

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC EXAMINATION OF THE APPLICATION)	
OF THE FUEL ADJUSTMENT CLAUSE OF LOUISVILLE)	CASE NO.
GAS AND ELECTRIC COMPANY FROM)	2017-00004
NOVEMBER 1, 2014 THROUGH OCTOBER 31, 2016)	

ORDER

Pursuant to 807 KAR 5:056, the Commission, on February 6, 2017, established this case to review and evaluate the operation of the fuel adjustment clause ("FAC") of Louisville Gas and Electric Company ("LG&E") for the period from November 1, 2014, through October 31, 2016, and to determine the amount of fuel costs that should be included in its base rates.

In establishing that review, the Commission ordered LG&E to submit certain information concerning its fuel procurement, fuel usage, and the operation of its FAC. LG&E submitted this information on February 20, 2017, and filed responses to Commission Staff's second data request on March 20, 2017. A public hearing was held on April 18, 2017. On May 1, 2017, LG&E filed its responses to the Commission's post-hearing data request. There are no intervenors in this proceeding.

Base Fuel Cost

LG&E is proposing to decrease the amount of fuel costs included in base rates and proposes that the month of April 2016 be used by the Commission as the base period

for the purpose of arriving at the base fuel cost and the kilowatt-hour (“kWh”) sales components of its FAC.¹ It further proposes that its base fuel cost be changed to \$.02428 per kWh, the fuel cost for the proposed base period of April 2016. Given that LG&E’s current base fuel cost is \$.02725 per kWh, the proposal would result in a decrease of \$.00297 per kWh. LG&E states that April 2016 was selected as the proposed base period because the fuel cost for that month is the closest actual cost incurred during the review period to LG&E’s projected fuel costs for the upcoming two-year period.

In establishing the appropriate level of base fuel cost to be included in LG&E’s rates, the Commission must determine whether the proposed base period cost per kWh is representative of the level of fuel cost currently being experienced by LG&E. An analysis of LG&E’s monthly fuel clause filings showed that the fuel cost billed for the two-year review period ranged from a low of \$.02428 per kWh to a high of \$.02969 per kWh, with an average cost billed for the period of \$.02666 per kWh. Based upon its review, the Commission finds that the proposed base period fuel cost of \$.02428 per kWh should be approved.

The Commission, having considered the evidence of record and being otherwise sufficiently advised, finds that:

1. During the period under review, LG&E has complied with the provisions of 807 KAR 5:056.
2. The month of April 2016 should be used as LG&E’s base period.

¹ LG&E last made a change to the fuel cost included in base rates in Case No. 2012-00553, *An Examination of the Application of the Fuel Adjustment Clause of Louisville Gas and Electric Company from November 1, 2010 through October 31, 2012* (Ky. PSC May 29, 2013).

3. LG&E's proposed base period fuel cost of \$.02428 per kWh should be approved.

4. The establishment of a base fuel cost of \$.02428 per kWh requires a reduction of \$.00297 per kWh to LG&E's base energy rates.

5. The rates in the Appendix to this Order are designed to reflect the reduction of \$.00297 per kWh to base energy rates, which is the differential between the old base fuel cost of \$.02725 per kWh and the new base fuel cost of \$.02428 per kWh.

6. The rates in the Appendix to this Order are fair, just, and reasonable and should be approved effective with service rendered on and after September 1, 2017.

7. Beginning with the expense month for September 2017, LG&E should use a FAC rate based upon a base fuel cost of \$.02428 per kWh.

IT IS THEREFORE ORDERED that:

1. The charges and credits applied by LG&E through the FAC for the period from November 1, 2014, through October 31, 2016, are approved.

2. LG&E's proposed base fuel cost of \$.02428 per kWh is approved.

3. LG&E shall reduce its base energy rates by \$.00297 per kWh to reflect the re-establishment of base fuel costs.

4. The rates in the Appendix to this Order are approved effective with service rendered on and after September 1, 2017.

5. Beginning with the expense month for September 2017, LG&E shall use a FAC rate based upon a base fuel cost of \$.02428 per kWh.

6. Within 20 days of the date of this Order, LG&E shall file, using the Commission's electronic Tariff Filing System, its revised tariff sheets with the Commission

setting out the rates approved herein and reflecting that they were approved pursuant to this Order.

By the Commission

ENTERED
JUL 31 2017
KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:



Acting Executive Director
for John Hyatt

Case No. 2017-00004

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2017-00004

The following rates and charges are prescribed for the customers in the area served by Louisville Gas and Electric Company. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

SCHEDULE RS
RESIDENTIAL SERVICE

Energy Charge per kWh \$.08865

SCHEDULE RTOD-ENERGY
RESIDENTIAL TIME-OF-DAY ENERGY SERVICE

Energy Charge per kWh

Off Peak Hours \$.06365

On Peak Hours \$.22966

SCHEDULE RTOD-DEMAND
RESIDENTIAL TIME-OF-DAY DEMAND SERVICE

Energy charge per kWh \$.04666

SCHEDULE VFD
VOLUNTEER FIRE DEPARTMENT

Energy Charge per kWh \$.08865

SCHEDULE GS
GENERAL SERVICE RATE

Energy Charge per kWh \$.09647

SCHEDULE PS
POWER SERVICE

Secondary Service:
Energy Charge per kWh \$.03756

Primary Service:
Energy Charge per kWh \$.03609

SCHEDULE TODS
TIME-OF-DAY SECONDARY SERVICE

Energy Charge per kWh \$.03734

SCHEDULE TODP
TIME-OF-DAY PRIMARY SERVICE

Energy Charge per kWh \$.03505

SCHEDULE RTS
RETAIL TRANSMISSION SERVICE

Energy Charge per kWh \$.03378

SCHEDULE FLS
FLUCTUATING LOAD SERVICE

Primary:
Energy Charge per kWh \$.03505

Transmission:
Energy Charge per kWh \$.03378

SCHEDULE LS
LIGHTING SERVICE

Rate per Light per Month: (Lumens Approximate)

Overhead:

	<u>Fixture</u>
	<u>Only</u>
<u>High Pressure Sodium:</u>	
16,000 Lumens - Cobra Head	\$13.60

28,500 Lumens - Cobra Head	\$15.88
50,000 Lumens - Cobra Head	\$18.14

16,000 Lumens - Directional	\$14.55
50,000 Lumens - Directional	\$18.97
9,500 Lumens - Open Bottom	\$11.81

Metal Halide

32,000 Lumens - Directional	\$19.54
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Light Emitting Diode (LED):

8,179 Lumens - Cobra Head	\$14.28
14,166 Lumens - Cobra Head	\$17.30
23,214 Lumens - Cobra Head	\$26.52
5,007 Lumens - Open Bottom	\$ 9.43

Underground:

	<u>Fixture Only</u>	<u>Decorative Smooth</u>	<u>Historic Fluted</u>
<u>High Pressure Sodium:</u>			
5,800 Lumens - Colonial, 4-Sided		\$21.25	
9,500 Lumens - Colonial, 4-Sided		\$21.97	
16,000 Lumens - Colonial, 4-Sided		\$22.04	
5,800 Lumens - Acorn		\$21.65	
9,500 Lumens - Acorn		\$24.09	
16,000 Lumens - Acorn		\$24.03	
5,800 Lumens - London			\$37.04
9,500 Lumens - London			\$37.03
5,800 Lumens - Victorian			\$34.73
9,500 Lumens - Victorian			\$36.83
4,000 Lumens - Dark Sky		\$25.27	
9,500 Lumens - Dark Sky		\$25.86	
Victorian/London Bases - Westchester/Norfolk			\$ 3.71
16,000 Lumens - Cobra Head		\$28.32	
28,500 Lumens - Cobra Head		\$30.54	
50,000 Lumens - Cobra Head		\$36.33	
16,000 Lumens - Contemporary	\$17.24	\$32.02	

28,500 Lumens - Contemporary	\$19.08	\$34.51
50,000 Lumens - Contemporary	\$23.08	\$40.13

Metal Halide

32,000 Lumens - Contemporary	\$21.32	\$32.44
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Light Emitting Diode (LED):

8,179 Lumens - Cobra Head		\$52.58
14,166 Lumens - Cobra Head		\$55.60
23,214 Lumens - Cobra Head		\$64.82
5,665 Lumens - Colonial		\$45.39

SCHEDULE RLS
RESTRICTED LIGHTING SERVICE

Overhead:

	<u>Fixture Only</u>	<u>Fixture and Wood Pole</u>	<u>Fixture and Ornamental Pole</u>
<u>Mercury Vapor:</u>			
8,000 Lumens - Cobra/O.B.	\$10.29		
13,000 Lumens - Cobra Head	\$11.68		
25,000 Lumens - Cobra Head	\$14.31		
60,000 Lumens - Cobra Head	\$29.01		
25,000 Lumens - Directional	\$16.38		
60,000 Lumens - Directional	\$30.24		
4,000 Lumens - Open Bottom	\$ 8.88		
<u>Metal Halide</u>			
12,000 Lumens - Directional	\$13.66	\$16.33	
32,000 Lumens - Directional		\$21.83	\$29.29
107,800 Lumens - Directional	\$40.97	\$44.16	
<u>Wood Pole:</u>			
Installed Before 3/1/2010	\$11.32		
Installed Before 7/1/2004	\$ 2.15		

Underground:

Fixture
Only Decorative
Smooth

High Pressure Sodium:

16,000 Lumens - Cobra/Contemporary		\$26.80
28,500 Lumens - Cobra/Contemporary		\$29.38
50,000 Lumens - Cobra/Contemporary		\$33.58
5,800 Lumens - Coach/Acorn		\$15.77
9,500 Lumens - Coach/Acorn		\$18.93
16,000 Lumens - Coach/Acorn		\$23.50
120,000 Lumens - Contemporary	\$44.12	\$75.25
9,500 Lumens - Acorn, Bronze		\$25.24
16,000 Lumens - Acorn, Bronze		\$26.76
5,800 Lumens - Victorian	\$21.21	
9,500 Lumens - Victorian	\$22.22	
5,800 Lumens - London	\$21.37	
9,500 Lumens - London	\$22.72	
5,800 Lumens - London		\$35.02
9,500 Lumens - London		\$35.92
5,800 Lumens - Victorian		\$34.04
9,500 Lumens - Victorian		\$36.16

Victorian/London Bases:

Old Town		\$ 3.62
Chesapeake		\$ 3.83

Poles:

10' Smooth Pole		\$10.82
10' Fluted Pole		\$12.91

Mercury Vapor:

8,000 Lumens - Cobra Head		\$18.32
13,000 Lumens - Cobra Head		\$20.12
25,000 Lumens - Cobra Head		\$23.98
4,000 Lumens - Coach		\$13.30
8,000 Lumens - Coach		\$15.07

Metal Halide:

12,000 Lumens - Contemporary	\$15.30	\$25.78
107,800 Lumens - Contemporary	\$43.94	\$55.04

Incandescent:

1,500 Lumens - Continental Jr.		\$ 9.47
6,000 Lumens - Continental Jr.		\$ 13.49

SCHEDULE LE
LIGHTING ENERGY SERVICE

Energy Charge per kWh		\$.06637
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SCHEDULE TE
TRAFFIC ENERGY SERVICE

Energy Charge per kWh		\$.07985
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SPECIAL CONTRACT

Louisville Water Company

Energy Charge per kWh		\$.03560
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SPS
SCHOOL POWER SERVICE

Secondary Service:

Energy Charge per kWh		\$.03774
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STOD
SCHOOL TIME-OF-DAY SERVICE

Energy Charge per kWh		\$.03752
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OSL
OUTDOOR SPORTS LIGHTING SERVICE

Secondary Service:

Energy Charge per kWh		\$.03773
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Primary Service:

Energy Charge per kWh

\$.03627

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