

In the Matter of:

AN ADJUSTMENT OF THE)
ELECTRIC RATES, TERMS AND) CASE NO.
CONDITIONS OF KENTUCKY) 2003-00434
UTILITIES COMPANY)

VOLUME 1 OF 6
STATUTORY NOTICE, APPLICATION,
FINANCIAL EXHIBIT, TABLE OF CONTENTS, ETC.

FILED - DECEMBER 29, 2003

Michael S. Beer
Vice President
Rates and Regulatory

LG&E Energy Corp.
220 West Main Street
Louisville, Kentucky 40202
(502) 627-3547
(502) 627-4030 FAX
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December 29, 2003

DEC 29 2003

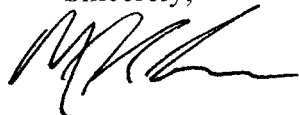
Mr. Thomas M. Dorman
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
Louisville, Kentucky 40602

***RE: AN ADJUSTMENT OF THE ELECTRIC RATES, TERMS AND
CONDITIONS OF KENTUCKY UTILITIES COMPANY –
CASE NO. 2003-00434***

Dear Mr. Dorman:

We deliver herewith for filing an original and ten (10) copies of the Notice and Statement and Filing Requirements of Kentucky Utilities Company in the above captioned case.

Sincerely,



Michael S. Beer
Vice President, Rates and Regulatory

cc: Elizabeth E. Blackford, Assistant Attorney General
Michael L. Kurtz, Kentucky Industrial Utility Customers, Inc.
David J. Barberie, Lexington-Fayette County Urban Government

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:)
)
AN ADJUSTMENT OF THE ELECTRIC) CASE NO: 2003-00434
RATES, TERMS AND CONDITIONS OF)
KENTUCKY UTILITIES COMPANY)

VOLUME 1 OF 6

STATUTORY NOTICE
APPLICATION

FINANICAL EXHIBIT pursuant to 807 KAR 5:001 SECTION 6

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RESPONSE TO FILING REQUIREMENTS listed in 807 KAR 5:001
SECTION 10(1)(a)1 through 807 KAR 5:001 SECTION 10(6)(k)

Filed: December 29, 2003

Kentucky Utilities Company
Case No. 2003-00434
Historical Test Year Filing Requirements
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Volume Number	Description of Contents
1	Statutory Notice Application Financial Exhibit pursuant to 807 KAR 5:001 Section 6 Table of Contents
2	Response to Filing Requirements listed in 807 KAR 5:001 Section 10(1)(a)1 through 807 KAR 5:001 Section 10(6)(k)
3	Response to Filing Requirements listed in 807 KAR 5:001 Section 10(6)(l) through 807 KAR 5:001 Section 10(6)(r)
4	Response to Filing Requirements listed in 807 KAR 5:001 Section 10(6)(s) through 807 KAR 5:001 Section 10(7)(e) Testimony
5	Seelye Exhibit - Cost-of-Service Study
6	Robinson Appendix C - Depreciation Study

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In Re the Matter of:

**AN ADJUSTMENT OF THE ELECTRIC
RATES, TERMS AND CONDITIONS OF
KENTUCKY UTILITIES COMPANY**

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CASE NO. 2003-00434

STATUTORY NOTICE

Kentucky Utilities Company (“KU”), by counsel, informs the Kentucky Public Service Commission (“Commission”) that it is engaged in business as an operating public utility, principally furnishing retail electric service within the Commonwealth of Kentucky.

Pursuant to KRS 278.180, KU hereby gives notice to the Commission that, on this 29th day of December 2003, it files herewith its Application for adjustment of rates and proposes to adjust its rates in conformity with the tariff sheets (“the revised tariffs”) attached to the Application at Tab 7 of the Filing Requirements and made a part hereof by reference.

KU proposes to change its existing rates and tariffs for electric service, now on file with and approved by the Commission, by substituting the revised tariff sheets (ten or more copies of which are filed as incorporated into the Application) for the corresponding tariff sheets in its existing tariff by amending the rates and charges set forth in two (2) special contracts.

The proposed revisions in the special contracts are summarized at Tab 7 of the Filing Requirements of the Application filed herewith and are made a part hereof by reference.

Notice is further given that the stated effective date for the changes in rates is February 1, 2004.

Notice to the public of the proposed rates is being given as prescribed in the Commission's regulation (807 KAR 5:051 and 807 KAR 5:011, Section 8), by publication in accordance with the Commission's regulation (807 KAR 5:011, Section 8(2)(c)) and by exhibiting the same for public inspection at the offices and places of business of KU in the territory affected thereby, to-wit, at the following places:

Barlow	London
Campbellsville	Maysville
Carrollton	Middlesboro
Columbia	Morehead
Danville	Morganfield
Earlington	Mt. Sterling
Eddyville	Paris
Elizabethtown	Richmond
Georgetown	Russell Springs
Greenville	Shelbyville
Harlan	Somerset
Lexington	Versailles
Lexington North	Winchester

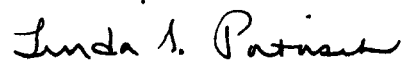
A Certificate of Completed Notice will be filed with the Commission in the form recommended by Rule 807 KAR 5:011, Section 15(5).

Additional information required by the Commission's regulations is contained in the Application filed herewith and made a part hereof by reference.

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Submitted to the Commission this 29th day of December 2003.

Respectfully submitted,



Linda S. Portasik
Senior Corporate Attorney
Louisville Gas and Electric Company
220 West Main Street
Louisville, Kentucky 40202
Telephone: (502) 627-2557


-and-

Kendrick R. Riggs
J. Gregory Cornett
Allyson K. Sturgeon
Ogden Newell & Welch PLLC
1700 PNC Plaza
500 West Jefferson Street
Louisville, Kentucky 40202
Telephone: (502) 582-1601

Counsel for Kentucky Utilities Company

CERTIFICATE OF SERVICE

The undersigned hereby certifies the original and ten copies of this Statutory Notice was hand delivered to Thomas M. Dorman, Executive Director, Kentucky Public Service Commission, 211 Sower Boulevard, Frankfort, Kentucky 40601, and a copy of this Statutory Notice was hand delivered to Elizabeth E. Blackford, Assistant Attorney General, Office of Rate Intervention, 1024 Capital Center Drive, Frankfort, Kentucky 40601 this 29th day of December 2003.



Counsel for Kentucky Utilities Company

292053.02

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In Re the Matter of:)
)
 AN ADJUSTMENT OF THE ELECTRIC) **CASE NO. 2003-00434**
 RATES, TERMS AND CONDITIONS OF)
 KENTUCKY UTILITIES COMPANY)

KENTUCKY UTILITIES COMPANY'S
APPLICATION FOR AUTHORITY TO ADJUST RATES

Applicant, Kentucky Utilities Company ("KU"), pursuant to KRS Chapter 278 and the applicable sections of 807 KAR Chapter 5, hereby applies to the Kentucky Public Service Commission ("Commission") for authority to adjust its electric rates. KU's Notice of Intent to File Rate Applications, required by 807 KAR 5:001, Section 10(2) and 807 KAR 5:011, Section 8(1), was filed with the Commission on November 24, 2003, and is attached hereto at Tab 10 of the Filing Requirements.

In support of its Application, KU states as follows:

1. The full name and address of KU are: Kentucky Utilities Company, Post Office Box 32010, 220 West Main Street, Louisville, Kentucky 40232. KU is a Kentucky corporation authorized to do business in the Commonwealth of Kentucky.

2. KU is a utility engaged in the electric business. KU generates and purchases electricity, and distributes and sells electricity at retail in the following counties in Central, Northern, Southeastern and Western Kentucky:

Adair	Edmonson	Jessamine	Ohio
Anderson	Estill	Knox	Oldham
Ballard	Fayette	Larue	Owen
Barren	Fleming	Laurel	Pendleton

Bath	Franklin	Lee	Pulaski
Bell	Fulton	Lincoln	Robertson
Bourbon	Gallatin	Livingston	Rockcastle
Boyle	Gerrard	Lyon	Rowan
Bracken	Grant	Madison	Russell
Bullitt	Grayson	Marion	Scott
Caldwell	Green	Mason	Shelby
Campbell	Hardin	McCracken	Spencer
Carlisle	Harlan	McCreary	Taylor
Carroll	Harrison	McLean	Trimble
Casey	Hart	Mercer	Union
Christian	Henderson	Montgomery	Washington
Clark	Henry	Muhlenberg	Webster
Clay	Hickman	Nelson	Whitley
Crittenden	Hopkins	Nicholas	Woodford
Daviess			

A certified copy of KU's Articles of Incorporation, as amended, are on file with the Commission in Case No. 2001-104, *In the Matter of: Joint Application of E.ON AG, Powergen plc, LG&E Energy Corp., Louisville Gas and Electric Company and Kentucky Utilities Company for Approval of an Acquisition.*

3. This Application constitutes notice to the Commission pursuant to KRS 278.180(1) of the changes proposed to be made to KU's electric base rates. KU's Certificate of Notice to the Public of Change in the Tariffs Which Results in Increased Rates is attached hereto at Tab 9 of the Filing Requirements.

4. KU requests Commission approval of a change in existing rates and tariffs for electric service. KU proposes to change its existing rates and tariffs to those rates and charges set forth in the proposed tariff attached hereto at Tab 7 of the Filing Requirements. A comparison of the present and proposed rates and charges is attached hereto at Tab 8 of the Filing Requirements. The proposed revisions in the special contracts are summarized at Tab 7 of the Filing Requirements of the Application filed herewith. The proposed adjustments in electric

rates will result in an increase in operating revenues of approximately \$58.3 million or 8.54% per year based on adjusted consumptions during the 12 months ended September 30, 2003.

5. KU supports its request for a change in its existing rates and tariffs for electric service with the following exhibits complying with the requirements of 807 KAR 5:01, Section 10:

Tab	Filing Requirement	Description
1	807 KAR 5:001 Section 10(1)(a)1	Reason for Rate Adjustment
2	807 KAR 5:001 Section 10(1)(a)2	Most Recent Annual Reports
3	807 KAR 5:001 Section 10(1)(a)3	Articles of Incorporation
4	807 KAR 5:001 Section 10(1)(a)4	Limited Partnership Agreement
5	807 KAR 5:001 Section 10(1)(a)5	Certificate of Good Standing
6	807 KAR 5:001 Section 10(1)(a)6	Certificate of Assumed Name
7	807 KAR 5:001 Section 10(1)(a)7	Proposed Tariff
8	807 KAR 5:001 Section 10(1)(a)8	Proposed Tariff Changes
9	807 KAR 5:001 Section 10(1)(a)9	Statement about Customer Notice
10	807 KAR 5:001 Section 10(2)	Notice of Intent
11	807 KAR 5:001 Section 10(3)	Customer Notice Information
12	807 KAR 5:001 Section 10(4)(a)	Sewer Utility Notices
13	807 KAR 5:001 Section 10(4)(b)	Typewritten Notices by Mail
14	807 KAR 5:001 Section 10(4)(c)	Other Customer Notices
15	807 KAR 5:001 Section 10(4)(d)	Publisher's Affidavit
16	807 KAR 5:001 Section 10(4)(e)	Verification - Mailed Notices
17	807 KAR 5:001 Section 10(4)(f)	Sample Notices Posted
18	807 KAR 5:001 Section 10(4)(g)	Comply w/ 807 KAR 5:051, Section 2
19	807 KAR 5:001 Section 10(5)	Hearing Notice Published
20	807 KAR 5:001 Section 10(6)(a)	Describe and Explain Adjustments
21	807 KAR 5:001 Section 10(6)(b)	Testimony (Revenues > \$1.0 mm)
22	807 KAR 5:001 Section 10(6)(c)	Testimony (Revenues \$1.0 mm)
23	807 KAR 5:001 Section 10(6)(d)	New Rates Effect - Overall Revenues
24	807 KAR 5:001 Section 10(6)(e)	Average Customer Class Bill Impact
25	807 KAR 5:001 Section 10(6)(f)	Local Telephone Exchange Companies
26	807 KAR 5:001 Section 10(6)(g)	Analysis of Customer Bills
27	807 KAR 5:001 Section 10(6)(h)	Revenue Requirements Determination
28	807 KAR 5:001 Section 10(6)(i)	Reconcile Rate Base & Capitalization

29	807 KAR 5:001 Section 10(6)(j)	Current Chart of Accounts
30	807 KAR 5:001 Section 10(6)(k)	Annual Auditor's Opinion(s)
31	807 KAR 5:001 Section 10(6)(l)	FERC Audit Reports
32	807 KAR 5:001 Section 10(6)(m)	FERC Form 1s
33	807 KAR 5:001 Section 10(6)(n)	Depreciation Study
34	807 KAR 5:001 Section 10(6)(o)	Computer Software, Hardware, etc.
35	807 KAR 5:001 Section 10(6)(p)	Stock or Bond Prospectuses
36	807 KAR 5:001 Section 10(6)(q)	Annual Reports to Shareholders
37	807 KAR 5:001 Section 10(6)(r)	Monthly Management Reports
38	807 KAR 5:001 Section 10(6)(s)	SEC Reports (10Ks, 10Qs, and 8Ks)
39	807 KAR 5:001 Section 10(6)(t)	Affiliate, et. al., Allocations/Charges
40	807 KAR 5:001 Section 10(6)(u)	Cost-of-Service Study
41	807 KAR 5:001 Section 10(6)(v)	Local Telephone Exchange Companies
42	807 KAR 5:001 Section 10(7)(a)	Financial Statements w/ Adjustments
43	807 KAR 5:001 Section 10(7)(b)	Capital Construction Budget
44	807 KAR 5:001 Section 10(7)(c)	Pro Forma Adjustments - Plant
45	807 KAR 5:001 Section 10(7)(d)	Pro Forma Adjustments - Operating
46	807 KAR 5:001 Section 10(7)(e)	Period-End Customer Additions, etc.

6. As required by KRS 278.030, the rates proposed for electric service are fair, just and reasonable.

7. The Application for a general adjustment of electric base rates is supported by a twelve month historical test year in accordance with 807 KAR 5:001, Section 10(1)(a) with the test period ending September 30, 2003. KU's financial exhibit, prescribed in 807 KAR 5:001, Section 6, is attached hereto as Financial Exhibit.

8. Copies of all orders, pleadings and other communications related to this proceeding should be directed to:

Michael S. Beer
Vice President, Rates and Regulatory
LG&E Energy Corp.
220 West Main Street
Louisville, Kentucky 40202

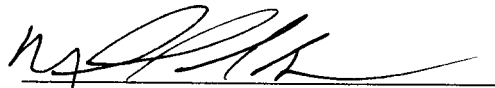
Linda S. Portasik
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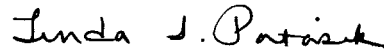
WHEREFORE, Kentucky Utilities Company respectfully requests the Kentucky Public Service Commission to enter an order:

1. Approving the revised tariff sheets for electric service at Tab 7 of the Filing Requirements; and
2. Granting all other relief to which Kentucky Utilities Company may be entitled.

Respectfully submitted,



Michael S. Beer
Vice President, Rates and Regulatory
LG&E Energy Corp.
220 West Main Street
Louisville, Kentucky 40202



Linda S. Portasik
Senior Corporate Attorney
LG&E Energy Corp.
220 West Main Street
Louisville, Kentucky 40202

-and-

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1700 PNC Plaza
500 West Jefferson Street
Louisville, Kentucky 40202

Counsel for Kentucky Utilities Company

CERTIFICATE OF SERVICE

The undersigned hereby certifies that an original and ten copies of this Application was hand delivered to Thomas M. Dorman, Executive Director, Kentucky Public Service Commission, 211 Sower Boulevard, Frankfort, Kentucky 40601, and that a copy of the Application was hand delivered to Elizabeth E. Blackford, Assistant Attorney General, Office of Rate Intervention, 1024 Capital Center Drive, Frankfort, Kentucky 40601 this 29th day of December 2003.

Linda L. Ptasia

Counsel for Kentucky Utilities Company

292019.01

KENTUCKY UTILITIES COMPANY

FINANCIAL EXHIBIT
(807 KAR 5:001 SEC. 6)

SEPTEMBER 30, 2003

(1) Amount and kinds of stock authorized.

80,000,000 shares of Common Stock, without par value.

5,300,000 shares of Cumulative Preferred Stock, without par value.

(2) Amount and kinds of stock issued and outstanding.

Common Stock:

37,817,878 shares issued and outstanding.

Preferred Stock

\$100 stated value, 4.75% cumulative, 200,000 shares issued and outstanding.

\$100 stated value, 6.53% cumulative, 200,000 shares issued and outstanding.

(3) Terms of preference of preferred stock whether cumulative or participating, or on dividends or assets otherwise.

Preferred Stock outstanding has cumulative provision on dividends.

(4) Brief description of each mortgage on property of applicant, giving date of execution name of mortgagor, name of mortgagee, or trustee, amount of indebtedness authorized to be secured thereby, and the amount of the indebtedness actually secured, together with any sinking fund provisions.

Mortgage indenture dated May 1, 1947, executed by and between the Company and U.S. Bank National Association (the "Trustee") and Richard Prokosch, as trustees and amended by the several indentures supplemental thereto. As of September 30, 2003, the amount of indebtedness secured thereby was \$422,830,000. The indenture does not fix an overall limitation on the aggregate principal amount of bonds of all series that may be issued or outstanding thereunder.

- (5) Amount of bonds authorized, and amount issued giving the name of the public utility which issued the same, describing each class separately, and giving date of issue, face value, rate of interest, date of maturity and how secured, together with an amount of interest paid thereon during the last fiscal year.

First Mortgage Bonds authorized and issued by Kentucky Utilities Company at September 30, 2003, secured by a first mortgage lien, subject only to permitted encumbrances, on all or substantially all the permanent fixed properties, other than excluded property, owned by the Company:

Series	Date of Issue	Date of Maturity	Rate of Interest	Principal Amount		Interest Expense
				Authorized	Outstanding at September 30, 2003	Year Ended September 30, 2003
P	05/15/92	05/15/07	7.92%	\$ 53,000,000	\$ 53,000,000	\$ 4,197,600
P	05/15/92	05/15/27	8.55%	33,000,000	33,000,000	2,821,500
Q	06/15/93	06/15/03	6.32%	62,000,000	-	2,775,533
R	06/01/95	06/01/25	7.55%	50,000,000	50,000,000	3,775,000
S	01/15/96	01/15/06	5.99%	36,000,000	36,000,000	2,156,400
Pollution Control Bonds						
8	09/15/92	09/15/16	7.45%	96,000,000	-	554,175
9	12/01/93	12/01/23	5.75%	50,000,000	50,000,000	2,875,000
10	11/01/94	11/01/24	Variable	54,000,000	54,000,000	677,782
11	05/01/00	05/01/23	Variable	12,900,000	12,900,000	149,792
12	02/01/02	02/01/32	Variable	20,930,000	20,930,000	262,256
13	02/01/02	02/01/32	Variable	2,400,000	2,400,000	30,072
14	02/01/02	02/01/32	Variable	7,400,000	7,400,000	92,723
15	02/01/02	02/01/32	Variable	7,200,000	7,200,000	90,217
16	07/01/02	10/01/32	Variable	96,000,000	96,000,000	1,075,287
					422,830,000	21,533,337
Interest rate swap						(7,867,410)
Long term debt mark to market					15,882,167	1,158,258
Total					\$ 438,712,167	\$ 14,824,185

- (6) Each note outstanding, giving date of issue, amount, date of maturity, rate of interest in whose favor, together with amount of interest paid thereon during the last fiscal year.

<u>Payee</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Amount</u>	<u>Rate of Interest</u>	<u>Interest Expense Year Ended September 30, 2003</u>
<u>Short Term</u>					
LG&E Energy Corp.	12/31/00	Various	\$ 98,730,542	Various	\$ 1,347,734
<u>Long Term</u>					
Fidelia	04/30/03	04/30/13	\$ 100,000,000	4.55%	\$ 1,895,833
Fidelia	08/15/03	08/15/13	\$ 75,000,000	5.31%	\$ 497,813

- (7) Other indebtedness, giving same by classes and describing security, if any with a brief statement of the devolution or assumption of any portion of such indebtedness upon or by person or corporation if the original liability has been transferred, together with amount of interest paid thereon during the last fiscal year.

None, other than current and accrued liabilities.

- (8) Rate and amount of dividends paid during the five previous fiscal years, and amount of capital stock on which dividends were paid. (1)

Dividends on Common Stock, without par value

1998	58,091,000
1999	73,000,000
2000	94,500,000
2001	30,500,000
2002	-
2003	-

- (1) As of May 1998, the 37,817,878 shares are all owned by LG&E Energy Corp. and all dividends declared by KU's Board of Directors are paid to LG&E Energy Corp.

Dividends on 4.75% Cumulative Preferred Stock

For each of the quarters in the previous five fiscal years, the Company declared and paid dividends of \$1.1875 per share on the 200,000 outstanding shares of 4.75% Cumulative Preferred Stock, \$100 stated value, for a total of \$237,500 per quarter. On an annual basis the dividend amounted to \$4.75 per share, or \$950,000.

Dividends on 6.53% Cumulative Preferred Stock

For each of the quarters in the previous five fiscal years, the Company declared and paid dividends of \$1.6325 per share on the 200,000 outstanding shares of 6.53% Cumulative Preferred Stock, \$100 stated value, for a total of \$326,500 per quarter. On an annual basis the dividend amounted to \$6.53 per share, or \$1,306,000.

(9) Detailed Income Statement and Balance Sheet

Monthly Financial and Operating Reports are filed each month with the Commission. Our most recent mailing covered financial statements for periods through September 30, 2003. Attached are detailed Statements of Income and Balance Sheets for the Company for the period ending September 30, 2003.

KENTUCKY UTILITIES COMPANY

Statement of Income

Twelve Months Ended September 30, 2003

Title of Account Column A	No. Col. B	Total Kentucky Utilities Column C	KU Retail Jurisdictional Column D	Per Cent Allocator	KU Retail Jurisdictional Column D	Other Jurisdictional Column E
Utility Operating Income						
Operating Revenues:						
Residential Sales	440	\$ 280,164,345	\$ 259,950,634		\$ 259,950,634	\$ 20,213,711
Commercial and Industrial Sales:	442					
Small (or Comm) - Rural Comm & Comm L&P		187,132,872	177,206,473		177,206,473	9,926,399
Large (or Ind) - Industrial & Mine Power		201,469,704	191,275,018		191,275,018	10,194,686
Public Street and Highway Lighting	444	7,190,878	6,979,366		6,979,366	211,512
Other Sales to Public Authorities	445	58,653,534	55,421,217		55,421,217	3,232,317
Total Sales to Ultimate Consumers		<u>\$ 734,611,333</u>	<u>\$ 690,832,708</u>		<u>\$ 690,832,708</u>	<u>\$ 43,778,624</u>
Sales for Resale	447	133,054,603	60,867,933		60,867,933	72,186,670
Total Sales of Electricity		<u>\$ 867,665,936</u>	<u>\$ 751,700,641</u>		<u>\$ 751,700,641</u>	<u>\$ 115,965,295</u>
Less: Provision for Refund	449.1	1,008,230	1,630,147		1,630,147	(621,917)
Total Revenues Net of Provision for Refund		<u>\$ 866,657,706</u>	<u>\$ 750,070,494</u>		<u>\$ 750,070,494</u>	<u>\$ 116,587,212</u>
Other Operating Revenues:						
Miscellaneous Service Revenues	451	1,334,461	893,159		893,159	441,302
Rent from Electric Property	454	2,082,926	1,957,235		1,957,235	125,691
Other Electric Revenues	456	17,982,703	15,880,271		15,880,271	2,102,432
Total Other Operating Revenues		<u>\$ 21,400,090</u>	<u>\$ 18,730,665</u>		<u>\$ 18,730,665</u>	<u>\$ 2,669,425</u>
Total Operating Revenue		<u>\$ 888,057,796</u>	<u>\$ 768,801,159</u>		<u>\$ 768,801,159</u>	<u>\$ 119,256,637</u>
Operating Expenses:						
Operation Expenses	401	\$ 558,302,946	\$ 486,014,321	87.0521%	\$ 486,014,321	\$ 72,288,625
Maintenance Expenses	402	69,797,454	61,027,297	87.4348%	61,027,297	8,770,157
Depreciation Expense	403	96,724,719	84,366,747	87.2236%	84,366,747	12,357,972
Amortization of Limited-Term Electric Plant	404	4,509,128	4,009,877	88.9280%	4,009,877	499,251
Regulatory Credits	407	(10,973,572)	(9,444,394)	86.0649%	(9,444,394)	(1,529,178)
Taxes Other than Income Taxes	408.1	15,649,165	13,973,445	89.2920%	13,973,445	1,675,720
Income Taxes - Federal	409.1	23,165,408				
Income Taxes - State	409.1	8,605,894	42,144,283	81.7682%	42,144,283	9,396,903
Provision for Deferred Income Taxes	410.1	61,741,513				
Provision for Deferred Income Taxes - Credit	411.1	(41,971,629)				
Accretion Expense	411.1	915,984	788,340	86.0649%	788,340	127,644
Investment Tax Credit Adjustment - Net	411.4	-	-		-	-
Losses/(Gains) from Disposition of Allowances	411.8	(286,166)	(246,288)	86.0649%	(246,288)	(39,877)
Total Utility Operating Expenses		<u>\$ 786,180,843</u>	<u>\$ 682,633,628</u>		<u>\$ 682,633,628</u>	<u>\$ 103,547,215</u>
Net Utility Operating Income		<u>\$ 101,876,953</u>	<u>\$ 86,167,532</u>		<u>\$ 86,167,532</u>	<u>\$ 15,709,421</u>

KENTUCKY UTILITIES COMPANY
Statement of Income
Twelve Months Ended September 30, 2003

Title of Account Column A	No. Col. B	Total Kentucky Utilities Column C	KU Retail Jurisdictional Column D	KU Retail Jurisdictional Column D	Other Jurisdictional Column E
Other Income and Deductions are not separated on a jurisdictional basis.					
Other Income and Deductions					
Total Other Income		<u>\$ 5,381,346</u>			
Total Other Income Deductions		<u>(115,256)</u>			
Total Taxes on Other income and Deductions		<u>(3,090,784)</u>			
Net Other Income and Deductions		<u>\$ 8,587,387</u>			
Interest Charges					
Interest on Long Term Debt	427	\$ 17,217,830			
Amortization of Debt Discount and Expense	428	300,339			
Amortization of Loss on Re-Acquired Debt	428.1	843,796			
Amortization of Premium on Debt - Credit	429	-			
Amortization of Gain on Re-Acquired Debt - Credit	429.1	-			
Interest on Debt to Associated Companies	430	1,347,734			
Other Interest Expense	431	3,411,211			
Allowance for Borrowed Funds Used During Construction	432	<u>(95,191)</u>			
Net Interest Charges		<u>\$ 23,025,719</u>	<u>\$ 20,391,767</u>	88.5608%	<u>\$ 2,633,952</u>
Net Income		<u>\$ 87,438,621</u>			

KENTUCKY UTILITIES COMPANY

Balance Sheet
At September 30, 2003
Assets and Other Debits

Title of Account Column A	No. Col. B	Total Kentucky Utilities Column C	KU Retail Jurisdictional Column D	Per Cent Allocator	KU Retail Jurisdictional Column D	Other Jurisdictional Column E
Utility Plant						
Utility Plant	101-106	\$ 3,187,306,399	\$ 2,769,525,318	86.8923%	\$ 2,769,525,318	\$ 417,781,081
Plus: Construction Work in Progress	107	340,594,830	296,516,710	87.0585%	296,516,710	44,078,120
Total Utility Plant		\$ 3,527,901,229	\$ 3,066,042,028		\$ 3,066,042,028	\$ 461,859,201
Less: Accumulated Provision for Depreciation	108,111	1,600,258,255	1,377,898,286	86.1047%	1,377,898,286	222,359,969
Net Utility Plant		\$ 1,927,642,974	nup \$ 1,688,143,742		\$ 1,688,143,742	\$ 239,499,232
Other Property and Investments						
Non-Utility Property	121	\$ 1,027,089	\$ -	0.0000%	\$ -	\$ 1,027,089
Less: Accum Prov for Depr and Amortization	122	130,409	-	0.0000%	-	130,409
Investment in Subsidiary Companies	123.1	13,489,079	-	0.0000%	-	13,489,079
Non-Current Portion of Allowances	158.1	-	-	0.0000%	-	-
Other Investments	124	548,053	-	0.0000%	-	548,053
Special Funds	125-128	5,242,439	-	0.0000%	-	5,242,439
Total Other Property and Investments		\$ 20,176,251	oinv \$ -		\$ -	\$ 20,176,251
Current and Accrued Assets						
Cash	131	\$ 9,085,680	sti \$ 7,994,036	87.9850%	\$ 7,994,036	\$ 1,091,644
Special Deposits	132-134	246,616	sti 216,985	87.9848%	216,985	29,631
Working Funds	135	94,873	sti 83,474	87.9849%	83,474	11,399
Temporary Cash Investments	136	-	-	0.0000%	-	-
Customer Accounts Receivable	142	7,481,395	ar 39,019,052	521.5478%	39,019,052	(31,537,657)
Other Accounts Receivable	143	2,582,755	ar 2,272,437	87.9850%	2,272,437	310,318
Less: Accum Prov for Uncollectable Accts-Credit	144	432,966	ar 374,896	86.5879%	374,896	58,070
Notes Receivable from Associated Companies	145	36,538,156	nr -	-	-	36,538,156
Accounts Receivable from Associated Companies	146	10,325,289	-	0.0000%	-	10,325,289
Fuel	151	33,559,694	ca 28,892,883	86.0940%	28,892,883	4,666,811
Plant Materials and Operating Supplies	154	22,073,546	ms 19,185,435	86.9160%	19,185,435	2,888,111
Allowances	158.1	69,415	ca 59,695	85.9968%	59,695	9,720
Less: Non-Current Portion of Allowances	158.1	-	-	0.0000%	-	-
Stores Expense Undistributed	163	5,156,409	ca 4,481,743	86.9160%	4,481,743	674,666
Prepayments	165	2,901,731	ca 2,603,247	89.7136%	2,603,247	298,484
Interest and Dividends Receivable	171	-	ca #DIV/0!	#DIV/0!	-	-
Accrued Utility Revenues	173	(8,553,000)	rev (8,451,000)	98.8074%	(8,451,000)	(102,000)
Miscellaneous Current Assets - Mark to Market	174	461,046	ca 405,651	87.9850%	405,651	55,395
Total Current and Accrued Assets		\$ 121,590,641	\$ 96,388,742		\$ 96,388,742	\$ 25,201,899
Deferred Debits						
Unamortized Debt Expense	181	\$ 4,832,022	int \$ 4,251,455	87.9850%	\$ 4,251,455	\$ 580,567
Unrecovered Plant and Regulatory Costs	182	-	-	0.0000%	-	-
Other Regulatory Assets	182.3	73,823,744	fas 58,148,840	78.7671%	58,148,840	15,674,904
Preliminary Survey and Inventory	183	459,943	404,681	87.9851%	404,681	55,262
Clearing Accounts	184	-	-	0.0000%	-	-
Miscellaneous Deferred Debits	186	42,908,305	33,663,337	78.4541%	33,663,337	9,244,968
Unamortized Loss on Re-Acquired Debt	189	8,835,282	7,773,723	87.9850%	7,773,723	1,061,559
Accumulated Deferred Income Taxes	190	64,893,529	dit 55,402,850	85.3750%	55,402,850	9,490,679
Total Deferred Debits		\$ 195,752,826	\$ 159,644,886		\$ 159,644,886	\$ 36,107,940
Total Assets and Other Debits		\$ 2,265,162,692	\$ 1,944,177,370		\$ 1,944,177,370	\$ 320,985,322

KENTUCKY UTILITIES COMPANY
Balance Sheet
At September 30, 2003
Liabilities and Other Credits

Title of Account Column A	No. Col. B	Total Kentucky Utilities Column C	KU Retail Jurisdictional Column D	Per Cent Allocator	KU Retail Jurisdictional Column D	Other JurMsdMctMonal Column E
Proprietary Capital						
Common Stock Issued	201	\$ 308,139,978	cs \$ 270,623,935	87.8250%	\$ 270,623,935	\$ 37,516,043
Preferred Stock Issued	204	40,000,000	ps 34,943,725	87.3593%	34,943,725	5,056,275
Premium on Capital Stock	207	-	-	0.0000%	-	-
Paid in Capital	208-211	15,000,000	re 13,173,750	87.8250%	13,173,750	1,826,250
Derivative Cumulative Effect	214200	(10,158,967)	re (8,922,112)	87.8250%	(8,922,112)	(1,236,855)
Capital Stock Expense	214	(594,394)	re (522,027)	87.8250%	(522,027)	(72,367)
Retained Earnings	215-216	547,690,647	re 481,009,311	87.8250%	481,009,311	66,681,336
Unappropriated Undistributed Subsidiary Earnings	216.1	8,943,279	re -	0.0000%	-	8,943,279
Total Proprietary Capital		\$ 909,020,543	\$ 790,306,582		\$ 790,306,582	\$ 118,713,961
Long Term Debt						
Bonds	221	\$ 422,830,000	ltd \$ 371,350,448	87.8250%	\$ 371,350,448	\$ 51,479,552
Long Term Debt Marked to Market	221200	15,882,167	tld 13,948,513	87.8250%	13,948,513	1,933,654
Long Term Debt To Associated Companies	233006	175,000,000	153,693,750	87.8250%	153,693,750	21,306,250
Other Long Term Debt	224	-	-	0.0000%	-	-
Unamortized Premium on Long Term Debt	225	-	-	0.0000%	-	-
Total Long Term		\$ 613,712,167	\$ 538,992,711		\$ 538,992,711	\$ 74,719,456
Other Non-Current Liabilities						
Accumulated Provision for Property Insurance	228.1	\$ -	\$ -	0.0000%	\$ -	\$ -
Accumulated Provision for Injuries and Damages	228.2	-	-	0.0000%	-	-
Accumulated Provision for Pensions and Benefits	228.3	105,590,860	93,792,137	88.8260%	93,792,137	11,798,723
Accumulated Miscellaneous Operating Provision	228.4	-	-	0.0000%	-	-
Total Other Non-Current Liabilities		\$ 105,590,860	\$ 93,792,137		\$ 93,792,137	\$ 11,798,723
Current and Accrued Liabilities						
Notes Payable	231	\$ -	\$ -	0.0000%	\$ -	\$ -
Accounts Payable	232	40,360,023.27	ap 35,850,194	88.8260%	35,850,194	4,509,829
Notes Payable to Associated Companies	233	98,730,542	std 86,710,098	87.8250%	86,710,098	12,020,444
Accounts Payable to Associated Companies	234	24,913,000	ap -	0.0000%	-	24,913,000
Customer Deposits	235	12,940,956	cdc 12,349,298	95.4280%	12,349,298	591,658
Taxes Accrued	236	10,539,547	ap 9,273,221	87.9850%	9,273,221	1,266,326
Interest Accrued	237	5,458,771	ap 4,802,900	87.9850%	4,802,900	655,871
Dividends Declared	238	188,002	ap 165,413	87.9849%	165,413	22,589
Matured Long Term Bonds/LTD Due in 1 Year	239	-	ltd -	0.0000%	-	-
Tax Collections Payable	241	2,920,500	ml 2,481,221	84.9588%	2,481,221	439,279
Miscellaneous Current and Accrued Liabilities	242	6,177,049	ml 5,486,825	88.8260%	5,486,825	690,224
Total Current and Accrued Liabilities		\$ 202,228,390	\$ 157,119,170		\$ 157,119,170	\$ 45,109,220
Deferred Credits						
Customer Advances for Construction	252	\$ 1,504,616	ap \$ 1,455,980	96.7675%	\$ 1,455,980	\$ 48,636
Accumulated Deferred Investment Tax Credits	255	6,519,139	itc 5,447,177	83.5567%	5,447,177	1,071,962
Other Deferred Credits	253	28,999,862	ap 26,906,610	92.7819%	26,906,610	2,093,252
Other Regulatory Liabilities	254	52,934,445	oltl 45,192,782	85.3750%	45,192,782	7,741,663
Asset Retirement Obligation	230	19,392,584	16,850,671	86.8923%	16,850,671	2,541,913
Miscellaneous Long Term Liability Due to Associated Companies	234	-	-	0.0000%	-	-
Accumulated Deferred Income Taxes	281-283	325,260,087	dit 277,690,799	85.3750%	277,690,799	47,569,288
Total Deferred Credits		\$ 434,610,733	\$ 373,544,019		\$ 373,544,019	\$ 61,066,714
Total Liabilities and Other Credits		\$ 2,265,162,692	\$ 1,953,754,619		\$ 1,953,754,619	\$ 311,408,073
Adjustment to Balance		\$ (0)	\$9,577,249		\$9,577,249	\$ (9,577,249)

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Historical Test Year Filing Requirements
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Volume Number	Description of Contents
1	Statutory Notice Application Financial Exhibit pursuant to 807 KAR 5:001 Section 6 Table of Contents
2	Response to Filing Requirements listed in 807 KAR 5:001 Section 10(1)(a)1 through 807 KAR 5:001 Section 10(6)(k)
3	Response to Filing Requirements listed in 807 KAR 5:001 Section 10(6)(l) through 807 KAR 5:001 Section 10(6)(r)
4	Response to Filing Requirements listed in 807 KAR 5:001 Section 10(6)(s) through 807 KAR 5:001 Section 10(7)(e) Direct Testimony
5	Seelye Exhibit - Cost-of-Service Study
6	Robinson Appendix C - Depreciation Study

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Tab #	Filing Requirement	Description	Volume No(s).	Sponsoring Witness(es)
1	807 KAR 5:001 Section 10(1)(a)1	<i>A statement of the reason the adjustment is required.</i>	1	Michael S. Beer
2	807 KAR 5:001 Section 10(1)(a)2	<i>A statement that the utility's annual reports, including the annual report for the most recent calendar year, are on file with the Commission in accordance with 807 KAR 5:006, Section 3(1).</i>	1	Michael S. Beer
3	807 KAR 5:001 Section 10(1)(a)3	<i>If the utility is incorporated, a certified copy of the utility's articles of incorporation and all amendments thereto or all out-of-state documents of similar import. If the utility's articles of incorporation and amendments have already been filed with the commission in a prior proceeding, the application may state this fact making reference to the style and case number of the prior proceeding.</i>	1	Michael S. Beer
4	807 KAR 5:001 Section 10(1)(a)4	<i>If the utility is a limited partnership, a certified copy of the limited partnership agreement and all amendments thereto or all out-of-state documents of similar import. If the utility's limited partnership agreement and amendments have already been filed with the commission in a prior proceeding, the application may state this fact making reference to the style and case number of the prior proceeding.</i>	1	Michael S. Beer
5	807 KAR 5:001 Section 10(1)(a)5	<i>If the utility is incorporated or a is a limited partnership, a certificate of good standing or certificate of authorization dated within sixty (60) days of the date the application is filed.</i>	1	Michael S. Beer
6	807 KAR 5:001 Section 10(1)(a)6	<i>A certified copy of a certificate of assumed name as required by KRS 365.015 or a statement that such a certificate is not necessary.</i>	1	Michael S. Beer
7	807 KAR 5:001 Section 10(1)(a)7	<i>The proposed tariff in a form which complies with 807 KAR 5:011 with an effective date not less than thirty (30) days from the date the application is filed.</i>	1	Michael S. Beer
8	807 KAR 5:001 Section 10(1)(a)8	<i>The utility's proposed tariff changes, identified in compliance with 807 KAR 5:011, shown either by: (a) Providing the present and proposed tariffs in comparative form on the same sheet side by side; or, (b) Providing a copy of the present tariff indicating proposed additions by italicized inserts or underscoring and striking over proposed deletions.</i>	1	Michael S. Beer
9	807 KAR 5:001 Section 10(1)(a)9	<i>A statement that customer notice has been given in compliance with subsections (3) and (4) of this section with a copy of the notice. Notice of Intent. Utilities with gross annual revenues greater than \$1,000,000 shall file with the commission a written notice of intent to file a rate application at least four (4) weeks prior to filing their application. The notice of intent shall state whether the rate application shall be supported by a historical test period or a fully forecasted test period. This notice shall be served upon the Attorney General, Utility Intervention and Rate Division.</i>	1	Michael S. Beer
10	807 KAR 5:001 Section 10(2)		1	Michael S. Beer

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Tab #	Filing Requirement	Description	Volume No(s)	Sponsoring Witness(es)
11	807 KAR 5:001 Section 10(3)	<p><i>Form of notice to customers. Every utility filing an application pursuant to this section shall notify all affected customers in the manner prescribed herein. The notice shall include the following information:</i></p> <p><i>(a) The amount of the change requested in both dollar amounts and percentage change for each customer classification to which the proposed rate change will apply;</i></p> <p><i>(b) The present rates and the proposed rates for each customer class to which the proposed rates would apply;</i></p> <p><i>(c) Electric, gas, water and sewer utilities shall include the effect upon the average bill for each customer class to which the proposed rate change will apply;</i></p> <p><i>(d) Local exchange companies shall include the effect upon the average bill for each customer class for the proposed rate change in basic local service;</i></p> <p><i>(e) A statement that the rates contained in this notice are the rates proposed by (name of utility); however, the Public Service Commission may order rates to be charged that differ from the proposed rates contained in this notice;</i></p> <p><i>(f) A statement that any corporation, association, or person with a substantial interest in the manner of notification. Sewer utilities shall give the required typewritten notice by mail to all of their customers pursuant to KRS 278.185.</i></p> <p><i>Manner of notification. Applicants with twenty (20) or fewer customers affected by the proposed general rate adjustment shall mail the required typewritten notice to each customer no later than the date the application is filed with the commission.</i></p> <p><i>Manner of notification. Except for sewer utilities, applicants with more than twenty (20) customers affected by the proposed general rate adjustment shall give the required notice by one (1) of the following methods:</i></p> <p><i>1. A typewritten notice mailed to all customers no later than the date the application is filed with the commission;</i></p> <p><i>2. Publishing the notice in a trade publication or newsletter which is mailed to all customers no later than the date on which the application is filed with the commission;</i></p> <p><i>or</i></p> <p><i>3. Publishing the notice once a week for three (3) consecutive weeks in a prominent manner in a newspaper of general circulation in the utility's service area, the first publication to be made within seven (7) days of the filing of the application with the commission.</i></p> <p><i>Manner of notification. If the notice is published, an affidavit from the publisher verifying the notice was published, including the dates of the publication with an attached copy of the published notice, shall be filed with the commission no later than forty-five (45) days of the filed date of the application.</i></p>	1	Michael S. Beer
12	807 KAR 5:001 Section 10(4)(a)		1	Michael S. Beer
13	807 KAR 5:001 Section 10(4)(b)		1	Michael S. Beer
14	807 KAR 5:001 Section 10(4)(c)		1	Michael S. Beer
15	807 KAR 5:001 Section 10(4)(d)		1	Michael S. Beer

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Tab #	Filing Requirement	Description	Volume No(s).	Sponsoring Witness(es)
16	807 KAR 5:001 Section 10(4)(e)	<i>Manner of notification. If the notice is mailed, a written statement signed by the utility's chief officer in charge of Kentucky operations verifying the notice was mailed shall be filed with the commission no later than thirty (30) days of the filed date of the application.</i>	1	Michael S. Beer
17	807 KAR 5:001 Section 10(4)(f)	<i>Manner of notification. All utilities, in addition to the above notification, shall post a sample copy of the required notification at their place of business no later than the date on which the application is filed which shall remain posted until the commission has finally determined the utility's rates.</i>	1	Michael S. Beer
18	807 KAR 5:001 Section 10(4)(g)	<i>Manner of notification. Compliance with this subsection shall constitute compliance with 807 KAR 5:051, Section 2.</i>	1	Michael S. Beer
19	807 KAR 5:001 Section 10(5)	<i>Notice of hearing scheduled by the commission upon application by a utility for a general adjustment in rates shall be advertised by the utility by newspaper publication in the areas that will be affected in compliance with KRS 424.300</i>	1	Michael S. Beer
20	807 KAR 5:001 Section 10(6)(a)	<i>A complete description and quantified explanation for all proposed adjustments, with proper support for any proposed changes in price or activity levels, and any other factors which may affect the adjustment.</i>	1	S. Bradford Rives
21	807 KAR 5:001 Section 10(6)(b)	<i>If the utility has gross annual revenues greater than \$1,000,000, the prepared testimony of each witness the utility proposes to use to support its application.</i>	1	S. Bradford Rives
22	807 KAR 5:001 Section 10(6)(c)	<i>If the utility has gross annual revenues less than \$1,000,000, the prepared testimony of each witness the utility proposes to use to support its application or a statement that the utility does not plan to submit any prepared testimony.</i>	1	S. Bradford Rives
23	807 KAR 5:001 Section 10(6)(d)	<i>A statement estimating the effect that the new rates will have upon the revenues of the utility including, at minimum, the total amount of revenues resulting from the increase or decrease and the percentage of the increase or decrease.</i>	1	W. Steven Seelye
24	807 KAR 5:001 Section 10(6)(e)	<i>If the utility provides electric, gas, water, or sewer service the effect upon the average bill for each customer classification to which the proposed rate change will apply.</i>	1	W. Steven Seelye
25	807 KAR 5:001 Section 10(6)(f)	<i>If the utility is a local exchange company, the effect upon the average bill for each customer class for the proposed rate change in basic local service.</i>	1	Michael S. Beer
26	807 KAR 5:001 Section 10(6)(g)	<i>An analysis of customers' bills in such detail that revenues from the present and proposed rates can be readily determined for each customer class.</i>	1	W. Steven Seelye
27	807 KAR 5:001 Section 10(6)(h)	<i>A summary of the utility's determination of its revenue requirements based on return on net investment rate base, return on capitalization, interest coverage, debt service coverage, or operating ratio, with supporting schedules.</i>	1	S. Bradford Rives
28	807 KAR 5:001 Section 10(6)(i)	<i>A reconciliation of the rate base and capital used to determine its revenue requirement.</i>	1	S. Bradford Rives
29	807 KAR 5:001 Section 10(6)(j)	<i>A current chart of accounts if more detailed than the Uniform System of Accounts prescribed by the commission.</i>	1	Valerie L. Scott

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Historical Test Period Filing Requirements
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Tab #	Filing Requirement	Description	Volume No(s).	Sponsoring Witness(es)
30	807 KAR 5:001 Section 10(6)(k)	<i>The independent auditor's annual opinion report, with any written communication from the independent auditor to the utility which indicates the existence of a material weakness in the utility's internal controls.</i>	1	S. Bradford Rives
31	807 KAR 5:001 Section 10(6)(l)	<i>The most recent Federal Energy Regulatory Commission or Federal Communication Commission audit reports.</i>	2	Valerie L. Scott
32	807 KAR 5:001 Section 10(6)(m)	<i>The most recent Federal Energy Regulatory Commission Form 1 (electric), Federal Energy Regulatory Commission Form 2 (gas), or Automated Reporting Management Information System Report (telephone) and Public Service Commission Form T (telephone).</i>	2	Valerie L. Scott
33	807 KAR 5:001 Section 10(6)(n)	<i>A summary of the utility's latest depreciation study with schedules by major plant accounts, except that telecommunications utilities that have adopted the commission's average depreciation rates shall provide a schedule that identifies the current and test period depreciation rates used by major plant accounts. If the required information has been filed in another commission case a reference to that case's number and style will be sufficient.</i>	2	Valerie L. Scott Earl Robinson
34	807 KAR 5:001 Section 10(6)(o)	<i>A list of all commercially available or in-house developed computer software, programs, and models used in the development of the schedules and work papers associated with the filing of the utility's application. This list shall include each software, program, or model; what the software, program, or model was used for; identify the supplier of each software, program, or model; a brief description of the software, program, or model; the specifications for the computer hardware and the operating system required to run the program.</i>	2	Valerie L. Scott
35	807 KAR 5:001 Section 10(6)(p)	<i>Prospectuses of the most recent stock or bond offerings.</i>	2	S. Bradford Rives
36	807 KAR 5:001 Section 10(6)(q)	<i>Annual report to shareholders, or members, and statistical supplements covering the two (2) most recent years from the utility's application filing date.</i>	2	S. Bradford Rives
37	807 KAR 5:001 Section 10(6)(r)	<i>The monthly management reports providing financial results of operations for the twelve (12) months in the test period.</i>	2	Valerie L. Scott
38	807 KAR 5:001 Section 10(6)(s)	<i>Securities and Exchange Commission's annual report for the most recent two (2) years, Form 10-Ks and any Form 8-Ks issued within the past two (2) years, and Form 10-Qs issued during the past six (6) quarters updated as current information becomes available.</i>	3	S. Bradford Rives

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Tab #	Filing Requirement	Description	Volume No(s).	Sponsoring Witness(es)
39	807 KAR 5:001 Section 10(6)(t)	<p><i>If the utility had any amounts charged or allocated to it by an affiliate or general or home office or paid any monies to an affiliate or general or home office during the test period or during the previous three (3) calendar years, the utility shall file:</i></p> <ol style="list-style-type: none"> <i>1. A detailed description of the method and amounts allocated or charged to the utility by the affiliate or general or home office for each charge allocation or payment;</i> <i>2. An explanation of how the allocator for the test period was determined; and</i> <i>3. All facts relied upon, including other regulatory approval, to demonstrate that each amount charged, allocated or paid during the test period was reasonable;</i> 	3	Valerie L. Scott
40	807 KAR 5:001 Section 10(6)(u)	<p><i>If the utility provides gas, electric or water utility service and has annual gross revenues greater than \$5,000,000, a cost of service study based on a methodology generally accepted within the industry and based on current and reliable data from a single time period.</i></p>	3	W. Steven Seelye
41	807 KAR 5:001 Section 10(6)(v)	<p><i>Local exchange carriers with fewer than 50,000 access lines shall not be required to file cost of service studies, except as specifically directed by the commission. Local exchange carriers with more than 50,000 access lines shall file:</i></p> <ol style="list-style-type: none"> <i>1. A jurisdictional separations study consistent with Part 36 of the Federal Communications Commission's rules and regulations; and</i> <i>2. Service specific cost studies to support the pricing of all services that generate annual revenue greater than \$1,000,000, except local exchange access:</i> <ol style="list-style-type: none"> <i>a. Based on current and reliable data from a single time period; and</i> <i>b. Using generally recognized fully allocated, embedded, or incremental cost principles.</i> <p><i>Upon good cause shown, a utility may request pro forma adjustments for known and measurable changes to ensure fair, just and reasonable rates based on the historical test period. The following information shall be filed with applications requesting pro forma adjustments or a statement explaining why the required information does not exist and is not applicable to the utility's application:</i></p> <ol style="list-style-type: none"> <i>(a) A detailed income statement and balance sheet reflecting the impact of all proposed adjustments.</i> <i>Upon good cause shown, a utility may request pro forma adjustments for known and measurable changes to ensure fair, just and reasonable rates based on the historical test period. The following information shall be filed with applications requesting pro forma adjustments or a statement explaining why the required information does not exist and is not applicable to the utility's application:</i> <i>(b) The most recent capital construction budget containing at least the period of time as proposed for any pro forma adjustment for plant additions.</i> 	3	Michael S. Beer
42	807 KAR 5:001 Section 10(7)(a)	<p><i>Upon good cause shown, a utility may request pro forma adjustments for known and measurable changes to ensure fair, just and reasonable rates based on the historical test period. The following information shall be filed with applications requesting pro forma adjustments or a statement explaining why the required information does not exist and is not applicable to the utility's application:</i></p> <ol style="list-style-type: none"> <i>(a) A detailed income statement and balance sheet reflecting the impact of all proposed adjustments.</i> <i>Upon good cause shown, a utility may request pro forma adjustments for known and measurable changes to ensure fair, just and reasonable rates based on the historical test period. The following information shall be filed with applications requesting pro forma adjustments or a statement explaining why the required information does not exist and is not applicable to the utility's application:</i> <i>(b) The most recent capital construction budget containing at least the period of time as proposed for any pro forma adjustment for plant additions.</i> 	3	Valerie L. Scott
43	807 KAR 5:001 Section 10(7)(b)	<p><i>Upon good cause shown, a utility may request pro forma adjustments for known and measurable changes to ensure fair, just and reasonable rates based on the historical test period. The following information shall be filed with applications requesting pro forma adjustments or a statement explaining why the required information does not exist and is not applicable to the utility's application:</i></p> <ol style="list-style-type: none"> <i>(a) A detailed income statement and balance sheet reflecting the impact of all proposed adjustments.</i> <i>Upon good cause shown, a utility may request pro forma adjustments for known and measurable changes to ensure fair, just and reasonable rates based on the historical test period. The following information shall be filed with applications requesting pro forma adjustments or a statement explaining why the required information does not exist and is not applicable to the utility's application:</i> <i>(b) The most recent capital construction budget containing at least the period of time as proposed for any pro forma adjustment for plant additions.</i> 	3	Valerie L. Scott

Kentucky Utilities Company
Case No. 2003-00434
Historical Test Period Filing Requirements
Table of Contents

Tab #	Filing Requirement	Description	Volume No(s).	Sponsoring Witness(es)
44	807 KAR 5:001 Section 10(7)(c)	<p>Upon good cause shown, a utility may request pro forma adjustments for known and measurable changes to ensure fair, just and reasonable rates based on the historical test period. The following information shall be filed with applications requesting pro forma adjustments or a statement explaining why the required information does not exist and is not applicable to the utility's application:</p> <p>(c) For each proposed pro forma adjustment reflecting plant additions provide the following information:</p> <ol style="list-style-type: none"> 1. The starting date of the construction of each major component of plant; 2. The proposed in-service date; 3. The total estimated cost of construction at completion; 4. The amount contained in construction work in progress at the end of the test period; 5. A schedule containing a complete description of actual plant retirements and anticipated plant retirements related to the pro forma plant additions including the actual or anticipated date of retirement; 6. The original cost, cost of removal and salvage for each component of plant to be retired during the period of the proposed pro forma adjustment for plant additions. 	3	Valerie L. Scott
45	807 KAR 5:001 Section 10(7)(d)	<p>Upon good cause shown, a utility may request pro forma adjustments for known and measurable changes to ensure fair, just and reasonable rates based on the historical test period. The following information shall be filed with applications requesting pro forma adjustments or a statement explaining why the required information does not exist and is not applicable to the utility's application:</p> <p>(d) The operating budget for each period encompassing the pro forma adjustments.</p>	3	Valerie L. Scott
46	807 KAR 5:001 Section 10(7)(e)	<p>Upon good cause shown, a utility may request pro forma adjustments for known and measurable changes to ensure fair, just and reasonable rates based on the historical test period. The following information shall be filed with applications requesting pro forma adjustments or a statement explaining why the required information does not exist and is not applicable to the utility's application:</p> <p>(e) The number of customers to be added to the test period-end level of customers and the related revenue requirements impact for all pro forma adjustments with complete details and supporting work papers.</p>	3	W. Steven Seelye

Kentucky Utilities Company
Case No. 2003-00434
Historical Test Period Filing Requirements

Filing Requirement
807 KAR 5:001 Section 10(1)(a)1
Sponsoring Witness: Michael S. Beer

Description of Filing Requirement:

A statement of the reason the adjustment is required.

Response:

KU's rates must be adjusted to a level which will provide it with an opportunity to recover sufficient revenues to operate its electric business successfully, maintain its financial integrity, attract capital and compensate investors for the risks assumed with respect to its electric business. KU's earnings are very low. KU has not requested a rate increase in 20 years. Its plant has increased since its last rate case. Despite ongoing and significant efforts to manage costs and the implementation of operational efficiencies, its operation and maintenance costs have increased. KU's current rates do not provide sufficient revenue to pay the expenses of its operations and also provide a fair and reasonable return on its capital. The rates presently charged by KU are no longer compensatory and are unfair, unjust and unreasonable. KU now seeks an increase in rates in order to provide it an opportunity to recover sufficient revenues to operate in a safe and reliable manner, maintain its financial integrity, and properly compensate its shareholders for the risks assumed with respect to jurisdictional operations. Please refer to Volume 4, the testimonies of Victor A. Staffieri and Michael S. Beer.

Kentucky Utilities Company
Case No. 2003-00434
Historical Test Period Filing Requirements

Filing Requirement
807 KAR 5:001 Section 10(1)(a)2
Sponsoring Witness: Michael S. Beer

Description of Filing Requirement:

A statement that the utility's annual reports, including the annual report for the most recent calendar year, are on file with the Commission in accordance with 807 KAR 5:006, Section 3(1).

Response:

KU confirms that its annual reports, including the annual report for the most recent calendar year, are on file with the Commission.

**Kentucky Utilities Company
Case No. 2003-00434
Historical Test Period Filing Requirements**

**Filing Requirement
807 KAR 5:001 Section 10(1)(a)3
Sponsoring Witness: Michael S. Beer**

Description of Filing Requirement:

If the utility is incorporated, a certified copy of the utility's articles of incorporation and all amendments thereto or all out-of-state documents of similar import. If the utility's articles of incorporation and amendments have already been filed with the commission in a prior proceeding, the application may state this fact making reference to the style and case number of the prior proceeding.

Response:

A certified copy of KU's Articles of Incorporation, as amended, is on file with the Commission in Case No. 2001-104, *In the Matter of: Joint Application of E.ON AG, Powergen, plc, LG&E Energy Corp., Louisville Gas and Electric Company and Kentucky Utilities Company for Approval of an Acquisition.*

**Kentucky Utilities Company
Case No. 2003-00434
Historical Test Period Filing Requirements**

**Filing Requirement
807 KAR 5:001 Section 10(1)(a)4
Sponsoring Witness: Michael S. Beer**

Description of Filing Requirement:

If the utility is a limited partnership, a certified copy of the limited partnership agreement and all amendments thereto or all out-of-state documents of similar import. If the utility's limited partnership agreement and amendments have already been filed with the commission in a prior proceeding, the application may state this fact making reference to the style and case number of the prior proceeding.

Response:

KU is not a limited partnership and, therefore, compliance with this filing requirement is not necessary.

Kentucky Utilities Company
Case No. 2003-00434
Historical Test Period Filing Requirements

Filing Requirement
807 KAR 5:001 Section 10(1)(a)5
Sponsoring Witness: Michael S. Beer

Description of Filing Requirement:

If the utility is incorporated or a is a limited partnership, a certificate of good standing or certificate of authorization dated within sixty (60) days of the date the application is filed.

Response:

See attached.



**John Y. Brown III
Secretary of State**

Certificate of Existence

I, John Y. Brown III, Secretary of State of the Commonwealth of Kentucky, do hereby certify that according to the records in the Office of the Secretary of State,

KENTUCKY UTILITIES COMPANY

is a corporation duly organized and existing under KRS Chapter 271B, whose date of incorporation is August 17, 1912 and whose period of duration is perpetual.

I further certify that all fees and penalties owed to the Secretary of State have been paid; that articles of dissolution have not been filed; and that the most recent annual report required by KRS 271B.16-220 has been delivered to the Secretary of State.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Official Seal at Frankfort, Kentucky, this 7th day of November, 2003.



John Y. Brown, III

John Y. Brown III
Secretary of State
Commonwealth of Kentucky
JDozier/0028494

Kentucky Utilities Company
Case No. 2003-00434
Historical Test Period Filing Requirements

Filing Requirement
807 KAR 5:001 Section 10(1)(a)6
Sponsoring Witness: Michael S. Beer

Description of Filing Requirement:

A certified copy of a certificate of assumed name as required by KRS 365.015 or a statement that such a certificate is not necessary.

Response:

The legal name of KU is Kentucky Utilities Company. It has never done business in Kentucky under an assumed name and has never filed a Certificate of Assumed Name as may be required by KRS 365.015. KU does business in Virginia under the name Old Dominion Power Company. Please see the attached certificate regarding the use by KU of the name Old Dominion Power Company in Virginia.

Commonwealth of Virginia



State Corporation Commission

I Certify the Following from the Records of the Commission:

A duly attested copy of a certificate setting forth that KENTUCKY UTILITIES COMPANY conducts business in Virginia under the assumed or fictitious name of OLD DOMINION POWER COMPANY was filed in the Clerk's Office of the Commission on December 06, 1991.

Nothing more is hereby certified.

*Signed and Sealed at Richmond on this Date:
November 7, 2003*



Joel H. Peck

Joel H. Peck, Clerk of the Commission

Kentucky Utilities Company
Case No. 2003-00434
Historical Test Period Filing Requirements

Filing Requirement
807 KAR 5:001 Section 10(1)(a)7
Sponsoring Witness: Michael S. Beer

Description of Filing Requirement:

The proposed tariff in a form which complies with 807 KAR 5:011 with an effective date not less than thirty (30) days from the date the application is filed.

Response:

See attached.

KU's Proposed Tariff

Kentucky Utilities Company
220 West Main Street
Louisville, Kentucky

Rates, Terms and Conditions for Furnishing

ELECTRIC SERVICE

In seventy-seven counties in the State of Kentucky
as depicted on territorial maps as filed with the

PUBLIC SERVICE COMMISSION
OF KENTUCKY

Date of Issue
December 29, 2003

Date Effective
February 1, 2004

Issued by
Michael S. Beer, Vice President

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Date of Issue: December 29, 2003

Issued By

Date Effective: February 1, 2004

Michael S. Beer, Vice President
Lexington, Kentucky

ELECTRIC RATE SCHEDULE	RS
Residential Service	
APPLICABLE In all territory served.	
AVAILABILITY OF SERVICE Available for single phase, single family residential service subject to the terms and conditions on Sheet No. 85 of this Tariff. Three phase service under this rate schedule is restricted to those customers being billed on this rate schedule as of its effective date of February 1, 2004.	
RATE Customer Charge: \$9.00 per month Plus an Energy Charge of: 4.145 cents per KWH	
ADJUSTMENT CLAUSES The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:	
Fuel Adjustment Clause	Sheet No. 70
Demand Side Management Cost Recovery Mechanism	Sheet No. 71
Environmental Cost Recovery Surcharge	Sheet No. 72
Merger Surcredit Rider	Sheet No. 73
Earnings Sharing Mechanism	Sheet No. 74
Value Delivery Surcredit Rider	Sheet No. 75
Franchise Fee Rider	Sheet No. 76
School Tax	Sheet No. 77
MINIMUM CHARGE The Customer Charge shall be the minimum charge.	
DUE DATE OF BILL Customer's payment will be due within 10 days from date of bill.	
TERMS AND CONDITIONS Service will be furnished under Company's Terms and Conditions applicable hereto.	

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Date of Issue: December 29, 2003

Issued By

Date Effective: February 1, 2004

Michael S. Beer, Vice President
Lexington, Kentucky

ELECTRIC RATE SCHEDULE VFD
Volunteer Fire Department Service

APPLICABLE

In all territory served.

AVAILABILITY OF SERVICE

Available for single-phase delivery, in accordance with the provisions of KRS 278.172, to any volunteer fire department qualifying for aid under KRS 95A.262. It is optional with the customer whether service will be provided under this schedule or any other schedule applicable to this load.

DEFINITION

To be eligible for this rate a volunteer fire department is defined as;

- 1) having at least 12 members and a chief,
- 2) having at least one fire fighting apparatus, and
- 3) more than half the members must be volunteer.

RATE

Customer Charge: \$9.00 per month

Plus an Energy Charge of:
4.145 cents per KWH

MINIMUM CHARGE

The Customer Charge shall be the minimum charge.

ADJUSTMENT CLAUSES

The bill amount computed at the charges specified above shall be increased or decreased in accordance with:

Fuel Adjustment Clause	Sheet No. 70
Demand-Side Management Surcharge	Sheet No. 71
Environmental Cost Recovery Surcharge	Sheet No. 72
Merger Surcredit Rider,	Sheet No. 73
Earning Sharing Mechanism,	Sheet No. 74
Value Delivery Surcredit,	Sheet No. 75
Franchise Fee Rider	Sheet No. 76
School Tax	Sheet No. 77

DUE DATE OF BILL

Customer's payment will be due within 10 days from date of bill.

TERMS AND CONDITIONS

Service will be furnished under Company's Terms and Conditions applicable hereto.

Date of Issue: December 29, 2003

Issued By

Date Effective: February 1, 2004

**Michael S. Beer, Vice President
Lexington, Kentucky**

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ELECTRIC RATE SCHEDULE	GS
General Service Rate	
APPLICABLE In all territory served.	
AVAILABILITY OF SERVICE To general lighting and small power loads for secondary service. It is optional with the customer whether service will be billed under this schedule or any other schedule applicable to this load. Customers executing a one year contract under this schedule will continue to be billed under such schedule for not less than 12 consecutive months unless there shall be a material and permanent change in the customer's use of service. Service under this schedule will be limited to maximum loads not exceeding 200 KW. Existing customers who demonstrate an average demand of 200 KW or greater over a 12-month period, or new customers upon demonstrating an average demand of 200 KW or greater, will be served under the appropriate rate schedule.	
RATE Customer Charge: \$20.00 per month Plus an Energy Charge of: 4.697 cents per KWH	
PRIMARY DISCOUNT A 5% Primary Discount will be applied to the bill, including the minimum charge, of any primary or voltage delivery customer who has a demand of 50 kilowatts or more during the billing period. This discount does not apply to fuel clause revenue. Primary service under this rate schedule is restricted to those customers being billed under the rate schedule as of its effective date of February 1, 2004.	
ADJUSTMENT CLAUSES The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:	
Fuel Adjustment Clause	Sheet No. 70
Demand-Side Management Surcharge	Sheet No. 71
Environmental Cost Recovery Surcharge	Sheet No. 72
Merger Surcredit Rider	Sheet No. 73
Earnings Sharing Mechanism	Sheet No. 74
Value Delivery Surcredit	Sheet No. 75
Franchise Fee Rider	Sheet No. 76
School Tax	Sheet No. 77

Date of Issue: December 29, 2003

Issued By

Date Effective: February 1, 2004

**Michael S. Beer, Vice President
Lexington, Kentucky**

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ELECTRIC RATE SCHEDULE

GS

General Service Rate

MINIMUM CHARGE

Service under this schedule is subject to a minimum of the greater of (a) \$20.00 per month to include the first 20 KW or less of capacity, or (b) \$20.00 per month, plus \$1.60 per KW for demand in excess of 20 KW, which shall be determined from the greater of (1), (2), (3), or (4) as follows:

- (1) The maximum demand registered in the current month.
- (2) 75% of the highest monthly maximum demand registered in the preceding 11 months.
- (3) The contract capacity, based on the expected maximum KW demand upon the system.
- (4) 60% of the KW capacity of facilities specified by the customer.

Minimum charge under (a) above shall be billed on a monthly basis. Minimum charge under (b) above shall be billed on a cumulative annual basis that starts on the month in which the meter was installed or service was first taken under this schedule. This is the beginning date of the contract year. Payments to be made monthly of not less than 1/12 of the annual minimum until the aggregate payments during the contract year equal the annual minimum. However, minimum payments made in excess of the amount based on the rate schedule will be applied as a credit on billings for energy used during the contract year.

DUE DATE OF BILL

Customer's payment will be due within 10 days from date of bill.

TERM OF CONTRACT

For a fixed term of not less than one year and for such time thereafter until terminated by either party giving 30 days written notice to the other of the desire to terminate.

TERMS AND CONDITIONS

Service will be furnished under Company's Terms and Conditions applicable hereto.

Date of Issued: December 29, 2003

Issued By

Date Effective: February 1, 2004

**Michael S. Beer, Vice President
Lexington, Kentucky**

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ELECTRIC RATE SCHEDULE

A.E.S.

All Electric School

APPLICABLE

In all territory served.

AVAILABILITY OF SERVICE

Service under this rate is available where energy requirement for (1) a complex of school buildings on a central campus, (2) an individual school building, or (3) an addition to an existing school building is served electrically by Kentucky Utilities Company; such energy requirement to include, but not be limited to, lighting, heating, cooling and water heating. Other school buildings not so receiving every energy requirement electrically shall be separately metered from the above defined service and served under another appropriate applicable rate. At those locations where the school owns its distribution system and makes the service connections therefrom to the various buildings and/or load centers, the Company shall be given the option of providing service by use of the existing Customer owned distribution system, or of constructing its own facilities in accordance with the Company's Overhead Construction Standards. In any event, the Company's investment in construction may be limited to an amount not exceeding twice the estimated annual revenue from the service so connected. If the Customer desires, he will be allowed to make a contribution for the remaining requirement, so as to receive service under this schedule.

School buildings, as referred to herein, shall be defined as buildings used as classrooms, laboratories, gymnasiums, libraries, cafeterias, school related offices or for other bona fide school purposes by duly constituted school authorities of Kentucky. This Rate Schedule is not available to include buildings of privately operated kindergartens or day care centers.

Other fuels may be used as incidental to and for instructional laboratory and other miscellaneous purposes without affecting the availability of this rate.

RATE

All kilowatt-hours: 3.936¢ per KWH.

ADJUSTMENT CLAUSES

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

Fuel Adjustment Clause	Sheet No. 70
Demand-Side Management Cost Recovery Mechanism	Sheet No. 71
Environmental Cost Recovery Surcharge	Sheet No. 72
Merger Surcredit Rider	Sheet No. 73
Earnings Sharing Mechanism	Sheet No. 74
Value Delivery Surcredit	Sheet No. 75
Franchise Fee Rider	Sheet No. 76
School Tax	Sheet No. 77

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ELECTRIC RATE SCHEDULE

A.E.S.

All Electric School

MINIMUM CHARGE

An Annual Minimum Charge of \$19.56 per KW for all connected equipment, except air-conditioning and other individual equipment of one KW or less, but not less than \$196.11 per year. Payments to be made monthly of not less than 1/2 of the annual minimum until the aggregate payments during the contract year equal the annual minimum. However, minimum payments made in excess of the amount bases on the rate schedule will be applied as a credit on billings for energy used during the contract year.

DUE DATE OF BILL

Customer's payment will be due within 10 days from date of bill.

Date of Issue: December 29, 2003

Issued By

Date Effective: February 1, 2004

**Michael S. Beer, Vice President
Lexington, Kentucky**

ELECTRIC RATE SCHEDULE		LP
Large Power Service		
APPLICABLE		
In all territory served.		
AVAILABILITY OF SERVICE		
This rate schedule is available for secondary, primary or available transmission line service on an annual basis for lighting and/or heating and/or power.		
It is optional with the customer whether service will be billed under this schedule for the entire requirements, or under various other schedules applicable to the various services. The customer having selected this schedule will continue to be billed under it for not less than 12 consecutive months, unless there should be a material and permanent change in the customer's service.		
Service under this schedule will be limited to minimum average single phase loads of 200 KW and maximum average loads not exceeding 5,000 KW.		
RATE		
Customer Charge: \$75.00 per month		
Maximum Load Charge:		
Secondary Service		
\$6.77 per kilowatt of the maximum load in the month.		
Primary Service		
\$6.43 per kilowatt of the maximum load in the month		
Transmission Service		
\$6.09 per kilowatt of the maximum load in the month		
Plus an Energy Charge of:		
2.200 cents per KWH		
ADJUSTMENT CLAUSES		
The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:		
Fuel Adjustment Clause		Sheet No. 70
Demand-Side Management Surcharge		Sheet No. 71
Environmental Cost Recovery Surcharge		Sheet No. 72
Merger Surcredit Rider		Sheet No. 73
Earnings Sharing Mechanism		Sheet No. 74
Value Delivery Surcredit		Sheet No. 75
Franchise Fee Rider		Sheet No. 76
School Tax		Sheet No. 77

Date of Issue: December 29, 2003

Issued By

Date Effective: February 1, 2004

**Michael S. Beer, Vice President
Lexington, Kentucky**

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ELECTRIC RATE SCHEDULE LP
Large Power Service

DETERMINATION OF MAXIMUM LOAD

The load will be measured and will be the average KW demand delivered to the customer during the 15-minute period of maximum use during the month.

The Company reserves the right to place a KVA meter and base the billing demand on the measured KVA. The charge will be computed based on the measured KVA times 90 percent of the applicable KW charge.

In lieu of placing a KVA meter, the Company may adjust the measured maximum load for billing purposes when power factor is less than 90 percent in accordance with the following formula: (BASED ON POWER FACTOR MEASURED AT TIME OF MAXIMUM LOAD).

$$\text{Adjusted Maximum KW Load for Billing Purposes} = \frac{\text{Maximum Load Measured} \times 90\%}{\text{Power Factor (in percent)}}$$

MINIMUM ANNUAL CHARGE

Service under this schedule is subject to an annual minimum of \$81.24 per kilowatt for secondary delivery, \$77.16 per kilowatt for primary delivery and \$73.08 per kilowatt for transmission delivery for each yearly period based on the greater of (a), (b), (c), (d), or (e) as follows:

- (a) The highest monthly maximum load during such yearly period.
- (b) The contract capacity, based on the expected maximum KW demand upon the system.
- (c) 60 percent of the KW capacity of facilities specified by the customer.
- (d) Secondary delivery, \$812.40 per year; Primary delivery, \$1,929.00 per year; Transmission delivery, \$3,654.00 per year.
- (e) Minimum may be adjusted where customer's service requires an abnormal investment in special facilities.

Payments to be made monthly of not less than 1/12 of the Annual Minimum until the aggregate payments during the contract year equal the Annual Minimum. However, payments made in excess of the amount based on above rate schedule will be applied as a credit on billings for energy used during contract year. A new customer or an existing customer having made a permanent change in the operation of electrical equipment that materially affects the use in kilowatt-hours and/or use in kilowatts of maximum load will be given an opportunity to determine new service requirements in order to select the most favorable contract year period and rate applicable.

DUE DATE OF BILL

Customer's payment will be due within 10 days from date of bill.

TERM OF CONTRACT

For a fixed term of not less than one year and for such time thereafter until terminated by either party giving 30 days written notice to the other of the desire to terminate.

TERMS AND CONDITIONS

Service will be furnished under Company's Terms and Conditions applicable hereto.

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ELECTRIC RATE SCHEDULE

LCI-TOD

Large Commercial/Industrial Time-of-Day Service

APPLICABLE

In all territory served

AVAILABILITY OF SERVICE

Available to, and mandatory for, all customers served primary or transmission voltage, with an average demand of 5,000 kilowatts or greater, subject to the following guidelines:

- (1) Customers being served on this rate whose average demand has subsequently been reduced below 5,000 kilowatts over a period of twelve (12) months or who have had a material and permanent change in operations which will undoubtedly reduce demands below this level will be placed on the appropriate non-time-differentiated rate at the Company's discretion.
- (2) It is the responsibility of the customer to keep the Company fully informed of any change or expected change in operations which will affect the customer's qualification to be served on this rate.
- (3) Service under this schedule will be limited to maximum loads not exceeding 50,000 KW. Customers with new or increased load requirements that exceed 50,000 KW will have a rate developed as part of their contract based upon their electrical characteristics.

RATE

Maximum Load Charge:	<u>Primary</u>	<u>Transmission</u>
On-Peak Demand	\$5.52 per KW	\$5.33 per KW
Off-Peak Demand	\$.73 per KW	\$.73 per KW

Energy Charge: 2.200 cents per KWH

ADJUSTMENT CLAUSES

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

Fuel Adjustment Clause	Sheet No. 70
Demand-Side Management Surcharge	Sheet No. 71
Environmental Cost Recovery Surcharge	Sheet No. 72
Merger Surcredit Rider	Sheet No. 73
Earnings Sharing Mechanism	Sheet No. 74
Value Delivery Surcredit	Sheet No. 75
Franchise Fee Rider	Sheet No. 76
School Tax	Sheet No. 77

Date of Issue: December 29, 2003

Issued By Date Effective: February 1, 2004

**Michael S. Beer, Vice President
Lexington, Kentucky**

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ELECTRIC RATE SCHEDULE

LCI-TOD

Large Commercial/Industrial Time-of- Day Service

DETERMINATION OF MAXIMUM LOAD

The load will be measured and will be the average KW demand delivered to the customer during the 15-minute period of maximum use during the appropriate rating period each month.

The Company reserves the right to place a KVA meter and base the billing demand on the measured KVA. The charge will be computed based on the measured KVA times 90 percent, at the applicable KW charge.

In lieu of placing a KVA meter, the Company may adjust the measured maximum load for billing purposes when power factor is less than 90 percent in accordance with the following formula: (BASED ON POWER FACTOR MEASURED AT TIME OF MAXIMUM LOAD)

$$\text{Adjusted Maximum KW Load for Billing Purposes} = \frac{\text{Maximum KW Load Measured} \times 90\%}{\text{Power Factor (in percent)}}$$

RATING PERIODS

The rating periods applicable to the Maximum Load charges shall be as follows:

On-Peak Period during Summer Billing Months of June through September is defined as weekdays from 10:00 a.m. to 9:00 p.m., Eastern Standard Time, throughout the Company's service area

On-Peak Period during Winter Billing Months of October through May is defined as weekdays from 8:00 a.m. to 10:00 p.m., Eastern Standard Time, throughout the Company's service area.

Off-Peak Period – All hours Monday through Friday not included above, plus all hours of Saturday and Sunday.

MINIMUM ANNUAL CHARGE

Service under this schedule is subject to an annual minimum of \$66.24 per kilowatt for primary and \$63.96 per kilowatt for transmission on-peak delivery for each yearly period based on the greater of (a), (b), (c), (d) or (e), as follows:

- (a) The highest monthly on-peak maximum load during such yearly period.
- (b) The contract capacity, based on the expected on-peak maximum KW demand upon the system.
- (c) Sixty percent of the KW capacity of facilities specified by the customer.
- (d) Primary delivery, \$331,200 per year; transmission delivery \$319,800 per year.
- (e) Minimum may be adjusted where customer's service requires an abnormal investment in special facilities.

Payments to be made monthly of not less than 1/12 of the Annual Minimum until the aggregate payments during the contract year equal the Annual Minimum. However, payments made in excess of the amount based on above rate schedule will be applied as a credit on billings for energy used during contract year.

DUE DATE OF BILL: Customer's payment will be due within 10 days from date of bill.

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**Michael S. Beer, Vice President
Lexington, Kentucky**

ELECTRIC RATE SCHEDULE

LCI-TOD

Large Commercial/Industrial Time-of-Day Service

TERM OF CONTRACT

Service will be furnished under this schedule only under contract for a fixed term of not less than 5 years, and for yearly periods thereafter until terminated by either party giving written notice to the other party 90 days prior to termination. Company, however, may require a longer fixed term of contract and termination notice because of conditions associated with the customer's requirements for service.

TERMS AND CONDITIONS

The customer, in order to earn the Primary or Transmission Service Rate must own and maintain or lease, at the Company's option, all transformers and other facilities necessary to take service at the Primary or Transmission voltage delivered.

Service will be furnished under the Company's Terms and Conditions applicable hereto.

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**Michael S. Beer, Vice President
Lexington, Kentucky**

ELECTRIC RATE SCHEDULE MP
Coal Mining Power Service

APPLICABLE

In all territory served.

AVAILABILITY OF SERVICE

This schedule is for primary or transmission line service, where available, for the operation of coal mines, coal cleaning, processing or other related operations incidental to such operation, where the customer reserves not less than 50 kilowatts of capacity.

Service under this schedule will be limited to maximum loads not exceeding 5,000 KW. Existing customers who demonstrate an average demand of 5,000 KW or greater over a 12-month period, or new customers upon demonstrating an average demand of 5,000 KW or greater, will be served under Rate Schedule LMP-TOD.

RATE

Customer Charge: \$75.00 per month

Maximum Load Charge:

Primary Service at nominal voltage of 2,400 or more shall be \$4.80 per kilowatt of the maximum load in the month.

Transmission Line Service at nominal voltage of 34,500 or more shall be \$4.68 per kilowatt of the maximum load in the month.

Plus an Energy Charge of:

2.400 cents per KWH

ADJUSTMENT CLAUSES

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

Fuel Adjustment Clause	Sheet No. 70
Demand-Side Management Surcharge	Sheet No. 71
Environmental Cost Recovery Surcharge	Sheet No. 72
Merger Surcredit Rider	Sheet No. 73
Earnings Sharing Mechanism	Sheet No. 74
Value Delivery Surcredit	Sheet No. 75
Franchise Fee Rider	Sheet No. 76
School Tax	Sheet No. 77

MINIMUM ANNUAL CHARGE

Not less than the greater of (a), (b) or (c) as follows:

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**Michael S. Beer, Vice President
Lexington, Kentucky**

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ELECTRIC RATE SCHEDULE

MP

Coal Mining Power Service

- (a) \$57.60 for primary delivery and \$56.16 for transmission delivery for each yearly period for each kilowatt of capacity reserved by the customer's application.
- (b) \$57.60 per kilowatt for primary delivery or \$56.16 per kilowatt for transmission delivery, for each yearly period based on highest monthly maximum load during such yearly period.
- (c) No less than an amount to be determined by any special investment required to serve.

DETERMINATION OF MAXIMUM LOAD

The load will be measured and will be the average KW demand delivered to the customer during the 15-minute period of maximum use during the month.

The Company reserves the right to place a KVA meter and base the billing demand on the measured KVA. The charge will be computed based on the measured KVA times 90% of the applicable KW charge.

In lieu of placing a KVA meter, the Company may adjust the measured maximum load for billing purposes when power factor is less than 90% in accordance with the following formula:

$$\text{Adjusted Maximum KW Load for Billing Purposes} = \frac{\text{Maximum KW Load Measured} \times 90\%}{\text{Power Factor (in percent)}}$$

MONTHLY PAYMENTS

Each bill shall be computed at the Maximum Load and Energy Charge set forth, however, in no event shall the aggregate payments at the end of any month during the contract year, including the current month's bill, be less than the sum obtained by multiplying the number of months elapsed during the contract year by 1/12 of the annual minimum set forth. During subsequent months should the sum of the computed bills be less than the aggregate payments made, and greater than the minimum payments set forth above, adjustment shall be made on the basis of the sum of the computed bills, provided such adjustment shall not reduce the aggregate payments below the minimum payments set forth above.

DUE DATE OF BILL

Customer's payment will be due within 10 days from date of bill.

POWER FACTOR CLAUSE

All the customer's apparatus shall be selected and used with reference to securing the highest practicable power factor. The Company shall have the right at all times to make an examination of the installation of motors and other apparatus of the customer and it may refuse to make connection or to give service unless the installation is in proper condition to receive and is operated in such manner as to utilize safely and efficiently the energy furnished by the Company. The customer shall not make any changes in his installation which will affect the operation of the Company's system without the consent of the Company.

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**Michael S. Beer, Vice President
Lexington, Kentucky**

ELECTRIC RATE SCHEDULE MP
Coal Mining Power Service

The Company undertakes to supply the energy called for by this agreement at a power factor of approximately unity, but it will permit under the prescribed rates the use of apparatus which shall furnish during normal operation an average power factor not lower than 90% either lagging or leading, in the accepted technical meaning of these terms.

TERM OF CONTRACT

Service will be furnished under this schedule only under contract for a term of not less than 5 years, and for yearly periods thereafter until terminated by either party giving written notice to the other party 90 days prior to the expiration date.

TERMS AND CONDITIONS

Customer must own and maintain or lease all transformers and other facilities necessary to take service at the delivered voltage.

Service will be furnished under Company's Terms and Conditions and under executed Contract for Electric Service.

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**Michael S. Beer, Vice President
Lexington, Kentucky**

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ELECTRIC RATE SCHEDULE

LMP-TOD

Large Mine Power Time-of-Day Rate

In lieu of placing a KVA meter, the Company may adjust the measured maximum load for billing purposes when power factor is less than 90 percent in accordance with the following formula:
(BASED ON POWER FACTOR MEASURED AT TIME OF MAXIMUM LOAD)

$$\text{Adjusted Maximum KW Load for Billing Purposes} = \frac{\text{Maximum KW Load Measured} \times 90\%}{\text{Power Factor (in percent)}}$$

RATING PERIODS

The rating periods applicable to the Maximum Load charges shall be as follows:

On-Peak Period during Summer Billing Months of June through September is defined as weekdays from 10:00 a.m. to 9:00 p.m., Eastern Standard Time, throughout the Company's service area.

On-Peak Period during Winter Billing Months of October through May is defined as weekdays from 8:00 a.m. to 10:00 p.m., Eastern Standard Time, throughout the Company's service area.

Off-Peak Period – All hours Monday through Friday not included above, plus all hours of Saturday and Sunday.

MINIMUM ANNUAL CHARGE

Not less than the greater of (a), (b), or (c) as follows:

- (a) \$66.00 for primary delivery and \$59.52 for transmission delivery for each yearly period for each kilowatt of capacity reserved by the customer's application, based on not less than 5,000 KW.
- (b) \$66.00 per kilowatt for primary delivery and \$59.52 per kilowatt for transmission delivery, for each yearly period based on the highest monthly on-peak maximum load during such yearly period.
- (c) Not less than an amount to be determined by any special investment required to serve.

MONTHLY PAYMENTS

Each monthly bill shall be computed at the Maximum Load and Energy Charge set forth, however, in no event shall the aggregate payments at the end of any month during the contract year, including the current month's bill, be less than the sum obtained by multiplying the number of months elapsed during the contract year by 1/12 of the annual minimum set forth. During subsequent months, should the sum of the computed bills be less than the aggregate payments made, and greater than the minimum payments set forth above, adjustment shall be made on the basis of the sum of the computed bills, provided such adjustment shall not reduce the aggregate payments below the minimum payments set forth above.

DUE DATE OF BILL:

Customer's payment will be due within 10 days from date of bill.

POWER FACTOR CLAUSE

All the customer's apparatus shall be selected and used with reference to securing the highest practicable power factor. The Company shall have the right at all times to make an examination of the installation of motors and other apparatus of the customer and it may refuse to make connection or to give service unless the installation is in proper condition to receive and is operated in such manner as to utilize safely and efficiently the energy furnished by the Company. The customer shall not make any changes in his installation which will affect the operation of the Company's system without the consent of the Company.

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Michael S. Beer, Vice President
Lexington, Kentucky

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ELECTRIC RATE SCHEDULE

NCLS

Non-Conforming Load Service

APPLICABLE

In all territory served.

AVAILABILITY OF SERVICE

Available for three-phase delivery to customers with non-conforming loads up to an aggregate of two hundred (200) MVA for all customers taking service under this schedule and under the NCLS schedule of Kentucky Utilities Company. This schedule is restricted to individual customers whose monthly demand is twenty (20) MVA or greater. A customer is defined as non-conforming if that customer's load either increases or decreases twenty (20) MVA or more per minute or seventy (70) MVA or more in ten (10) minutes when such increases or decreases exceed one (1) occurrence per hour during any hour of the billing month.

Subject to the above aggregate limit of two hundred (200) MVA, this schedule is mandatory for all customers whose load is defined as non-conforming and not served on another standard rate schedule as of the effective date this rate schedule is approved by the Public Service Commission of Kentucky.

BASE RATE

	<u>Primary</u>	<u>Transmission</u>
Energy Charge of:		
Per monthly billing period	\$0.0175 per kWh	\$0.0175 per kWh
Plus a Demand Charge of:		
Per monthly billing period		
On-Peak	\$5.77 per KVA	\$5.58 per KVA
Off-Peak	\$1.03 per KVA	\$1.03 per KVA

Where the monthly billing peak demands, measured over a five (5) minute interval, are the greater of the applicable charge per KVA times:

- (a) the maximum metered peak period demands in the monthly billing period,
- (b) 60% of the maximum metered peak period demands in the preceding eleven (11) monthly billing periods,
- (c) 60% of the contract capacity based on the expected maximum demand upon the system, or
- (d) minimum may be adjusted where customer's service requires an abnormal investment in special facilities.

The On-Peak Period shall be weekdays, 8:00 a.m. - 10:00 p.m., Eastern Standard Time, year round, throughout the Company's service territory. The Off-Peak Period shall consist of all other hours.

MINIMUM CHARGE

The minimum charge will be the Demand Charge. Without limiting the foregoing, the Demand Charge shall be due regardless of any event or occurrence that might limit (a) Customer's ability or interest in operating Customer's facility, including but without limitation any acts of God, fires, floods, earthquakes, acts of government, terrorism, severe weather, riot, embargo, changes in law, or strikes or (b) the Company's ability to serve customer.

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**Michael S. Beer, Vice President
Lexington, Kentucky**

ELECTRIC RATE SCHEDULE

NCLS

Non-Conforming Load Service

ADJUSTMENT CLAUSES

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

Fuel Adjustment Clause	Sheet No. 70
Demand-Side Management Cost Recovery Mechanism	Sheet No. 71
Environmental Cost Recovery Surcharge	Sheet No. 72
Merger Surcredit Rider	Sheet No. 73
Earnings Sharing Mechanism	Sheet No. 74
Value Delivery Surcredit Rider	Sheet No. 75
Franchise Fee Rider	Sheet No. 76
School Tax	Sheet No. 77

DUE DATE OF BILL

Customer's payment will be due within 10 days from date of bill.

TERM OF CONTRACT

Unless terminated by mutual agreement, the initial term of contract for service under the BASE RATE shall be for a fixed term of five years with successive one year term renewal until canceled by either party giving at least 1 year written notice to the other prior to the end of the initial term or the then current annual renewal period, as applicable.

SYSTEM CONTINGENCIES AND INDUSTRY SYSTEM PERFORMANCE CRITERIA

Company reserves the right to interrupt Customer's load to facilitate Company compliance with system contingencies and with industry performance criteria. Customer will permit Company to install electronic equipment and associated real-time metering to permit Company interruption of Customer's load. Such equipment will immediately notify Customer five (5) minutes before an electronically initiated interruption that will begin immediately thereafter and last no longer than ten (10) minutes. Such interruptions will not be accumulated nor credited against annual hours, if any, under the CURTAILMENT SERVICE RIDER.

TERMS AND CONDITIONS

Service will be furnished under Company's Terms and Conditions applicable hereto.

Date of Issue: December 29, 2003

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**Michael S. Beer, Vice President
Lexington, Kentucky**

ELECTRIC RATE SCHEDULE ST. LT.
Street Lighting Service

AVAILABILITY OF SERVICE

This rate schedule is available, for the various types of street lighting services shown herein, in any community in which the Company has an electric franchise. Service is subject to the provisions herein and the provisions of the Company's standard contract for street lighting service. Should the service not meet these standard provisions, then the Company reserves the right to revise the charges listed hereinafter so as to include any additional or unusual cost involved.

STANDARD/ORNAMENTAL SERVICE

1. **STANDARD OVERHEAD SYSTEM:** Street lighting equipment furnished under the Standard Overhead Rate shall consist of wood poles, brackets, appropriate fixtures for the lamps being used, the necessary overhead street lighting circuit, protective equipment, controls and transformers. The Company will install, own, operate and maintain the entire street lighting system, including circuits, lighting fixtures and lamp replacements. The Customer shall pay the Standard Overhead Rate.
2. **ORNAMENTAL OVERHEAD SYSTEM:** The Company will, upon request, furnish under the Ornamental Overhead Rate, ornamental poles of the Company's choosing, together with overhead wiring and all other equipment and provisions mentioned in 2 above. The Customer will pay the Ornamental Overhead Rate.
3. **OTHER THAN CONVENTIONAL OVERHEAD SYSTEMS:** Should the Customer require, either initially or upon replacement, a system or equipment other than that described in 2 or 3 above for lamp sizes as provided herein, (this constituting a conventional overhead system) the Customer may make a non-refundable contribution to the Company equal to the difference in the installed cost between the system or equipment so required and the cost of a conventional overhead system as hereinbefore defined. In a similar manner the Customer will pay the difference in the cost of operation and maintaining such a system or equipment and the cost of operation and maintaining a conventional Overhead System. Any installation costs which are to be borne by the Customer, should be paid at the time of installation.

RATE

	<u>LOAD/LIGHT</u>	<u>RATE PER LIGHT PER MONTH</u>	
		<u>STANDARD</u>	<u>ORNAMENTAL</u>
*INCANDESCENT			
1,000 Lumens (approximately)	.102 KW/Light	\$ 2.31	\$ 2.98
2,500 " "	.201 KW/Light	2.81	3.64
4,000 " "	.327 KW/Light	4.03	4.99
6,000 " "	.447 KW/Light	5.36	6.43
**MERCURY VAPOR			
7,000 Lumens (approximately)	.207 KW/Light	\$ 6.78	\$ 9.09
10,000 " "	.294 KW/Light	7.82	9.87
20,000 " "	.453 KW/Light	9.19	10.83
HIGH PRESSURE SODIUM			
4,000 Lumens (approximately)	.060 KW/Light	\$ 5.11	\$ 7.79
5,800 " "	.083 KW/Light	5.55	8.23
9,500 " "	.117 KW/Light	6.25	9.12
22,000 " "	.242 KW/Light	9.22	12.09
50,000 " "	.485 KW/Light	14.88	17.74

NOTE: *Incandescent restricted to those fixtures in service on October 12, 1982 (Except for spot replacement)
**Mercury Vapor restricted to those fixtures in service on February 1, 2004 (Except for spot replacement)

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Michael S. Beer, Vice President
Lexington, Kentucky

ELECTRIC RATE SCHEDULE **ST. LT.**
Street Lighting Service

DECORATIVE UNDERGROUND SERVICE

1. **FURNISHED EQUIPMENT:** Street lighting equipment furnished hereunder shall consist of appropriate size decorative poles and fixtures for the lamps being used, the necessary underground conductor, protective equipment, controls and transformers. The Company will install, own, operate and maintain the entire street lighting system, including conductor, decorative poles, fixtures and lamp replacements. The Customer shall pay the rate as shown plus, at the time of installation, pay to the Company the amount to cover the additional cost of underground over the equivalent overhead street lighting circuitry.
2. **STORAGE PROVISION FOR GRAN VILLE LIGHT AND ACCESSORIES:** If the Company provides storage for the fixture, poles and/or the accessories, an adder of 12.50% will apply to the monthly rate per light.

RATE **HIGH PRESSURE SODIUM (HPS)**

Type Of Pole & Fixture	Lumen Output (Approximate)	Load/Light In KW	Monthly Rate Per Light
Acorn (Decorative Pole)	4,000	0.060	\$10.64
Acorn (Historic Pole)	4,000	0.060	\$16.70
Acorn (Decorative Pole)	5,800	0.083	\$11.19
Acorn (Historic Pole)	5,800	0.083	\$17.23
Acorn (Decorative Pole)	9,500	0.117	\$11.88
Acorn (Historic Pole)	9,500	0.117	\$17.93
Colonial	4,000	0.060	\$ 7.02
Colonial	5,800	0.083	\$ 7.46
Colonial	9,500	0.117	\$ 8.09
Coach	5,800	0.083	\$23.47
Coach	9,500	0.117	\$24.09
Contemporary	5,800	0.083	\$12.89
Contemporary	9,500	0.117	\$15.35
Contemporary	22,000	0.242	\$17.80
Contemporary	50,000	0.485	\$23.05
Gran Ville	16,000	0.150	\$39.16
Gran Ville Accessories:			
* Single Crossarm Bracket			\$16.65
Twin Crossarm Bracket			\$18.53
24 Inch Banner Arm			\$ 2.88
24 Inch Clamp Banner Arm			\$ 3.90
18 Inch Banner Arm			\$ 2.66
Flagpole Holder			\$ 1.22
Post-Mounted Receptacle			\$17.29
Base-Mounted Receptacle			\$16.69
** Additional Receptacles			\$ 2.39
Planter			\$ 4.00

* For Existing Poles Only

** For 2 Receptacles on Same Pole

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Michael S. Beer, Vice President
Lexington, Kentucky

ELECTRIC RATE SCHEDULE ST. LT.
Street Lighting Service

ADJUSTMENT CLAUSES

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

Fuel Adjustment Clause	Sheet No. 70
Demand-Side Management Surcharge	Sheet No. 71
Environmental Cost Recovery Surcharge	Sheet No. 72
Merger Surcredit Rider	Sheet No. 73
Earnings Sharing Mechanism	Sheet No. 74
Value Delivery Surcredit Rider	Sheet No. 75
Franchise Fee Rider	Sheet No. 76
School Tax	Sheet No. 77

DETERMINATION OF ENERGY CONSUMPTION

The kilowatt-hours will be determined as set forth on Sheet No. 53 of this Tariff.

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**Michael S. Beer, Vice President
Lexington, Kentucky**

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**ELECTRIC RATE SCHEDULE P.O. LT.
Private Outdoor Lighting**

APPLICABLE

In all territory served.

AVAILABILITY OF SERVICE

Service under this schedule is offered, under the conditions set out hereinafter, for lighting applications on private property such as, but not limited to, residential, commercial and industrial plant site or parking lot, other commercial area lighting, etc. to Customers now receiving electric service from the Company at the same location. Service will be provided under written contract signed by Customer prior to service commencing, when facilities are required other than fixture(s).

RATE

STANDARD (SERVED OVERHEAD)

TYPE LIGHT	APPROX LUMENS	KW RATING	MONTHLY CHARGE
Open Bottom Mercury Vapor	7,000**	.207	\$7.70
Cobra Mercury Vapor	20,000**	.453	\$ 9.09
Open Bottom High Pressure Sodium	5,800	.083	\$ 4.38
Open Bottom High Pressure Sodium	9,500	.117	\$ 4.99
Cobra High Pressure Sodium	22,000*	.242	\$ 9.12
Cobra High Pressure Sodium	50,000*	.485	\$14.72

DIRECTIONAL (SERVED OVERHEAD)

TYPE LIGHT	APPROX LUMENS	KW RATING	MONTHLY CHARGE
Directional High Pressure Sodium	9,500	0.117	\$ 6.05
Directional High Pressure Sodium	22,000*	0.242	\$ 8.57
Directional High Pressure Sodium	50,000*	0.485	\$13.06

The Company will furnish a complete standard or directional fixture with appropriate mast arm on existing poles with available secondary voltage of 120/240.

Where the location of existing poles are not suitable or where there are no existing poles for mounting of lights, and the Customer requests service under these conditions, the Company may furnish the required facilities at an additional charge per month to be determined by the Company. These additional charges are subject to change by Company upon 30 days prior written notice.

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Lexington, Kentucky**

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**ELECTRIC RATE SCHEDULE P.O. Lt.
Private Outdoor Lighting**

All facilities required by Company will be standard stocked material. When underground facilities are requested and the Company agrees to underground service, the Customer will be responsible for ditching and back-filling and seeding and/or repaving as necessary, and provide, own and maintain all conduit.

METAL HALIDE COMMERCIAL AND INDUSTRIAL LIGHTING

TYPE POLE & FIXTURE	APPROX LUMENS	KW RATING	MONTHLY CHARGE
Directional Fixture Only	12,000	0.207	\$ 8.94
Directional Fixture With Wood Pole	12,000	0.207	\$10.92
Direction Fixture With Metal Pole	12,000	0.207	\$17.41
Directional Fixture Only	32,000	0.450	\$12.39
Directional Fixture With Wood Pole	32,000	0.450	\$14.38
Directional Fixture With Metal Pole	2,000	0.450	\$20.85
Directional Fixture Only	107,800	1.080	\$25.59
Directional Fixture With Wood Pole	107,800	1.080	\$28.35
Directional Fixture With Metal Pole	107,800	1.080	\$34.05
Contemporary Fixture Only	12,000	0.207	\$10.04
Contemporary Fixture With Metal Pole	12,000	0.207	\$18.52
Contemporary Fixture Only	32,000	0.450	\$13.95
Contemporary Fixture With Metal Pole	32,000	0.450	\$22.41
Contemporary Fixture Only	107,800	1.080	\$28.15
Contemporary Fixture With Metal Pole	107,800	1.080	\$36.63

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ELECTRIC RATE SCHEDULE

P.O. Lt.

Private Outdoor Lighting

Company, where secondary voltage of 120/240 is available, will furnish, own, and maintain poles, fixtures and any necessary circuitry up to 100 feet. All poles and fixtures furnished by Company will be standard stocked materials. Where Customer's location would require the installation of additional facilities, Company may furnish, own, and maintain the requested facilities at an additional charge per month to be determined by Company. Such charges are subject to change by Company upon 30 days prior written notice.

Customer is to pay the monthly rate plus any additional charge determined above plus provide all ditching, back-filling, and repaving/seeding/sodding as necessary and provide, own, and maintain all conduit. Company may, at Customer's request, provide all ditching, back-filling, and repaving/seeding/sodding as necessary for payment, in advance, of Company's cost to provide those services. Upon termination of service, the Company shall not be required to remove underground facilities.

Where Customer has need for non-stocked styles of poles or fixtures, Company may agree to provide the requested styles for payment, in advance, by Customer of the cost difference between the requested styles and the stock materials. Customer accepts that Company's maintenance of non-stock materials is dependent on outside vendors and that maintenance of non-stock styles may be delayed or materials unavailable.

DECORATIVE HPS (SERVED UNDERGROUND)

TYPE POLE & FIXTURE	APPROX LUMENS	KW RATING	MONTHLY CHARGE
Acorn Decorative	4,000	0.060	\$10.53
Acorn Historic	4,000	0.060	\$16.52
Acorn Decorative	5,800	0.083	\$11.07
Acorn Historic	5,800	0.083	\$17.05
Acorn Decorative	9,500	0.117	\$11.76
Acorn Historic	9,500	0.117	\$17.75
Colonial	4,000	0.060	\$6.94
Colonial	5,800	0.083	\$7.38
Colonial	9,500	0.117	\$8.00
Coach	5,800	0.083	\$25.37
Coach	9,500	0.117	\$26.04
Contemporary	5,800	0.083	\$12.76
Contemporary	9,500	0.117	\$15.19
Contemporary	22,000 *	0.242	\$17.61
Contemporary	50,000 *	0.485	\$22.80
Gran Ville	16,000	0.150	\$39.16

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**Michael S. Beer, Vice President
Lexington, Kentucky**

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ELECTRIC RATE SCHEDULE

P.O. Lt.

Private Outdoor Lighting

Gran Ville Accessories:

*** Single Crossarm Bracket	\$16.65
Twin Crossarm Bracket	\$18.53
24 Inch Banner Arm	\$2.88
24 Inch Clamp Banner Arm	\$3.90
18 Inch Banner Arm	\$2.66
Flagpole Holder	\$1.22
Post-Mounted Receptacle	\$17.29
Base-Mounted Receptacle	\$16.69
**** Additional Receptacle	\$2.39
Planter	\$4.00

Company to furnish, own, and maintain decorative poles, fixtures and any necessary circuitry up to 100 feet for the size lamps being used. Additional facilities required by Customer will be provided at a charge to be determined by the Company. These additional charges are subject to change by the Company upon 30 days prior written notice. All facilities furnished by the Company will be standard stocked material. Customer to pay rate plus any additional charges as determined above plus provide all ditching, back-filling, and repaving/seeding/sodding as necessary, and provide, own, and maintain all conduit. Upon termination of this service, the Company shall not be required to remove underground wiring. If the Company provides storage for the fixture, poles and/or the accessories, then an adder of **12.50 %** will apply to the rate per light for Gran Ville lights and accessories..

- NOTE:** * NOT AVAILABLE FOR URBAN RESIDENTIAL HOME USE
 ** RESTRICTED TO THOSE FIXTURES IN SERVICE ON AUGUST 20, 1990
 *** FOR EXISTING POLES ONLY
 **** FOR 2 RECEPTACLES ON SAME POLE

ADJUSTMENT CLAUSES

The bill amount computed at the charges specified above shall be increased or decreased in accordance with:

Fuel Adjustment Clause	Sheet No. 70
Demand-Side Management Surcharge	Sheet No. 71
Environmental Cost Recovery Surcharge	Sheet No. 72
Merger Surcredit Rider	Sheet No. 73
Earnings Sharing Mechanism	Sheet No. 74
Value Delivery Surcredit Rider	Sheet No. 75
Franchise Fee Rider	Sheet No. 76
School Tax	Sheet No. 77

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Issued By

Date Effective: February 1, 2004

Michael S. Beer, Vice President
Lexington, Kentucky

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ELECTRIC RATE SCHEDULE

P.O. Lt.

Private Outdoor Lighting

DUE DATE OF BILL

Payment is due within 10 days from date of bill. Billing for this service to be made a part of bill rendered for other electric service.

DETERMINATION OF ENERGY CONSUMPTION

The kilowatt-hours will be determined as set forth on Sheet No. 53 of this Tariff.

TERM OF CONTRACT

For a fixed term of not less than 5 years and for such time thereafter until terminated by either party giving 30 days prior written notice to the other when additional facilities are required. Cancellation by Customer prior to the initial 5-year term will require the Customer to pay to Company its cost of labor to install and remove facilities plus cost of non-salvable material, prorated on the basis of the remaining portion of the 5-year period.

Signed contracts will not be required when the fixture(s) are placed on existing pole with a 120 volt source.

TERMS AND CONDITIONS

1. Service shall be furnished under Company's Terms and Conditions, except as set out herein.
2. All service and necessary maintenance on the light and facilities will be performed only during regular scheduled working hours of the Company. The Company shall be allowed 48 hours after notification by the Customer in which to restore service.
3. The Customer shall be responsible for fixture replacement or repairs where such replacement or repairs are caused from willful damage, vandalism, or causes other than normal burnouts.
4. The Company shall own and maintain all facilities required in providing this service, except as noted above.

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Michael S. Beer, Vice President
Lexington, Kentucky

ELECTRIC RATE SCHEDULE SQF
Small Capacity Cogeneration and Small Power Production Qualifying Facilities

AVAILABILITY

In all territory served.

APPLICABILITY OF SERVICE

This Rate and the terms and conditions set out herein are available for and applicable to Company's purchases of energy only from the owner of qualifying cogeneration or small power production facilities of 100 KW or less (such owner being hereafter called "Seller") installed on Seller's property to provide all or part of its requirements of electrical energy, or from which facilities Seller may elect to sell to Company all or part of such output of electrical energy.

Company will permit Seller's generating facilities to operate in parallel with Company's system under conditions set out below under PARALLEL OPERATION.

Company will purchase such energy from Seller at the Rate, A or B, set out below and selected as hereafter provided, and under the terms and conditions stated herein. Company reserves the right to change the said Rates, upon proper filing with and acceptance by the jurisdictional Commission.

RATE A: Time-Differentiated Rate

- | | |
|--|----------------------|
| 1. For summer billing months of June, July, August and September, during the hours 9:01 A.M. thru 10:00 P.M. weekdays exclusive of holidays (on-peak hours), | 1.843 cents per KWH. |
| 2. For winter billing months of December, January and February, during the hours 7:01 A.M. thru 10:00 P.M. weekdays exclusive of holidays (on-peak hours), | 1.683 cents per KWH. |
| 3. During all other hours (off-peak hours), | 1.515 cents per KWH. |

Determination of On-Peak and Off-Peak Hours: On-peak hours are defined as the hours of 9:01 A.M. through 10:00 P.M., E.D.T. (8:01 A.M. through 9:00 P.M., E.S.T.), Mondays through Fridays exclusive of holidays (under 1 above), and the hours of 7:01 A.M. through 10:00 P.M., E.D.T. (6:01 A.M. through 9:00 P.M., E.S.T.), Mondays through Fridays exclusive of holidays (under 2 above). Off-peak hours are defined as all hours other than those listed as on-peak (under 3 above). Company reserves the right to change the hours designated as on-peak from time to time as conditions indicate to be appropriate.

RATE B: Non-Time-Differentiated Rate

For all KWH purchased by Company,	1.575 cents per KWH
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**Michael S. Beer, Vice President
Lexington, Kentucky**

ELECTRIC RATE SCHEDULE SQF
Small Capacity Cogeneration and Small Power Production Qualifying Facilities

SELECTION OF RATE AND METERING

Subject to provisions hereafter in this Section relative to payment of costs of metering equipment, either Seller or Company may select Rate A, the Time-Differentiated Rate, for application to Company's said purchases of energy from Seller. If neither Seller nor Company selects Rate A, then Rate B, the Non-Time-Differentiated Rate, shall apply.

If neither Seller nor Company selects Rate A, and Rate B therefore is to apply to such purchases, Company, at Seller's cost, will install, own and operate a non-time-differentiated meter and associated equipment, at a location selected by Company, measuring energy, produced by Seller's generator, flowing into Company's system. Such meter will be tested at intervals prescribed by Commission Regulation, with Seller having a right to witness all such tests; and Seller will pay to Company its fixed cost on such meter and equipment, expense of such periodic tests of the meter and any other expenses (all such costs and expenses, together, being hereafter called "costs of non-time-differentiated metering").

If either Seller or Company selects Rate A to apply to Company's said purchases of energy from Seller, the party (Seller or Company) so selecting Rate A shall pay (a) the cost of a time-differentiated recording meter and associated equipment, at a location selected by Company, measuring energy, produced by Seller's generator, flowing into Company's system, required for the application of Rate A, in excess of (b) the costs of non-time-differentiated metering which shall continue to be paid by Seller.

In addition to metering referred to above, Company at its option and cost may install, own and operate, on Seller's generator, a recording meter to record the capacity, energy and reactive output of such generator at specified time intervals.

Company shall have access to all such meters at reasonable times during Seller's normal business hours, and shall regularly provide to Seller copies of all information provided by such meters.

DUE DATE OF BILL

Any payment due from Company to Seller will be due within 15 days from date of Company's reading of meter; provided, however, that, if Seller is a customer of Company, in lieu of such payment Company may offset its payment due to Seller hereunder, against Seller's next bill and payment due to Company for Company's service to Seller as customer.

PARALLEL OPERATION

Company hereby permits Seller to operate its generating facilities in parallel with Company's system, under the following conditions and any other conditions required by Company where unusual conditions not covered herein arise:

1. Prior to installation in Seller's system of any generator and associated facilities which are intended to be interconnected and operated in parallel with Company's system, or prior to the inter-connection to Company's system of any such generator and associated facilities already installed in Seller's system, Seller will provide to Company plans for such generator and facilities. Company may, but shall have no obligation to, examine such plans and disapprove them in whole or in part, to the extent Company believes that such plans and proposed facilities will not adequately assure the safety of Company's facilities or system. Seller acknowledges and agrees that the sole purpose of any Company examination of such plans is the

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Lexington, Kentucky**

ELECTRIC RATE SCHEDULE**SQF****Small Capacity Cogeneration and Small Power Production Qualifying Facilities**

satisfaction of Company's interest in the safety of Company's own facilities and system, and that Company shall have no responsibility of any kind to Seller or to any other party in connection with any such examination. If Seller thereafter proposes any change from such plans submitted to Company, prior to the implementation thereof Seller will provide to Company new plans setting out such proposed change(s).

2. Seller will own, install, operate and maintain all generating facilities on its plant site, such facilities to include, but not be limited to, (a) protective equipment between the systems of Seller and Company and (b) necessary control equipment to synchronize frequency and voltage between such two systems. Seller's voltage at the point of interconnection will be the same as Company's system voltage. Suitable circuit breakers or similar equipment, as specified by Company, will be furnished by Seller at a location designated by Company to enable the separation or disconnection of the two electrical systems. Except in emergencies, the circuit breakers, or similar equipment, will be operated only by, or at the express direction of, Company personnel and will be accessible to Company at all times. In addition, a circuit breaker or similar equipment shall be furnished and installed by Seller to separate or disconnect Seller's generator.
3. Seller will be responsible for operating the generator and all facilities owned by Seller, except as hereafter specified. Seller will maintain its system in synchronization with Company's system.
4. Seller will (a) pay Company for all damage to Company's equipment, facilities or system, and (b) save and hold Company harmless from all claims, demands and liabilities of every kind and nature for injury or damage to, or death of, persons and/or property of others, including costs and expenses of defending against the same, arising in any manner in connection with Seller's generator, equipment, facilities or system or the operation thereof.
5. Seller will construct any additional facilities, in addition to generating and associated (interface) facilities, required for interconnection unless Company and Seller agree to Company's constructing such facilities, at Seller's expense, where Seller is not a customer of Company. When Seller is a customer of Company and Company is required to construct facilities different than otherwise required to permit interconnection, Seller shall pay such additional cost of facilities. Seller agrees to reimburse Company, at the time of installation, or, if agreed to by both parties, over a period of up to three years, for any facilities including any hereafter required (but exclusive of metering equipment, elsewhere herein provided for) constructed by Company to permit Seller to operate interconnected with Company's system. When interconnection costs are repaid over a period of time, such payments will be made monthly and include interest on the unpaid balance at the percentage rate equal to the capital costs that the Company would experience at such time by new financing, based on Company's then existing capital structure, with return on equity to be at the rate allowed in Company's immediately preceding rate case.
6. Company will have the continuing right to inspect and approve Seller's facilities, described herein, and to request and witness any tests necessary to determine that such facilities are installed and operating properly; but Company will have no obligation to inspect or approve facilities, or to request or witness tests; and Company will not in any manner be responsible for Seller's facilities or any operation thereof.

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ELECTRIC RATE SCHEDULE

SQF

Small Capacity Cogeneration and Small Power Production Qualifying Facilities

7. Seller assumes all responsibility for the electric service upon Seller's premises at and from the point of any delivery or flow of electricity from Company, and for the wires and equipment used in connection therewith; and Seller will protect and save Company harmless from all claims for injury or damage to persons or property, including but not limited to property of Seller, occurring on or about Seller's premises or at and from the point of delivery or flow of electricity from Company, occasioned by such electricity or said wires and equipment, except where said injury or damage is proved to have been caused solely by the negligence of Company.
8. Each, Seller and Company, will designate one or more Operating Representatives for the purpose of contacts and communications between the parties concerning operations of the two systems.
9. Seller will notify Company's Energy Control Center at Dix Dam prior to each occasion of Seller's generator being brought into or (except in cases of emergencies) taken out of operation.
10. Company reserves the right to curtail a purchase from Seller when:
 - (a) the purchase will result in costs to Company greater than would occur if the purchase were not made but instead Company, itself, generated an equivalent amount of energy; or
 - (b) Company has a system emergency and purchases would (or could) contribute to such emergency.

Seller will be notified of each curtailment.

TERMS AND CONDITIONS

Except as provided herein, conditions or operations will be as provided in Company's Terms and Conditions.

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Lexington, Kentucky**

ELECTRIC RATE SCHEDULE**LQF****Large Capacity Cogeneration and Small Power Production Qualifying Facilities****AVAILABILITY**

In all territory served.

APPLICABILITY OF SERVICE

Applicable to any small power production or cogeneration "qualifying facility" with capacity over 100 Kw as defined by the Kentucky Public Service Commission Regulation 807 KAR 5:054, and which contracts to sell energy or capacity or both to the Company.

RATES FOR PURCHASES FROM QUALIFYING FACILITIES**Energy Component Payments**

The hourly avoided energy cost (AEC) in \$ per MWh, which is payable to a QF for delivery of energy, shall be equal to the Company's actual variable fuel expenses, for Company-owned coal and natural gas-fired production facilities, divided by the associated megawatt-hours of generation, as determined for the previous month. The total amount of the avoided energy cost payment to be made to a QF in an hour is equal to $[AEC \times E_{QF}]$, where E_{QF} is the amount of megawatt-hours delivered by a QF in that hour and which are determined by suitable metering.

Capacity Component Payments

The hourly avoided capacity cost (ACC) in \$ per MWh, which is payable to a QF for delivery of capacity, shall be equal to the effective purchase price for power available to the Company from the inter-utility market (which includes both energy and capacity charges) less the Company's actual variable fuel expense (AEC). The total amount of the avoided capacity cost payment to be made to a QF in an hour is equal to $[ACC \times CAP_1]$, where CAP_1 , the capacity delivered by the QF, is determined on the basis of the system demand (D_1) and the Company's need for capacity in that hour to adequately serve the load.

Determination of CAP_1

For the following determination of CAP_1 , C_{KU} represents the Company's installed or previously arranged capacity at the time a QF signs a contract to deliver capacity; C_{QF} represents the actual capacity provided by a QF, but no more than the contracted capacity; and C_M represents capacity purchased from the inter-utility market.

1. System demand is less than or equal to the Company's capacity:
 $D_1 \leq C_{KU}$; $CAP_1 = 0$
2. System demand is greater than the Company's capacity but less than or equal to the total of the Company's capacity and the capacity provided by a QF:

$$C_{KU} < D_1 \leq [C_{KU} + C_{QF}] ; CAP_1 = C_M$$

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ELECTRIC RATE SCHEDULE

LQF

Large Capacity Cogeneration and Small Power Production Qualifying Facilities

3. System demand is greater than the total of the Company's capacity and the capacity provided by a QF:

$$D_i > [C_{KU} + C_{QF}] ; \quad CAP_i = C_{QF}$$

PAYMENT

The Company shall pay each bill for electric power rendered to it in accordance with the terms of the contract, within 10 days of the date the bill is rendered. In lieu of such payment plan, the Company will, upon written request, credit the Customer's account for such purchases.

TERM OF CONTRACT

For contracts which cover the purchase of energy only, the term shall be one year, and shall be self-renewing from year-to-year thereafter, unless canceled by either party on one year's written notice.

For contracts which cover the purchase of capacity and energy, the term shall be 5 years.

TERMS AND CONDITIONS

1. Qualifying facilities shall be required to pay for any additional interconnection costs, to the extent that such costs are in excess of those that the Company would have incurred if the qualifying facility's output had not been purchased.
2. A qualifying facility operating in parallel with the Company must demonstrate that its equipment is designed, installed, and operated in a manner that insures safe and reliable interconnected operation. A qualifying facility should contact the Company for assistance in this regard.
3. The purchasing, supplying and billing for service, and all conditions applying hereto, shall be specified in the contract executed by the parties, and are subject to the jurisdiction of the Kentucky Public Service Commission, and to the Company's Terms and Conditions currently in effect, as filed with the Commission.

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Michael S. Beer, Vice President
Lexington, Kentucky

CATV - RC

Cable Television Attachment – Rental Charge

APPLICABLE

In all territory served.

AVAILABILITY OF SERVICE

Where a cable television system operator has proper authorization to provide cable television service in a given area (hereinafter "Customer"), the Company is willing to permit the attachments of cables, wires and appliances to its poles where, in Company's judgment, such attachments will not interfere with its electric service requirements and other prior licensees using Company's poles. Attachments will be permitted upon execution by both parties of a Cable Television Attachment Agreement and an Application and Permit form supplied by Company.

RENTAL CHARGE

Rental charge of \$2.71 per year for each attachment to pole, subject to annual adjustment as provided below.

RENTAL CHARGE ADJUSTMENT

The rental charge stated above is subject to change by the Company upon 20 days' written notice to the Customer and the Public Service Commission. Such change will be either an upward or downward adjustment, when conditions arise which materially affect the investment in facilities, or a change in the Company's costs to cover expense of operation, maintenance, depreciation, taxes, insurance and return on investment, in accordance with the Commission's allowance of such expenses and investments. A change in the Rental Charge will not be made more often than once in any 12-month period and will apply to the next semi-annual billing period.

BILLING

Rental charges to be billed semi-annually based on the number of pole attachments being maintained on December 1 and June 1. Payment will be due within 10 days from date of bill.

TERM OF AGREEMENT

The Cable Television Attachment Agreement shall become effective upon execution by both parties and shall continue in effect for not less than 1 year, subject to provisions contained in the agreement. At any time thereafter, the Customer may terminate the agreement by giving not less than 6 months' prior written notice. Upon termination of the agreement, Customer shall immediately remove its cables, wire, appliances and all other attachments from all poles of Company.

TERMS AND CONDITIONS OF POLE ATTACHMENTS

Pole attachments shall be permitted in accordance with this Rental Schedule. The Company's Terms and Conditions shall be applicable, to the extent they are not in conflict with or inconsistent with the special provisions of this Rental Schedule, Cable Television Attachments Agreement, the Application and Permit form.

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**Michael S. Beer, Vice President
Lexington, Kentucky**

CATV - RC

Cable Television Attachment – Rental Charge

Upon written Agreement, the Company is willing to permit, to the extent it may lawfully do so, the attachment of cables, wires and appliances to its poles by a cable television system operator, hereinafter "Customer," where, in its judgment, such use will not interfere with its electric service requirements and other prior licensees using Company's poles, including consideration of economy and safety, in accordance with this rental schedule approved by the Public Service Commission. The Terms and Conditions applicable to such service are as follows:

1. ATTACHMENT APPLICATIONS AND PERMITS

Before making attachment to any pole or poles of Company, Customer shall make application and receive a permit therefor on a form to be supplied by Company (KU Form 17-52). The information submitted by Customer with the application for a permit shall consist of drawings and associated descriptive matter which shall be adequate in all detail to enable the Company to thoroughly check the proposed installation of Customer. Before the attachments are made, the permit must be approved by the Company. Customer shall not build separate pole lines along existing facilities of Company and shall not place intermediate poles in spans of Company, unless authorized by Company in writing. Company shall have the right to remove unauthorized Customer attachments at Customer's expense after notice to Customer. In the event a pole attachment count does not correspond to the recorded attachment count, Customer will pay a back rental fee for any excess attachments. The back rental fee will be double the rate otherwise in effect over the time since last pole attachment count and shall be payable on demand.

2. PERMITTED ATTACHMENTS

Customer shall be permitted to make only one bolt attachment for one messenger on tangent poles and two bolt attachments for two messengers on corner poles. A maximum of five individual coaxial cables may be supported by any single messenger if these cables are all attached to the messenger by suitable lashings or bindings, and so that the maximum overall dimension of the resulting cable bundle does not exceed two inches. Any messenger attachment other than to tangent poles must be properly braced with guys and anchors provided by Customer to the satisfaction of the Company. The use of existing Company anchors for this purpose must be specifically authorized in writing, subject to additional charge, and will not ordinarily be permitted. The use of crossarms or brackets shall not be permitted. In addition to messenger attachments, Customer will be permitted one Customer amplifier installation per pole and four service drops to be tapped on cable messenger strand and not on pole. Customer power supply installations shall be permitted, but only at pole locations specifically approved by the Company. Any or all of the above are considered one attachment for billing purposes. Any additional attachments desired by Customer will be considered on an individual basis by the Company, and as a separate attachment application.

3. CONSTRUCTION AND MAINTENANCE REQUIREMENTS AND SPECIFICATIONS

Customer's cables, wires and appliances, in each and every location, shall be erected and maintained in accordance with the requirements and specifications of the National Electrical

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Lexington, Kentucky**

CATV - RC**Cable Television Attachment – Rental Charge**

Safety Code, current edition, and Company's construction practices, or any amendments or revisions of said Code and in compliance with any rules or orders now in effect or that hereinafter may be issued by the Public Service Commission of Kentucky, or other authority having jurisdiction. In the event any of Customer's construction does not meet any of the foregoing requirements, Customer will correct same in fifteen work days after written notification. Company may make corrections and bill Customer for total costs incurred, if not corrected by Customer.

4. MAINTENANCE OF ATTACHMENTS

Customer shall, at its own expense, make and maintain said attachments in safe condition and in thorough repair, and in a manner suitable to Company and so as not to conflict with the use of said poles by Company, or by other parties, firms, corporations, governmental units, etc., using said poles, pursuant to any license or permit by Company, or interfere with the working use of facilities thereon or which may, from time to time, be placed thereon. Customer shall promptly at any time, at its own expense, upon written notice from Company, relocate, replace or renew its facilities placed on said poles, and transfer them to substituted poles, or perform any other work in connection with said facilities that may be required by Company but in no case longer than two months after date of written request. In cases of emergency, however, Company may arrange to relocate, replace or renew the facilities placed on said poles by Customer, transfer them to substituted poles or perform any other work in connection with said facilities that may be required in the maintenance, replacement, removal or relocation of said poles, the facilities thereon or which may be placed thereon, or for the service needs of Company, or its other licensees, and Customer shall, on demand, reimburse Company for the expense thereby incurred.

5. COSTS ASSOCIATED WITH ATTACHMENTS

In the event that any pole or poles of Company to which Customer desires to make attachments are inadequate to support the additional facilities in accordance with the aforesaid specifications, Company will indicate on the application and permit form (KU Form 17-52) the changes necessary to provide adequate poles and the estimated cost thereof to Customer and return the form to Customer. If Customer still desires to make the attachments, and returns the form to Company marked to so indicate, Company will replace such inadequate poles with suitable poles and Customer will, on demand, reimburse Company for the total cost of pole replacement necessary to accommodate Customer attachments, less the salvage value of any pole that is removed, and the expense of transferring Company's facilities from the old to the new poles. Where Customer desired attachments can be accommodated on pre-sent poles of Company by rearranging Company's facilities thereon, Customer will compensate Company for the full expense incurred in completing such rearrangements, within ten days after receipt of Company's invoice for such expense. Customer will also, on demand, reimburse the owner or owners of other facilities attached to said poles for any expense incurred by it or them in transferring or rearranging said facilities. In the event Customer makes an unauthorized attachment which necessitates rearrangements when discovered, then Customer shall pay on demand twice the expense incurred in completing such rearrangements.

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Cable Television Attachment – Rental Charge

6. MAINTENANCE AND OPERATION OF COMPANY'S FACILITIES

Company reserves to itself, its successors and assigns, the right to maintain its poles and to operate its facilities thereon in such manner as will, in its own judgment, best enable it to fulfill its electric service requirements, but in accordance with the specifications herein before referred to. Company shall not be liable to Customer for any interruption to service to Customer's subscribers or for interference with the operation of the cables, wires and appliances of Customer arising in any manner out of the use of Company's poles hereunder.

7. FRANCHISES AND EASEMENTS

Customer shall submit to Company evidence, satisfactory to Company, of Customer's authority to erect and maintain Customer's facilities within public streets, highways and other thoroughfares within the above described territory which is to be served and shall secure any necessary consent by way of franchise or other satisfactory license, permit or authority, acceptable to Company from State, County or municipal authorities or from the owners of property where necessary to construct and maintain facilities at the locations of poles of Company which it desires to use. Customer must secure its own easement rights on private property. Customer must, regardless of authority received or franchises given by governmental agencies, conform to all requirements of Terms and Conditions with regard to Company's property. Company's approval of attachments shall not constitute any representation or warranty by Company to Customer regarding Customer's right to occupy or use any public or private right-of-way.

8. INSPECTION OF FACILITIES

Company reserves the right to inspect each new installation of Customer on its poles and in the vicinity of its lines or appliances and to make periodic inspections, every two (2) years or more often as plant conditions warrant of the entire plant of Customer. Such inspections, made or not, shall not operate to relieve Customer of any responsibility, obligation or liability.

9. RENTALS

Customer shall pay to Company an annual rental charge per attachment in accordance with the Rental Schedule from time to time in effect, as approved by the Public Service Commission for each year from the 1st of January of each respective year to the following December 31 provided, however, that should the Agreement be terminated in accordance with the terms of the said Agreement at any time after January 1 of any year and prior to December 31 of that year, the annual rentals will be prorated from January 1 to the date of such termination. The rental payments herein provided for shall be made on a semi-annual basis upon the number of poles on which attachments are being maintained on the 1st day of December and the 1st day of June, respectively. This rental charge is subject to change in accordance with the Rental Schedule from time to time in effect, as approved by the Public Service Commission or applicable regulations or statutes.

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Cable Television Attachment – Rental Charge

10. PRECAUTIONS TO AVOID FACILITY DAMAGE

Customer shall exercise precautions to avoid damage to facilities of Company and of others supported on said poles; and shall assume all responsibility for any and all loss for such damage cause by it. Customer shall make an immediate report to Company of the occurrence of any damage and shall reimburse Company for the expense incurred in making repairs.

11. INDEMNITIES AND INSURANCE

Customer shall defend, indemnify and save harmless Company from any and all damage, loss, claim, demand, suit, liability, penalty or forfeiture of every kind and nature-including but not limited to costs and expenses of defending against the same and payment of any settlement or judgment therefor, by reason of (a) injuries or deaths to persons, (b) damages to or destructions of properties, (c) pollutions, contaminations of or other adverse effects on the environment or (d) violations of governmental laws, regulations or orders whether suffered directly by Company itself or indirectly by reason of claims, demands or suits against it by third parties, resulting or alleged to have resulted from acts or omissions of Customer, its employees, agents, or other representatives or from their presence on the premises of the Company, either solely or in concurrence with any alleged joint negligence of Company.

Customer shall provide and maintain in an Insurance Company(s) authorized to do business in the Commonwealth of Kentucky, the following:

- (a) Insurance protection for Customer employees to the extent required by the Workmen's Compensation Law of Kentucky and, where same is not applicable or if necessary to provide a defense for Company, Employer's Liability Protection (covering both Company and Customer) for Customer employees for no less than \$100,000.00 per employee.
- (b) Public Liability and Business Liability insurance with a minimum limit of \$500,000.00 for each person injured and with a minimum total limit of \$1,000,000.00 for each accident and a minimum limit of \$100,000.00 for property damage for each accident.
- (c) Public Liability and Property Damage insurance on all automotive equipment used by Customer on job to the extent of the amounts for Public Liability and Property Damage insurance set out in the preceding Paragraph (b).
- (d) In the event that work covered by the Agreement includes work to be done in places or areas where the Maritime Laws are in effect, then and in that event additional insurance protection to the limits in Paragraph (b) above for liability arising out of said Maritime Laws.
- (e) In the event the work covers fixed wing aircraft, rotor lift, lighter than air aircraft or any other form of aircraft, appropriate insurance will be carried affording protection to the limits prescribed in the preceding Paragraph (b).

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Cable Television Attachment – Rental Charge

- (f) In the event the work covers blasting, explosives or operations underground, in trenches or other excavations, appropriate insurance will be carried affording protection to the limits prescribed in the preceding Paragraph (b), together with products hazard and completed operations insurance where applicable, affording protection to the limits above prescribed. Customer's liability insurance shall be written to eliminate XCU exclusions. Said insurance is to be kept in force for not less than one year after cancellation of the Agreement.

Before starting work, Customer shall furnish to Company a certificate(s) of insurance satisfactory to Company, evidencing the existence of the insurance required by the above provisions, and this insurance may not be canceled for any cause without sixty (60) days advance written notice being first given the Company; provided, that failure of Company to require Customer to furnish any such certificate(s) shall not constitute a waiver by Company of Customer's obligation to maintain insurance as provided herein.

Each policy required hereunder shall contain a contractual endorsement written as follows: "The insurance provided herein shall also be for the benefit of Kentucky Utilities Company so as to guarantee, within the policy limits, the performance by the named insured of the indemnity provisions of the Cable Television Attachment Agreement between the named insured and Kentucky Utilities Company. This insurance may not be canceled for any cause without sixty (60) days advance written notice being first given to Kentucky Utilities Company."

12. ATTACHMENT REMOVAL AND NOTICES

Customer may at any time voluntarily remove its attachments from any pole or poles of Company, but shall immediately give Company written notice of such removal on a form to be supplied by Company (KU Form 17-53). No refund of any rental will be due on account of such voluntary removal.

13. FORBIDDEN USE OF POLES

Prior to Customer's initial attachment, Company reserves the right due to engineering design requirements to refuse use by Customer of certain or specific poles or structures (such as normal transmission routes). Upon notice from Company to Customer that the use of any pole or poles is forbidden by municipal or other public authorities or by property owners, the permit covering the use of such pole or poles shall immediately terminate and Customer shall remove its facilities from the affected pole or poles at once. No refund of any rental will be due on account of any removal resulting from such forbidden use.

14. NON-COMPLIANCE

If Customer shall fail to comply with any of the provisions of these Rules and Regulations or Terms and Conditions or default in any of its obligations under these Rules and Regulations or Terms and Conditions and shall fail within thirty (30) days after written notice from Company to correct such default or non-compliance, Company may, at its option, forthwith terminate the Agreement or the permit covering the poles as to which such default or non-compliance shall

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Cable Television Attachment – Rental Charge

have occurred, by giving written notice to Customer of said termination. No refund of any rental will be due on account of such termination.

15. BILLING

Bills for expenses and other charges under the Agreement shall be payable within ten days after presentation. Non-payment of bills shall constitute a default of the Agreement.

16. WAIVERS

Failure to enforce or insist upon compliance with any of these Rules and Regulations or Terms and Conditions or the Agreement shall not constitute a general waiver or relinquishment thereof, but the same shall be and remain at all times in full force and effect.

17. USE OF COMPANY'S FACILITIES BY OTHERS

Nothing herein contained shall be construed as affecting the rights or privileges previously conferred by Company, by contract or otherwise, to others, not parties to the Agreement, to use any poles covered by the Agreement; and Company shall have the right to continue and to extend such rights or privileges. The attachment privileges herein granted shall at all times be subject to such existing contracts and arrangements.

18. ASSIGNMENT

Customer shall not assign, transfer or sublet the privileges hereby granted and/or provided in the Agreement without the prior consent in writing of Company.

19. PROPERTY RIGHTS

No use, however extended, of Company poles under the Agreement shall create or vest in Customer any ownership or property rights in said poles, but Customer shall be and remain a customer only. Nothing herein contained shall be construed to compel Company to maintain any of said poles for a period longer than demanded by its electric service requirements.

20. FAILURE TO PROCEED

Customer agrees to proceed as expeditiously as practical with the work of providing the television cable service to the area described in the Agreement. Within ninety (90) days from the date of the Agreement, Customer shall make progress reasonably satisfactory to Company in the installation of its facilities or shall demonstrate, to the reasonable satisfaction of Company, its ability to proceed expeditiously.

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21. TERMINATION

Upon termination of the Agreement in accordance with any of its terms, Customer shall immediately remove its cables, wires and appliances from all poles of Company. If not removed, Company shall have the right to remove them at the cost and expense of Customer.

22. SECURITY

Customer shall furnish bond for the purposes hereinafter specified as follows:

- (a) during the period of Customer's initial installation of its facilities and at the time of any expansion involving more than 75 poles, a bond in the amount of \$2,000 for each 100 poles (or fraction thereof) to which Customer intends to attach its facilities;
- (b) following the satisfactory completion of Customer's initial installation, the amount of bond shall be reduced to \$1,000 for each 100 poles (or fraction thereof);
- (c) after Customer has been a customer of Company pursuant to the Agreement and is not in default thereunder for a period of three years, the bond shall be reduced to \$500 for each 100 poles (or fraction thereof).
- (d) such bond shall contain the provision that it shall not be terminated prior to six (6) months' after receipt by the Company of written notice of the desire of the bonding or insurance company to terminate such bond. This six (6) months' termination clause may be waived by Company if an acceptable replacement bond is received before the six (6) months has ended. Upon receipt of such termination notice, the Company shall request Customer to immediately remove its cables, wires and all other facilities from all poles of Company. If Customer should fail to complete the removal of all of its facilities from the poles of Company within thirty (30) days after receipt of such request from Company, then Company shall have the right to remove them at the cost and expense of Customer and without being liable for any damage to Customer's wires, cables, fixtures or appurtenances. Such bond shall guarantee the payment of any sums which may become due to Company for rentals, inspections or work performed for the benefit of Customer under the Agreement, including the removal of attachments upon termination of the Agreement by any of its provisions.
- e) Company in its sole discretion may agree in writing to accept other collateral (such as a cash deposit or an irrevocable bank letter of credit) in substitution for the bond required by, and subject to the other requirements of, this Section 22.

23. NOTICES

Any notice, or request, required by these Rules and Regulations or Terms and Conditions or the Agreement shall be deemed properly given if mailed, postage pre-paid, to the Senior Vice President in charge of Operations, Kentucky Utilities Company, One Quality Street, Lexington,

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Cable Television Attachment – Rental Charge

Kentucky, in the case of Company; or, in the case of the Customer, to its representative designated in the Agreement. The designation of the person to be notified, and/or his address may be changed by Company or Customer at any time, or from time to time, by similar notice.

24. ADJUSTMENTS

Nothing contained herein or in any Agreement shall be construed as affecting in any way the right of Company, and Company shall at all times have the right, to unilaterally file with the Public Service Commission a change in rental charges for attachments to poles, other charges as provided for, any rule, regulation, condition or any other change required. Such change or changes to become effective upon approval of the Commission or applicable regulations or statutes, and shall constitute an amendment to the Agreement.

25. TERM OF AGREEMENT

The Cable Television Attachment Agreement shall become effective upon execution by both parties and shall continue in effect for not less than one (1) year, subject to provision contained in the Agreement. At any time thereafter, the Customer may terminate the Agreement by giving not less than six (6) months prior written notice. Upon termination of the Agreement, Customer shall immediately remove its cables, wire, appliances and all other attachments from all poles of Company.

26. BINDING EFFECT

Subject to the provisions of Section 18 hereof, the Agreement and these Rules and Regulations or Terms and Conditions shall extend to and bind the successors and assigns of the parties hereto.

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Lexington, Kentucky**

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Special Charges

The following charges will be applied uniformly throughout the Company's service territory. Each charge, as approved by the Public Service Commission, reflects only that revenue required to meet associated expenses.

RETURNED PAYMENT CHARGE

In those instances where a Customer renders payment to the Company which is not honored upon deposit by the Company, the Customer will be charged \$9.00 to cover the additional processing costs.

METER TEST CHARGE

Where the test of a meter is performed during normal working hours upon the written request of a Customer, pursuant to 807 KAR 5:006, Section 19, and the results show the meter was not more than two percent fast, the Customer will be charged \$31.40 to cover the test and transportation costs.

DISCONNECTING AND RECONNECTING SERVICE CHARGE

A charge of \$31.00 will be made to cover disconnection and reconnection of electric service when discontinued for non-payment of bills or for violation of the Company's rules and regulations, such charge to be made before reconnection is effected. No charge will be made for customers qualifying for service reconnection pursuant to 807 KAR 5:006, Section 15, Winter Hardship Reconnection.

Residential and general service customers may request and be granted a temporary suspension of electric service. In the event of such temporary suspension, Company will make a charge of \$31.00 to cover disconnection and reconnection of electric service, such charge to be made before reconnection is effected.

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ELECTRIC RIDER	CSR
Curtailed Service Rider	
APPLICABLE	
In all territory served.	
AVAILABILITY OF SERVICE	
This rider shall be made available to any customer served under the applicable power schedules who contracts for not less than 1,000 kilowatts of their total requirements to be subject to curtailment upon notification by the Company.	
CONTRACT OPTION	
Customer may, at Customer's option, contract with Company to curtail service upon notification by the Company. Requests for curtailment shall not exceed five hundred (500) hours per year nor shall any single request for curtailment be for less than thirty (30) minutes or for more than fourteen (14) hours per calendar day, with unlimited requests for curtailment per calendar day within these parameters. Company may request or cancel a curtailment at any time during an hour, but shall give no less than ten (10) minutes notice when either requesting or canceling a curtailment.	
Compliance with a request for curtailment shall be measured in one of the following two ways:	
<ul style="list-style-type: none">a) The customer shall contract for a given amount of firm demand, and the curtailable load shall be the Customer's monthly billing demand in excess of the firm contract. During a request for curtailment, the customer shall reduce its demand to the firm demand designated in the contract. The difference in the maximum demand in the billing month and the maximum demand in any requested curtailment period, but not less than the contracted firm demand, in the billing period shall be the curtailable demand on which the monthly credit is based. The demand in excess of the firm load during each requested curtailment in the billing period shall be the measure of non-compliance.b) The customer shall contract for a given amount of curtailable load by which the customer shall agree to reduce its demand from the monthly maximum demand. During a request for curtailment, the Customer shall reduce its demand to a level equal to the maximum monthly demand less the curtailable load designated in the contract. The difference in the maximum demand in the billing month and the maximum demand in any requested curtailment period, but not more than the contracted curtailable load, in the billing period shall be the curtailable demand on which the monthly credit is based. The difference in contracted curtailable load and the actual curtailed load during each requested curtailment in the billing period shall be the measure of non-compliancec) In those months in which the Company does not request load curtailment, the customer will receive a credit based on either the difference in the monthly billing demand and the contracted firm demand, a) above, or the contracted curtailable demand, b) above	

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Lexington, Kentucky**

ELECTRIC RIDER

CSR

Curtable Service Rider

RATE

Customer will receive a credit against the applicable power schedule for curtable KW, as determined in the preceding paragraph, times the applicable credit. Customers will be charged for the portion of each requested curtailment not met at the applicable charge.

	Primary	Transmission
Demand Credit of:	\$ 4.19 per KW	\$ 4.09 per KW
Non-Compliance Charge of:	\$16.00 per KW	\$16.00 per KW

Failure of Customer to curtail when requested to do so may result in termination of service under this rider.

TERM OF CONTRACT

The minimum original contract period shall be one year and thereafter until terminated by giving at least 6 months previous written notice, but Company may require that contract be executed for a longer initial term when deemed necessary by the size of the load or other conditions.

TERMS AND CONDITIONS

Except as specified above, all other provisions of the power rate to which this schedule is a rider shall apply.

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Lexington, Kentucky**

ELECTRIC RIDER

IFL

Rider for Intermittent and Fluctuating Loads

APPLICABLE

In all territory served.

AVAILABILITY OF SERVICE

This schedule applies to all loads having a detrimental effect upon the electric service rendered to other Customers of the Company or upon the Company's facilities.

Where Customer's use of service is intermittent, subject to violent or extraordinary fluctuations, or produces unacceptable levels of harmonic current, in each case as determined by the Company, in its reasonable discretion, the Company reserves the right to require Customer to furnish, at Customer's own expense, suitable equipment (as approved by the Company in its reasonable discretion) to meter and limit such intermittence, fluctuation, or harmonics to the extent reasonably requested by the Company. Without limiting the foregoing, the Company may require such equipment if, at any time, the megavars, harmonics, and other desirable electrical characteristics produced by the Customer exceed the limits set forth in the IEEE standards for such characteristics. In addition, if the Customer's use of the Company's service under this schedule causes such undesirable electrical characteristics in an amount exceeding those IEEE standards, such use shall be deemed to cause a dangerous condition which could subject any person to imminent harm or result in substantial damage to the property of the Company or others, and the Company shall therefore terminate service to the Customer in accordance with 807 KAR 5:056, Section 14(b). Such a termination of service shall not be considered a cancellation of the service agreement or relieve Customer of any minimum billing or other guarantees. The Company shall be held harmless for any damages or economic loss resulting from such termination of service. If requested by the Company, Customer shall provide all available information to the Company that aids the company in enforcing its service standards. If the Company at any time has a reasonable basis for believing that Customer's proposed or existing use of the service provided will not comply with the service standards for interference, fluctuations, or harmonics, the company may engage such experts and/or consultants as the Company shall determine are appropriate to advise the Company in ensuring that such interference, fluctuations, or harmonics are within acceptable standards. Should such experts and/or consultants determine Customer's use of service is unacceptable, Company's use of such experts and/or consultants will be at the Customer's expense.

RATE

1. A contribution in aid of construction or an excess facilities charge shall be required for all special or added facilities, if any, necessary to serve such loads, as provided under the Excess Facilities Rider.
2. Plus the charges provided for under the rate schedule applicable, including any customer charge if applicable, energy charge, maximum load charge (if load charge rate is used), fuel clause and the minimum under such rate adjusted in accordance with (a) or (b) herein.
 - (a) If rate schedule calls for a minimum based on the total KW of connected load, each KVA of such special equipment shall be counted as one KW connected load for minimum billing purposes.
 - (b) If rate schedule calls for a minimum based on the 15-minute integrated load, and such loads operate only intermittently so that the KW registered on a standard 15-minute integrated demand meter is small in comparison to the instantaneous load such equipment is capable of imposing, each KVA of such special equipment shall be counted as one-third KW load for minimum billing purposes.

MINIMUM CHARGE

As determined by this Rider and the Rate Schedule to which it is attached.

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Lexington, Kentucky**

STANDARD RIDER

EF

Excess Facilities

APPLICABLE

In all territory served.

AVAILABILITY OF SERVICE

This rider is available for non-standard service facilities which are considered to be in excess of the standard facilities that would normally be provided by the Company. This rider does not apply to line extensions or to other facilities which are necessary to provide basic electric service. The Company reserves the right to decline to provide service hereunder for any project (a) that exceeds \$100,000 or (b) where the Company does not have sufficient expertise to install, operate, or maintain the facilities or (c) where the facilities do not meet Company's safety requirements, or (d) where the facilities are likely to become obsolete prior to the end of the initial contract term.

DEFINITION OF EXCESS FACILITIES

Excess facilities are lines and equipment which are installed in addition to or in substitution for the normal facilities required to render basic electric service and are customer specific. Applications of excess facilities include, and are limited to, emergency backup feeds, automatic transfer switches, redundant transformer capacity, and duplicate or check meters.

LEASED FACILITIES CHARGE

The customer shall pay for excess facilities through a contribution in aid of construction, which may take the form of a one-time payment or a Carrying Cost Charge based on the original installed cost of the facilities.

	Monthly Rates	
	Carrying Cost	Operating Expenses
Charge for Distribution Facilities	0.93%	0.56%

The percentage rates are applied to the installed cost of the excess facilities.

PAYMENT

The Excess Facilities Charges shall be incorporated with the bill for electric service and will be subject to the same payment provisions.

TERM OF CONTRACT

The initial term of contract to the customer under this schedule shall be not less than 5 years. The term shall continue automatically thereafter until terminated by either party upon at least one month's written notice.

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Lexington, Kentucky**

N

ELECTRIC RIDER

Kilowatt-Hours Consumed By Street Lighting Units

APPLICABLE

Determination of energy set out below applies to the Company's non-metered lighting rate schedules.

DETERMINATION OF ENERGY CONSUMPTION

The applicable fuel clause charge or credit will be based on the kilowatt-hours calculated by multiplying the kilowatt load of each light times the number of hours that light is in use during the billing month. The kilowatt load of each light is shown in the section titled RATE. The number of hours a light will be in use during a given month is from dusk to dawn as shown in the following Hours Use Table.

HOURS USE TABLE

<u>Month</u>	<u>Hours Light Is In Use</u>
JAN	407
FEB	344
MAR	347
APR	301
MAY	281
JUN	257
JUL	273
AUG	299
SEP	322
OCT	368
NOV	386
DEC	415
TOTAL FOR YEAR	4,000 HRS.

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STANDARD RIDER

TS

Temporary and/or Seasonal Electric Service

APPLICABLE

In all territory served.

AVAILABILITY OF SERVICE

This rider is available at the option of the Customer where Customer's business is of such nature to require only seasonal service or temporary service, including service provided for construction of residences or commercial buildings, and where in the judgment of the Company the local and system electrical facility capacities are adequate to serve the load without impairment of service to other Customers.

This service is available for not less than one month (approximately 30 days), but when service is used longer than one month, any fraction of a month's use will be prorated for billing purposes.

CONDITIONS

Company may permit such electric loads to be served on the rate schedule normally applicable, but without requiring a

1. Customer to pay Company for all costs of making temporary connections, including cost of installing necessary transformers, meters, poles, wire and any other material, and any cost of material which cannot be salvaged, and the cost of removing such facilities when load has ceased.
2. Customer to pay regular rate of the electric rate schedule applicable, with the exception of the minimum provision, which will be as outlined in (3) below.
3. Minimum: Customer to pay minimum bill equivalent to \$3.99 per KW or fraction thereof, of the total connected load including power, lighting and any other electrical equipment, plus the applicable customer charge.

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STANDARD RIDER

RC

Redundant Capacity Rider

APPLICABLE

This rate is applicable to customers served under the Company's rate schedules which include a demand charge or a special contract including a demand charge.

AVAILABILITY OF SERVICE

Available to Customers requesting the reservation of capacity on the Company's facilities which are shared by other customers. Such facilities represent a redundant delivery to provide electric service to the Customer's facility in the event that an emergency or unusual occurrence renders the Customers principal delivery unavailable for providing service.

RATE:

Capacity Reservation Charge

Secondary Distribution
Primary Distribution

\$0.80 per Kw per Month
\$0.63 per Kw per Month

Applicable to the greater of:

- (1) the highest average load in kilowatts recorded at either the principal distribution feed metering point or at the redundant distribution feed metering point during any 15-minute interval in the monthly billing period,
- (2) 50% of the maximum demand similarly determined for any of the 11 preceding months, or
- (3) the contracted capacity reservation

SPECIAL TERMS AND CONDITIONS:

The minimum contract term shall be five years, but the Company may require that a contract be executed for a longer initial term when deemed necessary by the difficulty and/or high cost associated with providing the redundant feed or other special conditions

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ELECTRIC RATE SCHEDULE**NMS****Net Metering Service****APPLICABLE**

In all territory served by the Company on a trial basis for 36 months from the effective date of March 14, 2002.

AVAILABILITY OF SERVICE

Available to customers who own, operate and maintain a generation system located on customer's premises, that use as its total fuel source solar, wind or hydro energy, in parallel with the Company's electric system to provide all or part of their electrical requirements, and who execute the Company's written Net Metering Program Notification Form. The generation system shall be limited to a maximum capacity of 10 kilowatts for residential customers and 25 kilowatts for non-residential customers. This tariff will be made available on a pilot program basis to the first 25 customers who execute and submit a Net Metering Program Notification Form. To participate in the program, a customer shall begin service during the first two years of the trial.

NOTIFICATION

The customer shall submit a completed Net Metering Program Notification Form to the company at least 30 days prior to the date the customer intends to interconnect his generator to the company's facilities. Customer shall have all equipment necessary to complete the interconnection installed prior to such notification. The company shall have 30 days from the date of notification to determine whether the customer has satisfied the tariff requirements and shall notify customer. The date of notification shall be the third day following the mailing of the Net Metering Program Notification Form by customer. Customer may interconnect his generator thirty-one days after the date of notification, and begin operation unless the company provides notification of non-compliance to the tariff, prior to the 31st day.

METERING AND BILLING

Net Metering Service shall be measured in accordance with standard metering practices by metering equipment capable of measuring (but not necessarily displaying) power flow in both directions. If electricity generated by the customer and fed back to the Company's system exceeds the electricity supplied to the customer from the system during a net metering period, the customer shall receive no compensation from the Company unless the customer has entered into a purchase power contract with the Company. If electricity generated by the customer and fed back to the system exceeds the electricity supplied to the customer from the system during any billing period, resulting in a Billing Period Credit, the customer shall be required to pay only the non-energy charges for that billing period. Any excess net generation by the customer shall be accumulated, carried forward and applied at the first opportunity to any billing periods having positive net consumption. Any accumulated Billing Period Credits remaining unused at the end of a net metering period shall be carried forward into the next net metering period only to the extent that such accumulated Billing Period Credits carried forward do not exceed the net metering customer's positive net consumption for the current net metering period. Net metering service shall be measured using a single meter or, as determined by the Company, additional meters.

LIABILITY INSURANCE

A customer with a generator with a rated capacity not exceeding 10 kilowatts shall maintain homeowners, commercial, or other insurance providing coverage in the amount of at least \$100,000 for the liability of the insured against loss arising out of the use of a generator, and for a generator with a rated capacity exceeding 10 kilowatts such coverage shall be in the amount of at least \$300,000.

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Lexington, Kentucky**

ELECTRIC RATE SCHEDULE

NMS

Net Metering Service

ADDITIONAL CONTROLS AND TESTS

The company may install additional controls or meters, or conduct additional tests as it may deem necessary.

NET METERING SERVICE INTERCONNECTION GUIDELINES

Customer shall operate their generating facilities in parallel with Company's system under the following conditions and any other conditions required by Company where unusual conditions arise not covered herein:

1. Customer to own, install, and maintain all generating facilities on their premises. Such facilities shall include, but not be limited to, necessary control equipment to synchronize frequency, voltage, etc., between customer's and Company's system as well as adequate protective equipment between the two systems. Customer's voltage at the point of interconnection will be the same as the Company's system voltage.
2. Customer will be responsible for operating generators and all facilities owned by customer, except as specified hereinafter. Customer will maintain its system in synchronization with Company's system.
3. Customer will be responsible for any damage done to Company's equipment due to failure of customer's control, safety, or other equipment.
4. The Company at, its discretion, may require a suitable lockable, company accessible, load breaking manual disconnect switch or similar equipment, as specified by Company, to be furnished by *customer* at a location designated by Company to enable the separation or disconnection of the two electrical systems. The load breaking manual disconnect switch must be accessible to the Company at all times.
5. Customer agrees to inform Company of any changes it wishes to make in its generating and/or associated facilities that is different from those initially installed and described to Company in writing and obtain prior approval from Company.
6. Company will have the right to inspect and approve customer's facilities, described herein, and conduct any tests necessary to determine that such facilities are installed and operating properly. However, the Company will have no obligation to inspect, witness tests or in any manner be responsible for customer's facilities or operation.
7. The customer assumes all responsibility for the electric service on the customer's premises at and from the point of delivery of electricity from the Company and for the wires and equipment used in connection therewith, and will protect and save the Company harmless from all claims for injury or damage to persons or property occurring on the customer's premises or at and from the point of delivery of electricity from the Company, occasioned by such electricity or said wires and equipment, except where said injury or damage will be shown to have been occasioned solely by the negligence of the Company

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Lexington, Kentucky**

ELECTRIC RATE SCHEDULE

NMS

Net Metering Service

CONDITIONS OF INTERCONNECTION

A customer may begin operation of his generator on an interconnected basis when all of the following have been satisfied:

1. The customer has properly notified the company of his intent to interconnect by submission of the completed Net Metering Program Notification Form.
2. The net metering customer has installed a lockable, company accessible, load breaking manual disconnect switch, if required.
3. A licensed electrician has certified, by signing the Company Net Metering Program Notification Form, that any required manual disconnect switch has been installed properly and that the generator has been installed in accordance with the manufacturer's specifications as well as all applicable provisions of the National Electrical Code.
4. The vendor has certified, by signing the Company Net Metering Program Notification Form, that the generator being installed is in compliance with the requirements established by Underwriters Laboratories, or other national testing laboratories.
5. The customer has had the inverter settings inspected by the company, if the generator is a static inverter-connected generator with an alternating current capacity in excess of 10 kilowatts. The Company may impose a fee on the customer of no more than \$50 for such inspection.
6. For non-static inverter-connected generators, the customer has interconnected according to the Company's interconnection guidelines and the Company has inspected all protective equipment settings. The Company may impose a fee on the customer of no more than \$50 for such inspection.

DEFINITIONS

"Billing period" shall be the time period between the dates on which the Company issues the customer's bills.

"Billing Period Credit" shall be the electricity generated by the customer that flows into the electric system and which exceeds the electricity supplied to the customer from the electric system during any billing period.

"Net metering period" shall be each successive 12-month period beginning with the first meter reading date following the date of final interconnection of the generator with the company's facilities.

TERMS AND CONDITIONS

Except as provided herein, service will be furnished under Company's Terms and Conditions applicable hereto.

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**Michael S. Beer, Vice President
Lexington, Kentucky**

ELECTRIC RATE SCHEDULE

NMS

Net Metering Service

Net Metering Program Notification Form

INTERCONNECTION NOTIFICATION

APPLICANT HEREBY GIVES NOTICE OF INTENT TO OPERATE A GENERATING FACILITY.

Section 1. Applicant Information

Name: _____
Mail _____
Address: _____
City: _____ State: _____ Zip Code: _____
Facility Location (if different from above): _____
Daytime Phone Number: _____
KU Account Number : _____

Section 2. Generating Facility Information

Generator Type (check one): Solar _____, Wind _____, Hydro _____
Generator Manufacturer, Model Name & Number: _____
Power Rating in Kilowatts: AC: _____ DC: _____
Inverter Manufacturer, Model Name & Number: _____
Battery Backup? (yes or no) _____

Section 3. Installation Information

Installation Date: _____ Proposed Interconnection Date: _____

Section 4. Certifications

1. The system hardware is listed by Underwriters Laboratories to be in compliance with UL 1741:
Signed (Vendor): _____ Date: _____
Name (printed): _____ Company: _____
Phone Number: _____
2. The system has been installed in accordance with the manufacturer's specifications as well as all applicable provisions of the National Electrical Code.
Signed (Licensed Electrician): _____ Date: _____
License Number: _____ Phone Number: _____
Mail Address: _____
City: _____ State: _____ Zip Code: _____
3. Utility signature signifies only receipt of this form.
Signed (Utility Representative): _____
Date: _____

I hereby certify that, to the best of my knowledge, all of the information provided in this Notice is true and correct.

Signature of Applicant _____

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**Michael S. Beer, Vice President
Lexington, Kentucky**

ELECTRIC RIDER

LRI

Experimental Load Reduction Incentive Rider

APPLICABLE

In all territory served.

AVAILABILITY OF SERVICE

This schedule shall be made available as a rider to any customer served on the Company's standard tariffs, having stand-by generation facilities of at least 500 kW, and agreeing to operate such facilities in accordance with the terms and conditions of this tariff. Service under this schedule is offered on an experimental basis for a period of six years from the effective date of August 1, 2000, for a total maximum contracted load of 10,000 kW.

RATE

Up to \$0.30 per KWH

TERMS AND CONDITIONS

- 1) Company will have the option to require Customer to operate Customer's stand-by generation to replace Customer's electric usage. Such period of generation shall not exceed 8 hours in any 24-hour period nor shall the total hours of generation in any 12-month period exceed 300 hours.
- 2) Should Company request Customer to operate Customer's stand-by generation, Company will notify Customer by 12 noon on a day ahead basis.
- 3) Company's request for Customer to operate Customer's stand-by generation will include an offer of a payment per KWH for Customer to operate Customer's stand-by generation.
- 4) Customer is obligated to operate Customer's stand-by generation should Customer accept the Company's offered price.
- 5) Customer's stand-by generation shall not be operated in parallel with Company's system (i.e., such generation shall be connected to circuits which are isolated from Company's system).
- 6) Customer will be responsible for maintaining Customer's stand-by generation, including an adequate fuel supply, to ensure meeting Customer's obligation under this schedule.
- 7) Company will meter the output of Customer's stand-by generation, base the payment for Customer reducing load on the metered output, and provide payment to Customer through a credit to Customer's standard service billing.
- 8) Customer may provide Company with the option to install equipment that will permit Company to remotely start stand-by generation and switch circuits to such generation so that they are isolated from Company's system.
- 9) Company has no obligation to request operation of Customer's stand-by generation nor to provide any credit to Customer without first requesting Customer to provide stand-by generation.

TERM OF CONTRACT

The minimum term of contract shall be for one year and thereafter until terminated by either party giving at least six months written notice. Company may require a longer initial term when deemed necessary. Failure of Customer to operate stand-by generation may result in termination of contract.

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**Michael S. Beer, Vice President
Louisville, Kentucky**

FAC
Fuel Adjustment Clause

APPLICABLE

In all territory served.

AVAILABILITY OF SERVICE

This schedule is a mandatory rider to all electric rate schedules.

- (1) The charge per KWH delivered under the rate schedules to which this fuel clause is applicable shall be increased or decreased during each month in accordance with the following formula:

$$\text{Adjustment Factor} = \frac{F(m)}{S(m)} - \frac{F(b)}{S(b)}$$

where "F" is the expense of fossil fuel and "S" is the KWH sales in the base (b) and current (m) periods as defined in 807 KAR 5:056, all as set out below.

- (2) Fuel costs (F) shall be the most recent actual monthly cost of:
- (a) Fossil fuel consumed in the utility's own plants, plus the cost of fuel which would have been used in plants suffering forced generation or transmission outages, but less the cost of fuel related to substitute generation, plus
 - (b) The actual identifiable fossil and nuclear fuel costs associated with energy purchased for reasons other than identified in paragraph (c) below, but excluding the cost of fuel related to purchases to substitute the forced outages, plus
 - (c) The net energy cost of energy purchases, exclusive of capacity or demand charges (irrespective of the designation assigned to such transaction) when such energy is purchased on an economic dispatch basis. Included therein may be such costs as the charges for economy energy purchases and the charges as a result of schedule outage, all such kinds of energy being purchased by the buyer to substitute for its own higher cost energy; and less
 - (d) The cost of fossil fuel recovered through inter-system sales including the fuel costs related to economy energy sales and other energy sold on an economic dispatch basis.
 - (e) All fuel costs shall be based on weighted average inventory costing.
- (3) Forced outages are all non-schedules losses of generation or transmission which require substitute power for a continuous period in excess of six hours. Where forced outages are not as a result of faulty equipment, faulty manufacture, faulty design, faulty installations, faulty operation, or faulty maintenance, but are Acts of God, riot, insurrection or acts of the public enemy, then the utility may, upon proper showing, with the approval of the Commission, include the fuel cost of substitute energy in the adjustment. Until such approval is obtained, in making the calculations of fuel cost (F) in subsection (2)(a) and (b) above, the forced outage costs to be subtracted shall be no less than the fuel cost related to the lost generation.

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Michael S. Beer, Vice President
Lexington, Kentucky

FAC

Fuel Adjustment Clause

- (4) Sales (S) shall be all KWH's sold, excluding inter-system sales. Where, for any reason, billed system sales cannot be coordinated with fuel costs for the billing period, sales may be equated to the sum of (i) generation, (ii) purchases, (iii) interchange in, less (iv) energy associated with pumped storage operations, less (v) inter-system sales referred to in subsection (2)(d) above, less (vi) total system losses. Utility used energy shall not be excluded in the determination of sales (S).
- (5) The cost of fossil fuel shall include no items other than the invoice price of fuel less any cash or other discounts. The invoice price of fuel includes the cost of the fuel itself and necessary charges for transportation of the fuel from the point of acquisition to the unloading point, as listed in Account 151 of FERC Uniform System of Accounts for Public Utilities and Licensees.
- (6) Base (b) period shall be the twelve months ending May 2002 and the base fuel factor is 1.494 cents per KWH.
- (7) Current (m) period shall be the second month preceding the month in which the Fuel Clause Adjustment Factor is billed.
- (8) Pursuant to the Public Service Commission's Order in Case No. 2002-00433 dated April 23, 2003, the Fuel Adjustment Clause will become effective with bills rendered on and after the first billing cycle of May 2003.

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**Michael S. Beer, Vice President
Lexington, Kentucky**

DSMRM

Demand-Side Management Cost Recovery Mechanism

APPLICABLE TO: Residential Service Rate RS, Volunteer Fire Department Rate VDF, General Service Rate GS, Large Power Rate LP, and Large Commercial and Industrial Time-of-Day Rate LCI-TOD. Industrial customers served under Large Power Rate LP and Large Commercial and Industrial Time-of-Day Rate LCI-TOD, who elect not to participate in a demand-side management program hereunder shall not be assessed a charge pursuant to this mechanism.

The monthly amount computed under each of the rate schedules to which this Demand-Side Management Cost Recovery Mechanism is applicable shall be increased or decreased by the DSM Cost Recovery Component (DSMRC) at a rate per kilowatt hour of monthly consumption in accordance with the following formula:

$$\text{DSMRC} = \text{DCR} + \text{DRLS} + \text{DSMI} + \text{DBA}$$

Where: **DCR = DSM COST RECOVERY.** The DCR shall include all expected costs which have been approved by the Commission for each twelve-month period for demand-side management programs which have been developed through a collaborative advisory process ("approved programs"). Such program costs shall include the cost of planning, developing, implementing, monitoring, and evaluating DSM programs. Program costs will be assigned for recovery purposes to the rate classes whose customers are directly participating in the program. In addition, all costs incurred by or on behalf of the collaborative process, including but not limited to costs for consultants, employees and administrative expenses, will be recovered through the DCR. Administrative costs that are allocable to more than one rate class will be recovered from those classes and allocated by rate class on the basis of the estimated budget from each program. The cost of approved programs shall be divided by the expected kilowatt-hour sales for the upcoming twelve-month period to determine the DCR for such rate class.

DRLS = DSM REVENUE FROM LOST SALES

Revenues from lost sales due to DSM programs implemented on and after the effective date of this tariff and will be recovered as follows:

For each upcoming twelve-month period, the estimated reduction in customer usage (in Kwh) as determined for the approved programs shall be multiplied by the non-variable revenue requirement per Kwh for purposes of determining the lost revenue to be recovered hereunder from each customer class. The non-variable revenue requirement for the Residential and General Service customer class is defined as the weighted average price per Kwh of expected billings under the energy charges contained in the Rate RS and GS rate schedules in the upcoming twelve-month period after deducting the variable costs included in such energy charges. The non-variable

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Michael S. Beer, Vice President
Lexington, Kentucky

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DSMRM

Demand-Side Management Cost Recovery Mechanism

revenue requirement for each of the customer classes that are billed under demand and energy rates (Rate LP and Rate LCI-TOD) is defined as the weighted average price per Kwh represented by the composite of the expected billings under the respective demand and energy charges in the upcoming twelve-month period, after deducting the variable costs included in the energy charges.

The lost revenues for each customer class shall then be divided by the estimated class sales (in Kwh) for the upcoming twelve-month period to determine the applicable DRLS surcharge. Recovery of revenue from lost sales calculated for a twelve-month period shall be included in the DRLS for 36 months or until implementation of new rates pursuant to a general rate case, whichever comes first. Revenues from lost sales will be assigned for recovery purposes to the rate classes whose programs resulted in the lost sales.

Revenues collected hereunder are based on engineering estimates of energy savings, expected program participation and estimated sales for the upcoming twelve-month period. At the end of each such period, any difference between the lost revenues actually collected hereunder and the lost revenues determined after any revisions of the engineering estimates and actual program participation are accounted for shall be reconciled in future billings under the DSM Balance Adjustment (DBA) component.

A program evaluation vendor will be selected to provide evaluation criteria against which energy savings will be estimated for that program. Each program will be evaluated after implementation and any revision of the original engineering estimates will be reflected in both (a) the retroactive true-up provided for under the DSM Balance Adjustment and (b) the prospective future lost revenues collected hereunder.

DSMI = DSM INCENTIVE. For all Energy Impact Programs except Direct Load Control, the DSM incentive amount shall be computed by multiplying the net resource savings expected from the approved programs which are to be installed during the upcoming twelve-month period times fifteen (15) percent, not to exceed five (5) percent of program expenditures. Net resource savings are defined as program benefits less utility program costs and participant costs where program benefits will be calculated on the basis of the present value of KU's avoided costs over the expected life of the program, and will include both capacity and energy savings. For Energy Education and Direct Load Control Programs, the DSM incentive amount shall be computed by multiplying the annual cost of the approved programs which are to be installed during the upcoming twelve-month period times five (5) percent.

The DSM incentive amount related to programs for Residential Service Rate RS, Volunteer Fire Department Service VFD, General Service Rate GS, Rate LP, and Large Commercial and Industrial Time-of-Day Rate LCI-TOD shall be divided by the expected kilowatt-hour sales for the upcoming twelve-month period to determine the DSMI for such rate class. DSM incentive amounts will be assigned for recovery purposes to the rate classes whose programs created the incentive.

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Michael S. Beer, Vice President
Lexington, Kentucky

DSMRM

Demand-Side Management Cost Recovery Mechanism

DBA = DSM BALANCE ADJUSTMENT. The DBA shall be calculated on a calendar year basis and is used to reconcile the difference between the amount of revenues actually billed through the DCR, DRLS, DSMI and previous application of the DBA and the revenues which should have been billed, as follows:

- (1) For the DCR, the balance adjustment amount will be the difference between the amount billed in a twelve-month period from the application of the DCR unit charge and the actual cost of the approved programs during the same twelve-month period.
- (2) For the DRLS the balance adjustment amount will be the difference between the amount billed during the twelve-month period from application of the DRLS unit charge and the amount of lost revenues determined for the actual DSM measures implemented during the twelve-month period.
- (3) For the DSMI, the balance adjustment amount will be the difference between the amount billed during the twelve-month period from application of the DSMI unit charge and the incentive amount determined for the actual DSM measures implemented during the twelve-month period.
- (4) For the DBA, the balance adjustment amount will be the difference between the amount billed during the twelve-month period from application of the DBA and the balance adjustment amount established for the same twelve-month period.

The balance adjustment amounts determined on the basis of the above paragraphs (1)-(4) shall include interest applied to the monthly amounts, such interest to be calculated at a rate equal to the average of the "3-month Commercial Paper Rate" for the immediately preceding 12-month period. The total of the balance adjustment amounts shall be divided by the expected kilowatt-hour sales for the upcoming twelve-month period to determine the DBA for such rate class. DSM balance adjustment amounts will be assigned for recovery purposes to the rate classes to which over- or under-recoveries of DSM amounts were realized.

The filing of modifications to the DSMRC which require changes in the DCR component shall be made at least two months prior to the beginning of the effective period for billing.

Modifications to other components of the DSMRC shall be made at least thirty days prior to the effective period for billing. Each filing shall include the following information as applicable:

- (1) A detailed description of each DSM program developed by the collaborative process, the total cost of each program over the twelve-month period, an analysis of expected resource savings, information concerning the specific DSM or efficiency measures to be installed, and any applicable studies which have been performed, as available.

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Michael S. Beer, Vice President
Lexington, Kentucky

DSMRM

Demand-Side Management Cost Recovery Mechanism

- (2) A statement setting forth the detailed calculation of the DCR, DRLS, DSMI, DBA and DSMRC.

Each change in the DSMRC shall be placed into effect with bills rendered on and after the effective date of such change.

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**Michael S. Beer, Vice President
Lexington, Kentucky**

DSMRM	
Demand-Side Management Cost Recovery Mechanism	
APPLICABLE TO:	
Residential Service Rate RS, Volunteer Fire Department Service Rate VFD, General Service Rate GS, Large Power Rate LP, and Large Commercial and Industrial Time-of-Day Rate LCI-TOD.	
<u>DSM Cost Recovery Component (DSMRC):</u>	
<u>Residential Service Rate RS and Volunteer Fire Department Service VFD</u>	<u>Energy Charge</u>
DSM Cost Recovery Component (DCR):	0.077 ¢/Kwh
DSM Revenues from Lost Sales (DRLS):	0.003 ¢/Kwh
DSM Incentive (DSM):	0.003 ¢/Kwh
DSM Balance Adjustment (DBA):	(0.029) ¢/Kwh
DSMRC Rate RS:	0.054 ¢/Kwh
<u>General Service Rate GS</u>	<u>Energy Charge</u>
DSM Cost Recovery Component (DCR):	0.023 ¢/Kwh
DSM Revenues from Lost Sales (DRLS):	0.008 ¢/Kwh
DSM Incentive (DSM):	0.000 ¢/Kwh
DSM Balance Adjustment (DBA):	(0.017) ¢/Kwh
DSMRC Rate GS:	0.014 ¢/Kwh

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**Michael S. Beer, Vice President
Lexington, Kentucky**

DSMRM	
Demand-Side Management Cost Recovery Mechanism	
<u>DSM Cost Recovery Component (DSMRC):</u> (Continued)	
<u>Large Power Rate LP</u>	<u>Energy Charge</u>
DSM Cost Recovery Component (DCR):	0.004 ¢/Kwh
DSM Revenues from Lost Sales (DRLS):	0.000 ¢/Kwh
DSM Incentive (DSM):	0.000 ¢/Kwh
DSM Balance Adjustment (DBA):	0.000 ¢/Kwh
DSMRC Rate LP:	0.004 ¢/Kwh
<u>Large Commercial and Industrial Time of Day Rate LCI-TOD</u>	<u>Energy Charge</u>
DSM Cost Recovery Component (DCR):	0.000 ¢/Kwh
DSM Revenues from Lost Sales (DRLS):	0.000 ¢/Kwh
DSM Incentive (DSM):	0.000 ¢/Kwh
DSM Balance Adjustment (DBA):	0.000 ¢/Kwh
DSMRC Rate TOD:	0.000 ¢/Kwh

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Michael S. Beer, Vice President
Lexington, Kentucky

ECR	
Environmental Cost Recovery Surcharge	
APPLICABLE	In all territory served.
AVAILABILITY OF SERVICE	This rate schedule shall apply to electric rate schedules RS, VFD, GS, AES, Rider IFL, LP, LCI-TOD, MP, LMP-TOD, ST. LT., P.O. LT., TEMPORARY/SEASONAL RIDER, WESTVACO, and NORTH AMERICAN STAINLESS (NAS).
RATE	<p>The monthly billing amount under each of the schedules to which this mechanism is applicable, including the fuel clause, shall be increased or decreased by a percentage factor calculated in accordance with the following formula.</p> $\text{CESF} = \text{E(m)} / \text{R(m)} \qquad \text{MESF} = \text{CESF} - \text{BESF}$ <p>MESF = Monthly Environmental Surcharge Factor CESF = Current Environmental Surcharge Factor BESF = Base Environmental Surcharge Factor</p> <p>Where E(m) is the jurisdictional total of each approved environmental compliance plan revenue requirement of environmental compliance costs for the current expense month and R(m) is the revenue for the current expense month as set forth below.</p>
DEFINITIONS	<ol style="list-style-type: none"> 1) For the 1994 Plan $\text{E(m)} = [(\text{RB} / 12) (\text{ROR}) + (\text{ROR-DR}) (\text{TR}/(1 - \text{TR}))] + \text{PCOE} - \text{BAS}$ <ol style="list-style-type: none"> a) Where RB is the Environmental Compliance Rate Base, adjusted for eligible Pollution Control Plan in Service, Accumulated Depreciation, and Deferred Taxes already included in base rates.. b) Where ROR is the Rate of Return on Environmental Compliance Rate Base, designated as the Weighted Average Cost of Pollution Control Debt. c) Where PCOE is the Pollution Control Operating Expenses [Incremental O&M Expenses (+/-), Depreciation and Amortization Expense, Property Taxes, Insurance Expense, Emission Allowance Expense, and Surcharge Consultant Fee.] d) BAS is the Net Proceeds from By-products and Allowance Sales. 2) For all Post-1994 Plans, $\text{E(m)} = [(\text{RB}/12) (\text{ROR} + (\text{ROR} - \text{DR}) (\text{TR} / (1 - \text{TR})))] + \text{OE}$ Where: <ol style="list-style-type: none"> a) RB is the Total Environmental Compliance Rate Base excluding the 1994 Environmental Compliance Rate Base, adjusted for eligible Pollution Control Plant in Service, Accumulated Depreciation, and Deferred Taxes already included in existing rates. b) Where ROR is the Rate of Return in Environmental Compliance Rate Base, designated as the overall all rate of return [cost of short term debt, accounts receivable financing, long term debt, preferred stock, and common equity] c) Where DR is the Debt Rate [cost of short term debt, accounts receivable financing, and long term debt] d) Where TR is the Composite Federal and State Income Tax Rate. e) Where OE is the Operating Expenses [Depreciation and Amortization Expense, Property Taxes, Insurance Expense adjusted for the Average Month Expense already included in existing rates]. Includes operation and maintenance expense recovery authorized by the K.P.S.C. in Case Nos. 2000-439 and 2002-146.

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**Michael S. Beer, Vice President
Lexington, Kentucky**

ECR

Environmental Cost Recovery Surcharge

- 3) Total $E(m)$ (sum of each approved environmental compliance plan revenue requirement) is multiplied by the Jurisdictional Allocation Factor to arrive at Net Jurisdictional $E(m)$
- 4) The revenue $R(m)$ is the average monthly revenue, including base revenues and automatic adjustment clause revenues less Environmental Cost Recovery Surcharge revenues, for the Company for the 12 months ending with the current expense month.
- 5) Current expense month (m) shall be the second month preceding the month in which the Environmental Surcharge is billed.

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**Michael S. Beer, Vice President
Lexington, Kentucky**

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MSR
Merger Surcredit Rider

APPLICABLE

In all territory served.

AVAILABILITY OF SERVICE

To Kentucky Utilities Company Electric Rate Schedules RS, GS, VFD, AES, LP, LCI-TOD, MP, LMP-TOD, ST.LT., P.O.LT., and TEMPORARY/SEASONAL SERVICE RIDER, excluding those customers receiving their one-time payment of the surcredit amount under the settlement agreement in PSC Case No. 2002-00429.

RATE

The monthly billing amount computed under each of the rate schedules to which this surcredit is applicable shall be adjusted by the Merger Surcredit Factor, which shall be calculated in accordance with the following formula:

$$\text{Merger Surcredit Factor} = \text{MS} + \text{BA}$$

Where:

(MS) is the Merger Surcredit which is based on the total Company savings that are to be distributed to the Company's Kentucky jurisdictional retail customers in each 12-month period beginning July 1, 1998.

	Savings to be Distributed	Merger Surcredit (MS)
Year 1	\$ 6,008,699	0.972%
Year 2	\$ 8,764,133	1.387%
Year 3	\$11,824,431	1.836%
Year 4	\$12,978,580	1.979%
Year 5	\$14,287,560	2.139%
Year 6	\$17,898,933	2.646%*
Year 7	\$17,898,933	2.568%
Year 8	\$17,898,933	2.503%
Year 9	\$17,898,933	2.442%
Year 10	\$17,898,933	2.389%

*Reflects the average factor for the year. Actual application determined by the Final Order in PSC Case No. 2002-00429.

(BA) is the Balancing Adjustment for the second through the twelfth months of the current distribution year which reconciles any over- or under-distribution of the net savings from prior periods. The Balancing Adjustment will be determined by dividing the differences between amounts which were expected to be distributed and the amounts actually distributed from the application of the Merger Surcredit Factor from the previous year by the expected Kentucky jurisdictional retail electric revenues. The final Balancing Adjustment will be applied to customer billings in the second month following the tenth distribution year.

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Michael S. Beer, Vice President
Lexington, Kentucky

MSR

Merger Surcredit Rider

TERMS OF DISTRIBUTION

- (1) The total distribution to Company's customers will, in no case, be less than the sum of the amounts shown above.
- (2) On or before the 21st of the first month of each distribution year following Year 1, the Company will file with the Commission a status report of the Surcredit. Such report shall include a statement showing the amounts which were expected to be distributed and the amounts actually distributed in previous periods, along with a calculation of the Balancing Adjustment (BA) which will be implemented with customer billings in the second month of that distribution year to reconcile any previous over-or under-distributions.
- (3) The Merger Surcredit shall be applied to the customer's bill following the rates and charges for electric service, but before application of the school tax, the franchise fee, sales tax or similar items.
- (4) The Company shall file a plan with the PSC midway through Year 10 of this schedule to address the future disposition of the Merger Surcredit and pending a final order from the Commission in that proceeding, the Merger Surcredit shall remain in effect.

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**Michael S. Beer, Vice President
Lexington, Kentucky**

ESM
Earnings Sharing Mechanism

APPLICABLE

In all territory served.

AVAILABILITY OF SERVICE

To all electric rate schedules, excluding the Curtailable Service Rider.

RATE

The monthly billing amount computed under each of the rate schedules to which this mechanism is applicable, the associated Fuel Adjustment Clause billing, the associated Environmental Surcharge billing, and the associated Merger Surcredit Rider billing shall be adjusted by a percentage factor which shall be calculated in accordance with the following formula:

$$\text{Earning Sharing Mechanism Factor} \quad \text{ESMF} = (\text{RA} + \text{BA}) / \text{AR} \%$$

Where:

(RA) is the **Revenue Adjustment** from the Current Reporting Period.

(BA) is the **Balancing Adjustment** which reconciles any over- or under-provision of the RA from the Prior Adjustment Year.

(AR) is the **Actual Revenue** for Current Reporting Year.

DEFINITIONS:

- (1) **Current Reporting Period** shall be a calendar year.
- (2) **Prior Reporting Period** shall be the calendar year immediately preceding the Current Reporting Period.
- (3) **Current Adjustment Year** shall be the twelve months beginning with the first April billing cycle following the Current Reporting Period.
- (4) **Prior Adjustment Year** shall be the twelve months ending on the last March billing cycle following the Current Reporting Period.

TERMS AND CONDITIONS

- (1) The operation and calculations associated with the Earnings Sharing Mechanism shall be pursuant to the Commission's Orders in P.S.C. Case Nos. 98-474 and 2001-055.
- (2) An Earnings Sharing Mechanism Report will be filed on the 1st of March following a Current Reporting Period. The first Current Reporting Period subject to this tariff shall be the calendar year 2000.

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Michael S. Beer, Vice President
Lexington, Kentucky

ESM

Earnings Sharing Mechanism

- 3) The Earnings Sharing Mechanism Report's determination of the return on equity will
 - (a) exclude all revenues and expenses associated with the Fuel Adjustment Clause and the Environmental Surcharge,
 - (b) contain a threshold of 11.5% return on equity with a symmetrical deadband of 100 basis points above and below the threshold, and
 - (c) share any revenue surplus or deficit outside of the deadband, 60% KU and 40% ratepayers.

- (4) The Earnings Sharing Mechanism Report will contain
 - a) the calculation of the adjusted revenues, expenses and net operating income. These calculations will recognize the effect of the Commission's final orders in Case Nos. 98-474, 2001-055 and 2002-00072. Revenues will be adjusted for off-system sales. Filings would recognize adjustments to reflect the shareholders' portion of KU's merger savings and the elimination of advertising expenses pursuant to KAR 807 5:016.
 - b) the calculation of the adjusted capitalization, capital structure, and the cost rates for debt and preferred stock.
 - c) the calculation of the rate of return on common equity reflecting the adjusted net operating income, the adjusted capitalization, adjusted capital structure, and the Current Reporting Period cost rates for debt and preferred stock.
 - d) the calculation of the revenue requirement for the Current Reporting Period based on the upper and lower points of the deadband. This calculation will reflect the adjusted financial data described above.
 - e) a comparison of the adjusted net operating income to the upper and lower point revenue requirements, a calculation of the amount of sharing with or collection from (Revenue Adjustment) ratepayers, and a determination of the Earnings Sharing Mechanism Factor to be applied to ratepayers' bills. The Revenue Adjustment used to compute the Earning Sharing Mechanism Factor will be applied in the first April billing cycle following the Current Reporting Period, if applicable.

- (5) The Balancing Adjustment will be used to compute the Earning Sharing Mechanism Factor to be applied in the second through twelfth months of the Current Adjustment Year. This calculation will be filed ten days prior to the first billing cycle of the second month of the Current Adjustment Year.

- (6) This schedule will be subject to Commission audit at the beginning of the third Current Reporting Period, 2002, and is effective for the Current Reporting Periods 2003, 2004, and 2005. Should the Commission order the Earning Sharing Mechanism cease to be effective, the Earning Sharing Mechanism will be withdrawn with completion of application of a final Balancing Adjustment.

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**Michael S. Beer, Vice President
Lexington, Kentucky**

VDSR																							
Value Delivery Surcredit Rider																							
<p>APPLICABLE In all territory served.</p>																							
<p>AVAILABILITY OF SERVICE To Kentucky Utilities Company Electric Rate Schedules RS, VFD, GS, AES, LP, LCI-TOD, MP, LMP-TOD, ST.LT., P.O.LT., TEMPORARY/SEASONAL SERVICE RIDER, AND WESTVACO</p>																							
<p>RATE The monthly billing amount computed under each of the rate schedules to which this surcredit is applicable shall be adjusted by the Value Delivery Surcredit Factor, which shall be calculated in accordance with the following formula:</p> <p style="text-align: center;">Value Delivery Surcredit Factor = VDS + BA</p> <p>Where: (VDS) is the Value Delivery Surcredit which is based on the total Company net savings that are to be distributed to the Company's Kentucky jurisdictional retail customers in each 12-month period.</p> <table style="margin-left: auto; margin-right: auto; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;"></th> <th style="text-align: center;">Net Savings To be Distributed</th> <th style="text-align: center;">Value Delivery Surcredit (VDS)</th> </tr> </thead> <tbody> <tr> <td>Year 1, Dec 1, 2001 to Dec 31, 2001</td> <td style="text-align: right;">\$ 480,000</td> <td style="text-align: right;">0.85%</td> </tr> <tr> <td>Year 2, Jan 1, 2002 to Dec 31, 2002</td> <td style="text-align: right;">\$ 640,000</td> <td style="text-align: right;">0.10%</td> </tr> <tr> <td>Year 3, Jan 1, 2003 to Dec 31, 2003</td> <td style="text-align: right;">\$2,360,000</td> <td style="text-align: right;">0.33%</td> </tr> <tr> <td>Year 4, Jan 1, 2004 to Dec 31, 2004</td> <td style="text-align: right;">\$2,880,000</td> <td style="text-align: right;">0.38%</td> </tr> <tr> <td>Year 5, Jan 1, 2005 to Dec 31, 2005</td> <td style="text-align: right;">\$3,360,000</td> <td style="text-align: right;">0.45%</td> </tr> <tr> <td>Year 6, Jan 1, 2006 to Mar 31, 2006</td> <td style="text-align: right;">\$ 840,000</td> <td style="text-align: right;">0.44%</td> </tr> </tbody> </table> <p>(BA) is the Balancing Adjustment for the second through the twelfth months of the current distribution year which reconciles any over- or under-distribution of the net savings from prior periods. The Balancing Adjustment will be determined by dividing the differences between amounts which were expected to be distributed and the amounts actually distributed from the application of the Value Delivery Surcredit Factor from the previous year by the expected Kentucky jurisdictional retail electric revenues. The final Balancing Adjustment will be applied to customer billings in the second month following the fifth distribution year.</p>				Net Savings To be Distributed	Value Delivery Surcredit (VDS)	Year 1, Dec 1, 2001 to Dec 31, 2001	\$ 480,000	0.85%	Year 2, Jan 1, 2002 to Dec 31, 2002	\$ 640,000	0.10%	Year 3, Jan 1, 2003 to Dec 31, 2003	\$2,360,000	0.33%	Year 4, Jan 1, 2004 to Dec 31, 2004	\$2,880,000	0.38%	Year 5, Jan 1, 2005 to Dec 31, 2005	\$3,360,000	0.45%	Year 6, Jan 1, 2006 to Mar 31, 2006	\$ 840,000	0.44%
	Net Savings To be Distributed	Value Delivery Surcredit (VDS)																					
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<p>TERMS OF DISTRIBUTION</p> <p>(1) The total distribution to Company's customers will, in no case, be less than the sum of the amounts shown above.</p> <p>(2) In the event that the actual net savings to the customers differs from the values shown under "Net Savings to be Distributed" an adjustment shall be made to Year 6 via the Balancing Adjustment. The determination of any such adjustment shall be reported to the Commission when it becomes available.</p>																							

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Michael S. Beer, Vice President
Lexington, Kentucky

VDSR

Value Delivery Surcredit Rider

- (3) On or before the 21st of the first month of each distribution year following Year 1, the Company will file with the Commission a status report of the Surcredit. Such report shall include a statement showing the amounts which were expected to be distributed and the amounts actually distributed in previous periods, along with a calculation of the Balancing Adjustment (BA) which will be implemented with customer billings in the second month of that distribution year to reconcile any previous over-or under-distributions.
- (4) The Value Delivery Surcredit shall be applied to the customer's bill following the rates and charges for electric service, but before application of the school tax, the franchise fee, sales tax or similar items.
- (5) The Value Delivery Surcredit shall be withdrawn with application of the final Balancing Adjustment following Year 6.

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**Michael S. Beer, Vice President
Lexington, Kentucky**

STANDARD RIDER

Franchise Fee Rider

APPLICABLE

In all territory served.

AVAILABILITY OF SERVICE

Available as an option for collection of revenues within governmental jurisdictions which impose on the Company franchise fees, permitting fees, local taxes or other charges by ordinance, franchise, or other governmental directive and not otherwise collected in the charges of the Company's base rate schedules.

DEFINITIONS

Base Year - the twelve month period ending November 30.
Collection Year - the full calendar year following the Base Year.
Base Year Amount -

- 1) a percentage of revenues, as determined in the franchise agreement, for the Base Year; and
- 2) license fees, permit fees, or other costs specifically borne by the Company for the purpose of maintaining the franchise as incurred in the Base Year and applicable specifically to the Company by ordinance or franchise for operation and maintenance of its facilities in the franchise area, including but not limited to costs incurred by the Company as a result of governmental regulation or directives requiring construction or installation of facilities beyond that normally provided by the Company in accordance with applicable Rules and Regulations approved by and under the direction of the Kentucky Public Service Commission; and
- 3) any adjustment for over or under collection of revenues associated with the amounts in 1) or 2).

RATE

The franchise percentage will be calculated by dividing the Base Year amount by the total revenues in the Base Year for the franchise area. The franchise percentage will be monitored during the Collection Year and adjusted to recover the Base Year Amount in the Collection Year as closely as possible.

BILLING

- 1) The franchise charge will be applied exclusively to the base rate and all riders of bills of customers receiving service within the franchising governmental jurisdiction, before taxes.
- 2) The franchise charge will appear as a separate line item on the Customer's bill and show the unit of government requiring the franchise.
- 3) Payment of the collected franchise charges will be made to the governmental franchising body as agreed to in the franchise agreement.

TERM OF CONTRACT

As agreed to in the franchise agreement. In the event such franchise agreement should lapse but payment of franchise fees, other local taxes, or permitting fees paid by the Company by ordinance, franchise, or other governmental directive should continue, collection shall continue under this tariff.

TERMS AND CONDITIONS

Service will be furnished in accordance with the provisions of the franchise agreement in so far as those provisions do not conflict with the Terms and Conditions applicable to the Company approved by and under the direction of the Kentucky Public Service Commission.

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Lexington, Kentucky**

STANDARD RIDER

ST

School Tax

APPLICABLE

In all territory served.

AVAILABILITY OF SERVICE

This schedule is applied as a rate increase to all other schedules pursuant to KRS 160.617 for the recovery by the utility of school taxes in any county requiring a utility gross receipts license tax for schools under KRS 160.613.

RATE

The utility gross receipts license tax imposed by the county but not to exceed 3%.

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**Michael S. Beer, Vice President
Lexington, Kentucky**

N

TERMS AND CONDITIONS Customer Bill of Rights

As a residential customer of a regulated public utility in Kentucky, you are guaranteed the following rights subject to Kentucky Revised Statutes and the provisions of the Kentucky Public Service Commission Administrative Regulations:

- You have the right to service, provided you (or a member of your household whose debt was accumulated at your address) are not indebted to the utility.
- You have the right to inspect and review the utility's rates and tariffed operating procedures during the utility's normal office hours.
- You have the right to be present at any routine utility inspection of your service conditions.
- You must be provided a separate, distinct disconnect notice alerting you to a possible disconnection of your service, if payment is not received.
- You have the right to dispute the reasons for any announced termination of your service.
- You have the right to negotiate a partial payment plan when your service is threatened by disconnection for non-payment.
- You have the right to participate in equal, budget payment plans for your natural gas and electric service.
- You have the right to maintain your utility service for up to thirty (30) days upon presentation of a medical certificate issued by a health official.
- You have the right to prompt (within 24 hours) restoration of your service when the cause for discontinuance has been corrected.
- If you have not been disconnected, you have the right to maintain your natural gas and electric service for up to thirty (30) days, you present a Certificate of Need issued by the Kentucky Cabinet for Human Resources between the months of November and the end of March.
- If you have been disconnected due to non-payment, you have the right to have your natural gas or electric service reconnected between the months of November through March provided you:
 - 1) Present a Certificate of Need issued by the Kentucky Cabinet for Human Resources, and
 - 2) Pay one third (1/3) of your outstanding bill (\$200 maximum), and
 - 3) Accept referral to the Human Resources' Weatherization Program, and
 - 4) Agree to a repayment schedule that will cause your bill to become current by October 15.
- You have the right to contact the Public Service Commission regarding any dispute that you have been unable to resolve with your utility (call Toll Free 1-800-772-4636).

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Michael S. Beer, Vice President
Lexington, Kentucky

TERMS AND CONDITIONS

General

COMMISSION RULES AND REGULATIONS

All electric service supplied by the Company shall be in accordance with the applicable rules and regulations of the Public Service Commission of Kentucky.

COMPANY TERMS AND CONDITIONS

In addition to the rules and regulations of the Commission, all electric service supplied by the Company shall be in accordance with these "Terms and Conditions," which shall constitute a part of all applications and contracts for service.

RATES, TERMS AND CONDITIONS ON FILE

A copy of the rate schedules, terms, and conditions under which electric service is supplied is on file with the Public Service Commission of Kentucky. A copy of such rate schedules, terms and conditions, together with the law, rules, and regulations of the Commission, is available for public inspection in each office of the Company where bills may be paid.

ASSIGNMENT

No order for service, agreement or contract for service may be assigned or transferred without the written consent of the Company.

RENEWAL OF CONTRACT

If, upon the expiration of any service contract for a specified term, the customer continues to use the service, the contract (unless otherwise provided therein) will be automatically renewed for successive periods of one year each, subject to termination at the end of any year upon 30 days prior written notice by either party.

AGENTS CANNOT MODIFY AGREEMENT WITHOUT CONSENT OF P.S.C. OF KY.

No agent has power to amend, modify, alter, or waive any of these TERMS AND CONDITIONS, or to bind the Company by making any promises or representations not contained herein.

SUPERSEDE PREVIOUS TERMS AND CONDITIONS

These TERMS AND CONDITIONS supersede all TERMS AND CONDITIONS, under which the Company has previously supplied electric service.

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**Michael S. Beer, Vice President
Lexington, Kentucky**

**TERMS AND CONDITIONS
Customer Responsibilities**

APPLICATION FOR SERVICE

A written application or contract, properly executed, may be required before the Company is obligated to render electric service. The Company shall have the right to reject for valid reasons any such application or contract.

All applications for service shall be made in the legal name of the party desiring the service.

Where an unusual expenditure for construction or equipment is necessary or where the proposed manner of using electric service is clearly outside the scope of Company's standard rate schedules, Company may establish special contracts giving effect to such unusual circumstances.

TRANSFER OF APPLICATION

Applications for electric service are not transferable and new occupants of premises will be required to make application for service before commencing the use of electricity. Customers who have been receiving electric service shall notify the Company when discontinuance of service is desired, and shall pay for all electric service furnished until such notice has been given and final meter readings made by the Company.

OPTIONAL RATES

If two or more rate schedules are available for the same class of service, it is the customer's responsibility to determine the options available and to designate the schedule under which he desires to receive service.

The Company will, at any time, upon request, advise any Customer as to the most advantageous rate for existing or anticipated service requirements as defined by the Customer, but the Company does not assume responsibility for the selection of such rate or for the continuance of the lowest annual cost under the rate selected.

In those cases in which the most favorable rate is difficult to predetermine, the customer will be given the opportunity to change to another schedule after trial of the schedule originally designated; however, after the first such change, the Company may not be required to make a change in schedule more often than once in twelve months.

From time to time, the Customer should investigate his operating conditions to determine a desirable change from one available rate to another. The Company, lacking knowledge of changes that may occur at any time in the Customer's operating conditions, does not assume responsibility that Customers will at all times be served under the most beneficial rate.

In no event will the Company make refunds covering the difference between the charges under the rate in effect and those under any other rate applicable to the same class of service.

CUSTOMER'S EQUIPMENT AND INSTALLATION.

The customer shall furnish, install and maintain at his expense all electrical apparatus and wiring to connect with Company's service drop or service line. All such apparatus and wiring shall be

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Lexington, Kentucky**

**TERMS AND CONDITIONS
Customer Responsibilities**

installed and maintained in conformity with applicable statutes, laws or ordinances and with the rules and regulations of the constituted authorities having jurisdiction. The customer shall not install wiring or connect and use any motor or other electricity-using device which in the opinion of the Company is detrimental to its electric system or to the service of other customers of the Company. The Company assumes no responsibility whatsoever for the condition of the customer's electrical wiring, apparatus, or appliances, nor for the maintenance or removal of any portion thereof.

OWNER'S CONSENT TO OCCUPY

The Customer shall grant easements and rights-of-way on and across Customer's property at no cost to the Company.

ACCESS TO PREMISES AND EQUIPMENT

The Company shall have the right of access to the customer's premises at all reasonable times for the purpose of installing, meter reading, inspecting, repairing, or removing its equipment used in connection with its supply of electric service or for the purpose of turning on and shutting off the supply of electricity when necessary and for all other proper purposes. The customer shall not construct or permit the construction of any structure or device which will restrict the access of the Company to its equipment for any of the above purposes.

PROTECTION OF COMPANY'S PROPERTY

Customers will be held responsible for tampering, interfering with, breaking of seals of meters, or other equipment of the Company installed on the Customer's premises, and will be held liable for same according to law. The Customer hereby agrees that no one except the employees of the Company shall be allowed to make any internal or external adjustments of any meter or any other piece of apparatus which shall be the property of the Company. Upon the absence of an active account, the property owner assumes responsibility for any consumption and the Company's property and service.

POWER FACTOR

The Company installs facilities to supply power to the Customer at or near unity power factor.

The Company expects Customer to use apparatus which shall result in a power factor near unity. However, the Company will permit the use of apparatus which shall result, during normal operation, in a power factor not lower than 90 percent either lagging or leading.

Where the Customer's power factor is less than 90 percent, the Company reserves the right to require the Customer to furnish, at his own expense, suitable corrective equipment to maintain a power factor of 90 percent or higher.

EXCLUSIVE SERVICE ON INSTALLATION CONNECTED

Electric service shall not be used for purposes other than as set forth in customer's application or contract.

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Customer Responsibilities**

Except in cases where the Customer has a contract with the Company for reserve or auxiliary service, no other electric light or power service will be used by the Customer on the same installation in conjunction with the Company's service, either by means of a throw-over switch or any other connection.

LIABILITY

The Customer assumes all responsibility for the electric service upon the Customer's premises at and from the point of delivery of electricity and for the wires and equipment used in connection therewith, and will protect and save the Company harmless from all claims for injury or damage to persons or property occurring on the Customer's premises or at and from the point of delivery of electricity, occasioned by such electricity or said wires and equipment, except where said injury or damage will be shown to have been occasioned solely by the negligence of the Company

NOTICE TO COMPANY OF CHANGES IN CUSTOMER'S LOAD

The service connections, transformers, meters, and appurtenances supplied by Company for the rendition of electric service to its customers have a definite capacity which may not be exceeded without damage. In the event that the customer contemplates any material increase in his connected load, whether in a single increment or over an extended period, he shall immediately give the Company written notice of this fact so as to enable it to enlarge the capacity of such equipment. In case of failure to give such notice the customer may be held liable for any damage done to meters, transformers, or other equipment of the Company caused by such material increase in the customer's connected load.

PERMITS

The customer shall obtain or cause to be obtained all permits, easements, or certificates, except street permits, necessary to give the Company or its agents access to the customer's premises and equipment and to enable its service to be connected therewith. In case the customer is not the owner of the premises or of intervening property between the premises and the Company's distribution lines the customer shall obtain from the proper owner or owners the necessary consent to the installation and maintenance in said premises and in or about such intervening property of all such wiring or other customer-owned electrical equipment as may be necessary or convenient for the supply of electric service to customer. Provided, however, to the extent permits, easements, or certificates are necessary for the installation and maintenance of Company-owned facilities, the Company shall obtain the aforementioned consent.

The construction of electric facilities to provide service to a number of customers in a manner consistent with good engineering practice and the least public inconvenience sometimes requires that certain wires, guys, poles, or other appurtenances on a customer's premises be used to supply service to neighboring customers. Accordingly, each customer taking Company's electric service shall grant to Company such rights on or across his or her premises as may be necessary to furnish service to neighboring premises, such rights to be exercised by the Company in a reasonable manner and with due regard for the convenience of the customer.

The Company shall make or cause to be made application for any necessary street permits, and shall not be required to supply service under the customer's application until a reasonable time after such permits are granted.

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**TERMS AND CONDITIONS
Company Responsibilities**

METERING

The electricity used will be measured by a meter or meters to be furnished and installed by the Company at its expense and all bills will be calculated upon the registration of said meters. When service is supplied by Company at more than one delivery point on the same premises, each delivery point will be metered and billed separately on the rate applicable. Meters include all measuring instruments. Meters will be located outside whenever possible. Otherwise, meters will be located as near as possible to the service entrance and on the ground floor of the building, in a clean, dry, safe and easily accessible place, free from vibration, agreed to by the Company.

POINT OF DELIVERY OF ELECTRICITY

The point of delivery of electrical energy supplied by the Company shall be at the point, as designated by the Company, where Company's facilities are connected with the facilities of the customer, irrespective of the location of the meter

EXTENSION OF SERVICE

The main transmission lines of the Company, or branches thereof, will be extended to such points as provide sufficient load to justify such extensions or in lieu of sufficient load, the Company may require such definite and written guarantees from a Customer, or group of Customers, in addition to any minimum payments required by the Tariff as may be necessary. This requirement may also be made covering the repayment, within a reasonable time, of the cost of tapping such existing lines for light or power service or both.

COMPANY'S EQUIPMENT AND INSTALLATION

The Company will furnish, install, and maintain at its expense the necessary overhead service drop or service line required to deliver electricity to the customer's electric facilities at the voltage contracted for.

The Company will furnish, install, and maintain at its expense the necessary meter or meters. (The term meter as used here and elsewhere in these rules and regulations shall be considered to include all associated instruments and devices, such as current and potential transformers, installed for the purpose of measuring deliveries of electricity to the customer.) Suitable provision for the Company's meter, including an adequate protective enclosure for the same if required, shall be made by the customer. Title to the meter shall remain in the Company, with the right to install, operate, maintain, and remove same. The customer shall protect such property of the Company from loss or damage, and no one who is not an agent of the Company shall be permitted to remove, damage or tamper with the same. The customer shall execute such reasonable form of easement agreement as may be required by Company.

Notwithstanding the provisions of 807 KAR 5:006, Section 13(4), a reasonable time shall be allowed subsequent to customer's service application to enable Company to construct or install the facilities required for such service. In order that Company may make suitable provision for enlargement, extension or alteration of its facilities, each applicant for commercial or industrial service shall furnish the Company with realistic estimates of prospective electricity requirements.

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Lexington, Kentucky**

TERMS AND CONDITIONS
Company Responsibilities

COMPANY NOT LIABLE FOR INTERRUPTIONS.

The Company will exercise reasonable care and diligence in an endeavor to supply service continuously and without interruption but does not guarantee continuous service and shall not be liable for any loss or damage resulting from interruption, reduction, delay or failure of electric service not caused by the willful negligence of Company, or resulting from any cause or circumstance beyond the reasonable control of the Company.

COMPANY NOT LIABLE FOR DAMAGE ON CUSTOMER'S PREMISES

The Company is merely a supplier of electricity delivered to the point of connection of Company's and the customer's facilities, and shall not be liable for and shall be protected and held harmless for any injury or damage to persons or property of the customer or of third persons resulting from the presence, use or abuse of electricity on the customer's premises or resulting from defects in or accidents to any of customer's wiring, equipment, apparatus, or appliances, or resulting from any cause whatsoever other than the negligence of the Company

LIABILITY

In no event shall the Company have any liability to the Customer or any other party affected by the electrical service to the Customer for any consequential, indirect, incidental, special, or punitive damages, and such limitation of liability shall apply regardless of claim or theory. In addition, to the extent that Company acts within its rights as set forth herein and/or any applicable law or regulation, Company shall have no liability of any kind to the Customer or any other party. In the event that the Customer's use of the Company's service causes damage to the Company's property or injuries to persons, the Customer shall be responsible for such damage or injury and shall indemnify, defend, and hold the Company harmless from any and all suits, claims, losses, and expenses associated therewith.

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Lexington, Kentucky**

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TERMS AND CONDITIONS

Character of Service

The electric service, under the rate schedules herein, from distribution lines will be 60 cycle, alternating current delivered from Company's various load centers at nominal voltages and phases, as available in a given location, as follows:

SECONDARY DISTRIBUTION VOLTAGES

Residential Service -

Single phase 120/240 volts three-wire service or 120/208Y volts three-wire where network system is used.

Two-wire service is restricted to those customers on the residential service rate schedule as of the effective date, February 1, 2004.

General Service -

Single phase 120/240 volts or 120/208Y volts where network system is available.

Where Company has three phase service available and where Customer has real need for three phase service, such service will be supplied at the option of Company at 240, 480 or 208Y volts where network system is available.

PRIMARY DISTRIBUTION VOLTAGES

The Company's primary distribution voltage levels at load centers are 2,400; 4,160Y; 7,200; 8,320Y; 12,470Y and 34,500.

TRANSMISSION LINE VOLTAGES

The Company's transmission voltage levels are 69,000; 138,000 and 161,000.

Transmission service at 34,500 is restricted to those customers being billed at a transmission demand rate as of its effective date, February 1, 2004.

APPLICATION OF SERVICE VOLTAGE DIFFERENTIALS

To be eligible for the rate applicable to any voltage level other than distribution secondary voltage, a customer must furnish and maintain complete substation structure, transformers, and other equipment necessary to take service at the distribution primary or transmission line voltage available at point of connection. In the event Company is required to provide a transformer station to reduce an available voltage to a lower voltage for delivery to a customer, the customer shall be served at the rate applicable to the lower voltage; provided, however, that if the same rate is applicable to both the available voltage and the delivery voltage, the rate will be applied as though the customer were served at the next lower voltage classification from that of the actual delivery voltage. The available voltage shall be the voltage on that distribution or transmission line which the Company designates as being suitable from the standpoint of capacity and other operating characteristics for supplying the requirements of the customer.

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Lexington, Kentucky**

TERMS AND CONDITIONS
Residential Rate Specific Terms and Conditions

Residential electric service is available for uses customarily associated with residential occupation, including lighting, cooking, heating, cooling, refrigeration, household appliances, and other domestic purposes.

1. Residential rates are based on service to single family units and are not applicable to multi-family dwellings served through a single meter. Where two or more families occupy a residential building, the Company will require, as a condition precedent to the application of the residential rate, that the wiring in the building be so arranged as to permit each family to be served through a separate meter. In those cases where such segregation of wiring would involve undue expense to the Customer, the Company will allow service to two or more families to be taken through one meter, but in this event the energy blocks and minimum bills of the applicable residential rate shall be multiplied by the number of families thus served, such number of families to be determined on the basis of the number of kitchens in the building. At the Customer's option, in lieu of the foregoing, electric service rendered to a multi-family residential building through a single meter will be classified as commercial and billed on the basis of service to one Customer at an appropriate non-residential rate.
2. Single family unit service shall include usage of electric energy customarily incidental to home occupations, such as the office of a physician, surgeon, dentist, musician or artist when such occupation is carried on by the Customer in his residence.
3. A residential building used by a single family as a home, which is also used to accommodate roomers or boarders for compensation, will be billed at the residential rate provided it does not exceed 12 rooms in size. Such a residential building of more than twelve rooms used to accommodate roomers or borders for compensation will be classified as commercial and billed on the appropriate rate. In determining the room rating of rooming and boarding houses, all wired rooms shall be counted except hallways, vestibules, alcoves, closets, bathrooms, lavatories, garrets, attics, storage rooms, trunk rooms, basements, cellars, porches and private garages.
4. Service used in residential buildings occupied by fraternity or sorority organizations associated with educational institutions will be classified as residential and billed at the residential rate.
5. Where both residential and general or commercial classes of service are supplied through a single meter, such combined service shall be billed at the appropriate non-residential rate. The Customer may arrange his wiring so as to separate the general service from the residential service, in which event two meters will be installed by the Company and separate residential and general service rates applied to the respective classes of service.
6. If a farm Customer's barns, pump house or other outbuildings are located at such distance from his residence as to make it impracticable to supply service thereto through his residential meter, the separate meter required to measure service to such remotely located buildings will be considered a separate service contract and billed as a separate Customer on the applicable general service rate.
7. Single-phase power service used for domestic purposes will be permitted under Residential Rate RS when measured through the residential meter subject to the conditions set forth below:

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Lexington, Kentucky**

TERMS AND CONDITIONS

Residential Rate Specific Terms and Conditions

- (a) Single-phase motors may be served at 120 volts if the locked-rotor current at rated voltage does not exceed 50 amperes. Motors with locked-rotor current ratings in excess of 50 amperes must be served at 240 volts.
 - (b) Single-phase motors of new central residential cooling installations with total locked-rotor ratings of not to exceed 105 amperes (inclusive of any auxiliary motors arranged for simultaneous starting with the compressor) may be connected for across-the-line starting provided the available capacity of Company's electric distribution facilities at desired point of supply is such that, in Company's judgment, the starting of such motors will not result in excessive voltage dips and undue disturbance of lighting service and television reception of nearby electric customers. However, except with Company's express written consent, no new single-phase central residential cooling unit having a total lock-rotor rating in excess of 105 amperes inclusive of auxiliary motors arranged for simultaneous starting with the compressor) shall hereafter be connected to Company's lines, or be eligible for electric service therefrom, unless it is equipped with an approved type of current-limiting device for starting which will reduce the initial and incremental starting current inrush to a maximum of 100 amperes per step. Company shall be furnished with reasonable advance notice of any proposed central residential cooling installation.
 - (c) In the case of multi-motored devices arranged for sequential starting of the motors, the above rules are considered to apply to the locked-rotor currents of the individual motors; if arranged for simultaneous starting of the motors, the rules apply to the sum of the locked-rotor currents of all motors so started.
 - (d) Any motor or motors served through a separate meter will be billed as a separate customer.
8. No three-phase power service will be rendered under Residential Rate Schedule RS. Any residential customer or group of customers desiring to contract for three-phase service for power purposes will be required to advance the cost of extending such service to the premises at which desired and shall be billed for such service at Company's General Service Rate GS.

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Lexington, Kentucky**

TERMS AND CONDITIONS

Billing

METER READINGS AND BILLS

Each bill for utility service shall be issued in compliance with 807 KAR 5:006, Section 6.

All bills will be based upon meter readings made in accordance with the Company's meter reading schedule. The Company, except if prevented by reasons beyond its control, shall read customers meters at least quarterly, except that customer-read meters shall be read at least once during the calendar year.

In the case of opening and closing bills when the total period between regular and special meter readings is less than thirty days, the minimum charges of the applicable rate schedules will be prorated on the basis of the ratio of the actual number of days in such period to thirty days.

When Company is unable to read customer's meter after reasonable effort, or when Company experiences circumstances which make actual meter readings impossible or impracticable, customer may be billed on an estimated basis and the billing will be adjusted as necessary when the meter is read.

In the event Company's electric meter fails to register properly by reason of damage, accident, etc., the Company shall have the right to estimate the customer's consumption during the period of failure on the basis of such factors as the customer's connected load, heating degree days, and consumption during a previous corresponding period and during a test period immediately following replacement of the defective meter.

Bills are due and payable at the office of the Company during business hours, or at other locations designated by the Company, within 10 days from date of rendition thereof.

Failure to receive a bill does not exempt a customer from these provisions of the Company's Terms and Conditions.

READING OF SEPARATE METERS NOT COMBINED

For billing purposes, each meter upon the customer's premises will be considered separately and readings of two or more meters will not be combined except where the Company's operating convenience requires the installation of two or more meters upon the customer's premises instead of one meter.

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Lexington, Kentucky**

TERMS AND CONDITIONS

Billing

MONITORING OF CUSTOMER USAGE

In order to detect unusual deviations in individual customer consumption, the Company will monitor the usage of each customer at least once annually. Should an unusual deviation in the customer's consumption be found which cannot be attributed to a readily identified cause, the Company will perform a detailed analysis of the customer's meter reading and billing records. If the cause for the usage deviation cannot be determined from analysis of the customer's meter reading and billing records, the Company will contact the customer by telephone or in writing to determine whether there have been changes such as different number of household members or work staff, additional or different appliances, changes in business volume, or known leaks in the customer's service line. Where the deviation is not otherwise explained, the Company will test the customer's meter to determine whether it shows an average error greater than 2 percent fast or slow. The Company will notify the customers of the investigation, its findings, and any refunds or back-billing in accordance with 807 KAR 5:006, Section 10(4) and (5). In addition to the annual monitoring, the Company will immediately investigate usage deviations brought to its attention as a result of its on-going meter reading or billing processes or customer inquiry.

RESALE OF ELECTRIC ENERGY.

Electric energy furnished under the Company's standard application or contract is for the use of the customer only and no customer shall resell such energy to any other person, firm, or corporation on the customer's premises or for use on any other premises without the written consent of Company. If energy is resold in accordance with such written consent of Company, the energy may be resold only under one of the following two procedures: (1) the bill for electric service shall be divided by the total Kwh's delivered to the customer by Company and the resulting cost per Kwh shall then be applied to the Kwh's of energy used by each end-user; or (2) such energy shall be resold at rates which are identical to the rates which would be charged by the Company for like and contemporaneous service.

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Lexington, Kentucky**

TERMS AND CONDITIONS

Deposits

The Company may require a minimum cash deposit or other guaranty to secure payment of bills except for customers qualifying for service reconnection pursuant to 807 KAR 5:006, Section 15, Winter Hardship Reconnection. The Company may offer customers the option of paying all or a portion of their deposits in installments over a period not to exceed the first three normal billing periods. Service may be refused or discontinued for failure to pay the requested deposit.

Generally, deposits will be required from all customers not meeting satisfactory credit and payment criteria. Satisfactory credit for customers will be determined by utilizing independent credit sources (primarily utilized with new customers having no prior history with the Company), as well as historic and ongoing payment and credit history with the Company. Examples of independent credit scoring resources include credit scoring services, public record financial information, financial scoring and modeling services, and information provided by independent credit/financial watch services. Satisfactory payment criteria with the Company may be established by paying all bills rendered, having no disconnections for nonpayment, having no late notices, having no defaulted credit arrangements, having no returned payments, having no meter diversion or theft of service.

If a non-residential customer fails to maintain a satisfactory payment or credit record, or otherwise becomes a new or greater credit risk, as determined by the Company in its sole discretion, the Company may require a new or additional deposit from the customer. A new or additional deposit may also be required if the customer's classification of service changes or if there is a substantial change in usage.

Interest on deposits will be calculated at the rate prescribed by law, from the date of deposit, and will be paid annually either by refund or credit to the customer's bills, except that no refund or credit will be made if the customer's bill is delinquent on the anniversary date of the deposit. If interest is paid or credited to the customer's bill prior to 12 months from the date of deposit, the payment or credit will be on a prorated basis. Upon termination of service, the deposit, any principal amounts, and interest earned and owing will be credited to the final bill, with any remainder refunded to the customer.

Residential deposits will be retained for a period not to exceed 12 months, provided the customer has met satisfactory payment and credit criteria. Non-residential deposits will be maintained as long as the customer remains on service.

If a deposit is held longer than 18 months, the deposit will be recalculated at the customer's request based on the customer's actual usage. If the deposit on account differs from the recalculated amount by more than \$10.00 for a residential customer or 10 percent for a non-residential customer, the Company may collect any underpayment and shall refund any overpayment by check or credit to the customer's bill. No refund will be made if the customer's bill is delinquent at the time of the recalculation.

DEPOSIT AMOUNT

Residential customers will pay a deposit in the amount of \$115.00, which is calculated in accordance with 807 KAR5:006 Section 7(1)(b).

Non-residential customers' deposits shall be based upon actual usage of the customer at the same or similar premises for the most recent 12-month period, if such information is available. If usage information is not available, the deposit will be based on the average bills of similar

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**Michael S. Beer, Vice President
Lexington, Kentucky**

TERMS AND CONDITIONS

Deposits

customers and premises in the system. The deposit amount shall not exceed 2/12 of the customer's actual or estimated annual bill where bills are rendered monthly.

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**Michael S. Beer, Vice President
Lexington, Kentucky**

**TERMS AND CONDITIONS
Budget Payment Plan**

The Company's Budget Payment Plan is available to any residential customer or general service customer. Under this plan, a customer may elect to pay, each month, a budgeted amount in lieu of billings for actual usage. A customer may enroll in this plan at any time.

The budgeted amount will be determined by the Company and will be based on one-twelfth of the customer's usage for either an actual or estimated twelve months. The budgeted amount will be subject to review and adjustment by the Company at any time during the customer's budget year. If actual usage indicates the customer's account will not be current with the final payment in the customer's budget year, the customer will be required to pay their Budget Payment Plan account to \$0 prior to the beginning of the customer's next budget year..

If a customer fails to pay bills as agreed under the Budget Payment Plan, the Company reserves the right to remove the customer from the plan, restore the Customer to regular billing, and require immediate payment of any deficiency. A customer removed from the Budget Payment Plan for non-payment may be prohibited from further participation in the plan for twelve (12) months.

Failure to receive a bill in no way exempts a customer from the provisions of these terms and conditions.

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Lexington, Kentucky**

TERMS AND CONDITIONS

Bill Format



Customer Service: (859) 255-0394
Mon-Fri 7AM-7PM
www.lgeenergy.com

DATE DUE	AMOUNT DUE
12/15/03	\$84.15

You can now pay your bill over the telephone with a check or credit card for a minimal fee. Call (800) 807-3596 to take advantage of this exciting and convenient new payment option.

ACCOUNT INFORMATION	
Account Number:	468127-002 2
Account Name:	CUSTOMER NAME
Service Address:	Service Street Address Lexington, Ky

Averages for Billing Period	This Year	Last Year
Average Temperature	50°	43°
Number of Days Billed	32	32
Electric/kwh per Day	53.3	44.3

BILLING SUMMARY	
Previous Balance	75.67
Payments as of 12/03	(75.67)
Balance as of 12/03	0.00
Electric Charges	79.39
Taxes and Fees	4.76
Utility Charges as of 12/03	84.15
Total Amount Due	84.15

ELECTRIC CHARGES			
Rate Type: RS-URB RESIDENTIAL			
Energy Charge	76.04	Meter Reading Information	
Other Charges For Above Rates		Meter #W153347-A	
Fuel Adjustment (\$.00144 x 1706 kwh)	2.46	Actual Reading on 12/02	62368
Residential DSM (\$.00054 x 1706 kwh)	0.92	Previous Reading on 10/31	60662
Environmental Surcharge (1.060% x \$79.42)	0.84	Current kwh Usage	1706
Merger Surcredit (2.470% CR x \$80.26)	-1.98	Meter Multiplier	1
ESM Electric Adj (1.771% x \$78.28)	1.39	Metered kwh Usage	1706
Value Delivery Surcredit (0.350% CR x \$79.67)	-0.28		
Total Electric Charges	\$79.39		
TAXES AND FEES			
Rate Increase For School Tax (3.00% x \$79.39)	2.38		
Franchise Fee-Rur Fayette- 311 (3.00% x \$79.39)	2.38		
Total Taxes and Fees	\$4.76		

Please see reverse side for additional charges.

Please bring entire bill when paying in person.

Customer Service (859) 255-0394

PLEASE RETURN THIS PORTION WITH YOUR PAYMENT

Account Number	Previous Balance	Payment Due Date	Total Amount Due	Winter Care Donation	Amount Enclosed
468127-002 2	\$0.00	12/15/03	\$84.15	\$	\$

Home Phone # (859) 223-8289

Check here if plan(s) requested on back of stub.

OFFICE USE ONLY: MB
C02, R6502, G311



PO BOX 14242
LEXINGTON, KY 40512-4242

#BWNHBWG
#468127002 0 3#

CUSTOMER MAILING ADDRESS
STREET ADDRESS/PO BOX MAIL TO
CITY, KY 40507-4364

PRINTED ON RECYCLED PAPER



Service Address: Service Street Address

0200004681270022000000008415000000084150000000000016

TERMS AND CONDITIONS
Bill Format

Account Number: 468127-002 2 Page 2

BILLING INFORMATION

Merger Surcredit: The surcredit represents the customer's share of merger-related savings associated with the merger of LG&E Energy Corporation and KU Energy Corporation.

IMPORTANT INFORMATION

To request a copy of your rate schedule, please call 1-859-255-0394, and press 1-3-2-4-2.

*** Announcing Online Customer Self-Service ***

You can now view your past year's billing history or pay your bill online.

And sign up to receive your bill electronically via e-mail instead of regular mail.

And sign up for Automatic Bank Club (ABC).

Visit us at www.lgeenergy.com today.

New enrollment only - Please check box(es) below and on front of stub.

Automatic Bank Club (voided check must be provided)

Please deduct my Automatic Bank Club payment from my Checking Account.

I hereby authorize KU to debit my bank account for payment of my monthly energy bill. This authorization will remain in effect until revoked by me or KU.

Signature _____

Date _____



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Michael S. Beer, Vice President
Lexington, Kentucky

TERMS AND CONDITIONS
Discontinuance of Service

In accordance with and subject to the rules and regulations of the Public Service Commission of Kentucky, the Company shall have the right to refuse or discontinue to serve an applicant or customer under the following conditions:

- A. When Company's or Commission's rules and regulations have not been complied with. However, service may be discontinued or refused only after Company has made a reasonable effort to induce the customer to comply with its rules and then only after the customer has been given at least 10 days written notice of such intention, mailed to his last known address.
- B. When a dangerous condition is found to exist on the customer's or applicant's premises. In such case service will be discontinued without notice or refused, as the case might be. Company will notify the customer or applicant immediately of the reason for the discontinuance or refusal and the corrective action to be taken before service can be restored or initiated.
- C. When a customer or applicant refuses or neglects to provide reasonable access and/or easements to and on his premises for the purposes of installation, operation, meter reading, maintenance, or removal of Company's property. Customer shall be given 15 days written notice of Company's intention to discontinue or refuse service.
- D. When Applicant is indebted to Company for service furnished. Company may refuse to serve until indebtedness is paid.
- E. When customer or applicant does not comply with state, municipal or other codes, rules and regulations applying to such service.
- F. When directed to do so by governmental authority.
- G. Service will not be supplied or continued to any premises if the applicant or customer is indebted to the Company for service previously supplied at the same or any other premises until payment of such indebtedness shall have been made. Unpaid balances of previously rendered Final Bills may be transferred to any account for which the customer has responsibility and may be included on initial or subsequent bills for the account to which the transfer was made. Such transferred Final Bills, if unpaid, will be a part of the past due balance of the account to which they are transferred and will be subject to the Company's collection and disconnection procedures. The Company shall have the right to transfer Final Bills between residential and commercial with residential characteristics (e.g., service supplying common use facilities of any apartment building) revenue classifications.

Service will not be supplied or continued to any premises if at the time of application for service the applicant is merely acting as an agent of a person or former customer who is indebted to the Company for service previously supplied at the same or other premises until payment of such indebtedness shall have been made. Service will not be supplied where the applicant is a partnership or corporation whose general partner or controlling stockholder is a present or former customer who is indebted to the Company for service previously supplied at the same premises until payment of such indebtedness shall have been made.

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Lexington, Kentucky**

TERMS AND CONDITIONS
Discontinuance of Service

- H. For non-payment of bills. The Company shall have the right to discontinue service for non-payment of bills after the customer has been given at least ten days written notice separate from his original bill. Cut-off may be effected not less than 27 days after the mailing date of original bills unless, prior to discontinuance, a residential customer presents to Company a written certificate, signed by a physician, registered nurse, or public health officer, that such discontinuance will aggravate an existing illness or infirmity on the affected premises, in which case discontinuance may be effected not less than 30 days from the original date of discontinuance. The Company shall notify the customer, in writing, of state and federal programs which may be available to aid in payment of bills and the office to contact for such possible assistance.
- I. For fraudulent or illegal use of service. When Company discovers evidence that by fraudulent or illegal means a customer has obtained unauthorized service or has diverted the service for unauthorized use or has obtained service without same being properly measured, the service to the customer may be discontinued without notice. Within twenty-four (24) hours after such termination, the Company shall send written notification to the customer of the reasons for such discontinuance of service and of the customer's right to challenge the termination by filing a formal complaint with the Public Service Commission of Kentucky. The Company's right of termination is separate from and in addition to any other legal remedies which the utility may pursue for illegal use or theft of service. The Company shall not be required to restore service until the customer has complied with all rules of the Company and regulations of the Commission and the Company has been reimbursed for the estimated amount of the service rendered and the cost to the Company incurred by reason of the fraudulent use.

When service has been discontinued for any of the above reasons, the Company shall not be responsible for any damage that may result therefrom.

Discontinuance or refusal of service shall be in addition to, and not in lieu of, any other rights or remedies available to the Company.

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**Michael S. Beer, Vice President
Lexington, Kentucky**

TERMS AND CONDITIONS

Special Terms and Conditions for Electric Service

(1) EXTENSION OF SERVICE TO NEW SUBDIVISIONS

When electric lines are proposed to be built into a subdivision, which subdivision is subject to the jurisdiction of a public commission, board, committee or other agency which may zone or otherwise regulate the use of the land in the area and requires a plat (or plan) of the subdivision; the subdivider or those responsible for development of the project shall furnish the Company with a plat (or plan) of the subdivision showing street and lot locations with utility easement including restrictions as required.

Said plat (or plan) shall have been approved by above named group or agencies. IF the agency so requires, said plat (or plan) shall also have been duly recorded in the office of the Clerk of the County Court of the county in which the subdivision is located.

In areas where no such group or agencies exist or has jurisdiction, the developer or subdivider will furnish the Company the required easement to provide permanent service to the subdivision.

(2) UNDERGROUND INSTALLATIONS

Underground installations shall be in accord with Company rules approved by PSC of Kentucky governing such installations.

(3) ELECTRIC SERVICE ENTRANCE REQUIREMENTS

(a) The location of all electrical service entrances and metering equipment must be approved by the Company and no wiring affected by the service entrance or meter locations shall be installed until these locations have been approved. All service entrances when installed must be so located as to facilitate proper connections and to provide adequate clearances according to the National Electrical Safety Code, latest revision, or according to the table below.

MINIMUM VERTICAL CLEARANCES FOR SERVICE CONDUCTORS (0 TO 750 VOLTS)

<u>Conductor Type</u>	<u>At Point of Attachment to House(1)</u>	<u>Above Streets, Roads, Alley Or Other Public Ways</u>	<u>Above Residential Driveways</u>	<u>Above Buildings</u>
Triplex/Quadruplex	12.0 Ft. (3)	16.0 Ft.	16.0 Ft.	11.0 Ft.(2)
Open Wire	12.0 Ft.	16.5 Ft.	16.5 Ft.	11.5 Ft.

- (1) The clearances must be maintained over any generally accessible areas such as porches, stoop, steps, etc., which may be above ground level.
- (2) If the roof of the building cannot be readily walked upon, this clearance may be reduced to 3.5 feet.
- (3) The point of attachment of a service drop should not be more than 30 feet above ground level, unless a greater height is necessary to insure proper clearance of the service line.
- (4) All the listed clearances must be reviewed by Engineering when the service conductor is within 25 feet of swimming pools.

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TERMS AND CONDITIONS
Special Terms and Conditions for Electric Service

(b) All new single phase electric wiring installations and all existing single phase wiring installations at the time of any alteration must be wired for a minimum of 120/240 volts, 3 wire, 100 ampere service; except an electric installation supplying a structure with useable floored area not in excess of 500 square feet, requiring not more than two branch circuits of 15 amperes capacity each, may be wired for 120 volts, 2 wire, 30 ampere service.

The Company reserves the right to require the balancing of the load on 3 wire systems.

(4) CONDITIONS OF RENDERING SERVICE

The Company shall have the right to refuse connection and at any time to discontinue service being rendered to any facilities if such facilities are not in accordance with the Company's Rules and Regulations. The Company, in rendering electrical service to the facilities of the Customer, shall be relieved from responsibility for any damage that may result from rendering such service. Disconnection shall not be considered as a cancellation of the agreement and shall not relieve the Customer of any minimum or other guarantees.

RULES PERTAINING TO MULTI-SERVICE INSTALLATIONS

If a Customer has need for a three phase power service and a single phase lighting or x-ray service at the same TRANSFORMER BANK LOCATION, these services may be metered through two secondary meters or one primary meter. If the service is metered through one primary meter, and if the Company owns any of the transformers, the service is to be billed on a secondary voltage rate.*

When two or more TRANSFORMER LOCATIONS are required, either single phase or three phase, three methods may be used to provide this service.

METHOD I: Secondary Rate - Secondary Metering

If the Customer requires service in more than one location and requests the Company to furnish service at each location, a separate meter and contract will be required for each service, each of these services to be billed on the rate applicable.

METHOD II: Secondary Rate - Primary Metering*

If the Customer requires service in more than one location, the Company will furnish the transformers (single or three phase) for one location. The Customer will own all other transformers, line and equipment to serve any other location. This service to be billed as secondary delivery on the best applicable rate.

In multi-service installations where the Company has provided one transformer installation (single or three phase), the original installation made is to remain the Company's location so long as service is required at this point. This installation subject to changes in capacity to be made by the Company, as required by the Customer's load.

TERMS AND CONDITIONS

Special Terms and Conditions for Electric Service

METHOD III: Primary or Transmission Rate*

If the Customer requires service in more than one location and the Customer elects to take this service at the primary or transmission voltage available for delivery at the Customer's location and also owns all transformers and facilities from one point of delivery, then the service may be metered and billed as primary or transmission delivery on the best applicable rate.

If the Customer does not wish to own the transformers and appurtenances thereto, the Company, at its option, may furnish standard type transformers and associated equipment upon negotiation of a facilities agreement with the Customer.

Pole lines may be furnished by the Company upon the negotiation of a facilities agreement when these lines are presently available, or when duplicate pole lines would otherwise be required by the Customer and the Company.

NOTE: * The Customer will maintain and service all facilities owned by him.

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**Michael S. Beer, Vice President
Lexington, Kentucky**

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**LINE EXTENSION PLAN
For Electric Service**

AVAILABILITY

In all territory within the Company's service boundaries where adequate facilities do not exist to supply service to the Customer's needs.

DEFINITIONS

- (1) "Company" shall mean the Kentucky Utilities Company.
- (2) "Customer" shall mean the applicant for electric service. When more than one electric service is requested by an applicant on the same extension, such request shall be considered one Customer under this plan when the additional service request(s) is only for incidental or minor convenience loads.
- (3) "Line Extension" shall mean the facilities required to serve the applicant by the shortest most convenient route to the Company from the nearest adequate facilities to the delivery point excluding transformers, meters, and service drop, if required and normally provided like Customers.
- (4) "Permanent Service" shall mean service contracted for one year or more where the intended use is not seasonal, intermittent, or speculative in nature.
- (5) "Commission" shall mean the Kentucky Public Service Commission.

GENERAL

- (1) A Customer's requesting service which requires an extension(s) will furnish to the Company, at no cost, properly executed easement(s) for right-of-way across the property to be served.
- (2) The title to all extensions, right-of-ways, permits, and easements shall be and remain with the Company.
- (3) Where the Company is required or elects to construct an additional extension or lateral to serve a Customer(s), the Company reserves the right to connect to any extension constructed under this plan and Customer shall grant executed easement at no cost to Company across Customer's property for such additional extension or lateral.
- (4) Nothing herein shall be construed as preventing the Company from making electric line extensions under more favorable terms than herein prescribed provided the potential revenue is of such amount and permanency as to warrant such terms and render economically feasible the capital expenditure involved and provided such extensions are made to other customers under similar conditions.
- (5) The Company shall not be obligated to extend its electric lines in cases where such extensions, in the judgment of the Company, would be infeasible, impractical, or contrary to good engineering or operating practice, unless otherwise ordered by the Commission.

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**Michael S. Beer, Vice President
Lexington, Kentucky**

**LINE EXTENSION PLAN
For Electric Service**

LINE EXTENSIONS FOR PERMANENT SERVICE

(1) NORMAL EXTENSIONS

An extension of 1,000 feet or less of single phase line shall be made by the Company to its existing distribution line without charge for a prospective Customer who shall apply for and contract to use the service for one (1) year or more and provides guarantee for such service. The "service drop" to Customer premises from the distribution line at the last pole shall not be included in the foregoing measurements. This distribution line extension shall be limited to service where installed transformer capacity does not exceed 25 KVA. When Company extends service to a Customer who may require polyphase service or whose installed transformer capacity will exceed 25 KVA, Company may require the Customer to pay, in advance, a non-refundable amount for the additional cost of construction which exceeds that for a single phase line or where the installed transformer capacity does not exceed 25 KVA.

(2) OTHER EXTENSIONS

- (a) When an extension of the Company's line to serve an applicant or group of applicants amounts to more than 1,000 feet per Customer, the Company may require total cost of the excessive footage over 1,000 feet per Customer to be deposited with the Company by the applicant or applicants, based on the average estimated cost per foot of the total extension.
- (b) Each Customer receiving service under such extension will be reimbursed under the following plan: Each year, for a refund period of not less than ten (10) years, the Company shall refund to the Customer(s), who made the deposit for the excessive footage, the cost of 1,000 feet of extension in place for each additional Customer connected during the year whose service line is directly connected to the extension installed and not to extensions or laterals therefrom. Total amount refunded shall not exceed the amount deposited. No refund shall be made after the refund period ends.
- (c) For additional Customers connected to an extension or lateral from the distribution line, the Company shall refund to any Customer, who made the deposit for excessive footage, the cost of 1,000 feet of line less the length of the lateral or extension.

(3) SUBDIVISIONS

An applicant desiring an extension to a proposed real estate subdivision may be required to pay the entire cost of the extension. Each year, for a period of not less than ten (10) years, the Company shall refund to the applicant, who made the deposit for the extension, a sum equivalent to the cost of 1,000 feet of the extension installed for each additional Customer connected during the year. Total amount refunded shall not exceed the amount deposited. No refund shall be made after the refund period ends.

When electric lines are proposed to be built into a subdivision, which subdivision is subject to the jurisdiction of a public commission, board, committee or other agency which may zone or otherwise regulate the use of the land in the area and requires a plat (or plan) of the subdivision; the subdivider or those responsible for development of the project shall furnish the Company with a plat (or plan) of the subdivision showing street and lot locations with utility easement including restrictions as required.

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Lexington, Kentucky**

**LINE EXTENSION PLAN
For Electric Service**

Said plat (or plan) shall have been approved by above named group or agencies. If the agency so requires, said plat (or plan) shall also have been duly recorded in the office of the Clerk of the County Court of the county in which the subdivision is located.

In areas where no such group or agencies exist or has jurisdiction, the developer or subdivider will furnish the Company the required easement to provide permanent service to the subdivision.

(4) SPECIAL CASES

- (a) Permanent service requests for mobile homes will be provided under the Commission's Regulation 807 KAR 5:041, Section 12. As provided in Order dated August 9, 1991 in Case No. 91-213, the Company will not require contributions for that portion of mobile home line extensions between 150 and 300 feet.
- (b) Permanent service requests for underground construction may be provided under the Company's Policy governing the supply of electric service underground in compliance with the Commission's Regulation 807 KAR 5:041, Section 21, in connection with the immediately preceding paragraphs (1), (2) and (3).
- (c) When the service requested requires delivery at voltages of 34,500 and more or when the service requested is for seasonal, intermittent, or speculative in nature, a refundable advance may be required. When such an advance is required, a "Refundable Advance Supplemental Agreement" form, in the amount of the total cost of the extension, should be completed, executed by Company and Customer, and attached to the "Contract For Electric Service." The method of refund, as set out in the Agreement, is that the Company will repay in electric service to the Customer so much of the advance as would be represented by the sum of 20 percent of the Customer's net bill for electricity used during the first five years the Customer is served. The total amount refunded shall not exceed the full amount advanced and in such case as at the end of the 5-year period, the amount refunded does not equal the amount of the advance, then the Company will not be required to make up or pay the difference.

A non-refundable contribution may be required in cases where the Customer does not have a real need or in cases where the estimated revenue does not justify the required investment.

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Lexington, Kentucky**

TERMS AND CONDITIONS

Energy Curtailment and Service Restoration Procedures

PURPOSE

To provide procedures for reducing the consumption of electric energy on the Kentucky Utilities Company (Company) system in the event of a capacity shortage and to restore service following an outage. Notwithstanding any provisions of these Energy Curtailment and Service Restoration Procedures, the Company shall have the right to take whatever steps, with or without notice and without liability on Company's part, that the Company believes necessary, in whatever order consistent with good utility practices and not on an unduly discriminatory basis, to preserve system integrity and to prevent the collapse of the Company's electric system or interconnected electric network or to restore service following an outage.

ENERGY CURTAILMENT PROCEDURE

PRIORITY LEVELS

For the purpose of these procedures, the following Priority Levels have been established:

- I. Essential Health and Safety Uses -- to be given special consideration in these procedures shall, insofar as the situation permits, include the following types of use
 - A. "Hospitals", which shall be limited to institutions providing medical care to patients.
 - B. "Life Support Equipment", which shall be limited to kidney machines, respirators, and similar equipment used to sustain the life of a person.
 - C. "Police Stations and Government Detention Institutions", which shall be limited to essential uses required for police activities and the operation of facilities used for the detention of persons.
 - D. "Fire Stations", which shall be limited to facilities housing mobile fire-fighting apparatus.
 - E. "Communication Services", which shall be limited to essential uses required for telephone, telegraph, television, radio and newspaper operations, and operation of state and local emergency services.
 - F. "Water and Sewage Services", which shall be limited to essential uses required for the supply of water to a community, flood pumping and sewage disposal.
 - G. "Transportation and Defense-related Services", which shall be limited to essential uses required for the operation, guidance control and navigation of air, rail and mass transit systems, including those uses essential to the national defense and operation of state and local emergency services. These uses shall include essential street, highway and signal-lighting services.

Although, when practical, these types of uses will be given special consideration when implementing the manual load-shedding provisions of this program, any customer may be affected by rotating or unplanned outages and should install emergency generation equipment if continuity of service is essential. In case of customers supplied from two utility sources, only one source will be given special consideration. Also, any other customers who, in their opinion, have critical equipment should install emergency generation equipment.

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Lexington, Kentucky**

TERMS AND CONDITIONS

Energy Curtailment and Service Restoration Procedures

The Company maintains lists of customers with life support equipment and other critical needs for the purpose of curtailments and service restorations. The Company, lacking knowledge of changes that may occur at any time in customer's equipment, operation, and backup resources, does not assume the responsibility of identifying customers with priority needs. It shall, therefore, be the customer's responsibility to notify the Company if he has critical needs.

II. Critical Commercial and Industrial Uses -- Except as described in III below.

III. Residential Use --The priority of residential use during certain weather conditions (for example severe winter weather) will receive precedence over critical commercial and industrial uses. The availability of Company service personnel and the circumstances associated with the outage will also be considered in the restoration of service.

IV. Non-critical commercial and industrial uses.

V. Nonessential Uses -- The following and similar types of uses of electric energy shall be considered nonessential for all customers:

- A. Outdoor flood and advertising lighting, except for the minimum level to protect life and property, and a single illuminated sign identifying commercial facilities when operating after dark.
- B. General interior lighting levels greater than minimum functional levels.
- C. Show-window and display lighting.
- D. Parking lot lighting above minimum functional levels.
- E. Energy use greater than that necessary to maintain a temperature of not less than 78 degrees during operation of cooling equipment and not more than 65 degrees during operation of heating equipment.
- F. Elevator and escalator use in excess of the minimum necessary for non-peak hours of use.
- G. Energy use greater than that which is the minimum required for lighting, heating or cooling of commercial or industrial facilities for maintenance cleaning or business related activities during non-business hours.

Non-jurisdictional customers will be treated in a manner consistent with the curtailment procedures contained in the service agreement between the parties or the applicable tariff.

CURTAILMENT PROCEDURES

In the event the Company's load exceeds internal generation, transmission, or distribution capacity, or other system disturbances exist, and internal efforts have failed to alleviate the problem, including emergency energy purchases, the following steps will be taken:

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TERMS AND CONDITIONS	
Energy Curtailment and Service Restoration Procedures	
<p>1. Customers having their own internal generation capacity will be curtailed, and customers on curtailable contracts will be curtailed for the maximum hours and load allowable under their contract. Nothing in this procedure shall limit the Company's rights under the Curtailable Service Rider tariff.</p> <p>2. Power output will be maximized at the Company's generating units.</p> <p>3. Terminal voltage will be reduced close to minimum at Company's generating units.</p> <p>4. Company use of energy at its generating stations will be reduced to a minimum.</p> <p>5. Company's use of electric energy in the operation of its offices and other facilities will be reduced to a minimum.</p> <p>6. The Kentucky Public Service Commission, Virginia State Corporation Commission, and Federal Energy Regulatory Commission will be advised of the situation.</p> <p>7. An appeal will be made to customers through the news media and/or personal contact to voluntarily curtail as much load as possible. The appeal will emphasize the defined priority levels as set forth above.</p> <p>8. Voltage will be reduced at the distribution level (winter only - with a minimum of two hours notification).</p> <p>9. Customers will be advised through the use of the news media and personal contact that load interruption on a rotating basis is imminent.</p> <p>10. Load shedding will begin on a rotating basis in each of the Company's four operating divisions, giving consideration to priority levels where practical, applying the following concept:</p> <p>Four, 400 MW blocks of load, identified as "A" through "D" will be selected for interruption, with each block containing the pro-rata share of each operating divisions' portion of the total Company load. Within each block, four 100 MW groups of circuits will be identified for interruption as follows.</p> <p>A. If up to a total of 100 MW of load reduction is required, each of the four 100 MW groups in block "A" will be interrupted in turn for a 15 minute period, and returned to service for 45 minutes.</p> <p>B. If up to 200 MW load reduction is required, in addition to block "A", each of the four 100 MW groups in block "B" will be interrupted for a 15 minute period, and returned to service for 45 minutes.</p> <p>C. If up to 300 MW load reduction is required, in addition to blocks "A" and "B", each of the four 100 MW groups in block "C" will be interrupted in turn for a 15 minute period, and returned to service for 45 minutes.</p>	

Date of Issue: December 29, 2003

Issued By

Date Effective: February 1, 2004

**Michael S. Beer, Vice President
Lexington, Kentucky**

TERMS AND CONDITIONS

Energy Curtailment and Service Restoration Procedures

D. If up to 400 MW load reduction is required, in addition to blocks "A", "B", and "C", each of the four 100 MW groups in block "D" will be interrupted in turn for a 15 minute period, and returned to service for 45 minutes.

Should the needed load reduction not require interruption of all four blocks ("A" through "D"), future load shedding will begin with the next block in rotation (i.e. if blocks "A" and "B" were interrupted, future load shedding will begin with block "C" and progress through "D", "A", and "B").

SERVICE RESTORATION PROCEDURES

Where practical, priority uses will be considered in restoring service and service will be restored in the order I through IV as defined under PRIORITY LEVELS. However, because of the varies an unpredictable circumstances which may exist or precipitate outages, it may be necessary to balance specific individual needs with infrastructure needs that affect a larger population. When practical, the Company will attempt to provide estimates of repair times to aid customers in assessing the need for alternative power sources and temporary relocations.

EMERGENCY TRANSMISSION CURTAILMENT OR INTERRUPTION OF SERVICE

In accordance with the provisions of Senate Bill 257 specifying changes to KAR 278.010 to 278.450, when the Company experiences an emergency or other event on its transmission facilities that necessitates a curtailment or interruption of service, the Company shall not curtail or interrupt retail electric service within its certified territory, except for customers who have agreed to receive interruptible service, until service has been interrupted to all other customers whose interruptions may relieve the emergency or other event.

Date of Issue: December 29, 2003

Issued By

Date Effective: February 1, 2004

**Michael S. Beer, Vice President
Lexington, Kentucky**

Kentucky Utilities Company
Case No. 2003-00434
Historical Test Period Filing Requirements

Filing Requirement
807 KAR 5:001 Section 10(1)(a)8
Sponsoring Witness: Michael S. Beer

Description of Filing Requirement:

The utility's proposed tariff changes, identified in compliance with 807 KAR 5:011, shown either by:

- (a) Providing the present and proposed tariffs in comparative form on the same sheet side by side; or,*
- (b) Providing a copy of the present tariff indicating proposed additions by italicized inserts or underscoring and striking over proposed deletions.*

Response:

Please see the attached present and proposed tariffs in comparative form on the same sheet side-by-side. Please note the following:

- The order of presentation of the tariffs conforms to the order of the proposed tariff and
- On each sheet of the side-by-side comparison the present tariff is on the left and the proposed tariff is on the right.

KU's Present and Proposed Tariffs - Comparison

Kentucky Utilities Company

in
Kentucky

Rates, Rules and Regulations for Furnishing

ELECTRIC SERVICE

SEE INDEX BY TOWNS FOR TERRITORY SERVED

AS FILED WITH THE

**PUBLIC SERVICE COMMISSION
OF KENTUCKY**

Date of Issue
February 21, 2000

Date Effective
March 1, 2000

Issued by
Robert M. Hewett, Group Executive
Lexington, Ky.

Kentucky Utilities Company
220 West Main Street
Louisville, Kentucky

Rates, Terms and Conditions for Furnishing

ELECTRIC SERVICE

In seventy-seven counties in the State of Kentucky
as depicted on territorial maps as filed with the

**PUBLIC SERVICE COMMISSION
OF KENTUCKY**

Date of Issue
December 29, 2003

Date Effective
February 1, 2004

Issued by
Michael S. Beer, Vice President

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Date of Issue: June 6, 2002
Cancelling Fourth Revision of
Original Sheet No. 1
Issued December 7, 2001

Issued By
Michael S. Beer, Vice President
Lexington, Kentucky

Date Effective: August 1, 2001

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Date of Issue: December 29, 2003

Date Effective: February 1, 2004

Issued By
Michael S. Beer, Vice President
Lexington, Kentucky

KENTUCKY UTILITIES COMPANY

Third Revision of Original Sheet No. 4
P.S.C. No. 12

ELECTRIC RATE SCHEDULE	
	RS
Residential Service	
APPLICABLE In all territory served by the Company.	
AVAILABILITY OF SERVICE Available for single phase service, three phase service, present facilities permitting, supplied as noted under Character of Service, to residences, individual apartments, and private rooming houses not exceeding 12 rooms, for one individual family unit, located on existing secondary lines of the Company, for all ordinary residential use of electric service, such as lighting, cooking, heating, refrigeration, air-conditioning and household appliances, including single phase motors of not over 2 horsepower individual rating, unless otherwise specifically permitted.	
RATE Customer Charge: \$2.82 per month Plus an Energy Charge of: 5.017 cents per KWH for the first 100 KWH used per month 4.572 cents per KWH for the next 300 KWH used per month 4.172 cents per KWH for all in excess of 400 KWH used per month	
MINIMUM CHARGE Single phase service not less than \$2.82 per month Three phase service not less than \$7.25 per month For all ordinary residential uses of electric service, including those listed under Availability of Service. When the investment to serve the Customer is greater than normal and/or where special electrical equipment is required by the Customer other than ordinary uses listed above, such as, but not limited to, large heating or motor loads, and/or when the use of the service will be seasonal or abnormal, the Company reserves the right to require a monthly minimum greater than that shown above in the amount of 83 cents per month per KW of connected load.	
DUE DATE OF BILL Customer's payment will be due within 10 days from date of bill.	
FUEL CLAUSE An additional charge or credit will be made on the kilowatt-hours purchased by the customer in accordance with the fuel clause set forth on Sheet No. 24 of this Tariff.	
FRANCHISE CHARGE The rate herein provided shall include, where applicable, an additional charge for local government franchise payment determined in accordance with the Franchise Billing Plan as set forth in the Rules and Regulations of this Tariff.	
RULES AND REGULATIONS Service will be furnished under Company's general Rules and Regulations or Terms and Conditions applicable hereto. (See General Index)	

Date of Issue: November 6, 2003
Containing Second Revision of
Original Sheet No. 4
Issued May 13, 2003

Issued By
Michael S. Beer, Vice President
Lexington, Kentucky

Date Effective: With Service Rendered
On and After
October 31, 2003

Issued Pursuant to K.P.S.C. Order of 10/17/03 in Case No. 2003-00068

Kentucky Utilities Company

Original Sheet No. 5
P.S.C. No. 13

ELECTRIC RATE SCHEDULE	
	RS
Residential Service	
APPLICABLE In all territory served.	
AVAILABILITY OF SERVICE Available for single phase, single family residential service subject to the terms and conditions on Sheet No. 85 of this Tariff. Three phase service under this rate schedule is restricted to those customers being billed on this rate schedule as of its effective date of February 1, 2004.	
RATE Customer Charge: \$9.00 per month Plus an Energy Charge of: 4.145 cents per KWH	
ADJUSTMENT CLAUSES The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following: Fuel Adjustment Clause Sheet No. 70 Demand Side Management Cost Recovery Mechanism Sheet No. 71 Environmental Cost Recovery Surcharge Sheet No. 72 Merger Surcredit Rider Sheet No. 73 Earnings Sharing Mechanism Sheet No. 74 Value Delivery Surcredit Rider Sheet No. 75 Franchise Fee Rider Sheet No. 76 School Tax Sheet No. 77	
MINIMUM CHARGE The Customer Charge shall be the minimum charge.	
DUE DATE OF BILL Customer's payment will be due within 10 days from date of bill.	
TERMS AND CONDITIONS Service will be furnished under Company's Terms and Conditions applicable hereto.	

Date of Issue: December 29, 2003

Issued By
Michael S. Beer, Vice President
Lexington, Kentucky

Date Effective: February 1, 2004

KENTUCKY UTILITIES COMPANY

Fourth Revision of Original Sheet No. 24.3-A
P.S.C. No. 12

ELECTRIC RATE SCHEDULE	
Volunteer Fire Department Service	
APPLICABLE	In all territory served by the Company.
AVAILABILITY OF SERVICE	Available for single-phase delivery, in accordance with the provisions of KRS 278.172, to any volunteer fire department qualifying for aid under KRS 95A.262. It is optional with the customer whether service will be provided under this schedule or any other schedule applicable to this load.
DEFINITION	To be eligible for this rate a volunteer fire department is defined as: 1) having at least 12 members and a chief, 2) having at least one fire fighting apparatus, and 3) more than half the members must be volunteer.
RATE	Customer Charge: \$3.85 per month Plus an Energy Charge of: 4.229 cents per KWH for the first 1,000 kwh used per month 3.836 cents per KWH for all in excess of 1,000 KWH used per month
MINIMUM BILL	The Customer Charge will be the minimum bill.
ADJUSTMENT CLAUSES	The monthly amount computed at the charges specified above shall be increased or decreased in accordance with: Fuel Adjustment Clause, Sheet No. 24 Environmental Surcharge, Sheet No. 24.1 Merger Surcredit Rider, Sheet No. 24.2 Value Delivery Surcredit, Sheet No. 24.3 Earning Sharing Mechanism, Sheet No. 24.4 Demand Side Management Cost Recovery Mechanism, Sheet No. 24.5 Franchise Fee Sheet No. 25.2
DUE DATE OF BILL	Customer's payment will be due within 10 days from date of bill.
RULES AND REGULATIONS	Service under this rate schedule is subject to the Company's rules and regulations or terms and conditions as approved by the Public Service Commission of Kentucky and as incorporated in this Tariff.

Date of Issue: November 6, 2003
Cancelling Third Revision of Original Sheet No. 24.3-A
Issued May 13, 2003

Date Effective: With Service Rendered On and After
October 31, 2003

Issued By
Michael S. Beer, Vice President
Lexington, Kentucky

Issued Pursuant to K.P.S.C. Order of 10/17/03 in Case No. 2003-00068

Kentucky Utilities Company

Original Sheet No. 6
P.S.C. No. 13

ELECTRIC RATE SCHEDULE	
Volunteer Fire Department Service	
APPLICABLE	In all territory served.
AVAILABILITY OF SERVICE	Available for single-phase delivery, in accordance with the provisions of KRS 278.172, to any volunteer fire department qualifying for aid under KRS 95A.262. It is optional with the customer whether service will be provided under this schedule or any other schedule applicable to this load.
DEFINITION	To be eligible for this rate a volunteer fire department is defined as: 1) having at least 12 members and a chief, 2) having at least one fire fighting apparatus, and 3) more than half the members must be volunteer.
RATE	Customer Charge: \$9.00 per month Plus an Energy Charge of: 4.145 cents per KWH
MINIMUM CHARGE	The Customer Charge shall be the minimum charge.
ADJUSTMENT CLAUSES	The bill amount computed at the charges specified above shall be increased or decreased in accordance with: Fuel Adjustment Clause, Sheet No. 70 Demand-Side Management Surcharge, Sheet No. 71 Environmental Cost Recovery Surcharge, Sheet No. 72 Merger Surcredit Rider, Sheet No. 73 Earning Sharing Mechanism, Sheet No. 74 Value Delivery Surcredit, Sheet No. 75 Franchise Fee Rider, Sheet No. 76 School Tax, Sheet No. 77
DUE DATE OF BILL	Customer's payment will be due within 10 days from date of bill.
TERMS AND CONDITIONS	Service will be furnished under Company's Terms and Conditions applicable hereto.

Date of Issue: December 29, 2003

Issued By
Michael S. Beer, Vice President
Lexington, Kentucky

Date Effective: February 1, 2004

KENTUCKY UTILITIES COMPANY

Third Revision of Original Sheet No. 6
P.S.C. No. 12

ELECTRIC RATE SCHEDULE		GS
		General Service
APPLICABLE	In all territory served by the Company.	
AVAILABILITY OF SERVICE	To commercial, industrial and other general lighting and small power loads for primary or secondary service (present facilities permitting). It is optional with the customer whether service will be billed under this schedule or any other schedule applicable to this load. Customers executing a one year contract under this schedule will continue to be billed under such schedule for not less than 12 consecutive months unless there shall be a material and permanent change in the customer's use of service. Service under this schedule will be limited to maximum loads not exceeding 5,000 KW. Existing customers who demonstrate an average demand of 5,000 KW or greater over a 12-month period, or new customers upon demonstrating an average demand of 5,000 KW or greater, will be served under the appropriate TOD rate schedule.	
CHARACTER OF SERVICE	See Character of Electric Service (Sheet No. 2).	
RATE	Customer Charge: \$4.11 per month Plus an Energy Charge of: 6.443 cents per KWH for the first 500 KWH used per month 5.332 cents per KWH for the next 1,500 KWH used per month 4.870 cents per KWH for all in excess of 2,000 KWH used per month	
MINIMUM CHARGE	Service under this schedule is subject to a minimum of the greater of (a) \$4.11 per month to include the first 20 KW or less of capacity, or (b) \$4.11 per month, plus \$1.64 per KW for demand in excess of 20 KW, which shall be determined from the greater of (1), (2), (3), or (4) as follows: (1) The maximum demand registered in the current month. (2) 75% of the highest monthly maximum demand registered in the preceding 11 months. (3) The contract capacity, based on the expected maximum KW demand upon the system. (4) 60% of the KW capacity of facilities specified by the customer. Minimum charge under (a) above shall be billed on a monthly basis. Minimum charge under (b) above shall be billed on a cumulative annual basis that starts on the month in which the meter was installed or service was first taken under this schedule. This is the beginning date of the contract year. Payments to be made monthly of not less than 1/12 of the annual minimum until the aggregate payments during the contract year equal the annual minimum. However, minimum payments made in excess of the amount based on the rate schedule will be applied as a credit on billings for energy used during the contract year.	
DUE DATE OF BILL	Customer's payment will be due within 10 days from date of bill.	
FUEL CLAUSE	An additional charge or credit will be made on the kilowatt-hours purchased by the customer in accordance with the fuel clause set forth on Sheet No. 24 of this Tariff.	

Date of Issue: November 6, 2003
Cancelling Second Revision of
Original Sheet No. 6
Issued May 13, 2003

Date Effective: With Service Rendered
On and After
October 31, 2003

Michael S. Beer, Vice President
Lexington, Kentucky

Issued Pursuant to K.P.S.C. Order of 10/17/03 in Case No. 2003-00068

Kentucky Utilities Company

Original Sheet No. 10
P.S.C. No. 13

ELECTRIC RATE SCHEDULE		GS
		General Service Rate
APPLICABLE	In all territory served.	
AVAILABILITY OF SERVICE	To general lighting and small power loads for secondary service. It is optional with the customer whether service will be billed under this schedule or any other schedule applicable to this load. Customers executing a one year contract under this schedule will continue to be billed under such schedule for not less than 12 consecutive months unless there shall be a material and permanent change in the customer's use of service. Service under this schedule will be limited to maximum loads not exceeding 200 KW. Existing customers who demonstrate an average demand of 200 KW or greater over a 12-month period, or new customers upon demonstrating an average demand of 200 KW or greater, will be served under the appropriate rate schedule.	
RATE	Customer Charge: \$20.00 per month Plus an Energy Charge of: 4.697 cents per KWH	
PRIMARY DISCOUNT	A 5% Primary Discount will be applied to the bill, including the minimum charge, of any primary or voltage delivery customer who has a demand of 50 kilowatts or more during the billing period. This discount does not apply to fuel clause revenue. Primary service under this rate schedule is restricted to those customers being billed under the rate schedule as of its effective date of February 1, 2004.	
ADJUSTMENT CLAUSES	The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following: Fuel Adjustment Clause Demand-Side Management Surcharge Environmental Cost Recovery Surcharge Merger Surcredit Rider Earnings Sharing Mechanism Value Delivery Surcredit Franchise Fee Rider School Tax Sheet No. 70 Sheet No. 71 Sheet No. 72 Sheet No. 73 Sheet No. 74 Sheet No. 75 Sheet No. 76 Sheet No. 77	

Date of Issue: December 29, 2003

Date Effective: February 1, 2004

Issued By

Michael S. Beer, Vice President
Lexington, Kentucky

KENTUCKY UTILITIES COMPANY

Original Sheet No. 6.1
P.S.C. No. 12

ELECTRIC RATE SCHEDULE	GS
General Service	
FRANCHISE CHARGE The rate herein provided shall include, where applicable, an additional charge for local government franchise payment determined in accordance with the Franchise Billing Plan as set forth in the Rules and Regulations of this Tariff.	
TERM OF CONTRACT For a fixed term of not less than one year and for such time thereafter until terminated by either party giving 30 days written notice to the other of the desire to terminate.	
RULES AND REGULATIONS Service will be furnished under Company's general Rules and Regulations or Terms and Conditions	
PRIMARY DISCOUNT A 5% Primary Discount will be applied to the monthly bill including the minimum charge of any primary or transmission voltage delivery customer who has a demand of 40 kilowatts or more during the billing period. This discount does not apply to fuel clause revenue. The customer in order to earn the Primary Discount must own and maintain or, at the Company's option, lease all transformers and other facilities necessary to take service at the primary or transmission voltage delivered.	

Date of Issue: February 21, 2000 Issued By: R. M. Hewitt, Group Executive
Lexington, Kentucky Date Effective: March 1, 2000
Issued Pursuant to K.P.S.C. Order of 17700 In Case No. 98-474

Kentucky Utilities Company

Original Sheet No. 10.1
P.S.C. No. 13

ELECTRIC RATE SCHEDULE	GS
General Service Rate	
MINIMUM CHARGE Service under this schedule is subject to a minimum of the greater of (a) \$20.00 per month to include the first 20 KW or less of capacity, or (b) \$20.00 per month, plus \$1.60 per KW for demand in excess of 20 KW, which shall be determined from the greater of (1), (2), (3), or (4) as follows: (1) The maximum demand registered in the current month. (2) 75% of the highest monthly maximum demand registered in the preceding 11 months. (3) The contract capacity, based on the expected maximum KW demand upon the system. (4) 60% of the KW capacity of facilities specified by the customer. Minimum charge under (a) above shall be billed on a monthly basis. Minimum charge under (b) above shall be billed on a cumulative annual basis that starts on the month in which the meter was installed or service was first taken under this schedule. This is the beginning date of the contract year. Payments to be made monthly of not less than 1/12 of the annual minimum until the aggregate payments during the contract year equal the annual minimum. However, minimum payments made in excess of the amount based on the rate schedule will be applied as a credit on billings for energy used during the contract year.	
DUE DATE OF BILL Customer's payment will be due within 10 days from date of bill.	
TERM OF CONTRACT For a fixed term of not less than one year and for such time thereafter until terminated by either party giving 30 days written notice to the other of the desire to terminate.	
TERMS AND CONDITIONS Service will be furnished under Company's Terms and Conditions applicable hereto.	

Date of Issued: December 29, 2003 Issued By: Michael S. Bear, Vice President
Lexington, Kentucky Date Effective: February 1, 2004

KENTUCKY UTILITIES COMPANY

Third Revision of Original Sheet No. 10
P.S.C. No. 12

ELECTRIC RATE SCHEDULE	
A. E. S.	
All Electric School	
APPLICABLE In all territory served by the Company.	
AVAILABILITY OF SERVICE Service under this rate is available where energy requirement for (1) a complex of school buildings on a central campus, (2) an individual school building, or (3) an addition to an existing school building is served electrically by Kentucky Utilities Company; such energy requirement to include, but not be limited to, lighting, heating, cooling and water heating. Other school buildings not so receiving every energy requirement electrically shall be separately metered from the above defined service and served under another appropriate applicable rate. At those locations where the school owns its distribution system and makes the service connections therefrom to the various buildings and/or load centers, the Company shall be given the option of providing service by use of the existing Customer owned distribution system, or of constructing its own facilities in accordance with the Company's Overhead Construction Standards. In any event, the Company's investment in construction may be limited to an amount not exceeding twice the estimated annual revenue from the service so connected. If the Customer desires, he will be allowed to make a contribution for the remaining requirement, so as to receive service under this schedule. School buildings, as referred to herein, shall be defined as buildings used as classrooms, laboratories, gymnasiums, libraries, cafeterias, school related offices or for other bona fide school purposes by duly constituted school authorities of Kentucky. This Rate Schedule is not available to include buildings of privately operated kindergartens or day care centers. Other fuels may be used as incidental to and for instructional laboratory and other miscellaneous purposes without affecting the availability of this rate.	
CHARACTER OF SERVICE The electric service furnished under this rate schedule will be 60 cycle, alternating current. The nominal secondary voltages delivered from load centers and the phases are as follows: Single phase, 120 volts, two wire, or 120/240 volts, three wire, or 120/208Y volts, three wire, where network system is used. Where Company has three phase service available, such service will be supplied at 240, 480 volts, or 208Y volts when delivered from network system. The nominal primary voltages of Company where available are 2400, 4160Y, 7200, 8320Y and 12,470Y.	
RATE All kilowatt-hours: 3.936¢ per KWH.	
MINIMUM CHARGE An Annual Minimum Charge of \$19.56 per KW for all connected equipment, except air-conditioning and other individual equipment of one KW or less, but not less than \$196.11 per year. Payments to be made monthly of not less than 1/2 of the annual minimum until the aggregate payments during the contract year equal the annual minimum. However, minimum payments made in excess of the amount bases on the rate schedule will be applied as a credit on billings for energy used during the contract year.	
DUE DATE OF BILL Customer's payment will be due within 10 days from date of bill.	

Date of Issue: November 6, 2003
Cancelling Second Revision of Original Sheet No. 10
Issued May 13, 2003

Issued By: Michael S. Beer, Vice President
Lexington, Kentucky

Date Effective: With Service Rendered On and After October 31, 2003

Issued Pursuant to K.P.S.C. Order of 10/17/03 in Case No. 2003-00068

Kentucky Utilities Company

Original Sheet No. 15
P.S.C. No. 13

ELECTRIC RATE SCHEDULE	
A. E. S.	
All Electric School	
APPLICABLE In all territory served.	
AVAILABILITY OF SERVICE Service under this rate is available where energy requirement for (1) a complex of school buildings on a central campus, (2) an individual school building, or (3) an addition to an existing school building is served electrically by Kentucky Utilities Company; such energy requirement to include, but not be limited to, lighting, heating, cooling and water heating. Other school buildings not so receiving every energy requirement electrically shall be separately metered from the above defined service and served under another appropriate applicable rate. At those locations where the school owns its distribution system and makes the service connections therefrom to the various buildings and/or load centers, the Company shall be given the option of providing service by use of the existing Customer owned distribution system, or of constructing its own facilities in accordance with the Company's Overhead Construction Standards. In any event, the Company's investment in construction may be limited to an amount not exceeding twice the estimated annual revenue from the service so connected. If the Customer desires, he will be allowed to make a contribution for the remaining requirement, so as to receive service under this schedule. School buildings, as referred to herein, shall be defined as buildings used as classrooms, laboratories, gymnasiums, libraries, cafeterias, school related offices or for other bona fide school purposes by duly constituted school authorities of Kentucky. This Rate Schedule is not available to include buildings of privately operated kindergartens or day care centers. Other fuels may be used as incidental to and for instructional laboratory and other miscellaneous purposes without affecting the availability of this rate.	
RATE All kilowatt-hours: 3.936¢ per KWH.	
ADJUSTMENT CLAUSES The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following: Fuel Adjustment Clause Demand-Side Management Cost Recovery Mechanism Environmental Cost Recovery Surcharge Merger Surcredit Rider Earnings Sharing Mechanism Value Delivery Surcredit Franchise Fee Rider School Tax	Sheet No. 70 Sheet No. 71 Sheet No. 72 Sheet No. 73 Sheet No. 74 Sheet No. 75 Sheet No. 76 Sheet No. 77

Date of Issue: December 29, 2003
Issued By: Michael S. Beer, Vice President
Lexington, Kentucky

Date Effective: February 1, 2004

KENTUCKY UTILITIES COMPANY

Original Sheet No. 10.1
P.S.C. No. 12

ELECTRIC RATE SCHEDULE

A.E.S.

All Electric School

FUEL CLAUSE

An additional charge or credit will be made on the kilowatt-hours purchased by the Customer in accordance with the fuel clause set forth on Sheet No. 24 of this Tariff.

FRANCHISE CHARGE

The rate herein provided shall include, where applicable, an additional charge for local government franchise payment determined in accordance with the Franchise Billing Plan as set forth in the Rules and Regulations of this Tariff.

TERM OF CONTRACT

For a fixed term of not less than one year and for such time thereafter until terminated by either party giving 30 days written notice to the other.

RULES AND REGULATIONS

Service will be furnished under the Company's general Rules and Regulations or Terms and Conditions. No other rate, rider, or discount shall be applicable to billing for service at buildings, described as (1), (2) or (3) above, receiving service under this rate, regardless of delivered voltage, ownership of equipment or use of service.

Date of Issue: February 21, 2000

Issued By

Date Effective: March 1, 2000

R. M. Hewitt, Group Executive
Lexington, Kentucky

Issued Pursuant to K.P.S.C. Order of 1/7/00 in Case No. 98-474

Kentucky Utilities Company

Original Sheet No. 15.1
P.S.C. No. 13

ELECTRIC RATE SCHEDULE

A.E.S.

All Electric School

MINIMUM CHARGE

An Annual Minimum Charge of \$19.56 per KW for all connected equipment, except air-conditioning and other individual equipment of one KW or less, but not less than \$196.11 per year. Payments to be made monthly of not less than 1/12 of the annual minimum until the aggregate payments during the contract year equal the annual minimum. However, minimum payments made in excess of the amount bases on the rate schedule will be applied as a credit on billings for energy used during the contract year.

DUE DATE OF BILL

Customer's payment will be due within 10 days from date of bill.

Date of Issue: December 29, 2003

Issued By

Date Effective: February 1, 2004

Michael S. Beer, Vice President
Lexington, Kentucky

KENTUCKY UTILITIES COMPANY

Third Revision of Original Sheet No. 13
P.S.C. No. 12

ELECTRIC RATE SCHEDULE		LP
Combined Lighting and Power Service		
APPLICABLE	In all territory served by the Company.	
AVAILABILITY OF SERVICE	This rate schedule is available for secondary, primary or available transmission line service on an annual basis for lighting and/or heating and/or power where no class rate is available. It is optional with the customer whether service will be billed under this schedule for the entire requirements, or under various other schedules applicable to the various services. The customer having selected this schedule will continue to be billed under it for not less than 12 consecutive months, unless there should be a material and permanent change in the customer's service. Service under this schedule will be limited to maximum loads not exceeding 5,000 KW. Existing customers who demonstrate an average demand of 5,000 KW or greater over a 12-month period, or new customers, upon demonstrating an average demand of 5,000 KW or greater, will be served under Rate Schedule LCI-TOD.	
CHARACTER OF SERVICE	See Character of Electric Service (Sheet No. 2)	
RATE	<p>Maximum Load Charge:</p> <p>Secondary Service at nominal voltages of 120, 240, 480 or 208Y as available. \$4.11 per kilowatt of the maximum load in the month, but not less than \$493.20 per year. Primary Service at nominal voltages of 2400, 4160Y, 7200, 8320Y and 12,470Y as available. \$3.13 per kilowatt of the maximum load in the month, but not less than \$939.00 per year. Transmission Line Service at voltages of 34,500 or 69,000 as available. \$2.87 per kilowatt of the maximum load in the month with minimum depending upon the facilities necessary to serve, but not less than \$1,762.00 per year.</p> <p>Plus an Energy Charge of: 2.872 cents per KWH for the first 500,000 KWH used per month. 2.633 cents per KWH for the next 1,500,000 KWH used per month. 2.504 cents per KWH for all in excess of 2,000,000 KWH used per month.</p>	
DETERMINATION OF MAXIMUM LOAD	The load will be measured and will be the average KW demand delivered to the customer during the 15-minute period of maximum use during the month. The Company reserves the right to place a KVA meter and base the billing demand on the measured KVA. The charge will be computed based on the measured KVA times 90 percent of the applicable KW charge. In lieu of placing a KVA meter, the Company may adjust the measured maximum load for billing purposes when power factor is less than 90 percent in accordance with the following formula: (BASED ON POWER FACTOR MEASURED AT TIME OF MAXIMUM LOAD). $\text{Adjusted Maximum KW Load for Billing Purposes} = \frac{\text{Maximum Load Measured} \times 90\%}{\text{Power Factor (in percent)}}$	

Date of Issue: November 6, 2003
Cancelled Second Revision of Original Sheet No. 13
Issued May 13, 2003

Issued By: Michael S. Beer, Vice President
Lexington, Kentucky

Date Effective: With Service Rendered On and After October 31, 2003

Issued Pursuant to K.P.S.C. Order of 10/17/03 in Case No. 2003-00068

Kentucky Utilities Company

Original Sheet No. 20
P.S.C. No. 13

ELECTRIC RATE SCHEDULE		LP
Large Power Service		
APPLICABLE	In all territory served.	
AVAILABILITY OF SERVICE	This rate schedule is available for secondary, primary or available transmission line service on an annual basis for lighting and/or heating and/or power. It is optional with the customer whether service will be billed under this schedule for the entire requirements, or under various other schedules applicable to the various services. The customer having selected this schedule will continue to be billed under it for not less than 12 consecutive months, unless there should be a material and permanent change in the customer's service. Service under this schedule will be limited to minimum average single phase loads of 200 KW and maximum average loads not exceeding 5,000 KW.	
RATE	<p>Customer Charge: \$75.00 per month</p> <p>Maximum Load Charge:</p> <p>Secondary Service \$6.77 per kilowatt of the maximum load in the month.</p> <p>Primary Service \$6.43 per kilowatt of the maximum load in the month</p> <p>Transmission Service \$6.09 per kilowatt of the maximum load in the month</p> <p>Plus an Energy Charge of: 2.200 cents per KWH</p>	
ADJUSTMENT CLAUSES	The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following: Fuel Adjustment Clause Demand-Side Management Surcharge Environmental Cost Recovery Surcharge Merger Surcredit Rider Earnings Sharing Mechanism Value Delivery Surcredit Franchise Fee Rider School Tax	

Date of Issue: December 29, 2003
Issued By: Michael S. Beer, Vice President
Lexington, Kentucky

Date Effective: February 1, 2004

KENTUCKY UTILITIES COMPANY

Second Revision of Original Sheet No. 13.1
P.S.C. No. 12

ELECTRIC RATE SCHEDULE	
LP	Combined Lighting and Power Service
MINIMUM ANNUAL CHARGE Service under this schedule is subject to an annual minimum of \$49.32 per kilowatt for secondary delivery, \$37.56 per kilowatt for primary delivery and \$35.64 per kilowatt for transmission delivery for each yearly period based on the greater of (a), (b), (c), (d), or (e) as follows: (a) The highest monthly maximum load during such yearly period. (b) The contract capacity, based on the expected maximum KW demand upon the system. (c) 60 percent of the KW capacity of facilities specified by the customer. (d) Secondary delivery, \$493.20 per year; Primary delivery, \$939.00 per year; Transmission delivery, \$1,782.00 per year. (e) Minimum may be adjusted where customer's service requires an abnormal investment in special facilities. Payments to be made monthly of not less than 1/12 of the Annual Minimum until the aggregate payments during the contract year equal the Annual Minimum. However, payments made in excess of the amount based on above rate schedule will be applied as a credit on billings for energy used during contract year. A new customer or an existing customer having made a permanent change in the operation of electrical equipment that materially affects the use in kilowatt-hours and/or use in kilowatts of maximum load will be given an opportunity to determine new service requirements in order to select the most favorable contract year period and rate applicable.	
DUE DATE OF BILL Customer's payment will be due within 10 days from date of bill.	
FUEL CLAUSE An additional charge or credit will be made on the kilowatt-hours purchased by the customer in accordance with the fuel clause set forth on Sheet No. 24 of this Tariff.	
FRANCHISE CHARGE The rate herein provided shall include, where applicable, an additional charge for local government franchise payment determined in accordance with the Franchise Billing Plan as set forth in the Rules and Regulations of this Tariff.	
TERM OF CONTRACT For a fixed term of not less than one year and for such time thereafter until terminated by either party giving 30 days written notice to the other or the desire to terminate.	
RULES AND REGULATIONS The customer, in order to earn the Primary or Transmission Service Rate must own and maintain or lease all transformers and other facilities necessary to take service at the Primary or Transmission voltage delivered. Service will be furnished under Company's general Rules and Regulations or Terms and Conditions.	

Date of Issue: November 6, 2003
Cancelling First Revision of Original Sheet No. 13.1
Issued May 13, 2003

Issued By: Michael S. Beer, Vice President
Lexington, Kentucky

Date Effective: With Service Rendered On and After October 31, 2003

Issued Pursuant to K.P.S.C. Order of 10/17/03 in Case No. 2003-00068

Kentucky Utilities Company

Original Sheet No. 20.1
P.S.C. No. 13

ELECTRIC RATE SCHEDULE	
LP	Large Power Service
DETERMINATION OF MAXIMUM LOAD The load will be measured and will be the average KW demand delivered to the customer during the 15-minute period of maximum use during the month. The Company reserves the right to place a KVA meter and base the billing demand on the measured KVA. The charge will be computed based on the measured KVA times 90 percent of the applicable KW charge. In lieu of placing a KVA meter, the Company may adjust the measured maximum load for billing purposes when power factor is less than 90 percent in accordance with the following formula: (BASED ON POWER FACTOR MEASURED AT TIME OF MAXIMUM LOAD). $\text{Adjusted Maximum KW Load for Billing Purposes} = \frac{\text{Maximum Load Measured} \times 90\%}{\text{Power Factor (in percent)}}$	
MINIMUM ANNUAL CHARGE Service under this schedule is subject to an annual minimum of \$81.24 per kilowatt for secondary delivery, \$77.16 per kilowatt for primary delivery and \$73.08 per kilowatt for transmission delivery for each yearly period based on the greater of (a), (b), (c), (d), or (e) as follows: (a) The highest monthly maximum load during such yearly period. (b) The contract capacity, based on the expected maximum KW demand upon the system. (c) 60 percent of the KW capacity of facilities specified by the customer. (d) Secondary delivery, \$812.40 per year; Primary delivery, \$1,929.00 per year; Transmission delivery, \$3,654.00 per year. (e) Minimum may be adjusted where customer's service requires an abnormal investment in special facilities. Payments to be made monthly of not less than 1/12 of the Annual Minimum until the aggregate payments during the contract year equal the Annual Minimum. However, payments made in excess of the amount based on above rate schedule will be applied as a credit on billings for energy used during contract year. A new customer or an existing customer having made a permanent change in the operation of electrical equipment that materially affects the use in kilowatt-hours and/or use in kilowatts of maximum load will be given an opportunity to determine new service requirements in order to select the most favorable contract year period and rate applicable.	
DUE DATE OF BILL Customer's payment will be due within 10 days from date of bill.	
TERM OF CONTRACT For a fixed term of not less than one year and for such time thereafter until terminated by either party giving 30 days written notice to the other of the desire to terminate.	
TERMS AND CONDITIONS Service will be furnished under Company's Terms and Conditions applicable hereto.	

Date of Issue: December 29, 2003
Issued By: Michael S. Beer, Vice President
Lexington, Kentucky

Date Effective: February 1, 2004

KENTUCKY UTILITIES COMPANY

Third Revision of Original Sheet No. 13-A
P.S.C. No. 12

ELECTRIC RATE SCHEDULE		LCI-TOD	
Large Commercial/Industrial Time-of-Day Rate			
APPLICABLE In all territory served by the Company.			
AVAILABILITY Available to, and mandatory for, all commercial and industrial customers served primary or transmission voltage, with demands of 5,000 kilowatts or greater, subject to the following guidelines:			
<ol style="list-style-type: none"> Existing customers who were part of the time-of-day rate experiment in PSC Case No. 8915 will remain on this rate, except as defined in (4) below. Other existing customers who demonstrate an average demand of 5,000 kilowatts or greater over a period of twelve (12) months may be placed on this rate by mutual agreement with the Company. Otherwise, service availability under this schedule will be evaluated and decided during the next general rate case. New customers will be placed on this rate as soon as operations are commenced and customer demonstrates an average demand of 5,000 kilowatts or greater. Customers being served on this rate whose average demand has subsequently been reduced below 5,000 kilowatts over a period of twelve (12) months or who have had a material and permanent change in operations which will undoubtedly reduce demands below this level will be placed on the appropriate non-time-differentiated rate at the Company's discretion. It is the responsibility of the customer to keep the Company fully informed of any change or expected change in operations which will affect the customer's qualification to be served on this rate. Service under this schedule will be limited to maximum loads not exceeding 50,000 KW. After the effective date of this rate schedule, customers with new or increased load requirements that exceed 50,000 KW will have a rate developed as part of their contract based upon their electrical characteristics. 			
CHARACTER OF SERVICE See Character of Electric Service (Sheet No. 2).			
RATE			
Maximum Load Charge:		Primary	Transmission
On-Peak Demand.....		\$4.14 per KW	\$3.95 per KW
Off-Peak Demand.....		\$.73 per KW	\$.73 per KW
Energy Charge: 2.210 cents per KWH			
DETERMINATION OF MAXIMUM LOAD The load will be measured and will be the average KW demand delivered to the customer during the 15-minute period of maximum use during the appropriate rating period each month. The Company reserves the right to place a KVA meter and base the billing demand on the measured KVA. The charge will be computed based on the measured KVA times 90 percent, at the applicable KW charge. In lieu of placing a KVA meter, the Company may adjust the measured maximum load for billing purposes when power factor is less than 90 percent, in accordance with the following formula: (BASED ON POWER FACTOR MEASURED AT TIME OF MAXIMUM LOAD) Adjusted Maximum KW Load for Billing Purposes = Maximum KW Load Measured x 90% Power Factor (in percent)			

Date of Issue: November 6, 2003
Canceling Second Revision of Original Sheet No. 13-A
Issued May 13, 2003

Issued By: Michael S. Beer, Vice President
Lexington, Kentucky

Date Effective: With Service Rendered On and After October 31, 2003

Issued Pursuant to K.P.S.C. Order of 10/17/03 in Case No. 2003-00068

Kentucky Utilities Company

Original Sheet No. 25
P.S.C. No. 13

ELECTRIC RATE SCHEDULE		LCI-TOD	
Large Commercial/Industrial Time-of-Day Service			
APPLICABLE In all territory served			
AVAILABILITY OF SERVICE Available to, and mandatory for, all customers served primary or transmission voltage, with an average demand of 5,000 kilowatts or greater, subject to the following guidelines:			
<ol style="list-style-type: none"> Customers being served on this rate whose average demand has subsequently been reduced below 5,000 kilowatts over a period of twelve (12) months or who have had a material and permanent change in operations which will undoubtedly reduce demands below this level will be placed on the appropriate non-time-differentiated rate at the Company's discretion. It is the responsibility of the customer to keep the Company fully informed of any change or expected change in operations which will affect the customer's qualification to be served on this rate. Service under this schedule will be limited to maximum loads not exceeding 50,000 KW. Customers with new or increased load requirements that exceed 50,000 KW will have a rate developed as part of their contract based upon their electrical characteristics. 			
RATE			
Maximum Load Charge:		Primary	Transmission
On-Peak Demand.....		\$5.52 per KW	\$5.33 per KW
Off-Peak Demand.....		\$.73 per KW	\$.73 per KW
Energy Charge: 2.200 cents per KWH			
ADJUSTMENT CLAUSES The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following: Fuel Adjustment Clause Demand-Side Management Surcharge Environmental Cost Recovery Surcharge Merger Surcredit Rider Earnings Sharing Mechanism Value Delivery Surcredit Franchise Fee Rider School Tax			
		Sheet No. 70	Sheet No. 71
		Sheet No. 72	Sheet No. 73
		Sheet No. 74	Sheet No. 75
		Sheet No. 76	Sheet No. 77

Date of Issue: December 29, 2003
Issued By: Michael S. Beer, Vice President
Lexington, Kentucky

Date Effective: February 1, 2004

KENTUCKY UTILITIES COMPANY

Second Revision of Original Sheet No. 13.1-A
P.S.C. No. 12

ELECTRIC RATE SCHEDULE	
Large Commercial/Industrial Time-of-Day Rate	
LCI-TOD	
RATING PERIODS	The rating periods applicable to the Maximum Load charges shall be as follows: On-Peak Period - 8:00 a.m. to 10:00 p.m., Eastern Standard Time (EST), year round, throughout the Company's service area. Off-Peak Period - All hours Monday through Friday not included above plus all hours of Saturday and Sunday.
MINIMUM ANNUAL BILL	Service under this schedule is subject to an annual minimum of \$49.68 per kilowatt for primary and \$47.40 per kilowatt for transmission on-peak delivery for each yearly period based on the greater of (a), (b), (c), (d) or (e), as follows: (a) The highest monthly on-peak maximum load during such yearly period. (b) The contract capacity, based on the expected on-peak maximum KW demand upon the system. (c) Sixty percent of the KW capacity of facilities specified by the customer. (d) Primary delivery, \$238,400 per year; transmission delivery \$237,000 per year. (e) Minimum may be adjusted where customer's service requires an abnormal investment in special facilities. Payments to be made monthly of not less than 1/12 of the Annual Minimum until the aggregate payments during the contract year equal the Annual Minimum. However, payments made in excess of the amount based on above rate schedule will be applied as a credit on billings for energy used during contract year.
DUE DATE OF BILL:	Customer's payment will be due within 10 days from date of bill.
FUEL CLAUSE	An additional charge or credit will be made on the kilowatt-hours purchased by the customer in accordance with the fuel clause set forth on Sheet No. 24 of this Tariff.
FRANCHISE CHARGE	The rate herein provided shall include, where applicable, an additional charge for local government franchise payment determined in accordance with the Franchise Billing Plan as set forth in the Rules and Regulations of this Tariff.
TERM OF CONTRACT	Service will be furnished under this schedule only under contract for a fixed term of not less than 5 years, and for yearly periods thereafter until terminated by either party giving written notice to the other party 90 days prior to termination. Company, however, may require a longer fixed term of contract and termination notice because of conditions associated with the customer's requirements for service.
RULES AND REGULATIONS	The customer, in order to earn the Primary or Transmission Service Rate must own and maintain or lease, at the Company's option, all transformers and other facilities necessary to take service at the Primary or Transmission voltage delivered. Service will be furnished under the Company's general Rules and Regulations or Terms and Conditions.

Date of Issue: November 6, 2003
Cancelling First Revision of
Original Sheet No. 13.1-A
Issued June 16, 2000

Issued By: Michael S. Beer, Vice President
Lexington, Kentucky

Date Effective: With Service Rendered
On and After
October 31, 2003

Issued Pursuant to K.P.S.C. Order of 10/17/03 in Case No. 2003-00068

Kentucky Utilities Company

Original Sheet No. 25.1
P.S.C. No. 13

ELECTRIC RATE SCHEDULE	
Large Commercial/Industrial Time-of-Day Service	
LCI-TOD	
DETERMINATION OF MAXIMUM LOAD	The load will be measured and will be the average KW demand delivered to the customer during the 15-minute period of maximum use during the appropriate rating period each month. The Company reserves the right to place a KVA meter and base the billing demand on the measured KVA. The charge will be computed based on the measured KVA times 90 percent, at the applicable KW charge. In lieu of placing a KVA meter, the Company may adjust the measured maximum load for billing purposes when power factor is less than 90 percent in accordance with the following formula: (BASED ON POWER FACTOR MEASURED AT TIME OF MAXIMUM LOAD) $\text{Adjusted Maximum KW Load for Billing Purposes} = \frac{\text{Maximum KW Load Measured} \times 90\%}{\text{Power Factor (in percent)}}$
RATING PERIODS	The rating periods applicable to the Maximum Load charges shall be as follows: On-Peak Period during Summer Billing Months of June through September is defined as weekdays from 10:00 a.m. to 9:00 p.m., Eastern Standard Time, throughout the Company's service area On-Peak Period during Winter Billing Months of October through May is defined as weekdays from 8:00 a.m. to 10:00 p.m., Eastern Standard Time, throughout the Company's service area. Off-Peak Period - All hours Monday through Friday not included above, plus all hours of Saturday and Sunday.
MINIMUM ANNUAL CHARGE	Service under this schedule is subject to an annual minimum of \$66.24 per kilowatt for primary and \$63.96 per kilowatt for transmission on-peak delivery for each yearly period based on the greater of (a), (b), (c), (d) or (e), as follows: (a) The highest monthly on-peak maximum load during such yearly period. (b) The contract capacity, based on the expected on-peak maximum KW demand upon the system. (c) Sixty percent of the KW capacity of facilities specified by the customer. (d) Primary delivery, \$331,200 per year; transmission delivery \$319,800 per year. (e) Minimum may be adjusted where customer's service requires an abnormal investment in special facilities. Payments to be made monthly of not less than 1/12 of the Annual Minimum until the aggregate payments during the contract year equal the Annual Minimum. However, payments made in excess of the amount based on above rate schedule will be applied as a credit on billings for energy used during contract year.
DUE DATE OF BILL:	Customer's payment will be due within 10 days from date of bill.

Date of Issue: December 29, 2003
Issued By: Michael S. Beer, Vice President
Lexington, Kentucky

Date Effective: February 1, 2004

Kentucky Utilities Company

Original Sheet No. 25.2
P. S. C. No. 13

ELECTRIC RATE SCHEDULE **LCI-TOD**
Large Commercial/Industrial Time-of-Day Service

TERM OF CONTRACT

Service will be furnished under this schedule only under contract for a fixed term of not less than 5 years, and for yearly periods thereafter until terminated by either party giving written notice to the other party 90 days prior to termination. Company, however, may require a longer fixed term of contract and termination notice because of conditions associated with the customer's requirements for service.

TERMS AND CONDITIONS

The customer, in order to earn the Primary or Transmission Service Rate must own and maintain or lease, at the Company's option, all transformers and other facilities necessary to take service at the Primary or Transmission voltage delivered.

Service will be furnished under the Company's Terms and Conditions applicable hereto.

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Date of Issue: December 29, 2003 Issued By Date Effective: February 1, 2004

Michael S. Beer, Vice President
Lexington, Kentucky

KENTUCKY UTILITIES COMPANY

Third Revision of Original Sheet No. 15
P.S.C. No. 12

ELECTRIC RATE SCHEDULE		MP
		Coal Mining Power Service
APPLICABLE	In all territory served by the Company.	
AVAILABILITY OF SERVICE	This schedule is for primary or transmission line service, where available, for the operation of coal mines, coal cleaning, processing or other related operations incidental to such operation, where the customer reserves not less than 50 kilowatts of capacity.	
	Service under this schedule will be limited to maximum loads not exceeding 5,000 KW. Existing customers who demonstrate an average demand of 5,000 KW or greater over a 12-month period, or new customers upon demonstrating an average demand of 5,000 KW or greater, will be served under Rate Schedule LMP-TOD.	
CHARACTER OF SERVICE	See Character of Electric Service (Sheet No. 2)	
RATE	Maximum Load Charge: Primary Service at nominal voltage of 2,400 or more shall be \$3.01 per kilowatt of the maximum load in the month. Transmission Line Service at nominal voltage of 34,500 or more shall be \$2.87 per kilowatt of the maximum load in the month. Plus an Energy Charge of: 2.881 cents per KWH for the first 500,000 KWH used per month 2.540 cents per KWH for all in excess of 500,000 KWH used per month	
DETERMINATION OF MAXIMUM LOAD	The load will be measured and will be the average KW demand delivered to the customer during the 15-minute period of maximum use during the month.	
	The Company reserves the right to place a KVA meter and base the billing demand on the measured KVA. The charge will be computed based on the measured KVA times 90% of the applicable KW charge.	
	In lieu of placing a KVA meter, the Company may adjust the measured maximum load for billing purposes when power factor is less than 90% in accordance with the following formula: Adjusted Maximum KW Load for Billing Purposes = Maximum KW Load Measured x 90% Power Factor (in percent)	
MINIMUM ANNUAL CHARGE	Not less than the greater of (a), (b) or (c) as follows: (a) \$36.12 for primary delivery and \$32.04 for transmission delivery for each yearly period for each kilowatt of capacity reserved by the customer's application. (b) \$36.12 per kilowatt for primary delivery or \$32.04 per kilowatt for transmission delivery, for each yearly period based on highest monthly maximum load during such yearly period. (c) No less than an amount to be determined by any special investment required to serve.	

Date of Issue: November 6, 2003
Cancelling Second Revision of
Original Sheet No. 15
Issued May 13, 2003

Issued By
Michael S. Beer, Vice President
Lexington, Kentucky

Date Effective: With Service Rendered
On and After
October 31, 2003

Issued Pursuant to K.P.S.C. Order of 10/17/03 in Case No. 2003-00668

Kentucky Utilities Company

Original Sheet No. 30
P.S.C. No. 13

ELECTRIC RATE SCHEDULE		MP
		Coal Mining Power Service
APPLICABLE	In all territory served.	
AVAILABILITY OF SERVICE	This schedule is for primary or transmission line service, where available, for the operation of coal mines, coal cleaning, processing or other related operations incidental to such operation, where the customer reserves not less than 50 kilowatts of capacity.	
	Service under this schedule will be limited to maximum loads not exceeding 5,000 KW. Existing customers who demonstrate an average demand of 5,000 KW or greater over a 12-month period, or new customers upon demonstrating an average demand of 5,000 KW or greater, will be served under Rate Schedule LMP-TOD.	
RATE	Customer Charge: \$75.00 per month Maximum Load Charge: Primary Service at nominal voltage of 2,400 or more shall be \$4.80 per kilowatt of the maximum load in the month. Transmission Line Service at nominal voltage of 34,500 or more shall be \$4.68 per kilowatt of the maximum load in the month. Plus an Energy Charge of: 2.400 cents per KWH	
ADJUSTMENT CLAUSES	The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following: Fuel Adjustment Clause Demand-Side Management Surcharge Environmental Cost Recovery Surcharge Merger Surcredit Rider Earnings Sharing Mechanism Value Delivery Surcredit Franchise Fee Rider School Tax	
	Sheet No. 70 Sheet No. 71 Sheet No. 72 Sheet No. 73 Sheet No. 74 Sheet No. 75 Sheet No. 76 Sheet No. 77	
MINIMUM ANNUAL CHARGE	Not less than the greater of (a), (b) or (c) as follows:	

Date of Issue: December 29, 2003

Issued By

Date Effective: February 1, 2004

Michael S. Beer, Vice President
Lexington, Kentucky

ELECTRIC RATE SCHEDULE

MP

Coal Mining Power Service

MONTHLY PAYMENTS

Each monthly bill shall be computed at the Maximum Load and Energy Charge set forth, however, in no event shall the aggregate payments at the end of any month during the contract year, including the current month's bill, be less than the sum obtained by multiplying the number of months elapsed during the contract year by 1/12 of the annual minimum set forth. During subsequent months should the sum of the computed bills be less than the aggregate payments made, and greater than the minimum payments set forth above, adjustment shall be made on the basis of the sum of the computed bills, provided such adjustment shall not reduce the aggregate payments below the minimum payments set forth above.

DUE DATE OF BILL

Customer's payment will be due within 10 days from date of bill.

POWER FACTOR CLAUSE

All the customer's apparatus shall be selected and used with reference to securing the highest practicable power factor. The Company shall have the right at all times to make an examination of the installation of motors and other apparatus of the customer and it may refuse to make connection or to give service unless the installation is in proper condition to receive and is operated in such manner as to utilize safely and efficiently the energy furnished by the Company. The customer shall not make any changes in his installation which will affect the operation of the Company's system without the consent of the Company.

The Company undertakes to supply the energy called for by this agreement at a power factor of approximately unity, but it will permit under the prescribed rates the use of apparatus which shall furnish during normal operation an average power factor not lower than 90% either lagging or leading, in the accepted technical meaning of these terms.

FUEL CLAUSE

An additional charge or credit will be made on the kilowatt-hours purchased by the customer in accordance with the fuel clause set forth on Sheet No. 24 of this Tariff.

FRANCHISE CHARGE

The rate herein provided shall include, where applicable, an additional charge for local government franchise payment determined in accordance with the Franchise Billing Plan as set forth in the Rules and Regulations of this Tariff.

TERM OF CONTRACT

Service will be furnished under this schedule only under contract for a term of not less than 5 years, and for yearly periods thereafter until terminated by either party giving written notice to the other party 90 days prior to the expiration date.

RULES AND REGULATIONS

Customer must own and maintain or lease all transformers and other facilities necessary to take service at the delivered voltage.

Service will be furnished under the Company's general Rules and Regulations or Terms and Conditions, and under executed Contract For Electric Service.

Date of Issue: February 21, 2000

Issued By

Date Effective: March 1, 2000

R. M. Hewett, Group Executive
Lexington, Kentucky
Issued Pursuant to K.P.S.C. Order of 1/7/00 in Case No. 98-474

ELECTRIC RATE SCHEDULE

MP

Coal Mining Power Service

(a) \$57.60 for primary delivery and \$56.16 for transmission delivery for each yearly period for each kilowatt of capacity reserved by the customer's application.

(b) \$57.60 per kilowatt for primary delivery or \$56.16 per kilowatt for transmission delivery, for each yearly period based on highest monthly maximum load during such yearly period.

(c) No less than an amount to be determined by any special investment required to serve.

DETERMINATION OF MAXIMUM LOAD

The load will be measured and will be the average KW demand delivered to the customer during the 15-minute period of maximum use during the month.

The Company reserves the right to place a KVA meter and base the billing demand on the measured KVA. The charge will be computed based on the measured KVA times 90% of the applicable KW charge.

In lieu of placing a KVA meter, the Company may adjust the measured maximum load for billing purposes when power factor is less than 90% in accordance with the following formula:

$$\text{Adjusted Maximum KW Load for Billing Purposes} = \frac{\text{Maximum KW Load Measured} \times 90\%}{\text{Power Factor (in percent)}}$$

Power Factor (in percent)

MONTHLY PAYMENTS

Each bill shall be computed at the Maximum Load and Energy Charge set forth, however, in no event shall the aggregate payments at the end of any month during the contract year, including the current month's bill, be less than the sum obtained by multiplying the number of months elapsed during the contract year by 1/12 of the annual minimum set forth. During subsequent months should the sum of the computed bills be less than the aggregate payments made, and greater than the minimum payments set forth above, adjustment shall be made on the basis of the sum of the computed bills, provided such adjustment shall not reduce the aggregate payments below the minimum payments set forth above.

DUE DATE OF BILL

Customer's payment will be due within 10 days from date of bill.

POWER FACTOR CLAUSE

All the customer's apparatus shall be selected and used with reference to securing the highest practicable power factor. The Company shall have the right at all times to make an examination of the installation of motors and other apparatus of the customer and it may refuse to make connection or to give service unless the installation is in proper condition to receive and is operated in such manner as to utilize safely and efficiently the energy furnished by the Company. The customer shall not make any changes in his installation which will affect the operation of the Company's system without the consent of the Company.

Date of Issue: December 29, 2003

Issued By

Date Effective: February 1, 2004

Michael S. Beer, Vice President
Lexington, Kentucky

Kentucky Utilities Company

Original Sheet No. 30.2
P.S.C. No. 13

ELECTRIC RATE SCHEDULE **MP**
Coal Mining Power Service

The Company undertakes to supply the energy called for by this agreement at a power factor of approximately unity, but it will permit under the prescribed rates the use of apparatus which shall furnish during normal operation an average power factor not lower than 90% either lagging or leading, in the accepted technical meaning of these terms.

TERM OF CONTRACT

Service will be furnished under this schedule only under contract for a term of not less than 5 years, and for yearly periods thereafter until terminated by either party giving written notice to the other party 90 days prior to the expiration date.

TERMS AND CONDITIONS

Customer must own and maintain or lease all transformers and other facilities necessary to take service at the delivered voltage

Service will be furnished under Company's Terms and Conditions and under executed Contract for Electric Service

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Date of Issue: December 29, 2003

Issued By

Date Effective: February 1, 2004

Michael S. Beer, Vice President
Lexington, Kentucky

KENTUCKY UTILITIES COMPANY

Third Revision of Original Sheet No. 15-A
P.S.C. No. 12

Original Sheet No. 35
P.S.C. No. 13

Kentucky Utilities Company

ELECTRIC RATE SCHEDULE		LMP-TOD	
Large Mine Power Time-of-Day Rate			
APPLICABLE In all territory served			
AVAILABILITY OF SERVICE Available to, and mandatory for, all mine power service customers served on primary or transmission voltage, with demands of 5,000 kilowatts or greater, subject to the following guidelines: (1) Mine power service under this rate is restricted to coal mining, coal cleaning, coal processing or other related operation and for power, lighting and/or heating incidental to such operation. (2) Existing customers who were part of the time-of-day rate experiment in PSC Case No. 8915 will remain on this rate, except as defined in (5) below. (3) Other existing customers who demonstrate an average demand of 5,000 kilowatts or greater over a period of twelve (12) months may be placed on this rate by mutual agreement with the Company. Otherwise, service under this schedule will be evaluated and decided during the next general rate case. (4) New customers will be placed on this rate as soon as operations are commenced and customer demonstrates an average demand of 5,000 kilowatts or greater. (5) Customers being served on this rate whose average demand has subsequently been reduced below 5,000 kilowatts over a period of twelve (12) months or who have had a material and permanent change in operations which will undoubtedly reduce demands below this level will be placed on the appropriate non-time-differentiated rate at the Company's discretion. (6) It is the responsibility of the customer to keep the Company fully informed of any change or expected change in operations which will affect the customer's qualifications to be served on this rate. (7) Service under this schedule will be limited to maximum loads not exceeding 50,000 KW. After the effective date of this rate schedule, customers with new or increased load requirements that exceed 50,000 KW will have a rate developed as part of their contract based upon their electrical characteristics.			
RATE Customer Charge: \$120.00 per month			
Maximum Load Charge:		Primary	Transmission
On-Peak Demand		\$5.50	\$4.96
Off-Peak Demand		\$.73	\$.73
Energy Charge: 2,000 cents per KWH			
DETERMINATION OF MAXIMUM LOAD The load will be measured and will be the average KW demand delivered to the customer during the 15-minute period of maximum use during the appropriate rating period each month. The Company reserves the right to place a KVA meter and base the billing demand on the measured KVA. The charge will be computed based on the measured KVA times 90 percent, at the applicable KW charge.			

ELECTRIC RATE SCHEDULE		LMP - TOD	
Large Mine Power Time-of-Day Rate			
APPLICABLE In all territory served by the Company.			
AVAILABILITY Available to, and mandatory for, all mine power service customers served on primary or transmission voltage, with demands of 5,000 kilowatts or greater, subject to the following guidelines: (1) Mine power service under this rate is restricted to coal mining, coal cleaning, coal processing or other related operation and for power, lighting and/or heating incidental to such operation. (2) Existing customers who were part of the time-of-day rate experiment in PSC Case No. 8915 will remain on this rate, except as defined in (5) below. (3) Other existing customers who demonstrate an average demand of 5,000 kilowatts or greater over a period of twelve (12) months may be placed on this rate by mutual agreement with the Company. Otherwise, service under this schedule will be evaluated and decided during the next general rate case. (4) New customers will be placed on this rate as soon as operations are commenced and customer demonstrates an average demand of 5,000 kilowatts or greater. (5) Customers being served on this rate whose average demand has subsequently been reduced below 5,000 kilowatts over a period of twelve (12) months or who have had a material and permanent change in operations which will undoubtedly reduce demands below this level will be placed on the appropriate non-time-differentiated rate at the Company's discretion. (6) It is the responsibility of the customer to keep the Company fully informed of any change or expected change in operations which will affect the customer's qualifications to be served on this rate. (7) Service under this schedule will be limited to maximum loads not exceeding 50,000 KW. After the effective date of this rate schedule, customers with new or increased load requirements that exceed 50,000 KW will have a rate developed as part of their contract based upon their electrical characteristics.			
CHARACTER OF SERVICE See Character of Electric Service (Sheet No. 2).			
RATE			
Maximum Load Charge:		Primary	Transmission
On-Peak Demand		\$4.14	\$3.80
Off-Peak Demand		\$.73	\$.73
Energy Charge: 2,094 cents per KWH			
DETERMINATION OF MAXIMUM LOAD The load will be measured and will be the average KW demand delivered to the customer during the 15-minute period of maximum use during the appropriate rating period each month. The Company reserves the right to place a KVA meter and base the billing demand on the measured KVA. The charge will be computed based on the measured KVA times 90 percent, at the applicable KW charge. In lieu of placing a KVA meter, the Company may adjust the measured maximum load for billing purposes when power factor is less than 90 percent in accordance with the following formula: (BASED ON POWER FACTOR MEASURED AT TIME OF MAXIMUM LOAD) Adjusted Maximum KW Load for Billing Purposes = Maximum KW Load Measured x 90% Power Factor (in percent)			
RATING PERIODS The rating periods applicable to the Maximum Load changes shall be as follows: On-Peak Period - 8:00 a.m. to 10:00 p.m., Eastern Standard Time (EST), year round, throughout the Company's service area. Off-Peak Period - All hours Monday through Friday not included above plus all hours of Saturday and Sunday.			

Date of Issue: December 29, 2003
Issued By: Michael S. Beer, Vice President
Lexington, Kentucky
Date Effective: February 1, 2004

Date of Issue: November 6, 2003
Canceling Second Revision of Original Sheet No. 15-A
Issued May 13, 2003
Issued Pursuant to K.P.S.C. Order of 10/17/03 in Case No. 2003-00068
Date Effective: With Service Rendered On and After October 31, 2003
Michael S. Beer, Vice President
Lexington, Kentucky

N I R

T T

KENTUCKY UTILITIES COMPANY

Second Revision of Original Sheet No. 15.1-A
P.S.C. No. 12

Kentucky Utilities Company

Original Sheet No. 35.1
P.S.C. No. 13

ELECTRIC RATE SCHEDULE Large Mine Power Time-of-Day Service LMP - TOD	ELECTRIC RATE SCHEDULE Large Mine Power Time-of-Day Rate LMP-TOD
<p>MINIMUM ANNUAL BILL</p> <p>Not less than the greater of (a), (b), or (c) as follows:</p> <p>(a) \$49.68 for primary delivery and \$45.60 for transmission delivery for each yearly period for each kilowatt of capacity reserved by the customer's application, based on not less than 5,000 KW.</p> <p>(b) \$49.68 per kilowatt for primary delivery and \$45.60 per kilowatt for transmission delivery, for each yearly period based on the highest monthly on-peak maximum load during such yearly period.</p> <p>(c) Not less than an amount to be determined by any special investment required to serve.</p>	<p>In lieu of placing a KVA meter, the Company may adjust the measured maximum load for billing purposes when power factor is less than 90 percent in accordance with the following formula: (BASED ON POWER FACTOR MEASURED AT TIME OF MAXIMUM LOAD)</p> <p>Adjusted Maximum KW Load for Billing Purposes = $\frac{\text{Maximum KW Load Measured} \times 90\%}{\text{Power Factor (in percent)}}$</p>
<p>MONTHLY PAYMENTS</p> <p>Each monthly bill shall be computed at the Maximum Load and Energy Charge set forth, however, in no event shall the aggregate payments at the end of any month during the contract year, including the current month's bill, be less than the sum obtained by multiplying the number of months elapsed during the contract year by 1/12 of the annual minimum set forth. During subsequent months, should the sum of the computed bills be less than the aggregate payments made, and greater than the minimum payments set forth above, adjustment shall be made on the basis of the sum of the computed bills, provided such adjustment shall not reduce the aggregate payments below the minimum payments set forth above.</p>	<p>RATING PERIODS</p> <p>The rating periods applicable to the Maximum Load charges shall be as follows:</p> <p>On-Peak Period during Summer Billing Months of June through September is defined as weekdays from 10:00 a.m. to 9:00 p.m., Eastern Standard Time, throughout the Company's service area.</p> <p>On-Peak Period during Winter Billing Months of October through May is defined as weekdays from 8:00 a.m. to 10:00 p.m., Eastern Standard Time, throughout the Company's service area.</p> <p>Off-Peak Period - All hours Monday through Friday not included above, plus all hours of Saturday and Sunday.</p>
<p>DUE DATE OF BILL:</p> <p>Customer's payment will be due within 10 days from date of bill.</p>	<p>MINIMUM ANNUAL CHARGE</p> <p>Not less than the greater of (a), (b), or (c) as follows:</p> <p>(a) \$66.00 for primary delivery and \$59.52 for transmission delivery for each yearly period for each kilowatt of capacity reserved by the customer's application, based on not less than 5,000 KW.</p> <p>(b) \$66.00 per kilowatt for primary delivery and \$59.52 per kilowatt for transmission delivery, for each yearly period based on the highest monthly on-peak maximum load during such yearly period.</p> <p>(c) Not less than an amount to be determined by any special investment required to serve.</p>
<p>POWER FACTOR CLAUSE</p> <p>All the customer's apparatus shall be selected and used with reference to securing the highest practicable power factor. The Company shall have the right at all times to make an examination of the installation of motors and other apparatus to receive and is operated in such manner as to utilize safely and efficiently the energy furnished by the Company. The customer shall not make any changes in his installation which will affect the operation of the Company's system without the consent of the Company.</p>	<p>MONTHLY PAYMENTS</p> <p>Each monthly bill shall be computed at the Maximum Load and Energy Charge set forth, however, in no event shall the aggregate payments at the end of any month during the contract year, including the current month's bill, be less than the sum obtained by multiplying the number of months elapsed during the contract year by 1/12 of the annual minimum set forth. During subsequent months, should the sum of the computed bills be less than the aggregate payments made, and greater than the minimum payments set forth above, adjustment shall be made on the basis of the sum of the computed bills, provided such adjustment shall not reduce the aggregate payments below the minimum payments set forth above.</p>
<p>FUEL CLAUSE</p> <p>An additional charge or credit will be made on the kilowatt-hours purchased by the customer in accordance with the fuel clause set forth on Sheet No. 24 of this Tariff.</p>	<p>POWER FACTOR CLAUSE</p> <p>All the customer's apparatus shall be selected and used with reference to securing the highest practicable power factor. The Company shall have the right at all times to make an examination of the installation of motors and other apparatus to receive and is operated in such manner as to utilize safely and efficiently the energy furnished by the Company. The customer shall not make any changes in his installation which will affect the operation of the Company's system without the consent of the Company.</p>
<p>FRANCHISE CHARGE</p> <p>The rate herein provided shall include, where applicable, an additional charge for local government franchise payment determined in accordance with the Franchise Billing Plan as set forth in the Rules and Regulations of this Tariff.</p>	<p>TERM OF CONTRACT</p> <p>Service will be furnished under this schedule only under contract for a fixed term of not less than 5 years, and for yearly periods thereafter until terminated by either party giving written notice to the other party 90 days prior to termination. Company, however, may require a longer fixed term of contract and termination notice because of conditions associated with the customer's requirements for service.</p>
<p>RULES AND REGULATIONS</p> <p>Customer must own and maintain or, at Company's option, lease all transformers and other facilities necessary to take service at the delivered voltage.</p> <p>Service will be furnished under the Company's general Rules and Regulations or Terms and Conditions, and under executed contract for electric service.</p>	<p>DUE DATE OF BILL:</p> <p>Customer's payment will be due within 10 days from date of bill.</p>

Date of Issue: November 6, 2003
 Canceled First Revision of Original Sheet No. 15.1-A
 Issued June 16, 2000

Issued By: Michael S. Beer, Vice President
 Lexington, Kentucky

Issued Pursuant to K.P.S.C. Order of 10/17/03 in Case No. 2003-00068

Date of Issue: December 29, 2003
 Issued By: Michael S. Beer, Vice President
 Lexington, Kentucky

Date Effective: February 1, 2004

Kentucky Utilities Company

Original Sheet No. 35.2
P.S.C. No. 13

ELECTRIC RATE SCHEDULE **LMP-TOD**
Large Mine Power Time-of-Day Rate

The Company undertakes to supply the energy called for by this agreement at a power factor of approximately unity, but it will permit under the prescribed rates the use of apparatus which shall furnish during normal operation an average power factor not lower than 90 percent either lagging or leading, in the accepted technical meaning of these terms.

ADJUSTMENT CLAUSES

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

Fuel Adjustment Clause	Sheet No. 70
Demand-Side Management Surcharge	Sheet No. 71
Environmental Cost Recovery Surcharge	Sheet No. 72
Merger Surcredit Rider	Sheet No. 73
Earnings Sharing Mechanism	Sheet No. 74
Value Delivery Surcredit	Sheet No. 75
Franchise Fee Rider	Sheet No. 76
School Tax	Sheet No. 77

TERM OF CONTRACT

Service will be furnished under this schedule only under contract for a fixed term of not less than 5 years, and for yearly periods thereafter until terminated by either party giving written notice to the other party 90 days prior to termination. Company, however, may require a longer fixed term of contract and termination notice because of conditions associated with the customer's requirements for service.

TERMS AND CONDITIONS

Customer must own and maintain or, at Company's option, lease all transformers and other facilities necessary to take service at the delivered voltage.

Service will be furnished under Company's Terms and Conditions, and under executed contract for electric service.

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Date of Issue: December 29, 2003

Issued By

Date Effective: February 1, 2004

Michael S. Beer, Vice President
Lexington, Kentucky

Kentucky Utilities Company

Original Sheet No. 38
P.S.C. No. 13

N

ELECTRIC RATE SCHEDULE **NCLS**
Non-Conforming Load Service

APPLICABLE
In all territory served.

AVAILABILITY OF SERVICE

Available for three-phase delivery to customers with non-conforming loads up to an aggregate of two hundred (200) MVA for all customers taking service under this schedule and under the NCLS schedule of Kentucky Utilities Company. This schedule is restricted to individual customers whose monthly demand is twenty (20) MVA or greater. A customer is defined as non-conforming if that customer's load either increases or decreases twenty (20) MVA or more per minute or seventy (70) MVA or more in ten (10) minutes when such increases or decreases exceed one (1) occurrence per hour during any hour of the billing month.

Subject to the above aggregate limit of two hundred (200) MVA, this schedule is mandatory for all customers whose load is defined as non-conforming and not served on another standard rate schedule as of the effective date this rate schedule is approved by the Public Service Commission of Kentucky.

BASE RATE

Energy Charge of:

Per monthly billing period

Primary Transmission

\$0.0175 per kWh \$0.0175 per kWh

Plus a Demand Charge of:

Per monthly billing period

On-Peak
Off-Peak

\$5.77 per KVA
\$1.03 per KVA

\$5.58 per KVA
\$1.03 per KVA

Where the monthly billing peak demands, measured over a five (5) minute interval, are the greater of the applicable charge per KVA times:

- (a) the maximum metered peak period demands in the monthly billing period,
- (b) 60% of the maximum metered peak period demands in the preceding eleven (11) monthly billing periods,
- (c) 60% of the contract capacity based on the expected maximum demand upon the system, or
- (d) minimum may be adjusted where customer's service requires an abnormal investment in special facilities.

The On-Peak Period shall be weekdays, 8:00 a.m. - 10:00 p.m., Eastern Standard Time, year round, throughout the Company's service territory. The Off-Peak Period shall consist of all other hours.

MINIMUM CHARGE

The minimum charge will be the Demand Charge. Without limiting the foregoing, the Demand Charge shall be due regardless of any event or occurrence that might limit (a) Customer's ability or interest in operating Customer's facility, including but without limitation any acts of God, fires, floods, earthquakes, acts of government, terrorism, severe weather, riot, embargo, changes in law, or strikes or (b) the Company's ability to serve customer.

Date of Issue: December 29, 2003

Issued By

Date Effective: February 1, 2004

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Michael S. Beer, Vice President
Lexington, Kentucky

ELECTRIC RATE SCHEDULE **NCLS**
Non-Conforming Load Service

ADJUSTMENT CLAUSES

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

- Fuel Adjustment Clause Sheet No. 70
- Demand-Side Management Cost Recovery Mechanism Sheet No. 71
- Environmental Cost Recovery Surcharge Sheet No. 72
- Merger Surcredit Rider Sheet No. 73
- Earnings Sharing Mechanism Sheet No. 74
- Value Delivery Surcredit Rider Sheet No. 75
- Franchise Fee Rider Sheet No. 76
- School Tax Sheet No. 77

DUE DATE OF BILL

Customer's payment will be due within 10 days from date of bill.

TERM OF CONTRACT

Unless terminated by mutual agreement, the initial term of contract for service under the BASE RATE shall be for a fixed term of five years with successive one year term renewal until canceled by either party giving at least 1 year written notice to the other prior to the end of the initial term or the then current annual renewal period, as applicable.

SYSTEM CONTINGENCIES AND INDUSTRY SYSTEM PERFORMANCE CRITERIA

Company reserves the right to interrupt Customer's load to facilitate Company compliance with system contingencies and with industry performance criteria. Customer will permit Company to install electronic equipment and associated real-time metering to permit Company interruption of Customer's load. Such equipment will immediately notify Customer five (5) minutes before an electronically initiated interruption that will begin immediately thereafter and last no longer than ten (10) minutes. Such interruptions will not be accumulated nor credited against annual hours, if any, under the CURTAILMENT SERVICE RIDER.

TERMS AND CONDITIONS

Service will be furnished under Company's Terms and Conditions applicable hereto.

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ELECTRIC RATE SCHEDULE **ST. LT.**
Street Lighting Service

AVAILABILITY

This rate schedule is available, for the various types of street lighting services shown herein, in any community in which the Company has an electric franchise. Service is subject to the provisions herein and the provisions of the Company's standard contract for street lighting service. Should the service not meet these standard provisions, then the Company reserves the right to revise the charges listed hereinafter so as to include any additional or unusual cost involved.

CONDITIONS OF SERVICE

- DURATION:** Service shall be from dusk to dawn, automatically controlled, approximately 4,000 hours per year.
- STANDARD OVERHEAD SYSTEM:** Street lighting equipment furnished under the Standard Overhead Rate shall consist of wood poles, brackets, appropriate fixtures for the lamps being used, the necessary overhead street lighting circuit, protective equipment, controls and transformers. The Company will install, own, operate and maintain the entire street lighting system, including circuits, lighting fixtures and lamp replacements. The Customer shall pay the Standard Overhead Rate.
- ORNAMENTAL OVERHEAD SYSTEM:** The Company will, upon request, furnish under the Ornamental Overhead Rate, ornamental poles of the Company's choosing, together with overhead wiring and all other equipment and provisions mentioned in 2 above. The Customer will pay the Ornamental Overhead Rate.
- OTHER THAN CONVENTIONAL OVERHEAD SYSTEMS:** Should the Customer require, either initially or upon replacement, a system or equipment other than that described in 2 or 3 above for lamp sizes as provided herein, (this constituting a conventional overhead system) the Customer may make a non-refundable contribution to the Company equal to the difference in the installed cost between the system or equipment so required and the cost of a conventional overhead system as hereinbefore defined. In a similar manner the Customer will pay the difference in the cost of operation and maintaining such a system or equipment and the cost of operation and maintaining a conventional Overhead System.
- The system will be either series or multiple at the option of the Company.
- Any installation costs which are to be borne by the Customer, in accordance with the foregoing paragraph 4, should be paid at the time of installation.

RATE

	RATE PER LIGHT PER MONTH	
	STANDARD	ORNAMENTAL
*INCANDESCENT SYSTEM		
1,000 Lumens (approximately)	\$ 2.11	\$ 2.72
2,500 "	2.57	3.32
4,000 "	3.68	4.56
6,000 "	4.89	5.87
10,000 "	6.67	8.07
MERCURY VAPOR		
3,500 Lumens (approximately)	\$ 5.36	\$ 7.60
7,000 "	6.19	8.30
10,000 "	7.14	9.01
20,000 "	8.39	9.89
HIGH PRESSURE SODIUM		
4,000 Lumens (approximately)	\$ 4.68	\$ 7.13
8,000 "	5.08	7.55
9,500 "	5.72	8.35
22,000 "	8.44	11.06
50,000 "	13.62	16.23

NOTE: *INCANDESCENT RESTRICTED TO THOSE FIXTURES IN SERVICE ON OCTOBER 12, 1982 (EXCEPT FOR SPOT REPLACEMENT)

Date of Issue: November 6, 2003
Cancelling Second Revision of
Original Sheet No. 17
Issued May 13, 2000

Issued By
Michael S. Bear, Vice President
Lexington, Kentucky

Date Effective: With Service Rendered
On and After
October 31, 2003

Issued Pursuant to K.P.S.C. Order of 10/17/03 in Case No. 2003-00068

ELECTRIC RATE SCHEDULE **ST. LT.**
Street Lighting Service

AVAILABILITY OF SERVICE

This rate schedule is available, for the various types of street lighting services shown herein, in any community in which the Company has an electric franchise. Service is subject to the provisions herein and the provisions of the Company's standard contract for street lighting service. Should the service not meet these standard provisions, then the Company reserves the right to revise the charges listed hereinafter so as to include any additional or unusual cost involved.

STANDARD/ORNAMENTAL SERVICE

- STANDARD OVERHEAD SYSTEM:** Street lighting equipment furnished under the Standard Overhead Rate shall consist of wood poles, brackets, appropriate fixtures for the lamps being used, the necessary overhead street lighting circuit, protective equipment, controls and transformers. The Company will install, own, operate and maintain the entire street lighting system, including circuits, lighting fixtures and lamp replacements. The Customer shall pay the Standard Overhead Rate.
- ORNAMENTAL OVERHEAD SYSTEM:** The Company will, upon request, furnish under the Ornamental Overhead Rate, ornamental poles of the Company's choosing, together with overhead wiring and all other equipment and provisions mentioned in 2 above. The Customer will pay the Ornamental Overhead Rate.
- OTHER THAN CONVENTIONAL OVERHEAD SYSTEMS:** Should the Customer require, either initially or upon replacement, a system or equipment other than that described in 2 or 3 above for lamp sizes as provided herein, (this constituting a conventional overhead system) the Customer may make a non-refundable contribution to the Company equal to the difference in the installed cost between the system or equipment so required and the cost of a conventional overhead system as hereinbefore defined. In a similar manner the Customer will pay the difference in the cost of operation and maintaining such a system or equipment and the cost of operation and maintaining a conventional Overhead System. Any installation costs which are to be borne by the Customer, should be paid at the time of installation.

RATE

	LOAD/LIGHT	RATE PER LIGHT PER MONTH	
		STANDARD	ORNAMENTAL
*INCANDESCENT			
1,000 Lumens (approximately)	.102 KW/Light	\$ 2.31	\$ 2.98
2,500 "	.201 KW/Light	2.81	3.64
4,000 "	.327 KW/Light	4.03	4.89
6,000 "	.447 KW/Light	5.36	6.43
**MERCURY VAPOR			
7,000 Lumens (approximately)	.207 KW/Light	\$ 6.78	\$ 9.09
10,000 "	.284 KW/Light	7.82	9.87
20,000 "	.463 KW/Light	9.19	10.83
HIGH PRESSURE SODIUM			
4,000 Lumens (approximately)	.060 KW/Light	\$ 5.11	\$ 7.79
5,800 "	.083 KW/Light	5.55	8.23
9,500 "	.117 KW/Light	6.25	9.12
22,000 "	.242 KW/Light	9.22	12.09
50,000 "	.485 KW/Light	14.88	17.74

NOTE: *Incandescent restricted to those fixtures in service on October 12, 1982 (Except for spot replacement)
**Mercury Vapor restricted to those fixtures in service on February 1, 2004 (Except for spot replacement)

Date of Issue: December 29, 2003
Issued By
Michael S. Bear, Vice President
Lexington, Kentucky

Date Effective: February 1, 2004

KENTUCKY UTILITIES COMPANY

Fourth Revision of Original Sheet No. 17-A
P.S.C. No. 12

ELECTRIC RATE SCHEDULE		DEC. ST. LT.	
Decorative Street Lighting Service			
AVAILABILITY			
This rate schedule is available for the types of street lighting shown herein, in any community in which the Company has an electric franchise. Service is subject to the provisions herein and the provisions of the Company's standard contract for street lighting service. Should the service not meet these standard provisions, the Company reserves the right to revise the charges stated hereinafter to include any additional or unusual cost involved.			
CONDITIONS OF SERVICE			
1. DURATION: Service shall be from dusk to dawn, automatically controlled, approximately 4,000 hours per year.			
2. FURNISHED EQUIPMENT FOR ACORN, COACH, COLONIAL, CONTEMPORARY, OR GRANVILLE INSTALLATIONS (SERVED UNDERGROUND): Street lighting equipment furnished hereunder shall consist of appropriate size decorative poles and fixtures for the lamps being used, the necessary underground conductor, protective equipment, controls and transformers. The Company will install, own, operate and maintain the entire street lighting system, including conductor, decorative poles, fixtures and lamp replacements. The Customer shall pay the rate as shown plus, at the time of installation, pay to the Company the amount to cover the additional cost of underground over the equivalent overhead street lighting circuitry.			
RATE			
HIGH PRESSURE SODIUM (HPS) DECORATIVE STREET LIGHTING			
Type Of Pole & Fixture	Lumen Output (Approximate)	Load/Light In KW	Monthly Rate Per Light
Acorn (Decorative Pole)	4,000	0.060	\$ 9.74
Acorn (Historic Pole)	4,000	0.060	\$15.28
Acorn (Decorative Pole)	5,800	0.083	\$10.24
Acorn (Historic Pole)	5,800	0.083	\$15.77
Acorn (Decorative Pole)	9,500	0.117	\$10.87
Acorn (Historic Pole)	9,500	0.117	\$16.41
Colonial	4,000	0.060	\$ 6.42
Colonial	5,800	0.083	\$ 6.83
Colonial	9,500	0.117	\$ 7.40
Coach	5,800	0.083	\$23.47
Coach	9,500	0.117	\$24.09
Contemporary	5,800	0.083	\$11.80
Contemporary	9,500	0.117	\$14.05
Contemporary	22,000	0.242	\$16.29
Contemporary	50,000	0.485	\$21.09
Granville	16,000	0.150	\$35.84
Granville Accessories: * Single Crossarm Bracket \$15.24 * Twin Crossarm Bracket \$16.96 24 Inch Banner Arm \$ 2.64 18 Inch Banner Arm \$ 2.43 Flagpole Holder \$ 1.12 Post-Mounted Receptacle \$15.82 Base-Mounted Receptacle \$ 2.16 ** Additional Receptacles \$ 3.66 Planter			
** For Existing Poles Only			
** For 2 Receptacles on Same Pole			

Date of Issue: November 6, 2003
Canceling Third Revision of Original Sheet No. 17-A
Issued May 13, 2003

Issued By: Michael S. Beer, Vice President
Lexington, Kentucky

Date Effective: With Service Rendered On and After October 31, 2003

Issued Pursuant to K.P.S.C. Order of 10/17/03 in Case No. 2003-00068

Kentucky Utilities Company

Original Sheet No. 40.1
P.S.C. No. 13

ELECTRIC RATE SCHEDULE		ST. LT.	
Street Lighting Service			
DECORATIVE UNDERGROUND SERVICE			
1. FURNISHED EQUIPMENT: Street lighting equipment furnished hereunder shall consist of appropriate size decorative poles and fixtures for the lamps being used, the necessary underground conductor, protective equipment, controls and transformers. The Company will install, own, operate and maintain the entire street lighting system, including conductor, decorative poles, fixtures and lamp replacements. The Customer shall pay the rate as shown plus, at the time of installation, pay to the Company the amount to cover the additional cost of underground over the equivalent overhead street lighting circuitry.			
2. STORAGE PROVISION FOR GRANVILLE LIGHT AND ACCESSORIES: If the Company provides storage for the fixture, poles and/or the accessories, an adder of 12.50% will apply to the monthly rate per light.			
RATE			
HIGH PRESSURE SODIUM (HPS)			
Type Of Pole & Fixture	Lumen Output (Approximate)	Load/Light In KW	Monthly Rate Per Light
Acorn (Decorative Pole)	4,000	0.060	\$10.64
Acorn (Historic Pole)	4,000	0.060	\$16.70
Acorn (Decorative Pole)	5,800	0.083	\$11.19
Acorn (Historic Pole)	5,800	0.083	\$17.23
Acorn (Decorative Pole)	9,500	0.117	\$11.88
Acorn (Historic Pole)	9,500	0.117	\$17.93
Colonial	4,000	0.060	\$ 7.02
Colonial	5,800	0.083	\$ 7.46
Colonial	9,500	0.117	\$ 8.09
Coach	5,800	0.083	\$23.47
Coach	9,500	0.117	\$24.09
Contemporary	5,800	0.083	\$12.89
Contemporary	9,500	0.117	\$15.35
Contemporary	22,000	0.242	\$17.80
Contemporary	50,000	0.485	\$23.05
Granville	16,000	0.150	\$39.16
Granville Accessories: * Single Crossarm Bracket \$16.65 * Twin Crossarm Bracket \$18.53 24 Inch Banner Arm \$ 2.88 18 Inch Banner Arm \$ 3.90 Flagpole Holder \$ 2.66 Post-Mounted Receptacle \$ 1.22 Base-Mounted Receptacle \$17.29 ** Additional Receptacles \$16.69 Planter \$ 2.39			
** For Existing Poles Only			
** For 2 Receptacles on Same Pole			

Date of Issue: December 29, 2003
Issued By: Michael S. Beer, Vice President
Lexington, Kentucky

Date Effective: February 1, 2004

KENTUCKY UTILITIES COMPANY

Original Sheet No. 17.1
P.S.C. No. 12

ELECTRIC RATE SCHEDULE

ST. I.T.

Street Lighting Service

FUEL CLAUSE

An additional charge or credit will be made on the kilowatt-hours purchased by the Customer in accordance with the fuel clause set forth on Sheet No. 24 of this Tariff.

FRANCHISE CHARGE

The rate herein provided shall include, where applicable, an additional charge for local government franchise payment determined in accordance with the Franchise Billing Plan as set forth in the Rules and Regulations of this Tariff.

DETERMINATION OF ENERGY CONSUMPTION

The kilowatt-hours will be determined as set forth on Sheet No. 19 of the Tariff to which the fuel clause will apply.

Date of Issue: February 21, 2000

Issued By

Date Effective: March 1, 2000

R. M. Hewett, Group Executive
Lexington, Kentucky

Issued Pursuant to K.P.S.C. Order of 17/00 in Case No. 98-474

Kentucky Utilities Company

Original Sheet No. 40.2
P.S.C. No. 13

ELECTRIC RATE SCHEDULE

ST. I.T.

Street Lighting Service

ADJUSTMENT CLAUSES

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

- Fuel Adjustment Clause Sheet No. 70
- Demand-Side Management Surcharge Sheet No. 71
- Environmental Cost Recovery Surcharge Sheet No. 72
- Merger Surcredit Rider Sheet No. 73
- Earnings Sharing Mechanism Sheet No. 74
- Value Delivery Surcredit Rider Sheet No. 75
- Franchise Fee Rider Sheet No. 76
- School Tax Sheet No. 77

DETERMINATION OF ENERGY CONSUMPTION

The kilowatt-hours will be determined as set forth on Sheet No. 53 of this Tariff.

Date of Issue: December 29, 2003

Issued By

Date Effective: February 1, 2004

Michael S. Beer, Vice President
Lexington, Kentucky

KENTUCKY UTILITIES COMPANY

Third Revision of Original Sheet No. 18
P.S.C. No. 12

Original Sheet No. 41
P.S.C. No. 13

Kentucky Utilities Company

ELECTRIC RATE SCHEDULE P. O. Lt. Private Outdoor Lighting

ELECTRIC RATE SCHEDULE P. O. LT. Private Outdoor Lighting

APPLICABLE

In all territory served by the Company.

In all territory served.

AVAILABILITY

Service under this schedule is offered, under the conditions set out hereinafter, for lighting applications on private property such as, but not limited to, residential, commercial and industrial plant site or parking lot, other commercial area lighting, etc. to Customers now receiving electric service from the Company at the same location. Service will be provided under written contract signed by Customer prior to service commencing, when facilities are required other than fixture(s).

Service under this schedule is offered, under the conditions set out hereinafter, for lighting applications on private property such as, but not limited to, residential, commercial and industrial plant site or parking lot, other commercial area lighting, etc. to Customers now receiving electric service from the Company at the same location. Service will be provided under written contract signed by Customer prior to service commencing, when facilities are required other than fixture(s).

CHARACTER OF SERVICE

Service shall be from dusk to dawn totaling approximately 4,000 hours of annual burning time.

RATE

STANDARD (SERVED OVERHEAD)

TYPE LIGHT	APPROX LUMENS	KW RATING	MONTHLY CHARGE
Open Bottom Mercury Vapor	7,000**	.207	\$ 7.12
Cobra Mercury Vapor	20,000**	.453	\$ 8.41
Open Bottom High Pressure Sodium	5,800	.083	\$ 4.05
Open Bottom High Pressure Sodium	9,500	.117	\$ 4.62
Cobra High Pressure Sodium	22,000*	.242	\$ 8.44
Cobra High Pressure Sodium	50,000*	.485	\$13.62

STANDARD (SERVED OVERHEAD)

TYPE LIGHT	APPROX LUMENS	KW RATING	MONTHLY CHARGE
Open Bottom Mercury Vapor	7,000**	.207	\$ 7.70
Cobra Mercury Vapor	20,000**	.453	\$ 9.09
Open Bottom High Pressure Sodium	5,800	.083	\$ 4.38
Open Bottom High Pressure Sodium	9,500	.117	\$ 4.99
Cobra High Pressure Sodium	22,000*	.242	\$ 9.12
Cobra High Pressure Sodium	50,000*	.485	\$14.72

DIRECTIONAL (SERVED OVERHEAD)

TYPE LIGHT	APPROX LUMENS	KW RATING	MONTHLY CHARGE
Directional High Pressure Sodium	9,500	0.117	\$ 5.60
Directional High Pressure Sodium	22,000*	0.242	\$ 7.83
Directional High Pressure Sodium	50,000*	0.485	\$12.08

The Company will furnish a complete standard or directional fixture with appropriate mast arm on existing poles with available secondary voltage of 120/240.

Where the location of existing poles are not suitable or where there are no existing poles for mounting of lights, and the Customer requests service under these conditions, the Company may furnish the required facilities at an additional charge per month to be determined by the Company. These additional charges are subject to change by Company upon 30 days prior written notice.

All facilities required by Company will be standard stocked material. When underground facilities are requested and the Company agrees to underground service, the Customer will be responsible for ditching and back-filling and seeding and/or repaving as necessary, and provide, own and maintain all conduit.

Date of Issue: November 6, 2003
Canceling Second Revision of Original Sheet No. 18
Issued May 13, 2003

Issued By
Michael S. Beer, Vice President
Lexington, Kentucky

Date Effective: With Service Rendered
On and After
October 31, 2003

Issued Pursuant to K.P.S.C. Order of 10/17/03 in Case No. 2003-00068

Date of Issue: December 29, 2003

Date Effective: February 1, 2004

Michael S. Beer, Vice President
Lexington, Kentucky

KENTUCKY UTILITIES COMPANY

Third Revision of Original Sheet No. 18-A
P.S.C. No. 12

**ELECTRIC RATE SCHEDULE P. O. Lt.
Private Outdoor Lighting**

METAL HALIDE COMMERCIAL AND INDUSTRIAL LIGHTING

TYPE POLE & FIXTURE	APPROX LUMENS	KW RATING	MONTHLY CHARGE
Directional Fixture Only	12,000	0.207	\$ 8.27
Directional Fixture With Wood Pole	12,000	0.207	\$10.10
Directional Fixture With Metal Pole	12,000	0.207	\$16.10
Directional Fixture Only	32,000	0.450	\$11.46
Directional Fixture With Wood Pole	32,000	0.450	\$13.30
Directional Fixture With Metal Pole	32,000	0.450	\$19.29
Directional Fixture Only	107,800	1.080	\$11.97
Directional Fixture With Wood Pole	107,800	1.080	\$16.22
Directional Fixture With Metal Pole	107,800	1.080	\$21.50
Contemporary Fixture Only	12,000	0.207	\$ 9.29
Contemporary Fixture With Metal Pole	12,000	0.207	\$17.13
Contemporary Fixture Only	32,000	0.450	\$12.90
Contemporary Fixture With Metal Pole	32,000	0.450	\$20.73
Contemporary Fixture Only	107,800	1.080	\$28.04
Contemporary Fixture With Metal Pole	107,800	1.080	\$33.88

Company, where secondary voltage of 120/240 is available, will furnish, own, and maintain poles, fixtures and any necessary circuitry up to 100 feet. All poles and fixtures furnished by Company will be standard stocked items. Where Customer's location would require the installation of additional facilities, Company may furnish, own, and maintain the requested facilities at an additional charge per month to be determined by Company. Such charges are subject to change by Company upon 30 days prior written notice.

Customer is to pay the monthly rate plus any additional charge determined above plus provide all ditching, back-filling, and repairing/seedling/soil/grading. Customer's request, provide all ditching, back-filling, and repairing/seedling/soil/grading in advance, of Company's cost to provide those services. Upon termination of service, the Company shall not be required to remove underground facilities.

Where Customer has need for non-stocked styles of poles or fixtures, Company may agree to provide the requested poles or fixtures, at Customer's cost. Where the cost difference between the requested styles and the stock materials exceeds the Company's maintenance of non-stock materials is dependent on outside vendors and that maintenance of non-stock styles may be delayed or materials unavailable.

Date of Issue: November 6, 2003
Canceling Second Revision of Original Sheet No. 18-A
Issued May 13, 2003

Issued By
Michael S. Beer, Vice President
Lexington, Kentucky

Date Effective: With Service Rendered On and After
October 31, 2003

Issued Pursuant to K.P.S.C. Order of 10/17/03 in Case No. 2003-00068

Kentucky Utilities Company

Original Sheet No. 41.1
P.S.C. No. 13

**ELECTRIC RATE SCHEDULE P. O. Lt.
Private Outdoor Lighting**

All facilities required by Company will be standard stocked material. When underground facilities are requested and the Company agrees to underground service, the Customer will be responsible for ditching and back-filling and seeding and/or repaving as necessary, and provide, own and maintain all conduit.

METAL HALIDE COMMERCIAL AND INDUSTRIAL LIGHTING

TYPE POLE & FIXTURE	APPROX LUMENS	KW RATING	MONTHLY CHARGE
Directional Fixture Only	12,000	0.207	\$ 8.94
Directional Fixture With Wood Pole	12,000	0.207	\$10.92
Directional Fixture With Metal Pole	12,000	0.207	\$17.41
Directional Fixture Only	32,000	0.450	\$12.39
Directional Fixture With Wood Pole	32,000	0.450	\$14.38
Directional Fixture With Metal Pole	2,000	0.450	\$20.85
Directional Fixture Only	107,800	1.080	\$25.59
Directional Fixture With Wood Pole	107,800	1.080	\$28.35
Directional Fixture With Metal Pole	107,800	1.080	\$34.05
Contemporary Fixture Only	12,000	0.207	\$10.04
Contemporary Fixture With Metal Pole	12,000	0.207	\$18.52
Contemporary Fixture Only	32,000	0.450	\$13.95
Contemporary Fixture With Metal Pole	32,000	0.450	\$22.41
Contemporary Fixture Only	107,800	1.080	\$28.15
Contemporary Fixture With Metal Pole	107,800	1.080	\$36.63

Date of Issue: December 29, 2003

Issued By

Michael S. Beer, Vice President
Lexington, Kentucky

Date Effective: February 1, 2004

KENTUCKY UTILITIES COMPANY

Fourth Revision of Original Sheet No. 18-B
P.S.C. No. 12

Kentucky Utilities Company

Original Sheet No. 41.2
P.S.C. No. 13

**ELECTRIC RATE SCHEDULE P. O. Lt.
Private Outdoor Lighting**

Company, where secondary voltage of 120/240 is available, will furnish, own, and maintain poles, fixtures and any necessary circuitry up to 100 feet. All poles and fixtures furnished by Company will be standard stocked materials. Where Customer's location would require the installation of additional facilities, Company may furnish, own, and maintain the requested facilities at an additional charge per month to be determined by Company. Such charges are subject to change by Company upon 30 days prior written notice.

Customer is to pay the monthly rate plus any additional charge determined above plus provide all ditching, back-filling, and repaving/seeding/sodding as necessary and provide, own, and maintain all conduit. Company may, at Customer's request, provide all ditching, back-filling, and repaving/seeding/sodding as necessary for payment, in advance, of Company's cost to provide those services. Upon termination of service, the Company shall not be required to remove underground facilities.

Where Customer has need for non-stocked styles of poles or fixtures, Company may agree to provide the requested styles for payment, in advance, by Customer of the cost difference between the requested styles and the stock materials. Customer accepts that Company's maintenance of non-stock materials is dependent on outside vendors and that maintenance of non-stock styles may be delayed or materials unavailable.

DECORATIVE HPS (SERVED UNDERGROUND)

TYPE POLE & FIXTURE	APPROX LUMENS	KW RATING	MONTHLY CHARGE
Acorn Decorative	4,000	0.060	\$9.74
Acorn Historic	4,000	0.060	\$15.26
Acorn Decorative	5,800	0.083	\$10.24
Acorn Historic	5,800	0.083	\$15.77
Acorn Decorative	9,500	0.117	\$10.86
Acorn Historic	9,500	0.117	\$16.42
Colonial	4,000	0.060	\$8.42
Colonial	5,800	0.083	\$8.93
Colonial	9,500	0.117	\$7.40
Coach	5,800	0.083	\$23.47
Coach	9,500	0.117	\$24.00
Contemporary	5,800	0.083	\$11.80
Contemporary	9,500	0.117	\$14.05
Contemporary	22,000 *	0.242	\$16.29
Contemporary	50,000 *	0.485	\$21.09
Gran Ville	16,000	0.150	\$35.84

Gran Ville Accessories:

*** Single Crossarm Bracket	\$15.24
Twin Crossarm Bracket	\$16.96
24 inch Banner Arm	\$2.84
18 inch Banner Arm	\$2.43
Flagpole Holder	\$1.12
Post-Mounted Receptacle	\$15.82
Base-Mounted Receptacle	\$15.27
**** Additional Receptacle	\$2.16
Planter	\$3.66

Company to furnish, own, and maintain decorative poles, fixtures and any necessary circuitry up to 100 feet for the size lamps being used. Additional facilities required by Customer will be provided at a monthly charge to be determined by the Company. These additional charges are subject to change by the Company upon 30 days prior written notice. All facilities furnished by the Company will be standard stocked material. Customer to pay monthly rate plus any additional charges as determined above plus provide all ditching, back-filling, and repaving/seeding/sodding as necessary, and provide, own, and maintain all conduit. Upon termination of this service, the Company shall not be required to remove underground wiring. If the Company provides storage for the fixture, poles and/or the accessories, then an adder of 12.50 % will apply to the monthly rate per light.

NOTE: * NOT AVAILABLE FOR URBAN RESIDENTIAL HOME USE
 ** RESTRICTED TO THOSE FIXTURES IN SERVICE ON AUGUST 20, 1990
 *** FOR EXISTING POLES ONLY
 **** FOR 2 RECEPTACLES ON SAME POLE

Date of Issue: November 6, 2003
 Cancelling Third Revision of Original Sheet No. 18-B
 Issued May 13, 2003

Issued By
 Date Effective: With Service Rendered On and After
 October 31, 2003

Michael S. Beer, Vice President
 Lexington, Kentucky
 Issued Pursuant to K.P.S.C. Order of 10/17/03 in Case No. 2003-00068

DECORATIVE HPS (SERVED UNDERGROUND)

TYPE POLE & FIXTURE	APPROX LUMENS	KW RATING	MONTHLY CHARGE
Acorn Decorative	4,000	0.060	\$10.53
Acorn Historic	4,000	0.060	\$16.52
Acorn Decorative	5,800	0.083	\$11.07
Acorn Historic	5,800	0.083	\$17.05
Acorn Decorative	9,500	0.117	\$11.76
Acorn Historic	9,500	0.117	\$17.75
Colonial	4,000	0.060	\$6.94
Colonial	5,800	0.083	\$7.38
Colonial	9,500	0.117	\$8.00
Coach	5,800	0.083	\$25.37
Coach	9,500	0.117	\$26.04
Contemporary	5,800	0.083	\$12.76
Contemporary	9,500	0.117	\$15.19
Contemporary	22,000 *	0.242	\$17.61
Contemporary	50,000 *	0.485	\$22.80
Gran Ville	16,000	0.150	\$39.16

Date of Issue: December 28, 2003
 Issued By
 Date Effective: February 1, 2004

Michael S. Beer, Vice President
 Lexington, Kentucky

KENTUCKY UTILITIES COMPANY

First Revision of Original Sheet No. 18-C
P.S.C. No. 12

ELECTRIC RATE SCHEDULE	
P. O. Lt.	
Private Outdoor Lighting	
DUE DATE OF BILL	Payment is due within 10 days from date of bill. Billing for this service to be made a part of bill rendered for other electric service.
DETERMINATION OF ENERGY CONSUMPTION	The kilowatt-hours will be determined as set forth on Sheet No. 19 of the Tariff to which the fuel clause will apply.
FUEL CLAUSE	An additional charge or credit will be made on the kilowatt-hours purchased by the Customer in accordance with the fuel clause set forth on Sheet No. 24 of the Tariff.
FRANCHISE CHARGE	The rate herein provided shall include, where applicable, an additional charge for local government franchise payment determined in accordance with the Franchise Billing Plan as set forth in the Rules and Regulations of this Tariff.
TERM OF CONTRACT	For a fixed term of not less than 5 years and for such time thereafter until terminated by either party giving 30 days prior written notice to the other when additional facilities are required. Cancellation by Customer prior to the initial 5-year term will require the Customer to pay to Company its cost of labor to install and remove facilities plus cost of non-salvageable material, prorated on the basis of the remaining portion of the 5-year period.
	Signed contracts will not be required when the fixture(s) are placed on an existing pole with a 120 volt source.
RULES AND REGULATIONS	
1.	Service shall be furnished under Company's general Rules and Regulations or Terms and Conditions, except as set out herein.
2.	All service and necessary maintenance on the light and facilities will be performed only during regular scheduled working hours of the Company. The Company shall be allowed 48 hours after notification by the Customer in which to restore service.
3.	The Customer shall be responsible for fixture replacement or repairs where such replacement or repairs are caused from willful damage, vandalism, or causes other than normal burnouts.
4.	The Company shall own and maintain all facilities required in providing this service, except as noted above.

Date of Issue: April 27, 2001

Issued By

Date Effective: June 1, 2001

M. S. Beer, Vice President
Lexington, Kentucky

Kentucky Utilities Company

Original Sheet No. 41.3
P.S.C. No. 13

ELECTRIC RATE SCHEDULE	
P. O. Lt.	
Private Outdoor Lighting	
Gran Villa Accessories:	
*** Single Crossarm Bracket	\$16.65
Twin Crossarm Bracket	\$18.53
24 Inch Banner Arm	\$2.88
24 Inch Clamp Banner Arm	\$3.90
18 Inch Banner Arm	\$2.66
Flagpole Holder	\$1.22
Post-Mounted Receptacle	\$17.29
Base-Mounted Receptacle	\$16.69
**** Additional Receptacle	\$2.39
Planter	\$4.00

Company to furnish, own, and maintain decorative poles, fixtures and any necessary circuitry up to 100 feet for the size lamps being used. Additional facilities required by Customer will be provided at a charge to be determined by the Company. These additional charges are subject to change by the Company upon 30 days prior written notice. All facilities furnished by the Company will be standard stocked material. Customer to pay rate plus any additional charges as determined above plus provide all ditching, back-filling, and repaving/seedling/sodding as necessary, and provide, own, and maintain all conduit. Upon termination of this service, the Company shall not be required to remove underground wiring. If the Company provides storage for the fixture, poles and/or the accessories, then an adder of 12.50 % will apply to the rate per light for Gran Villa lights and accessories.

NOTE: * NOT AVAILABLE FOR URBAN RESIDENTIAL HOME USE
** RESTRICTED TO THOSE FIXTURES IN SERVICE ON AUGUST 20, 1990
*** FOR EXISTING POLES ONLY
**** FOR 2 RECEPTACLES ON SAME POLE

ADJUSTMENT CLAUSES
The bill amount computed at the charges specified above shall be increased or decreased in accordance with:

Fuel Adjustment Clause	Sheet No. 70
Demand-Side Management Surcharge	Sheet No. 71
Environmental Cost Recovery Surcharge	Sheet No. 72
Merger Surcredit Rider	Sheet No. 73
Earnings Sharing Mechanism	Sheet No. 74
Value Delivery Surcredit Rider	Sheet No. 75
Franchise Fee Rider	Sheet No. 76
School Tax	Sheet No. 77

Date of Issue: December 29, 2003

Issued By

Date Effective: February 1, 2004

Michael S. Beer, Vice President
Lexington, Kentucky

Kentucky Utilities Company

Original Sheet No. 41.4
P.S.C. No. 13

ELECTRIC RATE SCHEDULE

P.O. Lt.

Private Outdoor Lighting

DUE DATE OF BILL

Payment is due within 10 days from date of bill. Billing for this service to be made a part of bill rendered for other electric service.

DETERMINATION OF ENERGY CONSUMPTION

The kilowatt-hours will be determined as set forth on Sheet No. 53 of this Tariff.

TERM OF CONTRACT

For a fixed term of not less than 5 years and for such time thereafter until terminated by either party giving 30 days prior written notice to the other when additional facilities are required. Cancellation by Customer prior to the initial 5-year term will require the Customer to pay to Company its cost of labor to install and remove facilities plus cost of non-salvageable material, prorated on the basis of the remaining portion of the 5-year period.

Signed contracts will not be required when the fixture(s) are placed on existing pole with a 120 volt source.

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TERMS AND CONDITIONS

1. Service shall be furnished under Company's Terms and Conditions, except as set out herein.
2. All service and necessary maintenance on the light and facilities will be performed only during regular scheduled working hours of the Company. The Company shall be allowed 48 hours after notification by the Customer in which to restore service.
3. The Customer shall be responsible for fixture replacement or repairs where such replacement or repairs are caused from willful damage, vandalism, or causes other than normal burnouts.
4. The Company shall own and maintain all facilities required in providing this service, except as noted above.

Date of Issue: December 29, 2003

Issued By

Date Effective: February 1, 2004

Michael S. Beer, Vice President
Lexington, Kentucky

Kentucky Utilities Company

ELECTRIC RATE SCHEDULE	Rate SQF
<p>COGENERATION AND SMALL POWER PRODUCER</p>	<p>Small Capacity Cogeneration and Small Power Production Qualifying Facilities</p>
<p>AVAILABILITY In all territory served by Company.</p>	<p>AVAILABILITY In all territory served.</p>
<p>APPLICABLE This Rate and the terms and conditions set out herein are available for and applicable to energy only from the owner of qualifying cogeneration or small power production facilities of 100 KW or less (such owner being hereafter called "Seller") installed on Seller's property to provide all or part of its requirements of electrical energy, or from which facilities Seller may elect to sell to Company all or part of such output of electrical energy. Company will permit Seller's generating facilities to operate in parallel with Company's system under conditions set out below under PARALLEL OPERATION. Company will purchase such energy from Seller at the Rate, A or B, set out below and selected as hereafter provided, and under the terms and conditions stated herein. Company reserves the right to change the said Rates, upon proper filing with and acceptance by the jurisdictional Commission.</p>	<p>APPLICABILITY OF SERVICE This Rate and the terms and conditions set out herein are available for and applicable to Company's purchases of energy only from the owner of qualifying cogeneration or small power production facilities of 100 KW or less (such owner being hereafter called "Seller") installed on Seller's property to provide all or part of its requirements of electrical energy, or from which facilities Seller may elect to sell to Company all or part of such output of electrical energy. Company will permit Seller's generating facilities to operate in parallel with Company's system under conditions set out below under PARALLEL OPERATION. Company will purchase such energy from Seller at the Rate, A or B, set out below and selected as hereafter provided, and under the terms and conditions stated herein. Company reserves the right to change the said Rates, upon proper filing with and acceptance by the jurisdictional Commission.</p>
<p>RATE A: Time-Differentiated Rate</p>	<p>RATE A: Time-Differentiated Rate</p>
<p>1. For summer billing months of June, July, August and September, during the hours 9:01 A.M. thru 10:00 P.M. weekdays exclusive of holidays (on-peak hours), 1.843 cents per KWH.</p>	<p>1. For summer billing months of June, July, August and September, during the hours 9:01 A.M. thru 10:00 P.M. weekdays exclusive of holidays (on-peak hours), 1.843 cents per KWH.</p>
<p>2. For winter billing months of December, January and February, during the hours 7:01 A.M. thru 10:00 P.M. weekdays exclusive of holidays (on-peak hours), 1.683 cents per KWH.</p>	<p>2. For winter billing months of December, January and February, during the hours 7:01 A.M. thru 10:00 P.M. weekdays exclusive of holidays (on-peak hours), 1.683 cents per KWH.</p>
<p>3. During all other hours (off-peak hours), 1.515 cents per KWH.</p>	<p>3. During all other hours (off-peak hours), 1.515 cents per KWH.</p>
<p>Determination of On-Peak and Off-Peak Hours: On-peak hours are defined as the hours of 9:01 A.M. through 10:00 P.M., E.D.T. (8:01 A.M. through 9:00 P.M., E.S.T.), Mondays through Fridays exclusive of holidays (under 1 above), and the hours of 7:01 A.M. through 10:00 P.M., E.D.T. (6:01 A.M. through 9:00 P.M., E.S.T.), Mondays through Fridays exclusive of holidays (under 2 above). Off-peak hours are defined as all hours other than those listed as on-peak (under 3 above). Company reserves the right to change the hours designated as on-peak from time to time as conditions indicate to be appropriate.</p>	<p>Determination of On-Peak and Off-Peak Hours: On-peak hours are defined as the hours of 9:01 A.M. through 10:00 P.M., E.D.T. (8:01 A.M. through 9:00 P.M., E.S.T.), Mondays through Fridays exclusive of holidays (under 1 above), and the hours of 7:01 A.M. through 10:00 P.M., E.D.T. (6:01 A.M. through 9:00 P.M., E.S.T.), Mondays through Fridays exclusive of holidays (under 2 above). Off-peak hours are defined as all hours other than those listed as on-peak (under 3 above). Company reserves the right to change the hours designated as on-peak from time to time as conditions indicate to be appropriate.</p>
<p>RATE B: Non-Time-Differentiated Rate For all KWH purchased by Company, 1.575 cents per KWH.</p>	<p>RATE B: Non-Time-Differentiated Rate For all KWH purchased by Company, 1.575 cents per KWH.</p>
<p>SELECTION OF RATE AND METERING Subject to provisions hereafter in this Section relative to payment of costs of metering equipment, either Seller or Company may select Rate A, the Time-Differentiated Rate, for application to Company's said purchases of energy from Seller. If neither Seller nor Company selects Rate A, then Rate B, the Non-Time-Differentiated Rate, shall apply. If neither Seller nor Company selects Rate A, and Rate B therefore is to apply to such purchases, Company, at Seller's cost, will install, own and operate a non-time-differentiated meter and associated equipment, at a location selected by Company, measuring energy produced by Seller's generator, flowing into Company's system. Such meter will be tested at intervals prescribed by Commission Regulation, with Seller having a right to witness all such tests; and Seller will pay to Company its fixed cost on such meter and equipment, expense of such periodic tests of the meter and any other expenses (all such costs and expenses, together, being hereafter called "costs of non-time-differentiated metering").</p>	<p>SELECTION OF RATE AND METERING Subject to provisions hereafter in this Section relative to payment of costs of metering equipment, either Seller or Company may select Rate A, the Time-Differentiated Rate, for application to Company's said purchases of energy from Seller. If neither Seller nor Company selects Rate A, then Rate B, the Non-Time-Differentiated Rate, shall apply. If neither Seller nor Company selects Rate A, and Rate B therefore is to apply to such purchases, Company, at Seller's cost, will install, own and operate a non-time-differentiated meter and associated equipment, at a location selected by Company, measuring energy produced by Seller's generator, flowing into Company's system. Such meter will be tested at intervals prescribed by Commission Regulation, with Seller having a right to witness all such tests; and Seller will pay to Company its fixed cost on such meter and equipment, expense of such periodic tests of the meter and any other expenses (all such costs and expenses, together, being hereafter called "costs of non-time-differentiated metering").</p>

Michael S. Beer, Vice President
Lexington, Kentucky

Michael S. Beer, Vice President
Lexington, Kentucky

ELECTRIC RATE SCHEDULE **Rate SQF**
Cogeneration and Small Power Producer

If either Seller or Company selects Rate A to apply to Company's said purchases of energy from Seller, the party (Seller or Company) so selecting Rate A shall pay (a) the cost of a time-differentiated recording meter and associated equipment, at a location selected by Company, measuring energy, produced by Seller's generator, flowing into Company's system, required for the application of Rate A, in excess of (b) the costs of non-time-differentiated metering which shall continue to be paid by Seller.

In addition to metering referred to above, Company at its option and cost may install, own and operate, on Seller's generator, a recording meter to record the capacity, energy and reactive output of such generator at specified time intervals.

Company shall have access to all such meters at reasonable times during Seller's normal business hours and shall regularly provide to Seller copies of all information provided by such meters

DUE DATE OF BILL

Any payment due from Company to Seller will be due within 15 days from date of Company's reading of meter, provided, however, that, if Seller is a customer of Company in lieu of such payment, Company may offset its payment due to Seller hereunder, against Seller's next bill and payment due to Company for Company's service to Seller as customer.

PARALLEL OPERATION

Company hereby permits Seller to operate its generating facilities in parallel with Company's system, under the following conditions and any other conditions required by Company where unusual conditions not covered herein arise:

1. Prior to installation in Seller's system of any generator and associated facilities which are intended to be interconnected and operated in parallel with Company's system or prior to the inter-connection to Company's system of any such generator and associated facilities already installed in Seller's system, Seller will provide to Company plans for such generator and facilities. Company may, but shall have no obligation to, examine such plans and disapprove them in whole or in part, to the extent Company believes that such plans and proposed facilities will not adequately assure the safety of Company's facilities or system. Seller acknowledges and agrees that the sole purpose of any Company examination of such plans is the satisfaction of Company's interest in the safety of Company's own facilities and system, and that Company shall have no responsibility of any kind to Seller or to any other party in connection with any such examination. If Seller thereafter proposes any change from such plans submitted to Company, prior to the implementation thereof Seller will provide to Company new plans setting out such proposed change(s).

2. Seller will own, install, operate and maintain all generating facilities on its plant site, such facilities to include, but not be limited to, (a) protective equipment between the systems of Seller and Company and (b) necessary control equipment to synchronize frequency and voltage between such two systems. Seller's voltage at the point of interconnection will be the same as Company's system voltage. Suitable circuit breakers or similar equipment, as specified by Company, will be furnished by Seller at a location designated by Company to enable the separation or disconnection of the two electrical systems. Except in emergencies, the circuit breakers, or similar equipment, will be operated only by, or at the express direction of, Company personnel and will be accessible to Company at all times. In addition, a circuit breaker or similar equipment shall be furnished and installed by Seller to separate or disconnect Seller's generator.

3. Seller will be responsible for operating the generator and all facilities owned by Seller, except as hereafter specified. Seller will maintain its system in synchronization with Company's system.

4. Seller will (a) pay Company for all damage to Company's equipment, facilities or system, and (b) save and hold Company harmless from all claims, demands and liabilities of every kind and nature for injury or damage to, or death of, persons and/or property of others, including costs and expenses of defending against the same, arising in any manner in connection with Seller's generator, equipment, facilities or system or the operation thereof.

Date of Issue: November 14, 1986

Date Effective: December 5, 1986
Refiled: February 21, 2000

Issued By

R. M. Hewett, Group Executive
Lexington, Kentucky
Issued Pursuant to K.P.S.C. Order No. 9456

ELECTRIC RATE SCHEDULE **SQF**
Small Capacity Cogeneration and Small Power Production Qualifying Facilities

SELECTION OF RATE AND METERING

Subject to provisions hereafter in this Section relative to payment of costs of metering equipment, either Seller or Company may select Rate A, the Time-Differentiated Rate, for application to Company's said purchases of energy from Seller. If neither Seller nor Company selects Rate A, then Rate B, the Non-Time-Differentiated Rate, shall apply.

If neither Seller nor Company selects Rate A, and Rate B therefore is to apply to such purchases, Company, at Seller's cost, will install, own and operate a non-time-differentiated meter and associated equipment, at a location selected by Company, measuring energy, produced by Seller's generator, flowing into Company's system. Such meter will be tested at intervals prescribed by Commission Regulation, with Seller having a right to witness all such tests, and Seller will pay to Company its fixed cost on such meter and equipment, expense of such periodic tests of the meter and any other expenses (all such costs and expenses, together, being hereafter called "costs of non-time-differentiated metering").

If either Seller or Company selects Rate A to apply to Company's said purchases of energy from Seller, the party (Seller or Company) so selecting Rate A shall pay (a) the cost of a time-differentiated recording meter and associated equipment, at a location selected by Company, measuring energy, produced by Seller's generator, flowing into Company's system, required for the application of Rate A, in excess of (b) the costs of non-time-differentiated metering which shall continue to be paid by Seller.

In addition to metering referred to above, Company at its option and cost may install, own and operate, on Seller's generator, a recording meter to record the capacity, energy and reactive output of such generator at specified time intervals.

Company shall have access to all such meters at reasonable times during Seller's normal business hours, and shall regularly provide to Seller copies of all information provided by such meters.

DUE DATE OF BILL

Any payment due from Company to Seller will be due within 15 days from date of Company's reading of meter, provided, however, that, if Seller is a customer of Company, in lieu of such payment Company may offset its payment due to Seller hereunder, against Seller's next bill and payment due to Company for Company's service to Seller as customer.

PARALLEL OPERATION

Company hereby permits Seller to operate its generating facilities in parallel with Company's system, under the following conditions and any other conditions required by Company where unusual conditions not covered herein arise:

1. Prior to installation in Seller's system of any generator and associated facilities which are intended to be interconnected and operated in parallel with Company's system, or prior to the inter-connection to Company's system of any such generator and associated facilities already installed in Seller's system, Seller will provide to Company plans for such generator and facilities. Company may, but shall have no obligation to, examine such plans and disapprove them in whole or in part, to the extent Company believes that such plans and proposed facilities will not adequately assure the safety of Company's facilities or system. Seller acknowledges and agrees that the sole purpose of any Company examination of such plans is the

Date of Issue: December 29, 2003

Issued By

Date Effective: February 1, 2004

Michael S. Beer, Vice President
Lexington, Kentucky

ELECTRIC RATE SCHEDULE	Rate SQF
Cogeneration and Small Power Producer	
<p>5. Seller will construct any additional facilities, in addition to generating and associated (interface) facilities, required for interconnection unless Company and Seller agree to Company's constructing such facilities, at Seller's expense, where Seller is not a customer of Company. When Seller is a customer of Company and Company is required to construct facilities different than other- wise required to permit interconnection, Seller shall pay such additional cost of facilities. Seller agrees to reimburse Company, at the time of installation, or, if agreed to by both parties, over a period of up to three years, for any facilities including any hereafter required (but exclusive of metering equipment, elsewhere herein provided for) constructed by Company to permit Seller to operate interconnect with Company's system. When interconnection costs are repaid over a period of time, such payments will be made monthly and include interest on the unpaid balance at the percentage rate equal to the capital costs that the Company would experience at such time by new financing, based on Company's then existing capital structure, with return on equity to be at the rate allowed in Company's immediately preceding rate case.</p>	
<p>6. Company will have the continuing right to inspect and approve Seller's facilities, described herein, and to request and witness any tests necessary to determine that such facilities are installed and operating properly, but Company will have no obligation to inspect or approve facilities, or to request or witness tests, and Company will not in any manner be responsible for Seller's facilities or any operation thereof.</p>	
<p>7. Seller assumes all responsibility for the electric service upon Seller's premises at and from the point of any delivery or flow of electricity from Company, and for the wires and equipment used in connection therewith; and Seller will protect and save Company harmless from all claims for injury or damage to persons or property, including but not limited to property of Seller, occurring on or about Seller's premises or at and from the point of delivery or flow of electricity from Company, occasioned by such electricity or said wires and equipment, except where said injury or damage is proved to have been caused solely by the negligence of Company.</p>	
<p>8. Each, Seller and Company, will designate one or more Operating Representatives for the purpose of contacts and communications between the parties concerning operations of the two systems.</p>	
<p>9. Seller will notify Company's Energy Control Center at Dix Dam prior to each occasion of Seller's generator being brought into or (except in cases of emergencies) taken out of operation.</p>	
<p>10. Company reserves the right to curtail a purchase from Seller when:</p>	
<p>(a) the purchase will result in costs to Company greater than would occur if the purchase were not made but instead Company, itself, generated an equivalent amount of energy, or</p>	
<p>(b) Company has a system emergency and purchases would (or could) contribute to such emergency.</p>	
<p>Seller will be notified of each curtailment.</p>	
<p>RULES AND REGULATIONS</p> <p>Except as provided herein, conditions or operations will be as provided in Company's Rules and Regulations or Terms and Conditions.</p>	

Date of Issue: November 14, 1986
 Issued By: R. M. Hewitt, Group Executive
 Lexington, Kentucky
 Issued Pursuant to K.P.S.C. Order No. 9456
 Date Effective: December 5, 1986
 Refiled: February 21, 2000

ELECTRIC RATE SCHEDULE	SQF
Small Capacity Cogeneration and Small Power Production Qualifying Facilities	
<p>satisfaction of Company's interest in the safety of Company's own facilities and system, and that Company shall have no responsibility of any kind to Seller or to any other party in connection with any such examination. If Seller thereafter proposes any change from such plans submitted to Company, prior to the implementation thereof Seller will provide to Company new plans setting out such proposed change(s).</p>	
<p>2. Seller will own, install, operate and maintain all generating facilities on its plant site, such facilities to include, but not be limited to, (a) protective equipment between the systems of Seller and Company and (b) necessary control equipment to synchronize frequency and voltage between such two systems. Seller's voltage at the point of interconnection will be the same as Company's system voltage. Suitable circuit breakers or similar equipment, as specified by Company, will be furnished by Seller at a location designated by Company to enable the separation or disconnection of the two electrical systems. Except in emergencies, the circuit breakers, or similar equipment, will be operated only by, or at the express direction of, Company personnel and will be accessible to Company at all times. In addition, a circuit breaker or similar equipment shall be furnished and installed by Seller to separate or disconnect Seller's generator.</p>	
<p>3. Seller will be responsible for operating the generator and all facilities owned by Seller, except as hereafter specified. Seller will maintain its system in synchronization with Company's system.</p>	
<p>4. Seller will (a) pay Company for all damage to Company's equipment, facilities or system, and (b) save and hold Company harmless from all claims, demands and liabilities of every kind and nature for injury or damage to, or death of, persons and/or property of others, including costs and expenses of defending against the same, arising in any manner in connection with Seller's generator, equipment, facilities or system or the operation thereof.</p>	
<p>5. Seller will construct any additional facilities, in addition to generating and associated (interface) facilities, required for interconnection unless Company and Seller agree to Company's constructing such facilities, at Seller's expense, where Seller is not a customer of Company. When Seller is a customer of Company and Company is required to construct facilities different than other- wise required to permit interconnection, Seller shall pay such additional cost of facilities. Seller agrees to reimburse Company, at the time of installation, or, if agreed to by both parties, over a period of up to three years, for any facilities including any hereafter required (but exclusive of metering equipment, elsewhere herein provided for) constructed by Company to permit Seller to operate interconnect with Company's system. When interconnection costs are repaid over a period of time, such payments will be made monthly and include interest on the unpaid balance at the percentage rate equal to the capital costs that the Company would experience at such time by new financing, based on Company's then existing capital structure, with return on equity to be at the rate allowed in Company's immediately preceding rate case.</p>	
<p>6. Company will have the continuing right to inspect and approve Seller's facilities, described herein, and to request and witness any tests necessary to determine that such facilities are installed and operating properly; but Company will have no obligation to inspect or approve facilities, or to request or witness tests; and Company will not in any manner be responsible for Seller's facilities or any operation thereof.</p>	

Date of Issue: December 29, 2003
 Issued By: Michael S. Beer, Vice President
 Lexington, Kentucky
 Date Effective: February 1, 2004

Kentucky Utilities Company

Original Sheet No. 45.3
P.S.C. No. 13

ELECTRIC RATE SCHEDULE **SOQ**
Small Capacity Cogeneration and Small Power Production Qualifying Facilities

7. Seller assumes all responsibility for the electric service upon Seller's premises at and from the point of any delivery or flow of electricity from Company, and for the wires and equipment used in connection therewith; and Seller will protect and save Company harmless from all claims for injury or damage to persons or property, including but not limited to property of Seller, occurring on or about Seller's premises or at and from the point of delivery or flow of electricity from Company, occasioned by such electricity or said wires and equipment, except where said injury or damage is proved to have been caused solely by the negligence of Company.
8. Each, Seller and Company, will designate one or more Operating Representatives for the purpose of contacts and communications between the parties concerning operations of the two systems.
9. Seller will notify Company's Energy Control Center at Dix Dam prior to each occasion of Seller's generator being brought into or (except in cases of emergencies) taken out of operation.
10. Company reserves the right to curtail a purchase from Seller when:
 - (a) the purchase will result in costs to Company greater than would occur if the purchase were not made but instead Company, itself, generated an equivalent amount of energy; or
 - (b) Company has a system emergency and purchases would (or could) contribute to such emergency.

Seller will be notified of each curtailment.

TERMS AND CONDITIONS

Except as provided herein, conditions or operations will be as provided in Company's Terms and Conditions.

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Date of Issue: December 29, 2003 Issued By Date Effective: February 1, 2004

Michael S. Beer, Vice President
Lexington, Kentucky

ELECTRIC RATE SCHEDULE	Rate LQF
Cogeneration and Small Power Producer	
<p>AVAILABILITY In all territory served.</p>	
<p>APPLICABLE Applicable to any small power production or cogeneration "qualifying facility" with capacity over 100 Kw as defined by the Kentucky Public Service Commission Regulation 807 KAR 5.054, and which contracts to sell energy or capacity or both to the Company.</p>	
<p>RATES FOR PURCHASES FROM QUALIFYING FACILITIES</p>	
<p><u>Energy Component Payments</u></p>	
<p>The hourly avoided energy cost (AEC) in \$ per MWh, which is payable to a QF for delivery of energy, shall be equal to the Company's actual variable fuel expenses, for Company-owned coal and natural gas-fired production facilities, divided by the associated megawatt-hours of generation, as determined for the previous month. The total amount of the avoided energy cost payment to be made to a QF in an hour is equal to $[AEC \times E_{QF}]$, where E_{QF} is the amount of megawatt-hours delivered by a QF in that hour and which are determined by suitable metering.</p>	
<p><u>Capacity Component Payments</u></p>	
<p>The hourly avoided capacity cost (ACC) in \$ per MWh, which is payable to a QF for delivery of capacity, shall be equal to the effective purchase price for power available to the Company from the inter-utility market (which includes both energy and capacity charges) less the Company's actual variable fuel expense (AEC). The total amount of the avoided capacity cost payment to be made to a QF in an hour is equal to $[ACC \times CAP_i]$, where CAP, the capacity delivered by the QF, is determined on the basis of the system demand (D) and the Company's need for capacity in that hour to adequately serve the load.</p>	
<p><u>Determination of CAP_i</u></p>	
<p>For the following determination of CAP_i, C_{KU} represents the Company's installed or previously arranged capacity at the time a QF signs a contract to deliver capacity; C_{QF} represents the actual capacity provided by a QF, but no more than the contracted capacity; and C_M represents capacity purchased from the inter-utility market.</p>	

Date of Issue: March 18, 1999
Issued By: R. M. Hewett, Group Executive
Lexington, Kentucky
Date Effective: April 17, 1999
Refiled: February 21, 2000

ELECTRIC RATE SCHEDULE	LQF
Large Capacity Cogeneration and Small Power Production Qualifying Facilities	
<p>AVAILABILITY In all territory served.</p>	
<p>APPLICABILITY OF SERVICE Applicable to any small power production or cogeneration "qualifying facility" with capacity over 100 Kw as defined by the Kentucky Public Service Commission Regulation 807 KAR 5.054, and which contracts to sell energy or capacity or both to the Company.</p>	
<p>RATES FOR PURCHASES FROM QUALIFYING FACILITIES</p>	
<p><u>Energy Component Payments</u></p>	
<p>The hourly avoided energy cost (AEC) in \$ per MWh, which is payable to a QF for delivery of energy, shall be equal to the Company's actual variable fuel expenses, for Company-owned coal and natural gas-fired production facilities, divided by the associated megawatt-hours of generation, as determined for the previous month. The total amount of the avoided energy cost payment to be made to a QF in an hour is equal to $[AEC \times E_{QF}]$, where E_{QF} is the amount of megawatt-hours delivered by a QF in that hour and which are determined by suitable metering.</p>	
<p><u>Capacity Component Payments</u></p>	
<p>The hourly avoided capacity cost (ACC) in \$ per MWh, which is payable to a QF for delivery of capacity, shall be equal to the effective purchase price for power available to the Company from the inter-utility market (which includes both energy and capacity charges) less the Company's actual variable fuel expense (AEC). The total amount of the avoided capacity cost payment to be made to a QF in an hour is equal to $[ACC \times CAP_i]$, where CAP, the capacity delivered by the QF, is determined on the basis of the system demand (D) and the Company's need for capacity in that hour to adequately serve the load.</p>	
<p><u>Determination of CAP_i</u></p>	
<p>For the following determination of CAP_i, C_{KU} represents the Company's installed or previously arranged capacity at the time a QF signs a contract to deliver capacity; C_{QF} represents the actual capacity provided by a QF, but no more than the contracted capacity; and C_M represents capacity purchased from the inter-utility market.</p>	
<p>1. System demand is less than or equal to the Company's capacity: $D_i \leq C_{KU}$; CAP_i = 0</p>	
<p>2. System demand is greater than the Company's capacity but less than or equal to the total of the Company's capacity and the capacity provided by a QF: $C_{KU} < D_i \leq [C_{KU} + C_{QF}]$; CAP_i = C_M</p>	

Date of Issue: December 29, 2003
Issued By: Michael S. Beer, Vice President
Lexington, Kentucky
Date Effective: February 1, 2004

KENTUCKY UTILITIES COMPANY

Original Sheet No. 22.3
P.S.C. No. 12

ELECTRIC RATE SCHEDULE	Rate LQF
Cogeneration and Small Power Producer	
1. System demand is less than or equal to the Company's capacity: $D_1 \leq C_{KW}$; $CAP_1 = 0$	
2. System demand is greater than the Company's capacity but less than or equal to the total of the Company's capacity and the capacity provided by a QF: $C_{KW} < D_1 \leq [C_{KW} + C_{QF}]$; $CAP_1 = C_M$	
3. System demand is greater than the total of the Company's capacity and the capacity provided by a QF: $D_1 > [C_{KW} + C_{QF}]$; $CAP_1 = C_{QF}$	
PAYMENT	
The Company shall pay each bill for electric power rendered to it in accordance with the terms of the contract, within 10 days of the date the bill is rendered. In lieu of such payment plan, the Company will, upon written request, credit the Customer's account for such purchases.	
TERM OF CONTRACT	
For contracts which cover the purchase of energy only, the term shall be one year, and shall be self-renewing from year-to-year thereafter, unless canceled by either party on one year's written notice.	
TERMS AND CONDITIONS	
1. Qualifying facilities shall be required to pay for any additional interconnection costs, to the extent that such costs are in excess of those that the Company would have incurred if the qualifying facility's output had not been purchased.	
2. A qualifying facility operating in parallel with the Company must demonstrate that its equipment is designed, installed, and operated in a manner that insures safe and reliable interconnected operation. A qualifying facility should contact the Company for assistance in this regard.	
3. The purchasing, supplying and billing for service, and all conditions applying hereto, shall be specified in the contract executed by the parties, and are subject to the jurisdiction of the Kentucky Public Service Commission, and to the Company's Service Regulations currently in effect, as filed with the Commission.	

Date of Issue: March 18, 1999

Date Effective: April 17, 1999
Refiled: February 21, 2000

Issued By
R. M. Hewett, Group Executive
Lexington, Kentucky

Kentucky Utilities Company

Original Sheet No. 46.1
P.S.C. No. 13

ELECTRIC RATE SCHEDULE	LQF
Large Capacity Cogeneration and Small Power Production Qualifying Facilities	
3. System demand is greater than the total of the Company's capacity and the capacity provided by a QF: $D_1 > [C_{KW} + C_{QF}]$; $CAP_1 = C_{QF}$	
PAYMENT	
The Company shall pay each bill for electric power rendered to it in accordance with the terms of the contract, within 10 days of the date the bill is rendered. In lieu of such payment plan, the Company will, upon written request, credit the Customer's account for such purchases.	
TERM OF CONTRACT	
For contracts which cover the purchase of energy only, the term shall be one year, and shall be self-renewing from year-to-year thereafter, unless canceled by either party on one year's written notice.	
For contracts which cover the purchase of capacity and energy, the term shall be 5 years.	
TERMS AND CONDITIONS	
1. Qualifying facilities shall be required to pay for any additional interconnection costs, to the extent that such costs are in excess of those that the Company would have incurred if the qualifying facility's output had not been purchased.	
2. A qualifying facility operating in parallel with the Company must demonstrate that its equipment is designed, installed, and operated in a manner that insures safe and reliable interconnected operation. A qualifying facility should contact the Company for assistance in this regard.	
3. The purchasing, supplying and billing for service, and all conditions applying hereto, shall be specified in the contract executed by the parties, and are subject to the jurisdiction of the Kentucky Public Service Commission, and to the Company's Terms and Conditions currently in effect, as filed with the Commission.	

Date of Issue: December 29, 2003

Date Effective: February 1, 2004

Issued By

Michael S. Beer, Vice President
Lexington, Kentucky

KENTUCKY UTILITIES COMPANY

RENTAL SCHEDULE

Original Sheet No. 23
P.S.C. No. 12

CATV - RC

Cable Television Attachment - Rental Charge

APPLICABLE

In all territory served by Company (by means of Company-owned pole routes).

AVAILABILITY

Where a cable television system operator has proper authorization to provide cable television service in a given area (hereinafter "Customer"), the Company is willing to permit the attachments of cables, wires and appliances to its poles where, in Company's judgment, such attachments will not interfere with its electric service requirements and other prior licensees using Company's poles. Attachments will be permitted upon execution by both parties of a Cable Television Attachment Agreement and an Application and Permit form supplied by Company.

RENTAL CHARGE

Rental charge of \$2.71 per year for each attachment to pole subject to annual adjustment as provided below.

RENTAL CHARGE ADJUSTMENT

The rental charge stated above is subject to change by the Company upon 20 days written notice to the Customer and the Public Service Commission. Such change will be either an upward or downward adjustment when conditions arise which materially affect the investment in facilities or a change in the Company's costs to cover expense of operation, maintenance, depreciation, taxes, insurance and return on investment, in accordance with the Commission's allowance of such expenses and investments. A change in the Rental Charge will not be made more often than once in any 12 month period and will apply to the next semi-annual billing period.

BILLING

Rental charges to be billed semi-annually based on the number of pole attachments being maintained on December 1 and June 1. Payment will be due within 10 days from date of bill.

TERM OF AGREEMENT

The Cable Television Attachment Agreement shall become effective upon execution by both parties and shall continue in effect for not less than 1 year, subject to provisions contained in the agreement. At any time thereafter, the Customer may terminate the agreement by giving not less than 6 months' prior written notice. Upon termination of the agreement, Customer shall immediately remove its cables, wire, appliances and all other attachments from all poles of Company.

TERMS AND CONDITIONS OF POLE ATTACHMENTS

Pole attachments shall be permitted in accordance with this Rental Schedule and the Company's Rules and Regulations or Terms and Conditions for Cable Television Attachments. The Company's general Rules and Regulations or Terms and Conditions shall be applicable, to the extent they are not in conflict with or inconsistent with the special provisions of this Rental Schedule, Cable Television Attachments Agreement, the Application and Permit form, and the Company's Terms and Conditions applicable to Pole Attachments.

Date of Issue: November 8, 1983

Issued By

Date Effective: January 1, 1984
Refiled: February 21, 2000

R. M. Hewitt, Group Executive
Lexington, Kentucky
Issued Pursuant to K.P.S.C. Order No. 251

Kentucky Utilities Company

Original Sheet No. 47
P.S.C. No. 13

CATV - RC

Cable Television Attachment - Rental Charge

APPLICABLE

In all territory served.

AVAILABILITY OF SERVICE

Where a cable television system operator has proper authorization to provide cable television service in a given area (hereinafter "Customer"), the Company is willing to permit the attachments of cables, wires and appliances to its poles where, in Company's judgment, such attachments will not interfere with its electric service requirements and other prior licensees using Company's poles. Attachments will be permitted upon execution by both parties of a Cable Television Attachment Agreement and an Application and Permit form supplied by Company.

RENTAL CHARGE

Rental charge of \$2.71 per year for each attachment to pole, subject to annual adjustment as provided below.

RENTAL CHARGE ADJUSTMENT

The rental charge stated above is subject to change by the Company upon 20 days' written notice to the Customer and the Public Service Commission. Such change will be either an upward or downward adjustment, when conditions arise which materially affect the investment in facilities, or a change in the Company's costs to cover expense of operation, maintenance, depreciation, taxes, insurance and return on investment, in accordance with the Commission's allowance of such expenses and investments. A change in the Rental Charge will not be made more often than once in any 12-month period and will apply to the next semi-annual billing period.

BILLING

Rental charges to be billed semi-annually based on the number of pole attachments being maintained on December 1 and June 1. Payment will be due within 10 days from date of bill.

TERM OF AGREEMENT

The Cable Television Attachment Agreement shall become effective upon execution by both parties and shall continue in effect for not less than 1 year, subject to provisions contained in the agreement. At any time thereafter, the Customer may terminate the agreement by giving not less than 6 months' prior written notice. Upon termination of the agreement, Customer shall immediately remove its cables, wire, appliances and all other attachments from all poles of Company.

TERMS AND CONDITIONS OF POLE ATTACHMENTS

Pole attachments shall be permitted in accordance with this Rental Schedule. The Company's Terms and Conditions shall be applicable, to the extent they are not in conflict with or inconsistent with the special provisions of this Rental Schedule, Cable Television Attachments Agreement, the Application and Permit form.

Date of Issue: December 29, 2003

Issued By

Date Effective: February 1, 2004

Michael S. Beer, Vice President
Lexington, Kentucky

RULES AND REGULATIONS OR TERMS AND CONDITIONS

For Cable Television Attachments

Upon written Agreement, the Company is willing to permit, to the extent it may lawfully do so, the attachment of cables, wires and appliances to its poles by a cable television system operator, hereinafter "Customer," where, in its judgment, such use will not interfere with its electric service requirements and other prior licensees using Company's poles, including consideration of economy and safety, in accordance with Company's CATV Rental Schedule (Sheet No. 23) approved by the Public Service Commission. The Rules and Regulations or Terms and Conditions applicable to such service are as follows:

1. ATTACHMENT APPLICATIONS AND PERMITS

Before making attachment to any pole or poles of Company, Customer shall make application and receive a permit therefor on a form to be supplied by Company (KU Form 17-52). The information submitted by Customer with the application for a permit shall consist of drawings and associated descriptive matter which shall be adequate in all detail to enable the Company to thoroughly check the proposed installation of Customer. Before the attachments are made, the permit must be approved by the Company. Customer shall not build separate pole lines along existing facilities of Company and shall not place intermediate poles in spans of Company, unless authorized by Company and shall have the right to remove unauthorized Customer attachments at Customer's expense after notice to Customer. In the event a pole attachment count does not correspond to the recorded attachment count, Customer will pay a back rental fee for any excess attachments. The back rental fee will be double the rate otherwise in effect over the time since last pole attachment count and shall be payable on demand.

2. PERMITTED ATTACHMENTS

Customer shall be permitted to make only one bolt attachment for one messenger on tangent poles and two bolt attachments for two messengers on corner poles. A maximum of five individual coaxial cables may be supported by any single messenger if these cables are all attached to the messenger by suitable lashings or bindings, and so that the maximum overall dimension of the resulting cable bundle does not exceed two inches. Any messenger attachment other than to tangent poles must be properly braced with guys and anchors provided by Customer to the satisfaction of the Company. The use of existing Company anchors for this purpose must be specifically authorized in writing, subject to additional charge, and will not ordinarily be permitted. The use of crossarms or brackets shall not be permitted in addition to messenger attachments. Customer will be permitted one Customer amplifier installation per pole and four service drops to be tapped on cable messenger strand and not on pole. Customer power supply installations shall be permitted, but only at pole locations specifically approved by the Company. Any or all of the above are considered one attachment for billing purposes. Any additional attachments desired by Customer will be considered on an individual basis by the Company, and as a separate attachment application.

Date of Issue: November 8, 1983

Issued By

R. M. Hewitt, Group Executive
Lexington, Kentucky

Issued Pursuant to K.P.S.C. Adm. Case No. 251

Date Effective: January 1, 1984
Revised: February 21, 2000

**CATV - RC
Cable Television Attachment - Rental Charge**

Upon written Agreement, the Company is willing to permit, to the extent it may lawfully do so, the attachment of cables, wires and appliances to its poles by a cable television system operator, hereinafter "Customer," where, in its judgment, such use will not interfere with its electric service requirements and other prior licensees using Company's poles, including consideration of economy and safety, in accordance with this rental schedule approved by the Public Service Commission. The Terms and Conditions applicable to such service are as follows:

1. ATTACHMENT APPLICATIONS AND PERMITS

Before making attachment to any pole or poles of Company, Customer shall make application and receive a permit therefor on a form to be supplied by Company (KU Form 17-52). The information submitted by Customer with the application for a permit shall consist of drawings and associated descriptive matter which shall be adequate in all detail to enable the Company to thoroughly check the proposed installation of Customer. Before the attachments are made, the permit must be approved by the Company. Customer shall not build separate pole lines along existing facilities of Company and shall not place intermediate poles in spans of Company, unless authorized by Company and shall have the right to remove unauthorized Customer attachments at Customer's expense after notice to Customer. In the event a pole attachment count does not correspond to the recorded attachment count, Customer will pay a back rental fee for any excess attachments. The back rental fee will be double the rate otherwise in effect over the time since last pole attachment count and shall be payable on demand.

2. PERMITTED ATTACHMENTS

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3. CONSTRUCTION AND MAINTENANCE REQUIREMENTS AND SPECIFICATIONS

Customer's cables, wires and appliances, in each and every location, shall be erected and maintained in accordance with the requirements and specifications of the National Electrical

Date of Issue: December 29, 2003

Issued By

Michael S. Beer, Vice President
Lexington, Kentucky

Date Effective: February 1, 2004

RULES AND REGULATIONS OR TERMS AND CONDITIONS

For Cable Television Attachments

3. CONSTRUCTION AND MAINTENANCE REQUIREMENTS AND SPECIFICATIONS

Customer's cables, wires and appliances, in each and every location, shall be erected and maintained in accordance with the requirements and specifications of the National Electrical Safety Code, current edition, and Company's construction practices, or any amendments or revisions of said Code and in compliance with any rules or orders now in effect or that hereinafter may be issued by the Public Service Commission of Kentucky, or other authority having jurisdiction. In the event any of Customer's construction does not meet any of the foregoing requirements, Customer will correct same in fifteen work days after written notification. Company may make corrections and bill Customer for total costs incurred, if not corrected by Customer.

4. MAINTENANCE OF ATTACHMENTS

Customer shall, at its own expense, make and maintain said attachments in safe condition and in thorough repair, and in a manner suitable to Company and so as not to conflict with the use of said poles by Company, or by other parties, firms, corporations, governmental units, etc., using said poles, pursuant to any license or permit by Company, or interfere with the working use of facilities thereon or which may, from time to time, be placed thereon. Customer shall promptly at any time, at its own expense, upon written notice from Company, relocate, replace or renew its facilities placed on said poles, and transfer them to substituted poles, or perform any other work in connection with said facilities that may be required by Company but in no case longer than two months after date of written request. In cases of emergency, however, Company may arrange to relocate, replace or renew the facilities placed on said poles by Customer, transfer them to substituted poles or perform any other work in connection with said facilities that may be required in the maintenance, replacement, removal or relocation of said poles, the facilities thereon or which may be placed thereon, or for the service needs of Company, or its other licensees, and Customer shall, on demand, reimburse Company for the expense thereby incurred.

5. COSTS ASSOCIATED WITH ATTACHMENTS

In the event that any pole or poles of Company to which Customer desires to make attachments are inadequate to support the additional facilities in accordance with the aforesaid specifications, Company will indicate on the application and permit form (KU Form 17-52) the changes necessary to provide adequate poles and the estimated cost thereof to Customer and return the form to Customer. If Customer still desires to make the attachments, and returns the form to Company marked to so indicate, Company will replace such inadequate poles with suitable poles and Customer will, on demand, reimburse Company for the total cost of pole replacement necessary to accommodate Customer attachments, less the salvage value of any pole that is removed, and the expense of transferring Company's facilities from the old to the new poles. Where Customer desired attachments can be accommodated on pre-sent poles of Company by rearranging Company's facilities thereon, Customer will compensate Company for the full expense incurred in completing such rearrangements, within ten days after receipt of Company's invoice for such expense. Customer will

Date of Issue: November 8, 1983

Issued By

Date Effective: January 1, 1984
Revised: February 21, 2000

R. M. Hewett, Group Executive
Lexington, Kentucky
Issued Pursuant to K.P.S.C. Admin. Case No. 251

CATV - RC
Cable Television Attachment - Rental Charge

Safety Code, current edition, and Company's construction practices, or any amendments or revisions of said Code and in compliance with any rules or orders now in effect or that hereinafter may be issued by the Public Service Commission of Kentucky, or other authority having jurisdiction. In the event any of Customer's construction does not meet any of the foregoing requirements, Customer will correct same in fifteen work days after written notification. Company may make corrections and bill Customer for total costs incurred, if not corrected by Customer.

4. MAINTENANCE OF ATTACHMENTS

Customer shall, at its own expense, make and maintain said attachments in safe condition and in thorough repair, and in a manner suitable to Company and so as not to conflict with the use of said poles by Company, or by other parties, firms, corporations, governmental units, etc., using said poles, pursuant to any license or permit by Company, or interfere with the working use of facilities thereon or which may, from time to time, be placed thereon. Customer shall promptly at any time, at its own expense, upon written notice from Company, relocate, replace or renew its facilities placed on said poles, and transfer them to substituted poles, or perform any other work in connection with said facilities that may be required by Company but in no case longer than two months after date of written request. In cases of emergency, however, Company may arrange to relocate, replace or renew the facilities placed on said poles by Customer, transfer them to substituted poles or perform any other work in connection with said facilities that may be required in the maintenance, replacement, removal or relocation of said poles, the facilities thereon or which may be placed thereon, or for the service needs of Company, or its other licensees, and Customer shall, on demand, reimburse Company for the expense thereby incurred.

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Date of Issue: December 29, 2003

Issued By

Date Effective: February 1, 2004

Michael S. Beer, Vice President
Lexington, Kentucky

RULES AND REGULATIONS OR TERMS AND CONDITIONS

For Cable Television Attachments

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6. MAINTENANCE AND OPERATION OF COMPANY'S FACILITIES

Company reserves to itself, its successors and assigns, the right to maintain its poles and to operate its facilities thereon in such manner as will, in its own judgment, best enable it to fulfill its electric service requirements, but in accordance with the specifications herein before referred to. Company shall not be liable to Customer for any interruption to service to Customer's subscribers or for interference with the operation of the cables, wires and appliances of Customer arising in any manner out of the use of Company's poles hereunder.

7. FRANCHISES AND EASEMENTS

Customer shall submit to Company evidence, satisfactory to Company, of Customer's authority to erect and maintain Customer's facilities within public streets, highways and other thoroughfares within the above described territory which is to be served and shall secure any necessary consent by way of franchise or other satisfactory license, permit or authority, acceptable to Company from State, County or municipal authorities or from the owners of property where necessary to construct and maintain facilities at the locations of poles of Company which it desires to use. Customer must secure its own easement rights on private property. Customer must, regardless of authority received or franchises given by governmental agencies, conform to all requirements of Terms and Regulations or Terms and Conditions given by governmental agencies, conform to all requirements of these Rules and Conditions with regard to Company's property. Company's approval of attachments shall not constitute any representation or warranty by Company to Customer regarding Customer's right to occupy or private right-of-way.

8. INSPECTION OF FACILITIES

Company reserves the right to inspect each new installation of Customer on its poles and in the vicinity of its lines or appliances and to make periodic inspections, every two (2) years or more often of the entire plant of Customer. Such inspections, made or not, shall not operate to relieve Customer of any responsibility, obligation or liability.

9. RENTALS

Customer shall pay to Company an annual rental charge per attachment in accordance with the Rental Schedule from time to time in effect, as approved by the Public Service Commission for each year from the 1st of January of each respective year to the following December 31 provided, however, that should the Agreement be terminated in accordance with the terms of the Agreement at any time after January 1 of any year and prior to December 31 of that year, the annual rentals will be prorated from January 1 to the date of such termination. The rental

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Refiled: February 21, 2000

R. M. Hewett, Group Executive
Lexington, Kentucky
Issued Pursuant to K.P.S.C. Adm. Case No. 251

CATV - RC

Cable Television Attachment - Rental Charge

6. MAINTENANCE AND OPERATION OF COMPANY'S FACILITIES

Company reserves to itself, its successors and assigns, the right to maintain its poles and to operate its facilities thereon in such manner as will, in its own judgment, best enable it to fulfill its electric service requirements, but in accordance with the specifications herein before referred to. Company shall not be liable to Customer for any interruption to service to Customer's subscribers or for interference with the operation of the cables, wires and appliances of Customer arising in any manner out of the use of Company's poles hereunder.

7. FRANCHISES AND EASEMENTS

Customer shall submit to Company evidence, satisfactory to Company, of Customer's authority to erect and maintain Customer's facilities within public streets, highways and other thoroughfares within the above described territory which is to be served and shall secure any necessary consent by way of franchise or other satisfactory license, permit or authority, acceptable to Company from State, County or municipal authorities or from the owners of property where necessary to construct and maintain facilities at the locations of poles of Company which it desires to use. Customer must secure its own easement rights on private property. Customer must, regardless of authority received or franchises given by governmental agencies, conform to all requirements of Terms and Conditions with regard to Company's property. Company's approval of attachments shall not constitute any representation or warranty by Company to Customer regarding Customer's right to occupy or use any public or private right-of-way.

8. INSPECTION OF FACILITIES

Company reserves the right to inspect each new installation of Customer on its poles and in the vicinity of its lines or appliances and to make periodic inspections, every two (2) years or more often as plant conditions warrant of the entire plant of Customer. Such inspections, made or not, shall not operate to relieve Customer of any responsibility, obligation or liability.

9. RENTALS

Customer shall pay to Company an annual rental charge per attachment in accordance with the Rental Schedule from time to time in effect, as approved by the Public Service Commission for each year from the 1st of January of each respective year to the following December 31 provided, however, that should the Agreement be terminated in accordance with the terms of the said Agreement at any time after January 1 of any year and prior to December 31 of that year, the annual rentals will be prorated from January 1 to the date of such termination. The rental payments herein provided for shall be made on a semi-annual basis upon the number of poles on which attachments are being maintained on the 1st day of December and the 1st day of June, respectively. This rental charge is subject to change in accordance with the Rental Schedule from time to time in effect, as approved by the Public Service Commission or applicable regulations or statutes.

Date of Issue: December 29, 2003

Issued By

Date Effective: February 1, 2004

Michael S. Baer, Vice President
Lexington, Kentucky

RULES AND REGULATIONS OR TERMS AND CONDITIONS

For Cable Television Attachments

payments herein provided for shall be made on a semi-annual basis upon the number of poles on which attachments are being maintained on the 1st day of December and the 1st day of June, respectively. This rental charge is subject to change in accordance with the Rental Schedule from time to time in effect, as approved by the Public Service Commission or applicable regulations or statutes.

10. PRECAUTIONS TO AVOID FACILITY DAMAGE

Customer shall exercise precautions to avoid damage to facilities of Company and of others supported on said poles; and shall assume all responsibility for any and all loss for such damage cause by it. Customer shall make an immediate report to Company of the occurrence of any damage and shall reimburse Company for the expense incurred in making repairs.

11. INDEMNITIES AND INSURANCE

Customer shall defend, indemnify and save harmless Company from any and all damage, loss, claim, demand, suit, liability, penalty or forfeiture of every kind and nature-including but not limited to costs and expenses of defending against the same and payment of any settlement or judgment therefor, by reason of (a) injuries or deaths to persons, (b) damages to or destructions of properties, (c) pollutions, contaminations of or other adverse effects on the environment or (d) violations of governmental laws, regulations or orders whether suffered directly by Company or indirectly by reason of claims, demands or suits against it by third parties, resulting or alleged to have resulted from acts or omissions of Customer, its employees, agents, or other representatives or from their presence on the premises of the Company, either solely or in concurrence with any alleged joint negligence of Company.

Customer shall provide and maintain in an Insurance Company(s) authorized to do business in the Commonwealth of Kentucky, the following:

- (a) Insurance protection for Customer employees to the extent required by the Workmen's Compensation Law of Kentucky and, where same is not applicable or if necessary to provide a defense for Company, Employer's Liability Protection (covering both Company and Customer) for Customer employees for no less than \$100,000.00 per employee.
- (b) Public Liability and Business Liability insurance with a minimum limit of \$500,000.00 for each person injured and with a minimum total limit of \$1,000,000.00 for each accident and a minimum limit of \$100,000.00 for property damage for each accident.
- (c) Public Liability and Property Damage insurance on all automotive equipment used by Customer on job to the extent of the amounts for Public Liability and Property Damage insurance set out in the preceding Paragraph (b).
- (d) In the event that work covered by the Agreement includes work to be done in places or areas where the Maritime Laws are in effect, then and in that event additional insurance protection to the limits in Paragraph (b) above for liability arising out of said Maritime Laws.

CATV - RC
Cable Television Attachment - Rental Charge

10. PRECAUTIONS TO AVOID FACILITY DAMAGE

Customer shall exercise precautions to avoid damage to facilities of Company and of others supported on said poles; and shall assume all responsibility for any and all loss for such damage cause by it. Customer shall make an immediate report to Company of the occurrence of any damage and shall reimburse Company for the expense incurred in making repairs.

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Customer shall defend, indemnify and save harmless Company from any and all damage, loss, claim, demand, suit, liability, penalty or forfeiture of every kind and nature-including but not limited to costs and expenses of defending against the same and payment of any settlement or judgment therefor, by reason of (a) injuries or deaths to persons, (b) damages to or destructions of properties, (c) pollutions, contaminations of or other adverse effects on the environment or (d) violations of governmental laws, regulations or orders whether suffered directly by Company or self or indirectly by reason of claims, demands or suits against it by third parties, resulting or alleged to have resulted from acts or omissions of Customer, its employees, agents, or other representatives or from their presence on the premises of the Company, either solely or in concurrence with any alleged joint negligence of Company.

Customer shall provide and maintain in an Insurance Company(s) authorized to do business in the Commonwealth of Kentucky, the following:

- (a) Insurance protection for Customer employees to the extent required by the Workmen's Compensation Law of Kentucky and, where same is not applicable or if necessary to provide a defense for Company, Employer's Liability Protection (covering both Company and Customer) for Customer employees for no less than \$100,000.00 per employee.
- (b) Public Liability and Business Liability insurance with a minimum limit of \$500,000.00 for each person injured and with a minimum total limit of \$1,000,000.00 for each accident and a minimum limit of \$100,000.00 for property damage for each accident.
- (c) Public Liability and Property Damage insurance on all automotive equipment used by Customer on job to the extent of the amounts for Public Liability and Property Damage insurance set out in the preceding Paragraph (b).
- (d) In the event that work covered by the Agreement includes work to be done in places or areas where the Maritime Laws are in effect, then and in that event additional insurance protection to the limits in Paragraph (b) above for liability arising out of said Maritime Laws.
- (e) In the event the work covers fixed wing aircraft, rotor lift, lighter than air aircraft or any other form of aircraft, appropriate insurance will be carried affording protection to the limits prescribed in the preceding Paragraph (b).

RULES AND REGULATIONS OR TERMS AND CONDITIONS

For Cable Television Attachments

- (e) the limits in Paragraph (b) above for liability arising out of said Maritime Laws.
- (f) In the event the work covers fixed wing aircraft, rotor lift, lighter than air aircraft or any other form of aircraft, appropriate insurance will be carried affording protection to the limits prescribed in the preceding Paragraph (b).
- (g) In the event the work covers blasting, explosives or operations underground, in trenches or excavations, appropriate insurance will be carried affording protection to the limits prescribed in the preceding Paragraph (b), together with products hazard and completed operations insurance where applicable, affording protection to the limits above prescribed. Customer's liability insurance shall be written to eliminate XCU exclusions. Said insurance is to be kept in force for not less than one year after cancellation of the Agreement.

Before starting work, Customer shall furnish to Company a certificate(s) of insurance satisfactory to Company, evidencing the existence of the insurance required by the above provisions, and this insurance may not be canceled for any cause without sixty (60) days advance written notice being first given the Company; provided, that failure of Company to require Customer to furnish any such certificate(s) shall not constitute a waiver by Company of Customer's obligation to maintain insurance as provided herein.

Each policy required hereunder shall contain a contractual endorsement written as follows: "The insurance provided herein shall also be for the benefit of Kentucky Utilities Company so as to guarantee, within the policy limits, the performance by the named insured of the indemnity provisions of the Cable Television Attachment Agreement between the named insured and Kentucky Utilities Company. This insurance may not be canceled for any cause without sixty (60) days advance written notice being first given to Kentucky Utilities Company."

12. ATTACHMENT REMOVAL AND NOTICES

Customer may at any time voluntarily remove its attachments from any pole or poles of Company, but shall immediately give Company written notice of such removal on a form to be supplied by Company (KU Form 17-53). No refund of any rental will be due on account of such voluntary removal.

13. FORBIDDEN USE OF POLES

Prior to Customer's initial attachment, Company reserves the right due to engineering design requirements to refuse use by Customer of certain or specific poles or structures (such as normal transmission routes). Upon notice from Company to Customer that the use of any pole or poles is forbidden by municipal or other public authorities or by property owners, the permit covering the use of such pole or poles shall immediately terminate and Customer shall remove its facilities from the affected pole or poles at once. No refund of any rental will be due on account of any removal resulting from such forbidden use.

Date of Issue: November 8, 1983

Issued By

Date Effective: January 1, 1984
Refiled: February 21, 2000

R. M. Hewitt, Group Executive
Lexington, Kentucky
Issued Pursuant to K.P.S.C. Adm. Case No. 251

CATV - RC

Cable Television Attachment - Rental Charge

- (f) In the event the work covers blasting, explosives or operations underground, in trenches or other excavations, appropriate insurance will be carried affording protection to the limits prescribed in the preceding Paragraph (b), together with products hazard and completed operations insurance where applicable, affording protection to the limits above prescribed. Customer's liability insurance shall be written to eliminate XCU exclusions. Said insurance is to be kept in force for not less than one year after cancellation of the Agreement.

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14. NON-COMPLIANCE

If Customer shall fail to comply with any of the provisions of these Rules and Regulations or Terms and Conditions or default in any of its obligations under these Rules and Regulations or Terms and Conditions and shall fail within thirty (30) days after written notice from Company to correct such default or non-compliance, Company may, at its option, forthwith terminate the Agreement or the permit covering the poles as to which such default or non-compliance shall

Date of Issue: December 29, 2003

Issued By

Date Effective: February 1, 2004

Michael S. Beer, Vice President
Lexington, Kentucky

RULES AND REGULATIONS OR TERMS AND CONDITIONS

For Cable Television Attachments

14. NON-COMPLIANCE

If Customer shall fail to comply with any of the provisions of these Rules and Regulations or Terms and Conditions or default in any of its obligations under these Rules and Regulations or Terms and Conditions and shall fail within thirty (30) days after written notice from Company to correct such default or non-compliance, Company may, at its option, forthwith terminate the Agreement or the permit covering the poles as to which such default or non-compliance shall have occurred, by giving written notice to Customer of said termination. No refund of any rental will be due on account of such termination.

15. BILLING

Bills for expenses and other charges under the Agreement shall be payable within ten days after presentation. Non-payment of bills shall constitute a default of the Agreement.

16. WAIVERS

Failure to enforce or insist upon compliance with any of these Rules and Regulations or Terms and Conditions or the Agreement shall not constitute a general waiver or relinquishment thereof, but the same shall be and remain at all times in full force and effect.

17. USE OF COMPANY'S FACILITIES BY OTHERS

Nothing herein contained shall be construed as affecting the rights or privileges previously conferred by Company, by contract or otherwise, to others, not parties to the Agreement, to use any poles covered by the Agreement; and Company shall have the right to continue and to extend such rights or privileges. The attachment privileges herein granted shall at all times be subject to such existing contracts and arrangements.

18. ASSIGNMENT

Customer shall not assign, transfer or sublet the privileges hereby granted and/or provided in the Agreement without the prior consent in writing of Company.

19. PROPERTY RIGHTS

No use, however extended, of Company poles under the Agreement shall create or vest in Customer any ownership or property rights in said poles, but Customer shall be and remain a customer only. Nothing herein contained shall be construed to compel Company to maintain any of said poles for a period longer than demanded by its electric service requirements.

Date of Issue: November 8, 1983

Issued By

Date Effective: January 1, 1984
Refiled: February 21, 2000

R. M. Hewitt, Group Executive
Lexington, Kentucky
Issued Pursuant to K.P.S.C. Adm. Case No. 251

**CATV - RC
Cable Television Attachment - Rental Charge**

have occurred, by giving written notice to Customer of said termination. No refund of any rental will be due on account of such termination.

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20. FAILURE TO PROCEED

Customer agrees to proceed as expeditiously as practical with the work of providing the television cable service to the area described in the Agreement. Within ninety (90) days from the date of the Agreement, Customer shall make progress reasonably satisfactory to Company in the installation of its facilities or shall demonstrate, to the reasonable satisfaction of Company, its ability to proceed expeditiously.

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Issued By

Date Effective: February 1, 2004

Michael S. Beer, Vice President
Lexington, Kentucky

RULES AND REGULATIONS OR TERMS AND CONDITIONS

For Cable Television Attachments

20. FAILURE TO PROCEED

Customer agrees to proceed as expeditiously as practical with the work of providing the television cable service to the area described in the Agreement. Within ninety (90) days from the date of the Agreement, Customer shall make progress reasonably satisfactory to Company in the installation of its facilities or shall demonstrate, to the reasonable satisfaction of Company, its ability to proceed expeditiously.

21. TERMINATION

Upon termination of the Agreement in accordance with any of its terms, Customer shall immediately remove its cables, wires and appliances from all poles of Company. If not removed, Company shall have the right to remove them at the cost and expense of Customer.

22. SECURITY

Customer shall furnish bond for the purposes hereinafter specified as follows:

- (a) during the period of Customer's initial installation of its facilities and at the time of any expansion involving more than 75 poles, a bond in the amount of \$2,000 for each 100 poles (or fraction thereof) to which Customer intends to attach its facilities;
- (b) following the satisfactory completion of Customer's initial installation, the amount of bond shall be reduced to \$1,000 for each 100 poles (or fraction thereof);
- (c) after Customer has been a customer of Company pursuant to the Agreement and is not in default thereunder for a period of three years, the bond shall be reduced to \$500 for each 100 poles (or fraction thereof);
- (d) such bond shall contain the provision that it shall not be terminated prior to six (6) months' after receipt by the Company of written notice of the desire of the bonding or insurance company to terminate such bond. This six (6) months' termination clause may be waived by Company if an acceptable replacement bond is received before the six (6) months has ended. Upon receipt of such termination notice, the Company shall request Customer to immediately remove its cables, wires and all other facilities from all poles of Company. If Customer should fail to complete the removal of all of its facilities from the poles of Company within thirty (30) days after receipt of such request from Company, then Company shall have the right to remove them at the cost and expense of Customer and without being liable for any damage to Customer's wires, cables, fixtures or appurtenances. Such bond shall guarantee the payment of any sums which may become due to Company for rentals, inspections or work performed for the benefit of Customer under the Agreement, including the removal of attachments upon termination of the Agreement by any of its provisions.

Date of Issue: November 8, 1983

Issued By

Date Effective: January 1, 1984
Refiled: February 21, 2000

R. M. Hewett, Group Executive
Lexington, Kentucky
Issued Pursuant to K.P.S.C. Adm. Case No. 251

CATV - RC
Cable Television Attachment - Rental Charge

21. TERMINATION

Upon termination of the Agreement in accordance with any of its terms, Customer shall immediately remove its cables, wires and appliances from all poles of Company. If not removed, Company shall have the right to remove them at the cost and expense of Customer.

22. SECURITY

Customer shall furnish bond for the purposes hereinafter specified as follows:

- (a) during the period of Customer's initial installation of its facilities and at the time of any expansion involving more than 75 poles, a bond in the amount of \$2,000 for each 100 poles (or fraction thereof) to which Customer intends to attach its facilities;
 - (b) following the satisfactory completion of Customer's initial installation, the amount of bond shall be reduced to \$1,000 for each 100 poles (or fraction thereof);
 - (c) after Customer has been a customer of Company pursuant to the Agreement and is not in default thereunder for a period of three years, the bond shall be reduced to \$500 for each 100 poles (or fraction thereof);
 - (d) such bond shall contain the provision that it shall not be terminated prior to six (6) months' after receipt by the Company of written notice of the desire of the bonding or insurance company to terminate such bond. This six (6) months' termination clause may be waived by Company if an acceptable replacement bond is received before the six (6) months has ended. Upon receipt of such termination notice, the Company shall request Customer to immediately remove its cables, wires and all other facilities from all poles of Company. If Customer should fail to complete the removal of all of its facilities from the poles of Company within thirty (30) days after receipt of such request from Company, then Company shall have the right to remove them at the cost and expense of Customer and without being liable for any damage to Customer's wires, cables, fixtures or appurtenances. Such bond shall guarantee the payment of any sums which may become due to Company for rentals, inspections or work performed for the benefit of Customer under the Agreement, including the removal of attachments upon termination of the Agreement by any of its provisions.
- e) Company in its sole discretion may agree in writing to accept other collateral (such as a cash deposit or an irrevocable bank letter of credit) in substitution for the bond required by, and subject to the other requirements of, this Section 22.

23. NOTICES

Any notice, or request, required by these Rules and Regulations or Terms and Conditions or the Agreement shall be deemed properly given if mailed, postage pre-paid, to the Senior Vice President in charge of Operations, Kentucky Utilities Company, One Quality Street, Lexington, Kentucky.

Date of Issue: December 29, 2003

Issued By

Date Effective: February 1, 2004

Michael S. Beer, Vice President
Lexington, Kentucky

RULES AND REGULATIONS OR TERMS AND CONDITIONS

For Cable Television Attachments

(e) Company in its sole discretion may agree in writing to accept other collateral (such as a cash deposit or an irrevocable bank letter of credit) in substitution for the bond required by, and subject to the other requirements of, this Section 22.

23. NOTICES

Any notice, or request, required by these Rules and Regulations or Terms and Conditions or the Agreement shall be deemed properly given if mailed, postage pre-paid, to the Senior Vice President in charge of Operations, Kentucky Utilities Company, One Quality Street, Lexington, Kentucky, in the case of Company; or, in the case of the Customer, to its representative designated in the Agreement. The designation of the person to be notified, and/or his address may be changed by Company or Customer at any time, or from time to time, by similar notice.

24. ADJUSTMENTS

Nothing contained herein or in any Agreement shall be construed as affecting in any way the right of Company, and Company shall at all times have the right, to unilaterally file with the Public Service Commission a change in rental charges for attachments to poles, other regulation, condition or any other change required. Such change or changes to become effective upon approval of the Commission or applicable regulations or statutes, and shall constitute an amendment to the Agreement.

25. TERM OF AGREEMENT

The Cable Television Attachment Agreement shall become effective upon execution by both parties and shall continue in effect for not less than one (1) year, subject to provision contained in the Agreement. At any time thereafter, the Customer may terminate the Agreement by giving not less than six (6) months prior written notice. Upon termination of the Agreement, Customer shall immediately remove its cables, wire, appliances and all other attachments from all poles of Company.

26. BINDING EFFECT

Subject to the provisions of Section 18 hereof, the Agreement and these Rules and Regulations or Terms and Conditions shall extend to and bind the successors and assigns of the parties hereto.

Date of Issue: November 8, 1983

Issued By

Date Effective: January 1, 1984
Revised: February 21, 2000

R. M. Hewett, Group Executive
Lexington, Kentucky
Issued Pursuant to K.P.S.C. Adm. Case No. 251

CATV - RC
Cable Television Attachment - Rental Charge

Kentucky, in the case of Company; or, in the case of the Customer, to its representative designated in the Agreement. The designation of the person to be notified, and/or his address may be changed by Company or Customer at any time, or from time to time, by similar notice.

24. ADJUSTMENTS

Nothing contained herein or in any Agreement shall be construed as affecting in any way the right of Company, and Company shall at all times have the right, to unilaterally file with the Public Service Commission a change in rental charges for attachments to poles, other charges as provided for, any rule, regulation, condition or any other change required. Such change or changes to become effective upon approval of the Commission or applicable regulations or statutes, and shall constitute an amendment to the Agreement.

25. TERM OF AGREEMENT

The Cable Television Attachment Agreement shall become effective upon execution by both parties and shall continue in effect for not less than one (1) year, subject to provision contained in the Agreement. At any time thereafter, the Customer may terminate the Agreement by giving not less than six (6) months prior written notice. Upon termination of the Agreement, Customer shall immediately remove its cables, wire, appliances and all other attachments from all poles of Company.

26. BINDING EFFECT

Subject to the provisions of Section 18 hereof, the Agreement and these Rules and Regulations or Terms and Conditions shall extend to and bind the successors and assigns of the parties hereto.

Date of Issue: December 29, 2003

Issued By

Date Effective: February 1, 2004

Michael S. Beer, Vice President
Lexington, Kentucky

KENTUCKY UTILITIES COMPANY

Original Sheet No. 25.5
P.S.C. No. 12

RULES AND REGULATIONS OR TERMS AND CONDITIONS

Special Charges

The following charges will be applied uniformly throughout the Company's service territory. Each charge, as approved by the Public Service Commission, reflects only that revenue required to meet associated expenses.

RETURNED CHECK CHARGE

In those instances where a Customer renders payment to the Company by check which is not honored upon deposit by the Company, the Customer will be charged \$5.00 to cover the additional processing costs.

METER TEST CHARGE

Where the test of a meter is performed during normal working hours upon the written request of a Customer, pursuant to 807 KAR 5:006, Section 19, and the results show the meter was not more than two percent fast, the Customer will be charged \$14.00 to cover the test and transportation costs.

RECONNECTION CHARGE

To reconnect a service that has been disconnected for nonpayment of bills or for violation of the Company's Rules and Regulations, the Customer will be charged \$10.50 for reconnection during regular scheduled working hours or \$38.00 for reconnection at any other time.

(REFERENCE: See Sheet 25.2 "Discontinuance of Service")

Date of Issue: March 18, 1983

Issued By

Date Effective: March 12, 1983
Refiled: February 21, 2000

R. M. Hewett, Group Executive
Lexington, Kentucky
Issued Pursuant to K.P.S.C. Order No. 8624

Kentucky Utilities Company

Original Sheet No. 49
P.S.C. No. 13

Special Charges

The following charges will be applied uniformly throughout the Company's service territory. Each charge, as approved by the Public Service Commission, reflects only that revenue required to meet associated expenses.

RETURNED PAYMENT CHARGE

In those instances where a Customer renders payment to the Company which is not honored upon deposit by the Company, the Customer will be charged \$9.00 to cover the additional processing costs.

METER TEST CHARGE

Where the test of a meter is performed during normal working hours upon the written request of a Customer, pursuant to 807 KAR 5:006, Section 19, and the results show the meter was not more than two percent fast, the Customer will be charged \$31.40 to cover the test and transportation costs.

DISCONNECTING AND RECONNECTING SERVICE CHARGE

A charge of \$31.00 will be made to cover disconnection and reconnection of electric service when discontinued for non-payment of bills or for violation of the Company's rules and regulations, such charge to be made before reconnection is effected. No charge will be made for customers qualifying for service reconnection pursuant to 807 KAR 5:006, Section 15, Winter Hardship Reconnection.

Residential and general service customers may request and be granted a temporary suspension of electric service. In the event of such temporary suspension, Company will make a charge of \$31.00 to cover disconnection and reconnection of electric service, such charge to be made before reconnection is effected.

Date of Issue: December 29, 2003

Issued By

Date Effective: February 1, 2004

Michael S. Beer, Vice President
Lexington, Kentucky

ELECTRIC RATE SCHEDULE		CSR	
		Curtailable Service Rider	
APPLICABLE In all territory served by the Company.			
AVAILABILITY OF SERVICE This schedule shall be made available, as a rider to applicable power schedules, to any customer who contracts for not less than 500 KW nor more than 30,000 KW of his total requirements to be subject to curtailment upon notification by the Company. Service under this schedule will be limited to a cumulative 200 MW of curtailable load including a maximum cumulative 50 MW of load subject to 75 hours curtailment with a minimum of one hour's notice, a maximum cumulative 50 MW of load subject to 100 hours curtailment with previous day's notice, and a maximum cumulative 50 MW of load subject to 200 hours curtailment with previous day's notice to customers whose firm load requirement does not exceed 50,000 KW. Customers with firm load requirements that exceed 50,000 KW will have a rate developed as part of their contract based upon their electrical characteristics.			
RATE	All service to be billed under the base schedule.		
	Curtailable Demand Credit Per KW For 75 or 100 Hours Curtailment For 150 or 200 Hours Curtailment	<u>Trns</u> \$1.55 \$3.10	<u>Sec</u> \$1.65 \$3.30
	Penalty Charge Per KW For measured firm demand in excess of contracted firm demand For first non-compliance in a billing month The maximum excess in the current or preceding 11 months For multiple non-compliances in a billing month The maximum excess in the current or preceding 11 months	\$0.45 \$0.90	\$0.45 \$0.90
DETERMINATION OF MEASURED LOAD The maximum load will be measured and will be the average KW demand delivered to the customer during the 15-minute period of maximum use during the month. The measured firm load will be the average KW demand delivered to the customer during the 15-minute period of maximum use during any period of requested curtailment during the month. Unless another mutually agreeable method is determined between the customer and the Company, the customer and Company shall measure the curtailable load using one of the following methods: (1) The KW maximum load measured during those hours when the Company may request curtailment in the current or most recent month a request for curtailment could have been made less the firm load. (2) The lesser of the curtailable capacity specified by the customer's contract or the KW maximum load measured during the Company's on-peak operating hours, as specified in the Company's TOD schedules, in the current or most recent month a request for curtailment could have been made less the firm load. (3) The lesser of the Curtailable capacity specified by the customer's contract or the KW maximum load measured during those hours when the Company may request curtailment in the current or most recent month a request for curtailment could have been made less the measured load during a requested curtailment. The Company reserves the right to place a KVA meter and base the billing demand on the measured KVA. The charge will be computed based on the measured KVA times 90 percent at the applicable KW charge. In lieu of placing a KVA meter, the Company may adjust the measured load for billing purposes when power factor is less than 90 percent in accordance with the following formula: Adjusted Load for Billing Purposes = $\frac{\text{Load Measured} \times 90\%}{\text{Power Factor (in percent)}}$			

Date of Issue: February 21, 2000

Issued By

Date Effective: March 1, 2000

R. M. Hewett, Group Executive
Lexington, Kentucky

ELECTRIC RIDER		CSR	
		Curtailable Service Rider	
APPLICABLE In all territory served.			
AVAILABILITY OF SERVICE This rider shall be made available to any customer served under the applicable power schedules who contracts for not less than 1,000 kilowatts of their total requirements to be subject to curtailment upon notification by the Company.			
CONTRACT OPTION Customer may, at Customer's option, contract with Company to curtail service upon notification by the Company. Requests for curtailment shall not exceed five hundred (500) hours per year nor shall any single request for curtailment be for less than thirty (30) minutes or for more than fourteen (14) hours per calendar day, with unlimited requests for curtailment per calendar day within these parameters. Company may request or cancel a curtailment at any time during an hour, but shall give no less than ten (10) minutes notice when either requesting or canceling a curtailment. Compliance with a request for curtailment shall be measured in one of the following two ways: a) The customer shall contract for a given amount of firm demand, and the curtailable load shall be the Customer's monthly billing demand in excess of the firm contract. During a request for curtailment, the customer shall reduce its demand to the firm demand designated in the contract. The difference in the maximum demand in the billing month and the maximum demand in any requested curtailment period, but not less than the contracted firm demand, in the billing period shall be the curtailable demand on which the monthly credit is based. The demand in excess of the firm load during each requested curtailment in the billing period shall be the measure of non-compliance. b) The customer shall contract for a given amount of curtailable load by which the customer shall agree to reduce its demand from the monthly maximum demand. During a request for curtailment, the Customer shall reduce its demand to a level equal to the maximum monthly demand less the curtailable load designated in the contract. The difference in the maximum demand in the billing month and the maximum demand in any requested curtailment period, but not more than the contracted curtailable load, in the billing period shall be the curtailable demand on which the monthly credit is based. The difference in contracted curtailable load and the actual curtailed load during each requested curtailment in the billing period shall be the measure of non-compliance. c) In those months in which the Company does not request load curtailment, the customer will receive a credit based on either the difference in the monthly billing demand and the contracted firm demand, a) above, or the contracted curtailable demand, b) above			

Date of Issue: December 29, 2003

Issued By

Date Effective: February 1, 2004

Michael S. Beer, Vice President
Lexington, Kentucky

ELECTRIC RATE SCHEDULE	CSR
Curtailable Service Rider	
<p>DETERMINATION OF FIRM LOAD The firm load will be based on the firm capacity specified by the customer's contract for curtailable service or the greater of:</p> <ol style="list-style-type: none"> (1) the maximum load as measured during any period of requested curtailment in the billing month, or (2) the maximum load as measured during any period of requested curtailment in the preceding 11 billing months. 	
<p>CURTAILMENT Upon notification by the Company, the customer will, for the length of the requested curtailment, either reduce customer's load being supplied by the Company to the firm level specified by contract or reduce customer's load being supplied by Company by the Curtailable capacity specified by contract.</p> <p>Requests for curtailment for those customers contracting for 75 hours of load reduction with a minimum of one hour's notice or 100 hours of load reduction with previous day's notice shall be during the weekday hours expressed in Eastern Standard Time throughout the company's service territory of 8:00 a.m. to 12 noon in December, January and February and of 12 noon to 7:00 p.m. in June, July, August and September. Similarly, requests for curtailment for customers contracting for 150 hours of load reduction with a minimum of one hour's notice or 200 hours of load reduction with previous day's notice shall be during the hours of 12:00 noon to 7:00 p.m. in May, June, July, August and September and of 8:00 a.m. to 12 noon in all other months.</p> <p>The observance of New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day will not be subject to requested curtailment.</p> <p>The total hours of requested curtailment during any 12 consecutive months shall not exceed the hours as set forth in this tariff and as agreed to by contract.</p>	
<p>DUE DATE OF BILL Customer's payment will be due within 10 days from date of bill.</p>	
<p>FRANCHISE CHARGE The rate herein provided shall include, where applicable, an additional charge for local government franchise payment determined in accordance with the Franchise Billing Plan as set forth in the Rules and Regulations of this tariff.</p>	
<p>RULES AND REGULATIONS Service will be furnished under the Company's general Rules and Regulations or Terms and Conditions, except as set out herein and/or any provisions agreed to by written contract.</p>	
<p>TERM OF CONTRACT The term of contract shall be for an initial period of four years. The firm load requirement shall be subject to advance notice of termination as specified in the appropriate comparable tariff for the particular size load. The Customer may increase the Firm Demand without penalty by providing advance notice of this intention and provided the increment of Curtailable Demand remains the same or greater. In the event of a non-load curtailable load, three years advance notice will be required for any customer desiring to designate the curtailable load increment as firm load.</p> <p>The contract period shall be on a monthly basis for the first 12 months service is provided under this rider and can be terminated by either party giving 30 days written notice to the other party. During this first year, the penalty charge shall be calculated only on the current billing month.</p>	

ELECTRIC RIDER	CSR									
Curtailable Service Rider										
<p>RATE Customer will receive a credit against the applicable power schedule for curtailable KW, as determined in the preceding paragraph, times the applicable credit. Customers will be charged for the portion of each requested curtailment not met at the applicable charge.</p> <table style="margin-left: auto; margin-right: auto;"> <tr> <td style="padding-right: 20px;">Demand Credit of:</td> <td>Primary</td> <td>Transmission</td> </tr> <tr> <td></td> <td style="padding-left: 20px;">\$ 4.19 per KW</td> <td style="padding-left: 20px;">\$ 4.09 per KW</td> </tr> <tr> <td></td> <td style="padding-left: 20px;">\$16.00 per KW</td> <td style="padding-left: 20px;">\$16.00 per KW</td> </tr> </table> <p>Failure of Customer to curtail when requested to do so may result in termination of service under this rider.</p>		Demand Credit of:	Primary	Transmission		\$ 4.19 per KW	\$ 4.09 per KW		\$16.00 per KW	\$16.00 per KW
Demand Credit of:	Primary	Transmission								
	\$ 4.19 per KW	\$ 4.09 per KW								
	\$16.00 per KW	\$16.00 per KW								
<p>TERM OF CONTRACT The minimum original contract period shall be one year and thereafter until terminated by giving at least 6 months previous written notice, but Company may require that contract be executed for a longer initial term when deemed necessary by the size of the load or other conditions.</p>										
<p>TERMS AND CONDITIONS Except as specified above, all other provisions of the power rate to which this schedule is a rider shall apply.</p>										

ELECTRIC RATE SCHEDULE 73
Rider For Welding And Other Intermittent And Fluctuating Loads

APPLICABLE
In all territory served by Company.

AVAILABILITY

The Company's Rules and Regulations contain the following provisions covering Power Factor and Protection of Service.

POWER FACTOR

"Where the Customer has equipment installed that operates at low power factor, the Company reserves the right to require the Customer to furnish, at his own expense, suitable corrective equipment to maintain a power factor of 90% lagging or higher."

PROTECTION OF SERVICE

"The Company cannot render service to any Customer for the operation of any device that has a detrimental effect upon the service rendered to other Customers."

"The Company, however, will endeavor to cooperate with its Customers when consulted concerning the intended use of any electrical device."

"Where the Customer's use of service is intermittent, or subject to violent fluctuations, or produces unacceptable levels of harmonic current, the Company reserves the right to require the Customer to furnish, at his own expense, suitable equipment to reasonably limit such intermittence, or fluctuation, or harmonic current."

When Compliance with the Company's Rules and Regulations requires the Customer to furnish corrective equipment for the purpose of protecting service to Company's other Customers by increasing the power factor of and/or reducing the intermittence, or fluctuations, or controlling the customer generated harmonic currents in the Customer's use of service (such as may be the case when the Customer's load includes welding equipment, electric arc furnaces, etc.), the Company, by the provision of special supply facilities, may be able to eliminate the necessity for Customer furnished corrective equipment. If the estimated cost of Company provided special supply facilities is less than the cost of Customer provided corrective equipment, the Company may give the Customer special permission to operate specified abnormal load, consisting of low power factor, intermittent, or widely fluctuating loads, or unacceptable harmonic currents, without correction, in which case the Customer will pay the following rate to the Company.

RATE

1. A lease or rental charge on all special or added facilities, if any, necessary to serve such loads.
2. Plus the charges provided for under the rate schedule applicable, including any customer charge if applicable, energy charge, maximum load charge (if load charge rate is used), fuel clause and the minimum under such rate adjusted in accordance with (a) or (b) herein.
 - (a) If rate schedule calls for a minimum based on the total KW of connected load, each KVA of such special equipment shall be counted as one KW connected load for minimum billing purposes.
 - (b) If rate schedule calls for a minimum based on the 15-minute integrated load, and such loads operate only intermittently so that the KW registered on a standard 15-minute integrated demand meter is small in comparison to the instantaneous load such equipment is capable of imposing, each KVA of such special equipment shall be counted as one-third KW load for minimum billing purposes.

MINIMUM

As determined by this Rider and the Rate Schedule to which it is attached.

This schedule applies to all new loads; also to existing loads where such existing loads now or hereafter have a detrimental effect upon the electric service rendered to other Customers of the Company.

Date of Issue: February 21, 2000

Issued By

Date Effective: March 1, 2000

R. M. Hewitt, Group Executive
Lexington, Kentucky

Issued Pursuant to K.P.S.C. Order of 17/00 in Case No. 98-474

ELECTRIC RIDER IFL
Rider for Intermittent and Fluctuating Loads

APPLICABLE

In all territory served.

AVAILABILITY OF SERVICE

This schedule applies to all loads having a detrimental effect upon the electric service rendered to other Customers of the Company or upon the Company's facilities.

Where Customer's use of service is intermittent, subject to violent or extraordinary fluctuations, or produces unacceptable levels of harmonic current, in each case as determined by the Company, in its reasonable discretion, the Company reserves the right to require Customer to furnish, at Customer's own expense, suitable equipment (as approved by the Company in its reasonable discretion) to meter and limit such intermittence, fluctuation, or harmonics to the extent reasonably requested by the Company. Without limiting the foregoing, the Company may require such equipment if, at any time, the megavars, harmonics, and other desirable electrical characteristics produced by the Customer exceed the limits set forth in the IEEE standards for such characteristics. In addition, if the Customer's use of the Company's service under this schedule causes such undesirable electrical characteristics in an amount exceeding those IEEE standards, such use shall be deemed to cause a dangerous condition which could subject any person to imminent harm or result in substantial damage to the property of the Company or others, and the Company shall therefore terminate service to the Customer in accordance with 607 KAR 5:056, Section 14(b). Such a termination of service shall not be considered a cancellation of the service agreement or relieve Customer of any minimum billing or other guarantees. The Company shall be held harmless for any damages or economic loss resulting from such termination of service. If requested by the Company, Customer shall provide all available information to the Company that aids the company in enforcing its service standards. If the Company at any time has a reasonable basis for believing that Customer's proposed or existing use of the service provided will not comply with the service standards for interference, fluctuations, or harmonics, the company may engage such experts and/or consultants as the Company shall determine are appropriate to advise the Company in ensuring that such interference, fluctuations, or harmonics are within acceptable standards. Should such experts and/or consultants determine Customer's use of service is unacceptable, Company's use of such experts and/or consultants will be at the Customer's expense.

RATE

1. A contribution in aid of construction or an excess facilities charge shall be required for all special or added facilities, if any, necessary to serve such loads, as provided under the Excess Facilities Rider.
2. Plus the charges provided for under the rate schedule applicable, including any customer charge if applicable, energy charge, maximum load charge (if load charge rate is used), fuel clause and the minimum under such rate adjusted in accordance with (a) or (b) herein.
 - (a) If rate schedule calls for a minimum based on the total KW of connected load, each KVA of such special equipment shall be counted as one KW connected load for minimum billing purposes.
 - (b) If rate schedule calls for a minimum based on the 15-minute integrated load, and such loads operate only intermittently so that the KW registered on a standard 15-minute integrated demand meter is small in comparison to the instantaneous load such equipment is capable of imposing, each KVA of such special equipment shall be counted as one-third KW load for minimum billing purposes.

MINIMUM CHARGE

As determined by this Rider and the Rate Schedule to which it is attached.

Date of Issue: December 29, 2003

Issued By

Date Effective: February 1, 2004

Michael S. Beer, Vice President
Lexington, Kentucky

Kentucky Utilities Company

Original Sheet No. 52
P.S.C. No. 13

N

STANDARD RIDER

EF

Excess Facilities

APPLICABLE

In all territory served.

AVAILABILITY OF SERVICE

This rider is available for non-standard service facilities which are considered to be in excess of the standard facilities that would normally be provided by the Company. This rider does not apply to line extensions or to other facilities which are necessary to provide basic electric service. The Company reserves the right to decline to provide service hereunder for any project (a) that exceeds \$100,000 or (b) where the Company does not have sufficient expertise to install, operate, or maintain the facilities or (c) where the facilities do not meet Company's safety requirements, or (d) where the facilities are likely to become obsolete prior to the end of the initial contract term.

DEFINITION OF EXCESS FACILITIES

Excess facilities are lines and equipment which are installed in addition to or in substitution for the normal facilities required to render basic electric service and are customer specific. Applications of excess facilities include, and are limited to, emergency backup feeds, automatic transfer switches, redundant transformer capacity, and duplicate or check meters.

LEASED FACILITIES CHARGE

The customer shall pay for excess facilities through a contribution in aid of construction, which may take the form of a one-time payment or a Carrying Cost Charge based on the original installed cost of the facilities.

Monthly Rates

	<u>Carrying Cost</u>	<u>Operating Expenses</u>
Charge for Distribution Facilities	0.93%	0.56%

The percentage rates are applied to the installed cost of the excess facilities.

PAYMENT

The Excess Facilities Charges shall be incorporated with the bill for electric service and will be subject to the same payment provisions.

TERM OF CONTRACT

The initial term of contract to the customer under this schedule shall be not less than 5 years. The term shall continue automatically thereafter until terminated by either party upon at least one month's written notice.

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Date of Issue: December 29, 2003

Issued By

Date Effective: February 1, 2004

Michael S. Beer, Vice President
Lexington, Kentucky

KENTUCKY UTILITIES COMPANY

Original Sheet No. 19
P.S.C. No. 12

ELECTRIC RATE SCHEDULE **Lighting KWH**

Determination of Energy Consumption

APPLICABLE
Determination of energy set out below applies to the Company's non-metered lighting rate schedules.

DETERMINATION OF ENERGY CONSUMPTION
The applicable fuel clause charge of credit will be based on the kilowatt-hours calculated by multiplying the kilowatt load of each light times the number of hours that light is in use during the billing month. The kilowatt load of each light is shown in the section titled RATE. The number of hours a light will be in use during a given month is shown in the following Hours Use Table.

HOURS USE TABLE	
Month	Hours Light Is In Use
JAN	407
FEB	344
MAR	347
APR	301
MAY	281
JUN	257
JUL	273
AUG	299
SEP	322
OCT	368
NOV	386
DEC	415
TOTAL FOR YEAR 4,000 HRS.	

Date of Issue: February 21, 2000

Issued By

Date Effective: March 1, 2000

R. M. Hewitt, Group Executive
Lexington, Kentucky

Issued Pursuant to K.P.S.C. Order of 17700 in Case No. 98-474

Kentucky Utilities Company

Second Revision of Original Sheet No. 53
P.S.C. No. 13

ELECTRIC RIDER **Kilowatt-Hours Consumed By Street Lighting Units**

APPLICABLE
Determination of energy set out below applies to the Company's non-metered lighting rate schedules.

DETERMINATION OF ENERGY CONSUMPTION
The applicable fuel clause charge or credit will be based on the kilowatt-hours calculated by multiplying the kilowatt load of each light times the number of hours that light is in use during the billing month. The kilowatt load of each light is shown in the section titled RATE. The number of hours a light will be in use during a given month is from dusk to dawn as shown in the following Hours Use Table.

HOURS USE TABLE	
Month	Hours Light Is In Use
JAN	407
FEB	344
MAR	347
APR	301
MAY	281
JUN	257
JUL	273
AUG	299
SEP	322
OCT	368
NOV	386
DEC	415
TOTAL FOR YEAR 4,000 HRS.	

Date of Issue: December 29, 2003

Issued By

Date Effective: February 1, 2004

Michael S. Beer, Vice President
Lexington, Kentucky

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OPTIONAL MINIMUM RIDER TO ANY APPLICABLE RATE	
For Seasonal and/or Temporary Electric Service	
APPLICABLE	In all territory served by Company.
AVAILABILITY	This rider is available at the option of the Customer where Customer's business is of such nature to require only seasonal service or temporary service, including service provided for construction of residences or commercial buildings, and where in the judgment of the Company the local and system electrical facility capacities are adequate to serve the load without impairment of service to other Customers. This service is available for not less than one month (approximately 30 days), but when service is used longer than one month, any fraction of a month's use will be prorated for billing purposes.
CONDITIONS	Company may permit such electric loads to be served on the rate schedule normally applicable, but without requiring a yearly contract and minimum, substituting therefor the following conditions and agreements: 1. Customer to pay Company for all costs of making temporary connections, including cost of installing necessary transformers, meters, poles, wire and any other material, and any cost of material which cannot be salvaged, and the cost of removing such facilities when load has ceased. 2. Customer to pay regular rate of the electric rate schedule applicable, with the exception of the minimum provision, which will be as outlined in (3) below. 3. Minimum: Customer to pay minimum monthly bill equivalent to \$3.99 per KW or fraction thereof, of the total connected load including power, lighting and any other electrical equipment, plus the applicable customer charge.
FRANCHISE CHARGE	The rate herein provided shall include, where applicable, an additional charge for local government franchise payment determined in accordance with the Franchise Billing Plan as set forth in the Rules and Regulations of this Tariff.

Date of Issue: June 16, 2000
Canceling Original Sheet No. 21
Issued February 21, 2000

Issued By: R. M. Hewett, Group Executive
Lexington, Kentucky
Date Effective: With Service Rendered
On and After
June 1, 2000

Issued Pursuant to K.P.S.C. Order of 6/1/00 in Case No. 98-474

STANDARD RIDER	
TS Temporary and/or Seasonal Electric Service	
APPLICABLE	In all territory served.
AVAILABILITY OF SERVICE	This rider is available at the option of the Customer where Customer's business is of such nature to require only seasonal service or temporary service, including service provided for construction of residences or commercial buildings, and where in the judgment of the Company the local and system electrical facility capacities are adequate to serve the load without impairment of service to other Customers. This service is available for not less than one month (approximately 30 days), but when service is used longer than one month, any fraction of a month's use will be prorated for billing purposes.
CONDITIONS	Company may permit such electric loads to be served on the rate schedule normally applicable, but without requiring a 1. Customer to pay Company for all costs of making temporary connections, including cost of installing necessary transformers, meters, poles, wire and any other material, and any cost of material which cannot be salvaged, and the cost of removing such facilities when load has ceased. 2. Customer to pay regular rate of the electric rate schedule applicable, with the exception of the minimum provision, which will be as outlined in (3) below. 3. Minimum: Customer to pay minimum bill equivalent to \$3.99 per KW or fraction thereof, of the total connected load including power, lighting and any other electrical equipment, plus the applicable customer charge.

Date of Issue: December 29, 2003

Issued By: Michael S. Beer, Vice President
Lexington, Kentucky

Effective: February 1, 2004

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Kentucky Utilities Company

Original Sheet No. 55
P.S.C. No. 13

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STANDARD RIDER

RC

Redundant Capacity Rider

APPLICABLE

This rate is applicable to customers served under the Company's rate schedules which include a demand charge or a special contract including a demand charge.

AVAILABILITY OF SERVICE

Available to Customers requesting the reservation of capacity on the Company's facilities which are shared by other customers. Such facilities represent a redundant delivery to provide electric service to the Customer's facility in the event that an emergency or unusual occurrence renders the Customer's principal delivery unavailable for providing service.

RATE:

Capacity Reservation Charge

Secondary Distribution \$0.80 per Kw per Month
Primary Distribution \$0.63 per Kw per Month

Applicable to the greater of

- (1) the highest average load in kilowatts recorded at either the principal distribution feed metering point or at the redundant distribution feed metering point during any 15-minute interval in the monthly billing period,
- (2) 50% of the maximum demand similarly determined for any of the 11 preceding months, or
- (3) the contracted capacity reservation

SPECIAL TERMS AND CONDITIONS:

The minimum contract term shall be five years, but the Company may require that a contract be executed for a longer initial term when deemed necessary by the difficulty and/or high cost associated with providing the redundant feed or other special conditions

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Date of Issue: December 29, 2003

Issued By

Date Effective: February 1, 2004

Michael S. Beer, Vice President
Lexington, Kentucky

KENTUCKY UTILITIES COMPANY

Original Sheet No. 22.4
P.S.C. No. 12

ELECTRIC RATE SCHEDULE

NMS

Net Metering Service

APPLICABLE

In all territory served by the Company on a trial basis for 36 months from the effective date of March 14, 2002.

AVAILABILITY OF SERVICE

Available to customers who own, operate and maintain a generation system located on customer's premises, that use as its total fuel source solar, wind or hydro energy, in parallel with the Company's electric system to provide all or part of their electrical requirements, and who execute the written Net Metering Program Notification Form. The generation system shall be limited to a maximum capacity of 10 kilowatts for residential customers and 25 kilowatts for non-residential customers. This tariff will be made available on a pilot program basis to the first 25 customers who execute and submit a Net Metering Program Notification Form. To participate in the program, a customer shall begin service during the first two years of the trial.

NOTIFICATION

The customer shall submit a completed Net Metering Program Notification Form to the company at least 30 days prior to the date the customer intends to interconnect his generator to the company's facilities. Customer shall have all equipment necessary to complete the interconnection installed prior to such notification. The company shall have 30 days from the date of notification to determine whether the customer has satisfied the tariff requirements and shall notify customer. The date of notification shall be the third day following the mailing of the Net Metering Program Notification Form by customer. Customer may interconnect his generator thirty-one days after the date of notification, and begin operation unless the company provides notification of non-compliance to the tariff, prior to the 31st day.

METERING AND BILLING

Net Metering Service shall be measured in accordance with standard metering practices by metering equipment capable of measuring (but not necessarily displaying) power flow in both directions. If electricity generated by the customer and fed back to the Company's system exceeds the electricity supplied to the customer from the system during a net metering period, the customer shall receive no compensation from the Company unless the customer has entered into a purchase power contract with the Company. If electricity generated by the customer and fed back to the system exceeds the electricity supplied to the customer from the system during any billing period, resulting in a Billing Period Credit, the customer shall be required to pay only the non-energy charges for that billing period. Any excess net generation by the customer shall be accumulated, carried forward and applied at the first opportunity to any billing periods having positive net consumption. Any accumulated Billing Period Credits remaining unused at the end of a net metering period shall be carried forward into the next net metering period only to the extent that such accumulated Billing Period Credits carried forward do not exceed the net metering customer's positive net consumption for the current net metering period. Net metering service shall be measured using a single meter or, as determined by the Company, additional meters.

LIABILITY INSURANCE

A customer with a generator with a rated capacity not exceeding 10 kilowatts shall maintain homeowners, commercial, or other insurance providing coverage in the amount of at least \$100,000 for the liability of the insured against loss arising out of the use of a generator, and for a generator with a rated capacity exceeding 10 kilowatts such coverage shall be in the amount of at least \$300,000.

Date of Issue: April 12, 2002

Issued By

Date Effective: March 14, 2002

Michael S. Beer, Vice President
Lexington, Kentucky

Issued By Authority of KP S.C. Order dated 3/7/02 in Case No. 2001-00304

Kentucky Utilities Company

Original Sheet No. 60
P.S.C. No. 13

ELECTRIC RATE SCHEDULE

NMS

Net Metering Service

APPLICABLE

In all territory served by the Company on a trial basis for 36 months from the effective date of March 14, 2002.

AVAILABILITY OF SERVICE

Available to customers who own, operate and maintain a generation system located on customer's premises, that use as its total fuel source solar, wind or hydro energy, in parallel with the Company's electric system to provide all or part of their electrical requirements, and who execute the Company's written Net Metering Program Notification Form. The generation system shall be limited to a maximum capacity of 10 kilowatts for residential customers and 25 kilowatts for non-residential customers. This tariff will be made available on a pilot program basis to the first 25 customers who execute and submit a Net Metering Program Notification Form. To participate in the program, a customer shall begin service during the first two years of the trial.

NOTIFICATION

The customer shall submit a completed Net Metering Program Notification Form to the company at least 30 days prior to the date the customer intends to interconnect his generator to the company's facilities. Customer shall have all equipment necessary to complete the interconnection installed prior to such notification. The company shall have 30 days from the date of notification to determine whether the customer has satisfied the tariff requirements and shall notify customer. The date of notification shall be the third day following the mailing of the Net Metering Program Notification Form by customer. Customer may interconnect his generator thirty-one days after the date of notification, and begin operation unless the company provides notification of non-compliance to the tariff, prior to the 31st day.

METERING AND BILLING

Net Metering Service shall be measured in accordance with standard metering practices by metering equipment capable of measuring (but not necessarily displaying) power flow in both directions. If electricity generated by the customer and fed back to the Company's system exceeds the electricity supplied to the customer from the system during a net metering period, the customer shall receive no compensation from the Company unless the customer has entered into a purchase power contract with the Company. If electricity generated by the customer and fed back to the system exceeds the electricity supplied to the customer from the system during any billing period, resulting in a Billing Period Credit, the customer shall be required to pay only the non-energy charges for that billing period. Any excess net generation by the customer shall be accumulated, carried forward and applied at the first opportunity to any billing periods having positive net consumption. Any accumulated Billing Period Credits remaining unused at the end of a net metering period shall be carried forward into the next net metering period only to the extent that such accumulated Billing Period Credits carried forward do not exceed the net metering customer's positive net consumption for the current net metering period. Net metering service shall be measured using a single meter or, as determined by the Company, additional meters.

LIABILITY INSURANCE

A customer with a generator with a rated capacity not exceeding 10 kilowatts shall maintain homeowners, commercial, or other insurance providing coverage in the amount of at least \$100,000 for the liability of the insured against loss arising out of the use of a generator, and for a generator with a rated capacity exceeding 10 kilowatts such coverage shall be in the amount of at least \$300,000.

Date of Issue: December 29, 2003

Issued By

Date Effective: February 1, 2004

Michael S. Beer, Vice President
Lexington, Kentucky

KENTUCKY UTILITIES COMPANY

Original Sheet No. 22.5
P. S. C. No. 12

ELECTRIC RATE SCHEDULE

NMS

Net Metering Service

N

ADDITIONAL CONTROLS AND TESTS

The company may install additional controls or meters, or conduct additional tests as it may deem necessary.

NET METERING SERVICE INTERCONNECTION GUIDELINES

Customer shall operate their generating facilities in parallel with Company's system under the following conditions and any other conditions required by Company where unusual conditions arise not covered herein:

1. Customer to own, install, and maintain all generating facilities on their premises. Such facilities shall include, but not be limited to, necessary control equipment to synchronize frequency, voltage, etc., between customer's and Company's system as well as adequate protective equipment between the two systems. Customer's voltage at the point of interconnection will be the same as the Company's system voltage.
2. Customer will be responsible for operating generators and all facilities owned by customer, except as specified hereinafter. Customer will maintain its system in synchronization with Company's system.
3. Customer will be responsible for any damage done to Company's equipment due to failure of customer's control, safety, or other equipment.
4. The Company at its discretion, may require a suitable lockable, company accessible, load breaking manual disconnect switch or similar equipment, as specified by Company, to be furnished by customer at a location designated by Company to enable the separation or disconnection of the two electrical systems. The load breaking manual disconnect switch must be accessible to the Company at all times.
5. Customer agrees to inform Company of any changes it wishes to make in its generating and/or associated facilities that is different from those initially installed and described to Company in writing and obtain prior approval from Company.
6. Company will have the right to inspect and approve customer's facilities, described herein, and conduct any tests necessary to determine that such facilities are installed and operating properly. However, the Company will have no obligation to inspect, witness tests or in any manner be responsible for customer's facilities or operation.
7. The customer assumes all responsibility for the electric service on the customer's premises at and from the point of delivery of electricity from the Company and for the wires and equipment used in connection therewith, and will protect and save the Company harmless from all claims for injury or damage to persons or property occurring on the customer's premises or at and from the point of delivery of electricity from the Company, occasioned by such electricity or said wires and equipment, except where said injury or damage will be shown to have been occasioned solely by the negligence of the Company.

Date of Issue: April 12, 2002

Issued By

Date Effective: March 14, 2002

Michael S. Beer, Vice President
Lexington, Kentucky
Issued By Authority of KP.S.C. Order dated 3/16/02 in Case No. 2001-00304

Kentucky Utilities Company

Original Sheet No. 60.1
P.S.C. No. 13

ELECTRIC RATE SCHEDULE

NMS

Net Metering Service

ADDITIONAL CONTROLS AND TESTS

The company may install additional controls or meters, or conduct additional tests as it may deem necessary.

NET METERING SERVICE INTERCONNECTION GUIDELINES

Customer shall operate their generating facilities in parallel with Company's system under the following conditions and any other conditions required by Company where unusual conditions arise not covered herein:

1. Customer to own, install, and maintain all generating facilities on their premises. Such facilities shall include, but not be limited to, necessary control equipment to synchronize frequency, voltage, etc., between customer's and Company's system as well as adequate protective equipment between the two systems. Customer's voltage at the point of interconnection will be the same as the Company's system voltage.
2. Customer will be responsible for operating generators and all facilities owned by customer, except as specified hereinafter. Customer will maintain its system in synchronization with Company's system.
3. Customer will be responsible for any damage done to Company's equipment due to failure of customer's control, safety, or other equipment.
4. The Company at its discretion, may require a suitable lockable, company accessible, load breaking manual disconnect switch or similar equipment, as specified by Company, to be furnished by customer at a location designated by Company to enable the separation or disconnection of the two electrical systems. The load breaking manual disconnect switch must be accessible to the Company at all times.
5. Customer agrees to inform Company of any changes it wishes to make in its generating and/or associated facilities that is different from those initially installed and described to Company in writing and obtain prior approval from Company.
6. Company will have the right to inspect and approve customer's facilities, described herein, and conduct any tests necessary to determine that such facilities are installed and operating properly. However, the Company will have no obligation to inspect, witness tests or in any manner be responsible for customer's facilities or operation.
7. The customer assumes all responsibility for the electric service on the customer's premises at and from the point of delivery of electricity from the Company and for the wires and equipment used in connection therewith, and will protect and save the Company harmless from all claims for injury or damage to persons or property occurring on the customer's premises or at and from the point of delivery of electricity from the Company, occasioned by such electricity or said wires and equipment, except where said injury or damage will be shown to have been occasioned solely by the negligence of the Company.

Date of Issue: December 29, 2003

Issued By

Date Effective: February 1, 2004

Michael S. Beer, Vice President
Lexington, Kentucky

KENTUCKY UTILITIES COMPANY

Original Sheet No. 22.6
P.S.C. No. 17

ELECTRIC RATE SCHEDULE NMS Net Metering Service

CONDITIONS OF INTERCONNECTION

A customer may begin operation of his generator on an interconnected basis when all of the following have been satisfied:

1. The customer has properly notified the company of his intent to interconnect by submission of the completed Net Metering Program Notification Form.
2. The net metering customer has installed a lockable, company accessible, load breaking manual disconnect switch, if required.
3. A licensed electrician has certified, by signing the Company Net Metering Program Notification Form, that any required manual disconnect switch has been installed properly and that the generator has been installed in accordance with the manufacturer's specifications as well as all applicable provisions of the National Electrical Code.
4. The vendor has certified, by signing the Company Net Metering Program Notification Form, that the generator being installed is in compliance with the requirements established by Underwriters Laboratories, or other national testing laboratories.
5. The customer has had the inverter settings inspected by the company, if the generator is a static inverter-connected generator with an alternating current capacity in excess of 10 kilowatts. The Company may impose a fee on the customer of no more than \$50 for such inspection.
6. For non-static inverter-connected generators, the customer has interconnected according to the Company's interconnection guidelines and the Company has inspected all protective equipment settings. The Company may impose a fee on the customer of no more than \$50 for such inspection.

DEFINITIONS

"Billing period" shall be the time period between the dates on which the Company issues the customer's bills.

"Billing Period Credit" shall be the electricity generated by the customer that flows into the electric system and which exceeds the electricity supplied to the customer from the electric system during any billing period.

"Net metering period" shall be each successive 12-month period beginning with the first meter reading date following the date of final interconnection of the generator with the company's facilities.

RULES AND REGULATIONS

Except as provided herein, service will be provided under the Company's Rules and Regulations or Terms and Conditions.

Date of Issue: April 17, 2002

Issued By

Date Effective: March 14, 2002

Michael S. Beer, Vice President
Lexington, Kentucky

Issued By Authority of KP S.C. Order dated 3/7/02 in Case No. 2001-00304

Kentucky Utilities Company

Original Sheet No. 60.2
P.S.C. No. 12

ELECTRIC RATE SCHEDULE NMS Net Metering Service

CONDITIONS OF INTERCONNECTION

A customer may begin operation of his generator on an interconnected basis when all of the following have been satisfied:

1. The customer has properly notified the company of his intent to interconnect by submission of the completed Net Metering Program Notification Form.
2. The net metering customer has installed a lockable, company accessible, load breaking manual disconnect switch, if required.
3. A licensed electrician has certified, by signing the Company Net Metering Program Notification Form, that any required manual disconnect switch has been installed properly and that the generator has been installed in accordance with the manufacturer's specifications as well as all applicable provisions of the National Electrical Code.
4. The vendor has certified, by signing the Company Net Metering Program Notification Form, that the generator being installed is in compliance with the requirements established by Underwriters Laboratories, or other national testing laboratories.
5. The customer has had the inverter settings inspected by the company, if the generator is a static inverter-connected generator with an alternating current capacity in excess of 10 kilowatts. The Company may impose a fee on the customer of no more than \$50 for such inspection.
6. For non-static inverter-connected generators, the customer has interconnected according to the Company's interconnection guidelines and the Company has inspected all protective equipment settings. The Company may impose a fee on the customer of no more than \$50 for such inspection.

DEFINITIONS

"Billing period" shall be the time period between the dates on which the Company issues the customer's bills.

"Billing Period Credit" shall be the electricity generated by the customer that flows into the electric system and which exceeds the electricity supplied to the customer from the electric system during any billing period.

"Net metering period" shall be each successive 12-month period beginning with the first meter reading date following the date of final interconnection of the generator with the company's facilities.

TERMS AND CONDITIONS

Except as provided herein, service will be furnished under Company's Terms and Conditions applicable hereto.

Date of Issue: December 29, 2003

Issued By

Date Effective: February 1, 2004

Michael S. Beer, Vice President
Lexington, Kentucky

ELECTRIC RATE SCHEDULE **Rate NMS**
Net Metering Service

Net Metering Program Notification Form

INTERCONNECTION NOTIFICATION

APPLICANT HEREBY GIVES NOTICE OF INTENT TO OPERATE A GENERATING FACILITY.

Section 1. Applicant Information

Name: _____
Mail _____
Address: _____
City: _____ State: _____ Zip Code: _____
Facility Location (if different from above): _____
Daytime Phone Number: _____
KU Account Number: _____

Section 2. Generating Facility Information

Generator Type (check one): Solar _____ Wind _____ Hydro _____
Generator Manufacturer, Model Name & Number: _____
Power Rating in Kilowatts: AC: _____ DC: _____
Inverter Manufacturer, Model Name & Number: _____
Battery Backup? (yes or no) _____

Section 3. Installation Information

Installation Date: _____ Proposed Interconnection Date: _____

Section 4. Certifications

- 1. The system hardware is listed by Underwriters Laboratories to be in compliance with UL 1741:
Signed (Vendor): _____ Date: _____
Name (printed): _____ Company: _____
Phone Number: _____
- 2. The system has been installed in accordance with the manufacturer's specifications as well as all applicable provisions of the National Electrical Code.
Signed (Licensed Electrician): _____ Date: _____
License Number: _____ Phone Number: _____
Mail Address: _____
City: _____ State: _____ Zip Code: _____
- 3. Utility signature signifies only receipt of this form.
Signed (Utility Representative): _____
Date: _____

I hereby certify that, to the best of my knowledge, all of the information provided in this Notice is true and correct.

Signature of Applicant _____

ELECTRIC RATE SCHEDULE **NMS**
Net Metering Service

Net Metering Program Notification Form

INTERCONNECTION NOTIFICATION

APPLICANT HEREBY GIVES NOTICE OF INTENT TO OPERATE A GENERATING FACILITY.

Section 1. Applicant Information

Name: _____
Mail _____
Address: _____
City: _____ State: _____ Zip Code: _____
Facility Location (if different from above): _____
Daytime Phone Number: _____
KU Account Number: _____

Section 2. Generating Facility Information

Generator Type (check one): Solar _____ Wind _____ Hydro _____
Generator Manufacturer, Model Name & Number: _____
Power Rating in Kilowatts: AC: _____ DC: _____
Inverter Manufacturer, Model Name & Number: _____
Battery Backup? (yes or no) _____

Section 3. Installation Information

Installation Date: _____ Proposed Interconnection Date: _____

Section 4. Certifications

- 1. The system hardware is listed by Underwriters Laboratories to be in compliance with UL 1741:
Signed (Vendor): _____ Date: _____
Name (printed): _____ Company: _____
Phone Number: _____
- 2. The system has been installed in accordance with the manufacturer's specifications as well as all applicable provisions of the National Electrical Code.
Signed (Licensed Electrician): _____ Date: _____
License Number: _____ Phone Number: _____
Mail Address: _____
City: _____ State: _____ Zip Code: _____
- 3. Utility signature signifies only receipt of this form.
Signed (Utility Representative): _____
Date: _____

I hereby certify that, to the best of my knowledge, all of the information provided in this Notice is true and correct.

Signature of Applicant _____

KENTUCKY UTILITIES COMPANY

Second Revision to Original Sheet No. 11.2
P.S.C. No. 12

ELECTRIC RATE SCHEDULE	
LRI	
Experimental Load Reduction Incentive Rider	
APPLICABLE In all territory served by the Company.	
AVAILABILITY OF SERVICE This schedule shall be made available as a rider to any customer served on the Company's standard tariffs, having stand-by generation facilities of at least 500 KW, and agreeing to operate such facilities in accordance with the terms and conditions of this tariff. Service under this schedule is offered on an experimental basis for a period of three years for a total maximum contracted load of 10,000 KW.	
RATE Up to \$0.30 per KWH	
TERMS AND CONDITIONS 1) Company will have the option to require Customer to operate Customer's stand-by generation to replace Customer's electric usage. Such period of generation shall not exceed 8 hours in any 24 hour period nor shall the total hours of generation in any 12 month period exceed 300 hours. 2) Should Company request Customer to operate Customer's stand-by generation, Company will notify Customer by 12 noon on a day ahead basis. 3) Company's request for Customer to operate Customer's stand-by generation will include an offer of a payment per KWH for Customer to operate Customer's stand-by generation. 4) Customer is obligated to operate Customer's stand-by generation should Customer accept the Company's offered price. 5) Customer's stand-by generation shall not be operated in parallel with Company's system (i.e., such generation shall be connected to circuits which are isolated from Company's system). 6) Customer will be responsible for maintaining Customer's stand-by generation, including an adequate fuel supply, to ensure meeting Customer's obligation under this schedule. 7) Company will meter the output of Customer's stand-by generation, base the payment for Customer reducing load on the metered output, and provide payment to Customer through a credit to Customer's standard service billing. 8) Customer may provide Company with the option to install equipment that will permit Company to remotely start stand-by generation and switch circuits to such generation so that they are isolated from Company's system. 9) Company has no obligation to request operation of Customer's stand-by generation nor to provide any credit to Customer without first requesting Customer to provide stand-by generation.	
TERM OF CONTRACT The minimum term of contract shall be for one year and thereafter until terminated by either party giving at least six months written notice. Company may require a longer initial term when deemed operate stand-by generation may result in termination of contract.	

Date of Issue: August 1, 2000

Issued By

Date Effective: August 1, 2000

R. M. Hewitt, Group Executive
Lexington, Kentucky

Kentucky Utilities Company

Original Sheet No. 61
P.S.C. No. 13

ELECTRIC RIDER	
LRI	
Experimental Load Reduction Incentive Rider	
APPLICABLE In all territory served.	
AVAILABILITY OF SERVICE This schedule shall be made available as a rider to any customer served on the Company's standard tariffs, having stand-by generation facilities of at least 500 KW, and agreeing to operate such facilities in accordance with the terms and conditions of this tariff. Service under this schedule is offered on an experimental basis for a period of six years from the effective date of August 1, 2000, for a total maximum contracted load of 10,000 KW.	
RATE Up to \$0.30 per KWH	
TERMS AND CONDITIONS 1) Company will have the option to require Customer to operate Customer's stand-by generation to replace Customer's electric usage. Such period of generation shall not exceed 8 hours in any 24-hour period nor shall the total hours of generation in any 12-month period exceed 300 hours. 2) Should Company request Customer to operate Customer's stand-by generation, Company will notify Customer by 12 noon on a day ahead basis. 3) Company's request for Customer to operate Customer's stand-by generation will include an offer of a payment per KWH for Customer to operate Customer's stand-by generation. 4) Customer is obligated to operate Customer's stand-by generation should Customer accept the Company's offered price. 5) Customer's stand-by generation shall not be operated in parallel with Company's system (i.e., such generation shall be connected to circuits which are isolated from Company's system). 6) Customer will be responsible for maintaining Customer's stand-by generation, including an adequate fuel supply, to ensure meeting Customer's obligation under this schedule. 7) Company will meter the output of Customer's stand-by generation, base the payment for Customer reducing load on the metered output, and provide payment to Customer through a credit to Customer's standard service billing. 8) Customer may provide Company with the option to install equipment that will permit Company to remotely start stand-by generation and switch circuits to such generation so that they are isolated from Company's system. 9) Company has no obligation to request operation of Customer's stand-by generation nor to provide any credit to Customer without first requesting Customer to provide stand-by generation.	
TERM OF CONTRACT The minimum term of contract shall be for one year and thereafter until terminated by either party giving at least six months written notice. Company may require a longer initial term when deemed necessary. Failure of Customer to operate stand-by generation may result in termination of contract.	

Date of Issue: December 29, 2003

Issued By

Date Effective: February 1, 2004

Michael S. Beer, Vice President
Louisville, Kentucky

KENTUCKY UTILITIES COMPANY

First Revision of Original Sheet No. 24
P.S.C. No. 12

ELECTRIC RATE SCHEDULE

FUEL ADJUSTMENT CLAUSE

(1) The charge per KWH delivered under the rate schedules to which this fuel clause is applicable shall be increased or decreased during each month in accordance with the following formula:

$$\text{Adjustment Factor} = \frac{E(m)}{S(m)} - \frac{E(b)}{S(b)}$$

where "F" is the expense of fossil fuel and "S" is the KWH sales in the base (b) and current (m) periods as defined in 807 KAR 5:056, all as set out below.

(2) Fuel costs (F) shall be the most recent actual monthly cost of:

- (a) Fossil fuel consumed in the utility's own plants, plus the cost of fuel which would have been used in plants suffering forced generation or transmission outages, but less the cost of fuel related to substitute generation, plus
- (b) The actual identifiable fossil and nuclear fuel costs associated with energy purchased for reasons other than identified in paragraph (c) below, but excluding the cost of fuel related to purchases to substitute the forced outages, plus

(c) The net energy cost of energy purchases, exclusive of capacity or demand charges (irrespective of the designation assigned to such transaction) when such energy is purchased on an economic dispatch basis. Included therein may be such costs as the charges for economy energy purchases and the charges as a result of schedule outage, all such kinds of energy being purchased by the buyer to substitute for its own higher cost energy, and less

(d) The cost of fossil fuel recovered through inter-system sales including the fuel costs related to economy energy sales and other energy sold on an economic dispatch basis.

(e) All fuel costs shall be based on weighted average inventory costing.

(3) Forced outages are all non-schedules losses of generation or transmission which require substitute power for a continuous period in excess of six hours. Where forced outages are not as a result of faulty equipment, faulty manufacture, faulty design, faulty installations, faulty operation, or faulty maintenance, but are Acts of God, riot, insurrection or acts of the public enemy, then the utility may, upon proper showing, with the approval of the Commission, include the fuel cost of substitute energy in the adjustment. Until such approval is obtained, in making the calculations of fuel cost (F) in subsection (2)(e) and (b) above, the forced outage costs to be subtracted shall be no less than the fuel cost related to the lost generation.

(4) Sales (S) shall be all KWH's sold, excluding inter-system sales. Where, for any reason, billed system sales cannot be coordinated with fuel costs for the billing period, sales may be equated to the sum of (i) generation, (ii) purchases, (iii) interchange in, less (iv) energy associated with pumped storage operations, less (v) inter-system sales referred to in subsection (2)(d) above, less (vi) total system losses. Utility used energy shall not be excluded in the determination of sales (S).

(5) The cost of fossil fuel shall include no items other than the invoice price of fuel less any cash or other discounts. The invoice price of fuel includes the cost of the fuel itself and necessary charges for transportation of the fuel from the point of acquisition to the unloading point, as listed in Account 151 of FERC Uniform System of Accounts for Public Utilities and Licensees.

(6) Base (b) period shall be the twelve months ending May 2002 and the base fuel factor is 1.494 cents per KWH.

(7) Current (m) period shall be the second month preceding the month in which the Fuel Clause Adjustment Factor is billed.

(8) Pursuant to the Public Service Commission's Order in Case No. 2002-00433 dated April 23, 2003, the Fuel Adjustment Clause will become effective with bills rendered on and after the first billing cycle of May 2003.

Date of Issue: May 13, 2003
Cancelling Original Sheet No. 24
Issued February 21, 2000

Issued By

Date Effective: May 1, 2003

Michael S. Beer, Vice President
Lexington, Kentucky
Issued Pursuant to K.P.S.C. Order of 4/23/03 in Case No. 2002-00433

Kentucky Utilities Company

Original Sheet No. 70
P.S.C. No. 13

FAC

Fuel Adjustment Clause

APPLICABLE

In all territory served.

AVAILABILITY OF SERVICE

This schedule is a mandatory rider to all electric rate schedules.

- (1) The charge per KWH delivered under the rate schedules to which this fuel clause is applicable shall be increased or decreased during each month in accordance with the following formula:

$$\text{Adjustment Factor} = \frac{E(m)}{S(m)} - \frac{E(b)}{S(b)}$$

where "F" is the expense of fossil fuel and "S" is the KWH sales in the base (b) and current (m) periods as defined in 807 KAR 5:056, all as set out below.

(2) Fuel costs (F) shall be the most recent actual monthly cost of:

- (a) Fossil fuel consumed in the utility's own plants, plus the cost of fuel which would have been used in plants suffering forced generation or transmission outages, but less the cost of fuel related to substitute generation, plus

(b) The actual identifiable fossil and nuclear fuel costs associated with energy purchased for reasons other than identified in paragraph (c) below, but excluding the cost of fuel related to purchases to substitute the forced outages, plus

(c) The net energy cost of energy purchases, exclusive of capacity or demand charges (irrespective of the designation assigned to such transaction) when such energy is purchased on an economic dispatch basis. Included therein may be such costs as the charges for economy energy purchases and the charges as a result of schedule outage, all such kinds of energy being purchased by the buyer to substitute for its own higher cost energy, and less

(d) The cost of fossil fuel recovered through inter-system sales including the fuel costs related to economy energy sales and other energy sold on an economic dispatch basis.

(e) All fuel costs shall be based on weighted average inventory costing.

- (3) Forced outages are all non-schedules losses of generation or transmission which require substitute power for a continuous period in excess of six hours. Where forced outages are not as a result of faulty equipment, faulty manufacture, faulty design, faulty installations, faulty operation, or faulty maintenance, but are Acts of God, riot, insurrection or acts of the public enemy, then the utility may, upon proper showing, with the approval of the Commission, include the fuel cost of substitute energy in the adjustment. Until such approval is obtained, in making the calculations of fuel cost (F) in subsection (2)(a) and (b) above, the forced outage costs to be subtracted shall be no less than the fuel cost related to the lost generation.

Date of Issue: December 29, 2003

Issued By

Date Effective: February 1, 2004

Michael S. Beer, Vice President
Lexington, Kentucky

Kentucky Utilities Company

Original Sheet No. 70.1
P.S.C. No. 13

FAC

Fuel Adjustment Clause

- (4) Sales (S) shall be all KWH's sold, excluding inter-system sales. Where, for any reason, billed system sales cannot be coordinated with fuel costs for the billing period, sales may be equated to the sum of (i) generation, (ii) purchases, (iii) interchange in, less (iv) energy associated with pumped storage operations, less (v) inter-system sales referred to in subsection (2)(d) above, less (vi) total system losses. Utility used energy shall not be excluded in the determination of sales (S).
- (5) The cost of fossil fuel shall include no items other than the invoice price of fuel less any cash or other discounts. The invoice price of fuel includes the cost of the fuel itself and necessary charges for transportation of the fuel from the point of acquisition to the unloading point, as listed in Account 151 of FERC Uniform System of Accounts for Public Utilities and Licensees.
- (6) Base (b) period shall be the twelve months ending May 2002 and the base fuel factor is 1.494 cents per KWH.
- (7) Current (m) period shall be the second month preceding the month in which the Fuel Clause Adjustment Factor is billed.
- (8) Pursuant to the Public Service Commission's Order in Case No. 2002-00433 dated April 23, 2003, the Fuel Adjustment Clause will become effective with bills rendered on and after the first billing cycle of May 2003.

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Date Effective: February 1, 2004

Michael S. Beer, Vice President
Lexington, Kentucky

KENTUCKY UTILITIES COMPANY

Original Sheet No. 24.5
P.S.C. No. 12

N

DSMRM	
Demand-Side Management Cost Recovery Mechanism (Continued)	
<p>APPLICABLE TO: Residential Service Rate RS, Full Electric Residential Rate FERS, General Service Rate GS, Light & Power Rate LP, Large Commercial & Industrial Time-of-Day Rate LCI-TOD, and High Load Factor Rate HLF. Industrial customers served under Large Commercial & Industrial Time-of-Day Rate LCI-TOD, and High Load Factor Rate HLF who elect not to participate in a demand-side management program hereunder shall not be assessed a charge pursuant to this mechanism.</p> <p>The monthly amount computed under each of the rate schedules to which this Demand-Side Management Cost Recovery Mechanism is applicable shall be increased or decreased by the DSM Cost Recovery Component (DSMRC) at a rate per kilowatt hour of monthly consumption in accordance with the following formula:</p> <p style="text-align: center;">DSMRC = DCR + DRLS + DSMI + DBA</p> <p>Where: DCR = DSM COST RECOVERY. The DCR shall include all expected costs which have been approved by the Commission for each twelve-month period for demand-side management programs which have been developed through a collaborative advisory process ("approved programs"). Such program costs shall include the cost of planning, developing, implementing, monitoring, and evaluating DSM programs. Program costs will be assigned for recovery purposes to the rate classes whose customers are directly participating in the program. In addition, all costs incurred by or on behalf of the collaborative process, including but not limited to costs for consultants, employees and administrative expenses, will be recovered through the DCR. Administrative costs that are allocable to more than one rate class will be recovered from those classes and allocated by rate class on the basis of the estimated budget from each program. The cost of approved programs shall be divided by the expected kilowatt-hour sales for the upcoming twelve-month period to determine the DCR for such rate class.</p> <p style="text-align: center;">DRLS = DSM REVENUE FROM LOST SALES</p> <p>Revenues from lost sales due to DSM programs implemented on and after the effective date of this tariff and will be recovered as follows:</p> <p>For each upcoming twelve-month period, the estimated reduction in customer usage (in Kwh) as determined for the approved programs shall be multiplied by the non-variable revenue requirement per Kwh for purposes of determining the lost revenue to be recovered hereunder from each customer class. The non-variable revenue requirement for the Residential and General Service customer class is defined as the weighted average price per Kwh of expected billings</p>	<p style="text-align: center;">DSMRC = DCR + DRLS + DSMI + DBA</p> <p>Where: DCR = DSM COST RECOVERY. The DCR shall include all expected costs which have been approved by the Commission for each twelve-month period for demand-side management programs which have been developed through a collaborative advisory process ("approved programs"). Such program costs shall include the cost of planning, developing, implementing, monitoring, and evaluating DSM programs. Program costs will be assigned for recovery purposes to the rate classes whose customers are directly participating in the program. In addition, all costs incurred by or on behalf of the collaborative process, including but not limited to costs for consultants, employees and administrative expenses, will be recovered through the DCR. Administrative costs that are allocable to more than one rate class will be recovered from those classes and allocated by rate class on the basis of the estimated budget from each program. The cost of approved programs shall be divided by the expected kilowatt-hour sales for the upcoming twelve-month period to determine the DCR for such rate class.</p> <p style="text-align: center;">DRLS = DSM REVENUE FROM LOST SALES</p> <p>Revenues from lost sales due to DSM programs implemented on and after the effective date of this tariff and will be recovered as follows:</p> <p>For each upcoming twelve-month period, the estimated reduction in customer usage (in Kwh) as determined for the approved programs shall be multiplied by the non-variable revenue requirement per Kwh for purposes of determining the lost revenue to be recovered hereunder from each customer class. The non-variable revenue requirement for the Residential and General Service customer class is defined as the weighted average price per Kwh of expected billings</p>

Date of Issue: June 29, 2001

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Michael S. Beer, Vice President
Lexington, Kentucky

Issued Pursuant to K.P.S.C. Order dated 5/1/01 in Case No. 2000-459

Kentucky Utilities Company

Original Sheet No. 71
P.S.C. No. 13

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DSMRM	
Demand-Side Management Cost Recovery Mechanism	
<p>APPLICABLE TO: Residential Service Rate RS, Volunteer Fire Department Rate VDF, General Service Rate GS, Large Power Rate LP, and Large Commercial and Industrial Time-of-Day Rate LCI-TOD. Industrial customers served under Large Power Rate LP and Large Commercial and Industrial Time-of-Day Rate LCI-TOD, who elect not to participate in a demand-side management program hereunder shall not be assessed a charge pursuant to this mechanism.</p> <p>The monthly amount computed under each of the rate schedules to which this Demand-Side Management Cost Recovery Mechanism is applicable shall be increased or decreased by the DSM Cost Recovery Component (DSMRC) at a rate per kilowatt hour of monthly consumption in accordance with the following formula:</p> <p style="text-align: center;">DSMRC = DCR + DRLS + DSMI + DBA</p> <p>Where: DCR = DSM COST RECOVERY. The DCR shall include all expected costs which have been approved by the Commission for each twelve-month period for demand-side management programs which have been developed through a collaborative advisory process ("approved programs"). Such program costs shall include the cost of planning, developing, implementing, monitoring, and evaluating DSM programs. Program costs will be assigned for recovery purposes to the rate classes whose customers are directly participating in the program. In addition, all costs incurred by or on behalf of the collaborative process, including but not limited to costs for consultants, employees and administrative expenses, will be recovered through the DCR. Administrative costs that are allocable to more than one rate class will be recovered from those classes and allocated by rate class on the basis of the estimated budget from each program. The cost of approved programs shall be divided by the expected kilowatt-hour sales for the upcoming twelve-month period to determine the DCR for such rate class.</p> <p style="text-align: center;">DRLS = DSM REVENUE FROM LOST SALES</p> <p>Revenues from lost sales due to DSM programs implemented on and after the effective date of this tariff and will be recovered as follows:</p> <p>For each upcoming twelve-month period, the estimated reduction in customer usage (in Kwh) as determined for the approved programs shall be multiplied by the non-variable revenue requirement per Kwh for purposes of determining the lost revenue to be recovered hereunder from each customer class. The non-variable revenue requirement for the Residential and General Service customer class is defined as the weighted average price per Kwh of expected billings under the energy charges contained in the Rate RS and GS rate schedules in the upcoming twelve-month period after deducting the variable costs included in such energy charges. The non-variable</p>	<p style="text-align: center;">DSMRC = DCR + DRLS + DSMI + DBA</p> <p>Where: DCR = DSM COST RECOVERY. The DCR shall include all expected costs which have been approved by the Commission for each twelve-month period for demand-side management programs which have been developed through a collaborative advisory process ("approved programs"). Such program costs shall include the cost of planning, developing, implementing, monitoring, and evaluating DSM programs. Program costs will be assigned for recovery purposes to the rate classes whose customers are directly participating in the program. In addition, all costs incurred by or on behalf of the collaborative process, including but not limited to costs for consultants, employees and administrative expenses, will be recovered through the DCR. Administrative costs that are allocable to more than one rate class will be recovered from those classes and allocated by rate class on the basis of the estimated budget from each program. The cost of approved programs shall be divided by the expected kilowatt-hour sales for the upcoming twelve-month period to determine the DCR for such rate class.</p> <p style="text-align: center;">DRLS = DSM REVENUE FROM LOST SALES</p> <p>Revenues from lost sales due to DSM programs implemented on and after the effective date of this tariff and will be recovered as follows:</p> <p>For each upcoming twelve-month period, the estimated reduction in customer usage (in Kwh) as determined for the approved programs shall be multiplied by the non-variable revenue requirement per Kwh for purposes of determining the lost revenue to be recovered hereunder from each customer class. The non-variable revenue requirement for the Residential and General Service customer class is defined as the weighted average price per Kwh of expected billings under the energy charges contained in the Rate RS and GS rate schedules in the upcoming twelve-month period after deducting the variable costs included in such energy charges. The non-variable</p>

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Michael S. Beer, Vice President
Lexington, Kentucky

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DSMRM
Demand-Side Management Cost Recovery Mechanism (Continued)
<p>under the energy charges contained in the Rate RS, FERS, and GS rate schedules in the upcoming twelve-month period after deducting the variable costs included in such energy charges. The non-variable revenue requirement for each of the customer classes that are billed under demand and energy rates (Rates LP, LCI-TOD, and HLF is defined as the weighted average price per Kwh represented by the composite of the expected billings under the respective demand and energy charges in the upcoming twelve-month period, after deducting the variable costs included in the energy charges.</p> <p>The lost revenues for each customer class shall then be divided by the estimated class sales (in Kwh) for the upcoming twelve-month period to determine the applicable DRLS surcharge. Recovery of revenue from lost sales calculated for a twelve-month period shall be included in the DRLS for 36 months or until implementation of new rates pursuant to a general rate case, whichever comes first. Revenues from lost sales will be assigned for recovery purposes to the rate classes whose programs resulted in the lost sales.</p> <p>Revenues collected hereunder are based on engineering estimates of energy savings, expected program participation and estimated sales for the upcoming twelve-month period. At the end of each such period, any difference between the lost revenues actually collected hereunder and the lost revenues determined after any revisions of the engineering estimates and actual program participation are accounted for shall be reconciled in future billings under the DSM Balance Adjustment (DBA) component.</p> <p>A program evaluation vendor will be selected to provide evaluation criteria against which energy savings will be estimated for that program. Each program will be evaluated after implementation and any revision of the original engineering estimates will be reflected in both (a) the retroactive true-up provided for under the DSM Balance Adjustment and (b) the prospective future lost revenues collected hereunder.</p> <p>DSMI = DSM INCENTIVE. For all Energy Impact Programs except Direct Load Control, the DSM incentive amount shall be computed by multiplying the net resource savings expected from the approved programs which are to be installed during the upcoming twelve-month period times fifteen (15) percent, not to exceed five (5) percent of program expenditures. Net resource savings are defined as program benefits less utility program costs and participant costs on the basis of the present value of the program, and will include both capacity and energy savings. For Energy Education and Direct Load Control Programs, the DSM incentive amount shall be computed by multiplying the annual cost of the approved programs which are to be installed during the upcoming twelve-month period times five (5) percent.</p>

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Michael S. Beer, Vice President
Lexington, Kentucky

Issued Pursuant to K.P.S.C. Order dated 5/1/01 in Case No. 2000-459

DSMRM

Demand-Side Management Cost Recovery Mechanism

revenue requirement for each of the customer classes that are billed under demand and energy rates (Rate LP and Rate LCI-TOD) is defined as the weighted average price per Kwh represented by the composite of the expected billings under the respective demand and energy charges in the upcoming twelve-month period, after deducting the variable costs included in the energy charges.

The lost revenues for each customer class shall then be divided by the estimated class sales (in Kwh) for the upcoming twelve-month period to determine the applicable DRLS surcharge. Recovery of revenue from lost sales calculated for a twelve-month period shall be included in the DRLS for 36 months or until implementation of new rates pursuant to a general rate case, whichever comes first. Revenues from lost sales will be assigned for recovery purposes to the rate classes whose programs resulted in the lost sales.

Revenues collected hereunder are based on engineering estimates of energy savings, expected program participation and estimated sales for the upcoming twelve-month period. At the end of each such period, any difference between the lost revenues actually collected hereunder and the lost revenues determined after any revisions of the engineering estimates and actual program participation are accounted for shall be reconciled in future billings under the DSM Balance Adjustment (DBA) component.

A program evaluation vendor will be selected to provide evaluation criteria against which energy savings will be estimated for that program. Each program will be evaluated after implementation and any revision of the original engineering estimates will be reflected in both (a) the retroactive true-up provided for under the DSM Balance Adjustment and (b) the prospective future lost revenues collected hereunder.

DSMI = DSM INCENTIVE. For all Energy Impact Programs except Direct Load Control, the DSM incentive amount shall be computed by multiplying the net resource savings expected from the approved programs, which are to be installed during the upcoming twelve-month period times fifteen (15) percent, not to exceed five (5) percent of program expenditures. Net resource savings are defined as program benefits less utility program costs and participant costs where program benefits will be calculated on the basis of the present value of KU's avoided costs over the expected life of the program, and will include both capacity and energy savings. For Energy Education and Direct Load Control Programs, the DSM incentive amount shall be computed by multiplying the annual cost of the approved programs which are to be installed during the upcoming twelve-month period times five (5) percent.

The DSM incentive amount related to programs for Residential Service Rate RS, Volunteer Fire Department Service VFD, General Service Rate GS, Rate LP, and Large Commercial and Industrial Time-of-Day Rate LCI-TOD shall be divided by the expected kilowatt-hour sales for the upcoming twelve-month period to determine the DSMI for such rate class. DSM incentive amounts will be assigned for recovery purposes to the rate classes whose programs created the incentive.

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Michael S. Beer, Vice President
Lexington, Kentucky

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KENTUCKY UTILITIES COMPANY

Original Sheet No. 24.5-B
P.S.C. No. 12

**DSMRM
Demand-Side Management Cost Recovery Mechanism (Continued)**

The DSM incentive amount related to programs for Residential Service Rate RS, Full Electric Residential Rate FERS, General Service Rate GS, Light & Power Rate LP, Large Commercial & Industrial Time-of-Day Rate LCI-TOD, and High Load Factor Rate HLF shall be divided by the expected kilowatt-hour sales for the upcoming twelve-month period to determine the DSMI for such rate class. DSM incentive amounts will be assigned for recovery purposes to the rate classes whose programs created the incentive.

DBA = DSM BALANCE ADJUSTMENT. The DBA shall be calculated on a calendar year basis and is used to reconcile the difference between the amount of revenues actually billed through the DCR, DRLS, DSMI and previous application of the DBA and the revenues which should have been billed, as follows:

- (1) For the DCR, the balance adjustment amount will be the difference between the amount billed in a twelve-month period from the application of the DCR unit charge and the actual cost of the approved programs during the same twelve month period
- (2) For the DRLS, the balance adjustment amount will be the difference between the amount billed during the twelve-month period from application of the DRLS unit charge and the amount of lost revenues determined for the actual DSM measures implemented during the twelve-month period
- (3) For the DSMI, the balance adjustment amount will be the difference between the amount billed during the twelve-month period from application of the DSMI unit charge and the incentive amount determined for the actual DSM measures implemented during the twelve-month period
- (4) For the DBA, the balance adjustment amount will be the difference between the amount billed during the twelve-month period from application of the DBA and the balance adjustment amount established for the same twelve-month period.

The balance adjustment amounts determined on the basis of the above paragraphs (1)-(4) shall include interest applied to the monthly amounts, such interest to be calculated at a rate equal to the average of the "3-month Commercial Paper Rate" for the immediately preceding 12-month period. The total of the balance adjustment amounts shall be divided by the expected kilowatt-hour sales for the upcoming twelve-month period to determine the DBA for such rate class. DSM balance adjustment amounts will be assigned for recovery purposes to the rate classes to which over- or under-recoveries of DSM amounts were realized.

The filing of modifications to the DSMRC which require changes in the DCR component shall be made at least two months prior to the beginning of the effective period for billing.

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Michael S. Beer, Vice President
Lexington, Kentucky

Issued Pursuant to K.P.S.C. Order dated 5/1/01 in Case No. 2000-459

Kentucky Utilities Company

Original Sheet No. 71.2
P.S.C. No. 13

**DSMRM
Demand-Side Management Cost Recovery Mechanism**

DBA = DSM BALANCE ADJUSTMENT. The DBA shall be calculated on a calendar year basis and is used to reconcile the difference between the amount of revenues actually billed through the DCR, DRLS, DSMI and previous application of the DBA and the revenues which should have been billed, as follows:

- (1) For the DCR, the balance adjustment amount will be the difference between the amount billed in a twelve-month period from the application of the DCR unit charge and the actual cost of the approved programs during the same twelve-month period.
- (2) For the DRLS, the balance adjustment amount will be the difference between the amount billed during the twelve-month period from application of the DRLS unit charge and the amount of lost revenues determined for the actual DSM measures implemented during the twelve-month period.
- (3) For the DSMI, the balance adjustment amount will be the difference between the amount billed during the twelve-month period from application of the DSMI unit charge and the incentive amount determined for the actual DSM measures implemented during the twelve-month period.
- (4) For the DBA, the balance adjustment amount will be the difference between the amount billed during the twelve-month period from application of the DBA and the balance adjustment amount established for the same twelve-month period.

The balance adjustment amounts determined on the basis of the above paragraphs (1)-(4) shall include interest applied to the monthly amounts, such interest to be calculated at a rate equal to the average of the "3-month Commercial Paper Rate" for the immediately preceding 12-month period. The total of the balance adjustment amounts shall be divided by the expected kilowatt-hour sales for the upcoming twelve-month period to determine the DBA for such rate class. DSM balance adjustment amounts will be assigned for recovery purposes to the rate classes to which over- or under-recoveries of DSM amounts were realized.

The filing of modifications to the DSMRC which require changes in the DCR component shall be made at least two months prior to the beginning of the effective period for billing.

Modifications to other components of the DSMRC shall be made at least thirty days prior to the effective period for billing. Each filing shall include the following information as applicable:

- (1) A detailed description of each DSM program developed by the collaborative process, the total cost of each program over the twelve-month period, an analysis of expected resource savings, information concerning the specific DSM or efficiency measures to be installed, and any applicable studies which have been performed, as available.

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Issued By

Date Effective: February 1, 2004

Michael S. Beer, Vice President
Lexington, Kentucky

KENTUCKY UTILITIES COMPANY

Original Sheet No. 24.5-C
P. S. C. No. 12

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DSMRM	
Demand-Side Management Cost Recovery Mechanism (Continued)	
Modifications to other components of the DSMRC shall be made at least thirty days prior to the effective period for billing. Each filing shall include the following information as applicable:	
(1) A detailed description of each DSM program developed by the collaborative process, the total cost of each program over the twelve-month period, an analysis of expected resource savings, information concerning the specific DSM or efficiency measures to be installed, and any applicable studies which have been performed, as available.	
(2) A statement setting forth the detailed calculation of the DCR, DRLS, DSMI, DBA and DSMRC.	
Each change in the DSMRC shall be placed into effect with bills rendered on and after the effective date of such change.	

Date of Issue: June 29, 2001 Issued By Date Effective: July 1, 2001

Michael S. Bear, Vice President
Lexington, Kentucky
Issued Pursuant to K.P.S.C. Order dated 5/1/01 in Case No. 2000-459

Kentucky Utilities Company

Original Sheet No. 71.3
P. S. C. No. 13

DSMRM	
Demand-Side Management Cost Recovery Mechanism	
(2) A statement setting forth the detailed calculation of the DCR, DRLS, DSMI, DBA and DSMRC.	
Each change in the DSMRC shall be placed into effect with bills rendered on and after the effective date of such change.	

Date of Issue: December 29, 2003 Issued By Date Effective: February 1, 2004

Michael S. Bear, Vice President
Lexington, Kentucky

KENTUCKY UTILITIES COMPANY

Fifth Revision of Original Sheet No. 24.5-D
P.S.C. No. 12

DSMRM	
Demand-Side Management Cost Recovery Mechanism (Continued)	
APPLICABLE TO:	
Residential Service Rate RS, Full Electric Residential Rate FERS, General Service Rate GS, Light & Power Rate LP, Large Commercial & Industrial Time-of-Day Rate LCI-TOD, and High Load Factor Rate HLF.	
<u>DSM Cost Recovery Component (DSMRC):</u>	
<u>Residential Service Rate RS</u>	<u>Energy Charge</u>
DSM Cost Recovery Component (DCR):	0.077 ¢/Kwh
DSM Revenues from Lost Sales (DRLS):	0.003 ¢/Kwh
DSM Incentive (DSMI):	0.003 ¢/Kwh
DSM Balance Adjustment (DBA):	(0.029) ¢/Kwh
DSMRC Rate RS:	0.054 ¢/Kwh
R	
<u>Full Electric Residential Rate FERS</u>	
DSM Cost Recovery Component (DCR):	0.044 ¢/Kwh
DSM Revenues from Lost Sales (DRLS):	0.002 ¢/Kwh
DSM Incentive (DSMI):	0.002 ¢/Kwh
DSM Balance Adjustment (DBA):	(0.016) ¢/Kwh
DSMRC Rate FERS:	0.032 ¢/Kwh
R	

Date of Issue: April 8, 2003
Cancelling Fourth Revision of Original Sheet No. 24.5-D Issued November 22, 2002

Issued By: Michael S. Beer, Vice President
Lexington, Kentucky

Date Effective: With Bills Rendered On and After April 3, 2003

Issued Pursuant to K.P.S.C. Order of 4/1/03 in Case No. 2003-00089

Kentucky Utilities Company

Original Sheet No. 71.4
P.S.C. No. 13

DSMRM	
Demand-Side Management Cost Recovery Mechanism	
APPLICABLE TO:	
Residential Service Rate RS, Volunteer Fire Department Service Rate VFD, General Service Rate GS, Large Power Rate LP, and Large Commercial and Industrial Time-of-Day Rate LCI-TOD.	
<u>DSM Cost Recovery Component (DSMRC):</u>	
Residential Service Rate RS and <u>Volunteer Fire Department Service VFD</u>	<u>Energy Charge</u>
DSM Cost Recovery Component (DCR):	0.077 ¢/Kwh
DSM Revenues from Lost Sales (DRLS):	0.003 ¢/Kwh
DSM Incentive (DSMI):	0.003 ¢/Kwh
DSM Balance Adjustment (DBA):	(0.029) ¢/Kwh
DSMRC Rate RS:	0.054 ¢/Kwh
T	
<u>General Service Rate GS</u>	
DSM Cost Recovery Component (DCR):	<u>Energy Charge</u>
DSM Revenues from Lost Sales (DRLS):	0.023 ¢/Kwh
DSM Incentive (DSMI):	0.008 ¢/Kwh
DSM Balance Adjustment (DBA):	0.000 ¢/Kwh
DSMRC Rate GS:	(0.017) ¢/Kwh
	0.014 ¢/Kwh

Date of Issue: December 29, 2003
Issued By: Michael S. Beer, Vice President
Lexington, Kentucky

Date Effective: February 1, 2004

Michael S. Beer, Vice President
Lexington, Kentucky

KENTUCKY UTILITIES COMPANY

Fourth Revision of Original Sheet No. 24.5-E
P. S. C. No. 12

Kentucky Utilities Company

Original Sheet No. 71.5
P.S.C. No. 13

DSMRM	
Demand-Side Management Cost Recovery Mechanism (Continued)	
<u>DSM Cost Recovery Component (DSMRC):</u> (Continued)	
<u>General Service Rate GS</u>	0.023 ¢/Kwh
DSM Cost Recovery Component (DCR):	0.008 ¢/Kwh
DSM Revenues from Lost Sales (DRLS):	0.000 ¢/Kwh
DSM Incentive (DSMI):	(0.017) ¢/Kwh
DSM Balance Adjustment (DBA):	0.014 ¢/Kwh
DSMRC Rate GS:	
<u>Light & Power Rate LP</u>	<u>Energy Charge</u>
DSM Cost Recovery Component (DCR):	0.004 ¢/Kwh
DSM Revenues from Lost Sales (DRLS):	0.000 ¢/Kwh
DSM Incentive (DSMI):	0.000 ¢/Kwh
DSM Balance Adjustment (DBA):	0.000 ¢/Kwh
DSMRC Rate LP:	0.004 ¢/Kwh

R

Date of Issue: April 8, 2003
Cancelling Third Revision of
Original Sheet No. 24.5-E
Issued November 22, 2002

Issued By: Michael S. Beer, Vice President
Lexington, Kentucky

Date Effective: With Bills Rendered
On and After
April 3, 2003

Issued Pursuant to K.P.S.C. Order of 4/1/03 in Case No. 2003-00089

DSMRM	
Demand-Side Management Cost Recovery Mechanism	
<u>DSM Cost Recovery Component (DSMRC):</u> (Continued)	
<u>Large Power Rate LP</u>	<u>Energy Charge</u>
DSM Cost Recovery Component (DCR):	0.004 ¢/Kwh
DSM Revenues from Lost Sales (DRLS):	0.000 ¢/Kwh
DSM Incentive (DSMI):	0.000 ¢/Kwh
DSM Balance Adjustment (DBA):	0.000 ¢/Kwh
DSMRC Rate LP:	0.004 ¢/Kwh
<u>Large Commercial and Industrial Time of Day Rate LCI-TOD</u>	
DSM Cost Recovery Component (DCR):	<u>Energy Charge</u>
DSM Revenues from Lost Sales (DRLS):	0.000 ¢/Kwh
DSM Incentive (DSMI):	0.000 ¢/Kwh
DSM Balance Adjustment (DBA):	0.000 ¢/Kwh
DSMRC Rate TOD:	0.000 ¢/Kwh

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Issued By: Michael S. Beer, Vice President
Lexington, Kentucky

Effective: February 1, 2004

KENTUCKY UTILITIES COMPANY

Original Sheet No. 24.5-F
P. S. C. No. 12

N

DSMRM

Demand-Side Management Cost Recovery Mechanism (Continued)

DSM Cost Recovery Component (DSMRC):
(Continued)

Large Commercial & Industrial Rate LCI-TOD

DSM Cost Recovery Component (DCR):	0.000 ¢/Kwh
DSM Revenues from Lost Sales (DRLS):	0.000 ¢/Kwh
DSM Incentive (DSMI):	0.000 ¢/Kwh
DSM Balance Adjustment (DBA):	0.000 ¢/Kwh
DSMRC Rate LCI-TOD:	0.000 ¢/Kwh

High Load Factor Rate LP-TOD

DSM Cost Recovery Component (DCR):	0.000 ¢/Kwh
DSM Revenues from Lost Sales (DRLS):	0.000 ¢/Kwh
DSM Incentive (DSMI):	0.000 ¢/Kwh
DSM Balance Adjustment (DBA):	0.000 ¢/Kwh
DSMRC Rate HLF:	0.000 ¢/Kwh

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Date of Issue: June 29, 2001

Issued By

Date Effective: July 1, 2001

Michael S. Bear, Vice President
Lexington, Kentucky

KENTUCKY UTILITIES COMPANY

Third Revision of Original Sheet No. 24.1
P.S.C. No. 12

ELECTRIC RATE SCHEDULE		ES
		Environmental Surcharge
APPLICABLE	In All of the Company's service territory.	
AVAILABILITY	This rate schedule shall apply to electric rate schedules RS, FERS, GS, CWH, Rate 33, AES, LP, LCH-TOD, HLF, LMP-TOD, M, ST, LT., DEC. LT., P.O. LT., C.O. LT., SEASONAL/TEMPORARY RIDER, WESTVACO, and NORTH AMERICAN STAINLESS (NAS)	
RATE	The monthly billing amount under each of the schedules to which this mechanism is applicable, including the fuel clause, shall be increased or decreased by a percentage factor calculated in accordance with the following formula $CESF = E(m) / R(m)$ $MESF = CESF - BESF$ MESF = Monthly Environmental Surcharge Factor CESF = Current Environmental Surcharge Factor BESF = Base Environmental Surcharge Factor Where E(m) is the jurisdictional total of each approved environmental compliance plan revenue requirement of environmental compliance costs for the current expense month, and R(m) is the revenue for the current expense month as set forth below	
DEFINITIONS	<ol style="list-style-type: none"> For the 1994 Plan $E(m) = [(RB / 12) (ROR) + (ROR - DR) (TR) (1 - TR)] + PCOE + BAS$ Where RB is the Environmental Compliance Rate Base, adjusted for eligible Pollution Control Plan in Service Accumulated Depreciation, and Deferred Taxes already included in base rates. Where ROR is the Rate of Return on Environmental Compliance Rate Base, designated as the Weighted Average Cost of Pollution Control Debt. Where PCOE is the Pollution Control Operating Expenses [Incremental O&M Expenses (+/-), Depreciation and Amortization Expense, Property Taxes, Insurance Expense, Emission Allowance Expense, and Surcharge Consultant Fee]. Where DR is the Rate of Return on Environmental Compliance Rate Base, designated as the overall all rate of return [cost of short term debt, accounts receivable financing, long term debt, preferred stock, and common equity]. Where TR is the Composite Federal and State Income Tax Rate. For all Post-1994 Plans, $E(m) = [(RB/12) (ROR + (ROR - DR) (TR / (1 - TR)))] + OE$ Where: a) RB is the Total Environmental Compliance Rate Base excluding the 1994 Environmental Compliance Rate Base, adjusted for eligible Pollution Control Plan in Service, Accumulated Depreciation, and Deferred Taxes already included in existing rates. b) Where ROR is the Rate of Return in Environmental Compliance Rate Base, designated as the overall all rate of return [cost of short term debt, accounts receivable financing, long term debt, preferred stock, and common equity]. c) Where DR is the Debt Rate [cost of short term debt, accounts receivable financing, and long term debt]. d) Where TR is the Composite Federal and State Income Tax Rate. e) Where OE is the Operating Expenses [Depreciation and Amortization Expense, Property Taxes, Insurance Expense adjusted for the Average Month Expense already included in existing rates], Includes operation and maintenance expense recovery authorized by the K.P.S.C. in Case Nos. 2000-439 and 2002-146. Total E(m) (sum of each approved environmental compliance plan revenue requirement) is multiplied by the Jurisdictional Allocation Factor to arrive at Net Jurisdictional E(m) The revenue R(m) is the average monthly revenue, including base revenues and automatic adjustment clause revenues less Environmental Cost Recovery Surcharge revenues, for the Company for the 12 months ending with the current expense month. Current expense month (m) shall be the second month preceding the month in which the Environmental Surcharge is billed. 	

Date of Issue: November 6, 2003
Cancelling Second Revision of Original Sheet No. 24.1
Issued February 21, 2002

Issued By
Michael S. Beer, Vice President
Lexington, Kentucky

Date Effective: With Service Rendered On and After
October 31, 2003

Issued Pursuant to K.P.S.C. Order of 10/17/03 in Case No. 2003-00068

Kentucky Utilities Company

Original Sheet No. 72
P.S.C. No. 13

ECR	
Environmental Cost Recovery Surcharge	
APPLICABLE	In all territory served.
AVAILABILITY OF SERVICE	This rate schedule shall apply to electric rate schedules RS, VFD, GS, AES, Rider IFL, LP, LCH-TOD, MP, LMP-TOD, ST, LT., P.O. LT., TEMPORARY/SEASONAL RIDER, WESTVACO, and NORTH AMERICAN STAINLESS (NAS).
RATE	The monthly billing amount under each of the schedules to which this mechanism is applicable, including the fuel clause, shall be increased or decreased by a percentage factor calculated in accordance with the following formula. $CESF = E(m) / R(m)$ $MESF = CESF - BESF$ MESF = Monthly Environmental Surcharge Factor CESF = Current Environmental Surcharge Factor BESF = Base Environmental Surcharge Factor Where E(m) is the jurisdictional total of each approved environmental compliance plan revenue requirement of environmental compliance costs for the current expense month and R(m) is the revenue for the current expense month as set forth below.
DEFINITIONS	<ol style="list-style-type: none"> For the 1994 Plan $E(m) = [(RB / 12) (ROR) + (ROR - DR) (TR) (1 - TR)] + PCOE - BAS$ a) Where RB is the Environmental Compliance Rate Base, adjusted for eligible Pollution Control Plan in Service, Accumulated Depreciation, and Deferred Taxes already included in base rates. b) Where ROR is the Rate of Return on Environmental Compliance Rate Base, designated as the Weighted Average Cost of Pollution Control Debt. c) Where PCOE is the Pollution Control Operating Expenses [Incremental O&M Expenses (+/-), Depreciation and Amortization Expense, Property Taxes, Insurance Expense, Emission Allowance Expense, and Surcharge Consultant Fee]. d) BAS is the Net Proceeds from By-products and Allowance Sales. For all Post-1994 Plans, $E(m) = [(RB/12) (ROR + (ROR - DR) (TR / (1 - TR)))] + OE$ Where: a) RB is the Total Environmental Compliance Rate Base excluding the 1994 Environmental Compliance Rate Base, adjusted for eligible Pollution Control Plan in Service, Accumulated Depreciation, and Deferred Taxes already included in existing rates. b) Where ROR is the Rate of Return in Environmental Compliance Rate Base, designated as the overall all rate of return [cost of short term debt, accounts receivable financing, long term debt, preferred stock, and common equity]. c) Where DR is the Debt Rate [cost of short term debt, accounts receivable financing, and long term debt]. d) Where TR is the Composite Federal and State Income Tax Rate. e) Where OE is the Operating Expenses [Depreciation and Amortization Expense, Property Taxes, Insurance Expense adjusted for the Average Month Expense already included in existing rates], Includes operation and maintenance expense recovery authorized by the K.P.S.C. in Case Nos. 2000-439 and 2002-146.

Date of Issue: December 29, 2003

Issued By

Effective: February 1, 2004

Michael S. Beer, Vice President
Lexington, Kentucky

Kentucky Utilities Company

Original Sheet No. 72.1
P.S.C. No. 13

ECR

Environmental Cost Recovery Surcharge

- 3) Total E(m) (sum of each approved environmental compliance plan revenue requirement) is multiplied by the Jurisdictional Allocation Factor to arrive at Net Jurisdictional E(m)
- 4) The revenue R(m) is the average monthly revenue, including base revenues and automatic adjustment clause revenues less Environmental Cost Recovery Surcharge revenues, for the Company for the 12 months ending with the current expense month.
- 5) Current expense month (m) shall be the second month preceding the month in which the Environmental Surcharge is billed.

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Date of Issue: December 29, 2003

Issued By

Effective: February 1, 2004

Michael S. Beer, Vice President
Lexington, Kentucky

KENTUCKY UTILITIES COMPANY

Second Revision of Original Sheet No. 24.2
P.S.C. No. 12

ELECTRIC RATE SCHEDULE

MSR

Merger Surcredit Rider

APPLICABLE

In all territory served by the Company.

AVAILABILITY OF SERVICE

To Kentucky Utilities Company Electric Rate Schedules RS, FERS, GS, CWH, 33, AES, LP, LCI-TOD, HLF, MP, LMP-TOD, M, ST.LT., P.O.L.T., C.O.L.T., and SEASONAL/TEMPORARY SERVICE RIDER, excluding those customers receiving their one-time payment of the surcredit amount under the settlement agreement in PSC Case No. 2002-00429.

RATE

The monthly billing amount computed under each of the rate schedules to which this surcredit is applicable shall be adjusted by the Merger Surcredit Factor, which shall be calculated in accordance with the following formula:

Where:
Merger Surcredit Factor = MS + BA

(MS) is the Merger Surcredit which is based on the total Company savings that are to be distributed to the Company's Kentucky jurisdictional retail customers in each 12-month period beginning July 1, 1998.

Year	Savings to be Distributed	Merger Surcredit (MS)	0.972%
Year 1	\$ 6,008,699		
Year 2	\$ 8,764,133		1.387%
Year 3	\$ 11,824,431		1.836%
Year 4	\$ 12,978,580		1.979%
Year 5	\$ 14,287,560		2.139%
Year 6	\$ 17,898,933		2.646%*
Year 7	\$ 17,898,933		2.568%
Year 8	\$ 17,898,933		2.503%
Year 9	\$ 17,898,933		2.442%
Year 10	\$ 17,898,933		2.389%

*Reflects the average factor for the year. Actual application determined by the Final Order in PSC Case No. 2002-00429.

(BA) is the Balancing Adjustment for the second through the twelfth months of the current distribution year which reconciles any over- or under-distribution of the net savings from prior periods. The Balancing Adjustment will be determined by dividing the differences between amounts which were expected to be distributed and the amounts actually distributed from the application of the Merger Surcredit Factor from the previous year by the expected Kentucky jurisdictional retail electric revenues. The final Balancing Adjustment will be applied to customer billings in the second month following the tenth distribution year.

TERMS OF DISTRIBUTION

- (1) The total distribution to Company's customers will, in no case, be less than the sum of the amounts shown above.
- (4) On or before the 21st of the first month of each distribution year following Year 1, the Company will file with the Commission a status report of the Surcredit. Such report shall include a statement showing the amounts which were expected to be distributed and the amounts actually distributed in previous periods, along with a calculation of the Balancing Adjustment (BA) which will be implemented with customer billings in the second month of that distribution year to reconcile any previous over- or under-distributions.

Date of Issue: November 3, 2003
Cancelling First Revision of Original Sheet No. 24.2
Issued January 13, 2003

Issued By

Date Effective: October 16, 2003

Michael S. Beer, Vice President
Lexington, Kentucky

Issued Pursuant to K.P.S.C. Order Dated October 16, 2003 in Case No. 2002-00429

Kentucky Utilities Company

Original Sheet No. 73
P.S.C. No. 13

MSR

Merger Surcredit Rider

APPLICABLE

In all territory served.

AVAILABILITY OF SERVICE

To Kentucky Utilities Company Electric Rate Schedules RS, GS, VFD, AES, LP, LCI-TOD, MP, LMP-TOD, ST.LT., P.O.L.T., and TEMPORARY/SEASONAL SERVICE RIDER, excluding those customers receiving their one-time payment of the surcredit amount under the settlement agreement in PSC Case No. 2002-00429.

RATE

The monthly billing amount computed under each of the rate schedules to which this surcredit is applicable shall be adjusted by the Merger Surcredit Factor, which shall be calculated in accordance with the following formula:

Where:
Merger Surcredit Factor = MS + BA

(MS) is the Merger Surcredit which is based on the total Company savings that are to be distributed to the Company's Kentucky jurisdictional retail customers in each 12-month period beginning July 1, 1998.

Year	Savings to be Distributed	Merger Surcredit (MS)	0.972%
Year 1	\$ 6,008,699		
Year 2	\$ 8,764,133		1.387%
Year 3	\$ 11,824,431		1.836%
Year 4	\$ 12,978,580		1.979%
Year 5	\$ 14,287,560		2.139%
Year 6	\$ 17,898,933		2.646%*
Year 7	\$ 17,898,933		2.568%
Year 8	\$ 17,898,933		2.503%
Year 9	\$ 17,898,933		2.442%
Year 10	\$ 17,898,933		2.389%

*Reflects the average factor for the year. Actual application determined by the Final Order in PSC Case No. 2002-00429.

(BA) is the Balancing Adjustment for the second through the twelfth months of the current distribution year which reconciles any over- or under-distribution of the net savings from prior periods. The Balancing Adjustment will be determined by dividing the differences between amounts which were expected to be distributed and the amounts actually distributed from the application of the Merger Surcredit Factor from the previous year by the expected Kentucky jurisdictional retail electric revenues. The final Balancing Adjustment will be applied to customer billings in the second month following the tenth distribution year.

Date of Issue: December 29, 2003

Issued By

Date Effective: February 1, 2004

Michael S. Beer, Vice President
Lexington, Kentucky

KENTUCKY UTILITIES COMPANY

First Revision of Original Sheet No. 24.2-A
P.S.C. No. 12

ELECTRIC RATE SCHEDULE

MSR

Merger Surcredit Rider

- (3) The Merger Surcredit shall be applied to the customer's bill following the rates and charges for electric service, but before application of the school tax, the franchise fee, sales tax or similar items.
- (4) The Company shall file a plan with the PSC midway through Year 10 of this schedule to address the future disposition of the Merger Surcredit and pending a final order from the Commission in that proceeding, the Merger Surcredit shall remain in effect.

Kentucky Utilities Company

Original Sheet No. 73.1
P.S.C. No. 13

MSR

Merger Surcredit Rider

TERMS OF DISTRIBUTION

- (1) The total distribution to Company's customers will, in no case, be less than the sum of the amounts shown above.
- (2) On or before the 21st of the first month of each distribution year following Year 1, the Company will file with the Commission a status report of the Surcredit. Such report shall include a statement showing the amounts which were expected to be distributed and the amounts actually distributed in previous periods, along with a calculation of the Balancing Adjustment (BA) which will be implemented with customer billings in the second month of that distribution year to reconcile any previous over-or under-distributions.
- (3) The Merger Surcredit shall be applied to the customer's bill following the rates and charges for electric service, but before application of the school tax, the franchise fee, sales tax or similar items.
- (4) The Company shall file a plan with the PSC midway through Year 10 of this schedule to address the future disposition of the Merger Surcredit and pending a final order from the Commission in that proceeding, the Merger Surcredit shall remain in effect.

Date of Issue: November 3, 2003
Canceling Original Sheet No. 24.2-A
Issued January 13, 2003

Issued By

Michael S. Beer, Vice President
Lexington, Kentucky

Issued Pursuant to K.P.S.C. Order Dated October 16, 2003 in Case No. 2002-00429

Date Effective: October 16, 2003

Date of Issue: December 29, 2003

Issued By

Michael S. Beer, Vice President
Lexington, Kentucky

Date Effective: February 1, 2004

KENTUCKY UTILITIES COMPANY

Second Revision of Original Sheet No. 24.4
P.S.C. No. 12

ELECTRIC RATE SCHEDULE

ESM

Earnings Sharing Mechanism

APPLICABLE

In all territory served by the Company.

AVAILABILITY OF SERVICE

To all electric rate schedules, excluding the Rider for Interruptible Service.

RATE

The monthly billing amount computed under each of the rate schedules to which this mechanism is applicable, the associated Fuel Adjustment Clause billing, the associated Environmental Surcharge billing, and the associated Merger Surcredit Rider billing shall be adjusted by a percentage factor which shall be calculated in accordance with the following formula:

$$\text{Earning Sharing Mechanism Factor} = \text{ESMF} = (\text{RA} + \text{BA}) / \text{AR} \%$$

Where:

(RA) is the Revenue Adjustment from the Current Reporting Period

(BA) is the Balancing Adjustment which reconciles any over- or under provision of the RA from the Prior Adjustment Year

(AR) is the Actual Revenue for Current Reporting Year

DEFINITIONS:

- (1) Current Reporting Period shall be a calendar year.
- (2) Prior Reporting Period shall be the calendar year immediately preceding the Current Reporting Period.
- (3) Current Adjustment Year shall be the twelve months beginning with the first April billing cycle following the Current Reporting Period.
- (4) Prior Adjustment Year shall be the twelve months ending on the last March billing cycle following the Current Reporting Period.

TERMS AND CONDITIONS

- (1) The operation and calculations associated with the Earnings Sharing Mechanism shall be pursuant to the Commission's Orders in P.S.C. Case Nos. 98-474 and 2001-055.
- (2) An Earnings Sharing Mechanism Report will be filed on the 1st of March following a Current Reporting Period. The first Current Reporting Period subject to this tariff shall be the calendar year 2000.

Date of Issue: March 12, 2002
Canceling First Revision of
Original Sheet No. 24.4
Issued June 16, 2000

Issued By

Date Effective: April 12, 2002

Michael S. Beer, Vice President
Lexington, Kentucky
Issued Pursuant to K.P.S.C. Order of 12/03/01 Case No. 2001-055

Kentucky Utilities Company

Original Sheet No. 74
P.S.C. No. 13

ESM

Earnings Sharing Mechanism

APPLICABLE

In all territory served.

AVAILABILITY OF SERVICE

To all electric rate schedules, excluding the Curtailable Service Rider.

RATE

The monthly billing amount computed under each of the rate schedules to which this mechanism is applicable, the associated Fuel Adjustment Clause billing, the associated Environmental Surcharge billing, and the associated Merger Surcredit Rider billing shall be adjusted by a percentage factor which shall be calculated in accordance with the following formula:

$$\text{Earning Sharing Mechanism Factor} = \text{ESMF} = (\text{RA} + \text{BA}) / \text{AR} \%$$

Where:

(RA) is the Revenue Adjustment from the Current Reporting Period

(BA) is the Balancing Adjustment which reconciles any over- or under-provision of the RA from the Prior Adjustment Year

(AR) is the Actual Revenue for Current Reporting Year.

DEFINITIONS:

- (1) Current Reporting Period shall be a calendar year.
- (2) Prior Reporting Period shall be the calendar year immediately preceding the Current Reporting Period.
- (3) Current Adjustment Year shall be the twelve months beginning with the first April billing cycle following the Current Reporting Period.
- (4) Prior Adjustment Year shall be the twelve months ending on the last March billing cycle following the Current Reporting Period.

TERMS AND CONDITIONS

- (1) The operation and calculations associated with the Earnings Sharing Mechanism shall be pursuant to the Commission's Orders in P.S.C. Case Nos. 98-474 and 2001-055.
- (2) An Earnings Sharing Mechanism Report will be filed on the 1st of March following a Current Reporting Period. The first Current Reporting Period subject to this tariff shall be the calendar year 2000.

Date of Issue: December 29, 2003

Issued By

Date Effective: February 1, 2004

Michael S. Beer, Vice President
Lexington, Kentucky

KENTUCKY UTILITIES COMPANY

Fourth Revision of Original Sheet No. 24.4A
P.S.C. No. 12

ELECTRIC RATE SCHEDULE

ESM
Earnings Sharing Mechanism (Continued)

- 3) The Earnings Sharing Mechanism Report's determination of the return on equity will
 - a) exclude all revenues and expenses associated with the Fuel Adjustment Clause and the Environmental Surcharge,
 - b) contain a threshold of 11.5% return on equity with a symmetrical deadband of 100 basis points above and below the threshold, and
 - c) share any revenue surplus or deficit outside of the deadband, 60% KU and 40% ratepayers.

(4) The Earnings Sharing Mechanism Report will contain

- a) the calculation of the adjusted revenues, expenses and net operating income. These calculations will recognize the effect of the Commission's final orders in Case Nos. 98-474, 2001-055 and 2002-00072. Revenues will be adjusted for off-system sales. Filings would recognize adjustments to reflect the shareholders' portion of KU's merger savings and the elimination of advertising expenses pursuant to KAR 807 5:016.
- b) the calculation of the adjusted capitalization, capital structure, and the cost rates for debt and preferred stock.
- c) the calculation of the rate of return on common equity reflecting the adjusted net operating income, the adjusted capitalization, adjusted capital structure, and the Current Reporting Period cost rates for debt and preferred stock.
- d) the calculation of the revenue requirement for the Current Reporting Period based on the upper and lower points of the deadband. This calculation will reflect the adjusted financial data described above.
- e) a comparison of the adjusted net operating income to the upper and lower point revenue requirements, a calculation of the amount of sharing with or collection from (Revenue Adjustment) ratepayers, and a determination of the Earnings Sharing Mechanism Factor to be applied to ratepayers' bills. The Revenue Adjustment used to compute the Earning Sharing Mechanism Factor will be applied in the first April billing cycle following the Current Reporting Period, if applicable.

(5) The Balancing Adjustment will be used to compute the Earning Sharing Mechanism Factor to be applied in the second through twelfth months of the Current Adjustment Year. This calculation will be filed ten days prior to the first billing cycle of the second month of the Current Adjustment Year.

(6) This schedule will be subject to Commission audit at the beginning of the third Current Reporting Period, 2002, and is effective for the Current Reporting Periods 2003, 2004, and 2005. Should the Commission order the Earning Sharing Mechanism cease to be effective, the Earning Sharing Mechanism will be withdrawn with completion of application of a final Balancing Adjustment.

Date of Issue: January 7, 2003
Canceling Third Revision of
Original Sheet No. 24.4A
Issued October 28, 2002

Issued By

Michael S. Beer, Vice President
Lexington, Kentucky

Issued Pursuant to K.P.S.C. Order of 12/20/02 Case No. 2002-90472

Date Effective: December 28, 2002

Kentucky Utilities Company

Original Sheet No. 74.1
P.S.C. No. 13

ESM
Earnings Sharing Mechanism

- 3) The Earnings Sharing Mechanism Report's determination of the return on equity will
 - a) exclude all revenues and expenses associated with the Fuel Adjustment Clause and the Environmental Surcharge,
 - b) contain a threshold of 11.5% return on equity with a symmetrical deadband of 100 basis points above and below the threshold, and
 - c) share any revenue surplus or deficit outside of the deadband, 60% KU and 40% ratepayers.

(4) The Earnings Sharing Mechanism Report will contain

- a) the calculation of the adjusted revenues, expenses and net operating income. These calculations will recognize the effect of the Commission's final orders in Case Nos. 98-474, 2001-055 and 2002-00072. Revenues will be adjusted for off-system sales. Filings would recognize adjustments to reflect the shareholders' portion of KU's merger savings and the elimination of advertising expenses pursuant to KAR 807 5:016.
- b) the calculation of the adjusted capitalization, capital structure, and the cost rates for debt and preferred stock.
- c) the calculation of the rate of return on common equity reflecting the adjusted net operating income, the adjusted capitalization, adjusted capital structure, and the Current Reporting Period cost rates for debt and preferred stock.
- d) the calculation of the revenue requirement for the Current Reporting Period based on the upper and lower points of the deadband. This calculation will reflect the adjusted financial data described above.
- e) a comparison of the adjusted net operating income to the upper and lower point revenue requirements, a calculation of the amount of sharing with or collection from (Revenue Adjustment) ratepayers, and a determination of the Earnings Sharing Mechanism Factor to be applied to ratepayers' bills. The Revenue Adjustment used to compute the Earning Sharing Mechanism Factor will be applied in the first April billing cycle following the Current Reporting Period, if applicable.

(5) The Balancing Adjustment will be used to compute the Earning Sharing Mechanism Factor to be applied in the second through twelfth months of the Current Adjustment Year. This calculation will be filed ten days prior to the first billing cycle of the second month of the Current Adjustment Year.

(6) This schedule will be subject to Commission audit at the beginning of the third Current Reporting Period, 2002, and is effective for the Current Reporting Periods 2003, 2004, and 2005. Should the Commission order the Earning Sharing Mechanism cease to be effective, the Earning Sharing Mechanism will be withdrawn with completion of application of a final Balancing Adjustment.

Date of Issue: December 29, 2003

Issued By

Michael S. Beer, Vice President
Lexington, Kentucky

Date Effective: February 1, 2004

KENTUCKY UTILITIES COMPANY

Third Revision of Original Sheet No. 24.3
P.S.C. No. 12

STANDARD RIDER		VDSR	
Value Delivery Surcredit Rider		Value Delivery Surcredit Rider	
APPLICABLE In all territory served by the Company.			
AVAILABILITY OF SERVICE To Kentucky Utilities Company Electric Rate Schedules RS, FEERS, GS, CWH, 33, AES, LP, LCI-TOD, HLF, MP, LMP-TOD, M, ST.L.T., P.O.L.T., C.O.L.T., SEASONAL/TEMPORARY SERVICE RIDER, AND WESTVACO			
RATE The monthly billing amount computed under each of the rate schedules to which this surcredit is applicable shall be adjusted by the Value Delivery Surcredit Factor, which shall be calculated in accordance with the following formula: Value Delivery Surcredit Factor = VDS + BA			
Where: (VDS) is the Value Delivery Surcredit which is based on the total Company net savings that are to be distributed to the Company's Kentucky jurisdictional retail customers in each 12-month period.			
	Net Savings To be Distributed	Value Delivery Surcredit (VDS)	
Year 1, Dec 1, 2001 to Dec 31, 2001	\$ 480,000	0.85%	
Year 2, Jan 1, 2002 to Dec 31, 2002	\$ 640,000	0.10%	
Year 3, Jan 1, 2003 to Dec 31, 2003	\$ 2,360,000	0.33%	
Year 4, Jan 1, 2004 to Dec 31, 2004	\$ 2,880,000	0.38%	
Year 5, Jan 1, 2005 to Dec 31, 2005	\$ 3,360,000	0.45%	
Year 6, Jan 1, 2006 to Mar 31, 2006	\$ 840,000	0.44%	
(BA) is the Balancing Adjustment for the second through the twelfth months of the current distribution year which reconciles any over- or under-distribution of the net savings from prior periods. The Balancing Adjustment will be determined by dividing the differences between amounts which were expected to be distributed and the amounts actually distributed from the application of the Value Delivery Surcredit Factor from the previous year by the expected Kentucky jurisdictional retail electric revenues. The final Balancing Adjustment will be applied to customer billings in the second month following the fifth distribution year.			
TERMS OF DISTRIBUTION			
(1) The total distribution to Company's customers will, in no case, be less than the sum of the amounts shown above.			
(2) In the event that the actual net savings to the customers differs from the values shown under "Net Savings to be Distributed" an adjustment shall be made to Year 6 via the Balancing Adjustment. The determination of any such adjustment shall be reported to the Commission when it becomes available.			
(3) On or before the 21st of the first month of each distribution year following Year 1, the Company will file with the Commission a status report of the Surcredit. Such report shall include a statement showing the amounts which were expected to be distributed and the amounts actually distributed in previous periods, along with a calculation of the Balancing Adjustment (BA) which will be implemented with customer billings in the second month of that distribution year to reconcile any previous over- or under-distributions.			
(4) The Value Delivery Surcredit shall be applied to the customer's bill following the rates and charges for electric service, but before application of the school tax, the franchise fee, sales tax or similar items.			
(5) The Value Delivery Surcredit shall be withdrawn with application of the final Balancing Adjustment following Year 6.			

Date of Issue: January 21, 2002
Cancelling Second Revision of Original Sheet No. 24.3
Issued December 7, 2001

Issued By: Michael S. Beer, Vice President
Lexington, Kentucky

Date Effective: With Bills Rendered On and After December 3, 2001

Issued Pursuant to K.P.S.C. Order dated 12/3/01 in Case No. 2001-169

Kentucky Utilities Company

Original Sheet No. 75
P.S.C. No. 13

VDSR	
Value Delivery Surcredit Rider	
APPLICABLE In all territory served.	
AVAILABILITY OF SERVICE To Kentucky Utilities Company Electric Rate Schedules RS, VFD, GS, AES, LP, LCI-TOD, MP, LMP-TOD, ST.L.T., P.O.L.T., TEMPORARY/SEASONAL SERVICE RIDER, AND WESTVACO	
RATE The monthly billing amount computed under each of the rate schedules to which this surcredit is applicable shall be adjusted by the Value Delivery Surcredit Factor, which shall be calculated in accordance with the following formula: Value Delivery Surcredit Factor = VDS + BA	
Where: (VDS) is the Value Delivery Surcredit which is based on the total Company net savings that are to be distributed to the Company's Kentucky jurisdictional retail customers in each 12-month period.	
	Net Savings To be Distributed
Year 1, Dec 1, 2001 to Dec 31, 2001	\$ 480,000
Year 2, Jan 1, 2002 to Dec 31, 2002	\$ 640,000
Year 3, Jan 1, 2003 to Dec 31, 2003	\$ 2,360,000
Year 4, Jan 1, 2004 to Dec 31, 2004	\$ 2,880,000
Year 5, Jan 1, 2005 to Dec 31, 2005	\$ 3,360,000
Year 6, Jan 1, 2006 to Mar 31, 2006	\$ 840,000
(BA) is the Balancing Adjustment for the second through the twelfth months of the current distribution year which reconciles any over- or under-distribution of the net savings from prior periods. The Balancing Adjustment will be determined by dividing the differences between amounts which were expected to be distributed and the amounts actually distributed from the application of the Value Delivery Surcredit Factor from the previous year by the expected Kentucky jurisdictional retail electric revenues. The final Balancing Adjustment will be applied to customer billings in the second month following the fifth distribution year.	
TERMS OF DISTRIBUTION	
(1) The total distribution to Company's customers will, in no case, be less than the sum of the amounts shown above.	
(2) In the event that the actual net savings to the customers differs from the values shown under "Net Savings to be Distributed" an adjustment shall be made to Year 6 via the Balancing Adjustment. The determination of any such adjustment shall be reported to the Commission when it becomes available.	

Date of Issue: December 29, 2003

Issued By: Michael S. Beer, Vice President
Lexington, Kentucky

Date Effective: February 1, 2004

Kentucky Utilities Company

Original Sheet No. 75.1
P.S.C. No. 13

VDSR

Value Delivery Surcredit Rider

- (3) On or before the 21st of the first month of each distribution year following Year 1, the Company will file with the Commission a status report of the Surcredit. Such report shall include a statement showing the amounts which were expected to be distributed and the amounts actually distributed in previous periods, along with a calculation of the Balancing Adjustment (BA) which will be implemented with customer billings in the second month of that distribution year to reconcile any previous over-or under-distributions.
- (4) The Value Delivery Surcredit shall be applied to the customer's bill following the rates and charges for electric service, but before application of the school tax, the franchise fee, sales tax or similar items.
- (5) The Value Delivery Surcredit shall be withdrawn with application of the final Balancing Adjustment following Year 6.

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Date of Issue: December 29, 2003

Issued By

Date Effective: February 1, 2004

Michael S. Baer, Vice President
Lexington, Kentucky

KENTUCKY UTILITIES COMPANY

First Revision of Original Sheet No. 252
P.S.C. No. 12

RULES AND REGULATIONS OR TERMS AND CONDITIONS Applicable to All Classes of Electric Service	
FRANCHISE FEE RIDER	
APPLICABLE In all areas within the Company's service territory.	
AVAILABILITY OF SERVICE Available as an option for collection of revenues within governmental jurisdictions which impose on the Company franchise fees, permitting fees, local taxes or other charges by ordinance, franchise, or other governmental directive and not otherwise collected in the charges of the Company's base rate schedules.	
DEFINITIONS Base Year - the twelve month period ending November 30. Collection Year - the full calendar year following the Base Year. Base Year Amount - 1) a percentage of revenues, as determined in the franchise agreement, for the Base Year; and 2) license fees, permit fees, or other costs specifically borne by the Company for the purpose of maintaining the franchise as incurred in the Base Year and applicable specifically to the Company by ordinance or franchise for operation and maintenance of its facilities in the franchise area, including but not limited to costs incurred by the Company as a result of governmental regulation or directives requiring construction or installation of facilities beyond that normally provided by the Company in accordance with applicable Rules and Regulations approved by and under the direction of the Kentucky Public Service Commission; and 3) any adjustment for over or under collection of revenues associated with the amounts in 1) or 2).	
RATE The franchise percentage will be calculated by dividing the Base Year amount by the total revenues in the Base Year for the franchise area. The franchise percentage will be monitored during the Collection Year and adjusted to recover the Base Year Amount in the Collection Year as closely as possible.	
BILLING 1) The franchise charge will be applied exclusively to the base rate and all riders of bills of customers receiving service within the franchising governmental jurisdiction, before taxes. 2) The franchise charge will appear as a separate line item on the Customer's bill and show the unit of government requiring the franchise. 3) Payment of the collected franchise charges will be made to the governmental franchising body as agreed to in the franchise agreement.	
TERM OF CONTRACT As agreed to in the franchise agreement. In the event such franchise agreement should lapse but payment of franchise fees, other local taxes, or permitting fees paid by the Company by ordinance, franchise, or other governmental directive should continue, collection shall continue under this tariff.	
RULES AND REGULATIONS Service will be furnished in accordance with the provisions of the franchise agreement in so far as those provisions do not conflict with the Rules and Regulations applicable to the Company approved by and under the direction of the Kentucky Public Service Commission.	

Date of Issue: November 3, 2003
Cancelling Original Sheet No. 25.2
Issued April 24, 1992

Issued By

Michael S. Beer, Vice President
Lexington, Kentucky

Issued Pursuant to K.P.S.C. Order Dated October 16, 2003 in Case No. 2002-00265

Date Effective: October 16, 2003

Kentucky Utilities Company

Original Sheet No. 76
P.S.C. No. 13

STANDARD RIDER Franchise Fee Rider	
APPLICABLE In all territory served.	
AVAILABILITY OF SERVICE Available as an option for collection of revenues within governmental jurisdictions which impose on the Company franchise fees, permitting fees, local taxes or other charges by ordinance, franchise, or other governmental directive and not otherwise collected in the charges of the Company's base rate schedules.	
DEFINITIONS Base Year - the twelve month period ending November 30. Collection Year - the full calendar year following the Base Year. Base Year Amount - 1) a percentage of revenues, as determined in the franchise agreement, for the Base Year; and 2) license fees, permit fees, or other costs specifically borne by the Company for the purpose of maintaining the franchise as incurred in the Base Year and applicable specifically to the Company by ordinance or franchise for operation and maintenance of its facilities in the franchise area, including but not limited to costs incurred by the Company as a result of governmental regulation or directives requiring construction or installation of facilities beyond that normally provided by the Company in accordance with applicable Rules and Regulations approved by and under the direction of the Kentucky Public Service Commission; and 3) any adjustment for over or under collection of revenues associated with the amounts in 1) or 2).	
RATE The franchise percentage will be calculated by dividing the Base Year amount by the total revenues in the Base Year for the franchise area. The franchise percentage will be monitored during the Collection Year and adjusted to recover the Base Year Amount in the Collection Year as closely as possible.	
BILLING 1) The franchise charge will be applied exclusively to the base rate and all riders of bills of customers receiving service within the franchising governmental jurisdiction, before taxes. 2) The franchise charge will appear as a separate line item on the Customer's bill and show the unit of government requiring the franchise. 3) Payment of the collected franchise charges will be made to the governmental franchising body as agreed to in the franchise agreement.	
TERM OF CONTRACT As agreed to in the franchise agreement. In the event such franchise agreement should lapse but payment of franchise fees, other local taxes, or permitting fees paid by the Company by ordinance, franchise, or other governmental directive should continue, collection shall continue under this tariff.	
TERMS AND CONDITIONS Service will be furnished in accordance with the provisions of the franchise agreement in so far as those provisions do not conflict with the Terms and Conditions applicable to the Company approved by and under the direction of the Kentucky Public Service Commission.	

Date of Issue: December 29, 2003

Issued By

Michael S. Beer, Vice President
Lexington, Kentucky

Date Effective: February 1, 2004

Kentucky Utilities Company

Original Sheet No. 77
P.S.C. No. 13

N

STANDARD RIDER

ST

School Tax

APPLICABLE
In all territory served.

AVAILABILITY OF SERVICE

This schedule is applied as a rate increase to all other schedules pursuant to KRS 160.617 for the recovery by the utility of school taxes in any county requiring a utility gross receipts license tax for schools under KRS 160.613.

RATE

The utility gross receipts license tax imposed by the county but not to exceed 3%.

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Date Effective: February 1, 2004

Michael S. Beer, Vice President
Lexington, Kentucky

Kentucky Utilities Company

Original Sheet No. 80
P.S.C. No. 13

TERMS AND CONDITIONS Customer Bill of Rights

As a residential customer of a regulated public utility in Kentucky, you are guaranteed the following rights subject to Kentucky Revised Statutes and the provisions of the Kentucky Public Service Commission Administrative Regulations:

- You have the right to service, provided you (or a member of your household whose debt was accumulated at your address) are not indebted to the utility.
- You have the right to inspect and review the utility's rates and tariffed operating procedures during the utility's normal office hours.
- You have the right to be present at any routine utility inspection of your service conditions.
- You must be provided a separate, distinct disconnect notice alerting you to a possible disconnection of your service, if payment is not received.
- You have the right to dispute the reasons for any announced termination of your service.
- You have the right to negotiate a partial payment plan when your service is threatened by disconnection for non-payment.
- You have the right to participate in equal, budget payment plans for your natural gas and electric service.
- You have the right to maintain your utility service for up to thirty (30) days upon presentation of a medical certificate issued by a health official.
- You have the right to prompt (within 24 hours) restoration of your service when the cause for discontinuance has been corrected.
- If you have not been disconnected, you have the right to maintain your natural gas and electric service for up to thirty (30) days, you present a Certificate of Need issued by the Kentucky Cabinet for Human Resources between the months of November and the end of March.
- If you have been disconnected due to non-payment, you have the right to have your natural gas or electric service reconnected between the months of November through March provided you:
 - 1) Present a Certificate of Need issued by the Kentucky Cabinet for Human Resources, and
 - 2) Pay one third (1/3) of your outstanding bill (\$200 maximum), and
 - 3) Accept referral to the Human Resources' Weatherization Program, and
 - 4) Agree to a repayment schedule that will cause your bill to become current by October 15.
- You have the right to contact the Public Service Commission regarding any dispute that you have been unable to resolve with your utility (call Toll Free 1-800-772-4636).

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Date Effective: February 1, 2004

Michael S. Bear, Vice President
Lexington, Kentucky

Kentucky Utilities Company

Original Sheet No. 81
P.S.C. No. 13

TERMS AND CONDITIONS

General

COMMISSION RULES AND REGULATIONS

All electric service supplied by the Company shall be in accordance with the applicable rules and regulations of the Public Service Commission of Kentucky.

COMPANY TERMS AND CONDITIONS

In addition to the rules and regulations of the Commission, all electric service supplied by the Company shall be in accordance with these "Terms and Conditions," which shall constitute a part of all applications and contracts for service.

RATES, TERMS AND CONDITIONS ON FILE

A copy of the rate schedules, terms, and conditions under which electric service is supplied is on file with the Public Service Commission of Kentucky. A copy of such rate schedules, terms and conditions, together with the law, rules, and regulations of the Commission, is available for public inspection in each office of the Company where bills may be paid.

ASSIGNMENT

No order for service, agreement or contract for service may be assigned or transferred without the written consent of the Company.

RENEWAL OF CONTRACT

If, upon the expiration of any service contract for a specified term, the customer continues to use the service, the contract (unless otherwise provided therein) will be automatically renewed for successive periods of one year each, subject to termination at the end of any year upon 30 days prior written notice by either party.

AGENTS CANNOT MODIFY AGREEMENT WITHOUT CONSENT OF P.S.C. OF KY.

No agent has power to amend, modify, alter, or waive any of these TERMS AND CONDITIONS, or to bind the Company by making any promises or representations not contained herein.

SUPERSEDE PREVIOUS TERMS AND CONDITIONS

These TERMS AND CONDITIONS supersede all TERMS AND CONDITIONS, under which the Company has previously supplied electric service.

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Date of Issue: December 29, 2003

Issued By

Date Effective: February 1, 2004

Michael S. Beer, Vice President
Lexington, Kentucky

TERMS AND CONDITIONS
Customer Responsibilities

APPLICATION FOR SERVICE

A written application or contract, properly executed, may be required before the Company is obligated to render electric service. The Company shall have the right to reject for valid reasons any such application or contract.

All applications for service shall be made in the legal name of the party desiring the service.

Where an unusual expenditure for construction or equipment is necessary or where the proposed manner of using electric service is clearly outside the scope of Company's standard rate schedules, Company may establish special contracts giving effect to such unusual circumstances.

TRANSFER OF APPLICATION

Applications for electric service are not transferable and new occupants of premises will be required to make application for service before commencing the use of electricity. Customers who have been receiving electric service shall notify the Company when discontinuance of service is desired, and shall pay for all electric service furnished until such notice has been given and final meter readings made by the Company.

OPTIONAL RATES

If two or more rate schedules are available for the same class of service, it is the customer's responsibility to determine the options available and to designate the schedule under which he desires to receive service.

The Company will, at any time, upon request, advise any Customer as to the most advantageous rate for existing or anticipated service requirements as defined by the Customer, but the Company does not assume responsibility for the selection of such rate or for the continuance of the lowest annual cost under the rate selected.

In those cases in which the most favorable rate is difficult to predetermine, the customer will be given the opportunity to change to another schedule after trial of the schedule originally designated; however, after the first such change, the Company may not be required to make a change in schedule more often than once in twelve months.

From time to time, the Customer should investigate his operating conditions to determine a desirable change from one available rate to another. The Company, lacking knowledge of changes that may occur at any time in the Customer's operating conditions, does not assume responsibility that Customers will at all times be served under the most beneficial rate.

In no event will the Company make refunds covering the difference between the charges under the rate in effect and those under any other rate applicable to the same class of service.

CUSTOMER'S EQUIPMENT AND INSTALLATION.

The customer shall furnish, install and maintain at his expense all electrical apparatus and wiring to connect with Company's service drop or service line. All such apparatus and wiring shall be

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TERMS AND CONDITIONS
Customer Responsibilities

installed and maintained in conformity with applicable statutes, laws or ordinances and with the rules and regulations of the constituted authorities having jurisdiction. The customer shall not install wiring or connect and use any motor or other electricity-using device which in the opinion of the Company is detrimental to its electric system or to the service of other customers of the Company. The Company assumes no responsibility whatsoever for the condition of the customer's electrical wiring, apparatus, or appliances, nor for the maintenance or removal of any portion thereof.

OWNER'S CONSENT TO OCCUPY

The Customer shall grant easements and rights-of-way on and across Customer's property at no cost to the Company.

ACCESS TO PREMISES AND EQUIPMENT

The Company shall have the right of access to the customer's premises at all reasonable times for the purpose of installing, meter reading, inspecting, repairing, or removing its equipment used in connection with its supply of electric service or for the purpose of turning on and shutting off the supply of electricity when necessary and for all other proper purposes. The customer shall not construct or permit the construction of any structure or device which will restrict the access of the Company to its equipment for any of the above purposes.

PROTECTION OF COMPANY'S PROPERTY

Customers will be held responsible for tampering, interfering with, breaking of seals of meters, or other equipment of the Company installed on the Customer's premises, and will be held liable for same according to law. The Customer hereby agrees that no one except the employees of the Company shall be allowed to make any internal or external adjustments of any meter or any other piece of apparatus which shall be the property of the Company. Upon the absence of an active account, the property owner assumes responsibility for any consumption and the Company's property and service.

POWER FACTOR

The Company installs facilities to supply power to the Customer at or near unity power factor.

The Company expects Customer to use apparatus which shall result in a power factor near unity. However, the Company will permit the use of apparatus which shall result, during normal operation, in a power factor not lower than 90 percent either lagging or leading.

Where the Customer's power factor is less than 90 percent, the Company reserves the right to require the Customer to furnish, at his own expense, suitable corrective equipment to maintain a power factor of 90 percent or higher.

EXCLUSIVE SERVICE ON INSTALLATION CONNECTED

Electric service shall not be used for purposes other than as set forth in customer's application or contract.

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TERMS AND CONDITIONS
Customer Responsibilities

Except in cases where the Customer has a contract with the Company for reserve or auxiliary service, no other electric light or power service will be used by the Customer on the same installation in conjunction with the Company's service, either by means of a throw-over switch or any other connection.

LIABILITY

The Customer assumes all responsibility for the electric service upon the Customer's premises at and from the point of delivery of electricity and for the wires and equipment used in connection therewith, and will protect and save the Company harmless from all claims for injury or damage to persons or property occurring on the Customer's premises or at and from the point of delivery of electricity, occasioned by such electricity or said wires and equipment, except where said injury or damage will be shown to have been occasioned solely by the negligence of the Company.

NOTICE TO COMPANY OF CHANGES IN CUSTOMER'S LOAD

The service connections, transformers, meters, and appurtenances supplied by Company for the rendition of electric service to its customers have a definite capacity which may not be exceeded without damage. In the event that the customer contemplates any material increase in his connected load, whether in a single increment or over an extended period, he shall immediately give the Company written notice of this fact so as to enable it to enlarge the capacity of such equipment. In case of failure to give such notice the customer may be held liable for any damage done to meters, transformers, or other equipment of the Company caused by such material increase in the customer's connected load.

PERMITS

The customer shall obtain or cause to be obtained all permits, easements, or certificates, except street permits, necessary to give the Company or its agents access to the customer's premises and equipment and to enable its service to be connected therewith. In case the customer is not the owner of the premises or of intervening property between the premises and the Company's distribution lines the customer shall obtain from the proper owner or owners the necessary consent to the installation and maintenance in said premises and in or about such intervening property of all such wiring or other customer-owned electrical equipment as may be necessary or convenient for the supply of electric service to customer. Provided, however, to the extent permits, easements, or certificates are necessary for the installation and maintenance of Company-owned facilities, the Company shall obtain the aforementioned consent.

The construction of electric facilities to provide service to a number of customers in a manner consistent with good engineering practice and the least public inconvenience sometimes requires that certain wires, guys, poles, or other appurtenances on a customer's premises be used to supply service to neighboring customers. Accordingly, each customer taking Company's electric service shall grant to Company such rights on or across his or her premises as may be necessary to furnish service to neighboring premises, such rights to be exercised by the Company in a reasonable manner and with due regard for the convenience of the customer.

The Company shall make or cause to be made application for any necessary street permits, and shall not be required to supply service under the customer's application until a reasonable time after such permits are granted.

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TERMS AND CONDITIONS
Company Responsibilities

METERING

The electricity used will be measured by a meter or meters to be furnished and installed by the Company at its expense and all bills will be calculated upon the registration of said meters. When service is supplied by Company at more than one delivery point on the same premises, each delivery point will be metered and billed separately on the rate applicable. Meters include all measuring instruments. Meters will be located outside whenever possible. Otherwise, meters will be located as near as possible to the service entrance and on the ground floor of the building, in a clean, dry, safe and easily accessible place, free from vibration, agreed to by the Company.

POINT OF DELIVERY OF ELECTRICITY

The point of delivery of electrical energy supplied by the Company shall be at the point, as designated by the Company, where Company's facilities are connected with the facilities of the customer, irrespective of the location of the meter.

EXTENSION OF SERVICE

The main transmission lines of the Company, or branches thereof, will be extended to such points as provide sufficient load to justify such extensions or in lieu of sufficient load, the Company may require such definite and written guarantees from a Customer, or group of Customers, in addition to any minimum payments required by the Tariff as may be necessary. This requirement may also be made covering the repayment, within a reasonable time, of the cost of taping such existing lines for light or power service or both.

COMPANY'S EQUIPMENT AND INSTALLATION

The Company will furnish, install, and maintain at its expense the necessary overhead service drop or service line required to deliver electricity to the customer's electric facilities at the voltage contracted for.

The Company will furnish, install, and maintain at its expense the necessary meter or meters. (The term meter as used here and elsewhere in these rules and regulations shall be considered to include all associated instruments and devices, such as current and potential transformers, installed for the purpose of measuring deliveries of electricity to the customer.) Suitable provision for the Company's meter, including an adequate protective enclosure for the same if required, shall be made by the customer. Title to the meter shall remain in the Company, with the right to install, operate, maintain, and remove same. The customer shall protect such property of the Company from loss or damage, and no one who is not an agent of the Company shall be permitted to remove, damage or tamper with the same. The customer shall execute such reasonable form of easement agreement as may be required by Company.

Notwithstanding the provisions of 807 KAR 5:006, Section 13(4), a reasonable time shall be allowed subsequent to customer's service application to enable Company to construct or install the facilities required for such service. In order that Company may make suitable provision for enlargement, extension or alteration of its facilities, each applicant for commercial or industrial service shall furnish the Company with realistic estimates of prospective electricity requirements.

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TERMS AND CONDITIONS
Company Responsibilities

COMPANY NOT LIABLE FOR INTERRUPTIONS.

The Company will exercise reasonable care and diligence in an endeavor to supply service continuously and without interruption but does not guarantee continuous service and shall not be liable for any loss or damage resulting from interruption, reduction, delay or failure of electric service not caused by the willful negligence of Company, or resulting from any cause or circumstance beyond the reasonable control of the Company.

COMPANY NOT LIABLE FOR DAMAGE ON CUSTOMER'S PREMISES

The Company is merely a supplier of electricity delivered to the point of connection of Company's and the customer's facilities, and shall not be liable for and shall be protected and held harmless for any injury or damage to persons or property of the customer or of third persons resulting from the presence, use or abuse of electricity on the customer's premises or resulting from defects in or accidents to any of customer's wiring, equipment, apparatus, or appliances, or resulting from any cause whatsoever other than the negligence of the Company

LIABILITY

In no event shall the Company have any liability to the Customer or any other party affected by the electrical service to the Customer for any consequential, indirect, incidental, special, or punitive damages, and such limitation of liability shall apply regardless of claim or theory. In addition, to the extent that Company acts within its rights as set forth herein and/or any applicable law or regulation, Company shall have no liability of any kind to the Customer or any other party. In the event that the Customer's use of the Company's service causes damage to the Company's property or injures to persons, the Customer shall be responsible for such damage or injury and shall indemnify, defend, and hold the Company harmless from any and all suits, claims, losses, and expenses associated therewith.

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Kentucky Utilities Company

Original Sheet No. 84
P.S.C. No. 13

TERMS AND CONDITIONS

Character of Service

The electric service, under the rate schedules herein, from distribution lines will be 60 cycle, alternating current delivered from Company's various load centers at nominal voltages and phases, as available in a given location, as follows:

SECONDARY DISTRIBUTION VOLTAGES

Residential Service -

Single phase 120/240 volts three-wire service or 120/208Y volts three-wire where network system is used.

Two-wire service is restricted to those customers on the residential service rate schedule as of the effective date, February 1, 2004.

General Service -

Single phase 120/240 volts or 120/208Y volts where network system is available.

Where Company has three phase service available and where Customer has real need for three phase service, such service will be supplied at the option of Company at 240, 480 or 208Y volts where network system is available.

PRIMARY DISTRIBUTION VOLTAGES

The Company's primary distribution voltage levels at load centers are 2,400; 4,160Y; 7,200; 8,320Y; 12,470Y and 34,500.

TRANSMISSION LINE VOLTAGES

The Company's transmission voltage levels are 69,000, 138,000 and 161,000.

Transmission service at 34,500 is restricted to those customers being billed at a transmission demand rate as of its effective date, February 1, 2004.

APPLICATION OF SERVICE VOLTAGE DIFFERENTIALS

To be eligible for the rate applicable to any voltage level other than distribution secondary voltage, a customer must furnish and maintain complete substation structure, transformers, and other equipment necessary to take service at the distribution primary or transmission line voltage available at point of connection. In the event Company is required to provide a transformer station to reduce an available voltage to a lower voltage for delivery to a customer, the customer shall be served at the rate applicable to the lower voltage; provided, however, that if the same rate is applicable to both the available voltage and the delivery voltage, the rate will be applied as though the customer were served at the next lower voltage classification from that of the actual delivery voltage. The available voltage shall be the voltage on that distribution or transmission line which the Company designates as being suitable from the standpoint of capacity and other operating characteristics for supplying the requirements of the customer.

Date of Issue: December 29, 2003

Issued By

Date Effective: February 1, 2004

Michael S. Beer, Vice President
Lexington, Kentucky

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RULES RELATING TO APPLICATION OF RESIDENTIAL RATE SCHEDULES

For Electric Service

1. Residential rates are based on service to single family units and are not applicable to multi-family dwellings served through a single meter. Where two or more families occupy a residential building, the Company will require, as a condition precedent to the application of the residential rate, that the wiring in the building be so arranged as to permit each family to be served through a separate meter. In those cases where such segregation of wiring would involve undue expense to the Customer, the Company will allow service to two or more families to be taken through one meter, but in this event the energy blocks and minimum bills of the applicable residential rate shall be determined on the basis of the number of kitchens in the building. At the Customer's option, in lieu of the foregoing, electric service rendered to a multi-family residential building through a single meter will be classified as commercial and billed on the basis of service to one Customer under a general service rate applicable.
2. Family unit service shall include usage of electric energy customarily incidental to home occupations, such as the office of a physician, surgeon, dentist, musician or artist when such occupation is carried on by the Customer in his residence.
3. A residential building used by a family as a home, which is also used to accommodate roomers or boarders for compensation, will be billed at the residential rate provided it does not exceed 12 rooms in size. Such a residential building of more than twelve rooms used to accommodate roomers or boarders for compensation will be classified as commercial and billed at commercial or general service rates. In determining the room rating of rooming and boarding houses, all wired rooms shall be counted except hallways, vestibules, alcoves, closets, bathrooms, lavatories, garrets, attics, storage rooms, trunk rooms, basements, cellars, porches and private garages.
4. Service used in residential buildings occupied by fraternity or sorority organizations associated with educational institutions will be classified as residential and billed at the residential rate.
5. Where both residential and general or commercial classes of service are supplied through a single meter, such combined service shall be classified as general and billed at the general service rate. The Customer may arrange his wiring so as to separate the general service from the residential service, in which event two meters will be installed by the Company and separate residential and general service rates applied to the respective classes of service.
6. If a farm Customer's barns, pump house or other outbuildings are located at such distance from his residence as to make it impracticable to supply service thereto through his residential meter, the separate meter required to measure service to such remotely located buildings will be considered a separate service contract and billed as a separate Customer on the applicable general service rate.
7. Single phase power service used for domestic purposes will be permitted under residential rates when measured through the residential meter to the extent and subject to the conditions set forth in Motor Rules and Regulations which are deemed imperative to avoid violent voltage fluctuation which would result in impairment of lighting service.
8. No three phase service will be rendered to residential Customers except under applicable rates, facilities permitting.

Date of Issue: January 15, 1958

Issued By

R. M. Hewett, Group Executive
Lexington, Kentucky

Date Effective: January 15, 1958
Refiled: February 21, 1960

TERMS AND CONDITIONS
Residential Rate Specific Terms and Conditions

Residential electric service is available for uses customarily associated with residential occupation, including lighting, cooking, heating, cooling, refrigeration, household appliances, and other domestic purposes.

1. Residential rates are based on service to single family units and are not applicable to multi-family dwellings served through a single meter. Where two or more families occupy a residential building, the Company will require, as a condition precedent to the application of the residential rate, that the wiring in the building be so arranged as to permit each family to be served through a separate meter. In those cases where such segregation of wiring would involve undue expense to the Customer, the Company will allow service to two or more families to be taken through one meter, but in this event the energy blocks and minimum bills of the applicable residential rate shall be multiplied by the number of families thus served, such number of families to be determined on the basis of the number of kitchens in the building. At the Customer's option, in lieu of the foregoing, electric service rendered to a multi-family residential building through a single meter will be classified as commercial and billed on the basis of service to one Customer at an appropriate non-residential rate.
2. Single family unit service shall include usage of electric energy customarily incidental to home occupations, such as the office of a physician, surgeon, dentist, musician or artist when such occupation is carried on by the Customer in his residence.
3. A residential building used by a single family as a home, which is also used to accommodate roomers or boarders for compensation, will be billed at the residential rate provided it does not exceed 12 rooms in size. Such a residential building of more than twelve rooms used to accommodate roomers or boarders for compensation will be classified as commercial and billed on the appropriate rate. In determining the room rating of rooming and boarding houses, all wired rooms shall be counted except hallways, vestibules, alcoves, closets, bathrooms, lavatories, garrets, attics, storage rooms, trunk rooms, basements, cellars, porches and private garages.
4. Service used in residential buildings occupied by fraternity or sorority organizations associated with educational institutions will be classified as residential and billed at the residential rate.
5. Where both residential and general or commercial classes of service are supplied through a single meter, such combined service shall be billed at the appropriate non-residential rate. The Customer may arrange his wiring so as to separate the general service from the residential service, in which event two meters will be installed by the Company and separate residential and general service rates applied to the respective classes of service.
6. If a farm Customer's barns, pump house or other outbuildings are located at such distance from his residence as to make it impracticable to supply service thereto through his residential meter, the separate meter required to measure service to such remotely located buildings will be considered a separate service contract and billed as a separate Customer on the applicable general service rate.
7. Single-phase power service used for domestic purposes will be permitted under Residential Rate RS when measured through the residential meter subject to the conditions set forth below.

Date of Issue: December 29, 2003

Issued By

Michael S. Beer, Vice President
Lexington, Kentucky

Date Effective: February 1, 2004

Kentucky Utilities Company

Original Sheet No. 85.1
P.S.C. No. 13

TERMS AND CONDITIONS
Residential Rate Specific Terms and Conditions

- (a) Single-phase motors may be served at 120 volts if the locked-rotor current at rated voltage does not exceed 50 amperes. Motors with locked-rotor current ratings in excess of 50 amperes must be served at 240 volts.
- (b) Single-phase motors of new central residential cooling installations with total locked-rotor ratings of not to exceed 105 amperes (inclusive of any auxiliary motors arranged for simultaneous starting with the compressor) may be connected for across-the-line starting provided the available capacity of Company's electric distribution facilities at desired point of supply is such that, in Company's judgment, the starting of such motors will not result in excessive voltage dips and undue disturbance of lighting service and television reception of nearby electric customers. However, except with Company's express written consent, no new single-phase central residential cooling unit having a total locked-rotor rating in excess of 105 amperes inclusive of auxiliary motors arranged for simultaneous starting with the compressor shall hereafter be connected to Company's lines, or be eligible for electric service therefrom, unless it is equipped with an approved type of current-limiting device for starting which will reduce the initial and incremental starting current inrush to a maximum of 100 amperes per step. Company shall be furnished with reasonable advance notice of any proposed central residential cooling installation.
- (c) In the case of multi-motored devices arranged for sequential starting of the motors, the above rules are considered to apply to the locked-rotor currents of the individual motors; if arranged for simultaneous starting of the motors, the rules apply to the sum of the locked-rotor currents of all motors so started.
- (d) Any motor or motors served through a separate meter will be billed as a separate customer.
8. No three-phase power service will be rendered under Residential Rate Schedule RS. Any residential customer or group of customers desiring to contract for three-phase service for power purposes will be required to advance the cost of extending such service to the premises at which desired and shall be billed for such service at Company's General Service Rate GS.

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Date of Issue: December 29, 2003

Issued By

Date Effective: February 1, 2004

Michael S. Beer, Vice President
Lexington, Kentucky

Kentucky Utilities Company

Original Sheet No. 86
P.S.C. No. 13

TERMS AND CONDITIONS

Billing

METER READINGS AND BILLS

Each bill for utility service shall be issued in compliance with 807 KAR 5.006, Section 6.

All bills will be based upon meter readings made in accordance with the Company's meter reading schedule. The Company, except if prevented by reasons beyond its control, shall read customers meters at least quarterly, except that customer-read meters shall be read at least once during the calendar year.

In the case of opening and closing bills when the total period between regular and special meter readings is less than thirty days, the minimum charges of the applicable rate schedules will be prorated on the basis of the ratio of the actual number of days in such period to thirty days.

When Company is unable to read customer's meter after reasonable effort, or when Company experiences circumstances which make actual meter readings impossible or impracticable, customer may be billed on an estimated basis and the billing will be adjusted as necessary when the meter is read.

In the event Company's electric meter fails to register properly by reason of damage, accident, etc., the Company shall have the right to estimate the customer's consumption during the period of failure on the basis of such factors as the customer's connected load, heating degree days, and consumption during a previous corresponding period and during a test period immediately following replacement of the defective meter.

Bills are due and payable at the office of the Company during business hours, or at other locations designated by the Company, within 10 days from date of rendition thereof.

Failure to receive a bill does not exempt a customer from these provisions of the Company's Terms and Conditions.

READING OF SEPARATE METERS NOT COMBINED

For billing purposes, each meter upon the customer's premises will be considered separately and readings of two or more meters will not be combined except where the Company's operating convenience requires the installation of two or more meters upon the customer's premises instead of one meter.

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Michael S. Beer, Vice President
Lexington, Kentucky

Kentucky Utilities Company

Original Sheet No. 86.1
P.S.C. No. 13

TERMS AND CONDITIONS

Billing

MONITORING OF CUSTOMER USAGE

In order to detect unusual deviations in individual customer consumption, the Company will monitor the usage of each customer at least once annually. Should an unusual deviation in the customer's consumption be found which cannot be attributed to a readily identified cause, the Company will perform a detailed analysis of the customer's meter reading and billing records. If the cause for the usage deviation cannot be determined from analysis of the customer's meter reading and billing records, the Company will contact the customer by telephone or in writing to determine whether there have been changes such as different number of household members or work staff, additional or different appliances, changes in business volume, or known leaks in the customer's service line. Where the deviation is not otherwise explained, the Company will test the customer's meter to determine whether it shows an average error greater than 2 percent fast or slow. The Company will notify the customers of the investigation, its findings, and any refunds or back-billing in accordance with 807 KAR 5:006, Section 10(4) and (5). In addition to the annual monitoring, the Company will immediately investigate usage deviations brought to its attention as a result of its on-going meter reading or billing processes or customer inquiry.

RESALE OF ELECTRIC ENERGY.

Electric energy furnished under the Company's standard application or contract is for the use of the customer only and no customer shall resell such energy to any other person, firm, or corporation on the customer's premises or for use on any other premises without the written consent of Company. If energy is resold in accordance with such written consent of Company, the energy may be resold only under one of the following two procedures: (1) the bill for electric service shall be divided by the total Kwh's delivered to the customer by Company and the resulting cost per Kwh shall then be applied to the Kwh's of energy used by each end-user, or (2) such energy shall be resold at rates which are identical to the rates which would be charged by the Company for like and contemporaneous service.

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Date of Issue: December 28, 2003

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Date Effective: February 1, 2004

Michael S. Beer, Vice President
Lexington, Kentucky

TERMS AND CONDITIONS
Deposits

The Company may require a minimum cash deposit or other guaranty to secure payment of bills except for customers qualifying for service reconnection pursuant to 807 KAR 5:006, Section 15, Winter Hardship Reconnection. The Company may offer customers the option of paying all or a portion of their deposits in installments over a period not to exceed the first three normal billing periods. Service may be refused or discontinued for failure to pay the requested deposit.

Generally, deposits will be required from all customers not meeting satisfactory credit and payment criteria. Satisfactory credit for customers will be determined by utilizing independent credit sources (primarily utilized with new customers having no prior history with the Company), as well as historic and ongoing payment and credit history with the Company. Examples of independent credit scoring resources include credit scoring services, public record financial information, financial scoring and modeling services, and information provided by independent credit/financial watch services. Satisfactory payment criteria with the Company may be established by paying all bills rendered, having no disconnections for nonpayment, having no late notices, having no defaulted credit arrangements, having no returned payments, having no meter diversion or theft of service.

If a non-residential customer fails to maintain a satisfactory payment or credit record, or otherwise becomes a new or greater credit risk, as determined by the Company in its sole discretion, the Company may require a new or additional deposit from the customer. A new or additional deposit may also be required if the customer's classification of service changes or if there is a substantial change in usage.

Interest on deposits will be calculated at the rate prescribed by law, from the date of deposit, and will be paid annually either by refund or credit to the customer's bills, except that no refund or credit will be made if the customer's bill is delinquent on the anniversary date of the deposit. If interest is paid or credited to the customer's bill prior to 12 months from the date of deposit, the payment or credit will be on a prorated basis. Upon termination of service, the deposit, any principal amounts, and interest earned and owing will be credited to the final bill, with any remainder refunded to the customer.

Residential deposits will be retained for a period not to exceed 12 months, provided the customer has met satisfactory payment and credit criteria. Non-residential deposits will be maintained as long as the customer remains on service.

If a deposit is held longer than 18 months, the deposit will be recalculated at the customer's request based on the customer's actual usage. If the deposit on account differs from the recalculated amount by more than \$10.00 for a residential customer or 10 percent for a non-residential customer, the Company may collect any underpayment and shall refund any overpayment by check or credit to the customer's bill. No refund will be made if the customer's bill is delinquent at the time of the recalculation.

DEPOSIT AMOUNT

Residential customers will pay a deposit in the amount of \$115.00, which is calculated in accordance with 807 KAR 5:006 Section 7(1)(b).

Non-residential customers' deposits shall be based upon actual usage of the customer at the same or similar premises for the most recent 12-month period, if such information is available. If usage information is not available, the deposit will be based on the average bills of similar

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Michael S. Beer, Vice President
Lexington, Kentucky

Kentucky Utilities Company

Original Sheet No. 87.1
P.S.C. No. 13

TERMS AND CONDITIONS

Deposits

customers and premises in the system. The deposit amount shall not exceed 2/12 of the customer's actual or estimated annual bill where bills are rendered monthly.

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Date of Issue: December 28, 2003 Issued By Date Effective: February 1, 2004

Michael S. Beer, Vice President
Lexington, Kentucky

Kentucky Utilities Company

Original Sheet No. 88
P.S.C. No. 13

TERMS AND CONDITIONS
Budget Payment Plan

The Company's Budget Payment Plan is available to any residential customer or general service customer. Under this plan, a customer may elect to pay, each month, a budgeted amount in lieu of billings for actual usage. A customer may enroll in this plan at any time.

The budgeted amount will be determined by the Company and will be based on one-twelfth of the customer's usage for either an actual or estimated twelve months. The budgeted amount will be subject to review and adjustment by the Company at any time during the customer's budget year. If actual usage indicates the customer's account will not be current with the final payment in the customer's budget year, the customer will be required to pay their Budget Payment Plan account to \$0 prior to the beginning of the customer's next budget year.

If a customer fails to pay bills as agreed under the Budget Payment Plan, the Company reserves the right to remove the customer from the plan, restore the Customer to regular billing, and require immediate payment of any deficiency. A customer removed from the Budget Payment Plan for non-payment may be prohibited from further participation in the plan for twelve (12) months.

Failure to receive a bill in no way exempts a customer from the provisions of these terms and conditions

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Michael S. Beer, Vice President
Lexington, Kentucky

Kentucky Utilities Company

Original Sheet No. 89.1
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TERMS AND CONDITIONS
Bill Format

Account Number: 46127-002 2 Page 2

<p>BILLING INFORMATION</p> <p>Merger Surcredit: The surcredit represents the customer's share of merger-related savings associated with the merger of LG&E Energy Corporation and KU Energy Corporation.</p> <p>IMPORTANT INFORMATION</p> <p>To request a copy of your rate schedule, please call 1-859-255-0394, and press 1-3-2-4-2.</p> <p>*** Announcing Online Customer Self-Service ***</p> <p>You can now view your past year's billing history or pay your bill online.</p> <p>And sign up to receive your bill electronically via e-mail instead of regular mail.</p> <p>And sign up for Automatic Bank Club (ABC).</p> <p>Visit us at www.kuenergy.com today.</p>

New enrollment only - Please check box(es) below and fill front of bill.

Automatic Bank Club (voided checks must be provided)

Please deduct my Automatic Bank Club payment from my Checking Account.

I do not wish to add my bank account for payment of my monthly subscription fee. This authorization will remain in effect until revoked by me or KU.

Signature _____

Date _____



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Michael S. Beer, Vice President
Lexington, Kentucky

Kentucky Utilities Company

Original Sheet No. 90
P.S.C. No. 13

TERMS AND CONDITIONS Discontinuance of Service

In accordance with and subject to the rules and regulations of the Public Service Commission of Kentucky, the Company shall have the right to refuse or discontinue to serve an applicant or customer under the following conditions:

- A. When Company's or Commission's rules and regulations have not been complied with. However, service may be discontinued or refused only after Company has made a reasonable effort to induce the customer to comply with its rules and then only after the customer has been given at least 10 days written notice of such intention, mailed to his last known address.
- B. When a dangerous condition is found to exist on the customer's or applicant's premises. In such case service will be discontinued without notice or refused, as the case might be. Company will notify the customer or applicant immediately of the reason for the discontinuance or refusal and the corrective action to be taken before service can be restored or initiated.
- C. When a customer or applicant refuses or neglects to provide reasonable access and/or easements to and on his premises for the purposes of installation, operation, meter reading, maintenance, or removal of Company's property. Customer shall be given 15 days written notice of Company's intention to discontinue or refuse service.
- D. When Applicant is indebted to Company for service furnished. Company may refuse to serve until indebtedness is paid.
- E. When customer or applicant does not comply with state, municipal or other codes, rules and regulations applying to such service.
- F. When directed to do so by governmental authority.
- G. Service will not be supplied or continued to any premises if the applicant or customer is indebted to the Company for service previously supplied at the same or any other premises until payment of such indebtedness shall have been made. Unpaid balances of previously rendered Final Bills may be transferred to any account for which the customer has responsibility and may be included on initial or subsequent bills for the account to which the transfer was made. Such transferred Final Bills, if unpaid, will be a part of the past due balance of the account to which they are transferred and will be subject to the Company's collection and disconnection procedures. The Company shall have the right to transfer Final Bills between residential and commercial with residential characteristics (e.g., service supplying common use facilities of any apartment building) revenue classifications.

Service will not be supplied or continued to any premises if at the time of application for service the applicant is merely acting as an agent of a person or former customer who is indebted to the Company for service previously supplied at the same or other premises until payment of such indebtedness shall have been made. Service will not be supplied where the applicant is a partnership or corporation whose general partner or controlling stockholder is a present or former customer who is indebted to the Company for service previously supplied at the same premises until payment of such indebtedness shall have been made.

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Michael S. Beer, Vice President
Lexington, Kentucky

TERMS AND CONDITIONS
Discontinuance of Service

H. For non-payment of bills. The Company shall have the right to discontinue service for non-payment of bills after the customer has been given at least ten days written notice separate from his original bill. Cut-off may be effected not less than 27 days after the mailing date of original bills unless, prior to discontinuance, a residential customer presents to the Company a written certificate, signed by a physician, registered nurse, or public health officer, that such discontinuance will aggravate an existing illness or infirmity on the affected premises, in which case discontinuance may be effected not less than 30 days from the original date of discontinuance. The Company shall notify the customer, in writing, of state and federal programs which may be available to aid in payment of bills and the office to contact for such possible assistance.

I. For fraudulent or illegal use of service. When Company discovers evidence that by fraudulent or illegal means a customer has obtained unauthorized service or has diverted the service for unauthorized use or has obtained service without same being properly measured, the service to the customer may be discontinued without notice. Within twenty-four (24) hours after such termination, the Company shall send written notification to the customer of the reasons for such discontinuance of service and of the customer's right to challenge the termination by filing a formal complaint with the Public Service Commission of Kentucky. The Company's right of termination is separate from and in addition to any other legal remedies which the utility may pursue for illegal use or theft of service. The Company shall not be required to restore service until the customer has complied with all rules of the Company and regulations of the Commission and the Company has been reimbursed for the estimated amount of the service rendered and the cost to the Company incurred by reason of the fraudulent use.

When service has been discontinued for any of the above reasons, the Company shall not be responsible for any damage that may result therefrom.
Discontinuance or refusal of service shall be in addition to, and not in lieu of, any other rights or remedies available to the Company.

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RULES AND REGULATIONS OR TERMS AND CONDITIONS

Special Rules For Electric Service

(1) EXTENSION OF SERVICE TO NEW SUBDIVISIONS

When electric lines are proposed to be built into a subdivision, which subdivision is subject to the jurisdiction of a public commission, board, committee or other agency which may zone or otherwise regulate the use of the land in the area and requires a plat (or plan) of the subdivision; the subdivider or those responsible for development of the project shall furnish the Company with a plat (or plan) of the subdivision showing street and lot locations with utility easement including restrictions as required.

Said plat (or plan) shall have been approved by above named group or agencies. If the agency so requires, said plat (or plan) shall also have been duly recorded in the office of the Clerk of the County Court of the county in which the subdivision is located.

In areas where no such group or agencies exist or has jurisdiction, the developer or subdivider will furnish the Company the required easement to provide permanent service to the subdivision

(2) UNDERGROUND INSTALLATIONS

Underground installations shall be in accord with Company rules approved by PSC of Kentucky governing such installations

(3) ELECTRIC SERVICE ENTRANCE REQUIREMENTS

(a) The location of all electrical service entrances and metering equipment must be approved by the Company and no wiring affected by the service entrance or meter wiring shall be installed until these locations have been approved. All service entrances when installed must be so located as to facilitate proper connections, and to provide adequate clearances according to the National Electrical Safety Code latest revision, or according to the table below

MINIMUM VERTICAL CLEARANCES FOR SERVICE CONDUCTORS (0 TO 750 VOLTS)

Conductor Type	At Point of Attachment to House(1)	Above Streets, Roads, Alley Or Other Public Ways	Above Residential Driveways	Above Buildings
Triplex/Quadruplex	12.0 Ft. (3)	16.0 Ft.	16.0 Ft.	11.0 Ft. (2)
Open Wire	12.0 Ft.	16.5 Ft.	16.5 Ft.	11.5 Ft.

- (1) These clearances must be maintained over any generally accessible areas such as porches, stoops, steps, etc., which may be above ground level.
- (2) If the roof of the building cannot be readily walked upon, this clearance may be reduced to 3.5 feet.
- (3) The point of attachment of a service drop should not be more than 30 feet above ground level, unless a greater height is necessary to insure proper clearance of the service line.
- (4) All the listed clearances must be reviewed by Engineering when the service conductor is within 25 feet of swimming pools.

(b) All new single phase electric wiring installations and all existing single phase wiring installations at the time of any alteration must be wired for a minimum of 120/240 volts, 3 wire, 100 ampere service; except an electric installation supplying a structure with useable floored area not in excess of 500 square feet, requiring not more than two branch circuits of 15 amperes capacity each, may be wired for 120 volts, 2 wire, 30 ampere service.

The Company reserves the right to require the balancing of the load on 3 wire systems.

(4) CONDITIONS OF RENDERING SERVICE

The Company shall have the right to refuse connection and at any time to discontinue service being rendered to any facilities if such facilities are not in accordance with the Company's Rules and Regulations. The Company, in rendering electrical service to the facilities of the Customer, shall be relieved from responsibility for any damage that may result from rendering such service. Disconnection shall not be considered as a cancellation of the agreement and shall not relieve the Customer of any minimum or other guarantees.

TERMS AND CONDITIONS

Special Terms and Conditions for Electric Service

(1) EXTENSION OF SERVICE TO NEW SUBDIVISIONS

When electric lines are proposed to be built into a subdivision, which subdivision is subject to the jurisdiction of a public commission, board, committee or other agency which may zone or otherwise regulate the use of the land in the area and requires a plat (or plan) of the subdivision; the subdivider or those responsible for development of the project shall furnish the Company with a plat (or plan) of the subdivision showing street and lot locations with utility easement including restrictions as required.

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- (2) If the roof of the building cannot be readily walked upon, this clearance may be reduced to 3.5 feet.
- (3) The point of attachment of a service drop should not be more than 30 feet above ground level, unless a greater height is necessary to insure proper clearance of the service line.
- (4) All the listed clearances must be reviewed by Engineering when the service conductor is within 25 feet of swimming pools.

RULES AND REGULATIONS OR TERMS AND CONDITIONS

Applicable to All Classes of Electric Service

RULES PERTAINING TO MULTI-SERVICE INSTALLATIONS

If a Customer has need for a three phase power service and a single phase lighting or x-ray service at the same TRANSFORMER BANK LOCATION, these services may be metered through two secondary meters or one primary meter. If the service is metered through one primary meter, and if the Company owns any of the transformers, the service is to be billed on a secondary voltage rate.*

When two or more TRANSFORMER LOCATIONS are required, either single phase or three phase, three methods may be used to provide this service.

METHOD I: Secondary Rate - Secondary Metering

If the Customer requires service in more than one location and requests the Company to furnish service at each location, a separate meter and contract will be required for each service, each of these services to be billed on the rate applicable.

METHOD II: Secondary Rate - Primary Metering*

If the Customer requires service in more than one location, the Company will furnish the transformers (single or three phase) for one location. The Customer will own all other transformers, line and equipment to serve any other location. This service to be billed as secondary delivery on the best applicable rate.

In multi-service installations where the Company has provided one transformer installation (single or three phase), the original installation made is to remain the Company's location so long as service is required at this point. This installation subject to changes in capacity to be made by the Company, as required by the Customer's load.

METHOD III: Primary or Transmission Rate*

If the Customer requires service in more than one location and the Customer elects to take this service at the primary or transmission voltage available for delivery at the Customer's location and also owns all transformers and facilities from one point of delivery, then the service may be metered and billed as primary or transmission delivery on the best applicable rate.

If the Customer does not wish to own the transformers and appurtenances thereto, the Company, at its option, may furnish standard type transformers and associated equipment upon negotiation of a facilities agreement with the Customer.

Pole lines may be furnished by the Company upon the negotiation of a facilities agreement when these lines are presently available, or when duplicate pole lines would otherwise be required by the Customer and the Company.

NOTE:

* The Customer will maintain and service all facilities owned by him.

Date of Issue: October 1, 1980

Issued By

Date Effective: October 1, 1980
Revised: February 21, 2000

R. M. Hewett, Group Executive
Lexington, Kentucky

TERMS AND CONDITIONS
Special Terms and Conditions for Electric Service

(b) All new single phase electric wiring installations and all existing single phase wiring installations at the time of any alteration must be wired for a minimum of 120/240 volts, 3 wire, 100 ampere service; except an electric installation supplying a structure with useable floored area not in excess of 500 square feet, requiring not more than two branch circuits of 15 amperes capacity each, may be wired for 120 volts, 2 wire, 30 ampere service.

The Company reserves the right to require the balancing of the load on 3 wire systems.

(4) CONDITIONS OF RENDERING SERVICE

The Company shall have the right to refuse connection and at any time to discontinue service being rendered to any facilities if such facilities are not in accordance with the Company's Rules and Regulations. The Company, in rendering electrical service to the facilities of the Customer, shall be relieved from responsibility for any damage that may result from rendering such service. Disconnection shall not be considered as a cancellation of the agreement and shall not relieve the Customer of any minimum or other guarantees.

RULES PERTAINING TO MULTI-SERVICE INSTALLATIONS

If a Customer has need for a three phase power service and a single phase lighting or x-ray service at the same TRANSFORMER BANK LOCATION, these services may be metered through two secondary meters or one primary meter. If the service is metered through one primary meter, and if the Company owns any of the transformers, the service is to be billed on a secondary voltage rate.*

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Michael S. Beer, Vice President
Lexington, Kentucky

Kentucky Utilities Company

Original Sheet No. 91.2
P.S.C. No. 13

TERMS AND CONDITIONS
Special Terms and Conditions for Electric Service

METHOD III: Primary or Transmission Rate*

If the Customer requires service in more than one location and the Customer elects to take this service at the primary or transmission voltage available for delivery at the Customer's location and also owns all transformers and facilities from one point of delivery, then the service may be metered and billed as primary or transmission delivery on the best applicable rate.

If the Customer does not wish to own the transformers and appurtenances thereto, the Company, at its option, may furnish standard type transformers and associated equipment upon negotiation of a facilities agreement with the Customer.

Pole lines may be furnished by the Company upon the negotiation of a facilities agreement when these lines are presently available, or when duplicate pole lines would otherwise be required by the Customer and the Company.

NOTE: * The Customer will maintain and service all facilities owned by him.

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Date of Issue: December 29, 2003

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Date Effective: February 1, 2004

Michael S. Beer, Vice President
Lexington, Kentucky

**LINE EXTENSION PLAN
For Electric Service**

AVAILABILITY

In all territory within the Company's service boundaries where adequate facilities do not exist to supply service to the Customer's needs.

DEFINITIONS

- (1) "Company" shall mean the Kentucky Utilities Company.
- (2) "Customer" shall mean the applicant for electric service. When more than one electric service is requested by an applicant on the same extension, such request shall be considered one Customer under this plan when the additional service request(s) is only for incidental or minor convenience loads.
- (3) "Line Extension" shall mean the facilities required to serve the applicant by the shortest most convenient route to the Company from the nearest adequate facilities to the delivery point excluding transformers, meters, and service drop, if required and normally provided like Customers.
- (4) "Permanent Service" shall mean service contracted for one year or more where the intended use is not seasonal, intermittent, or speculative in nature.
- (5) "Commission" shall mean the Kentucky Public Service Commission.

GENERAL

- (1) A Customer's requesting service which requires an extension(s) will furnish to the Company, at no cost, property executed easement(s) for right-of-way across the property to be served.
- (2) The title to all extensions, right-of-ways, permits, and easements shall be and remain with the Company.
- (3) Where the Company is required or elects to construct an additional extension or lateral to serve a Customer(s), the Company reserves the right to connect to any extension constructed under this plan and Customer shall grant executed easement at no cost to Company across Customer's property for such additional extension or lateral.
- (4) Nothing herein shall be construed as preventing the Company from making electric line extensions under more favorable terms than herein prescribed provided the potential revenue is of such amount and permanency as to warrant such terms and render economically feasible the capital expenditure involved and provided such extensions are made to other customers under similar conditions.
- (5) The Company shall not be obligated to extend its electric lines in cases where such extensions, in the judgment of the Company, would be infeasible, impractical, or contrary to good engineering or operating practices, unless otherwise ordered by the Commission.

LINE EXTENSIONS FOR PERMANENT SERVICE

(1) NORMAL EXTENSIONS

An extension of 1,000 feet or less of single phase line shall be made by the Company to its existing distribution line without charge for a prospective Customer who shall apply for and contract to use the service for one (1) year or more and provides guarantee for such service. The "service drop" to Customer premises from the distribution line at the last pole shall not be included in the foregoing measurements. This distribution line extension shall be limited to service where installed transformer capacity does not exceed 25 KVA. When Company extends service to a Customer who may require polyphase service or whose installed transformer capacity will exceed 25 KVA, Company may require the Customer to pay, in advance, a non-refundable amount for the additional cost of construction which exceeds that for a single phase line where the installed transformer capacity does not exceed 25 KVA.

Date of Issue: May 15, 1992

Issued By

Date Effective: August 2, 1972
Revised: February 21, 2000

R. M. Hewitt, Group Executive
Lexington, Kentucky

**LINE EXTENSION PLAN
For Electric Service**

AVAILABILITY

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GENERAL

- (1) A Customer's requesting service which requires an extension(s) will furnish to the Company, at no cost, property executed easement(s) for right-of-way across the property to be served.
- (2) The title to all extensions, right-of-ways, permits, and easements shall be and remain with the Company.
- (3) Where the Company is required or elects to construct an additional extension or lateral to serve a Customer(s), the Company reserves the right to connect to any extension constructed under this plan and Customer shall grant executed easement at no cost to Company across Customer's property for such additional extension or lateral.
- (4) Nothing herein shall be construed as preventing the Company from making electric line extensions under more favorable terms than herein prescribed provided the potential revenue is of such amount and permanency as to warrant such terms and render economically feasible the capital expenditure involved and provided such extensions are made to other customers under similar conditions.
- (5) The Company shall not be obligated to extend its electric lines in cases where such extensions, in the judgment of the Company, would be infeasible, impractical, or contrary to good engineering or operating practice, unless otherwise ordered by the Commission.

Date of Issue: December 29, 2003

Issued By

Date Effective: February 1, 2004

Michael S. Beer, Vice President
Lexington, Kentucky

LINE EXTENSION PLAN
For Electric Service

(2) OTHER EXTENSIONS

- (a) When an extension of the Company's line to serve an applicant or group of applicants amounts to more than 1,000 feet per Customer, the Company may require total cost of the excessive footage over 1,000 feet per Customer to be deposited with the Company by the applicant or applicants, based on the average estimated cost per foot of the total extension.
- (b) Each Customer receiving service under such extension will be reimbursed under the following plan: Each year, for a refund period of not less than ten (10) years, the Company shall refund to the Customer(s) who made the deposit for the excessive footage, the cost of 1,000 feet of extension in place for each additional Customer connected during the year whose service line is directly connected to the extension installed and not to extensions or laterals therefrom. Total amount refunded shall not exceed the amount deposited. No refund shall be made after the refund period ends.
- (c) For additional Customers connected to an extension or lateral from the distribution line, the Company shall refund to any Customer, who made the deposit for excessive footage, the cost of 1,000 feet of line less the length of the lateral or extension.

(3) SUBDIVISIONS

An applicant desiring an extension to a proposed real estate subdivision may be required to pay the entire cost of the extension. Each year, for a period of not less than ten (10) years, the Company shall refund to the applicant, who made the deposit for the extension, a sum equivalent to the cost of 1,000 feet of the extension installed for each additional Customer connected during the year. Total amount refunded shall not exceed the amount deposited. No refund shall be made after the refund period ends.

(4) SPECIAL CASES

- (a) Permanent service requests for mobile homes will be provided under the Commission's Regulation 807 KAR 5:041, Section 12. As provided in Order dated August 9, 1991 in Case No. 91-213, the Company will not require contributions for that portion of mobile home line extensions between 150 and 300 feet.
- (b) Permanent service requests for underground construction may be provided under the Company's Policy governing the supply of electric service underground in compliance with the Commission's Regulation 807 KAR 5:041, Section 21, in connection with the immediately preceding paragraphs (1), (2) and (3).
- (c) When the service requested requires delivery at voltages of 34,500 and more or when the service requested is for seasonal, intermittent, or speculative in nature, a refundable advance may be required. When such an advance is required, a "Refundable Advance Supplemental Agreement" form, in the amount of the total cost of the extension, should be completed, executed by Company and Customer, and attached to the "Contract For Electric Service." The method of refund, as set out in the Agreement, is that the Company will repay in electric service to the Customer so much of the advance as would be represented by the sum of 20 percent of the Customer's net monthly bill for electricity used during the first five years the Customer is served. The total amount refunded shall not exceed the full amount advanced and in such case as at the end of the 5-year period, the amount refunded does not equal the amount of the advance, then the Company will not be required to make up or pay the difference.

A non-refundable contribution may be required in cases where the Customer does not have a real need or in cases where the estimated revenue does not justify the required investment.

LINE EXTENSION PLAN
For Electric Service

LINE EXTENSIONS FOR PERMANENT SERVICE

(1) NORMAL EXTENSIONS

An extension of 1,000 feet or less of single phase line shall be made by the Company to its existing distribution line without charge for a prospective Customer who shall apply for and contract to use the service for one (1) year or more and provides guarantee for such service. The "service drop" to Customer premises from the distribution line at the last pole shall not be included in the foregoing measurements. This distribution line extension shall be limited to service where installed transformer capacity does not exceed 25 KVA. When Company extends service to a Customer who may require polyphase service or whose installed transformer capacity will exceed 25 KVA, Company may require the Customer to pay, in advance, a non-refundable amount for the additional cost of construction which exceeds that for a single phase line or where the installed transformer capacity does not exceed 25 KVA.

(2) OTHER EXTENSIONS

- (a) When an extension of the Company's line to serve an applicant or group of applicants amounts to more than 1,000 feet per Customer, the Company may require total cost of the excessive footage over 1,000 feet per Customer to be deposited with the Company by the applicant or applicants, based on the average estimated cost per foot of the total extension.
- (b) Each Customer receiving service under such extension will be reimbursed under the following plan: Each year, for a refund period of not less than ten (10) years, the Company shall refund to the Customer(s) who made the deposit for the excessive footage, the cost of 1,000 feet of extension in place for each additional Customer connected during the year whose service line is directly connected to the extension installed and not to extensions or laterals therefrom. Total amount refunded shall not exceed the amount deposited. No refund shall be made after the refund period ends.
- (c) For additional Customers connected to an extension or lateral from the distribution line, the Company shall refund to any Customer, who made the deposit for excessive footage, the cost of 1,000 feet of line less the length of the lateral or extension.

(3) SUBDIVISIONS

An applicant desiring an extension to a proposed real estate subdivision may be required to pay the entire cost of the extension. Each year, for a period of not less than ten (10) years, the Company shall refund to the applicant, who made the deposit for the extension, a sum equivalent to the cost of 1,000 feet of the extension installed for each additional Customer connected during the year. Total amount refunded shall not exceed the amount deposited. No refund shall be made after the refund period ends.

When electric lines are proposed to be built into a subdivision, which subdivision is subject to the jurisdiction of a public commission, board, committee or other agency which may zone or otherwise regulate the use of the land in the area and requires a plat (or plan) of the subdivision; the subdivider or those responsible for development of the project shall furnish the Company with a plat (or plan) of the subdivision showing street and lot locations with utility easement including restrictions as required.

Kentucky Utilities Company

Original Sheet No. 92.2
P.S.C. No. 13

**LINE EXTENSION PLAN
For Electric Service**

Said plat (or plan) shall have been approved by above named group or agencies. If the agency so requires, said plat (or plan) shall also have been duly recorded in the office of the Clerk of the County Court of the county in which the subdivision is located.

In areas where no such group or agencies exist or has jurisdiction, the developer or subdivider will furnish the Company the required easement to provide permanent service to the subdivision.

(4) SPECIAL CASES

- (a) Permanent service requests for mobile homes will be provided under the Commission's Regulation 807 KAR 5.041, Section 12. As provided in Order dated August 9, 1991 in Case No. 91-213, the Company will not require contributions for that portion of mobile home line extensions between 150 and 300 feet.
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Date of Issue: December 28, 2003

Issued By

Date Effective: February 1, 2004

**Michael S. Beer, Vice President
Lexington, Kentucky**

RULES AND REGULATIONS OR TERMS AND CONDITIONS

Energy Curtailment and Service Restoration Procedures

PURPOSE

To provide procedures for reducing the consumption of electric energy on the Kentucky Utilities Company (Company) system in the event of a capacity shortage and to restore service following an outage. Notwithstanding any provisions of these Energy Curtailment and Service Restoration Procedures, the Company shall have the right to take whatever steps, with or without notice and without liability on Company's part, that the Company believes necessary, in whatever order consistent with good utility practices and not on an unduly discriminatory basis, to preserve system integrity and to prevent the collapse of the Company's electric system or interconnected electric network or to restore service following an outage.

ENERGY CURTAILMENT PROCEDURE

PRIORITY LEVELS

For the purpose of these procedures, the following Priority Levels have been established:

- I. Essential Health and Safety Uses -- to be given special consideration in these procedures shall, insofar as the situation permits, include the following types of use
 - A. "Hospitals", which shall be limited to institutions providing medical care to patients.
 - B. "Life Support Equipment", which shall be limited to kidney machines, respirators, and similar equipment used to sustain the life of a person.
 - C. "Police Stations and Government Detention Institutions", which shall be limited to essential uses required for police activities and the operation of facilities used for the detention of persons.
 - D. "Fire Stations", which shall be limited to facilities housing mobile fire-fighting apparatus.
 - E. "Communication Services", which shall be limited to essential uses required for telephone, telegraph, television, radio and newspaper operations, and operation of state and local emergency services.
 - F. "Water and Sewage Services", which shall be limited to essential uses required for the supply of water to a community, flood pumping and sewage disposal.
 - G. "Transportation and Defense-related Services", which shall be limited to essential uses required for the operation, guidance control and navigation of air, rail and mass transit systems, including those uses essential to the national defense and operation of state and local emergency services. These uses shall include essential street, highway and signal-lighting services.

Although, when practical, these types of uses will be given special consideration when implementing the manual load-shedding provisions of this program, any customer may be affected by rotating or unplanned outages and should install emergency generation equipment if continuity of service is essential. In case of customers supplied from two utility sources, only one source will be given special consideration. Also, any other customers who, in their opinion, have critical equipment should install emergency generation equipment.

The Company maintains lists of customers with life support equipment and other critical needs for the purpose of curtailments and service restorations. The Company, lacking knowledge of changes that may occur at any time in customer's equipment, operation, and backup resources, does not assume the responsibility of identifying customers with priority needs. It shall, therefore, be the customer's responsibility to notify the Company if he has critical needs.

Date of Issue: May 1, 1996

Issued By

R. M. Hewett, Group Executive
Lexington, Kentucky

Date Effective: May 1, 1996
Revised: February 21, 2000

TERMS AND CONDITIONS

Energy Curtailment and Service Restoration Procedures

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To provide procedures for reducing the consumption of electric energy on the Kentucky Utilities Company (Company) system in the event of a capacity shortage and to restore service following an outage. Notwithstanding any provisions of these Energy Curtailment and Service Restoration Procedures, the Company shall have the right to take whatever steps, with or without notice and without liability on Company's part, that the Company believes necessary, in whatever order consistent with good utility practices and not on an unduly discriminatory basis, to preserve system integrity and to prevent the collapse of the Company's electric system or interconnected electric network or to restore service following an outage.

ENERGY CURTAILMENT PROCEDURE

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Date of Issue: December 29, 2003

Issued By

Michael S. Beer, Vice President
Lexington, Kentucky

Date Effective: February 1, 2004

RULES AND REGULATIONS OR TERMS AND CONDITIONS
Energy Curtailment and Service Restoration Procedures

- II. Critical Commercial and Industrial Uses -- Except as described in III below.
 - III. Residential Use -- The priority of residential use during certain weather conditions (for example severe winter weather) will receive precedence over critical commercial and industrial uses. The availability of Company service personnel and the circumstances associated with the outage will also be considered in the restoration of service.
 - IV. Non-critical commercial and industrial uses.
 - V. Nonessential Uses -- The following and similar types of uses of electric energy shall be considered nonessential for all customers:
 - A. Outdoor flood and advertising lighting, except for the minimum level to protect life and property, and a single illuminated sign identifying commercial facilities when operating after dark.
 - B. General interior lighting levels greater than minimum functional levels.
 - C. Show-window and display lighting.
 - D. Parking lot lighting above minimum functional levels.
 - E. Energy use greater than that necessary to maintain a temperature of not less than 78 degrees during operation of cooling equipment and not more than 65 degrees during operation of heating equipment.
 - F. Elevator and escalator use in excess of the minimum necessary for non-peak hours of use.
 - G. Energy use greater than that which is the minimum required for lighting, heating or cooling of commercial or industrial facilities for maintenance cleaning or business related activities during non-business hours.
- Non-jurisdictional customers will be treated in a manner consistent with the curtailment procedures contained in the service agreement between the parties or the applicable tariff.

CURTAILMENT PROCEDURES

In the event the Company's load exceeds internal generation, transmission, or distribution capacity, or other system disturbances exist, and internal efforts have failed to alleviate the problem, including emergency energy purchases, the following steps will be taken:

1. Customers having their own internal generation capacity will be curtailed, and customers on curtailable contracts will be curtailed for the maximum hours and load allowable under their contract. Nothing in this procedure shall limit the Company's rights under the Curtailable Service Rider tariff.
2. Power output will be maximized at the Company's generating units.
3. Terminal voltage will be reduced close to minimum at Company's generating units.
4. Company use of energy at its generating stations will be reduced to a minimum.

Date of Issue: May 1, 1996

Issued By

Date Effective: May 1, 1996
Revised: February 21, 2000

R. M. Hewett, Group Executive
Lexington, Kentucky

TERMS AND CONDITIONS
Energy Curtailment and Service Restoration Procedures

The Company maintains lists of customers with life support equipment and other critical needs for the purpose of curtailments and service restorations. The Company, lacking knowledge of changes that may occur at any time in customer's equipment, operation, and backup resources, does not assume the responsibility of identifying customers with priority needs. It shall, therefore, be the customer's responsibility to notify the Company if he has critical needs.

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Date of Issue: December 29, 2003

Issued By

Date Effective: February 1, 2004

Michael S. Beer, Vice President
Lexington, Kentucky

RULES AND REGULATIONS OR TERMS AND CONDITIONS	
Energy Curtailment and Service Restoration Procedures	
<p>5. Company's use of electric energy in the operation of its offices and other facilities will be reduced to a minimum.</p> <p>6. The Kentucky Public Service Commission, Virginia State Corporation Commission, and Federal Energy Regulatory Commission will be advised of the situation.</p> <p>7. An appeal will be made to customers through the news media and/or personal contact to voluntarily curtail as much load as possible. The appeal will emphasize the defined priority levels as set forth above.</p> <p>8. Voltage will be reduced at the distribution level (winter only - with a minimum of two hours notification).</p> <p>9. Customers will be advised through the use of the news media and personal contact that load interruption on a rotating basis is imminent.</p> <p>10. Load shedding will begin on a rotating basis in each of the Company's four operating divisions, giving consideration to priority levels where practical, applying the following concept:</p> <p>Four, 400 MW blocks of load, identified as "A" through "D" will be selected for interruption, with each block containing the pro-rata share of each operating divisions' portion of the total Company load. Within each block, four 100 MW groups of circuits will be identified for interruption as follows:</p> <p>A. If up to a total of 100 MW of load reduction is required, each of the four 100 MW groups in block "A" will be interrupted in turn for a 15 minute period, and returned to service for 45 minutes.</p> <p>B. If up to 200 MW load reduction is required, in addition to block "A", each of the four 100 MW groups in block "B" will be interrupted for a 15 minute period, and returned to service for 45 minutes.</p> <p>C. If up to 300 MW load reduction is required, in addition to blocks "A" and "B", each of the four 100 MW groups in block "C" will be interrupted in turn for a 15 minute period, and returned to service for 45 minutes.</p> <p>D. If up to 400 MW load reduction is required, in addition to blocks "A", "B", and "C", each of the four 100 MW groups in block "D" will be interrupted in turn for a 15 minute period, and returned to service for 45 minutes.</p> <p>Should the needed load reduction not require interruption of all four blocks ("A" through "D"), future load shedding will begin with the next block in rotation (i.e. if blocks "A" and "B" were interrupted, future load shedding will begin with block "C" and progress through "D", "A", and "B").</p>	<p>SERVICE RESTORATION PROCEDURE</p> <p>Where practical, priority uses will be considered in restoring service and service will be restored in the order I through IV as defined under PRIORITY LEVELS. However, because of the varied and unpredictable circumstances which may exist or precipitate outages, it may be necessary to balance specific individual needs with infrastructure needs that affect a larger population. When practical, the Company will attempt to provide estimates of repair times to aid customers in assessing the need for alternative power sources and temporary relocations.</p>

Date of Issue: May 1, 1996

Issued By

Date Effective: May 1, 1996
Refiled: February 21, 2000

R. M. Hewett, Group Executive
Lexington, Kentucky

TERMS AND CONDITIONS	
Energy Curtailment and Service Restoration Procedures	
<p>1. Customers having their own internal generation capacity will be curtailed, and customers on curtailable contracts will be curtailed for the maximum hours and load allowable under their contract. Nothing in this procedure shall limit the Company's rights under the Curtailable Service Rider tariff.</p> <p>2. Power output will be maximized at the Company's generating units.</p> <p>3. Terminal voltage will be reduced close to minimum at Company's generating units.</p> <p>4. Company use of energy at its generating stations will be reduced to a minimum.</p> <p>5. Company's use of electric energy in the operation of its offices and other facilities will be reduced to a minimum.</p> <p>6. The Kentucky Public Service Commission, Virginia State Corporation Commission, and Federal Energy Regulatory Commission will be advised of the situation.</p> <p>7. An appeal will be made to customers through the news media and/or personal contact to voluntarily curtail as much load as possible. The appeal will emphasize the defined priority levels as set forth above.</p> <p>8. Voltage will be reduced at the distribution level (winter only - with a minimum of two hours notification).</p> <p>9. Customers will be advised through the use of the news media and personal contact that load interruption on a rotating basis is imminent.</p> <p>10. Load shedding will begin on a rotating basis in each of the Company's four operating divisions, giving consideration to priority levels where practical, applying the following concept:</p> <p>Four, 400 MW blocks of load, identified as "A" through "D" will be selected for interruption, with each block containing the pro-rata share of each operating divisions' portion of the total Company load. Within each block, four 100 MW groups of circuits will be identified for interruption as follows:</p> <p>A. If up to a total of 100 MW of load reduction is required, each of the four 100 MW groups in block "A" will be interrupted in turn for a 15 minute period, and returned to service for 45 minutes.</p> <p>B. If up to 200 MW load reduction is required, in addition to block "A", each of the four 100 MW groups in block "B" will be interrupted for a 15 minute period, and returned to service for 45 minutes.</p> <p>C. If up to 300 MW load reduction is required, in addition to blocks "A" and "B", each of the four 100 MW groups in block "C" will be interrupted in turn for a 15 minute period, and returned to service for 45 minutes.</p>	<p>Energy Curtailment and Service Restoration Procedures</p>

Date of Issue: December 29, 2003

Issued By

Date Effective: February 1, 2004

Michael S. Beer, Vice President
Lexington, Kentucky

KENTUCKY UTILITIES COMPANY

Original Sheet No. 31.3
P.S.C. No. 12

RULES AND REGULATIONS OR TERMS AND CONDITIONS
Emergency Transmission Curtailment or Interruption of Service
<p>In accordance with the provisions of Senate Bill 257 specifying changes to KAR 278.010 to 278.450, when the Company experiences an emergency or other event on its transmission facilities that necessitates a curtailment or interruption of service, the Company shall not curtail or interrupt retail electric service within its certified territory, except for customers who have agreed to receive interruptible service, until service has been interrupted to all other customers whose interruptions may relieve the emergency or other event.</p>

Date of Issue: July 18, 2003 Issued By _____ Date Effective: August 18, 2003

Michael S. Beer, Vice President
Louisville, Kentucky
Issued Pursuant to PSC Order dated 7/3/03 in Case No. 2002-00346

Kentucky Utilities Company

Original Sheet No. 93.4
P.S.C. No. 13

TERMS AND CONDITIONS
Energy Curtailment and Service Restoration Procedures
<p>D. If up to 400 MW load reduction is required, in addition to blocks "A", "B", and "C", each of the four 100 MW groups in block "D" will be interrupted in turn for a 15 minute period, and returned to service for 45 minutes.</p> <p>Should the needed load reduction not require interruption of all four blocks ("A" through "D"), future load shedding will begin with the next block in rotation (i.e. if blocks "A" and "B" were interrupted, future load shedding will begin with block "C" and progress through "D", "A", and "B").</p>
SERVICE RESTORATION PROCEDURES
<p>Where practical, priority uses will be considered in restoring service and service will be restored in the order I through IV as defined under PRIORITY LEVELS. However, because of the varies an unpredictable circumstances which may exist or precipitate outages, it may be necessary to balance specific individual needs with infrastructure needs that affect a larger population. When practical, the Company will attempt to provide estimates of repair times to aid customers in assessing the need for alternative power sources and temporary relocations.</p>
EMERGENCY TRANSMISSION CURTAILMENT OR INTERRUPTION OF SERVICE
<p>In accordance with the provisions of Senate Bill 257 specifying changes to KAR 278.010 to 278.450, when the Company experiences an emergency or other event on its transmission facilities that necessitates a curtailment or interruption of service, the Company shall not curtail or interrupt retail electric service within its certified territory, except for customers who have agreed to receive interruptible service, until service has been interrupted to all other customers whose interruptions may relieve the emergency or other event.</p>

Date of Issue: December 29, 2003 Issued By _____ Date Effective: February 1, 2004

Michael S. Beer, Vice President
Lexington, Kentucky

CHARACTER OF ELECTRIC SERVICE	
	The electric service, under the rate schedules herein, from distribution lines will be 60 cycle, alternating current delivered from Company's various load centers at nominal voltages and phases, as available in a given location, as follows:
SECONDARY DISTRIBUTION VOLTAGES	
Residential Service	Single phase 120 volts two-wire service or 120/240 volts three-wire service or 120/208Y volts, three-wire where network system is used.
General Service	Single phase 120/240 volts or 120/208Y volts where network system is available Where Company has three phase service available and where Customer has real need for three phase service, such service will be supplied at the option of Company at 240 480 or 208Y volts where network system is available
PRIMARY DISTRIBUTION VOLTAGES	
	The Company's primary distribution voltage levels at load centers are 2,400, 4,160Y, 7,200, 8,320Y and 12,470Y.
TRANSMISSION LINE VOLTAGES	
	The Company's transmission voltage levels are 34,500; 69,000; 138,000 and 161,000.

Original Sheet No. 2 is Deleted
See Proposed Original Sheet No. 84

KENTUCKY UTILITIES COMPANY

Third Revision of Original Sheet No. 5
P.S.C. No. 12

ELECTRIC RATE SCHEDULE	
FERS	
Full Electric Residential Service	
APPLICABLE In all territory served by the Company.	
AVAILABILITY OF SERVICE Available for single phase service or three phase service, present facilities permitting, supplied as noted under Character of Service, to residences, individual apartments, and private rooming houses not exceeding 12 rooms, for one individual family unit, located on existing secondary lines of the Company, for all Customers whose principal energy requirements are furnished by electric service, such as lighting, cooking, water heating, heating of dwelling space, refrigeration, air-conditioning and household appliances, including single phase motors of not over 5 horsepower individual rating, unless otherwise specifically permitted.	
RATE Customer Charge: \$3.85 per month Plus an Energy Charge of: 4.229 cents per KWH for the first 1000 KWH used per month 3.639 cents per KWH for all in excess of 1,000 KWH used per month	
MINIMUM CHARGE Single phase service not less than \$3.85 per month Three phase service not less than \$7.25 per month For all ordinary residential uses of electric service, including those listed under Availability of Service. When the investment to serve the Customer is greater than normal and/or where special electrical equipment is required by the Customer other than ordinary uses listed above, such as, but not limited to, large heating or motor loads, and/or when the use of the service will be seasonal or abnormal, the Company reserves the right to require a monthly minimum greater than that shown above in the amount of 83 cents per month per KW of connected load.	
DUE DATE OF BILL Customer's payment will be due within 10 days from date of bill.	
FUEL CLAUSE An additional charge or credit will be made on the kilowatt-hours purchased by the customer in accordance with the fuel clause set forth on Sheet No. 24 of this Tariff.	
FRANCHISE CHARGE The rate herein provided shall include, where applicable, an additional charge for local government franchise payment determined in accordance with the Franchise Billing Plan as set forth in the Rules and Regulations of this Tariff.	
RULES AND REGULATIONS Service will be furnished under Company's general Rules and Regulations or Terms and Conditions applicable hereto. (See General Index)	

Original Sheet No. 5 is Deleted

Date of Issue: November 6, 2003
Cancelling Second Revision of
Original Sheet No. 5
Issued May 13, 2003

Issued By: Michael S. Best, Vice President
Lexington, Kentucky

Date Effective: With Service Rendered
On and After
October 31, 2003

Issued Pursuant to K.P.S.C. Order of 10/17/03 in Case No. 2003-00068

KENTUCKY UTILITIES COMPANY

Third Revision of Original Sheet No. 7
P.S.C. No. 12

ELECTRIC RATE SCHEDULE	CWH
APPLICABLE In all territory served by the Company.	Combined Off Peak Water Heating
AVAILABILITY OF SERVICE For customers served on Residential and the General Service rate(s) located on existing secondary lines of the Company, for "Off-Peak" Electric Water Heating Service.	
CHARACTER OF SERVICE The electric service furnished under this rate schedule will be single phase, 60 cycle, alternating current, delivered from load centers at approximately 208 or 240 volts two wire, or 120, 208 or 240 volts three wire.	
RATE Customer Charge: \$1.03 per month Plus an Energy Charge of: 2.665 cents per KWH	
MINIMUM MONTHLY CHARGE The monthly minimum is the Customer Charge.	
DUE DATE OF BILL Customer's payment will be due within 10 days from date of bill.	
FUEL CLAUSE An additional charge or credit will be made on the kilowatt-hours purchased by the customer in accordance with the fuel clause set forth on Sheet No. 24 of this Tariff.	
FRANCHISE CHARGE The rate herein provided shall include, where applicable, an additional charge for local government franchise payment determined in accordance with the Franchise Billing Plan as set forth in the Rules and Regulations of this Tariff.	
TERMS OF SERVICE "OFF-PEAK" PERIOD Service rendered under this schedule will be between the hours of 8:00 p.m. (at night) and 9:00 a.m. (next morning) E.S.T., except as otherwise permitted. Said period being understood as the "Off-peak" period, and shall be subject to change from time to time as Company's peak load condition varies. Each water heater is to be installed with an controlled by thermostat or thermostats and time switch (said time switch to be property of the Company when water heating connected load does not exceed 30 amperes) set and sealed by a Company representative so that "on" period of service will conform to "off-peak" period herein set forth. The Customer shall furnish and maintain time switch control equipment when water heating connected load is in excess of 30 amperes. Service will be metered by a special sub-meter except under special conditions approved by the Company.	

Date of Issue: November 6, 2003
Cancelling Second Revision of
Original Sheet No. 7
Issued May 13, 2003

Issued By: Michael S. Beer, Vice President
Lexington, Kentucky

Date Effective: With Service Rendered
On and After
October 31, 2003

Issued Pursuant to K.P.S.C. Order of 10/17/03 in Case No. 2003-00068

Original Sheet No. 7 is Deleted

KENTUCKY UTILITIES COMPANY

Original Sheet No. 7.1
P.S.C. No. 12

ELECTRIC RATE SCHEDULE	CWH
Combination Off Peak Water Heating	
TERM OF CONTRACT	
For a fixed term of not less than one year, and or such time after the expiration of such fixed term until terminated by either party giving 30 days written notice to the other.	
RULES AND REGULATIONS	
Service will be furnished under Company's general Rules and Regulations or Terms and Conditions. See General Index for approved installation.	

Original Sheet No. 7.1 is Deleted

Date of Issue: February 21, 2000 Issued By Date Effective: March 1, 2000

R. M. Hewitt, Group Executive
Lexington, Kentucky
Issued Pursuant to K.P.S.C. Order of 177/00 in Case No. 98-474

KENTUCKY UTILITIES COMPANY

**Original Sheet No. 8
P.S.C. No. 12**

ELECTRIC RATE SCHEDULE	O.P.W.H. Off Peak Water Heating
<p>This Tariff was discontinued effective January 8, 1990. All Customers served under this Tariff were transferred to Rate Schedule CWH, "COMBINATION OFF-PEAK WATER HEATING."</p>	

Original Sheet No. 8 is Deleted

Date of Issue: January 8, 1990

Issued By

Date Effective: January 8, 1990
Refiled: February 21, 2000

R. M. Hewitt, Group Executive
Lexington, Kentucky
Issued Pursuant to K.P.S.C. Order No. 89-358

KENTUCKY UTILITIES COMPANY

Third Revision of Original Sheet No. 9
P.S.C. No. 12

ELECTRIC RATE SCHEDULE	
RATE 33	
Electric Space Heating Rider	
AVAILABILITY OF SERVICE	
This schedule, as a rider to GS rate schedules, is for electric space heating loads, and is available for service on or near existing lines of the Company, present facilities permitting, where such service is used as the primary source of heat for the full heating season in connection with commercial, general or industrial service for 5 kilowatts or more of connected electric heating, either resistance or heat pump.	
For billing purposes the heating season is defined as including all the days in the months of November, December, January, February, and March, and all the days in other monthly billing periods, which periods include at least 10 days in the month of October and/or the month of April.	
CHARACTER OF SERVICE	
The electric service furnished under this Rider will be 60 cycle alternating current, available in a given location, at approximately 120, 208 or 240 volts, three wire, single phase. Three phase service may be used where present secondary facilities permit.	
RATE	For all kilowatt-hours used under this schedule during each heating season 3 9/10 cents per KWH
MINIMUM CHARGE	The minimum charge for service under this rate shall be not less than \$49.89 per heating season, or less than \$13.10 per KW of connected load per heating season whichever is the greater. This minimum to be in addition to the minimum of the standard rate to which this rate is a rider.
BILLING PROCEDURE AND DUE DATE	Customer's bill will be rendered monthly during the heating season and payment will be due within 10 days from date of bill.
FUEL CLAUSE	An additional charge or credit will be made on the kilowatt-hours purchased by the customer in accordance with the fuel clause set forth on Sheet No. 24 of this Tariff.
FRANCHISE CHARGE	The rate herein provided shall include, where applicable, an additional charge for local government franchise payment determined in accordance with the Franchise Billing Plan as set forth in the Rules and Regulations of this Tariff.
TERMS OF SERVICE	The Company shall be consulted before installation and/or building construction is started. The Company insists on this to insure proper installation for best electric heating results. On-the-job inspection by Company representatives may be made to determine that the installation conforms with electric heating standards.

Date of Issue: November 6, 2003
Cancelling Second Revision of
Original Sheet No. 9
Issued May 13, 2003

Issued By
Michael S. Beer, Vice President
Lexington, Kentucky

Date Effective: With Service Rendered
On and After
October 31, 2003

Issued Pursuant to K.P.S.C. Order of 19/17/03 in Case No. 2003-00068

Original Sheet No. 9 is Deleted

KENTUCKY UTILITIES COMPANY

Original Sheet No. 9.1
P.S.C. No. 12

ELECTRIC RATE SCHEDULE	RATE 33
Electric Space Heating Rider	
TERMS OF SERVICE (continued) This service will require a special circuit for metering purposes and no other service is to be connected to this circuit for use during the heating season, with the exception that when heat pump, air cooling or air circulating equipment is used in connection with the heating equipment, such equipment may be connected to this circuit and such kilowatt-hours used during the heating season will be metered and billed under this schedule. Should Customer at any time connect any other equipment such as lighting, motors, electric range, water heating, washing, drying or other types of electric equipment to this circuit, the Company shall have the right to bill Customer on the standard applicable rate for this and other uses until such equipment is disconnected from this circuit.	
METERING This service shall be wired so as to register through a meter provided for metering this service separately, as well as through the master meter. Where three phase service is involved or special conditions exist, special metering may be necessary.	
TERM OF CONTRACT For a fixed term of not less than one year, and for such time thereafter until terminated in accordance with contract to be executed by both parties.	
RULES AND REGULATIONS Service will be furnished under Company's general Rules and Regulations or Terms and Conditions.	

Date of Issue: February 21, 2000 Issued By Date Effective: March 1, 2000

R. M. Hewett, Group Executive
Lexington, Kentucky
Issued Pursuant to K.P.S.C. Order of 1/-/00 in Case No. 98-474

Original Sheet No. 9.1 is Deleted

KENTUCKY UTILITIES COMPANY

Original Sheet No. 11
P.S.C. No. 12

ELECTRIC RATE SCHEDULE	IS
Interruption Service	
THIS TARIFF DISCONTINUED EFFECTIVE JANUARY 1, 1994	

Original Sheet No. 11 is Deleted

Date of Issue: January 1, 1994
Issued By
Date Effective: January 1, 1994
Revised: February 21, 2000

R. M. Hewitt, Group Executive
Lexington, Kentucky

KENTUCKY UTILITIES COMPANY

**Original Sheet No. 11.1
P.S.C. No. 12**

ELECTRIC RATE SCHEDULE	IS
Interruptible Service	
THIS TARIFF DISCONTINUED EFFECTIVE JANUARY 1, 1994	

Date of Issue: January 1, 1994

Issued By

Date Effective: January 1, 1994
Refiled: February 21, 2000

R. M. Hewett, Group Executive
Lexington, Kentucky

Original Sheet No. 11.1 is Deleted

KENTUCKY UTILITIES COMPANY

Third Revision of Original Sheet No. 14
P.S.C. No. 12

ELECTRIC RATE SCHEDULE	
H1F	
High Load Factor	
APPLICABLE In all territory served by the Company.	
AVAILABILITY This rate schedule is available for secondary or primary service at the existing nominal voltage on an annual basis for lighting and/or heating and/or power where no class rate is available. Customers shall contract for a definite amount of electrical capacity in kilowatts, which shall be sufficient to meet normal maximum requirements, but in no case shall the capacity contracted for be less than 1,000 KW. The Company may not be required to supply capacity in excess of that contracted for except by mutual agreement. Contracts will be made in multiples of 100 KW. It is optional with the customer whether service will be billed under this schedule for the entire requirements, or under various other schedules applicable to the various services. The customer having selected this schedule will continue to be billed under it for not less than 12 consecutive months, unless there should be a material and permanent change in the customer's service. This rate not applicable for mine power or related loads. Service under this schedule will be limited to maximum loads not exceeding 5,000 KW. Existing customers who demonstrate an average demand of 5,000 KW or greater over a 12-month period, or new customers upon demonstrating an average demand of 5,000 KW or greater, will be served under Rate Schedule LCI-100.	
CHARACTER OF SERVICE See Character of Electric Service (Sheet No. 2).	
RATE Maximum Load Charge: All KW of Monthly Billing Demand Energy Charge: 2.270 cents per KWH	Secondary \$5.13 per KW Primaty \$4.79 per KW
DETERMINATION OF MAXIMUM LOAD The load will be measured and will be the average KW demand delivered to the customer during the 15-minute period of maximum use during the month. The Company reserves the right to place a KVA meter and base the billing demand on the measured KVA. The charge will be computed based on the measured KVA times 90 percent at the applicable KW charge. In lieu of placing a KVA meter, the Company may adjust the measured maximum load for billing purposes when power factor is less than 90 percent in accordance with the following formula: (BASED ON POWER FACTOR MEASURED AT TIME OF MAXIMUM LOAD) Adjusted Maximum KW Load for Billing Purposes = $\frac{\text{Maximum KW Load Measured} \times 90\%}{\text{Power Factor (in percent)}}$	
MINIMUM CHARGE Service under this schedule is subject to a Monthly Minimum Charge equal to the greater of (a), (b), or (c): (a) The kilowatt billing demand charge (not less than 1000 KW) plus 400 hours' use of the kilowatt demand used for billing purposes; (b) The kilowatt billing demand charge of not less than 60 percent of the KW capacity specified by the customer or 1000 KW (whichever is greater) plus the energy charge of 400 hours' use of such KW demand; (c) The contract capacity (not less than 1000 KW) plus the energy charge of 400 hours use of such capacity.	

Date of Issue: November 6, 2003
Issued By: Michael S. Beer, Vice President
Cancelling Second Revision of Original Sheet No. 14
Issued May 13, 2003
Date Effective: With Service Rendered On and After October 31, 2003
Lexington, Kentucky
Issued Pursuant to K.P.S.C. Order of 10/17/03 in Case No. 2003-00068

Original Sheet No. 14 is Deleted

KENTUCKY UTILITIES COMPANY

Original Sheet No. 14.1
P.S.C. No. 12

ELECTRIC RATE SCHEDULE	HLF High Load Factor
DUE DATE OF BILL Customer's payment will be due within 10 days from date of bill.	
FUEL CLAUSE An additional charge or credit will be made on the kilowatt-hours purchased by the customer in accordance with the fuel clause set forth on Sheet No. 24 of this Tariff.	
FRANCHISE CHARGE The rate herein provided shall include, where applicable, an additional charge for local government franchise payment determined in accordance with the Franchise Billing Plan as set forth in the Rules and Regulations of this Tariff.	
TERM OF CONTRACT The initial term to be determined upon the Company's investment in facilities required to provide service but not less than one year and for yearly periods thereafter until terminated by either party giving 90 days' written notice to the other, prior to the end of any yearly period, of the desire to terminate.	
RULES AND REGULATIONS The customer, in order to earn the Primary service rate must own and maintain or lease all transformers and other facilities necessary to take service at the Primary voltage delivered. Service will be furnished under the Company's general Rules and Regulations or Terms and Conditions, except as otherwise provided herein.	

Date of Issue: February 21, 2000 Issued By: Date Effective: March 1, 2000

R. M. Hewitt, Group Executive
Lexington, Kentucky
Issued Pursuant to K.P.S.C. Order of 1/7/00 in Case No. 98-474

Original Sheet No. 14.1 is Deleted

KENTUCKY UTILITIES COMPANY

Third Revision of Original Sheet No. 16
P.S.C. No. 12

ELECTRIC RATE SCHEDULE	M	Water Pumping Service
AVAILABILITY OF SERVICE This schedule is available for water pumping only at primary or secondary voltage to customers supplying water service both in communities served by the Company in which the Company has a franchise for the distribution and sale of electric service and to water districts established in Company's service area and operation under K.R.S. Chapter 74. It is optional with the Customer whether service will be billed under this schedule or any other standard schedule available. The Customer, having selected one schedule, will continue to be billed under such schedule for not less than 12 consecutive months unless there should be a material and permanent change in the Customer's use of service. The service hereunder is conditioned upon the Customer operating pumping loads at hours other than those at which the Company's system peak load occurs, at all times except in the case of emergencies. The Customer shall be given reasonable notice by the Company of the hours at which the Company's system peak load occurs, and Customer shall curtail pumping during these hours.		
CHARACTER OF SERVICE See Index Sheet for Character of Electric Service (Sheet No. 2).		
RATE Customer Charge: \$10.27 per month Plus an Energy Charge of: 4.631 cents per KWH for the first 10,000 KWH used per month. 3.917 cents per KWH for all in excess of 10,000 KWH used per month.		
MINIMUM MONTHLY CHARGE The minimum monthly charge shall be not less than the greater of (a), (b) or (c) as follows: (a) The sum of \$.65 per horsepower for total rated capacity, of all motors or other apparatus connected, but not less than the Customer Charge. (b) The sum of \$1.69 per horsepower for total rated capacity, excluding standby power equipment and fire pumps. (c) The sum of _____ per _____ (to be determined by any special investment required to serve).		
FUEL CLAUSE An additional charge or credit will be made on the kilowatt-hours purchased by the customer in accordance with the fuel clause set forth on Sheet No. 24 of this Tariff.		
FRANCHISE CHARGE The rate herein provided shall include, where applicable, an additional charge for local government franchise payment determined in accordance with the Franchise Billing Plan as set forth in the Rules and Regulations of this Tariff.		
TERMS OF PAYMENT Customer's payment will be due within 10 days from date of bill.		
RULES AND REGULATIONS Service will be furnished under Company's general Rules and Regulations or Terms and Conditions.		

Original Sheet No. 16 is Deleted

Date of Issue: November 6, 2003
Canceling Second Revision of
Original Sheet No. 16
Issued May 13, 2000

Issued By: Michael S. Beer, Vice President
Lexington, Kentucky

Date Effective: With Service Rendered
On and After
October 31, 2003

Issued Pursuant to K.P.S.C. Order of 10/17/03 in Case No. 2003-00068

KENTUCKY UTILITIES COMPANY

Original Sheet No. 17-B
P.S.C. No. 12

ELECTRIC RATE SCHEDULE	DEC. ST. LT. Decorative Street Lighting Service (Cont.)
STORAGE PROVISION If the Company provides storage for the fixture, poles and/or the accessories, an adder of 12.50 % will apply to the monthly rate per light.	DETERMINATION OF ENERGY CONSUMPTION The kilowatt-hours will be determined as set forth on Sheet No. 19 of the Tariff to which the fuel clause will apply.
FUEL CLAUSE An additional charge or credit will be made on the kilowatt-hours purchased by the Customer in accordance with the fuel clause set forth on Sheet No. 24 of Company's Tariff.	FRANCHISE CHARGE The rate herein provided shall include, where applicable, an additional charge for local government franchise payment determined in accordance with the Franchise Billing Plan as set forth in the Rules and Regulations of this Tariff.

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Original Sheet No. 17-B is Deleted

Date of Issue: April 27, 2001
Issued By
Date Effective: June 1, 2001

M. S. Beer, Vice President
Lexington, Kentucky

KENTUCKY UTILITIES COMPANY

Third Revision of Original Sheet No. 18.1
P.S.C. No. 12

ELECTRIC RATE SCHEDULE	C.O.L.T.
Customer Outdoor Lighting	
APPLICABLE For all territory served.	
AVAILABILITY Available for Customer Outdoor Lighting to Customers receiving service from Kentucky Utilities Company facilities at the same location.	
CHARACTER OF SERVICE Electric service under this rate schedule will be provided only where existing secondary distribution voltage of 120/240 volts is available. See Index Sheet for Character of Electric Service. Service shall be from dusk to dawn every night. Burning time is approximately 4,000 hours per year.	
RATE The Company to furnish the lamp complete with fixture, reflector, control and 4-foot mast arm. Service and installation of fixture to be made on an existing pole. **\$5.12 per lamp per month for each 2500 lumen (201 KW) Incandescent Light **\$8.25 per lamp per month for each 3500 lumen (128 KW) Mercury Vapor Light **\$7.14 per lamp per month for each 7000 lumen (207 KW) Mercury Vapor Light NOTE: *Restricted to those fixtures in service on December 15, 1971 **Restricted to those fixtures in service on October 12, 1982	
Where the location of existing poles makes the application of this service impracticable and when the customer requests service under these conditions, the Company will furnish one pole and extend its secondary voltage conductor one span for each such light. Not more than one pole and one span of wire per lamp shall be provided under this schedule.	
DUE DATE OF BILL Payment will be due within 10 days from date of bill. Billing for this service to be made a part of bill rendered for other electric service.	
FUEL CLAUSE An additional charge or credit will be made on the kilowatt-hours purchased by the Customer in accordance with the fuel clause set forth on Sheet No. 24 of the Tariff.	
FRANCHISE CHARGE The rate herein provided shall include, where applicable, an additional charge for local government franchise payment determined in accordance with the Franchise Billing Plan as set forth in the Rules and Regulations of this Tariff.	
DETERMINATION OF ENERGY CONSUMPTION The kilowatt-hours will be determined as set forth on Sheet No. 19 of the Tariff to which the fuel clause will apply.	
TERM OF CONTRACT For a fixed term of not less than 5 years and for such time thereafter until terminated by either party giving 30 days written notice to the other.	
RULES AND REGULATIONS The Company shall own and maintain all the facilities required to provide service under this rate. All service and necessary maintenance will be performed only during regular scheduled working hours of the Company. The Company shall be allowed 48 hours after notification by the Customer in which to restore service. The Customer shall be responsible for fixture replacement or repairs where such replacement or repairs are caused from willful damage, vandalism, or causes other than normal burn-outs.	

Original Sheet No. 18.1 is Deleted

Date of Issue: November 6, 2003
Cancelling Second Revision of
Original Sheet No. 18.1
Issued May 13, 2003

Issued By
Michael S. Beer, Vice President
Lexington, Kentucky

Date Effective: With Service Rendered
On and After
October 31, 2003

Issued Pursuant to K.P.S.C. Order of 10/17/03 in Case No. 2003-00068

KENTUCKY UTILITIES COMPANY

**Original Sheet No. 22.7
P.S.C. No. 12**

ELECTRIC RATE SCHEDULE	Rate NMS
Net Metering Service	

Original Sheet No. 22.7 is Deleted

Date of Issue: April 12, 2002 Issued By Date Effective: March 14, 2002

Michael S. Beer, Vice President
Lexington, Kentucky
Issued By Authority of KP.S.C. Order dated 3/14/02 in Case No. 2001-00304

KENTUCKY UTILITIES COMPANY

**First Revision of Original Sheet No. 24.3-B
P.S.C. No. 12**

D

CANCELED AND WITHDRAWN	
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Original Sheet No. 24.3-B is Deleted

Date of Issue: January 1, 2001
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Issued February 21, 2000

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Date Effective: January 1, 2001

R. M. Hewett, Group Executive
Lexington, Kentucky

KENTUCKY UTILITIES COMPANY

**First Revision of Original Sheet No. 24.3-C
P.S.C. No. 12**

D

<u>CANCELED AND WITHDRAWN</u>	
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Original Sheet No. 24.3-C is Deleted

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Canceling Original Sheet No. 24.3-C
Issued February 21, 2000

Issued By Date Effective: January 1, 2001

R. M. Hewitt, Group Executive
Lexington, Kentucky

KENTUCKY UTILITIES COMPANY

**First Revision of Original Sheet No. 24.3-D
P.S.C. No. 12**

D

CANCELED AND WITHDRAWN	
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Original Sheet No. 24.3-D is Deleted

**Date of Issue: January 1, 2001
Canceling Original Sheet No. 24.3-D
Issued February 21, 2000**

Issued By

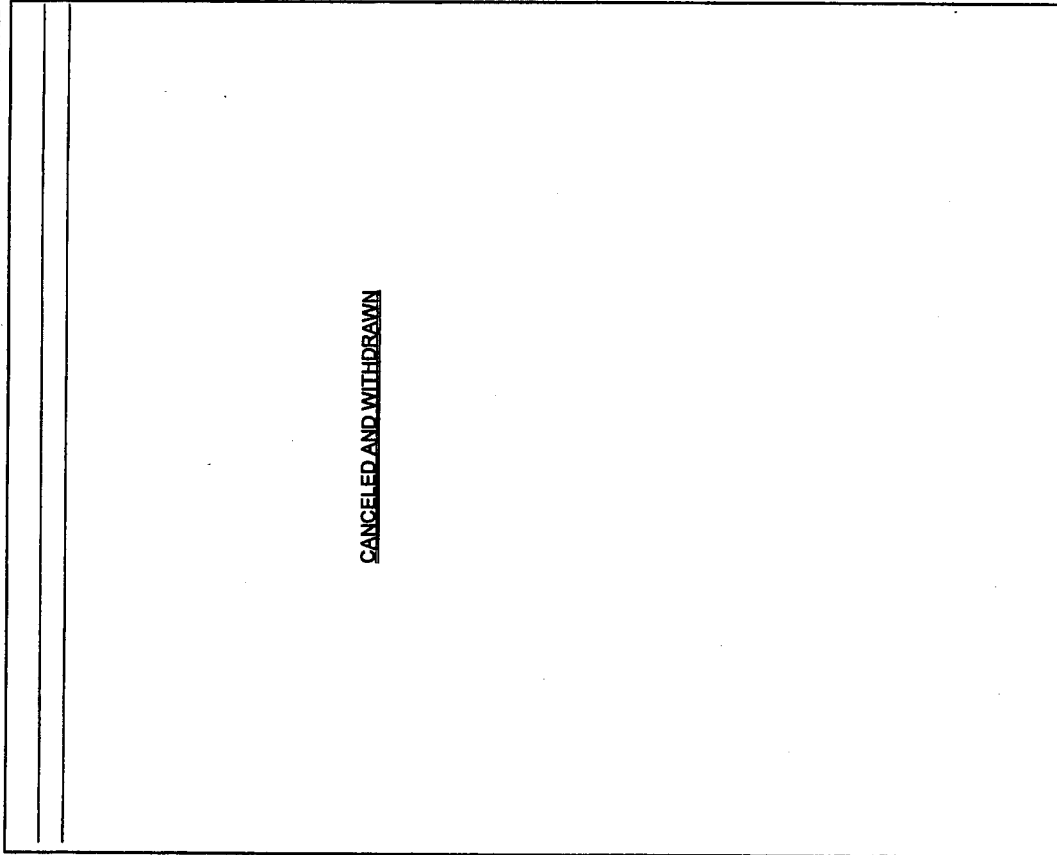
Date Effective: January 1, 2001

**R. M. Hewett, Group Executive
Lexington, Kentucky**

KENTUCKY UTILITIES COMPANY

**First Revision of Original Sheet No. 24.3-E
P.S.C. No. 12**

D



CANCELED AND WITHDRAWN

Original Sheet No. 24.3-E is Deleted

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Canceling Original Sheet No. 24.3-E
Issued February 21, 2000**

Issued By

Date Effective: January 1, 2001

**R. M. Hewitt, Group Executive
Lexington, Kentucky**

KENTUCKY UTILITIES COMPANY

**First Revision of Original Sheet No. 24.3-F
P.S.C. No. 12**

D

CANCELED AND WITHDRAWN

Original Sheet No. 24.3-F is Deleted

Date of Issue: January 1, 2001
Canceling Original Sheet No. 24.3-F
Issued February 21, 2000

Issued By _____ Date Effective: January 1, 2001

R. M. Hewett, Group Executive
Lexington, Kentucky

KENTUCKY UTILITIES COMPANY

Original Sheet No. 25
P.S.C. No. 12

RULES AND REGULATIONS OR TERMS AND CONDITIONS

Applicable to All Classes of Electric Service

GENERAL RULES AND REGULATIONS OR TERMS AND CONDITIONS:

A copy of the Company's Rates and Rules and Regulations or Terms and Conditions are available for public inspection at each office of the Company and are on file with the Public Service Commission of Kentucky.

APPLICATION FOR SERVICE

All applications for service will be made on the Company's standard ORDER FOR SERVICE form and/or Contract form and will be signed by the Customer, or his duly authorized agent, and accepted by the Company before service is supplied by the Company. Contact forms will be signed whenever there is a rider or special agreement with the Customer.

Residential Customers in good standing may provide a signed ORDER FOR SERVICE after service is provided, however, failure to provide an acceptable Order by the agreed date may result in discontinuance of service.

A separate ORDER FOR SERVICE and/or Contract will be made for each class of service at each separate location.

These TERMS AND CONDITIONS apply to all Customers receiving service from the Company.

OPTIONAL RATES

When two or more rates are available for certain classes of service the conditions under which they are applicable to the requirements of particular Customers are plainly set forth in the Company's published rate schedules. The choice of such rates lies with the Customer.

The Company will, at any time, upon request, advise any Customer as to the rate best adapted to existing or anticipated service requirements as defined by the Customer, but the Company does not assume responsibility for the selection of such rate or for the continuance of the lowest annual cost under the rate selected.

From time to time, the Customer should investigate his operating conditions with a view to determining desirable changes from one available rate to another. The Company, lacking knowledge of changes that may occur at any time in the Customer's operating conditions, does not assume responsibility that Customers will be served under the most favorable rate, nor will the Company make refunds covering the difference between the charges under the rate in effect and those under any other rate applicable to the same service.

A Customer, having selected a rate adapted to his service, may not change to another rate within a 12-month period unless there should be a substantial change in the character or conditions of his service. A new Customer or existing Customer having substantial change in the use of electricity will be given a reasonable opportunity to determine his service requirements before definitely selecting the most favorable rate.

CUSTOMER'S INSTALLATION

All wiring and other electrical equipment in the premises, furnished by the Customer, will be maintained by the Customer at all times in conformity with the requirements of the constituted authorities and with the TERM AND CONDITIONS of the Company.

OWNER'S CONSENT TO OCCUPY

The Customer shall grant easements and rights-of-way on and across Customer's property at no cost to the Company.

ACCESS TO PREMISES

The Company will have the right of access to the Customer's premises at all reasonable times for the purpose of installing, reading, inspecting, or repairing any meters, devices, and other equipment used in connection with its supply of electric service, or for the purpose of removing its property and for all other proper purposes.

Date of Issue: April 24, 1992

Issued By

Date Effective: May 24, 1992
Refiled: February 21, 2000

R. M. Hewett, Group Executive
Lexington, Kentucky

Original Sheet No. 25 is Deleted
See Proposed Original Sheet Nos. 81; 82; 82.1

RULES AND REGULATIONS OR TERMS AND CONDITIONS

Applicable to All Classes of Electric Service

METERING

The electricity used will be measured by a meter or meters to be furnished and installed by the Company at its expense and all bills will be calculated upon the registration of said meters. When service is supplied by Company at more than one delivery point on the same premises, each delivery point will be metered and billed separately on the rate applicable. Meters include all measuring instruments. Meters will be located as near as possible to the service entrance and on the ground floor or the building, in a clean, dry, safe and easily accessible place, free from vibration, agreed to by the Company.

PROTECTION OF COMPANY'S PROPERTY

Customers will be held responsible for lamping, interfering with, breaking of seals of meters, or other equipment of the Company installed on the Customer's premises, and will be held liable for same according to law. The Customer hereby agrees that no one except the employees of the Company shall be allowed to make any internal or external adjustments of any meter or any other piece of apparatus which shall be the property of the Company.

EXCLUSIVE SERVICE ON INSTALLATION CONNECTED

Except in cases where the Customer has a contract with the Company for reserve or auxiliary service, no other electric light or power service will be used by the Customer on the same installation in conjunction with the Company's service, either by means of a throw-over switch or any other connection.

The Customer will not sell the electricity purchased from the Company to any other Customer, Company, or person, and Customer will not deliver electricity purchased from the Company to any connection wherein said electricity is to be used off of Customer's premises or by persons over whom Customer has no control.

EXTENSION OF SERVICE

The main transmission lines of the Company, or branches thereof, will be extended to such points as provide sufficient load to justify such extensions or in lieu of sufficient load, the Company may require such definite and written guarantees from a Customer, or group of Customers, in addition to any minimum payments required by the Tariff as may be necessary. This requirement may also be made covering the repayment, within a reasonable time, of the cost of tapping such existing lines for light or power service or both.

LIABILITY

The Customer assumes all responsibility for the electric service upon the Customer's premises at and from the point of delivery of electricity and for the wires and equipment used in connection therewith, and will protect and save the Company harmless from all claims for injury or damage to persons or property occurring on the Customer's premises or at and from the point of delivery of electricity, occasioned by such electricity or said wires and equipment, except where said injury or damage will be shown to have been occasioned solely by the negligence of the Company.

CONTINUOUS SERVICE

The Company will not be responsible in damages for failure to supply electric service or for interruptions or reversal of the supply if such failure is without willful fault on its part.

PROTECTION OF SERVICE

The Company cannot render service to any Customer for the operation of any device that has a detrimental effect upon the service rendered to other Customers.

The Company, however, will endeavor to cooperate with its Customers when consulted concerning the intended use of any electric device.

Where the Customer's use of service is intermittent, subject to violent fluctuations, or produces unacceptable levels of harmonic current, the Company reserves the right to require the Customer to furnish, at his own expense, suitable equipment to reasonably limit such intermittence, fluctuation, or harmonic current.

KENTUCKY UTILITIES COMPANY

Original Sheet No. 25.1
P.S.C. No. 12

RULES AND REGULATIONS OR TERMS AND CONDITIONS

Applicable to All Classes of Electric Service

METERING TESTING

All meter tests shall be made in accordance with the rules and regulations of the Public Service Commission of Kentucky. By Order dated March 26, 1984, in PSC Case No. 8941 and Order dated January 17, 1986 in PSC Case No. 8479, the Commission authorized the Company to implement sample testing of single phase meters as prescribed in 807 KAR 5:041 (General), Section 16. By Order dated March 14, 1986, in PSC Case No. 8493, the Commission authorized the Company to deviate from that portion of 807 KAR 5:041 (General), Section 17(1), requiring the testing of single phase meters at 100 percent test current at 50 percent power factor. This deviation, however, does not apply to new single phase meters which must be tested under all specified conditions.

BILLING FOR SERVICE

(a) All bills will be based upon consecutive meter readings made in accordance with the Company's meter reading schedule, and shall be taken as nearly as may be practicable either every 30 days for monthly billing or as nearly as practicable every 60 days for bimonthly billing or as otherwise specified.

Where charges per kilowatt-hour are stated for a specified number of kilowatt-hours supplied in the month, such number of kilowatt-hours shall be doubled when computing bimonthly bills, and in computing bimonthly minimums both the kilowatt-hours available under the schedule and the monthly minimum charge shall be doubled.

Where a Customer is billed bimonthly and desires to make monthly payments, the Company will accept budget payments for such purpose. Such budget payments will be credited to the Customer's account.

(b) The Company has a budget payment plan available for its residential Customers whereby a Customer may elect to pay a monthly amount for the budget year in lieu of monthly or bimonthly billings for actual usage. The monthly budget payment will be determined by the Company based, under normal circumstances, on a minimum of one-twelfth of the estimated annual usage, subject to review and adjustment during the budget year. The normal budget year is the 12 months determined as shown below:

Type Residential Customer	Budget Year	Settlement Month
Full Electric Service (FERS)	August - July	July
Interim Billed Odd Month (FERS)	August - July	July
Interim Billed Even Month (FERS)	September - August	August
Other Monthly Billed	February - January	January
Interim Billed - Odd Month	February - January	January
Interim Billed - Even Month	March - February	February
Bimonthly Billed - Odd Month	February - January	January
Bimonthly Billed - Even Month	March - February	February

Customer's account may be adjusted through a series of levelized adjustments on a monthly basis if usage indicates that the account will not be current upon payment of the last budget amount.

Customers who elect to use this plan must pay, in the first month of the budget year, the beginning budget payment plus any arrears if applicable. The Company reserves the right to clear budget accounts in the designated settlement month.

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R. M. Hewett, Group Executive
Lexington, Kentucky

Original Sheet No. 25.1 is Deleted

See Proposed Original Sheet No. 88

RULES AND REGULATIONS OR TERMS AND CONDITIONS
Applicable to All Classes of Electric Service

If Customer fails to pay bills as rendered under the budget payment plan, the Company reserves the right to revoke the plan, restore the Customer to regular billing and require immediate payment of any deficiency.

- (c) Failure to receive a bill in no way exempts Customer from the provisions of these TERMS AND CONDITIONS.
- (d) When the Company is unable to read a meter after reasonable effort, the Customer will be billed at the average of the three immediately preceding monthly or bimonthly bills and the billing adjusted when the meter is read.
- (e) Fuel clause adjustments \pm are in addition to the minimum.
- (f) Customer's bill will be due within 10 days from date of bill.

MONITORING OF CUSTOMER USAGE

In accordance with 807 KAR 5:008 Section 10(3), which requires at least annual monitoring of customers' usage for unusual deviations, the Company will monitor each Customer's usage according to the following procedure:

1. At the time the Customer's meter is read, the present usage will be compared to either an expected usage or 12-month average usage.
2. If the present usage is less than 50 percent or greater than 150 percent of the expected or average use, the reading will be verified by the meter reader. If the present usage is between 25 percent and 300 percent of the expected or average use, and any difference is known to be attributed to unique circumstances such as unusual weather conditions, common to all Customers, no further review will be done.
3. If the present usage is less than 25 percent or greater than 300 percent of the expected or average use and cannot be attributed to a readily identified common cause, the Company will compare the Customer's monthly usage records with the same months of the preceding year.
4. If the cause for the usage deviation cannot be determined from analysis of the Customer's meter reading and billing records, the Company will contact the Customer by telephone or in writing to determine whether there have been changes such as different number of household members or work staff, additional or different appliances, changes in business volume, or faults in the Customer's equipment or service.
5. Where the deviation is not otherwise explained, the Company will test the Customer's meter to determine whether it shows an average error greater than 2 percent fast or slow.
6. The Company will notify the Customer of the investigation, its findings, and any refunds or back-billing in accordance with 807 KAR 5:008 Section 10(4) and (5).

In addition to the monthly monitoring, the Company will immediately investigate usage deviations brought to its attention as a result of on-going meter reading or billing processes or Customer inquiry.

POWER FACTOR

The Company installs facilities to supply power to the Customer at or near unity power factor.

The Company expects Customer to use apparatus which shall result in a power factor near unity. However, the Company will permit the use of apparatus which shall result, during normal operation, in a power factor not lower than 90 percent either lagging or leading.

Original Sheet No. 25.1-A is Deleted

See Proposed Original Sheet No. 86.1

RULES AND REGULATIONS OR TERMS AND CONDITIONS	
Applicable to All Classes of Electric Service	
<p>Where the Customer's power factor is less than 90 percent, the Company reserves the right to require the Customer to furnish, at his own expense, suitable corrective equipment to maintain a power factor of 90 percent or higher. At the Company's option, in lieu of Customer providing the above corrective equipment, the Company may adjust the maximum measured load for billing purposes when power factor is less than 90 percent in accordance with the following formula: (BASED ON POWER FACTOR MEASURED AT TIME OF MAXIMUM LOAD)</p>	$\frac{\text{Maximum Measured KW Load} \times 90\%}{\text{Power Factor (in percent)}}$
<p>Company will not be required to measure power factor more often than once a year but will do so if there is a material or permanent change in Customer's load. However, the Company reserves the right to install (1) a KVA meter and base the billing KW on the measured KVA times 90 percent, or (2) metering equipment of a type whereby power factor can be determined for use in the above formula.</p>	
<p>DEPOSITS</p> <p>The Company may require a minimum cash deposit or other guaranty to secure payment of bills, except for customers qualifying for service reconnection pursuant to 807 KAR 5:006, Section 15, Winter Hardship Reconnection, and will normally be required prior to service being rendered. The Company may offer residential customers the option of paying all or a portion of their deposits in installments over a period not to exceed the first three normal billing periods for monthly billed customers, or the first two normal billing periods for bimonthly billed customers. Service may be refused or discontinued for failure to pay the requested deposit.</p> <p>Generally, deposits will be required from all new non-residential customers, customers who do not own the premises or property at which he Company is requested to provide service, and any prior or existing residential customers who have not established satisfactory credit with the Company. Prior and existing residential customers may establish satisfactory credit as a result of paying all bills rendered, and having not been disconnected during the last 18 months of service.</p> <p>If a deposit has been waived or returned and the customer fails to maintain a satisfactory payment record, a deposit may then be required. A deposit may be adjusted if the customer's classification of service changes or if there is a substantial change in usage.</p> <p>Interest on deposits will be calculated at the rate of 6 percent per annum at simple interest, from the date of deposit, and will be paid annually by credit to the customer's bill. If interest is paid or credited to the customer's bill prior to 12 months from the date of deposit, the payment or credit will be on a prorated basis. Upon termination of service, the deposit, any principal amounts, and interest earned and owing will be credited to the final bill, with any remainder refunded to the customer.</p> <p>Residential deposits will be retained for a period not to exceed 18 months, provided the customer has not been disconnected for non-payment and paid all bills rendered during the most recent 18 months.</p> <p>If a deposit is held longer than 18 months, the deposit will be recalculated at the customer's request based on the customer's actual usage. If the deposit on account differs by more than \$10.00 for a residential customer or 10 percent for a non-residential customer, the Company may collect any underpayment and will refund any overpayment by credit to the customer's bill. No refund will be made if the customer's bill is delinquent at the time of recalculation.</p>	

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Issued By: _____
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R. M. Hewett, Group Executive
Lexington, Kentucky

Original Sheet No. 25.1-B is Deleted
See Proposed Original Sheet Nos. 87; 87.1

KENTUCKY UTILITIES COMPANY

Original Sheet No. 25.1-C
P.S.C. No. 12

RULES AND REGULATIONS OR TERMS AND CONDITIONS	
Applicable to All Classes of Electric Service	
EQUAL DEPOSITS	
Residential customers will pay equal deposits, based on their class of service, in the following amounts:	
<u>Residential Service</u>	
Monthly Billed	\$ 50.00
Bimonthly Billed	\$ 75.00
<u>Full Electric Residential Service</u>	
Monthly Billed	\$125.00
This amount does not exceed the average bill of residential customers served by the Company, based on class of service and is equal to 2/12 of the average annual bill where bills are rendered monthly or 3/12 where the bills are rendered bimonthly.	
CALCULATED DEPOSITS	
Business/Commercial customers' deposits shall be based upon actual usage of the customer at the same or similar premises for the most recent 12 month period if such information is available. If usage information is not available, the deposit will be based on the average bills of similar customers and premises in the system. The deposit amount shall not exceed 2/12 of the customer's actual or estimated annual bill where bills are rendered monthly or 3/12 where bills are rendered bimonthly.	

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R. M. Hewett, Group Executive
Lexington, Kentucky

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KENTUCKY UTILITIES COMPANY

**First Revision of Original Sheet No. 25.2-A
P.S.C. No. 12**

RULES AND REGULATIONS OR TERMS AND CONDITIONS

Applicable to All Classes of Electric Service

PRIMARY OR TRANSMISSION SERVICE

The customer, in order to earn the primary or transmission service rate, must own and maintain or lease all transformers and other facilities necessary to take service at the primary or transmission voltage delivered.

ASSIGNMENT

No order for service, agreement or contract for service may be assigned or transferred without the written consent of the Company.

RENEWAL OF CONTRACT

If, upon the expiration of any service contract for a specified term, the customer continues to use the service, the contract (unless otherwise provided therein) will be automatically renewed for successive periods of one year each, subject to termination at the end of any year upon 30 days prior written notice by either party.

AGENTS CANNOT MODIFY AGREEMENT

No agent has power to amend, modify, alter, or waive any of these TERMS AND CONDITIONS, or to bind the Company by making any promises or representations not contained herein.

SUPERSEDE PREVIOUS TERMS AND CONDITIONS

These TERMS AND CONDITIONS supersede all TERMS AND CONDITIONS, under which the Company has previously supplied electric service.

DISCONTINUANCE OF SERVICE

The Company is authorized to refuse or discontinue service to any Applicant or customer for (a) noncompliance with these Rules and Regulations, (b) for refusing or neglecting to provide reasonable access to the premises, (c) when the Applicant is indebted to the Company for service, (d) for noncompliance with any applicable state, municipal, or other code, rule or regulation, (e) for nonpayment of bills, or (f) for fraudulent or illegal use of service. The Company shall discontinue service when a dangerous condition is found to exist on the customer's premises. Service shall be so refused or discontinued in accordance with the provisions of Kentucky Public Service Commission Regulation 807 KAR 5:006 Sections 14 and 15 (as may be modified or replaced by any regulation hereafter adopted governing discontinuance of service), which is hereby incorporated herein as a part of these Rules and Regulations. A copy of such Commission Regulation shall be furnished to any Applicant or customer upon request. When service has been discontinued for any of the reasons stated above, service shall not be restored until the Company has been paid in full for the cost of service rendered (which may be estimated by the Company if actual usage cannot be determined) and reimbursed for the estimated cost to the Company incurred by reason of the discontinuance, and if service is restored, for re-connection. For any customer whose service has been discontinued for nonpayment of bills, \$10.50 shall be charged for reconnecting service during regular scheduled working hours and \$38.00 for reconnecting service during other than regular scheduled working hours.

Service will not be supplied or continued to any premises if the applicant or customer is indebted to the Company for service previously supplied at the same or any other premises until payment of such indebtedness shall have been made. Unpaid balances of previously rendered Final Bills may be transferred

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Cancelling Original Sheet No. 25.2-A
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Lexington, Kentucky

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Original Sheet No. 25.2-A is Deleted
See Proposed Original Sheet Nos. 90; 90.1

KENTUCKY UTILITIES COMPANY

Original Sheet No. 25.2-B
P.S.C. No. 12

RULES AND REGULATIONS OR TERMS AND CONDITIONS

Applicable to All Classes of Electric Service

to any account for which the customer has responsibility and may be included on initial or subsequent bills for the account to which the transfer was made. Such transferred Final Bills, if unpaid, will be a part of the past due balance of the account to which they are transferred and will be subject to the Company's collection and disconnection procedures. The Company shall have the right to transfer Final Bills between residential and commercial with residential characteristics (e.g., service supplying common use facilities of any apartment building) revenue classifications.

Service will not be supplied or continued to any premises if at the time of application for service the applicant is merely acting as an agent of a person or former customer who is indebted to the Company for service previously supplied at the same or other premises until payment of such indebtedness shall have been made. Service will not be supplied where the applicant is a partnership or corporation whose general partner or controlling stockholder is a present or former customer who is indebted to the Company for service previously supplied at the same premises until payment of such indebtedness shall have been made.

When service has been discontinued for any of the above reasons, the Company shall not be responsible for any damage that may result therefrom.

Discontinuance or refusal of service shall be in addition to, and not in lieu of, any other rights or remedies available to the Company.

T →

Original Sheet No. 25.2-B is Deleted

Date of Issue: November 3, 2003

Issued By

Date Effective: October 16, 2003

Michael S. Beer, Vice President
Lexington, Kentucky

Issued Pursuant to K.P.C. Order Dated December 14, 2003 in Case No. 2002-00265

STANDARDS FOR APPROVED "OFF-PEAK" WATER HEATER INSTALLATION

For Electric Service

EFFECTIVE IN

All territory served.

EQUIPMENT APPLICABLE

Water heaters to be eligible for service under "off-peak" electric water heating rates, must conform to the specifications set forth below. Any water heater installed which does not conform to these specifications will be billed under the rate applicable to other electric service at the premises.

1. Any automatic storage type, thermally insulated electric water heater of not less than 40 gallon capacity, provided the design, size of elements and method of operation is approved by the Company.
2. Water heaters shall be equipped with two heating elements; the upper element placed at approximately one-quarter of the tank's capacity from the top; the bottom element to heat the lower three-quarters of the tank's capacity; each controlled by a thermostat. Two-element heaters shall be controlled by a double-throw thermostat switch so connected that only one element can be in operation at any one time.
3. The water heater shall be served at 240 volts (nominal) through a separate circuit directly from the service entrance to the water heater. No other equipment is to be connected to this circuit.
4. The wattage for the elements shall be in accordance with those set forth below:

Off-peak water heaters of 40 gallon tank size and above may have a maximum wattage on the upper and lower element of 4,500 watts. All other combinations of tank sizes and wattages not in agreement with the above, installed after this filing, will be billed under the rate applicable to other electric service at the premises.
5. Service for water heating at "off-peak" rates is available between the hours of 8:00 p.m. and 9:00 a.m., E.S.T., and shall be subject to change from time to time as the Company's peak load conditions vary. Energy to water heaters served hereunder shall be available for an aggregate of not less than ten hour per day.
6. This service for the lower unit shall be metered by a special combination meter and time switch for all off-peak water heating service. The upper element shall be wired so that the element may heat at any time and register through the master meter.
7. The Company will furnish and maintain both the meter and control equipment. The Customer shall provide and install the necessary wiring and circuit equipment to properly connect the water heater.

Original Sheet No. 27 is Deleted

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Revised: February 21, 2000

R. M. Hewett, Group Executive
Lexington, Kentucky

KENTUCKY UTILITIES COMPANY

Original Sheet No. 28
P.S.C. No. 12

MOTOR RULES AND REGULATIONS

Sheets Nos. 28 & 28.1

GENERAL

To assure all customers of uniform, well regulated service, it is necessary that the following motor regulations and general information be adhered to for installations on Company lines. The use of incorrect motors and starting equipment causes flickering of lights when used on circuits supplying both lighting and power, and may result in interruptions to service. Interference with proper operation of other equipment or abnormal power costs due to excessive starting current. To assist Customers in obtaining equipment best suited for a particular operation at minimum investment and operating costs, these regulations and general information are prepared for the guidance of customers, dealers, jobbers, manufacturers and Company representatives.

All special applications of motors not covered by these regulations should be discussed with the Industrial Department of the Company at Lexington, Kentucky, and approval obtained before equipment is purchased or installed.

In the case of hoists, elevator motors or other similar installations whose load characteristics cause intermittent or violent fluctuations in electrical load, the Company reserves the right to require the customer to install, at his own expense, such wiring and equipment as is necessary to reasonably limit the intermittence and fluctuation, and to prevent undue interference with the Company's service. For loads of this nature, the difference between the maximum and minimum effective value of the pulsating current of any motor shall not exceed 50% of the rated full load current of the motor.

The Company reserves the right to inspect and test all motors and other devices and apparatus which are owned by a customer and which are, or shall be, connected to the Company's lines. Tests are for the purpose of determining starting current, power factor, efficiency and other characteristics which may affect the service of other customers or cause undue disturbances to the Company's system.

The customer shall make formal application for type of service and voltage desired.

ALTERNATING CURRENT MOTORS

General

- (A) Manual start motors of one HP or less, and automatically controlled motors of 3/4 HP or less, may be operated at either 120 or 240 volts, single phase, on lighting services and meters.
- (B) Except as provided in (A), motors larger than 3/4 HP and not larger than 5 HP shall be connected to 240 volt single phase service except in the following cases:
 - (1) Three phase service may be furnished where the customer has justifiable reason for needing three phase service and guarantees sufficient revenue to justify the investment for such service. (It is recommended that no installations be made where the revenue so guaranteed will be much in excess of average service bills.)
 - (2) Where the customer is served by a three phase, four-wire network distribution of 120/208 volts and where this service is available, the motor shall be designed for operation at 208 volts. The customer may use single phase 208 volt motors of 5 HP or less and three phase motors that conform with allowable starting currents.
- (C) Motors larger than 5 HP shall be connected to a standard three phase voltage of 208 volts or higher, and shall be provided with starting equipment to comply with the permissible starting currents as given under "Starting Currents."
- (D) The Company reserves the right to require the Customer to furnish, at his own expense, suitable corrective equipment to maintain a power factor not less than 80 percent lagging.
- (E) The Company division engineering department will be contacted when the installation of a 50 HP motor or larger is anticipated.

STARTING EQUIPMENT

- (A) All motors shall be protected with overload and under-voltage protective devices. These devices may be cut out of the circuit during the starting of manual start motors only.
- (B) All motors larger than 2 HP shall have no-voltage-release starting equipment.
- (C) All motors shall comply with the permissible starting currents as given under "Starting Currents." Current limiting starters shall be used when necessary to comply with the allowable starting currents.

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R. M. Hewitt, Group Executive
Lexington, Kentucky

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MOTOR RULES AND REGULATIONS

Sheets Nos. 28 and 28.1

STARTING EQUIPMENT (continued)

(D) In group motor installations supplied from three phase service, the current limiting starters ordinarily required for the small motors may be omitted when such omission will not result in a starting current, either by individual motor or groups of motors, in excess of the permissible maximum for the largest motor of the group.

STARTING CURRENT

The following tables set forth the maximum permissible values of blocked rotor current as measured on the line side of motor starting equipment. The free rotor starting current as measured by a well damped ammeter shall not exceed three-fourths of the maximum allowable blocked rotor amperes stated in these tables.

The free rotor starting current for three phase motors connected to the Company's three phase four wire 120/208 volt distribution system shall not exceed the values listed below under three phase 120/208 volt systems

When the starting time, frequency of starts, and transmission and distribution system to the motor location allow an increase in the following blocked-rotor amperes, this increase may be determined and authorized by the division engineering department responsible for the area in which motor will be located

**STARTING CURRENTS
THREE PHASE 120/208 VOLT SYSTEMS**

Three phase motors of all types connected to the Company's alternating current three phase four wire 120/208 volt distribution system shall be subject to the following requirements governing starters

- (1) The starting device must not open the circuit during the starting period
- (2) For motor installations where the total motor and other load will create an estimated 15 minute demand not greater than 50 KW, the momentary starting current shall not exceed 175 amperes (equivalent to 10 HP across-the-line start).
- (3) For motor installations where the total motor and other load will create an estimated 15 minute demand greater than 50 KW, but not exceeding 200 KW, the momentary starting current of any motor installed shall not exceed 175 amperes plus 1 ampere for each KW demand above 50 KW.
- (4) For motor installations where the total motor and other load will create an estimated 15 minute maximum demand greater than 200 KW, the momentary starting current of any motor installed shall not exceed 350 amperes (equivalent to 25 HP across-the-line start).

If the momentary starting current of any such motor exceeds the maximum permitted for it under the foregoing regulations, the Company will require the motor to be equipped with a starting device that will limit the starting current to increments, each of which is within the permissible maximum designated and at intervals of not less than one second.

Original Sheet No. 28-A is Deleted

MOTOR RULES AND REGULATIONS

Continued

SINGLE PHASE, 120 VOLT, AC MOTORS

Full Load Amps Per Terminal	Approximate HP Automatic or Manual Start	Maximum Allowable Blocked Motor Amps by The Following Size of Service Entrance
6	1/3	100 Amps Less Than
8	1/2	31
10	3/4	45
12 (Manual start only with utility confirmation)	1	70

SINGLE PHASE, 240 VOLT, AC MOTORS

Full Load Amps Per Terminal	Approximate HP	Maximum Allowable Blocked Motor Amps
2.5	1/2	31
3.5	3/4	45
7.0	1 1/2	70
10.0	2	105
12.0	3	
16.0		

(Get utility confirmation for following)

25.0	5	Automatic Control	70
		Manual Control	105

THREE PHASE, 240 VOLT, AC MOTORS

Full Load Amps Per Terminal	Approximate HP	Maximum Allowable Blocked Motor Amps (See Frequently Started Motors)
6.5	2	50 (L.S.)
9.5	3	60 (L.S.)
16.0	5	90 (L.S.)
23.0	7.5	120 (L.S.)
30.0	10	150 (L.S.)
43	15	220 (L.S.)
55	20	290 (L.S.)
68	25	365 (L.S.)
80	30	435 (L.S.)
105	40	580 (L.S.)

The following values are reduced starting currents and are allowable where existing facilities permit. The Company division Engineering Department will be contacted to determine the permissible starting currents at each location.

120	50	435	600
155	60	520	650
190	75	590	720
250	100	660	960
310	125	750	1100
370	150	860	1300
425	175	1000	1320
480	200	1000	1350

Original Sheet No. 28.1 is Deleted

KENTUCKY UTILITIES COMPANY

Original Sheet No. 28.1-A
P.S.C. No. 12

MOTOR RULES AND REGULATIONS

Continued

(1) NOTE: (L-S.) indicates across the line starting currents. Other values are starting currents with reduced voltage starters.

*Frequent starting includes motors which start more than six times each day but not more often than once each minute. This includes such apparatus as elevator motors, automatic pumps, air compressors, air conditioning, ice machines, etc.

**Infrequently started motors include motors which start less than seven times in a 24-hour period and not more than once between 11 AM and 2 PM and 8 PM and midnight. This includes such apparatus as motor generators, fans, pumps, etc.

NOTE: The Industrial Department of the Kentucky Utilities Company shall be consulted for the starting current values on all motors over 200 HP.

For three phase motors the permissible maximum blocked-rotor amperes will decrease in direct proportion to the increase in the motor voltage.

DIRECT CURRENT MOTORS

The Company will not supply additional direct current service. All present direct current services of the Company are temporarily maintained only to supply service to existing installations and present customers.

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R. M. Hewett, Group Executive
Lexington, Kentucky

KENTUCKY UTILITIES COMPANY

Original Sheet No. 40
P.S.C. No. 12

STANDARD SERVICE CONTRACT PROCEDURE

Final Disposition of
Executed Contracts and Copies

Rate	Rate Description	Contract Form	Req. Init.	Req. Sign.	See Notes Below	Total Copies	Rate Dept.	Orig. To Plus		
								Div. Off.	Dist. Off.	Local Off.
RS	Residential Service	3-1	L.O.	A	2	0	0	0	2	
FERS	Full Elec. Residential Service	3-1	L.O.	B	2	0	0	0	2	
GS	General Service (under 100 KW)	3-1	L.O.	C	2	0	0	0	2	
SS	General Serv. (100 KW & above)	17-11	L.O.		4	0	0	1	1	2
33	Space Heating Rider	17-11	L.O.		4	0	0	1	1	2
CWH	Combination Water Heating	3-1	L.O.		2	0	0	0	0	2
LP	Light & Power (under 100 KW)	3-1	L.O.	C	4	0	0	0	0	2
HLF	Light & Power (100 KW & above)	17-11	L.O.		4	0	0	1	1	2
AES	High Load Factor	17-11	L.O.		5	1	1	1	1	2
CSR	All Electric School	17-11	L.O.		4	0	0	1	1	2
MP	Curtilable Service Rider	17-11CSR	D.O.	D	5	1	1	1	1	2
M	Coal Mining	17-11	G.O.	E	4	0	0	1	1	2
LCL-TOD	Water Pumping	17-11	G.O.	E,F	4	0	0	1	1	2
LMP-TOD	Large Commercial Industrial	17-11B	G.O.	E,F	4	0	0	1	1	2
SLI	Large Mine Power	17-11B	G.O.	D,E	5	1	1	1	1	2
Dec.SLI	Street Lighting	17-31/31A	G.O.	D,E	5	1	1	1	1	2
C.O.LI	Decorative Street Lighting	17-31/31A	G.O.	D,O	5	1	1	1	1	2
P.O.LI	Customer Outdoor Light	17-31/31A	G.O.	D,O	5	1	1	1	1	2
D/O P.O.LI	Private Outdoor Light	17-12A	L.O.		2	0	0	0	0	2
Rural Lease	Dec/Dy Private Outdoor Light	17-12A	L.O.		2	0	0	0	0	2
	Line Extension	17-14/14A/15	G.O.	E	5	1	1	1	1	2
	Leased Facilities Agreement	17-55	G.O.		5	1	1	1	1	2
WPS	Municipal Wholesale	17-11 (WPS)	G.O.	G	6	1	1	1	1	2

INSTRUCTIONS (except Order For Service Form 3-1)

After execution, retain the original contract at the District Office and return one signed copy (with a copy of rate attached) to the customer. Other copies may be reproduced. When a contract needs to be initiated, only the original and customer copy are to be initiated. For other details and special contract procedures, consult the Rate Department.

- NOTES: A. KU-17-11 Contract required if any agreements are obtained with customer, for 3 phase service, or for nonstandard contract KW.
 B. KU-17-11A Contract required if any agreements are obtained with customer, for 3 phase service, or for nonstandard contract KW.
 C. Follow procedures for contracts of 100 KW and above if any agreements or riders are attached, for primary or transmission service, or if any unusual circumstances exist.
 D. Negotiations handled in conjunction with General Office Rate Department.
 E. Signature by District Manager but approved and initialed by General Office Rate Department.
 F. Requires resolution if a municipally owned system.
 G. Original Contract to Revenue Accounting

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Lexington, Kentucky

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KENTUCKY UTILITIES COMPANY

First Revision of Original Sheet No. 41
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MONTHLY BILLING			
For Electric Service			
FOR KWH OVER	RS RATE MULTIPLY KWH BY	AND ADD	
0	\$0.04651	\$2.75	
100	\$0.04217	\$3.184	
400	\$0.03828	\$4.740	
EXAMPLE: 300 KWH use for 1 month:			
	300 KWH X \$0.04217 = \$12.651		
	Plus \$3.184		
	TOTAL = \$15.84		
FOR KWH OVER	FERS RATE MULTIPLY KWH BY	AND ADD	
0	\$0.03883	\$3.75	
1000	\$0.03501	\$7.57	
EXAMPLE: 1500 KWH use for 1 month:			
	1500 KWH X \$0.03501 = \$52.515		
	Plus \$7.57		
	TOTAL = \$60.09		
FOR KWH OVER	LP RATE		
	DEMAND CHARGE		
	SECONDARY KW X \$4.00		
	PRIMARY KW X \$3.05		
	TRANSMISSION KW X \$2.89		
	ENERGY CHARGE		
FOR KWH OVER	MULTIPLY KWH BY	AND ADD	
0	\$0.02562	\$ 0.00	
500,000	\$0.02329	\$1,165.00	
2,000,000	\$0.02204	\$5,665.00	
EXAMPLE: For 600,000 KWH and 2740 KW On LP Secondary Rate			
Energy Charge:			
	600,000 KWH X \$0.02329 = \$13,974.00		
	Plus 1,165.00		
	Sub-Total	\$15,139.00	
Demand Charge:			
	2740 KW X \$4.00 = \$10,960.00		
	TOTAL (Energy + Demand) = \$26,099.00		
FOR KWH OVER	GS RATE MULTIPLY KWH BY	AND ADD	
0	\$0.08040	\$ 4.00	
500	\$0.04958	\$ 9.41	
2,000	\$0.04508	\$18.41	
EXAMPLE: 750 KWH use for 1 month:			
	750 KWH X \$0.04958 = \$37.185		
	Plus \$9.41		
	TOTAL = \$46.60		
ELECTRIC SPACE HEATING RIDER (RATE 33)			
ALL HEATING KWH X \$0.03588			

Date of Issue: June 16, 2000
Cancelling Original Sheet No. 41
February 21, 2000

Issued By

R. M. Hewitt, Creep Executive
Lexington, Kentucky

Date Effective: With Service Rendered
On and After
June 1, 2000

Standard Business Form No. 4174

Original Sheet No. 41 is Deleted

Kentucky Utilities Company
Case No. 2003-00434
Historical Test Period Filing Requirements

Filing Requirement
807 KAR 5:001 Section 10(1)(a)9
Sponsoring Witness: Michael S. Beer

Description of Filing Requirement:

A statement that customer notice has been given in compliance with subsections (3) and (4) of this section with a copy of the notice.

Response:

See attached Certificate of Notice.

KU's Certificate of Notice

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In Re the Matter of:

**AN ADJUSTMENT OF THE ELECTRIC
RATES, TERMS AND CONDITIONS OF
KENTUCKY UTILITIES COMPANY**

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CASE NO. 2003-00434

CERTIFICATE OF NOTICE

Pursuant to the Kentucky Public Service Commission's Regulation 807 KAR 5:001, Section 10(1)(a)(9), I hereby certify that I am Michael S. Beer, Vice President Rates and Regulatory, LG&E Energy Services Inc. for Kentucky Utilities Company ("KU" or "Company"), a utility furnishing retail electric service within the Commonwealth of Kentucky which, on the 29th day of December, 2003, filed an application with the Kentucky Public Service Commission for the approval of an adjustment of the electric rates, terms, and conditions of KU, and that notice to the public of the filing of the application has been completed in all respects as required by 807 KAR 5:001, Section 10(3) and (4) and 807 KAR 5:011, Section 9(2), as follows:

On the 29th day of December, 2003, the same was delivered for exhibition and public inspection at the offices and places of business of the Company in the territory affected thereby, to-wit, at the following places:

Barlow
Campbellsville
Carrollton
Columbia
Danville
Earlington
Eddyville
Elizabethtown
Georgetown
Greenville

London
Maysville
Middlesboro
Morehead
Morganfield
Mt. Sterling
Paris
Richmond
Russell Springs
Shelbyville

Harlan
Lexington
Lexington North

Somerset
Versailles
Winchester

and that the same will be kept open to public inspection at said offices and places of business in conformity with the requirements of 807 KAR 5:001, Section 10(4)(f).

That more than twenty (20) customers will be affected by said change by way of an increase in their bills, and that on the 11th day of December, 2003 there was delivered to the Kentucky Press Association, an agency that acts on behalf of newspapers of general circulation throughout the Commonwealth of Kentucky in which customers affected reside, for publication therein once a week for three consecutive weeks beginning the week of December 22, 2003, a notice of the filing of KU's application, a copy of said notice being attached hereto. A certificate of publication of said notice will be furnished to the Kentucky Public Service Commission upon completion of same pursuant to 807 KAR 5:001, Section 10(4)(d).

In addition, Kentucky Utilities Company will include a general statement explaining the Application in this case with the bills for all Kentucky retail customers during the course of their regular monthly billing cycle in January 2004.

Given under my hand this 20th day of December, 2003.



Michael S. Beer
Vice Rates and Regulatory
LG&E Energy Services Inc. for
KENTUCKY UTILITIES COMPANY
220 West Main Street
Louisville, Kentucky 40202

NOTICE

Notice is hereby given that Kentucky Utilities Company seeks approval by the Public Service Commission, Frankfort, Kentucky of an adjustment of electric rates to become effective on and after February 1, 2004.

KU PRESENT AND PROPOSED RATES

Residential Service Rate RS

Current Rate

Customer Charge:	\$2.82 per month
First 100 KWH used per month	5.017¢ per KWH
Next 300 KWH used per month	4.572¢ per KWH
Excess Over 400 KWH used per month	4.172¢ per KWH
Minimum Charge: Single Phase	\$2.82 per month
Three-Phase	\$7.25 per month

Proposed Rate

Customer Charge:	\$9.00 per month
All KWH used per month	4.145¢ per KWH
Minimum Charge:	The customer charge will be the minimum bill.

Full Electric Residential Service Rate FERS

Current Rate

Customer Charge:	\$3.85 per month
Plus an Energy Charge of:	
4.229 cents per KWH for the first 1,000 KWH used per month	
3.836 cents per KWH for all in excess of 1,000 KWH used per month	
Minimum Charge: Single Phase	\$3.85 per month
Three-Phase	\$7.25 per month

Proposed Rate: Rate FERS will be canceled. Customers now served under Rate FERS will be served under Rate RS.

Volunteer Fire Department Rate VFD

Current Rate:

Customer Charge:	\$3.85 per month
Plus an Energy Charge of:	
4.229 cents per KWH for the first 1,000 KWH used per month	
3.836 cents per KWH for all in excess of 1,000 KWH used per month	
Minimum Charge:	
The Customer Charge will be the minimum bill.	

Proposed Rate:

Customer Charge:	\$9.00 per month
All KWH used per month	4.145¢ per KWH
Minimum Charge:	The customer charge will be the minimum bill.

(Volunteer Fire Department Rate VFD is currently equivalent to Rate FERS. With the cancellation of FERS, Rate VFD will be equivalent to Rate RS)

General Service Rate GS

Current Rate:

Customer Charge:	\$4.11 per month
Plus an Energy Charge of:	
First 500 KWH used per month	6.443¢ per KWH
Next 1,500 KWH used per month	5.332¢ per KWH
Excess Over 2,000 KWH used per month	4.870¢ per KWH

Minimum Charge:

Service under this schedule is subject to a minimum of the greater of (a) \$4.11 per month to include the first 20 KW or less of capacity, or (b) \$4.11 per month, plus \$1.64 per KW for demand in excess of 20 KW.

Proposed Charge:

Customer Charge:	\$20.00 per month
All KWH used per month	4.697¢ per KWH

Minimum Charge:

Service under this schedule is subject to a minimum of the greater of (a) \$20.00 per month to include the first 20 KW or less of capacity, or (b) \$20.00 per month, plus \$1.64 per KW for demand in excess of 20 KW.

Combination Off-Peak Water Heating Rate CWH

Current Rate

Customer Charge:	\$1.03 per month
Energy Charge	2.665¢ per KWH
Minimum Bill:	The Customer Charge

Proposed Rate: Rate CWH will be canceled. Customers now served under Rate CWH will be served under Rates RS or Rate GS.

Electric Space Heating Rider – Rate Schedule 33

Current Rate

All KWH during heating season	3.926¢ per KWH
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Minimum Bill:

Not less than \$89.89 per heating season, or less than \$13.10 per KW of connected load per heating season, whichever is the greater. This minimum to be in addition to the minimum of the standard rate to which this rate is a rider.

Proposed Rate: Rate Schedule 33 will be canceled. Customers now served under Rate Schedule 33 will be served under Rate GS.

All-Electric School Rate Schedule A.E.S.

Current Rate:

All KWH 3.936¢ per KWH
 Minimum Charge: An Annual Minimum Charge of \$19.56 per KW for all connected equipment, except air-conditioning and other individual equipment of one KW or less, but not less than \$196.11 per year.

Proposed Rate:

No change is proposed for this rate.

Load Reduction Incentive Rate LRI

Current Rate:

Up to \$0.30 per KWH

Proposed Rate:

No change is proposed for this rate.

Curtable Service Rider Rate CSR

All service to be billed under the base schedule.

Current Rate:

Curtable Demand Credit per KW	Transmission	Primary	Secondary
For 75 or 100 Hours Curtailment	(\$1.55)	(\$1.60)	(\$1.65)
For 150 or 200 Hours Curtailment	(\$3.10)	(\$3.20)	(\$3.30)
Penalty Charge Per KW			
Measured Firm Demand in Excess of Contracted Firm Demand			
First Non-Compliance in billing month - Maximum Excess in current or preceding 11 months	\$0.45	\$0.45	\$0.45
Multiple Non-Compliances in billing month – Maximum Excess in current or preceding 11 months	\$0.90	\$0.90	\$0.90

Proposed Rate:

Demand Credit of:

Primary	(\$4.19) per KW
Transmission	(\$4.09) per KW
Non-Compliance Charge	
Primary	\$16.00 per KW
Transmission	\$16.00 per KW

Combined Large Power Rate LP

Current Rates:

Maximum Load Charge:

Secondary Service at nominal voltages of 120, 240, 480 or 208Y as available.

\$4.11 per kilowatt of the maximum load in the month,
but not less than \$493.20 per year.

Primary Service at nominal voltages of 2400, 4160Y, 7200, 8320Y and
12,470Y as available.

\$3.13 per kilowatt of the maximum load in the month,
but not less than \$939.00 per year.

Transmission Line Service at voltages of 34,500 or 69,000 as available.

\$2.97 per kilowatt of the maximum load in the month
with minimum depending upon the facilities necessary
to serve, but not less than \$1,782.00 per year.

Plus an Energy Charge of:

2.872 cents per KWH for the first 500,000 KWH used per month.

2.633 cents per KWH for the next 1,500,000 KWH used per month.

2.504 cents per KWH for all in excess of 2,000,000 KWH used per month.

Minimum Charge:

Service under this schedule is subject to an annual minimum of \$49.32 per kilowatt for secondary delivery, \$37.56 per kilowatt for primary delivery and \$35.64 per kilowatt for transmission delivery for each yearly period based on the greater of (a), (b), (c), (d), or (e) as follows:

- (a) The highest monthly maximum load during such yearly period.
- (b) The contract capacity, based on the expected maximum KW demand upon the system.
- (c) 60 percent of the KW capacity of facilities specified by the customer.
- (d) Secondary delivery, \$493.20 per year; Primary delivery, \$939.00 per year; Transmission delivery, \$1,782.00 per year.
- (e) Minimum may be adjusted where customer's service requires an abnormal investment in special facilities.

Proposed Rate:

Customer Charge: \$75.00 per month

Maximum Load Charge:

Secondary-\$6.77 per kilowatt of the maximum load in the month;

Primary Service -\$6.43 per kilowatt of the maximum load in the month

Transmission Line Service-\$6.09 per kilowatt of the maximum load in the month

Plus an Energy Charge of:

2.200 cents per KWH

Minimum Charge:

Service under this schedule is subject to an annual minimum of \$81.24 per kilowatt for secondary delivery, \$77.16 per kilowatt for primary delivery and \$73.08 per kilowatt for transmission delivery for each yearly period based on the greater of (a), (b), (c), (d), or (e) as follows:

- (a) The highest monthly maximum load during such yearly period.
- (b) The contract capacity, based on the expected maximum KW demand upon the system.
- (c) 60 percent of the KW capacity of facilities specified by the customer.
- (d) Secondary delivery, \$812.40 per year; Primary delivery, \$1,929.00 per year; Transmission delivery, \$3,654.00 per year.
- (e) Minimum may be adjusted where customer's service requires an abnormal investment in special facilities.

Large Commercial/Industrial Time-of-Day Rate LCI-TOD

Current Rate:

Maximum Load Charge:	<u>Primary</u>	<u>Transmission</u>
On-Peak Demand	\$4.14 per KW	\$3.95 per KW
Off-Peak Demand	\$.73 per KW	\$.73 per KW

Energy Charge: 2.210 cents per KWH

Minimum Annual Bill:

Service under this schedule is subject to an annual minimum of \$49.68 per kilowatt for primary and \$47.40 per kilowatt for transmission on-peak delivery for each yearly period based on the greater of (a), (b), (c), (d) or (e), as follows:

- (a) The highest monthly on-peak maximum load during such yearly period.
- (b) The contract capacity, based on the expected on-peak maximum KW demand upon the system.
- (c) Sixty percent of the KW capacity of facilities specified by the customer.
- (d) Primary delivery, \$248,400 per year; transmission delivery \$237,000 per year.
- (e) Minimum may be adjusted where customer's service requires an abnormal investment in special facilities.

Proposed Rate: (to be titled "Time of Day Service Rate TOD")

Customer Charge: \$120.00

Maximum Load Charge:	<u>Primary</u>	<u>Transmission</u>
On-Peak Demand	\$5.52 per KW	\$5.33 per KW
Off-Peak Demand	\$0.73 per KW	\$0.73 per KW

Energy Charge: 2.200 cents per KWH

Minimum Annual Bill:

Service under this schedule is subject to an annual minimum of \$66.24 per kilowatt for primary and \$63.96 per kilowatt for transmission on-peak delivery for each yearly period based on the greater of (a), (b), (c), (d) or (e), as follows:

- (a) The highest monthly on-peak maximum load during such yearly period.
- (b) The contract capacity, based on the expected on-peak maximum KW demand upon the system.
- (c) Sixty percent of the KW capacity of facilities specified by the customer.
- (d) Primary delivery, \$331,200 per year; transmission delivery \$319,800 per year.
- (e) Minimum may be adjusted where customer's service requires an abnormal investment in special facilities.

High Load Factor Rate Schedule HLF

Current Rate:

Maximum Load Charge:	<u>Secondary</u>	<u>Primary</u>
All KW of Monthly Billing Demand	\$5.13 per KW	\$4.79 per KW
Energy Charge:	2.270 cents per KWH	

Proposed Rate: Rate HLF will be canceled. Customers now served under Rate HLF will be served under Rate LP.

Coal Mining Power Service Rate Schedule MP

Current Rate:

Maximum Load Charge:

Primary Service at nominal voltage of 2,400 or more shall be \$3.01 per kilowatt of the maximum load in the month.

Transmission Line Service at nominal voltage of 34,500 or more shall be \$2.67 per kilowatt of the maximum load in the month.

Plus an Energy Charge of:

2.881 cents per KWH for the first 500,000 KWH used per month

2.540 cents per KWH for all in excess of 500,000 KWH used per month

Minimum Charge:

Not less than the greater of (a), (b) or (c) as follows:

- a) \$36.12 for primary delivery and \$32.04 for transmission delivery for each yearly period for each kilowatt of capacity reserved by the customer's application.
- (b) \$36.12 per kilowatt for primary delivery or \$32.04 per kilowatt for transmission delivery, for each yearly period based on highest monthly maximum load during such yearly period.
- (c) No less than an amount to be determined by any special investment required to serve.

Proposed Rate:

Customer Charge: \$75.00 per month

Maximum Load Charge:

Primary Service at nominal voltage of 2,400 or more shall be \$4.80 per kilowatt of the maximum load in the month.

Transmission Line Service at nominal voltage of 34,500 or more shall be \$4.68 per kilowatt of the maximum load in the month.

Plus an Energy Charge of:

2.400 cents per KWH for all KWH used per month

Minimum Charge:

Not less than the greater of (a), (b) or (c) as follows:

- (a) \$57.60 for primary delivery and \$56.16 for transmission delivery for each yearly period for each kilowatt of capacity reserved by the customer's application.

- (b) \$57.60 per kilowatt for primary delivery or \$56.16 per kilowatt for transmission delivery, for each yearly period based on highest monthly maximum load during such yearly period.
- (c) \$57.60 per 7.60 per kilowatt for primary delivery or \$56.16 per kilowatt for transmission delivery, for each yearly period based on highest monthly maximum load during such yearly period.
- (d) No less than an amount to be determined by any special investment required to serve.

Large Mine Power Time-of-Day Rate Schedule LMP-TOD

Current Rate:

Maximum Load Charge:	<u>Primary</u>	<u>Transmission</u>
On-Peak Demand	\$4.14	\$3.80
Off-Peak Demand	\$0.73	\$0.73

Energy Charge: 2.094 cents per KWH

Minimum Charge:

Not less than the greater of (a), (b), or (c) as follows:

- (a) \$49.68 for primary delivery and \$45.60 for transmission delivery for each yearly period for each kilowatt of capacity reserved by the customer's application, based on not less than 5,000 KW.
- (b) \$49.68 per kilowatt for primary delivery and \$45.60 per kilowatt for transmission delivery, for each yearly period based on the highest monthly on-peak maximum load during such yearly period.
- (c) Not less than an amount to be determined by any special investment required to serve.

Proposed Rate:

Customer Charge: \$120.00 per month

Maximum Load Charge:	<u>Primary</u>	<u>Transmission</u>
On-Peak Demand	\$5.50	\$4.96
Off-Peak Demand	\$0.73	\$0.73

Energy Charge: 2.000 cents per KWH

Minimum Charge:

Not less than the greater of (a), (b), or (c) as follows:

- (a) \$66.00 for primary delivery and \$59.52 for transmission delivery for each yearly period for each kilowatt of capacity reserved by the customer's application, based on not less than 5,000 KW.
- (b) \$66.00 per kilowatt for primary delivery and \$59.52 per kilowatt for transmission delivery, for each yearly period based on the highest monthly on-peak maximum load during such yearly period.
- (c) Not less than an amount to be determined by any special investment required to serve.

Water Pumping Service Rate Schedule M

Current Rate:

Customer Charge: \$10.27 per month

Plus an Energy Charge of:

4.631 cents per KWH for the first 10,000 KWH used per month.

3.917 cents per KWH for all in excess of 10,000 KWH used per month.

Proposed Rate: Rate Schedule M will be canceled. Customers now served under Rate M will be served under Rate LP.

Street Lighting Service Rate Schedule St. Lt.

Current Rate:

	<u>Load/Light</u>	<u>Rate Per Light Per Month</u>	
		<u>Standard</u>	<u>Ornamental</u>
Incandescent System			
1,000 Lumens (approx.)	.102 KW/Light	\$ 2.11	\$ 2.72
2,500 " "	.201 KW/Light	2.57	3.32
4,000 " "	.327 KW/Light	3.68	4.56
6,000 " "	.447 KW/Light	4.89	5.87
10,000 " "	.690 KW/Light	6.57	8.07
Mercury Vapor			
3,500 Lumens (approx.)	.126 KW/Light	\$ 5.36	\$ 7.60
7,000 " "	.207 KW/Light	6.19	8.30
10,000 " "	.294 KW/Light	7.14	9.01
20,000 " "	.453 KW/Light	8.39	9.89
High Pressure Sodium			
4,000 Lumens (approx.)	.060 KW/Light	\$ 4.68	\$ 7.13
5,800 " "	.083 KW/Light	5.08	7.53
9,500 " "	.117 KW/Light	5.72	8.35
22,000 " "	.242 KW/Light	8.44	11.06
50,000 " "	.485 KW/Light	13.62	16.23

Proposed Rate: (to be combined with current Decorative Lighting Rate)

	<u>Load/Light</u>	<u>Rate Per Light Per Month</u>	
		<u>Standard</u>	<u>Ornamental</u>
Incandescent System			
1,000 Lumens (approx.)	.102 KW/Light	\$ 2.31	\$ 2.98
2,500 " "	.201 KW/Light	2.81	3.64
4,000 " "	.327 KW/Light	4.03	4.99
6,000 " "	.447 KW/Light	5.36	6.43
Mercury Vapor			
7,000 Lumens (approx.)	.207 KW/Light	6.78	9.09
10,000 " "	.294 KW/Light	7.82	9.87
20,000 " "	.453 KW/Light	9.19	10.83

High Pressure Sodium

4,000 Lumens (approx.)	.060 KW/Light	\$ 5.11	\$7.79
5,800 "	.083 KW/Light	5.55	8.23
9,500 "	.117 KW/Light	6.25	9.12
22,000 "	.242 KW/Light	9.22	12.09
50,000 "	.485 KW/Light	14.88	17.74

Decorative Underground Service

<u>Type of Pole & Fixture</u>	<u>Lumen Output</u>	<u>Load/Light In KW</u>	<u>Monthly Rate Per Light</u>
Acorn (Decorative Pole)	4,000	0.060	\$10.64
Acorn (Historic Pole)	4,000	0.060	\$16.70
Acorn (Decorative Pole)	5,800	0.083	\$11.19
Acorn (Historic Pole)	5,800	0.083	\$17.23
Acorn (Decorative Pole)	9,500	0.117	\$11.88
Acorn (Historic Pole)	9,500	0.117	\$17.93
Colonial	4,000	0.060	\$ 7.02
Colonial	5,800	0.083	\$ 7.46
Colonial	9,500	0.117	\$ 8.09
Coach	5,800	0.083	\$23.47
Coach	9,500	0.117	\$24.09
Contemporary	5,800	0.083	\$12.89
Contemporary	9,500	0.117	\$15.35
Contemporary	22,000	0.242	\$17.80
Contemporary	50,000	0.485	\$23.05
GranVille	16,000	0.150	\$39.16
Gran Ville Accessories:			
Single Crossarm Bracket			\$16.65
Twin Crossarm Bracket			\$18.53
24 Inch Banner Arm			\$ 2.88
24 Inch Clamp Banner Arm			\$ 3.90
18 Inch Banner Arm			\$ 2.66
Flagpole Holder			\$ 1.22
Post-Mounted Receptacle			\$17.29
Base-Mounted Receptacle			\$16.69
Additional Receptacles			\$ 2.39
Planter			\$ 4.00

Decorative Street Lighting Service Rate DEC St. Lt.

<u>Current Rate:</u>	Approx.		
<u>Type of Pole & Fixture</u>	<u>Lumen Output</u>	<u>Load/Light In KW</u>	<u>Monthly Rate Per Light</u>
Acorn (Decorative Pole)	4,000	0.060	\$ 9.74
Acorn (Historic Pole)	4,000	0.060	\$15.28
Acorn (Decorative Pole)	5,800	0.083	\$10.24
Acorn (Historic Pole)	5,800	0.083	\$15.77
Acorn (Decorative Pole)	9,500	0.117	\$10.87
Acorn (Historic Pole)	9,500	0.117	\$16.41

Colonial	4,000	0.060	\$ 6.42
Colonial	5,800	0.083	\$ 6.83
Colonial	9,500	0.117	\$ 7.40
Coach	5,800	0.083	\$23.47
Coach	9,500	0.117	\$24.09
Contemporary	5,800	0.083	\$11.80
Contemporary	9,500	0.117	\$14.05
Contemporary	22,000	0.242	\$16.29
Contemporary	50,000	0.485	\$21.09
GranVille	16,000	0.150	\$35.84
Gran Ville Accessories:			
Single Crossarm Bracket			\$15.24
Twin Crossarm Bracket			\$16.96
24 Inch Banner Arm			\$ 2.64
24 Inch Clamp Banner Arm			\$ 3.90
18 Inch Banner Arm			\$ 2.43
Flagpole Holder			\$ 1.12
Post-Mounted Receptacle			\$15.82
Base-Mounted Receptacle			\$15.27
Additional Receptacles			\$ 2.16
Planter			\$ 3.66

Proposed Rate: Rate DEC ST. LT. will be canceled and combined with Street Lighting Service Rate St. Lt.

Private Outdoor Lighting Rate P.O. LT.

<u>Current Rate:</u>	<u>Approx.</u>	<u>KW</u>	<u>Monthly</u>
<u>Type of Light</u>	<u>Lumens</u>	<u>Rating</u>	<u>Charge</u>
<u>Standard (Served Overhead)</u>			
<u>Mercury Vapor</u>			
Open Bottom	7,000	.207	\$ 7.12
Cobra	20,000	.453	\$ 8.41
<u>High Pressure Sodium</u>			
Open Bottom	5,800	.083	\$ 4.05
Open Bottom	9,500	.117	\$ 4.62
Cobra	22,000	.242	\$ 8.44
Cobra	50,000	.485	\$13.62
<u>Directional (Served Overhead)</u>			
High Pressure Sodium	9,500	0.117	\$ 5.60
High Pressure Sodium	22,000	0.242	\$ 7.93
High Pressure Sodium	50,000	0.485	\$12.08

Metal Halide Commercial and Industrial Lighting

Directional Fixture Only	12,000	0.207	\$ 8.27
Directional Fixture/Wood Pole	12,000	0.207	\$10.10
Directional Fixture/Metal Pole	12,000	0.207	\$16.10
Directional Fixture Only	32,000	0.450	\$11.46
Directional Fixture/Wood Pole	32,000	0.450	\$13.30
Directional Fixture/Metal Pole	32,000	0.450	\$19.29
Directional Fixture Only	107,800	1.080	\$23.67
Directional Fixture/Wood Pole	107,800	1.080	\$26.22
Directional Fixture/Metal Pole	107,800	1.080	\$31.50
Contemporary Fixture Only	12,000	0.207	\$ 9.29
Contemporary/Metal Pole	12,000	0.207	\$17.13
Contemporary Fixture Only	32,000	0.450	\$12.90
Contemporary/Metal Pole	32,000	0.450	\$20.73
Contemporary Fixture Only	107,800	1.080	\$26.04
Contemporary/Metal Pole	107,800	1.080	\$33.88

Decorative HPS (Served Underground)

Acorn (Decorative Pole)	4,000	0.060	\$ 9.74
Acorn (Historic Pole)	4,000	0.060	\$15.28
Acorn (Decorative Pole)	5,800	0.083	\$10.24
Acorn (Historic Pole)	5,800	0.083	\$15.77
Acorn (Decorative Pole)	9,500	0.117	\$10.88
Acorn (Historic Pole)	9,500	0.117	\$16.42
Colonial	4,000	0.060	\$ 6.42
Colonial	5,800	0.083	\$ 6.83
Colonial	9,500	0.117	\$ 7.40
Coach	5,800	0.083	\$23.47
Coach	9,500	0.117	\$24.09
Contemporary	5,800	0.083	\$11.80
Contemporary	9,500	0.117	\$14.05
Contemporary	22,000	0.242	\$16.29
Contemporary	50,000	0.485	\$21.09
GranVille	16,000	0.150	\$35.84

Gran Ville Accessories:

Single Crossarm Bracket	\$15.24
Twin Crossarm Bracket	\$16.96
24 Inch Banner Arm	\$ 2.64
24 Inch Clamp Banner Arm	\$ 3.90
18 Inch Banner Arm	\$ 2.43
Flagpole Holder	\$ 1.12
Post-Mounted Receptacle	\$15.82
Base-Mounted Receptacle	\$15.27
Additional Receptacles	\$ 2.16
Planter	\$ 3.66

<u>Proposed Rate:</u> <u>Type of Light</u>	<u>Approx.</u> <u>Lumens</u>	<u>KW</u> <u>Rating</u>	<u>Monthly</u> <u>Charge</u>
<u>Standard (Served Overhead)</u>			
<u>Mercury Vapor</u>			
Open Bottom	7,000	.207	\$ 7.70
Cobra	20,000	.453	\$ 9.09
<u>High Pressure Sodium</u>			
Open Bottom	5,800	.083	\$ 4.38
Open Bottom	9,500	.117	\$ 4.99
Cobra	22,000	.242	\$ 9.12
Cobra	50,000	.485	\$14.72
<u>Directional (Served Overhead)</u>			
High Pressure Sodium	9,500	0.117	\$ 6.05
High Pressure Sodium	22,000	0.242	\$ 8.57
High Pressure Sodium	50,000	0.485	\$13.06
<u>Metal Halide Commercial and Industrial Lighting</u>			
Directional Fixture Only	12,000	0.207	\$ 8.94
Directional Fixture/Wood Pole	12,000	0.207	\$10.92
Directional Fixture/Metal Pole	12,000	0.207	\$17.41
Directional Fixture Only	32,000	0.450	\$12.39
Directional Fixture/Wood Pole	32,000	0.450	\$14.38
Directional Fixture/Metal Pole	32,000	0.450	\$20.85
Directional Fixture Only	107,800	1.080	\$25.59
Directional Fixture/Wood Pole	107,800	1.080	\$28.35
Directional Fixture/Metal Pole	107,800	1.080	\$34.05
Contemporary Fixture Only	12,000	0.207	\$10.04
Contemporary/Metal Pole	12,000	0.207	\$18.52
Contemporary Fixture Only	32,000	0.450	\$13.95
Contemporary/Metal Pole	32,000	0.450	\$22.41
Contemporary Fixture Only	107,800	1.080	\$28.15
Contemporary/Metal Pole	107,800	1.080	\$36.63
<u>Decorative HPS (Served Underground)</u>			
Acorn (Decorative Pole)	4,000	0.060	\$10.53
Acorn (Historic Pole)	4,000	0.060	\$16.52
Acorn (Decorative Pole)	5,800	0.083	\$11.07
Acorn (Historic Pole)	5,800	0.083	\$17.05
Acorn (Decorative Pole)	9,500	0.117	\$11.76
Acorn (Historic Pole)	9,500	0.117	\$17.75
Colonial	4,000	0.060	\$ 6.94
Colonial	5,800	0.083	\$ 7.38
Colonial	9,500	0.117	\$ 8.00
Coach	5,800	0.083	\$25.37
Coach	9,500	0.117	\$26.04
Contemporary	5,800	0.083	\$12.76
Contemporary	9,500	0.117	\$15.19
Contemporary	22,000	0.242	\$17.61
Contemporary	50,000	0.485	\$22.80
GranVille	16,000	0.150	\$39.16

Gran Ville Accessories:	
Single Crossarm Bracket	\$16.65
Twin Crossarm Bracket	\$18.53
24 Inch Banner Arm	\$ 2.88
24 Inch Clamp Banner Arm	\$ 3.90
18 Inch Banner Arm	\$ 2.66
Flagpole Holder	\$ 1.22
Post-Mounted Receptacle	\$17.29
Base-Mounted Receptacle	\$16.69
Additional Receptacles	\$ 2.39
Planter	\$ 4.00

Customer Outdoor Lighting Rate Schedule C. O. Lt.

Current Rate:

\$5.12 per lamp per month for each 2500 lumen (.201 KW) Incandescent Light
 \$6.25 per lamp per month for each 3500 lumen (.126 KW) Mercury Vapor Light
 \$7.14 per lamp per month for each 7000 lumen (.207 KW) Mercury Vapor Light

Proposed Rate: Rate C. O. LT. will be canceled and combined with Private Outdoor Lighting Rate P. O. Lt.

Standard Rider for Excess Facilities

Current Rate: This Rider is currently not available.

Proposed Rate:

Charge for distribution facilities
 Carrying Cost 0.93%
 Operating Expenses 0.56%

Standard Rider for Redundant Capacity Charge

Current Rate: This Rider is not currently available.

Proposed Rate:

Capacity Reservation Charge
 Secondary Distribution \$0.80 per KW per month
 Primary Distribution \$0.63 per KW per month

Non-Conforming Load Service Rate NCLS

Current Rate: This rate is pending before the Public Service Commission.

Proposed Rate: No change is requested for this rate.

Charge for Disconnecting and Reconnecting Service

Current Rate:

\$10.50 during normal working hours

\$38.00 after normal working hours

Proposed Rate:

\$31.00

Residential Customer Deposits

Current Rate:

Residential Service

Monthly Billed \$ 50.00

Bimonthly Billed \$ 75.00

Full Electric Residential Service

Monthly Billed \$125.00

Proposed Rate:

Residential Service

Monthly Billed \$115.00

Bimonthly Billed Not Applicable

Full Electric Residential Service (Canceled)

FERS customers now served under Rate RS

(Change does not result in increase in revenue.)

Returned Check Charge

Current Rate: \$5.00

Proposed Rate: \$9.00

Meter Testing Charge

Current Rate: \$14.00

Proposed Rate: \$31.40

Kentucky Utilities Company proposes the following new tariffs: Rider for Excess Facilities, Rider for Redundant Capacity Charge, and Charge for Special Meter Readings.

In addition, Kentucky Utilities Company proposes to change the text of the following tariffs: Residential Service Rate RS, Volunteer Fire Department Rate VFD, General Service Rate GS, Curtailable Service Rider Rate CSR, Combined Large Power Rate LP, Large Commercial/Industrial Time-of-Day Rate LCI-TOD, Coal Mining Power Service Rate Schedule MP, Large Mine Power Time-of-Day Rate Schedule LMP-TOD, Street Lighting Service Rate Schedule St. Lt., Private Outdoor Lighting Rate P. O. Lt. and the Rules and Regulations or Terms and Conditions. Copies of the proposed tariffs containing text changes may be obtained by contacting Michael S. Beer, Kentucky Utilities Company, c/o LG&E Energy Corp. at 220 West Main Street, Louisville, Kentucky, 502-627-3547.

The foregoing electric rates reflect a proposed increase in revenues of approximately 8.54% to Kentucky Utilities Company. The estimated amount of the increase per customer class is as follows: Total Residential: \$24,185,323, 9.56%; Total General Service: \$5,792,730, 8.74%; Total Combined Lighting & Power: \$18,885,564, 8.32%; Total Large Commercial/Industrial: \$6,725,688, 7.99%; Total Coal Mining Power: \$725,107, 8.49%; Total Large Mining Power Time of Day: \$513,353, 8.49%; Total Street Lighting Service: \$589,384, 9.49%; Total Private Outdoor Lighting Service: \$589,955, 8.21%.

The average monthly bill for each customer class to which the proposed rates will apply will increase approximately as follows: Total Residential:

\$5.15, 9.6%; Total General Service: \$7.03, 8.7%; Total Combined Lighting & Power: \$117.61, 8.3%; Total Large Commercial/Industrial: \$18,528.07, 8.0%; Total Coal Mining Power: \$1,633.12, 8.5%; Total Large Mining Power Time of Day: \$4,797.69, 8.5%; Total Street Lighting Service: \$0.68, 9.5% (per light); Total Private Outdoor Lighting Service: \$0.63, 8.2% (per light).

The rates contained in this notice are the rates proposed by Kentucky Utilities Company. However, the Public Service Commission may order rates to be charged that differ from these proposed rates. Such action may result in rates for customers other than the rates contained in this notice.

Notice is further given that any corporation, association, body politic or person with a substantial interest in the matter may request leave to intervene by motion within thirty (30) days after notice of the proposed rate changes is given. The motion shall be submitted to the Public Service Commission, 211 Sower Boulevard, P. O. Box 615, Frankfort, Kentucky 40601, and shall set forth the grounds for the request, including the status and interest of the party. Any person who has been granted intervention may obtain copies of the application and testimony by contacting Michael

S. Beer, Vice President – Rates and Regulatory, Kentucky Utilities Company, c/o LG&E Energy Corp., 220 West Main Street, Louisville, Kentucky, 502-627-3547. A copy of the application and testimony shall be available for public inspection at the office of Kentucky Utilities Company, 100 Quality Street, Lexington, Kentucky, or the Public Service Commission, 211 Sower Boulevard, Frankfort, Kentucky

Kentucky Utilities Company
c/o LG&E Energy Corp.
220 West Main Street
P. O. Box 32010
Louisville, Kentucky 40232
502-627-3547

Public Service Commission
211 Sower Boulevard
P. O. Box 615
Frankfort, Kentucky 40601
502-564-3940

Kentucky Utilities Company
Case No. 2003-00434
Historical Test Period Filing Requirements

Filing Requirement
807 KAR 5:001 Section 10(2)
Sponsoring Witness: Michael S. Beer

Description of Filing Requirement:

Notice of Intent. Utilities with gross annual revenues greater than \$1,000,000 shall file with the commission a written notice of intent to file a rate application at least four (4) weeks prior to filing their application. The notice of intent shall state whether the rate application shall be supported by a historical test period or a fully forecasted test period. This notice shall be served upon the Attorney General, Utility Intervention and Rate Division.

Response:

See attached.

KU's Notice of Intent

Michael S. Beer
Vice President
Rates and Regulatory

LG&E Energy Corp.
220 West Main Street
Louisville, Kentucky 40202
(502) 627-3547
(502) 627-4030 FAX
mike.beer@lgeenergy.com

November 24, 2003

HAND DELIVERY

Mr. Thomas M. Dorman
Executive Director
Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40601

RECEIVED

NOV 24 2003

PUBLIC SERVICE
COMMISSION

Dear Mr. Dorman:

Please take notice that Kentucky Utilities Company ("KU") plans to file on or after December 29, 2003, a rate application for a general adjustment in its electric base rates. The application will be supported by a historic test year ending September 30, 2003.

Please assign this matter a case number and style, and advise us of the same so that it can be incorporated into the application and supporting testimony before it is filed with the Commission.

Should you have any questions, please contact me at your first convenience.

Yours very truly,



Michael S. Beer
Vice President, Rates and Regulatory

Kentucky Utilities Company
Case No. 2003-00434
Historical Test Period Filing Requirements

Filing Requirement
807 KAR 5:001 Section 10(3)
Sponsoring Witness: Michael S. Beer

Description of Filing Requirement:

Form of notice to customers. Every utility filing an application pursuant to this section shall notify all affected customers in the manner prescribed herein. The notice shall include the following information:

(a) The amount of the change requested in both dollar amounts and percentage change for each customer classification to which the proposed rate change will apply;

(b) The present rates and the proposed rates for each customer class to which the proposed rates would apply;

(c) Electric, gas, water and sewer utilities shall include the effect upon the average bill for each customer class to which the proposed rate change will apply;

(d) Local exchange companies shall include the effect upon the average bill for each customer class for the proposed rate change in basic local service;

(e) A statement that the rates contained in this notice are the rates proposed by (name of utility); however, the Public Service Commission may order rates to be charged that differ from the proposed rates contained in this notice;

(f) A statement that any corporation, association, or person with a substantial interest in the matter may, by written request, within thirty (30) days after publication or mailing of this notice of the proposed rate changes request to intervene; intervention may be granted beyond the thirty (30) day period for good cause shown;

Kentucky Utilities Company
Case No. 2003-00434
Historical Test Period Filing Requirements

Filing Requirement
807 KAR 5:001 Section 10(3)
Sponsoring Witness: Michael S. Beer

Description of Filing Requirement (continued):

(g) A statement that any person who has been granted intervention by the commission may obtain copies of the rate application and any other filings made by the utility by contacting the utility through a name and address and phone number stated in this notice;

(h) A statement that any person may examine the rate application and any other filings made by the utility at the main office of the utility or at the commission's office indicating the addresses and telephone numbers of both the utility and the commission; and

(i) The commission may grant a utility with annual gross revenues greater than \$1,000,000, upon written request, permission to use an abbreviated form of published notice of the proposed rates provided the notice includes a coupon which may be used to obtain all of the information required herein.

Response:

Please refer to the Certificate of Notice at Tab 9.

Kentucky Utilities Company
Case No. 2003-00434
Historical Test Period Filing Requirements

Filing Requirement
807 KAR 5:001 Section 10(4)(a)
Sponsoring Witness: Michael S. Beer

Description of Filing Requirement:

Manner of notification. Sewer utilities shall give the required typewritten notice by mail to all of their customers pursuant to KRS 278.185.

Response:

Not applicable to KU's Application.

Kentucky Utilities Company
Case No. 2003-00434
Historical Test Period Filing Requirements

Filing Requirement
807 KAR 5:001 Section 10(4)(b)
Sponsoring Witness: Michael S. Beer

Description of Filing Requirement:

Manner of notification. Applicants with twenty (20) or fewer customers affected by the proposed general rate adjustment shall mail the required typewritten notice to each customer no later than the date the application is filed with the commission.

Response:

Not applicable to KU's Application.

Kentucky Utilities Company
Case No. 2003-00434
Historical Test Period Filing Requirements

Filing Requirement
807 KAR 5:001 Section 10(4)(c)
Sponsoring Witness: Michael S. Beer

Description of Filing Requirement:

Manner of notification. Except for sewer utilities, applicants with more than twenty (20) customers affected by the proposed general rate adjustment shall give the required notice by one (1) of the following methods:

- 1. A typewritten notice mailed to all customers no later than the date the application is filed with the commission;*
- 2. Publishing the notice in a trade publication or newsletter which is mailed to all customers no later than the date on which the application is filed with the commission; or*
- 3. Publishing the notice once a week for three (3) consecutive weeks in a prominent manner in a newspaper of general circulation in the utility's service area, the first publication to be made within seven (7) days of the filing of the application with the commission.*

Response:

KU has complied with 807 KAR 5:001, Section 10(4)(c) by delivering to newspapers of general circulation in its service area a copy of the notice attached to the Certificate of Notice at Tab 9 for publication once a week for three (3) consecutive weeks in a prominent manner, the first of said publications to be made within seven (7) days of the filing of the application, as set forth in the Certificate of Notice at Tab 9.

Kentucky Utilities Company
Case No. 2003-00434
Historical Test Period Filing Requirements

Filing Requirement
807 KAR 5:001 Section 10(4)(d)
Sponsoring Witness: Michael S. Beer

Description of Filing Requirement:

Manner of notification. If the notice is published, an affidavit from the publisher verifying the notice was published, including the dates of the publication with an attached copy of the published notice, shall be filed with the commission no later than forty-five (45) days of the filed date of the application.

Response:

KU will comply with 807 KAR 5:011, Section 10(4)(d) by providing the affidavits within forty-five (45) days of the date on which KU filed its application.

**Kentucky Utilities Company
Case No. 2003-00434
Historical Test Period Filing Requirements**

**Filing Requirement
807 KAR 5:001 Section 10(4)(e)
Sponsoring Witness: Michael S. Beer**

Description of Filing Requirement:

Manner of notification. If the notice is mailed, a written statement signed by the utility's chief officer in charge of Kentucky operations verifying the notice was mailed shall be filed with the commission no later than thirty (30) days of the filed date of the application.

Response:

Not applicable to KU's Application.

Kentucky Utilities Company
Case No. 2003-00434
Historical Test Period Filing Requirements

Filing Requirement
807 KAR 5:001 Section 10(4)(f)
Sponsoring Witness: Michael S. Beer

Description of Filing Requirement:

Manner of notification. All utilities, in addition to the above notification, shall post a sample copy of the required notification at their place of business no later than the date on which the application is filed which shall remain posted until the commission has finally determined the utility's rates.

Response:

KU will comply with 807 KAR 5:001, Section 10(4)(f) by posting its Notice, attached to the Certificate of Notice at Tab 9, at its places of business on December 29, 2003, and said Notice will remain posted until the Commission has finally determined the utility's rates, as set forth in the Certificate of Notice at Tab 9.

Kentucky Utilities Company
Case No. 2003-00434
Historical Test Period Filing Requirements

Filing Requirement
807 KAR 5:001 Section 10(4)(g)
Sponsoring Witness: Michael S. Beer

Description of Filing Requirement:

Manner of notification. Compliance with this subsection shall constitute compliance with 807 KAR 5:051, Section 2.

Response:

No response is required.

Kentucky Utilities Company
Case No. 2003-00434
Historical Test Period Filing Requirements

Filing Requirement
807 KAR 5:001 Section 10(5)
Sponsoring Witness: Michael S. Beer

Description of Filing Requirement:

Notice of hearing scheduled by the commission upon application by a utility for a general adjustment in rates shall be advertised by the utility by newspaper publication in the areas that will be affected in compliance with KRS 424.300

Response:

KU will comply with 807 KAR 5:001, Section 10(5) by publishing the Notice of Hearing in the newspapers in the areas affected. KU's advertisement of the Notice of Hearing shall comply with KRS 424.300.

**Kentucky Utilities Company
Case No. 2003-00434
Historical Test Period Filing Requirements**

**Filing Requirement
807 KAR 5:001 Section 10(6)(a)
Sponsoring Witness: S. Bradford Rives**

Description of Filing Requirement:

A complete description and quantified explanation for all proposed adjustments, with proper support for any proposed changes in price or activity levels, and any other factors which may affect the adjustment.

Response:

Please refer to Volume 4, the testimony of Valerie L. Scott and W. Steven Seelye. Also, for Mr. Seelye's Exhibits, please refer to Volume 5.

Kentucky Utilities Company
Case No. 2003-00434
Historical Test Period Filing Requirements

Filing Requirement
807 KAR 5:001 Section 10(6)(b)
Sponsoring Witness: S. Bradford Rives

Description of Filing Requirement:

If the utility has gross annual revenues greater than \$1,000,000, the prepared testimony of each witness the utility proposes to use to support its application.

Response:

Please refer to Volume 4, the testimony of the following persons:

- Victor S. Staffieri
- Paul W. Thompson
- Chris Hermann
- S. Bradford Rives
- Valerie L. Scott
- Earl Robinson
- Robert G. Rosenberg
- Michael S. Beer
- W. Steven Seelye
- Sidney L. ("Butch") Cockerill

Also, please refer to Volume 5 for Mr. Seelye's Exhibits, and refer to Volume 6 for Mr. Robinson's Appendix C.

**Kentucky Utilities Company
Case No. 2003-00434
Historical Test Period Filing Requirements**

**Filing Requirement
807 KAR 5:001 Section 10(6)(c)
Sponsoring Witness: S. Bradford Rives**

Description of Filing Requirement:

If the utility has gross annual revenues less than \$1,000,000, the prepared testimony of each witness the utility proposes to use to support its application or a statement that the utility does not plan to submit any prepared testimony.

Response:

Not applicable to KU's Application.

Kentucky Utilities Company
Case No. 2003-00434
Historical Test Period Filing Requirements

Filing Requirement
807 KAR 5:001 Section 10(6)(d)
Sponsoring Witness: W. Steven Seelye

Description of Filing Requirement:

A statement estimating the effect that the new rates will have upon the revenues of the utility including, at minimum, the total amount of revenues resulting from the increase or decrease and the percentage of the increase or decrease.

Response:

The proposed rates (excluding miscellaneous charges) will increase KU's annual electric revenues approximately \$57,805,074 or 8.54%.

Kentucky Utilities Company
Case No. 2003-00434
Historical Test Period Filing Requirements

Filing Requirement
807 KAR 5:001 Section 10(6)(e)
Sponsoring Witness: W. Steven Seelye

Description of Filing Requirement:

If the utility provides electric, gas, water, or sewer service the effect upon the average bill for each customer classification to which the proposed rate change will apply.

Response:

The average monthly bill, for each customer rate class to which the proposed rate change applies, will increase/(decrease) as follows:

	\$	%
Total Residential:	\$5.15	9.6%
Total General Service:	\$7.03	8.7%
Total Combined Lighting & Power:	\$117.61	8.3%
Total Large Commercial/Industrial:	\$18,528.07	8.0%
Total Coal Mining Power:	\$1,633.12	8.5%
Total Large Mining Power Time of Day:	\$4,797.69	8.5%
Total Street Lighting Service:	\$0.68	9.5% *
Total Private Outdoor Lighting Service:	\$0.63	8.2% *

* Monthly increase per light.

Kentucky Utilities Company
Case No. 2003-00434
Historical Test Period Filing Requirements

Filing Requirement
807 KAR 5:001 Section 10(6)(f)
Sponsoring Witness: Michael S. Beer

Description of Filing Requirement:

If the utility is a local exchange company, the effect upon the average bill for each customer class for the proposed rate change in basic local service.

Response:

Not applicable to KU's Application.

Kentucky Utilities Company
Case No. 2003-00434
Historical Test Period Filing Requirements

Filing Requirement
807 KAR 5:001 Section 10(6)(g)
Sponsoring Witness: W. Steven Seelye

Description of Filing Requirement:

An analysis of customers' bills in such detail that revenues from the present and proposed rates can be readily determined for each customer class.

Response:

Please refer to Volume 4, the testimony of W. Steven Seelye. Also, please refer to Volume 5 for Mr. Seelye's Exhibits.

**Kentucky Utilities Company
Case No. 2003-00434
Historical Test Period Filing Requirements**

**Filing Requirement
807 KAR 5:001 Section 10(6)(h)
Sponsoring Witness: S. Bradford Rives**

Description of Filing Requirement:

A summary of the utility's determination of its revenue requirements based on return on net investment rate base, return on capitalization, interest coverage, debt service coverage, or operating ratio, with supporting schedules.

Response:

See attached.

Kentucky Utilities Company
Revenue Requirement as of September 30, 2003

1 Operations and Maintenance	519,227,694	(1)
2 Depreciation Expense	90,078,112	(2)
3 Taxes Other Than Income Taxes	13,962,938	(3)
4 Return	95,564,061	(4)
5 Income Tax	<u>50,982,478</u>	(5)
6 Total Cost of Service (Revenue Requirement)	769,815,283	
7 Revenues at Present Rates	<u>711,560,939</u>	(6)
8 Revenue Deficiency	<u><u>58,254,344</u></u>	(7)

- (1) See Filing Requirement pursuant to 807 KAR Section 10(7)(a) [Tab 42] income statement, line 8
- (2) See Filing Requirement pursuant to 807 KAR Section 10(7)(a) [Tab 42] income statement, line 9
- (3) See Filing Requirement pursuant to 807 KAR Section 10(7)(a) [Tab 42] income statement, line 10
- (4) See Rives Exhibit 7, line 1
- (5) See Filing Requirement pursuant to 807 KAR Section 10(7)(a) [Tab 42] income statement, line 11 (\$27,326,329) and Rives Exhibit 7, line 4 (\$23,656,149) (line 5 - line 3)
- (6) See Filing Requirement pursuant to 807 KAR Section 10(7)(a) [Tab 42] income statement, line 5
- (7) See Rives Exhibit 7, line 5

**Kentucky Utilities Company
Case No. 2003-00434
Historical Test Period Filing Requirements**

**Filing Requirement
807 KAR 5:001 Section 10(6)(i)
Sponsoring Witness: S. Bradford Rives**

Description of Filing Requirement:

A reconciliation of the rate base and capital used to determine its revenue requirement.

Response:

See attached.

KENTUCKY UTILITIES
Reconciliation of Capitalization and Rate Base
Kentucky Jurisdictional

Line Number	Rate Base	Capitalization (a)	Other	Per Books 9/30/2003
ASSETS				
1	UTILITY PLANT			
2	Utility Plant	3,066,042,028	-	3,066,042,028
3	Less Accumulated Depreciation	(1,377,898,286)	-	(1,377,898,286)
4	Net Utility Plant	1,688,143,742	-	1,688,143,742
5				
6	CURRENT ASSETS			
7	Cash	52,060,124	(43,849,103)	8,211,021
8	Accounts Receivable-Less Reserve	-	32,549,067	32,549,067
9	Materials & Operating Supplies	57,926,039	(5,365,978)	52,560,061
10	Allowance Inventory	59,742	(47)	59,695
11	Prepayments	2,935,464	(332,217)	2,603,247
12	Miscellaneous Current & Accrued Assets	-	405,651	405,651
13	Total Current Assets	112,981,369	(16,592,627)	96,388,742
14				
15	OTHER ASSETS			
16	Unamortized Debt Expense	-	4,251,455	4,251,455
17	Unamortized Loss on Bonds	-	7,773,723	7,773,723
18	Accumulated Deferred Income Taxes	61,012,548	(5,609,698)	55,402,850
19	Deferred Regulatory Assets	-	58,148,840	58,148,840
20	Other Deferred Debits	-	34,068,018	34,068,018
21	Total Other Assets	61,012,548	98,632,338	159,644,886
22	TOTAL ASSETS	1,862,137,659	82,039,711	1,944,177,370
23				
24	LIABILITIES AND SHAREHOLDERS' EQUITY			
25	CAPITALIZATION			
26	Common Shareholders' Equity	-	9,114,515	(755,362,857)
27	Preferred Stock	-	244,275	(34,943,725)
28	Long-term Debt	-	889,882	(538,992,711)
29	Accounts Receivable Securitization	(43,369,210)	43,369,210	-
30				
31	CURRENT LIABILITIES			
32	Notes Payable to Associated Companies	-	143,160	(86,710,098)
33	TOTAL CAPITAL STRUCTURE	-	53,761,042	(1,416,009,391)
34				
35	Accounts Payable	-	(38,331,415)	(38,331,415)
36	Taxes Accrued	-	(9,273,221)	(9,273,221)
37	Customer Deposits	-	(12,349,298)	(12,349,298)
38	Interest Accrued	-	(4,802,900)	(4,802,900)
39	Dividends Declared	-	(165,413)	(165,413)
40	Misc. Current & Accrued Liabilities	-	(5,486,825)	(5,486,825)
41	Total Current Liabilities	-	(70,409,072)	(70,409,072)
42				
43	DEFERRED CREDITS AND OTHER			
44	Accumulated Deferred Income Taxes	(305,807,793)	28,116,994	(277,690,799)
45	Investment Tax Credit	(5,453,270)	6,093	(5,447,177)
46	Regulatory Liabilities	-	(45,192,782)	(45,192,782)
47	Customer Advances for Construction	(1,455,980)	-	(1,455,980)
48	Asset Retirement Obligations	-	(16,850,671)	(16,850,671)
49	Other Deferred Credits	-	(26,906,610)	(26,906,610)
50	Accum. Provision for Post-Retirement Benefits	-	(93,792,137)	(93,792,137)
51	Total Deferred Credits	(312,717,043)	(154,619,113)	(467,336,156)
52				
53	JURISDICTIONAL ADJUSTMENT TO BALANCE		9,577,249	9,577,249
54	TOTAL LIABILITIES	(312,717,043)	(161,689,894)	(1,944,177,370)
55				
56	CAPITALIZATION TO NET RATE BASE	1,549,420,616	(79,650,183)	-

(a) Capitalization from Rives Exhibit 2, page 1 of 1, column 1 x column 11.

Kentucky Utilities Company
Case No. 2003-00434
Historical Test Period Filing Requirements

Filing Requirement
807 KAR 5:001 Section 10(6)(j)
Sponsoring Witness: Valerie L. Scott

Description of Filing Requirement:

A current chart of accounts if more detailed than the Uniform System of Accounts prescribed by the commission.

Response:

See attached.

Current Chart of Accounts

POWER PRODUCTION EXPENSES

STEAM POWER GENERATION

Operation

- 500. Operation supervision and engineering.
- 501. Fuel.
- 502. Steam expenses.
- 503. Steam from other sources.
- 504. Steam transferred-Cr.
- 505. Electric expenses.
- 506. Miscellaneous steam power expenses.
- 507. Rents.
- 509. Allowances.

Maintenance

- 510. Maintenance supervision and engineering.
- 511. Maintenance of structures.
- 512. Maintenance of boiler plant.
- 513. Maintenance of electric plant.
- 514. Maintenance of miscellaneous steam plant.

HYDRAULIC POWER GENERATION

Operation

- 535. Operation supervision and engineering.
- 536. Water for power.
- 537. Hydraulic expenses.
- 538. Electric expenses.
- 539. Miscellaneous hydraulic power generation expenses.
- 540. Rents.

Maintenance

- 541. Maintenance supervision and engineering.
- 542. Maintenance of structures.
- 543. Maintenance of reservoirs, dams and waterways.
- 544. Maintenance of electric plant.
- 545. Maintenance of miscellaneous hydraulic plant.

OTHER POWER GENERATION

Operation

- 546. Operation supervision and engineering.
- 547. Fuel.
- 548. Generation Expenses.
- 549. Miscellaneous other power generation expenses.
- 550. Rents.

Maintenance

- 551. Maintenance supervision and engineering.
- 552. Maintenance of structures.
- 553. Maintenance of generating and electric equipment.
- 554. Maintenance of miscellaneous other power generation plant.

OTHER POWER SUPPLY EXPENSES

- 555. Purchased power.
- 556. System control and load dispatching.
- 557. Other expenses.
- 558. Duplicate charges - Credit.

ELECTRIC TRANSMISSION EXPENSES

Operation

- 560. Operation supervision and engineering.
- 561. Load dispatching.
- 562. Station expenses.
- 563. Overhead line expenses.
- 564. Underground line expenses.
- 565. Transmission of electricity by others.
- 566. Miscellaneous transmission expenses.
- 567. Rents.

Maintenance

- 568. Maintenance supervision and engineering.
- 569. Maintenance of structures.
- 570. Maintenance of station equipment.
- 571. Maintenance of overhead lines.
- 572. Maintenance of underground lines.
- 573. Maintenance of miscellaneous transmission plant.

ELECTRIC DISTRIBUTION EXPENSES

Operation

- 580. Operation supervision and engineering.
- 581. Load dispatching.
- 582. Station expenses.
- 583. Overhead line expenses.
- 584. Underground line expenses.
- 585. Street lighting and signal system expenses.
- 586. Meter expenses.
- 587. Customer installations expenses.
- 588. Miscellaneous distribution expenses.
- 589. Rents.

Maintenance

- 590. Maintenance supervision and engineering.
- 591. Maintenance of structures.
- 592. Maintenance of station equipment.
- 593. Maintenance of overhead lines.
- 594. Maintenance of underground lines.
- 595. Maintenance of line transformers.
- 596. Maintenance of street lighting and signal systems.
- 597. Maintenance of meters.
- 598. Maintenance of miscellaneous distribution plant.

OTHER GAS SUPPLY EXPENSES

Operation

- 800. Natural gas well head purchases.
- 801. Natural gas field line purchases.
- 802. Natural gas gasoline plant outlet purchases.
- 803. Natural gas transmission line purchases.
- 804. Natural gas city gate purchases.
- 804.1 Liquefied natural gas purchases.
- 805. Other gas purchases.
- 805.1 Purchased gas cost adjustments.
- 805.2 Incremental gas cost adjustments.
- 806. Exchange gas.
- 807. Purchased gas expenses.
- 808.1 Gas withdrawn from storage-Debit.
- 808.2 Gas delivered to storage-Credit.
- 809.1 Withdrawals of liquefied natural gas held for processing-Debit.
- 809.2 Deliveries of natural gas for processing-Credit.
- 810. Gas used for compressor station fuel-Credit.
- 811. Gas used for products extraction-Credit.
- 812. Gas used for other utility operations-Credit.
- 813. Other gas supply expenses.

UNDERGROUND STORAGE EXPENSES

Operation

- 814. Operation supervision and engineering.
- 815. Maps and records.
- 816. Wells expenses.
- 817. Lines expenses.
- 818. Compressor station expenses.
- 819. Compressor station fuel and power.
- 820. Measuring and regulating station expenses.
- 821. Purification expenses.
- 822. Exploration and development.
- 823. Gas losses.
- 824. Other expenses.
- 825. Storage well royalties.
- 826. Rents.

Maintenance

- 830. Maintenance supervision and engineering.
- 831. Maintenance of structures and improvements.
- 832. Maintenance of reservoirs and wells.
- 833. Maintenance of lines.
- 834. Maintenance of compressor station equipment.
- 835. Maintenance of measuring and regulating station equipment.
- 836. Maintenance of purification equipment.
- 837. Maintenance of other equipment.

GAS TRANSMISSION EXPENSES

Operation

- 850. Operation supervision and engineering.
- 851. System control and load dispatching.
- 852. Communication system expenses.
- 853. Compressor station labor and expenses.
- 854. Gas for compressor station fuel.
- 855. Other fuel and power for compressor.
- 856. Mains expenses.
- 857. Measuring and regulating station expenses.
- 858. Transmission and compression of gas by others.
- 859. Other expenses.
- 860. Rents.

Maintenance

- 861. Maintenance supervision and engineering.
- 862. Maintenance of structures and improvements.
- 863. Maintenance of mains.
- 864. Maintenance of compressor station equipment.
- 865. Maintenance of measuring and regulating station equipment.
- 866. Maintenance of communication equipment.
- 867. Maintenance of other equipment.

GAS DISTRIBUTION EXPENSES

Operation

- 870. Operation supervision and engineering.
- 871. Distribution load dispatching.
- 872. Compressor station labor and expenses.
- 873. Compressor station fuel and power.
- 874. Mains and services expenses.
- 875. Measuring and regulating station expenses-General.
- 876. Measuring and regulating station expenses-Industrial.
- 877. Measuring and regulating station expenses-City gate check stations.
- 878. Meter and house regulator expenses.
- 879. Customer installations expenses.
- 880. Other expenses.
- 881. Rents.

Maintenance

- 885. Maintenance supervision and engineering.
- 886. Maintenance of structures and improvements.
- 887. Maintenance of mains.
- 888. Maintenance of compressor station equipment.
- 889. Maintenance of measuring and regulating station equipment-General.
- 890. Maintenance of measuring and regulating station equipment-Industrial.
- 891. Maintenance of measuring and regulating station equipment-City gate check stations.
- 892. Maintenance of services.
- 893. Maintenance of meters and house regulators.
- 894. Maintenance of other equipment.

CUSTOMER ACCOUNTS EXPENSES

Operation

- 901. Supervision.
- 902. Meter reading expenses.
- 903. Customer records and collection expenses.
- 904. Uncollectible accounts.
- 905. Miscellaneous customer accounts expenses.

CUSTOMER SERVICE AND INFORMATIONAL EXPENSES

Operation

- 907. Supervision.
- 908. Customer assistance expenses.
- 909. Informational and instructional advertising expenses.
- 910. Miscellaneous customer service and informational expenses.

SALES EXPENSES

Operation

- 911. Supervision.
- 912. Demonstrating and selling expenses.
- 913. Advertising expenses.
- 916. Miscellaneous sales expenses.

ADMINISTRATIVE AND GENERAL EXPENSES

Operation

- 920. Administrative and general salaries.
- 921. Office supplies and expenses.
- 922. Administrative expenses transferred-Cr.
- 923. Outside services employed.
- 924. Property insurance.
- 925. Injuries and damages.
- 926. Employee pensions and benefits.
- 927. Franchise requirements.
- 928. Regulatory commission expenses.
- 929. Duplicate charges-Cr.
- 930.1 General advertising expenses.
- 930.2 Miscellaneous general expenses.
- 931. Rents.

Maintenance

- 935. Maintenance of general plant.

Suspense Account

- 936. Administrative and General - Suspense Account.

Responsibility Report Overheads

- 990. Operation and Maintenance Overhead.

UTILITY OPERATING INCOME

- 400. Operating revenues.
- 401. Operating expense.
- 402. Maintenance expense.
- 403. Depreciation expense.
- 404.1 Amortization and depletion of producing natural gas land and land rights.
- 404.2 Amortization of underground storage land and land rights.
- 404.3 Amortization of other limited-term gas plant.
- 404.4 Amortization of limited-term electric plant.
- 405. Amortization of other utility plant.
- 406. Amortization of utility plant acquisition adjustments.
- 407.1 Amortization of property losses, unrecovered plant and regulatory study costs.
- 407.2 Amortization of conversion expenses.
- 407.3 Regulatory debts.
- 407.4 Regulatory credits.
- 408.1 Taxes other than income taxes, utility operating income.
- 409.1 Income taxes, utility operating income.
- 410.1 Provision for deferred income taxes, utility operating income.
- 411.1 Provision for deferred income taxes - Credit, utility operating income.
- 411.4 Investment tax credit adjustments, utility operations.
- 411.6 Gains from disposition of utility plant.
- 411.7 Losses from disposition of utility plant.
- 411.8 Gains from disposition of allowances.
- 411.9 Losses from disposition of allowances.
- 412. Revenues from utility plant leased to others.
- 413. Expenses of utility plant leased to others.
- 414. Other utility operating income.

OTHER INCOME AND DEDUCTIONS

OTHER INCOME

- 415. Revenues from merchandising, jobbing and contract work.
- 416. Cost and expenses of merchandising, jobbing and contract work.
- 417. Revenues from nonutility operations.
- 417.1 Expenses of nonutility operations.
- 418. Nonoperating rental income.
- 418.1 Equity in earnings of subsidiary companies.
- 419. Interest and dividend income.
- 419.1 Allowance for other funds used during construction.
- 421. Miscellaneous nonoperating income.

OTHER INCOME DEDUCTIONS

- 421.1 Gain on disposition of property.
- 421.2 Loss on disposition of property.
- 425. Miscellaneous amortization.
- 426.1 Donations.
- 426.2 Life Insurance.
- 426.3 Penalties.
- 426.4 Expenditures for certain civic, political and related activities.
- 426.5 Other deductions.

TAXES APPLICABLE TO OTHER INCOME AND DEDUCTIONS

- 408.2 Taxes other than income taxes, other income and deductions.
- 409.2 Income taxes, other income and deductions.
- 410.2 Provision for deferred income taxes, other income and deductions.
- 411.2 Provision for deferred income taxes - Credit, other income and deductions.
- 411.5 Investment tax credit adjustments, nonutility operations.
- 420. Investment tax credits.

INTEREST CHARGES

- 427. Interest on long-term debt.
- 428. Amortization of debt discount and expense.
- 428.1 Amortization of loss on reacquired debt.
- 429. Amortization of premium on debt - Credit.
- 429.1 Amortization of gain, on reacquired debt - Credit.
- 430. Interest on debt to associated companies.
- 431. Other interest expense.
- 432. Allowance for borrowed funds used during construction - Credit.

EXTRAORDINARY ITEMS

- 409.3 Income taxes, extraordinary items.
- 434. Extraordinary income.
- 435. Extraordinary deductions.

OPERATING REVENUE CHART OF ACCOUNTS

ELECTRIC

Sales of Electricity

- 440. Residential sales.
- 442. Commercial and industrial sales.
- 444. Public street and highway lighting.
- 445. Other sales to public authorities.
- 446. Sales to railroads and railways.
- 447. Sales for resale.
- 448. Interdepartmental sales.
- 449.1 Provision for rate refunds.

Other Operating Revenues

- 450. Forfeited discounts.
- 451. Miscellaneous service revenues.
- 453. Sales of water and water power.
- 454. Rent from electric property.
- 455. Interdepartmental rents.
- 456. Other electric revenues.

GAS

Sales of Gas

- 480. Residential sales.
- 481. Commercial and industrial sales.
- 482. Other sales to public authorities.
- 483. Sales for resale.
- 484. Interdepartmental sales.

Other Operating Revenues

- 487. Forfeited discounts.
- 488. Miscellaneous service revenues.
- 489. Revenues from transportation of gas of others.
- 490. Sales of products extracted from natural gas.
- 491. Revenues from natural gas processed by others.
- 492. Incidental gasoline and oil sales.
- 493. Rent from gas property.
- 494. Interdepartmental rents.
- 495. Other gas revenues.
- 496. Provision for rate refunds.

BALANCE SHEET CHART OF ACCOUNTS

ASSETS AND OTHER DEBITS

Utility Plant

- 101. Plant in service.
- 101.1 Property under capital leases.
- 102. Plant purchased or sold.
- 103. Experimental utility plant unclassified.
- 104. Plant leased to others.
- 105. Plant held for future use.
- 105.1 Production properties held for future use.
- 106. Completed construction not classified.
- 107. Construction work in progress.
- 108. Accumulated provision for depreciation of utility plant.
- 111. Accumulated provision for amortization and depletion of utility plant.
- 114. Plant acquisition adjustments.
- 115. Accumulated provision for amortization of plant acquisition adjustments.
- 116. Other plant adjustments.
- 117. Gas stored underground - Non-current.
- 118. Other utility plant.
- 119. Accumulated provision for depreciation and amortization of other utility plant.

Other Property and Investments

- 121. Nonutility property.
- 122. Accumulated provision for depreciation and amortization of nonutility property.
- 123. Investment in associated companies.
- 123.1 Investment in subsidiary companies.
- 124. Other investments.
- 125. Sinking funds.
- 126. Depreciation funds.
- 127. Amortization fund-Federal.
- 128. Other special funds.

Current and Accrued Assets

- 131. Cash.
- 132. Interest special deposits.
- 133. Dividend special deposits.
- 134. Other special deposits.
- 135. Working funds.
- 136. Temporary cash investments.
- 141. Notes receivable.

- 142. Customer accounts receivable.
- 143. Other accounts receivable.
- 144. Accumulated provision for uncollectible accounts - Credit.
- 145. Notes receivable from associated companies.
- 146. Accounts receivable from associated companies.
- 151. Fuel stock.
- 152. Fuel stock expenses undistributed.
- 153. Residuals.
- 154. Plant materials and operating supplies.
- 155. Merchandise.
- 156. Other materials and supplies.
- 157. Nuclear fuel assemblies and components - In reactor.
- 158. Nuclear fuel assemblies and components - Stock account.
- 158.1 Allowance inventory.
- 158.2 Allowances withheld.
- 159. Nuclear by product materials.
- 163. Stores expense undistributed.
- 164.1 Gas stored underground - Current.
- 164.2 Liquefied natural gas stored.
- 164.3 Liquefied natural gas held for processing.
- 165. Prepayments.
- 171. Interest and dividends receivable.
- 172. Rents receivable.
- 173. Accrued utility revenues.
- 174. Miscellaneous current and accrued assets.

Deferred Debits

- 181. Unamortized debt expense.
- 182.1 Extraordinary property losses.
- 182.2 Unrecovered plant and regulatory study costs.
- 182.3 Other regulatory assets.
- 183. Preliminary survey and investigation charges.
- 184. Clearing accounts.
- 185. Temporary facilities.
- 186. Miscellaneous deferred debits.
- 187. Deferred losses from disposition of utility plant.
- 188. Research, development and demonstration expenses.
- 189. Unamortized loss on reacquired debt.
- 190. Accumulated deferred income taxes.
- 191. Uncovered Purchased Gas Costs.
- 192.1 Uncovered Incremental Gas Costs.
- 192.2 Uncovered Incremental Surcharges.

LIABILITIES AND OTHER CREDITS

Proprietary Capital

- 201. Common stock issued.
- 202. Common stock subscribed.
- 203. Common stock liability for conversion.
- 204. Preferred stock issued.
- 205. Preferred stock subscribed.
- 206. Preferred stock liability for conversion.
- 207. Premium on capital stock.
- 208. Donations received from stockholders.
- 209. Reduction in par or stated value of capital stock.
- 210. Gain on resale or cancellation of reacquired capital stock.
- 211. Miscellaneous paid-in capital.
- 212. Installments received on capital stock.
- 213. Discount on capital stock.
- 214. Capital stock expense.
- 214.1 Unrealized Gain/Loss from Investments held by Asset Management Group.
- 215. Appropriated retained earnings.
- 215.1 Appropriated retained earnings - amortization reserve, Federal.
- 216. Unappropriated retained earnings.
- 216.1 Unappropriated undistributed subsidiary earnings.
- 217. Reacquired capital stock.

Long-Term Debt

- 221. Bonds.
- 222. Reacquired bonds.
- 223. Advances from associated companies.
- 224. Other long-term debt.
- 225. Unamortized premium on long-term debt.
- 226. Unamortized discount on long-term debt - Debit.

Other Non-Current Liabilities

- 227. Obligations under capital leases - Non-current.
- 228.1 Accumulated provision for property insurance.
- 228.2 Accumulated provision for injuries and damages.
- 228.3 Accumulated provision for pensions and benefits.
- 228.4 Accumulated miscellaneous operating provisions.
- 229. Accumulated provision for rate refunds.
- 230. Pollution Control Bonds series due within one year.

Current and Accrued Liabilities

- 231. Notes payable.
- 232. Accounts payable.
- 233. Notes payable to associated companies.
- 234. Accounts payable to associated companies.
- 235. Customer deposits.
- 236. Taxes accrued.
- 237. Interest accrued.
- 238. Dividends declared.
- 239. Matured long-term debt.
- 240. Matured interest.
- 241. Tax collections payable.
- 242. Miscellaneous current and accrued liabilities.
- 243. Obligations under capital leases - Current.

Deferred Credits

- 252. Customer advances for construction.
- 253. Other deferred credits.
- 254. Other regulatory liabilities.
- 255. Accumulated deferred investment tax credits.
- 256. Deferred gains from disposition of utility plant.
- 257. Unamortized gain on reacquired debt.
- 281. Accumulated deferred income taxes - Accelerated amortization property.
- 282. Accumulated deferred income taxes - Property.
- 283. Accumulated deferred income taxes - Other.

**Kentucky Utilities Company
Case No. 2003-00434
Historical Test Period Filing Requirements**

**Filing Requirement
807 KAR 5:001 Section 10(6)(k)
Sponsoring Witness: S. Bradford Rives**

Description of Filing Requirement:

The independent auditor's annual opinion report, with any written communication from the independent auditor to the utility which indicates the existence of a material weakness in the utility's internal controls.

Response:

See attached.

Independent Auditor's Annual Opinion Report

Kentucky Utilities Company and Subsidiary
REPORT OF INDEPENDENT ACCOUNTANTS

To the Shareholders of Kentucky Utilities Company and Subsidiary:

In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of capitalization, income, retained earnings, cash flows and comprehensive income present fairly, in all material respects, the financial position of Kentucky Utilities Company and Subsidiary (the "Company"), a wholly-owned subsidiary of LG&E Energy Corp., at December 31, 2002 and 2001, and the results of their operations and their cash flows for each of the two years in the period ended December 31, 2002, in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Company's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with auditing standards generally accepted in the United States of America, which require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

/s/ PricewaterhouseCoopers LLP
January 21, 2003
Louisville, Kentucky

Kentucky Utilities Company
REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To the Shareholders of Kentucky Utilities Company:

We have audited the accompanying balance sheet and statement of capitalization of Kentucky Utilities Company (a Kentucky and Virginia corporation and a wholly-owned subsidiary of LG&E Energy Corp.) as of December 31, 2000, and the related statements of income, retained earnings and cash flows for each of the two years in the period ended December 31, 2000. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Kentucky Utilities Company as of December 31, 2000, and the results of its operations and its cash flows for each of the two years in the period ended December 31, 2000, in conformity with accounting principles generally accepted in the United States.

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedule listed under Item 14(a)2 is presented for purposes of complying with the Securities and Exchange Commission's rules and is not part of the basic financial statements. This schedule has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, fairly states in all material respects the financial data required to be set forth therein in relation to the basic financial statements taken as a whole.

Louisville, Kentucky
January 26, 2001

Arthur Andersen LLP

THIS IS A COPY OF A PREVIOUSLY ISSUED REPORT OF ARTHUR ANDERSEN LLP ("ANDERSEN") RELATING TO A PRIOR PERIOD FOR WHICH ANDERSEN WAS ENGAGED AS INDEPENDENT PUBLIC ACCOUNTANTS. THE REPORT HAS NOT BEEN REISSUED BY ANDERSEN.