) | |
| Derivative Liability | 23 | 28 | (5) | |
| Other Liabilities | 86 | 90 | (4) | |
| **Total Deferred Credits and Other Liabilities** | 1,690 | 1,725 | (35) | |
| **Equity** | 2,110 | 2,168 | (58) | |
| **Total Liabilities and Equity** | **$ 5,984** | **$ 6,146** | **$ (162)** | |

[(1)] Includes all ST and LT debt.

Note: Schedules may not sum due to rounding and excludes purchase accounting adjustments.

## Balance Sheet - KU

**October 2017**

**($ Millions)**

| | 10/31/2017 | YTD Budget | Variance | Comments |
|---|---|---|---|---|
| Assets: | | | | |
| Current Assets: | | | | |
| Cash and Cash Equivalents | $ 9 | $ 5 | $ 4 | |
| Accounts Receivable (Trade) | 202 | 216 | (13) | |
| Inventory | 124 | 128 | (4) | |
| Regulatory Assets Current | 10 | 18 | (8) | |
| Prepayments and other current assets | 102 | 21 | 81 | Primarily due to higher accounts receivable related to refined coal, higher other accounts receivable, higher prepayments, higher notes receivable from LG&E, higher preliminary survey charges and higher clearing accounts; which are partially offset by lower accounts receivable from associated companies. |
| **Total Current Assets** | 447 | 387 | 60 | |
| Property, Plant, and Equipment | 6,668 | 6,778 | (110) | |
| Intangible Assets | 13 | 13 | (0) | |
| Other Property and Investments | 0 | 0 | 0 | |
| Regulatory Assets Non Current | 382 | 434 | (52) | Primarily due to a pension funded status adjustment and decrease in ARO balance due to lower actual accretion and depreciation expense versus budgeted. |
| Goodwill | 0 | 0 | 0 | |
| Other Long-term Assets | 48 | 57 | (9) | |
| **Total Assets** | **$ 7,558** | **$ 7,670** | **$ (112)** | |
| Liabilities and Equity: | | | | |
| Current Liabilities: | | | | |
| Accounts Payable (Trade) | $ 175 | $ 109 | $ 65 | Primarily due to timing of actuals. |
| Dividends Payable to Affiliated Companies | 0 | 0 | 0 | |
| Customer Deposits | 30 | 28 | 1 | |
| Derivative Liability | 0 | 0 | 0 | |
| Accrued Taxes | 35 | 20 | 15 | Primarily due to timing of property tax payments expected to occur during the month in the budget. |
| Regulatory Liabilities Current | 7 | 16 | (9) | |
| Other Current Liabilities | 130 | 84 | 46 | Primarily due to ARO reclassification from long term to current in actuals versus the budget which assumed a static balance as of September 2016 when the budget was finalized. |
| **Total Current Liabilities** | 376 | 258 | 118 | |
| Debt - Affiliated Company | 0 | 0 | 0 | |
| Debt [(1)] | 2,326 | 2,434 | (108) | |
| **Total Debt** | 2,326 | 2,434 | (108) | |
| Deferred Tax Liabilities | 1,289 | 1,322 | (33) | |
| Investment Tax Credit | 94 | 94 | 1 | |
| Accum Provision for Pension & Related Benefits | 38 | 66 | (28) | Decrease primarily from funded status adjustment due to change in discount rate. |
| Asset Retirement Obligation | 175 | 260 | (85) | Primarily due to lower ARO revaluation and reclassification from long term to current. |
| Regulatory Liabilities Non Current | 462 | 439 | 23 | |
| Derivative Liability | 0 | 0 | 0 | |
| Other Liabilities | 42 | 48 | (6) | |
| **Total Deferred Credits and Other Liabilities** | 2,100 | 2,228 | (129) | |
| **Equity** | 2,756 | 2,749 | 7 | |
| **Total Liabilities and Equity** | **$ 7,558** | **$ 7,670** | **$ (112)** | |

(1) Includes all ST and LT debt.
Note: Schedules may not sum due to rounding and excludes purchase accounting adjustments.

# Performance Report

# November 2017

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## Kentucky Regulated Dashboard

November 2017

| | Current Month | | YTD | | Full Year | |
|---|---|---|---|---|---|---|
| **Safety** | Actual | PY | Actual | PY | Forecast | PY |
| TCIR - Employees[1] | 0.72 | 1.45 | 0.96 | 1.12 | 1.35 | 1.12 |
| Employee lost-time incidents | 0 | 1 | 8 | 4 | 9 | 5 |
| **Reliability** | Actual | Budget | Actual | Budget | Forecast | Budget |
| Generation Volumes | 2,472 | 2,614 | 29,740 | 31,365 | 32,800 | 34,425 |
| Utility EFOR | 4.9% | 5.0% | 3.4% | 5.0% | N/A | 5.0% |
| Utility EAF | 66.8% | 71.8% | 84.0% | 84.6% | N/A | 85.2% |
| Steam Fleet Commercial Availability | 80.3% | 93.0% | 93.8% | 93.0% | N/A | 93.0% |
| Combined SAIFI | 0.05 | 0.06 | 0.79 | 0.97 | N/A | 1.03 |
| Combined SAIDI (minutes) | 5.98 | 4.96 | 71.51 | 87.64 | N/A | 93.20 |
| **GwH Sales** | Actual | Budget | Actual | Budget | Forecast | Budget |
| Residential | 752 | 756 | 8,933 | 9,612 | 9,976 | 10,668 |
| Commercial | 597 | 606 | 7,167 | 7,225 | 7,815 | 7,882 |
| Industrial | 737 | 811 | 8,452 | 8,896 | 9,218 | 9,706 |
| Municipals | 132 | 134 | 1,600 | 1,698 | 1,757 | 1,846 |
| Other | 213 | 223 | 2,506 | 2,519 | 2,743 | 2,753 |
| Off-System Sales | 8 | 7 | 298 | 211 | 331 | 244 |
| Total | 2,439 | 2,537 | 28,956 | 30,161 | 31,841 | 33,098 |
| **Weather-Normalized Sales Growth** | | | TTM | | | |
| Residential | | | 1.91% | | | |
| Commercial | | | -0.18% | | | |
| Industrial | | | -3.16% | | | |
| Municipal | | | -2.98% | | | |
| Other | | | -3.20% | | | |
| Total | | | -0.80% | | | |

| | Current Month | | YTD | | Full Year | |
|---|---|---|---|---|---|---|
| **Margins ($ millions)** | Actual | Budget | Actual | Budget | Forecast | Budget |
| Electric Margins[2] | $147 | $155 | $1,685 | $1,772 | $1,850 | $1,948 |
| Gas Margins | $19 | $17 | $156 | $158 | $179 | $183 |
| **Capital Expenditures ($ millions)** | Actual | Budget | Actual | Budget | Forecast | Budget |
| Total[2] | $113 | $106 | $863 | $1,005 | $1,020 | $1,107 |
| **O&M ($ millions)** | Actual | Budget | Actual | Budget | Forecast | Budget |
| O&M – Management View[2] [3] | $59 | $67 | $638 | $690 | $706 | $749 |
| O&M – GAAP View[2] [4] | $69 | $76 | $740 | $795 | $815 | $864 |
| **Head Count** | Actual | Budget | Actual | Budget | Forecast | Budget |
| Full-time Employees | 3,459 | 3,598 | 3,459 | 3,598 | 3,509 | 3,591 |
| **Other Metrics** | Actual | PY | Actual | PY | Forecast | PY |
| Environmental Events | 2 | 0 | 7 | 3 | N/A | 3 |
| NERC Possible Violations[5] | 1 | 0 | 8 | 5 | N/A | 5 |

| | TTM | Full Year | |
|---|---|---|---|
| **Financial Metrics** | Actual | Forecast | Budget |
| Utility ROE[6] | 9.7% | 9.6% | 9.8% |
| Average Utility Capitalization ($ millions) | $8,946 | $8,987 | $9,174 |

### Variance Explanations

Lower margins MTD primarily due to lower net retail electric base energy and demand revenue and lower ECR revenue partially offset by higher gas margins.

Lower margins YTD primarily due to lower sales volumes from unfavorable weather, resulting in lower retail electric base energy and demand revenue of $55 million, lower ECR revenue of $10 million and other offsetting margin components.

'Lower O&M MTD primarily due to lower labor and burdens of $4 million.

Lower O&M YTD primarily due to lower labor and burdens of $19 million, lower outside service expense of $12 million, lower storm and vegetation management expenses of $6 million, lower plant maintenance of $5 million and lower materials of $5 million.

(1) Full year forecast amount shown represents target.

(2) Includes net impact of approved rate case outcome for deferred AMS Capital and O&M expenses, lower depreciation expense and the offsetting revenue reduction included in margins.

(3) Net of cost recovery mechanisms and variable costs of production.

(4) Includes Management O&M, variable cost of production and mechanism operation and maintenance expenses

(5) The possible violation issues for YTD Actual is believed to be minimal risk.

(6) Excludes goodwill and other purchase accounting adjustments.

Note: Schedules may not sum due to rounding.

### Major Developments

LKE announced that the Company will request that the KPSC extend some of its current Demand Side Management programs through December 31, 2025. All of the current programs are set to expire December 31, 2018. Some of the existing programs are no longer cost-effective and will not be renewed as a result of a variety of factors including the abundance of more energy-efficient appliances and devices and lighting in homes and businesses. The request allows the Company to continue offering customers, especially some of our most vulnerable ones, energy efficiency choices and it also provides programs which engage the industrial segment for the first time. DSM expenses are generally a direct pass-through to customer bills. If LG&E and KU's new plan is approved, residential customers' bills would be reduced $20 to $30 annually in 2018, and $35 to $45 in 2019.

Ohio Falls Unit 8 was recently declared in service for operation. This marked the last of the eight units to be rehabilitated with the new runner technology from Voith Hydro that increased each unit's generating capacity from 10 MW to 12.6 MW, thus increasing the total capacity of the Ohio Falls Station from 80 MW to 109 MW. The overall project maintained an outstanding safety record with only two minor recordables over the project. The project scope included not only the increase in generating capacity, but the rewinding of seven of the unit's generators, upgrade of the electrical power and control systems, as well as site restoration scopes.

### Significant Future Events

In January 2018, the Company plans to file a request for a certificate of public necessity and convenience with the KPSC for full scale deployment of advanced metering systems.

## Income Statement: Actual vs. Budget (Month) - LKE Consolidated — November 2017

**($ Millions)**

| | MTD | | | |
|---|---|---|---|---|
| | Actual | Budget | Variance | Comments |
| **Revenues:** | | | | |
| Electric Revenues | $ 227 | $ 240 | $ (13) | Due primarily to lower retail electric base energy and demand revenue and lower ECR revenue. |
| Gas Revenues | 33 | 28 | 4 | |
| **Total Revenues** | 259 | 268 | (9) | |
| **Cost of Sales:** | | | | |
| Fuel Electric Costs | 59 | 62 | 3 | |
| Gas Supply Expenses | 13 | 10 | (3) | |
| Purchased Power | 6 | 5 | (1) | |
| Other Cost of Production | 3 | 3 | 0 | |
| Mechanism - ECR, DSM & GLT - Operation and Maintenance | 7 | 6 | (1) | |
| Mechanism - ECR, DSM & GLT - Depreciation and Property Tax | 6 | 9 | 4 | |
| **Total Cost of Sales** | 93 | 95 | 2 | |
| **Gross Margin:** | | | | |
| Electric Margin | 147 | 155 | (8) | See explanations above. |
| Gas Margin | 19 | 17 | 1 | |
| **Total Gross Margin** | 166 | 173 | (7) | |
| O&M | 59 | 67 | 8 | Primarily due to lower labor and burdens. |
| Depreciation & Amortization | 33 | 36 | 3 | |
| Taxes, Other than Income | 5 | 5 | (0) | |
| Other income (expense) | (0) | (1) | 0 | |
| EBIT | 69 | 64 | 4 | |
| Interest Expense | 18 | 19 | 1 | |
| **Income from Ongoing Operations before income taxes** | 51 | 45 | 5 | |
| Income Tax Expense | 19 | 17 | (2) | |
| **Net Income (loss) from ongoing operations** | **31** | **28** | **3** | |
| Special Item - EEI | 0 | 0 | 0 | |
| Discontinued Operations | (0) | 0 | (0) | |
| **Net Income (loss)** | $ 31 | $ 28 | $ 3 | |
| KY Regulated Financing Costs | (3) | $ (2) | (0) | |
| **KY Regulated Net Income** | $ 29 | $ 26 | $ 3 | |
| Earnings Per Share - Ongoing | $ 0.04 | $ 0.04 | $ 0.00 | |

Note: Schedules may not sum due to rounding.

**Case Nos. 2018-00294 and 2018-00295**
**Attachment to Filing Requirement**
**807 KAR 5:001 Sec. 16(7)(o)**

**Arbough**

## Income Statement: Actual vs. Budget (YTD) - LKE Consolidated

**November 2017**

**($ Millions)**

| | YTD | | | |
|---|---|---|---|---|
| | Actual | Budget | Variance | Comments |
| **Revenues:** | | | | |
| Electric Revenues | $ 2,589 | $ 2,745 | $ (156) | Due primarily to lower sales volumes as a result of unfavorable weather and lower ECR revenues. |
| Gas Revenues | 262 | 283 | (21) | Due primarily to lower sales volumes driven by unfavorable weather in Q1. |
| **Total Revenues** | 2,850 | 3,028 | (177) | |
| **Cost of Sales:** | | | | |
| Fuel Electric Costs | 695 | 741 | 46 | Primarily due to decreased generation as a result of unfavorable weather. |
| Gas Supply Expenses | 94 | 115 | 21 | Due primarily to lower gas usage as a result of unfavorable weather. |
| Purchased Power | 56 | 55 | (1) | |
| Other Cost of Production | 34 | 38 | 4 | |
| Mechanism - ECR, DSM & GLT - Operation and Maintenance | 68 | 67 | (0) | |
| Mechanism - ECR, DSM & GLT - Depreciation and Property Tax | 63 | 83 | 20 | Primarily due to lower actual capital spending and in-service dates and the impact of the settled versus as filed depreciation rates which is offset in margins. |
| **Total Cost of Sales** | 1,010 | 1,099 | 89 | |
| **Gross Margin:** | | | | |
| Electric Margin | 1,685 | 1,772 | (87) | See explanations above. |
| Gas Margin | 156 | 158 | (1) | |
| **Total Gross Margin** | 1,841 | 1,929 | (88) | |
| O&M | 638 | 690 | 52 | Primarily due to lower labor and burdens, lower outside service expense, lower storm and vegetation management expenses, lower plant maintenance and lower materials. |
| Depreciation & Amortization | 342 | 359 | 17 | Primarily due to lower actual capital spending and in-service dates and the impact of the settled versus as filed depreciation rates, which is offset in margins. |
| Taxes, Other than Income | 55 | 56 | 1 | |
| Other income (expense) | (6) | (7) | 1 | |
| EBIT | 799 | 817 | (18) | |
| Interest Expense | 197 | 198 | 2 | |
| **Income from Ongoing Operations before income taxes** | 603 | 619 | (16) | |
| Income Tax Expense | 228 | 236 | 8 | |
| **Net Income (loss) from ongoing operations** | **374** | **383** | **(8)** | |
| Special Item - EEI | (1) | 0 | (1) | |
| Discontinued Operations | 1 | 0 | 0 | |
| **Net Income (loss)** | $ 374 | $ 383 | $ (9) | |
| KY Regulated Financing Costs | (28) | (28) | (0) | |
| **KY Regulated Net Income** | 347 | $ 356 | $ (9) | |
| Earnings Per Share - Ongoing | $ 0.50 | $ 0.51 | $ (0.01) | |

Note: Schedules may not sum due to rounding.



**Case Nos. 2018-00294 and 2018-00295**
**Attachment to Filing Requirement**
**807 KAR 5:001 Sec. 16(7)(o)**

**Arbough**

## Income Statement: Actual vs. Budget (YTD) - LG&E — November 2017

($ Millions)

| | YTD | | | |
|---|---|---|---|---|
| | Actual | Budget | Variance | Comments |
| **Revenues:** | | | | |
| Electric Revenues | $ 1,045 | $ 1,095 | $ (50) | Due primarily to lower sales volumes as a result of unfavorable weather and lower ECR revenues. |
| Gas Revenues | 262 | 283 | (21) | Due primarily to lower sales volumes driven by unfavorable weather in Q1. |
| **Total Revenues** | 1,306 | 1378 | (72) | |
| **Cost of Sales:** | | | | |
| Fuel Electric Costs | 270 | 276 | 5 | |
| Gas Supply Expenses | 94 | 115 | 21 | Due primarily to lower gas usage as a result of unfavorable weather. |
| Purchased Power | 47 | 52 | 5 | Lower intercompany and market purchases driven by unfavorable weather. |
| Other Cost of Production | 15 | 14 | (1) | |
| Mechanism - ECR, DSM & GLT - Operation and Maintenance | 26 | 27 | 1 | |
| Mechanism - ECR, DSM & GLT - Depreciation and Property Tax | 32 | 42 | 10 | Primarily due to lower actual capital spending and in-service dates and the impact of the settled versus as filed depreciation rates which is offset in margins. |
| **Total Cost of Sales** | 484 | 526 | 41 | |
| **Gross Margin:** | | | | |
| Electric Margin | 666 | 695 | (29) | See explanations above. |
| Gas Margin | 156 | 158 | (1) | |
| **Total Gross Margin** | 822 | 853 | (30) | |
| O&M | 284 | 315 | 31 | Primarily due to lower labor and burdens, lower outside service expense, lower storm and vegetation management expenses, lower plant maintenance and lower materials. |
| Depreciation & Amortization | 138 | 146 | 8 | Primarily due to lower actual capital spending and in-service dates and the impact of the settled versus as filed depreciation rates, which is offset in margins. |
| Taxes, Other than Income | 28 | 29 | 1 | |
| Other income (expense) | (3) | (3) | (0) | |
| EBIT | 370 | 360 | 9 | |
| Interest Expense | 64 | 65 | 1 | |
| **Income from Ongoing Operations before income taxes** | 306 | 295 | 11 | |
| Income Tax Expense | 117 | 113 | (3) | |
| **Net Income (loss) from ongoing operations** | **$ 189** | **$ 182** | **$ 7** | |

Note: Schedules may not sum due to rounding and exclude purchase accounting adjustments and corresponding goodwill.

## Income Statement: Actual vs. Budget (YTD) - KU

**November 2017**

**($ Millions)**

| | YTD | | | |
|---|---|---|---|---|
| | Actual | Budget | Variance | Comments |
| **Revenues:** | | | | |
| Electric Revenues | $ 1,580 | $ 1,697 | $ (118) | Due primarily to lower sales volumes as a result of unfavorable weather and lower ECR revenues. |
| Gas Revenues | 0 | 0 | 0 | |
| **Total Revenues** | 1,580 | 1,697 | (118) | |
| **Cost of Sales:** | | | | |
| Fuel Electric Costs | 428 | 468 | 40 | Primarily due to decreased generation as a result of unfavorable weather. |
| Gas Supply Expenses | 0 | 0 | 0 | |
| Purchased Power | 41 | 47 | 5 | Lower intercompany and market purchases driven by unfavorable weather. |
| Other Cost of Production | 19 | 25 | 6 | Primarily due to decreased generation as a result of unfavorable weather. |
| Mechanism - ECR, DSM & GLT - Operation and Maintenance | 41 | 40 | (2) | |
| Mechanism - ECR, DSM & GLT - Depreciation and Property Tax | 31 | 41 | 11 | Primarily due to lower actual capital spending and in-service dates and the impact of the settled versus as filed depreciation rates, which is offset in margins. |
| **Total Cost of Sales** | 561 | 621 | 60 | |
| **Gross Margin:** | | | | |
| Electric Margin | 1,019 | 1076 | (58) | See explanations above. |
| Gas Margin | 0 | 0 | 0 | |
| **Total Gross Margin** | 1,019 | 1076 | (58) | |
| O&M | 328 | 358 | 30 | Primarily due to lower labor and burdens, lower outside service expense, lower storm and vegetation management expenses, lower plant maintenance and lower materials. |
| Depreciation & Amortization | 203 | 212 | 9 | Primarily due to lower actual capital spending and in-service dates and the impact of the settled versus as filed depreciation rates, which is offset in margins. |
| Taxes, Other than Income | 27 | 27 | 0 | |
| Other income (expense) | (2) | (4) | 2 | |
| EBIT | 457 | 475 | (17) | |
| Interest Expense | 88 | 88 | (1) | |
| **Income from Ongoing Operations before income taxes** | 369 | 387 | (18) | |
| Income Tax Expense | 140 | 147 | 7 | |
| **Net Income (loss) from ongoing operations** | **$ 229** | **$ 240** | **$ (11)** | |

Note: Schedules may not sum due to rounding and exclude purchase accounting adjustments and corresponding goodwill.

| O&M | | | | | | | | November 2017 |
|---|---|---|---|---|---|---|---|---|
| ($ Millions) | | | | | | | | |
| | MTD | | | | | | | |
| | Actual | Budget | Total Variance | Labor & Burdens | Supplemental Contractors | Other Outside Services | Materials | Other |
| Generation | 20 | 23 | 3 | 1 | (0) | 1 | 1 | 0 |
| Project Engineering | 0 | 0 | 0 | 0 | (0) | (0) | 0 | 0 |
| Transmission | 3 | 3 | (0) | 0 | (0) | (0) | (0) | 0 |
| Energy Supply and Analysis | 1 | 1 | 0 | 0 | 0 | (0) | 0 | 0 |
| Electric Distribution | 6 | 6 | (0) | 0 | 0 | (0) | 0 | (0) |
| Gas Distribution | 3 | 3 | 0 | 0 | 0 | (0) | 0 | (0) |
| Advanced Metering System | 0 | 1 | 1 | 0 | 0 | 0 | 0 | (0) |
| Safety and Technical Training | 0 | 0 | (0) | 0 | (0) | 0 | (0) | (0) |
| Customer Services | 8 | 8 | 0 | 0 | 0 | 0 | (0) | (0) |
| **SVP Operations Total** | **41** | **45** | **4** | **2** | **(0)** | **1** | **1** | **0** |
| Audit Services | 0 | 0 | 0 | 0 | 0 | 0 | (0) | 0 |
| Controller | 1 | 1 | 0 | 0 | 0 | 0 | 0 | 0 |
| Supply Chain | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (0) |
| Information Technology | 4 | 5 | 1 | 1 | (0) | 0 | (0) | 0 |
| Treasurer | 2 | 2 | 0 | 0 | 0 | (0) | 0 | 0 |
| State Regulation and Rates | 0 | 0 | 0 | (0) | 0 | 0 | (0) | 0 |
| Other | 0 | 0 | 0 | 0 | 0 | (0) | (0) | 0 |
| **Chief Financial Officer Total** | **8** | **8** | **1** | **1** | **(0)** | **0** | **(0)** | **0** |
| **General Counsel** | **1** | **2** | **0** | **0** | **0** | **0** | **0** | **0** |
| **Human Resources** | **1** | **1** | **0** | **0** | **(0)** | **0** | **(0)** | **0** |
| **Corporate** | **7** | **9** | **2** | **2** | **0** | **(0)** | **(0)** | **0** |
| **Communication** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **0** |
| **Utility Total** | **58** | **65** | **8** | **4** | **(0)** | **1** | **1** | **1** |
| **Nonutility** | **2** | **2** | **(0)** | **0** | **0** | **(0)** | **0** | **(0)** |
| **O&M Total MTD** | **59** | **67** | **8** | **4** | **(0)** | **1** | **1** | **1** |

| | YTD | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Actual | Budget | Total Variance | Labor & Burdens | Supplemental Contractors | Other Outside Services | Materials | Other |
| Generation | 182 | 202 | 20 | 5 | (1) | 8 | 11 | (3) |
| Project Engineering | 6 | 1 | (5) | (0) | (0) | (4) | (0) | (1) |
| Transmission | 29 | 31 | 3 | 0 | 1 | 2 | (0) | 1 |
| Energy Supply and Analysis | 11 | 12 | 0 | 0 | 0 | (0) | 0 | 0 |
| Electric Distribution | 60 | 69 | 8 | 1 | 10 | (4) | 1 | 1 |
| Gas Distribution | 32 | 32 | 1 | 1 | (0) | 0 | 0 | (0) |
| Advanced Metering System | 0 | 3 | 3 | 1 | 0 | 2 | 0 | (0) |
| Safety and Technical Training | 5 | 5 | 0 | (0) | (0) | (0) | (0) | 0 |
| Customer Services | 85 | 91 | 6 | 1 | 2 | 1 | (0) | 2 |
| **SVP Operations Total** | **410** | **446** | **36** | **8** | **11** | **5** | **12** | **0** |
| Audit Services | 1 | 2 | 0 | 0 | 0 | 0 | (0) | 0 |
| Controller | 8 | 8 | 0 | (0) | (0) | 0 | 0 | 0 |
| Supply Chain | 4 | 4 | 0 | 0 | (0) | (0) | 0 | (0) |
| Information Technology | 47 | 52 | 5 | 2 | (0) | 2 | (0) | 1 |
| Treasurer | 21 | 22 | 1 | (0) | 0 | (0) | 0 | 1 |
| State Regulation and Rates | 4 | 4 | 0 | (0) | 0 | 0 | 0 | 0 |
| Other | 2 | 2 | 0 | 1 | 0 | (0) | 0 | 0 |
| **Chief Financial Officer Total** | **87** | **94** | **7** | **3** | **(0)** | **2** | **0** | **2** |
| **General Counsel** | **18** | **22** | **4** | **1** | **0** | **2** | **0** | **1** |
| **Human Resources** | **6** | **7** | **1** | **0** | **(0)** | **0** | **0** | **0** |
| **Corporate** | **87** | **99** | **12** | **11** | **0** | **1** | **(0)** | **1** |
| **Communication** | **6** | **6** | **1** | **0** | **0** | **0** | **0** | **0** |
| **Utility Total** | **612** | **673** | **61** | **24** | **11** | **10** | **12** | **5** |
| **Nonutility** | **26** | **17** | **(9)** | **(4)** | [illegible] | **(1)** | **(0)** | **(3)** |
| **O&M Total YTD** | **638** | **690** | **52** | **19** | **11** | [illegible] | **12** | **2** |

Note: Schedules may not sum due to rounding.

**Case Nos. 2018-00294 and 2018-00295**
**Attachment to Filing Requirement**
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**Arbough**

## Financing Activities — November 2017

($ Millions)

| Balance Sheet | YTD Actual | YTD Budget | YTD Variance |
|---|---|---|---|
| **PCB** | | | |
| Beg Bal | $ 898.8 | $ 898.8 | $ 0.0 |
| End Bal | 890.0 | 898.6 | 8.7 |
| Ave Bal | **$ 894.4** | **$ 898.7** | **$ 4.3** |
| Interest Exp | **$ 14.0** | **$ 10.9** | **$ (3.0)** |
| Rate | **1.69%** | **1.31%** | **-0.37%** |
| **FMB/Sr Nts/Loan with PPL** | | | |
| Beg Bal | $ 4,210.0 | $ 4,210.0 | $ 0.0 |
| End Bal | 4,310.0 | 4,495.0 | 185.0 |
| Ave Bal | **$ 4,260.0** | **$ 4,352.5** | **$ 92.50** |
| Interest Exp | **$ 168.1** | **$ 171.4** | **$ 3.3** |
| Rate | **4.25%** | **4.24%** | **-0.01%** |
| **Short-term Debt** | | | |
| Beg Bal | $ 348.1 | $ 509.7 | $ 161.6 |
| End Bal | 291.0 | 529.7 | 238.8 |
| Ave Bal (1) | **$ 319.5** | **$ 519.7** | **$ 200.2** |
| Interest Exp | **$ 5.3** | **$ 6.2** | **$ 0.9** |
| Rate | **1.86%** | **1.29%** | **-0.57%** |
| **Unamortized Debt Expense Bonds** | | | |
| Beg Bal | $ (44.0) | $ (43.2) | $ 0.7 |
| End Bal | (42.0) | (42.5) | (0.6) |
| Ave Bal | **$ (43.0)** | **$ (42.9)** | **$ 0.1** |
| **Total End Bal** | **$ 5,449.0** | **$ 5,880.9** | **$ 431.9** |
| **Total Average Bal** | **$ 5,418.9** | **$ 5,728.1** | **$ 309.2** |
| **Total Expense Excl I/C (2)** | **$ 196.8** | **$ 198.4** | **$ 1.6** |
| **Rate** | **3.88%** | **3.71%** | **-0.18%** |

(1) Short-term Debt YTD actual reflects average daily balances. All other average balances use the average of the beginning and ending balances.

(2) Total expense line includes additional revolving credit items. Total will not match sum of PCB, FMB, and STD.

| Credit Facilities ($ Millions) | Committed Capacity | Borrowed(3) | Letters of Credit Issued | Unused Capacity | Money Pool Loans |
|---|---|---|---|---|---|
| LKE | $ 300 | $ 179 | | $ 121 | |
| LG&E | 500 | 112 | | 388 | $ 43 |
| KU | 598 | - | $ 198 | 400 | |
| TOTAL | $ 1,398 | $ 291 | $ 198 | $ 909 | $ 43 |

(3) LG&E and KU borrowed amounts represent commercial paper issuances. LKE borrowed amount includes bank revolver and debt with PPL.

| Credit Metrics[1] Moody's | LKE 2017 Actual YTD | LKE 2017 Budget YTD | LG&E 2017 Actual YTD | LG&E 2017 Budget YTD | KU 2017 Actual YTD | KU 2017 Budget YTD |
|---|---|---|---|---|---|---|
| CFO pre-WC / Debt | 20% | 17% | 27% | 25% | 27% | 27% |
| CFO pre-WC + Interest / Interest | 6.0 | 5.7 | 8.1 | 8.0 | 7.6 | 8.0 |
| CFO pre-WC - Dividends / Debt | 13% | 12% | 19% | 20% | 18% | 18% |
| Debt to Capitalization | 47% | 49% | 35% | 37% | 34% | 35% |

| Credit Metrics Moody's | LKE 2017 BP 2018 | LKE 2017 BP 2019 | LG&E 2017 BP 2018 | LG&E 2017 BP 2019 | KU 2017 BP 2018 | KU 2017 BP 2019 |
|---|---|---|---|---|---|---|
| CFO pre-WC / Debt | 18% | 18% | 27% | 29% | 26% | 26% |
| CFO pre-WC + Interest / Interest | 6.0 | 5.7 | 8.6 | 8.8 | 7.9 | 7.6 |
| CFO pre-WC - Dividends / Debt | 11% | 15% | 25% | 22% | 20% | 17% |
| Debt to Capitalization | 50% | 49% | 35% | 34% | 34% | 34% |

(1) Actuals represent a trailing 12 months.

**Financial Strength Factor (40% Weighting) -- Standard Business Risk Grid:**

| Moody's Thresholds | Sub-Factor Weighting | A | Baa | Ba |
|---|---|---|---|---|
| CFO pre-WC / Debt | 15.0% | 22% - 30% | 13% - 22% | 5% - 13% |
| CFO pre-WC + Interest / Interest | 7.5% | 4.5x - 6x | 3x - 4.5x | 2x - 3x |
| CFO pre-WC - Dividends / Debt | 10.0% | 17% - 25% | 9% - 17% | 0% - 9% |
| Debt / Capitalization | 7.5% | 35% - 45% | 45% - 55% | 55% - 65% |

| As of December 31, 2016 | Senior Unsecured | Senior Secured | Commercial Paper |
|---|---|---|---|
| Issuer | Moody's | Moody's | Moody's |
| LKE | Baa1 | | |
| LG&E | | A1 | P-2 |
| KU | | A1 | P-2 |

**Definitions**

Issuers assessed **A** are judged to have upper-medium-grade intrinsic, or standalone, financial strength, and thus subject to low credit risk absent any possibility of extraordinary support from an affiliate or a government.

Obligations rated **Baa** are judged to be medium-grade and subject to moderate credit risk and as such may possess certain speculative characteristics.

Issuers (or supporting institutions) rated Prime-2 have a strong ability to repay short-term debt obligations.

Moody's appends numerical modifiers 1, 2, and 3 to each generic rating classification. The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates a ranking in the lower end of that generic rating category.

## Balance Sheet - LKE Consolidated — November 2017

**($ Millions)**

| | 11/30/2017 | YTD Budget | Variance | Comments |
|---|---|---|---|---|
| Assets: | | | | |
| Current Assets: | | | | |
| Cash and Cash Equivalents | $ 12 | $ 60 | $ (48) | Primarily due to a decrease in cash at the non-utility companies. |
| Accounts Receivable (Trade) | 376 | 386 | (10) | |
| Inventory | 272 | 266 | 6 | |
| Regulatory Assets Current | 24 | 26 | (2) | |
| Prepayments and other current assets | 68 | 36 | 31 | Primarily due to higher accounts receivable related to refined coal, higher other accounts receivable and higher preliminary survey charges; which are offset partially by lower provision for accounts receivable bad debt. |
| **Total Current Assets** | 751 | 774 | (22) | |
| Property, Plant, and Equipment | 11,939 | 12,120 | (181) | |
| Intangible Assets | 87 | 89 | (2) | |
| Other Property and Investments | 1 | 1 | 0 | |
| Regulatory Assets Non Current | 797 | 927 | (130) | Primarily due to pension funded status adjustments, decrease in ARO balances and market adjustments for interest rate swaps. |
| Goodwill | 997 | 997 | 0 | |
| Other Long-term Assets | 60 | 80 | (20) | Primarily due to lower collateral on interest rate swaps, lower prepaid insurance, lower primary survey and investigation charges, lower life insurance and other deferred debits and lower Cane Run 7 LTPC assets. |
| **Total Assets** | **$ 14,632** | **$ 14,988** | **$ (355)** | |
| Liabilities and Equity: | | | | |
| Current Liabilities: | | | | |
| Accounts Payable (Trade) | $ 337 | $ 215 | $ 122 | Primarily due to timing of actuals. |
| Dividends Payable to Affiliated Companies | 86 | 0 | 86 | Dividends are considered declared and paid in the same month in the budget. |
| Customer Deposits | 57 | 55 | 3 | |
| Derivative Liability | 4 | 6 | (2) | |
| Accrued Taxes | 74 | 48 | 26 | Primarily due to timing of property tax payments expected to occur in the budget. |
| Regulatory Liabilities Current | 8 | 19 | (12) | Primarily lower due to lower fuel costs in the FAC liability. |
| Other Current Liabilities | 267 | 192 | 75 | Primarily due to ARO reclassification from long term to current in actuals versus the budget which assumed a static balance as of September 2016 when the budget was finalized and checks outstanding in actuals. |
| **Total Current Liabilities** | 833 | 535 | 298 | |
| Debt - Affiliated Company | 579 | 713 | (134) | Used tax settlements and dividends from utilities to pay down CEP reserves. |
| Debt [(1)] | 4,870 | 5,168 | (298) | |
| **Total Debt** | 5,449 | 5,881 | (432) | |
| Deferred Tax Liabilities | 1,909 | 1,874 | 35 | |
| Investment Tax Credit | 129 | 129 | 0 | |
| Accum Provision for Pension & Related Benefits | 349 | 410 | (61) | Decrease primarily from funded status adjustment due to change in discount rate. |
| Asset Retirement Obligation | 261 | 353 | (92) | Primarily due to ARO settlements, lower revaluations and reclassifications from long term to current. |
| Regulatory Liabilities Non Current | 871 | 852 | 19 | |
| Derivative Liability | 22 | 27 | (5) | |
| Other Liabilities | 177 | 187 | (10) | |
| **Total Deferred Credits and Other Liabilities** | 3,719 | 3,832 | (114) | |
| **Equity** | 4,632 | 4,740 | (108) | |
| **Total Liabilities and Equity** | **$ 14,632** | **$ 14,988** | **$ (355)** | |

[(1)] Includes all ST and LT debt. See Financing Activities page for details.
Note: Schedules may not sum due to rounding.

## Balance Sheet - LG&E

**November 2017**

**($ Millions)**

| | 11/30/2017 | YTD Budget | Variance | Comments |
|---|---|---|---|---|
| Assets: | | | | |
| Current Assets: | | | | |
| Cash and Cash Equivalents | $ 4 | $ 5 | $ (1) | |
| Accounts Receivable (Trade) | 169 | 164 | 6 | |
| Inventory | 146 | 136 | 10 | |
| Regulatory Assets Current | 15 | 8 | 7 | |
| Prepayments and other current assets | 48 | 46 | 2 | |
| **Total Current Assets** | 382 | 358 | 24 | |
| Property, Plant, and Equipment | 5,236 | 5,314 | (78) | |
| Intangible Assets | 6 | 6 | (0) | |
| Other Property and Investments | 1 | 1 | 0 | |
| Regulatory Assets Non Current | 412 | 491 | (79) | Primarily due to a pension funded status adjustment, decrease in ARO balance due to settlements and revaluation and market adjustments for interest rate swaps. |
| Goodwill | 0 | 0 | 0 | |
| Other Long-term Assets | 10 | 21 | (11) | Primarily due to lower collateral on interest rate swaps and lower preliminary survey and investigation charges. |
| **Total Assets** | **$ 6,047** | **$ 6,190** | **$ (143)** | |
| Liabilities and Equity: | | | | |
| Current Liabilities: | | | | |
| Accounts Payable (Trade) | $ 203 | $ 152 | $ 51 | Primarily due to timing of actuals. |
| Dividends Payable to Affiliated Companies | 42 | 42 | (0) | |
| Customer Deposits | 27 | 26 | 1 | |
| Derivative Liability | 4 | 6 | (2) | |
| Accrued Taxes | 39 | 34 | 5 | |
| Regulatory Liabilities Current | 3 | 3 | (0) | |
| Other Current Liabilities | 93 | 86 | 7 | |
| **Total Current Liabilities** | 411 | 349 | 61 | |
| Debt - Affiliated Company | 43 | 0 | 43 | Increase due to notes payable to KU. |
| Debt [(1)] | 1,820 | 1,981 | (161) | |
| **Total Debt** | 1,863 | 1,981 | (118) | |
| Deferred Tax Liabilities | 1,073 | 1,066 | 7 | |
| Investment Tax Credit | 35 | 35 | (0) | |
| Accum Provision for Pension & Related Benefits | 47 | 70 | (22) | Decrease primarily from funded status adjustment due to change in discount rate. |
| Asset Retirement Obligation | 86 | 94 | (8) | |
| Regulatory Liabilities Non Current | 340 | 341 | (1) | |
| Derivative Liability | 22 | 27 | (5) | |
| Other Liabilities | 85 | 90 | (5) | |
| **Total Deferred Credits and Other Liabilities** | 1,690 | 1,724 | (34) | |
| **Equity** | 2,084 | 2,136 | (52) | |
| **Total Liabilities and Equity** | **$ 6,047** | **$ 6,190** | **$ (143)** | |

[(1)] Includes all ST and LT debt.

Note: Schedules may not sum due to rounding and excludes purchase accounting adjustments.

## Balance Sheet - KU

**November 2017**

**($ Millions)**

| | 11/30/2017 | YTD Budget | Variance | Comments |
|---|---|---|---|---|
| Assets: | | | | |
| Current Assets: | | | | |
| Cash and Cash Equivalents | $ 8 | $ 5 | $ 3 | |
| Accounts Receivable (Trade) | 206 | 221 | (15) | |
| Inventory | 126 | 130 | (4) | |
| Regulatory Assets Current | 9 | 18 | (9) | |
| Prepayments and other current assets | 86 | 21 | 65 | Primarily due to higher accounts receivable related to refined coal, higher other accounts receivable, higher notes receivable from LG&E and higher preliminary survey charges; which are partially offset by lower accounts receivable from associated companies. |
| **Total Current Assets** | 434 | 396 | 38 | |
| Property, Plant, and Equipment | 6,694 | 6,798 | (103) | |
| Intangible Assets | 13 | 13 | (0) | |
| Other Property and Investments | 0 | 0 | 0 | |
| Regulatory Assets Non Current | 383 | 438 | (55) | Primarily due to a pension funded status adjustment and decrease in ARO balance due to lower actual accretion and depreciation expense versus budgeted. |
| Goodwill | 0 | 0 | 0 | |
| Other Long-term Assets | 48 | 57 | (9) | |
| **Total Assets** | **$ 7,573** | **$ 7,701** | **$ (129)** | |
| Liabilities and Equity: | | | | |
| Current Liabilities: | | | | |
| Accounts Payable (Trade) | $ 179 | $ 109 | $ 70 | Primarily due to timing of actuals. |
| Dividends Payable to Affiliated Companies | 55 | 50 | 5 | |
| Customer Deposits | 30 | 28 | 2 | |
| Derivative Liability | 0 | 0 | 0 | |
| Accrued Taxes | 37 | 26 | 10 | Primarily due to timing of property tax payments expected to occur in the budget. |
| Regulatory Liabilities Current | 5 | 16 | (11) | Primarily lower due to lower fuel costs in the FAC liability. |
| Other Current Liabilities | 122 | 59 | 63 | Primarily due to ARO reclassification from long term to current in actuals versus the budget which assumed a static balance as of September 2016 when the budget was finalized and checks outstanding in actuals. |
| **Total Current Liabilities** | 428 | 289 | 139 | |
| Debt - Affiliated Company | 0 | 0 | 0 | |
| Debt [(1)] | 2,326 | 2,463 | (137) | |
| **Total Debt** | 2,326 | 2,463 | (137) | |
| Deferred Tax Liabilities | 1,289 | 1,322 | (33) | |
| Investment Tax Credit | 94 | 93 | 1 | |
| Accum Provision for Pension & Related Benefits | 38 | 66 | (28) | Decrease primarily from funded status adjustment due to change in discount rate. |
| Asset Retirement Obligation | 175 | 259 | (84) | Primarily due to lower ARO revaluation and reclassification from long term to current. |
| Regulatory Liabilities Non Current | 462 | 441 | 21 | |
| Derivative Liability | 0 | 0 | 0 | |
| Other Liabilities | 41 | 48 | (7) | |
| **Total Deferred Credits and Other Liabilities** | 2,099 | 2,229 | (130) | |
| **Equity** | 2,719 | 2,720 | (1) | |
| **Total Liabilities and Equity** | **$ 7,573** | **$ 7,701** | **$ (129)** | |

[(1)] Includes all ST and LT debt.

Note: Schedules may not sum due to rounding and excludes purchase accounting adjustments.

PPL companies

# Performance Report

# December 2017

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## Kentucky Regulated Dashboard — December 2017

| | Current Month | | YTD | |
|---|---|---|---|---|
| **Safety** | **Actual** | **PY** | **Actual** | **PY** |
| TCIR - Employees[1] | 1.12 | 1.11 | 0.97 | 1.12 |
| Employee lost-time incidents | 1 | 1 | 9 | 5 |
| **Reliability** | **Actual** | **Budget** | **Actual** | **Budget** |
| Generation Volumes | 2,964 | 3,060 | 32,704 | 34,425 |
| Utility EFOR | 4.2% | 5.0% | 3.5% | 5.0% |
| Utility EAF | 93.3% | 91.6% | 84.1% | 85.2% |
| Steam Fleet Commercial Availability | 91.8% | 93.0% | 93.6% | 93.0% |
| Combined SAIFI | 0.05 | 0.06 | 0.84 | 1.03 |
| Combined SAIDI (minutes) | 3.90 | 5.56 | 75.41 | 93.20 |
| **GwH Sales** | **Actual** | **Budget** | **Actual** | **Budget** |
| Residential | 1,110 | 1,056 | 10,043 | 10,668 |
| Commercial | 651 | 656 | 7,818 | 7,882 |
| Industrial | 711 | 809 | 9,163 | 9,706 |
| Municipals | 155 | 148 | 1,755 | 1,846 |
| Other | 225 | 234 | 2,731 | 2,753 |
| Off-System Sales | 31 | 33 | 329 | 244 |
| Total | 2,883 | 2,937 | 31,839 | 33,098 |
| **Weather-Normalized Sales Growth** | | | **TTM** | |
| Residential | | | 0.30% | |
| Commercial | | | -1.22% | |
| Industrial | | | -2.24% | |
| Municipal | | | -3.69% | |
| Other | | | -3.38% | |
| Total | | | -1.36% | |

| | Current Month | | YTD | |
|---|---|---|---|---|
| **Margins ($ millions)** | **Actual** | **Budget** | **Actual** | **Budget** |
| Electric Margins[2] | $171 | $176 | $1,856 | $1,948 |
| Gas Margins | $26 | $25 | $182 | $183 |
| **Capital Expenditures ($ millions)** | **Actual** | **Budget** | **Actual** | **Budget** |
| Total[2] | $132 | $102 | $995 | $1,107 |
| **O&M ($ millions)** | **Actual** | **Budget** | **Actual** | **Budget** |
| O&M – Management View[2] [3] | $57 | $58 | $695 | $749 |
| O&M – GAAP View[2] [4] | $66 | $69 | $806 | $864 |
| **Head Count** | **Actual** | **Budget** | **Actual** | **Budget** |
| Full-time Employees | 3,470 | 3,591 | 3,470 | 3,591 |
| **Other Metrics** | **Actual** | **PY** | **Actual** | **PY** |
| Environmental Events | 1 | 0 | 8 | 3 |
| NERC Possible Violations[5] | 0 | 0 | 8 | 5 |

| | TTM | |
|---|---|---|
| **Financial Metrics** | **Actual** | **Budget** |
| Utility ROE[6] | 9.8% | 9.8% |
| Average Utility Capitalization ($ millions) | $8,971 | $9,174 |

### Variance Explanations

Lower margins YTD primarily due to lower sales volumes from unfavorable weather, resulting in lower retail electric base energy and demand revenue of $55 million, lower ECR revenue of $11 million and other offsetting margin components.

Lower O&M YTD primarily due to lower labor and burdens of $23 million, lower outside service expense of $12 million, lower storm and vegetation management expenses of $6 million, lower plant maintenance of $7 million and lower materials and other expenses of $6 million.

(1) Full year forecast amount shown represents target.

(2) Includes net impact of approved rate case outcome for deferred AMS Capital and O&M expenses, lower depreciation expense and the offsetting revenue reduction included in margins.

(3) Net of cost recovery mechanisms and variable costs of production.

(4) Includes Management O&M, variable cost of production and mechanism operation and maintenance expenses

(5) The possible violation issues for YTD Actual is believed to be minimal risk.

(6) Excludes goodwill and other purchase accounting adjustments.

Note: Schedules may not sum due to rounding.

### Major Developments

There were various filings made at the KPSC related to the effects of the Tax Cuts and Jobs Act on retail rates. In LKE's response, we disclosed the timing of our next rate review and suggested a mechanism to provide the net positive benefits of the Tax Act to customers in the interim only. Negotiations with parties to the case are ongoing.

On December 28, 2017, the U.S. District Court for the Eastern District of Kentucky entered an order granting our motion to dismiss the citizen suit filed by the Sierra Club and Kentucky Waterways Alliance against the EW Brown facility. This was a substantial victory because the case involved claims that, if we lost, could have had significant financial and operational exposure for the Company. The opinion is well reasoned and should provide a solid record in the event of an appeal by the plaintiffs. Any appeal would have to be filed on or before January 29, 2018.

The Company achieved outstanding key performance indicators during 2017. LKE achieved its lowest recordable injury rate in the company's history of 0.97. This figure was considerably lower than the 1.22 EEI top quartile level for the group of comparable utilities and closer to the EEI top-performer rate of 0.91. The Company's other operational metrics such as EFOR, SAIDI, and SAIFI were also well below budget and favorable to industry top quartile benchmarks.

The Utilities continue their strong base of excellent customer service. In the second of four surveys for the J.D. Power Electric Residential Study, KU and LG&E ranked first and second, respectively, among 13 utilities in the Midwest Midsize segment.

The Company installed four diesel generators at Cane Run Station and two diesel generators at Trimble County Station as part of an effort to modernize its black start capabilities. Each site has a building to house the generators, which are roughly each 3MW in size. The units are available and went into service at the end of December.

### Significant Future Events

In January, LG&E and KU filed a Certificate of Public Convenience and Necessity with the KPSC to install 1.3 million advanced meters across its service territories. The total capital investment is projected to be about $320 million. In Kentucky, about 35 percent of all meters are advanced meters and, with LKE's proposal, this figure would grow to about 95 percent.

The Company continues to work on the deployment of 25 vehicles and 30 full time employees to assist in restoration efforts in Puerto Rico. The tentative schedule has employees arriving on the island around January 25.

## Income Statement: Actual vs. Budget (Month) - LKE Consolidated — December 2017

**($ Millions)**

| | MTD | | | |
|---|---|---|---|---|
| | Actual | Budget | Variance | Comments |
| **Revenues:** | | | | |
| Electric Revenues | $ 259 | $ 272 | $ (13) | Due primarily to lower retail electric base energy and demand revenue and lower ECR revenue. |
| Gas Revenues | 49 | 46 | 4 | |
| **Total Revenues** | 309 | 318 | (9) | |
| **Cost of Sales:** | | | | |
| Fuel Electric Costs | 68 | 72 | 4 | |
| Gas Supply Expenses | 23 | 20 | (3) | |
| Purchased Power | 6 | 5 | (1) | |
| Other Cost of Production | 3 | 4 | 0 | |
| Mechanism - ECR, DSM & GLT - Operation and Maintenance | 6 | 7 | 0 | |
| Mechanism - ECR, DSM & GLT - Depreciation and Property Tax | 6 | 9 | 4 | |
| **Total Cost of Sales** | 112 | 117 | 5 | |
| **Gross Margin:** | | | | |
| Electric Margin | 171 | 176 | (5) | See explanations above. |
| Gas Margin | 26 | 25 | 1 | |
| **Total Gross Margin** | 197 | 201 | (4) | |
| O&M | 57 | 58 | 2 | |
| Depreciation & Amortization | 33 | 36 | 3 | |
| Taxes, Other than Income | 5 | 5 | (0) | |
| Other income (expense) | (0) | (1) | 1 | |
| EBIT | 102 | 100 | 2 | |
| Interest Expense | 18 | 19 | 1 | |
| **Income from Ongoing Operations before income taxes** | 83 | 81 | 2 | |
| Income Tax Expense | 32 | 31 | (2) | |
| **Net Income (loss) from ongoing operations** | **51** | **50** | **1** | |
| Special Item - (Non Operating Income) | (109) | 0 | (109) | Decrease primarily due to Tax Reform adjustment offset by the settlement of a WKE indemnification. |
| Discontinued Operations | (1) | 0 | (1) | |
| **Net Income (loss)** | $ (58) | $ 50 | $ (109) | |
| KY Regulated Financing Costs | (3) | $ (3) | (0) | |
| **KY Regulated Net Income** | $ (61) | $ 48 | $ (109) | |
| Earnings Per Share - Ongoing | $ 0.07 | $ 0.07 | $ 0.00 | |

Note: Schedules may not sum due to rounding.

## Income Statement: Actual vs. Budget (YTD) - LKE Consolidated — December 2017

**($ Millions)**

| | YTD | | | |
|---|---|---|---|---|
| | **Actual** | **Budget** | **Variance** | **Comments** |
| **Revenues:** | | | | |
| Electric Revenues | $ 2,848 | $ 3,017 | $ (169) | Due primarily to lower sales volumes as a result of unfavorable weather and lower ECR revenues. |
| Gas Revenues | 311 | 329 | (17) | Due primarily to lower sales volumes driven by unfavorable weather in Q1. |
| **Total Revenues** | 3,159 | 3,346 | (187) | |
| **Cost of Sales:** | | | | |
| Fuel Electric Costs | 763 | 813 | 50 | Primarily due to decreased generation as a result of unfavorable weather. |
| Gas Supply Expenses | 117 | 135 | 18 | Due primarily to lower gas usage as a result of unfavorable weather. |
| Purchased Power | 61 | 60 | (2) | |
| Other Cost of Production | 37 | 41 | 4 | |
| Mechanism - ECR, DSM & GLT - Operation and Maintenance | 74 | 74 | (0) | |
| Mechanism - ECR, DSM & GLT - Depreciation and Property Tax | 69 | 93 | 24 | Primarily due to lower actual capital spending and in-service dates and the impact of the settled versus as filed depreciation rates which is offset in margins. |
| **Total Cost of Sales** | 1,122 | 1,216 | 94 | |
| **Gross Margin:** | | | | |
| Electric Margin | 1,856 | 1,948 | (92) | See explanations above. |
| Gas Margin | 182 | 183 | (0) | |
| **Total Gross Margin** | 2,038 | 2,130 | (93) | |
| O&M | 695 | 749 | 54 | Primarily due to lower labor and burdens, lower outside service expense, lower storm and vegetation management expenses, lower plant maintenance and lower materials. |
| Depreciation & Amortization | 375 | 395 | 20 | Primarily due to lower actual capital spending and in-service dates and the impact of the settled versus as filed depreciation rates, which is offset in margins. |
| Taxes, Other than Income | 60 | 61 | 1 | |
| Other income (expense) | (6) | (8) | 1 | |
| EBIT | 901 | 917 | (16) | |
| Interest Expense | 215 | 217 | 2 | |
| **Income from Ongoing Operations before income taxes** | 686 | 700 | (14) | |
| Income Tax Expense | 261 | 267 | 6 | |
| **Net Income (loss) from ongoing operations** | **425** | **433** | **(8)** | |
| Special Item - (Non Operating Income) | (109) | 0 | (109) | Decrease primarily due to Tax Reform adjustment offset by the settlement of a WKE indemnification. |
| Discontinued Operations | (0) | 0 | (0) | |
| **Net Income (loss)** | $ 316 | $ 434 | $ (117) | |
| KY Regulated Financing Costs | (30) | (30) | (0) | |
| **KY Regulated Net Income** | 286 | $ 404 | $ (117) | |
| Earnings Per Share - Ongoing | $ 0.57 | $ 0.58 | $ (0.01) | |

Note: Schedules may not sum due to rounding.

## Income Statement: Actual vs. Budget (YTD) - LG&E — December 2017

($ Millions)

| | YTD | | | |
|---|---|---|---|---|
| | Actual | Budget | Variance | Comments |
| **Revenues:** | | | | |
| Electric Revenues | $ 1,144 | $ 1,201 | $ (57) | Due primarily to lower sales volumes as a result of unfavorable weather and lower ECR revenues. |
| Gas Revenues | 311 | 329 | (17) | Due primarily to lower sales volumes driven by unfavorable weather in Q1. |
| **Total Revenues** | 1,455 | 1,530 | (75) | |
| **Cost of Sales:** | | | | |
| Fuel Electric Costs | 298 | 304 | 6 | |
| Gas Supply Expenses | 117 | 135 | 18 | Due primarily to lower gas usage as a result of unfavorable weather. |
| Purchased Power | 50 | 56 | 5 | Lower intercompany and market purchases driven by unfavorable weather. |
| Other Cost of Production | 16 | 15 | (1) | |
| Mechanism - ECR, DSM & GLT - Operation and Maintenance | 29 | 30 | 2 | |
| Mechanism - ECR, DSM & GLT - Depreciation and Property Tax | 35 | 46 | 11 | Primarily due to lower actual capital spending and in-service dates and the impact of the settled versus as filed depreciation rates which is offset in margins. |
| **Total Cost of Sales** | 545 | 587 | 42 | |
| **Gross Margin:** | | | | |
| Electric Margin | 728 | 761 | (33) | See explanations above. |
| Gas Margin | 182 | 183 | (0) | |
| **Total Gross Margin** | 910 | 943 | (33) | |
| O&M | 310 | 342 | 33 | Primarily due to lower labor and burdens, lower outside service expense, lower storm and vegetation management expenses, lower plant maintenance and lower materials. |
| Depreciation & Amortization | 151 | 160 | 9 | Primarily due to lower actual capital spending and in-service dates and the impact of the settled versus as filed depreciation rates, which is offset in margins. |
| Taxes, Other than Income | 31 | 31 | 1 | |
| Other income (expense) | (3) | (3) | 0 | |
| EBIT | 416 | 406 | 10 | |
| Interest Expense | 70 | 71 | 2 | |
| **Income from Ongoing Operations before income taxes** | 346 | 335 | 11 | |
| Income Tax Expense | 132 | 128 | (4) | |
| **Net Income (loss) from ongoing operations** | **$ 214** | **$ 207** | **$ 8** | |

Note: Schedules may not sum due to rounding and exclude purchase accounting adjustments and corresponding goodwill.

## Income Statement: Actual vs. Budget (YTD) - KU — December 2017

**($ Millions)**

| | YTD | | | |
|---|---|---|---|---|
| | Actual | Budget | Variance | Comments |
| **Revenues:** | | | | |
| Electric Revenues | $ 1,745 | $ 1,870 | $ (125) | Due primarily to lower sales volumes as a result of unfavorable weather and lower ECR revenues. |
| Gas Revenues | 0 | 0 | 0 | |
| **Total Revenues** | 1,745 | 1,870 | (125) | |
| **Cost of Sales:** | | | | |
| Fuel Electric Costs | 469 | 513 | 43 | Primarily due to decreased generation as a result of unfavorable weather. |
| Gas Supply Expenses | 0 | 0 | 0 | |
| Purchased Power | 48 | 54 | 5 | Lower intercompany and market purchases driven by unfavorable weather. |
| Other Cost of Production | 21 | 27 | 6 | Primarily due to decreased generation as a result of unfavorable weather. |
| Mechanism - ECR, DSM & GLT - Operation and Maintenance | 45 | 44 | (2) | |
| Mechanism - ECR, DSM & GLT - Depreciation and Property Tax | 34 | 46 | 12 | Primarily due to lower actual capital spending and in-service dates and the impact of the settled versus as filed depreciation rates, which is offset in margins. |
| **Total Cost of Sales** | 618 | 683 | 66 | |
| **Gross Margin:** | | | | |
| Electric Margin | 1,128 | 1,187 | (59) | See explanations above. |
| Gas Margin | 0 | 0 | 0 | |
| **Total Gross Margin** | 1,128 | 1,187 | (59) | |
| O&M | 358 | 388 | 30 | Primarily due to lower labor and burdens, lower outside service expense, lower storm and vegetation management expenses, lower plant maintenance and lower materials. |
| Depreciation & Amortization | 223 | 234 | 11 | Primarily due to lower actual capital spending and in-service dates and the impact of the settled versus as filed depreciation rates, which is offset in margins. |
| Taxes, Other than Income | 30 | 30 | (0) | |
| Other income (expense) | (2) | (4) | 2 | |
| EBIT | 514 | 531 | (17) | |
| Interest Expense | 97 | 96 | (1) | |
| **Income from Ongoing Operations before income taxes** | 418 | 435 | (17) | |
| Income Tax Expense | 159 | 165 | 6 | |
| **Net Income (loss) from ongoing operations** | **$ 259** | **$ 270** | **$ (11)** | |

Note: Schedules may not sum due to rounding and exclude purchase accounting adjustments and corresponding goodwill.

| O&M | | | | | | | | December 2017 |
|---|---|---|---|---|---|---|---|---|

($ Millions)

| | MTD | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Actual | Budget | Total Variance | Labor & Burdens | Supplemental Contractors | Other Outside Services | Materials | Other |
| Generation | 17 | 14 | (2) | (0) | 0 | (1) | (1) | 0 |
| Project Engineering | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (0) |
| Transmission | 3 | 3 | (1) | (0) | (0) | (0) | (0) | 0 |
| Energy Supply and Analysis | 1 | 1 | (0) | (0) | 0 | 0 | (0) | 0 |
| Electric Distribution | 5 | 6 | 0 | (0) | 1 | (0) | (0) | (0) |
| Gas Distribution | 3 | 3 | (0) | (0) | 0 | (0) | (0) | 0 |
| Advanced Metering System | 0 | 1 | 0 | 0 | 0 | 0 | 0 | (0) |
| Safety and Technical Training | 0 | 0 | (0) | 0 | (0) | (0) | (0) | (0) |
| Customer Services | 8 | 8 | 0 | 0 | 0 | (0) | (0) | (0) |
| **SVP Operations Total** | **39** | **36** | **(3)** | **0** | **1** | **(2)** | **(2)** | **(0)** |
| Audit Services | 0 | 0 | 0 | (0) | 0 | 0 | 0 | 0 |
| Controller | 1 | 1 | 0 | (0) | 0 | 0 | 0 | (0) |
| Supply Chain | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Information Technology | 4 | 5 | 0 | 0 | (0) | 0 | 0 | 0 |
| Treasurer | 2 | 2 | 0 | 0 | 0 | 0 | (0) | 0 |
| State Regulation and Rates | 0 | 0 | 0 | (0) | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 | (0) | 0 | 0 |
| **Chief Financial Officer Total** | **8** | **9** | **1** | **0** | **(0)** | **0** | **0** | **0** |
| **General Counsel** | **2** | **3** | **1** | **(0)** | **0** | **(0)** | **0** | **1** |
| **Human Resources** | **1** | **1** | **0** | **0** | **(0)** | **0** | **(0)** | **0** |
| **Corporate** | **6** | **9** | **3** | **3** | **0** | **0** | **(0)** | **0** |
| **Communication** | **1** | **1** | **0** | **0** | **(0)** | **0** | **(0)** | **0** |
| **Utility Total** | **56** | **57** | **2** | **3** | **1** | **(2)** | **(2)** | **1** |
| **Nonutility** | **1** | **1** | **(0)** | **0** | **(0)** | **0** | **0** | **(0)** |
| **O&M Total MTD** | **57** | **58** | **2** | **4** | **1** | **(2)** | **(2)** | **1** |

| | YTD | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Actual | Budget | Total Variance | Labor & Burdens | Supplemental Contractors | Other Outside Services | Materials | Other |
| Generation | 199 | 217 | 18 | 5 | (1) | 7 | 10 | (3) |
| Project Engineering | 6 | 1 | (5) | (0) | (0) | (4) | 0 | (1) |
| Transmission | 32 | 34 | 2 | 0 | 1 | 1 | (0) | 1 |
| Energy Supply and Analysis | 13 | 13 | 0 | 0 | 0 | (0) | (0) | 0 |
| Electric Distribution | 66 | 74 | 8 | 1 | 11 | (4) | 1 | 1 |
| Gas Distribution | 35 | 35 | 0 | 1 | 0 | (0) | (0) | (0) |
| Advanced Metering System | 0 | 3 | 3 | 1 | 0 | 2 | 0 | (0) |
| Safety and Technical Training | 5 | 5 | (0) | (0) | (0) | (0) | (0) | 0 |
| Customer Services | 93 | 99 | 6 | 1 | 2 | 1 | (0) | 2 |
| **SVP Operations Total** | **448** | **482** | **33** | **8** | **13** | **3** | **10** | **(0)** |
| Audit Services | 2 | 2 | 0 | 0 | 0 | 0 | 0 | 0 |
| Controller | 9 | 9 | 0 | (0) | (0) | 0 | 0 | 0 |
| Supply Chain | 4 | 4 | 0 | 0 | (0) | (0) | 0 | 0 |
| Information Technology | 51 | 56 | 5 | 3 | (1) | 2 | (0) | 1 |
| Treasurer | 23 | 24 | 1 | (0) | 0 | 0 | 0 | 1 |
| State Regulation and Rates | 4 | 4 | 0 | (0) | 0 | 0 | 0 | 0 |
| Other | 2 | 2 | 0 | 1 | 0 | (0) | 0 | 0 |
| **Chief Financial Officer Total** | **95** | **102** | **7** | **4** | **(1)** | **2** | **0** | **3** |
| **General Counsel** | **20** | **24** | **5** | **0** | **0** | **2** | **0** | **2** |
| **Human Resources** | **6** | **7** | **1** | **0** | **(0)** | **0** | **0** | **0** |
| **Corporate** | **93** | **108** | **15** | **14** | **0** | **1** | **(0)** | **1** |
| **Communication** | **6** | **7** | **1** | **0** | **0** | **0** | **0** | **0** |
| **Utility Total** | **668** | **731** | **63** | **27** | **12** | **8** | **10** | **6** |
| **Nonutility** | **27** | **18** | **(9)** | **(4)** | [illegible] | **(1)** | **(0)** | **(4)** |
| **O&M Total YTD** | **695** | **749** | **54** | **23** | **12** | **6** | **10** | **2** |

Note: Schedules may not sum due to rounding.

## Financing Activities — December 2017

($ Millions)

| Balance Sheet | YTD Actual | | YTD Budget | | YTD Variance | |
|---|---|---|---|---|---|---|
| **PCB** | | | | | | |
| Beg Bal | $ | 898.8 | $ | 898.8 | $ | 0.0 |
| End Bal | | 890.0 | | 898.7 | | 8.7 |
| Ave Bal | **$** | **894.4** | **$** | **898.7** | **$** | **4.3** |
| Interest Exp | **$** | **15.2** | **$** | **11.9** | **$** | **(3.3)** |
| Rate | | **1.68%** | | **1.31%** | | **-0.37%** |
| **FMB/Sr Nts/Loan with PPL** | | | | | | |
| Beg Bal | $ | 4,210.0 | $ | 4,210.0 | $ | 0.0 |
| End Bal | | 4,310.0 | | 4,608.5 | | 298.5 |
| Ave Bal | **$** | **4,260.0** | **$** | **4,409.2** | **$** | **149.24** |
| Interest Exp | **$** | **183.6** | **$** | **187.7** | **$** | **4.1** |
| Rate | | **4.25%** | | **4.20%** | | **-0.05%** |
| **Short-term Debt** | | | | | | |
| Beg Bal | $ | 348.1 | $ | 509.7 | $ | 161.6 |
| End Bal | | 468.9 | | 530.2 | | 61.3 |
| Ave Bal (1) | **$** | **408.5** | **$** | **520.0** | **$** | **111.5** |
| Interest Exp | **$** | **6.0** | **$** | **6.9** | **$** | **0.9** |
| Rate | | **1.90%** | | **1.31%** | | **-0.60%** |
| **Unamortized Debt Expense Bonds** | | | | | | |
| Beg Bal | $ | (44.0) | $ | (43.2) | $ | 0.7 |
| End Bal | | (41.6) | | (42.0) | | (0.4) |
| Ave Bal | **$** | **(42.8)** | **$** | **(42.6)** | **$** | **0.2** |
| **Total End Bal** | **$** | **5,627.2** | **$** | **5,995.3** | **$** | **368.1** |
| **Total Average Bal** | **$** | **5,423.6** | **$** | **5,785.3** | **$** | **361.7** |
| **Total Expense Excl I/C (2)** | **$** | **215.1** | **$** | **217.2** | **$** | **2.1** |
| **Rate** | | **3.88%** | | **3.68%** | | **-0.20%** |

(1) Short-term Debt YTD actual reflects average daily balances. All other average balances use the average of the beginning and ending balances.

(2) Total expense line includes additional revolving credit items. Total will not match sum of PCB, FMB, and STD.

| Credit Facilities ($ Millions) | Committed Capacity | | Borrowed(3) | | Letters of Credit Issued | | Unused Capacity | | Money Pool Loans | |
|---|---|---|---|---|---|---|---|---|---|---|
| LKE | $ | 350 | $ | 225 | | | $ | 125 | | |
| LG&E | | 500 | | 199 | | | | 301 | $ | - |
| KU | | 598 | | 45 | $ | 198 | | 355 | | - |
| TOTAL | $ | 1,448 | $ | 469 | $ | 198 | $ | 781 | $ | - |

(3) LG&E and KU borrowed amounts represent commercial paper issuances. LKE borrowed amount includes bank revolver and debt with PPL.

| Credit Metrics[1] Moody's | LKE 2017 Actual YTD | LKE 2017 Budget YTD | LG&E 2017 Actual YTD | LG&E 2017 Budget YTD | KU 2017 Actual YTD | KU 2017 Budget YTD |
|---|---|---|---|---|---|---|
| CFO pre-WC / Debt | 17% | 17% | 27% | 25% | 27% | 27% |
| CFO pre-WC + Interest / Interest | 5.5 | 5.7 | 8.2 | 8.0 | 7.6 | 8.0 |
| CFO pre-WC - Dividends / Debt | 11% | 12% | 19% | 20% | 17% | 18% |
| Debt to Capitalization | 52% | 49% | 39% | 37% | 37% | 35% |

| Credit Metrics Moody's | LKE 2017 BP 2018 | LKE 2017 BP 2019 | LG&E 2017 BP 2018 | LG&E 2017 BP 2019 | KU 2017 BP 2018 | KU 2017 BP 2019 |
|---|---|---|---|---|---|---|
| CFO pre-WC / Debt | 18% | 18% | 27% | 29% | 26% | 26% |
| CFO pre-WC + Interest / Interest | 6.0 | 5.7 | 8.6 | 8.8 | 7.9 | 7.6 |
| CFO pre-WC - Dividends / Debt | 11% | 15% | 25% | 22% | 20% | 17% |
| Debt to Capitalization | 50% | 49% | 35% | 34% | 34% | 34% |

[1] Actuals represent a trailing 12 months.

**Financial Strength Factor (40% Weighting) -- Standard Business Risk Grid:**

| Moody's Thresholds | Sub-Factor Weighting | A | Baa | Ba |
|---|---|---|---|---|
| CFO pre-WC / Debt | 15.0% | 22% - 30% | 13% - 22% | 5% - 13% |
| CFO pre-WC + Interest / Interest | 7.5% | 4.5x - 6x | 3x - 4.5x | 2x - 3x |
| CFO pre-WC - Dividends / Debt | 10.0% | 17% - 25% | 9% - 17% | 0% - 9% |
| Debt / Capitalization | 7.5% | 35% - 45% | 45% - 55% | 55% - 65% |

| As of December 31, 2017 | Senior Unsecured | Senior Secured | Commercial Paper |
|---|---|---|---|
| **Issuer** | **Moody's** | **Moody's** | **Moody's** |
| LKE | Baa1 | | |
| LG&E | | A1 | P-2 |
| KU | | A1 | P-2 |

**Definitions**

Issuers assessed **A** are judged to have upper-medium-grade intrinsic, or standalone, financial strength, and thus subject to low credit risk absent any possibility of extraordinary support from an affiliate or a government.

Obligations rated **Baa** are judged to be medium-grade and subject to moderate credit risk and as such may possess certain speculative characteristics.

Issuers (or supporting institutions) rated Prime-2 have a strong ability to repay short-term debt obligations.

Moody's appends numerical modifiers 1, 2, and 3 to each generic rating classification. The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates a ranking in the lower end of that generic rating category.

## Balance Sheet - LKE Consolidated — December 2017

($ Millions)

| | 12/31/2017 | YTD Budget | Variance | Comments |
|---|---|---|---|---|
| Assets: | | | | |
| Current Assets: | | | | |
| Cash and Cash Equivalents | $ 30 | $ 14 | $ 16 | Increase primarily due to timing of cash receipts at the utilities. |
| Accounts Receivable (Trade) | 453 | 426 | 26 | |
| Inventory | 254 | 253 | 0 | |
| Regulatory Assets Current | 18 | 22 | (4) | |
| Prepayments and other current assets | 73 | 34 | 40 | Primarily due to higher accounts receivable related to refined coal, higher other accounts receivable, higher prepayments and higher preliminary survey charges; which are offset partially by lower provision for accounts receivable bad debt. |
| **Total Current Assets** | 827 | 750 | 78 | |
| Property, Plant, and Equipment | 12,029 | 12,170 | (141) | |
| Intangible Assets | 86 | 88 | (2) | |
| Other Property and Investments | 1 | 1 | 0 | |
| Regulatory Assets Non Current | 795 | 929 | (134) | Primarily due to a pension funded status adjustment, decrease in ARO balance due to settlements and revaluation and market adjustments for interest rate swaps. |
| Goodwill | 997 | 997 | 0 | |
| Other Long-term Assets | 66 | 80 | (13) | Primarily due to lower collateral on interest rate swaps, lower prepaid insurance, lower primary survey and investigation charges, lower life insurance and other deferred debits and lower Cane Run 7 LTPC assets; partially offset by higher Brown 6 and 7 LTSA assets. |
| **Total Assets** | **$ 14,802** | **$ 15,015** | **$ (213)** | |
| Liabilities and Equity: | | | | |
| Current Liabilities: | | | | |
| Accounts Payable (Trade) | $ 344 | $ 219 | $ 126 | Primarily due to timing of actuals. |
| Dividends Payable to Affiliated Companies | 0 | 0 | 0 | |
| Customer Deposits | 58 | 55 | 3 | |
| Derivative Liability | 4 | 6 | (2) | |
| Accrued Taxes | 66 | (4) | 71 | Primarily due to timing of property tax payments and federal tax settlement expected to occur in the budget. |
| Regulatory Liabilities Current | 9 | 19 | (10) | Primarily due to reclassification of ECR and FAC from Regulatory Assets Current. |
| Other Current Liabilities | 279 | 207 | 72 | Primarily due to ARO reclassification from long term to current in actuals versus the budget which assumed a static balance as of September 2016 when the budget was finalized and other accruals not included in the budget. |
| **Total Current Liabilities** | 761 | 502 | 260 | |
| Debt - Affiliated Company | 625 | 845 | (220) | Used tax settlements and dividends from utilities to pay down CEP reserves. |
| Debt [(1)] | 5,002 | 5,150 | (148) | |
| **Total Debt** | 5,627 | 5,995 | (368) | |
| Deferred Tax Liabilities | 866 | 1,917 | (1,051) | Decrease primarily due to recognition of excess deferred taxes as a result of tax reform. Amounts at Utilities were reclassed to regulatory liabilities. |
| Investment Tax Credit | 129 | 129 | 0 | |
| Accum Provision for Pension & Related Benefits | 365 | 410 | (45) | |
| Asset Retirement Obligation | 271 | 351 | (81) | Primarily due to ARO settlements, lower revaluations and reclassifications from long term to current. |
| Regulatory Liabilities Non Current | 2,036 | 852 | 1,183 | Primarily due to the reclassification from Deferred Tax Liabilities. |
| Derivative Liability | 22 | 27 | (5) | |
| Other Liabilities | 162 | 184 | (22) | Primarily due to a favorable settlement with BREC related to the HMPL lawsuit and lower provision for post retirement benefits. |
| **Total Deferred Credits and Other Liabilities** | 3,850 | 3,870 | (20) | |
| **Equity** | 4,563 | 4,648 | (85) | |
| **Total Liabilities and Equity** | **$ 14,802** | **$ 15,015** | **$ (213)** | |

[(1)] Includes all ST and LT debt. See Financing Activities page for details.
Note: Schedules may not sum due to rounding.

## Balance Sheet - LG&E — December 2017

**($ Millions)**

| | 12/31/2017 | YTD Budget | Variance | Comments |
|---|---|---|---|---|
| Assets: | | | | |
| Current Assets: | | | | |
| Cash and Cash Equivalents | $ 15 | $ 5 | $ 10 | Increase primarily due to timing of cash receipts |
| Accounts Receivable (Trade) | 209 | 187 | 22 | Primarily due to variance between actual and budgeted Accounts Receivable lag factors. |
| Inventory | 130 | 124 | 6 | |
| Regulatory Assets Current | 12 | 6 | 6 | |
| Prepayments and other current assets | 51 | 48 | 2 | |
| **Total Current Assets** | 416 | 370 | 46 | |
| Property, Plant, and Equipment | 5,278 | 5,341 | (63) | |
| Intangible Assets | 6 | 6 | (0) | |
| Other Property and Investments | 1 | 1 | 0 | |
| Regulatory Assets Non Current | 411 | 490 | (79) | Primarily due to a pension funded status adjustment, decrease in ARO balance due to settlements and revaluation and market adjustments for interest rate swaps. |
| Goodwill | 0 | 0 | 0 | |
| Other Long-term Assets | 11 | 20 | (9) | |
| **Total Assets** | **$ 6,123** | **$ 6,228** | **$ (106)** | |
| Liabilities and Equity: | | | | |
| Current Liabilities: | | | | |
| Accounts Payable (Trade) | $ 201 | $ 154 | $ 48 | Primarily due to timing of actuals. |
| Dividends Payable to Affiliated Companies | 0 | 0 | 0 | |
| Customer Deposits | 27 | 26 | 1 | |
| Derivative Liability | 4 | 6 | (2) | |
| Accrued Taxes | 25 | 0 | 24 | Primarily due to timing of property tax payments expected to occur in the budget. |
| Regulatory Liabilities Current | 3 | 3 | 0 | |
| Other Current Liabilities | 87 | 90 | (3) | |
| **Total Current Liabilities** | 348 | 279 | 69 | |
| Debt - Affiliated Company | 0 | 0 | 0 | |
| Debt [(1)] | 1,907 | 1,966 | (59) | |
| **Total Debt** | 1,907 | 1,966 | (59) | |
| Deferred Tax Liabilities | 572 | 1,097 | (526) | Primarily due to reclassification of excess deferred taxes as a result of tax reform to regulatory liability. |
| Investment Tax Credit | 35 | 35 | (0) | |
| Accum Provision for Pension & Related Benefits | 45 | 69 | (24) | |
| Asset Retirement Obligation | 97 | 93 | 4 | |
| Regulatory Liabilities Non Current | 871 | 341 | 530 | Primarily due to the reclassification from Deferred Tax Liabilities. |
| Derivative Liability | 22 | 27 | (5) | |
| Other Liabilities | 86 | 89 | (3) | |
| **Total Deferred Credits and Other Liabilities** | 1,729 | 1,752 | (23) | |
| **Equity** | 2,139 | 2,231 | (92) | |
| **Total Liabilities and Equity** | **$ 6,123** | **$ 6,228** | **$ (106)** | |

[(1)] Includes all ST and LT debt.
Note: Schedules may not sum due to rounding and excludes purchase accounting adjustments.

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## Balance Sheet - KU

**December 2017**

**($ Millions)**

| | 12/31/2017 | YTD Budget | Variance | Comments |
|---|---|---|---|---|
| Assets: | | | | |
| Current Assets: | | | | |
| Cash and Cash Equivalents | $ 15 | $ 5 | $ 10 | Increase primarily due to timing of cash receipts |
| Accounts Receivable (Trade) | 243 | 239 | 4 | |
| Inventory | 123 | 130 | (6) | |
| Regulatory Assets Current | 6 | 16 | (10) | Primarily due to reclassification of ECR and FAC to Regulatory Liabilities Current. |
| Prepayments and other current assets | 47 | 20 | 27 | Primarily due to higher accounts receivable related to refined coal, higher other accounts receivable and higher preliminary survey charges; which are partially offset by lower accounts receivable from associated companies. |
| **Total Current Assets** | 434 | 410 | 24 | |
| Property, Plant, and Equipment | 6,742 | 6,820 | (78) | |
| Intangible Assets | 13 | 13 | (0) | |
| Other Property and Investments | 0 | 0 | 0 | |
| Regulatory Assets Non Current | 383 | 442 | (59) | Primarily due to a pension funded status adjustment and decrease in ARO balance due to lower actual accretion and depreciation expense versus budgeted. |
| Goodwill | 0 | 0 | 0 | |
| Other Long-term Assets | 52 | 57 | (5) | |
| **Total Assets** | **$ 7,624** | **$ 7,742** | **$ (118)** | |
| Liabilities and Equity: | | | | |
| Current Liabilities: | | | | |
| Accounts Payable (Trade) | $ 190 | $ 115 | $ 75 | Primarily due to timing of actuals. |
| Dividends Payable to Affiliated Companies | 0 | 0 | 0 | |
| Customer Deposits | 31 | 28 | 2 | |
| Derivative Liability | 0 | 0 | 0 | |
| Accrued Taxes | 19 | 0 | 18 | Primarily due to timing of property tax payments expected to occur in the budget. |
| Regulatory Liabilities Current | 6 | 16 | (10) | Primarily due to reclassification of ECR and FAC from Regulatory Assets Current. |
| Other Current Liabilities | 122 | 66 | 57 | Primarily due to ARO reclassification from long term to current in actuals versus the budget which assumed a static balance as of September 2016 when the budget was finalized and checks outstanding in actuals. |
| **Total Current Liabilities** | 368 | 226 | 142 | |
| Debt - Affiliated Company | 0 | 0 | 0 | |
| Debt [1] | 2,371 | 2,460 | (89) | |
| **Total Debt** | 2,371 | 2,460 | (89) | |
| Deferred Tax Liabilities | 691 | 1,360 | (669) | Primarily due to reclassification of excess deferred taxes as a result of tax reform to regulatory liability. |
| Investment Tax Credit | 94 | 93 | 1 | |
| Accum Provision for Pension & Related Benefits | 36 | 66 | (30) | Decrease primarily from funded status adjustment. |
| Asset Retirement Obligation | 174 | 258 | (84) | Primarily due to lower ARO revaluation and reclassification from long term to current. |
| Regulatory Liabilities Non Current | 1,096 | 442 | 655 | Primarily due to the reclassification from Deferred Tax Liabilities. |
| Derivative Liability | 0 | 0 | 0 | |
| Other Liabilities | 43 | 47 | (3) | |
| **Total Deferred Credits and Other Liabilities** | 2,135 | 2,266 | (131) | |
| **Equity** | 2,749 | 2,789 | (40) | |
| **Total Liabilities and Equity** | **$ 7,624** | **$ 7,742** | **$ (118)** | |

[1] Includes all ST and LT debt.
Note: Schedules may not sum due to rounding and excludes purchase accounting adjustments.

**Case Nos. 2018-00294 and 2018-00295**
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**KU and LG&E Combined**
**Reconciliation of Allowed Return to**
**12 months ended Dec-2017 Regulatory Return**
**and ROE from Ongoing Operations**

| | | | |
|---|---|---|---|
| Allowed Return [1] | | 9.88% | |
| Adjustments (net tax): | | | |
| Change in capitalization - non mechanism | -0.23% | | Growth in capitalization (rate base) between rate cases does not earn a return |
| Change in ROE from average mechanism rate base growth | 0.00% | | Mechanisms have a real-time return |
| Change in weighted cost of debt | -0.06% | | Higher interest rates and borrowing |
| Change in margins | -0.08% | | Lower revenue |
| Change in allowed expenses | 0.30% | | Lower expense |
| | | -0.06% | |
| Actual Regulated ROE | | 9.82% | |

[1] Based on the most recent base rate filings with test years ending 6/30/18 KPSC, 12/31/16 FERC, 12/31/14 VA.
Note the allowed return is a blended rate of the previous authorized ROE of 10% after 7/1/16 and the current authorized ROE of 9.7% after 7/1/17

PPL companies

# Performance Report

# January 2018

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# Kentucky Regulated Dashboard — January 2018

| | Current Month | | Full Year | |
|---|---|---|---|---|
| **Safety** | **Actual** | **PY** | **Forecast** | **PY** |
| TCIR - Employees[1] | 0.92 | 0.46 | 1.30 | 0.97 |
| Employee lost-time incidents | 0 | 0 | 8 | 9 |
| **Reliability** | **Actual** | **Budget** | **Forecast** | **Budget** |
| Generation Volumes | 3,550 | 3,214 | 34,040 | 33,704 |
| Utility EFOR | 2.6% | 5.0% | N/A | 5.0% |
| Utility EAF | 94.2% | 92.9% | N/A | 83.7% |
| Combined SAIFI | 0.07 | 0.08 | N/A | 0.99 |
| Combined SAIDI (minutes) | 6.94 | 6.86 | N/A | 91.90 |
| **GwH Sales** | **Actual** | **Budget** | **Forecast** | **Budget** |
| Residential | 1,342 | 1,156 | 10,689 | 10,502 |
| Commercial | 712 | 680 | 7,847 | 7,815 |
| Industrial | 757 | 794 | 9,284 | 9,321 |
| Municipals | 176 | 168 | 1,786 | 1,778 |
| Other | 235 | 245 | 2,812 | 2,822 |
| Off-System Sales | 226 | 26 | 349 | 150 |
| Total | 3,447 | 3,068 | 32,767 | 32,389 |
| **Weather-Normalized Sales Growth** | **TTM** | | | |
| Residential | 2.78% | | | |
| Commercial | -1.17% | | | |
| Industrial | -1.69% | | | |
| Municipal | -4.04% | | | |
| Other | -3.65% | | | |
| Total | -0.45% | | | |

**Variance Explanations**

Higher margins YTD primarily due to higher sales volumes from favorable weather, resulting in higher retail electric base energy revenue of $12 million.

(1) Full year forecast amount shown represents target.

(2) Net of cost recovery mechanisms and variable costs of production.

(3) Includes Management O&M, variable cost of production and mechanism operation and maintenance expenses

(4) The possible violation issues for YTD Actual is believed to be minimal risk.

(5) Excludes goodwill and other purchase accounting adjustments.

Note: Schedules may not sum due to rounding.

| | Current Month | | Full Year | |
|---|---|---|---|---|
| **Margins ($ millions)** | **Actual** | **Budget** | **Forecast** | **Budget** |
| Electric Margins | $180 | $166 | $1,831 | $1,831 |
| Gas Margins | $27 | $28 | $185 | $185 |
| **Capital Expenditures ($ millions)** | **Actual** | **Budget** | **Forecast** | **Budget** |
| Total | $81 | $96 | $1,262 | $1,277 |
| **O&M ($ millions)** | **Actual** | **Budget** | **Forecast** | **Budget** |
| O&M – Management View[2] | $55 | $59 | $752 | $752 |
| O&M – GAAP View[3] | $65 | $69 | $869 | $869 |
| **Head Count** | **Actual** | **Budget** | **Forecast** | **Budget** |
| Full-time Employees | 3,460 | 3,582 | 3,593 | 3,597 |
| **Other Metrics** | **Actual** | **PY** | **Forecast** | **PY** |
| Environmental Events | 0 | 1 | N/A | 8 |
| NERC Possible Violations[4] | 0 | 1 | N/A | 8 |

| | TTM | Full Year | |
|---|---|---|---|
| **Financial Metrics** | **Actual** | **Forecast** | **Budget** |
| Utility ROE[5] | 10.3% | 9.6% | 9.6% |
| Average Utility Capitalization ($ millions) | $9,001 | $9,527 | $9,527 |

**Major Developments**

The Tax Act case settlement is progressing as planned and all indications suggest the KPSC is working toward an Order in the case.

KU established a new all-time weekend peak load of 4,560 MW’s on January 6, 2018. LG&E and the Combined Utilities’ system also set new winter weekend peak loads of 1,777 MW’s and 6,337 MW’s, respectively. In addition, all-time weekend total daily energy usage records were set for KU and the Combined Utilities’ system, and a winter weekend record for LG&E.

LKE requested approval from the KPSC to modify the previously granted CPCN for Phase II of the Brown landfill. The request is driven by the announced retirements of Brown Units 1 and 2 which reduces the projected amount of coal combustion residuals (“CCR”) produced at the site. As a result of these changes, Phase III of the landfill will also not be required. Additionally, the Company is required to cap and close any remaining surface area of the existing main pond not covered by the landfill or paved areas. The unit retirements have also resulted in a significant decrease in the projected cost for the CCR Rule Process Water System from the filed $71.7 million to $25.1 million. All of these modifications were assumed in the 2018 Business Plan. Construction on the Phase II landfill is expected to begin in August 2018 with commercial operation before the end of 2019.

The Company submitted, as planned, an application for a Certificate of Public Convenience and Necessity for the Advance Metering System.

Three of LG&E and KU's Research and Development projects have been honored by the Electric Power Research Institute (“EPRI”). The Company's energy storage site at Brown was recognized with a “Technology Transfer” award for applying EPRI methods and standards. LKE also received similar honors for a project that allows the Company to operate selective catalytic reduction (SCR) at lower loads and temperatures, and another one for conducting aquatic life studies designed to assess the impact of cooling water withdraw.

The Company was awarded an EEI Emergency Response Award for outstanding assistance with restoration efforts for Hurricanes Harvey and Irma.

The Archdiocese of Louisville has signed a contract with LKE and will become the Company’s first Business Solar customer pending approval from the KPSC. LKE will own and operate the solar facility which will be a 30 kW roof-mounted array.

House Bill (“HB”) 227 was introduced in the Kentucky Legislative Session and assigned to the House Natural Resources and Energy Committee where it was favorably voted out of committee. The next step is a full House floor vote. According to HB 227, new private solar customers will still be able to offset their energy use with private solar generation but, if the customer generates more energy than needed, the utility will purchase the energy at the same rate as it would pay any other qualified generator from which the utility would purchase energy (i.e. variable cost) versus the currently required all-in retail rate. The proposed legislation “grandfathers” in current net metering customers under their current plan for the next 25 years.

**Significant Future Events**

The Company continues to assist with restoration efforts in Puerto Rico as the crew has worked more than 7,600 hours without any safety incidents. A second team will replace the current crew around February 25th.

## Income Statement: Actual vs. Budget (YTD) - LKE Consolidated — January 2018

**($ Millions)**

| | YTD | | | |
|---|---|---|---|---|
| | Actual | Budget | Variance | Comments |
| **Revenues:** | | | | |
| Electric Revenues | $ 294 | $ 260 | $ 34 | Primarily due to higher sales volumes as a result of favorable weather. |
| Gas Revenues | 57 | 57 | 0 | |
| **Total Revenues** | 351 | 317 | 34 | |
| **Cost of Sales:** | | | | |
| Fuel Electric Costs | 94 | 74 | (20) | Primarily due to increased generation as a result of favorable weather. |
| Gas Supply Expenses | 30 | 29 | (1) | |
| Purchased Power | 5 | 5 | 0 | |
| Other Cost of Production | 4 | 3 | (0) | |
| Mechanism - ECR, DSM & GLT - Operation and Maintenance | 6 | 6 | 1 | |
| Mechanism - ECR, DSM & GLT - Depreciation and Property Tax | 6 | 6 | 0 | |
| **Total Cost of Sales** | 144 | 124 | (21) | |
| **Gross Margin:** | | | | |
| Electric Margin | 180 | 166 | 15 | See explanations above. |
| Gas Margin | 27 | 28 | (1) | |
| **Total Gross Margin** | 207 | 194 | 14 | |
| O&M | 55 | 59 | 4 | |
| Depreciation & Amortization | 33 | 34 | 0 | |
| Taxes, Other than Income | 6 | 6 | 0 | |
| Other income (expense) | (2) | (1) | (1) | |
| EBIT | 111 | 94 | 17 | |
| Interest Expense | 19 | 19 | 1 | |
| **Income from Ongoing Operations before income taxes** | 92 | 74 | 18 | |
| Income Tax Expense | 20 | 19 | (1) | |
| **Net Income (loss) from ongoing operations** | **73** | **56** | **17** | |
| Special Item - (Non Operating Income) | 0 | 0 | 0 | |
| Discontinued Operations | (0) | 0 | (0) | |
| **Net Income (loss)** | $ 73 | $ 56 | $ 17 | |
| KY Regulated Financing Costs | (3) | (3) | (0) | |
| **KY Regulated Net Income** | 69 | $ 53 | $ 17 | |
| Earnings Per Share - Ongoing | $ 0.10 | $ 0.07 | $ 0.03 | |

Note: Schedules may not sum due to rounding.

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## Income Statement: Actual vs. Budget (YTD) - LG&E — January 2018

($ Millions)

| | YTD | | | |
|---|---|---|---|---|
| | Actual | Budget | Variance | Comments |
| **Revenues:** | | | | |
| Electric Revenues | $ 113 | $ 99 | $ 14 | Primarily due to higher sales volumes as a result of favorable weather. |
| Gas Revenues | 57 | 57 | 0 | |
| **Total Revenues** | 170 | 156 | 14 | |
| **Cost of Sales:** | | | | |
| Fuel Electric Costs | 39 | 29 | (10) | Primarily due to increased generation as a result of favorable weather. |
| Gas Supply Expenses | 30 | 29 | (1) | |
| Purchased Power | 4 | 4 | 0 | |
| Other Cost of Production | 1 | 2 | 0 | |
| Mechanism - ECR, DSM & GLT - Operation and Maintenance | 2 | 3 | 0 | |
| Mechanism - ECR, DSM & GLT - Depreciation and Property Tax | 3 | 3 | 0 | |
| **Total Cost of Sales** | 79 | 69 | (10) | |
| **Gross Margin:** | | | | |
| Electric Margin | 65 | 59 | 5 | See explanations above. |
| Gas Margin | 27 | 28 | (1) | |
| **Total Gross Margin** | 91 | 87 | 4 | |
| O&M | 25 | 26 | 1 | |
| Depreciation & Amortization | 14 | 14 | 0 | |
| Taxes, Other than Income | 3 | 3 | 0 | |
| Other income (expense) | (1) | (1) | (1) | |
| EBIT | 48 | 44 | 5 | |
| Interest Expense | 6 | 6 | 0 | |
| **Income from Ongoing Operations before income taxes** | 42 | 37 | 5 | |
| Income Tax Expense | 11 | 9 | (1) | |
| **Net Income (loss) from ongoing operations** | **$ 31** | **$ 28** | **$ 4** | |

Note: Schedules may not sum due to rounding and exclude purchase accounting adjustments and corresponding goodwill.

## Income Statement: Actual vs. Budget (YTD) - KU

**January 2018**

**($ Millions)**

| | YTD | | | |
|---|---|---|---|---|
| | Actual | Budget | Variance | Comments |
| **Revenues:** | | | | |
| Electric Revenues | $ 192 | $ 168 | $ 24 | Primarily due to higher sales volumes as a result of favorable weather. |
| Gas Revenues | 0 | 0 | 0 | |
| **Total Revenues** | 192 | 168 | 24 | |
| **Cost of Sales:** | | | | |
| Fuel Electric Costs | 60 | 45 | (15) | Primarily due to increased generation as a result of favorable weather. |
| Gas Supply Expenses | 0 | 0 | 0 | |
| Purchased Power | 7 | 8 | 1 | |
| Other Cost of Production | 2 | 2 | (0) | |
| Mechanism - ECR, DSM & GLT - Operation and Maintenance | 4 | 4 | 0 | |
| Mechanism - ECR, DSM & GLT - Depreciation and Property Tax | 3 | 3 | 0 | |
| **Total Cost of Sales** | 76 | 62 | (14) | |
| **Gross Margin:** | | | | |
| Electric Margin | 116 | 106 | 9 | See explanations above. |
| Gas Margin | 0 | 0 | 0 | |
| **Total Gross Margin** | 116 | 106 | 9 | |
| O&M | 28 | 31 | 3 | |
| Depreciation & Amortization | 20 | 20 | 0 | |
| Taxes, Other than Income | 3 | 3 | 0 | |
| Other income (expense) | (1) | (1) | 0 | |
| EBIT | 64 | 52 | 12 | |
| Interest Expense | 8 | 8 | 0 | |
| **Income from Ongoing Operations before income taxes** | 56 | 44 | 12 | |
| Income Tax Expense | 14 | 11 | (3) | |
| **Net Income (loss) from ongoing operations** | **$ 42** | **$ 33** | **$ 9** | |

Note: Schedules may not sum due to rounding and exclude purchase accounting adjustments and corresponding goodwill.

| O&M | | | | | | | | January 2018 |
|---|---|---|---|---|---|---|---|---|
| ($ Millions) | | | | | | | | |
| | YTD | | | | | | | |
| | Actual | Budget | Total Variance | Labor & Burdens | Supplemental Contractors | Other Outside Services | Materials | Other |
| Generation | 13 | 14 | 1 | 0 | 0 | 0 | (0) | 1 |
| Project Engineering | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Transmission | 3 | 3 | 1 | (0) | 1 | 0 | (0) | (0) |
| Energy Supply and Analysis | 1 | 1 | 0 | 0 | 0 | 0 | 0 | 0 |
| Electric Distribution | 5 | 5 | 0 | (0) | 1 | (1) | 0 | 0 |
| Gas Distribution | 3 | 3 | (0) | 0 | (0) | 0 | (0) | (0) |
| Advanced Metering System | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (0) |
| Safety and Technical Training | 1 | 1 | (0) | 0 | (0) | 0 | (0) | (0) |
| Environmental | 1 | 1 | 0 | 0 | 0 | 0 | 0 | 0 |
| Customer Services | 8 | 9 | 1 | 0 | 0 | 0 | 0 | 0 |
| **SVP Operations Total** | **35** | **38** | **3** | **0** | **2** | **(0)** | **(0)** | **1** |
| Audit Services | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Controller | 1 | 1 | 0 | 0 | 0 | 0 | (0) | 0 |
| Supply Chain | 0 | 0 | 0 | 0 | 0 | 0 | (0) | 0 |
| Information Technology | 5 | 5 | 1 | 1 | (0) | (0) | (0) | 0 |
| Treasurer | 2 | 2 | 0 | (0) | 0 | 0 | (0) | 0 |
| State Regulation and Rates | 0 | 0 | 0 | 0 | 0 | 0 | (0) | 0 |
| Other | 0 | 0 | (0) | 0 | 0 | (0) | 0 | 0 |
| **Chief Financial Officer Total** | **9** | **9** | **1** | **1** | **(0)** | **(0)** | **(0)** | **0** |
| **General Counsel** | **1** | **1** | **0** | **0** | **0** | **(0)** | **(0)** | **0** |
| **Human Resources** | **1** | **1** | **0** | **0** | **0** | **(0)** | **0** | **0** |
| **Corporate** | **8** | **8** | **(0)** | **(0)** | **0** | **0** | **(0)** | **0** |
| **Communication** | **1** | **1** | **(0)** | **(0)** | **0** | **0** | **(0)** | **0** |
| **Utility Total** | **54** | **57** | **4** | **1** | **2** | **(0)** | **(1)** | **2** |
| **Nonutility** | **2** | **2** | **0** | **0** | **(0)** | **(0)** | **0** | **0** |
| **O&M Total YTD** | **55** | **59** | **4** | **1** | **2** | **(0)** | **(1)** | **2** |

Note: Schedules may not sum due to rounding.

## Financing Activities — January 2018

($ Millions)

| Balance Sheet | YTD Actual | YTD Budget | YTD Variance |
|---|---|---|---|
| **PCB** | | | |
| Beg Bal | $ 890.0 | $ 890.0 | $ 0.0 |
| End Bal | 890.0 | 890.0 | 0.0 |
| **Ave Bal** | **$ 890.0** | **$ 890.0** | **$ 0.0** |
| **Interest Exp** | **$ 1.2** | **$ 1.5** | **$ 0.2** |
| **Rate** | **1.62%** | **1.89%** | **0.27%** |
| **FMB/Sr Nts/Loan with PPL** | | | |
| Beg Bal | $ 4,310.0 | $ 4,310.0 | $ 0.0 |
| End Bal | 4,410.0 | 4,410.0 | 0.0 |
| **Ave Bal** | **$ 4,360.0** | **$ 4,360.0** | **$ 0.0** |
| **Interest Exp** | **$ 15.5** | **$ 15.6** | **$ 0.1** |
| **Rate** | **4.14%** | **4.16%** | **0.02%** |
| **Short-term Debt** | | | |
| Beg Bal | $ 468.9 | $ 468.9 | $ 0.0 |
| End Bal | 469.2 | 432.1 | (37.1) |
| Ave Bal [(1)] | **$ 469.0** | **$ 450.5** | **$ (18.5)** |
| Interest Exp | **$ 1.0** | **$ 1.4** | **$ 0.4** |
| Rate | **2.44%** | **3.49%** | **1.05%** |
| **Unamortized Debt Expense Bonds** | | | |
| Beg Bal | $ (41.6) | $ (41.6) | $ 0.0 |
| End Bal | (41.2) | (41.3) | (0.0) |
| Ave Bal | **$ (41.4)** | **$ (41.4)** | **$ (0.0)** |
| **Total End Bal** | **$ 5,727.9** | **$ 5,690.8** | **$ (37.1)** |
| **Total Average Bal** | **$ 5,681.7** | **$ 5,659.0** | **$ (22.7)** |
| **Total Expense Excl I/C [(2)]** | **$ 18.7** | **$ 19.4** | **$ 0.7** |
| **Rate** | **3.79%** | **3.94%** | **0.15%** |

[(1)] Short-term Debt YTD actual reflects average daily balances. All other average balances use an average monthly balance.
[(2)] Total expense line includes additional revolving credit items. Total will not match sum of PCB, FMB, and STD.

| Credit Facilities ($ Millions) | Committed Capacity | Borrowed[(3)] | Letters of Credit Issued | Unused Capacity | Money Pool Loans |
|---|---|---|---|---|---|
| LKE | $ 350 | $ 247 | | $ 103 | |
| LG&E | 500 | 124 | | 376 | $ 0 |
| KU | 598 | 98 | $ 198 | 302 | 0 |
| TOTAL | $ 1,448 | $ 469 | $ 198 | $ 781 | $ 0 |

[(3)] LG&E and KU borrowed amounts represent commercial paper issuances. LKE borrowed amount includes bank revolver and debt with PPL.

| Credit Metrics[1]<br>Moody's | LKE 2018<br>Actual YTD | LKE 2018<br>Budget YTD | LG&E 2018<br>Actual YTD | LG&E 2018<br>Budget YTD | KU 2018<br>Actual YTD | KU 2018<br>Budget YTD |
|---|---|---|---|---|---|---|
| CFO pre-WC / Debt | 18% | 18% | 27% | 27% | 27% | 27% |
| CFO pre-WC + Interest / Interest | 5.7 | 5.6 | 8.4 | 8.3 | 7.8 | 7.7 |
| CFO pre-WC - Dividends / Debt | 11% | 11% | 18% | 18% | 18% | 18% |
| Debt to Capitalization | 52% | 52% | 39% | 39% | 37% | 37% |

| Credit Metrics<br>Moody's | LKE 2018 BP<br>2019 | LKE 2018 BP<br>2020 | LG&E 2018 BP<br>2019 | LG&E 2018 BP<br>2020 | KU 2018 BP<br>2019 | KU 2018 BP<br>2020 |
|---|---|---|---|---|---|---|
| CFO pre-WC / Debt | 14% | 14% | 19% | 19% | 19% | 20% |
| CFO pre-WC + Interest / Interest | 4.4 | 4.4 | 5.8 | 5.6 | 5.7 | 5.7 |
| CFO pre-WC - Dividends / Debt | 10% | 10% | 11% | 10% | 10% | 11% |
| Debt to Capitalization | 53% | 52% | 38% | 38% | 38% | 38% |

(1) Actuals represent a trailing 12 months.

**Financial Strength Factor (40% Weighting) -- Standard Business Risk Grid:**

| Moody's Thresholds | Sub-Factor Weighting | A | Baa | Ba |
|---|---|---|---|---|
| CFO pre-WC / Debt | 15.0% | 22% - 30% | 13% - 22% | 5% - 13% |
| CFO pre-WC + Interest / Interest | 7.5% | 4.5x - 6x | 3x - 4.5x | 2x - 3x |
| CFO pre-WC - Dividends / Debt | 10.0% | 17% - 25% | 9% - 17% | 0% - 9% |
| Debt / Capitalization | 7.5% | 35% - 45% | 45% - 55% | 55% - 65% |

| As of December 31, 2017 | Senior Unsecured | Senior Secured | Commercial Paper |
|---|---|---|---|
| **Issuer** | **Moody's** | **Moody's** | **Moody's** |
| LKE | Baa1 | | |
| LG&E | | A1 | P-2 |
| KU | | A1 | P-2 |

**Definitions**

Issuers assessed **A** are judged to have upper-medium-grade intrinsic, or standalone, financial strength, and thus subject to low credit risk absent any possibility of extraordinary support from an affiliate or a government.

Obligations rated **Baa** are judged to be medium-grade and subject to moderate credit risk and as such may possess certain speculative characteristics.

Issuers (or supporting institutions) rated Prime-2 have a strong ability to repay short-term debt obligations.

Moody's appends numerical modifiers 1, 2, and 3 to each generic rating classification. The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates a ranking in the lower end of that generic rating category.

## Balance Sheet - LKE Consolidated — January 2018

**($ Millions)**

| | 1/31/2018 | YTD Budget | Variance | Comments |
|---|---|---|---|---|
| Assets: | | | | |
| Current Assets: | | | | |
| Cash and Cash Equivalents | $ 22 | $ 14 | $ 8 | |
| Accounts Receivable (Trade) | 526 | 488 | 38 | |
| Inventory | 226 | 232 | (6) | |
| Regulatory Assets Current | 14 | 13 | 2 | |
| Prepayments and other current assets | 77 | 79 | (2) | |
| **Total Current Assets** | 865 | 825 | 40 | |
| Property, Plant, and Equipment | 12,066 | 12,080 | (14) | |
| Intangible Assets | 85 | 85 | (0) | |
| Other Property and Investments | 1 | 1 | 0 | |
| Regulatory Assets Non Current | 794 | 794 | (0) | |
| Goodwill | 997 | 997 | 0 | |
| Other Long-term Assets | 69 | 67 | 2 | |
| **Total Assets** | **$ 14,877** | **$ 14,850** | **$ 27** | |
| Liabilities and Equity: | | | | |
| Current Liabilities: | | | | |
| Accounts Payable (Trade) | $ 333 | $ 332 | $ 1 | |
| Dividends Payable to Affiliated Companies | 0 | 0 | 0 | |
| Customer Deposits | 58 | 58 | 0 | |
| Derivative Liability | 4 | 4 | (0) | |
| Accrued Taxes | 78 | 86 | (9) | |
| Regulatory Liabilities Current | 39 | 20 | 19 | Primarily due to increased off systems sales and higher than budgeted ECR regulatory liability. |
| Other Current Liabilities | 263 | 296 | (33) | Decrease primarily due to fluctuations in actuals related to miscellaneous liabilities and outstanding checks that are not incorporated in the budget as the budgeted balance is based on a static amount from December 2017. |
| **Total Current Liabilities** | 775 | 797 | (22) | |
| Debt - Affiliated Company | 647 | 632 | 15 | |
| Debt [(1)] | 5,081 | 5,059 | 22 | |
| **Total Debt** | 5,728 | 5,691 | 37 | |
| Deferred Tax Liabilities | 863 | 866 | (4) | |
| Investment Tax Credit | 129 | 129 | (0) | |
| Accum Provision for Pension & Related Benefits | 262 | 259 | 3 | |
| Asset Retirement Obligation | 269 | 269 | 0 | |
| Regulatory Liabilities Non Current | 2,036 | 2,036 | 0 | |
| Derivative Liability | 19 | 22 | (2) | |
| Other Liabilities | 161 | 162 | (1) | |
| **Total Deferred Credits and Other Liabilities** | 3,739 | 3,742 | (3) | |
| **Equity** | 4,635 | 4,620 | 16 | |
| **Total Liabilities and Equity** | **$ 14,877** | **$ 14,850** | **$ 27** | |

[(1)] Includes all ST and LT debt. See Financing Activities page for details.
Note: Schedules may not sum due to rounding.

## Balance Sheet - LG&E

**January 2018**

**($ Millions)**

| | 1/31/2018 | YTD Budget | Variance | Comments |
|---|---|---|---|---|
| Assets: | | | | |
| Current Assets: | | | | |
| Cash and Cash Equivalents | $ 8 | $ 5 | $ 3 | |
| Accounts Receivable (Trade) | 239 | 225 | 14 | |
| Inventory | 112 | 111 | 0 | |
| Regulatory Assets Current | 7 | 10 | (2) | |
| Prepayments and other current assets | 49 | 54 | (5) | |
| **Total Current Assets** | 415 | 405 | 10 | |
| Property, Plant, and Equipment | 5,305 | 5,313 | (8) | |
| Intangible Assets | 6 | 6 | (0) | |
| Other Property and Investments | 1 | 1 | 0 | |
| Regulatory Assets Non Current | 408 | 409 | (1) | |
| Goodwill | 0 | 0 | 0 | |
| Other Long-term Assets | 12 | 11 | 1 | |
| **Total Assets** | **$ 6,147** | **$ 6,145** | **$ 2** | |
| Liabilities and Equity: | | | | |
| Current Liabilities: | | | | |
| Accounts Payable (Trade) | $ 202 | $ 199 | $ 3 | |
| Dividends Payable to Affiliated Companies | 0 | 0 | 0 | |
| Customer Deposits | 28 | 27 | 0 | |
| Derivative Liability | 4 | 4 | (0) | |
| Accrued Taxes | 34 | 36 | (2) | |
| Regulatory Liabilities Current | 20 | 9 | 11 | Primarily due to increased off systems sales. |
| Other Current Liabilities | 84 | 93 | (9) | |
| **Total Current Liabilities** | 373 | 368 | 4 | |
| Debt - Affiliated Company | 0 | 0 | 0 | |
| Debt [(1)] | 1,932 | 1,937 | (5) | |
| **Total Debt** | 1,932 | 1,937 | (5) | |
| Deferred Tax Liabilities | 572 | 572 | (0) | |
| Investment Tax Credit | 35 | 35 | (0) | |
| Accum Provision for Pension & Related Benefits | (8) | (10) | 2 | |
| Asset Retirement Obligation | 96 | 97 | (1) | |
| Regulatory Liabilities Non Current | 872 | 871 | 1 | |
| Derivative Liability | 19 | 22 | (2) | |
| Other Liabilities | 87 | 86 | 1 | |
| **Total Deferred Credits and Other Liabilities** | 1,672 | 1,674 | (1) | |
| **Equity** | 2,170 | 2,166 | 4 | |
| **Total Liabilities and Equity** | **$ 6,147** | **$ 6,145** | **$ 2** | |

(1) Includes all ST and LT debt.
Note: Schedules may not sum due to rounding and excludes purchase accounting adjustments.

## Balance Sheet - KU

**January 2018**

**($ Millions)**

| | 1/31/2018 | YTD Budget | Variance | Comments |
|---|---|---|---|---|
| Assets: | | | | |
| Current Assets: | | | | |
| Cash and Cash Equivalents | $ 13 | $ 5 | $ 8 | |
| Accounts Receivable (Trade) | 286 | 262 | 24 | |
| Inventory | 114 | 121 | (7) | |
| Regulatory Assets Current | 7 | 3 | 4 | |
| Prepayments and other current assets | 51 | 50 | 0 | |
| **Total Current Assets** | 471 | 441 | 30 | |
| Property, Plant, and Equipment | 6,753 | 6,759 | (6) | |
| Intangible Assets | 13 | 13 | (0) | |
| Other Property and Investments | 0 | 0 | 0 | |
| Regulatory Assets Non Current | 384 | 383 | 1 | |
| Goodwill | 0 | 0 | 0 | |
| Other Long-term Assets | 54 | 53 | 1 | |
| **Total Assets** | **$ 7,674** | **$ 7,649** | **$ 26** | |
| Liabilities and Equity: | | | | |
| Current Liabilities: | | | | |
| Accounts Payable (Trade) | $ 181 | $ 180 | $ 1 | |
| Dividends Payable to Affiliated Companies | 0 | 0 | 0 | |
| Customer Deposits | 31 | 31 | 0 | |
| Derivative Liability | 0 | 0 | 0 | |
| Accrued Taxes | 20 | 29 | (9) | |
| Regulatory Liabilities Current | 19 | 11 | 7 | |
| Other Current Liabilities | 118 | 130 | (12) | |
| **Total Current Liabilities** | 369 | 381 | (12) | |
| Debt - Affiliated Company | 0 | 0 | 0 | |
| Debt [1] | 2,425 | 2,398 | 27 | |
| **Total Debt** | 2,425 | 2,398 | 27 | |
| Deferred Tax Liabilities | 691 | 691 | (0) | |
| Investment Tax Credit | 94 | 94 | (0) | |
| Accum Provision for Pension & Related Benefits | (10) | (10) | 1 | |
| Asset Retirement Obligation | 173 | 172 | 2 | |
| Regulatory Liabilities Non Current | 1,097 | 1,097 | (0) | |
| Derivative Liability | 0 | 0 | 0 | |
| Other Liabilities | 44 | 43 | 0 | |
| **Total Deferred Credits and Other Liabilities** | 2,089 | 2,087 | 2 | |
| **Equity** | 2,791 | 2,782 | 9 | |
| **Total Liabilities and Equity** | **$ 7,674** | **$ 7,649** | **$ 26** | |

[1] Includes all ST and LT debt.

Note: Schedules may not sum due to rounding and excludes purchase accounting adjustments.



**Case Nos. 2018-00294 and 2018-00295**
**Attachment to Filing Requirement**
**807 KAR 5:001 Sec. 16(7)(o)**

**Arbough**

PPL companies

# Performance Report

# February 2018

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## Kentucky Regulated Dashboard — February 2018

| | Current Month | | YTD | | Full Year | |
|---|---|---|---|---|---|---|
| **Safety** | **Actual** | **PY** | **Actual** | **PY** | **Forecast** | **PY** |
| TCIR - Employees[(1)] | 1.45 | 1.47 | 1.21 | 1.02 | 1.30 | 0.97 |
| Employee lost-time incidents | 0 | 2 | 0 | 2 | 8 | 9 |
| **Reliability** | **Actual** | **Budget** | **Actual** | **Budget** | **Forecast** | **Budget** |
| Generation Volumes | 2,524 | 2,764 | 6,073 | 5,978 | 33,800 | 33,704 |
| Utility EFOR | 3.2% | 5.0% | 2.9% | 5.0% | N/A | 5.0% |
| Utility EAF | 92.3% | 91.3% | 93.3% | 92.1% | N/A | 83.7% |
| Combined SAIFI | 0.05 | 0.05 | 0.12 | 0.13 | N/A | 0.99 |
| Combined SAIDI (minutes) | 5.60 | 4.28 | 12.54 | 11.13 | N/A | 91.90 |
| **GwH Sales** | **Actual** | **Budget** | **Actual** | **Budget** | **Forecast** | **Budget** |
| Residential | 765 | 946 | 2,107 | 2,102 | 10,508 | 10,502 |
| Commercial | 572 | 605 | 1,284 | 1,285 | 7,814 | 7,815 |
| Industrial | 713 | 698 | 1,469 | 1,492 | 9,298 | 9,321 |
| Municipals | 132 | 145 | 308 | 313 | 1,773 | 1,778 |
| Other | 210 | 216 | 445 | 461 | 2,806 | 2,822 |
| Off-System Sales | 17 | 29 | 243 | 55 | 337 | 150 |
| Total | 2,409 | 2,640 | 5,856 | 5,709 | 32,536 | 32,389 |
| **Weather-Normalized Sales Growth** | | | **TTM** | | | |
| Residential | | | 2.04% | | | |
| Commercial | | | -0.44% | | | |
| Industrial | | | -0.67% | | | |
| Municipal | | | -4.03% | | | |
| Other | | | -2.92% | | | |
| Total | | | -0.14% | | | |

| | Current Month | | YTD | | Full Year | |
|---|---|---|---|---|---|---|
| **Margins ($ millions)** | **Actual** | **Budget** | **Actual** | **Budget** | **Forecast** | **Budget** |
| Electric Margins | $141 | $151 | $322 | $317 | $1,831 | $1,831 |
| Gas Margins | $22 | $25 | $49 | $53 | $185 | $185 |
| **Capital Expenditures ($ millions)** | **Actual** | **Budget** | **Actual** | **Budget** | **Forecast** | **Budget** |
| Total | $82 | $93 | $164 | $189 | $1,268 | $1,277 |
| **O&M ($ millions)** | **Actual** | **Budget** | **Actual** | **Budget** | **Forecast** | **Budget** |
| O&M – Management View[(2)] | $60 | $62 | $115 | $121 | $752 | $752 |
| O&M – GAAP View[(3)] | $67 | $70 | $132 | $139 | $869 | $869 |
| **Head Count** | **Actual** | **Budget** | **Actual** | **Budget** | **Forecast** | **Budget** |
| Full-time Employees | 3,452 | 3,581 | 3,452 | 3,581 | 3,586 | 3,597 |
| **Other Metrics** | **Actual** | **PY** | **Actual** | **PY** | **Forecast** | **PY** |
| Environmental Events | 0 | 1 | 0 | 2 | N/A | 8 |
| NERC Possible Violations[(4)] | 3 | 0 | 3 | 1 | N/A | 8 |

| | TTM | Full Year | |
|---|---|---|---|
| **Financial Metrics** | **Actual** | **Forecast** | **Budget** |
| Utility ROE[(5)] | 10.4% | 9.6% | 9.6% |
| Average Utility Capitalization ($ millions) | $9,026 | $9,527 | $9,527 |

### Variance Explanations

Lower MTD margins primarily due to lower sales volumes from unfavorable weather, resulting in lower retail electric base energy revenue of $12 million.

Lower YTD O&M primarily due to lower storm and bad debt expense and timing of plant maintenance and other costs.

(1) Full year forecast amount shown represents target.

(2) Net of cost recovery mechanisms and variable costs of production.

(3) Includes Management O&M, variable cost of production and mechanism operation and maintenance expenses

(4) The possible violation issues for YTD Actual is believed to be minimal risk.

(5) Excludes goodwill and other purchase accounting adjustments.

Note: Schedules may not sum due to rounding.

### Major Developments

The month of February brought very warm and wet weather across the service territories. On February 20, Louisville and Lexington recorded all-time February high temperatures of 82 and 81 degrees. Ohio River flooding has been the worst in the Louisville area since 1997 and required both LKE's gas and electric businesses to proactively turn-off certain electric and gas customers.

The KPSC approved LKE's first Business Solar customer contract. The contract is with the Archdiocese of Louisville and LKE will own and operate the solar facility which will be a 30 kW roof-mounted array.

The KPSC approved LG&E and KU's (as well as Duke Energy KY and East Kentucky Power Cooperative's) participation in Regional Equipment Sharing for Transmission Outage Restoration (RESTORE), including the terms of potential asset transfers under the arrangement.

The Company continues to assist with restoration efforts in Puerto Rico. The first crew worked more than 17,000 hours without any recordable safety incidents and only one first aid case. A second team was dispatched and will return around April 6.

### Significant Future Events

The KPSC issued an Order including a revised procedural schedule for the Advanced Metering Systems (AMS) case. The first round of data requests will be received April 2, with responses due April 13. Intervenor testimony will be filed May 18, and the Company's rebuttal testimony will be filed June 15. A formal hearing has not been scheduled, but would be expected early in the third quarter.

## Income Statement: Actual vs. Budget (Month) - LKE Consolidated — February 2018

($ Millions)

| | MTD | | | |
|---|---|---|---|---|
| | Actual | Budget | Variance | Comments |
| **Revenues:** | | | | |
| Electric Revenues | $ 219 | $ 234 | $ (14) | Due primarily to lower sales volumes as a result of unfavorable weather. |
| Gas Revenues | 40 | 51 | (11) | Due primarily to lower sales volumes as a result of unfavorable weather. |
| **Total Revenues** | 259 | 284 | (26) | |
| **Cost of Sales:** | | | | |
| Fuel Electric Costs | 61 | 64 | 3 | |
| Gas Supply Expenses | 17 | 25 | 8 | Due primarily to lower gas volumes as a result of unfavorable weather. |
| Purchased Power | 5 | 5 | 0 | |
| Other Cost of Production | 3 | 3 | (0) | |
| Mechanism - ECR, DSM & GLT - Operation and Maintenance | 4 | 5 | 1 | |
| Mechanism - ECR, DSM & GLT - Depreciation and Property Tax | 6 | 6 | 0 | |
| **Total Cost of Sales** | 96 | 108 | 12 | |
| **Gross Margin:** | | | | |
| Electric Margin | 141 | 151 | (10) | See explanations above. |
| Gas Margin | 22 | 25 | (3) | |
| **Total Gross Margin** | 163 | 176 | (13) | |
| O&M | 60 | 62 | 2 | |
| Depreciation & Amortization | 34 | 34 | 0 | |
| Taxes, Other than Income | 5 | 6 | 0 | |
| Other income (expense) | (1) | (1) | (0) | |
| EBIT | 63 | 74 | (11) | |
| Interest Expense | 18 | 19 | 1 | |
| **Income from Ongoing Operations before income taxes** | 45 | 55 | (10) | |
| Income Tax Expense | 10 | 14 | 4 | |
| **Net Income (loss) from ongoing operations** | **35** | **41** | **(6)** | |
| Special Item - (Non Operating Income) | 0 | 0 | 0 | |
| Discontinued Operations | 0 | 0 | 0 | |
| **Net Income (loss)** | $ 35 | $ 41 | $ (6) | |
| KY Regulated Financing Costs | (3) | $ (3) | (0) | |
| **KY Regulated Net Income** | $ 32 | $ 38 | $ (6) | |
| Earnings Per Share - Ongoing | $ 0.05 | $ 0.05 | $ (0.01) | |

Note: Schedules may not sum due to rounding.



**Case Nos. 2018-00294 and 2018-00295**
**Attachment to Filing Requirement**
**807 KAR 5:001 Sec. 16(7)(o)**

**Arbough**

## Income Statement: Actual vs. Budget (YTD) - LKE Consolidated — February 2018

**($ Millions)**

| | YTD | | | |
|---|---|---|---|---|
| | **Actual** | **Budget** | **Variance** | **Comments** |
| **Revenues:** | | | | |
| Electric Revenues | $ 513 | $ 494 | $ 20 | Due primarily to higher off-system sales revenue in January related to favorable weather and higher than budgeted YTD fuel recovery. |
| Gas Revenues | 97 | 108 | (11) | Due primarily to lower sales volumes as a result of unfavorable weather in February. |
| **Total Revenues** | 610 | 602 | 8 | |
| **Cost of Sales:** | | | | |
| Fuel Electric Costs | 155 | 138 | (17) | Due primarily to increased fuel costs in January to source off-system sales and higher than budgeted YTD fuel prices. |
| Gas Supply Expenses | 47 | 54 | 7 | Due primarily to lower gas volumes as a result of unfavorable weather in February. |
| Purchased Power | 9 | 10 | 1 | |
| Other Cost of Production | 7 | 7 | (0) | |
| Mechanism - ECR, DSM & GLT - Operation and Maintenance | 10 | 11 | 2 | |
| Mechanism - ECR, DSM & GLT - Depreciation and Property Tax | 12 | 12 | 0 | |
| **Total Cost of Sales** | 240 | 232 | (8) | |
| **Gross Margin:** | | | | |
| Electric Margin | 322 | 317 | 5 | See explanations above. |
| Gas Margin | 49 | 53 | (4) | |
| **Total Gross Margin** | 370 | 370 | 0 | |
| O&M | 115 | 121 | 6 | Lower primarily due to lower storm and bad debt expense and timing of plant maintenance and other costs. |
| Depreciation & Amortization | 67 | 67 | 0 | |
| Taxes, Other than Income | 11 | 11 | 0 | |
| Other income (expense) | (3) | (2) | (1) | |
| EBIT | 174 | 168 | 6 | |
| Interest Expense | 37 | 39 | 2 | |
| **Income from Ongoing Operations before income taxes** | 137 | 129 | 8 | |
| Income Tax Expense | 30 | 33 | 3 | |
| **Net Income (loss) from ongoing operations** | **108** | **97** | **11** | |
| Special Item - (Non Operating Income) | 0 | 0 | 0 | |
| Discontinued Operations | (0) | 0 | (0) | |
| **Net Income (loss)** | $ 108 | $ 97 | $ 11 | |
| KY Regulated Financing Costs | (6) | (6) | (0) | |
| **KY Regulated Net Income** | 101 | $ 91 | $ 11 | |
| Earnings Per Share - Ongoing | $ 0.15 | $ 0.12 | $ 0.02 | |

Note: Schedules may not sum due to rounding.

## Income Statement: Actual vs. Budget (YTD) - LG&E — February 2018

($ Millions)

| | YTD | | | |
|---|---|---|---|---|
| | Actual | Budget | Variance | Comments |
| **Revenues:** | | | | |
| Electric Revenues | $ 197 | $ 187 | $ 10 | Due primarily to higher off-system sales revenue in January related to favorable weather and higher than budgeted YTD fuel recovery. |
| Gas Revenues | 97 | 108 | (11) | Due primarily to lower sales volumes as a result of unfavorable weather in February. |
| **Total Revenues** | 294 | 295 | (1) | |
| **Cost of Sales:** | | | | |
| Fuel Electric Costs | 62 | 55 | (7) | Due primarily to increased fuel costs in January to source off-system sales and higher than budgeted YTD fuel prices. |
| Gas Supply Expenses | 47 | 54 | 7 | Due primarily to lower gas volumes as a result of unfavorable weather in February. |
| Purchased Power | 7 | 7 | (0) | |
| Other Cost of Production | 3 | 3 | 0 | |
| Mechanism - ECR, DSM & GLT - Operation and Maintenance | 4 | 5 | 1 | |
| Mechanism - ECR, DSM & GLT - Depreciation and Property Tax | 5 | 5 | 0 | |
| **Total Cost of Sales** | 128 | 129 | 0 | |
| **Gross Margin:** | | | | |
| Electric Margin | 117 | 114 | 4 | |
| Gas Margin | 49 | 53 | (4) | |
| **Total Gross Margin** | 166 | 166 | (0) | |
| O&M | 50 | 51 | 1 | |
| Depreciation & Amortization | 27 | 27 | 0 | |
| Taxes, Other than Income | 6 | 6 | 0 | |
| Other income (expense) | (2) | (1) | (1) | |
| EBIT | 81 | 80 | 0 | |
| Interest Expense | 12 | 13 | 1 | |
| **Income from Ongoing Operations before income taxes** | 69 | 68 | 1 | |
| Income Tax Expense | 17 | 17 | (0) | |
| **Net Income (loss) from ongoing operations** | **$ 51** | **$ 50** | **$ 1** | |

Note: Schedules may not sum due to rounding and exclude purchase accounting adjustments and corresponding goodwill.

## Income Statement: Actual vs. Budget (YTD) - KU — February 2018

($ Millions)

| | YTD | | | |
|---|---|---|---|---|
| | Actual | Budget | Variance | Comments |
| **Revenues:** | | | | |
| Electric Revenues | $ 330 | $ 319 | $ 11 | Due primarily to higher off-system sales revenue in January related to favorable weather and higher than budgeted YTD fuel recovery. |
| Gas Revenues | 0 | 0 | 0 | |
| **Total Revenues** | 330 | 319 | 11 | |
| **Cost of Sales:** | | | | |
| Fuel Electric Costs | 98 | 84 | (14) | Due primarily to increased fuel costs in January to source off-system sales and higher than budgeted YTD fuel prices. |
| Gas Supply Expenses | 0 | 0 | 0 | |
| Purchased Power | 11 | 14 | 3 | |
| Other Cost of Production | 4 | 4 | (0) | |
| Mechanism - ECR, DSM & GLT - Operation and Maintenance | 6 | 7 | 1 | |
| Mechanism - ECR, DSM & GLT - Depreciation and Property Tax | 6 | 7 | 0 | |
| **Total Cost of Sales** | 125 | 116 | (10) | |
| **Gross Margin:** | | | | |
| Electric Margin | 204 | 204 | 1 | |
| Gas Margin | 0 | 0 | 0 | |
| **Total Gross Margin** | 204 | 204 | 1 | |
| O&M | 56 | 61 | 5 | Lower primarily due to lower storm and bad debt expense and timing of plant maintenance and other costs. |
| Depreciation & Amortization | 40 | 40 | 0 | |
| Taxes, Other than Income | 5 | 5 | 0 | |
| Other income (expense) | (1) | (1) | 0 | |
| EBIT | 103 | 97 | 6 | |
| Interest Expense | 16 | 17 | 0 | |
| **Income from Ongoing Operations before income taxes** | 87 | 80 | 7 | |
| Income Tax Expense | 22 | 20 | (2) | |
| **Net Income (loss) from ongoing operations** | **$ 65** | **$ 60** | **$ 5** | |

Note: Schedules may not sum due to rounding and exclude purchase accounting adjustments and corresponding goodwill.



**Case Nos. 2018-00294 and 2018-00295**
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| O&M | | | | | | | | February 2018 |
|---|---|---|---|---|---|---|---|---|
| ($ Millions) | | | | | | | | |

| | MTD | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Actual | Budget | Total Variance | Labor & Burdens | Supplemental Contractors | Other Outside Services | Materials | Other |
| Generation | 13 | 14 | 1 | (0) | 0 | 0 | (1) | 1 |
| Project Engineering | 0 | 0 | 0 | (0) | 0 | (0) | 0 | 0 |
| Transmission | 3 | 3 | 0 | (0) | 1 | (0) | (0) | (0) |
| Energy Supply and Analysis | 1 | 1 | 0 | (0) | 0 | 0 | 0 | 0 |
| Electric Distribution | 6 | 6 | (0) | (0) | 1 | (1) | 0 | (0) |
| Gas Distribution | 3 | 3 | (0) | 0 | (0) | (0) | (0) | (0) |
| Advanced Metering System | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (0) |
| Safety and Technical Training | 0 | 0 | 0 | (0) | 0 | 0 | (0) | 0 |
| Environmental | 1 | 1 | 0 | (0) | 0 | 0 | 0 | 0 |
| Customer Services | 7 | 8 | 1 | (0) | (0) | 0 | 0 | 1 |
| **SVP Operations Total** | **34** | **36** | **2** | **(0)** | **1** | **(0)** | **(1)** | **1** |
| Audit Services | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (0) |
| Controller | 1 | 1 | (0) | (0) | 0 | 0 | (0) | 0 |
| Supply Chain | 0 | 0 | (0) | (0) | 0 | (0) | (0) | 0 |
| Information Technology | 4 | 5 | 0 | 0 | (0) | 0 | 0 | 0 |
| Treasurer | 2 | 2 | (0) | (0) | 0 | 0 | 0 | (0) |
| State Regulation and Rates | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (0) |
| Other | 0 | 0 | 0 | 0 | 0 | (0) | 0 | 0 |
| **Chief Financial Officer Total** | **8** | **8** | **(0)** | **0** | **(0)** | **(0)** | **(0)** | **(0)** |
| **General Counsel** | **1** | **1** | **(0)** | **(0)** | **0** | **(0)** | **0** | **0** |
| **Human Resources** | **1** | **1** | **(0)** | **(0)** | **0** | **(0)** | **(0)** | **0** |
| **Corporate** | **7** | **8** | **1** | **1** | **0** | **0** | **0** | **(0)** |
| **Communication** | **1** | **1** | **0** | **(0)** | **0** | **(0)** | **0** | **0** |
| **Utility Total** | **52** | **55** | **3** | **0** | **1** | **(0)** | **(0)** | **2** |
| **Nonutility** | **8** | **7** | **(1)** | **(2)** | **0** | **(0)** | **0** | **1** |
| **O&M Total MTD** | **60** | **62** | **2** | **(1)** | **1** | **(1)** | **(0)** | **2** |

| | YTD | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Actual | Budget | Total Variance | Labor & Burdens | Supplemental Contractors | Other Outside Services | Materials | Other |
| Generation | 27 | 29 | 2 | 0 | 1 | 0 | (1) | 1 |
| Project Engineering | 0 | 0 | 0 | 0 | 0 | (0) | 0 | 0 |
| Transmission | 6 | 6 | 1 | (0) | 1 | (0) | (0) | (0) |
| Energy Supply and Analysis | 2 | 2 | 0 | 0 | 0 | 0 | 0 | 0 |
| Electric Distribution | 11 | 11 | 0 | (0) | 2 | (1) | 0 | 0 |
| Gas Distribution | 6 | 6 | (0) | 0 | (0) | 0 | (0) | (0) |
| Advanced Metering System | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (0) |
| Safety and Technical Training | 1 | 1 | 0 | (0) | (0) | 0 | (0) | 0 |
| Environmental | 1 | 1 | 0 | (0) | 0 | 0 | 0 | 0 |
| Customer Services | 15 | 17 | 1 | (0) | 0 | 0 | 0 | 1 |
| **SVP Operations Total** | **69** | **74** | **5** | **0** | **3** | **(0)** | **(1)** | **2** |
| Audit Services | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (0) |
| Controller | 1 | 1 | 0 | 0 | 0 | 0 | (0) | 0 |
| Supply Chain | 1 | 1 | 0 | (0) | 0 | (0) | (0) | 0 |
| Information Technology | 9 | 10 | 1 | 1 | (0) | 0 | (0) | 0 |
| Treasurer | 4 | 4 | (0) | (0) | 0 | 0 | (0) | (0) |
| State Regulation and Rates | 1 | 1 | 0 | 0 | 0 | 0 | (0) | 0 |
| Other | 0 | 0 | (0) | 0 | 0 | (0) | 0 | 0 |
| **Chief Financial Officer Total** | **17** | **18** | **1** | **1** | **(0)** | **(0)** | **(0)** | **0** |
| **General Counsel** | **3** | **2** | **(0)** | **0** | **0** | **(0)** | **0** | **0** |
| **Human Resources** | **1** | **1** | **0** | **0** | **0** | **(0)** | **0** | **0** |
| **Corporate** | **15** | **16** | **1** | **1** | **0** | **0** | **0** | **0** |
| **Communication** | **1** | **1** | **0** | **(0)** | **0** | **(0)** | **0** | **0** |
| **Utility Total** | **106** | **112** | **6** | **1** | **3** | **(1)** | **(1)** | **3** |
| **Nonutility** | **10** | **9** | **(1)** | **(1)** | **(0)** | **(0)** | **0** | **1** |
| **O&M Total YTD** | **115** | **121** | **6** | **0** | **3** | **(1)** | **(0)** | **4** |

Note: Schedules may not sum due to rounding.



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## Financing Activities — February 2018

**($ Millions)**

| Balance Sheet | YTD Actual | YTD Budget | YTD Variance |
|---|---|---|---|
| **PCB** | | | |
| Beg Bal | $ 890.0 | $ 890.0 | $ 0.0 |
| End Bal | 890.0 | 890.0 | 0.0 |
| Ave Bal | **$ 890.0** | **$ 890.0** | **$ 0.0** |
| Interest Exp | **$ 2.4** | **$ 2.9** | **$ 0.5** |
| Rate | **1.63%** | **1.99%** | **0.36%** |
| **FMB/Sr Nts/Loan with PPL** | | | |
| Beg Bal | $ 4,310.0 | $ 4,310.0 | $ 0.0 |
| End Bal | 4,410.0 | 4,410.0 | 0.0 |
| Ave Bal | **$ 4,360.0** | **$ 4,360.0** | **$ 0.0** |
| Interest Exp | **$ 31.1** | **$ 31.3** | **$ 0.2** |
| Rate | **4.34%** | **4.36%** | **0.03%** |
| **Short-term Debt** | | | |
| Beg Bal | $ 468.9 | $ 468.9 | $ 0.0 |
| End Bal | 401.8 | 394.9 | (6.9) |
| Ave Bal (1) | **$ 435.3** | **$ 431.9** | **$ (3.5)** |
| Interest Exp | **$ 1.8** | **$ 2.6** | **$ 0.8** |
| Rate | **2.49%** | **3.71%** | **1.22%** |
| **Unamortized Debt Expense Bonds** | | | |
| Beg Bal | $ (41.6) | $ (41.6) | $ 0.0 |
| End Bal | (40.9) | (40.9) | (0.0) |
| Ave Bal | **$ (41.3)** | **$ (41.3)** | **$ (0.0)** |
| **Total End Bal** | **$ 5,660.9** | **$ 5,653.9** | **$ (6.9)** |
| **Total Average Bal** | **$ 5,665.9** | **$ 5,657.3** | **$ (8.5)** |
| **Total Expense Excl I/C (2)** | **$ 37.0** | **$ 38.6** | **$ 1.6** |
| **Rate** | **3.96%** | **4.13%** | **0.18%** |

(1) Short-term Debt YTD actual reflects average daily balances. All other average balances use an average monthly balance.
(2) Total expense line includes additional revolving credit items. Total will not match sum of PCB, FMB, and STD.

| Credit Facilities ($ Millions) | Committed Capacity | Borrowed(3) | Letters of Credit Issued | Unused Capacity | Money Pool Loans |
|---|---|---|---|---|---|
| LKE | $ 350 | $ 240 | | $ 110 | |
| LG&E | 500 | 110 | | 390 | $ 0 |
| KU | 598 | 52 | $ 198 | 348 | 0 |
| TOTAL | $ 1,448 | $ 402 | $ 198 | $ 848 | $ 0 |

(3) LG&E and KU borrowed amounts represent commercial paper issuances. LKE borrowed amount includes bank revolver and debt with PPL.

| Credit Metrics[1] Moody's | LKE 2018 Actual YTD | LKE 2018 Budget YTD | LG&E 2018 Actual YTD | LG&E 2018 Budget YTD | KU 2018 Actual YTD | KU 2018 Budget YTD |
|---|---|---|---|---|---|---|
| CFO pre-WC / Debt | 18% | 18% | 28% | 28% | 28% | 28% |
| CFO pre-WC + Interest / Interest | 5.7 | 5.7 | 8.4 | 8.4 | 7.9 | 7.8 |
| CFO pre-WC - Dividends / Debt | 11% | 11% | 18% | 18% | 19% | 19% |
| Debt to Capitalization | 52% | 51% | 38% | 38% | 36% | 36% |

| Credit Metrics Moody's | LKE 2018 BP 2019 | LKE 2018 BP 2020 | LG&E 2018 BP 2019 | LG&E 2018 BP 2020 | KU 2018 BP 2019 | KU 2018 BP 2020 |
|---|---|---|---|---|---|---|
| CFO pre-WC / Debt | 14% | 14% | 19% | 19% | 19% | 20% |
| CFO pre-WC + Interest / Interest | 4.4 | 4.4 | 5.8 | 5.6 | 5.7 | 5.7 |
| CFO pre-WC - Dividends / Debt | 10% | 10% | 11% | 10% | 10% | 11% |
| Debt to Capitalization | 53% | 52% | 38% | 38% | 38% | 38% |

[1] Actuals represent a trailing 12 months.

**Financial Strength Factor (40% Weighting) -- Standard Business Risk Grid:**

| Moody's Thresholds | Sub-Factor Weighting | A | Baa | Ba |
|---|---|---|---|---|
| CFO pre-WC / Debt | 15.0% | 22% - 30% | 13% - 22% | 5% - 13% |
| CFO pre-WC + Interest / Interest | 7.5% | 4.5x - 6x | 3x - 4.5x | 2x - 3x |
| CFO pre-WC - Dividends / Debt | 10.0% | 17% - 25% | 9% - 17% | 0% - 9% |
| Debt / Capitalization | 7.5% | 35% - 45% | 45% - 55% | 55% - 65% |

| As of December 31, 2017 | Senior Unsecured | Senior Secured | Commercial Paper |
|---|---|---|---|
| Issuer | Moody's | Moody's | Moody's |
| LKE | Baa1 | | |
| LG&E | | A1 | P-2 |
| KU | | A1 | P-2 |

**Definitions**

Issuers assessed **A** are judged to have upper-medium-grade intrinsic, or standalone, financial strength, and thus subject to low credit risk absent any possibility of extraordinary support from an affiliate or a government.

Obligations rated **Baa** are judged to be medium-grade and subject to moderate credit risk and as such may possess certain speculative characteristics.

Issuers (or supporting institutions) rated Prime-2 have a strong ability to repay short-term debt obligations.

Moody's appends numerical modifiers 1, 2, and 3 to each generic rating classification. The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates a ranking in the lower end of that generic rating category.

## Balance Sheet - LKE Consolidated

**February 2018**

**($ Millions)**

| | 2/28/2018 | YTD Budget | Variance | Comments |
|---|---|---|---|---|
| Assets: | | | | |
| Current Assets: | | | | |
| Cash and Cash Equivalents | $ 20 | $ 14 | $ 6 | |
| Accounts Receivable (Trade) | 462 | 469 | (7) | |
| Inventory | 209 | 219 | (10) | |
| Regulatory Assets Current | 14 | 3 | 10 | Primarily due to ECR regulatory asset reclassification. |
| Prepayments and other current assets | 70 | 76 | (6) | |
| **Total Current Assets** | 774 | 781 | (7) | |
| Property, Plant, and Equipment | 12,105 | 12,129 | (24) | |
| Intangible Assets | 85 | 85 | (0) | |
| Other Property and Investments | 1 | 1 | 0 | |
| Regulatory Assets Non Current | 794 | 793 | 1 | |
| Goodwill | 997 | 997 | 0 | |
| Other Long-term Assets | 79 | 73 | 6 | |
| **Total Assets** | **$ 14,835** | **$ 14,859** | **$ (24)** | |
| Liabilities and Equity: | | | | |
| Current Liabilities: | | | | |
| Accounts Payable (Trade) | $ 292 | $ 328 | $ (36) | Primarily due to timing of actuals. |
| Dividends Payable to Affiliated Companies | 0 | 0 | 0 | |
| Customer Deposits | 59 | 58 | 1 | |
| Derivative Liability | 4 | 4 | (0) | |
| Accrued Taxes | 75 | 76 | (0) | |
| Regulatory Liabilities Current | 49 | 29 | 20 | Primarily due to increased off systems sales and ECR regulatory asset reclassification. |
| Other Current Liabilities | 282 | 309 | (27) | |
| **Total Current Liabilities** | 761 | 804 | (43) | |
| Debt - Affiliated Company | 640 | 640 | 0 | |
| Debt [(1)] | 5,021 | 5,014 | 7 | |
| **Total Debt** | 5,661 | 5,654 | 7 | |
| Deferred Tax Liabilities | 861 | 866 | (5) | |
| Investment Tax Credit | 129 | 129 | (0) | |
| Accum Provision for Pension & Related Benefits | 273 | 258 | 15 | |
| Asset Retirement Obligation | 268 | 267 | 1 | |
| Regulatory Liabilities Non Current | 2,035 | 2,035 | (0) | |
| Derivative Liability | 18 | 21 | (3) | |
| Other Liabilities | 159 | 163 | (3) | |
| **Total Deferred Credits and Other Liabilities** | 3,743 | 3,739 | 4 | |
| **Equity** | 4,670 | 4,662 | 8 | |
| **Total Liabilities and Equity** | **$ 14,835** | **$ 14,859** | **$ (24)** | |

[(1)] Includes all ST and LT debt. See Financing Activities page for details.
Note: Schedules may not sum due to rounding.

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## Balance Sheet - LG&E

**February 2018**

**($ Millions)**

| | 2/28/2018 | YTD Budget | Variance | Comments |
|---|---|---|---|---|
| Assets: | | | | |
| Current Assets: | | | | |
| Cash and Cash Equivalents | $ 8 | $ 5 | $ 3 | |
| Accounts Receivable (Trade) | 208 | 217 | (9) | |
| Inventory | 99 | 98 | 1 | |
| Regulatory Assets Current | 9 | 5 | 4 | |
| Prepayments and other current assets | 41 | 52 | (11) | Primarily due to lower accounts receivable from associated companies, lower other accounts receivable and lower clearing accounts not forecasted. |
| **Total Current Assets** | 365 | 377 | (12) | |
| Property, Plant, and Equipment | 5,333 | 5,346 | (14) | |
| Intangible Assets | 6 | 6 | (0) | |
| Other Property and Investments | 1 | 1 | 0 | |
| Regulatory Assets Non Current | 407 | 408 | (1) | |
| Goodwill | 0 | 0 | 0 | |
| Other Long-term Assets | 21 | 13 | 8 | |
| **Total Assets** | **$ 6,132** | **$ 6,152** | **$ (20)** | |
| Liabilities and Equity: | | | | |
| Current Liabilities: | | | | |
| Accounts Payable (Trade) | $ 177 | $ 197 | $ (20) | Primarily due to timing of actuals. |
| Dividends Payable to Affiliated Companies | 0 | 0 | 0 | |
| Customer Deposits | 28 | 27 | 0 | |
| Derivative Liability | 4 | 4 | (0) | |
| Accrued Taxes | 26 | 27 | (1) | |
| Regulatory Liabilities Current | 25 | 13 | 11 | Primarily due to higher than budgeted off systems sales, and ECR regulatory asset reclassification. |
| Other Current Liabilities | 88 | 97 | (9) | |
| **Total Current Liabilities** | 346 | 366 | (19) | |
| Debt - Affiliated Company | 0 | 0 | 0 | |
| Debt [(1)] | 1,918 | 1,925 | (7) | |
| **Total Debt** | 1,918 | 1,925 | (7) | |
| Deferred Tax Liabilities | 572 | 572 | (0) | |
| Investment Tax Credit | 35 | 35 | (0) | |
| Accum Provision for Pension & Related Benefits | 1 | (11) | 12 | Difference due to reclassification of prepaid pension balance to other long term assets. |
| Asset Retirement Obligation | 95 | 97 | (2) | |
| Regulatory Liabilities Non Current | 872 | 871 | 1 | |
| Derivative Liability | 18 | 21 | (3) | |
| Other Liabilities | 86 | 87 | (1) | |
| **Total Deferred Credits and Other Liabilities** | 1,678 | 1,672 | 6 | |
| **Equity** | 2,190 | 2,189 | 1 | |
| **Total Liabilities and Equity** | **$ 6,132** | **$ 6,152** | **$ (20)** | |

[(1)] Includes all ST and LT debt.

Note: Schedules may not sum due to rounding and excludes purchase accounting adjustments.



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## Balance Sheet - KU

**February 2018**

**($ Millions)**

| | 2/28/2018 | YTD Budget | Variance | Comments |
|---|---|---|---|---|
| Assets: | | | | |
| Current Assets: | | | | |
| Cash and Cash Equivalents | $ 12 | $ 5 | $ 7 | |
| Accounts Receivable (Trade) | 253 | 252 | 2 | |
| Inventory | 109 | 121 | (11) | |
| Regulatory Assets Current | 4 | (2) | 6 | |
| Prepayments and other current assets | 45 | 49 | (4) | |
| **Total Current Assets** | 424 | 425 | (1) | |
| | | | | |
| Property, Plant, and Equipment | 6,764 | 6,775 | (10) | |
| Intangible Assets | 13 | 13 | (0) | |
| Other Property and Investments | 0 | 0 | 0 | |
| Regulatory Assets Non Current | 385 | 383 | 2 | |
| Goodwill | 0 | 0 | 0 | |
| Other Long-term Assets | 64 | 56 | 7 | |
| | | | | |
| **Total Assets** | **$ 7,649** | **$ 7,651** | **$ (2)** | |
| | | | | |
| Liabilities and Equity: | | | | |
| Current Liabilities: | | | | |
| Accounts Payable (Trade) | $ 145 | $ 176 | $ (30) | Primarily due to timing of actuals. |
| Dividends Payable to Affiliated Companies | 0 | 0 | 0 | |
| Customer Deposits | 31 | 31 | 0 | |
| Derivative Liability | 0 | 0 | 0 | |
| Accrued Taxes | 29 | 31 | (1) | |
| Regulatory Liabilities Current | 25 | 16 | 8 | |
| Other Current Liabilities | 128 | 138 | (10) | |
| **Total Current Liabilities** | 358 | 391 | (33) | |
| | | | | |
| Debt - Affiliated Company | 0 | 0 | 0 | |
| Debt [(1)] | 2,379 | 2,365 | 14 | |
| **Total Debt** | 2,379 | 2,365 | 14 | |
| | | | | |
| Deferred Tax Liabilities | 691 | 691 | (0) | |
| Investment Tax Credit | 93 | 94 | (0) | |
| Accum Provision for Pension & Related Benefits | 0 | (11) | 11 | Difference due to reclassification of prepaid pension balance to other long term assets. |
| Asset Retirement Obligation | 173 | 170 | 3 | |
| Regulatory Liabilities Non Current | 1,097 | 1,098 | (1) | |
| Derivative Liability | 0 | 0 | 0 | |
| Other Liabilities | 43 | 44 | (1) | |
| **Total Deferred Credits and Other Liabilities** | 2,098 | 2,086 | 12 | |
| | | | | |
| **Equity** | 2,814 | 2,810 | 5 | |
| | | | | |
| **Total Liabilities and Equity** | **$ 7,649** | **$ 7,651** | **$ (2)** | |

[(1)] Includes all ST and LT debt.

Note: Schedules may not sum due to rounding and excludes purchase accounting adjustments.

PPL companies

# Performance Report

# March 2018

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## Kentucky Regulated Dashboard — March 2018

| | Current Month | | YTD | | Full Year | |
|---|---|---|---|---|---|---|
| **Safety** | **Actual** | **PY** | **Actual** | **PY** | **Forecast** | **PY** |
| TCIR - Employees[1] | 0.78 | 1.06 | 1.02 | 1.03 | 1.30 | 0.97 |
| Employee lost-time incidents | 1 | 0 | 1 | 2 | 8 | 9 |
| **Reliability** | **Actual** | **Budget** | **Actual** | **Budget** | **Forecast** | **Budget** |
| Generation Volumes | 2,680 | 2,598 | 8,753 | 8,576 | 33,881 | 33,704 |
| Utility EFOR | 2.9% | 5.0% | 2.9% | 5.0% | N/A | 5.0% |
| Utility EAF | 72.1% | 63.2% | 86.0% | 82.2% | N/A | 83.7% |
| Combined SAIFI | 0.05 | 0.06 | 0.17 | 0.20 | N/A | 0.99 |
| Combined SAIDI (minutes) | 5.80 | 5.65 | 18.39 | 16.79 | N/A | 91.90 |
| **GwH Sales** | **Actual** | **Budget** | **Actual** | **Budget** | **Forecast** | **Budget** |
| Residential | 894 | 852 | 3,002 | 2,955 | 10,550 | 10,502 |
| Commercial | 647 | 591 | 1,931 | 1,876 | 7,870 | 7,815 |
| Industrial | 737 | 719 | 2,206 | 2,211 | 9,316 | 9,321 |
| Municipals | 141 | 148 | 449 | 461 | 1,766 | 1,778 |
| Other | 225 | 215 | 670 | 676 | 2,816 | 2,822 |
| Off-System Sales | 14 | 16 | 257 | 72 | 335 | 150 |
| Total | 2,658 | 2,541 | 8,514 | 8,250 | 32,653 | 32,389 |
| **Weather-Normalized Sales Growth** | | | **TTM** | | | |
| Residential | | | 0.77% | | | |
| Commercial | | | -0.25% | | | |
| Industrial | | | -1.74% | | | |
| Municipal | | | -4.23% | | | |
| Other | | | -2.48% | | | |
| Total | | | -0.78% | | | |

| | Current Month | | YTD | | Full Year | |
|---|---|---|---|---|---|---|
| **Margins ($ millions)** | **Actual** | **Budget** | **Actual** | **Budget** | **Forecast** | **Budget** |
| Electric Margins | $144 | $146 | $466 | $463 | $1,819 | $1,831 |
| Gas Margins | $20 | $20 | $69 | $73 | $182 | $185 |
| **Capital Expenditures ($ millions)** | **Actual** | **Budget** | **Actual** | **Budget** | **Forecast** | **Budget** |
| Total | $88 | $102 | $252 | $290 | $1,268 | $1,277 |
| **O&M ($ millions)** | **Actual** | **Budget** | **Actual** | **Budget** | **Forecast** | **Budget** |
| O&M – Management View[2] | $65 | $66 | $181 | $187 | $752 | $752 |
| O&M – GAAP View[3] | $73 | $74 | $205 | $214 | $861 | $869 |
| **Head Count** | **Actual** | **Budget** | **Actual** | **Budget** | **Forecast** | **Budget** |
| Full-time Employees | 3,436 | 3,592 | 3,436 | 3,592 | 3,596 | 3,597 |
| **Other Metrics** | **Actual** | **PY** | **Actual** | **PY** | **Forecast** | **PY** |
| Environmental Events | 0 | 0 | 0 | 2 | N/A | 8 |
| NERC Possible Violations[4] | 0 | 2 | 3 | 3 | N/A | 8 |

| | TTM | Full Year | |
|---|---|---|---|
| **Financial Metrics** | **Actual** | **Forecast** | **Budget** |
| Utility ROE[5] | 10.6% | 9.6% | 9.6% |
| Average Utility Capitalization ($ millions) | $9,063 | $9,571 | $9,527 |

### Variance Explanations

Lower YTD O&M primarily due to lower storm and bad debt expense and timing of plant maintenance and other costs.

(1) Full year forecast amount shown represents target.

(2) Net of cost recovery mechanisms and variable costs of production.

(3) Includes Management O&M, variable cost of production and mechanism operation and maintenance expenses

(4) The possible violation issues for YTD Actual is believed to be minimal risk.

(5) Excludes goodwill and other purchase accounting adjustments.

### Major Developments

On March 20, 2018, the KPSC issued an order approving, with certain modifications, the settlement agreement in the Tax Cuts and Jobs Act ("TCJA") proceeding. Those modifications increased the estimated credit for customers by approximately $27 million. LG&E gas rate reductions were not modified significantly from the settlement agreement. On March 26, 2018, LG&E and KU filed a petition for reconsideration and request for hearing with the KPSC, taking exception with the KPSC's modifications and the process, and also requested certain relief from implementing the amounts represented by the additional reductions until the matter is fully resolved. On March 28, 2018, the KPSC issued an Order granting LKE's request for rehearing and amending its previous Order by suspending the approved rates, allowing LG&E and KU, on an interim basis, to return savings related to the TCJA at the rates agreed to in the settlement. A procedural schedule was issued and the Company's direct testimony was filed on April 6. A formal hearing on the matter is scheduled for May 24.

The KPSC approved PPL's proposal to create two new holding companies positioned between the corporation and its utilities. A similar restructuring proposal remains before the Pennsylvania Public Utility Commission (PUC) for approval.

The KPSC issued an order in LG&E's gas franchise dispute with Louisville Metro and ruled in LG&E's favor on all issues. Specifically, the order found that the franchise fee should be recovered as a separate line item on customers' bills and should be charged only to those customers within the jurisdiction of the municipality setting the franchise fee. As a result, no such franchise fee will be collected because of a provision in the current franchise agreement with Louisville Metro that the fee would be zero in the event the KPSC ruled in LG&E's favor.

On March 22, 2018, KU reached a settlement agreement regarding its ongoing rate case in Virginia. New rates, inclusive of TCJA impacts, will be effective June 1, 2018 and do not have a significant impact on KU. The settlement agreement is subject to review and approval by the VSCC.

On the last day of the legislative session, HB 227 (net metering reform) was effectively eliminated from passage as the Senate recommitted the bill to the Natural Resources Committee.

Note: Schedules may not sum due to rounding.

## Income Statement: Actual vs. Budget (Month) - LKE Consolidated — March 2018

($ Millions)

| | MTD | | | |
|---|---|---|---|---|
| | Actual | Budget | Variance | Comments |
| **Revenues:** | | | | |
| Electric Revenues | $ 225 | $ 225 | $ (1) | |
| Gas Revenues | 38 | 38 | 0 | |
| **Total Revenues** | 263 | 263 | (1) | |
| **Cost of Sales:** | | | | |
| Fuel Electric Costs | 62 | 61 | (1) | |
| Gas Supply Expenses | 17 | 17 | 0 | |
| Purchased Power | 5 | 6 | 0 | |
| Other Cost of Production | 3 | 3 | 0 | |
| Mechanism - ECR, DSM & GLT - Operation and Maintenance | 5 | 5 | 0 | |
| Mechanism - ECR, DSM & GLT - Depreciation and Property Tax | 6 | 6 | 0 | |
| **Total Cost of Sales** | 98 | 98 | (0) | |
| **Gross Margin:** | | | | |
| Electric Margin | 144 | 146 | (1) | |
| Gas Margin | 20 | 20 | 0 | |
| **Total Gross Margin** | 165 | 166 | (1) | |
| O&M | 65 | 66 | 1 | |
| Depreciation & Amortization | 34 | 34 | 0 | |
| Taxes, Other than Income | 6 | 6 | (0) | |
| Other income (expense) | 2 | (1) | 4 | |
| EBIT | 62 | 59 | 4 | |
| Interest Expense | 19 | 19 | 1 | |
| **Income from Ongoing Operations before income taxes** | 43 | 39 | 4 | |
| Income Tax Expense | 9 | 6 | (4) | |
| **Net Income (loss) from ongoing operations** | **34** | **34** | **1** | |
| Special Item - (Non Operating Income) | 0 | 0 | 0 | |
| Discontinued Operations | (0) | 0 | (0) | |
| **Net Income (loss)** | $ 34 | $ 34 | $ 1 | |
| KY Regulated Financing Costs | (3) | $ (3) | (0) | |
| **KY Regulated Net Income** | $ 31 | $ 31 | $ 1 | |
| Earnings Per Share - Ongoing | $ 0.04 | $ 0.04 | $ 0.00 | |

Note: Schedules may not sum due to rounding.

## Income Statement: Actual vs. Budget (YTD) - LKE Consolidated — March 2018

**($ Millions)**

| | YTD Actual | YTD Budget | YTD Variance | Comments |
|---|---|---|---|---|
| **Revenues:** | | | | |
| Electric Revenues | $ 738 | $ 719 | $ 19 | Due primarily to higher off-system sales revenue in January related to favorable weather and higher than budgeted YTD fuel recovery. |
| Gas Revenues | 135 | 146 | (11) | Due primarily to lower sales volumes as a result of unfavorable weather in February and lower than budgeted YTD gas cost recovery. |
| **Total Revenues** | 873 | 865 | 8 | |
| **Cost of Sales:** | | | | |
| Fuel Electric Costs | 216 | 199 | (18) | Due primarily to increased fuel costs in January to source off-system sales and higher than budgeted YTD fuel prices. |
| Gas Supply Expenses | 64 | 71 | 7 | Due primarily to lower gas volumes as a result of unfavorable weather in February and lower than budgeted YTD gas prices. |
| Purchased Power | 15 | 16 | 1 | |
| Other Cost of Production | 10 | 9 | (0) | |
| Mechanism - ECR, DSM & GLT - Operation and Maintenance | 15 | 17 | 2 | |
| Mechanism - ECR, DSM & GLT - Depreciation and Property Tax | 18 | 18 | 0 | |
| **Total Cost of Sales** | 338 | 330 | (8) | |
| **Gross Margin:** | | | | |
| Electric Margin | 466 | 463 | 3 | |
| Gas Margin | 69 | 73 | (4) | |
| **Total Gross Margin** | 535 | 536 | (1) | |
| O&M | 181 | 187 | 7 | Lower primarily due to lower storm and bad debt expense and timing of plant maintenance and other costs. |
| Depreciation & Amortization | 100 | 101 | 1 | |
| Taxes, Other than Income | 17 | 17 | 0 | |
| Other income (expense) | (1) | (4) | 3 | |
| EBIT | 236 | 227 | 10 | |
| Interest Expense | 56 | 58 | 2 | |
| **Income from Ongoing Operations before income taxes** | 181 | 169 | 12 | |
| Income Tax Expense | 39 | 38 | (1) | |
| **Net Income (loss) from ongoing operations** | **142** | **130** | **11** | |
| Special Item - (Non Operating Income) | 0 | 0 | 0 | |
| Discontinued Operations | (0) | 0 | (0) | |
| **Net Income (loss)** | $ 142 | $ 130 | $ 11 | |
| KY Regulated Financing Costs | (9) | (9) | (0) | |
| **KY Regulated Net Income** | 133 | $ 121 | $ 11 | |
| Earnings Per Share - Ongoing | $ 0.19 | $ 0.17 | $ 0.02 | |

Note: Schedules may not sum due to rounding.

## Income Statement: Actual vs. Budget (YTD) - LG&E — March 2018

**($ Millions)**

| | YTD | | | |
|---|---|---|---|---|
| | Actual | Budget | Variance | Comments |
| **Revenues:** | | | | |
| Electric Revenues | $ 285 | $ 274 | $ 11 | Due primarily to higher off-system sales revenue in January related to favorable weather and higher than budgeted YTD fuel recovery. |
| Gas Revenues | 135 | 146 | (11) | Due primarily to lower sales volumes as a result of unfavorable weather in February and lower than budgeted YTD gas cost recovery. |
| **Total Revenues** | 420 | 420 | (0) | |
| **Cost of Sales:** | | | | |
| Fuel Electric Costs | 86 | 79 | (7) | Due primarily to increased fuel costs in January to source off-system sales and higher than budgeted YTD fuel prices. |
| Gas Supply Expenses | 64 | 71 | 7 | Due primarily to lower gas volumes as a result of unfavorable weather in February and lower than budgeted YTD gas prices. |
| Purchased Power | 11 | 12 | 0 | |
| Other Cost of Production | 4 | 4 | 0 | |
| Mechanism - ECR, DSM & GLT - Operation and Maintenance | 6 | 7 | 1 | |
| Mechanism - ECR, DSM & GLT - Depreciation and Property Tax | 8 | 8 | 0 | |
| **Total Cost of Sales** | 179 | 180 | 1 | |
| **Gross Margin:** | | | | |
| Electric Margin | 172 | 167 | 5 | See explanations above. |
| Gas Margin | 69 | 73 | (4) | |
| **Total Gross Margin** | 241 | 240 | 1 | |
| O&M | 79 | 80 | 0 | |
| Depreciation & Amortization | 41 | 41 | 0 | |
| Taxes, Other than Income | 9 | 9 | 0 | |
| Other income (expense) | (2) | (2) | 1 | |
| EBIT | 111 | 108 | 3 | |
| Interest Expense | 18 | 19 | 1 | |
| **Income from Ongoing Operations before income taxes** | 92 | 89 | 4 | |
| Income Tax Expense | 21 | 21 | (0) | |
| **Net Income (loss) from ongoing operations** | **$ 72** | **$ 68** | **$ 4** | |

Note: Schedules may not sum due to rounding and exclude purchase accounting adjustments and corresponding goodwill.

## Income Statement: Actual vs. Budget (YTD) - KU — March 2018

($ Millions)

| | YTD | | | |
|---|---|---|---|---|
| | Actual | Budget | Variance | Comments |
| **Revenues:** | | | | |
| Electric Revenues | $ 471 | $ 463 | $ 9 | Due primarily to higher off-system sales revenue in January related to favorable weather and higher than budgeted YTD fuel recovery. |
| Gas Revenues | 0 | 0 | 0 | |
| **Total Revenues** | 471 | 463 | 9 | |
| **Cost of Sales:** | | | | |
| Fuel Electric Costs | 136 | 121 | (15) | Due primarily to increased fuel costs in January to source off-system sales and higher than budgeted YTD fuel prices. |
| Gas Supply Expenses | 0 | 0 | 0 | |
| Purchased Power | 17 | 20 | 4 | |
| Other Cost of Production | 6 | 5 | (0) | |
| Mechanism - ECR, DSM & GLT - Operation and Maintenance | 9 | 10 | 1 | |
| Mechanism - ECR, DSM & GLT - Depreciation and Property Tax | 10 | 10 | 0 | |
| **Total Cost of Sales** | 177 | 167 | (10) | |
| **Gross Margin:** | | | | |
| Electric Margin | 294 | 296 | (2) | |
| Gas Margin | 0 | 0 | 0 | |
| **Total Gross Margin** | 294 | 296 | (2) | |
| O&M | 91 | 97 | 6 | Lower primarily due to lower storm and bad debt expense and timing of plant maintenance and other costs. |
| Depreciation & Amortization | 59 | 60 | 0 | |
| Taxes, Other than Income | 8 | 8 | 0 | |
| Other income (expense) | 0 | (1) | 2 | |
| EBIT | 136 | 130 | 6 | |
| Interest Expense | 25 | 25 | 1 | |
| **Income from Ongoing Operations before income taxes** | 112 | 105 | 7 | |
| Income Tax Expense | 24 | 24 | (0) | |
| **Net Income (loss) from ongoing operations** | **$ 88** | **$ 81** | **$ 7** | |

Note: Schedules may not sum due to rounding and exclude purchase accounting adjustments and corresponding goodwill.

## Income Statement: Forecast vs. Budget - LKE Consolidated

**March 2018**

**($ Millions)**

| | Full Year | | | |
|---|---|---|---|---|
| | Q1 Forecast | Budget | Variance | Comments |
| **Revenues:** | | | | |
| Electric Revenues | $ 2,838 | $ 2,840 | $ (2) | |
| Gas Revenues | 310 | 323 | (13) | Due primarily to lower sales volumes as a result of unfavorable weather in February and lower than budgeted YTD gas cost recovery. |
| **Total Revenues** | 3,148 | 3,163 | (15) | |
| **Cost of Sales:** | | | | |
| Fuel Electric Costs | 780 | 762 | (18) | Due primarily to increased fuel costs in January to source off-system sales and higher than budgeted YTD fuel prices. |
| Gas Supply Expenses | 121 | 128 | 7 | Due primarily to lower gas volumes as a result of unfavorable weather in February and lower than budgeted YTD gas prices. |
| Purchased Power | 61 | 62 | 1 | |
| Other Cost of Production | 44 | 40 | (4) | |
| Mechanism - ECR, DSM & GLT - Operation and Maintenance | 66 | 78 | 12 | Due primarily to elimination of some DSM programs in the 2018 filing with the KPSC. |
| Mechanism - ECR, DSM & GLT - Depreciation and Property Tax | 75 | 77 | 2 | |
| **Total Cost of Sales** | 1,147 | 1,146 | (1) | |
| **Gross Margin:** | | | | |
| Electric Margin | 1,819 | 1,831 | (12) | See explanations above. |
| Gas Margin | 182 | 185 | (3) | |
| **Total Gross Margin** | 2,001 | 2,017 | (16) | |
| O&M | 752 | 752 | 0 | |
| Depreciation & Amortization | 406 | 410 | 4 | |
| Taxes, Other than Income | 67 | 67 | 0 | |
| Other income (expense) | (6) | (10) | 5 | Due primarily to lower Pension non-service cost expense in the updated disclosures from Willis Towers Watson. |
| EBIT | 771 | 778 | (7) | |
| Interest Expense | 238 | 241 | 3 | |
| **Income from Ongoing Operations before income taxes** | 533 | 537 | (4) | |
| Income Tax Expense | 113 | 117 | 4 | |
| **Net Income (loss) from ongoing operations** | **420** | **420** | **$ (0)** | |
| Special Item - (Non Operating Income) | 0 | 0 | - | |
| Discontinued Operations | (0) | 0 | (0) | |
| **Net Income (loss)** | $ 420 | $ 420 | $ (0) | |
| KY Regulated Financing Costs | (40) | (40) | (0) | |
| **KY Regulated Net Income** | $ 380 | $ 380 | $ (0) | |
| Earnings Per Share - Ongoing | $ 0.52 | $ 0.52 | $ (0.00) | |

Note: Schedules may not sum due to rounding.

| O&M | | | | | | | | March 2018 |
|---|---|---|---|---|---|---|---|---|
| ($ Millions) | | | | | | | | |
| | MTD | | | | | | | |
| | Actual | Budget | Total Variance | Labor & Burdens | Supplemental Contractors | Other Outside Services | Materials | Other |
| Generation | 21 | 22 | 1 | (0) | (0) | (1) | 1 | 2 |
| Project Engineering | 0 | 0 | 0 | (0) | 0 | (0) | 0 | 0 |
| Transmission | 3 | 3 | 0 | (0) | 0 | (0) | (0) | 0 |
| Energy Supply and Analysis | 1 | 1 | (0) | 0 | 0 | 0 | 0 | (0) |
| Electric Distribution | 6 | 6 | (1) | (0) | (0) | (0) | 0 | (0) |
| Gas Distribution | 3 | 3 | (0) | 0 | (0) | (0) | (0) | (0) |
| Advanced Metering System | 0 | 0 | (0) | (0) | 0 | (0) | (0) | (0) |
| Safety and Technical Training | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 |
| Environmental | 1 | 1 | 0 | 0 | 0 | 0 | 0 | 0 |
| Customer Services | 8 | 8 | 0 | (0) | (0) | (0) | 0 | 0 |
| **SVP Operations Total** | **44** | **45** | **1** | **(0)** | **(0)** | **(2)** | **1** | **2** |
| Audit Services | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Controller | 1 | 1 | 0 | 0 | 0 | 0 | 0 | 0 |
| Supply Chain | 0 | 0 | 0 | 0 | (0) | 0 | (0) | 0 |
| Information Technology | 4 | 5 | 1 | 0 | (0) | 0 | 0 | 0 |
| Treasurer | 2 | 2 | 0 | (0) | 0 | 0 | 0 | 0 |
| State Regulation and Rates | 1 | 0 | (0) | 0 | 0 | 0 | (0) | (0) |
| Other | 0 | 0 | 0 | 0 | 0 | (0) | 0 | 0 |
| **Chief Financial Officer Total** | **8** | **9** | **1** | **0** | **(0)** | **0** | **(0)** | **0** |
| **General Counsel** | **2** | **2** | **(0)** | **0** | **0** | **(1)** | **0** | **0** |
| **Human Resources** | **1** | **1** | **0** | **0** | **0** | **(0)** | **0** | **0** |
| **Corporate** | **9** | **8** | **(1)** | **(1)** | **0** | **0** | **(0)** | **0** |
| **Communication** | **1** | **1** | **(0)** | **0** | **(0)** | **(0)** | **(0)** | **(0)** |
| **Utility Total** | **64** | **64** | **(0)** | **(0)** | **(0)** | **(2)** | **0** | **3** |
| **Nonutility** | **1** | **2** | **1** | **1** | **(0)** | **(0)** | **0** | **0** |
| **O&M Total MTD** | **65** | **66** | **1** | **0** | **(0)** | **(2)** | **0** | **3** |
| | YTD | | | | | | | |
| | Actual | Budget | Total Variance | Labor & Burdens | Supplemental Contractors | Other Outside Services | Materials | Other |
| Generation | 48 | 51 | 3 | (0) | 1 | (1) | (0) | 4 |
| Project Engineering | 0 | 0 | 0 | (0) | 0 | (0) | 0 | 0 |
| Transmission | 8 | 9 | 1 | (0) | 1 | (0) | (0) | (0) |
| Energy Supply and Analysis | 4 | 4 | 0 | 0 | 0 | 0 | 0 | (0) |
| Electric Distribution | 17 | 17 | (0) | (0) | 1 | (1) | 0 | (0) |
| Gas Distribution | 10 | 9 | (1) | 0 | (1) | (0) | (0) | (0) |
| Advanced Metering System | 0 | 0 | (0) | (0) | 0 | (0) | (0) | (0) |
| Safety and Technical Training | 1 | 2 | 0 | 0 | (0) | 0 | (0) | 0 |
| Environmental | 2 | 2 | 0 | (0) | 0 | 0 | 0 | 0 |
| Customer Services | 24 | 25 | 2 | (0) | 0 | 0 | 0 | 1 |
| **SVP Operations Total** | **113** | **118** | **5** | **(0)** | **3** | **(2)** | **(0)** | **5** |
| Audit Services | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Controller | 2 | 2 | 0 | 0 | 0 | 0 | (0) | 0 |
| Supply Chain | 1 | 1 | 0 | 0 | (0) | (0) | (0) | 0 |
| Information Technology | 13 | 15 | 2 | 1 | (0) | 0 | 0 | 0 |
| Treasurer | 6 | 6 | 0 | (0) | 0 | 0 | 0 | 0 |
| State Regulation and Rates | 1 | 1 | (0) | 0 | 0 | 0 | (0) | 0 |
| Other | 1 | 1 | 0 | 0 | 0 | (0) | 0 | 0 |
| **Chief Financial Officer Total** | **25** | **26** | **2** | **1** | **(0)** | **(0)** | **(0)** | **1** |
| **General Counsel** | **5** | **4** | **(1)** | **0** | **0** | **(1)** | **0** | **0** |
| **Human Resources** | **2** | **2** | **0** | **0** | **0** | **(0)** | **0** | **0** |
| **Corporate** | **24** | **24** | **0** | **(0)** | **0** | **0** | **(0)** | **0** |
| **Communication** | **2** | **2** | **0** | **(0)** | **0** | **(0)** | **0** | **0** |
| **Utility Total** | **170** | **176** | **6** | **1** | **3** | **(3)** | **(0)** | **6** |
| **Nonutility** | **11** | **11** | **0** | **(1)** | **(0)** | **(0)** | **0** | **1** |
| **O&M Total YTD** | **181** | **187** | **7** | **0** | **3** | **(3)** | **(0)** | **7** |
| | Full Year | | | | | | | |
| | Forecast | Budget | Total Variance | Labor & Burdens | Supplemental Contractors | Other Outside Services | Materials | Other |
| Generation | 215 | 216 | 1 | (86) | (23) | (64) | (43) | 217 |
| Project Engineering | 1 | 0 | (0) | (0) | 0 | (0) | (0) | 0 |
| Transmission | 38 | 38 | 0 | (12) | (12) | (8) | (1) | 33 |
| Energy Supply and Analysis | 13 | 13 | (0) | (8) | 0 | (0) | (0) | 8 |
| Electric Distribution | 74 | 75 | 0 | (26) | (34) | (2) | (5) | 68 |
| Gas Distribution | 42 | 39 | (3) | (21) | (9) | (5) | (3) | 34 |
| Advanced Metering System | 3 | 0 | (3) | (0) | (2) | (1) | (0) | 0 |
| Safety and Technical Training | 6 | 6 | (0) | (4) | (0) | (1) | (0) | 5 |
| Environmental | 7 | 8 | 1 | (3) | 0 | (0) | (0) | 4 |
| Customer Services | 98 | 97 | (0) | (42) | (21) | (10) | (2) | 75 |
| **SVP Operations Total** | **497** | **492** | **(4)** | **(202)** | **(100)** | **(92)** | **(55)** | **445** |
| Audit Services | 2 | 2 | 0 | (2) | 0 | (0) | (0) | 2 |
| Controller | 9 | 9 | 0 | (7) | 0 | (2) | (0) | 9 |
| Supply Chain | 4 | 4 | (0) | (4) | (0) | (0) | (0) | 4 |
| Information Technology | 58 | 58 | (0) | (26) | (4) | (2) | (0) | 32 |
| Treasurer | 23 | 23 | 1 | (6) | 0 | (0) | (0) | 6 |
| State Regulation and Rates | 5 | 5 | (0) | (2) | 0 | (0) | (0) | 2 |
| Other | 2 | 2 | 0 | (0) | 0 | (1) | (0) | 1 |
| **Chief Financial Officer Total** | **103** | **103** | **0** | **(47)** | **(4)** | **(4)** | **(1)** | **56** |
| **General Counsel** | **18** | **18** | **0** | **(5)** | **0** | **(9)** | **(0)** | **14** |
| **Human Resources** | **7** | **7** | **(0)** | **(6)** | **0** | **(0)** | **(0)** | [illegible] |
| **Corporate** | **90** | **95** | **6** | **(83)** | **0** | **(1)** | **2** | **82** |
| **Communication** | **7** | **7** | **0** | **(3)** | **(0)** | **(1)** | **(3)** | [illegible] |
| **Utility Total** | **721** | **723** | **2** | **(345)** | **(104)** | **(108)** | **(57)** | **610** |
| **Nonutility Total** | **31** | **29** | **(2)** | **(11)** | 9 **(0)** | **(1)** | **(0)** | **10** |
| **O&M Total YTD** | **752** | **752** | **(0)** | **(356)** | **(104)** | **(109)** | **(57)** | **620** |

Note: Schedules may not sum due to rounding.

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## Financing Activities — March 2018

($ Millions)

| Balance Sheet | YTD Actual | YTD Budget | YTD Variance | Full Year Forecast | Full Year Budget | Full Year Variance |
|---|---|---|---|---|---|---|
| **PCB** | | | | | | |
| Beg Bal | $ 890.0 | $ 890.0 | $ 0.0 | $ 890.0 | $ 890.0 | $ 0.0 |
| End Bal | 890.0 | 890.0 | 0.0 | 890.0 | 890.0 | 0.0 |
| **Ave Bal** | **$ 890.0** | **$ 890.0** | **$ 0.0** | **$ 890.0** | **$ 890.0** | **$ 0.0** |
| **Interest Exp** | **$ 3.6** | **$ 4.4** | **$ 0.7** | **$ 16.6** | **$ 18.3** | **$ 1.7** |
| **Rate** | **1.64%** | **1.97%** | **0.33%** | **1.84%** | **2.03%** | **0.19%** |
| **FMB/Sr Nts/Loan with PPL** | | | | | | |
| Beg Bal | $ 4,310.0 | $ 4,310.0 | $ 0.0 | $ 4,310.0 | $ 4,310.0 | $ 0.0 |
| End Bal | 4,410.0 | 4,424.0 | 14.0 | 4,735.1 | 4,643.2 | (91.9) |
| **Ave Bal** | **$ 4,360.0** | **$ 4,367.0** | **$ 7.02** | **$ 4,522.6** | **$ 4,476.6** | **$ (45.96)** |
| **Interest Exp** | **$ 46.7** | **$ 47.0** | **$ 0.3** | **$ 192.7** | **$ 191.9** | **$ (0.7)** |
| **Rate** | **4.26%** | **4.29%** | **0.02%** | **4.21%** | **4.22%** | **0.01%** |
| **Short-term Debt** | | | | | | |
| Beg Bal | $ 468.9 | $ 468.9 | $ 0.0 | $ 468.9 | $ 468.9 | $ 0.0 |
| End Bal | 451.6 | 451.0 | (0.7) | 800.7 | 722.7 | (78.1) |
| Ave Bal (1) | **$ 460.3** | **$ 459.9** | **$ (0.3)** | **$ 634.8** | **$ 595.8** | **$ (39.0)** |
| Interest Exp | **$ 2.7** | **$ 3.9** | **$ 1.2** | **$ 17.8** | **$ 19.5** | **$ 1.7** |
| Rate | **2.59%** | **3.59%** | **1.00%** | **2.86%** | **3.41%** | **0.56%** |
| **Unamortized Debt Expense Bonds** | | | | | | |
| Beg Bal | $ (41.6) | $ (41.6) | $ 0.0 | $ (41.6) | $ (41.6) | $ 0.0 |
| End Bal | (40.9) | (40.9) | (0.0) | (38.2) | (38.3) | (0.0) |
| Ave Bal | **$ (41.3)** | **$ (41.3)** | **$ (0.0)** | **$ (39.9)** | **$ (39.9)** | **$ (0.0)** |
| **Total End Bal** | **$ 5,710.7** | **$ 5,724.0** | **$ 13.4** | **$ 6,387.6** | **$ 6,217.6** | **$ (170.0)** |
| **Total Average Bal** | **$ 5,657.9** | **$ 5,674.0** | **$ 16.2** | **$ 5,981.6** | **$ 5,901.9** | **$ (79.7)** |
| **Total Expense Excl I/C (2)** | **$ 55.7** | **$ 58.1** | **$ 2.3** | **$ 238.0** | **$ 240.8** | **$ 2.8** |
| **Rate** | **3.91%** | **4.06%** | **0.15%** | **3.90%** | **4.00%** | **0.10%** |

(1) Short-term Debt YTD actual reflects average daily balances. All other average balances use an average monthly balance.

(2) Total expense line includes additional revolving credit items. Total will not match sum of PCB, FMB, and STD.

| Credit Facilities ($ Millions) | Committed Capacity | Borrowed(3) | Letters of Credit Issued | Unused Capacity | Money Pool Loans |
|---|---|---|---|---|---|
| LKE | $ 375 | $ 237 | | $ 138 | |
| LG&E | 700 | 337 | | 363 | $ 0 |
| KU | 598 | 78 | $ 198 | 322 | 0 |
| TOTAL | $ 1,673 | $ 652 | $ 198 | $ 823 | $ 0 |

(3) LG&E borrowed amount includes commercial paper issuances and $200M Term Loan. KU borrowed amount represent commercial paper issuances. LKE borrowed amount includes bank revolver and debt with PPL.

| Credit Metrics[1]<br>Moody's | LKE 2018<br>Actual YTD | <br>Budget YTD | LG&E 2018<br>Actual YTD | <br>Budget YTD | KU 2018<br>Actual YTD | <br>Budget YTD |
|---|---|---|---|---|---|---|
| CFO pre-WC / Debt | 17% | 17% | 26% | 27% | 26% | 26% |
| CFO pre-WC + Interest / Interest | 5.5 | 5.4 | 8.1 | 8.0 | 7.6 | 7.4 |
| CFO pre-WC - Dividends / Debt | 11% | 11% | 20% | 20% | 17% | 16% |
| Debt to Capitalization | 52% | 52% | 39% | 38% | 37% | 37% |

| Credit Metrics<br>Moody's | LKE 2018 BP<br>2019 | <br>2020 | LG&E 2018 BP<br>2019 | <br>2020 | KU 2018 BP<br>2019 | <br>2020 |
|---|---|---|---|---|---|---|
| CFO pre-WC / Debt | 14% | 14% | 19% | 19% | 19% | 20% |
| CFO pre-WC + Interest / Interest | 4.4 | 4.4 | 5.8 | 5.6 | 5.7 | 5.7 |
| CFO pre-WC - Dividends / Debt | 10% | 10% | 11% | 10% | 10% | 11% |
| Debt to Capitalization | 53% | 52% | 38% | 38% | 38% | 38% |

[1] Actuals represent a trailing 12 months.

**Financial Strength Factor (40% Weighting) -- Standard Business Risk Grid:**

| Moody's Thresholds | Sub-Factor Weighting | A | Baa | Ba |
|---|---|---|---|---|
| CFO pre-WC / Debt | 15.0% | 22% - 30% | 13% - 22% | 5% - 13% |
| CFO pre-WC + Interest / Interest | 7.5% | 4.5x - 6x | 3x - 4.5x | 2x - 3x |
| CFO pre-WC - Dividends / Debt | 10.0% | 17% - 25% | 9% - 17% | 0% - 9% |
| Debt / Capitalization | 7.5% | 35% - 45% | 45% - 55% | 55% - 65% |

| As of December 31, 2017 | Senior Unsecured | Senior Secured | Commercial Paper |
|---|---|---|---|
| Issuer | Moody's | Moody's | Moody's |
| LKE | Baa1 | | |
| LG&E | | A1 | P-2 |
| KU | | A1 | P-2 |

**Definitions**

Issuers assessed **A** are judged to have upper-medium-grade intrinsic, or standalone, financial strength, and thus subject to low credit risk absent any possibility of extraordinary support from an affiliate or a government.

Obligations rated **Baa** are judged to be medium-grade and subject to moderate credit risk and as such may possess certain speculative characteristics.

Issuers (or supporting institutions) rated Prime-2 have a strong ability to repay short-term debt obligations.

Moody's appends numerical modifiers 1, 2, and 3 to each generic rating classification. The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates a ranking in the lower end of that generic rating category.

## Balance Sheet - LKE Consolidated — March 2018

**($ Millions)**

| | 3/31/2018 | YTD Budget | Variance | Comments |
|---|---|---|---|---|
| Assets: | | | | |
| Current Assets: | | | | |
| Cash and Cash Equivalents | $ 27 | $ 14 | $ 13 | Increase primarily due to timing of cash receipts at the utilities. |
| Accounts Receivable (Trade) | 424 | 451 | (27) | |
| Inventory | 212 | 218 | (6) | |
| Regulatory Assets Current | 12 | 1 | 11 | Primarily due to ECR regulatory asset reclassification to regulatory liability |
| Prepayments and other current assets | 69 | 73 | (4) | |
| **Total Current Assets** | 745 | 758 | (13) | |
| Property, Plant, and Equipment | 12,135 | 12,183 | (49) | |
| Intangible Assets | 84 | 84 | (0) | |
| Other Property and Investments | 1 | 1 | 0 | |
| Regulatory Assets Non Current | 793 | 792 | 0 | |
| Goodwill | 997 | 997 | 0 | |
| Other Long-term Assets | 79 | 73 | 6 | |
| **Total Assets** | **$ 14,834** | **$ 14,888** | **$ (55)** | |
| Liabilities and Equity: | | | | |
| Current Liabilities: | | | | |
| Accounts Payable (Trade) | $ 301 | $ 330 | $ (29) | |
| Dividends Payable to Affiliated Companies | 0 | 0 | 0 | |
| Customer Deposits | 59 | 58 | 1 | |
| Derivative Liability | 4 | 4 | (0) | |
| Accrued Taxes | 73 | 72 | 1 | |
| Regulatory Liabilities Current | 63 | 38 | 25 | Primarily due to higher than budgeted DSM, and ECR regulatory asset reclassification. |
| Other Current Liabilities | 257 | 294 | (36) | Primarily due to ARO reclassification from current to non-current in actuals and decrease in credit cash adjustment for outstanding checks not yet funded versus the budget which assumed a static balance as of December 2017 when the budget was finalized. |
| **Total Current Liabilities** | 758 | 797 | (39) | |
| Debt - Affiliated Company | 637 | 639 | (2) | |
| Debt [(1)] | 5,074 | 5,085 | (11) | |
| **Total Debt** | 5,711 | 5,724 | (13) | |
| Deferred Tax Liabilities | 882 | 884 | (1) | |
| Investment Tax Credit | 128 | 128 | (0) | |
| Accum Provision for Pension & Related Benefits | 265 | 257 | 8 | |
| Asset Retirement Obligation | 249 | 265 | (15) | |
| Regulatory Liabilities Non Current | 2,027 | 2,027 | (0) | |
| Derivative Liability | 18 | 21 | (3) | |
| Other Liabilities | 158 | 160 | (2) | |
| **Total Deferred Credits and Other Liabilities** | 3,728 | 3,741 | (13) | |
| **Equity** | 4,637 | 4,626 | 11 | |
| **Total Liabilities and Equity** | **$ 14,834** | **$ 14,888** | **$ (55)** | |

[(1)] Includes all ST and LT debt. See Financing Activities page for details.
Note: Schedules may not sum due to rounding.

## Balance Sheet - LG&E | March 2018

**($ Millions)**

| | 3/31/2018 | YTD Budget | Variance | Comments |
|---|---|---|---|---|
| Assets: | | | | |
| Current Assets: | | | | |
| Cash and Cash Equivalents | $ 14 | $ 5 | $ 9 | |
| Accounts Receivable (Trade) | 188 | 206 | (18) | |
| Inventory | 95 | 94 | 1 | |
| Regulatory Assets Current | 10 | 4 | 6 | Primarily due to ECR regulatory asset reclassification to regulatory liability. |
| Prepayments and other current assets | 56 | 50 | 6 | |
| **Total Current Assets** | 363 | 360 | 4 | |
| Property, Plant, and Equipment | 5,351 | 5,378 | (27) | |
| Intangible Assets | 6 | 6 | (0) | |
| Other Property and Investments | 1 | 1 | 0 | |
| Regulatory Assets Non Current | 406 | 408 | (2) | |
| Goodwill | 0 | 0 | 0 | |
| Other Long-term Assets | 26 | 13 | 12 | Difference primarily due to reclassification of prepaid pension balance from Accumulated Provision for Pension & Related Benefits. |
| **Total Assets** | **$ 6,153** | **$ 6,165** | **$ (13)** | |
| Liabilities and Equity: | | | | |
| Current Liabilities: | | | | |
| Accounts Payable (Trade) | $ 191 | $ 197 | $ (6) | |
| Dividends Payable to Affiliated Companies | 0 | 0 | 0 | |
| Customer Deposits | 28 | 27 | 1 | |
| Derivative Liability | 4 | 4 | (0) | |
| Accrued Taxes | 24 | 24 | (0) | |
| Regulatory Liabilities Current | 29 | 18 | 12 | Primarily due to higher than budgeted DSM, and ECR regulatory asset reclassification. |
| Other Current Liabilities | 75 | 94 | (19) | Primarily due to ARO reclassification from current to non-current in actuals and decrease in credit cash adjustment for outstanding checks not yet funded versus the budget which assumed a static balance as of December 2017 when the budget was finalized. |
| **Total Current Liabilities** | 352 | 364 | (12) | |
| Debt - Affiliated Company | 0 | 0 | 0 | |
| Debt [(1)] | 1,945 | 1,933 | 12 | |
| **Total Debt** | 1,945 | 1,933 | 12 | |
| Deferred Tax Liabilities | 582 | 583 | (1) | |
| Investment Tax Credit | 35 | 35 | (0) | |
| Accum Provision for Pension & Related Benefits | 1 | (12) | 13 | Difference due to reclassification of prepaid pension balance to other long term assets. |
| Asset Retirement Obligation | 93 | 96 | (4) | |
| Regulatory Liabilities Non Current | 867 | 867 | 0 | |
| Derivative Liability | 18 | 21 | (3) | |
| Other Liabilities | 85 | 86 | (1) | |
| **Total Deferred Credits and Other Liabilities** | 1,680 | 1,675 | 4 | |
| **Equity** | 2,176 | 2,193 | (17) | |
| **Total Liabilities and Equity** | **$ 6,153** | **$ 6,165** | **$ (13)** | |

[(1)] Includes all ST and LT debt.

Note: Schedules may not sum due to rounding and excludes purchase accounting adjustments.

## Balance Sheet - KU

**March 2018**

**($ Millions)**

| | 3/31/2018 | YTD Budget | Variance | Comments |
|---|---|---|---|---|
| Assets: | | | | |
| Current Assets: | | | | |
| Cash and Cash Equivalents | $ 11 | $ 5 | $ 6 | |
| Accounts Receivable (Trade) | 235 | 244 | (9) | |
| Inventory | 117 | 124 | (6) | |
| Regulatory Assets Current | 2 | (3) | 5 | Primarily due to ECR regulatory asset reclassification to regulatory liability. |
| Prepayments and other current assets | 41 | 48 | (6) | |
| **Total Current Assets** | 407 | 418 | (11) | |
| | | | | |
| Property, Plant, and Equipment | 6,775 | 6,797 | (22) | |
| Intangible Assets | 13 | 13 | (0) | |
| Other Property and Investments | 0 | 0 | 0 | |
| Regulatory Assets Non Current | 385 | 384 | 1 | |
| Goodwill | 0 | 0 | 0 | |
| Other Long-term Assets | 66 | 57 | 10 | |
| | | | | |
| **Total Assets** | **$ 7,646** | **$ 7,669** | **$ (23)** | |
| | | | | |
| Liabilities and Equity: | | | | |
| Current Liabilities: | | | | |
| Accounts Payable (Trade) | $ 163 | $ 179 | $ (15) | |
| Dividends Payable to Affiliated Companies | 0 | 0 | 0 | |
| Customer Deposits | 31 | 31 | 0 | |
| Derivative Liability | 0 | 0 | 0 | |
| Accrued Taxes | 33 | 29 | 4 | |
| Regulatory Liabilities Current | 34 | 21 | 13 | Primarily due to higher than budgeted DSM, and ECR regulatory asset reclassification. |
| Other Current Liabilities | 139 | 139 | (1) | |
| **Total Current Liabilities** | 400 | 398 | 2 | |
| | | | | |
| Debt - Affiliated Company | 0 | 0 | 0 | |
| Debt [(1)] | 2,405 | 2,428 | (23) | |
| **Total Debt** | 2,405 | 2,428 | (23) | |
| | | | | |
| Deferred Tax Liabilities | 696 | 700 | (4) | |
| Investment Tax Credit | 93 | 93 | (0) | |
| Accum Provision for Pension & Related Benefits | 0 | (11) | 11 | Difference due to reclassification of prepaid pension balance to other long term assets. |
| Asset Retirement Obligation | 157 | 168 | (11) | |
| Regulatory Liabilities Non Current | 1,094 | 1,095 | (1) | |
| Derivative Liability | 0 | 0 | 0 | |
| Other Liabilities | 43 | 42 | 0 | |
| **Total Deferred Credits and Other Liabilities** | 2,083 | 2,088 | (5) | |
| | | | | |
| **Equity** | 2,758 | 2,755 | 3 | |
| | | | | |
| **Total Liabilities and Equity** | **$ 7,646** | **$ 7,669** | **$ (23)** | |

[(1)] Includes all ST and LT debt.

Note: Schedules may not sum due to rounding and excludes purchase accounting adjustments.

**Case Nos. 2018-00294 and 2018-00295**
**Attachment to Filing Requirement**
**807 KAR 5:001 Sec. 16(7)(o)**
**Page 205 of 260**
**Arbough**

**KU and LG&E Combined**
**Reconciliation of Allowed Return to**
**12 months ended March 2018 Regulatory Return**
**and ROE from Ongoing Operations**

| | | | |
|---|---|---|---|
| Allowed Return [1] | | 9.76% | |
| Adjustments (net tax): | | | |
| Change in capitalization - non mechanism | 0.28% | | Growth in capitalization (rate base) between rate cases does not earn a return |
| Change in ROE from average mechanism rate base growth | 0.00% | | Mechanisms have a real-time return |
| Change in weighted cost of debt | 0.04% | | |
| Change in margins | 0.06% | | Higher revenue |
| Change in allowed expenses | 0.47% | | Lower expense |
| | | 0.86% | |
| Actual Regulated ROE | | 10.62% | |

[1] Based on the most recent base rate filings with test years ending 6/30/18 KPSC, 12/31/16 FERC, 12/31/14 VA.
Note the allowed return is a blended rate of the previous authorized ROE of 10% after 7/1/16 and the current authorized ROE of 9.7% after 7/1/17

PPL companies

# Performance Report

# April 2018

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## Kentucky Regulated Dashboard — April 2018

| | Current Month | | YTD | | Full Year | |
|---|---|---|---|---|---|---|
| **Safety** | **Actual** | **PY** | **Actual** | **PY** | **Forecast** | **PY** |
| TCIR - Employees[(1)] | 4.93 | 2.29 | 1.92 | 1.33 | 1.30 | 0.97 |
| Employee lost-time incidents | 0 | 0 | 1 | 2 | 7 | 9 |
| | | | | | | |
| **Reliability** | **Actual** | **Budget** | **Actual** | **Budget** | **Forecast** | **Budget** |
| Generation Volumes | 2,424 | 2,300 | 11,177 | 10,876 | 34,005 | 33,704 |
| Utility EFOR | 1.1% | 5.0% | 2.5% | 5.0% | N/A | 5.0% |
| Utility EAF | 62.9% | 67.0% | 80.2% | 78.4% | N/A | 83.7% |
| Combined SAIFI | 0.07 | 0.11 | 0.23 | 0.31 | N/A | 0.99 |
| Combined SAIDI (minutes) | 6.09 | 8.87 | 24.48 | 25.66 | N/A | 91.90 |
| | | | | | | |
| **GwH Sales** | **Actual** | **Budget** | **Actual** | **Budget** | **Forecast** | **Budget** |
| Residential | 669 | 625 | 3,671 | 3,579 | 10,594 | 10,502 |
| Commercial | 555 | 564 | 2,485 | 2,439 | 7,861 | 7,815 |
| Industrial | 743 | 713 | 2,949 | 2,924 | 9,346 | 9,321 |
| Municipals | 125 | 128 | 573 | 589 | 1,763 | 1,778 |
| Other | 207 | 210 | 877 | 886 | 2,813 | 2,822 |
| Off-System Sales | 57 | 4 | 314 | 75 | 389 | 150 |
| Total | 2,356 | 2,244 | 10,870 | 10,494 | 32,766 | 32,389 |
| | | | | | | |
| **Weather-Normalized Sales Growth** | | | **TTM** | | | |
| Residential | | | 1.20% | | | |
| Commercial | | | -0.46% | | | |
| Industrial | | | -1.89% | | | |
| Municipal | | | -4.61% | | | |
| Other | | | -2.47% | | | |
| Total | | | -0.75% | | | |

| | Current Month | | YTD | | Full Year | |
|---|---|---|---|---|---|---|
| **Margins ($ millions)** | **Actual** | **Budget** | **Actual** | **Budget** | **Forecast** | **Budget** |
| Electric Margins | $131 | $132 | $597 | $595 | $1,819 | $1,831 |
| Gas Margins | $13 | $13 | $82 | $86 | $182 | $185 |
| | | | | | | |
| **Capital Expenditures ($ millions)** | **Actual** | **Budget** | **Actual** | **Budget** | **Forecast** | **Budget** |
| Total | $102 | $125 | $353 | $415 | $1,231 | $1,277 |
| | | | | | | |
| **O&M ($ millions)** | **Actual** | **Budget** | **Actual** | **Budget** | **Forecast** | **Budget** |
| O&M – Management View[(2)] | $66 | $70 | $247 | $257 | $752 | $752 |
| O&M – GAAP View[(3)] | $73 | $78 | $278 | $291 | $861 | $869 |
| | | | | | | |
| **Head Count** | **Actual** | **Budget** | **Actual** | **Budget** | **Forecast** | **Budget** |
| Full-time Employees | 3,414 | 3,596 | 3,414 | 3,596 | 3,593 | 3,597 |
| | | | | | | |
| **Other Metrics** | **Actual** | **PY** | **Actual** | **PY** | **Forecast** | **PY** |
| Environmental Events | 0 | 1 | 0 | 3 | N/A | 8 |
| NERC Possible Violations[(4)] | 1 | 0 | 4 | 3 | N/A | 8 |

| | TTM | Full Year | |
|---|---|---|---|
| **Financial Metrics** | **Actual** | **Forecast** | **Budget** |
| Utility ROE[(5)] | 10.5% | 9.6% | 9.6% |
| Average Utility Capitalization ($ millions) | $9,092 | $9,571 | $9,527 |

### Variance Explanations

Lower YTD O&M primarily due timing of plant maintenance costs, lower materials, lower storm and vegetation management costs, bad debt expense and labor costs.

(1) Full year forecast amount shown represents target.

(2) Net of cost recovery mechanisms and variable costs of production.

(3) Includes Management O&M, variable cost of production and mechanism operation and maintenance expenses

(4) The possible violation issues for YTD Actual is believed to be minimal risk.

(5) Excludes goodwill and other purchase accounting adjustments.

Note: Schedules may not sum due to rounding.

### Major Developments

LKE filed direct testimony in the Tax Cuts and Jobs Act on April 6 and submitted data responses to requests from the KPSC and the Attorney General on April 20. No intervenor testimony was filed.

LG&E and KU continue their strong base of excellent customer service. Through three of four wave periods for the J.D. Power Electric Residential Study, KU and LG&E ranked first and fourth, respectively, among 15 utilities in the Midwest Midsize segment.

The spring outage season for power plant maintenance is nearing completion. Ten planned steam unit outages have taken place this year with $23 million in capital investment through April. No significant unexpected matters arose during inspections and the planned work.

KU earned national recognition as one of 43 utilities that have been designated a 2018 Environmental Champion by Market Strategies International.

LKE earned a Chartwell's 2018 Best Practices Award in Outage Communications. LKE won the Bronze Outage Communications Award for its transformation of the estimated restoration time process, improving efficiency and enabling a better customer service experience.

### Significant Future Events

The formal hearing date for the Tax Cuts and Jobs Act will take place on May 24.

The formal hearing date for LKE's Advanced Metering Systems proceeding has been scheduled for July 24.

## Income Statement: Actual vs. Budget (Month) - LKE Consolidated — April 2018

**($ Millions)**

| | MTD | | | |
|---|---|---|---|---|
| | Actual | Budget | Variance | Comments |
| **Revenues:** | | | | |
| Electric Revenues | $ 206 | $ 203 | $ 2 | |
| Gas Revenues | 24 | 22 | 1 | |
| **Total Revenues** | 229 | 226 | 4 | |
| **Cost of Sales:** | | | | |
| Fuel Electric Costs | 56 | 52 | (4) | |
| Gas Supply Expenses | 10 | 8 | (2) | |
| Purchased Power | 6 | 5 | (0) | |
| Other Cost of Production | 3 | 3 | 0 | |
| Mechanism - ECR, DSM & GLT - Operation and Maintenance | 5 | 6 | 1 | |
| Mechanism - ECR, DSM & GLT - Depreciation and Property Tax | 6 | 6 | 0 | |
| **Total Cost of Sales** | 85 | 80 | (5) | |
| **Gross Margin:** | | | | |
| Electric Margin | 131 | 132 | (1) | |
| Gas Margin | 13 | 13 | (0) | |
| **Total Gross Margin** | 144 | 146 | (2) | |
| O&M | 66 | 70 | 4 | |
| Depreciation & Amortization | 34 | 34 | 0 | |
| Taxes, Other than Income | 6 | 6 | (0) | |
| Other income (expense) | (3) | (1) | (2) | |
| EBIT | 36 | 36 | 0 | |
| Interest Expense | 19 | 20 | 1 | |
| **Income from Ongoing Operations before income taxes** | 17 | 16 | 1 | |
| Income Tax Expense | 2 | 4 | 2 | |
| **Net Income (loss) from ongoing operations** | **15** | **12** | **2** | |
| Special Item - (Non Operating Income) | (9) | 0 | (9) | Due to Kentucky state tax reform resulting in a reduction of the Kentucky Corporate income tax, a $9 million deferred tax expense was recorded related to the revaluing of non-utility deferred taxes. |
| Discontinued Operations | (0) | 0 | (0) | |
| **Net Income (loss)** | $ 5 | $ 12 | $ (7) | |
| KY Regulated Financing Costs | (3) | $ (3) | (0) | |
| **KY Regulated Net Income** | $ 2 | $ 9 | $ (7) | |
| Earnings Per Share - Ongoing | $ 0.02 | $ 0.01 | $ 0.00 | |

Note: Schedules may not sum due to rounding.

## Income Statement: Actual vs. Budget (YTD) - LKE Consolidated — April 2018

($ Millions)

| | YTD Actual | YTD Budget | YTD Variance | Comments |
|---|---|---|---|---|
| **Revenues:** | | | | |
| Electric Revenues | $ 944 | $ 922 | $ 21 | Due primarily to higher off-system sales revenue in January related to favorable weather and higher than budgeted YTD fuel recovery. |
| Gas Revenues | 158 | 168 | (10) | Due primarily to lower sales volumes as a result of unfavorable weather in February and lower than budgeted YTD gas cost recovery. |
| **Total Revenues** | 1,102 | 1,091 | 11 | |
| **Cost of Sales:** | | | | |
| Fuel Electric Costs | 272 | 250 | (22) | Due primarily to increased fuel costs in January to source off-system sales and higher than budgeted YTD fuel prices. |
| Gas Supply Expenses | 75 | 80 | 5 | Due primarily to lower gas volumes as a result of unfavorable weather in February and lower than budgeted YTD gas prices. |
| Purchased Power | 21 | 21 | 0 | |
| Other Cost of Production | 12 | 12 | (0) | |
| Mechanism - ECR, DSM & GLT - Operation and Maintenance | 19 | 22 | 3 | |
| Mechanism - ECR, DSM & GLT - Depreciation and Property Tax | 24 | 24 | 1 | |
| **Total Cost of Sales** | 423 | 410 | (13) | |
| **Gross Margin:** | | | | |
| Electric Margin | 597 | 595 | 2 | |
| Gas Margin | 82 | 86 | (4) | |
| **Total Gross Margin** | 679 | 681 | (2) | |
| O&M | 247 | 257 | 10 | Lower primarily due to timing of plant maintenance costs, lower materials, lower storm and vegetation management costs, bad debt expense and labor costs. |
| Depreciation & Amortization | 134 | 135 | 1 | |
| Taxes, Other than Income | 22 | 22 | 0 | |
| Other income (expense) | (4) | (5) | 0 | |
| EBIT | 272 | 262 | 10 | |
| Interest Expense | 75 | 78 | 3 | |
| **Income from Ongoing Operations before income taxes** | 197 | 185 | 13 | |
| Income Tax Expense | 41 | 42 | 1 | |
| **Net Income (loss) from ongoing operations** | **156** | **143** | **14** | |
| Special Item - (Non Operating Income) | (9) | 0 | (9) | Due to Kentucky state tax reform resulting in a reduction of the Kentucky Corporate income tax, a $9 million deferred tax expense was recorded related to the revaluing of non-utility deferred taxes. |
| Discontinued Operations | (0) | 0 | (0) | |
| **Net Income (loss)** | $ 147 | $ 143 | $ 4 | |
| KY Regulated Financing Costs | (12) | (12) | (0) | |
| **KY Regulated Net Income** | 135 | $ 131 | $ 4 | |
| Earnings Per Share - Ongoing | $ 0.21 | $ 0.18 | $ 0.03 | |

Note: Schedules may not sum due to rounding.

## Income Statement: Actual vs. Budget (YTD) - LG&E — April 2018

**($ Millions)**

| | YTD | | | |
|---|---|---|---|---|
| | Actual | Budget | Variance | Comments |
| **Revenues:** | | | | |
| Electric Revenues | $ 367 | $ 356 | $ 12 | Due primarily to higher off-system sales revenue in January related to favorable weather and higher than budgeted YTD fuel recovery. |
| Gas Revenues | 158 | 168 | (10) | Due primarily to lower sales volumes as a result of unfavorable weather in February and lower than budgeted YTD gas cost recovery. |
| **Total Revenues** | 526 | 524 | 2 | |
| **Cost of Sales:** | | | | |
| Fuel Electric Costs | 107 | 99 | (9) | Due primarily to increased fuel costs in January to source off-system sales and higher than budgeted YTD fuel prices. |
| Gas Supply Expenses | 75 | 80 | 5 | Due primarily to lower gas volumes as a result of unfavorable weather in February and lower than budgeted YTD gas prices. |
| Purchased Power | 15 | 16 | 0 | |
| Other Cost of Production | 5 | 5 | 0 | |
| Mechanism - ECR, DSM & GLT - Operation and Maintenance | 7 | 9 | 2 | |
| Mechanism - ECR, DSM & GLT - Depreciation and Property Tax | 11 | 11 | 0 | |
| **Total Cost of Sales** | 220 | 219 | (1) | |
| **Gross Margin:** | | | | |
| Electric Margin | 224 | 219 | 5 | See explanations above. |
| Gas Margin | 82 | 86 | (4) | |
| **Total Gross Margin** | 306 | 305 | 1 | |
| O&M | 109 | 110 | 1 | |
| Depreciation & Amortization | 55 | 55 | 0 | |
| Taxes, Other than Income | 11 | 12 | 0 | |
| Other income (expense) | (3) | (3) | (1) | |
| EBIT | 127 | 126 | 2 | |
| Interest Expense | 25 | 26 | 1 | |
| **Income from Ongoing Operations before income taxes** | 103 | 100 | 3 | |
| Income Tax Expense | 22 | 23 | 1 | |
| **Net Income (loss) from ongoing operations** | **$ 80** | **$ 76** | **$ 4** | |

Note: Schedules may not sum due to rounding and exclude purchase accounting adjustments and corresponding goodwill.

## Income Statement: Actual vs. Budget (YTD) - KU

**April 2018**

**($ Millions)**

| | YTD | | | |
|---|---|---|---|---|
| | Actual | Budget | Variance | Comments |
| **Revenues:** | | | | |
| Electric Revenues | $ 597 | $ 587 | $ 10 | Due primarily to higher off-system sales revenue in January related to favorable weather and higher than budgeted YTD fuel recovery. |
| Gas Revenues | 0 | 0 | 0 | |
| **Total Revenues** | 597 | 587 | 10 | |
| **Cost of Sales:** | | | | |
| Fuel Electric Costs | 172 | 153 | (19) | Due primarily to increased fuel costs in January to source off-system sales and higher than budgeted YTD fuel prices. |
| Gas Supply Expenses | 0 | 0 | 0 | |
| Purchased Power | 20 | 24 | 4 | |
| Other Cost of Production | 7 | 7 | 0 | |
| Mechanism - ECR, DSM & GLT - Operation and Maintenance | 12 | 13 | 1 | |
| Mechanism - ECR, DSM & GLT - Depreciation and Property Tax | 13 | 13 | 0 | |
| **Total Cost of Sales** | 223 | 211 | (13) | |
| **Gross Margin:** | | | | |
| Electric Margin | 374 | 376 | (3) | |
| Gas Margin | 0 | 0 | 0 | |
| **Total Gross Margin** | 374 | 376 | (3) | |
| O&M | 125 | 134 | 9 | Lower primarily due to timing of plant maintenance costs, lower materials, lower storm and vegetation management costs, bad debt expense and labor costs. |
| Depreciation & Amortization | 79 | 80 | 0 | |
| Taxes, Other than Income | 11 | 11 | 0 | |
| Other income (expense) | (1) | (2) | 1 | |
| EBIT | 158 | 150 | 8 | |
| Interest Expense | 33 | 34 | 1 | |
| **Income from Ongoing Operations before income taxes** | 125 | 117 | 8 | |
| Income Tax Expense | 26 | 27 | 0 | |
| **Net Income (loss) from ongoing operations** | **$ 99** | **$ 90** | **$ 9** | |

Note: Schedules may not sum due to rounding and exclude purchase accounting adjustments and corresponding goodwill.

| O&M | | | | | | | | April 2018 |
|---|---|---|---|---|---|---|---|---|

($ Millions)

| | MTD | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Actual | Budget | Total Variance | Labor & Burdens | Supplemental Contractors | Other Outside Services | Materials | Other |
| Generation | 24 | 26 | 2 | (0) | (0) | 8 | 2 | (7) |
| Project Engineering | 0 | 0 | 0 | 0 | 0 | (0) | 0 | 0 |
| Transmission | 3 | 4 | 1 | (0) | 0 | 0 | 0 | 0 |
| Energy Supply and Analysis | 1 | 1 | 0 | (0) | 0 | 0 | 0 | 0 |
| Electric Distribution | 6 | 6 | (0) | (0) | 0 | (1) | 0 | (0) |
| Gas Distribution | 3 | 3 | (0) | (0) | (0) | 0 | 0 | (0) |
| Advanced Metering System | 0 | 0 | (0) | (0) | 0 | (0) | 0 | (0) |
| Safety and Technical Training | 0 | 1 | 0 | 0 | 0 | 0 | (0) | (0) |
| Environmental | 1 | 1 | 0 | (0) | 0 | 0 | (0) | 0 |
| Customer Services | 8 | 8 | (0) | (0) | (0) | 0 | 0 | (0) |
| **SVP Operations Total** | **46** | **49** | **2** | **(1)** | **0** | **8** | **2** | **(7)** |
| Audit Services | 0 | 0 | 0 | 0 | 0 | (0) | 0 | 0 |
| Controller | 1 | 1 | (0) | (0) | 0 | (0) | 0 | 0 |
| Supply Chain | 0 | 0 | 0 | (0) | (0) | (0) | 0 | 0 |
| Information Technology | 5 | 4 | (0) | 0 | (0) | (0) | 0 | (0) |
| Treasurer | 2 | 2 | (0) | (0) | 0 | (0) | 0 | (0) |
| State Regulation and Rates | 0 | 0 | 0 | 0 | 0 | 0 | (0) | (0) |
| Other | 0 | 0 | (0) | (0) | 0 | (0) | 0 | 0 |
| **Chief Financial Officer Total** | **9** | **8** | **(0)** | **(0)** | **(0)** | **(0)** | **0** | **0** |
| **General Counsel** | **1** | **1** | **0** | **0** | **0** | **(0)** | **0** | **0** |
| **Human Resources** | **1** | **1** | **(0)** | **(0)** | **0** | **(0)** | **0** | **0** |
| **Corporate** | **7** | **8** | **1** | **1** | **0** | **0** | **(0)** | **0** |
| **Communication** | **0** | **1** | **0** | **(0)** | **0** | **0** | **0** | **(0)** |
| **Utility Total** | **64** | **67** | **4** | **0** | **0** | **8** | **2** | **(7)** |
| **Nonutility** | **2** | **2** | **0** | **0** | **(0)** | **(0)** | **0** | **0** |
| **O&M Total MTD** | **66** | **70** | **4** | **1** | **0** | **8** | **2** | **(6)** |

| | YTD | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Actual | Budget | Total Variance | Labor & Burdens | Supplemental Contractors | Other Outside Services | Materials | Other |
| Generation | 72 | 77 | 6 | (0) | 1 | 7 | 1 | (3) |
| Project Engineering | 0 | 0 | 0 | (0) | 0 | (0) | 0 | 0 |
| Transmission | 11 | 13 | 2 | (0) | 2 | (0) | (0) | (0) |
| Energy Supply and Analysis | 5 | 5 | 0 | 0 | 0 | 0 | 0 | (0) |
| Electric Distribution | 23 | 23 | (1) | (0) | 2 | (2) | 0 | (0) |
| Gas Distribution | 13 | 12 | (1) | 0 | (1) | (0) | (0) | (0) |
| Advanced Metering System | 0 | 0 | (0) | (0) | 0 | (0) | (0) | (0) |
| Safety and Technical Training | 2 | 2 | 0 | 0 | (0) | 0 | (0) | 0 |
| Environmental | 2 | 3 | 0 | (0) | 0 | 0 | 0 | 0 |
| Customer Services | 32 | 33 | 1 | (0) | (0) | 0 | 0 | 1 |
| **SVP Operations Total** | **160** | **167** | **7** | **(1)** | **3** | **6** | **1** | **(2)** |
| Audit Services | 1 | 1 | 0 | 0 | 0 | (0) | 0 | 0 |
| Controller | 3 | 3 | 0 | 0 | 0 | (0) | (0) | 0 |
| Supply Chain | 1 | 1 | 0 | 0 | (0) | (0) | (0) | 0 |
| Information Technology | 18 | 19 | 1 | 1 | (0) | 0 | 0 | 0 |
| Treasurer | 8 | 8 | 0 | (0) | 0 | (0) | 0 | 0 |
| State Regulation and Rates | 2 | 2 | (0) | 0 | 0 | 0 | (0) | (0) |
| Other | 1 | 1 | (0) | 0 | 0 | (0) | 0 | 0 |
| **Chief Financial Officer Total** | **33** | **35** | **1** | **1** | **(0)** | **(0)** | **(0)** | **1** |
| **General Counsel** | **6** | **5** | **(0)** | **0** | **0** | **(1)** | **0** | **1** |
| **Human Resources** | **2** | **2** | **0** | **0** | **0** | **(0)** | **0** | **0** |
| **Corporate** | **31** | **32** | **1** | **1** | **0** | **0** | **(0)** | **0** |
| **Communication** | **2** | **2** | **0** | **(0)** | **0** | **0** | **0** | **(0)** |
| **Utility Total** | **234** | **244** | **10** | **1** | **3** | **5** | **1** | **(0)** |
| **Nonutility** | **13** | **13** | **1** | **(0)** | **(0)** | **(0)** | **0** | **2** |
| **O&M Total YTD** | **247** | **257** | **10** | **1** | **3** | **4** | **1** | **1** |

Note: Schedules may not sum due to rounding.

## Financing Activities — April 2018

**($ Millions)**

| Balance Sheet | YTD Actual | | YTD Budget | | YTD Variance | |
|---|---|---|---|---|---|---|
| **PCB** | | | | | | |
| Beg Bal | $ | 890.0 | $ | 890.0 | $ | 0.0 |
| End Bal | | 890.0 | | 890.0 | | 0.0 |
| **Ave Bal** | **$** | **890.0** | **$** | **890.0** | **$** | **0.0** |
| **Interest Exp** | **$** | **5.0** | **$** | **5.9** | **$** | **0.9** |
| **Rate** | | **1.69%** | | **1.98%** | | **0.29%** |
| **FMB/Sr Nts/Loan with PPL** | | | | | | |
| Beg Bal | $ | 4,310.0 | $ | 4,310.0 | $ | 0.0 |
| End Bal | | 4,410.0 | | 4,424.0 | | 14.0 |
| **Ave Bal** | **$** | **4,390.0** | **$** | **4,395.6** | **$** | **5.62** |
| **Interest Exp** | **$** | **62.3** | **$** | **62.8** | **$** | **0.4** |
| **Rate** | | **4.26%** | | **4.29%** | | **0.03%** |
| **Short-term Debt** | | | | | | |
| Beg Bal | $ | 468.9 | $ | 468.9 | $ | 0.0 |
| End Bal | | 494.7 | | 529.5 | | 34.7 |
| **Ave Bal (1)** | **$** | **430.9** | **$** | **455.3** | **$** | **24.4** |
| **Interest Exp** | **$** | **3.8** | **$** | **5.4** | **$** | **1.5** |
| **Rate** | | **2.68%** | | **3.54%** | | **0.87%** |
| **Unamortized Debt Expense Bonds** | | | | | | |
| Beg Bal | $ | (41.6) | $ | (41.6) | $ | 0.0 |
| End Bal | | (40.6) | | (40.6) | | 0.0 |
| **Ave Bal** | **$** | **(41.1)** | **$** | **(41.1)** | **$** | **0.0** |
| **Total End Bal** | **$** | **5,754.1** | **$** | **5,802.9** | **$** | **48.8** |
| **Total Average Bal** | **$** | **5,669.8** | **$** | **5,699.8** | **$** | **30.0** |
| **Total Expense Excl I/C (2)** | **$** | **74.7** | **$** | **77.6** | **$** | **3.0** |
| **Rate** | | **3.92%** | | **4.06%** | | **0.14%** |

(1) Short-term Debt YTD actual reflects average daily balances. All other average balances use an average monthly balance.
(2) Total expense line includes additional revolving credit items. Total will not match sum of PCB, FMB, and STD.

| Credit Facilities ($ Millions) | Committed Capacity | | Borrowed(3) | | Letters of Credit Issued | | Unused Capacity | | Money Pool Loans | |
|---|---|---|---|---|---|---|---|---|---|---|
| LKE | $ | 375 | $ | 262 | | | $ | 113 | | |
| LG&E | | 700 | | 342 | | | | 358 | $ | 0 |
| KU | | 598 | | 91 | $ | 198 | | 309 | | 0 |
| TOTAL | $ | 1,673 | $ | 695 | $ | 198 | $ | 780 | $ | 0 |

(3) LG&E borrowed amount includes commercial paper issuances and $200M Term Loan. KU borrowed amount represent commercial paper issuances. LKE borrowed amount includes bank revolver and debt with PPL.

| Credit Metrics[1] Moody's | LKE 2018 Actual YTD | LKE 2018 Budget YTD | LG&E 2018 Actual YTD | LG&E 2018 Budget YTD | KU 2018 Actual YTD | KU 2018 Budget YTD |
|---|---|---|---|---|---|---|
| CFO pre-WC / Debt | 17% | 17% | 26% | 26% | 26% | 25% |
| CFO pre-WC + Interest / Interest | 5.4 | 5.4 | 8.1 | 8.0 | 7.5 | 7.4 |
| CFO pre-WC - Dividends / Debt | 11% | 11% | 19% | 19% | 16% | 16% |
| Debt to Capitalization | 52% | 52% | 39% | 39% | 37% | 38% |

| Credit Metrics Moody's | LKE 2018 BP 2019 | LKE 2018 BP 2020 | LG&E 2018 BP 2019 | LG&E 2018 BP 2020 | KU 2018 BP 2019 | KU 2018 BP 2020 |
|---|---|---|---|---|---|---|
| CFO pre-WC / Debt | 14% | 14% | 19% | 19% | 19% | 20% |
| CFO pre-WC + Interest / Interest | 4.4 | 4.4 | 5.8 | 5.6 | 5.7 | 5.7 |
| CFO pre-WC - Dividends / Debt | 10% | 10% | 11% | 10% | 10% | 11% |
| Debt to Capitalization | 53% | 52% | 38% | 38% | 38% | 38% |

[1] Actuals represent a trailing 12 months.

**Financial Strength Factor (40% Weighting) -- Standard Business Risk Grid:**

| Moody's Thresholds | Sub-Factor Weighting | A | Baa | Ba |
|---|---|---|---|---|
| CFO pre-WC / Debt | 15.0% | 22% - 30% | 13% - 22% | 5% - 13% |
| CFO pre-WC + Interest / Interest | 7.5% | 4.5x - 6x | 3x - 4.5x | 2x - 3x |
| CFO pre-WC - Dividends / Debt | 10.0% | 17% - 25% | 9% - 17% | 0% - 9% |
| Debt / Capitalization | 7.5% | 35% - 45% | 45% - 55% | 55% - 65% |

| As of December 31, 2017 | Senior Unsecured | Senior Secured | Commercial Paper |
|---|---|---|---|
| Issuer | Moody's | Moody's | Moody's |
| LKE | Baa1 | | |
| LG&E | | A1 | P-2 |
| KU | | A1 | P-2 |

**Definitions**

Issuers assessed **A** are judged to have upper-medium-grade intrinsic, or standalone, financial strength, and thus subject to low credit risk absent any possibility of extraordinary support from an affiliate or a government.

Obligations rated **Baa** are judged to be medium-grade and subject to moderate credit risk and as such may possess certain speculative characteristics.

Issuers (or supporting institutions) rated Prime-2 have a strong ability to repay short-term debt obligations.

Moody's appends numerical modifiers 1, 2, and 3 to each generic rating classification. The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates a ranking in the lower end of that generic rating category.

## Balance Sheet - LKE Consolidated — April 2018

**($ Millions)**

| | 4/30/2018 | YTD Budget | Variance | Comments |
|---|---|---|---|---|
| Assets: | | | | |
| Current Assets: | | | | |
| Cash and Cash Equivalents | $ 21 | $ 14 | $ 7 | |
| Accounts Receivable (Trade) | 383 | 417 | (35) | |
| Inventory | 225 | 225 | 0 | |
| Regulatory Assets Current | 11 | 11 | 1 | |
| Prepayments and other current assets | 81 | 81 | 0 | |
| **Total Current Assets** | 721 | 747 | (27) | |
| Property, Plant, and Equipment | 12,193 | 12,260 | (67) | |
| Intangible Assets | 83 | 83 | (0) | |
| Other Property and Investments | 1 | 1 | 0 | |
| Regulatory Assets Non Current | 795 | 791 | 4 | |
| Goodwill | 997 | 997 | 0 | |
| Other Long-term Assets | 80 | 74 | 6 | |
| **Total Assets** | **$ 14,870** | **$ 14,953** | **$ (83)** | |
| Liabilities and Equity: | | | | |
| Current Liabilities: | | | | |
| Accounts Payable (Trade) | $ 316 | $ 329 | $ (13) | |
| Dividends Payable to Affiliated Companies | 0 | 0 | 0 | |
| Customer Deposits | 59 | 58 | 1 | |
| Derivative Liability | 4 | 4 | (1) | |
| Accrued Taxes | 44 | 52 | (9) | |
| Regulatory Liabilities Current | 63 | 48 | 15 | Primarily due to higher than budgeted DSM, and ECR regulatory asset reclassification. |
| Other Current Liabilities | 248 | 285 | (37) | Primarily due to decrease in credit cash adjustment for outstanding checks not yet funded versus the budget which assumed a static balance as of December 2017 when the budget was finalized and settlement of WKE indemnification. |
| **Total Current Liabilities** | 733 | 777 | (44) | |
| Debt - Affiliated Company | 662 | 648 | 14 | |
| Debt [(1)] | 5,092 | 5,155 | (63) | |
| **Total Debt** | 5,754 | 5,803 | (49) | |
| Deferred Tax Liabilities | 891 | 884 | 8 | |
| Investment Tax Credit | 128 | 128 | (0) | |
| Accum Provision for Pension & Related Benefits | 269 | 256 | 13 | |
| Asset Retirement Obligation | 252 | 260 | (8) | |
| Regulatory Liabilities Non Current | 2,025 | 2,025 | (0) | |
| Derivative Liability | 17 | 21 | (4) | |
| Other Liabilities | 158 | 160 | (2) | |
| **Total Deferred Credits and Other Liabilities** | 3,740 | 3,733 | 7 | |
| **Equity** | 4,642 | 4,640 | 3 | |
| **Total Liabilities and Equity** | **$ 14,870** | **$ 14,953** | **$ (83)** | |

[(1)] Includes all ST and LT debt. See Financing Activities page for details.
Note: Schedules may not sum due to rounding.

## Balance Sheet - LG&E

**April 2018**

**($ Millions)**

| | 4/30/2018 | YTD Budget | Variance | Comments |
|---|---|---|---|---|
| Assets: | | | | |
| Current Assets: | | | | |
| Cash and Cash Equivalents | $ 8 | $ 5 | $ 3 | |
| Accounts Receivable (Trade) | 169 | 188 | (19) | Due primarily to differences in actual vs. budget accounts receivable lag factors. |
| Inventory | 99 | 95 | 3 | |
| Regulatory Assets Current | 10 | 10 | 1 | |
| Prepayments and other current assets | 59 | 51 | 7 | |
| **Total Current Assets** | 344 | 350 | (5) | |
| Property, Plant, and Equipment | 5,382 | 5,420 | (38) | |
| Intangible Assets | 6 | 6 | (0) | |
| Other Property and Investments | 1 | 1 | 0 | |
| Regulatory Assets Non Current | 404 | 406 | (2) | |
| Goodwill | 0 | 0 | 0 | |
| Other Long-term Assets | 25 | 14 | 11 | Difference primarily due to reclassification of prepaid pension balance from Accumulated Provision for Pension & Related Benefits. |
| **Total Assets** | **$ 6,162** | **$ 6,196** | **$ (34)** | |
| Liabilities and Equity: | | | | |
| Current Liabilities: | | | | |
| Accounts Payable (Trade) | $ 198 | $ 195 | $ 3 | |
| Dividends Payable to Affiliated Companies | 0 | 0 | 0 | |
| Customer Deposits | 28 | 27 | 1 | |
| Derivative Liability | 4 | 4 | (1) | |
| Accrued Taxes | 20 | 18 | 3 | |
| Regulatory Liabilities Current | 28 | 21 | 7 | |
| Other Current Liabilities | 71 | 89 | (18) | Primarily due to ARO reclassification from current to non-current in actuals, a decrease in credit cash adjustment for outstanding checks not yet funded and a decrease in customer advances versus the budget which assumed a static balance as of December 2017 when the budget was finalized. Decrease also due to lower accrued payroll balance versus budget. |
| **Total Current Liabilities** | 349 | 354 | (4) | |
| Debt - Affiliated Company | 0 | 0 | 0 | |
| Debt [(1)] | 1,950 | 1,969 | (19) | |
| **Total Debt** | 1,950 | 1,969 | (19) | |
| Deferred Tax Liabilities | 582 | 583 | (1) | |
| Investment Tax Credit | 35 | 35 | (0) | |
| Accum Provision for Pension & Related Benefits | 1 | (14) | 14 | Difference due to reclassification of prepaid pension balance to other long term assets. |
| Asset Retirement Obligation | 92 | 95 | (3) | |
| Regulatory Liabilities Non Current | 866 | 866 | (0) | |
| Derivative Liability | 17 | 21 | (4) | |
| Other Liabilities | 85 | 86 | (0) | |
| **Total Deferred Credits and Other Liabilities** | 1,677 | 1,672 | 5 | |
| **Equity** | 2,185 | 2,201 | (16) | |
| **Total Liabilities and Equity** | **$ 6,162** | **$ 6,196** | **$ (34)** | |

[(1)] Includes all ST and LT debt.
Note: Schedules may not sum due to rounding and excludes purchase accounting adjustments.

## Balance Sheet - KU April 2018

**($ Millions)**

| | 4/30/2018 | YTD Budget | Variance | Comments |
|---|---|---|---|---|
| Assets: | | | | |
| Current Assets: | | | | |
| Cash and Cash Equivalents | $ 12 | $ 5 | $ 7 | |
| Accounts Receivable (Trade) | 213 | 228 | (15) | |
| Inventory | 126 | 129 | (3) | |
| Regulatory Assets Current | 1 | 1 | 0 | |
| Prepayments and other current assets | 49 | 52 | (3) | |
| **Total Current Assets** | 402 | 416 | (14) | |
| Property, Plant, and Equipment | 6,802 | 6,832 | (30) | |
| Intangible Assets | 13 | 13 | (0) | |
| Other Property and Investments | 0 | 0 | 0 | |
| Regulatory Assets Non Current | 389 | 384 | 5 | |
| Goodwill | 0 | 0 | 0 | |
| Other Long-term Assets | 67 | 57 | 9 | |
| **Total Assets** | **$ 7,673** | **$ 7,702** | **$ (30)** | |
| Liabilities and Equity: | | | | |
| Current Liabilities: | | | | |
| Accounts Payable (Trade) | $ 179 | $ 182 | $ (3) | |
| Dividends Payable to Affiliated Companies | 0 | 0 | 0 | |
| Customer Deposits | 31 | 31 | 0 | |
| Derivative Liability | 0 | 0 | 0 | |
| Accrued Taxes | 22 | 16 | 6 | |
| Regulatory Liabilities Current | 34 | 27 | 8 | |
| Other Current Liabilities | 135 | 138 | (2) | |
| **Total Current Liabilities** | 401 | 392 | 8 | |
| Debt - Affiliated Company | 0 | 0 | 0 | |
| Debt [1] | 2,418 | 2,462 | (44) | |
| **Total Debt** | 2,418 | 2,462 | (44) | |
| Deferred Tax Liabilities | 696 | 700 | (4) | |
| Investment Tax Credit | 93 | 93 | (0) | |
| Accum Provision for Pension & Related Benefits | 0 | (12) | 12 | Difference due to reclassification of prepaid pension balance to other long term assets. |
| Asset Retirement Obligation | 160 | 165 | (5) | |
| Regulatory Liabilities Non Current | 1,094 | 1,094 | (0) | |
| Derivative Liability | 0 | 0 | 0 | |
| Other Liabilities | 42 | 43 | (0) | |
| **Total Deferred Credits and Other Liabilities** | 2,085 | 2,083 | 1 | |
| **Equity** | 2,769 | 2,764 | 5 | |
| **Total Liabilities and Equity** | **$ 7,673** | **$ 7,702** | **$ (30)** | |

[1] Includes all ST and LT debt.

Note: Schedules may not sum due to rounding and excludes purchase accounting adjustments.

PPL companies

# Performance Report

# May 2018

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|---|---|

## Content — Page

# CONFIDENTIAL INFORMATION REDACTED

## Kentucky Regulated Dashboard — May 2018

| | Current Month | | YTD | | Full Year | |
|---|---|---|---|---|---|---|
| **Safety** | **Actual** | **PY** | **Actual** | **PY** | **Forecast** | **PY** |
| TCIR - Employees[1] | 1.10 | 1.09 | 1.55 | 1.28 | 1.30 | 0.97 |
| Employee lost-time incidents | 0 | 0 | 1 | 2 | 6 | 9 |
| **Reliability** | **Actual** | **Budget** | **Actual** | **Budget** | **Forecast** | **Budget** |
| Generation Volumes | 2,905 | 2,653 | 14,082 | 13,530 | 34,257 | 33,704 |
| Utility EFOR | 2.9% | 5.0% | 2.6% | 5.0% | N/A | 5.0% |
| Utility EAF | 83.6% | 88.1% | 80.9% | 80.4% | N/A | 83.7% |
| Combined SAIFI | 0.08 | 0.09 | 0.31 | 0.39 | N/A | 0.99 |
| Combined SAIDI (minutes) | 7.93 | 8.22 | 32.43 | 33.87 | N/A | 91.90 |
| **GwH Sales** | **Actual** | **Budget** | **Actual** | **Budget** | **Forecast** | **Budget** |
| Residential | 905 | 700 | 4,577 | 4,279 | 10,785 | 10,502 |
| Commercial | 710 | 648 | 3,196 | 3,087 | 7,928 | 7,815 |
| Industrial | 799 | 817 | 3,749 | 3,741 | 9,274 | 9,321 |
| Municipals | 150 | 136 | 724 | 725 | 1,836 | 1,778 |
| Other | 244 | 239 | 1,121 | 1,125 | 2,823 | 2,822 |
| Off-System Sales | 40 | 19 | 354 | 94 | 410 | 150 |
| Total | 2,849 | 2,558 | 13,719 | 13,052 | 33,055 | 32,389 |
| **Weather-Normalized Sales Growth** | | | **TTM** | | | |
| Residential | | | 0.75% | | | |
| Commercial | | | -0.47% | | | |
| Industrial | | | -2.09% | | | |
| Municipal | | | -4.67% | | | |
| Other | | | -2.38% | | | |
| Total | | | -0.95% | | | |

| | Current Month | | YTD | | Full Year | |
|---|---|---|---|---|---|---|
| **Margins ($ millions)** | **Actual** | **Budget** | **Actual** | **Budget** | **Forecast** | **Budget** |
| Electric Margins | $155 | $142 | $752 | $738 | $1,824 | $1,831 |
| Gas Margins | $10 | $11 | $92 | $97 | $181 | $185 |
| **Capital Expenditures ($ millions)** | **Actual** | **Budget** | **Actual** | **Budget** | **Forecast** | **Budget** |
| Total | $91 | $118 | $444 | $533 | $1,222 | $1,277 |
| **O&M ($ millions)** | **Actual** | **Budget** | **Actual** | **Budget** | **Forecast** | **Budget** |
| O&M – Management View[2] | $59 | $63 | $306 | $320 | $752 | $752 |
| O&M – GAAP View[3] | $67 | $72 | $345 | $363 | $858 | $869 |
| **Head Count** | **Actual** | **Budget** | **Actual** | **Budget** | **Forecast** | **Budget** |
| Full-time Employees | 3,438 | 3,597 | 3,438 | 3,597 | 3,598 | 3,597 |
| **Other Metrics** | **Actual** | **PY** | **Actual** | **PY** | **Forecast** | **PY** |
| Environmental Events | 0 | 0 | 0 | 3 | N/A | 8 |
| NERC Possible Violations[4] | 0 | 1 | 4 | 4 | N/A | 8 |

| | TTM | Full Year | |
|---|---|---|---|
| **Financial Metrics** | **Actual** | **Forecast** | **Budget** |
| Utility ROE[5] | 10.6% | 9.6% | 9.6% |
| Average Utility Capitalization ($ millions) | $9,127 | $9,571 | $9,527 |

### Variance Explanations

Higher margins MTD primarily due to higher sales volumes from favorable weather, resulting in higher retail electric base energy revenue of $13 million.

Higher margins YTD primarily due to higher sales volumes from favorable weather, resulting in higher retail electric base energy revenue of $19 million partially offset by lower demand revenue of $3 million, lower gas margins of $5 million and other margin components of $3 million.

Lower O&M YTD primarily due timing of plant maintenance costs ($2 million), lower materials ($3 million), lower storm and vegatation management costs ($2 million), labor costs ($3 million) and bad debt expense.

(1) Full year forecast amount shown represents target.

(2) Net of cost recovery mechanisms and variable costs of production.

(3) Includes Management O&M, variable cost of production and mechanism operation and maintenance expenses

(4) The possible violation issues for YTD Actual is believed to be minimal risk.

(5) Excludes goodwill and other purchase accounting adjustments.

Note: Schedules may not sum due to rounding.

### Major Developments

The formal hearing was held in the Tax Cuts and Jobs Act case based on the Company's petition for reconsideration. LKE is responding to post-hearing data requests and briefs will then be filed no later than June 29. We expect an Order from the Commission after the July 4 holiday.

SERC delivered the exit presentation regarding the audit of the Critical Infrastructure Protection ("CIP") and Operations & Planning ("O&P") reliability standards. The results of the audit were excellent with no violations or areas of concern related to the CIP standards, while finding only one minor potential violation and one minor area of concern related to the O&P standards. The audit staff was complimentary of LKE's workforce and the Company as a whole, and mentioned that they viewed LKE as one of its top performing entities.

[redacted] has signed a contract for the purchase of a 1,000 share subscription to the Solar Share program. This brings the total subscriptions to 1,943 shares, pushing the Company closer to the 2,000 share level required to begin construction of the first 500-kilowatt section of the initiative. In addition, the inaugural Business Solar project for the Archdiocese of Louisville was unveiled recently at a press conference. The Archbishop Joseph E. Kurtz and several Company representatives celebrated the launch of a 33.6 kW on-site roof mounted solar array that LKE will own, operate, and maintain.

The Virginia State Corporation Commission issued an Order approving the settlement in the Virginia rate case. The new rates became effective June 1, 2018.

LKE was recognized at the annual Worksite Wellness Conference hosted by the Worksite Wellness Council of Louisville. For the third year in a row, the Company received a Platinum Award for its programs and initiatives supporting wellness. The award qualifies the Company for the national competition which focuses on the 100 Healthiest Employer Award.

For the second consecutive year, the Company received the ESGR (Employer Support of the Guard and Reserve) Pro Patria Award — the United States Defense Department's highest state-level award for providing support to employees serving in the Kentucky National Guard and Reserve. This follows earlier national recognition from being named a finalist for the 2018 Secretary of Defense Employer Support Freedom Award.

A storm event which began on May 31 and continued through June 2, ranked as the 11th largest storm in Company history since we began tracking them in the current manner. The event resulted in 82K customers affected, 766 downed wires, and 33 broken poles. The Company restored 95 percent of customers within 24 hours.

### Significant Future Events

The formal hearing date for LKE's Advanced Metering Systems proceeding will occur on July 24.

## Income Statement: Actual vs. Budget (Month) - LKE Consolidated — May 2018

**($ Millions)**

| | MTD | | | |
|---|---|---|---|---|
| | Actual | Budget | Variance | Comments |
| **Revenues:** | | | | |
| Electric Revenues | $ 240 | $ 219 | $ 21 | Due primarily to higher sales volumes from favorable weather. |
| Gas Revenues | 14 | 16 | (2) | |
| **Total Revenues** | 254 | 235 | 18 | |
| **Cost of Sales:** | | | | |
| Fuel Electric Costs | 66 | 58 | (8) | Due primarily to higher fuel costs related to higher sales volumes from favorable weather. |
| Gas Supply Expenses | 4 | 5 | 1 | |
| Purchased Power | 5 | 5 | (0) | |
| Other Cost of Production | 3 | 3 | 0 | |
| Mechanism - ECR, DSM & GLT - Operation and Maintenance | 5 | 5 | 0 | |
| Mechanism - ECR, DSM & GLT - Depreciation and Property Tax | 6 | 6 | 0 | |
| **Total Cost of Sales** | 89 | 82 | (6) | |
| **Gross Margin:** | | | | |
| Electric Margin | 155 | 142 | 13 | See explanations above. |
| Gas Margin | 10 | 11 | (1) | |
| **Total Gross Margin** | 165 | 153 | 12 | |
| O&M | 59 | 63 | 4 | |
| Depreciation & Amortization | 34 | 34 | 0 | |
| Taxes, Other than Income | 5 | 6 | 0 | |
| Other income (expense) | (0) | (1) | 1 | |
| EBIT | 67 | 50 | 17 | |
| Interest Expense | 19 | 20 | 1 | |
| **Income from Ongoing Operations before income taxes** | 47 | 30 | 18 | |
| Income Tax Expense | 9 | 7 | (2) | |
| **Net Income (loss) from ongoing operations** | **39** | **22** | **16** | |
| Special Item - (Non Operating Income) | 0 | 0 | 0 | |
| Discontinued Operations | (0) | 0 | (0) | |
| **Net Income (loss)** | $ 39 | $ 22 | $ 16 | |
| KY Regulated Financing Costs | (3) | $ (3) | (0) | |
| **KY Regulated Net Income** | $ 36 | $ 19 | $ 16 | |
| Earnings Per Share - Ongoing | $ 0.05 | $ 0.03 | $ 0.02 | |

Note: Schedules may not sum due to rounding.



**Case Nos. 2018-00294 and 2018-00295**
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## Income Statement: Actual vs. Budget (YTD) - LKE Consolidated

**May 2018**

**($ Millions)**

| | YTD | | | |
|---|---|---|---|---|
| | **Actual** | **Budget** | **Variance** | **Comments** |
| **Revenues:** | | | | |
| Electric Revenues | $ 1,183 | $ 1,142 | $ 42 | Due primarily to higher sales volumes from favorable weather. |
| Gas Revenues | 172 | 185 | (12) | Due primarily to lower sales volumes as a result of unfavorable weather in February and lower than budgeted YTD gas cost recovery. |
| **Total Revenues** | 1,356 | 1,326 | 30 | |
| **Cost of Sales:** | | | | |
| Fuel Electric Costs | 338 | 309 | (30) | Due primarily to higher fuel costs related to higher sales volumes from favorable weather. |
| Gas Supply Expenses | 78 | 84 | 6 | Due primarily to lower gas volumes as a result of unfavorable weather in February and lower than budgeted YTD gas prices. |
| Purchased Power | 26 | 26 | (0) | |
| Other Cost of Production | 15 | 15 | 0 | |
| Mechanism - ECR, DSM & GLT - Operation and Maintenance | 24 | 28 | 3 | |
| Mechanism - ECR, DSM & GLT - Depreciation and Property Tax | 30 | 30 | 1 | |
| **Total Cost of Sales** | 511 | 492 | (20) | |
| **Gross Margin:** | | | | |
| Electric Margin | 752 | 738 | 15 | See explanations above. |
| Gas Margin | 92 | 97 | (5) | See explanations above. |
| **Total Gross Margin** | 844 | 834 | 10 | |
| O&M | 306 | 320 | 14 | Lower primarily due to timing of plant maintenance costs, lower materials, lower storm and vegetation management costs, labor costs and bad debt expense. |
| Depreciation & Amortization | 168 | 169 | 1 | |
| Taxes, Other than Income | 27 | 28 | 1 | |
| Other income (expense) | (4) | (5) | 1 | |
| EBIT | 339 | 312 | 27 | |
| Interest Expense | 94 | 98 | 4 | |
| **Income from Ongoing Operations before income taxes** | 245 | 214 | 30 | |
| Income Tax Expense | 50 | 49 | (1) | |
| **Net Income (loss) from ongoing operations** | **195** | **165** | **30** | |
| Special Item - (Non Operating Income) | (9) | 0 | (9) | Due to Kentucky state tax reform resulting in a reduction of the Kentucky Corporate income tax, a $9 million deferred tax expense was recorded related to the revaluing of non-utility deferred taxes. |
| Discontinued Operations | (0) | 0 | (0) | |
| **Net Income (loss)** | $ 186 | $ 165 | $ 21 | |
| KY Regulated Financing Costs | (15) | (15) | (0) | |
| **KY Regulated Net Income** | 171 | $ 150 | $ 21 | |
| Earnings Per Share - Ongoing | $ 0.26 | $ 0.21 | $ 0.05 | |

Note: Schedules may not sum due to rounding.

**Case Nos. 2018-00294 and 2018-00295**
**Attachment to Filing Requirement**
**807 KAR 5:001 Sec. 16(7)(o)**
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## Income Statement: Actual vs. Budget (YTD) - LG&E

**May 2018**

**($ Millions)**

| | YTD Actual | YTD Budget | YTD Variance | Comments |
|---|---|---|---|---|
| **Revenues:** | | | | |
| Electric Revenues | $ 466 | $ 446 | $ 20 | Due primarily to higher sales volumes from favorable weather. |
| Gas Revenues | 172 | 185 | (12) | Due primarily to lower sales volumes as a result of unfavorable weather in February and lower than budgeted YTD gas cost recovery. |
| **Total Revenues** | 639 | 631 | 8 | |
| **Cost of Sales:** | | | | |
| Fuel Electric Costs | 133 | 122 | (11) | Due primarily to higher fuel costs related to higher sales volumes from favorable weather. |
| Gas Supply Expenses | 78 | 84 | 6 | Due primarily to lower gas volumes as a result of unfavorable weather in February and lower than budgeted YTD gas prices. |
| Purchased Power | 20 | 20 | 0 | |
| Other Cost of Production | 6 | 7 | 1 | |
| Mechanism - ECR, DSM & GLT - Operation and Maintenance | 9 | 11 | 2 | |
| Mechanism - ECR, DSM & GLT - Depreciation and Property Tax | 13 | 14 | 0 | |
| **Total Cost of Sales** | 259 | 257 | (2) | |
| **Gross Margin:** | | | | |
| Electric Margin | 287 | 277 | 10 | See explanations above. |
| Gas Margin | 92 | 97 | (5) | See explanations above. |
| **Total Gross Margin** | 379 | 374 | 6 | |
| O&M | 136 | 138 | 3 | |
| Depreciation & Amortization | 68 | 69 | 1 | |
| Taxes, Other than Income | 14 | 15 | 0 | |
| Other income (expense) | (4) | (3) | (1) | |
| EBIT | 158 | 149 | 9 | |
| Interest Expense | 31 | 33 | 2 | |
| **Income from Ongoing Operations before income taxes** | 127 | 116 | 11 | |
| Income Tax Expense | 28 | 28 | (0) | |
| **Net Income (loss) from ongoing operations** | **$ 99** | **$ 88** | **$ 10** | |

Note: Schedules may not sum due to rounding and exclude purchase accounting adjustments and corresponding goodwill.

## Income Statement: Actual vs. Budget (YTD) - KU — May 2018

($ Millions)

| | YTD | | | |
|---|---|---|---|---|
| | Actual | Budget | Variance | Comments |
| **Revenues:** | | | | |
| Electric Revenues | $ 740 | $ 718 | $ 22 | Due primarily to higher sales volumes from favorable weather. |
| Gas Revenues | 0 | 0 | 0 | |
| **Total Revenues** | 740 | 718 | 22 | |
| **Cost of Sales:** | | | | |
| Fuel Electric Costs | 212 | 188 | (24) | Due primarily to higher fuel costs related to higher sales volumes from favorable weather. |
| Gas Supply Expenses | 0 | 0 | 0 | |
| Purchased Power | 23 | 27 | 5 | Due primarily to lower than anticipated intercompany expense for native load fuel. |
| Other Cost of Production | 8 | 9 | 0 | |
| Mechanism - ECR, DSM & GLT - Operation and Maintenance | 15 | 17 | 1 | |
| Mechanism - ECR, DSM & GLT - Depreciation and Property Tax | 16 | 17 | 0 | |
| **Total Cost of Sales** | 275 | 258 | (17) | |
| **Gross Margin:** | | | | |
| Electric Margin | 465 | 461 | 4 | |
| Gas Margin | 0 | 0 | 0 | |
| **Total Gross Margin** | 465 | 461 | 4 | |
| O&M | 156 | 166 | 11 | Lower primarily due to timing of plant maintenance costs, lower storm and vegetation management costs, labor costs and bad debt expense. |
| Depreciation & Amortization | 99 | 100 | 1 | |
| Taxes, Other than Income | 13 | 13 | 0 | |
| Other income (expense) | (1) | (2) | 1 | |
| EBIT | 196 | 179 | 17 | |
| Interest Expense | 41 | 42 | 1 | |
| **Income from Ongoing Operations before income taxes** | 155 | 137 | 18 | |
| Income Tax Expense | 34 | 32 | (2) | |
| **Net Income (loss) from ongoing operations** | **$ 121** | **$ 105** | **$ 16** | |

Note: Schedules may not sum due to rounding and exclude purchase accounting adjustments and corresponding goodwill.

| O&M | | | | | | | | | May 2018 |
|---|---|---|---|---|---|---|---|---|---|

($ Millions)

| | MTD | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Actual | Budget | Total Variance | Labor & Burdens | Supplemental Contractors | Other Outside Services | Materials | Other |
| Generation | 16 | 17 | 1 | 0 | 0 | 2 | 0 | (1) |
| Project Engineering | 0 | 0 | 0 | 0 | 0 | (0) | 0 | 0 |
| Transmission | 3 | 3 | 0 | (0) | 0 | 0 | (0) | 0 |
| Energy Supply and Analysis | 1 | 1 | 0 | 0 | 0 | 0 | 0 | (0) |
| Electric Distribution | 6 | 6 | 1 | 0 | 1 | (1) | 0 | 0 |
| Gas Distribution | 4 | 4 | 0 | 0 | (0) | 1 | 0 | (0) |
| Advanced Metering System | 0 | 0 | (0) | 0 | 0 | (0) | 0 | (0) |
| Safety and Technical Training | 0 | 1 | 0 | 0 | 0 | 0 | (0) | 0 |
| Environmental | 1 | 1 | 0 | 0 | 0 | 0 | 0 | 0 |
| Customer Services | 7 | 8 | 0 | 0 | (0) | 0 | 0 | 0 |
| **Chief Operating Officer Total** | **38** | **41** | **3** | **1** | **1** | **2** | **0** | **(1)** |
| Audit Services | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Controller | 1 | 1 | 0 | 0 | 0 | 0 | (0) | 0 |
| Supply Chain | 0 | 0 | 0 | 0 | (0) | (0) | (0) | (0) |
| Information Technology | 5 | 5 | 0 | 1 | (0) | (0) | 0 | 0 |
| Treasurer | 2 | 2 | 0 | (0) | 0 | 0 | 0 | 0 |
| State Regulation and Rates | 0 | 0 | 0 | 0 | 0 | (0) | (0) | 0 |
| Other | 0 | 0 | (0) | 0 | 0 | (0) | 0 | 0 |
| **Chief Financial Officer Total** | **9** | **9** | **0** | **1** | **(0)** | **(0)** | **0** | **0** |
| **General Counsel** | **2** | **2** | **(0)** | **0** | **0** | **(0)** | **0** | **0** |
| **Human Resources** | **1** | **1** | **0** | **0** | **(0)** | **0** | **(0)** | **0** |
| **Corporate** | **8** | **8** | **(0)** | **0** | **0** | **(0)** | **(0)** | **(0)** |
| **Communication** | **1** | **1** | **0** | **0** | **(0)** | **(0)** | **0** | **0** |
| **Utility Total** | **58** | **61** | **3** | **2** | **1** | **1** | **0** | **(0)** |
| **Nonutility** | **2** | **2** | **0** | **0** | **(0)** | **(0)** | **0** | **0** |
| **O&M Total MTD** | **59** | **63** | **4** | **2** | **1** | **1** | **0** | **(0)** |

| | YTD | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Actual | Budget | Total Variance | Labor & Burdens | Supplemental Contractors | Other Outside Services | Materials | Other |
| Generation | 88 | 95 | 7 | 0 | 1 | 9 | 2 | (4) |
| Project Engineering | 0 | 0 | 0 | (0) | 0 | (0) | 0 | 0 |
| Transmission | 14 | 16 | 2 | (0) | 2 | (0) | (0) | (0) |
| Energy Supply and Analysis | 6 | 6 | 0 | 0 | 0 | 0 | 0 | (0) |
| Electric Distribution | 29 | 29 | (0) | (0) | 3 | (3) | 0 | (0) |
| Gas Distribution | 17 | 16 | (1) | 0 | (1) | 1 | (0) | (0) |
| Advanced Metering System | 1 | 0 | (0) | 0 | 0 | (0) | (0) | (0) |
| Safety and Technical Training | 2 | 3 | 0 | 0 | (0) | 0 | (0) | 0 |
| Environmental | 3 | 3 | 1 | (0) | 0 | 0 | 0 | 0 |
| Customer Services | 39 | 41 | 2 | (0) | (0) | 1 | 0 | 1 |
| **Chief Operating Officer Total** | **198** | **209** | **10** | **0** | **4** | **8** | **2** | **(3)** |
| Audit Services | 1 | 1 | 0 | 0 | 0 | (0) | 0 | 0 |
| Controller | 4 | 4 | 0 | 0 | 0 | (0) | (0) | 0 |
| Supply Chain | 2 | 2 | 0 | 0 | (0) | (0) | (0) | 0 |
| Information Technology | 23 | 25 | 2 | 2 | (0) | 0 | 0 | 0 |
| Treasurer | 10 | 10 | 0 | (0) | 0 | (0) | 0 | 0 |
| State Regulation and Rates | 2 | 2 | (0) | 0 | 0 | 0 | (0) | (0) |
| Other | 1 | 1 | (0) | 0 | 0 | (1) | 0 | 0 |
| **Chief Financial Officer Total** | **42** | **44** | **2** | **2** | **(0)** | **(0)** | **(0)** | **1** |
| **General Counsel** | **7** | **7** | **(0)** | **0** | **0** | **(2)** | **0** | **1** |
| **Human Resources** | **3** | **3** | **0** | **0** | **(0)** | **(0)** | **0** | **0** |
| **Corporate** | **39** | **40** | **1** | **1** | **0** | **0** | **(0)** | **0** |
| **Communication** | **3** | **3** | **0** | **0** | **0** | **(0)** | **0** | **0** |
| **Utility Total** | **291** | **305** | **13** | **3** | **4** | **6** | **2** | **(1)** |
| **Nonutility** | **15** | **15** | **1** | **(0)** | **(0)** | **(1)** | **0** | **2** |
| **O&M Total YTD** | **306** | **320** | **14** | **3** | **4** | **5** | **2** | **1** |

Note: Schedules may not sum due to rounding.

## Financing Activities — May 2018

($ Millions)

| Balance Sheet | YTD Actual | YTD Budget | YTD Variance |
|---|---|---|---|
| **PCB** | | | |
| Beg Bal | $ 890.0 | $ 890.0 | $ 0.0 |
| End Bal | 890.0 | 890.0 | 0.0 |
| Ave Bal | **$ 890.0** | **$ 890.0** | **$ 0.0** |
| Interest Exp | **$ 6.4** | **$ 7.4** | **$ 1.0** |
| Rate | **1.72%** | **1.99%** | **0.27%** |
| **FMB/Sr Nts/Loan with PPL** | | | |
| Beg Bal | $ 4,310.0 | $ 4,310.0 | $ 0.0 |
| End Bal | 4,660.0 | 4,424.0 | (236.0) |
| Ave Bal | **$ 4,435.0** | **$ 4,400.4** | **$ (34.64)** |
| Interest Exp | **$ 78.8** | **$ 78.6** | **$ (0.3)** |
| Rate | **4.24%** | **4.26%** | **0.02%** |
| **Short-term Debt** | | | |
| Beg Bal | $ 468.9 | $ 468.9 | $ 0.0 |
| End Bal | 280.6 | 605.7 | 325.1 |
| Ave Bal (1) | **$ 404.1** | **$ 480.3** | **$ 76.2** |
| Interest Exp | **$ 4.4** | **$ 7.0** | **$ 2.6** |
| Rate | **2.62%** | **3.49%** | **0.87%** |
| **Unamortized Debt Expense Bonds** | | | |
| Beg Bal | $ (41.6) | $ (41.6) | $ 0.0 |
| End Bal | (40.5) | (41.0) | (0.5) |
| Ave Bal | **$ (41.0)** | **$ (41.1)** | **$ (0.1)** |
| **Total End Bal** | **$ 5,790.1** | **$ 5,878.7** | **$ 88.6** |
| **Total Average Bal** | **$ 5,688.1** | **$ 5,729.6** | **$ 41.5** |
| **Total Expense Excl I/C (2)** | **$ 94.0** | **$ 97.6** | **$ 3.5** |
| **Rate** | **3.91%** | **4.03%** | **0.12%** |

(1) Short-term Debt YTD actual reflects average daily balances. All other average balances use an average monthly balance.
(2) Total expense line includes additional revolving credit items. Total will not match sum of PCB, FMB, and STD.

| Credit Facilities ($ Millions) | Committed Capacity | Borrowed(3) | Letters of Credit Issued | Unused Capacity | Money Pool Loans |
|---|---|---|---|---|---|
| LKE | $ 375 | $ 11 | | $ 364 | |
| LG&E | 700 | 360 | | 340 | $ 0 |
| KU | 598 | 109 | $ 198 | 291 | 0 |
| TOTAL | $ 1,673 | $ 481 | $ 198 | $ 994 | $ 0 |

(3) LG&E borrowed amount includes commercial paper issuances and $200M Term Loan. KU borrowed amount represent commercial paper issuances. LKE borrowed amount includes bank revolver and debt with PPL.

| Credit Metrics[1] Moody's | LKE 2018 Actual YTD | LKE 2018 Budget YTD | LG&E 2018 Actual YTD | LG&E 2018 Budget YTD | KU 2018 Actual YTD | KU 2018 Budget YTD |
|---|---|---|---|---|---|---|
| CFO pre-WC / Debt | 17% | 17% | 26% | 26% | 26% | 25% |
| CFO pre-WC + Interest / Interest | 5.5 | 5.3 | 8.1 | 7.9 | 7.5 | 7.3 |
| CFO pre-WC - Dividends / Debt | 11% | 11% | 20% | 19% | 16% | 16% |
| Debt to Capitalization | 52% | 52% | 39% | 39% | 37% | 38% |

| Credit Metrics Moody's | LKE 2018 BP 2019 | LKE 2018 BP 2020 | LG&E 2018 BP 2019 | LG&E 2018 BP 2020 | KU 2018 BP 2019 | KU 2018 BP 2020 |
|---|---|---|---|---|---|---|
| CFO pre-WC / Debt | 14% | 14% | 19% | 19% | 19% | 20% |
| CFO pre-WC + Interest / Interest | 4.4 | 4.4 | 5.8 | 5.6 | 5.7 | 5.7 |
| CFO pre-WC - Dividends / Debt | 10% | 10% | 11% | 10% | 10% | 11% |
| Debt to Capitalization | 53% | 52% | 38% | 38% | 38% | 38% |

[1] Actuals represent a trailing 12 months.

**Financial Strength Factor (40% Weighting) -- Standard Business Risk Grid:**

| Moody's Thresholds | Sub-Factor Weighting | A | Baa | Ba |
|---|---|---|---|---|
| CFO pre-WC / Debt | 15.0% | 22% - 30% | 13% - 22% | 5% - 13% |
| CFO pre-WC + Interest / Interest | 7.5% | 4.5x - 6x | 3x - 4.5x | 2x - 3x |
| CFO pre-WC - Dividends / Debt | 10.0% | 17% - 25% | 9% - 17% | 0% - 9% |
| Debt / Capitalization | 7.5% | 35% - 45% | 45% - 55% | 55% - 65% |

| As of December 31, 2017 | Senior Unsecured | Senior Secured | Commercial Paper |
|---|---|---|---|
| Issuer | Moody's | Moody's | Moody's |
| LKE | Baa1 | | |
| LG&E | | A1 | P-2 |
| KU | | A1 | P-2 |

**Definitions**

Issuers assessed **A** are judged to have upper-medium-grade intrinsic, or standalone, financial strength, and thus subject to low credit risk absent any possibility of extraordinary support from an affiliate or a government.

Obligations rated **Baa** are judged to be medium-grade and subject to moderate credit risk and as such may possess certain speculative characteristics.

Issuers (or supporting institutions) rated Prime-2 have a strong ability to repay short-term debt obligations.

Moody's appends numerical modifiers 1, 2, and 3 to each generic rating classification. The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates a ranking in the lower end of that generic rating category.

## Balance Sheet - LKE Consolidated — May 2018

**($ Millions)**

| | 5/31/2018 | YTD Budget | Variance | Comments |
|---|---|---|---|---|
| Assets: | | | | |
| Current Assets: | | | | |
| Cash and Cash Equivalents | $ 14 | $ 14 | $ 0 | |
| Accounts Receivable (Trade) | 382 | 427 | (45) | Due primarily to differences in actual vs. budget accounts receivable lag factors. |
| Inventory | 231 | 225 | 6 | |
| Regulatory Assets Current | 10 | 10 | (0) | |
| Prepayments and other current assets | 83 | 78 | 6 | |
| **Total Current Assets** | 721 | 754 | (33) | |
| Property, Plant, and Equipment | 12,239 | 12,327 | (88) | |
| Intangible Assets | 83 | 83 | (0) | |
| Other Property and Investments | 1 | 1 | 0 | |
| Regulatory Assets Non Current | 797 | 790 | 7 | |
| Goodwill | 997 | 997 | 0 | |
| Other Long-term Assets | 81 | 74 | 6 | |
| **Total Assets** | **$ 14,918** | **$ 15,026** | **$ (108)** | |
| Liabilities and Equity: | | | | |
| Current Liabilities: | | | | |
| Accounts Payable (Trade) | $ 306 | $ 326 | $ (19) | |
| Dividends Payable to Affiliated Companies | 0 | 0 | 0 | |
| Customer Deposits | 59 | 58 | 1 | |
| Derivative Liability | 4 | 4 | (0) | |
| Accrued Taxes | 61 | 65 | (5) | |
| Regulatory Liabilities Current | 67 | 60 | 7 | |
| Other Current Liabilities | 214 | 247 | (32) | Primarily due to decrease in credit cash adjustment for outstanding checks not yet funded versus the budget which assumed a static balance as of December 2017 when the budget was finalized and settlement of WKE indemnification. |
| **Total Current Liabilities** | 711 | 760 | (48) | |
| Debt - Affiliated Company | 661 | 656 | 5 | |
| Debt [(1)] | 5,129 | 5,222 | (93) | |
| **Total Debt** | 5,790 | 5,879 | (89) | |
| Deferred Tax Liabilities | 889 | 884 | 5 | |
| Investment Tax Credit | 128 | 128 | (0) | |
| Accum Provision for Pension & Related Benefits | 270 | 254 | 16 | |
| Asset Retirement Obligation | 250 | 254 | (4) | |
| Regulatory Liabilities Non Current | 2,025 | 2,023 | 2 | |
| Derivative Liability | 17 | 20 | (3) | |
| Other Liabilities | 157 | 161 | (3) | |
| **Total Deferred Credits and Other Liabilities** | 3,736 | 3,724 | 12 | |
| **Equity** | 4,681 | 4,663 | 18 | |
| **Total Liabilities and Equity** | **$ 14,918** | **$ 15,026** | **$ (108)** | |

[(1)] Includes all ST and LT debt. See Financing Activities page for details.
Note: Schedules may not sum due to rounding.

## Balance Sheet - LG&E

**May 2018**

**($ Millions)**

| | 5/31/2018 | YTD Budget | Variance | Comments |
|---|---|---|---|---|
| Assets: | | | | |
| Current Assets: | | | | |
| Cash and Cash Equivalents | $ 6 | $ 5 | $ 1 | |
| Accounts Receivable (Trade) | 167 | 192 | (25) | Due primarily to differences in actual vs. budget accounts receivable lag factors. |
| Inventory | 102 | 94 | 7 | |
| Regulatory Assets Current | 10 | 10 | 0 | |
| Prepayments and other current assets | 48 | 50 | (2) | |
| **Total Current Assets** | 332 | 350 | (18) | |
| Property, Plant, and Equipment | 5,405 | 5,456 | (51) | |
| Intangible Assets | 6 | 6 | 0 | |
| Other Property and Investments | 1 | 1 | 0 | |
| Regulatory Assets Non Current | 405 | 405 | (0) | |
| Goodwill | 0 | 0 | 0 | |
| Other Long-term Assets | 25 | 14 | 11 | Difference primarily due to reclassification of prepaid pension balance from Accumulated Provision for Pension & Related Benefits. |
| **Total Assets** | **$ 6,173** | **$ 6,231** | **$ (58)** | |
| Liabilities and Equity: | | | | |
| Current Liabilities: | | | | |
| Accounts Payable (Trade) | $ 170 | $ 191 | $ (20) | Primarily due to lower capital expenditures. |
| Dividends Payable to Affiliated Companies | 0 | 0 | 0 | |
| Customer Deposits | 28 | 27 | 1 | |
| Derivative Liability | 4 | 4 | (0) | |
| Accrued Taxes | 29 | 25 | 4 | |
| Regulatory Liabilities Current | 31 | 26 | 5 | |
| Other Current Liabilities | 62 | 80 | (18) | Primarily due to ARO reclassification from current to non-current in actuals, a decrease in credit cash adjustment for outstanding checks not yet funded and a decrease in customer advances versus the budget which assumed a static balance as of December 2017 when the budget was finalized. |
| **Total Current Liabilities** | 325 | 353 | (29) | |
| Debt - Affiliated Company | 0 | 0 | 0 | |
| Debt [(1)] | 1,968 | 1,997 | (29) | |
| **Total Debt** | 1,968 | 1,997 | (29) | |
| Deferred Tax Liabilities | 582 | 583 | (1) | |
| Investment Tax Credit | 35 | 35 | (0) | |
| Accum Provision for Pension & Related Benefits | 1 | (15) | 15 | Difference due to reclassification of prepaid pension balance to other long term assets. |
| Asset Retirement Obligation | 91 | 93 | (2) | |
| Regulatory Liabilities Non Current | 866 | 865 | 1 | |
| Derivative Liability | 17 | 20 | (3) | |
| Other Liabilities | 86 | 86 | (0) | |
| **Total Deferred Credits and Other Liabilities** | 1,677 | 1,668 | 9 | |
| **Equity** | 2,203 | 2,214 | (10) | |
| **Total Liabilities and Equity** | **$ 6,173** | **$ 6,231** | **$ (58)** | |

[(1)] Includes all ST and LT debt.
Note: Schedules may not sum due to rounding and excludes purchase accounting adjustments.

## Balance Sheet - KU

**May 2018**

**($ Millions)**

| | 5/31/2018 | YTD Budget | Variance | Comments |
|---|---|---|---|---|
| Assets: | | | | |
| Current Assets: | | | | |
| Cash and Cash Equivalents | $ 8 | $ 5 | $ 3 | |
| Accounts Receivable (Trade) | 215 | 235 | (20) | |
| Inventory | 130 | 131 | (1) | |
| Regulatory Assets Current | 0 | 0 | (0) | |
| Prepayments and other current assets | 51 | 51 | (0) | |
| **Total Current Assets** | 403 | 422 | (19) | |
| Property, Plant, and Equipment | 6,826 | 6,863 | (37) | |
| Intangible Assets | 13 | 13 | (0) | |
| Other Property and Investments | 0 | 0 | 0 | |
| Regulatory Assets Non Current | 390 | 384 | 6 | |
| Goodwill | 0 | 0 | 0 | |
| Other Long-term Assets | 67 | 58 | 9 | |
| **Total Assets** | **$ 7,699** | **$ 7,740** | **$ (41)** | |
| Liabilities and Equity: | | | | |
| Current Liabilities: | | | | |
| Accounts Payable (Trade) | $ 176 | $ 181 | $ (5) | |
| Dividends Payable to Affiliated Companies | 0 | 0 | 0 | |
| Customer Deposits | 31 | 31 | 0 | |
| Derivative Liability | 0 | 0 | 0 | |
| Accrued Taxes | 32 | 23 | 8 | |
| Regulatory Liabilities Current | 36 | 34 | 2 | |
| Other Current Liabilities | 113 | 112 | 1 | |
| **Total Current Liabilities** | 387 | 381 | 6 | |
| Debt - Affiliated Company | 0 | 0 | 0 | |
| Debt [(1)] | 2,437 | 2,501 | (65) | |
| **Total Debt** | 2,437 | 2,501 | (65) | |
| Deferred Tax Liabilities | 696 | 700 | (4) | |
| Investment Tax Credit | 93 | 93 | (0) | |
| Accum Provision for Pension & Related Benefits | 0 | (12) | 12 | Difference due to reclassification of prepaid pension balance to other long term assets. |
| Asset Retirement Obligation | 158 | 161 | (2) | |
| Regulatory Liabilities Non Current | 1,094 | 1,094 | 1 | |
| Derivative Liability | 0 | 0 | 0 | |
| Other Liabilities | 42 | 43 | (1) | |
| **Total Deferred Credits and Other Liabilities** | 2,083 | 2,078 | 6 | |
| **Equity** | 2,792 | 2,779 | 12 | |
| **Total Liabilities and Equity** | **$ 7,699** | **$ 7,740** | **$ (41)** | |

[(1)] Includes all ST and LT debt.
Note: Schedules may not sum due to rounding and excludes purchase accounting adjustments.



**Case Nos. 2018-00294 and 2018-00295**
**Attachment to Filing Requirement**
**807 KAR 5:001 Sec. 16(7)(o)**

**Arbough**

LG&E KU

PPL companies

# Performance Report

# June 2018

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## Kentucky Regulated Dashboard — June 2018

| | Current Month | | YTD | | Full Year | |
|---|---|---|---|---|---|---|
| **Safety** | **Actual** | **PY** | **Actual** | **PY** | **Forecast** | **PY** |
| TCIR - Employees[1] | 1.01 | 0.34 | 1.46 | 1.00 | 1.30 | 0.97 |
| Employee lost-time incidents | 1 | 2 | 2 | 4 | 7 | 9 |
| **Reliability** | **Actual** | **Budget** | **Actual** | **Budget** | **Forecast** | **Budget** |
| Generation Volumes | 3,046 | 3,026 | 17,129 | 16,556 | 34,278 | 33,704 |
| Utility EFOR | 1.2% | 5.0% | 2.3% | 5.0% | N/A | 5.0% |
| Utility EAF | 91.6% | 92.9% | 82.7% | 82.4% | N/A | 83.7% |
| Combined SAIFI | 0.12 | 0.13 | 0.44 | 0.52 | N/A | 0.99 |
| Combined SAIDI (minutes) | 13.56 | 12.80 | 45.99 | 46.67 | N/A | 91.90 |
| **GwH Sales** | **Actual** | **Budget** | **Actual** | **Budget** | **Forecast** | **Budget** |
| Residential | 968 | 892 | 5,544 | 5,171 | 10,863 | 10,502 |
| Commercial | 740 | 727 | 3,936 | 3,814 | 8,004 | 7,815 |
| Industrial | 782 | 858 | 4,530 | 4,599 | 9,176 | 9,321 |
| Municipals | 162 | 150 | 885 | 876 | 1,834 | 1,778 |
| Other | 249 | 260 | 1,370 | 1,385 | 2,787 | 2,822 |
| Off-System Sales | 25 | 4 | 379 | 98 | 614 | 150 |
| Total | 2,925 | 2,892 | 16,644 | 15,943 | 33,278 | 32,389 |
| **Weather-Normalized Sales Growth** | | | **TTM** | | | |
| Residential | | | 0.23% | | | |
| Commercial | | | -0.58% | | | |
| Industrial | | | -1.43% | | | |
| Municipal | | | -4.44% | | | |
| Other | | | -1.62% | | | |
| Total | | | -0.87% | | | |

| | Current Month | | YTD | | Full Year | |
|---|---|---|---|---|---|---|
| **Margins ($ millions)** | **Actual** | **Budget** | **Actual** | **Budget** | **Forecast** | **Budget** |
| Electric Margins | $162 | $159 | $914 | $897 | $1,827 | $1,831 |
| Gas Margins | $10 | $10 | $102 | $106 | $181 | $185 |
| **Capital Expenditures ($ millions)** | **Actual** | **Budget** | **Actual** | **Budget** | **Forecast** | **Budget** |
| Total | $82 | $104 | $526 | $638 | $1,235 | $1,277 |
| **O&M ($ millions)** | **Actual** | **Budget** | **Actual** | **Budget** | **Forecast** | **Budget** |
| O&M – Management View[2] | $62 | $60 | $368 | $380 | $752 | $752 |
| O&M – GAAP View[3] | $71 | $70 | $416 | $433 | $855 | $869 |
| **Head Count** | **Actual** | **Budget** | **Actual** | **Budget** | **Forecast** | **Budget** |
| Full-time Employees | 3,439 | 3,597 | 3,439 | 3,597 | 3,598 | 3,597 |
| **Other Metrics** | **Actual** | **PY** | **Actual** | **PY** | **Forecast** | **PY** |
| Environmental Events | 0 | 0 | 0 | 3 | N/A | 8 |
| NERC Possible Violations[4] | 3 | 0 | 7 | 4 | N/A | 8 |

| | TTM | Full Year | |
|---|---|---|---|
| **Financial Metrics** | **Actual** | **Forecast** | **Budget** |
| Utility ROE[5] | 10.7% | 9.9% | 9.6% |
| Average Utility Capitalization ($ millions) | $9,171 | $9,497 | $9,527 |

### Major Developments

The Company continues to build on its outstanding customer satisfaction performance as it won another J.D. Power award. KU ranked first (with a score of 755) among the mid-sized utilities in the Midwest region of the 2018 Electric Utility Residential Customer Satisfaction study. LG&E, however, slid from 2nd to 7th based upon colder weather causing higher bills (gas heat) this winter. We are evaluating why such a large slide.

Business First, the weekly business journal for Greater Louisville, announced LG&E and KU as the winner of the Healthiest Employer Award among businesses with 1,500-4,999 employees. The Company last won the award in 2016 and was named a finalist in 2017.

LKE has reached the 2,000 share level required to begin construction of the first 500-kilowatt section of its Solar Share (Community Solar) program. The Company has closed on the site for the program and is targeting to have the system in operation by the first quarter of 2019.

The Company continues its outstanding safety performance as a number of locations have achieved recent milestones:
- Electric Distribution employees at the Elizabethtown Operations Center recently won the Edison Electric Institute Safety Achievement Award for completing 14 years and 563,079 work hours without a lost-time injury. This was a significant accomplishment for a work group that averages just 20 employees who serve 37,420 customers across nine counties.
- In May, Cane Run, Ohio Falls and Paddy's Run employees collectively achieved one year without a recordable injury.
  - Ohio Falls employees have also achieved three years without a recordable injury.
- Also in May, E.W. Brown employees completed one year, or more than 270,000 work hours, without a recordable injury.

LKE earned 10 communications awards in various categories during the recent Utility Communicators International conference. The 2018 Better Communications Competition receives entries from utilities of all sizes across the U.S. and Canada. The conference was held in Louisville this year.

KU has earned national recognition from the research firm Market Strategies. It is one of 15 utilities that have been designated a 2018 trusted utility brand by business customers. The research firm conducted a survey of 35 questions among almost 9,000 business consumers served by 60 of the largest utilities in the U.S.

The hearing for the Advanced Metering System (AMS) case was held on July 24th.

### Variance Explanations

Higher YTD margins primarily due to higher sales volumes from favorable weather, resulting in higher retail electric base energy revenue of $23 million partially offset by lower demand revenue of $3 million, lower gas margins of $5 million and other margin components of $2 million.

Lower YTD O&M primarily due to the timing of plant maintenance costs ($3 million), lower materials ($3 million), lower labor costs ($3 million) and lower bad debt expense ($1 million).

(1) Full year forecast amount shown represents target.

(2) Net of cost recovery mechanisms and variable costs of production.

(3) Includes Management O&M, variable cost of production and mechanism operation and maintenance expenses

(4) The possible violation issues for YTD Actual is believed to be minimal risk.

(5) Excludes goodwill and other purchase accounting adjustments.

### Significant Future Events

KPSC Orders are expected in the AMS, Tax Act and DSM/Energy Efficiency Program cases in Q3.

KU and LG&E expect to file a base rate case with the KPSC on September 28th (legal notice of intent to file a case made with KPSC August 27th; newspaper notices with requested rate changes begin September 21st).

Note: Schedules may not sum due to rounding.

## Income Statement: Actual vs. Budget (Month) - LKE Consolidated — June 2018

($ Millions)

| | MTD | | | |
|---|---|---|---|---|
| | Actual | Budget | Variance | Comments |
| **Revenues:** | | | | |
| Electric Revenues | $ 249 | $ 248 | $ 1 | |
| Gas Revenues | 13 | 13 | (0) | |
| **Total Revenues** | 262 | 261 | 1 | |
| **Cost of Sales:** | | | | |
| Fuel Electric Costs | 68 | 68 | (0) | |
| Gas Supply Expenses | 2 | 2 | (0) | |
| Purchased Power | 5 | 5 | 0 | |
| Other Cost of Production | 3 | 3 | 0 | |
| Mechanism - ECR, DSM & GLT - Operation and Maintenance | 5 | 7 | 1 | |
| Mechanism - ECR, DSM & GLT - Depreciation and Property Tax | 6 | 6 | 0 | |
| **Total Cost of Sales** | 91 | 92 | 1 | |
| **Gross Margin:** | | | | |
| Electric Margin | 162 | 159 | 3 | |
| Gas Margin | 10 | 10 | 0 | |
| **Total Gross Margin** | 172 | 169 | 3 | |
| O&M | 62 | 60 | (2) | |
| Depreciation & Amortization | 34 | 34 | 0 | |
| Taxes, Other than Income | 6 | 6 | 0 | |
| Other income (expense) | 2 | (1) | 2 | |
| EBIT | 72 | 68 | 3 | |
| Interest Expense | 19 | 20 | 1 | |
| **Income from Ongoing Operations before income taxes** | 52 | 48 | 4 | |
| Income Tax Expense | 10 | 8 | (3) | |
| **Net Income (loss) from ongoing operations** | **42** | **40** | **2** | |
| Special Item - (Non Operating Income) | (0) | 0 | (0) | |
| Discontinued Operations | 0 | 0 | 0 | |
| **Net Income (loss)** | $ 42 | $ 40 | $ 2 | |
| KY Regulated Financing Costs | (3) | $ (3) | 1 | |
| **KY Regulated Net Income** | $ 39 | $ 37 | $ 3 | |
| Earnings Per Share - Ongoing | $ 0.06 | $ 0.05 | $ 0.01 | |

Note: Schedules may not sum due to rounding.

**Case Nos. 2018-00294 and 2018-00295**
**Attachment to Filing Requirement**
**807 KAR 5:001 Sec. 16(7)(o)**
**Page 236 of 260**
**Arbough**

## Income Statement: Actual vs. Budget (YTD) - LKE Consolidated — June 2018

($ Millions)

| | YTD Actual | YTD Budget | YTD Variance | Comments |
|---|---|---|---|---|
| **Revenues:** | | | | |
| Electric Revenues | $ 1,433 | $ 1,390 | $ 43 | Due primarily to higher sales volumes from favorable weather. |
| Gas Revenues | 185 | 197 | (12) | Due primarily to lower sales volumes as a result of unfavorable weather in February and lower than budgeted YTD gas cost recovery. |
| **Total Revenues** | 1,618 | 1,587 | 31 | |
| **Cost of Sales:** | | | | |
| Fuel Electric Costs | 407 | 377 | (30) | Due primarily to higher fuel costs related to higher sales volumes from favorable weather. |
| Gas Supply Expenses | 81 | 87 | 6 | Due primarily to lower gas volumes as a result of unfavorable weather in February and lower than budgeted YTD gas prices. |
| Purchased Power | 31 | 31 | 0 | |
| Other Cost of Production | 18 | 18 | 0 | |
| Mechanism - ECR, DSM & GLT - Operation and Maintenance | 30 | 34 | 5 | Due primarily to elimination of some DSM programs in the 2018 filing with the KPSC. |
| Mechanism - ECR, DSM & GLT - Depreciation and Property Tax | 36 | 37 | 1 | |
| **Total Cost of Sales** | 602 | 584 | (18) | |
| **Gross Margin:** | | | | |
| Electric Margin | 914 | 897 | 17 | See explanations above. |
| Gas Margin | 102 | 106 | (5) | See explanations above. |
| **Total Gross Margin** | 1,016 | 1,003 | 13 | |
| O&M | 368 | 380 | 12 | Lower primarily due to the timing of plant maintenance costs, lower materials, lower labor costs and lower bad debt expense. |
| Depreciation & Amortization | 201 | 203 | 2 | |
| Taxes, Other than Income | 33 | 34 | 1 | |
| Other income (expense) | (3) | (6) | 3 | |
| EBIT | 411 | 380 | 30 | |
| Interest Expense | 113 | 118 | 4 | |
| **Income from Ongoing Operations before income taxes** | 297 | 263 | 35 | |
| Income Tax Expense | 60 | 57 | (3) | |
| **Net Income (loss) from ongoing operations** | **237** | **205** | **32** | |
| Special Item - (Non Operating Income) | (9) | 0 | (9) | Due to Kentucky state tax reform resulting in a reduction of the Kentucky Corporate income tax, a $9 million deferred tax expense was recorded related to the revaluing of non-utility deferred taxes. |
| Discontinued Operations | (0) | 0 | (0) | |
| **Net Income (loss)** | $ 228 | $ 205 | $ 22 | |
| KY Regulated Financing Costs | (18) | (19) | 1 | |
| **KY Regulated Net Income** | 210 | $ 187 | $ 23 | |
| Earnings Per Share - Ongoing | $ 0.31 | $ 0.26 | $ 0.06 | |

Note: Schedules may not sum due to rounding.

## Income Statement: Actual vs. Budget (YTD) - LG&E June 2018

**($ Millions)**

| | YTD | | | |
|---|---|---|---|---|
| | Actual | Budget | Variance | Comments |
| **Revenues:** | | | | |
| Electric Revenues | $ 571 | $ 551 | $ 19 | Due primarily to higher sales volumes from favorable weather. |
| Gas Revenues | 185 | 197 | (12) | Due primarily to lower sales volumes as a result of unfavorable weather in February and lower than budgeted YTD gas cost recovery. |
| **Total Revenues** | 756 | 749 | 7 | |
| **Cost of Sales:** | | | | |
| Fuel Electric Costs | 160 | 149 | (11) | Due primarily to higher fuel costs related to higher sales volumes from favorable weather. |
| Gas Supply Expenses | 81 | 87 | 6 | Due primarily to lower gas volumes as a result of unfavorable weather in February and lower than budgeted YTD gas prices. |
| Purchased Power | 24 | 25 | 1 | |
| Other Cost of Production | 7 | 8 | 1 | |
| Mechanism - ECR, DSM & GLT - Operation and Maintenance | 11 | 14 | 3 | |
| Mechanism - ECR, DSM & GLT - Depreciation and Property Tax | 16 | 17 | 0 | |
| **Total Cost of Sales** | 299 | 298 | (0) | |
| **Gross Margin:** | | | | |
| Electric Margin | 355 | 344 | 11 | See explanations above. |
| Gas Margin | 102 | 106 | (5) | See explanations above. |
| **Total Gross Margin** | 457 | 450 | 7 | |
| O&M | 163 | 166 | 2 | |
| Depreciation & Amortization | 82 | 83 | 1 | |
| Taxes, Other than Income | 17 | 18 | 0 | |
| Other income (expense) | (3) | (4) | 0 | |
| EBIT | 191 | 181 | 11 | |
| Interest Expense | 37 | 39 | 2 | |
| **Income from Ongoing Operations before income taxes** | 154 | 141 | 13 | |
| Income Tax Expense | 32 | 32 | (0) | |
| **Net Income (loss) from ongoing operations** | **$ 121** | **$ 109** | **$ 12** | |

Note: Schedules may not sum due to rounding and exclude purchase accounting adjustments and corresponding goodwill.

## Income Statement: Actual vs. Budget (YTD) - KU — June 2018

($ Millions)

| | YTD | | | |
|---|---|---|---|---|
| | Actual | Budget | Variance | Comments |
| **Revenues:** | | | | |
| Electric Revenues | $ 887 | $ 865 | $ 22 | Due primarily to higher sales volumes from favorable weather. |
| Gas Revenues | 0 | 0 | 0 | |
| **Total Revenues** | 887 | 865 | 22 | |
| **Cost of Sales:** | | | | |
| Fuel Electric Costs | 254 | 229 | (25) | Due primarily to higher fuel costs related to higher sales volumes from favorable weather. |
| Gas Supply Expenses | 0 | 0 | 0 | |
| Purchased Power | 25 | 31 | 6 | Due primarily to lower than anticipated intercompany expense for native load fuel. |
| Other Cost of Production | 10 | 11 | 1 | |
| Mechanism - ECR, DSM & GLT - Operation and Maintenance | 19 | 21 | 2 | |
| Mechanism - ECR, DSM & GLT - Depreciation and Property Tax | 20 | 20 | 0 | |
| **Total Cost of Sales** | 328 | 312 | (16) | |
| **Gross Margin:** | | | | |
| Electric Margin | 559 | 553 | 6 | See explanations above. |
| Gas Margin | 0 | 0 | 0 | |
| **Total Gross Margin** | 559 | 553 | 6 | |
| O&M | 188 | 198 | 10 | Primarily due to lower labor and burdens and lower outside service expense. |
| Depreciation & Amortization | 119 | 120 | 1 | |
| Taxes, Other than Income | 16 | 16 | 0 | |
| Other income (expense) | (0) | (2) | 2 | |
| EBIT | 236 | 217 | 19 | |
| Interest Expense | 50 | 51 | 1 | |
| **Income from Ongoing Operations before income taxes** | 187 | 166 | 20 | |
| Income Tax Expense | 38 | 37 | (2) | |
| **Net Income (loss) from ongoing operations** | **$ 148** | **$ 130** | **$ 19** | |

Note: Schedules may not sum due to rounding and exclude purchase accounting adjustments and corresponding goodwill.

## Income Statement: Forecast vs. Budget - LKE Consolidated — June 2018

($ Millions)

| | Full Year | | | |
|---|---|---|---|---|
| | Q2 Forecast | Budget | Variance | Comments |
| **Revenues:** | | | | |
| Electric Revenues | $ 2,853 | $ 2,840 | $ 14 | Due primarily to higher sales volumes from favorable weather. |
| Gas Revenues | 309 | 323 | (13) | Due primarily to lower sales volumes as a result of unfavorable weather in February and lower than budgeted YTD gas cost recovery. |
| **Total Revenues** | 3,163 | 3,163 | 0 | |
| **Cost of Sales:** | | | | |
| Fuel Electric Costs | 788 | 762 | (26) | Due primarily to higher fuel costs related to higher sales volumes from favorable weather. |
| Gas Supply Expenses | 123 | 128 | 5 | Due primarily to lower gas volumes as a result of unfavorable weather in February and lower than budgeted YTD gas prices. |
| Purchased Power | 65 | 62 | (3) | |
| Other Cost of Production | 42 | 40 | (3) | |
| Mechanism - ECR, DSM & GLT - Operation and Maintenance | 61 | 78 | 16 | Due primarily to elimination of some DSM programs in the 2018 filing with the KPSC. |
| Mechanism - ECR, DSM & GLT - Depreciation and Property Tax | 75 | 77 | 1 | |
| **Total Cost of Sales** | 1,155 | 1,146 | (9) | |
| **Gross Margin:** | | | | |
| Electric Margin | 1,827 | 1,831 | (4) | |
| Gas Margin | 181 | 185 | (5) | See explanations above. |
| **Total Gross Margin** | 2,008 | 2,017 | (9) | |
| O&M | 752 | 752 | 0 | |
| Depreciation & Amortization | 408 | 410 | 2 | |
| Taxes, Other than Income | 66 | 67 | 1 | |
| Other income (expense) | (4) | (10) | 6 | Due primarily to lower Pension non-service cost expense in the updated disclosures from Willis Towers Watson. |
| EBIT | 778 | 778 | 0 | |
| Interest Expense | 233 | 241 | 7 | Primarily due to lower debt balances and lower interest rates. |
| **Income from Ongoing Operations before income taxes** | 545 | 537 | 8 | |
| Income Tax Expense | 110 | 117 | 7 | |
| **Net Income (loss) from ongoing operations** | **434** | **420** | **$ 15** | |
| Special Item - (Non Operating Income) | (9) | 0 | (9) | Due to Kentucky state tax reform resulting in a reduction of the Kentucky Corporate income tax, a $9 million deferred tax expense was recorded related to the revaluing of non-utility deferred taxes. |
| Discontinued Operations | (0) | 0 | (0) | |
| **Net Income (loss)** | $ 425 | $ 420 | $ 5 | |
| KY Regulated Financing Costs | (39) | (40) | 1 | |
| **KY Regulated Net Income** | $ 386 | $ 380 | $ 6 | |
| Earnings Per Share - Ongoing | $ 0.53 | $ 0.52 | $ 0.01 | |

Note: Schedules may not sum due to rounding.

| O&M | June 2018 |
|---|---|

($ Millions)

| | MTD | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Actual | Budget | Total Variance | Labor & Burdens | Supplemental Contractors | Other Outside Services | Materials | Other |
| Generation | 14 | 15 | 1 | (0) | 0 | 1 | 0 | (0) |
| Project Engineering | 0 | 0 | 0 | (0) | 0 | (0) | 0 | 0 |
| Transmission | 5 | 3 | (1) | (0) | (0) | (0) | (0) | (0) |
| Energy Supply and Analysis | 1 | 1 | 0 | (0) | 0 | 0 | 0 | 0 |
| Electric Distribution | 8 | 6 | (1) | (0) | (0) | (1) | 0 | (0) |
| Gas Distribution | 4 | 3 | (1) | (0) | (1) | 0 | 0 | (0) |
| Advanced Metering System | 0 | 0 | (0) | 0 | (0) | (0) | 0 | (0) |
| Safety and Technical Training | 0 | 0 | 0 | (0) | 0 | 0 | 0 | 0 |
| Environmental | 1 | 1 | 0 | (0) | 0 | 0 | 0 | 0 |
| Customer Services | 8 | 8 | (0) | (0) | (0) | 0 | 0 | (0) |
| **Chief Operating Officer Total** | **41** | **38** | **(2)** | **(1)** | **(1)** | **(0)** | **0** | **(1)** |
| Audit Services | 0 | 0 | (0) | (0) | 0 | 0 | 0 | 0 |
| Controller | 1 | 1 | 0 | 0 | 0 | 0 | 0 | 0 |
| Supply Chain | 0 | 0 | (0) | (0) | 0 | (0) | 0 | (0) |
| Information Technology | 5 | 5 | 0 | 0 | (0) | 0 | 0 | 0 |
| Treasurer | 2 | 2 | 0 | (0) | 0 | 0 | 0 | 0 |
| State Regulation and Rates | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | (0) | 0 | (0) | 0 | 0 |
| **Chief Financial Officer Total** | **8** | **9** | **0** | **0** | **(0)** | **0** | **0** | **0** |
| **General Counsel** | **2** | **2** | **0** | **0** | **0** | **(0)** | **0** | **0** |
| **Human Resources** | **1** | **1** | **0** | **0** | **0** | **(0)** | **0** | **0** |
| **Corporate** | **7** | **8** | **1** | **1** | **0** | **0** | **(0)** | **(0)** |
| **Communication** | **1** | **1** | **0** | **(0)** | **0** | **(0)** | **0** | **0** |
| **Utility Total** | **59** | **58** | **(1)** | **(0)** | **(1)** | **(0)** | **1** | **(0)** |
| **Nonutility** | **3** | **2** | **(1)** | **0** | **0** | **(0)** | **0** | **(1)** |
| **O&M Total MTD** | **62** | **60** | **(2)** | **0** | **(1)** | **(0)** | **1** | **(1)** |

| | YTD | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Actual | Budget | Total Variance | Labor & Burdens | Supplemental Contractors | Other Outside Services | Materials | Other |
| Generation | 102 | 110 | 8 | (0) | 1 | 10 | 2 | (5) |
| Project Engineering | 0 | 0 | 0 | (0) | 0 | (0) | 0 | 0 |
| Transmission | 19 | 20 | 0 | (0) | 2 | (1) | (0) | (0) |
| Energy Supply and Analysis | 7 | 7 | 0 | 0 | 0 | 0 | 0 | (0) |
| Electric Distribution | 37 | 36 | (1) | (1) | 3 | (3) | 1 | (0) |
| Gas Distribution | 21 | 19 | (1) | 0 | (2) | 1 | (0) | (0) |
| Advanced Metering System | 1 | 0 | (1) | 0 | (0) | (1) | (0) | (0) |
| Safety and Technical Training | 3 | 3 | 0 | 0 | 0 | 0 | (0) | 0 |
| Environmental | 3 | 4 | 1 | (0) | 0 | 0 | 0 | 0 |
| Customer Services | 47 | 48 | 2 | (0) | (0) | 1 | 0 | 1 |
| **Chief Operating Officer Total** | **239** | **247** | **8** | **(1)** | **3** | **8** | **2** | **(4)** |
| Audit Services | 1 | 1 | 0 | 0 | 0 | (0) | 0 | 0 |
| Controller | 4 | 5 | 0 | 0 | 0 | 0 | (0) | 0 |
| Supply Chain | 2 | 2 | 0 | 0 | (0) | (0) | (0) | 0 |
| Information Technology | 28 | 30 | 2 | 2 | (1) | 0 | 0 | 0 |
| Treasurer | 12 | 12 | 0 | (0) | 0 | 0 | 0 | 0 |
| State Regulation and Rates | 2 | 2 | (0) | 0 | 0 | 0 | (0) | 0 |
| Other | 1 | 1 | (0) | 0 | 0 | (1) | 0 | 1 |
| **Chief Financial Officer Total** | **50** | **52** | **2** | **2** | **(1)** | **(0)** | **(0)** | **1** |
| **General Counsel** | **9** | **9** | **(0)** | **0** | **0** | **(2)** | **0** | **1** |
| **Human Resources** | **3** | **3** | **0** | **0** | **(0)** | **(0)** | **0** | **0** |
| **Corporate** | **46** | **48** | **2** | **2** | **0** | **0** | **(0)** | **(0)** |
| **Communication** | **3** | **4** | **1** | **(0)** | **0** | **(0)** | **0** | **0** |
| **Utility Total** | **351** | **363** | **12** | **3** | **3** | **6** | **2** | **(1)** |
| **Nonutility** | **17** | **17** | **0** | **(0)** | **(0)** | **(1)** | **0** | **1** |
| **O&M Total YTD** | **368** | **380** | **12** | **3** | **3** | **5** | **2** | **(0)** |

| | Full Year | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Forecast | Budget | Total Variance | Labor & Burdens | Supplemental Contractors | Other Outside Services | Materials | Other |
| Generation | 211 | 216 | 5 | (0) | 1 | 2 | 4 | (2) |
| Project Engineering | 0 | 0 | (0) | 0 | 0 | (0) | 0 | (0) |
| Transmission | 38 | 38 | (0) | (0) | 2 | (1) | (0) | (0) |
| Energy Supply and Analysis | 13 | 13 | (0) | 0 | 0 | (0) | 0 | (0) |
| Electric Distribution | 76 | 75 | (1) | (1) | 4 | (5) | 1 | (0) |
| Gas Distribution | 44 | 39 | (6) | 0 | (4) | (2) | 0 | (0) |
| Advanced Metering System | 1 | 0 | (1) | 0 | 1 | (0) | (0) | (3) |
| Safety and Technical Training | 6 | 6 | 0 | (0) | 0 | (0) | (0) | 0 |
| Environmental | 7 | 8 | 1 | (0) | 0 | 0 | (0) | 1 |
| Customer Services | 98 | 97 | (1) | (1) | (1) | 1 | 0 | (0) |
| Other | 1 | 1 | 0 | 0 | 0 | 0 | 0 | (0) |
| **Chief Operating Officer Total** | **496** | **493** | **(3)** | **(2)** | **5** | **(5)** | **5** | **(5)** |
| Audit Services | 2 | 2 | 0 | (0) | 0 | (0) | 0 | 0 |
| Controller | 9 | 9 | 0 | 0 | 0 | 0 | (0) | 0 |
| Supply Chain | 4 | 4 | (0) | 0 | (0) | (0) | (0) | (0) |
| Information Technology | 58 | 58 | 0 | 2 | (2) | 0 | 0 | (0) |
| Treasurer | 23 | 23 | 0 | (0) | 0 | (0) | 0 | 0 |
| State Regulation and Rates | 5 | 5 | (0) | 0 | 0 | 0 | (0) | (0) |
| Other | 2 | 2 | 0 | 0 | 0 | (1) | 0 | 1 |
| **Chief Financial Officer Total** | **103** | **103** | **1** | **2** | **(2)** | **(0)** | **(0)** | **1** |
| **General Counsel** | **18** | **18** | **0** | **0** | **0** | **(1)** | **0** | [illegible] |
| **Human Resources** | **7** | **7** | **(0)** | **0** | **(0)** | **(0)** | **0** | **0** |
| **Corporate** | **91** | **95** | **4** | **4** | **0** | **0** | **(0)** | **(0)** |
| **Communication** | **7** | **7** | **0** | **(0)** | **0** | **(0)** | **0** | **0** |
| **Utility Total** | **721** | **723** | **2** | **4** | **3** | **(7)** | **4** | **(3)** |
| **Nonutility Total** | **31** | **29** | **(1)** | **(0)** | **(0)** | **(1)** | **0** | **(0)** |
| **O&M Total YTD** | **752** | **752** | **0** | **4** | **3** | **(7)** | **4** | **(4)** |

Note: Schedules may not sum due to rounding.

## Financing Activities — June 2018

($ Millions)

| Balance Sheet | YTD Actual | YTD Budget | YTD Variance | Full Year Forecast | Full Year Budget | Full Year Variance |
|---|---|---|---|---|---|---|
| **PCB** | | | | | | |
| Beg Bal | $ 890.0 | $ 890.0 | $ 0.0 | $ 890.0 | $ 890.0 | $ 0.0 |
| End Bal | 890.0 | 890.0 | 0.0 | 881.1 | 890.0 | 8.9 |
| **Ave Bal** | **$ 887.4** | **$ 890.0** | **$ 2.55** | **$ 885.5** | **$ 890.0** | **$ 4.46** |
| **Interest Exp** | **$ 7.7** | **$ 9.0** | **$ 1.2** | **$ 16.2** | **$ 18.3** | **$ 2.2** |
| **Rate** | **1.73%** | **2.01%** | **0.27%** | **1.80%** | **2.03%** | **0.23%** |
| **FMB/Sr Nts/Loan with PPL** | | | | | | |
| Beg Bal | $ 4,310.0 | $ 4,310.0 | $ 0.0 | $ 4,310.0 | $ 4,310.0 | $ 0.0 |
| End Bal | 4,660.0 | 4,570.1 | (89.9) | 4,844.4 | 4,643.2 | (201.2) |
| **Ave Bal** | **$ 4,469.7** | **$ 4,424.6** | **$ (45.08)** | **$ 4,577.2** | **$ 4,476.6** | **$ (100.59)** |
| **Interest Exp** | **$ 95.3** | **$ 94.6** | **$ (0.7)** | **$ 194.7** | **$ 191.9** | **$ (2.8)** |
| **Rate** | **4.24%** | **4.25%** | **0.01%** | **4.19%** | **4.22%** | **0.03%** |
| **Short-term Debt** | | | | | | |
| Beg Bal | $ 468.9 | $ 468.9 | $ 0.0 | $ 468.9 | $ 468.9 | $ 0.0 |
| End Bal | 415.1 | 569.1 | 154.0 | 614.2 | 722.7 | 108.5 |
| Ave Bal (1) | **$ 381.7** | **$ 493.0** | **$ 111.3** | **$ 541.6** | **$ 595.8** | **$ 54.2** |
| Interest Exp | **$ 5.1** | **$ 8.7** | **$ 3.6** | **$ 11.7** | **$ 19.5** | **$ 7.8** |
| Rate | **2.65%** | **3.52%** | **0.86%** | **2.46%** | **3.41%** | **0.95%** |
| **Unamortized Debt Expense Bonds** | | | | | | |
| Beg Bal | $ (41.6) | $ (41.6) | $ 0.0 | $ (41.6) | $ (41.6) | $ 0.0 |
| End Bal | (40.2) | (40.6) | (0.4) | (38.1) | (38.3) | (0.1) |
| Ave Bal | **$ (40.9)** | **$ (41.0)** | **$ (0.1)** | **$ (39.9)** | **$ (39.9)** | **$ (0.1)** |
| **Total End Bal** | **$ 5,924.9** | **$ 5,988.6** | **$ 63.7** | **$ 6,301.6** | **$ 6,217.6** | **$ (83.9)** |
| **Total Average Bal** | **$ 5,697.9** | **$ 5,766.6** | **$ 68.7** | **$ 5,898.1** | **$ 5,901.9** | **$ 3.9** |
| **Total Expense Excl I/C (2)** | **$ 113.4** | **$ 117.7** | **$ 4.4** | **$ 233.4** | **$ 240.8** | **$ 7.4** |
| **Rate** | **3.93%** | **4.03%** | **0.10%** | **3.88%** | **4.00%** | **0.12%** |

(1) Short-term Debt YTD actual reflects average daily balances. All other average balances use an average monthly balance.
(2) Total expense line includes additional revolving credit items. Total will not match sum of PCB, FMB, and STD.

| Credit Facilities ($ Millions) | Committed Capacity | Borrowed(3) | Letters of Credit Issued | Unused Capacity | Money Pool Loans |
|---|---|---|---|---|---|
| LKE | $ 375 | $ 99 | | $ 276 | |
| LG&E | 700 | 383 | | 317 | $ 0 |
| KU | 598 | 133 | $ 198 | 267 | 0 |
| TOTAL | $ 1,673 | $ 615 | $ 198 | $ 860 | $ 0 |

(3) LG&E borrowed amount includes commercial paper issuances and $200M Term Loan. KU borrowed amount represent commercial paper issuances. LKE borrowed amount includes bank revolver and debt with PPL.

| Credit Metrics[1] Moody's | LKE 2018 Actual YTD | LKE 2018 Budget YTD | LG&E 2018 Actual YTD | LG&E 2018 Budget YTD | KU 2018 Actual YTD | KU 2018 Budget YTD |
|---|---|---|---|---|---|---|
| CFO pre-WC / Debt | 16% | 16% | 26% | 25% | 25% | 24% |
| CFO pre-WC + Interest / Interest | 5.3 | 5.1 | 8.0 | 7.7 | 7.2 | 6.9 |
| CFO pre-WC - Dividends / Debt | 11% | 10% | 18% | 18% | 15% | 14% |
| Debt to Capitalization | 53% | 53% | 39% | 38% | 37% | 37% |

| Credit Metrics Moody's | LKE 2018 BP 2019 | LKE 2018 BP 2020 | LG&E 2018 BP 2019 | LG&E 2018 BP 2020 | KU 2018 BP 2019 | KU 2018 BP 2020 |
|---|---|---|---|---|---|---|
| CFO pre-WC / Debt | 14% | 14% | 19% | 19% | 19% | 20% |
| CFO pre-WC + Interest / Interest | 4.4 | 4.4 | 5.8 | 5.6 | 5.7 | 5.7 |
| CFO pre-WC - Dividends / Debt | 10% | 10% | 11% | 10% | 10% | 11% |
| Debt to Capitalization | 53% | 52% | 38% | 38% | 38% | 38% |

(1) Actuals represent a trailing 12 months.

**Financial Strength Factor (40% Weighting) -- Standard Business Risk Grid:**

| Moody's Thresholds | Sub-Factor Weighting | A | Baa | Ba |
|---|---|---|---|---|
| CFO pre-WC / Debt | 15.0% | 22% - 30% | 13% - 22% | 5% - 13% |
| CFO pre-WC + Interest / Interest | 7.5% | 4.5x - 6x | 3x - 4.5x | 2x - 3x |
| CFO pre-WC - Dividends / Debt | 10.0% | 17% - 25% | 9% - 17% | 0% - 9% |
| Debt / Capitalization | 7.5% | 35% - 45% | 45% - 55% | 55% - 65% |

| As of December 31, 2017 | Senior Unsecured | Senior Secured | Commercial Paper |
|---|---|---|---|
| Issuer | Moody's | Moody's | Moody's |
| LKE | Baa1 | | |
| LG&E | | A1 | P-2 |
| KU | | A1 | P-2 |

**Definitions**

Issuers assessed **A** are judged to have upper-medium-grade intrinsic, or standalone, financial strength, and thus subject to low credit risk absent any possibility of extraordinary support from an affiliate or a government.

Obligations rated **Baa** are judged to be medium-grade and subject to moderate credit risk and as such may possess certain speculative characteristics.

Issuers (or supporting institutions) rated Prime-2 have a strong ability to repay short-term debt obligations.

Moody's appends numerical modifiers 1, 2, and 3 to each generic rating classification. The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates a ranking in the lower end of that generic rating category.

## Balance Sheet - LKE Consolidated — June 2018

**($ Millions)**

| | 6/30/2018 | YTD Budget | Variance | Comments |
|---|---|---|---|---|
| Assets: | | | | |
| Current Assets: | | | | |
| Cash and Cash Equivalents | $ 39 | $ 14 | $ 25 | Increase primarily due to timing of cash receipts at the utilities. |
| Accounts Receivable (Trade) | 402 | 452 | (50) | Due primarily to differences in actual vs. budget accounts receivable lag factors. |
| Inventory | 229 | 224 | 5 | |
| Regulatory Assets Current | 11 | 6 | 5 | |
| Prepayments and other current assets | 73 | 77 | (3) | |
| **Total Current Assets** | 754 | 773 | (19) | |
| Property, Plant, and Equipment | 12,270 | 12,381 | (110) | |
| Intangible Assets | 82 | 82 | (0) | |
| Other Property and Investments | 1 | 1 | 0 | |
| Regulatory Assets Non Current | 793 | 789 | 4 | |
| Goodwill | 997 | 997 | 0 | |
| Other Long-term Assets | 73 | 75 | (2) | |
| **Total Assets** | **$ 14,970** | **$ 15,097** | **$ (127)** | |
| Liabilities and Equity: | | | | |
| Current Liabilities: | | | | |
| Accounts Payable (Trade) | $ 274 | $ 324 | $ (50) | Primarily due to lower capital expenditures. |
| Dividends Payable to Affiliated Companies | 0 | 0 | 0 | |
| Customer Deposits | 59 | 58 | 1 | |
| Derivative Liability | 4 | 4 | (0) | |
| Accrued Taxes | 41 | 58 | (17) | Primarily due to higher taxable income related to the methodology of recording Schedule M's in actuals versus the budget. |
| Regulatory Liabilities Current | 71 | 68 | 3 | |
| Other Current Liabilities | 239 | 262 | (23) | |
| **Total Current Liabilities** | 688 | 775 | (87) | |
| Debt - Affiliated Company | 749 | 785 | (36) | |
| Debt [(1)] | 5,176 | 5,203 | (27) | |
| **Total Debt** | 5,925 | 5,989 | (64) | |
| Deferred Tax Liabilities | 878 | 901 | (23) | |
| Investment Tax Credit | 127 | 128 | (0) | |
| Accum Provision for Pension & Related Benefits | 259 | 253 | 6 | |
| Asset Retirement Obligation | 248 | 248 | (0) | |
| Regulatory Liabilities Non Current | 2,055 | 2,016 | 40 | |
| Derivative Liability | 17 | 20 | (3) | |
| Other Liabilities | 140 | 149 | (9) | |
| **Total Deferred Credits and Other Liabilities** | 3,725 | 3,715 | 10 | |
| **Equity** | 4,632 | 4,619 | 14 | |
| **Total Liabilities and Equity** | **$ 14,970** | **$ 15,097** | **$ (127)** | |

(1) Includes all ST and LT debt. See Financing Activities page for details.
Note: Schedules may not sum due to rounding.

| Balance Sheet - LG&E | | | | June 2018 |
|---|---|---|---|---|
| ($ Millions) | | | | |
| | 6/30/2018 | YTD Budget | Variance | Comments |
| Assets: | | | | |
| Current Assets: | | | | |
| Cash and Cash Equivalents | $ 19 | $ 5 | $ 14 | Increase primarily due to timing of cash receipts. |
| Accounts Receivable (Trade) | 176 | 203 | (27) | Due primarily to differences in actual vs. budget accounts receivable lag factors. |
| Inventory | 101 | 96 | 4 | |
| Regulatory Assets Current | 11 | 7 | 3 | |
| Prepayments and other current assets | 44 | 50 | (5) | |
| **Total Current Assets** | 351 | 362 | (11) | |
| Property, Plant, and Equipment | 5,431 | 5,486 | (56) | |
| Intangible Assets | 6 | 6 | 0 | |
| Other Property and Investments | 1 | 1 | 0 | |
| Regulatory Assets Non Current | 405 | 404 | 1 | |
| Goodwill | 0 | 0 | 0 | |
| Other Long-term Assets | 22 | 14 | 8 | |
| **Total Assets** | **$ 6,215** | **$ 6,273** | **$ (57)** | |
| Liabilities and Equity: | | | | |
| Current Liabilities: | | | | |
| Accounts Payable (Trade) | $ 153 | $ 193 | $ (40) | Primarily due to lower capital expenditures. |
| Dividends Payable to Affiliated Companies | 0 | 0 | 0 | |
| Customer Deposits | 28 | 27 | 1 | |
| Derivative Liability | 4 | 4 | (0) | |
| Accrued Taxes | 23 | 19 | 4 | |
| Regulatory Liabilities Current | 34 | 30 | 4 | |
| Other Current Liabilities | 72 | 84 | (12) | Primarily due to ARO reclassification from current to non-current in actuals and a decrease in customer advances versus the budget which assumed a static balance as of December 2017 when the budget was finalized. |
| **Total Current Liabilities** | 314 | 358 | (43) | |
| Debt - Affiliated Company | 0 | 0 | 0 | |
| Debt [(1)] | 1,991 | 1,988 | 3 | |
| **Total Debt** | 1,991 | 1,988 | 3 | |
| Deferred Tax Liabilities | 581 | 594 | (13) | |
| Investment Tax Credit | 35 | 35 | (0) | |
| Accum Provision for Pension & Related Benefits | 0 | (16) | 16 | Difference due to reclassification of prepaid pension balance to other long term assets. |
| Asset Retirement Obligation | 96 | 92 | 4 | |
| Regulatory Liabilities Non Current | 879 | 862 | 17 | |
| Derivative Liability | 17 | 20 | (3) | |
| Other Liabilities | 81 | 84 | (3) | |
| **Total Deferred Credits and Other Liabilities** | 1,688 | 1,670 | 18 | |
| **Equity** | 2,222 | 2,256 | (34) | |
| **Total Liabilities and Equity** | **$ 6,215** | **$ 6,273** | **$ (57)** | |

[(1)] Includes all ST and LT debt.
Note: Schedules may not sum due to rounding and excludes purchase accounting adjustments.

## Balance Sheet - KU June 2018

**($ Millions)**

| | 6/30/2018 | YTD Budget | Variance | Comments |
|---|---|---|---|---|
| Assets: | | | | |
| Current Assets: | | | | |
| Cash and Cash Equivalents | $ 20 | $ 5 | $ 14 | Increase primarily due to timing of cash receipts. |
| Accounts Receivable (Trade) | 225 | 248 | (23) | |
| Inventory | 129 | 128 | 1 | |
| Regulatory Assets Current | 0 | (2) | 2 | |
| Prepayments and other current assets | 47 | 51 | (4) | |
| **Total Current Assets** | 420 | 430 | (10) | |
| Property, Plant, and Equipment | 6,830 | 6,886 | (56) | |
| Intangible Assets | 12 | 13 | (0) | |
| Other Property and Investments | 0 | 0 | 0 | |
| Regulatory Assets Non Current | 386 | 385 | 1 | |
| Goodwill | 0 | 0 | 0 | |
| Other Long-term Assets | 74 | 59 | 16 | Primarily due to the reclassification of prepaid pension balance from Accum Provision for Pension & Related Benefits. |
| **Total Assets** | **$ 7,723** | **$ 7,773** | **$ (50)** | |
| Liabilities and Equity: | | | | |
| Current Liabilities: | | | | |
| Accounts Payable (Trade) | $ 163 | $ 178 | $ (15) | |
| Dividends Payable to Affiliated Companies | 0 | 0 | 0 | |
| Customer Deposits | 31 | 31 | 0 | |
| Derivative Liability | 0 | 0 | 0 | |
| Accrued Taxes | 23 | 16 | 6 | |
| Regulatory Liabilities Current | 37 | 38 | (1) | |
| Other Current Liabilities | 118 | 120 | (1) | |
| **Total Current Liabilities** | 372 | 383 | (11) | |
| Debt - Affiliated Company | 0 | 0 | 0 | |
| Debt [(1)] | 2,461 | 2,491 | (30) | |
| **Total Debt** | 2,461 | 2,491 | (30) | |
| Deferred Tax Liabilities | 690 | 709 | (19) | |
| Investment Tax Credit | 93 | 93 | (0) | |
| Accum Provision for Pension & Related Benefits | 0 | (13) | 13 | Difference due to reclassification of prepaid pension balance to other long term assets. |
| Asset Retirement Obligation | 153 | 156 | (4) | |
| Regulatory Liabilities Non Current | 1,112 | 1,090 | 21 | |
| Derivative Liability | 0 | 0 | 0 | |
| Other Liabilities | 36 | 39 | (2) | |
| **Total Deferred Credits and Other Liabilities** | 2,083 | 2,074 | 9 | |
| **Equity** | 2,807 | 2,825 | (19) | |
| **Total Liabilities and Equity** | **$ 7,723** | **$ 7,773** | **$ (50)** | |

[(1)] Includes all ST and LT debt.

Note: Schedules may not sum due to rounding and excludes purchase accounting adjustments.

**Case Nos. 2018-00294 and 2018-00295**
**Attachment to Filing Requirement**
**807 KAR 5:001 Sec. 16(7)(o)**
**Page 246 of 260**
**Arbough**

**KU and LG&E Combined**
**Reconciliation of Allowed Return to**
**12 months ended June 2018 Regulatory Return**
**and ROE from Ongoing Operations**

| | | | |
|---|---|---|---|
| Allowed Return [1] | | 9.71% | |
| Adjustments (net tax): | | | |
| Change in capitalization - non mechanism | 0.18% | | Growth in capitalization (rate base) between rate cases does not earn a return |
| Change in ROE from average mechanism rate base growth | 0.00% | | Mechanisms have a real-time return |
| Change in weighted cost of debt | 0.01% | | |
| Change in margins | 0.33% | | Slightly higher revenue |
| Change in allowed expenses | 0.52% | | Lower expense |
| | | 1.03% | |
| Actual Regulated ROE | | 10.74% | |

[1] Based on the most recent base rate filings for a test year ending 6/30/18 for the KPSC and a test year ending 12/31/16 (with adjustments for year ending 12/31/2018) for VA and FERC Formula Rate Filing 12/31/17.
The KPSC authorized ROE is 9.7% after 7/1/17.

PPL companies

# Performance Report

# July 2018

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## Kentucky Regulated Dashboard — July 2018

| | Current Month | | YTD | | Full Year | |
|---|---|---|---|---|---|---|
| **Safety** | **Actual** | **PY** | **Actual** | **PY** | **Forecast** | **PY** |
| TCIR - Employees[1] | 1.17 | 2.01 | 1.42 | 1.13 | 1.30 | 0.97 |
| Employee lost-time incidents | 0 | 2 | 2 | 6 | 6 | 9 |
| **Reliability** | **Actual** | **Budget** | **Actual** | **Budget** | **Forecast** | **Budget** |
| Generation Volumes | 3,208 | 3,236 | 20,337 | 19,791 | 34,250 | 33,704 |
| Utility EFOR | 3.5% | 5.0% | 2.5% | 5.0% | N/A | 5.0% |
| Utility EAF | 93.9% | 92.9% | 84.3% | 84.0% | N/A | 83.7% |
| Combined SAIFI | 0.09 | 0.14 | 0.52 | 0.66 | N/A | 0.99 |
| Combined SAIDI (minutes) | 10.79 | 14.67 | 56.82 | 61.34 | N/A | 91.90 |
| **GwH Sales** | **Actual** | **Budget** | **Actual** | **Budget** | **Forecast** | **Budget** |
| Residential | 1,093 | 1,067 | 6,637 | 6,238 | 10,820 | 10,502 |
| Commercial | 773 | 748 | 4,709 | 4,562 | 8,018 | 7,815 |
| Industrial | 790 | 825 | 5,320 | 5,425 | 9,177 | 9,321 |
| Municipals | 169 | 169 | 1,054 | 1,045 | 1,822 | 1,778 |
| Other | 251 | 255 | 1,620 | 1,640 | 2,761 | 2,822 |
| Off-System Sales | 37 | 13 | 416 | 111 | 616 | 150 |
| Total | 3,112 | 3,077 | 19,756 | 19,020 | 33,216 | 32,389 |
| **Weather-Normalized Sales Growth** | | | **TTM** | | | |
| Residential | | | 0.11% | | | |
| Commercial | | | -0.66% | | | |
| Industrial | | | -1.29% | | | |
| Municipal | | | -4.40% | | | |
| Other | | | -0.98% | | | |
| Total | | | -0.84% | | | |

| | Current Month | | YTD | | Full Year | |
|---|---|---|---|---|---|---|
| **Margins ($ millions)** | **Actual** | **Budget** | **Actual** | **Budget** | **Forecast** | **Budget** |
| Electric Margins | $170 | $171 | $1,084 | $1,068 | $1,822 | $1,831 |
| Gas Margins | $9 | $9 | $111 | $116 | $181 | $185 |
| **Capital Expenditures ($ millions)** | **Actual** | **Budget** | **Actual** | **Budget** | **Forecast** | **Budget** |
| Total | $94 | $119 | $620 | $757 | $1,235 | $1,277 |
| **O&M ($ millions)** | **Actual** | **Budget** | **Actual** | **Budget** | **Forecast** | **Budget** |
| O&M – Management View[2] | $66 | $61 | $434 | $441 | $752 | $752 |
| O&M – GAAP View[3] | $74 | $72 | $490 | $505 | $856 | $869 |
| **Head Count** | **Actual** | **Budget** | **Actual** | **Budget** | **Forecast** | **Budget** |
| Full-time Employees | 3,470 | 3,603 | 3,470 | 3,603 | 3,592 | 3,597 |
| **Other Metrics** | **Actual** | **PY** | **Actual** | **PY** | **Forecast** | **PY** |
| Environmental Events | 0 | 2 | 0 | 5 | N/A | 8 |
| NERC Possible Violations[4] | 0 | 0 | 7 | 4 | N/A | 8 |

| | TTM | Full Year | |
|---|---|---|---|
| **Financial Metrics** | **Actual** | **Forecast** | **Budget** |
| Utility ROE[5] | 10.5% | 9.8% | 9.6% |
| Average Utility Capitalization ($ millions) | $9,209 | $9,486 | $9,527 |

### Major Developments

A July 20th storm event caused extensive, widespread damage across the LKE system, taking down 1,360 wires, and damaging 209 poles and other equipment across the Company's distribution and transmission infrastructure. Nearly 175,000 customers were impacted, ranking this among the top five storms to affect the LKE system. Crews worked as quickly and safely as possible to assess damage, make repairs and restore service with additional help provided by partner utilities from Wisconsin, Indiana, Ohio, Missouri, Tennessee, Arkansas, and Kentucky. Winds measured at 83 miles per hour damaged two cooling towers at the EW Brown plant leading to a Brown Unit 3 outage. Total costs are expected to be approximately $16 million, split evenly between capital and operating expenses.

Recognition:
- LKE was recognized by Site Selection magazine as a top ten utility in the area of economic development. The Company has received this honor six times since 2012.
- LKE was recognized as one of the top employee-giving campaigns for the 2018 Fund for the Arts campaign.
- LKE was one of 13 Interactive Voice Response ("IVRs") selected to receive the 2018 Gold Stethoscope Award as a "Balanced Company" by IVR Doctors and Market Strategies International.
- LKE will also receive the bronze Best Practice Award from Chartwell in the self-service category for its IVR Time Extension Automation project.

KU and the IBEW recently ratified a three-year labor agreement through 2021. The agreement covers approximately 68 employees.

Oral arguments were presented on August 2nd at the U.S. Court of Appeals for the Sixth Circuit in the Sierra Club and Kentucky Waterways Alliance appeal of the ruling by the U.S. District Court for the Eastern District of Kentucky granting LKE's motion to dismiss the citizen suit filed by these parties related to water discharges at KU's EW Brown power plant. A decision is likely several months away, and any party dissatisfied with the decision may petition for discretionary review by the U.S. Supreme Court.

### Variance Explanations

Higher margins YTD primarily due to higher sales volumes from favorable weather, resulting in higher retail electric base energy revenue of $24 million partially offset by lower demand revenue of $4 million, lower gas margins of $5 million and other margin components of $3 million.

Higher O&M MTD primarily due to July 20th storm event ($7.5 million), partially offset by lower labor and burdens ($2 million).

Lower O&M YTD primarily due to the timing of plant maintenance costs ($6.5m), lower labor costs ($4m), lower materials ($2m), and lower vegetation management ($1m); partially offset by the July 20th storm event (-$7.5m).

Lower financing costs YTD primarily due to lower than anticipated interest rates.

(1) Full year forecast amount shown represents target.

(2) Net of cost recovery mechanisms and variable costs of production.

(3) Includes Management O&M, variable cost of production and mechanism operation and maintenance expenses

(4) The possible violation issues for YTD Actual is believed to be minimal risk.

Note: Schedules may not sum due to rounding.

### Significant Future Events

KPSC Orders are expected in the AMS, Tax Act and DSM/Energy Efficiency Program cases in Q3.

KU and LG&E expect to file a base rate case with the KPSC on September 28th (legal notice of intent to file a case August 27th; newspaper notices with requested rate changes begin September 21st).

## Income Statement: Actual vs. Budget (Month) - LKE Consolidated

**July 2018**

**($ Millions)**

| | MTD | | | |
|---|---|---|---|---|
| | Actual | Budget | Variance | Comments |
| **Revenues:** | | | | |
| Electric Revenues | $ 260 | $ 267 | $ (6) | Due primarily to lower fuel prices, lower DSM program spend, and lower ECR capital and expenses. |
| Gas Revenues | 12 | 12 | (0) | |
| **Total Revenues** | 272 | 278 | (7) | |
| **Cost of Sales:** | | | | |
| Fuel Electric Costs | 71 | 73 | 2 | |
| Gas Supply Expenses | 2 | 2 | (0) | |
| Purchased Power | 5 | 6 | 0 | |
| Other Cost of Production | 3 | 3 | 0 | |
| Mechanism - ECR, DSM & GLT - Operation and Maintenance | 5 | 8 | 3 | |
| Mechanism - ECR, DSM & GLT - Depreciation and Property Tax | 6 | 6 | 0 | |
| **Total Cost of Sales** | 92 | 98 | 6 | |
| **Gross Margin:** | | | | |
| Electric Margin | 170 | 171 | (1) | |
| Gas Margin | 9 | 9 | (0) | |
| **Total Gross Margin** | 179 | 180 | (1) | |
| O&M | 66 | 61 | (5) | Higher primarily due to July 20th storm event, partially offset by lower labor and burdens. |
| Depreciation & Amortization | 34 | 34 | 1 | |
| Taxes, Other than Income | 6 | 6 | 0 | |
| Other income (expense) | (1) | (1) | (0) | |
| EBIT | 73 | 79 | (6) | |
| Interest Expense | 20 | 20 | 1 | |
| **Income from Ongoing Operations before income taxes** | 54 | 59 | (5) | |
| Income Tax Expense | 11 | 15 | 4 | |
| **Net Income (loss) from ongoing operations** | **43** | **44** | **(1)** | |
| Special Item - (Non Operating Income) | 0 | 0 | 0 | |
| Discontinued Operations | 0 | 0 | 0 | |
| **Net Income (loss)** | $ 43 | $ 44 | $ (1) | |
| KY Regulated Financing Costs | (3) | $ (3) | 1 | |
| **KY Regulated Net Income** | $ 40 | $ 40 | $ (0) | |
| Earnings Per Share - Ongoing | $ 0.06 | $ 0.06 | $ 0.00 | |

Note: Schedules may not sum due to rounding.

**Case Nos. 2018-00294 and 2018-00295**
**Attachment to Filing Requirement**
**807 KAR 5:001 Sec. 16(7)(o)**
**Page 251 of 260**
**Arbough**

## Income Statement: Actual vs. Budget (YTD) - LKE Consolidated — July 2018

($ Millions)

| | YTD Actual | YTD Budget | YTD Variance | Comments |
|---|---|---|---|---|
| **Revenues:** | | | | |
| Electric Revenues | $ 1,693 | $ 1,656 | $ 36 | Due primarily to higher sales volumes from favorable weather, partially offset by lower demand, lower DSM program spend, and lower ECR capital and expenses. |
| Gas Revenues | 197 | 209 | (12) | Due primarily to lower sales volumes as a result of unfavorable weather in February and lower than budgeted YTD gas cost recovery. |
| **Total Revenues** | 1,890 | 1,866 | 24 | |
| **Cost of Sales:** | | | | |
| Fuel Electric Costs | 478 | 450 | (28) | Due primarily to higher fuel costs related to higher sales volumes from favorable weather. |
| Gas Supply Expenses | 82 | 88 | 6 | Due primarily to lower gas volumes as a result of unfavorable weather in February and lower than budgeted YTD gas prices. |
| Purchased Power | 36 | 37 | 1 | |
| Other Cost of Production | 21 | 22 | 0 | |
| Mechanism - ECR, DSM & GLT - Operation and Maintenance | 35 | 42 | 8 | Due primarily to elimination of some DSM programs in the 2018 filing with the KPSC and lower ECR expenses. |
| Mechanism - ECR, DSM & GLT - Depreciation and Property Tax | 42 | 43 | 1 | |
| **Total Cost of Sales** | 694 | 682 | (13) | |
| **Gross Margin:** | | | | |
| Electric Margin | 1,084 | 1,068 | 16 | See explanations above. |
| Gas Margin | 111 | 116 | (5) | See explanations above. |
| **Total Gross Margin** | 1,195 | 1,184 | 11 | |
| O&M | 434 | 441 | 7 | Lower primarily due to the timing of plant maintenance costs, lower labor costs, lower materials, and lower vegetation management; partially offset by the July 20th storm event. |
| Depreciation & Amortization | 235 | 237 | 2 | |
| Taxes, Other than Income | 39 | 39 | 1 | |
| Other income (expense) | (4) | (7) | 3 | |
| EBIT | 484 | 459 | 25 | |
| Interest Expense | 133 | 138 | 5 | Lower primarily due to lower than anticipated interest rates. |
| **Income from Ongoing Operations before income taxes** | 351 | 321 | 30 | |
| Income Tax Expense | 71 | 72 | 1 | |
| **Net Income (loss) from ongoing operations** | **280** | **249** | **31** | |
| Special Item - (Non Operating Income) | (9) | 0 | (9) | Due to Kentucky state tax reform resulting in a reduction of the Kentucky Corporate income tax, a $9 million deferred tax expense was recorded related to the revaluing of non-utility deferred taxes. |
| Discontinued Operations | 0 | 0 | 0 | |
| **Net Income (loss)** | $ 271 | $ 249 | $ 21 | |
| KY Regulated Financing Costs | (21) | (22) | 1 | |
| **KY Regulated Net Income** | 250 | $ 227 | $ 23 | |
| Earnings Per Share - Ongoing | $ 0.37 | $ 0.31 | $ 0.06 | |

Note: Schedules may not sum due to rounding.

## Income Statement: Actual vs. Budget (YTD) - LG&E

**July 2018**

**($ Millions)**

| | YTD | | | |
|---|---|---|---|---|
| | **Actual** | **Budget** | **Variance** | **Comments** |
| **Revenues:** | | | | |
| Electric Revenues | $ 682 | $ 664 | $ 18 | Due primarily to higher sales volumes from favorable weather, partially offset by lower DSM program spend, and lower ECR capital and expenses. |
| Gas Revenues | 197 | 209 | (12) | Due primarily to lower sales volumes as a result of unfavorable weather in February and lower than budgeted YTD gas cost recovery. |
| **Total Revenues** | 879 | 874 | 5 | |
| **Cost of Sales:** | | | | |
| Fuel Electric Costs | 189 | 177 | (12) | Due primarily to higher fuel costs related to higher sales volumes from favorable weather. |
| Gas Supply Expenses | 82 | 88 | 6 | Due primarily to lower gas volumes as a result of unfavorable weather in February and lower than budgeted YTD gas prices. |
| Purchased Power | 28 | 30 | 2 | |
| Other Cost of Production | 9 | 9 | 1 | |
| Mechanism - ECR, DSM & GLT - Operation and Maintenance | 13 | 17 | 4 | |
| Mechanism - ECR, DSM & GLT - Depreciation and Property Tax | 19 | 19 | 0 | |
| **Total Cost of Sales** | 340 | 341 | 2 | |
| **Gross Margin:** | | | | |
| Electric Margin | 428 | 416 | 12 | See explanations above. |
| Gas Margin | 111 | 116 | (5) | See explanations above. |
| **Total Gross Margin** | 539 | 532 | 7 | |
| O&M | 193 | 193 | 0 | |
| Depreciation & Amortization | 96 | 97 | 1 | |
| Taxes, Other than Income | 20 | 20 | 1 | |
| Other income (expense) | (4) | (4) | 0 | |
| EBIT | 227 | 218 | 9 | |
| Interest Expense | 44 | 46 | 2 | |
| **Income from Ongoing Operations before income taxes** | 183 | 172 | 11 | |
| Income Tax Expense | 40 | 40 | 0 | |
| **Net Income (loss) from ongoing operations** | **$ 143** | **$ 132** | **$ 11** | |

Note: Schedules may not sum due to rounding and exclude purchase accounting adjustments and corresponding goodwill.

## Income Statement: Actual vs. Budget (YTD) - KU — July 2018

**($ Millions)**

| | YTD | | | |
|---|---|---|---|---|
| | Actual | Budget | Variance | Comments |
| **Revenues:** | | | | |
| Electric Revenues | $ 1,037 | $ 1,021 | $ 16 | Due primarily to higher sales volumes from favorable weather, partially offset by lower demand, lower DSM program spend, and lower ECR capital and expenses. |
| Gas Revenues | 0 | 0 | 0 | |
| **Total Revenues** | 1,037 | 1,021 | 16 | |
| **Cost of Sales:** | | | | |
| Fuel Electric Costs | 296 | 274 | (22) | Due primarily to higher fuel costs related to higher sales volumes from favorable weather. |
| Gas Supply Expenses | 0 | 0 | 0 | |
| Purchased Power | 28 | 34 | 6 | Due primarily to lower than anticipated intercompany expense for native load fuel. |
| Other Cost of Production | 12 | 13 | 1 | |
| Mechanism - ECR, DSM & GLT - Operation and Maintenance | 22 | 25 | 3 | |
| Mechanism - ECR, DSM & GLT - Depreciation and Property Tax | 23 | 24 | 1 | |
| **Total Cost of Sales** | 381 | 370 | (12) | |
| **Gross Margin:** | | | | |
| Electric Margin | 656 | 651 | 5 | See explanations above. |
| Gas Margin | 0 | 0 | 0 | |
| **Total Gross Margin** | 656 | 651 | 5 | |
| O&M | 222 | 229 | 7 | Primarily due to lower labor and reduced plant maintenance. |
| Depreciation & Amortization | 139 | 140 | 1 | |
| Taxes, Other than Income | 19 | 19 | 0 | |
| Other income (expense) | (0) | (2) | 2 | |
| EBIT | 276 | 261 | 15 | |
| Interest Expense | 58 | 60 | 2 | |
| **Income from Ongoing Operations before income taxes** | 218 | 202 | 16 | |
| Income Tax Expense | 46 | 45 | (1) | |
| **Net Income (loss) from ongoing operations** | **$ 172** | **$ 156** | **$ 16** | |

Note: Schedules may not sum due to rounding and exclude purchase accounting adjustments and corresponding goodwill.

| O&M | | | | | | | | July 2018 |
|---|---|---|---|---|---|---|---|---|

($ Millions)

| | MTD | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Actual | Budget | Total Variance | Labor & Burdens | Supplemental Contractors | Other Outside Services | Materials | Other |
| Generation | 14 | 15 | 1 | 0 | 0 | 0 | 0 | 0 |
| Project Engineering | 0 | 0 | 0 | (0) | (0) | 0 | 0 | 0 |
| Transmission | 3 | 4 | 0 | (0) | 0 | (0) | (0) | 0 |
| Energy Supply and Analysis | 1 | 1 | 0 | 0 | 0 | 0 | 0 | (0) |
| Electric Distribution | 13 | 7 | (6) | (1) | (4) | (1) | (1) | (0) |
| Gas Distribution | 4 | 3 | (1) | 0 | (1) | 0 | 0 | (0) |
| Advanced Metering System | 0 | 0 | (0) | 0 | 0 | 0 | (0) | (0) |
| Safety and Technical Training | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 |
| Environmental | 0 | 1 | 0 | (0) | 0 | 0 | 0 | 0 |
| Customer Services | 9 | 8 | (1) | 0 | 0 | 0 | 0 | (1) |
| **Chief Operating Officer Total** | **46** | **40** | **(7)** | **(1)** | **(4)** | **(1)** | **(0)** | **(1)** |
| Audit Services | 0 | 0 | (0) | (0) | 0 | 0 | 0 | (0) |
| Controller | 1 | 1 | 0 | 0 | 0 | 0 | (0) | 0 |
| Supply Chain | 0 | 0 | 0 | 0 | (0) | (0) | (0) | 0 |
| Information Technology | 4 | 5 | 1 | 0 | (0) | 0 | 0 | 0 |
| Treasurer | 2 | 2 | 0 | 0 | 0 | 0 | 0 | 0 |
| State Regulation and Rates | 0 | 0 | 0 | 0 | 0 | 0 | (0) | 0 |
| Other | 0 | 0 | 0 | 0 | 0 | (0) | 0 | 0 |
| **Chief Financial Officer Total** | **8** | **9** | **1** | **0** | **(0)** | **0** | **0** | **0** |
| **General Counsel** | **1** | **1** | **0** | **0** | **0** | **(0)** | **0** | **0** |
| **Human Resources** | **0** | **1** | **0** | **0** | **0** | **(0)** | **(0)** | **0** |
| **Corporate** | **8** | **8** | **0** | **0** | **0** | **0** | **(0)** | **(0)** |
| **Communication** | **0** | **1** | **0** | **0** | **0** | **(0)** | **0** | **0** |
| **Utility Total** | **64** | **59** | **(5)** | **0** | **(4)** | **(1)** | **(0)** | **(1)** |
| **Nonutility** | **2** | **2** | **0** | **0** | **(0)** | **(0)** | **0** | **0** |
| **O&M Total MTD** | **66** | **61** | **(5)** | **0** | **(4)** | **(1)** | **(0)** | **(0)** |

| | YTD | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Actual | Budget | Total Variance | Labor & Burdens | Supplemental Contractors | Other Outside Services | Materials | Other |
| Generation | 116 | 125 | 8 | 0 | 1 | 10 | 2 | (5) |
| Project Engineering | 0 | 0 | 0 | (0) | (0) | (0) | 0 | 0 |
| Transmission | 23 | 24 | 1 | (0) | 3 | (1) | (0) | (0) |
| Energy Supply and Analysis | 8 | 8 | 0 | 0 | 0 | 0 | 0 | (0) |
| Electric Distribution | 50 | 43 | (8) | (2) | (1) | (4) | (0) | (1) |
| Gas Distribution | 25 | 23 | (2) | 0 | (3) | 1 | 0 | (0) |
| Advanced Metering System | 1 | 0 | (1) | 0 | 0 | (0) | (0) | (1) |
| Safety and Technical Training | 3 | 4 | 1 | 0 | 0 | 0 | (0) | 0 |
| Environmental | 4 | 4 | 1 | (0) | 0 | 0 | 0 | 1 |
| Customer Services | 56 | 56 | 1 | (0) | (0) | 1 | 0 | 0 |
| **Chief Operating Officer Total** | **285** | **287** | **1** | **(2)** | **(1)** | **7** | **2** | **(5)** |
| Audit Services | 1 | 1 | 0 | 0 | 0 | (0) | 0 | 0 |
| Controller | 5 | 5 | 0 | 0 | 0 | 0 | (0) | 0 |
| Supply Chain | 2 | 2 | 0 | 0 | (0) | (0) | (0) | 0 |
| Information Technology | 32 | 35 | 3 | 2 | (1) | 1 | 0 | 0 |
| Treasurer | 14 | 14 | 0 | (0) | 0 | 0 | 0 | 0 |
| State Regulation and Rates | 3 | 3 | (0) | 0 | 0 | 0 | (0) | 0 |
| Other | 1 | 1 | (0) | 0 | 0 | (1) | 0 | 1 |
| **Chief Financial Officer Total** | **58** | **61** | **3** | **2** | **(1)** | **(0)** | **(0)** | **2** |
| **General Counsel** | **10** | **10** | **(0)** | **0** | **0** | **(2)** | **0** | **2** |
| **Human Resources** | **4** | **4** | **0** | **0** | **(0)** | **(0)** | **0** | **0** |
| **Corporate** | **54** | **56** | **2** | **2** | **0** | **0** | **(0)** | **(0)** |
| **Communication** | **4** | **4** | **1** | **0** | **0** | **(0)** | **1** | **0** |
| **Utility Total** | **415** | **422** | **7** | **3** | **(1)** | **5** | **2** | **(2)** |
| **Nonutility** | **19** | **19** | **0** | **(0)** | **(0)** | **(1)** | **0** | **1** |
| **O&M Total YTD** | **434** | **441** | **7** | **3** | **(1)** | **4** | **2** | **(1)** |

Note: Schedules may not sum due to rounding.

# Financing Activities July 2018

($ Millions)

| Balance Sheet | YTD Actual | YTD Budget | YTD Variance |
|---|---|---|---|
| **PCB** | | | |
| Beg Bal | $ 890.0 | $ 890.0 | $ 0.0 |
| End Bal | 881.1 | 890.0 | 8.9 |
| **Ave Bal** | **$ 886.6** | **$ 890.0** | **$ 3.35** |
| **Interest Exp** | **$ 9.0** | **$ 10.5** | **$ 1.5** |
| **Rate** | **1.72%** | **2.01%** | **0.29%** |
| **FMB/Sr Nts/Loan with PPL** | | | |
| Beg Bal | $ 4,310.0 | $ 4,310.0 | $ 0.0 |
| End Bal | 4,660.0 | 4,570.1 | (89.9) |
| **Ave Bal** | **$ 4,491.3** | **$ 4,442.8** | **$ (48.45)** |
| **Interest Exp** | **$ 111.8** | **$ 110.8** | **$ (1.0)** |
| **Rate** | **4.23%** | **4.24%** | **0.01%** |
| **Short-term Debt** | | | |
| Beg Bal | $ 468.9 | $ 468.9 | $ 0.0 |
| End Bal | 381.6 | 555.7 | 174.1 |
| Ave Bal (1) | **$ 382.2** | **$ 500.9** | **$ 118.7** |
| Interest Exp | **$ 6.0** | **$ 10.3** | **$ 4.4** |
| Rate | **2.66%** | **3.51%** | **0.85%** |
| **Unamortized Debt Expense Bonds** | | | |
| Beg Bal | $ (41.6) | $ (41.6) | $ 0.0 |
| End Bal | (39.8) | (40.2) | (0.4) |
| Ave Bal | **$ (40.7)** | **$ (40.9)** | **$ (0.2)** |
| **Total End Bal** | **$ 5,882.8** | **$ 5,975.5** | **$ 92.7** |
| **Total Average Bal** | **$ 5,719.4** | **$ 5,792.7** | **$ 73.4** |
| **Total Expense Excl I/C (2)** | **$ 132.9** | **$ 138.2** | **$ 5.2** |
| **Rate** | **3.92%** | **4.02%** | **0.10%** |

(1) Short-term Debt YTD actual reflects average daily balances. All other average balances use an average monthly balance.
(2) Total expense line includes additional revolving credit items. Total will not match sum of PCB, FMB, and STD.

| Credit Facilities ($ Millions) | Committed Capacity | Borrowed(3) | Letters of Credit Issued | Unused Capacity | Money Pool Loans |
|---|---|---|---|---|---|
| LKE | $ 375 | $ 96 | | $ 279 | |
| LG&E | 700 | 357 | | 343 | $ 0 |
| KU | 598 | 129 | $ 198 | 271 | 0 |
| TOTAL | $ 1,673 | $ 582 | $ 198 | $ 893 | $ 0 |

(3) LG&E borrowed amount includes commercial paper issuances and $200M Term Loan. KU borrowed amount represent commercial paper issuances. LKE borrowed amount includes bank revolver and debt with PPL.

| Credit Metrics[1] Moody's | LKE 2018 Actual YTD | LKE 2018 Budget YTD | LG&E 2018 Actual YTD | LG&E 2018 Budget YTD | KU 2018 Actual YTD | KU 2018 Budget YTD |
|---|---|---|---|---|---|---|
| CFO pre-WC / Debt | 16% | 15% | 26% | 25% | 25% | 23% |
| CFO pre-WC + Interest / Interest | 5.2 | 5.1 | 7.9 | 7.6 | 7.1 | 6.8 |
| CFO pre-WC - Dividends / Debt | 11% | 10% | 18% | 18% | 14% | 14% |
| Debt to Capitalization | 52% | 53% | 38% | 38% | 37% | 37% |

| Credit Metrics Moody's | LKE 2018 BP 2019 | LKE 2018 BP 2020 | LG&E 2018 BP 2019 | LG&E 2018 BP 2020 | KU 2018 BP 2019 | KU 2018 BP 2020 |
|---|---|---|---|---|---|---|
| CFO pre-WC / Debt | 14% | 14% | 19% | 19% | 19% | 20% |
| CFO pre-WC + Interest / Interest | 4.4 | 4.4 | 5.8 | 5.6 | 5.7 | 5.7 |
| CFO pre-WC - Dividends / Debt | 10% | 10% | 11% | 10% | 10% | 11% |
| Debt to Capitalization | 53% | 52% | 38% | 38% | 38% | 38% |

[1] Actuals represent a trailing 12 months.

**Financial Strength Factor (40% Weighting) -- Standard Business Risk Grid:**

| Moody's Thresholds | Sub-Factor Weighting | A | Baa | Ba |
|---|---|---|---|---|
| CFO pre-WC / Debt | 15.0% | 22% - 30% | 13% - 22% | 5% - 13% |
| CFO pre-WC + Interest / Interest | 7.5% | 4.5x - 6x | 3x - 4.5x | 2x - 3x |
| CFO pre-WC - Dividends / Debt | 10.0% | 17% - 25% | 9% - 17% | 0% - 9% |
| Debt / Capitalization | 7.5% | 35% - 45% | 45% - 55% | 55% - 65% |

| As of December 31, 2017 | Senior Unsecured | Senior Secured | Commercial Paper |
|---|---|---|---|
| Issuer | Moody's | Moody's | Moody's |
| LKE | Baa1 | | |
| LG&E | | A1 | P-2 |
| KU | | A1 | P-2 |

**Definitions**

Issuers assessed **A** are judged to have upper-medium-grade intrinsic, or standalone, financial strength, and thus subject to low credit risk absent any possibility of extraordinary support from an affiliate or a government.

Obligations rated **Baa** are judged to be medium-grade and subject to moderate credit risk and as such may possess certain speculative characteristics.

Issuers (or supporting institutions) rated Prime-2 have a strong ability to repay short-term debt obligations.

Moody's appends numerical modifiers 1, 2, and 3 to each generic rating classification. The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates a ranking in the lower end of that generic rating category.

## Balance Sheet - LKE Consolidated

**July 2018**

**($ Millions)**

| | 7/31/2018 | YTD Budget | Variance | Comments |
|---|---|---|---|---|
| Assets: | | | | |
| Current Assets: | | | | |
| Cash and Cash Equivalents | $ 20 | $ 15 | $ 5 | |
| Accounts Receivable (Trade) | 416 | 466 | (51) | Due primarily to differences in actual vs. budget accounts receivable lag factors. The lag factors have been updated in the forecast. |
| Inventory | 234 | 224 | 10 | |
| Deferred Income Taxes | 0 | 0 | 0 | |
| Regulatory Assets Current | 10 | 2 | 8 | |
| Prepayments and other current assets | 77 | 80 | (3) | |
| **Total Current Assets** | 757 | 787 | (30) | |
| Property, Plant, and Equipment | 12,318 | 12,449 | (130) | |
| Intangible Assets | 81 | 81 | (0) | |
| Other Property and Investments | 1 | 1 | 0 | |
| Regulatory Assets Non Current | 792 | 788 | 5 | |
| Goodwill | 997 | 997 | 0 | |
| Other Long-term Assets | 73 | 76 | (3) | |
| **Total Assets** | **$ 15,020** | **$ 15,179** | **$ (158)** | |
| Liabilities and Equity: | | | | |
| Current Liabilities: | | | | |
| Accounts Payable (Trade) | $ 301 | $ 336 | $ (35) | Primarily due to lower capital expenditures and timing of actuals. |
| Dividends Payable to Affiliated Companies | 0 | 0 | 0 | |
| Customer Deposits | 59 | 58 | 1 | |
| Derivative Liability | 4 | 4 | (1) | |
| Accrued Taxes | 60 | 79 | (18) | Primarily due to the deferred taxes on TCJA credit in which actuals were recorded on the regulatory liability balance through June and 2018 Budget had spread the deferreds evenly over the year. Since TCJA regulatory liability builds up in first part of year and begins to amortize in latter part of year there is a difference in methodology for the 2018BP between budget and actuals. This has been addressed in the forecast. |
| Regulatory Liabilities Current | 76 | 77 | (2) | |
| Other Current Liabilities | 241 | 279 | (38) | Primarily due to decrease in credit cash adjustment for outstanding checks not yet funded versus the budget which assumed a static balance as of December 2017 when the budget was finalized and settlement of WKE indemnification. |
| **Total Current Liabilities** | 741 | 834 | (92) | |
| Debt - Affiliated Company | 746 | 785 | (40) | |
| Debt [(1)] | 5,137 | 5,190 | (53) | |
| **Total Debt** | 5,883 | 5,976 | (93) | |
| Deferred Tax Liabilities | 876 | 901 | (25) | |
| Investment Tax Credit | 127 | 127 | (0) | |
| Accum Provision for Pension & Related Benefits | 262 | 252 | 9 | |
| Asset Retirement Obligation | 244 | 242 | 1 | |
| Regulatory Liabilities Non Current | 2,055 | 2,013 | 42 | |
| Derivative Liability | 16 | 20 | (4) | |
| Other Liabilities | 141 | 150 | (8) | |
| **Total Deferred Credits and Other Liabilities** | 3,721 | 3,706 | 15 | |
| **Equity** | 4,675 | 4,664 | 11 | |
| **Total Liabilities and Equity** | **$ 15,020** | **$ 15,179** | **$ (158)** | |

[(1)] Includes all ST and LT debt. See Financing Activities page for details.
Note: Schedules may not sum due to rounding.

## Balance Sheet - LG&E — July 2018

**($ Millions)**

| | 7/31/2018 | YTD Budget | Variance | Comments |
|---|---|---|---|---|
| Assets: | | | | |
| Current Assets: | | | | |
| Cash and Cash Equivalents | $ 9 | $ 5 | $ 4 | |
| Accounts Receivable (Trade) | 178 | 209 | (31) | Due primarily to differences in actual vs. budget accounts receivable lag factors. The lag factors have been updated in the forecast. |
| Inventory | 103 | 102 | 1 | |
| Regulatory Assets Current | 10 | 5 | 5 | |
| Prepayments and other current assets | 51 | 51 | (0) | |
| **Total Current Assets** | 351 | 372 | (21) | |
| Property, Plant, and Equipment | 5,451 | 5,523 | (72) | |
| Intangible Assets | 6 | 6 | 0 | |
| Other Property and Investments | 1 | 1 | 0 | |
| Regulatory Assets Non Current | 404 | 403 | 1 | |
| Goodwill | 0 | 0 | 0 | |
| Other Long-term Assets | 22 | 14 | 8 | |
| **Total Assets** | **$ 6,235** | **$ 6,318** | **$ (84)** | |
| Liabilities and Equity: | | | | |
| Current Liabilities: | | | | |
| Accounts Payable (Trade) | $ 171 | $ 199 | $ (28) | Primarily due to lower capital expenditures and timing of actuals. |
| Dividends Payable to Affiliated Companies | 0 | 0 | 0 | |
| Customer Deposits | 29 | 27 | 1 | |
| Derivative Liability | 4 | 4 | (1) | |
| Accrued Taxes | 34 | 30 | 4 | |
| Regulatory Liabilities Current | 34 | 35 | (0) | |
| Other Current Liabilities | 69 | 89 | (20) | Primarily due to ARO reclassification from current to non-current in actuals, a decrease in credit cash adjustment for outstanding checks not yet funded and a decrease in customer advances versus the budget which assumed a static balance as of December 2017 when the budget was finalized. |
| **Total Current Liabilities** | 341 | 385 | (44) | |
| Debt - Affiliated Company | 0 | 0 | 0 | |
| Debt [(1)] | 1,965 | 1,989 | (24) | |
| **Total Debt** | 1,965 | 1,989 | (24) | |
| Deferred Tax Liabilities | 581 | 594 | (13) | |
| Investment Tax Credit | 35 | 35 | (0) | |
| Accum Provision for Pension & Related Benefits | 0 | (17) | 17 | Difference due to reclassification of prepaid pension balance to other long term assets. |
| Asset Retirement Obligation | 93 | 90 | 3 | |
| Regulatory Liabilities Non Current | 878 | 860 | 18 | |
| Derivative Liability | 16 | 20 | (4) | |
| Other Liabilities | 82 | 84 | (3) | |
| **Total Deferred Credits and Other Liabilities** | 1,685 | 1,666 | 19 | |
| **Equity** | 2,244 | 2,279 | (35) | |
| **Total Liabilities and Equity** | **$ 6,235** | **$ 6,318** | **$ (84)** | |

[(1)] Includes all ST and LT debt.

Note: Schedules may not sum due to rounding and excludes purchase accounting adjustments.



**Case Nos. 2018-00294 and 2018-00295**
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## Balance Sheet - KU　　July 2018

**($ Millions)**

| | 7/31/2018 | YTD Budget | Variance | Comments |
|---|---|---|---|---|
| Assets: | | | | |
| Current Assets: | | | | |
| Cash and Cash Equivalents | $ 11 | $ 5 | $ 6 | |
| Accounts Receivable (Trade) | 237 | 256 | (19) | |
| Inventory | 131 | 122 | 9 | |
| Regulatory Assets Current | 0 | (3) | 3 | |
| Prepayments and other current assets | 45 | 52 | (7) | |
| **Total Current Assets** | 424 | 433 | (9) | |
| Property, Plant, and Equipment | 6,857 | 6,918 | (60) | |
| Intangible Assets | 12 | 13 | (0) | |
| Other Property and Investments | 0 | 0 | 0 | |
| Regulatory Assets Non Current | 386 | 385 | 1 | |
| Goodwill | 0 | 0 | 0 | |
| Other Long-term Assets | 74 | 59 | 14 | Primarily due to the reclassification of prepaid pension balance from Accum Provision for Pension & Related Benefits. |
| **Total Assets** | **$ 7,754** | **$ 7,807** | **$ (54)** | |
| Liabilities and Equity: | | | | |
| Current Liabilities: | | | | |
| Accounts Payable (Trade) | $ 165 | $ 181 | $ (15) | |
| Dividends Payable to Affiliated Companies | 0 | 0 | 0 | |
| Customer Deposits | 31 | 31 | 0 | |
| Derivative Liability | 0 | 0 | 0 | |
| Accrued Taxes | 33 | 28 | 5 | |
| Regulatory Liabilities Current | 41 | 43 | (1) | |
| Other Current Liabilities | 123 | 128 | (5) | |
| **Total Current Liabilities** | 393 | 410 | (16) | |
| Debt - Affiliated Company | 0 | 0 | 0 | |
| Debt [(1)] | 2,448 | 2,477 | (29) | |
| **Total Debt** | 2,448 | 2,477 | (29) | |
| Deferred Tax Liabilities | 690 | 709 | (19) | |
| Investment Tax Credit | 93 | 93 | (0) | |
| Accum Provision for Pension & Related Benefits | 0 | (13) | 13 | Difference due to reclassification of prepaid pension balance to other long term assets. |
| Asset Retirement Obligation | 150 | 152 | (2) | |
| Regulatory Liabilities Non Current | 1,113 | 1,090 | 23 | |
| Derivative Liability | 0 | 0 | 0 | |
| Other Liabilities | 37 | 39 | (2) | |
| **Total Deferred Credits and Other Liabilities** | 2,082 | 2,069 | 13 | |
| **Equity** | 2,831 | 2,852 | (21) | |
| **Total Liabilities and Equity** | **$ 7,754** | **$ 7,807** | **$ (54)** | |

[(1)] Includes all ST and LT debt.
Note: Schedules may not sum due to rounding and excludes purchase accounting adjustments.

**Case Nos. 2018-00294 and 2018-00295**
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