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RECEIVED DEC 1 4 2004 PUBLIC SERVICE COMMISSION

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

> RE: Joint Application of Louisville Gas and Electric Company, Metro Human Needs Alliance, Inc., People Organized and Working for Energy Reform, and Kentucky Association for Community Action, Inc. for the Establishment of a Home Energy Assistance Program Case No. 2004-00304

Dear Ms. O'Donnell:

As noted in the Kentucky Public Service Commission's ("Commission") Order of November 24, 2004, the Home Energy Assistance ("HEA") programs proposed by Louisville Gas and Electric Company ("LG&E") and Kentucky Utilities Company ("KU") include several differences. For example, while participants in LG&E's HEA may receive up to \$700 for the payment of arrearages from HEA funds, participants in KU's HEA program are not entitled to received any HEA funds for the payment of arrearages. Despite this difference, at page 11 of the above-referenced Order, the Commission ordered that the HEA Assessment for LG&E's program "should evaluate the impact of *not* including arrearages in the HEA program and the effectiveness of this approach." (Emphasis added). An identical statement was included in the Order approving KU's HEA program at page 10.

LG&E believes that the use of the word "not" on page 11 of the November 24, 2004 Order was inadvertent. As a result, LG&E plans to include in its HEA assessment an evaluation of the impact of including arrearages in the HEA program and the effectiveness of this approach. LG&E respectfully requests that the Commission advise it if this approach is not acceptable.

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

Very truly yours,

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AKS/ec cc: Parties of Record