

CUSTOMER NOTICE OF RATE ADJUSTMENT

PLEASE TAKE NOTICE that, in a November 25, 2020, 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 January 1, 2021.

LG&E CURRENT AND PROPOSED RESIDENTIAL ELECTRIC AND GAS RATES

Residential Service - Rate RS

| | <u>Current</u> | <u>Proposed</u> |
|--------------------------------|----------------|-----------------|
| Basic Service Charge per Day: | \$ 0.45 | \$ 0.52 |
| Plus an Energy Charge per kWh: | | |
| Infrastructure: | \$ 0.06072 | \$ 0.07237 |
| Variable: | \$ 0.03206 | \$ 0.03245 |
| Total: | \$ 0.09278 | \$ 0.10482 |

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

| | <u>Current</u> | <u>Proposed</u> |
|----------------------------------|----------------|-----------------|
| Basic Service Charge per Day: | \$ 0.45 | \$ 0.52 |
| Plus an Energy Charge per kWh: | | |
| Off-Peak Hours (Infrastructure): | \$ 0.03874 | \$ 0.04935 |
| Off-Peak Hours (Variable): | \$ 0.03206 | \$ 0.03245 |
| Off-Peak Hours (Total): | \$ 0.07080 | \$ 0.08180 |
| On-Peak Hours (Infrastructure): | \$ 0.17302 | \$ 0.14704 |
| On-Peak Hours (Variable): | \$ 0.03206 | \$ 0.03245 |
| On-Peak Hours (Total): | \$ 0.20508 | \$ 0.17949 |

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

| | <u>Current</u> | <u>Proposed</u> |
|---|----------------|-----------------|
| Basic Service Charge per Day: | \$ 0.45 | \$ 0.52 |
| Plus an Energy Charge per kWh (Infrastructure): | \$ 0.02095 | \$ 0.02095 |
| Plus an Energy Charge per kWh (Variable): | \$ 0.03206 | \$ 0.03245 |
| Plus an Energy Charge per kWh (Total): | \$ 0.05301 | \$ 0.05340 |
| Plus a Demand Charge per kW: | | |
| Base Hours | \$ 3.48 | \$ 4.22 |
| Peak Hours | \$ 7.62 | \$ 9.25 |

Residential Gas Service - Rate RGS

| | <u>Current</u> | <u>Proposed</u> |
|-------------------------------------|-------------------|----------------------------|
| Basic Service Charge per Day: | \$ 0.65 | \$ 0.78 per delivery point |
| Plus a Charge per 100 Cubic Feet: | | |
| Distribution Charge | \$ 0.36782 | \$ 0.48398 |
| Gas Supply Cost Component | <u>\$ 0.36675</u> | <u>\$ 0.36675</u> |
| Total Gas Charge per 100 Cubic Feet | \$ 0.73457 | \$ 0.85073 |

LG&E is also proposing changes to the rates for other customer classes. These customer classes and their associated annual revenue changes are listed in the tables shown below. LG&E is also proposing to change the text of some of its rate schedules and other tariff provisions and to add two optional rate schedules: General Time-of-Day Energy Service (“GTOD-Energy”) and General Time-of-Day Demand Service (“GTOD-Demand”).

LG&E's proposed rates reflect a proposed annual increase in electric revenues of approximately 11.6% and gas revenues of approximately 8.3%.

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 | 894 | 53,134,815 | 11.80 | 11.74 | 11.81 |
| Residential Time-of-Day | 894 | 21,176 | 11.81 | 10.78 | 11.80 |
| General Service | 2,199 | 19,105,822 | 11.81 | 35.10 | 11.81 |
| General Time-of-Day | New Rate Schedule | | | | |
| Power Service | 47,109 | 19,142,978 | 11.81 | 559.26 | 11.81 |
| Time-of-Day Secondary | 212,560 | 12,216,545 | 11.82 | 2,015.90 | 11.82 |
| Time-of-Day Primary | 1,261,971 | 16,361,581 | 11.81 | 10,361.08 | 11.81 |
| Retail Transmission | 6,736,478 | 7,690,372 | 11.80 | 49,297.26 | 11.80 |
| Fluctuating Load | No Customers currently are served under this Rate Schedule | | | | |
| Outdoor Lights | 91 | 2,876,570 | 11.90 | 2.65 | 11.93 |
| Lighting Energy | 1,785 | 3 | 0.00 | 0.00 | 0.00 |
| Traffic Energy | 268 | (14) | 0.00 | 0.00 | 0.00 |
| PSA | N/A | 0 | 0.00 | 0.00 | 0.00 |
| Rider – CSR | N/A | 0 | 0.00 | 0.00 | 0.00 |
| Outdoor Sports Lighting – Pilot Program | 962 | (1,638) | (10.01) | (136.45) | (10.01) |

The monthly residential electric bill increase due to the proposed electric base rates will be 11.81 percent, or approximately \$11.74, for a customer using 894 kWh of electricity (the average monthly consumption of a LG&E electric residential customer).

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 | 22,318,158 | 9.37 | 6.17 | 9.37 |
| Commercial | 33.7 | 4,911,902 | 4.86 | 15.90 | 4.86 |
| Industrial | 558.8 | (6) | 0.00 | (0.00) | 0.00 |
| As-Available | 4,157.2 | 109,486 | 26.09 | 3,041.28 | 26.09 |
| Firm Transportation | 12,326.5 | 2,630,877 | 39.75 | 2,723.48 | 39.75 |
| Distributed Generation | 0.4 | (1,894) | (9.50) | (79.00) | (9.52) |
| Substitute Gas Sales | 125.0 | 9,170 | 4.82 | 764.15 | 4.82 |
| Local Gas Delivery | No Customers are currently served under this Rate Schedule | | | | |

The monthly residential gas bill increase due to the proposed gas base rates will be 9.37 percent, or approximately \$6.17, for a customer using 54 ccf of gas (the average monthly consumption of an LG&E residential gas customer).

LG&E is also proposing an Economic Relief Surcredit Adjustment Clause, which will credit to LG&E customers a total of \$41.6 million over twelve months when new rates go into effect from this proceeding. Of that \$41.6 million, \$38.9 million will go to LG&E electric customers, and \$2.7 million will go to LG&E gas customers. For the first twelve months of new rates following this proceeding, a \$0.00343 per kWh credit will be applied to all standard electric rate schedules, and a \$0.00619 per ccf credit will be applied to all standard gas rate schedules.

LG&E is proposing to add an optional rider called Warranty Service for Customer-Owned Exterior Facilities. This rider permits firms that provide warranty service for the repair or replacement of customer-owned exterior electric facilities serving an LG&E customer's residence and connected to LG&E's distribution facilities and that meet certain standards to use LG&E's billing services to obtain payment for subscribed warranty service.

LG&E is proposing a new net metering rate schedule, Rider NMS-2, and renaming its existing Rider NMS to be Rider NMS-1. Rider NMS-1 will serve eligible electric generating facilities as defined in KRS 278.465(2) for which customers have submitted an application for net metering service before the effective date of rates established in this proceeding. Rider NMS-2 will apply to all other net metering customers. LG&E is also proposing new terms and conditions for Net Metering Service Interconnection Guidelines.

LG&E is requesting a Certificate of Public Convenience and Necessity and other associated relief to exchange all existing non-communicating electric meters in its service area with Advanced Metering Infrastructure (AMI) meters and to add AMI modules to nearly all of its existing gas meters.

LG&E proposes to eliminate certain Environmental Cost Recovery ("ECR") Projects from its ECR mechanism and monthly filings on a going-forward basis. Also, LG&E proposes to remove certain programs from its Gas Line Tracker ("GLT") rate base and recover those costs through the proposed changes in base rates. The ECR and GLT project and program eliminations and removals will result in rate base costs previously included for recovery in the ECR and GLT mechanisms being recovered through electric and gas base rates, respectively. The reductions in ECR and GLT mechanism revenues create corresponding increases in base rate revenues with no change in total revenues.

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 | \$3.00 | \$3.70 |
| Meter Test Charge | \$75.00 | \$79.00 |
| Meter Pulse Charge | \$24.00 | \$21.00 |
| Disconnect/Reconnect Service Charge w/o remote service switch | \$28.00 | \$32.00 |
| Disconnect/Reconnect Service Charge w/ remote service switch | New | \$0 |
| Unauthorized Connection Charge – without meter replacement | \$70.00 | \$49.00 |
| Unauthorized Connection Charge – for single-phase standard meter replacement | \$90.00 | \$70.00 |
| Unauthorized Connection Charge – for single- | \$110.00 | \$91.00 |

| | | |
|---|----------|----------|
| phase AMR meter replacement | | |
| Unauthorized Connection Charge – for single-phase AMI meter replacement | \$174.00 | \$153.00 |
| Unauthorized Connection Charge – for three-phase meter replacement | \$177.00 | \$159.00 |
| Advanced Meter Opt-Out Charge (One-Time) | New | \$35.00 |
| Advanced Meter Opt-Out Charge (Monthly) | New | \$12.00 |
| Redundant Capacity - Secondary | \$1.84 | \$1.93 |
| Redundant Capacity - Primary | \$1.41 | \$1.31 |
| EVSE – Networked Single Charger | \$133.36 | \$133.36 |
| EVSE – Networked Dual Charger | \$195.48 | \$195.48 |
| EVSE – Non-Networked Single Charger | New | \$82.51 |
| EVSE-R – Networked Single Charger | \$122.80 | \$122.80 |
| EVSE-R – Networked Dual Charger | \$174.37 | \$174.37 |
| EVSE-R Non-Networked Single Charger | New | \$30.99 |
| EVC-L2 – Charge per Hour for First Two Hours | \$0.75 | \$0.75 |
| EVC-L2 – Charge per Hour for Every Hour After First Two Hours | \$1.00 | \$1.00 |
| EVC-FAST – Charge per kWh | N/A | \$0.25 |
| Solar Share Program Rider (One-Time) | \$799.00 | \$799.00 |
| Solar Share Program Rider (Monthly) | \$5.55 | \$5.55 |
| Excess Facilities – w/ no CIAC | 1.22% | 1.23% |
| Excess Facilities – w/ CIAC | 0.52% | 0.52% |
| TS – Temporary-to-Permanent | 15% | 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 | \$3.00 | \$3.70 |
| Meter Test Charge | \$90.00 | \$101.00 |
| Disconnect/Reconnect Service Charge | \$28.00 | \$32.00 |
| Inspection/Additional Trip Charge | \$150.00 | \$155.00 |
| Unauthorized Connection Charge – no meter replacement | \$70.00 | \$49.00 |
| Unauthorized Connection Charge – meter replacement | \$132.00 | \$114.00 |
| Advanced Meter Opt-Out Charge (One-Time) | N/A | \$33.00 |
| Advanced Meter Opt-Out Charge (Monthly) | N/A | \$5.00 |
| Daily Storage Charge for Daily Imbalances (TS-1 and LGDS) | \$0.3797 | \$0.3797 |
| Gas Meter Pulse Relaying Non-FT Non-TS2 | \$24.34 | \$28.00 |
| Gas Meter Pulse Relaying FT/TS2 | \$7.17 | \$8.00 |
| Excess Facilities – w/ no CIAC | 1.15% | 1.15% |
| Excess Facilities – w/ CIAC | 0.45% | 0.45% |

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 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 application 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 email to psc.info@ky.gov. All comments should reference Case No. 2020-00350.

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.

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