

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN ELECTRONIC EXAMINATION OF THE)	
APPLICATION OF THE FUEL ADJUSTMENT)	CASE NO.
CLAUSE OF KENTUCKY UTILITIES COMPANY)	2021-00055
FROM NOVEMBER 1, 2018 THROUGH OCTOBER)	
31, 2020)	

ORDER

Pursuant to 807 KAR 5:056, the Commission, on March 4, 2021, established this case to review and evaluate the operation of the Fuel Adjustment Clause (FAC) of Kentucky Utilities Company (KU) for the period from November 1, 2018, through October 31, 2020, and to determine the amount of fuel costs that should be included in its base rates.

In establishing this review, the Commission ordered KU to submit certain information concerning its fuel procurement, fuel usage, and the operation of its FAC. KU submitted this information on March 22, 2021, and filed responses to Commission Staff's Second Request for Information on April 16, 2021. A public hearing was held on May 18, 2021. There are no intervenors in this proceeding.

Having considered the evidence of record and being otherwise sufficiently advised, the Commission finds that during the period under review, KU has complied with the provisions of 807 KAR 5:056. The Commission further finds no evidence of improper calculation or application of KU's FAC charges or improper fuel procurement practices for the last six months of the period under review, from May 1, 2020, to October 31, 2020.

Base Fuel Cost

KU is proposing to decrease the amount of fuel costs included in base rates and proposes that the month of February 2019 and a base fuel cost of \$0.02395¹ be used as the base period for the purpose of arriving at the base fuel cost and the kilowatt-hour (kWh) sales components of its FAC.² Given that KU's current base fuel cost is \$0.02452³ per kWh, the proposal would result in a decrease of \$0.00057⁴ per kWh. KU states that it selected February 2019 as the proposed base period because, during the review period, the fuel cost for February 2019 is the actual per unit fuel cost from the two-year expense period under review that is closest to the weighted average projected per unit fuel cost for the next two-year period.⁵ KU forecasted an average fuel cost of \$0.2395 per kWh in 2021, and \$0.0282 per kWh in 2022.⁶

When establishing the appropriate level of base fuel costs to be included in KU'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 KU. An analysis of KU's monthly fuel clause filings illustrated that the fuel cost billed for the two-year review period ranged from a low of \$0.01933⁷ per kWh in October 2019

¹ KU's Response to Commission Staff's First Request for Information (Staff's First Request) (filed Mar. 22, 2021), Item 22.

² KU last made a change to the fuel cost included in base rates in Case No. 2019-00004, *Electronic Examination of the Application of the Fuel Adjustment Clause of Kentucky Utilities Company from November 1, 2016 Through October 31, 2018* (Ky. PSC Dec. 26, 2019).

³ KU's Response to Staff's First Request, Item 22 Attachment.

⁴ *Id.*, Item 25.

⁵ *Id.*, Item 22.

⁶ *Id.*, Item 22 Attachment.

⁷ *Id.*

to a high of \$0.02589⁸ per kWh in December 2018, with an average cost billed for the period of \$0.02279⁹ per kWh. Based upon its review, the Commission finds that the proposed base period fuel cost of \$0.02395 per kWh should be approved.

IT IS THEREFORE ORDERED that:

1. The charges and credits applied by KU through the FAC for the period from November 1, 2018, through October 31, 2020, are approved.
2. KU's proposed base fuel cost of \$0.02395 per kWh is approved.
3. KU shall reduce its base energy rates by \$0.00057 per kWh to reflect the reestablishment of base fuel costs.
4. The rates in the Appendix to this Order are approved effective with service rendered on and after August 1, 2021. The rates in the Appendix to this Order are designed to reflect the reduction of \$0.00057 per kWh to base energy rates, which is the differential between the old base fuel cost of \$0.02452 per kWh and the new base fuel cost of \$0.02395 per kWh.
5. Beginning with the expense month for August 2021, KU shall use an FAC rate based upon a base fuel cost of \$0.02395 per kWh.
6. Within 20 days of the date of this Order, KU 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.
7. This case is closed and removed from the Commission's docket.

⁸ *Id.*

⁹ *Id.*

By the Commission



ATTEST:


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2021-00055 DATED AUG 02 2021

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

SCHEDULE RS
RESIDENTIAL SERVICE

Energy Charge per kWh	
Infrastructure	\$ 0.06527
Variable	\$ 0.03143
Total	\$ 0.09670

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

Energy Charge per kWh	
Off-Peak Hours - Infrastructure	\$ 0.03227
Off-Peak Hours - Variable	\$ 0.03143
Total	\$ 0.06370
On-Peak Hours (Infrastructure)	\$ 0.18441
On-Peak Hours (Variable)	\$ 0.03143
Total	\$ 0.21584

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

Energy Charge per kWh	
Infrastructure	\$ 0.01276
Variable	\$ 0.03143
Total	\$ 0.04419

SCHEDULE VFD
VOLUNTEER FIRE DEPARTMENT

Energy Charge per kWh	
Infrastructure	\$ 0.06527
Variable	<u>\$ 0.03143</u>
Total	\$ 0.09670

SCHEDULE GS
GENERAL SERVICE RATE

Energy charge per kWh	
Infrastructure	\$ 0.08632
Variable	<u>\$ 0.03196</u>
Total	\$ 0.11828

SCHEDULE GTOD-ENERGY
GENERAL TIME-OF-DAY ENERGY SERVICE

Energy Charge per kWh	
Off-Peak Hours - Infrastructure	\$ 0.04789
Off-Peak Hours - Variable	<u>\$ 0.03196</u>
Total	\$ 0.07985
On-Peak Hours (Infrastructure)	\$ 0.26491
On-Peak Hours (Variable)	<u>\$ 0.03196</u>
Total	\$ 0.29687

SCHEDULE GTOD-DEMAND
GENERAL TIME-OF-DAY DEMAND SERVICE

Energy Charge per kWh	
Infrastructure	\$ 0.03624
Variable	<u>\$ 0.03196</u>
Total	\$ 0.06820

SCHEDULE AES
ALL ELECTRIC SCHOOL

Energy charge per kWh	
Infrastructure	\$ 0.06441
Variable	<u>\$ 0.03166</u>
Total	\$ 0.09607

SCHEDULE PS
POWER SERVICE

Secondary Service:
Energy Charge per kWh \$ 0.03191

Primary Service:
Energy Charge per kWh \$ 0.03157

SCHEDULE TODS
TIME-OF-DAY SECONDARY SERVICE

Energy Charge per kWh \$ 0.02852

SCHEDULE TODP
TIME-OF-DAY PRIMARY SERVICE

Energy Charge per kWh \$ 0.02516

SCHEDULE RTS
RETAIL TRANSMISSION SERVICE

Energy Charge per kWh \$ 0.02456

SCHEDULE FLS
FLUCTUATING LOAD SERVICE

Primary:
Energy Charge per kWh \$ 0.03071

Transmission:
Energy Charge per kWh \$ 0.02994

SCHEDULE LS
LIGHTING SERVICE

Rate per Light per Month: (Lumens Approximate)

Overhead:

	<u>Fixture</u> <u>Only</u>
Light Emitting Diode	
6,000–8,200 Lumens – Cobra Head	\$ 9.35
13,000–16,500 Lumens – Cobra Head	\$ 11.29
22,000–29,000 Lumens – Cobra Head	\$ 14.53
4,500–6,000 Lumens – Open Bottom	\$ 7.67

2,500–4,000 Lumens – Cobra Head	\$ 8.03
4,000–6,000 Lumens – Cobra Head	\$ 8.56
4,500–6,000 Lumens – Directional (Flood)	\$ 10.51
14,000–17,500 Lumens – Directional (Flood)	\$ 12.39
22,000–28,000 Lumens – Directional (Flood)	\$ 14.72
35,000–50,000 Lumens – Directional (Flood)	\$ 21.36

Underground:

	<u>Fixture Only</u>
<u>Light Emitting Diode</u>	
2,500–4,000 Lumens – Cobra Head	\$ 3.93
4,000–6,000 Lumens – Cobra Head	\$ 4.43
6,000–8,200 Lumens – Cobra Head	\$ 5.25
13,000–16,500 Lumens – Cobra Head	\$ 7.18
22,000–29,000 Lumens – Cobra Head	\$ 10.42
4,000–7,000 Lumens Colonial, 4-Sided	\$ 6.95
4,000–7,000 Lumens – Acorn	\$ 8.45
4,000–7,000 Lumens – Contemporary	\$ 6.64
8,000–11,000 Lumens – Contemporary	\$ 7.97
13,500–16,500 Lumens – Contemporary	\$ 9.83
21,000–28,000 Lumens – Contemporary	\$ 14.28
45,000–50,000 Lumens – Contemporary	\$ 19.89
4,500–6,000 Lumens – Directional (Flood)	\$ 7.96
14,000–17,500 Lumens – Directional (Flood)	\$ 9.84
22,000–28,000 Lumens – Directional (Flood)	\$ 12.17
35,000–50,000 Lumens – Directional (Flood)	\$ 18.81
4,000–7,000 Victorian	\$ 21.12

SCHEDULE RLS
RESTRICTED LIGHTING SERVICE

Overhead:

	<u>Fixture Only</u>	<u>Fixture and Pole</u>
<u>High Pressure Sodium:</u>		
4,000 Lumens - Cobra Head	\$ 9.58	\$ 13.09
5,800 Lumens - Cobra Head	\$ 10.70	\$ 14.58
9,500 Lumens - Cobra Head	\$ 11.04	\$ 15.15
22,000 Lumens - Cobra Head	\$ 17.11	\$ 21.51
50,000 Lumens - Cobra Head	\$ 26.95	\$ 29.89
50,000 Lumens - Cobra Head	\$ 14.75	
5,800 Lumens - Open Bottom	\$ 9.30	
9,500 Lumens - Open Bottom	\$ 9.49	
9,500 Lumens – Directional (Flood)	\$ 10.88	

22,000 Lumens – Directional (Flood)	\$ 16.43
50,000 Lumens – Directional (Flood)	\$ 23.08

Metal Halide:

12,000 Lumens – Directional (Flood)	\$ 17.38	\$ 22.41
32,000 Lumens – Directional (Flood)	\$ 24.22	\$ 29.25
107,800 Lumens – Directional (Flood)	\$ 49.93	\$ 54.96

Mercury Vapor:

7,000 Lumens - Cobra Head	\$ 11.78	\$ 14.08
10,000 Lumens - Cobra Head	\$ 13.87	\$ 15.82
20,000 Lumens - Cobra Head	\$ 15.06	\$ 17.67
7,000 Lumens - Open Bottom	\$ 12.52	

Incandescent:

1,000 Lumens - Tear Drop	\$ 4.01
2,500 Lumens - Tear Drop	\$ 5.18
4,000 Lumens - Tear Drop	\$ 7.90
6,000 Lumens - Tear Drop	\$ 10.28

Underground:

	<u>Fixture Only</u>	<u>Decorative Smooth</u>	<u>Historic Fluted</u>	<u>Contemporary</u>
Metal Halide:				
12,000 Lumens – Directional (Flood)		\$ 33.35		
32,000 Lumens – Directional (Flood)		\$ 39.23		
107,800 Lumens – Directional (Flood)		\$ 64.69		
12,000 Lumens – Contemporary	\$ 18.78	\$ 33.55		
32,000 Lumens – Contemporary	\$ 26.20			\$ 41.20
107,800 Lumens – Contemporary	\$ 53.77	\$ 68.53		

High Pressure Sodium:

4,000 Lumens – Acorn		\$ 17.32	\$ 24.69	
5,800 Lumens - Acorn		\$ 18.44	\$ 26.20	
9,500 Lumens - Acorn		\$ 18.77	\$ 26.66	
4,000 Lumens – Colonial		\$ 12.05		
5,800 Lumens – Colonial		\$ 13.60		
9,500 Lumens – Colonial		\$ 13.78		
5,800 Lumens – Coach		\$ 36.30		
9,500 Lumens – Coach		\$ 36.48		
5,800 Lumens – Contemporary	\$ 18.37			\$ 20.74

9,500 Lumens – Contemporary	\$ 18.08	\$ 25.43
22,000 Lumens – Contemporary	\$ 21.10	\$ 32.73
50,000 Lumens – Contemporary	\$ 25.41	\$ 40.18

4,000 Lumens – Dark Sky	\$ 26.56
9,500 Lumens – Dark Sky	\$ 27.62

5,800 Lumens – Victorian	\$ 36.31
9,500 Lumens – Victorian	\$ 36.47

SCHEDULE LE
LIGHTING SERVICE

Energy Charge per kWh	\$ 0.07121
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SCHEDULE TE
TRAFFIC ENERGY SERVICE

Energy Charge per kWh	\$ 0.08791
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SCHEDULE OSL
OUTDOOR SPORTS LIGHTING SERVICE

<u>Secondary Service:</u> Energy Charge per kWh	\$ 0.02852
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<u>Primary Service:</u> Energy Charge per kWh	\$ 0.02516
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