



Elizabeth O'Donnell
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40602-0615

RECEIVED
JAN 16 2008
PUBLIC SERVICE
COMMISSION

E.ON U.S. LLC
State Regulation and Rates
220 West Main Street
PO Box 32010
Louisville, Kentucky 40232
www.eon-us.com

Rick E. Lovekamp
Manager - Regulatory Affairs
T 502-627-3780
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rick.lovekamp@eon-us.com

January 16, 2008

RE: AN INVESTIGATION OF THE ENERGY AND REGULATORY ISSUES IN SECTION 50 OF KENTUCKY'S 2007 ENERGY ACT
Adm Case 2007-00477

Dear Ms. O'Donnell:

Enclosed please find an original and six (6) copies of Kentucky Utilities Company ("KU") and Louisville Gas and Electric Company ("LG&E") Response to the Second Data Request Commission Staff dated January 7, 2008, in the above-referenced docket.

Verification pages for Butch Cockerill and John Wolfram will be sent separately.

Should you have any questions concerning the enclosed, please do not hesitate to contact me.

Sincerely,

Rick E. Lovekamp

cc: Parties of Record

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED

JAN 16 2008
PUBLIC SERVICE
COMMISSION

In the Matter of:

AN INVESTIGATION OF THE)
ENERGY AND REGULATORY)
ISSUES IN SECTION 50 OF) CASE NO. 2007-00477
KENTUCKY'S 2007 ENERGY ACT)

**Response to Second Data Request
of Commission Staff
Dated January 7, 2008**

FILED: JANUARY 16, 2008

VERIFICATION

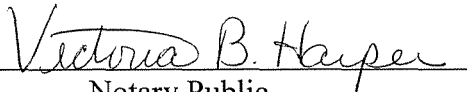
STATE OF KENTUCKY)
) SS:
COUNTY OF JEFFERSON)

The undersigned, **David Sinclair**, being duly sworn, deposes and says that he is Director, Energy Planning, Analysis, and Forecasting for E.ON U.S. Services Inc., that he has personal knowledge of the matters set forth in the responses (Question Nos. 12, 16, 17, 18, 20, 29, 31, 33, 38, 40, 41, 42, 43, 44, and 45), and the answers contained therein are true and correct to the best of his information, knowledge and belief.



DAVID SINCLAIR

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 16th day of January, 2008.

 (SEAL)

Notary Public

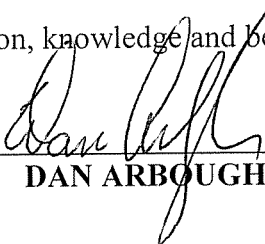
My Commission Expires:

Sept. 20, 2010

VERIFICATION

STATE OF KENTUCKY)
) SS:
COUNTY OF JEFFERSON)

The undersigned, **Dan Arbough**, being duly sworn, deposes and says that he is Treasurer for E.ON U.S. Services Inc., that he has personal knowledge of the matters set forth in the responses (Question Nos. 19, and 37), and the answers contained therein are true and correct to the best of his information, knowledge and belief.



DAN ARBOUGH

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 16th day of January, 2008.



Notary Public (SEAL)

My Commission Expires:

August 31, 2011

VERIFICATION

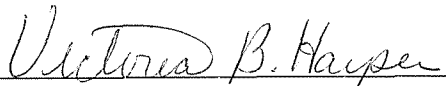
STATE OF KENTUCKY)
) SS:
COUNTY OF JEFFERSON)

The undersigned, **Lonnie E. Bellar**, being duly sworn, deposes and says that he is Vice President, State Regulation and Rates for E.ON U.S. Services Inc., that he has personal knowledge of the matters set forth in the responses (Question Nos. 21, 25, and 38), and the answers contained therein are true and correct to the best of his information, knowledge and belief.



LONNIE E. BELLAR

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 16th day of January, 2008.

 (SEAL)

Notary Public

My Commission Expires:

Sept 20, 2010

VERIFICATION

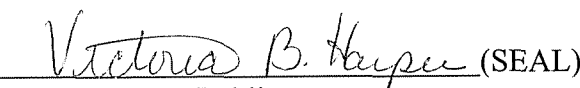
STATE OF KENTUCKY)
) SS:
COUNTY OF JEFFERSON)

The undersigned, **F. Howard Bush, Jr.**, being duly sworn, deposes and says that he is Manager, Tariffs/Special Contracts for E.ON U.S. Services Inc., that he has personal knowledge of the matters set forth in the responses (Question Nos. 23, 24, 25, 28, 32, and 34), and the answers contained therein are true and correct to the best of his information, knowledge and belief.



F. HOWARD BUSH, JR.

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 16th day of January, 2008.

 (SEAL)

Notary Public

My Commission Expires:

Sept 20, 2010

VERIFICATION

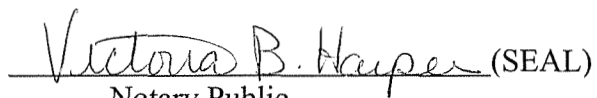
STATE OF KENTUCKY)
) SS:
COUNTY OF JEFFERSON)

The undersigned, **Robert M. Conroy**, being duly sworn, deposes and says that he is Manager, Rates for E.ON U.S. Services Inc., that he has personal knowledge of the matters set forth in the responses (Question Nos. 26, and 27), and the answers contained therein are true and correct to the best of his information, knowledge and belief.



ROBERT M. CONROY

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 16th day of January, 2008.



Notary Public (SEAL)

My Commission Expires:

Sept 20, 2010

VERIFICATION

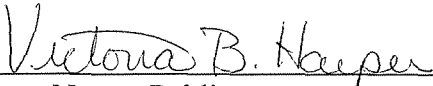
STATE OF KENTUCKY)
) SS:
COUNTY OF JEFFERSON)

The undersigned, **Shannon Charnas**, being duly sworn, deposes and says that she is Director, Utility Accounting & Reporting for E.ON U.S. Services Inc., that she has personal knowledge of the matters set forth in the responses (Question No. 29), and the answers contained therein are true and correct to the best of her information, knowledge and belief.



SHANNON CHARNAS

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 16th day of January, 2008.

 (SEAL)

Notary Public

My Commission Expires:
Sept 20, 2010

**KENTUCKY UTILITIES COMPANY
LOUISVILLE GAS AND ELECTRIC COMPANY**

ADMINISTRATIVE CASE NO. 2007-00477

**Response to Second Data Request
Of Commission Staff
Dated January 7, 2008**

Question No. 12

Responding Witness: David Sinclair

- Q-12. Referring to Discovery Response, Item 3, at page 2 of 2, it indicates that the Companies are currently analyzing its renewables and IGCC options. Is it the intent of the Companies to file the results of these analyses in testimony on February 29, or will it be made available prior to that time?

The 2007 RFP for renewables indicates that the Evaluation was expected to be completed by November 15, 2007. Is it possible to provide the results of the evaluation at this time?

- A-12. The Companies are undertaking a comprehensive review of generation technology options – including renewable energy sources and IGCC – as part of their 2008 Integrated Resource Plan (“IRP”). This analysis is not yet complete. A full exposition of the results will be submitted with the IRP, which is due to be filed in April 2008.

The Request for Proposals from developers of renewable energy represents an independent initiative being pursued in parallel with our long-term planning process. The Companies received 15 responses to this RFP, referencing wind energy sources (4 offers), solar PV energy (4 offers), biomass energy (6 offers) and hydro energy (1 offer). In the first phase of this exercise – completed in November 2007 – representatives of the Companies met with each of the respondents, to ascertain the standing of the developer (relevant experience and creditworthiness), the maturity and reliability of the technology being proposed, and – where available – the costs associated with development of specific projects (or the equivalent terms which might be offered under a long-term Power Purchase Agreement with the Companies). Price terms offered during these initial discussions were indicative only.

The Companies have completed an initial screening of these offers based primarily on the standing of the respondent and the stage of development of project(s) providing the renewable resource.

In the next (ongoing) phase of the evaluation, the Companies will enter into more detailed discussion of cost and reliability terms with shortlisted developers (2 wind, 2 biomass, 2 solar PV and 1 hydro). Since the majority of offers relate to projects which are as yet in concept or in the early stages of development, it is anticipated that the identification and negotiation of potential contracts will continue through 2008.

**KENTUCKY UTILITIES COMPANY
LOUISVILLE GAS AND ELECTRIC COMPANY**

ADMINISTRATIVE CASE NO. 2007-00477

**Response to Second Data Request
Of Commission Staff
Dated January 7, 2008**

Question No. 13

Responding Witness: John Wolfram

Q-13. Discovery Response, Item 4, provides information about current DSM programs.

- Please provide a summary schedule providing an estimate of the peak demand (MW) reduction and/or total energy savings (MWh per year) associated with each of these programs. Provide the percent of participation currently achieved, and indicate the expected or target participation (penetration) level.
- Provide a summary of the computation and results of the tests currently used by KU/LGE&E for analyzing the economics for all existing and currently proposed programs. Are there energy and capacity benefits attributed to DSM programs in the test(s)? Are there any avoided capacity margin and transmission loss savings attributed to the program benefits?
- Please explain how these estimates of demand reduction were developed.
- What measurements and verification protocols does the utility employ for operating these programs?

A-13. The Demand Conservation Program was developed to facilitate load reduction and is measured on its ability to achieve peak demand reduction. The audit/weatherization programs were developed and are measured for conservation. Peak reductions on these programs are negligible.

DSM Cumulative Energy Impacts

	2001	2002	2003	2004	2005	2006	*2007
Residential Energy Audits (MWh)	174	429	907	1,370	2,014	2,311	2,627
Demand Conservation (MW)	3	12	35	57	87	108	118
Low Income Audit/Weatherization (WeCare MWh)	0	280	1,954	3,341	5,581	8,367	10,370
Commercial Energy Audits (MWh)	8,592	21,672	38,592	62,424	85,368	108,792	122,328

*Through November 2007

Budgeted Annual Incremental Participation

	2001	2002	2003	2004	2005	2006	2007	Customer Base	% Participation
Residential Energy Audits	800	1,000	1,200	1,500	1,500	1,500	1,500	793,600	1.1%
Demand Conservation	1,069	16,544	22,839	22,839	22,839	20,720	17,593	793,600	15.7%
WeCare	700	750	800	800	800	800	800	793,600	0.7%
Commercial Energy Audits	240	320	400	440	480	480	480	125,474	2.3%

Actual Annual Incremental Participation

	2001	2002	2003	2004	2005	2006	*2007	Customer Base	% Participation
Residential Energy Audits	694	1,015	1,911	1,840	2,564	1,184	1,257	793,600	1.3%
Demand Conservation	3,030	8,777	23,666	22,872	30,264	21,261	10,171	793,600	15.1%
WeCare	0	165	983	815	1,316	1,637	1,177	793,600	0.8%
Commercial Energy Audits	358	545	705	993	956	976	564	125,474	4.1%

*Through November 2007

Analysis of the economics of DSM programming is performed with a computer model utilizing standard industry tests commonly known as the “California Tests”. These tests determine benefit to cost ratios from four different perspectives. There are no transmission loss savings attributed to the program benefits. Avoided costs are included but avoided capacity margin is not explicitly included. A summary of the most recent results of our existing and planned programs are shown in the table below. Details on these tests are provided in Volume II of the Application in Case No. 2007-00319.

Benefit/Cost Ratios

	Participants Test	Utility Cost Test	Ratepayer Impact Test	Total Resource Cost Test
Residential Conservation	4.19	1.37	0.60	1.50
Residential Load Management	Infinity	2.67	1.90	3.75
Commercial Load Management	Infinity	4.52	2.09	6.12
Res. Low Income Weatherization	Infinity	0.81	0.37	2.28
Commercial Conservation /Rebates	4.30	11.21	0.89	3.64
Residential High Efficiency Lighting	11.04	4.40	0.64	2.87
Residential New Construction	2.23	1.49	0.61	1.09
Residential HVAC Tune Up	7.66	1.13	0.62	1.10
Commercial HVAC Tune Up	20.32	2.04	0.53	1.79
*Customer Education & Public Information	n/a	0	0	0
*Dealer Referral Network	n/a	0	0	0
*Program Development and Admin.	n/a	0	0	0
Overall Portfolio	7.02	3.31	0.89	2.80

* Benefits are captured in analysis of supported programs

Estimates for demand reduction (Demand Conservation Program) were developed by placing load recorders on a statistically significant sample of program participants and extrapolating demand reduction results to the full population of participants.

Measurements and results for all DSM programs are verified by independent third party evaluators. The independent evaluators determine the type and amount of testing required to validate program results. The types of testing vary by program but typically include methodologies such as load recorders, engineering estimates/billing analysis and surveys.

**KENTUCKY UTILITIES COMPANY
LOUISVILLE GAS AND ELECTRIC COMPANY**

ADMINISTRATIVE CASE NO. 2007-00477

**Response to Second Data Request
Of Commission Staff
Dated January 7, 2008**

Question No. 14

Responding Witness: John Wolfram

Q-14. Referring to Discovery Response, Item 4, the company's demand conservation program is discussed at page 3 of 3. What incentives are currently offered to customers to induce them to sign up for this program?

A-14. Customers with a load control switch are provided a monthly bill credit during the months of June, July August and September as follows:

Residential air conditioners	\$5.00
Apartment air conditioners	\$4.00
Residential water heaters/pool pumps	\$2.00
Commercial air conditioners (up to 5 tons)	\$5.00
Commercial air conditioners (over 5 tons)	\$1.00 per full ton
Commercial water heaters	\$2.00

In 2007, the Companies added an option for customers to receive a load control programmable thermostat without a bill credit, or the customer could chose the load control switch and still receive the bill credit.

**KENTUCKY UTILITIES COMPANY
LOUISVILLE GAS AND ELECTRIC COMPANY**

ADMINISTRATIVE CASE NO. 2007-00477

**Response to Second Data Request
Of Commission Staff
Dated January 7, 2008**

Question No. 15

Responding Witness: John Voyles

Q-15. Has the FutureGen site selection been finalized? Is the project still scheduled to go commercial by 2012?

A-15. In December 2007, Mattoon, Illinois, was selected by the FutureGen Alliance as the preferred site for its 275MW IGCC, near-zero emissions project. The project is scheduled to become operational in 2012.

**KENTUCKY UTILITIES COMPANY
LOUISVILLE GAS AND ELECTRIC COMPANY**

ADMINISTRATIVE CASE NO. 2007-00477

**Response to Second Data Request
Of Commission Staff
Dated January 7, 2008**

Question No. 16

Responding Witness: John Wolfram / David Sinclair

Q-16. In considering a potential DSM program or renewal energy project, is the avoided cost of capacity included in the cost-benefit analysis relied upon? If yes, please explain the methodology and mechanics for computing this avoided cost. If not, please explain the basis for a program evaluation without such an avoided cost estimate.

A-16. For the initial screening of potential DSM initiatives, the Companies use a computer model to perform the standard "California" tests to evaluate costs and benefits. The benefits of DSM/energy conservation measures are calculated by reference to estimates of the avoided cost of both capacity and energy. In principle the capacity component of the avoided cost reflects the cost of providing instantaneous capacity only, typically provided most cost-effectively by a combustion turbine. In practice this value has been refined to reflect the fact that the majority of DSM measures impact capacity needs over a longer period than just the 'needle' peak, and therefore may reduce requirements for mid-merit plant also. The energy component of the avoided cost is estimated by dispatch modeling to identify short-run system marginal (variable) costs throughout the period under review.

Screening of renewables projects follows a similar process, however in the case of sources such as windpower and solar PV allowance must be made for the fact that – statistically – the availability of capacity from such sources is not dependable. The capacity benefit accorded such resources must be de-rated in accordance with the statistical probability of capacity availability at the time of system peak demand.

**KENTUCKY UTILITIES COMPANY
LOUISVILLE GAS AND ELECTRIC COMPANY**

ADMINISTRATIVE CASE NO. 2007-00477

**Response to Second Data Request
Of Commission Staff
Dated January 7, 2008**

Question No. 17

Responding Witness: David Sinclair

Q-17. Provide the current estimates of KU & LG&E avoided energy and demand costs, as relied upon in cost-benefit analyses. Provide an estimate of such costs as of 2010; 2015; 2020 (or similar periods if more readily available), consistent with IRP studies. Include summary level analysis sufficient to identify quantification of key variables included in estimates.

A-17. The current estimate for the capacity component of the avoided cost of supply for the combined KU/LG&E system is \$102/kW/year (levelized value over the planning horizon).

The average avoided cost of energy is estimated at \$32/MWh in 2010, \$30/MWh in 2015 and \$38/MWh in 2020.

**KENTUCKY UTILITIES COMPANY
LOUISVILLE GAS AND ELECTRIC COMPANY**

ADMINISTRATIVE CASE NO. 2007-00477

**Response to Second Data Request
Of Commission Staff
Dated January 7, 2008**

Question No. 18

Responding Witness: David Sinclair

Q-18. Consistent with the previous response regarding estimates of avoided energy and demand costs, provide any sensitivity analyses associated with estimates of:

- Carbon tax and/or cap-and-trade impacts
- IGCC carbon recapture
- Other carbon cost effects

A-18. Consideration of the sensitivity of the selection of ‘least-cost’ (supply) technologies – including a variety of renewable supply options – to the possibility of CO₂ emissions charging was incorporated in the 2005 IRP (Vol III, “Supply Side Analysis”, pp 34-38), which presented the results of screening analyses of plant options under pricing of \$10, \$20 and \$40 per ton of carbon emissions¹ (in addition to the base case).

In preparation for the 2008 IRP the Companies are undertaking more detailed modeling of potential CO₂ cost impacts, including evaluation of the economics of alternative carbon capture and sequestration technologies (based on estimates of capital and operating costs for pre- and post-combustion capture technologies provided in the Companies’ December 2007 “Generation Technology Options Study” prepared by Cummins & Barnard. In addition, the Companies’ are investigating potential capacity planning impacts associated with a scenario characterized by aggressive measures both to moderate electricity demand growth (for example by imposition of challenging energy-efficiency standards for new appliances and new construction) and to influence the structure of electric generation capacity (again by imposition of increasing challenging operating performance standards for both new and existing plant). The results of this analysis will be presented in the 2008 IRP.

¹ Equivalent to a cost per ton of CO₂ emitted of ~ \$3, \$6, and \$11, respectively

**KENTUCKY UTILITIES COMPANY
LOUISVILLE GAS AND ELECTRIC COMPANY**

ADMINISTRATIVE CASE NO. 2007-00477

**Response to Second Data Request
Of Commission Staff
Dated January 7, 2008**

Question No. 19

Responding Witness: Dan Arbough

- Q-19. At the time of the December 20 interview, it was indicated that S&P had modified its ratings methodology regarding assessment of utility business and financial profiles. Please provide a copy of the current S&P release(s) that address the determination of utility business and financial risk assessments.
- A-19. Please see two attached articles from S&P. The first, "U.S. Utilities Ratings Analysis Now Portrayed In The S&P Corporate Ratings Matrix", explains the methodology. The second article, "U.S. Electric Utility Companies, Strongest to Weakest", shows the business profile ratings for LG&E, KU, and E.ON U.S. LLC as "Excellent" and financial profile ratings as "Intermediate".

November 30, 2007

U.S. Utilities Ratings Analysis Now Portrayed In The S&P Corporate Ratings Matrix

Primary Credit Analysts:

Todd A Shipman, CFA, New York (1) 212-438-7676, todd_shipman@standardandpoors.com
William Ferrara, New York (1) 212-438-1776, bill_ferara@standardandpoors.com
John W Whitlock, New York (1) 212-438-7678, john_whitlock@standardandpoors.com

Secondary Credit Analyst:

Michael Messer, New York (1) 212- 438-1618, michael_messer@standardandpoors.com

U.S. Utilities Ratings Analysis Now Portrayed In The S&P Corporate Ratings Matrix

The electric, gas, and water utility ratings ranking lists published today by Standard & Poor's U.S. Utilities & Infrastructure Ratings practice are categorized under the business risk/financial risk matrix used by the Corporate Ratings group. This is designed to present our rating conclusions in a clear and standardized manner across all corporate sectors. Incorporating utility ratings into a shared framework to communicate the fundamental credit analysis of a company furthers the goals of transparency and comparability in the ratings process. Table 1 shows the matrix.

Table 1

Business Risk/Financial Risk					
Business Risk Profile	Financial Risk Profile				
	Minimal	Modest	Intermediate	Aggressive	Highly leveraged
Excellent	AAA	AA	A	BBB	BB
Strong	AA	A	A-	BBB-	BB-
Satisfactory	A	BBB+	BBB	BB+	B+
Weak	BBB	BBB-	BB+	BB-	B
Vulnerable	BB	B+	B+	B	B-

The utilities rating methodology remains unchanged, and the use of the corporate risk matrix has not resulted in any changes to ratings or outlooks. The same five factors that we analyzed to produce a business risk score in the familiar 10-point scale are used in determining whether a utility possesses an "Excellent," "Strong," "Satisfactory," "Weak," or "Vulnerable" business risk profile:

- Regulation,
- Markets,
- Operations,
- Competitiveness, and
- Management.

Regulated utilities and holding companies that are utility-focused virtually always fall in the upper range ("Excellent" or "Strong") of business risk profiles. The defining characteristics of most utilities--a legally defined service territory generally free of significant competition, the provision of an essential or near-essential service, and the presence of regulators that have an abiding interest in supporting a healthy utility financial profile--underpin the business risk profiles of the electric, gas, and water utilities.

As the matrix concisely illustrates, the business risk profile loosely determines the level of financial risk appropriate for any given rating. Financial risk is analyzed both qualitatively and quantitatively, mainly with financial ratios and other metrics that are calculated after various analytical adjustments are performed on financial statements prepared under GAAP. Financial risk is assessed for utilities using, in part, the indicative ratio ranges in table 2.

Table 2

Financial Risk Indicative Ratios - U.S. Utilities

(Fully adjusted, historically demonstrated, and expected to consistently continue)

	Cash flow		Debt leverage
	(FFO/debt) (%)	(FFO/interest) (x)	(Total debt/capital) (%)
Modest	40 - 60	4.0 - 6.0	25 - 40
Intermediate	25 - 45	3.0 - 4.5	35 - 50
Aggressive	10 - 30	2.0 - 3.5	45 - 60
Highly leveraged	Below 15	2.5 or less	Over 50

The indicative ranges for utilities differ somewhat from the guidelines used for their unregulated counterparts because of several factors that distinguish the financial policy and profile of regulated entities. Utilities tend to finance with long-maturity capital and fixed rates. Financial performance is typically more uniform over time, avoiding the volatility of unregulated industrial entities. Also, utilities fare comparatively well in many of the less-quantitative aspects of financial risk. Financial flexibility is generally quite robust, given good access to capital, ample short-term liquidity, and the like. Utilities that exhibit such favorable credit characteristics will often see ratings based on the more accommodative end of the indicative ratio ranges, especially when the company's business risk profile is solidly within its category. Conversely, a utility that follows an atypical financial policy or manages its balance sheet less conservatively, or falls along the lower end of its business risk designation, would have to demonstrate an ability to achieve financial metrics along the more stringent end of the ratio ranges to reach a given rating.

Note that even after we assign a company a business risk and financial risk, the committee does not arrive by rote at a rating based on the matrix. The matrix is a guide--it is not intended to convey precision in the ratings process or reduce the decision to plotting intersections on a graph. Many small positives and negatives that affect credit quality can lead a committee to a different conclusion than what is indicated in the matrix. Most outcomes will fall within one notch on either side of the indicated rating. Larger exceptions for utilities would typically involve the influence of related unregulated entities or extraordinary disruptions in the regulatory environment.

We will use the matrix, the ranking list, and individual company reports to communicate the relative position of a company within its business risk peer group and the other factors that produce the ratings.

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**STANDARD
& POOR'S**

RATINGS DIRECT®

November 30, 2007

Issuer Ranking:
**U.S. Electric Utility Companies,
Strongest To Weakest**

Primary Credit Analyst:

John W Whitlock, New York (1) 212-438-7678; john_whitlock@standardandpoors.com

Issuer Ranking:

U.S. Electric Utility Companies, Strongest To Weakest

The following list contains Standard & Poor's Ratings Services' ratings, outlooks, and business and financial profiles for regulated electric utilities. This list reflects the current ratings and outlooks as of Nov. 30, 2007. It also reflects several alterations in how each company's credit profile is portrayed and how it is ranked in the list. First and foremost, utility business risk and financial risk profiles are now communicated through the Standard & Poor's corporate ratings risk matrix (see the article "U.S. Utilities Ratings Analysis Now Portrayed In The S&P Corporate Ratings Matrix" published today on RatingsDirect). Second, the two sub-sectors (transmission & distribution utilities and integrated utilities) have been eliminated from the list. Third, the rankings within each rating/outlook grouping (e.g., BBB+/Stable/--) are based on relative business risk instead of on overall credit quality, so that you can compare Standard & Poor's assessment of a utility's business risk to its like-rated peers.

A Standard & Poor's rating outlook assesses the potential direction of an issuer's long-term debt rating over the intermediate to longer term. In determining a rating outlook, consideration is given to any changes in the economic and/or fundamental business conditions. An outlook is not necessarily a precursor of a rating change or future CreditWatch action. "Positive" indicates that a rating may be raised; "negative" means a rating may be lowered; "stable" indicates that ratings are not likely to change; and "developing" means ratings may be raised or lowered.

Utility business profiles can be categorized as "Excellent," "Strong," "Satisfactory," "Weak," or "Vulnerable" under the credit ratings methodology applied to all rated corporate entities at Standard & Poor's. To determine a utility's business profile, Standard & Poor's analyzes the following qualitative business or operating characteristics typical of a utility: markets and service area economy; competitive position; fuel and power supply; operations; asset concentration; regulation; and management. Issuer credit ratings, shown as long-term rating/outlook or CreditWatch/short-term rating, are local and foreign currency unless otherwise noted. A dash (--) indicates not rated.

U.S. Regulated Electric Utilities

Company	Corporate credit rating	Business profile	Financial profile
Madison Gas & Electric Co.	AA-/Stable/A-1+	Excellent	Modest
-			
American Transmission Co.	A+/Stable/A-1	Excellent	Intermediate
Midwest Independent Transmission System Operator Inc.	A+/Stable/--	Excellent	Intermediate
NSTAR Electric Co.	A+/Stable/A-1	Excellent	Intermediate
NSTAR Gas Co.	A+/Stable/--	Excellent	Intermediate
NSTAR	A+/Stable/A-1	Excellent	Intermediate
-			
Florida Power & Light Co.	A/Stable/A-1	Excellent	Intermediate
KeySpan Energy Delivery Long Island	A/Stable/A-1	Excellent	Intermediate
KeySpan Energy Delivery New York	A/Stable/A-1	Excellent	Intermediate
Northern Natural Gas Co.	A/Stable/--	Excellent	Intermediate
Alabama Power Co.	A/Stable/A-1	Excellent	Intermediate

Issuer Ranking: U.S. Electric Utility Companies, Strongest To Weakest

U.S. Regulated Electric Utilities(cont.)			
Georgia Power Co.	A/Stable/A-1	Excellent	Intermediate
Mississippi Power Co	A/Stable/A-1	Excellent	Intermediate
Gulf Power Co.	A/Stable/--	Excellent	Intermediate
San Diego Gas & Electric Co.	A/Stable/--	Excellent	Intermediate
Wisconsin Public Service Corp.	A/Stable/A-2	Excellent	Intermediate
FPL Group Inc	A/Stable/--	Excellent	Intermediate
Southern Co.	A/Stable/A-1	Excellent	Intermediate
Central Hudson Gas & Electric Corp.	A/Stable/--	Excellent	Intermediate
-			
Consolidated Edison Co. of New York Inc.	A/Negative/A-2	Excellent	Intermediate
Orange and Rockland Utilities Inc.	A/Negative/A-2	Excellent	Intermediate
Rockland Electric Co.	A/Negative/--	Excellent	Intermediate
Consolidated Edison Inc.	A/Negative/A-2	Excellent	Intermediate
-			
Massachusetts Electric Co.	A-/Stable/A-2	Excellent	Intermediate
Narragansett Electric Co.	A-/Stable/A-2	Excellent	Intermediate
New England Power Co.	A-/Stable/A-2	Excellent	Intermediate
Wisconsin Gas LLC	A-/Stable/A-2	Excellent	Intermediate
Peoples Gas Light & Coke Co. (The)	A-/Stable/A-2	Excellent	Intermediate
North Shore Gas Co.	A-/Stable/--	Excellent	Intermediate
Duke Energy Indiana Inc.	A-/Stable/A-2	Excellent	Intermediate
Duke Energy Carolinas LLC	A-/Stable/A-2	Excellent	Intermediate
Duke Energy Ohio Inc.	A-/Stable/A-2	Excellent	Intermediate
Duke Energy Kentucky Inc.	A-/Stable/--	Excellent	Intermediate
Wisconsin Electric Power Co.	A-/Stable/A-2	Excellent	Intermediate
Northern States Power Wisconsin	A-/Stable/--	Excellent	Intermediate
Wisconsin Power & Light Co.	A-/Stable/A-2	Excellent	Intermediate
Southern Indiana Gas & Electric Co	A-/Stable/--	Excellent	Intermediate
MidAmerican Energy Holdings Co.	A-/Stable/--	Excellent	Aggressive
PPL Electric Utilities Corp.	A-/Stable/A-2	Excellent	Aggressive
Niagara Mohawk Power Corp.	A-/Stable/A-2	Excellent	Aggressive
PacifiCorp	A-/Stable/A-1	Excellent	Aggressive
Cinergy Corp.	A-/Stable/A-2	Excellent	Intermediate
Duke Energy Corp.	A-/Stable/--	Excellent	Intermediate
MidAmerican Energy Co	A-/Stable/A-1	Excellent	Aggressive
National Grid USA	A-/Stable/A-2	Excellent	Intermediate
Peoples Energy Corp.	A-/Stable/A-2	Strong	Intermediate
Integrus Energy Group Inc.	A-/Stable/A-2	Strong	Intermediate
-			
Public Service Co. of North Carolina Inc.	A-/Negative/A-2	Excellent	Aggressive
South Carolina Electric & Gas Co.	A-/Negative/A-2	Excellent	Aggressive
SCANA Corp.	A-/Negative/--	Excellent	Aggressive

Issuer Ranking: U.S. Electric Utility Companies, Strongest To Weakest

U.S. Regulated Electric Utilities(cont.)

-			
Southern California Edison Co.	BBB+/Stable/A-2	Excellent	Intermediate
Pacific Gas and Electric Co.	BBB+/Stable/A-2	Excellent	Intermediate
Public Service Co. of Colorado	BBB+/Stable/A-2	Excellent	Aggressive
Northern States Power Co.	BBB+/Stable/A-2	Excellent	Aggressive
PECO Energy Co.	BBB+/Stable/A-2	Excellent	Intermediate
Southwestern Public Service Co.	BBB+/Stable/A-2	Excellent	Aggressive
Interstate Power & Light Co	BBB+/Stable/A-2	Excellent	Aggressive
Wisconsin Energy Corp.	BBB+/Stable/A-2	Excellent	Aggressive
Xcel Energy Inc.	BBB+/Stable/A-2	Excellent	Aggressive
Florida Power Corp d/b/a Progress Energy Florida Inc	BBB+/Stable/A-2	Excellent	Aggressive
Carolina Power & Light Co d/b/a Progress Energy Carolinas Inc	BBB+/Stable/A-2	Excellent	Aggressive
Kentucky Utilities Co.	BBB+/Stable/A-2	Excellent	Intermediate
Louisville Gas & Electric Co.	BBB+/Stable/--	Excellent	Intermediate
Progress Energy Inc	BBB+/Stable/A-2	Excellent	Aggressive
Alliant Energy Corp.	BBB+/Stable/A-2	Excellent	Aggressive
E ON U.S. LLC	BBB+/Stable/--	Excellent	Intermediate
Oklahoma Gas & Electric Co.	BBB+/Stable/A-2	Excellent	Intermediate
OGE Energy Corp	BBB+/Stable/A-2	Strong	Intermediate
ALLETE Inc.	BBB+/Stable/A-2	Strong	Intermediate
Montana-Dakota Utilities Co	BBB+/Stable/--	Strong	Intermediate
-			
Enogex Inc.	BBB+/Watch Neg/--	Satisfactory	Intermediate
-			
Connecticut Natural Gas Corp.	BBB+/Negative/--	Excellent	Intermediate
Southern Connecticut Gas Co.	BBB+/Negative/--	Excellent	Intermediate
New York State Electric & Gas Corp	BBB+/Negative/A-2	Excellent	Aggressive
Central Maine Power Co	BBB+/Negative/--	Excellent	Aggressive
Rochester Gas & Electric Corp	BBB+/Negative/--	Excellent	Aggressive
Energy East Corp	BBB+/Negative/A-2	Excellent	Aggressive
Baltimore Gas & Electric Co.	BBB+/Negative/A-2	Strong	Intermediate
Otter Tail Corp.	BBB+/Negative/--	Strong	Intermediate
Portland General Electric Co.	BBB+/Negative/A-2	Strong	Intermediate
Idaho Power Co.	BBB+/Negative/A-2	Strong	Aggressive
IDACORP Inc.	BBB+/Negative/A-2	Strong	Aggressive
-			
International Transmission Co	BBB/Positive/--	Excellent	Aggressive
ITC Holdings Corp.	BBB/Positive/--	Excellent	Aggressive
CenterPoint Energy Houston Electric LLC	BBB/Positive/--	Excellent	Aggressive
Virginia Electric & Power Co.	BBB/Positive/A-2	Excellent	Intermediate
CenterPoint Energy Inc.	BBB/Positive/A-2	Excellent	Aggressive
CenterPoint Energy Resources Corp	BBB/Positive/--	Excellent	Aggressive

Issuer Ranking: U.S. Electric Utility Companies, Strongest To Weakest

U.S. Regulated Electric Utilities(cont.)			
Dominion Resources Inc.	BBB/Positive/A-2	Excellent	Intermediate
-			
Yankee Gas Services Co	BBB/Stable/--	Excellent	Aggressive
Michigan Consolidated Gas Co	BBB/Stable/A-2	Excellent	Aggressive
Public Service Electric & Gas Co.	BBB/Stable/A-2	Excellent	Aggressive
AEP Texas Central Co	BBB/Stable/--	Excellent	Aggressive
AEP Texas North Co	BBB/Stable/--	Excellent	Aggressive
Columbus Southern Power Co	BBB/Stable/--	Excellent	Aggressive
Ohio Power Co.	BBB/Stable/--	Excellent	Aggressive
Appalachian Power Co.	BBB/Stable/--	Excellent	Aggressive
Dayton Power & Light Co	BBB/Stable/--	Excellent	Aggressive
DPL Inc	BBB/Stable/--	Excellent	Aggressive
Western Massachusetts Electric Co.	BBB/Stable/--	Excellent	Aggressive
Atlantic City Electric Co.	BBB/Stable/A-2	Excellent	Aggressive
Potomac Electric Power Co	BBB/Stable/A-2	Excellent	Aggressive
Delmarva Power & Light Co.	BBB/Stable/A-2	Excellent	Aggressive
Green Mountain Power Corp.	BBB/Stable/--	Excellent	Aggressive
Kentucky Power Co.	BBB/Stable/--	Excellent	Aggressive
Public Service Co. of Oklahoma	BBB/Stable/--	Excellent	Aggressive
Southwestern Electric Power Co.	BBB/Stable/--	Excellent	Aggressive
Connecticut Light & Power Co.	BBB/Stable/--	Excellent	Aggressive
Public Service Co. of New Hampshire	BBB/Stable/--	Excellent	Aggressive
Hawaiian Electric Company, Inc.	BBB/Stable/A-2	Excellent	Aggressive
Detroit Edison Co.	BBB/Stable/A-2	Excellent	Aggressive
American Electric Power Co. Inc.	BBB/Stable/A-2	Excellent	Aggressive
Northeast Utilities	BBB/Stable/--	Excellent	Aggressive
DTE Energy Co.	BBB/Stable/A-2	Excellent	Aggressive
Indiana Michigan Power Co.	BBB/Stable/--	Strong	Aggressive
El Paso Electric Co.	BBB/Stable/--	Strong	Aggressive
PEPCO Holdings Inc.	BBB/Stable/A-2	Strong	Aggressive
Hawaiian Electric Industries Inc.	BBB/Stable/A-2	Strong	Aggressive
-			
Entergy Arkansas Inc.	BBB/Watch Dev/--	Strong	Aggressive
Entergy Louisiana LLC	BBB/Watch Dev/--	Strong	Aggressive
Entergy Mississippi Inc.	BBB/Watch Dev/--	Strong	Aggressive
Entergy Gulf States Inc.	BBB/Watch Dev/--	Strong	Aggressive
Entergy Corp.	BBB/Watch Dev/--	Strong	Aggressive
System Energy Resources Inc.	BBB/Watch Dev/--	Strong	Aggressive
-			
Jersey Central Power & Light Co	BBB/Negative/--	Excellent	Aggressive
Metropolitan Edison Co.	BBB/Negative/--	Excellent	Aggressive
Pennsylvania Electric Co.	BBB/Negative/--	Excellent	Aggressive

Issuer Ranking: U.S. Electric Utility Companies, Strongest To Weakest

U.S. Regulated Electric Utilities(cont.)			
Cleveland Electric Illuminating Co	BBB/Negative/--	Excellent	Aggressive
Ohio Edison Co.	BBB/Negative/A-2	Excellent	Aggressive
Pennsylvania Power Co.	BBB/Negative/--	Excellent	Aggressive
Toledo Edison Co.	BBB/Negative/--	Excellent	Aggressive
Texas-New Mexico Power Co.	BBB/Negative/--	Excellent	Aggressive
Cleco Power LLC	BBB/Negative/--	Strong	Aggressive
Cleco Corp.	BBB/Negative/--	Strong	Aggressive
FirstEnergy Corp.	BBB/Negative/--	Strong	Aggressive
Public Service Co. of New Mexico	BBB/Negative/A-3	Strong	Aggressive
PNM Resources Inc	BBB/Negative/A-3	Strong	Aggressive
-			
Northern Indiana Public Service Co.	BBB/Watch Neg/--	Excellent	Aggressive
Kansas City Power & Light Co.	BBB/Watch Neg/A-3	Strong	Intermediate
Great Plains Energy Inc.	BBB/Watch Neg/--	Strong	Intermediate
-			
Tampa Electric Co.	BBB-/Stable/A-3	Excellent	Aggressive
Potomac Edison Co.	BBB-/Stable/--	Excellent	Aggressive
West Penn Power Co.	BBB-/Stable/--	Excellent	Aggressive
Duquesne Light Co.	BBB-/Stable/--	Excellent	Aggressive
Duquesne Light Holdings Inc.	BBB-/Stable/--	Excellent	Aggressive
Kansas Gas & Electric Co.	BBB-/Stable/--	Excellent	Aggressive
Monongahela Power Co.	BBB-/Stable/--	Excellent	Aggressive
Consumers Energy Co.	BBB-/Stable/--	Excellent	Aggressive
Westar Energy Inc.	BBB-/Stable/--	Excellent	Aggressive
CMS Energy Corp.	BBB-/Stable/A-3	Excellent	Aggressive
Ohio Valley Electric Corp	BBB-/Stable/--	Excellent	Aggressive
TECO Energy Inc.	BBB-/Stable/--	Strong	Aggressive
Empire District Electric Co	BBB-/Stable/A-3	Strong	Aggressive
Edison International	BBB-/Stable/--	Strong	Aggressive
Black Hills Power Inc.	BBB-/Stable/--	Strong	Intermediate
Arizona Public Service Co.	BBB-/Stable/A-3	Strong	Aggressive
Pinnacle West Capital Corp.	BBB-/Stable/A-3	Strong	Aggressive
Allegheny Energy Inc.	BBB-/Stable/A-3	Strong	Aggressive
Union Electric Co d/b/a AmerenUE	BBB-/Stable/A-3	Strong	Intermediate
Ameren Corp.	BBB-/Stable/A-3	Satisfactory	Aggressive
Black Hills Corp.	BBB-/Stable/--	Satisfactory	Intermediate
-			
Oncor Electric Delivery Co. LLC	BBB-/Watch Dev/--	Excellent	Intermediate
Entergy New Orleans Inc.	BBB-/Watch Dev/--	Satisfactory	Aggressive
-			
Puget Sound Energy Inc	BBB-/Watch Neg/A-3	Excellent	Aggressive
Puget Energy Inc	BBB-/Watch Neg/--	Excellent	Aggressive

Issuer Ranking: U.S. Electric Utility Companies, Strongest To Weakest

U.S. Regulated Electric Utilities(cont.)

-			
Avista Corp.	BB+/Positive/B-1	Strong	Aggressive
NorthWestern Corp.	BB+/Positive/--	Strong	Aggressive
-			
Central Vermont Public Service Corp	BB+/Stable/--	Excellent	Highly leveraged
Indianapolis Power & Light Co.	BB+/Stable/--	Excellent	Highly leveraged
IPALCO Enterprises Inc.	BB+/Stable/--	Excellent	Highly leveraged
-			
Commonwealth Edison Co.	BB/Positive/B	Satisfactory	Intermediate
Central Illinois Public Service Co	BB/Positive/--	Satisfactory	Aggressive
Illinois Power Co.	BB/Positive/--	Satisfactory	Aggressive
Central Illinois Light Co.	BB/Positive/--	Satisfactory	Aggressive
CILCORP Inc.	BB/Positive/--	Satisfactory	Aggressive
-			
Tucson Electric Power Co.	BB/Stable/B-2	Strong	Highly leveraged
-			
Nevada Power Co.	BB-/Positive/--	Excellent	Highly leveraged
Sierra Pacific Power Co.	BB-/Positive/--	Excellent	Highly leveraged
Sierra Pacific Resources	BB-/Positive/B-2	Excellent	Highly leveraged
-			
Aquila Inc.	B+/Watch Pos/--	Satisfactory	Highly leveraged
-			

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**KENTUCKY UTILITIES COMPANY
LOUISVILLE GAS AND ELECTRIC COMPANY**

ADMINISTRATIVE CASE NO. 2007-00477

**Response to Second Data Request
Of Commission Staff
Dated January 7, 2008**

Question No. 20

Responding Witness: David Sinclair

- Q-20. Please provide a summary statement regarding how expectations of GHG restrictions and potential taxes on carbon emissions have impacted analyses associated with the current IRP process.
- A-20. Please refer to the Companies' response to Question 18. The Companies are responding to these issues by more detailed modeling of potential GHG-related impacts and by the inclusion of a specific scenario in which GHG-related restrictions bear down heavily both on market development (load growth, and load characteristics) and on generation technology selection.

**KENTUCKY UTILITIES COMPANY
LOUISVILLE GAS AND ELECTRIC COMPANY**

ADMINISTRATIVE CASE NO. 2007-00477

**Response to Second Data Request
Of Commission Staff
Dated January 7, 2008**

Question No. 21

Responding Witness: Lonnie Bellar

- Q-21. In the December 20 interview, reference was made in the slide presentation materials (page 22), to the recommendation that utilities should be allowed to fully recover investments approved under the CPCN process. Assuming that a CPCN approval currently carries some implicit assumption of prudent investment and future recovery in rates, please amplify on exactly what E.ON's present concerns might be, and what it wishes the Commission to do differently to reduce existing "uncertainty".
- A-21. The Companies would support a mechanism for recovery of generation investments that allows for dynamic recovery outside of a traditional rate proceeding. Such a mechanism would have to be instituted via legislation and would operate similar to the current ECR mechanism.

**KENTUCKY UTILITIES COMPANY
LOUISVILLE GAS AND ELECTRIC COMPANY**

ADMINISTRATIVE CASE NO. 2007-00477

**Response to Second Data Request
Of Commission Staff
Dated January 7, 2008**

Question No. 22

Responding Witness: Butch Cockerill / John Wolfram

Q-22. Based on comments made in its December 18 interview, Duke identified the need for a “Smart-Metering” program to expand EE and DSM program benefits. Please provide any overview and analysis KU/LG&E have available regarding costs and benefits of implementation of such a program (aside from materials already referenced in Case No. 2007-00117).

A-22. The Companies have been interested and monitoring the progress of “Smart Metering” for several years. It has become clear that there are many questions that must be answered in order to develop a reasonably accurate comprehensive business case. These include questions such as which technology to deploy, the cost to purchase and install the technology, expected benefits, status of communications protocols, technical challenges, and the like. The Companies are relying on the findings from our Responsive Pricing and Smart Metering Pilot Program (Case No. 2007-00117) to evaluate “Smart Metering” further.

In addition to gaining knowledge from our own “Smart Metering” program, the Companies are monitoring the various “Smart Metering” programs being announced from other utilities. We also are following the various studies from other industry groups such as Edison Electric Institute (EEI) and Electric Power Research Institute (EPRI).

**KENTUCKY UTILITIES COMPANY
LOUISVILLE GAS AND ELECTRIC COMPANY**

ADMINISTRATIVE CASE NO. 2007-00477

**Response to Second Data Request
Of Commission Staff
Dated January 7, 2008**

Question No. 23

Responding Witness: Butch Cockerill / John Wolfram / Howard Bush

- Q-23. Does the Company currently have tariffs that provide for interruption and/or control of customer loads? If yes, please provide the following information (excluding any customers on Time of Day rates).

Identify customer class, and specific tariff.

Number of customers on each tariff.

2006 and 2007 (as available) statistics on load interruptions – hours, amount of load interrupted, etc.

Estimate of maximum peak load that can be interrupted based on current customers.

- A-23. Yes. In addition to Time-of-Day rates, the companies provide customers with the opportunity to interrupt and/or control load through the use of SQF (Small Capacity Cogeneration Qualifying Facilities), LQF (Large Capacity Cogeneration Qualifying Facilities), NMS (Net Metering Service). Copies attached.

Under the SQF, LQF, and NMS service, the Companies do not have the ability to control the customer's load through any load reduction mechanism; however, the customer does have the ability to generate power and control their load. Under the SQF, in certain situations, the Companies can curtail their purchase of customer generated energy. Under LQF and NMS, the Companies do not have an explicit right to refuse to take excess generation.

Any customer meeting the tariff parameters, including Time-of Day, may also take advantage of CSR1 (Curtable Service Rider 1), CSR2 (Curtable Service Rider 2), CSR3 (Curtable Service Rider 3), and LRI (Load Reduction Incentive Rider) which are riders to base rates. Copies attached. Customers shown on these riders would also be accounted for as Time-of-Day customers. Not all these customers are TOD, there is 1 KU LP customer on CSR1 (see below)

It should be noted that the maximum peak load that can be interrupted is limited by a number of interruptible hours stated in the tariff. It is a finite resource unlike a generator that conceivably could be run everyday. There is not a one-for-one reduction in maximum capacity requirements. The Companies currently have approximately 185MW of load subject to being interrupted and/or controlled.

	SQF	LQF	NMS	CSR1	CSR2	CSR3	LRI
LGE Customers	0	0	1	2	0	0	0
KU Customers	1	0	5	1	0	1	1

Neither the SQF nor the NMS customers are TOD. The LG&E CSR1 customers and KU CSR3 and KU LRI customers are TOD.

Attached to this response are the statistics on load interruptions for 2006 and 2007.

The Demand Conservation program is a direct load control program where customer air conditioners, electric water heaters, and pool pumps are interrupted during times of generation system peaks.

Residential customers – 117,500 devices
Commercial customers - 2,500 devices

Load interruptions:

2006 – 10 events, approximately 39 hours
2007 – 23 events, approximately 72 hours

Because the amount of demand reduction is dependent on ambient outdoor temperature, the amount of load reduction per event varies.

Currently, we estimate that the demand reduction available at 97 degrees is approximately 118 Mw's.

SQF

Small Capacity Cogeneration and Small Power Production Qualifying Facilities

APPLICABLE:

In all territory served.

AVAILABILITY 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), 5.582 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), 3.351 cents per KWH.
- 3. During all other hours (off-peak hours) 2.607 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, 3.071 cents per KWH

Date of Issue: May 26, 2006
Canceling First Revision of
Original Sheet No. 40
Issued September 8, 2004

Issued By

Date Effective: June 30, 2006

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

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:

Date of Issue: July 20, 2004

Issued By

Date Effective: April 17, 1999

Refiled: July 20, 2004

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

Issued By Authority of an Order of the KPSC in Case No. 2003-00433 dated June 30, 2004

SQF

Small Capacity Cogeneration and Small Power Production Qualifying Facilities

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.

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.

Date of Issue: July 20, 2004

Issued By

Date Effective: April 17, 1999

Refiled: July 20, 2004

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

Issued By Authority of an Order of the KPSC in Case No. 2003-00433 dated June 30, 2004

SQF

Small Capacity Cogeneration and Small Power Production Qualifying Facilities

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.

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.

Date of Issue: July 20, 2004

Issued By

**Date Effective: April 17, 1999
Refiled: July 20, 2004**

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

Issued By Authority of an Order of the KPSC in Case No. 2003-00433 dated June 30, 2004

LQF

Large Capacity Cogeneration and Small Power Production Qualifying Facilities

APPLICABLE

In all territory served.

AVAILABILITY OF SERVICE

Available 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 $[ACC \times CAP_i]$, where CAP_i , the capacity delivered by the QF, is determined on the basis of the system demand (D_i) and the Company's need for capacity in that hour to adequately serve the load.

DETERMINATION OF CAP_i

For the following determination of CAP_i , $C_{LG\&E}$ 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.

Date of Issue: July 20, 2004

Issued By

Date Effective: November 1, 1995

Refiled: July 20, 2004

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

Issued By Authority of an Order of the KPSC in Case No. 2003-00433 dated June 30, 2004

LQF

Large Capacity Cogeneration and Small Power Production Qualifying Facilities

1. System demand is less than or equal to the Company's capacity:

$$D_i \leq C_{LG\&E}; CAP_i = 0$$

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:

$$C_{LG\&E} < D_i \leq [C_{LG\&E} + C_{QF}]; CAP_i = C_M$$

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

$$D_i > [C_{LG\&E} + C_{QF}]; CAP_i = C_{QF}$$

PAYMENT

The Company shall pay each bill for electric power rendered to it in accordance with the terms of the contract, within 15 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 cancelled 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: July 20, 2004

Issued By

Date Effective: November 1, 1995

Refiled: July 20, 2004

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

Issued By Authority of an Order of the KPSC in Case No. 2003-00433 dated June 30, 2004

ELECTRIC RATE SCHEDULE

NMS

Net Metering Service

APPLICABLE

In all territory served.

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 15 kilowatts.

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 registering power flow in both directions for each time period defined by the applicable rate schedule. 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 billing period, the customer shall receive a credit for the net delivery on the customer's bill for the succeeding billing 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 15 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.

Date of Issue: January 10, 2005

Issued By

Date Effective: February 10, 2005

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

Date of Issue: January 10, 2005

Issued By

Date Effective: February 10, 2005

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

TERMS AND CONDITIONS

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

Date of Issue: January 10, 2005

Issued By

Date Effective: February 10, 2005

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

~~Date of Issue: January 10, 2005 Issued By Date Effective: February 10, 2005~~

STANDARD RIDER

CSR1

Curtable Service Rider 1

APPLICABLE

In all territory served.

AVAILABILITY OF SERVICE

This rider is restricted to those customers receiving service under the provisions of the preceding Interruptible Service rider, P.S.C. of Ky. Electric No. 5, Original Sheet No. 13-A, as of the execution date of the Settlement Agreement in P.S.C. Case No. 2003-00433, May 12, 2004.

CONTRACT OPTION

Customer may, at Customer's option, contract with Company to curtail service upon notification by Company. Requests for curtailment shall not exceed two hundred and fifty (250) 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 twenty (20) minutes notice when either requesting or canceling a curtailment.

Compliance with a request for curtailment shall be measured in one of the following ways:

- a) Customer shall contract for a given amount of firm demand, and the curtable load shall be Customer's monthly billing demand in excess of the firm contract. During a request for curtailment, 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 curtable 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) Customer shall contract for a given amount of curtable load by which Customer shall agree to reduce its demand from the monthly maximum demand. During a request for curtailment, Customer shall reduce its demand to a level equal to the maximum monthly demand less the curtable 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 curtable load, in the billing period shall be the curtable demand on which the monthly credit is based. The difference in contracted curtable load and the actual curtailed load during each requested curtailment in the billing period shall be the measure of non-compliance.
- c) At the time of a request for curtailment, Company shall give Customer an option of purchasing a block of power as is required to meet the curtailment request. Company shall give Customer a price for such power, based on existing market conditions, at the time of the curtailment request. Customer must state agreement to the purchase of power, if that is Customer's

Date of Issue: July 20, 2004

Issued By

**Date Effective: With Service Rendered
On and After
July 1, 2004**

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

Issued By Authority of an Order of the KPSC in Case No. 2003-00433 dated June 30, 2004

STANDARD RIDER

CSR1

Curtaillable Service Rider 1

intention, and the block of power to be purchased shall be specified by Customer at the time Company makes the request for curtailment. Should Customer elect to purchase the block of power, Customer will pay for that power whether consumed by Customer or not. Should the block of power not be sufficient to meet the curtailment request, any deficiency shall be considered the measure of non-compliance. Should purchase power not be available from the market, Customer is obligated to meet the compliance provisions of a) or b) above.

P.□.□. 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 curtaillable demand, b) above.

RATE

Customer will receive a credit against the applicable power schedule for curtaillable 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:	\$ 3.20 per KW	\$ 3.10 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.

Date of Issue: July 20, 2004

Issued By

Date Effective: With Service Rendered
On and After
July 1, 2004

Michael S. Beer, Vice President
Louisville, Kentucky

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STANDARD RIDER

CSR2

Curtable Service Rider 2

APPLICABLE

In all territory served.

AVAILABILITY OF SERVICE

This rider shall be made available to customers served under the applicable power schedules who contract 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 curtable 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 curtable 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 curtable 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 curtable 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 curtable load, in the billing period shall be the curtable demand on which the monthly credit is based. The difference in contracted curtable load and the actual curtailed load during each requested curtailment in the billing period shall be the measure of non-compliance.
- c) At the time of a request for curtailment, Company shall give Customer an option of purchasing a block of power as is required to meet the curtailment request. Company shall give Customer a price for such power, based on existing market conditions, at the time of the curtailment request. Customer must state agreement to the

Date of Issue: July 20, 2004

Issued By

**Date Effective: With Service Rendered
On and After
July 1, 2004**

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

Issued By Authority of an Order of the KPSC in Case No. 2003-00433 dated June 30, 2004

STANDARD RIDER

CSR2

Curtable Service Rider 2

purchase of power, if that is Customer's intention, and the block of power to be purchased shall be specified by Customer at the time Company makes the request for curtailment. Should Customer elect to purchase the block of power, Customer will pay for that power whether consumed by Customer or not. Should the block of power not be sufficient to meet the curtailment request, any deficiency shall be considered the measure of non-compliance. Should purchase power not be available from the market, Customer is obligated to meet the compliance provisions of a) or b) above. This option to "buy-thru" will be available to the customer only after customer has been served under CSR2 for three (3) years with no non-compliances.

- d) 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 curtable demand, b) above

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:	\$ 4.05 per KW	\$ 3.98 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.

Date of Issue: July 20, 2004

Issued By

Date Effective: With Service Rendered

On and After
July 1, 2004

Michael S. Beer, Vice President
Louisville, Kentucky

STANDARD RIDER

CSR3

Curtailed Service Rider 3

APPLICABLE

In all territory served.

AVAILABILITY OF SERVICE

This rider is restricted to those customers receiving service under the provisions of the LI-TOD.

CONTRACT OPTION

Customer may, at Customer's option, contract with Company to curtail service upon notification by Company. Requests for curtailment shall not exceed two hundred (200) hours per year in the year beginning April 1, 2004, nor one hundred (100) hours in any continuously succeeding 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. Requests for curtailment are limited to the On-Peak periods specified under Rating Periods in the LI-TOD rate schedule. Company may request or cancel a curtailment at any time during an hour, but shall give no less than twenty (20) minutes notice when either requesting or canceling a curtailment.

Compliance with a request for curtailment shall be measured in one of the following ways:

- a) Customer shall contract for a given amount of firm demand, and the curtailable load shall be Customer's monthly billing demand in excess of the firm contract. During a request for curtailment, 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) Customer shall contract for a given amount of curtailable load by which Customer shall agree to reduce its demand from the monthly maximum demand. During a request for curtailment, 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.

P.□.□. 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: July 20, 2004

Issued By

**Date Effective: With Service Rendered
On and After
July 1, 2004**

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

Issued By Authority of an Order of the KPSC in Case No. 2003-00433 dated June 30, 2004

STANDARD RIDER

CSR3

Curtailable Service Rider 3

RATE

Customer will receive a credit against the applicable power schedule for curtailable KVA, 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.

	<i>Primary</i>	<i>Transmission</i>
Demand Credit of:	\$ 3.20 per KVA	\$ 3.10 per KVA
Non-Compliance Charge of:	\$16.00 per KVA	\$16.00 per KVA

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.

Date of Issue: July 20, 2004

Issued By

**Date Effective: With Service Rendered
On and After
July 1, 2004**

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Louisville, Kentucky**

Issued By Authority of an Order of the KPSC in Case No. 2003-00433 dated June 30, 2004

STANDARD RIDER

LRI

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 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: April 19, 2006

Issued By

Date Effective: August 1, 2006

**John R. McCall, Executive Vice President,
General Counsel, and Corporate Secretary
Louisville, 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), 5.582 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), 3.351 cents per KWH.

- 3. During all other hours (off-peak hours), 2.607 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, 3.071 cents per KWH

Date of Issue: May 26, 2006
Canceling First Revision of
Original Sheet No. 45
Issued September 3, 2004

Issued By

Date Effective: June 30, 2006

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

Date of Issue: July 20, 2004

Issued By

**Date Effective: December 5, 1986
Refiled: July 20, 2004**

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

Issued By Authority of an Order of the KPSC in Case No. 2003-00434 dated June 30, 2004

ELECTRIC RATE SCHEDULE

SQF

Small Capacity Cogeneration and Small Power Production Qualifying Facilities

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.
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.

Date of Issue: July 20, 2004

Issued By

Date Effective: December 5, 1986
Refiled: July 20, 2004

Michael S. Beer, Vice President
Lexington, Kentucky

Issued By Authority of an Order of the KPSC in Case No. 2003-00434 dated June 30, 2004

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.

Date of Issue: July 20, 2004

Issued By

**Date Effective: December 5, 1986
Refiled: July 20, 2004**

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

Issued By Authority of an Order of the KPSC in Case No. 2003-00434 dated June 30, 2004

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 $[ACC \times CAP_i]$, where CAP_i , the capacity delivered by the QF, is determined on the basis of the system demand (D_i) and the Company's need for capacity in that hour to adequately serve the load.

Determination of CAP_i

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.

1. System demand is less than or equal to the Company's capacity:
 $D_i \leq C_{KU}$; $CAP_i = 0$
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:

$$C_{KU} < D_i \leq [C_{KU} + C_{QF}] ; CAP_i = C_M$$

Date of Issue: July 20, 2004

Issued By

Date Effective: April 17, 1999
Refiled: July 20, 2004

Michael S. Beer, Vice President
Lexington, Kentucky

Issued By Authority of an Order of the KPSC in Case No. 2003-00434 dated June 30, 2004

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.

Date of Issue: July 20, 2004

Issued By

**Date Effective: April 17, 1999
Refiled: July 20, 2004**

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

Issued By Authority of an Order of the KPSC in Case No. 2003-00434 dated June 30, 2004

ELECTRIC RATE SCHEDULE NMS
Net Metering Service

APPLICABLE

In all territory served.

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 15 kilowatts.

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 registering power flow in both directions for each time period defined by the applicable rate schedule. 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 billing period, the customer shall receive a credit for the net delivery on the customer's bill for the succeeding billing 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 15 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.

Date of Issue: January 10, 2005

Issued By

Date Effective: February 10, 2005

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

Date of Issue: January 10, 2005

Issued By

Date Effective: February 10, 2005

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

TERMS AND CONDITIONS

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

Date of Issue: January 10, 2005

Issued By

Date Effective: February 10, 2005

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

**CSR1
Curtailed Service Rider 1**

APPLICABLE

In all territory served.

AVAILABILITY OF SERVICE

This rider is restricted to those customers receiving service under the provisions of the preceding CSR rider, P.S.C. No. 12, Original Sheet No. 11A, as of the execution date of the Settlement Agreement in P.S.C. Case No. 2003-00434, May 12, 2004.

CONTRACT OPTION

Customer may, at Customer's option, contract with Company to curtail service upon notification by Company. Requests for curtailment shall not exceed two hundred and fifty (250) 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 twenty (20) minutes notice when either requesting or canceling a curtailment.

Compliance with a request for curtailment shall be measured in one of the following ways:

- a) Customer shall contract for a given amount of firm demand, and the curtailable load shall be Customer's monthly billing demand in excess of the firm contract. During a request for curtailment, 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) Customer shall contract for a given amount of curtailable load by which Customer shall agree to reduce its demand from the monthly maximum demand. During a request for curtailment, 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) At the time of a request for curtailment, Company shall give Customer an option of purchasing a block of power as is required to meet the curtailment request. Company shall give Customer a price for such power, based on existing market conditions, at the time of the curtailment request. Customer must state agreement to the purchase of power, if that is Customer's

Date of Issue: July 20, 2004

Issued By

**Date Effective: With Service Rendered
On and After
July 1, 2004**

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

Issued By Authority of an Order of the KPSC in Case No. 2003-00434 dated June 30, 2004

CSR1
Curtaillable Service Rider 1

intention, and the block of power to be purchased shall be specified by Customer at the time Company makes the request for curtailment. Should Customer elect to purchase the block of power, Customer will pay for that power whether consumed by Customer or not. Should the block of power not be sufficient to meet the curtailment request, any deficiency shall be considered the measure of non-compliance. Should purchase power not be available from the market, Customer is obligated to meet the compliance provisions of a) or b) above.

- d) 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 curtaillable demand, b) above.

RATE

Customer will receive a credit against the applicable power schedule for curtaillable 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:	\$ 3.20 per KW	\$ 3.10 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.

Date of Issue: July 20, 2004

Issued By

Date Effective: With Service Rendered
On and After
July 1, 2004

Michael S. Beer, Vice President
Lexington, Kentucky

Issued By Authority of an Order of the KPSC in Case No. 2003-00434 dated June 30, 2004

ELECTRIC RIDER

CSR2

Curtailed Service Rider 2

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) At the time of a request for curtailment, Company shall give Customer an option of purchasing a block of power as is required to meet the curtailment request. Company shall give Customer a price

Date of Issue: July 20, 2004

Issued By

**Date Effective: With Service Rendered
On and After
July 1, 2004**

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

Issued By Authority of an Order of the KPSC in Case No. 2003-00434 dated June 30, 2004

ELECTRIC RIDER

CSR2

Curtaillable Service Rider 2

for such power, based on existing market conditions, at the time of the curtailment request. Customer must state agreement to the purchase of power, if that is Customer's intention, and the block of power to be purchased shall be specified by Customer at the time Company makes the request for curtailment. Should Customer elect to purchase the block of power, Customer will pay for that power whether consumed by Customer or not. Should the block of power not be sufficient to meet the curtailment request, any deficiency shall be considered the measure of non-compliance. Should purchase power not be available from the market, Customer is obligated to meet the compliance provisions of a) or b) above. This option to "buy-thru" will be available to the customer only after customer has been served under CSR2 for three (3) years with no non-compliances.

- d) 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 curtaillable demand, b) above.

RATE

Customer will receive a credit against the applicable power schedule for curtaillable 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.

Date of Issue: July 20, 2004

Issued By

Date Effective: With Service Rendered
On and After
July 1, 2004

Michael S. Beer, Vice President
Lexington, Kentucky

Issued By Authority of an Order of the KPSC in Case No. 2003-00434 dated June 30, 2004

**CSR3
Curtailed Service Rider 3**

APPLICABLE

In all territory served.

AVAILABILITY OF SERVICE

This rider is restricted to those customers receiving service under the provisions of the LI-TOD.

CONTRACT OPTION

Customer may, at Customer's option, contract with Company to curtail service upon notification by Company. Requests for curtailment shall not exceed two hundred (200) hours per year in the year beginning April 1, 2004, nor one hundred (100) hours in any continuously succeeding 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. Requests for curtailment are limited to the On-Peak periods specified under Rating Periods in the LI-TOD rate schedule. Company may request or cancel a curtailment at any time during an hour, but shall give no less than twenty (20) minutes notice when either requesting or canceling a curtailment.

Compliance with a request for curtailment shall be measured in one of the following ways:

- a) Customer shall contract for a given amount of firm demand, and the curtailable load shall be Customer's monthly billing demand in excess of the firm contract. During a request for curtailment, 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) Customer shall contract for a given amount of curtailable load by which Customer shall agree to reduce its demand from the monthly maximum demand. During a request for curtailment, 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: July 20, 2004

Issued By

**Date Effective: With Service Rendered
On and After
July 1, 2004**

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

Issued By Authority of an Order of the KPSC in Case No. 2003-00434 dated June 30, 2004

**CSR3
Curtaileable Service Rider 3**

RATE

Customer will receive a credit against the applicable power schedule for curtaileable KVA, 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:	\$ 3.20 per KVA	\$ 3.10 per KVA
Non-Compliance Charge of:	\$16.00 per KVA	\$16.00 per KVA

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.

Date of Issue: July 20, 2004

Issued By

**Date Effective: With Service Rendered
On and After
July 1, 2004**

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

Issued By Authority of an Order of the KPSC in Case No. 2003-00434 dated June 30, 2004

ELECTRIC RIDER

LRI

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 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: April 19, 2006

Issued By

Date Effective: August 1, 2006

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

Interruptions From 01/01/2006 To 01/01/2008

Start Date/Time	End Date/Time	Offer	Offer Price	KW Hrs Taken	Offer Accepted	Hours
08/01/2006 13:45	08/01/2006 18:30	Physical Shutdown	0.00	0.00		4.75
No buy through was offered.						
08/02/2006 12:00	08/02/2006 19:00	Physical Shutdown	0.00	0.00		7.00
No buy through was offered.						
02/15/2007 13:00	02/15/2007 17:00	Block Offer	118.00	0.00	NO	4.00
05/10/2007 13:00	05/10/2007 21:00	Block Offer	105.00	0.00	NO	8.00
07/09/2007 10:00	07/09/2007 15:00	Block Offer	140.00	0.00	NO	5.00
07/10/2007 10:00	07/10/2007 15:00	Block Offer	93.00	0.00	NO	5.00
07/19/2007 10:00	07/19/2007 15:00	Block Offer	95.00	0.00	NO	5.00
07/19/2007 10:00	07/19/2007 15:00	Block Offer	107.00	0.00	NO	3.00
08/06/2007 12:00	08/06/2007 15:00	Block Offer	142.00	0.00	NO	3.00
08/07/2007 12:00	08/07/2007 15:00	Block Offer	130.00	0.00	NO	3.00
08/08/2007 12:00	08/08/2007 15:00	Block Offer	163.00	0.00	NO	3.00
08/09/2007 12:00	08/09/2007 15:00	Block Offer	102.00	0.00	NO	3.00
08/10/2007 12:00	08/10/2007 15:00	Block Offer	115.00	0.00	NO	3.00
08/13/2007 12:00	08/13/2007 15:00	Block Offer	97.00	0.00	NO	4.00
08/14/2007 11:00	08/14/2007 15:00	Block Offer	0.00	0.00		2.75
Physical Shutdown						
08/15/2007 12:15	08/15/2007 15:00	No ATC to purchase power, no buy through offered.	107.00	0.00	NO	3.00
08/16/2007 12:00	08/16/2007 15:00	Block Offer	130.00	0.00	NO	9.00
08/23/2007 11:00	08/23/2007 20:00	Block Offer	100.00	0.00	NO	5.00
08/24/2007 12:00	08/24/2007 17:00	Block Offer				
Total Hours						80.50

Interruptions From 01/01/2006 To 01/01/2008

Start Date/Time	End Date/Time	Offer	Offer Price	KW Hrs Taken	Offer Accepted	Hours
08/01/2006 13:45	08/01/2006 18:30	Physical Shutdown	0.00	0.00	YES	4.75
08/02/2006 12:00	08/02/2006 17:45	Physical Shutdown	0.00	0.00	NO	5.75
11/21/2006 08:00	11/21/2006 09:35	Hourly Offer	75.00	0.00	NO	1.58
12/08/2006 07:32	12/08/2006 08:02	Physical Shutdown	0.00	0.00	NO	0.50
02/15/2007 13:00	02/15/2007 19:00	Block Offer	118.00	1,000.00	YES	6.00
02/15/2007 19:00	02/15/2007 23:00	Block Offer	118.00	10,000.00	YES	4.00
03/27/2007 08:00	03/27/2007 11:00	Hourly Offer	56.00	30,000.00	YES	3.00
05/10/2007 13:00	05/10/2007 21:00	Block Offer	105.00	1,000.00	YES	8.00
07/06/2007 11:00	07/06/2007 18:00	Block Offer	85.00	1,000.00	YES	7.00
07/09/2007 10:00	07/09/2007 19:00	Block Offer	125.00	1,000.00	YES	9.00
07/10/2007 10:00	07/10/2007 19:00	Block Offer	112.00	1,000.00	YES	9.00
07/17/2007 13:00	07/17/2007 19:00	Block Offer	80.00	32,000.00	YES	6.00
07/19/2007 10:00	07/19/2007 17:00	Block Offer	95.00	1,000.00	YES	7.00
08/06/2007 12:20	08/06/2007 17:00	Physical Shutdown	0.00	0.00	NO	4.67
08/07/2007 12:00	08/07/2007 18:00	Block Offer	142.00	1,000.00	YES	6.00
08/08/2007 12:00	08/08/2007 18:00	Block Offer	130.00	1,000.00	YES	6.00
08/09/2007 12:00	08/09/2007 18:00	Block Offer	163.00	0.00	NO	6.00
08/10/2007 12:00	08/10/2007 18:00	Block Offer	102.00	0.00	NO	6.00
08/13/2007 12:00	08/13/2007 14:00	Block Offer	115.00	1,000.00	YES	2.00

Interruptions From 01/01/2006 To 01/01/2008

Start Date/Time	End Date/Time	Offer	Offer Price	KW Hrs Taken	Offer Accepted	Hours
08/13/2007 14:00	08/13/2007 18:00	Block Offer	115.00	1,000.00	YES	4.00
08/14/2007 11:00	08/14/2007 20:00	Block Offer	90.00	0.00	NO	9.00
08/15/2007 12:15	08/15/2007 18:20	Physical Shutdown	0.00	0.00		6.08
Unable to purchase backup power						
08/16/2007 12:00	08/16/2007 18:45	Block Offer	107.00	0.00	NO	6.75
08/22/2007 14:00	08/22/2007 19:00	Block Offer	110.00	0.00	NO	5.00
08/23/2007 12:00	08/23/2007 20:00	Block Offer	130.00	0.00	NO	8.00
08/24/2007 12:00	08/24/2007 18:00	Block Offer	100.00	0.00	NO	6.00
10/09/2007 13:40	10/09/2007 14:50	Physical Shutdown	0.00	0.00		1.17
furnace operator						
Total Hours						148.25

Interruptions From 01/01/2006 To 01/01/2008

Start Date/Time	End Date/Time	Offer	Offer Price	KW Hrs Taken	Offer Accepted	Hours
08/01/2006 13:45	08/01/2006 18:30	Physical Shutdown	0.00	0.00	YES	4.75
08/02/2006 12:00	08/02/2006 17:45	Physical Shutdown	0.00	0.00	YES	5.75
12/08/2006 07:33	12/08/2006 08:03	Physical Shutdown	0.00	0.00	YES	0.50
03/27/2007 08:00	03/27/2007 11:00	Hourly Offer	57.00	5,000.00	YES	3.00
05/10/2007 13:00	05/10/2007 21:00	Block Offer	105.00	20,000.00	YES	8.00
07/06/2007 11:00	07/06/2007 18:00	Block Offer	85.00	21,000.00	YES	7.00
07/09/2007 10:00	07/09/2007 11:00	Block Offer	125.00	19,000.00	YES	1.00
07/09/2007 11:00	07/09/2007 19:00	Block Offer	125.00	21,000.00	YES	8.00
07/10/2007 10:00	07/10/2007 19:00	Block Offer	112.00	21,000.00	YES	9.00
07/17/2007 13:00	07/17/2007 19:00	Block Offer	80.00	20,000.00	YES	6.00
07/19/2007 10:00	07/19/2007 13:00	Block Offer	95.00	20,000.00	YES	3.00
07/19/2007 13:00	07/19/2007 14:40	Block Offer	95.00	14,000.00	YES	1.67
07/19/2007 14:40	07/19/2007 17:00	Block Offer	95.00	20,000.00	YES	2.33
08/06/2007 12:20	08/06/2007 17:00	Physical Shutdown	0.00	0.00	YES	4.67
08/07/2007 12:00	08/07/2007 18:00	Block Offer	142.00	21,000.00	YES	6.00
08/08/2007 12:00	08/08/2007 18:00	Block Offer	130.00	21,000.00	YES	6.00
08/09/2007 12:00	08/09/2007 18:00	Block Offer	163.00	21,000.00	YES	6.00
08/10/2007 12:00	08/10/2007 18:00	Block Offer	102.00	21,000.00	YES	6.00

Interruptions From 01/01/2006 To 01/01/2008

Start Date/Time	End Date/Time	Offer	Offer Price	KW Hrs Taken	Offer Accepted	Hours
08/13/2007 12:00	08/13/2007 18:00	Block Offer	115.00	21,000.00	YES	6.00
08/14/2007 11:00	08/14/2007 20:00	Block Offer	90.00	21,000.00	YES	9.00
08/15/2007 12:15	08/15/2007 18:20	Physical Shutdown	0.00	0.00		6.08
08/16/2007 12:00	08/16/2007 18:00	Block Offer	107.00	15,000.00	YES	6.00
08/22/2007 14:00	08/22/2007 15:00	Hourly Offer	110.00	13,000.00	YES	1.00
08/22/2007 15:00	08/22/2007 16:00	Hourly Offer	105.00	14,000.00	YES	1.00
08/22/2007 16:00	08/22/2007 17:00	Hourly Offer	102.00	14,000.00	YES	1.00
08/22/2007 17:00	08/22/2007 18:00	Hourly Offer	115.00	11,000.00	YES	1.00
08/22/2007 18:00	08/22/2007 19:00	Hourly Offer	110.00	11,000.00	YES	1.00
08/23/2007 12:00	08/23/2007 20:00	Block Offer	130.00	14,000.00	YES	8.00
08/24/2007 12:00	08/24/2007 18:00	Block Offer	100.00	18,000.00	YES	6.00
10/08/2007 13:40	10/08/2007 14:50		0.00	0.00		1.17
Total Hours						135.92

mark

Interruptions From 01/01/2006 To 01/01/2008

Start Date/Time	End Date/Time	Offer	Offer Price	KW Hrs Taken	Offer Accepted	Hours
01/17/2006 14:00	01/17/2006 20:30	Physical Shutdown			NO	6.50
01/18/2006 08:35	01/18/2006 11:45				NO	3.17
		no buy through offer				
01/19/2006 08:30	01/19/2006 10:00				NO	1.50
		no buy through offer				
01/23/2006 19:45	01/23/2006 22:00	Physical Shutdown			NO	2.25
01/26/2006 08:05	01/26/2006 11:00	Physical Shutdown			NO	2.92
01/26/2006 19:30	01/26/2006 22:00	Physical Shutdown			NO	2.50
01/27/2006 08:00	01/27/2006 10:30	Physical Shutdown			NO	2.50
02/02/2006 19:00	02/02/2006 22:00	Physical Shutdown			NO	3.00
02/06/2006 19:00	02/06/2006 21:45	Physical Shutdown			NO	2.75
02/07/2006 08:00	02/07/2006 09:30	Physical Shutdown			NO	1.50
02/09/2006 08:00	02/09/2006 09:45	Physical Shutdown			NO	1.75
02/13/2006 08:45	02/13/2006 11:20	Physical Shutdown			NO	2.58
02/15/2006 19:00	02/15/2006 20:15	Physical Shutdown			NO	1.25
02/16/2006 19:10	02/16/2006 21:05	Physical Shutdown			NO	1.92
02/20/2006 10:35	02/20/2006 11:35	Physical Shutdown			NO	1.00
02/20/2006 19:20	02/20/2006 21:15	Physical Shutdown			NO	1.92
02/24/2006 08:20	02/24/2006 10:05	Physical Shutdown			NO	1.75
03/03/2006 07:10	03/03/2006 07:25	Physical Shutdown			NO	0.25
03/03/2006 09:30	03/03/2006 12:00	Physical Shutdown			NO	2.50
03/06/2006 08:20	03/06/2006 13:50	Physical Shutdown			NO	5.50

Interruptions From 01/01/2006 To 01/01/2008

Start Date/Time	End Date/Time	Offer	Offer Price	KW Hrs Taken	Offer Accepted	Hours
03/06/2006 19:35	03/06/2006 21:15	Physical Shutdown			NO	1.67
03/07/2006 19:45	03/07/2006 21:15	Physical Shutdown			NO	1.50
03/08/2006 10:20	03/08/2006 11:00	Physical Shutdown			NO	0.67
03/08/2006 19:00	03/08/2006 20:30	Physical Shutdown			NO	1.50
03/09/2006 19:00	03/09/2006 21:00	Physical Shutdown			NO	2.00
03/13/2006 13:00	03/13/2006 14:45	Physical Shutdown			NO	1.75
03/15/2006 11:30	03/15/2006 14:00	Physical Shutdown			NO	2.50
03/17/2006 11:45	03/17/2006 13:50	Physical Shutdown			NO	2.08
03/20/2006 10:15	03/20/2006 12:15	Physical Shutdown			NO	2.00
03/21/2006 08:15	03/21/2006 11:00	Physical Shutdown			NO	2.75
03/21/2006 19:30	03/21/2006 21:00	Physical Shutdown			NO	1.50
03/22/2006 19:50	03/22/2006 21:00	Physical Shutdown			NO	1.17
03/27/2006 08:15	03/27/2006 10:00	Physical Shutdown			NO	1.75
06/21/2006 15:00	06/21/2006 17:00	Physical Shutdown	0.00	0.00		2.00
06/22/2006 15:00	06/22/2006 17:00	Physical Shutdown	0.00	0.00		2.00
07/13/2006 13:35	07/13/2006 15:10	Physical Shutdown	0.00	0.00		1.58
07/17/2006 15:20	07/17/2006 18:00	Physical Shutdown	0.00	0.00		2.67
07/18/2006 15:40	07/18/2006 17:10	Physical Shutdown	0.00	0.00		1.50
07/31/2006 15:00	07/31/2006 17:00	Physical Shutdown	0.00	0.00		2.00
08/01/2006 14:05	08/01/2006 17:05	Physical Shutdown	0.00	0.00		3.00

Interruptions From 01/01/2006 To 01/01/2008

Start Date/Time	End Date/Time	Offer	Offer Price	KW Hrs Taken	Offer Accepted	Hours
08/02/2006 14:00	08/02/2006 17:30	Physical Shutdown	0.00	0.00	0.00	3.50
08/03/2006 14:30	08/03/2006 16:50	Physical Shutdown	0.00	0.00	0.00	2.33
08/07/2006 13:30	08/07/2006 16:30	Physical Shutdown	0.00	0.00	0.00	3.00
09/05/2006 10:31	09/05/2006 11:01	Physical Shutdown	0.00	0.00	0.00	0.50
09/13/2006 13:00	09/13/2006 15:00	Physical Shutdown	0.00	0.00	0.00	2.00
09/14/2006 13:45	09/14/2006 15:00	Physical Shutdown	0.00	0.00	0.00	1.25
09/19/2006 12:11	09/19/2006 13:41	Physical Shutdown	0.00	0.00	0.00	1.50
09/22/2006 19:30	09/22/2006 21:30	Physical Shutdown	0.00	0.00	0.00	2.00
09/25/2006 19:15	09/25/2006 20:15	Physical Shutdown	0.00	0.00	0.00	1.00
09/26/2006 19:51	09/26/2006 21:00	Physical Shutdown	0.00	0.00	0.00	1.15
09/27/2006 07:30	09/27/2006 08:00	Physical Shutdown	0.00	0.00	0.00	0.50
10/04/2006 09:36	10/04/2006 10:50	Physical Shutdown	0.00	0.00	0.00	1.23
10/17/2006 10:30	10/17/2006 11:00	Physical Shutdown	0.00	0.00	0.00	0.50
10/20/2006 10:00	10/20/2006 12:00	Physical Shutdown	0.00	0.00	0.00	2.00
10/23/2006 10:10	10/23/2006 14:10	Physical Shutdown	0.00	0.00	0.00	4.00
10/23/2006 18:53	10/23/2006 20:20	Physical Shutdown	0.00	0.00	0.00	1.45
11/02/2006 18:54	11/02/2006 22:00	Physical Shutdown	0.00	0.00	0.00	3.10
11/03/2006 12:00	11/03/2006 12:30	Physical Shutdown	0.00	0.00	0.00	0.50
11/09/2006 11:30	11/09/2006 12:00	Physical Shutdown	0.00	0.00	0.00	0.50
11/09/2006 18:30	11/09/2006 19:00	Physical Shutdown	0.00	0.00	0.00	0.50

Interruptions From 01/01/2006 To 01/01/2008

Start Date/Time	End Date/Time	Offer	Offer Price	KW Hrs Taken	Offer Accepted	Hours
11/10/2006 18:27	11/10/2006 19:43	Physical Shutdown	0.00	0.00	0.00	1.27
11/13/2006 18:15	11/13/2006 19:15	Physical Shutdown	0.00	0.00	0.00	1.00
11/15/2006 10:05	11/15/2006 11:00	Physical Shutdown	0.00	0.00	0.00	0.92
11/16/2006 10:15	11/16/2006 10:45	Physical Shutdown	0.00	0.00	0.00	0.50
11/16/2006 17:50	11/16/2006 18:55	Physical Shutdown	0.00	0.00	0.00	1.08
11/17/2006 13:34	11/17/2006 14:50	Physical Shutdown	0.00	0.00	0.00	1.27
11/17/2006 18:01	11/17/2006 19:00	Physical Shutdown	0.00	0.00	0.00	0.98
11/27/2006 17:40	11/27/2006 19:00	Physical Shutdown	0.00	0.00	0.00	1.33
11/28/2006 12:25	11/28/2006 14:25	Physical Shutdown	0.00	0.00	0.00	2.00
11/28/2006 20:00	11/28/2006 21:00	Physical Shutdown	0.00	0.00	0.00	1.00
12/05/2006 18:00	12/05/2006 19:30	Physical Shutdown	0.00	0.00	0.00	1.50
12/07/2006 18:30	12/07/2006 20:55	Physical Shutdown	0.00	0.00	0.00	2.42
12/13/2006 18:15	12/13/2006 19:05	Physical Shutdown	0.00	0.00	0.00	0.83
12/14/2006 18:00	12/14/2006 18:45	Physical Shutdown	0.00	0.00	0.00	0.75
01/01/2007 18:00	01/01/2007 19:20	Physical Shutdown	0.00	0.00	0.00	1.33
01/04/2007 17:30	01/04/2007 20:00	Physical Shutdown	0.00	0.00	0.00	2.50
01/16/2007 08:30	01/16/2007 09:20	Physical Shutdown	0.00	0.00	0.00	0.83
01/16/2007 18:55	01/16/2007 19:45	Physical Shutdown	0.00	0.00	0.00	0.83
01/17/2007 18:00	01/17/2007 19:30	Physical Shutdown	0.00	0.00	0.00	1.50
01/18/2007 18:15	01/18/2007 19:00	Physical Shutdown	0.00	0.00	0.00	0.75

Interruptions From 01/01/2006 To 01/01/2008

Start Date/Time	End Date/Time	Offer	Offer Price	KW Hrs Taken	Offer Accepted	Hours
01/22/2007 17:45	01/22/2007 21:30	Physical Shutdown	0.00	0.00	0.00	3.75
01/24/2007 11:20	01/24/2007 12:00	Physical Shutdown	0.00	0.00	0.00	0.67
01/26/2007 08:25	01/26/2007 09:35	Physical Shutdown	0.00	0.00	0.00	1.17
01/31/2007 09:15	01/31/2007 10:45	Physical Shutdown	0.00	0.00	0.00	1.50
02/05/2007 18:41	02/05/2007 19:41	Physical Shutdown	0.00	0.00	0.00	1.00
02/08/2007 20:25	02/08/2007 21:35	Physical Shutdown	0.00	0.00	0.00	1.17
02/09/2007 18:45	02/09/2007 20:00	Physical Shutdown	0.00	0.00	0.00	1.25
02/14/2007 18:10	02/14/2007 20:30	Physical Shutdown	0.00	0.00	0.00	2.33
02/22/2007 19:06	02/22/2007 21:05	Physical Shutdown	0.00	0.00	0.00	1.98
02/27/2007 09:00	02/27/2007 09:30	Physical Shutdown	0.00	0.00	0.00	0.50
02/28/2007 11:00	02/28/2007 11:30	Physical Shutdown	0.00	0.00	0.00	0.50
03/01/2007 09:00	03/01/2007 10:00	Physical Shutdown	0.00	0.00	0.00	1.00
03/12/2007 19:10	03/12/2007 20:10	Physical Shutdown	0.00	0.00	0.00	1.00
03/13/2007 19:30	03/13/2007 20:30	Physical Shutdown	0.00	0.00	0.00	1.00
03/16/2007 19:30	03/16/2007 20:30	Physical Shutdown	0.00	0.00	0.00	1.00
03/20/2007 09:02	03/20/2007 10:05	Physical Shutdown	0.00	0.00	0.00	1.05
03/21/2007 19:52	03/21/2007 21:20	Physical Shutdown	0.00	0.00	0.00	1.47
03/22/2007 19:32	03/22/2007 20:30	Physical Shutdown	0.00	0.00	0.00	0.97
03/23/2007 09:55	03/23/2007 13:30	Physical Shutdown	0.00	0.00	0.00	3.58
03/28/2007 09:30	03/28/2007 10:45	Physical Shutdown	0.00	0.00	0.00	1.25

Interruptions From 01/01/2006 To 01/01/2008

Start Date/Time	End Date/Time	Offer	Offer Price	KW Hrs Taken	Offer Accepted	Hours
04/16/2007 20:04	04/16/2007 20:30	Physical Shutdown	0.00	0.00	0.00	0.43
04/30/2007 15:40	04/30/2007 16:20	Physical Shutdown	0.00	0.00	0.00	0.67
07/03/2007 13:25	07/03/2007 18:00	Physical Shutdown	0.00	0.00	0.00	4.58
07/06/2007 12:40	07/06/2007 13:15	Physical Shutdown	0.00	0.00	0.00	0.58
07/09/2007 15:15	07/09/2007 18:00	Physical Shutdown	0.00	0.00	0.00	2.75
08/03/2007 20:10	08/03/2007 21:00	Physical Shutdown	0.00	0.00	0.00	0.83
08/15/2007 12:15	08/15/2007 18:35	Physical Shutdown	0.00	0.00	0.00	6.33
08/16/2007 17:32	08/16/2007 18:45	Physical Shutdown	0.00	0.00	0.00	1.22
10/11/2007 18:54	10/11/2007 20:34	Physical Shutdown	0.00	0.00	0.00	1.67
10/15/2007 18:20	10/15/2007 19:40	Physical Shutdown	0.00	0.00	0.00	1.33
10/19/2007 18:40	10/19/2007 19:45	Physical Shutdown	0.00	0.00	0.00	1.08
10/22/2007 11:30	10/22/2007 12:40	Physical Shutdown	0.00	0.00	0.00	1.17
10/24/2007 15:30	10/24/2007 16:55	Physical Shutdown	0.00	0.00	0.00	1.42
11/16/2007 19:15	11/16/2007 21:00	Physical Shutdown	0.00	0.00	0.00	1.75
11/21/2007 10:30	11/21/2007 11:30	Physical Shutdown	0.00	0.00	0.00	1.00
11/27/2007 18:10	11/27/2007 20:00	Physical Shutdown	0.00	0.00	0.00	1.83
11/28/2007 19:05	11/28/2007 19:45	Physical Shutdown	0.00	0.00	0.00	0.67
11/29/2007 18:50	11/29/2007 19:30	Physical Shutdown	0.00	0.00	0.00	0.67
12/11/2007 18:20	12/11/2007 19:00	Physical Shutdown	0.00	0.00	0.00	0.67
12/14/2007 17:45	12/14/2007 18:30	Physical Shutdown	0.00	0.00	0.00	0.75

Interruptions From 01/01/2006 To 01/01/2008

Start Date/Time	End Date/Time	Offer	Offer Price	KW Hrs Taken	Offer Accepted	Hours
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Total Hours						203.24
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**KENTUCKY UTILITIES COMPANY
LOUISVILLE GAS AND ELECTRIC COMPANY**

ADMINISTRATIVE CASE NO. 2007-00477

**Response to Second Data Request
Of Commission Staff
Dated January 7, 2008**

Question No. 24

Responding Witness: John Wolfram / Howard Bush

Q-24. Does the company have any customers on Time of Day (Use) rates? If yes, please provide the following information.

Identify customer class, and specific tariff.

Number of customers on each tariff.

Estimate of peak load reduction based on current customer base.

Estimate of annual load reduction based on current customer base.

A-24. Yes. The companies Time-of-Day tariffs are listed below. Copies attached. The companies have not performed an analysis of either the peak load reduction or annual load reduction but believe either to be minimal since the differential in billing demands by time period is minimal.

	Customers
LG&E	
1. Large Commercial Time-of-Day Service	69
2. Large Power Time-of-Day Service	59
3. Large Industrial Time-of-Day Service	0
KU	
1. Large Commercial/Industrial Time-of-Day Service	42
2. Large Mine Power Time-of-Day Service	10
3. Large Industrial Time-of-Day Service	1

ELECTRIC RATE SCHEDULE

LC-TOD

Large Commercial Time-of-Day Rate

APPLICABLE

In all territory served.

AVAILABILITY OF SERVICE

This schedule is available for alternating current service to customers whose monthly demand is equal to or greater than 2,000 kilowatts and whose entire lighting and power requirements are purchased under this schedule at a single service location. Customers with loads between 150 KW and 2,000 KW receiving service under this rate schedule as of July 1, 2004, will continue to be served under this rate schedule.

RATE

Customer Charge: \$90.00 per delivery point per month

Demand Charge:

Basic Demand Charge	
Secondary Distribution	\$3.53 per KW per month
Primary Distribution	\$2.52 per KW per month

Applicable to the highest average load in kilowatts recorded during any 15-minute interval in the monthly billing period, but not less than 50% of the maximum demand similarly determined for any of the four billing periods of June through September within the 11 preceding months.

Peak Period Demand Charge

Secondary Distribution:	
Summer Peak Period	\$11.17 per KW per month
Winter Peak Period	\$ 8.11 per KW per month

Primary Distribution:	
Summer Peak Period	\$10.38 per KW per month
Winter Peak Period	\$ 7.58 per KW per month

Applicable to the highest average load in kilowatts recorded during any 15-minute interval of the peak period, as defined herein, in the monthly billing period, but not less than 50% of the maximum demand similarly determined for any of the four billing periods of June through September within the 11 preceding months.

Energy Charge 2.706¢ per KWH

SUMMER PEAK PERIOD is defined as weekdays from 10 A.M. to 9 P.M., Eastern Standard Time during the 4 billing periods of June through September.

WINTER PEAK PERIOD is defined as weekdays from 8 A.M. to 10 P.M., Eastern Standard Time, during the 8 billing periods of October through May.

Date of Issue: November 1, 2007
Canceling Second Revision of
Original Sheet No. 20
Issued February 20, 2007

Issued By

Date Effective: With Bills Rendered
On and After
December 3, 2007

**Lonnie E. Bellar, Vice President,
State Regulation and Rates
Louisville, Kentucky**

Issued by Authority of an Order of the KPSC in Case No. 2006-00510 dated October 31, 2007

Louisville Gas and Electric Company

First Revision of Original Sheet No. 20.1
P.S.C. of Ky. Electric No. 6

ELECTRIC RATE SCHEDULE

LC-TOD

Large Commercial Time-of-Day Rate

PRIMARY DISTRIBUTION SERVICE

The above demand charge for primary distribution service is predicated on the customer's taking service at the applicable voltage and furnishing, installing, and maintaining complete substation structure and all equipment necessary to take service at such voltage. The nominal primary distribution voltages of Company, where available, are 2400/4160Y, 7200/12,470Y, 13,800 or 34,500.

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
Value Delivery Surcredit Rider	Sheet No. 75
Franchise Fee Rider	Sheet No. 76
School Tax	Sheet No. 77

MINIMUM CHARGE

The bill shall in no event be less than the Customer Charge plus the Demand Charge computed upon the billing demand for the month.

LATE PAYMENT CHARGE

The bill will be rendered at the above net charges (including net minimum bills when applicable) plus an amount equivalent to 1% thereof, which amount will be deducted provided bill is paid within 15 days from date.

EXIT OR EMERGENCY LIGHTING

Where governmental code or regulation requires a separate circuit for exit or emergency lighting, the demand and consumption of such separate circuit may be combined for billing with those of the principal light and power circuit or circuits.

TERMS OF CONTRACT

Contracts under this rate shall be for an initial term of one year, remaining in effect from month to month thereafter until terminated by notice of either party to the other.

TERMS AND CONDITIONS

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

Date of Issue: June 8, 2005
Canceling Original Sheet No. 20.1
Issued July 20, 2004

Issued By

Date Effective: June 1, 2005

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

ELECTRIC RATE SCHEDULE

LP-TOD

Large Power Industrial Time-of-Day Rate

APPLICABLE

In all territory served.

AVAILABILITY OF SERVICE

This schedule is available for three-phase power and lighting service to industrial customers whose monthly demand is equal to or greater than 2,000 kilowatts, the customer to furnish and maintain all necessary transformation and voltage regulatory equipment required for lighting usage. Company reserves the right to decline to serve any new load of more than 50,000 kilowatts under this rate schedule. As used herein, the term "industrial" shall apply to any activity engaged primarily in manufacturing or to any other activity where the usage for lighting does not exceed 10% of total usage. This monthly demand requirement of equal to or greater than 2,000 kilowatts will apply only to customers who request service under this rate on and after July 1, 2004.

RATE

Customer Charge: \$120.00 per delivery point per month

Demand Charge:

Basic Demand Charge

Secondary Distribution	\$4.88 per KW per month
Primary Distribution	\$3.82 per KW per month
Transmission Line	\$2.66 per KW per month

Applicable to the highest average load in kilowatts recorded during any 15-minute interval in the monthly billing period, but not less than 50% of the maximum demand similarly determined for any of the four billing periods of June through September within the 11 preceding months.

Peak Period Demand Charge

Secondary Distribution:

Summer Peak Period	\$10.02 per KW per month
Winter Peak Period	\$ 7.43 per KW per month

Primary Distribution:

Summer Peak Period	\$9.32 per KW per month
Winter Peak Period	\$6.73 per KW per month

Transmission Line :

Summer Peak Period	\$9.31 per KW per month
Winter Peak Period	\$6.72 per KW per month

Applicable to the highest average load in kilowatts recorded during any 15-minute interval of the peak period, as defined herein, in the monthly billing period, but not less than 50% of the maximum demand similarly determined for any of the four billing periods of June through September within the 11 preceding months.

Energy Charge 2.362¢ per KWH

**Date of Issue: November 1, 2007
Canceling Second Revision of
Original Sheet No. 30
Issued February 20, 2007**

Issued By

**Date Effective: With Bills Rendered
On and After
December 3, 2007**

**Lonnie E. Bellar, Vice President,
State Regulation and Rates
Louisville, Kentucky**

Issued by Authority of an Order of the KPSC in Case No. 2006-00510 dated October 31, 2007

Louisville Gas and Electric Company

First Revision of Original Sheet No. 30.1
P.S.C. of Ky. Electric No. 6

ELECTRIC RATE SCHEDULE

LP-TOD

Large Power Industrial Time-of-Day Rate

SUMMER PEAK PERIOD is defined as weekdays from 10 A.M. to 9 P.M, Eastern Standard Time, during the 4 billing periods of June through September.

WINTER PEAK PERIOD is defined as weekdays from 8 A.M. to 10 P.M., Eastern Standard Time, during the 8 billing periods of October through May.

PRIMARY DISTRIBUTION AND TRANSMISSION LINES SERVICE

The above demand charge for primary distribution and transmission line service are predicated on the customer's taking service at the applicable available voltage and furnishing, installing, and maintaining complete substation structure and all equipment necessary to take service at such voltage. The nominal primary distribution voltages of Company, where available, are 2,400/4,160Y, 7,200/12,470Y, 13,800, or 34,500. The transmission line voltages of Company, where available, are 69,000, 138,000 and 345,000.

POWER FACTOR PROVISION

The monthly demand charge shall be decreased .4% for each whole one percent by which the monthly average power factor exceeds 80% lagging and shall be increased .6% for each whole one percent by which the monthly average power factor is less than 80% lagging.

Monthly average power factor shall be determined by means of a reactive component meter ratcheted to record only lagging reactive kilovolt ampere hours, used in conjunction with a standard watt-hour meter.

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
Value Delivery Surcredit Rider	Sheet No. 75
Franchise Fee Rider	Sheet No. 76
School Tax	Sheet No. 77

Customers receiving service hereunder may elect not to participate in programs pursuant to the DSM Cost Recovery Mechanism, and such customers will not be assessed a charge thereunder. A customer may not opt out of the DSM Cost Recovery Mechanism for three years from the date it last received a DSM program pursuant to the mechanism. Those customers that opt out must pay in a lump sum any unpaid balance of its share of the costs of any DSM programs it has received. However, a customer who opts out may reverse that election and participate under the DSM Cost Recovery Mechanism.

Date of Issue: June 8, 2005
Canceling Original Sheet No. 30.1
Issued July 20, 2004

Issued By

Date Effective: June 1, 2005

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

Issued By Authority of an Order of the KPSC in Case No. 2004-00466 dated May 24, 2005

ELECTRIC RATE SCHEDULE

LP-TOD

Large Power Industrial Time-of-Day Rate

MINIMUM CHARGE

The bill shall in no event be less than the Customer Charge plus the Demand Charge computed upon the billing demand for the month.

LATE PAYMENT CHARGE

The bill will be rendered at the above net charges (including net minimum bills when applicable) plus an amount equivalent to 1% thereof, which amount will be deducted provided bill is paid within 15 days from date.

EXIT OR EMERGENCY LIGHTING

Where governmental code or regulation requires a separate circuit for exit or emergency lighting, the demand and consumption of such separate circuit may be combined for billing with those of the principal power circuit.

TERM OF CONTRACT

Contracts under this rate shall be for an initial term of one year, remaining in effect from month to month thereafter until terminated by notice of either party to the other.

TERMS AND CONDITIONS

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

Date of Issue: July 20, 2004

Issued By

**Date Effective: With Service Rendered
On and After
July 1, 2004**

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

Issued By Authority of an Order of the KPSC in Case No. 2003-00433 dated June 30, 2005

Louisville Gas and Electric Company

Third Revision of Original Sheet No. 33
P.S.C. of Ky. Electric No. 6

ELECTRIC RATE SCHEDULE

LI-TOD

Large Industrial Time-of-Day Service

APPLICABLE

In all territory served.

AVAILABILITY OF SERVICE

Available for three-phase delivery to customers up to an aggregate of two hundred (200) MVA for all customers taking service under this schedule and under the LI-TOD 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 large industrial time-of-day 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 large industrial time-of-day 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. Existing customers as of the effective date of this rate schedule, July 1, 2004, shall have the first option to the available capacity under this rate schedule by signing a contract for firm service by March 1, 2005, which commits to billing for demand related charges by July 1, 2006.

BASE RATE

Customer Charge: \$120.00 per delivery point per month

	<u>Secondary</u>	<u>Primary</u>	<u>Transmission</u>
Energy Charge of:			
Per monthly billing period	\$0.02362 per kWh	\$0.02362 per kWh	\$0.02362 per kWh

Plus a Demand Charge of:
Per monthly billing period of

Standard Load Charges:			
Basic Demand Charge	\$4.88 per KVA	\$3.82 per KVA	\$2.66 per KVA

Plus Peak Demand Charge			
Winter Peak	\$7.43 per KVA	\$6.73 per KVA	\$6.72 per KVA
Summer Peak	\$10.02 per KVA	\$9.32 per KVA	\$9.31 per KVA

Where the monthly Standard billing is the greater of the applicable charge per KVA times:

- the maximum metered standard demand, as measured over a fifteen (15) minute interval, for the basic demand and each peak period, in the monthly billing period,
- 60% of the maximum metered standard demand, as determined in (a) above, for the basic demand and each peak period in the preceding eleven (11) monthly billing periods,
- 60% of the contract capacity based on the expected maximum demand upon the system, or
- minimum may be adjusted where customer's service requires an abnormal investment in special facilities.

Plus Fluctuating Load Charges:

Date of Issue: November 1, 2007
Canceling Second Revision of
Original Sheet No. 33
Issued April 2, 2007

Issued By

Date Effective: With Bills Rendered
On and After
December 5, 2007

Lonnie E. Bellar, Vice President
State Regulation and Rates
Louisville, Kentucky

Issued By Authority of an Order of the KPSC in Case No. 2004-00510 dated October 31, 2007

Louisville Gas and Electric Company

First Revision of Original Sheet No. 33.1
P.S.C. of Ky. Electric No. 6

ELECTRIC RATE SCHEDULE		LI-TOD	
Large Industrial Time-of-Day Service			
Basic Demand Charge	\$2.31 per KVA	\$1.76 per KVA	\$1.17 per KVA
Plus Peak Demand Charge			
Winter Peak	\$3.57 per KVA	\$3.22 per KVA	\$3.22 per KVA
Summer Peak	\$4.87 per KVA	\$4.52 per KVA	\$4.51 per KVA
Where the monthly Fluctuating billing is the greater of the applicable charge per KVA times:			
e) the maximum metered fluctuating demand, as measured over a five (5) minute interval, for the basic demand and each peak period less the maximum metered standard demand for the basic demand and each peak period in the monthly billing period, or			
f) 60% of the billed fluctuating demand, as determined in (e) above, for the basic demand and each peak period in the preceding eleven (11) monthly billing periods.			
SUMMER PEAK PERIOD is defined as weekdays from 10 A.M. to 9 P.M, Eastern Standard Time, during the 4 billing periods of June through September.			
WINTER PEAK PERIOD is defined as weekdays from 8 A.M. to 10 P.M., Eastern Standard Time, during the 8 billing periods of October through May.			
MINIMUM BILL			
The minimum bill 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.			
ADJUSTMENT CLAUSES			
The amount computed at the charges specified above shall be increased or decreased in accordance with the following:			
Fuel Adjustment Clause		Sheet No. 70	
Environmental Cost Recovery Surcharge		Sheet No. 72	
Merger Surcredit Rider		Sheet No. 73	
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 15 days from date of bill.			
TERM OF CONTRACT			
Unless terminated by mutual agreement, the initial term of contract for service 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.			

Date of Issue: June 8, 2005
Canceling Original Sheet No. 33.1
Issued July 20, 2004

Issued By

Date Effective: June 1, 2005

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

ELECTRIC RATE SCHEDULE

LI-TOD

Large Industrial Time-of-Day Service

PROTECTION OF SERVICE

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 undesirable 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.

SYSTEM CONTINGENCIES AND INDUSTRY SYSTEM PERFORMANCE CRITERIA

Company reserves the right to interrupt up to 95% of 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 nor shall the interruptions exceed twenty (20) per month. Such interruptions will not be accumulated nor credited against annual hours, if any, under the CURTAILMENT SERVICE RIDER 3. Company's right to interrupt under this provision is restricted to responses to unplanned outage or de-rates of LG&E Energy LLC System ("LEC System") owned or purchased generation or when Automatic Reserve Sharing is invoked with ECAR or an ISO/TRO. LEC System, as used herein, shall consist of LG&E and KU. At customer's request, Company shall provide documentation of the need for interruption under this provision within sixty (60) days of the end of the applicable billing period.

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

Date of Issue: July 20, 2004

Issued By

**Date Effective: With Service Rendered
On and After
July 1, 2004**

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

Issued By Authority of an Order of the KPSC in Case No. 2003-00433 dated June 30, 2004

ELECTRIC RATE SCHEDULE

LI-TOD

Large Industrial Time-of-Day Service

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.

TERMS AND CONDITIONS

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

Date of Issue: July 20, 2004

Issued By

**Date Effective: With Service Rendered
On and After
July 1, 2004**

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

Issued By Authority of an Order of the KPSC in Case No. 2003-00433 dated June 30, 2004

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 have 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

Customer Charge: \$120.00 per month

Maximum Load Charge:	<u>Primary</u>	<u>Transmission</u>
On-Peak Demand.....	\$5.16 per KW	\$4.97 per KW
Off-Peak Demand.....	\$.74 per KW	\$.74 per KW

Energy Charge: 3.282 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
Value Delivery Surcredit Rider	Sheet No. 75
Franchise Fee Rider	Sheet No. 76
School Tax	Sheet No. 77

**Date of Issue: November 1, 2007
Canceling Second Revision of
Original Sheet No. 25
Issued February 20, 2007**

Issued By

**Date Effective: With Bills Rendered
On and After
December 3, 2007**

**Lonnie E. Bellar, Vice President,
State Regulation and Rates
Lexington, Kentucky**

Issued By Authority of an Order of the KPSC in Case No. 2006-00509 dated October 31, 2007

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 \$61.92 per kilowatt for primary and \$59.64 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, \$309,600 per year; transmission delivery \$298,200 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: February 20, 2007
Canceling Original Sheet No. 25.1
Issued July 20, 2004**

Issued By

**Date Effective: With Bills Rendered
On and After
March 5, 2007**

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

Issued By Authority of an Order of the KPSC in Case No. 2006-00129 dated January 31, 2007

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.

Date of Issue: July 20, 2004

Issued By

**Date Effective: With Service Rendered
On and After October 31, 2004
Refiled: July 20, 2004**

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

Issued By Authority of an Order of the KPSC in Case No. 2003-00434 dated June 30, 2004

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) Customers being served on this rate whose average demands have 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.
- (3) 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.
- (4) 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

Customer Charge: \$120.00 per month

Maximum Load Charge:	<u>Primary</u>	<u>Transmission</u>
On-Peak Demand.....	\$5.75	\$5.21
Off-Peak Demand.....	\$.74	\$.74

Energy Charge: 3.082 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)

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

Date of Issue: November 1, 2007
Canceling Second Revision of
Original Sheet No. 35
Issued February 20, 2007

Issued By

Date Effective: With Bills Rendered
On and After
December 3, 2007

**Lonnie E. Bellar, Vice President,
State Regulation and Rates
Lexington, Kentucky**

Issued By Authority of an Order of the KPSC in Case No. 2006-00509 dated October 31, 2007

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

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) \$69.00 for primary delivery and \$62.52 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) \$69.00 per kilowatt for primary delivery and \$62.52 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 of 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: February 20, 2007
Canceling Original Sheet No. 35.1
Issued July 20, 2004

Issued By

Date Effective: With Bills Rendered
On and After
March 5, 2007

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

Issued By Authority of an Order of the KPSC in Case No. 2006-00129 dated January 31, 2007

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
Environmental Cost Recovery Surcharge	Sheet No. 72
Merger Surcredit Rider	Sheet No. 73
Value Delivery Surcredit Rider	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

Date of Issue: June 8, 2005
Canceling Original Sheet No. 35.2
Issued July 20, 2004

Issued By

Date Effective: June 2, 2005

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

ELECTRIC RATE SCHEDULE

LI-TOD

Large Industrial Time-of-Day Service

APPLICABLE

In all territory served.

AVAILABILITY OF SERVICE

Available for three-phase delivery to customers up to an aggregate of two hundred (200) MVA for all customers taking service under this schedule and under the LI-TOD schedule of Louisville Gas and Electric Company. This schedule is restricted to individual customers whose monthly demand is twenty (20) MVA or greater. A customer is defined as large industrial time-of-day 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 large industrial time-of-day 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. Existing customers as of the effective date of this rate schedule, April 1, 2004, shall have the first option to the available capacity under this rate schedule by signing a contract for firm service by March 1, 2005, which commits to billing for demand related charges by July 1, 2006.

BASE RATE

Customer Charge: \$120.00 per month

	<u>Primary</u>	<u>Transmission</u>
Energy Charge of:		
Per monthly billing period	\$0.03282 per kWh	\$0.03282 per kWh
Plus a Demand Charge of:		
Per monthly billing period		
Standard Load Charges:		
On-Peak	\$4.87 per KVA	\$4.66 per KVA
Off-Peak	\$0.74 per KVA	\$0.74 per KVA

Where the monthly Standard On-Peak billing and Off-Peak billing are the greater of the applicable charge per KVA times:

- (a) the maximum metered standard demand, as measured over a fifteen (15) minute interval, for each peak period in the monthly billing period,
- (b) 60% of the maximum metered standard demand, as determined in (a) above, for each peak period 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.

Plus Fluctuating Load Charges:		
On-Peak	\$2.29 per KVA	\$2.20 per KVA
Off-Peak	\$0.37 per KVA	\$0.37 per KVA

Date of Issue: November 1, 2007
Canceling Second Revision of
Original Sheet No. 38
Issued February 20, 2007

Issued By

Date Effective: With Bills Rendered
On and After
December 3, 2007

Lonnie E. Bellar, Vice President,
State Regulation and Rates
Lexington, Kentucky

Issued By Authority of an Order of the KPSC in Case No. 2006-00509 dated October 31, 2007

ELECTRIC RATE SCHEDULE

LI-TOD

Large Industrial Time-of-Day Service

Where the monthly Fluctuating On-Peak billing and Off-Peak billing are the greater of the applicable charge per KVA times:

- (e) the maximum metered fluctuating demand, as measured over a five (5) minute interval, for each peak period less the maximum metered standard demand for that peak period in the monthly billing period, or
- (f) 60% of the billed fluctuating demand, as determined in (e) above, for each peak period in the preceding eleven (11) monthly billing periods.

RATING PERIODS

The rating periods applicable to the peak load charges shall be as follows:

The On-Peak Period during the four consecutive summer billing months of June through September is defined as weekdays from 10:00 a.m. to 9:00 p.m., Eastern Standard Time (EST), year round, throughout the Company's service territory.

The On-Peak Period during the eight consecutive winter billing months of October through May is defined as weekdays from 8:00 a.m. to 10:00 p.m., Eastern Standard Time (EST), 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.

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
Environmental Cost Recovery Surcharge	Sheet No. 72
Merger Surcredit Rider	Sheet No. 73
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.

**Date of Issue: June 8, 2005
Canceling Original Sheet No. 38.1
Issued July 20, 2004**

Issued By

**Date Effective: With Bills Rendered
On and After
July 5, 2005**

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

Issued by Authority of Order of the KPSC in Case No. 2004-00465 dated May 24, 2005

ELECTRIC RATE SCHEDULE

LI-TOD

Large Industrial Time-of-Day Load Service

TERM OF CONTRACT

Unless terminated by mutual agreement, the initial term of contract for service 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.

PROTECTION OF SERVICE

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 undesirable 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.

SYSTEM CONTINGENCIES AND INDUSTRY SYSTEM PERFORMANCE CRITERIA

Company reserves the right to interrupt up to 95% of 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 nor shall the interruptions exceed twenty (20) per month. Such interruptions will not be accumulated nor credited against annual hours, if any, under the CURTAILMENT SERVICE RIDER 3. Company's right to interrupt under this provision is restricted to responses to unplanned outage or de-rates of LG&E Energy LLC System (LEC System) owned or purchased generation or when Automatic Reserve Sharing is invoked with ECAR or an ISO/TRO. LEC System, as used herein, shall consist of KU and LG&E. At customer's request, Company shall provide documentation of the need for interruption under this provision within sixty (60) days of the end of the applicable billing period.

Date of Issue: July 20, 2004

Issued By

**Date Effective: With Service Rendered
On and After
July 1, 2004**

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

Issued By Authority of an Order of the KPSC in Case No. 2003-00434 dated June 30, 2004

ELECTRIC RATE SCHEDULE

LI-TOD

Large Industrial Time-of-Day Load Service

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.

TERMS AND CONDITIONS

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

Date of Issue: July 20, 2004

Issued By

**Date Effective: With Service Rendered
On and After
July 1, 2004**

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

Issued By Authority of an Order of the KPSC in Case No. 2003-00434 dated June 30, 2004

**KENTUCKY UTILITIES COMPANY
LOUISVILLE GAS AND ELECTRIC COMPANY**

ADMINISTRATIVE CASE NO. 2007-00477

**Response to Second Data Request
Of Commission Staff
Dated January 7, 2008**

Question No. 25

Responding Witness: Lonnie Bellar / Howard Bush

Q-25. Does KU/LG&E currently have an on/off peak option in current rates, aside from industrial customers currently on TOU rates? If so, please provide the tariff(s) that provide for the on/off peak option. Please provide E.ON's management position regarding what conditions are likely to be required to stimulate customer interest in such a tariff option.

A-25. The Companies currently are conducting three pilot programs which offer on/off peak options to smaller loads including residential customers. Copies attached. At this time, evaluation of STOD (Small Time-of-Day Service), RRP (Residential Responsive Pricing Service), and GRP (General Responsive Pricing Service) has not been conducted. The Companies are hopeful that providing greater flexibility in the time periods, coupled with proper price signals, will result in changes of customer usage patterns reflecting both a reduction in consumption and a shift in when peak demands occur.

Louisville Gas and Electric Company

Third Revision of Original Sheet No. 62
P.S.C. of Ky. Electric No. 6

ELECTRIC RATE SCHEDULE **STOD** **Small Time-of-Day Service**

APPLICABLE

In all territory served by the Company.

AVAILABILITY OF SERVICE

Available to commercial customers whose average maximum monthly demands are greater than 250 KW and less than 2,000KW.

- a) STOD shall be available as an optional pilot program for three years effective 14 weeks following the Final Order in PSC Case No 2003-00433 for existing customers on Rate LC, Original Sheet No 15, PSC of Ky Electric No 6.
- b) As an optional pilot program, STOD is restricted to 100 customers. The Company will notify all eligible customers of STOD and accept applications on a first-come-first-served basis with the beginning of business 6 weeks following the Final Order in PSC Case No 2003-00433.
- c) For each year or partial year of the pilot program, programming costs plus lost revenues will be recovered from customers served under Rate LC by a program cost recovery mechanism.
- d) No customers will be accepted for STOD following the end of the second year of the pilot program.
- e) The Company will file a report on STOD with the Commission within six months of the end of the third year of the pilot program. Such report will detail findings and recommendations.
- f) STOD shall remain in effect until terminated by order of the Commission.

RATE

Customer Charge: \$80.00 per month

Plus a Demand Charge:

Winter Rate applies to the eight consecutive billing months October through May

Secondary Service - \$11.70 per KW per month

Primary Service - \$10.12 per KW per month

Summer Rate applies to the four consecutive billing months June through September

Secondary Service - \$14.76 per KW per month

Primary Service - \$12.92 per KW per month

Plus an Energy Charge of:

On-Peak Energy - \$0.03289 per KWH

Off-Peak Energy - \$0.01723 per KWH

Where the On-Peak Energy is defined for bills rendered during a billing period as the metered consumption from:

- a) 10 A.M. to 9 P.M., Eastern Standard Time, on weekdays for the four consecutive billing months of June through September or
- b) 8 A.M. to 10 P.M., Eastern Standard Time, on weekdays for the eight consecutive billing months from October through May.

All other metered consumption shall be defined as Off-Peak Energy.

DETERMINATION OF MAXIMUM LOAD

The monthly billing demand shall be the highest load in kilowatts recorded during any 15-minute interval in the monthly billing period; but not less than 50% of the maximum demand similarly determined for any of the four billing periods of June through September within the 11 preceding months; nor less than 25 kilowatts (10 kilowatts to any customer served under this rate schedule on March 1, 1964.

Date of Issue: November 1, 2007
Canceling Second Revision of
Original Sheet No. 62
Issued February 20, 2007

Issued By

Date Effective: With Bills Rendered
On and After
December 3, 2007

Lonnie E. Bellar, Vice President,
State Regulation and Rates
Louisville, Kentucky

Issued by Authority of an Order of the KPSC in Case No. 2006-00510 dated October 31, 2007

Louisville Gas and Electric Company

First Revision of Original Sheet No. 62.1
P.S.C. of Ky. Electric No. 6

ELECTRIC RATE SCHEDULE STOD Small Time-of-Day Service

PROGRAM COST RECOVERY MECHANISM

The monthly billing amount computed under Rate LC shall be adjusted by the Program Cost Recovery Factor which shall be calculated per KWH in accordance with the following formula:

$$\text{Program Cost Recovery Factor} = (\text{PC} + \text{LR}) / \text{LPKWH}$$

Where:

- a) PC is the cost of programming the billing system and will be no more than \$29,050 for each of the three years of the pilot program.
- b) LR is the lost revenues of the pilot program calculated by subtracting the revenues that would have been billed under Rate LC from the revenues realized by actual billings under STOD. LR will be calculated for the first program year and applied in the second program or recovery year. That procedure will repeat for each year or partial year the pilot is in effect.
- c) LPKWH is the expected KWH energy sales for the LC rate in the recovery year.
- d) The Company will file any changes to the Program Cost Recovery Factor with supporting calculations ten days prior to application.

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
Value Delivery Surcredit Rider	Sheet No. 75
Franchise Fee Rider	Sheet No. 76
School Tax	Sheet No. 77

MINIMUM CHARGE

The bill shall in no event be less than the Customer Charge plus the Demand Charge computed upon the billing demand for the month.

LATE PAYMENT CHARGE

The bill will be rendered at the above net charges (including net minimum bills when applicable) plus an amount equivalent to 1% thereof, which amount will be deducted provided bill is paid within 15 days from date.

EXIT AND EMERGENCY LIGHTING

Where governmental code or regulation requires a separate circuit for exit or emergency lighting, the demand and consumption of such separate circuit may be combined for billing with those of the principal light and power circuit or circuits.

TERMS 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. A customer exiting the pilot program will not be allowed to return to it until the Commission has issued a decision on the STOD program report.

Date of Issue: June 8, 2005
Canceling Original Sheet No. 62.1
Issued July 20, 2004

Issued By

Date Effective: June 1, 2005

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

Issued By Authority of an Order of the KPSC in Case No. 2004-00466 dated May 24, 2005

ELECTRIC RATE SCHEDULE STOD
Small Time-of-Day Service

TERMS AND CONDITIONS

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

Date of Issue: July 20, 2004

Issued By

**Date Effective: With Service Rendered
On and After
July 1, 2004**

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

Issued By Authority of an Order of the KPSC in Case No. 2003-00433 dated June 30, 2004

ELECTRIC RATE SCHEDULE RRP
Residential Responsive Pricing Service

APPLICABLE

In the territory served by the Company and falling in four meter reading routes selected by the Company for testing "smart meters" and customer reaction to responsive pricing.

AVAILABILITY OF SERVICE

RRP shall be available as an optional pilot program to single phase, single family residential service for three years and shall remain in effect until modified or terminated by order of the Commission.

- g) RRP is restricted to a maximum of one hundred (100) customers eligible for Rate RS in any year. The Company will notify all customers eligible for RRP and accept applications on a first-come-first-served basis.
- h) No customers will be accepted on RRP following the end of the second year of the pilot program. A customer exiting the pilot program or disconnected for non-pay will not be allowed to return to it until the Commission has issued a decision on the pilot program report.
- i) Non customer-specific costs of modifying the Company's customer billing systems to accommodate RRP will be recovered through a charge per kWh billed to customers taking service under rates RS and GS.
- j) The Company will file a report on RRP with the Commission within six months after the first three years of implementation of the pilot program. Such report will detail findings and recommendations.

RATE

Customer Charge: \$10.00 per month

Plus an Energy Demand Charge:

Low Cost Hours (P ₁):	4.344¢ per kWh
Medium Cost Hours (P ₂):	5.574¢ per kWh
High Cost Hours (P ₃):	10.992¢ per kWh
Critical Cost Hours (P ₄):	30.461¢ per kWh

DETERMINATION OF PRICING PERIODS

Pricing periods are established in Eastern Standard Time year round by season for weekdays and weekends. The hours of the pricing periods for price levels P₁, P₂, and P₃ are as follows:

Summer peak months of June through September

	Low (P ₁)	Medium (P ₂)	High (P ₃)
Weekdays	9 P.M. – 10 A.M.	10 A.M. – 1 P.M. 6 P.M. – 9 P.M.	1 P.M. – 6 P.M.
Weekends	6 P.M. – 1 P.M.	1 P.M. – 6 P.M.	

All other months October continuously through May

	Low (P ₁)	Medium (P ₂)	High (P ₃)
Weekdays	10 P.M. – 8 A.M.	8 A.M. – 6 P.M.	6 P.M. – 10 P.M.
Weekends	10 P.M. – 6 P.M.	6 P.M. – 10 P.M.	

Date of Issue: November 1, 2007
Canceling Original Sheet No. 63
Issued July 31, 2007

Issued By

Date Effective: With Service Rendered
On and After
January 1, 2008

Lonnie E. Bellar, Vice President
State Regulation and Rates
Louisville, Kentucky

Issued By Authority of an Order of the KPSC in Case No. 2007-00510 dated October 31, 2007

ELECTRIC RATE SCHEDULE RRP
Residential Responsive Pricing Service

The hours of the responsive pricing periods for price level P₄ shall be determined at the discretion of the Company. Each customer will be notified by electronic signal at least one half hour prior to the start of price level P₄. The cumulative hours for P₄ shall not exceed 80 hours annually or 6 hours daily.

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
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.

LATE PAYMENT CHARGE

The bill will be rendered at the above net charges (including net minimum bills when applicable) plus an amount equivalent to 5% thereof, which amount will be deducted provided bill is paid within 15 days from date.

TERMS 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. Customers served under this optional pilot program will not be eligible for the Company's Budget Payment Plan.

Date of Issue: November 1, 2007
Canceling Original Sheet No. 63
Issued July 31, 2007

Issued By

Date Effective: With Service Rendered
On and After
January 1, 2008

Lonnie E. Bellar, Vice President
State Regulation and Rates
Louisville, Kentucky

Issued By Authority of an Order of the KPSC in Case No. 2007-00510 dated October 31, 2007

ELECTRIC RATE SCHEDULE GRP
General Responsive Pricing Service

APPLICABLE

In the territory served by the Company and falling in four meter reading routes selected by the Company for testing "smart meters" and customer reaction to responsive pricing.

AVAILABILITY OF SERVICE

GRP shall be available as an optional pilot program to any customer for alternating current service, single-phase or three-phase, for lighting, power, and other general usage, measured and delivered at one of Company's standard distribution secondary voltages for three years and shall remain in effect until modified or terminated by order of the Commission.

- k) GRP is restricted to a maximum of fifty (50) customers eligible for Rate GS in any year. The Company will notify all eligible customers of GRP and accept applications on a first-come-first-served basis.
- l) No customers will be accepted on GRP following the end of the second year of the pilot program. A customer exiting the pilot program or disconnected for non-pay will not be allowed to return to it until the Commission has issued a decision on the pilot program report.
- m) Non customer-specific costs of customer billing systems to bill customers will be recovered through a charge per kWh billed to customers taking service under rates RS and GS.
- n) The Company will file a report on GRP with the Commission within six months after the first three years of implementation of the pilot program. Such report will detail findings and recommendations.

RATE

Customer Charge: \$20.00 per meter per month for single-phase service
\$24.00 per meter per month for three-phase service

Plus an Energy Demand Charge:

Low Cost Hours (P₁): 4.754¢ per kWh
Medium Cost Hours (P₂): 6.244¢ per kWh
High Cost Hours (P₃): 13.681¢ per kWh
Critical Cost Hours (P₄): 30.461¢ per kWh

DETERMINATION OF PRICING PERIODS

Pricing periods are established in Eastern Standard Time year round by season for weekdays and weekends. The hours of the pricing periods for price levels P₁, P₂, and P₃ are as follows:

Summer peak months of June through September

	Low (P ₁)	Medium (P ₂)	High (P ₃)
Weekdays	9 P.M. – 10 A.M.	10 A.M. – 1 P.M. 6 P.M. – 9 P.M.	1 P.M. – 6 P.M.
Weekends	6 P.M. – 1 P.M.	1 P.M. – 6 P.M.	

All other months October continuously through May

	Low (P ₁)	Medium (P ₂)	High (P ₃)
Weekdays	10 P.M. – 8 A.M.	8 A.M. – 6 P.M.	6 P.M. – 10 P.M.
Weekends	10 P.M. – 6 P.M.	6 P.M. – 10 P.M.	

Date of Issue: November 1, 2007
Canceling Original Sheet No. 64
Issued July 31, 2007

Issued By

Date Effective: With Service Rendered
On and After
January 1, 2008

Lonnie E. Bellar, Vice President
State Regulation and Rates
Louisville, Kentucky

Issued By Authority of an Order of the KPSC in Case No. 2007-00510 dated October 31, 2007

ELECTRIC RATE SCHEDULE GRP
General Responsive Pricing Service

The hours of the responsive pricing periods for price level P₄ shall be determined at the discretion of the Company. Each customer will be notified by electronic signal at least one half hour prior to the start of price level P₄. The cumulative hours for P₄ shall not exceed 80 hours annually or 6 hours daily.

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
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.

LATE PAYMENT CHARGE

The bill will be rendered at the above net charges (including net minimum bills when applicable) plus an amount equivalent to 5% thereof, which amount will be deducted provided bill is paid within 15 days from date.

TERMS 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. Customers served under this optional pilot program will not be eligible for the Company's Budget Payment Plan.

Date of Issue: November 1, 2007
Canceling Original Sheet No. 64
Issued July 31, 2007

Issued By

Date Effective: With Service Rendered
On and After
January 1, 2008

**Lonnie E. Bellar, Vice President
State Regulation and Rates
Louisville, Kentucky**

Issued By Authority of an Order of the KPSC in Case No. 2007-00510 dated October 31, 2007

ELECTRIC RATE SCHEDULE STOD
Small Time-of-Day Service

APPLICABLE

In all territory served by the Company.

AVAILABILITY OF SERVICE

Available to commercial customers whose average maximum monthly demands are greater than 250 KW and less than 2,000KW.

- a) STOD shall be available as an optional pilot program for three years effective 14 weeks following the Final Order in PSC Case No 2003-00434 for existing customers on Rate LP, Original Sheet No 20, PSC No 13.
- b) As an optional pilot program, STOD is restricted to 100 customers. The Company will notify all eligible customers of STOD and accept applications on a first-come-first-served basis with the beginning of business 6 weeks following the Final Order in PSC Case No 2003-00434.
- c) For each year or partial year of the pilot program, programming costs plus lost revenues will be recovered from customers served under Rate LP by a program cost recovery mechanism.
- d) No customers will be accepted for STOD following the end of the second year of the pilot program.
- e) The Company will file a report on STOD with the Commission within six months of the end of the third year of the pilot program. Such report will detail findings and recommendations.
- f) STOD shall remain in effect until terminated by order of the Commission.

RATE

Customer Charge: \$90.00 per month

Plus a Demand Charge:

- Secondary Service - \$7.20 per KW per month
- Primary Service - \$6.81 per KW per month
- Transmission Service - \$6.47 per KW per month

Plus an Energy Charge of:

- On-Peak Energy - \$0.03879 per KWH
- Off-Peak Energy - \$0.02596 per KWH

Where the On-Peak Energy is defined for bills rendered during a billing period as the metered consumption from:

- a) 10 A.M. to 9 P.M., Eastern Standard Time, on weekdays for the four consecutive billing months of June through September or
- b) 8 A.M. to 10 P.M., Eastern Standard Time, on weekdays for the eight consecutive billing months from October through May.

All other metered consumption shall be defined as Off-Peak Energy.

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.

Date of Issue: November 1, 2007
Canceling Second Revision of
Original Sheet No. 62
Issued February 20, 2007

Issued By

Date Effective: With Bills Rendered
On and After
December 3, 2007

Lonnie E. Bellar, Vice President,
State Regulation and Rates
Lexington, Kentucky

Issued By Authority of an Order of the KPSC in Case No. 2006-00509 dated October 31, 2007

ELECTRIC RATE SCHEDULE STOD
Small Time-of-Day Service

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)

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

PROGRAM COST RECOVERY MECHANISM

The monthly billing amount computed under Rate LP shall be adjusted by the Program Cost Recovery Factor which shall be calculated per KWH in accordance with the following formula:

$$\text{Program Cost Recovery Factor} = (\text{PC} + \text{LR}) / \text{LPKWH}$$

Where:

- a) PC is the cost of programming the billing system and will be no more than \$29,050 for each of the three years of the pilot program.
- b) LR is the lost revenues of the pilot program calculated by subtracting the revenues that would have been billed under Rate LP from the revenues realized by actual billings under STOD. LR will be calculated for the first program year and applied in the second program or recovery year. That procedure will repeat for each year or partial year the pilot is in effect.
- c) LPKWH is the expected KWH energy sales for the LP rate in the recovery year.
- d) The Company will file any changes to the Program Cost Recovery Factor with supporting calculations ten days prior to application.

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
Value Delivery Surcredit Rider	Sheet No. 75
Franchise Fee Rider	Sheet No. 76
School Tax	Sheet No. 77

MINIMUM CHARGE

Service under this schedule is subject to an annual minimum of \$86.40 per kilowatt for secondary delivery, \$81.72 per kilowatt for primary delivery and \$77.64 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, \$864.00 per year; Primary delivery, \$2,043.00 per year; Transmission delivery, \$3,882.00 per year.
- (e) Minimum may be adjusted where customer's service requires an abnormal investment in special facilities.

Date of Issue: February 20, 2007
Canceling First Revision of
Original Sheet No. 62.1
Issued June 8, 2005

Issued By

Date Effective: With Bills Rendered
On and After
March 5, 2007

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

Issued By Authority of an Order of the KPSC in Case No. 2006-00129 dated January 31, 2007

ELECTRIC RATE SCHEDULE STOD
Small Time-of-Day Service

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. A customer exiting the pilot program will not be allowed to return to it until the Commission has issued a decision on the STOD program report.

TERMS AND CONDITIONS

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

Date of Issue: July 20, 2004

Issued By

**Date Effective: With Service Rendered
On and After
July 1, 2004**

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

Issued By Authority of an Order of the KPSC in Case No. 2003-00434 dated June 30, 2004

