LG&E and KU reach partial settlement agreement in rate review

Agreement will allow utilities to continue to provide safe and reliable energy

(LOUISVILLE, Ky.) – Louisville Gas and Electric Company and Kentucky Utilities Company have reached an agreement with the intervening parties to their rate review that will allow the companies to continue to invest in Kentucky while providing safe and reliable energy to their customers.

The agreement and the rate review are still subject to the review and approval of the Kentucky Public Service Commission, who must also rule on the limited number of issues to which the parties could not reach agreement including the amount of the residential basic service charge.

“All parties worked to mitigate the impact on customers, while still providing the companies an opportunity to recover their costs of providing safe and reliable service. We appreciate the efforts of the parties to reach a mutually beneficial outcome in the cases,” said Kent Blake, LG&E and KU chief financial officer.

Overall, from January 2018 to October 2019, the utilities are investing $2.2 billion in infrastructure improvements to benefit customers. This includes investments in areas such as equipment that detects outages, stronger poles and wires, and more durable gas lines. Customers have already seen increased reliability in their electric and natural gas service as a result of these investments. Additional improvements are expected as work continues.

Under the agreement, LG&E would receive a $3.92 million increase for electric service and $19.33 million increase for natural gas service. KU would receive a $58.35 million increase.

KU residential electric customers using 1,139 KWh per month would see an increase of $4.47 in their total monthly bill. LG&E residential electric customers using 917 kWh per month would see an increase of 42 cents in their total monthly bill, and residential gas customers using 54 Ccf per month would see an increase of $3.83 in their total monthly bill.

Parties to the case are the Attorney General of the Commonwealth of Kentucky; the Association of Community Ministries; Charter Communications; the Community Action Council for Lexington-Fayette, Bourbon, Harrison and Nicholas counties; the Department of Defense; Kentucky Industrial Utility Customers; Kroger; Kentucky School Boards Association; Lexington-Fayette Urban County Government; Louisville/Jefferson County Metro Government; Metropolitan Housing Coalition; the Sierra Club; and Walmart.

LG&E and KU work to ensure their customers receive reasonably priced energy. KU’s current average electric residential rate is approximately 23 percent lower than other similar U.S. utilities, and LG&E’s current average electric residential rate is approximately 18 percent lower. If approved as requested, LG&E and KU’s rates would remain among the lowest in the nation.

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Louisville Gas and Electric Company and Kentucky Utilities Company, part of the PPL Corporation (NYSE: PPL) family of companies, are regulated utilities that serve nearly 1.3 million customers and have consistently ranked among the best companies for customer service in the United States. LG&E serves 328,000 natural gas and 414,000 electric customers in Louisville and 16 surrounding counties. KU serves 555,000 customers in 77 Kentucky counties and five counties in Virginia. More information is available at www.lge-ku.com and www.pplweb.com.

For further information: LG&E and KU, 502-627-4999 (Toll-free: 888-627-4999)
