



Mr. Ralph Bowling
Vice President – Power Production
Louisville Gas and Electric Company
Kentucky Utilities Company
P. O. Box 32010
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

Rick E. Lovekamp
Manager – Regulatory
Affairs/Tariffs
T 502-627-3780
rick.lovekamp@lge-ku.com

July 12, 2017

**RE: Application of Louisville Gas and Electric Company For An Adjustment of Its Electric and Gas Rates and For Certificates of Public Convenience and Necessity
Case No. 2016-00371**


Dear Mr. Bowling:

This letter supersedes and replaces the July 7, 2017 letter which included a typographical error.

On November 23, 2016, Louisville Gas and Electric Company (“LG&E”) filed an application with the Kentucky Public Service Commission (“Commission”) for approval of adjustments to its gas and electric rates, terms, and conditions including the rates contained in the special contract under which LG&E and Kentucky Utilities Company (“KU”), on behalf of their Electric Generation Business, receive natural gas sales and transportation service under a special contract for the Mill Creek facilities.

On April 19, 2017, LG&E filed a Stipulation and Recommendation with the Commission proposing rates lower than those originally proposed in the Application dated November 24, 2016. On June 22, 2017, after evidentiary hearings, the Commission issued an Order approving the Stipulation with modifications. In addition, on June 29, 2017, the Commission issued an Order granting LG&E’s Motion to Correct the June 22, 2017 Order and the modified rates.

The revisions applicable to gas service under the special contract v rendered on and after July 1, 2017, are set forth below:

KENTUCKY PUBLIC SERVICE COMMISSION
John Lyons
ACTING EXECUTIVE DIRECTOR

EFFECTIVE
7/1/2017
PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

Mr. Ralph Bowling
July 12, 2017

Under the portion of the special contract for service to the Mill Creek facility, which incorporates by reference sales service provided under LG&E's Firm Industrial Gas Rate IGS, LG&E will increase the Monthly Sales Customer Charge from \$180.00 to \$750.00, and decrease the Demand Charge from \$11.2629 per Mcf to \$10.8978 per Mcf, and decrease the Distribution Charge from \$0.3329 per Mcf to \$0.2992 per Mcf.

The rates for the Mill Creek facility will result in a decrease in annual billings to LG&E's and KU's electric generation businesses of \$70,922, or a decrease of 2.43% based on the forecasted pro-forma results for the 12 months ended June 30, 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 June 29, 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 Lovekamp

