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PUBLIC SERVICE  
COMMISSION

Ms. Gwen R. Pinson  
Executive Director  
Public Service Commission of Kentucky  
211 Sower Boulevard  
P.O. Box 615  
Frankfort, Kentucky 40602

**Kentucky Utilities Company**  
State Regulation and Rates  
220 West Main Street  
PO Box 32010  
Louisville, Kentucky 40232  
[www.lge-ku.com](http://www.lge-ku.com)

Derek Rahn  
Manager - Revenue  
Requirement COS  
T 502-627-4127  
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January 18, 2019

Dear Ms. Pinson:

In compliance with 807 KAR 5:056, Kentucky Utilities Company herewith files its adjustment clause factor including the monthly fuel adjustment factor and off-system sales adjustment factor applicable to billings under retail rates during the February 2019 billing cycle which begins January 31, 2019.

The necessary supporting data to justify the billing factors is included. Please contact me if you have any questions about this filing.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Derek Rahn', written over a horizontal line.

Derek Rahn

Enclosures

**KENTUCKY UTILITIES COMPANY**  
**SUMMARY OF ADJUSTMENT CLAUSES**

Expense Month : December 2018

1.	Fuel Adjustment Clause Factor (Page 1 of 6)	(+) \$	(0.00020) / KWH
2.	Off-System Sales Adjustment Clause Factor (OSS Page 1 of 3)	(-) \$	<u>(0.00002) / KWH</u>
3.	Total Adjustment Clause Billing Factor (Line 1 - Line 2)	= \$	<u><u>(0.00018) / KWH</u></u>

Note: (1) Five decimal places in dollars for normal rounding.

Effective Date for Billing: January 31, 2019

Submitted by \_\_\_\_\_



Title: Manager, Revenue Requirement COS

**KENTUCKY UTILITIES COMPANY**  
**FUEL ADJUSTMENT CLAUSE SCHEDULE**

Expense Month : December 2018

$$\frac{\text{Fuel "Fm" (Fuel Cost Schedule)} \quad \$ \quad 45,714,185}{\text{Sales "Sm" (Sales Schedule)} \quad 1,765,398,579 \text{ KWH}} = (+) \$ \quad 0.02589 \text{ / KWH}$$

$$\text{Per First Revision of PSC approved Tariff Sheet No. 85.1 effective September 1, 2017} = (-) \$ \quad \underline{0.02609} \text{ / KWH}$$

$$\text{FAC Factor (1)} = \underline{\underline{\$ (0.00020) / KWH}}$$

Note: (1) Five decimal places in dollars for normal rounding.

Effective Date for Billing: January 31, 2019

**KENTUCKY UTILITIES COMPANY  
FUEL COST SCHEDULE**

Expense Month : December 2018

<u>(A) Company Generation</u>			
Coal Burned	(+)	\$24,631,608	(1)
Oil Burned	(+)	840,453	(1) (2)
Gas Burned	(+)	13,988,570	(1)
Fuel (assigned cost during Forced Outage)	(+)	1,005,247	
Fuel (substitute cost for Forced Outage)	(-)	1,183,372	
SUB-TOTAL		<u>\$ 39,282,506</u>	
<u>(B) Purchases</u>			
Net energy cost - economy purchases	(+) \$	608,373	
Identifiable fuel cost - other purchases	(+)	-	
Identifiable fuel cost (substitute for Forced Outage)	(-)	6,341	
Less Purchases above Highest Cost Units	(-)	-	
Internal Economy	(+)	5,446,415	
Internal Replacement	(+)	14,717	
SUB-TOTAL		<u>\$ 6,063,164</u>	
<u>(C) Inter-System Sales</u>			
Including Interchange-out	(+) \$	15,184	
Internal Economy	(+)	27,488	
Internal Replacement	(+)	240,784	
Dollars Assigned to Inter-System Sales Losses	(+)	76	
SUB-TOTAL		<u>\$ 283,532</u>	
<u>(D) Over or (Under) Recovery</u>			
From Page 5, Line 13		<u>\$ (767,921)</u>	
<u>(E) CSR Customers Buy-Through Adjustment</u>			
		<u>\$ 115,874</u>	
TOTAL FUEL RECOVERY (A+B-C-D-E) =		<u><u>\$ 45,714,185</u></u>	

Note: (1) Reflects exclusion of IMEA/IMPA portion of Trimble County Unit 2 fuel cost with recognition of 0.5% transmission losses per Commission's Order in Case No. 2012-00552.

Coal burned =	\$8,863
Oil burned =	\$0
Gas burned =	\$199

Note: (2) Includes \$126,786.66 for the resell of the majority of Haefling's fuel oil inventory to a third party for \$87,648.24

**KENTUCKY UTILITIES COMPANY**

**SALES SCHEDULE (KWH)**

Expense Month : December 2018

(A) Generation (Net)	(+)	1,552,764,000
Purchases including interchange-in	(+)	69,748,000
Internal Economy	(+)	264,415,000
Internal Replacement	(+)	746,000
SUB-TOTAL		<u>1,887,673,000</u>

(B) Inter-system Sales including interchange-out	(+)	762,000
Internal Economy	(+)	1,498,000
Internal Replacement	(+)	8,526,000
(*) System Losses	(+)	<u>111,488,421</u>
SUB-TOTAL		<u>122,274,421</u>

TOTAL SALES (A-B) 1,765,398,579

(\*) Note: See Page 4 of 6, "Adjustment of rolling 12-MTD average overall system losses to reflect losses at retail level"

**KENTUCKY UTILITIES COMPANY**

**ADJUSTMENT OF ROLLING 12-MTD AVERAGE OVERALL SYSTEM  
LOSSES TO REFLECT LOSSES AT RETAIL LEVEL**

Expense Month : December 2018

12 Months to Date KWH Sources: 22,963,086,000 KWH  
 12 MTD Overall System Losses: 1,356,229,739 KWH  
 December 2018 KWH Sources: 1,887,673,000 KWH

$$1,356,229,739 / 22,963,086,000 = 5.906130\%$$

$$5.906130\% \times 1,887,673,000 = 111,488,421 \text{ KWH}$$

**WHOLESALE KWH SALES AND LOSSES**

182,466,223 Wholesale Sales & Deliveries to ODP at Transmission Voltage (WS-T)  
 43,534,800 Wholesale sales at Primary Voltage (WS-P)  
 10,786,000 Intersystem Sales at Transmission Voltage (IS-T)

	Wholesale Sales\Deliveries	Loss Percentage	Losses	Wholesale Sources
WS-T:	182,466,223	2.153%	4,014,939	186,481,162
WS-P:	43,534,800	.2.153% and 0.985%	1,400,542	44,935,342
IS-T:	10,786,000	0.500%	54,201	10,840,201

**KENTUCKY UTILITIES COMPANY**  
**FUEL ADJUSTMENT CLAUSE**  
**OVER OR (UNDER) RECOVERY SCHEDULE**

Expense Month : December 2018

1.	Last FAC Rate Billed		<u>(\$0.00397)</u>
2.	KWH Billed at Above Rate		<u>1,568,393,103</u>
3.	FAC Revenue/(Refund)	(Line 1 x Line 2)	<u>\$ (6,226,521)</u>
4.	KWH Used to Determine Last FAC Rate		<u>1,594,481,568</u>
5.	Non-Jurisdictional KWH (Included in Line 4)		<u>194,540,676</u>
6.	Kentucky Jurisdictional KWH	(Line 4 - Line 5)	<u>1,399,940,892</u>
7.	Revised FAC Rate Billed, if prior period adjustment is needed		<u>\$ -</u>
8.	Recoverable FAC Revenue/(Refund)	(Line 1 x Line 6)	<u>\$ (5,557,765)</u>
9.	Over or (Under) Recovery	(Line 3 - Line 8)	<u>\$ (668,756)</u>
10.	Total Sales "Sm" (From Page 3 of 6)		<u>1,765,398,579</u>
11.	Kentucky Jurisdictional Sales		<u>1,537,425,828</u>
12.	Total Sales Divided by Kentucky Jurisdictional Sales	(Line 10 / Line 11)	<u>1.14828211</u>
13.	Total Company Over or (Under) Recovery	(Line 9 x Line 12)	<u>\$ (767,921)</u>

**FUEL ADJUSTMENT CLAUSE  
INTERCOMPANY TRANSACTIONS**  
Expense Month : December 2018

**KENTUCKY UTILITIES COMPANY**

<b>Purchases</b>		<b>KWH</b>	
Internal Economy	\$ 5,404,486.24	264,415,000	Fuel for LGE Sale to KU for Native Load
	41,928.32		Half of Split Savings to LGE from KU
	<u>\$ 5,446,414.56</u>	<u>264,415,000</u>	
Internal Replacement	\$ 14,717.33	746,000	Freed-up LGE Generation sold back to KU
	-	0	LGE Generation for KU Pre-Merger Sales
	<u>\$ 14,717.33</u>	<u>746,000</u>	
<b>Total Purchases</b>	<u><b>\$ 5,461,131.89</b></u>	<u><b>265,161,000</b></u>	
<b>Sales</b>			
Internal Economy	\$ 26,717.65	1,498,000	KU Fuel Cost - Sales to LGE Native Load
	770.54		Half of Split Savings
	<u>\$ 27,488.19</u>	<u>1,498,000</u>	
Internal Replacement	\$ 240,784.31	8,526,000	Freed-up KU Generation sold back to LGE
	-	0	KU Generation for LGE Pre-Merger
	-	0	KU Generation for LGE IB
	<u>\$ 240,784.31</u>	<u>8,526,000</u>	
<b>Total Sales</b>	<u><b>\$ 268,272.50</b></u>	<u><b>10,024,000</b></u>	

**LOUISVILLE GAS AND ELECTRIC COMPANY**

<b>Purchases</b>		<b>KWH</b>	
Internal Economy	\$ 26,717.65	1,498,000	KU Fuel Cost - Sales to LGE Native Load
	770.54		Half of Split Savings
	<u>\$ 27,488.19</u>	<u>1,498,000</u>	
Internal Replacement	\$ 240,784.31	8,526,000	Freed-up KU Generation sold back to LGE
	-	0	KU Generation for LGE Pre-Merger
	-	0	KU Generation for LGE IB
	<u>\$ 240,784.31</u>	<u>8,526,000</u>	
<b>Total Purchases</b>	<u><b>\$ 268,272.50</b></u>	<u><b>10,024,000</b></u>	
<b>Sales</b>			
Internal Economy	\$ 5,404,486.24	264,415,000	Fuel for LGE Sale to KU for Native Load
	41,928.32		Half of Split Savings to LGE from KU
	<u>\$ 5,446,414.56</u>	<u>264,415,000</u>	
Internal Replacement	\$ 14,717.33	746,000	Freed-up LGE Generation sold back to KU
	-	0	LGE Generation for KU Pre-Merger Sales
	<u>\$ 14,717.33</u>	<u>746,000</u>	
<b>Total Sales</b>	<u><b>\$ 5,461,131.89</b></u>	<u><b>265,161,000</b></u>	



**OFF-SYSTEM SALES ADJUSTMENT CLAUSE SCHEDULE  
KENTUCKY UTILITIES COMPANY**

Expense Month : December 2018

Line No.

1.	Current Month OSS Margins	OSS Page 2	\$ 7,339
2.	Customer Sharing		<u>75%</u>
3.	Customer Share of OSS Margins	L. 1 x L. 2	\$ 5,504
4.	Current Month True-up	OSS Page 3	<u>\$ (48,358)</u>
5.	Total Off-System Sales Adjustment	L. 3 + L. 4	<u><u>\$ (42,854)</u></u>
6.	Current Month S(m)	Form A Page 3	1,765,398,579
7.	Off-System Sales Adjustment Clause Factor	L.5 ÷ L. 6	\$ (0.00002)

**OFF-SYSTEM SALES ADJUSTMENT CLAUSE MARGINS  
KENTUCKY UTILITIES COMPANY**

Expense Month : December 2018

Line No.

1.	Total OSS Revenues		\$	265,883
2.	Total OSS Expenses		\$	<u>258,544</u>
3.	Total OSS Margins	L. 1 - L. 2	\$	<u><u>7,339</u></u>

**OFF-SYSTEM SALES ADJUSTMENT CLAUSE TRUE UP  
KENTUCKY UTILITIES COMPANY**

Expense Month : December 2018

Line No.			
1.	Last OSS Adjustment Factor Billed		<u>\$ (0.00025)</u>
2.	KWH Billed at Above Rate		<u>1,568,393,103</u>
3.	OSS Adjustment Charge (Credit)	(Line 1 x Line 2)	<u>\$ (392,098)</u>
4.	KWH Used to Determine Last OSS Adjustment Factor		<u>1,594,481,568</u>
5.	Non-Jurisdictional KWH (Included in Line 4)		<u>194,540,676</u>
6.	Kentucky Jurisdictional KWH	(Line 4 - Line 5)	<u>1,399,940,892</u>
7.	Revised OSS Factor Billed, if prior period adjustment is needed (See Note 1)		<u>-</u>
8.	OSS Adjustment Charge (Credit) to be Collected (Distributed)	(Line 1 x Line 6)	<u>\$ (349,985)</u>
9.	(Over) or Under Amount	(Line 3 - Line 8)	<u>\$ (42,113)</u>
10.	Total Sales "Sm" (From Form A, Page 3 of 6)		<u>1,765,398,579</u>
11.	Kentucky Jurisdictional Sales		<u>1,537,425,828</u>
12.	Total Sales Divided by Kentucky Jurisdictional Sales	(Line 10 / Line 11)	<u>1.14828211</u>
13.	Total Company (Over) or Under Amount	(Line 9 x Line 12)	<u>\$ (48,358)</u>



a PPL company

Ms. Gwen R. Pinson  
Executive Director  
Public Service Commission of Kentucky  
211 Sower Boulevard  
P.O. Box 615  
Frankfort, Kentucky 40602

December 21, 2018

Dear Ms. Pinson:

In compliance with 807 KAR 5:056, Kentucky Utilities Company herewith files its adjustment clause factor including the monthly fuel adjustment factor and off-system sales adjustment factor applicable to billings under retail rates during the January 2019 billing cycle which begins January 2, 2019.

It has come to my attention that due to a station change in reporting inventory balances and a meter not capturing the fuel oil ignitor flow properly at E.W. Brown Unit 3, KU's monthly oil burned expense has been understated by approximately \$1.55 million. The Company included the correction in the oil burned expense on Page 2 of 6 of this filing. The impact on the FAC billing factor credit is a \$0.00093 decrease.

The necessary supporting data to justify the billing factors is included. Please contact me if you have any questions about this filing.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Derek Rahn', with a stylized flourish at the end.

Derek Rahn

Enclosures

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DEC 21 2018

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COMMISSION

**Kentucky Utilities Company**  
State Regulation and Rates  
220 West Main Street  
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**KENTUCKY UTILITIES COMPANY**  
**SUMMARY OF ADJUSTMENT CLAUSES**

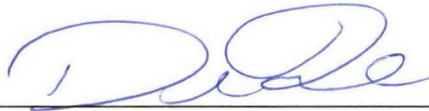
Expense Month : November 2018

1.	Fuel Adjustment Clause Factor (Page 1 of 6)	(+) \$	(0.00076) / KWH
2.	Off-System Sales Adjustment Clause Factor (OSS Page 1 of 3)	(-) \$	<u>0.00012</u> / KWH
3.	Total Adjustment Clause Billing Factor (Line 1 - Line 2)	= \$	<u>(0.00088)</u> / KWH

Note: (1) Five decimal places in dollars for normal rounding.

Effective Date for Billing: January 2, 2019

Submitted by



Title: Manager, Revenue Requirement COS

**KENTUCKY UTILITIES COMPANY**  
**FUEL ADJUSTMENT CLAUSE SCHEDULE**

Expense Month : November 2018

$$\frac{\text{Fuel "Fm" (Fuel Cost Schedule)} \quad \$ \quad 42,389,938}{\text{Sales "Sm" (Sales Schedule)} \quad 1,673,754,228 \text{ KWH}} = (+) \$ \quad 0.02533 \text{ / KWH}$$

$$\text{Per First Revision of PSC approved Tariff Sheet No. 85.1 effective September 1, 2017} = (-) \underline{\$ \quad 0.02609 \text{ / KWH}}$$

$$\text{FAC Factor (1)} = \underline{\underline{\$ \quad (0.00076) \text{ / KWH}}}$$

Note: (1) Five decimal places in dollars for normal rounding.

Effective Date for Billing: January 2, 2019

**KENTUCKY UTILITIES COMPANY  
FUEL COST SCHEDULE**

Expense Month : November 2018

<b>(A) <u>Company Generation</u></b>			
Coal Burned	(+)	\$28,690,253	(1)
Oil Burned	(+)	1,896,289	(1)
Gas Burned	(+)	12,016,942	(1)
Fuel (assigned cost during Forced Outage)	(+)	2,442,242	
Fuel (substitute cost for Forced Outage)	(-)	2,742,236	
<b>SUB-TOTAL</b>		<b>\$ 42,303,490</b>	
<b>(B) <u>Purchases</u></b>			
Net energy cost - economy purchases	(+)	\$ 627,143	
Identifiable fuel cost - other purchases	(+)	-	
Identifiable fuel cost (substitute for Forced Outage)	(-)	30,398	
Less Purchases above Highest Cost Units	(-)	-	
Internal Economy	(+)	1,241,466	
Internal Replacement	(+)	266,448	
<b>SUB-TOTAL</b>		<b>\$ 2,104,659</b>	
<b>(C) <u>Inter-System Sales</u></b>			
Including Interchange-out	(+)	\$ 502,236	
Internal Economy	(+)	1,011,420	
Internal Replacement	(+)	72,203	
Dollars Assigned to Inter-System Sales Losses	(+)	2,511	
<b>SUB-TOTAL</b>		<b>\$ 1,588,370</b>	
<b>(D) <u>Over or (Under) Recovery</u></b>			
From Page 5, Line 13		\$ 429,841	
<b>(E) <u>CSR Customers Buy-Through Adjustment</u></b>			
		\$ -	
<b>TOTAL FUEL RECOVERY (A+B-C-D-E) =</b>		<b>\$ 42,389,938</b>	

Note: (1) Reflects exclusion of IMEA/IMPA portion of Trimble County Unit 2 fuel cost with recognition of 0.5% transmission losses per Commission's Order in Case No. 2012-00552.

Coal burned =	\$9,131
Oil burned =	\$0
Gas burned =	\$88

## KENTUCKY UTILITIES COMPANY

### SALES SCHEDULE (KWH)

Expense Month : November 2018

(A) Generation (Net)	(+)	1,718,752,000
Purchases including interchange-in	(+)	65,875,000
Internal Economy	(+)	52,679,000
Internal Replacement	(+)	11,764,000
SUB-TOTAL		<u>1,849,070,000</u>
(B) Inter-system Sales including interchange-out	(+)	20,645,000
Internal Economy	(+)	41,599,000
Internal Replacement	(+)	2,557,000
(*) System Losses	(+)	110,514,772
SUB-TOTAL		<u>175,315,772</u>
TOTAL SALES (A-B)		<u><u>1,673,754,228</u></u>

(\*) Note: See Page 4 of 6, "Adjustment of rolling 12-MTD average overall system losses to reflect losses at retail level"



**KENTUCKY UTILITIES COMPANY**

**ADJUSTMENT OF ROLLING 12-MTD AVERAGE OVERALL SYSTEM  
LOSSES TO REFLECT LOSSES AT RETAIL LEVEL**

Expense Month : November 2018

12 Months to Date KWH Sources: 23,107,241,000 KWH  
 12 MTD Overall System Losses: 1,381,068,126 KWH  
 November 2018 KWH Sources: 1,849,070,000 KWH

$$1,381,068,126 / 23,107,241,000 = 5.976776\%$$

$$5.976776\% \times 1,849,070,000 = 110,514,772 \text{ KWH}$$

**WHOLESALE KWH SALES AND LOSSES**

168,404,120 Wholesale Sales & Deliveries to ODP at Transmission Voltage (WS-T)  
 42,185,600 Wholesale sales at Primary Voltage (WS-P)  
 64,801,000 Intersystem Sales at Transmission Voltage (IS-T)

	<u>Wholesale Sales\Deliveries</u>	<u>Loss Percentage</u>	<u>Losses</u>	<u>Wholesale Sources</u>
WS-T:	168,404,120	2.153%	3,705,521	172,109,641
WS-P:	42,185,600	2.153% and 0.985%	1,357,137	43,542,737
IS-T:	64,801,000	0.500%	325,633	65,126,633

**KENTUCKY UTILITIES COMPANY**  
**FUEL ADJUSTMENT CLAUSE**  
**OVER OR (UNDER) RECOVERY SCHEDULE**

Expense Month : November 2018

1.	Last FAC Rate Billed		<u>(\$0.00297)</u>
2.	KWH Billed at Above Rate		<u>1,342,767,696</u>
3.	FAC Revenue/(Refund)	(Line 1 x Line 2)	<u>\$ (3,988,020)</u>
4.	KWH Used to Determine Last FAC Rate		<u>1,673,722,834</u>
5.	Non-Jurisdictional KWH (Included in Line 4)		<u>204,552,750</u>
6.	Kentucky Jurisdictional KWH	(Line 4 - Line 5)	<u>1,469,170,084</u>
7.	Revised FAC Rate Billed, if prior period adjustment is needed		<u>\$ -</u>
8.	Recoverable FAC Revenue/(Refund)	(Line 1 x Line 6)	<u>\$ (4,363,435)</u>
9.	Over or (Under) Recovery	(Line 3 - Line 8)	<u>\$ 375,415</u>
10.	Total Sales "Sm" (From Page 3 of 6)		<u>1,673,754,228</u>
11.	Kentucky Jurisdictional Sales		<u>1,461,824,903</u>
12.	Total Sales Divided by Kentucky Jurisdictional Sales	(Line 10 / Line 11)	<u>1.14497586</u>
13.	Total Company Over or (Under) Recovery	(Line 9 x Line 12)	<u>\$ 429,841</u>

**FUEL ADJUSTMENT CLAUSE  
INTERCOMPANY TRANSACTIONS**  
Expense Month : November 2018

**KENTUCKY UTILITIES COMPANY**

<b>Purchases</b>		KWH	
Internal Economy			
	\$ 1,228,305.16	52,679,000	Fuel for LGE Sale to KU for Native Load
	13,160.38		Half of Split Savings to LGE from KU
	<u>\$ 1,241,465.54</u>	<u>52,679,000</u>	
Internal Replacement			
	\$ 266,447.98	11,764,000	Freed-up LGE Generation sold back to KU
	-	0	LGE Generation for KU Pre-Merger Sales
	<u>\$ 266,447.98</u>	<u>11,764,000</u>	
<b>Total Purchases</b>	<u><b>\$ 1,507,913.52</b></u>	<u><b>64,443,000</b></u>	
<b>Sales</b>			
Internal Economy			
	\$ 997,367.80	41,599,000	KU Fuel Cost - Sales to LGE Native Load
	14,052.42		Half of Split Savings
	<u>\$ 1,011,420.22</u>	<u>41,599,000</u>	
Internal Replacement			
	\$ 72,203.38	2,557,000	Freed-up KU Generation sold back to LGE
	-	0	KU Generation for LGE Pre-Merger
	-	0	KU Generation for LGE IB
	<u>\$ 72,203.38</u>	<u>2,557,000</u>	
<b>Total Sales</b>	<u><b>\$ 1,083,623.60</b></u>	<u><b>44,156,000</b></u>	

**LOUISVILLE GAS AND ELECTRIC COMPANY**

<b>Purchases</b>		KWH	
Internal Economy			
	\$ 997,367.80	41,599,000	KU Fuel Cost - Sales to LGE Native Load
	14,052.42		Half of Split Savings
	<u>\$ 1,011,420.22</u>	<u>41,599,000</u>	
Internal Replacement			
	\$ 72,203.38	2,557,000	Freed-up KU Generation sold back to LGE
	-	0	KU Generation for LGE Pre-Merger
	-	0	KU Generation for LGE IB
	<u>\$ 72,203.38</u>	<u>2,557,000</u>	
<b>Total Purchases</b>	<u><b>\$ 1,083,623.60</b></u>	<u><b>44,156,000</b></u>	
<b>Sales</b>			
Internal Economy			
	\$ 1,228,305.16	52,679,000	Fuel for LGE Sale to KU for Native Load
	13,160.38		Half of Split Savings to LGE from KU
	<u>\$ 1,241,465.54</u>	<u>52,679,000</u>	
Internal Replacement			
	\$ 266,447.98	11,764,000	Freed-up LGE Generation sold back to KU
	-	0	LGE Generation for KU Pre-Merger Sales
	<u>\$ 266,447.98</u>	<u>11,764,000</u>	
<b>Total Sales</b>	<u><b>\$ 1,507,913.52</b></u>	<u><b>64,443,000</b></u>	

**OFF-SYSTEM SALES ADJUSTMENT CLAUSE SCHEDULE  
KENTUCKY UTILITIES COMPANY**

Expense Month : November 2018

Line No.

1.	Current Month OSS Margins	OSS Page 2	\$ 174,443
2.	Customer Sharing		<u>75%</u>
3.	Customer Share of OSS Margins	L. 1 x L. 2	\$ 130,832
4.	Current Month True-up	OSS Page 3	<u>\$ 65,129</u>
5.	Total Off-System Sales Adjustment	L. 3 + L. 4	<u>\$ 195,961</u>
6.	Current Month S(m)	Form A Page 3	1,673,754,228
7.	Off-System Sales Adjustment Clause Factor	L.5 ÷ L. 6	\$ 0.00012

**OFF-SYSTEM SALES ADJUSTMENT CLAUSE MARGINS  
KENTUCKY UTILITIES COMPANY**

Expense Month : November 2018

Line No.

1.	Total OSS Revenues		\$	854,144
2.	Total OSS Expenses		\$	<u>679,701</u>
3.	Total OSS Margins	L. 1 - L. 2	\$	<u><u>174,443</u></u>

**OFF-SYSTEM SALES ADJUSTMENT CLAUSE TRUE UP  
KENTUCKY UTILITIES COMPANY**

Expense Month : November 2018

Line No.			
1.	Last OSS Adjustment Factor Billed		<u>\$ (0.00045)</u>
2.	KWH Billed at Above Rate		<u>1,342,767,696</u>
3.	OSS Adjustment Charge (Credit)	(Line 1 x Line 2)	<u>\$ (604,245)</u>
4.	KWH Used to Determine Last OSS Adjustment Factor		<u>1,673,722,834</u>
5.	Non-Jurisdictional KWH (Included in Line 4)		<u>204,552,750</u>
6.	Kentucky Jurisdictional KWH	(Line 4 - Line 5)	<u>1,469,170,084</u>
7.	Revised OSS Factor Billed, if prior period adjustment is needed (See Note 1)		<u>-</u>
8.	OSS Adjustment Charge (Credit) to be Collected (Distributed)	(Line 1 x Line 6)	<u>\$ (661,127)</u>
9.	(Over) or Under Amount	(Line 3 - Line 8)	<u>\$ 56,882</u>
10.	Total Sales "Sm" (From Form A, Page 3 of 6)		<u>1,673,754,228</u>
11.	Kentucky Jurisdictional Sales		<u>1,461,824,903</u>
12.	Total Sales Divided by Kentucky Jurisdictional Sales	(Line 10 / Line 11)	<u>1.14497586</u>
13.	Total Company (Over) or Under Amount	(Line 9 x Line 12)	<u>\$ 65,129</u>



a PPL company

Ms. Gwen R. Pinson  
Executive Director  
Public Service Commission of Kentucky  
211 Sower Boulevard  
P.O. Box 615  
Frankfort, Kentucky 40602

November 20, 2018

Dear Ms. Pinson:

In compliance with 807 KAR 5:056, Kentucky Utilities Company herewith files its adjustment clause factor including the monthly fuel adjustment factor and off-system sales adjustment factor applicable to billings under retail rates during the December 2018 billing cycle which begins November 30, 2018.

The necessary supporting data to justify the billing factors is included. Please contact me if you have any questions about this filing.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Derek Rahn', written over a horizontal line.

Derek Rahn

Enclosures

RECEIVED

NOV 20 2018

PUBLIC SERVICE  
COMMISSION

**Kentucky Utilities Company**  
State Regulation and Rates  
220 West Main Street  
PO Box 32010  
Louisville, Kentucky 40232  
[www.lge-ku.com](http://www.lge-ku.com)

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**KENTUCKY UTILITIES COMPANY**  
**SUMMARY OF ADJUSTMENT CLAUSES**

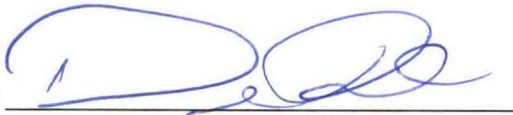
Expense Month : October 2018

1.	Fuel Adjustment Clause Factor (Page 1 of 6)	(+) \$	(0.00397) / KWH
2.	Off-System Sales Adjustment Clause Factor (OSS Page 1 of 3)	(-) \$	<u>0.00025</u> / KWH
3.	Total Adjustment Clause Billing Factor (Line 1 - Line 2)	= \$	<u><u>(0.00422)</u></u> / KWH

Note: (1) Five decimal places in dollars for normal rounding.

Effective Date for Billing: November 30, 2018

Submitted by \_\_\_\_\_



Title: Manager, Revenue Requirement COS



**KENTUCKY UTILITIES COMPANY**  
**FUEL ADJUSTMENT CLAUSE SCHEDULE**

Expense Month : October 2018

$$\frac{\text{Fuel "Fm" (Fuel Cost Schedule)} \quad \$ \quad 35,271,348}{\text{Sales "Sm" (Sales Schedule)} \quad 1,594,481,568 \text{ KWH}} = (+) \$ \quad 0.02212 \text{ / KWH}$$

$$\text{Per First Revision of PSC approved Tariff Sheet No. 85.1 effective September 1, 2017} = (-) \$ \quad \underline{0.02609} \text{ / KWH}$$

$$\text{FAC Factor (1)} = \underline{\underline{\$ (0.00397) / KWH}}$$

Note: (1) Five decimal places in dollars for normal rounding.

Effective Date for Billing: November 30, 2018

**KENTUCKY UTILITIES COMPANY  
FUEL COST SCHEDULE**

Expense Month : October 2018

<b>(A) <u>Company Generation</u></b>			
Coal Burned	(+)	\$27,789,782	(1)
Oil Burned	(+)	110,457	(1)
Gas Burned	(+)	7,776,525	(1)
Fuel (assigned cost during Forced Outage)	(+)	43,966	*
Fuel (substitute cost for Forced Outage)	(-)	29,211	*
<b>SUB-TOTAL</b>		<b>\$ 35,676,764</b>	
<b>(B) <u>Purchases</u></b>			
Net energy cost - economy purchases	(+) \$	431,213	
Identifiable fuel cost - other purchases	(+)	-	
Identifiable fuel cost (substitute for Forced Outage)	(-)	381	*
Less Purchases above Highest Cost Units	(-)	-	
Internal Economy	(+)	1,514,489	
Internal Replacement	(+)	202,831	
<b>SUB-TOTAL</b>		<b>\$ 2,148,533</b>	
<b>(C) <u>Inter-System Sales</u></b>			
Including Interchange-out	(+) \$	911,203	
Internal Economy	(+)	738,526	
Internal Replacement	(+)	341,230	
Dollars Assigned to Inter-System Sales Losses	(+)	4,556	
<b>SUB-TOTAL</b>		<b>\$ 1,995,515</b>	
<b>(D) <u>Over or (Under) Recovery</u></b>			
From Page 5, Line 13		\$ 558,434	
<b>(E) <u>CSR Customers Buy-Through Adjustment</u></b>			
		\$ -	
<b>TOTAL FUEL RECOVERY (A+B-C-D-E) =</b>		<b>\$ 35,271,348</b>	

Note: (1) Reflects exclusion of IMEA/IMPA portion of Trimble County Unit 2 fuel cost with recognition of 0.5% transmission losses per Commission's Order in Case No. 2012-00552.

Coal burned =	\$9,704
Oil burned =	\$0
Gas burned =	\$116

\* Excluded from calculations per 807 KAR 5:056 due to fuel cost for substitute generation and purchases being less than assigned cost during Forced Outage.

## KENTUCKY UTILITIES COMPANY

### SALES SCHEDULE (KWH)

Expense Month : October 2018

(A) Generation (Net)	(+)	1,645,274,000
Purchases including interchange-in	(+)	58,259,000
Internal Economy	(+)	71,264,000
Internal Replacement	(+)	7,071,000
SUB-TOTAL		<u>1,781,868,000</u>
(B) Inter-system Sales including interchange-out	(+)	35,253,000
Internal Economy	(+)	30,321,000
Internal Replacement	(+)	15,692,000
(*) System Losses	(+)	106,120,432
SUB-TOTAL		<u>187,386,432</u>
TOTAL SALES (A-B)		<u><u>1,594,481,568</u></u>

(\*) Note: See Page 4 of 6, "Adjustment of rolling 12-MTD average overall system losses to reflect losses at retail level"

**KENTUCKY UTILITIES COMPANY**

**ADJUSTMENT OF ROLLING 12-MTD AVERAGE OVERALL SYSTEM  
LOSSES TO REFLECT LOSSES AT RETAIL LEVEL**

Expense Month : October 2018

12 Months to Date KWH Sources: 23,037,154,000 KWH  
 12 MTD Overall System Losses: 1,371,994,386 KWH  
 October 2018 KWH Sources: 1,781,868,000 KWH

$$1,371,994,386 / 23,037,154,000 = 5.955572\%$$

$$5.955572\% \times 1,781,868,000 = 106,120,432 \text{ KWH}$$

**WHOLESALE KWH SALES AND LOSSES**

149,291,918 Wholesale Sales & Deliveries to ODP at Transmission Voltage (WS-T)  
 44,095,600 Wholesale sales at Primary Voltage (WS-P)  
 81,266,000 Intersystem Sales at Transmission Voltage (IS-T)

	Wholesale Sales\Deliveries	Loss Percentage	Losses	Wholesale Sources
WS-T:	149,291,918	2.153%	3,284,981	152,576,899
WS-P:	44,095,600	2.153% and 0.985%	1,418,583	45,514,183
IS-T:	81,266,000	0.500%	408,372	81,674,372

**KENTUCKY UTILITIES COMPANY**  
**FUEL ADJUSTMENT CLAUSE**  
**OVER OR (UNDER) RECOVERY SCHEDULE**

Expense Month : October 2018

1.	Last FAC Rate Billed		<u>(\$0.00267)</u>
2.	KWH Billed at Above Rate		<u>1,461,634,900</u>
3.	FAC Revenue/(Refund)	(Line 1 x Line 2)	<u>\$ (3,902,565)</u>
4.	KWH Used to Determine Last FAC Rate		<u>1,872,745,774</u>
5.	Non-Jurisdictional KWH (Included in Line 4)		<u>227,477,863</u>
6.	Kentucky Jurisdictional KWH	(Line 4 - Line 5)	<u>1,645,267,911</u>
7.	Revised FAC Rate Billed, if prior period adjustment is needed		<u>\$ -</u>
8.	Recoverable FAC Revenue/(Refund)	(Line 1 x Line 6)	<u>\$ (4,392,865)</u>
9.	Over or (Under) Recovery	(Line 3 - Line 8)	<u>\$ 490,300</u>
10.	Total Sales "Sm" (From Page 3 of 6)		<u>1,594,481,568</u>
11.	Kentucky Jurisdictional Sales		<u>1,399,940,892</u>
12.	Total Sales Divided by Kentucky Jurisdictional Sales	(Line 10 / Line 11)	<u>1.13896349</u>
13.	Total Company Over or (Under) Recovery	(Line 9 x Line 12)	<u>\$ 558,434</u>

**FUEL ADJUSTMENT CLAUSE  
INTERCOMPANY TRANSACTIONS**  
Expense Month : October 2018

**KENTUCKY UTILITIES COMPANY**

<b>Purchases</b>		<b>KWH</b>	
Internal Economy			
	\$ 1,502,364.55	71,264,000	Fuel for LGE Sale to KU for Native Load
	12,124.65		Half of Split Savings to LGE from KU
	<u>\$ 1,514,489.20</u>	<u>71,264,000</u>	
Internal Replacement			
	\$ 202,831.07	7,071,000	Freed-up LGE Generation sold back to KU
	-	0	LGE Generation for KU Pre-Merger Sales
	<u>\$ 202,831.07</u>	<u>7,071,000</u>	
<b>Total Purchases</b>	<u><b>\$ 1,717,320.27</b></u>	<u><b>78,335,000</b></u>	
<b>Sales</b>			
Internal Economy			
	\$ 704,427.30	30,321,000	KU Fuel Cost - Sales to LGE Native Load
	34,098.88		Half of Split Savings
	<u>\$ 738,526.18</u>	<u>30,321,000</u>	
Internal Replacement			
	\$ 341,230.18	15,692,000	Freed-up KU Generation sold back to LGE
	-	0	KU Generation for LGE Pre-Merger
	-	0	KU Generation for LGE IB
	<u>\$ 341,230.18</u>	<u>15,692,000</u>	
<b>Total Sales</b>	<u><b>\$ 1,079,756.36</b></u>	<u><b>46,013,000</b></u>	

**LOUISVILLE GAS AND ELECTRIC COMPANY**

<b>Purchases</b>		<b>KWH</b>	
Internal Economy			
	\$ 704,427.30	30,321,000	KU Fuel Cost - Sales to LGE Native Load
	34,098.88		Half of Split Savings
	<u>\$ 738,526.18</u>	<u>30,321,000</u>	
Internal Replacement			
	\$ 341,230.18	15,692,000	Freed-up KU Generation sold back to LGE
	-	0	KU Generation for LGE Pre-Merger
	-	0	KU Generation for LGE IB
	<u>\$ 341,230.18</u>	<u>15,692,000</u>	
<b>Total Purchases</b>	<u><b>\$ 1,079,756.36</b></u>	<u><b>46,013,000</b></u>	
<b>Sales</b>			
Internal Economy			
	\$ 1,502,364.55	71,264,000	Fuel for LGE Sale to KU for Native Load
	12,124.65		Half of Split Savings to LGE from KU
	<u>\$ 1,514,489.20</u>	<u>71,264,000</u>	
Internal Replacement			
	\$ 202,831.07	7,071,000	Freed-up LGE Generation sold back to KU
	-	0	LGE Generation for KU Pre-Merger Sales
	<u>\$ 202,831.07</u>	<u>7,071,000</u>	
<b>Total Sales</b>	<u><b>\$ 1,717,320.27</b></u>	<u><b>78,335,000</b></u>	

**OFF-SYSTEM SALES ADJUSTMENT CLAUSE SCHEDULE  
KENTUCKY UTILITIES COMPANY**

Expense Month : October 2018

Line No.

1.	Current Month OSS Margins	OSS Page 2	\$ 505,929
2.	Customer Sharing		<u>75%</u>
3.	Customer Share of OSS Margins	L. 1 x L. 2	\$ 379,447
4.	Current Month True-up	OSS Page 3	<u>\$ 12,549</u>
5.	Total Off-System Sales Adjustment	L. 3 + L. 4	<u>\$ 391,996</u>
6.	Current Month S(m)	Form A Page 3	1,594,481,568
7.	Off-System Sales Adjustment Clause Factor	L.5 ÷ L. 6	\$ 0.00025

**OFF-SYSTEM SALES ADJUSTMENT CLAUSE MARGINS  
KENTUCKY UTILITIES COMPANY**

Expense Month : October 2018

Line No.

1.	Total OSS Revenues		\$ 1,969,334
2.	Total OSS Expenses		<u>\$ 1,463,405</u>
3.	Total OSS Margins	L. 1 - L. 2	<u><u>\$ 505,929</u></u>



**OFF-SYSTEM SALES ADJUSTMENT CLAUSE TRUE UP  
KENTUCKY UTILITIES COMPANY**

Expense Month : October 2018

Line No.			
1.	Last OSS Adjustment Factor Billed		<u>\$ (0.00006)</u>
2.	KWH Billed at Above Rate		<u>1,461,634,900</u>
3.	OSS Adjustment Charge (Credit)	(Line 1 x Line 2)	<u>\$ (87,698)</u>
4.	KWH Used to Determine Last OSS Adjustment Factor		<u>1,872,745,774</u>
5.	Non-Jurisdictional KWH (Included in Line 4)		<u>227,477,863</u>
6.	Kentucky Jurisdictional KWH	(Line 4 - Line 5)	<u>1,645,267,911</u>
7.	Revised OSS Factor Billed, if prior period adjustment is needed (See Note 1)		<u>-</u>
8.	OSS Adjustment Charge (Credit) to be Collected (Distributed)	(Line 1 x Line 6)	<u>\$ (98,716)</u>
9.	(Over) or Under Amount	(Line 3 - Line 8)	<u>\$ 11,018</u>
10.	Total Sales "Sm" (From Form A, Page 3 of 6)		<u>1,594,481,568</u>
11.	Kentucky Jurisdictional Sales		<u>1,399,940,892</u>
12.	Total Sales Divided by Kentucky Jurisdictional Sales	(Line 10 / Line 11)	<u>1.13896349</u>
13.	Total Company (Over) or Under Amount	(Line 9 x Line 12)	<u>\$ 12,549</u>

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OCT 19 2018

PUBLIC SERVICE  
COMMISSION



a PPL company

Ms. Gwen R. Pinson  
Executive Director  
Public Service Commission of Kentucky  
211 Sower Boulevard  
P.O. Box 615  
Frankfort, Kentucky 40602

October 19, 2018

Dear Ms. Pinson:

In compliance with 807 KAR 5:056, Kentucky Utilities Company herewith files its adjustment clause factor including the monthly fuel adjustment factor and off-system sales adjustment factor applicable to billings under retail rates during the November 2018 billing cycle which begins October 30, 2018.

The necessary supporting data to justify the billing factors is included. Please contact me if you have any questions about this filing.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Derek Rahn'. The signature is stylized and cursive.

Derek Rahn

Enclosures

**Kentucky Utilities Company**

State Regulation and Rates  
220 West Main Street  
PO Box 32010  
Louisville, Kentucky 40232  
www.lge-ku.com

Derek Rahn  
Manager - Revenue  
Requirement COS  
T 502-627-4127  
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derek.rahn@lge-ku.com

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OCT 19 2018

PUBLIC SERVICE  
COMMISSION

**KENTUCKY UTILITIES COMPANY**

**SUMMARY OF ADJUSTMENT CLAUSES**

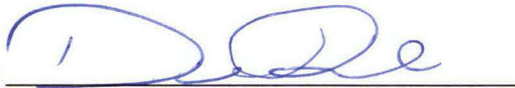
Expense Month : September 2018

1. Fuel Adjustment Clause Factor (Page 1 of 6)	(+) \$	(0.00297) / KWH
2. Off-System Sales Adjustment Clause Factor (OSS Page 1 of 3)	(-) \$	<u>0.00045</u> / KWH
3. Total Adjustment Clause Billing Factor (Line 1 - Line 2)	= \$	<u>(0.00342)</u> / KWH

Note: (1) Five decimal places in dollars for normal rounding.

Effective Date for Billing: October 30, 2018

Submitted by



Title: Manager, Revenue Requirement COS

**KENTUCKY UTILITIES COMPANY**  
**FUEL ADJUSTMENT CLAUSE SCHEDULE**

Expense Month : September 2018

$$\frac{\text{Fuel "Fm" (Fuel Cost Schedule)} \quad \$ \quad 38,700,885}{\text{Sales "Sm" (Sales Schedule)} \quad 1,673,722,834 \text{ KWH}} = (+) \$ \quad 0.02312 \text{ / KWH}$$

$$\text{Per First Revision of PSC approved Tariff Sheet No. 85.1 effective September 1, 2017} = (-) \$ \quad \underline{0.02609} \text{ / KWH}$$

$$\text{FAC Factor (1)} = \underline{\underline{\$ (0.00297) / KWH}}$$

Note: (1) Five decimal places in dollars for normal rounding.

Effective Date for Billing: October 30, 2018

## KENTUCKY UTILITIES COMPANY FUEL COST SCHEDULE

Expense Month : September 2018

<b>(A) <u>Company Generation</u></b>			
Coal Burned	(+)	\$27,660,907	(1)
Oil Burned	(+)	190,186	(1)
Gas Burned	(+)	10,630,652	(1)
Fuel (assigned cost during Forced Outage)	(+)	821,084	
Fuel (substitute cost for Forced Outage)	(-)	918,452	
SUB-TOTAL		\$ 38,384,377	
 <b>(B) <u>Purchases</u></b>			
Net energy cost - economy purchases	(+)	\$ 478,899	
Identifiable fuel cost - other purchases	(+)	-	
Identifiable fuel cost (substitute for Forced Outage)	(-)	4,273	
Less Purchases above Highest Cost Units	(-)	-	
Internal Economy	(+)	1,443,895	
Internal Replacement	(+)	145,456	
SUB-TOTAL		\$ 2,063,977	
 <b>(C) <u>Inter-System Sales</u></b>			
Including Interchange-out	(+)	\$ 861,601	
Internal Economy	(+)	423,223	
Internal Replacement	(+)	264,206	
Dollars Assigned to Inter-System Sales Losses	(+)	4,308	
SUB-TOTAL		\$ 1,553,338	
 <b>(D) <u>Over or (Under) Recovery</u></b>			
From Page 5, Line 13		\$ 194,131	
 <b>(E) <u>CSR Customers Buy-Through Adjustment</u></b>			
		\$ -	
TOTAL FUEL RECOVERY (A+B-C-D-E) =		\$ 38,700,885	

Note: (1) Reflects exclusion of IMEA/IMPA portion of Trimble County Unit 2 fuel cost with recognition of 0.5% transmission losses per Commission's Order in Case No. 2012-00552.

Coal burned =	\$9,669
Oil burned =	\$0
Gas burned =	\$130

## KENTUCKY UTILITIES COMPANY

### SALES SCHEDULE (KWH)

Expense Month : September 2018

(A) Generation (Net)	(+)	1,716,305,000
Purchases including interchange-in	(+)	59,388,000
Internal Economy	(+)	71,286,000
Internal Replacement	(+)	5,555,000
SUB-TOTAL		<u>1,852,534,000</u>
(B) Inter-system Sales including interchange-out	(+)	36,287,000
Internal Economy	(+)	18,918,000
Internal Replacement	(+)	12,011,000
(*) System Losses	(+)	111,595,166
SUB-TOTAL		<u>178,811,166</u>
TOTAL SALES (A-B)		<u><u>1,673,722,834</u></u>

(\*) Note: See Page 4 of 6, "Adjustment of rolling 12-MTD average overall system losses to reflect losses at retail level"

**KENTUCKY UTILITIES COMPANY**

**ADJUSTMENT OF ROLLING 12-MTD AVERAGE OVERALL SYSTEM  
LOSSES TO REFLECT LOSSES AT RETAIL LEVEL**

Expense Month : September 2018

12 Months to Date KWH Sources: 22,916,512,000 KWH  
 12 MTD Overall System Losses: 1,380,472,274 KWH  
 September 2018 KWH Sources: 1,852,534,000 KWH

$$1,380,472,274 / 22,916,512,000 = 6.023920\%$$

$$6.023920\% \times 1,852,534,000 = 111,595,166 \text{ KWH}$$

**WHOLESALE KWH SALES AND LOSSES**

154,021,872 Wholesale Sales & Deliveries to ODP at Transmission Voltage (WS-T)  
 49,274,800 Wholesale sales at Primary Voltage (WS-P)  
 67,216,000 Intersystem Sales at Transmission Voltage (IS-T)

	Wholesale Sales\Deliveries	Loss Percentage	Losses	Wholesale Sources
WS-T:	154,021,872	2.153%	3,389,057	157,410,929
WS-P:	49,274,800	2.153% and 0.985%	1,585,201	50,860,001
IS-T:	67,216,000	0.500%	337,769	67,553,769

**KENTUCKY UTILITIES COMPANY**  
**FUEL ADJUSTMENT CLAUSE**  
**OVER OR (UNDER) RECOVERY SCHEDULE**

Expense Month : September 2018

1.	Last FAC Rate Billed		<u>(\$0.00294)</u>
2.	KWH Billed at Above Rate		<u>1,573,339,498</u>
3.	FAC Revenue/(Refund)	(Line 1 x Line 2)	<u>\$ (4,625,618)</u>
4.	KWH Used to Determine Last FAC Rate		<u>1,860,306,506</u>
5.	Non-Jurisdictional KWH (Included in Line 4)		<u>229,006,256</u>
6.	Kentucky Jurisdictional KWH	(Line 4 - Line 5)	<u>1,631,300,250</u>
7.	Revised FAC Rate Billed, if prior period adjustment is needed		<u>\$ -</u>
8.	Recoverable FAC Revenue/(Refund)	(Line 1 x Line 6)	<u>\$ (4,796,023)</u>
9.	Over or (Under) Recovery	(Line 3 - Line 8)	<u>\$ 170,405</u>
10.	Total Sales "Sm" (From Page 3 of 6)		<u>1,673,722,834</u>
11.	Kentucky Jurisdictional Sales		<u>1,469,170,084</u>
12.	Total Sales Divided by Kentucky Jurisdictional Sales	(Line 10 / Line 11)	<u>1.13923014</u>
13.	Total Company Over or (Under) Recovery	(Line 9 x Line 12)	<u>\$ 194,131</u>



**FUEL ADJUSTMENT CLAUSE  
INTERCOMPANY TRANSACTIONS**  
Expense Month : September 2018

**KENTUCKY UTILITIES COMPANY**

<b>Purchases</b>		KWH	
Internal Economy			
	\$ 1,431,993.96	71,286,000	Fuel for LGE Sale to KU for Native Load
	11,900.90		Half of Split Savings to LGE from KU
	<u>\$ 1,443,894.86</u>	<u>71,286,000</u>	
Internal Replacement			
	\$ 145,455.74	5,555,000	Freed-up LGE Generation sold back to KU
	-	0	LGE Generation for KU Pre-Merger Sales
	<u>\$ 145,455.74</u>	<u>5,555,000</u>	
<b>Total Purchases</b>	<u><b>\$ 1,589,350.60</b></u>	<u><b>76,841,000</b></u>	
<b>Sales</b>			
Internal Economy			
	\$ 410,594.42	18,918,000	KU Fuel Cost - Sales to LGE Native Load
	12,628.10		Half of Split Savings
	<u>\$ 423,222.52</u>	<u>18,918,000</u>	
Internal Replacement			
	\$ 264,206.25	12,011,000	Freed-up KU Generation sold back to LGE
	-	0	KU Generation for LGE Pre-Merger
	-	0	KU Generation for LGE IB
	<u>\$ 264,206.25</u>	<u>12,011,000</u>	
<b>Total Sales</b>	<u><b>\$ 687,428.77</b></u>	<u><b>30,929,000</b></u>	

**LOUISVILLE GAS AND ELECTRIC COMPANY**

<b>Purchases</b>		KWH	
Internal Economy			
	\$ 410,594.42	18,918,000	KU Fuel Cost - Sales to LGE Native Load
	12,628.10		Half of Split Savings
	<u>\$ 423,222.52</u>	<u>18,918,000</u>	
Internal Replacement			
	\$ 264,206.25	12,011,000	Freed-up KU Generation sold back to LGE
	-	0	KU Generation for LGE Pre-Merger
	-	0	KU Generation for LGE IB
	<u>\$ 264,206.25</u>	<u>12,011,000</u>	
<b>Total Purchases</b>	<u><b>\$ 687,428.77</b></u>	<u><b>30,929,000</b></u>	
<b>Sales</b>			
Internal Economy			
	\$ 1,431,993.96	71,286,000	Fuel for LGE Sale to KU for Native Load
	11,900.90		Half of Split Savings to LGE from KU
	<u>\$ 1,443,894.86</u>	<u>71,286,000</u>	
Internal Replacement			
	\$ 145,455.74	5,555,000	Freed-up LGE Generation sold back to KU
	-	0	LGE Generation for KU Pre-Merger Sales
	<u>\$ 145,455.74</u>	<u>5,555,000</u>	
<b>Total Sales</b>	<u><b>\$ 1,589,350.60</b></u>	<u><b>76,841,000</b></u>	

**OFF-SYSTEM SALES ADJUSTMENT CLAUSE SCHEDULE  
KENTUCKY UTILITIES COMPANY**

Expense Month : September 2018

Line No.

1.	Current Month OSS Margins	OSS Page 2	\$ 1,005,657
2.	Customer Sharing		<u>75%</u>
3.	Customer Share of OSS Margins	L. 1 x L. 2	\$ 754,243
4.	Current Month True-up	OSS Page 3	<u>\$ 5,942</u>
5.	Total Off-System Sales Adjustment	L. 3 + L. 4	<u>\$ 760,185</u>
6.	Current Month S(m)	Form A Page 3	1,673,722,834
7.	Off-System Sales Adjustment Clause Factor	L.5 ÷ L. 6	\$ 0.00045

**OFF-SYSTEM SALES ADJUSTMENT CLAUSE MARGINS  
KENTUCKY UTILITIES COMPANY**

Expense Month : September 2018

Line No.

1.	Total OSS Revenues		\$ 2,357,673
2.	Total OSS Expenses		<u>\$ 1,352,016</u>
3.	Total OSS Margins	L. 1 - L. 2	<u>\$ 1,005,657</u>

**OFF-SYSTEM SALES ADJUSTMENT CLAUSE TRUE UP  
KENTUCKY UTILITIES COMPANY**

Expense Month : September 2018

Line No.			
1.	Last OSS Adjustment Factor Billed		<u>\$ (0.00009)</u>
2.	KWH Billed at Above Rate		<u>1,573,339,498</u>
3.	OSS Adjustment Charge (Credit)	(Line 1 x Line 2)	<u>\$ (141,601)</u>
4.	KWH Used to Determine Last OSS Adjustment Factor		<u>1,860,306,506</u>
5.	Non-Jurisdictional KWH (Included in Line 4)		<u>229,006,256</u>
6.	Kentucky Jurisdictional KWH	(Line 4 - Line 5)	<u>1,631,300,250</u>
7.	Revised OSS Factor Billed, if prior period adjustment is needed (See Note 1)		<u>-</u>
8.	OSS Adjustment Charge (Credit) to be Collected (Distributed)	(Line 1 x Line 6)	<u>\$ (146,817)</u>
9.	(Over) or Under Amount	(Line 3 - Line 8)	<u>\$ 5,216</u>
10.	Total Sales "Sm" (From Form A, Page 3 of 6)		<u>1,673,722,834</u>
11.	Kentucky Jurisdictional Sales		<u>1,469,170,084</u>
12.	Total Sales Divided by Kentucky Jurisdictional Sales	(Line 10 / Line 11)	<u>1.13923014</u>
13.	Total Company (Over) or Under Amount	(Line 9 x Line 12)	<u>\$ 5,942</u>



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SEP 21 2018

PUBLIC SERVICE  
COMMISSION

Ms. Gwen R. Pinson  
Executive Director  
Public Service Commission of Kentucky  
211 Sower Boulevard  
P.O. Box 615  
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September 21, 2018

Dear Ms. Pinson:

In compliance with 807 KAR 5:056, Kentucky Utilities Company herewith files its adjustment clause factor including the monthly fuel adjustment factor and off-system sales adjustment factor applicable to billings under retail rates during the October 2018 billing cycle which begins October 1, 2018.

The necessary supporting data to justify the billing factors is included. Please contact me if you have any questions about this filing.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Derek Rahn', written over a blue horizontal line.

Derek Rahn

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SEP 21 2018

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COMMISSION

**KENTUCKY UTILITIES COMPANY**  
**SUMMARY OF ADJUSTMENT CLAUSES**

Expense Month : August 2018

1.	Fuel Adjustment Clause Factor (Page 1 of 6)	(+) \$	(0.00267) / KWH
2.	Off-System Sales Adjustment Clause Factor (OSS Page 1 of 3)	(-) \$	<u>0.00006</u> / KWH
3.	Total Adjustment Clause Billing Factor (Line 1 - Line 2)	= \$	<u>(0.00273)</u> / KWH

Note: (1) Five decimal places in dollars for normal rounding.

Effective Date for Billing: October 1, 2018

Submitted by



Title: Manager, Revenue Requirement COS

**KENTUCKY UTILITIES COMPANY**  
**FUEL ADJUSTMENT CLAUSE SCHEDULE**

Expense Month : August 2018

$$\begin{array}{r} \text{Fuel "Fm" (Fuel Cost Schedule)} \\ \hline \text{Sales "Sm" (Sales Schedule)} \end{array} = \begin{array}{r} \$ \quad 43,863,341 \\ 1,872,745,774 \text{ KWH} \end{array} = (+) \$ \quad 0.02342 \text{ / KWH}$$

$$\begin{array}{l} \text{Per First Revision of PSC approved Tariff Sheet No. 85.1 effective} \\ \text{September 1, 2017} \end{array} = (-) \$ \quad \underline{0.02609} \text{ / KWH}$$

$$\text{FAC Factor (1)} = \underline{\underline{\$ (0.00267) / KWH}}$$

Note: (1) Five decimal places in dollars for normal rounding.

Effective Date for Billing: October 1, 2018

**KENTUCKY UTILITIES COMPANY  
FUEL COST SCHEDULE**

Expense Month : August 2018

<u>(A) Company Generation</u>			
Coal Burned	(+)	\$31,505,285	(1)
Oil Burned	(+)	138,548	(1)
Gas Burned	(+)	11,064,547	(1)
Fuel (assigned cost during Forced Outage)	(+)	675,028	*
Fuel (substitute cost for Forced Outage)	(-)	476,555	*
SUB-TOTAL		<u>\$ 42,708,380</u>	
<u>(B) Purchases</u>			
Net energy cost - economy purchases	(+)	\$ 577,442	
Identifiable fuel cost - other purchases	(+)	-	
Identifiable fuel cost (substitute for Forced Outage)	(-)	2,277	*
Less Purchases above Highest Cost Units	(-)	-	
Internal Economy	(+)	1,192,290	
Internal Replacement	(+)	61,792	
SUB-TOTAL		<u>\$ 1,831,524</u>	
<u>(C) Inter-System Sales</u>			
Including Interchange-out	(+)	\$ 309,473	
Internal Economy	(+)	390,901	
Internal Replacement	(+)	86,932	
Dollars Assigned to Inter-System Sales Losses	(+)	1,547	
SUB-TOTAL		<u>\$ 788,853</u>	
<u>(D) Over or (Under) Recovery</u>			
From Page 5, Line 13		<u>\$ (112,290)</u>	
<u>(E) CSR Customers Buy-Through Adjustment</u>			
		<u>\$ -</u>	
TOTAL FUEL RECOVERY (A+B-C-D-E) =		<u><u>\$ 43,863,341</u></u>	

Note: (1) Reflects exclusion of IMEA/IMPA portion of Trimble County Unit 2 fuel cost with recognition of 0.5% transmission losses per Commission's Order in Case No. 2012-00552.

Coal burned =	\$9,656
Oil burned =	\$0
Gas burned =	\$119

\* Excluded from calculations per 807 KAR 5:056 due to fuel cost for substitute generation and purchases being less than assigned cost during Forced Outage.



**KENTUCKY UTILITIES COMPANY**

**SALES SCHEDULE (KWH)**

Expense Month : August 2018

(A) Generation (Net)	(+)	1,901,463,000
Purchases including interchange-in	(+)	69,747,000
Internal Economy	(+)	55,093,000
Internal Replacement	(+)	2,854,000
SUB-TOTAL		<u>2,029,157,000</u>
(B) Inter-system Sales including interchange-out	(+)	13,618,000
Internal Economy	(+)	18,755,000
Internal Replacement	(+)	3,761,000
(*) System Losses	(+)	<u>120,277,226</u>
SUB-TOTAL		<u>156,411,226</u>
TOTAL SALES (A-B)		<u><u>1,872,745,774</u></u>

(\* ) Note: See Page 4 of 6, "Adjustment of rolling 12-MTD average overall system losses to reflect losses at retail level"

**KENTUCKY UTILITIES COMPANY**

**ADJUSTMENT OF ROLLING 12-MTD AVERAGE OVERALL SYSTEM  
LOSSES TO REFLECT LOSSES AT RETAIL LEVEL**

Expense Month : August 2018

12 Months to Date KWH Sources: 22,778,616,000 KWH  
 12 MTD Overall System Losses: 1,350,190,660 KWH  
 August 2018 KWH Sources: 2,029,157,000 KWH

$$1,350,190,660 / 22,778,616,000 = 5.927448\%$$

$$5.927448\% \times 2,029,157,000 = 120,277,226 \text{ KWH}$$

**WHOLESALE KWH SALES AND LOSSES**

170,543,485 Wholesale Sales & Deliveries to ODP at Transmission Voltage (WS-T)  
 55,690,800 Wholesale sales at Primary Voltage (WS-P)  
 36,134,000 Intersystem Sales at Transmission Voltage (IS-T)

	<u>Wholesale Sales\Deliveries</u>	<u>Loss Percentage</u>	<u>Losses</u>	<u>Wholesale Sources</u>
WS-T:	170,543,485	2.153%	3,752,595	174,296,080
WS-P:	55,690,800	2.153% and 0.985%	1,791,608	57,482,408
IS-T:	36,134,000	0.500%	181,578	36,315,578

**KENTUCKY UTILITIES COMPANY**  
**FUEL ADJUSTMENT CLAUSE**  
**OVER OR (UNDER) RECOVERY SCHEDULE**

Expense Month : August 2018

1.	Last FAC Rate Billed		<u>(\$0.00191)</u>
2.	KWH Billed at Above Rate		<u>1,618,531,828</u>
3.	FAC Revenue/(Refund)	(Line 1 x Line 2)	<u>\$ (3,091,396)</u>
4.	KWH Used to Determine Last FAC Rate		<u>1,783,740,697</u>
5.	Non-Jurisdictional KWH (Included in Line 4)		<u>216,858,139</u>
6.	Kentucky Jurisdictional KWH	(Line 4 - Line 5)	<u>1,566,882,558</u>
7.	Revised FAC Rate Billed, if prior period adjustment is needed		<u>\$ -</u>
8.	Recoverable FAC Revenue/(Refund)	(Line 1 x Line 6)	<u>\$ (2,992,746)</u>
9.	Over or (Under) Recovery	(Line 3 - Line 8)	<u>\$ (98,650)</u>
10.	Total Sales "Sm" (From Page 3 of 6)		<u>1,872,745,774</u>
11.	Kentucky Jurisdictional Sales		<u>1,645,267,911</u>
12.	Total Sales Divided by Kentucky Jurisdictional Sales	(Line 10 / Line 11)	<u>1.1382619</u>
13.	Total Company Over or (Under) Recovery	(Line 9 x Line 12)	<u>\$ (112,290)</u>

**FUEL ADJUSTMENT CLAUSE  
INTERCOMPANY TRANSACTIONS**  
Expense Month : August 2018

**KENTUCKY UTILITIES COMPANY**

<b>Purchases</b>		<b>KWH</b>	
Internal Economy	\$ 1,183,705.31	55,093,000	Fuel for LGE Sale to KU for Native Load
	8,584.65		Half of Split Savings to LGE from KU
	<u>\$ 1,192,289.96</u>	<u>55,093,000</u>	
Internal Replacement	\$ 61,792.01	2,854,000	Freed-up LGE Generation sold back to KU
	-	0	LGE Generation for KU Pre-Merger Sales
	<u>\$ 61,792.01</u>	<u>2,854,000</u>	
<b>Total Purchases</b>	<u><u>\$ 1,254,081.97</u></u>	<u><u>57,947,000</u></u>	
<b>Sales</b>			
Internal Economy	\$ 388,598.23	18,755,000	KU Fuel Cost - Sales to LGE Native Load
	2,302.40		Half of Split Savings
	<u>\$ 390,900.63</u>	<u>18,755,000</u>	
Internal Replacement	\$ 86,932.06	3,761,000	Freed-up KU Generation sold back to LGE
	-	0	KU Generation for LGE Pre-Merger
	-	0	KU Generation for LGE IB
	<u>\$ 86,932.06</u>	<u>3,761,000</u>	
<b>Total Sales</b>	<u><u>\$ 477,832.69</u></u>	<u><u>22,516,000</u></u>	

**LOUISVILLE GAS AND ELECTRIC COMPANY**

<b>Purchases</b>		<b>KWH</b>	
Internal Economy	\$ 388,598.23	18,755,000	KU Fuel Cost - Sales to LGE Native Load
	2,302.40		Half of Split Savings
	<u>\$ 390,900.63</u>	<u>18,755,000</u>	
Internal Replacement	\$ 86,932.06	3,761,000	Freed-up KU Generation sold back to LGE
	-	0	KU Generation for LGE Pre-Merger
	-	0	KU Generation for LGE IB
	<u>\$ 86,932.06</u>	<u>3,761,000</u>	
<b>Total Purchases</b>	<u><u>\$ 477,832.69</u></u>	<u><u>22,516,000</u></u>	
<b>Sales</b>			
Internal Economy	\$ 1,183,705.31	55,093,000	Fuel for LGE Sale to KU for Native Load
	8,584.65		Half of Split Savings to LGE from KU
	<u>\$ 1,192,289.96</u>	<u>55,093,000</u>	
Internal Replacement	\$ 61,792.01	2,854,000	Freed-up LGE Generation sold back to KU
	-	0	LGE Generation for KU Pre-Merger Sales
	<u>\$ 61,792.01</u>	<u>2,854,000</u>	
<b>Total Sales</b>	<u><u>\$ 1,254,081.97</u></u>	<u><u>57,947,000</u></u>	

**OFF-SYSTEM SALES ADJUSTMENT CLAUSE SCHEDULE  
KENTUCKY UTILITIES COMPANY**

Expense Month : August 2018

Line No.

1.	Current Month OSS Margins	OSS Page 2	\$ 145,463
2.	Customer Sharing		<u>75%</u>
3.	Customer Share of OSS Margins	L. 1 x L. 2	\$ 109,097
4.	Current Month True-up	OSS Page 3	<u>\$ (2,940)</u>
5.	Total Off-System Sales Adjustment	L. 3 + L. 4	<u>\$ 106,157</u>
6.	Current Month S(m)	Form A Page 3	1,872,745,774
7.	Off-System Sales Adjustment Clause Factor	L.5 ÷ L. 6	\$ 0.00006

**OFF-SYSTEM SALES ADJUSTMENT CLAUSE MARGINS  
KENTUCKY UTILITIES COMPANY**

Expense Month : August 2018

Line No.

1.	Total OSS Revenues		\$	621,239
2.	Total OSS Expenses		\$	<u>475,776</u>
3.	Total OSS Margins	L. 1 - L. 2	\$	<u><u>145,463</u></u>

**OFF-SYSTEM SALES ADJUSTMENT CLAUSE TRUE UP  
KENTUCKY UTILITIES COMPANY**

Expense Month : August 2018

Line No.			
1.	Last OSS Adjustment Factor Billed		<u>\$ (0.00005)</u>
2.	KWH Billed at Above Rate		<u>1,618,531,828</u>
3.	OSS Adjustment Charge (Credit)	(Line 1 x Line 2)	<u>\$ (80,927)</u>
4.	KWH Used to Determine Last OSS Adjustment Factor		<u>1,783,740,697</u>
5.	Non-Jurisdictional KWH (Included in Line 4)		<u>216,858,139</u>
6.	Kentucky Jurisdictional KWH	(Line 4 - Line 5)	<u>1,566,882,558</u>
7.	Revised OSS Factor Billed, if prior period adjustment is needed (See Note 1)		<u>-</u>
8.	OSS Adjustment Charge (Credit) to be Collected (Distributed)	(Line 1 x Line 6)	<u>\$ (78,344)</u>
9.	(Over) or Under Amount	(Line 3 - Line 8)	<u>\$ (2,583)</u>
10.	Total Sales "Sm" (From Form A, Page 3 of 6)		<u>1,872,745,774</u>
11.	Kentucky Jurisdictional Sales		<u>1,645,267,911</u>
12.	Total Sales Divided by Kentucky Jurisdictional Sales	(Line 10 / Line 11)	<u>1.1382619</u>
13.	Total Company (Over) or Under Amount	(Line 9 x Line 12)	<u>\$ (2,940)</u>



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AUG 20 2018

PUBLIC SERVICE  
COMMISSION

Ms. Gwen R. Pinson  
Executive Director  
Public Service Commission of Kentucky  
211 Sower Boulevard  
P.O. Box 615  
Frankfort, Kentucky 40602

**Kentucky Utilities Company**  
State Regulation and Rates  
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[derek.rahn@lge-ku.com](mailto:derek.rahn@lge-ku.com)

August 20, 2018

Dear Ms. Pinson:

In compliance with 807 KAR 5:056, Kentucky Utilities Company herewith files its adjustment clause factor including the monthly fuel adjustment factor and off-system sales adjustment factor applicable to billings under retail rates during the September 2018 billing cycle which begins August 30, 2018.

The necessary supporting data to justify the billing factors is included. Please contact me if you have any questions about this filing.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Derek Rahn', written over a light blue horizontal line.

Derek Rahn

Enclosures



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COMMISSION

**KENTUCKY UTILITIES COMPANY**

**SUMMARY OF ADJUSTMENT CLAUSES**

Expense Month : July 2018

1. Fuel Adjustment Clause Factor (Page 1 of 6)	(+) \$	(0.00294) / KWH
2. Off-System Sales Adjustment Clause Factor (OSS Page 1 of 3)	(-) \$	<u>0.00009</u> / KWH
3. Total Adjustment Clause Billing Factor (Line 1 - Line 2)	= \$	<u>(0.00303)</u> / KWH

Note: (1) Five decimal places in dollars for normal rounding.

Effective Date for Billing: August 30, 2018

Submitted by



---

Title: Manager, Revenue Requirement COS

**KENTUCKY UTILITIES COMPANY**  
**FUEL ADJUSTMENT CLAUSE SCHEDULE**

Expense Month : July 2018

$$\begin{array}{rcl} \text{Fuel "Fm" (Fuel Cost Schedule)} & \$ & 43,061,146 \\ \hline & = & \hline \text{Sales "Sm" (Sales Schedule)} & & 1,860,306,506 \text{ KWH} \end{array} = (+) \$ 0.02315 / \text{KWH}$$

$$\begin{array}{rcl} \text{Per First Revision of PSC approved Tariff Sheet No. 85.1 effective} & & \\ \text{September 1, 2017} & = (-) & \$ \underline{0.02609} / \text{KWH} \end{array}$$

$$\text{FAC Factor (1)} = \underline{\underline{\$ (0.00294) / \text{KWH}}}$$

Note: (1) Five decimal places in dollars for normal rounding.

Effective Date for Billing: August 30, 2018

**KENTUCKY UTILITIES COMPANY  
FUEL COST SCHEDULE**

Expense Month : July 2018

<b>(A) <u>Company Generation</u></b>			
Coal Burned	(+)	\$31,910,313	(1)
Oil Burned	(+)	82,605	(1)
Gas Burned	(+)	10,009,403	(1)
Fuel (assigned cost during Forced Outage)	(+)	1,677,611	*
Fuel (substitute cost for Forced Outage)	(-)	1,229,921	*
<b>SUB-TOTAL</b>		<b>\$ 42,002,321</b>	
<b>(B) <u>Purchases</u></b>			
Net energy cost - economy purchases	(+)	\$ 594,822	
Identifiable fuel cost - other purchases	(+)	-	
Identifiable fuel cost (substitute for Forced Outage)	(-)	6,841	*
Less Purchases above Highest Cost Units	(-)	-	
Internal Economy	(+)	1,170,848	
Internal Replacement	(+)	125,183	
<b>SUB-TOTAL</b>		<b>\$ 1,890,853</b>	
<b>(C) <u>Inter-System Sales</u></b>			
Including Interchange-out	(+)	\$ 582,942	
Internal Economy	(+)	557,604	
Internal Replacement	(+)	72,298	
Dollars Assigned to Inter-System Sales Losses	(+)	2,915	
<b>SUB-TOTAL</b>		<b>\$ 1,215,759</b>	
<b>(D) <u>Over or (Under) Recovery</u></b>			
From Page 5, Line 13		\$ (383,731)	
<b>(E) <u>CSR Customers Buy-Through Adjustment</u></b>			
		\$ -	
<b>TOTAL FUEL RECOVERY (A+B-C-D-E) =</b>		<b>\$ 43,061,146</b>	

Note: (1) Reflects exclusion of IMEA/IMPA portion of Trimble County Unit 2 fuel cost with recognition of 0.5% transmission losses per Commission's Order in Case No. 2012-00552.

Coal burned =	\$9,374
Oil burned =	\$0
Gas burned =	\$127

\* Excluded from calculations per 807 KAR 5:056 due to fuel cost for substitute generation and purchases being less than assigned cost during Forced Outage.

**KENTUCKY UTILITIES COMPANY**

**SALES SCHEDULE (KWH)**

Expense Month : July 2018

(A) Generation (Net)	(+)	1,901,514,000
Purchases including interchange-in	(+)	70,104,000
Internal Economy	(+)	55,675,000
Internal Replacement	(+)	4,504,000
SUB-TOTAL		<u>2,031,797,000</u>
(B) Inter-system Sales including interchange-out	(+)	23,532,000
Internal Economy	(+)	24,333,000
Internal Replacement	(+)	3,405,000
(*) System Losses	(+)	120,220,494
SUB-TOTAL		<u>171,490,494</u>
TOTAL SALES (A-B)		<u><u>1,860,306,506</u></u>

(\* ) Note: See Page 4 of 6, "Adjustment of rolling 12-MTD average overall system losses to reflect losses at retail level"

**KENTUCKY UTILITIES COMPANY**

**ADJUSTMENT OF ROLLING 12-MTD AVERAGE OVERALL SYSTEM  
LOSSES TO REFLECT LOSSES AT RETAIL LEVEL**

Expense Month : July 2018

12 Months to Date KWH Sources: 22,681,690,000 KWH  
 12 MTD Overall System Losses: 1,342,065,163 KWH  
 July 2018 KWH Sources: 2,031,797,000 KWH

$$1,342,065,163 / 22,681,690,000 = 5.916954\%$$

$$5.916954\% \times 2,031,797,000 = 120,220,494 \text{ KWH}$$

**WHOLESALE KWH SALES AND LOSSES**

171,614,851 Wholesale Sales & Deliveries to ODP at Transmission Voltage (WS-T)  
 56,064,400 Wholesale sales at Primary Voltage (WS-P)  
 51,270,000 Intersystem Sales at Transmission Voltage (IS-T)

	<u>Wholesale Sales\Deliveries</u>	<u>Loss Percentage</u>	<u>Losses</u>	<u>Wholesale Sources</u>
WS-T:	171,614,851	2.153%	3,776,169	175,391,020
WS-P:	56,064,400	2.153% and 0.985%	1,803,627	57,868,027
IS-T:	51,270,000	0.500%	257,638	51,527,638

**KENTUCKY UTILITIES COMPANY**  
**FUEL ADJUSTMENT CLAUSE**  
**OVER OR (UNDER) RECOVERY SCHEDULE**

Expense Month : July 2018

1.	Last FAC Rate Billed		<u>(\$0.00206)</u>
2.	KWH Billed at Above Rate		<u>1,653,484,973</u>
3.	FAC Revenue/(Refund)	(Line 1 x Line 2)	<u>\$ (3,406,179)</u>
4.	KWH Used to Determine Last FAC Rate		<u>1,694,329,607</u>
5.	Non-Jurisdictional KWH (Included in Line 4)		<u>204,190,960</u>
6.	Kentucky Jurisdictional KWH	(Line 4 - Line 5)	<u>1,490,138,647</u>
7.	Revised FAC Rate Billed, if prior period adjustment is needed		<u>\$ -</u>
8.	Recoverable FAC Revenue/(Refund)	(Line 1 x Line 6)	<u>\$ (3,069,686)</u>
9.	Over or (Under) Recovery	(Line 3 - Line 8)	<u>\$ (336,493)</u>
10.	Total Sales "Sm" (From Page 3 of 6)		<u>1,860,306,506</u>
11.	Kentucky Jurisdictional Sales		<u>1,631,300,250</u>
12.	Total Sales Divided by Kentucky Jurisdictional Sales	(Line 10 / Line 11)	<u>1.14038265</u>
13.	Total Company Over or (Under) Recovery	(Line 9 x Line 12)	<u>\$ (383,731)</u>

**FUEL ADJUSTMENT CLAUSE  
INTERCOMPANY TRANSACTIONS**

Expense Month : July 2018

**KENTUCKY UTILITIES COMPANY**

<b>Purchases</b>		KWH	
Internal Economy	\$ 1,169,102.13	55,675,000	Fuel for LGE Sale to KU for Native Load
	1,745.41		Half of Split Savings to LGE from KU
	<u>\$ 1,170,847.54</u>	<u>55,675,000</u>	
Internal Replacement	\$ 125,183.45	4,504,000	Freed-up LGE Generation sold back to KU
	-	0	LGE Generation for KU Pre-Merger Sales
	<u>\$ 125,183.45</u>	<u>4,504,000</u>	
<b>Total Purchases</b>	<u><b>\$ 1,296,030.99</b></u>	<u><b>60,179,000</b></u>	
<b>Sales</b>			
Internal Economy	\$ 546,353.43	24,333,000	KU Fuel Cost - Sales to LGE Native Load
	11,250.84		Half of Split Savings
	<u>\$ 557,604.27</u>	<u>24,333,000</u>	
Internal Replacement	\$ 72,297.69	3,405,000	Freed-up KU Generation sold back to LGE
	-	0	KU Generation for LGE Pre-Merger
	-	0	KU Generation for LGE IB
	<u>\$ 72,297.69</u>	<u>3,405,000</u>	
<b>Total Sales</b>	<u><b>\$ 629,901.96</b></u>	<u><b>27,738,000</b></u>	

**LOUISVILLE GAS AND ELECTRIC COMPANY**

<b>Purchases</b>		KWH	
Internal Economy	\$ 546,353.43	24,333,000	KU Fuel Cost - Sales to LGE Native Load
	11,250.84		Half of Split Savings
	<u>\$ 557,604.27</u>	<u>24,333,000</u>	
Internal Replacement	\$ 72,297.69	3,405,000	Freed-up KU Generation sold back to LGE
	-	0	KU Generation for LGE Pre-Merger
	-	0	KU Generation for LGE IB
	<u>\$ 72,297.69</u>	<u>3,405,000</u>	
<b>Total Purchases</b>	<u><b>\$ 629,901.96</b></u>	<u><b>27,738,000</b></u>	
<b>Sales</b>			
Internal Economy	\$ 1,169,102.13	55,675,000	Fuel for LGE Sale to KU for Native Load
	1,745.41		Half of Split Savings to LGE from KU
	<u>\$ 1,170,847.54</u>	<u>55,675,000</u>	
Internal Replacement	\$ 125,183.45	4,504,000	Freed-up LGE Generation sold back to KU
	-	0	LGE Generation for KU Pre-Merger Sales
	<u>\$ 125,183.45</u>	<u>4,504,000</u>	
<b>Total Sales</b>	<u><b>\$ 1,296,030.99</b></u>	<u><b>60,179,000</b></u>	

**OFF-SYSTEM SALES ADJUSTMENT CLAUSE SCHEDULE  
KENTUCKY UTILITIES COMPANY**

Expense Month : July 2018

Line No.

1.	Current Month OSS Margins	OSS Page 2	\$ 235,186
2.	Customer Sharing		<u>75%</u>
3.	Customer Share of OSS Margins	L. 1 x L. 2	\$ 176,390
4.	Current Month True-up	OSS Page 3	<u>\$ (16,766)</u>
5.	Total Off-System Sales Adjustment	L. 3 + L. 4	<u><u>\$ 159,624</u></u>
6.	Current Month S(m)	Form A Page 3	1,860,306,506
7.	Off-System Sales Adjustment Clause Factor	L.5 ÷ L. 6	\$ 0.00009



**OFF-SYSTEM SALES ADJUSTMENT CLAUSE MARGINS  
KENTUCKY UTILITIES COMPANY**

Expense Month : July 2018

Line No.

1.	Total OSS Revenues		\$	1,031,856
2.	Total OSS Expenses		\$	<u>796,670</u>
3.	Total OSS Margins	L. 1 - L. 2	\$	<u><u>235,186</u></u>

**OFF-SYSTEM SALES ADJUSTMENT CLAUSE TRUE UP  
KENTUCKY UTILITIES COMPANY**

Expense Month : July 2018

Line No.			
1.	Last OSS Adjustment Factor Billed		<u>\$ (0.00009)</u>
2.	KWH Billed at Above Rate		<u>1,653,484,973</u>
3.	OSS Adjustment Charge (Credit)	(Line 1 x Line 2)	<u>\$ (148,814)</u>
4.	KWH Used to Determine Last OSS Adjustment Factor		<u>1,694,329,607</u>
5.	Non-Jurisdictional KWH (Included in Line 4)		<u>204,190,960</u>
6.	Kentucky Jurisdictional KWH	(Line 4 - Line 5)	<u>1,490,138,647</u>
7.	Revised OSS Factor Billed, if prior period adjustment is needed (See Note 1)		<u>-</u>
8.	OSS Adjustment Charge (Credit) to be Collected (Distributed)	(Line 1 x Line 6)	<u>\$ (134,112)</u>
9.	(Over) or Under Amount	(Line 3 - Line 8)	<u>\$ (14,702)</u>
10.	Total Sales "Sm" (From Form A, Page 3 of 6)		<u>1,860,306,506</u>
11.	Kentucky Jurisdictional Sales		<u>1,631,300,250</u>
12.	Total Sales Divided by Kentucky Jurisdictional Sales	(Line 10 / Line 11)	<u>1.14038265</u>
13.	Total Company (Over) or Under Amount	(Line 9 x Line 12)	<u>\$ (16,766)</u>



a PPL company

Ms. Gwen R. Pinson  
Executive Director  
Public Service Commission of Kentucky  
211 Sower Boulevard  
P.O. Box 615  
Frankfort, Kentucky 40602

July 20, 2018

Dear Ms. Pinson:

In compliance with 807 KAR 5:056, Kentucky Utilities Company herewith files its adjustment clause factor including the monthly fuel adjustment factor and off-system sales adjustment factor applicable to billings under retail rates during the August 2018 billing cycle which begins August 1, 2018.

The necessary supporting data to justify the billing factors is included. Please contact me if you have any questions about this filing.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Derek Rahn', written over a blue horizontal line.

Derek Rahn

Enclosures

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JUL 20 2018

PUBLIC SERVICE  
COMMISSION

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FINANCIAL ANALYSIS

**Kentucky Utilities Company**  
State Regulation and Rates  
220 West Main Street  
PO Box 32010  
Louisville, Kentucky 40232  
www.lge-ku.com

Derek Rahn  
Manager - Revenue  
Requirement COS  
T 502-627-4127  
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derek.rahn@lge-ku.com

**KENTUCKY UTILITIES COMPANY**  
**SUMMARY OF ADJUSTMENT CLAUSES**

Expense Month : June 2018

1.	Fuel Adjustment Clause Factor (Page 1 of 6)	(+) \$	(0.00191) / KWH
2.	Off-System Sales Adjustment Clause Factor (OSS Page 1 of 3)	(-) \$	<u>0.00005</u> / KWH
3.	Total Adjustment Clause Billing Factor (Line 1 - Line 2)	= \$	<u>(0.00196)</u> / KWH

Note: (1) Five decimal places in dollars for normal rounding.

Effective Date for Billing: August 1, 2018

Submitted by



Title: Manager, Revenue Requirement COS

**KENTUCKY UTILITIES COMPANY**  
**FUEL ADJUSTMENT CLAUSE SCHEDULE**

Expense Month : June 2018

$$\begin{array}{r} \text{Fuel "Fm" (Fuel Cost Schedule)} \quad \$ \quad 43,133,911 \\ \hline \text{Sales "Sm" (Sales Schedule)} \quad 1,783,740,697 \text{ KWH} \end{array} = (+) \$ \quad 0.02418 \text{ / KWH}$$

$$\begin{array}{l} \text{Per First Revision of PSC approved Tariff Sheet No. 85.1 effective} \\ \text{September 1, 2017} \end{array} = (-) \quad \underline{\underline{\$ \quad 0.02609}} \text{ / KWH}$$

$$\text{FAC Factor (1)} = \quad \underline{\underline{\$ \quad (0.00191)}} \text{ / KWH}$$

Note: (1) Five decimal places in dollars for normal rounding.

Effective Date for Billing: August 1, 2018

## KENTUCKY UTILITIES COMPANY FUEL COST SCHEDULE

Expense Month : June 2018

<b>(A) <u>Company Generation</u></b>			
Coal Burned	(+)	\$33,233,128	(1)
Oil Burned	(+)	244,114	(1)
Gas Burned	(+)	8,251,424	(1)
Fuel (assigned cost during Forced Outage)	(+)	479,785	*
Fuel (substitute cost for Forced Outage)	(-)	466,553	*
SUB-TOTAL		\$ 41,728,666	
 <b>(B) <u>Purchases</u></b>			
Net energy cost - economy purchases	(+)	\$ 571,661	
Identifiable fuel cost - other purchases	(+)	-	
Identifiable fuel cost (substitute for Forced Outage)	(-)	7,570	*
Less Purchases above Highest Cost Units	(-)	-	
Internal Economy	(+)	1,099,636	
Internal Replacement	(+)	55,141	
SUB-TOTAL		\$ 1,726,438	
 <b>(C) <u>Inter-System Sales</u></b>			
Including Interchange-out	(+)	\$ 332,082	
Internal Economy	(+)	344,755	
Internal Replacement	(+)	86,187	
Dollars Assigned to Inter-System Sales Losses	(+)	1,660	
SUB-TOTAL		\$ 764,684	
 <b>(D) <u>Over or (Under) Recovery</u></b>			
From Page 5, Line 13		\$ (443,491)	
 <b>(E) <u>CSR Customers Buy-Through Adjustment</u></b>			
		\$ -	
TOTAL FUEL RECOVERY (A+B-C-D-E) =		\$ 43,133,911	

Note: (1) Reflects exclusion of IMEA/IMPA portion of Trimble County Unit 2 fuel cost with recognition of 0.5% transmission losses per Commission's Order in Case No. 2012-00552.

Coal burned =	\$7,827
Oil burned =	\$0
Gas burned =	\$129

\* Excluded from calculations per 807 KAR 5:056 due to fuel cost for substitute generation and purchases being less than assigned cost during Forced Outage.

## KENTUCKY UTILITIES COMPANY

### SALES SCHEDULE (KWH)

Expense Month : June 2018

(A) Generation (Net)	(+)	1,816,294,000
Purchases including interchange-in	(+)	60,993,000
Internal Economy	(+)	50,047,000
Internal Replacement	(+)	2,122,000
SUB-TOTAL		<u>1,929,456,000</u>
(B) Inter-system Sales including interchange-out	(+)	13,698,000
Internal Economy	(+)	15,164,000
Internal Replacement	(+)	3,680,000
(*) System Losses	(+)	113,173,303
SUB-TOTAL		<u>145,715,303</u>
TOTAL SALES (A-B)		<u><u>1,783,740,697</u></u>

(\*) Note: See Page 4 of 6, "Adjustment of rolling 12-MTD average overall system losses to reflect losses at retail level"

**KENTUCKY UTILITIES COMPANY**

**ADJUSTMENT OF ROLLING 12-MTD AVERAGE OVERALL SYSTEM  
LOSSES TO REFLECT LOSSES AT RETAIL LEVEL**

Expense Month : June 2018

12 Months to Date KWH Sources: 22,694,112,000 KWH  
 12 MTD Overall System Losses: 1,331,135,681 KWH  
 June 2018 KWH Sources: 1,929,456,000 KWH

$$1,331,135,681 / 22,694,112,000 = 5.865555\%$$

$$5.865555\% \times 1,929,456,000 = 113,173,303 \text{ KWH}$$

**WHOLESALE KWH SALES AND LOSSES**

161,597,524 Wholesale Sales & Deliveries to ODP at Transmission Voltage (WS-T)  
 54,043,200 Wholesale sales at Primary Voltage (WS-P)  
 32,542,000 Intersystem Sales at Transmission Voltage (IS-T)

	<u>Wholesale Sales\Deliveries</u>	<u>Loss Percentage</u>	<u>Losses</u>	<u>Wholesale Sources</u>
WS-T:	161,597,524	2.153%	3,555,750	165,153,274
WS-P:	54,043,200	2.153% and 0.985%	1,738,603	55,781,803
IS-T:	32,542,000	0.500%	163,528	32,705,528



**KENTUCKY UTILITIES COMPANY**  
**FUEL ADJUSTMENT CLAUSE**  
**OVER OR (UNDER) RECOVERY SCHEDULE**

Expense Month : June 2018

1.	Last FAC Rate Billed		<u>(\$0.00178)</u>
2.	KWH Billed at Above Rate		<u>1,532,278,541</u>
3.	FAC Revenue/(Refund)	(Line 1 x Line 2)	<u>\$ (2,727,456)</u>
4.	KWH Used to Determine Last FAC Rate		<u>1,499,065,877</u>
5.	Non-Jurisdictional KWH (Included in Line 4)		<u>185,649,064</u>
6.	Kentucky Jurisdictional KWH	(Line 4 - Line 5)	<u>1,313,416,813</u>
7.	Revised FAC Rate Billed, if prior period adjustment is needed		<u>\$ -</u>
8.	Recoverable FAC Revenue/(Refund)	(Line 1 x Line 6)	<u>\$ (2,337,882)</u>
9.	Over or (Under) Recovery	(Line 3 - Line 8)	<u>\$ (389,574)</u>
10.	Total Sales "Sm" (From Page 3 of 6)		<u>1,783,740,697</u>
11.	Kentucky Jurisdictional Sales		<u>1,566,882,558</u>
12.	Total Sales Divided by Kentucky Jurisdictional Sales	(Line 10 / Line 11)	<u>1.13840102</u>
13.	Total Company Over or (Under) Recovery	(Line 9 x Line 12)	<u>\$ (443,491)</u>

**FUEL ADJUSTMENT CLAUSE  
INTERCOMPANY TRANSACTIONS**

Expense Month : June 2018

**KENTUCKY UTILITIES COMPANY**

		KWH	
<b>Purchases</b>			
Internal Economy			
	\$ 1,095,065.30	50,047,000	Fuel for LGE Sale to KU for Native Load
	<u>4,570.57</u>		Half of Split Savings to LGE from KU
	\$ 1,099,635.87	<u>50,047,000</u>	
Internal Replacement			
	\$ 55,140.78	2,122,000	Freed-up LGE Generation sold back to KU
	<u>-</u>	<u>0</u>	LGE Generation for KU Pre-Merger Sales
	\$ 55,140.78	2,122,000	
<b>Total Purchases</b>	<u><u>\$ 1,154,776.65</u></u>	<u><u>52,169,000</u></u>	
<b>Sales</b>			
Internal Economy			
	\$ 339,481.08	15,164,000	KU Fuel Cost - Sales to LGE Native Load
	<u>5,274.26</u>		Half of Split Savings
	\$ 344,755.34	<u>15,164,000</u>	
Internal Replacement			
	\$ 86,186.74	3,680,000	Freed-up KU Generation sold back to LGE
	<u>-</u>	<u>0</u>	KU Generation for LGE Pre-Merger
	<u>-</u>	<u>0</u>	KU Generation for LGE IB
	\$ 86,186.74	3,680,000	
<b>Total Sales</b>	<u><u>\$ 430,942.08</u></u>	<u><u>18,844,000</u></u>	

**LOUISVILLE GAS AND ELECTRIC COMPANY**

		KWH	
<b>Purchases</b>			
Internal Economy			
	\$ 339,481.08	15,164,000	KU Fuel Cost - Sales to LGE Native Load
	<u>5,274.26</u>		Half of Split Savings
	\$ 344,755.34	<u>15,164,000</u>	
Internal Replacement			
	\$ 86,186.74	3,680,000	Freed-up KU Generation sold back to LGE
	<u>-</u>	<u>0</u>	KU Generation for LGE Pre-Merger
	<u>-</u>	<u>0</u>	KU Generation for LGE IB
	\$ 86,186.74	3,680,000	
<b>Total Purchases</b>	<u><u>\$ 430,942.08</u></u>	<u><u>18,844,000</u></u>	
<b>Sales</b>			
Internal Economy			
	\$ 1,095,065.30	50,047,000	Fuel for LGE Sale to KU for Native Load
	<u>4,570.57</u>		Half of Split Savings to LGE from KU
	\$ 1,099,635.87	<u>50,047,000</u>	
Internal Replacement			
	\$ 55,140.78	2,122,000	Freed-up LGE Generation sold back to KU
	<u>-</u>	<u>0</u>	LGE Generation for KU Pre-Merger Sales
	\$ 55,140.78	2,122,000	
<b>Total Sales</b>	<u><u>\$ 1,154,776.65</u></u>	<u><u>52,169,000</u></u>	

**OFF-SYSTEM SALES ADJUSTMENT CLAUSE SCHEDULE  
KENTUCKY UTILITIES COMPANY**

Expense Month : June 2018

Line No.

1.	Current Month OSS Margins	OSS Page 2	\$ 156,350
2.	Customer Sharing		<u>75%</u>
3.	Customer Share of OSS Margins	L. 1 x L. 2	\$ 117,263
4.	Current Month True-up	OSS Page 3	<u>\$ (24,915)</u>
5.	Total Off-System Sales Adjustment	L. 3 + L. 4	<u><u>\$ 92,348</u></u>
6.	Current Month S(m)	Form A Page 3	1,783,740,697
7.	Off-System Sales Adjustment Clause Factor	L.5 ÷ L. 6	\$ 0.00005

**OFF-SYSTEM SALES ADJUSTMENT CLAUSE MARGINS  
KENTUCKY UTILITIES COMPANY**

Expense Month : June 2018

Line No.

1.	Total OSS Revenues		\$	659,596
2.	Total OSS Expenses		\$	<u>503,246</u>
3.	Total OSS Margins	L. 1 - L. 2	\$	<u>156,350</u>

**OFF-SYSTEM SALES ADJUSTMENT CLAUSE TRUE UP  
KENTUCKY UTILITIES COMPANY**

Expense Month : June 2018

Line No.			
1.	Last OSS Adjustment Factor Billed		<u>\$ (0.00010)</u>
2.	KWH Billed at Above Rate		<u>1,532,278,541</u>
3.	OSS Adjustment Charge (Credit)	(Line 1 x Line 2)	<u>\$ (153,228)</u>
4.	KWH Used to Determine Last OSS Adjustment Factor		<u>1,499,065,877</u>
5.	Non-Jurisdictional KWH (Included in Line 4)		<u>185,649,064</u>
6.	Kentucky Jurisdictional KWH	(Line 4 - Line 5)	<u>1,313,416,813</u>
7.	Revised OSS Factor Billed, if prior period adjustment is needed (See Note 1)		<u>-</u>
8.	OSS Adjustment Charge (Credit) to be Collected (Distributed)	(Line 1 x Line 6)	<u>\$ (131,342)</u>
9.	(Over) or Under Amount	(Line 3 - Line 8)	<u>\$ (21,886)</u>
10.	Total Sales "Sm" (From Form A, Page 3 of 6)		<u>1,783,740,697</u>
11.	Kentucky Jurisdictional Sales		<u>1,566,882,558</u>
12.	Total Sales Divided by Kentucky Jurisdictional Sales	(Line 10 / Line 11)	<u>1.13840102</u>
13.	Total Company (Over) or Under Amount	(Line 9 x Line 12)	<u>\$ (24,915)</u>



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JUN 19 2018

PUBLIC SERVICE  
COMMISSION

Ms. Gwen R. Pinson  
Executive Director  
Public Service Commission of Kentucky  
211 Sower Boulevard  
P.O. Box 615  
Frankfort, Kentucky 40602

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JUN 20 2018  
FINANCIAL ANALYSIS

**Kentucky Utilities Company**  
State Regulation and Rates  
220 West Main Street  
PO Box 32010  
Louisville, Kentucky 40232  
www.lge-ku.com

Derek Rahn  
Manager - Revenue  
Requirement COS  
T 502-627-4127  
F 502-217-4002  
derek.rahn@lge-ku.com

June 19, 2018

Dear Ms. Pinson:

In compliance with 807 KAR 5:056, Kentucky Utilities Company herewith files its adjustment clause factor including the monthly fuel adjustment factor and off-system sales adjustment factor applicable to billings under retail rates during the July 2018 billing cycle which begins June 29, 2018.

The necessary supporting data to justify the billing factors is included. Please contact me if you have any questions about this filing.

Sincerely,

A handwritten signature in blue ink, appearing to read 'D. Rahn'.

Derek Rahn

Enclosures

**KENTUCKY UTILITIES COMPANY**  
**SUMMARY OF ADJUSTMENT CLAUSES**

Expense Month : May 2018

1. Fuel Adjustment Clause Factor (Page 1 of 6)	(+) \$ (0.00206) / KWH
2. Off-System Sales Adjustment Clause Factor (OSS Page 1 of 3)	(-) \$ <u>0.00009</u> / KWH
3. Total Adjustment Clause Billing Factor (Line 1 - Line 2)	= \$ <u>(0.00215)</u> / KWH

Note: (1) Five decimal places in dollars for normal rounding.

Effective Date for Billing: June 29, 2018

Submitted by \_\_\_\_\_



Title: Manager, Revenue Requirement COS

**KENTUCKY UTILITIES COMPANY**  
**FUEL ADJUSTMENT CLAUSE SCHEDULE**

Expense Month : May 2018

$$\begin{array}{rcl} \text{Fuel "Fm" (Fuel Cost Schedule)} & \$ & 40,722,056 \\ \hline \text{Sales "Sm" (Sales Schedule)} & & 1,694,329,607 \text{ KWH} \end{array} = (+) \$ 0.02403 / \text{KWH}$$

$$\begin{array}{rcl} \text{Per First Revision of PSC approved Tariff Sheet No. 85.1 effective} & & \\ \text{September 1, 2017} & = (-) & \$ \underline{0.02609} / \text{KWH} \end{array}$$

$$\text{FAC Factor (1)} = \$ \underline{\underline{(0.00206)}} / \text{KWH}$$

Note: (1) Five decimal places in dollars for normal rounding.

Effective Date for Billing: June 29, 2018



**KENTUCKY UTILITIES COMPANY  
FUEL COST SCHEDULE**

Expense Month : May 2018

<b>(A) <u>Company Generation</u></b>			
Coal Burned	(+)	\$29,092,920	(1)
Oil Burned	(+)	225,888	(1)
Gas Burned	(+)	11,208,274	(1)
Fuel (assigned cost during Forced Outage)	(+)	413,156	*
Fuel (substitute cost for Forced Outage)	(-)	375,435	*
<b>SUB-TOTAL</b>		<b>\$ 40,527,082</b>	
<b>(B) <u>Purchases</u></b>			
Net energy cost - economy purchases	(+)	\$ 408,270	
Identifiable fuel cost - other purchases	(+)	-	
Identifiable fuel cost (substitute for Forced Outage)	(-)	2,030	*
Less Purchases above Highest Cost Units	(-)	95	
Internal Economy	(+)	1,025,754	
Internal Replacement	(+)	74,472	
<b>SUB-TOTAL</b>		<b>\$ 1,508,401</b>	
<b>(C) <u>Inter-System Sales</u></b>			
Including Interchange-out	(+)	\$ 430,361	
Internal Economy	(+)	610,061	
Internal Replacement	(+)	187,269	
Dollars Assigned to Inter-System Sales Losses	(+)	2,152	
<b>SUB-TOTAL</b>		<b>\$ 1,229,843</b>	
<b>(D) <u>Over or (Under) Recovery</u></b>			
From Page 5, Line 13		\$ 83,584	
<b>(E) <u>CSR Customers Buy-Through Adjustment</u></b>			
		\$ -	
<b>TOTAL FUEL RECOVERY (A+B-C-D-E) =</b>		<b>\$ 40,722,056</b>	

Note: (1) Reflects exclusion of IMEA/IMPA portion of Trimble County Unit 2 fuel cost with recognition of 0.5% transmission losses per Commission's Order in Case No. 2012-00552.

Coal burned =	\$1,922
Oil burned =	\$0
Gas burned =	\$257

\* Excluded from calculations per 807 KAR 5:056 due to fuel cost for substitute generation and purchases being less than assigned cost during Forced Outage.

## KENTUCKY UTILITIES COMPANY

### SALES SCHEDULE (KWH)

Expense Month : May 2018

(A) Generation (Net)	(+)	1,763,706,000
Purchases including interchange-in	(+)	43,124,000
Internal Economy	(+)	46,906,000
Internal Replacement	(+)	3,205,000
SUB-TOTAL		<u>1,856,941,000</u>
(B) Inter-system Sales including interchange-out	(+)	18,215,000
Internal Economy	(+)	28,071,000
Internal Replacement	(+)	8,285,000
(*) System Losses	(+)	108,040,393
SUB-TOTAL		<u>162,611,393</u>
TOTAL SALES (A-B)		<u><u>1,694,329,607</u></u>

(\*) Note: See Page 4 of 6, "Adjustment of rolling 12-MTD average overall system losses to reflect losses at retail level"

**KENTUCKY UTILITIES COMPANY**

**ADJUSTMENT OF ROLLING 12-MTD AVERAGE OVERALL SYSTEM  
LOSSES TO REFLECT LOSSES AT RETAIL LEVEL**

Expense Month : May 2018

12 Months to Date KWH Sources: 22,601,089,000 KWH  
 12 MTD Overall System Losses: 1,314,974,827 KWH  
 May 2018 KWH Sources: 1,856,941,000 KWH

$$1,314,974,827 / 22,601,089,000 = 5.818192\%$$

$$5.818192\% \times 1,856,941,000 = 108,040,393 \text{ KWH}$$

**WHOLESALE KWH SALES AND LOSSES**

153,940,927 Wholesale Sales & Deliveries to ODP at Transmission Voltage (WS-T)  
 49,049,200 Wholesale sales at Primary Voltage (WS-P)  
 54,571,000 Intersystem Sales at Transmission Voltage (IS-T)

	<u>Wholesale Sales\Deliveries</u>	<u>Loss Percentage</u>	<u>Losses</u>	<u>Wholesale Sources</u>
WS-T:	153,940,927	2.153%	3,387,276	157,328,203
WS-P:	49,049,200	2.153% and 0.985%	1,577,943	50,627,143
IS-T:	54,571,000	0.500%	274,226	54,845,226

**KENTUCKY UTILITIES COMPANY**  
**FUEL ADJUSTMENT CLAUSE**  
**OVER OR (UNDER) RECOVERY SCHEDULE**

Expense Month : May 2018

1.	Last FAC Rate Billed		<u>(\$0.00078)</u>
2.	KWH Billed at Above Rate		<u>1,414,565,409</u>
3.	FAC Revenue/(Refund)	(Line 1 x Line 2)	<u>\$ (1,103,361)</u>
4.	KWH Used to Determine Last FAC Rate		<u>1,726,641,195</u>
5.	Non-Jurisdictional KWH (Included in Line 4)		<u>217,831,182</u>
6.	Kentucky Jurisdictional KWH	(Line 4 - Line 5)	<u>1,508,810,013</u>
7.	Revised FAC Rate Billed, if prior period adjustment is needed		<u>\$ -</u>
8.	Recoverable FAC Revenue/(Refund)	(Line 1 x Line 6)	<u>\$ (1,176,872)</u>
9.	Over or (Under) Recovery	(Line 3 - Line 8)	<u>\$ 73,511</u>
10.	Total Sales "Sm" (From Page 3 of 6)		<u>1,694,329,607</u>
11.	Kentucky Jurisdictional Sales		<u>1,490,138,647</u>
12.	Total Sales Divided by Kentucky Jurisdictional Sales	(Line 10 / Line 11)	<u>1.13702816</u>
13.	Total Company Over or (Under) Recovery	(Line 9 x Line 12)	<u>\$ 83,584</u>

**FUEL ADJUSTMENT CLAUSE  
INTERCOMPANY TRANSACTIONS**

Expense Month : May 2018

**KENTUCKY UTILITIES COMPANY**

<b>Purchases</b>		<b>KWH</b>	
Internal Economy			
	\$ 1,017,003.38	46,906,000	Fuel for LGE Sale to KU for Native Load
	8,750.73		Half of Split Savings to LGE from KU
	<u>\$ 1,025,754.11</u>	<u>46,906,000</u>	
Internal Replacement			
	\$ 74,471.57	3,205,000	Freed-up LGE Generation sold back to KU
	-	0	LGE Generation for KU Pre-Merger Sales
	<u>\$ 74,471.57</u>	<u>3,205,000</u>	
<b>Total Purchases</b>	<u><b>\$ 1,100,225.68</b></u>	<u><b>50,111,000</b></u>	
<b>Sales</b>			
Internal Economy			
	\$ 603,587.73	28,071,000	KU Fuel Cost - Sales to LGE Native Load
	6,473.28		Half of Split Savings
	<u>\$ 610,061.01</u>	<u>28,071,000</u>	
Internal Replacement			
	\$ 187,268.98	8,285,000	Freed-up KU Generation sold back to LGE
	-	0	KU Generation for LGE Pre-Merger
	-	0	KU Generation for LGE IB
	<u>\$ 187,268.98</u>	<u>8,285,000</u>	
<b>Total Sales</b>	<u><b>\$ 797,329.99</b></u>	<u><b>36,356,000</b></u>	

**LOUISVILLE GAS AND ELECTRIC COMPANY**

<b>Purchases</b>		<b>KWH</b>	
Internal Economy			
	\$ 603,587.73	28,071,000	KU Fuel Cost - Sales to LGE Native Load
	6,473.28		Half of Split Savings
	<u>\$ 610,061.01</u>	<u>28,071,000</u>	
Internal Replacement			
	\$ 187,268.98	8,285,000	Freed-up KU Generation sold back to LGE
	-	0	KU Generation for LGE Pre-Merger
	-	0	KU Generation for LGE IB
	<u>\$ 187,268.98</u>	<u>8,285,000</u>	
<b>Total Purchases</b>	<u><b>\$ 797,329.99</b></u>	<u><b>36,356,000</b></u>	
<b>Sales</b>			
Internal Economy			
	\$ 1,017,003.38	46,906,000	Fuel for LGE Sale to KU for Native Load
	8,750.73		Half of Split Savings to LGE from KU
	<u>\$ 1,025,754.11</u>	<u>46,906,000</u>	
Internal Replacement			
	\$ 74,471.57	3,205,000	Freed-up LGE Generation sold back to KU
	-	0	LGE Generation for KU Pre-Merger Sales
	<u>\$ 74,471.57</u>	<u>3,205,000</u>	
<b>Total Sales</b>	<u><b>\$ 1,100,225.68</b></u>	<u><b>50,111,000</b></u>	

**OFF-SYSTEM SALES ADJUSTMENT CLAUSE SCHEDULE  
KENTUCKY UTILITIES COMPANY**

Expense Month : May 2018

Line No.

1.	Current Month OSS Margins	OSS Page 2	\$ 168,599
2.	Customer Sharing		<u>75%</u>
3.	Customer Share of OSS Margins	L. 1 x L. 2	\$ 126,449
4.	Current Month True-up	OSS Page 3	<u>\$ 20,361</u>
5.	Total Off-System Sales Adjustment	L. 3 + L. 4	<u><u>\$ 146,810</u></u>
6.	Current Month S(m)	Form A Page 3	1,694,329,607
7.	Off-System Sales Adjustment Clause Factor	L.5 ÷ L. 6	\$ 0.00009

**OFF-SYSTEM SALES ADJUSTMENT CLAUSE MARGINS  
KENTUCKY UTILITIES COMPANY**

Expense Month : May 2018

Line No.

1.	Total OSS Revenues		\$	909,552
2.	Total OSS Expenses		\$	<u>740,953</u>
3.	Total OSS Margins	L. 1 - L. 2	\$	<u>168,599</u>

**OFF-SYSTEM SALES ADJUSTMENT CLAUSE TRUE UP  
KENTUCKY UTILITIES COMPANY**

Expense Month : May 2018

Line No.			
1.	Last OSS Adjustment Factor Billed		<u>\$ (0.00019)</u>
2.	KWH Billed at Above Rate		<u>1,414,565,409</u>
3.	OSS Adjustment Charge (Credit)	(Line 1 x Line 2)	<u>\$ (268,767)</u>
4.	KWH Used to Determine Last OSS Adjustment Factor		<u>1,726,641,195</u>
5.	Non-Jurisdictional KWH (Included in Line 4)		<u>217,831,182</u>
6.	Kentucky Jurisdictional KWH	(Line 4 - Line 5)	<u>1,508,810,013</u>
7.	Revised OSS Factor Billed, if prior period adjustment is needed (See Note 1)		<u>-</u>
8.	OSS Adjustment Charge (Credit) to be Collected (Distributed)	(Line 1 x Line 6)	<u>\$ (286,674)</u>
9.	(Over) or Under Amount	(Line 3 - Line 8)	<u>\$ 17,907</u>
10.	Total Sales "Sm" (From Form A, Page 3 of 6)		<u>1,694,329,607</u>
11.	Kentucky Jurisdictional Sales		<u>1,490,138,647</u>
12.	Total Sales Divided by Kentucky Jurisdictional Sales	(Line 10 / Line 11)	<u>1.13702816</u>
13.	Total Company (Over) or Under Amount	(Line 9 x Line 12)	<u>\$ 20,361</u>



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MAY 21 2018

PUBLIC SERVICE  
COMMISSION



a PPL company

Ms. Gwen R. Pinson  
Executive Director  
Public Service Commission of Kentucky  
211 Sower Boulevard  
P.O. Box 615  
Frankfort, Kentucky 40602

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MAY 21 2018  
FINANCIAL ANALYSIS

**Kentucky Utilities Company**  
State Regulation and Rates  
220 West Main Street  
PO Box 32010  
Louisville, Kentucky 40232  
www.lge-ku.com

Derek Rahn  
Manager - Revenue  
Requirement COS  
T 502-627-4127  
F 502-217-4002  
derek.rahn@lge-ku.com

May 21, 2018

Dear Ms. Pinson:

In compliance with 807 KAR 5:056, Kentucky Utilities Company herewith files its adjustment clause factor including the monthly fuel adjustment factor and off-system sales adjustment factor applicable to billings under retail rates during the June 2018 billing cycle which begins May 31, 2018.

The necessary supporting data to justify the billing factors is included. Please contact me if you have any questions about this filing.

Sincerely,

Derek Rahn

Enclosures

**KENTUCKY UTILITIES COMPANY**  
**SUMMARY OF ADJUSTMENT CLAUSES**

Expense Month : April 2018

1. Fuel Adjustment Clause Factor (Page 1 of 6)	(+) \$ (0.00178) / KWH
2. Off-System Sales Adjustment Clause Factor (OSS Page 1 of 3)	(-) \$ <u>0.00010</u> / KWH
3. Total Adjustment Clause Billing Factor (Line 1 - Line 2)	= \$ <u>(0.00188)</u> / KWH

Note: (1) Five decimal places in dollars for normal rounding.

Effective Date for Billing: May 31, 2018

Submitted by  \_\_\_\_\_

Title: Manager, Revenue Requirement COS

**KENTUCKY UTILITIES COMPANY**  
**FUEL ADJUSTMENT CLAUSE SCHEDULE**

Expense Month : April 2018

$$\begin{array}{r} \text{Fuel "Fm" (Fuel Cost Schedule)} \quad \$ \quad 36,437,981 \\ \hline \text{Sales "Sm" (Sales Schedule)} \quad 1,499,065,877 \text{ KWH} \end{array} = (+) \$ \quad 0.02431 \text{ / KWH}$$

$$\begin{array}{l} \text{Per First Revision of PSC approved Tariff Sheet No. 85.1 effective} \\ \text{September 1, 2017} \end{array} = (-) \$ \quad \underline{0.02609} \text{ / KWH}$$

$$\text{FAC Factor (1)} = \underline{\underline{\$ (0.00178) / KWH}}$$

Note: (1) Five decimal places in dollars for normal rounding.

Effective Date for Billing: May 31, 2018

**KENTUCKY UTILITIES COMPANY  
FUEL COST SCHEDULE**

Expense Month : April 2018

<b>(A) <u>Company Generation</u></b>			
Coal Burned	(+)	\$22,233,955	(1)
Oil Burned	(+)	140,615	(1)
Gas Burned	(+)	12,897,255	(1)
Fuel (assigned cost during Forced Outage)	(+)	-	
Fuel (substitute cost for Forced Outage)	(-)	-	
<b>SUB-TOTAL</b>		<b>\$ 35,271,825</b>	
<b>(B) <u>Purchases</u></b>			
Net energy cost - economy purchases	(+)	\$ 519,990	
Identifiable fuel cost - other purchases	(+)	-	
Identifiable fuel cost (substitute for Forced Outage)	(-)	-	
Less Purchases above Highest Cost Units	(-)	-	
Internal Economy	(+)	1,599,574	
Internal Replacement	(+)	21,271	
<b>SUB-TOTAL</b>		<b>\$ 2,140,835</b>	
<b>(C) <u>Inter-System Sales</u></b>			
Including Interchange-out	(+)	\$ 459,491	
Internal Economy	(+)	106,927	
Internal Replacement	(+)	459,827	
Dollars Assigned to Inter-System Sales Losses	(+)	2,297	
<b>SUB-TOTAL</b>		<b>\$ 1,028,542</b>	
<b>(D) <u>Over or (Under) Recovery</u></b>			
From Page 5, Line 13		\$ (53,863)	
<b>TOTAL FUEL RECOVERY (A+B-C-D) =</b>		<b>\$ 36,437,981</b>	

Note: (1) Reflects exclusion of IMEA/IMPA portion of Trimble County Unit 2 fuel cost with recognition of 0.5% transmission losses per Commission's Order in Case No. 2012-00552.

Coal burned =	\$0
Oil burned =	\$0
Gas burned =	\$0

**KENTUCKY UTILITIES COMPANY**

**SALES SCHEDULE (KWH)**

Expense Month : April 2018

(A) Generation (Net)	(+)	1,525,286,000
Purchases including interchange-in	(+)	40,773,000
Internal Economy	(+)	74,523,000
Internal Replacement	(+)	964,000
SUB-TOTAL		<u>1,641,546,000</u>
(B) Inter-system Sales including interchange-out	(+)	19,772,000
Internal Economy	(+)	4,854,000
Internal Replacement	(+)	20,741,000
(*) System Losses	(+)	97,113,123
SUB-TOTAL		<u>142,480,123</u>
TOTAL SALES (A-B)		<u><u>1,499,065,877</u></u>

(\*) Note: See Page 4 of 6, "Adjustment of rolling 12-MTD average overall system losses to reflect losses at retail level"

**KENTUCKY UTILITIES COMPANY**

**ADJUSTMENT OF ROLLING 12-MTD AVERAGE OVERALL SYSTEM  
LOSSES TO REFLECT LOSSES AT RETAIL LEVEL**

Expense Month : April 2018

12 Months to Date KWH Sources: 22,459,540,000 KWH  
 12 MTD Overall System Losses: 1,328,696,254 KWH  
 April 2018 KWH Sources: 1,641,546,000 KWH

$$1,328,696,254 / 22,459,540,000 = 5.915955\%$$

$$5.915955\% \times 1,641,546,000 = 97,113,123 \text{ KWH}$$

**WHOLESALE KWH SALES AND LOSSES**

145,070,274 Wholesale Sales & Deliveries to ODP at Transmission Voltage (WS-T)  
 38,977,200 Wholesale sales at Primary Voltage (WS-P)  
 45,367,000 Intersystem Sales at Transmission Voltage (IS-T)

	Wholesale Sales\Deliveries	Loss Percentage	Losses	Wholesale Sources
WS-T:	145,070,274	2.153%	3,192,089	148,262,363
WS-P:	38,977,200	2.153% and 0.985%	1,253,921	40,231,121
IS-T:	45,367,000	0.500%	227,975	45,594,975

**KENTUCKY UTILITIES COMPANY**  
**FUEL ADJUSTMENT CLAUSE**  
**OVER OR (UNDER) RECOVERY SCHEDULE**

Expense Month : April 2018

1.	Last FAC Rate Billed		<u>(\$0.00143)</u>
2.	KWH Billed at Above Rate		<u>1,428,329,525</u>
3.	FAC Revenue/(Refund)	(Line 1 x Line 2)	<u>\$ (2,042,511)</u>
4.	KWH Used to Determine Last FAC Rate		<u>1,597,504,892</u>
5.	Non-Jurisdictional KWH (Included in Line 4)		<u>202,176,708</u>
6.	Kentucky Jurisdictional KWH	(Line 4 - Line 5)	<u>1,395,328,184</u>
7.	Revised FAC Rate Billed, if prior period adjustment is needed		<u>\$ -</u>
8.	Recoverable FAC Revenue/(Refund)	(Line 1 x Line 6)	<u>\$ (1,995,319)</u>
9.	Over or (Under) Recovery	(Line 3 - Line 8)	<u>\$ (47,192)</u>
10.	Total Sales "Sm" (From Page 3 of 6)		<u>1,499,065,877</u>
11.	Kentucky Jurisdictional Sales		<u>1,313,416,813</u>
12.	Total Sales Divided by Kentucky Jurisdictional Sales	(Line 10 / Line 11)	<u>1.14134817</u>
13.	Total Company Over or (Under) Recovery	(Line 9 x Line 12)	<u>\$ (53,863)</u>

**FUEL ADJUSTMENT CLAUSE  
INTERCOMPANY TRANSACTIONS**

Expense Month : April 2018

**KENTUCKY UTILITIES COMPANY**

<b>Purchases</b>		<b>KWH</b>	
Internal Economy			
	\$ 1,583,062.67	74,523,000	Fuel for LGE Sale to KU for Native Load
	16,511.50		Half of Split Savings to LGE from KU
	<u>\$ 1,599,574.17</u>	<u>74,523,000</u>	
Internal Replacement			
	\$ 21,271.31	964,000	Freed-up LGE Generation sold back to KU
	-	0	LGE Generation for KU Pre-Merger Sales
	<u>\$ 21,271.31</u>	<u>964,000</u>	
<b>Total Purchases</b>	<u><b>\$ 1,620,845.48</b></u>	<u><b>75,487,000</b></u>	
<b>Sales</b>			
Internal Economy			
	\$ 106,264.93	4,854,000	KU Fuel Cost - Sales to LGE Native Load
	662.50		Half of Split Savings
	<u>\$ 106,927.43</u>	<u>4,854,000</u>	
Internal Replacement			
	\$ 459,826.77	20,741,000	Freed-up KU Generation sold back to LGE
	-	0	KU Generation for LGE Pre-Merger
	-	0	KU Generation for LGE IB
	<u>\$ 459,826.77</u>	<u>20,741,000</u>	
<b>Total Sales</b>	<u><b>\$ 566,754.20</b></u>	<u><b>25,595,000</b></u>	

**LOUISVILLE GAS AND ELECTRIC COMPANY**

<b>Purchases</b>		<b>KWH</b>	
Internal Economy			
	\$ 106,264.93	4,854,000	KU Fuel Cost - Sales to LGE Native Load
	662.50		Half of Split Savings
	<u>\$ 106,927.43</u>	<u>4,854,000</u>	
Internal Replacement			
	\$ 459,826.77	20,741,000	Freed-up KU Generation sold back to LGE
	-	0	KU Generation for LGE Pre-Merger
	-	0	KU Generation for LGE IB
	<u>\$ 459,826.77</u>	<u>20,741,000</u>	
<b>Total Purchases</b>	<u><b>\$ 566,754.20</b></u>	<u><b>25,595,000</b></u>	
<b>Sales</b>			
Internal Economy			
	\$ 1,583,062.67	74,523,000	Fuel for LGE Sale to KU for Native Load
	16,511.50		Half of Split Savings to LGE from KU
	<u>\$ 1,599,574.17</u>	<u>74,523,000</u>	
Internal Replacement			
	\$ 21,271.31	964,000	Freed-up LGE Generation sold back to KU
	-	0	LGE Generation for KU Pre-Merger Sales
	<u>\$ 21,271.31</u>	<u>964,000</u>	
<b>Total Sales</b>	<u><b>\$ 1,620,845.48</b></u>	<u><b>75,487,000</b></u>	



**OFF-SYSTEM SALES ADJUSTMENT CLAUSE SCHEDULE  
KENTUCKY UTILITIES COMPANY**

Expense Month : April 2018

Line No.

1.	Current Month OSS Margins	OSS Page 2	\$ 205,375
2.	Customer Sharing		<u>75%</u>
3.	Customer Share of OSS Margins	L. 1 x L. 2	\$ 154,031
4.	Current Month True-up	OSS Page 3	<u>\$ (377)</u>
5.	Total Off-System Sales Adjustment	L. 3 + L. 4	<u>\$ 153,654</u>
6.	Current Month S(m)	Form A Page 3	1,499,065,877
7.	Off-System Sales Adjustment Clause Factor	L.5 ÷ L. 6	\$ 0.00010

**OFF-SYSTEM SALES ADJUSTMENT CLAUSE MARGINS  
KENTUCKY UTILITIES COMPANY**

Expense Month : April 2018

Line No.

1.	Total OSS Revenues		\$	1,264,765
2.	Total OSS Expenses		\$	<u>1,059,390</u>
3.	Total OSS Margins	L. 1 - L. 2	\$	<u>205,375</u>

**OFF-SYSTEM SALES ADJUSTMENT CLAUSE TRUE UP  
KENTUCKY UTILITIES COMPANY**

Expense Month : April 2018

Line No.			
1.	Last OSS Adjustment Factor Billed		<u>\$ (0.00001)</u>
2.	KWH Billed at Above Rate		<u>1,428,329,525</u>
3.	OSS Adjustment Charge (Credit)	(Line 1 x Line 2)	<u>\$ (14,283)</u>
4.	KWH Used to Determine Last OSS Adjustment Factor		<u>1,597,504,892</u>
5.	Non-Jurisdictional KWH (Included in Line 4)		<u>202,176,708</u>
6.	Kentucky Jurisdictional KWH	(Line 4 - Line 5)	<u>1,395,328,184</u>
7.	Revised OSS Factor Billed, if prior period adjustment is needed (See Note 1)		<u>-</u>
8.	OSS Adjustment Charge (Credit) to be Collected (Distributed)	(Line 1 x Line 6)	<u>\$ (13,953)</u>
9.	(Over) or Under Amount	(Line 3 - Line 8)	<u>\$ (330)</u>
10.	Total Sales "Sm" (From Form A, Page 3 of 6)		<u>1,499,065,877</u>
11.	Kentucky Jurisdictional Sales		<u>1,313,416,813</u>
12.	Total Sales Divided by Kentucky Jurisdictional Sales	(Line 10 / Line 11)	<u>1.14134817</u>
13.	Total Company (Over) or Under Amount	(Line 9 x Line 12)	<u>\$ (377)</u>



a PPL company

Ms. Gwen R. Pinson  
Executive Director  
Public Service Commission of Kentucky  
211 Sower Boulevard  
P.O. Box 615  
Frankfort, Kentucky 40602

April 20, 2018

Dear Ms. Pinson:

In compliance with 807 KAR 5:056, Kentucky Utilities Company herewith files its adjustment clause factor including the monthly fuel adjustment factor and off-system sales adjustment factor applicable to billings under retail rates during the May 2018 billing cycle which begins May 1, 2018.

The necessary supporting data to justify the billing factors is included. Please contact me if you have any questions about this filing.

Sincerely,

A handwritten signature in blue ink, appearing to read 'D. Rahn'.

Derek Rahn

Enclosures

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APR 20 2018

PUBLIC SERVICE  
COMMISSION

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APR 23 2018  
FINANCIAL ANALYSIS

Kentucky Utilities Company  
State Regulation and Rates  
220 West Main Street  
PO Box 32010  
Louisville, Kentucky 40232  
www.lge-ku.com

Derek Rahn  
Manager - Revenue  
Requirement COS  
T 502-627-4127  
F 502-217-4002  
derek.rahn@lge-ku.com

**KENTUCKY UTILITIES COMPANY**  
**SUMMARY OF ADJUSTMENT CLAUSES**

Expense Month : March 2018

1.	Fuel Adjustment Clause Factor (Page 1 of 6)	(+) \$	(0.00078) / KWH
2.	Off-System Sales Adjustment Clause Factor (OSS Page 1 of 3)	(-) \$	<u>0.00019</u> / KWH
3.	Total Adjustment Clause Billing Factor (Line 1 - Line 2)	= \$	<u><u>(0.00097)</u></u> / KWH

Note: (1) Five decimal places in dollars for normal rounding.

Effective Date for Billing: May 1, 2018

Submitted by



Title: Manager, Revenue Requirement COS

**KENTUCKY UTILITIES COMPANY**  
**FUEL ADJUSTMENT CLAUSE SCHEDULE**

Expense Month : March 2018

$$\frac{\text{Fuel "Fm" (Fuel Cost Schedule)} \quad \$ \quad 43,703,499}{\text{Sales "Sm" (Sales Schedule)} \quad 1,726,641,195 \text{ KWH}} = (+) \$ \quad 0.02531 \text{ / KWH}$$

$$\text{Per First Revision of PSC approved Tariff Sheet No. 85.1 effective September 1, 2017} = (-) \$ \quad \underline{0.02609} \text{ / KWH}$$

$$\text{FAC Factor (1)} = \underline{\underline{\$ (0.00078) / KWH}}$$

Note: (1) Five decimal places in dollars for normal rounding.

Effective Date for Billing: May 1, 2018

**KENTUCKY UTILITIES COMPANY  
FUEL COST SCHEDULE**

Expense Month : March 2018

<b>(A) <u>Company Generation</u></b>			
Coal Burned	(+)	\$25,471,033	(1)
Oil Burned	(+)	241,098	(1)
Gas Burned	(+)	12,304,305	(1)
Fuel (assigned cost during Forced Outage)	(+)	829,010	*
Fuel (substitute cost for Forced Outage)	(-)	621,830	*
<b>SUB-TOTAL</b>		<b>\$ 38,016,436</b>	
<b>(B) <u>Purchases</u></b>			
Net energy cost - economy purchases	(+)	\$ 633,360	
Identifiable fuel cost - other purchases	(+)	-	
Identifiable fuel cost (substitute for Forced Outage)	(-)	2,312	*
Less Purchases above Highest Cost Units	(-)	-	
Internal Economy	(+)	4,180,940	
Internal Replacement	(+)	-	
<b>SUB-TOTAL</b>		<b>\$ 4,814,300</b>	
<b>(C) <u>Inter-System Sales</u></b>			
Including Interchange-out	(+)	\$ 19,348	
Internal Economy	(+)	870	
Internal Replacement	(+)	289,690	
Dollars Assigned to Inter-System Sales Losses	(+)	97	
<b>SUB-TOTAL</b>		<b>\$ 310,005</b>	
<b>(D) <u>Over or (Under) Recovery</u></b>			
From Page 5, Line 13		\$ (1,182,768)	
<b>TOTAL FUEL RECOVERY (A+B-C-D) =</b>		<b>\$ 43,703,499</b>	

Note: (1) Reflects exclusion of IMEA/IMPA portion of Trimble County Unit 2 fuel cost with recognition of 0.5% transmission losses per Commission's Order in Case No. 2012-00552.

Coal burned =	\$0
Oil burned =	\$0
Gas burned =	\$0

\* Excluded from calculations per 807 KAR 5:056 due to fuel cost for substitute generation and purchases being less than assigned cost during Forced Outage.

**KENTUCKY UTILITIES COMPANY**

**SALES SCHEDULE (KWH)**

Expense Month : March 2018

(A) Generation (Net)	(+)	1,605,376,000
Purchases including interchange-in	(+)	45,056,000
Internal Economy	(+)	195,877,000
Internal Replacement	(+)	-
SUB-TOTAL		<u>1,846,309,000</u>

(B) Inter-system Sales including interchange-out	(+)	695,000
Internal Economy	(+)	31,000
Internal Replacement	(+)	11,311,000
(*) System Losses	(+)	<u>107,630,805</u>
SUB-TOTAL		<u>119,667,805</u>

TOTAL SALES (A-B) 1,726,641,195

(\*) Note: See Page 4 of 6, "Adjustment of rolling 12-MTD average overall system losses to reflect losses at retail level"



**KENTUCKY UTILITIES COMPANY**

**ADJUSTMENT OF ROLLING 12-MTD AVERAGE OVERALL SYSTEM  
LOSSES TO REFLECT LOSSES AT RETAIL LEVEL**

Expense Month : March 2018

12 Months to Date KWH Sources: 22,426,918,000 KWH  
 12 MTD Overall System Losses: 1,307,379,795 KWH  
 March 2018 KWH Sources: 1,846,309,000 KWH

$$1,307,379,795 / 22,426,918,000 = 5.829512\%$$

$$5.829512\% \times 1,846,309,000 = 107,630,805 \text{ KWH}$$

**WHOLESALE KWH SALES AND LOSSES**

173,484,755 Wholesale Sales & Deliveries to ODP at Transmission Voltage (WS-T)  
 42,764,400 Wholesale sales at Primary Voltage (WS-P)  
 12,037,000 Intersystem Sales at Transmission Voltage (IS-T)

	<u>Wholesale Sales\Deliveries</u>	<u>Loss Percentage</u>	<u>Losses</u>	<u>Wholesale Sources</u>
WS-T:	173,484,755	2.153%	3,817,314	177,302,069
WS-P:	42,764,400	2.153% and 0.985%	1,375,757	44,140,157
IS-T:	12,037,000	0.500%	60,487	12,097,487

**KENTUCKY UTILITIES COMPANY**  
**FUEL ADJUSTMENT CLAUSE**  
**OVER OR (UNDER) RECOVERY SCHEDULE**

Expense Month : March 2018

1.	Last FAC Rate Billed		<u>\$0.00214</u>
2.	KWH Billed at Above Rate		<u>1,422,667,477</u>
3.	FAC Revenue/(Refund)	(Line 1 x Line 2)	<u>\$ 3,044,508</u>
4.	KWH Used to Determine Last FAC Rate		<u>2,195,308,259</u>
5.	Non-Jurisdictional KWH (Included in Line 4)		<u>289,673,393</u>
6.	Kentucky Jurisdictional KWH	(Line 4 - Line 5)	<u>1,905,634,866</u>
7.	Revised FAC Rate Billed, if prior period adjustment is needed		<u>\$ -</u>
8.	Recoverable FAC Revenue/(Refund)	(Line 1 x Line 6)	<u>\$ 4,078,059</u>
9.	Over or (Under) Recovery	(Line 3 - Line 8)	<u>\$ (1,033,551)</u>
10.	Total Sales "Sm" (From Page 3 of 6)		<u>1,726,641,195</u>
11.	Kentucky Jurisdictional Sales		<u>1,508,810,013</u>
12.	Total Sales Divided by Kentucky Jurisdictional Sales	(Line 10 / Line 11)	<u>1.14437284</u>
13.	Total Company Over or (Under) Recovery	(Line 9 x Line 12)	<u>\$ (1,182,768)</u>

**FUEL ADJUSTMENT CLAUSE  
INTERCOMPANY TRANSACTIONS**  
Expense Month : March 2018

**KENTUCKY UTILITIES COMPANY**

<b>Purchases</b>		<b>KWH</b>	
<b>Internal Economy</b>			
\$	4,152,396.76	195,877,000	Fuel for LGE Sale to KU for Native Load
	28,543.21		Half of Split Savings to LGE from KU
\$	<u>4,180,939.97</u>	<u>195,877,000</u>	
<b>Internal Replacement</b>			
\$	-	0	Freed-up LGE Generation sold back to KU
	-	0	LGE Generation for KU Pre-Merger Sales
\$	<u>-</u>	<u>0</u>	
<b>Total Purchases</b>	\$ <u><u>4,180,939.97</u></u>	<u><u>195,877,000</u></u>	
<b>Sales</b>			
<b>Internal Economy</b>			
\$	870.40	31,000	KU Fuel Cost - Sales to LGE Native Load
	-		Half of Split Savings
\$	<u>870.40</u>	<u>31,000</u>	
<b>Internal Replacement</b>			
\$	289,689.83	11,311,000	Freed-up KU Generation sold back to LGE
	-	0	KU Generation for LGE Pre-Merger
	-	0	KU Generation for LGE IB
\$	<u>289,689.83</u>	<u>11,311,000</u>	
<b>Total Sales</b>	\$ <u><u>290,560.23</u></u>	<u><u>11,342,000</u></u>	

**LOUISVILLE GAS AND ELECTRIC COMPANY**

<b>Purchases</b>		<b>KWH</b>	
<b>Internal Economy</b>			
\$	870.40	31,000	KU Fuel Cost - Sales to LGE Native Load
	-		Half of Split Savings
\$	<u>870.40</u>	<u>31,000</u>	
<b>Internal Replacement</b>			
\$	289,689.83	11,311,000	Freed-up KU Generation sold back to LGE
	-	0	KU Generation for LGE Pre-Merger
	-	0	KU Generation for LGE IB
\$	<u>289,689.83</u>	<u>11,311,000</u>	
<b>Total Purchases</b>	\$ <u><u>290,560.23</u></u>	<u><u>11,342,000</u></u>	
<b>Sales</b>			
<b>Internal Economy</b>			
\$	4,152,396.76	195,877,000	Fuel for LGE Sale to KU for Native Load
	28,543.21		Half of Split Savings to LGE from KU
\$	<u>4,180,939.97</u>	<u>195,877,000</u>	
<b>Internal Replacement</b>			
\$	-	0	Freed-up LGE Generation sold back to KU
	-	0	LGE Generation for KU Pre-Merger Sales
\$	<u>-</u>	<u>0</u>	
<b>Total Sales</b>	\$ <u><u>4,180,939.97</u></u>	<u><u>195,877,000</u></u>	

**OFF-SYSTEM SALES ADJUSTMENT CLAUSE SCHEDULE  
KENTUCKY UTILITIES COMPANY**

Expense Month : March 2018

Line No.

1.	Current Month OSS Margins	OSS Page 2	\$ 11,032
2.	Customer Sharing		<u>75%</u>
3.	Customer Share of OSS Margins	L. 1 x L. 2	\$ 8,274
4.	Current Month True-up	OSS Page 3	<u>\$ 315,037</u>
5.	Total Off-System Sales Adjustment	L. 3 + L. 4	<u><u>\$ 323,311</u></u>
6.	Current Month S(m)	Form A Page 3	1,726,641,195
7.	Off-System Sales Adjustment Clause Factor	L.5 ÷ L. 6	\$ 0.00019

**OFF-SYSTEM SALES ADJUSTMENT CLAUSE MARGINS  
KENTUCKY UTILITIES COMPANY**

Expense Month : March 2018

Line No.

1.	Total OSS Revenues		\$	333,072
2.	Total OSS Expenses		\$	<u>322,040</u>
3.	Total OSS Margins	L. 1 - L. 2	\$	<u><u>11,032</u></u>

**OFF-SYSTEM SALES ADJUSTMENT CLAUSE TRUE UP  
KENTUCKY UTILITIES COMPANY**

Expense Month : March 2018

Line No.			
1.	Last OSS Adjustment Factor Billed		<u>\$ (0.00057)</u>
2.	KWH Billed at Above Rate		<u>1,422,667,477</u>
3.	OSS Adjustment Charge (Credit)	(Line 1 x Line 2)	<u>\$ (810,920)</u>
4.	KWH Used to Determine Last OSS Adjustment Factor		<u>2,195,308,259</u>
5.	Non-Jurisdictional KWH (Included in Line 4)		<u>289,673,393</u>
6.	Kentucky Jurisdictional KWH	(Line 4 - Line 5)	<u>1,905,634,866</u>
7.	Revised OSS Factor Billed, if prior period adjustment is needed (See Note 1)		<u>-</u>
8.	OSS Adjustment Charge (Credit) to be Collected (Distributed)	(Line 1 x Line 6)	<u>\$ (1,086,212)</u>
9.	(Over) or Under Amount	(Line 3 - Line 8)	<u>\$ 275,292</u>
10.	Total Sales "Sm" (From Form A, Page 3 of 6)		<u>1,726,641,195</u>
11.	Kentucky Jurisdictional Sales		<u>1,508,810,013</u>
12.	Total Sales Divided by Kentucky Jurisdictional Sales	(Line 10 / Line 11)	<u>1.14437284</u>
13.	Total Company (Over) or Under Amount	(Line 9 x Line 12)	<u>\$ 315,037</u>



a PPL company

Ms. Gwen R. Pinson  
Executive Director  
Public Service Commission of Kentucky  
211 Sower Boulevard  
P.O. Box 615  
Frankfort, Kentucky 40602

March 19, 2018

Dear Ms. Pinson:

In compliance with 807 KAR 5:056, Kentucky Utilities Company herewith files its adjustment clause factor including the monthly fuel adjustment factor and off-system sales adjustment factor applicable to billings under retail rates during the April 2018 billing cycle which begins March 29, 2018.

The necessary supporting data to justify the billing factors is included. Please contact me if you have any questions about this filing.

Sincerely,

Derek Rahn

Enclosures

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MAR 19 2018

PUBLIC SERVICE  
COMMISSION

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FINANCIAL ANALYSIS

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**KENTUCKY UTILITIES COMPANY**

**SUMMARY OF ADJUSTMENT CLAUSES**

Expense Month : February 2018

1. Fuel Adjustment Clause Factor (Page 1 of 6)	(+) \$	(0.00143) / KWH
2. Off-System Sales Adjustment Clause Factor (OSS Page 1 of 3)	(-) \$	<u>0.00001</u> / KWH
3. Total Adjustment Clause Billing Factor (Line 1 - Line 2)	= \$	<u>(0.00144)</u> / KWH

Note: (1) Five decimal places in dollars for normal rounding.

Effective Date for Billing: March 29, 2018

Submitted by



Title: Manager, Revenue Requirement COS



**KENTUCKY UTILITIES COMPANY**  
**FUEL ADJUSTMENT CLAUSE SCHEDULE**

Expense Month : February 2018

$$\frac{\text{Fuel "Fm" (Fuel Cost Schedule)}}{\text{Sales "Sm" (Sales Schedule)}} = \frac{\$ 39,396,797}{1,597,504,892 \text{ KWH}} = (+) \$ 0.02466 / \text{KWH}$$

$$\text{Per First Revision of PSC approved Tariff Sheet No. 85.1 effective September 1, 2017} = (-) \$ \underline{0.02609} / \text{KWH}$$

$$\text{FAC Factor (1)} = \underline{\underline{\$ (0.00143) / \text{KWH}}}$$

Note: (1) Five decimal places in dollars for normal rounding.

Effective Date for Billing: March 29, 2018

**KENTUCKY UTILITIES COMPANY  
FUEL COST SCHEDULE**

Expense Month : February 2018

<b>(A) <u>Company Generation</u></b>			
Coal Burned	(+)	\$27,431,289	(1)
Oil Burned	(+)	272,967	(1)
Gas Burned	(+)	9,756,661	(1)
Fuel (assigned cost during Forced Outage)	(+)	752,291	
Fuel (substitute cost for Forced Outage)	(-)	812,655	
<b>SUB-TOTAL</b>		<b>\$ 37,400,553</b>	
<b>(B) <u>Purchases</u></b>			
Net energy cost - economy purchases	(+) \$	427,532	
Identifiable fuel cost - other purchases	(+)	-	
Identifiable fuel cost (substitute for Forced Outage)	(-)	547	
Less Purchases above Highest Cost Units	(-)	-	
Internal Economy	(+)	2,403,370	
Internal Replacement	(+)	32,512	
<b>SUB-TOTAL</b>		<b>\$ 2,862,867</b>	
<b>(C) <u>Inter-System Sales</u></b>			
Including Interchange-out	(+) \$	104,241	
Internal Economy	(+)	403,248	
Internal Replacement	(+)	208,313	
Dollars Assigned to Inter-System Sales Losses	(+)	521	
<b>SUB-TOTAL</b>		<b>\$ 716,323</b>	
<b>(D) <u>Over or (Under) Recovery</u></b>			
From Page 5, Line 13		\$ 150,300	
<b>TOTAL FUEL RECOVERY (A+B-C-D) =</b>		<b>\$ 39,396,797</b>	

Note: (1) Reflects exclusion of IMEA/IMPA portion of Trimble County Unit 2 fuel cost with recognition of 0.5% transmission losses per Commission's Order in Case No. 2012-00552.

Coal burned =	\$7,234
Oil burned =	\$0
Gas burned =	\$151

**KENTUCKY UTILITIES COMPANY**

**SALES SCHEDULE (KWH)**

Expense Month : February 2018

(A) Generation (Net)	(+)	1,558,727,000
Purchases including interchange-in	(+)	55,175,000
Internal Economy	(+)	116,471,000
Internal Replacement	(+)	1,465,000
SUB-TOTAL		<u>1,731,838,000</u>
(B) Inter-system Sales including interchange-out	(+)	4,568,000
Internal Economy	(+)	19,477,000
Internal Replacement	(+)	8,243,000
(*) System Losses	(+)	102,045,108
SUB-TOTAL		<u>134,333,108</u>
TOTAL SALES (A-B)		<u><u>1,597,504,892</u></u>

(\*) Note: See Page 4 of 6, "Adjustment of rolling 12-MTD average overall system losses to reflect losses at retail level"

**KENTUCKY UTILITIES COMPANY**

**ADJUSTMENT OF ROLLING 12-MTD AVERAGE OVERALL SYSTEM  
LOSSES TO REFLECT LOSSES AT RETAIL LEVEL**

Expense Month : February 2018

12 Months to Date KWH Sources: 22,379,012,000 KWH  
 12 MTD Overall System Losses: 1,318,638,854 KWH  
 February 2018 KWH Sources: 1,731,838,000 KWH

$$1,318,638,854 / 22,379,012,000 = 5.892301\%$$

$$5.892301\% \times 1,731,838,000 = 102,045,108 \text{ KWH}$$

**WHOLESALE KWH SALES AND LOSSES**

159,186,354 Wholesale Sales & Deliveries to ODP at Transmission Voltage (WS-T)  
 40,994,000 Wholesale sales at Primary Voltage (WS-P)  
 32,288,000 Intersystem Sales at Transmission Voltage (IS-T)

	<u>Wholesale Sales\Deliveries</u>	<u>Loss Percentage</u>	<u>Losses</u>	<u>Wholesale Sources</u>
WS-T:	159,186,354	2.153%	3,502,695	162,689,049
WS-P:	40,994,000	2.153% and 0.985%	1,318,802	42,312,802
IS-T:	32,288,000	0.500%	162,251	32,450,251

**KENTUCKY UTILITIES COMPANY**  
**FUEL ADJUSTMENT CLAUSE**  
**OVER OR (UNDER) RECOVERY SCHEDULE**

Expense Month : February 2018

1.	Last FAC Rate Billed		<u>(\$0.00157)</u>
2.	KWH Billed at Above Rate		<u>1,572,104,009</u>
3.	FAC Revenue/(Refund)	(Line 1 x Line 2)	<u>\$ (2,468,203)</u>
4.	KWH Used to Determine Last FAC Rate		<u>1,901,836,603</u>
5.	Non-Jurisdictional KWH (Included in Line 4)		<u>246,116,181</u>
6.	Kentucky Jurisdictional KWH	(Line 4 - Line 5)	<u>1,655,720,422</u>
7.	Revised FAC Rate Billed, if prior period adjustment is needed		<u>\$ -</u>
8.	Recoverable FAC Revenue/(Refund)	(Line 1 x Line 6)	<u>\$ (2,599,481)</u>
9.	Over or (Under) Recovery	(Line 3 - Line 8)	<u>\$ 131,278</u>
10.	Total Sales "Sm" (From Page 3 of 6)		<u>1,597,504,892</u>
11.	Kentucky Jurisdictional Sales		<u>1,395,328,184</u>
12.	Total Sales Divided by Kentucky Jurisdictional Sales	(Line 10 / Line 11)	<u>1.14489545</u>
13.	Total Company Over or (Under) Recovery	(Line 9 x Line 12)	<u>\$ 150,300</u>

**FUEL ADJUSTMENT CLAUSE  
INTERCOMPANY TRANSACTIONS**  
Expense Month : February 2018

**KENTUCKY UTILITIES COMPANY**

<b>Purchases</b>		<b>KWH</b>	
<b>Internal Economy</b>			
	\$ 2,381,565.75	116,471,000	Fuel for LGE Sale to KU for Native Load
	21,804.27		Half of Split Savings to LGE from KU
	<u>\$ 2,403,370.02</u>	<u>116,471,000</u>	
<b>Internal Replacement</b>			
	\$ 32,511.85	1,465,000	Freed-up LGE Generation sold back to KU
	-	0	LGE Generation for KU Pre-Merger Sales
	<u>\$ 32,511.85</u>	<u>1,465,000</u>	
<b>Total Purchases</b>	<u>\$ 2,435,881.87</u>	<u>117,936,000</u>	
<b>Sales</b>			
<b>Internal Economy</b>			
	\$ 401,565.20	19,477,000	KU Fuel Cost - Sales to LGE Native Load
	1,682.80		Half of Split Savings
	<u>\$ 403,248.00</u>	<u>19,477,000</u>	
<b>Internal Replacement</b>			
	\$ 208,312.68	8,243,000	Freed-up KU Generation sold back to LGE
	-	0	KU Generation for LGE Pre-Merger
	-	0	KU Generation for LGE IB
	<u>\$ 208,312.68</u>	<u>8,243,000</u>	
<b>Total Sales</b>	<u>\$ 611,560.68</u>	<u>27,720,000</u>	

**LOUISVILLE GAS AND ELECTRIC COMPANY**

<b>Purchases</b>		<b>KWH</b>	
<b>Internal Economy</b>			
	\$ 401,565.20	19,477,000	KU Fuel Cost - Sales to LGE Native Load
	1,682.80		Half of Split Savings
	<u>\$ 403,248.00</u>	<u>19,477,000</u>	
<b>Internal Replacement</b>			
	\$ 208,312.68	8,243,000	Freed-up KU Generation sold back to LGE
	-	0	KU Generation for LGE Pre-Merger
	-	0	KU Generation for LGE IB
	<u>\$ 208,312.68</u>	<u>8,243,000</u>	
<b>Total Purchases</b>	<u>\$ 611,560.68</u>	<u>27,720,000</u>	
<b>Sales</b>			
<b>Internal Economy</b>			
	\$ 2,381,565.75	116,471,000	Fuel for LGE Sale to KU for Native Load
	21,804.27		Half of Split Savings to LGE from KU
	<u>\$ 2,403,370.02</u>	<u>116,471,000</u>	
<b>Internal Replacement</b>			
	\$ 32,511.85	1,465,000	Freed-up LGE Generation sold back to KU
	-	0	LGE Generation for KU Pre-Merger Sales
	<u>\$ 32,511.85</u>	<u>1,465,000</u>	
<b>Total Sales</b>	<u>\$ 2,435,881.87</u>	<u>117,936,000</u>	

**OFF-SYSTEM SALES ADJUSTMENT CLAUSE SCHEDULE  
KENTUCKY UTILITIES COMPANY**

Expense Month : February 2018

Line No.

1.	Current Month OSS Margins	OSS Page 2	\$	26,699
2.	Customer Sharing			<u>75%</u>
3.	Customer Share of OSS Margins	L. 1 x L. 2	\$	20,024
4.	Current Month True-up	OSS Page 3	\$	<u>0</u>
5.	Total Off-System Sales Adjustment	L. 3 + L. 4	\$	<u><u>20,024</u></u>
6.	Current Month S(m)	Form A Page 3		1,597,504,892
7.	Off-System Sales Adjustment Clause Factor	L.5 ÷ L. 6	\$	0.00001

**OFF-SYSTEM SALES ADJUSTMENT CLAUSE MARGINS  
KENTUCKY UTILITIES COMPANY**

Expense Month : February 2018

Line No.

1.	Total OSS Revenues		\$	367,119
2.	Total OSS Expenses		\$	<u>340,420</u>
3.	Total OSS Margins	L. 1 - L. 2	\$	<u>26,699</u>



**OFF-SYSTEM SALES ADJUSTMENT CLAUSE TRUE UP  
KENTUCKY UTILITIES COMPANY**

Expense Month : February 2018

Line No.			
1.	Last OSS Adjustment Factor Billed		<u>\$ -</u>
2.	KWH Billed at Above Rate		<u>1,572,104,009</u>
3.	OSS Adjustment Charge (Credit)	(Line 1 x Line 2)	<u>\$ -</u>
4.	KWH Used to Determine Last OSS Adjustment Factor		<u>1,901,836,603</u>
5.	Non-Jurisdictional KWH (Included in Line 4)		<u>246,116,181</u>
6.	Kentucky Jurisdictional KWH	(Line 4 - Line 5)	<u>1,655,720,422</u>
7.	Revised OSS Factor Billed, if prior period adjustment is needed (See Note 1)		<u>-</u>
8.	OSS Adjustment Charge (Credit) to be Collected (Distributed)	(Line 1 x Line 6)	<u>\$ -</u>
9.	(Over) or Under Amount	(Line 3 - Line 8)	<u>\$ -</u>
10.	Total Sales "Sm" (From Form A, Page 3 of 6)		<u>1,597,504,892</u>
11.	Kentucky Jurisdictional Sales		<u>1,395,328,184</u>
12.	Total Sales Divided by Kentucky Jurisdictional Sales	(Line 10 / Line 11)	<u>1.14489545</u>
13.	Total Company (Over) or Under Amount	(Line 9 x Line 12)	<u>\$ -</u>



a PPL company

*MSH*

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**PUBLIC SERVICE  
COMMISSION**

Ms. Gwen R. Pinson  
Executive Director  
Public Service Commission of Kentucky  
211 Sower Boulevard  
P.O. Box 615  
Frankfort, Kentucky 40602

**Kentucky Utilities Company**  
State Regulation and Rates  
220 West Main Street  
PO Box 32010  
Louisville, Kentucky 40232  
www.lge-ku.com

Derek Rahn  
Manager - Revenue  
Requirement COS  
T 502-627-4127  
F 502-217-4002  
derek.rahn@lge-ku.com

February 16, 2018

Dear Ms. Pinson:

In compliance with 807 KAR 5:056, Kentucky Utilities Company herewith files its adjustment clause factor including the monthly fuel adjustment factor and off-system sales adjustment factor applicable to billings under retail rates during the March 2018 billing cycle which begins February 28, 2018.

The necessary supporting data to justify the billing factors is included. Please contact me if you have any questions about this filing.

Also, it has come to my attention that in January after the general ledger was closed for December 2017, the Company was informed that a counterparty failed to report energy flows for a new meter installed in December 2017, resulting in sales to that counterparty being recorded as purchases for December. To properly invoice the counterparty, the After-the-Fact Billing ("AFB") process was re-run, and the sales and purchases were subsequently adjusted in the January 2018 general ledger.

This issue resulted in an overstatement of the economy purchases and an understatement of the inter-system sales on Pages 2 and 3 of the December 2017 expense month Form A filing. The net impact was an overstatement of recoverable fuel costs of \$1,905 and an overstatement of total sales of 69,973 kWh. Also, Off-System Sales margins were understated \$732. Because there was no impact on the FAC or OSS billing factors calculated for the December 2017 expense month, we followed the general ledger reporting of the

Ms. Pinson  
February 16, 2018

accounting error correcting entry (i.e., the accounting error correction was accounted for in the January 2018 expense month Form A filing).

Sincerely,

  
Derek Rahn

Enclosures

**KENTUCKY UTILITIES COMPANY**  
**SUMMARY OF ADJUSTMENT CLAUSES**

Expense Month : January 2018

1.	Fuel Adjustment Clause Factor (Page 1 of 6)	(+) \$	0.00214 / KWH
2.	Off-System Sales Adjustment Clause Factor (OSS Page 1 of 3)	(-) \$	<u>0.00057 / KWH</u>
3.	Total Adjustment Clause Billing Factor (Line 1 - Line 2)	= \$	<u><u>0.00157 / KWH</u></u>

Note: (1) Five decimal places in dollars for normal rounding.

Effective Date for Billing: February 28, 2018

Submitted by



Title: Manager, Revenue Requirement COS

**KENTUCKY UTILITIES COMPANY**  
**FUEL ADJUSTMENT CLAUSE SCHEDULE**

Expense Month : January 2018

$$\frac{\text{Fuel "Fm" (Fuel Cost Schedule)}}{\text{Sales "Sm" (Sales Schedule)}} = \frac{\$ 61,980,572}{2,195,308,259 \text{ KWH}} = (+) \$ 0.02823 / \text{KWH}$$

$$\text{Per First Revision of PSC approved Tariff Sheet No. 85.1 effective September 1, 2017} = (-) \$ \underline{0.02609} / \text{KWH}$$

$$\text{FAC Factor (1)} = \underline{\underline{\$ 0.00214}} / \text{KWH}$$

Note: (1) Five decimal places in dollars for normal rounding.

Effective Date for Billing: February 28, 2018

**KENTUCKY UTILITIES COMPANY  
FUEL COST SCHEDULE**

Expense Month : January 2018

<b>(A) Company Generation</b>			
Coal Burned	(+)	\$39,414,987	(1)
Oil Burned	(+)	131,961	(1)
Gas Burned	(+)	20,815,786	(1)
Fuel (assigned cost during Forced Outage)	(+)	1,039,579	*
Fuel (substitute cost for Forced Outage)	(-)	966,448	*
<b>SUB-TOTAL</b>		<b>\$ 60,362,734</b>	
<b>(B) Purchases</b>			
Net energy cost - economy purchases	(+)	\$ 426,622	(2)
Identifiable fuel cost - other purchases	(+)	-	
Identifiable fuel cost (substitute for Forced Outage)	(-)	1,249	*
Less Purchases above Highest Cost Units	(-)	-	
Internal Economy	(+)	5,769,577	
Internal Replacement	(+)	225	
<b>SUB-TOTAL</b>		<b>\$ 6,196,424</b>	
<b>(C) Inter-System Sales</b>			
Including Interchange-out	(+)	\$ 944,761	
Internal Economy	(+)	329,600	
Internal Replacement	(+)	4,039,581	
Dollars Assigned to Inter-System Sales Losses	(+)	4,724	
<b>SUB-TOTAL</b>		<b>\$ 5,318,666</b>	
<b>(D) Over or (Under) Recovery</b>			
From Page 5, Line 13		\$ (740,080)	
<b>TOTAL FUEL RECOVERY (A+B-C-D) =</b>		<b>\$ 61,980,572</b>	

Note: (1) Reflects exclusion of IMEA/IMPA portion of Trimble County Unit 2 fuel cost with recognition of 0.5% transmission losses per Commission's Order in Case No. 2012-00552.

Coal burned =	\$10,202
Oil burned =	\$0
Gas burned =	\$230

(2) Reflects reduction of \$211,561 for buy-through charges to CSR customers

\* Excluded from calculations per 807 KAR 5:056 due to fuel cost for substitute generation and purchases being less than assigned cost during Forced Outage.

## KENTUCKY UTILITIES COMPANY

### SALES SCHEDULE (KWH)

Expense Month : January 2018

(A) Generation (Net)	(+)	2,207,632,000
Purchases including interchange-in	(+)	74,442,000
Internal Economy	(+)	242,813,000
Internal Replacement	(+)	10,000
SUB-TOTAL		<u>2,524,897,000</u>
(B) Inter-system Sales including interchange-out	(+)	27,569,000
Internal Economy	(+)	15,907,000
Internal Replacement	(+)	139,259,000
(*) System Losses	(+)	146,853,741
SUB-TOTAL		<u>329,588,741</u>
TOTAL SALES (A-B)		<u><u>2,195,308,259</u></u>

(\*) Note: See Page 4 of 6, "Adjustment of rolling 12-MTD average overall system losses to reflect losses at retail level"

**KENTUCKY UTILITIES COMPANY**

**ADJUSTMENT OF ROLLING 12-MTD AVERAGE OVERALL SYSTEM  
LOSSES TO REFLECT LOSSES AT RETAIL LEVEL**

Expense Month : January 2018

12 Months to Date KWH Sources: 22,284,312,000 KWH  
 12 MTD Overall System Losses: 1,296,106,228 KWH  
 January 2018 KWH Sources: 2,524,897,000 KWH

$$1,296,106,228 / 22,284,312,000 = 5.816227\%$$

$$5.816227\% \times 2,524,897,000 = 146,853,741 \text{ KWH}$$

**WHOLESALE KWH SALES AND LOSSES**

235,866,271 Wholesale Sales & Deliveries to ODP at Transmission Voltage (WS-T)  
 51,017,600 Wholesale sales at Primary Voltage (WS-P)  
 182,735,000 Intersystem Sales at Transmission Voltage (IS-T)

	<u>Wholesale Sales\Deliveries</u>	<u>Loss Percentage</u>	<u>Losses</u>	<u>Wholesale Sources</u>
WS-T:	235,866,271	2.153%	5,189,940	241,056,211
WS-P:	51,017,600	2.153% and 0.985%	1,641,268	52,658,868
IS-T:	182,735,000	0.500%	918,266	183,653,266



**KENTUCKY UTILITIES COMPANY**  
**FUEL ADJUSTMENT CLAUSE**  
**OVER OR (UNDER) RECOVERY SCHEDULE**

Expense Month : January 2018

1.	Last FAC Rate Billed		<u>(\$0.00114)</u>
2.	KWH Billed at Above Rate		<u>1,940,876,914</u>
3.	FAC Revenue/(Refund)	(Line 1 x Line 2)	<u>\$ (2,212,600)</u>
4.	KWH Used to Determine Last FAC Rate		<u>1,578,386,440</u>
5.	Non-Jurisdictional KWH (Included in Line 4)		<u>201,040,581</u>
6.	Kentucky Jurisdictional KWH	(Line 4 - Line 5)	<u>1,377,345,859</u>
7.	Revised FAC Rate Billed, if prior period adjustment is needed		<u>\$ -</u>
8.	Recoverable FAC Revenue/(Refund)	(Line 1 x Line 6)	<u>\$ (1,570,174)</u>
9.	Over or (Under) Recovery	(Line 3 - Line 8)	<u>\$ (642,426)</u>
10.	Total Sales "Sm" (From Page 3 of 6)		<u>2,195,308,259</u>
11.	Kentucky Jurisdictional Sales		<u>1,905,634,866</u>
12.	Total Sales Divided by Kentucky Jurisdictional Sales	(Line 10 / Line 11)	<u>1.15200886</u>
13.	Total Company Over or (Under) Recovery	(Line 9 x Line 12)	<u>\$ (740,080)</u>

**FUEL ADJUSTMENT CLAUSE  
INTERCOMPANY TRANSACTIONS**  
Expense Month : January 2018

**KENTUCKY UTILITIES COMPANY**

<b>Purchases</b>		<b>KWH</b>	
Internal Economy	\$ 5,204,884.11	242,813,000	Fuel for LGE Sale to KU for Native Load
	564,692.49		Half of Split Savings to LGE from KU
	<u>\$ 5,769,576.60</u>	<u>242,813,000</u>	
 Internal Replacement	 \$ 224.73	 10,000	 Freed-up LGE Generation sold back to KU
	 -	 0	 LGE Generation for KU Pre-Merger Sales
	<u>\$ 224.73</u>	<u>10,000</u>	
 Total Purchases	<u><u>\$ 5,769,801.33</u></u>	<u><u>242,823,000</u></u>	
 <b>Sales</b>			
Internal Economy	\$ 329,563.37	15,907,000	KU Fuel Cost - Sales to LGE Native Load
	36.87		Half of Split Savings
	<u>\$ 329,600.24</u>	<u>15,907,000</u>	
 Internal Replacement	 \$ 4,039,581.42	 139,259,000	 Freed-up KU Generation sold back to LGE
	 -	 0	 KU Generation for LGE Pre-Merger
	 -	 0	 KU Generation for LGE IB
	<u>\$ 4,039,581.42</u>	<u>139,259,000</u>	
 Total Sales	<u><u>\$ 4,369,181.66</u></u>	<u><u>155,166,000</u></u>	

**LOUISVILLE GAS AND ELECTRIC COMPANY**

<b>Purchases</b>		<b>KWH</b>	
Internal Economy	\$ 329,563.37	15,907,000	KU Fuel Cost - Sales to LGE Native Load
	36.87		Half of Split Savings
	<u>\$ 329,600.24</u>	<u>15,907,000</u>	
 Internal Replacement	 \$ 4,039,581.42	 139,259,000	 Freed-up KU Generation sold back to LGE
	 -	 0	 KU Generation for LGE Pre-Merger
	 -	 0	 KU Generation for LGE IB
	<u>\$ 4,039,581.42</u>	<u>139,259,000</u>	
 Total Purchases	<u><u>\$ 4,369,181.66</u></u>	<u><u>155,166,000</u></u>	
 <b>Sales</b>			
Internal Economy	\$ 5,204,884.11	242,813,000	Fuel for LGE Sale to KU for Native Load
	564,692.49		Half of Split Savings to LGE from KU
	<u>\$ 5,769,576.60</u>	<u>242,813,000</u>	
 Internal Replacement	 \$ 224.73	 10,000	 Freed-up LGE Generation sold back to KU
	 -	 0	 LGE Generation for KU Pre-Merger Sales
	<u>\$ 224.73</u>	<u>10,000</u>	
 Total Sales	<u><u>\$ 5,769,801.33</u></u>	<u><u>242,823,000</u></u>	

**OFF-SYSTEM SALES ADJUSTMENT CLAUSE SCHEDULE  
KENTUCKY UTILITIES COMPANY**

Expense Month : January 2018

Line No.

1.	Current Month OSS Margins	OSS Page 2	\$ 1,674,970
2.	Customer Sharing		<u>75%</u>
3.	Customer Share of OSS Margins	L. 1 x L. 2	\$ 1,256,228
4.	Current Month True-up	OSS Page 3	<u>\$ (6,493)</u>
5.	Total Off-System Sales Adjustment	L. 3 + L. 4	<u>\$ 1,249,735</u>
6.	Current Month S(m)	Form A Page 3	2,195,308,259
7.	Off-System Sales Adjustment Clause Factor	L.5 ÷ L. 6	\$ 0.00057

**OFF-SYSTEM SALES ADJUSTMENT CLAUSE MARGINS  
KENTUCKY UTILITIES COMPANY**

Expense Month : January 2018

Line No.

1.	Total OSS Revenues		\$ 6,947,173
2.	Total OSS Expenses		<u>\$ 5,272,203</u>
3.	Total OSS Margins	L. 1 - L. 2	<u>\$ 1,674,970</u>

**OFF-SYSTEM SALES ADJUSTMENT CLAUSE TRUE UP  
KENTUCKY UTILITIES COMPANY**

Expense Month : January 2018

Line No.			
1.	Last OSS Adjustment Factor Billed		<u>\$ (0.00001)</u>
2.	KWH Billed at Above Rate		<u>1,940,876,914</u>
3.	OSS Adjustment Charge (Credit)	(Line 1 x Line 2)	<u>\$ (19,409)</u>
4.	KWH Used to Determine Last OSS Adjustment Factor		<u>1,578,386,440</u>
5.	Non-Jurisdictional KWH (Included in Line 4)		<u>201,040,581</u>
6.	Kentucky Jurisdictional KWH	(Line 4 - Line 5)	<u>1,377,345,859</u>
7.	Revised OSS Factor Billed, if prior period adjustment is needed (See Note 1)		<u>-</u>
8.	OSS Adjustment Charge (Credit) to be Collected (Distributed)	(Line 1 x Line 6)	<u>\$ (13,773)</u>
9.	(Over) or Under Amount	(Line 3 - Line 8)	<u>\$ (5,636)</u>
10.	Total Sales "Sm" (From Form A, Page 3 of 6)		<u>2,195,308,259</u>
11.	Kentucky Jurisdictional Sales		<u>1,905,634,866</u>
12.	Total Sales Divided by Kentucky Jurisdictional Sales	(Line 10 / Line 11)	<u>1.15200886</u>
13.	Total Company (Over) or Under Amount	(Line 9 x Line 12)	<u>\$ (6,493)</u>