

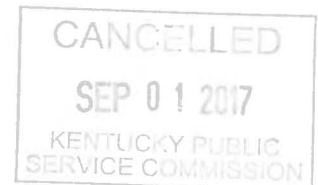
Kentucky Utilities Company

P.S.C. No. 18, Original Sheet No. 85.1

Adjustment Clause

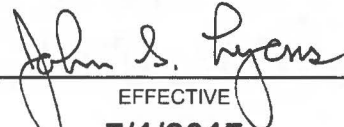
FAC
Fuel Adjustment Clause

- (3) Forced outages are all non-scheduled losses of generation or transmission which require substitute power for a continuous period in excess of six (6) hours. Where forced outages are not as a result of faulty equipment, faulty manufacture, faulty design, faulty installations, faulty operation, or faulty maintenance, but are Acts of God, riot, insurrection or acts of the public enemy, then the utility may, upon proper showing, with the approval of the Commission, include the fuel cost of substitute energy in the adjustment. Until such approval is obtained, in making the calculations of fuel cost (F) in subsection (2)(a) and (b) above, the forced outage costs to be subtracted shall be no less than the fuel cost related to the lost generation.
- (4) Sales (S) shall be all kWh sold, excluding inter-system sales. Where, for any reason, billed system sales cannot be coordinated with fuel costs for the billing period, sales may be equated to the sum of (i) generation, (ii) purchases, (iii) interchange in, less (iv) energy associated with pumped storage operations, less (v) inter-system sales referred to in subsection (2)(d) above, less (vi) total system losses. Utility used energy shall not be excluded in the determination of sales (S).
- (5) The cost of fossil fuel shall include no items other than the invoice price of fuel less any cash or other discounts. The invoice price of fuel includes the cost of the fuel itself and necessary charges for transportation of the fuel from the point of acquisition to the unloading point, as listed in Account 151 of FERC Uniform System of Accounts for Public Utilities and Licensees.
- (6) Base (b) period shall be May 2011, and the base fuel factor is \$0.02892 per kWh.
- (7) Current (m) period shall be the second month preceding the month in which the Fuel Clause Adjustment Factor is billed.
- (8) Pursuant to the Public Service Commission's Orders in Case No. 2012-00552 dated May 17, 2013, and May 29, 2013, the Fuel Adjustment Clause will become effective with bills rendered on and after the first billing cycle for July 2013, which begins June 26, 2013.



DATE OF ISSUE: July 7, 2017
DATE EFFECTIVE: With Bills Rendered On and After
June 26, 2013
ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

Issued by Authority of Orders of the Public
Service Commission in Case No. 2012-00552
dated May 17, 2013 and May 29, 2013

KENTUCKY PUBLIC SERVICE COMMISSION
John Lyons ACTING EXECUTIVE DIRECTOR

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