



LG&E Energy LLC  
220 West Main Street (40202)  
P.O. Box 32030  
Louisville, Kentucky 40232

March 4, 2005

Elizabeth O'Donnell  
Executive Director  
Public Service Commission  
211 Sower Boulevard  
P. O. Box 615  
Frankfort, Kentucky 40602

RECEIVED

MAR 04 2005

PUBLIC SERVICE  
COMMISSION

Case No. 2005-00105

**RE: *Adjustments to Demand Side Management Balance Adjustment  
Component (DBA) of the Demand-Side Management Cost  
Recovery Mechanism for Kentucky Utilities Company***

Dear Ms. O'Donnell:

Kentucky Utilities Company ("KU") files herewith an original and four copies of the following revised sheets of KU Tariff PSC No. 13:

Sixth Revision of Original Sheet No. 1  
Third Revision of Original Sheet No. 71.4  
Second Revision of Original Sheet No. 71.5

These revisions reflect adjustments to the DSM Balance Adjustment Component (DBA) of KU's Demand Side Management Cost Recovery Mechanism to reflect over- and under-recoveries experienced in the 12-month period of January 1, 2004 through December 31, 2004. An original and four copies of the supporting data for the adjustments are also filed herewith.

Sincerely,

Robert M. Conroy  
Manager, Rates

Enclosures



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Date of Issue: March 4, 2005  
 Canceling Fifth Revision of  
 Original Sheet No. 1  
 Issued January 10, 2005

Issued By

Date Effective: April 4, 2005

John R. McCall, Executive Vice President,  
 General Counsel, and Corporate Secretary  
 Louisville, Kentucky

*John R. McCall*  
 by *M. J. [Signature]*

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**DSMRM**

**Demand-Side Management Cost Recovery Mechanism**

**APPLICABLE TO:**

Residential Service Rate RS, Volunteer Fire Department Service Rate VFD, General Service Rate GS, Small Time-of Day Rate STOD, Large Power Rate LP, and Large Commercial and Industrial Time-of-Day Rate LCI-TOD.

DSM Cost Recovery Component (DSMRC):

<u>Residential Service Rate RS and Volunteer Fire Department Service VFD</u>	<u>Energy Charge</u>
DSM Cost Recovery Component (DCR):	0.069 ¢/Kwh
DSM Revenues from Lost Sales (DRLS):	0.002 ¢/Kwh
DSM Incentive (DSM):	0.003 ¢/Kwh
DSM Balance Adjustment (DBA):	(0.025) ¢/Kwh
HEA Implementation Recovery	0.001 ¢/Kwh
DSMRC Rate RS:	0.050 ¢/Kwh

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<u>General Service Rate GS</u>	<u>Energy Charge</u>
DSM Cost Recovery Component (DCR):	0.024 ¢/Kwh
DSM Revenues from Lost Sales (DRLS):	0.006 ¢/Kwh
DSM Incentive (DSM):	0.000 ¢/Kwh
DSM Balance Adjustment (DBA):	(0.013) ¢/Kwh
DSMRC Rate GS:	0.017 ¢/Kwh

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Date of Issue: March 4, 2005  
Canceling Second Revision of  
Original Sheet No. 71.4  
Issued December 22, 2004

Issued By

Date Effective: April 4, 2005

John R. McCall, Executive Vice President,  
General Counsel, and Corporate Secretary  
Louisville, Kentucky

*John R. McCall*  
by *M. E. ...*

**DSMRM**

**Demand-Side Management Cost Recovery Mechanism**

DSM Cost Recovery Component (DSMRC):  
(Continued)

<u>Large Power Rate LP and Small Time-of-Day Service Rate STOD</u>	<u>Energy Charge</u>
DSM Cost Recovery Component (DCR):	0.003 ¢/Kwh
DSM Revenues from Lost Sales (DRLS):	0.001 ¢/Kwh
DSM Incentive (DSM):	0.000 ¢/Kwh
DSM Balance Adjustment (DBA):	0.000 ¢/Kwh
DSMRC Rate LP:	0.004 ¢/Kwh

<u>Large Commercial/Industrial 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

**Date of Issue: March 4, 2005  
Canceling First Revision of  
Original Sheet No. 71.5  
Issued December 22, 2004**

**Issued By**

**Date Effective: April 4, 2005**

**John R. McCall, Executive Vice President,  
General Counsel, and Corporate Secretary  
Louisville, Kentucky**

*John R. McCall*  
*by M. Brown*

Kentucky Utilities  
Summary of Total DSM Cost Recovery Component (DSMRC)  
12-Month Period Beginning April 1, 2005

Rate Schedule	DSM Cost Recovery Component (DCR) Exhibit AE	DSM Revenues From Lost Sales Component (DRLS) Exhibit BE	DSM Incentive Component (DSMI) Exhibit CE	DSM Balance Adjustment Component (DBA) Exhibit DE	HEA Implementation Recovery	DSM Recovery Component (DSMRC) Total
Residential Service RS	0.069	0.002	0.003	(0.025)	0.001	0.050 ¢/kWh
General Service GS	0.024	0.006	0.000	(0.013)		0.017 ¢/kWh
Rate LP (excludes industrial)	0.003	0.001	0.000	0.000		0.004 ¢/kWh

LOUISVILLE GAS & ELECTRIC COMPANY  
Summary of DSM Balance Adjustment Component (DBA)  
12-Month Period Beginning April 1, 2005

Rate Schedule	Exhibit Reference	DSM Balance Adjustment Component (DBA)
Residential Rate RGS	DG-1	(0.020) $\phi$ /Ccf
Commercial Customers Served Under Rate CGS, Rate G-6, Rate G-7, Rate TS, and Rate FT	DG-2	(0.060) $\phi$ /Ccf
Industrial Customers Served Under Rate CGS, Rate G-6, Rate G-7, Rate TS, and Rate FT	DG-3	0.000 $\phi$ /Ccf

**KENTUCKY UTILITIES COMPANY**

**Supporting Calculations for the  
DSM Cost Recovery Mechanism  
DSM Balance Adjustment Component (DBA)**

**ELECTRIC SERVICE**

**Twelve-Month Period Beginning April 1, 2005  
and Ending March 31, 2006**

Kentucky Utilities  
Summary of Total DSM Cost Recovery Component (DSMRC)  
12-Month Period Beginning April 1, 2005

Rate Schedule	DSM Cost Recovery Component (DCR) Exhibit AE	DSM Revenues From Lost Sales Component (DRLS) Exhibit BE	DSM Incentive Component (DSMI) Exhibit CE	DSM Balance Adjustment Component (DBA) Exhibit DE	DSM Recovery Component (DSMRC) Total
Residential Service RS	0.069	0.002	0.003	(0.025)	0.049 ¢/kWh
General Service GS	0.024	0.006	0.000	(0.013)	0.017 ¢/kWh
Rate LP (excludes industrial)	0.003	0.001	0.000	0.000	0.004 ¢/kWh



Kentucky Utilities  
Summary of DSM Balance Adjustment Component (DBA)  
12-Month Period Beginning April 1, 2005

Rate Schedule	Exhibit Reference	DSM Balance Adjustment Component (DBA)
Residential Service RS	DE-1	(0.025) ¢/kWh
General Service GS	DE-2	(0.013) ¢/kWh
Rate LP (excludes industrial)	DE-3	0.000 ¢/kWh

KENTUCKY UTILITIES COMPANY

DSM Balance Adjustment (DBA)  
12-Month Period Beginning April 1, 2005

The Demand-Side Management Cost Recovery Mechanism (DSMRM) includes a provision for the recovery of demand-side management (DSM) program and administrative costs. The DSMRM further provides a balancing mechanism for reconciling differences in the costs recovered through the DSMRM and actual DSM expenditures. Interest at a rate equal to the average of the "3-Month Commercial Paper Rate" for the immediately preceding 12-month period is applied to any over- or under-recovery of revenues as part of the adjustment. The interest is applied monthly to the average balance of the cumulative net (over-) under-recovery revenues.

KENTUCKY UTILITIES COMPANY  
Summary of DSM Balance Adjustment Component (DBA)

Summary - DBA 2005

	<u>Actual Collection</u>	<u>Expected Collection</u>	<u>(over) Variance</u>	<u>Interest</u>	<u>Net Variance</u>
<u>Electric</u>					
RS	\$3,390,390	\$1,966,262	(\$1,424,129)	(\$5,905)	(\$1,430,034)
GS	\$310,253	\$145,695	(\$164,557)	(\$704)	(\$165,261)
LP	\$78,598	\$98,919	\$20,321	\$11	\$20,332

**KU DBA  
 Incentive Adjustment**

		Budgeted Expenditures	Budgeted Incentive	Percent	Actual Expenditures	Adjusted Incentive
2004						
Elec. - RS	Residential Conservation	\$190,536	\$0	0.0000	\$134,721	\$0
Elec. - RS	Residential Load Mgmt.	\$2,918,899	\$145,945	0.0500	\$2,311,658	\$115,583
Elec. - RS	Residential Low Income	\$527,943	\$0	0.0000	\$195,843	\$0
GS	Commercial Cons.	\$230,598	\$0	0.0000	\$174,452	\$0
GS	Commercial Load Mgmt.	\$50,517	\$2,526	0.0500	\$4,062	\$203
LP	Commercial Cons.	\$153,732	\$0	0.0000	\$116,301	\$0
LP	Commercial Load Mgmt.	\$5,613	\$281	0.0500	\$451	\$23

**KU DBA**  
**Lost Revenue Adjustment**

		Budgeted Expenditures	Budgeted Lost Revenue	Percent	Actual Expenditures	Adjusted Lost Revenue
2004						
Elec. - RS	Residential Conservation	\$190,536	\$56,514	0.29661	\$134,721	\$39,959
Elec. - RS	Residential Load Mgmt.	\$2,918,899	\$0	0.00000	\$2,311,658	\$0
Elec. - RS	Residential Low Income	\$527,943	\$37,930	0.07184	\$195,843	\$14,070
GS	Commercial Cons.	\$230,598	\$113,938	0.49410	\$174,452	\$86,197
GS	Commercial Load Mgmt.	\$50,517	\$0	0.00000	\$4,062	\$0
LP	Commercial Cons.	\$153,732	\$0	0.00000	\$116,301	\$0
LP	Commercial Load Mgmt.	\$5,613	\$0	0.00000	\$451	\$0

**Expected DSMRC Collections  
 Residential Electric Customers Rate RS**

Date	Rate	DCR Total	Rate	DRLS Total	Rate	DSMI Total	DBA Total	Expected Revenue	Actual Revenue	(over) Variance
January-04		\$256,043	\$4,502	\$4,502	\$9,649	\$9,649	(\$101,722)	\$168,472	\$296,975	(\$128,502)
February-04		\$35,408	\$4,502	\$4,502	\$9,649	\$9,649	(\$101,722)	(\$52,163)	\$281,443	(\$333,606)
March-04		\$185,812	\$4,502	\$4,502	\$9,649	\$9,649	(\$101,722)	\$98,241	\$214,790	(\$116,549)
April-04		\$323,167	\$4,502	\$4,502	\$9,649	\$9,649	(\$65,109)	\$272,209	\$224,827	\$47,382
May-04		\$132,003	\$4,502	\$4,502	\$9,649	\$9,649	(\$65,109)	\$81,044	\$202,116	(\$121,072)
June-04		\$150,447	\$4,502	\$4,502	\$9,649	\$9,649	(\$65,109)	\$99,488	\$254,812	(\$155,323)
July-04		\$206,892	\$4,502	\$4,502	\$9,649	\$9,649	(\$65,109)	\$155,934	\$374,381	(\$218,447)
August-04		\$102,155	\$4,502	\$4,502	\$9,649	\$9,649	(\$65,109)	\$51,196	\$339,863	(\$288,667)
September-04		\$318,890	\$4,502	\$4,502	\$9,649	\$9,649	(\$65,109)	\$267,932	\$327,281	(\$59,350)
October-04		\$193,315	\$4,502	\$4,502	\$9,649	\$9,649	(\$65,109)	\$142,357	\$254,275	(\$111,918)
November-04		\$321,985	\$4,502	\$4,502	\$9,649	\$9,649	(\$65,109)	\$271,027	\$246,249	\$24,778
December-04		\$461,481	\$4,502	\$4,502	\$9,649	\$9,649	(\$65,109)	\$410,523	\$373,378	\$37,145
								\$1,966,262	\$3,390,390	(\$1,424,129)

**KU DBA Calculation of (Over) Under Interest  
 Residential Electric Customers Rate RS**

Date	Net (over) Variance	Cumulative Variance	Avg monthly Balance	Current Month Rate	Annual Amount	Days in Month	Current Month Interest
Jan-04	(\$128,502)	(\$128,502)	(\$64,251)	0.61%	(\$392)	31	(\$33)
Feb-04	(\$333,606)	(\$462,109)	(\$295,305)	0.59%	(\$1,742)	29	(\$138)
Mar-04	(\$116,549)	(\$578,658)	(\$520,383)	0.57%	(\$2,966)	31	(\$252)
Apr-04	\$47,382	(\$531,276)	(\$554,967)	0.56%	(\$3,108)	30	(\$255)
May-04	(\$121,072)	(\$652,347)	(\$591,811)	0.54%	(\$3,196)	31	(\$271)
Jun-04	(\$155,323)	(\$807,671)	(\$730,009)	0.53%	(\$3,869)	30	(\$318)
Jul-04	(\$218,447)	(\$1,026,118)	(\$916,894)	0.56%	(\$5,135)	31	(\$436)
Aug-04	(\$288,667)	(\$1,314,784)	(\$1,170,451)	0.60%	(\$7,023)	31	(\$596)
Sep-04	(\$59,350)	(\$1,374,134)	(\$1,344,459)	0.65%	(\$8,739)	30	(\$718)
Oct-04	(\$111,918)	(\$1,486,052)	(\$1,430,093)	0.71%	(\$10,154)	31	(\$862)
Nov-04	\$24,778	(\$1,461,274)	(\$1,473,663)	0.78%	(\$11,495)	30	(\$945)
Dec-04	\$37,145	(\$1,424,129)	(\$1,442,701)	0.88%	(\$12,696)	31	(\$1,078)

(\$5,905)

**Expected DSMRC Collections  
 Commercial Electric Customers Rate GS**

Date	DCR Rate Total	DRLS Rate Total	DSMI Rate Total	DBA Total	Expected Revenue	Actual Revenue	(over) Variance
January-04	\$2,006	\$7,183	\$17	(\$16,701)	(\$7,495)	\$23,853	(\$31,348)
February-04	\$2,945	\$7,183	\$17	(\$16,701)	(\$6,556)	\$22,708	(\$29,264)
March-04	\$11,788	\$7,183	\$17	(\$16,701)	\$2,286	\$20,020	(\$17,734)
April-04	\$10,693	\$7,183	\$17	(\$7,986)	\$9,907	\$24,566	(\$14,659)
May-04	\$13,158	\$7,183	\$17	(\$7,986)	\$12,372	\$23,669	(\$11,297)
June-04	\$18,729	\$7,183	\$17	(\$7,986)	\$17,944	\$27,155	(\$9,211)
July-04	\$23,616	\$7,183	\$17	(\$7,986)	\$22,830	\$30,864	(\$8,034)
August-04	\$21,118	\$7,183	\$17	(\$7,986)	\$20,332	\$29,429	(\$9,097)
September-04	\$19,381	\$7,183	\$17	(\$7,986)	\$18,596	\$29,344	(\$10,748)
October-04	\$14,082	\$7,183	\$17	(\$7,986)	\$13,296	\$25,850	(\$12,554)
November-04	\$12,204	\$7,183	\$17	(\$7,986)	\$11,418	\$24,325	(\$12,906)
December-04	\$31,552	\$7,183	\$17	(\$7,986)	\$30,766	\$28,470	\$2,296
					\$145,695	\$310,253	(\$164,557)



**KU DBA Calculation of (Over) Under Interest  
 Commercial Electric Customers Rate GS**

Date	Net (over) Variance	Cumulative Variance	Avg monthly Balance	Current Month Rate	Annual Amount	Days in Month	Current Month Interest
Jan-04	(\$31,348)	(\$31,348)	(\$15,674)	0.61%	(\$96)	31	(\$8)
Feb-04	(\$29,264)	(\$60,612)	(\$45,980)	0.59%	(\$271)	29	(\$22)
Mar-04	(\$17,734)	(\$78,346)	(\$69,479)	0.57%	(\$396)	31	(\$34)
Apr-04	(\$14,659)	(\$93,005)	(\$85,676)	0.56%	(\$480)	30	(\$39)
May-04	(\$11,297)	(\$104,303)	(\$98,654)	0.54%	(\$533)	31	(\$45)
Jun-04	(\$9,211)	(\$113,514)	(\$108,908)	0.53%	(\$577)	30	(\$47)
Jul-04	(\$8,034)	(\$121,548)	(\$117,531)	0.56%	(\$658)	31	(\$56)
Aug-04	(\$9,097)	(\$130,645)	(\$126,097)	0.60%	(\$757)	31	(\$64)
Sep-04	(\$10,748)	(\$141,394)	(\$136,019)	0.65%	(\$884)	30	(\$73)
Oct-04	(\$12,554)	(\$153,947)	(\$147,670)	0.71%	(\$1,048)	31	(\$89)
Nov-04	(\$12,906)	(\$166,853)	(\$160,400)	0.78%	(\$1,251)	30	(\$103)
Dec-04	\$2,296	(\$164,557)	(\$165,705)	0.88%	(\$1,458)	31	(\$124)

(\$704)

**Expected DSMRC Collections  
 Combined Light and Power Customers Rate LP**

Date	DCR Rate Total	DRLS Rate Total	DSMI Rate Total	DBA Total	Expected Revenue	Actual Revenue	(over) Variance
January-04	\$1,152	\$0	\$2	\$0	\$1,154	\$6,104	(\$4,950)
February-04	\$1,795	\$0	\$2	\$0	\$1,797	\$5,661	(\$3,865)
March-04	\$7,694	\$0	\$2	\$0	\$7,696	\$5,230	\$2,466
April-04	\$6,990	\$0	\$2	(\$2,184)	\$4,807	\$6,365	(\$1,557)
May-04	\$8,620	\$0	\$2	(\$2,184)	\$6,437	\$6,240	\$198
June-04	\$12,303	\$0	\$2	(\$2,184)	\$10,120	\$6,662	\$3,458
July-04	\$15,497	\$0	\$2	(\$2,184)	\$13,315	\$7,278	\$6,037
August-04	\$13,824	\$0	\$2	(\$2,184)	\$11,642	\$7,131	\$4,511
September-04	\$12,671	\$0	\$2	(\$2,184)	\$10,488	\$7,239	\$3,250
October-04	\$9,197	\$0	\$2	(\$2,184)	\$7,014	\$6,772	\$243
November-04	\$7,972	\$0	\$2	(\$2,184)	\$5,790	\$6,439	(\$650)
December-04	\$20,840	\$0	\$2	(\$2,184)	\$18,658	\$7,477	\$11,181
					\$98,919	\$78,598	\$20,321

**KU DBA Calculation of (Over) Under Interest  
 Combined Light and Power Customers Rate LP**

Date	Net (over) Variance	Cumulative Variance	Avg monthly Balance	Current Month Rate	Annual Amount	Days in Month	Current Month Interest
Jan-04	(\$4,950)	(\$4,950)	(\$2,475)	0.61%	(\$15)	31	(\$1)
Feb-04	(\$3,865)	(\$8,815)	(\$6,882)	0.59%	(\$41)	29	(\$3)
Mar-04	\$2,466	(\$6,349)	(\$7,582)	0.57%	(\$43)	31	(\$4)
Apr-04	(\$1,557)	(\$7,906)	(\$7,127)	0.56%	(\$40)	30	(\$3)
May-04	\$198	(\$7,708)	(\$7,807)	0.54%	(\$42)	31	(\$4)
Jun-04	\$3,458	(\$4,250)	(\$5,979)	0.53%	(\$32)	30	(\$3)
Jul-04	\$6,037	\$1,787	(\$1,231)	0.56%	(\$7)	31	(\$1)
Aug-04	\$4,511	\$6,298	\$4,043	0.60%	\$24	31	\$2
Sep-04	\$3,250	\$9,547	\$7,923	0.65%	\$51	30	\$4
Oct-04	\$243	\$9,790	\$9,669	0.71%	\$69	31	\$6
Nov-04	(\$650)	\$9,141	\$9,465	0.78%	\$74	30	\$6
Dec-04	\$11,181	\$20,321	\$14,731	0.88%	\$130	31	\$11

\$11

KENTUCKY UTILITIES COMPANY

DSM Balance Adjustment (DBA)  
For Residential Rate RS  
12-Month Period Beginning April 1, 2005

The Demand-Side Management Cost Recovery Mechanism (DSMRM) includes a provision for the recovery of demand-side management (DSM) program and administrative costs. The DSMRM further provides a balancing mechanism for reconciling differences in the costs recovered through the DSMRM and actual DSM expenditures. Interest at a rate equal to the average of the "3-Month Commercial Paper Rate" for the immediately preceding 12-month period is applied to any over- or under-recovery of revenues as part of the adjustment. The interest is applied monthly to the average balance of the cumulative net (over-) under-recovery revenues.

The outcome of the interest calculations is an over-recovery of revenue with interest in the amount of \$1,430,426 during the period of January 1, 2004 through December 31, 2004, as shown on Exhibit DE Page 2 of 10. The DBA adjustments are then divided by the estimated billing determinants for the 12-month period from April 1, 2005 through March 31, 2006 in order to compute the per-unit DBA charge or credit. The resulting DBA factor for Residential Rate RS is (0.025 ¢ per kWh).

Kentucky Utilities  
Calculation of DBA Component For Rate RS

		Forecast
		<u>kWh Sales</u>
APR	2005	443,994,692
MAY		347,073,309
JUN		417,637,137
JUL		524,744,482
AUG		545,025,576
SEP		505,641,843
OCT		357,357,131
NOV		378,533,184
DEC		536,109,791
JAN	2006	693,103,014
FEB		577,707,083
MAR		504,137,329
		5,831,064,570

Total DBA      \$ (1,430,426)

DBA Factor in ¢ per kWh      -0.025

KENTUCKY UTILITIES COMPANY

DSM Balance Adjustment (DBA)  
For General Service Rate GS  
12-Month Period Beginning April 1, 2005

The Demand-Side Management Cost Recovery Mechanism (DSMRM) includes a provision for the recovery of demand-side management (DSM) program and administrative costs. The DSMRM further provides a balancing mechanism for reconciling differences in the costs recovered through the DSMRM and actual DSM expenditures. Interest at a rate equal to the average of the "3-Month Commercial Paper Rate" for the immediately preceding 12-month period is applied to any over- or under-recovery of revenues as part of the adjustment. The interest is applied monthly to the average balance of the cumulative net (over-) under-recovery revenues.

The outcome of the interest calculations is an over-recovery of revenue with interest in the amount of \$165,261 during the period of January 1, 2004 through December 31, 2004, as shown on Exhibit DE Page 2 of 10. The DBA adjustments are then divided by the estimated billing determinants for the 12-month period from April 1, 2005 through March 31, 2006 in order to compute the per-unit DBA charge or credit. The resulting DBA factor for General Service Rate GS is (0.013) ¢ per kWh

Kentucky Utilities  
Calculation of DBA Component For Rate GS

		Forecast kWh Sales
APR	2005	92,417,873
MAY		96,081,219
JUN		108,143,598
JUL		120,345,314
AUG		119,830,495
SEP		117,808,165
OCT		100,668,009
NOV		93,048,028
DEC		103,146,118
JAN	2006	113,283,141
FEB		104,904,160
MAR		98,111,726
		1,267,787,847

Total DBA      \$ (165,261)

DBA Factor in ¢ per kWh      -0.013

KENTUCKY UTILITIES COMPANY

DSM Balance Adjustment (DBA)  
For Rate LP  
12-Month Period Beginning April 1, 2005

The Demand-Side Management Cost Recovery Mechanism (DSMRM) includes a provision for the recovery of demand-side management (DSM) program and administrative costs. The DSMRM further provides a balancing mechanism for reconciling differences in the costs recovered through the DSMRM and actual DSM expenditures. Interest at a rate equal to the average of the "3-Month Commercial Paper Rate" for the immediately preceding 12-month period is applied to any over- or under-recovery of revenues as part of the adjustment. The interest is applied monthly to the average balance of the cumulative net (over-) under-recovery revenues.

The outcome of the interest calculations is an under-recovery of revenue with interest in the amount of \$20,332 during the period of January 1, 2004 through December 31, 2004, as shown on Exhibit DE Page 3 of 10. The DBA adjustments are then divided by the estimated billing determinants for the 12-month period from April 1, 2005 through March 31, 2006 in order to compute the per-unit DBA charge or credit. The resulting DBA factor for Rate LP is 0.000 ¢ per kWh



Kentucky Utilities  
 Calculation of DBA Component For Rate LP (excluding industrial)

		Forecast kWh Sales
APR	2005	376,780,736
MAY		385,584,096
JUN		436,322,659
JUL		481,185,231
AUG		481,857,389
SEP		471,910,770
OCT		407,547,889
NOV		376,722,510
DEC		422,320,596
JAN	2006	453,877,067
FEB		428,664,763
MAR		402,306,286
		5,125,079,992

Total DBA     \$    20,332

**DBA Factor in ¢ per kWh            0.000**

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Confirmation of Receipt.

This notification has been sent to you regarding your recent Tariff filing:  
TFS2005-00278 on 3/9/05 at 8:45 AM

Filed By: Robert M. Conroy for Kentucky\_Utilities\_Company  
Description: Adjustments to the DSM Balance Component (DBA) of KUs Demand  
Side management Cost Recovery Mechanism.

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