



a PPL company

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

December 16, 2015

RE: *AN EXAMINATION OF THE APPLICATION OF THE ENVIRONMENTAL SURCHARGE MECHANISM OF LOUISVILLE GAS AND ELECTRIC COMPANY FOR THE TWO-YEAR BILLING PERIOD ENDING APRIL 30, 2015 - CASE NO. 2015-00222*

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

Rick E. Lovekamp
Manager Regulatory Affairs/Tariffs
T 502-627-3780
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Dear Mr. Horrell:

As a result of an Order issued in LG&E's Environmental Cost Recovery (ECR) Review in Case No. 2015-00222 dated December 7, 2015, the Kentucky Public Service Commission authorized a roll-in of a portion of the current ECR factor into existing base rates, including the rates contained in the power contract dated October 10, 1961 between the Louisville Water Company and LG&E. The roll-in results in an increase in demand charges effective with bills rendered on and after February 1, 2016.

The rates approved by the Commission to become effective with bills rendered on and after February 1, 2016, are set forth below:

- Demand Charge** - \$11.10 per kW of billing demand per month
- Energy Charge** - 3.872¢ per kWh
- Fuel Clause** - This special contract is subject to the provisions of the Fuel Adjustment Clause found in LG&E's Tariff PSC of Ky. Electric No. 10, Original Sheet No. 85 and Original Sheet No. 85.1.

All other provisions of your contract, not specifically mentioned here, remain the same as those in effect prior to the date of the Commission's Order of December 7, 2015, and all other Tariffs and Riders applicable to your contract will continue to apply.

**KENTUCKY
PUBLIC SERVICE COMMISSION**

**JEFF R. DEROUEN
EXECUTIVE DIRECTOR**

TARIFF BRANCH

Brent Kirtley

**EFFECTIVE
2/1/2016**

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


Mr. Kent Horrell
Director of Operations
Louisville Water Company
December 16, 2015

If you have any questions regarding this matter, please contact me.

Sincerely,



Rick E. Lovekamp

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| KENTUCKY PUBLIC SERVICE COMMISSION |
| JEFF R. DEROUEN EXECUTIVE DIRECTOR |
| TARIFF BRANCH  |
| EFFECTIVE 2/1/2016 PURSUANT TO 807 KAR 5:011 SECTION 9 (1) |