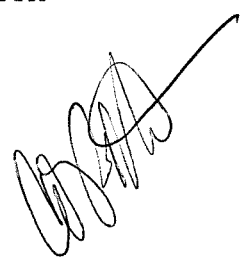


RECEIVED
JAN 04 2005
PUBLIC SERVICE
COMMISSION

DATE: December 31, 2004
MEMO TO: Public Service Commission
211 Sower Blvd.
PO Box 615
Frankfort, KY 40602
FROM: Cora Potter, Consumer
506 N. Hubbards Ln.
Louisville, KY 40207
REG: CASE# 200~~5~~-00459



We are homeowners, who consume electricity and gas. We pay our utility bill in a timely way, amount depending on how LGE calculate the "budgeted" amount. Currently we have in our "actual account balance" a credit of \$809.44. The "budget" amount changes throughout the year....

- Summer months - \$167.00
- Fall months - \$223.00 (9/04)
- Winter - \$341.00 (12/04)

We do not receive any interest from our credit balance. But we are sure LGE does. As a consumer you don't mind paying for what you get, but you certainly don't want to pay and than be taken!

Any interest from Credit Balances, should be considered, with the request from LGE for a "raise".

Dear LG&E Customer,

Louisville Gas and Electric Company is a member of the Midwest Independent Transmission System Operator, Inc. ("MISO"). The MISO incurs expenses that are shared among the MISO members, including LG&E. Our participation is expected to result in new expenses and revenues that LG&E has not previously incurred and that are not included in LG&E's current base rates. LG&E is seeking permission from the Kentucky Public Service Commission to pass along any expenses and revenues associated with retail service, to our retail customers. LG&E estimates that the net "pass-through" will be a charge of \$0.0002/kilowatt-hour used. For a typical residential customer using 1,000 kwh per month, this estimated pass-through charge will amount to approximately \$0.20 (twenty cents) per month. The text below is included to comply with Kentucky Public Service Commission regulations regarding notice of tariff changes to customers. If approved as filed, this change will be included no sooner than your May 2005 bill.

**NOTICE TO CUSTOMERS OF
LOUISVILLE GAS AND ELECTRIC COMPANY**

PLEASE TAKE NOTICE that on December 1, 2004, Louisville Gas and Electric Company ("LG&E") filed with the Kentucky Public Service Commission ("Commission"), an Application pursuant to Kentucky Revised Statutes 278.180 for approval of a ratemaking mechanism for the recovery of its monthly net costs and revenues associated with the Midwest Independent Transmission System Operator, Inc. ("MISO")'s Open Access Transmission and Energy Markets Tariff ("EMT") not already included in LG&E's existing electric rates. The EMT is a wholesale power tariff filed with and approved by the Federal Energy Regulatory Commission for the purpose of allowing MISO to conduct and administer real-time and day-ahead energy markets. LG&E is a member of MISO and effective March 1, 2005, will begin participating in these wholesale energy markets under the terms and conditions of the EMT.

The ratemaking mechanism proposed by LG&E, titled "MISO EMT Costs and Revenues Recovery Mechanism" is shown below:

Applicable: In all territory served.

Availability of Service: To all Standard Rate Schedules and Pilot Programs.

- (1) The monthly amount computed under each of the rate schedules to which this mechanism is applicable shall be increased or decreased by the Midwest Independent System Operator (MISO) Cost Recovery Component (MCRC) at a rate per kilowatt-hour of monthly consumption in accordance with the following formula:

$$\frac{NCR + BA}{S}$$

NCR = MISO Net Costs and Revenues in the second preceding month, as defined below.

BA = Balance Adjustment amount, as defined below.

S = Average Monthly Billed Kilowatt-Hours, as defined below.

- (2) MISO Net Costs and Revenues (NCR) shall be the total of:
- (a) The Midwest ISO Management Costs billed LG&E under Service Schedule 16 – Financial Transmission Rights Administrative Service Cost Recovery Adder of the Midwest ISO OATT or any successor Tariff, plus
 - (b) The Midwest ISO Management Costs billed LG&E under Service Schedule 17 – Energy Market Support Administrative Service Cost Recovery Adder of the Midwest ISO OATT or any successor Tariff, plus

- (c) The Midwest ISO Financial Transmission Rights net costs and revenues transaction amounts charged/credited LG&E on behalf of electric retail customers, plus
 - (d) The Midwest ISO Day Ahead Energy Market net costs and revenues amounts charged/credited LG&E on behalf of electric retail customers, plus
 - (e) The Midwest ISO Real-Time Energy Market net costs and revenues amounts charged/credited LG&E on behalf of electric retail customers, plus
 - (f) Other Midwest ISO net costs and revenues amounts charged/credited LG&E on behalf of electric retail customers pursuant to the EMT or any successor Tariff.
- (3) The Balancing Adjustment (BA) shall be the difference between the amounts billed from application of the MISO Cost Recovery Component (MCRC) in the second preceding month and the calculated amount of recovery (NCR + BA) in the fourth preceding month.
 - (4) The Average Monthly Billed Kilowatt-Hours (S) shall be the 12 month average billed kilowatt-hour sales for the 12 months ending in the second preceding month of the rate schedules to which this mechanism is applicable.

LG&E is asking the Commission to approve the proposed MISO EMT Costs and Revenues Recovery Mechanism tariff, effective on and after January 1, 2005. The proposed ratemaking mechanism, if approved, will allow LG&E to recover the net costs and revenues incurred as a result of MISO's EMT at a rate per kilowatt-hour of monthly consumption, beginning with the costs and revenues incurred in March 2005.

The estimated average impact on any customer is expected to be an increase of \$0.0002 per kwh for all energy billed. Actual charges or credits will vary based upon the net charges or credits billed to LG&E by MISO under the EMT.

The Application and MISO EMT Costs and Revenues Recovery Mechanism Rate Schedule described in this Notice are proposed by LG&E. However, the Public Service Commission may make an order modifying or denying LG&E's Application or may order a Rate Schedule to be used that is different from LG&E's proposed MISO EMT Costs and Revenues Recovery Mechanism Rate Schedule. Such action may result in a MISO EMT Costs and Revenues Recovery Mechanism charge/credit for consumers other than the ratemaking mechanism described in this Notice.

Any corporation, association, body politic or person may, by motion within thirty (30) days after publication or mailing of notice of the proposed MISO EMT Costs Recovery Mechanism, request leave to intervene in: **In the Matter Of: The Application of Louisville Gas and Electric Company For Approval Of New Tariffs Containing a Mechanism For The Pass-Through Of MISO-Related Revenues and Costs Not Already Included in Base Rates**, Case No. 2004-00459. That motion shall be submitted to the Public Service Commission, 211 Sower Blvd., P.O. Box 615, Frankfort, Kentucky 40602, and shall set forth the grounds for the request including the status and interest of the party. Intervenors may obtain copies of the Application and testimony by contacting Louisville Gas and Electric Company at 220 West Main Street, Louisville, Kentucky 40202, Attention: Kent W. Blake, Director, State Regulation and Rates, Louisville Gas and Electric Company. A copy of the Application and testimony is available for public inspection at LG&E's offices where bills are paid.

Mr. & Mrs. David Potter
506 N Hubbards Ln
Louisville, KY 40207-2145

LOUISVILLE KY 400
PM
03 JAN
2005

GREETINGS
FROM
FAT FAT AWAY
37 US

*Public Service Commission
211 Sower Blvd.
P.O. Box 615
Frankfort, Ky 40602*

RECEIVED

JAN 04 2005

PUBLIC SERVICE
COMMISSION

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