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March 12, 2007

Ms. Allison Sturgeon
Louisville Gas and Electric Company
220 West Main Street
P.O. Box 32010
Louisville, KY 40232

RE: Case No. 2003-00433: An Adjustment of the Gas and Electric Rates, Terms, and Conditions of Louisville Gas and Electric Company – Seasonal Electric Rate Differential

Dear Ms. Sturgeon:

Reference is made to the December 28, 2006 letter from Mr. F. Howard Bush, Manager of Tariffs and Special Contracts for Louisville Gas and Electric Company ("LG&E") reporting and summarizing the impact upon demand of the elimination of LG&E's residential seasonal electric rate differential (the "Report"). As you are aware, the Report concluded that there was no unanticipated growth in demand as a result of the change to a single year-round energy rate for residential customers.

This will confirm that LG&E tendered the Report in accordance with the Commission's June 30, 2004 Order in the above-referenced case, that an informal conference was held on February 5, 2007 to consider and evaluate the impact upon demand of the elimination of the residential seasonal electric rate differential and that no public comments have been received relating to the informal conference memorandum issued following the informal conference. After careful analysis of the Report, the Commission has determined that no further investigation of the elimination of the residential seasonal electric rate differential will be required at this time. This, of course, in no way binds the Commission in any future cases involving the rates or services of LG&E.

Please feel free to contact the Commission if you have any questions.

Sincerely,



Beth O'Donnell,
Executive Director