



a PPL company

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

Louisville Gas and Electric Company
State Regulation and Rates
220 West Main Street
P.O. Box 32010
Louisville, Kentucky 40232
www.lge-ku.com

January 8, 2018

Michael E. Hornung
Manager Pricing/Tariffs
T 502-627-4671
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mike.hornung@lge-ku.com

RE: AN EXAMINATION BY THE PUBLIC SERVICE COMMISSION OF THE ENVIRONMENTAL SURCHARGE MECHANISM OF LOUISVILLE GAS AND ELECTRIC COMPANY FOR THE TWO-YEAR BILLING PERIOD ENDING APRIL 30, 2017

Dear Mr. Horrell:

As a result of an Order issued on December 19, 2017 in Louisville Gas and Electric Company’s (“LG&E”) Environmental Surcharge Mechanism (“ECR”) Review in Case No. 2017-00267, the Kentucky Public Service Commission (“Commission”) authorized a roll-in of a portion of the current ECR 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 an increase in demand charges effective with bills rendered on and after January 30, 2018.

The rates approved by the Commission are set forth below:

- Demand Charge: \$14.23 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.

**KENTUCKY
PUBLIC SERVICE COMMISSION**

Gwen R. Pinson
Executive Director

EFFECTIVE
1/30/2018
PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

Mr. Kent Horrell
January 8, 2018

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 December 19, 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,



Michael E. Hornung

