



an **e-on** company

Elizabeth O'Donnell
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40602

**Louisville Gas and
Electric Company**
State Regulation and Rates
220 West Main Street
PO Box 32010
Louisville, Kentucky 40232
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November 21, 2007

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PUBLIC SERVICE
COMMISSION

Robert M. Conroy
Manager - Rates
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Dear Ms. O'Donnell:

Pursuant to the Commission's Order dated June 30, 2004, in Case No. 2003-00433, Louisville Gas and Electric Company ("LG&E") filed an experimental electric tariff P.S.C. No. 62 for the Small Time of Day Service ("STOD"). That electric tariff provides for the calculation of a monthly charge per KWH to recover programming costs associated with modifying the customer billing system, not to exceed \$29,050 per year, plus any lost revenues associated with STOD. This monthly charge is to be applied to customers taking service under the Large Commercial Service ("LC") for LG&E.

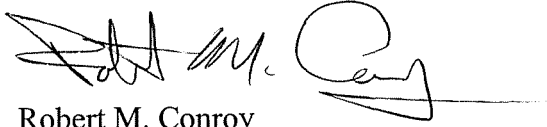
Attached is Exhibit 1 which presents the calculation of the factor to be applied during the period of December 2007 through November 2008. The balancing adjustment is being made for the difference in the Program Cost to be recovered in the third year and the actual recovery for the third year. This balancing adjustment is being made such that LG&E neither overcharges nor under collects the STOD program costs.

Attached as Exhibit 2 is a calculation of the loss revenue in support of Exhibit 1.

LG&E will begin applying the recovery factor of \$0.000137 per KWH effective with the first billing cycle of the December 2007. As specified in the Rate Schedule STOD, LG&E will file a report on STOD by April 30, 2008 (six-months after the end of the third year of the pilot program) and will continue STOD and applied the recovery factor until STOD is terminated by order of the commission.

Please contact me at (502) 627-3324 or Michael Hornung at (502) 627-4671 if you have any questions about this information.

Sincerely,

A handwritten signature in black ink, appearing to read "Robert M. Conroy". The signature is stylized with a large, circular initial "C" and a long horizontal stroke extending to the right.

Robert M. Conroy

Program Cost Recovery Factor Calculation

	LG&E
(1) Program Cost Recovery (4th Program Year)	\$0
(2) Lost Revenue (3rd Program Year) (See Exhibit 2)	\$313,332
<i>Balancing Adjustment:</i>	
Program Cost Recovery (3rd Program Year)	\$401,238
Less: Actual Recovery (3rd Program Year)	\$382,268
(3) Total Balancing Adjustment	\$18,970
(4) Total Program Cost Recovery (4th Program Year) [(1)+(2)+(3)]	\$332,302
(5) LPKWH - Projected Dec '07 thru Nov '08	2,433,180,109
PCRF (dollars per KWH) [(4)/(5)]	0.000137

Louisville Gas Electric Company

EXHIBIT 2

Month	Fuel Adjustment Clause	Demand Side Management	Environmental Surcharge	Merger Surcredit	Earning Sharing Mechanism	Value Delivery Surcredit	Billing Determinants	Small Time-of-Day Rate	Rate	Customer	Demand - Secondary	Winter	Summer	- Primary	Winter	Summer	Energy	On-Peak	Off-Peak	On-Peak	Off-Peak	Ratio of Actual to Regenerated	Large Commercial Rate	Customer	Demand - Secondary	Winter	Summer	- Primary	Winter	Summer	Energy	Actual Billing	Ratio of Actual to Regenerated	Customer	Demand - Secondary	Winter	Summer	- Primary	Winter	Summer	Energy	Total Regenerated Billing	Value Delivery	Earning Sharing	Merger Surcredit	Environmental Surcharge	Demand-Side Management	Fuel Clause	Energy	Customer	Demand	Demand	Customer	Rate	Lost Revenue by Month	Adjusted for Ratio to Actual	Lost Revenue Cumulative
Nov-06	\$0.00307	\$0.00209	1.160%	2.149%	0.000%	1.000%	34	4,512,220	\$80.00	Customer	Demand - Secondary	Winter	Summer	\$14.20	\$11.14	\$11.14	\$12.32	\$0.03004	\$0.01438	\$0.03004	\$0.01438	1.00000	\$65.00	Customer	Demand - Secondary	Winter	Summer	\$14.20	\$11.14	\$11.14	\$12.32	\$0.02417	365,805	1.00000	Customer	Demand - Secondary	Winter	Summer	\$14.20	\$11.14	\$11.14	\$12.32	\$0.02417	\$387,731	\$387,731	(\$21,926)	(\$21,926)										
Dec-06	\$0.00491	\$0.00228	1.420%	2.149%	0.000%	1.000%	34	3,754,200	\$80.00	Customer	Demand - Secondary	Winter	Summer	\$14.20	\$11.14	\$11.14	\$12.32	\$0.03004	\$0.01438	\$0.03004	\$0.01438	1.00019	\$65.00	Customer	Demand - Secondary	Winter	Summer	\$14.20	\$11.14	\$11.14	\$12.32	\$0.02417	368,312	1.00219	Customer	Demand - Secondary	Winter	Summer	\$14.20	\$11.14	\$11.14	\$12.32	\$0.02417	\$406,384	\$406,384	(\$43,244)	(\$43,244)										
Jan-07	\$0.00153	\$0.00228	0.670%	2.149%	0.000%	1.000%	33	4,016,300	\$80.00	Customer	Demand - Secondary	Winter	Summer	\$14.20	\$11.14	\$11.14	\$12.32	\$0.03004	\$0.01438	\$0.03004	\$0.01438	1.00021	\$65.00	Customer	Demand - Secondary	Winter	Summer	\$14.20	\$11.14	\$11.14	\$12.32	\$0.02417	368,234	1.00021	Customer	Demand - Secondary	Winter	Summer	\$14.20	\$11.14	\$11.14	\$12.32	\$0.02417	\$393,477	\$393,477	(\$25,249)	(\$25,249)										
Feb-07	\$0.00249	\$0.00228	1.440%	2.149%	0.000%	0.940%	35	4,358,860	\$80.00	Customer	Demand - Secondary	Winter	Summer	\$14.20	\$11.14	\$11.14	\$12.32	\$0.03004	\$0.01438	\$0.03004	\$0.01438	1.00000	\$65.00	Customer	Demand - Secondary	Winter	Summer	\$14.20	\$11.14	\$11.14	\$12.32	\$0.02417	344,140	1.00000	Customer	Demand - Secondary	Winter	Summer	\$14.20	\$11.14	\$11.14	\$12.32	\$0.02417	\$364,985	\$364,985	(\$89,337)	(\$89,337)										
Mar-07	\$0.00323	\$0.00228	1.510%	2.149%	0.000%	0.940%	35	3,569,960	\$80.00	Customer	Demand - Secondary	Winter	Summer	\$14.76	\$11.70	\$11.70	\$12.92	\$0.02935	\$0.01369	\$0.02935	\$0.01369	1.00000	\$65.00	Customer	Demand - Secondary	Winter	Summer	\$14.76	\$11.70	\$11.70	\$12.92	\$0.02348	400,017	1.00000	Customer	Demand - Secondary	Winter	Summer	\$14.76	\$11.70	\$11.70	\$12.92	\$0.02348	\$390,052	\$390,052	(\$21,824)	(\$21,824)										
Apr-07	\$0.00320	\$0.00228	0.830%	2.149%	0.000%	0.940%	44	4,430,540	\$80.00	Customer	Demand - Secondary	Winter	Summer	\$14.76	\$11.70	\$11.70	\$12.92	\$0.02935	\$0.01369	\$0.02935	\$0.01369	0.99945	\$65.00	Customer	Demand - Secondary	Winter	Summer	\$14.76	\$11.70	\$11.70	\$12.92	\$0.02348	425,392	0.99945	Customer	Demand - Secondary	Winter	Summer	\$14.76	\$11.70	\$11.70	\$12.92	\$0.02348	\$424,855	\$424,855	(\$135,699)	(\$135,699)										
May-07	\$0.00375	\$0.00228	1.270%	2.149%	0.000%	0.940%	33	4,111,660	\$80.00	Customer	Demand - Secondary	Winter	Summer	\$14.76	\$11.70	\$11.70	\$12.92	\$0.02935	\$0.01369	\$0.02935	\$0.01369	0.99952	\$65.00	Customer	Demand - Secondary	Winter	Summer	\$14.76	\$11.70	\$11.70	\$12.92	\$0.02348	529,128	0.99952	Customer	Demand - Secondary	Winter	Summer	\$14.76	\$11.70	\$11.70	\$12.92	\$0.02348	\$447,100	\$447,100	(\$21,464)	(\$21,464)										
Jun-07	\$0.00454	\$0.00228	2.240%	2.149%	0.000%	0.940%	33	4,222,620	\$80.00	Customer	Demand - Secondary	Winter	Summer	\$14.76	\$11.70	\$11.70	\$12.92	\$0.02935	\$0.01369	\$0.02935	\$0.01369	1.00000	\$65.00	Customer	Demand - Secondary	Winter	Summer	\$14.76	\$11.70	\$11.70	\$12.92	\$0.02348	529,128	1.00000	Customer	Demand - Secondary	Winter	Summer	\$14.76	\$11.70	\$11.70	\$12.92	\$0.02348	\$560,228	\$560,228	(\$31,102)	(\$31,102)										
Jul-07	\$0.00418	\$0.00228	2.170%	2.149%	0.000%	0.940%	35	3,975,120	\$80.00	Customer	Demand - Secondary	Winter	Summer	\$14.76	\$11.70	\$11.70	\$12.92	\$0.03004	\$0.01438	\$0.03004	\$0.01438	0.98652	\$65.00	Customer	Demand - Secondary	Winter	Summer	\$14.76	\$11.70	\$11.70	\$12.92	\$0.02348	539,900	0.98652	Customer	Demand - Secondary	Winter	Summer	\$14.76	\$11.70	\$11.70	\$12.92	\$0.02348	\$582,915	\$582,915	(\$23,423)	(\$23,423)										
Aug-07	\$0.00336	\$0.00228	1.140%	2.431%	0.000%	0.940%	35	4,149,920	\$80.00	Customer	Demand - Secondary	Winter	Summer	\$14.76	\$11.70	\$11.70	\$12.92	\$0.03004	\$0.01438	\$0.03004	\$0.01438	0.98672	\$65.00	Customer	Demand - Secondary	Winter	Summer	\$14.76	\$11.70	\$11.70	\$12.92	\$0.02348	549,069	0.98672	Customer	Demand - Secondary	Winter	Summer	\$14.76	\$11.70	\$11.70	\$12.92	\$0.02348	\$589,196	\$589,196	(\$34,402)	(\$34,402)										
Sep-07	\$0.00450	\$0.00228	0.710%	2.431%	0.000%	0.940%	35	4,149,920	\$80.00	Customer	Demand - Secondary	Winter	Summer	\$14.76	\$11.70	\$11.70	\$12.92	\$0.03004	\$0.01438	\$0.03004	\$0.01438	0.98672	\$65.00	Customer	Demand - Secondary	Winter	Summer	\$14.76	\$11.70	\$11.70	\$12.92	\$0.02348	555,772	0.98672	Customer	Demand - Secondary	Winter	Summer	\$14.76	\$11.70	\$11.70	\$12.92	\$0.02348	\$598,116	\$598,116	(\$34,402)	(\$34,402)										
Oct-07	\$0.00586	\$0.00228	0.580%	2.431%	0.000%	0.940%	35	4,000,620	\$80.00	Customer	Demand - Secondary	Winter	Summer	\$14.76	\$11.70	\$11.70	\$12.92	\$0.03004	\$0.01438	\$0.03004	\$0.01438	0.98637	\$65.00	Customer	Demand - Secondary	Winter	Summer	\$14.76	\$11.70	\$11.70	\$12.92	\$0.02348	555,772	0.98637	Customer	Demand - Secondary	Winter	Summer	\$14.76	\$11.70	\$11.70	\$12.92	\$0.02348	\$598,116	\$598,116	(\$34,402)	(\$34,402)										
								4,000,620	\$80.00	Customer	Demand - Secondary	Winter	Summer	\$14.76	\$11.70	\$11.70	\$12.92	\$0.03004	\$0.01438	\$0.03004	\$0.01438	0.98637	\$65.00	Customer	Demand - Secondary	Winter	Summer	\$14.76	\$11.70	\$11.70	\$12.92	\$0.02348	466,245	0.98637	Customer	Demand - Secondary	Winter	Summer	\$14.76	\$11.70	\$11.70	\$12.92	\$0.02348	\$598,116	\$598,116	(\$34,402)	(\$34,402)										
								5,988,460	\$80.00	Customer	Demand - Secondary	Winter	Summer	\$14.76	\$11.70	\$11.70	\$12.92	\$0.03004	\$0.01438	\$0.03004	\$0.01438	0.98637	\$65.00	Customer	Demand - Secondary	Winter	Summer	\$14.76	\$11.70	\$11.70	\$12.92	\$0.02348	466,245	0.98637	Customer	Demand - Secondary	Winter	Summer	\$14.76	\$11.70	\$11.70	\$12.92	\$0.02348	\$598,116	\$598,116	(\$34,402)	(\$34,402)										
								4,000,620	\$80.00	Customer	Demand - Secondary	Winter	Summer	\$14.76	\$11.70	\$11.70	\$12.92	\$0.03004	\$0.01438	\$0.03004	\$0.01438	0.98637	\$65.00	Customer	Demand - Secondary	Winter	Summer	\$14.76	\$11.70	\$11.70	\$12.92	\$0.02348	466,245	0.98637	Customer	Demand - Secondary	Winter	Summer	\$14.76	\$11.70	\$11.70	\$12.92	\$0.02348	\$598,116	\$598,116	(\$34,402)	(\$34,402)										
								4,000,620	\$80.00	Customer	Demand - Secondary	Winter	Summer	\$14.76	\$11.70	\$11.70	\$12.92	\$0.03004	\$0.01438	\$0.03004	\$0.01438	0.98637	\$65.00	Customer	Demand - Secondary	Winter	Summer	\$14.76	\$11.70	\$11.70	\$12.92	\$0.02348	466,245	0.98637	Customer	Demand - Secondary	Winter	Summer	\$14.76	\$11.70	\$11.70	\$12.92	\$0.02348	\$598,116	\$598,116	(\$34,402)	(\$34,402)										
								4,000,620	\$80.00	Customer	Demand - Secondary	Winter	Summer	\$14.76	\$11.70	\$11.70	\$12.92	\$0.03004	\$0.01438	\$0.03004	\$0.01438	0.98637	\$65.00	Customer	Demand - Secondary	Winter	Summer	\$14.76	\$11.70	\$11.70	\$12.92	\$0.02348	466,245	0.98637	Customer	Demand - Secondary	Winter	Summer	\$14.76	\$11.70	\$11.70	\$12.92	\$0.02348	\$598,116	\$598,116	(\$34,402)	(\$34,402)										
								4,000,620	\$80.00	Customer	Demand - Secondary	Winter	Summer	\$14.76	\$11.70	\$11.70	\$12.92	\$0.03004	\$0.01438	\$0.03004	\$0.01438	0.98637	\$65.00	Customer	Demand - Secondary	Winter	Summer	\$14.76	\$11.70	\$11.70	\$12.92	\$0.02348	466,245	0.98637	Customer	Demand - Secondary	Winter	Summer	\$14.76	\$11.70	\$11.70	\$12.92	\$0.02348	\$598,116	\$598,116	(\$34,402)	(\$34,402)										
								4,000,620	\$80.00	Customer	Demand - Secondary	Winter	Summer	\$14.76	\$11.70	\$11.70	\$12.92	\$0.03004	\$0.01438	\$0.03004	\$0.01438	0.98637	\$65.00	Customer	Demand - Secondary	Winter	Summer	\$14.76	\$11.70	\$11.70	\$12.92	\$0.02348	466,245	0.98637	Customer	Demand - Secondary	Winter	Summer	\$14.76	\$11.70	\$11.70	\$12.92	\$0.02348	\$598,116	\$598,116	(\$34,402)	(\$34,402)										
								4,000,620	\$80.00	Customer	Demand - Secondary	Winter	Summer	\$14.76	\$11.70	\$11.70	\$12.92	\$0.03004	\$0.01438	\$0.03004	\$0.01438	0.98637	\$65.00	Customer	Demand - Secondary	Winter	Summer	\$14.76	\$11.70	\$11.70	\$12.92	\$0.02348	466,245	0.98637	Customer	Demand - Secondary	Winter	Summer	\$14.76	\$11.70	\$11.70	\$12.92	\$0.02348	\$598,116	\$598,116	(\$34,402)	(\$34,402)										
								4,000,620	\$80.00	Customer	Demand - Secondary	Winter	Summer	\$14.76	\$11.70	\$11.70	\$12.92	\$0.03004	\$0.01438	\$0.03004	\$0.01438	0.98637	\$65.00	Customer	Demand - Secondary	Winter	Summer	\$14.76	\$11.70	\$11.70	\$12.92	\$0.02348	466,245	0.98637	Customer	Demand - Secondary	Winter	Summer	\$14.76	\$11.70	\$11.70	\$12.92	\$0.02348	\$598,116	\$598,116	(\$34,402)	(\$34,402)										
								4,000,620	\$80.00	Customer	Demand - Secondary	Winter	Summer	\$14.76	\$11.70	\$11.70	\$12.92	\$0.03004	\$0.01438	\$0.03004	\$0.01438	0.98637	\$65.00	Customer	Demand - Secondary	Winter	Summer	\$14.76	\$11.70	\$11.70	\$12.92	\$0.02348	466,245	0.98637	Customer	Demand - Secondary	Winter	Summer	\$14.76	\$11.70	\$11.70	\$12.92	\$0.02348	\$598,116	\$598,116	(\$34,402)	(\$34,402)										
								4,000,620	\$80.00	Customer	Demand - Secondary	Winter	Summer	\$14.76	\$11.70	\$11.70	\$12.92	\$0.03004	\$0.01438	\$0.03004	\$0.01438	0.98637	\$65.00	Customer	Demand - Secondary	Winter	Summer	\$14.76	\$11.70	\$11.70	\$12.92	\$0.02348	466,245	0.98637	Customer	Demand - Secondary	Winter	Summer	\$14.76	\$11.70	\$11.70	\$12.92	\$0.02348	\$598,116	\$598,116	(\$34,402)	(\$34,402)										
								4,000,620	\$80.00	Customer	Demand - Secondary	Winter	Summer	\$14.76	\$11.70	\$11.70	\$12.92	\$0.03004	\$0.01438	\$0.03004	\$0.01438	0.98637	\$65.00	Customer	Demand - Secondary	Winter	Summer	\$14.76																													