

Mr. Kent Horrell Director of Operations Louisville Water Company 550 South Third Street Louisville, Kentucky 40202

August 4, 2017

Louisville Gas and Electric

Company

State Regulation and Rates 220 West Main Street

P.O. Box 32010

Louisville, Kentucky 40232

www.lge-ku.com

Rick E. Lovekamp Manager - Regulatory Affairs/Tariffs T 502-627-3780

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

Dear Mr. Horrell:

As a result of an Order issued on July 31, 2017 in Louisville Gas and Electric Company's ("LG&E") Fuel Adjustment Clause ("FAC") Review in Case No. 2017-00004, the Kentucky Public Service Commission ("Commission") authorized a roll-in of a portion of the current FAC factor into existing base rates, including the rates contained in the power contract dated October 10, 1961, between LG&E and Louisville Water Company. The roll-in results in a decrease in energy charges and the monthly FAC factor effective with service rendered on and after September 1, 2017.

The rates approved by the Commission are set forth below:

Demand Charge:

\$12.89 per kW of billing demand per month

Energy Charge:

\$ 0.03560 per kWh

Fuel Clause:

This special contract is subject to the provisions of

the Fuel Adjustment Clause found in LG&E's

P.S.C. Electric No. 11, Sheet No. 85.

attached.)

(Seentucky

PUBLIC SERVICE COMMISSION

John Lyons ACTING EXECUTIVE DIRECTOR

PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

Mr. Kent Horrell August 4, 2017

All other provisions of your contract, not specifically mentioned herein, remain the same as those in effect to the date of the Commission's Order of July 31, 2017, and all other Tariffs and Riders applicable to this contract will continue to apply.

If you have any questions regarding this matter, please contact me.

Sincerely,

Rick E. Lovekamp

Attachment

KENTUCKYPUBLIC SERVICE COMMISSION

John Lyons ACTING EXECUTIVE DIRECTOR

EFFECTIVE

9/1/2017

PURSUANT TO 807 KAR 5:011 SECTION 9 (1)