

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 LOUISVILLE GAS & ELECTRIC)	2021-00056
COMPANY 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 Louisville Gas and Electric Company (LG&E) 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 LG&E to submit certain information concerning its fuel procurement, fuel usage, and the operation of its FAC. LG&E 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, LG&E has complied with the provisions of 807 KAR 5:056. The Commission further finds no evidence of improper calculation or application of LG&E'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

LG&E is proposing to decrease the amount of fuel costs included in base rates and proposes that the month of October 2020 and a base fuel cost of \$0.02348¹ 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 LG&E's current base fuel cost is \$0.02428³ per kWh, the proposal would result in a decrease of \$0.00080⁴ per kWh. LG&E recommends the use of the actual per unit fuel cost for October 2020 because this 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 LG&E forecasted an average fuel cost of \$0.02340 per kWh in 2021, and \$0.02346 per kWh in 2022.⁶

When establishing the appropriate level of base fuel costs 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 illustrates that the fuel cost billed for the two-year review period ranges from a low of \$0.02197⁷ per kWh in June 2020 to a

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

² LG&E last made a change to the fuel cost included in base rates in Case No. 2017-00004, *Electronic Examination of the Application of the Fuel Adjustment Clause of Louisville Gas & Electric Company from November 1, 2014 Through October 31, 2016* (Ky. PSC July 31, 2017).

³ LG&E'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.*

high of \$0.02572⁸ per kWh in February 2019, with an average cost billed for the period of \$0.02384⁹ per kWh. Based upon its review, the Commission finds that the proposed base period fuel cost of \$0.02348 per kWh should be approved.

IT IS THEREFORE ORDERED that:

1. The charges and credits applied by LG&E through the FAC for the period from November 1, 2018, through October 31, 2020 are approved.

2. LG&E's proposed base fuel cost of \$0.02348 per kWh is approved.

3. LG&E shall decrease its base energy rates by \$0.00080 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 decrease of \$0.00080 per kWh to base energy rates, which is the differential between the old base fuel cost of \$0.02428 per kWh and the new base fuel cost of \$0.02348 per kWh.

5. Beginning with the expense month for August 2021, LG&E shall use a FAC rate based upon a base fuel cost of \$0.02348 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.

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. 2021-00056 DATED AUG 02 2021

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 the authority of this Commission prior to the effective date of this Order.

SCHEDULE RS
RESIDENTIAL SERVICE

Energy Charge per kWh	
Infrastructure	\$ 0.06917
Variable Energy	\$ 0.03165
Total	\$ 0.10082

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

Energy Charge per kWh	
Off-Peak Hours – Infrastructure	\$ 0.04882
Off-Peak Hours – Variable	\$ 0.03165
Total	\$ 0.08047
On-Peak Hours (Infrastructure)	\$ 0.14545
On-Peak Hours (Variable)	\$ 0.03165
Total	\$ 0.17710

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

Energy charge per kWh	
Infrastructure	\$ 0.02095
Variable	\$ 0.03165
Total	\$ 0.05260

SCHEDULE VFD
VOLUNTEER FIRE DEPARTMENT

Energy Charge per kWh

Infrastructure	\$ 0.06917
Variable Energy	\$ 0.03165
Total	\$ 0.10082

SCHEDULE GS
GENERAL SERVICE RATE

Energy charge per kWh	
Infrastructure	\$ 0.08577
Variable	\$ 0.03260
Total	\$ 0.11837

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

Energy Charge per kWh	
Off-Peak Hours – Infrastructure	\$ 0.04694
Off-Peak Hours – Variable	\$ 0.03260
Total	\$ 0.07954
On-Peak Hours (Infrastructure)	\$ 0.21271
On-Peak Hours (Variable)	\$ 0.03260
Total	\$ 0.24531

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

Energy Charge per kWh	
Off-Peak Hours – Infrastructure	\$ 0.02587
Off-Peak Hours – Variable	\$ 0.03260
Total	\$ 0.05847

SCHEDULE PS
POWER SERVICE

<u>Secondary Service:</u>	
Energy Charge per kWh	\$ 0.03362
<u>Primary Service:</u>	
Energy Charge per kWh	\$ 0.03279

SCHEDULE TODS
TIME-OF-DAY SECONDARY SERVICE

Energy Charge per kWh	\$ 0.02958
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SCHEDULE TODP
TIME-OF-DAY PRIMARY SERVICE

Energy Charge per kWh \$ 0.02662

SCHEDULE RTS
RETAIL TRANSMISSION SERVICE

Energy Charge per kWh \$ 0.02625

SCHEDULE FLS
FLUCTUATING LOAD SERVICE

Primary:

Energy Charge per kWh \$ 0.03156

Transmission:

Energy Charge per kWh \$ 0.03103

SCHEDULE LS
LIGHTING SERVICE

Rate per Light per Month: (Lumens Approximate)

Overhead:

Light Emitting Diode

	<u>Fixture Only</u>
5,500–8,200 Lumens – Cobra Head	\$ 10.21
13,000–16,500 Lumens – Cobra Head	\$ 12.16
22,000–29,000 Lumens – Cobra Head	\$ 15.41
4,500–6,000 Lumens – Open Bottom	\$ 9.26
2,500–4,000 Lumens – Cobra Head	\$ 8.88
4,000–6,000 Lumens – Cobra Head	\$ 9.42
4,500–6,000 Lumens – Directional (Flood)	\$ 11.70
14,000–17,500 Lumens – Directional (Flood)	\$ 13.60
22,000–28,000 Lumens – Directional (Flood)	\$ 15.94
35,000–50,000 Lumens – Directional (Flood)	\$ 22.58

Underground:

Light Emitting Diode

	<u>Fixture Only</u>
2,500–4,000 Lumens – Cobra Head	\$ 4.20
4,000–6,000 Lumens – Cobra Head	\$ 4.71
5,500–8,200 Lumens – Cobra Head	\$ 5.53

13,000–16,500 Lumens – Cobra Head	\$ 7.49
22,000–29,000 Lumens – Cobra Head	\$ 10.74
4,000–7,000 Lumens Colonial, 4-Sided	\$ 7.22
4,000–7,000 Lumens – Acorn	\$ 7.03
4,000–7,000 Lumens – Contemporary	\$ 6.91
8,000–11,000 Lumens – Contemporary	\$ 8.25
13,500–16,500 Lumens – Contemporary	\$ 10.12
21,000–28,000 Lumens – Contemporary	\$ 14.55
45,000–50,000 Lumens – Contemporary	\$ 20.20
4,500–6,000 Lumens – Directional (Flood)	\$ 8.07
14,000–17,500 Lumens – Directional (Flood)	\$ 9.96
22,000–28,000 Lumens – Directional (Flood)	\$ 12.31
35,000–50,000 Lumens – Directional (Flood)	\$ 18.94
4,000–7,000 Lumens – Victorian	\$ 25.35
4,000–7,000 Lumens – London	\$ 26.91

SCHEDULE RLS
RESTRICTED LIGHTING SERVICE

Overhead:

	<u>Fixture Only</u>	<u>Fixture & Wood Pole</u>	<u>Fixture & Orn. Pole</u>
<u>Mercury Vapor:</u>			
8,000 Lumens – Cobra/Open Bottom	\$11.61		
13,000 Lumens - Cobra Head	\$13.13		
25,000 Lumens - Cobra Head	\$16.05		
60,000 Lumens - Cobra Head	\$32.35		
25,000 Lumens – Directional	\$18.27		
60,000 Lumens – Directional	\$33.66		
4,000 Lumens - Open Bottom	\$10.10		
<u>Metal Halide:</u>			
12,000 Lumens - Directional	\$15.95	\$18.82	
32,000 Lumens - Directional	\$21.97	\$24.43	\$ 32.43
107,800 Lumens - Directional	\$45.83	\$49.26	
<u>High Pressure Sodium:</u>			
16,000 Lumens - Cobra Head	\$15.43		
28,500 Lumens - Cobra Head	\$17.94		
50,000 Lumens - Cobra Head	\$20.40		
9,500 Lumens - Open Bottom	\$13.71		
16,000 Lumens – Directional	\$16.46		
50,000 Lumens – Directional	\$21.29		

Underground:

	<u>Fixture Only</u>	<u>Decorative Pole</u>	<u>Fluted Pole</u>
<u>High Pressure Sodium:</u>			
16,000 Lumens – Cobra/Contemporary		\$29.57	
28,500 Lumens – Cobra/Contemporary		\$32.41	
50,000 Lumens – Cobra/Contemporary		\$36.93	
5,800 Lumens – Coach/Acorn		\$17.97	
9,500 Lumens – Coach/Acorn		\$21.35	
16,000 Lumens – Coach/Acorn		\$26.05	
120,000 Lumens – Contemporary	\$50.38	\$83.72	
9,500 Lumens – Acorn/Bronze		\$28.81	
16,000 Lumens – Acorn/Bronze		\$30.08	
5,800 Lumens – Victorian	\$24.40	\$37.55	\$38.31
9,500 Lumens – Victorian	\$24.86	\$39.80	\$42.99
5,800 Lumens – London	\$23.98	\$38.60	\$40.77
9,500 Lumens – London	\$25.40	\$39.53	\$40.74
5,800 Lumens – Colonial 4-Sided		\$23.85	
9,500 Lumens – Colonial 4-Sided		\$24.59	
16,000 Lumens – Colonial 4-Sided		\$24.47	
5,800 Lumens – Acorn		\$24.28	
9,500 Lumens – Acorn		\$26.86	
16,000 Lumens – Acorn		\$26.60	
4,000 Lumens – Dark Sky		\$28.36	
9,500 Lumens – Dark Sky		\$28.75	
16,000 Lumens – Cobra Head		\$31.20	
28,500 Lumens – Cobra Head		\$33.65	
50,000 Lumens – Cobra Head		\$39.87	
16,000 Lumens – Contemporary	\$19.33	\$35.17	
28,500 Lumens – Contemporary	\$21.38	\$37.90	
50,000 Lumens – Contemporary	\$25.69	\$43.94	
<u>Mercury Vapor</u>			
8,000 Lumens – Cobra Head		\$20.20	
13,000 Lumens – Cobra Head		\$22.73	
25,000 Lumens – Cobra Head		\$26.41	
4,000 Lumens – Coach		\$14.84	

8,000 Lumens – Coach		\$16.71
Metal Halide		
12,000 Lumens – Contemporary	\$17.69	\$28.94
107,800 Lumens – Contemporary	\$49.03	\$60.90
32,000 Lumens – Contemporary	\$23.89	\$35.80
Incandescent		
1,500 Lumens – Continental Jr.		\$10.61
6,000 Lumens – Continental Jr.		\$15.03

SCHEDULE TE
TRAFFIC ENERGY SERVICE

Energy Charge per kWh	\$ 0.08574
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SCHEDULE LE
LIGHTING SERVICE

Energy Charge per kWh	\$ 0.07213
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SCHEDULE OSL
OUTDOOR SPORTS LIGHTING SERVICE

<u>Secondary Service:</u>	
Energy Charge per kWh	\$ 0.02958

<u>Primary Service:</u>	
Energy Charge per kWh	\$ 0.02662

SPECIAL CONTRACT

Energy Charge per kWh	\$ 0.03148
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