

NOTICE

Notice is hereby given that, in a November 23, 2016 Application, Kentucky Utilities Company is seeking approval by the Public Service Commission of an adjustment of electric rates and charges proposed to become effective on and after January 1, 2017.

KU CURRENT AND PROPOSED ELECTRIC RATES

Residential Service - Rate RS

| | Current | Proposed |
|---------------------------------|----------------|-----------------|
| Basic Service Charge per Month: | \$10.75 | \$22.00 |
| Plus an Energy Charge per kWh: | \$ 0.08870 | |
| Infrastructure | | \$ 0.05015 |
| Variable | | \$ 0.03508 |
| Total | | \$ 0.08523 |

Residential Time-of-Day Energy Service - Rate RTOD-Energy

| | Current | Proposed |
|---------------------------------|----------------|-----------------|
| Basic Service Charge per Month: | \$10.75 | \$22.00 |
| Plus an Energy Charge per kWh: | | |
| Off-Peak Hours | \$ 0.05740 | \$0.05266 |
| On-Peak Hours | \$ 0.27646 | \$0.27646 |

Residential Time-of-Day Demand Service - Rate RTOD-Demand

| | Current | Proposed |
|---------------------------------|----------------|-----------------|
| Basic Service Charge per Month: | | \$10.75 |
| Plus an Energy Charge per kWh: | | \$ 0.04370 |
| Plus a Demand Charge per kW: | | |
| Off-Peak Hours | | \$ 3.70 |
| On-Peak Hours | | \$13.05 |
| Proposed | | |
| Basic Service Charge per Month: | | \$22.00 |
| Plus an Energy Charge per kWh: | | \$ 0.03508 |
| Plus a Demand Charge per kW: | | |
| Base Hours | | \$ 3.44 |
| Peak Hours | | \$ 7.87 |

Determination of Pricing Periods:

Current
Pricing periods are established in Eastern Standard Time year round by season for weekdays and week-ends. The hours of the pricing periods for the price levels are as follows:

Summer Months of April through October
Weekdays: Off Peak (5pm-1pm), On Peak (1pm-5pm)
Weekends: Off Peak (All Hours), On Peak (N/A)
All Other Months of November continuously through March
Weekdays: Off Peak (11am-7am), On Peak (7am-11am)
Weekends: Off Peak (All Hours), On Peak (N/A)

Proposed
Pricing periods are established in Eastern Standard Time year round by season for weekdays and week-ends. The hours of the pricing periods for the price levels are as follows:

Summer Months of April through October
Weekdays: Base (All Hours), Peak (1pm-5pm)
Weekends: Base (All Hours), Peak (N/A)
All Other Months of November continuously through March
Weekdays: Base (All Hours), Peak (7am-11am)
Weekends: Base (All Hours), Peak (N/A)

Volunteer Fire Department Service - Rate VFD

| | Current | Proposed |
|---------------------------------|----------------|-----------------|
| Basic Service Charge per Month: | \$10.75 | \$22.00 |
| Plus an Energy Charge per kWh: | \$ 0.08870 | |
| Infrastructure | | \$ 0.05015 |
| Variable | | \$ 0.03508 |
| Total | | \$ 0.08523 |

General Service – Rate GS

| | Current | Proposed |
|--------------------------------|----------------|-----------------|
| Single Phase | | |
| Basic Service Charge per Month | \$25.00 | \$31.50 |
| Plus an Energy Charge per kWh | \$ 0.10426 | |
| Infrastructure | | \$ 0.07137 |
| Variable | | \$ 0.03548 |
| Total | | \$ 0.10685 |
| Three Phase | | |
| Basic Service Charge per Month | \$40.00 | \$50.40 |
| Plus an Energy Charge per kWh | \$ 0.10426 | |
| Infrastructure | | \$ 0.07137 |
| Variable | | \$ 0.03548 |
| Total | | \$ 0.10685 |

Determination of Load

Service hereunder will be metered except when, by mutual agreement of Company and Customer, an unmetered installation will be more satisfactory from the standpoint of both parties. In the case of unmetered service, billing will be based on a calculated consumption taking into account the types of equipment served.

All Electric School – Rate AES

| | Current | Proposed |
|--------------------------------|----------------|-----------------|
| Single Phase | | |
| Basic Service Charge per Month | \$25.00 | \$85.00 |
| Plus an Energy Charge per kWh | \$ 0.08369 | |
| Infrastructure | | \$ 0.04996 |
| Variable | | \$ 0.03523 |
| Total | | \$ 0.08519 |
| Three Phase | | |
| Basic Service Charge per Month | \$40.00 | \$140.00 |
| Plus an Energy Charge per kWh | \$ 0.08369 | |
| Infrastructure | | \$ 0.04996 |
| Variable | | \$ 0.03523 |
| Total | | \$ 0.08519 |

Power Service – Rate PS

| | Current | Proposed |
|---|----------------|-----------------|
| Secondary Service | | |
| Basic Service Charge per Month | \$90.00 | \$90.00 |
| Plus an Energy Charge per kWh | \$ 0.03572 | \$ 0.03572 |
| Plus a Demand Charge per kW per month of billing demand | | |
| Summer Rate (May through September) | \$19.05 | \$20.71 |
| Winter Rate (All Other Months) | \$16.95 | \$18.43 |
| Primary Service | | |
| Basic Service Charge per Month | \$200.00 | \$240.00 |
| Plus an Energy Charge per kWh | \$ 0.03446 | \$ 0.03472 |
| Plus a Demand Charge per kW per month of billing demand | | |
| Summer Rate (May through September) | \$ 19.51 | \$ 20.78 |
| Winter Rate (All Other Months) | \$ 17.41 | \$ 18.54 |

Current
Where the monthly billing demand is the greater of:
a) the maximum measured load in the current billing period but not less than 50 kW for secondary service or 25 kW for primary service, or
b) a minimum of 50% of the highest billing demand in the preceding eleven (11) monthly billing periods, or
c) a minimum of 60% of the contract capacity based on the maximum load expected on the system or on facilities specified by Customer.

Proposed
Where the monthly billing demand is the greater of:
a) the maximum measured load in the current billing period but not less than 50 kW for secondary service or 25 kW for primary service, or
b) a minimum of 50% of the highest measured load in the preceding eleven (11) monthly billing periods, or
c) if applicable, a minimum of 60% of the contract capacity based on the maximum load expected on the system or on facilities specified by Customer.

Time-of-Day Secondary Service - Rate TODS

| | Current | Proposed |
|---|----------------|-----------------|
| Basic Service Charge per Month | \$200.00 | \$200.00 |
| Plus an Energy Charge per kWh | \$ 0.03527 | \$ 0.03531 |
| Plus a Maximum Load Charge per kW per month | | |
| Peak Demand Period | \$ 6.13 | \$ 7.81 |
| Intermediate Demand Period | \$ 4.53 | \$ 6.11 |
| Base Demand Period | \$ 5.20 | \$ 3.24 |

Current
Where:
the monthly billing demand for the Peak and Intermediate Demand Periods is the greater of:
a) the maximum measured load in the current billing period, or
b) a minimum of 50% of the highest billing demand in the preceding eleven (11) monthly billing periods, and
the monthly billing demand for the Base Demand Period is the greater of:
a) the maximum measured load in the current billing period but not less than 250 kW, or
b) a minimum of 75% of the highest billing demand in the preceding eleven (11) monthly billing periods, or
c) a minimum of 75% of the contract capacity based on the maximum load expected on the system or on facilities specified by Customer.

Proposed
Where:
the monthly billing demand for the Peak and Intermediate Demand Periods is the greater of:

a) the maximum measured load in the current billing period, or
b) a minimum of 50% of the highest measured load in the preceding eleven (11) monthly billing periods, and
the monthly billing demand for the Base Demand Period is the greater of:
a) the maximum measured load in the current billing period but not less than 250 kW, or
b) the highest measured load in the preceding eleven (11) monthly billing periods, or
c) the contract capacity based on the maximum load expected on the system or on facilities specified by Customer.

Time-of-Day Primary Service - Rate TODP

| | Current | Proposed |
|--|----------------|-----------------|
| Basic Service Charge per Month | \$300.00 | \$330.00 |
| Plus an Energy Charge per kWh | \$ 0.03432 | \$ 0.03433 |
| Plus a Maximum Load Charge per kVA per month | | |
| Peak Demand Period | \$ 5.89 | \$ 6.83 |
| Intermediate Demand Period | \$ 4.39 | \$ 5.34 |
| Base Demand Period | \$ 3.34 | \$ 2.92 |

Current
Where:
the monthly billing demand for the Peak and Intermediate Demand Periods is the greater of:
a) the maximum measured load in the current billing period, or
b) a minimum of 50% of the highest billing demand in the preceding eleven (11) monthly billing periods, and
the monthly billing demand for the Base Demand Period is the greater of:
a) the maximum measured load in the current billing period but not less than 250 kVA, or
b) a minimum of 75% of the highest billing demand in the preceding eleven (11) monthly billing periods, or
c) a minimum of 75% of the contract capacity based on the maximum load expected on the system or on facilities specified by Customer.

Proposed
Where:
the monthly billing demand for the Peak and Intermediate Demand Periods is the greater of:
a) the maximum measured load in the current billing period, or
b) a minimum of 50% of the highest measured load in the preceding eleven (11) monthly billing periods, and
the monthly billing demand for the Base Demand Period is the greater of:
a) the maximum measured load in the current billing period but not less than 250 kVA, or
b) the highest measured load in the preceding eleven (11) monthly billing periods, or
c) the contract capacity based on the maximum load expected on the system or on facilities specified by Customer.

Retail Transmission Service - Rate RTS

| | Current | Proposed |
|--|----------------|-----------------|
| Basic Service Charge per Month | \$1,000.00 | \$1,400.00 |
| Plus an Energy Charge per kWh | \$ 0.03357 | \$ 0.03363 |
| Plus a Maximum Load Charge per kVA per month | | |
| Peak Demand Period | \$ 4.73 | \$ 6.72 |
| Intermediate Demand Period | \$ 4.63 | \$ 5.26 |
| Base Demand Period | \$ 3.10 | \$ 2.12 |

Current
Where:
the monthly billing demand for the Peak and Intermediate Demand Periods is the greater of:
a) the maximum measured load in the current billing period, or
b) a minimum of 50% of the highest billing demand in the preceding eleven (11) monthly billing periods, and
the monthly billing demand for the Base Demand Period is the greater of:
a) the maximum measured load in the current billing period but not less than 250 kVA, or
b) a minimum of 75% of the highest billing demand in the preceding eleven (11) monthly billing periods, or
c) a minimum of 75% of the contract capacity based on the maximum load expected on the system or on facilities specified by Customer.

Proposed
Where:
the monthly billing demand for the Peak and Intermediate Demand Periods is the greater of:
a) the maximum measured load in the current billing period, or
b) a minimum of 50% of the highest measured load in the preceding eleven (11) monthly billing periods, and
the monthly billing demand for the Base Demand Period is the greater of:
a) the maximum measured load in the current billing period but not less than 250 kVA, or
b) the highest measured load in the preceding eleven (11) monthly billing periods, or
c) the contract capacity based on the maximum load expected on the system or on facilities specified by Customer.

Fluctuating Load Service – Rate FLS

| | Current | Proposed |
|--|----------------|-----------------|
| Primary Service | | |
| Basic Service Charge per Month | \$1,000.00 | \$ 330.00 |
| Plus an Energy Charge per kWh | \$ 0.03643 | \$ 0.03433 |
| Plus a Maximum Load Charge per kVA per month | | |
| Peak Demand Period | \$ 3.01 | \$ 6.27 |
| Intermediate Demand Period | \$ 2.12 | \$ 4.76 |
| Base Demand Period | \$ 2.17 | \$ 2.60 |

| | Current | Proposed |
|--|----------------|-----------------|
| Transmission Service | | |
| Basic Service Charge per Month | \$1,000.00 | \$1,500.00 |
| Plus an Energy Charge per kWh | \$ 0.03344 | \$ 0.03344 |
| Plus a Maximum Load Charge per kVA per month | | |
| Peak Demand Period | \$ 3.01 | \$ 3.51 |
| Intermediate Demand Period | \$ 2.12 | \$ 2.47 |
| Base Demand Period | \$ 1.42 | \$ 1.65 |

Current
Where:
the monthly billing demand for the Peak and Intermediate Demand Periods is the greater of:
a) the maximum measured load in the current billing period, or
b) a minimum of 50% of the highest billing demand in the preceding eleven (11) monthly billing periods, and
the monthly billing demand for the Base Demand Period is the greater of:
a) the maximum measured load in the current billing period but not less than 20,000 kVA, or
b) a minimum of 75% of the highest billing demand in the preceding eleven (11) monthly billing periods, or
c) a minimum of 75% of the contract capacity based on the maximum load expected on the system or on facilities specified by Customer.

Proposed
Where:
the monthly billing demand for the Peak and Intermediate Demand Periods is the greater of:
a) the maximum measured load in the current billing period, or
b) a minimum of 50% of the highest measured load in the preceding eleven (11) monthly billing periods, and
the monthly billing demand for the Base Demand Period is the greater of:
a) the maximum measured load in the current billing period but not less than 20,000 kVA, or
b) the highest measured load in the preceding eleven (11) monthly billing periods, or
c) the contract capacity based on the maximum load expected on the system or on facilities specified by Customer.

Lighting Service - Rate LS

| | Rate Per Light Per Month | |
|--|---------------------------------|-----------------|
| | Current | Proposed |
| OVERHEAD SERVICE | | |
| High Pressure Sodium | | |
| 462 Cobra Head – 5,800 Lumen – Fixture Only | \$ 9.86 | \$ 9.86 |
| 472 Cobra Head – 5,800 Lumen – Ornamental | \$13.04 | \$15.65 |
| 463 Cobra Head – 9,500 Lumen – Fixture Only | \$10.28 | \$10.79 |
| 473 Cobra Head – 9,500 Lumen – Ornamental | \$13.70 | \$16.44 |
| 464 Cobra Head – 22,000 Lumen – Fixture Only* | \$16.08 | \$16.08 |
| 474 Cobra Head – 22,000 Lumen – Ornamental* | \$19.50 | \$23.40 |
| 465 Cobra Head – 50,000 Lumen – Fixture Only* | \$25.61 | \$25.61 |
| 475 Cobra Head – 50,000 Lumen – Ornamental* | \$27.37 | \$32.84 |
| 487 Directional – 9,500 Lumen – Fixture Only | \$10.13 | \$10.44 |
| 488 Directional – 22,000 Lumen – Fixture Only* | \$15.42 | \$15.42 |
| 489 Directional – 50,000 Lumen – Fixture Only* | \$21.95 | \$21.95 |
| 428 Open Bottom – 9,500 Lumen – Fixture Only | \$ 8.87 | \$ 8.87 |
| Metal Halide | | |
| 450 Directional – 12,000 Lumen – Fixture Only | \$16.13 | Move to RLS |
| 451 Directional – 32,000 Lumen – Fixture Only | \$22.80 | \$22.80 |
| 452 Directional – 107,800 Lumen – Fixture Only | \$47.70 | Move to RLS |
| Light Emitting Diode (LED) | | |
| 390 Cobra Head – 8,179 Lumen – Fixture Only | N/A | \$15.21 |
| 391 Cobra Head – 14,166 Lumen – Fixture Only* | N/A | \$18.42 |
| 392 Cobra Head – 23,214 Lumen – Fixture Only* | N/A | \$28.09 |
| 393 Open Bottom – 5,007 Lumen – Fixture Only | N/A | \$10.13 |

| | Rate Per Light Per Month | |
|---|---------------------------------|-----------------|
| | Current | Proposed |
| UNDERGROUND SERVICE | | |
| High Pressure Sodium | | |
| 467 Colonial – 5,800 Lumen – Decorative | \$12.14 | \$14.57 |
| 468 Colonial – 9,500 Lumen – Decorative | \$12.46 | \$14.95 |
| 401 Acorn – 5,800 Lumen – Smooth Pole | \$16.57 | \$19.88 |
| 411 Acorn – 5,800 Lumen – Fluted Pole | \$23.63 | \$28.36 |
| 420 Acorn – 9,500 Lumen – Smooth Pole | \$17.01 | \$20.41 |
| 430 Acorn – 9,500 Lumen – Fluted Pole | \$24.20 | \$29.04 |
| 414 Victorian 5,800 Lumen – Fluted Pole | \$33.87 | \$36.70 |
| 415 Victorian 9,500 Lumen – Fluted Pole | \$34.19 | \$37.46 |
| 476 Contemporary – 5,800 Lumen – Fixture/Pole | \$18.66 | \$22.39 |
| 492 Contemporary – 5,800 Lumen – 2nd Fixture | \$17.12 | \$17.12 |