Louisville Gas and Electric Company

P.S.C. Electric No. 14, Original Sheet No. XX

Adjustment Clause **MC6**

Mill Creek 6 Cost Recovery

APPLICABLE

In all territory served.

AVAILABILITY

This schedule is mandatory to Standard 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 Adjustment Clauses (Fuel Adjustment Clause (including Off-System Sales Adjustment Clause), Environmental Cost Recovery Surcharge, Demand-Side Management Cost Recovery Mechanism, and Retired Asset Recovery). Rate schedules subject to Adjustment Clause MC6 are divided into Group 1 or Group 2 as follows:

Group 1: Rates RS; RTOD-Energy; RTOD-Demand; VFD; AES; LS; RLS; LE; and TE.
Group 2: Rates GS; GTOD-Energy; GTOD-Demand; PS; TODS; TODP; RTS; EHLF; FLS; EVSE; EVC-L2; EVC-FAST; and OSL.

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 MC6 Billing Factor = Group E(m) / Group R(m)

As set forth below, Group E(m) is E(m) 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 ending with the current expense month and for Group 2 is the twelve (12) month average non-fuel revenue ending with the current expense month.

DEFINITIONS

1. E(m) = [(RB/12) (ROR + (ROR – DR) (TR / (1 – TR))] + OE – OR
    a. RB is the Mill Creek 6 Rate Base.
    b. ROR is the Company's overall rate of return (cost of short-term debt, long-term debt, preferred stock, and common equity) as approved by the Kentucky Public Service Commission in the Company's most recent base rate case.
    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 all Operating Expenses of Mill Creek 6.
    f. OR is all Offsetting Revenues as defined below.

DATE OF ISSUE: XXXX XX, 2025

DATE EFFECTIVE: With Service Rendered
On and After XXXX XX, 2025

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

Issued by Authority of an Order of the Public Service Commission in Case No. 2025-00045 dated XXXX

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DEFINITIONS (continued)

2. E(m) is adjusted for any (Over)/Under collection or prior period adjustment to arrive at Adjusted Net E(m). Adjusted Net 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).

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, Off-System Sales Adjustment Clause, Environmental Cost Recovery Surcharge, Retired Asset Recovery, 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 (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 Environmental Cost Recovery Surcharge, Retired Asset Recovery, and 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 Adjustment Clause MC6 is billed.

6. Offsetting Revenues.

    a. Beginning with the in-service date of Mill Creek 6 and ending on the date on which new electric base rates first go into effect resulting from Company’s first base rate case after Mill Creek 6 goes in service, Offsetting Revenues are actual Maximum Load Charge revenues (i.e., all demand charge revenues, including all base, intermediate, and peak demand charge revenues for rate schedules that include such demand charge components) incremental to those then embedded in base rates from (1) customers taking service under Rate EHLF and (2) all Eligible Data Center customers.

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DEFINITIONS (continued)

b. An "Eligible Data Center" is any centralized facility used primarily or exclusively for electronic information services such as the management, storage, processing, and dissemination of electronic data and information (including mining of cryptocurrency) through the use of computer systems, servers, networking equipment, and related components with (a) an expected or actual peak of real-time energy demand between 50 MVA and 100 MVA and (b) an expected or actual monthly load factor of seventy-five percent (75%) or greater.

c. For clarity, any revenues Company receives prior to the in-service date of Mill Creek 6 are not Offsetting Revenues, and any revenues Company receives on and after the date on which new electric base rates first go into effect resulting from Company's first base rate case after Mill Creek 6 goes in service are not Offsetting Revenues. Therefore, Offsetting Revenues will be zero beginning with the expense month following the month in which new electric base rates first go into effect resulting from Company's first base rate case after Mill Creek 6 goes in service.