



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

April 22, 2005

RECEIVED

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PUBLIC SERVICE  
COMMISSION

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

**Re: Kentucky Utilities Company's Annual Earnings Sharing Mechanism Filing for  
Calendar Year 2003, Case No. 2004-00070**

Dear Ms. O'Donnell:

Kentucky Utilities Company herewith files the attached Earnings Sharing Mechanism Form 1a-FINAL, Determination of Earnings Sharing Mechanism Factor for Final Balancing Adjustment for the Prior Adjustment Year of April 2004 through March 2005 in accordance with the provision of Section 1.4 of the Settlement Agreement approved in Case No. 2003-00434.

An Earnings Sharing Mechanism Factor of -3.185% will be applied to bills rendered during the month of May 2005.

Yours very truly,

Robert M. Conroy  
Manager, Rates

Attachment

Cc: Hon. Elizabeth E. Blackford, Assistant Attorney General  
Hon. Michael L. Kurtz  
Hon. David J. Barberie, Lexington-Fayette Urban County Government



# KENTUCKY UTILITIES COMPANY

Form 1a-FINAL

Determination of Earnings Sharing Mechanism Factor for Final Balancing Adjustment  
 Prior Adjustment Year - April 2004 through March 2005  
 Final Balancing Adjustment - May 2005

<b>1</b>	Revenue Adjustment Authorized for Prior Adjustment Year	\$16,232,669	(a)
<b>2</b>	Balancing Adjustment Authorized for Prior Adjustment Year	(\$236,235)	(b)
		\$15,996,434	(c)
<b>3</b>	Total Adjustment to Revenues Authorized for Prior Adjustment Year		
<b>4</b>	Actual Earnings Sharing Mechanism Revenues for Prior Adjustment Year	\$18,004,586	
		(\$2,008,152)	(d)
<b>5</b>	Final Balancing Adjustment to Reconcile (Over-) or Under-Collection		
<b>6</b>	Actual Jurisdictional Revenue for the Calendar Year 2004	\$756,706,031	
<b>7</b>	Estimated Jurisdictional Revenue for Second Month Following the End of Prior Adjustment Year (1/12 of Line 6)	\$63,058,836	
<b>8</b>	Earnings Sharing Mechanism Factor for Final Balancing Adjustment to be Billed in the Month of May 2005	-3.185%	(e)

- Notes:
- (a) - From Form 1 filing for Prior Reporting Period
  - (b) - From Form 1a filing for Prior Reporting Period
  - (c) - Line 1 plus Line 2
  - (d) - Line 3 minus Line 4
  - (e) - Line 5 divided by Line 7

**KENTUCKY UTILITIES COMPANY**  
**Actual Earnings Sharing Mechanism Revenues**

	Street Lights & Public Authorities & Municipal Pumping				Total
	Residential	Commercial	Industrial	Mine Power	
<b>2004</b>					
April	462,358.51	336,509.44	352,342.23	53,193.29	1,307,599.28
May	402,951.88	330,091.32	348,665.25	48,579.43	1,237,202.91
June	494,517.38	372,321.76	375,489.41	51,761.15	1,413,553.59
July	575,336.10	403,014.82	367,328.18	51,291.14	1,516,944.19
August	555,329.95	410,715.81	387,642.23	54,636.03	1,532,468.16
September	537,425.85	409,477.95	390,838.83	54,437.72	1,526,994.71
October	434,938.08	377,576.07	387,774.52	55,178.16	1,377,077.11
November	435,340.91	369,864.94	381,855.68	59,385.30	1,361,912.46
December	631,823.70	394,471.80	396,792.34	63,457.95	1,607,205.84
<b>2005</b>					
January	763,217.96	418,630.28	380,647.30	63,650.31	1,751,082.34
February	738,896.62	414,121.36	380,547.84	65,756.10	1,723,997.14
March	667,027.41	394,460.50	403,508.69	65,667.06	1,648,548.39
<b>Total</b>	<b>6,699,164.35</b>	<b>4,631,256.05</b>	<b>4,553,432.50</b>	<b>686,993.64</b>	<b>18,004,586.12</b>