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June 17, 2004

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RECEIVED

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PUBLIC SERVICE
COMMISSION

VIA HAND DELIVERY

Elizabeth O'Donnell
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40601

RE: *Application of Louisville Gas and Electric Company for an Adjustment of its Gas and Electric Rates, Terms and Conditions*
Case No. 2003-00433 ✓

Application of Kentucky Utilities Company for an Adjustment of its Electric Rates, Terms and Conditions
Case No. 2003-00434

Dear Ms. O'Donnell:

We are writing to request waiver of the notice provisions for terminating service under Louisville Gas and Electric Company's ("LG&E") Interruptible Service Rider and Kentucky Utilities Company's ("KU") Curtailable Service Rider (collectively referred to as "Curtailable Service Rider"), contingent upon the Kentucky Public Service Commission's ("Commission") approval of the Partial Settlement Agreement, Stipulation and Recommendation ("Partial Settlement") filed on May 12, 2004, in the above captioned proceedings.

If the Partial Settlement is approved, substantial changes will be made to the terms for providing service under LG&E's and KU's Curtailable Service Rider ("CSR"). Because these changes may substantially affect a CSR customer's business operations, LG&E and KU believe it would be reasonable to waive the notice period currently required (six months for LG&E customers and three years for KU customers) for a customer to terminate service under the existing tariffs.

Pursuant to this request, contingent upon Commission approval of the Partial Settlement, CSR customers would have up to thirty (30) days from the effective date of the revised tariffs to notify LG&E or KU if they wish to terminate service under the CSR. If a CSR customer did not respond within that time frame, that customer would continue to receive service under the CSR and would be subject to the applicable termination notice requirements in the future. Alternatively, if the Commission does not approve the Partial Settlement and the terms of the CSR are not changed relative to the existing tariffs, no thirty (30) day opt-out will be permitted.

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A copy of a letter dated June 7, 2004 to the Executive Director of the Commission outlining this proposal is attached.

Please confirm your receipt of this filing by placing the stamp of your Office with the date received on the enclosed additional copies and return them to me in the enclosed self-addressed stamped envelope.

Should you have any questions or need any additional information, please contact me at your convenience.

Very truly yours,



Kendrick R. Riggs

KRR/ec
Enclosures
cc: Parties of Record

Michael S. Beer
Vice President
Rates and Regulatory

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June 7, 2004

Ms. Elizabeth O'Donnell
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40601

Dear Ms. O'Donnell:

Pursuant to the Settlement Agreement filed in the rate proceedings (P.S.C. Case No. 2003-00433 and P.S.C. Case No. 2003-00434) significant changes are proposed for Louisville Gas and Electric Company's ("LGE") Interruptible Service, Original Sheet No. 13-A of P.S.C. of Ky. Electric No. 5, and Kentucky Utilities Company's ("KU") Curtailable Service Rider, Original Sheet No. 11A of P.S.C. No. 12. If approved, these changes would substantially modify the terms under which service is currently being provided, as well as the charges for service. For example, the time in which LGE and KU are required to give notice for a requested interruption or curtailment is being shortened, the total hours a customer is subject to interruption or curtailment annually is being increased, and the time periods where LGE and KU can request an interruption or curtailment are being expanded.

Because these changes may substantially affect the customer's business operations, LGE and KU believe it is only fair to waive the notice period currently required for a customer to terminate service under the existing tariff. For LGE, the termination notice is six months. The time period for KU is much more stringent at three years. Both LGE and KU believe it is unreasonable to expect a customer to continue under an optional tariff that no longer fits the customer's needs. To do so could subject the customer to the non-compliance charge provisions in the proposed tariffs.

LGE and KU respectfully request the existing Interruptible Service customers (6) and Curtailable Service Rider customers (7) be given the option of terminating service under those rates effective June 30, 2004, prior to the anticipated effective date, July 1, 2004, of the proposed tariffs. With Commission approval, these customers will be immediately notified by their individual Account Representatives of the choice available to them and the option of early termination will be contingent upon Commission approval of the proposed CSR rates outlined in the Partial Settlement Agreement dated May 12, 2004.

Yours very truly,



Michael S. Beer