

Louisville Gas and Electric Company

CANCELLED

P.S.C. Gas No. 12, Original Sheet No. 64

Standard Rate Rider

SFC

Standard Facility Contribution Rider

July 1, 2021

**KENTUCKY PUBLIC
SERVICE COMMISSION**

APPLICABLE

In all territory served.

AVAILABILITY

This rider is available for gas main extensions made pursuant to Company's "Gas Main Extension Rules" that are necessary to provide basic gas service when the revenue credit received by the customer under the Company's "Gas Main Extension Rules" does not cover the cost of the gas main extension. Company reserves the right to decline to provide service under this rider to an individual customer for any gas main extension costs that are in excess of those covered by Company's Gas Main Extension Rules (i) where the excess costs are less than \$500,000 or greater than \$2,000,000, or (ii) where the gas main extension is likely to become obsolete prior to the end of the contract term.

Company shall not be obligated to provide service under this rider when the total gas main extension costs subject to this rider are greater than \$4,000,000 per calendar year.

Any customer receiving service under this rider shall be eligible for refunds (if any) available pursuant to Company's Gas Main Extension Rules when the customer's obligation under this rider is fulfilled at the end of the five (5) year contract term.

DEFINITION OF STANDARD FACILITIES

Standard facilities are limited to gas main extensions used to provide service to a customer. Customer will not be required to pay for facilities installed by Company that are in excess of those required to provide service to customer unless customer requests such facilities. Company's Excess Facilities Rider (Standard Rate Rider EF) applies to customer-requested excess facilities.

STANDARD FACILITIES CHARGE

Company shall provide normal operation and maintenance of the standard facilities. If the facilities suffer failure, Company will provide for replacement of such facilities. No adjustment in the monthly charge for a replacement of facilities will be made during the term of the contract.

Customer shall pay for standard facilities by making a monthly Standard Facilities Charge payment for 60 months equal to the installed cost of the standard facilities times the following factor:

$$\text{Standard Facility Contribution Factor} = \frac{i(1+i)^{60}}{(1+i)^{60}-1}$$

Where the interest rate (*i*) in the above formula is the 5-year Treasury constant maturity rate published in the latest Federal Reserve Statistical Release H-15 as of the day immediately preceding the date when the agreement under this rider is executed with the Customer, plus 100 basis points, divided by 12 months.

DATE OF ISSUE: May 14, 2019

DATE EFFECTIVE: Effective with Service Rendered
On And After May 1, 2019

ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Louisville, Kentucky

**Issued by Authority of an Order of the
Public Service Commission in Case No.
2018-00295 dated April 30, 2019**

**KENTUCKY
PUBLIC SERVICE COMMISSION**

Gwen R. Pinson
Executive Director



EFFECTIVE

5/1/2019

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

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PAYMENT

The Standard Facilities Charges will be incorporated with the bill for gas service and will be subject to the same payment provisions.

CREDITWORTHINESS

Customer shall upon request of Company agree to maintain an irrevocable letter of credit, cash prepayment, or such other financial instrument satisfactory to Company ("credit support") in order to assure Customer's performance of its obligations hereunder. In determining the level of the security to be required of Customer, Company shall consider such factors, including, but not limited to, the following: the cost of the main extension to be paid by Customer, the general creditworthiness of Customer, and Customer's prior credit record with Company, if any. In the event that Customer defaults on its obligations under this rate schedule, Company shall have the immediate right to draw on such credit support to satisfy Customer's obligation hereunder. Such credit requirements shall be administered by Company in a nondiscriminatory manner.

CONTRACT

Service under this rider shall be performed under a written contract between Company and Customer. The term of the contract shall be five (5) years.



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