

J. WADE HENDRICKS

DIRECT DIAL 502-560-4227

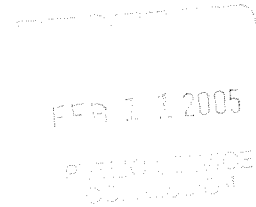
DIRECT FAX 502-627-8727

whendricks@ogdenlaw.com

1700 PNC PLAZA
500 WEST JEFFERSON STREET
LOUISVILLE, KENTUCKY 40202-2874
(502) 582-1601
FAX (502) 581-9564
www.ogdenlaw.com

February 10, 2005

VIA FEDERAL EXPRESS



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

Re: Case No. 2004-00304 (Joint Application of Louisville Gas and Electric Company, Metro Human Needs Alliance, Inc., People Organized and Working for Energy Reform, and Kentucky Association for Community Action, Inc. for the Establishment of a Home Energy Assistance Program)

and

Case No. 2004-00303 (Joint Application of Kentucky Utilities Company, Kentucky Association for Community Action, Inc., and Community Action Council for Lexington-Fayette, Bourbon, Harris and Nicholas County, Inc. for the Establishment of a Home Energy Assistance Program)

Dear Ms. O'Donnell:

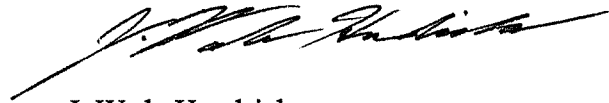
This is to advise the Commission that Louisville Gas and Electric Company and Kentucky Utilities Company have discovered an error in the computation of the estimated amount of HEA Annual Proceeds available for administrative expenses. Accordingly, enclosed please find both the original and revised tables showing estimated HEA Annual Proceeds for LG&E Electric, LG&E Gas and KU Electric.

In the original computations, the allowance for uncollectible accounts was applied solely against the 10% allowance for HEA administrative costs, rather than against the estimated monthly HEA billings as a whole. The social service providers operating the Home Energy Assistance programs are entitled to recover their actual operating expenses, not to exceed 10% of the total HEA funds collected. As a result of the error noted above, the estimated dollar amount for this 10% cap was understated. This error does not affect the total amount of funding for the programs or the amount being billed to customers.

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Please do not hesitate to contact the undersigned if you have any questions or if you require additional information.

Very truly yours,



J. Wade Hendricks

JWH/cjg
Enclosure

cc: Elizabeth E. Blackford (w/enclosures)
Lisa Kilkelly (w/enclosures)
Joe F. Childers(w/enclosures)
Kip Bowmar(w/enclosures)
Elizabeth L. Cocanougher (w/o enclosures)

Louisville Gas and Electric Company
 Estimate of HEA Annual Proceeds
 Based on Residential Customers at 6/30/04

	October	November	December	January	February	March	April	May	June	July	August	September	Total
LGE Electric													
Est. Number of Residential Customers	343,020	343,294	343,569	343,844	344,119	344,394	344,670	344,946	345,222	345,498	345,774	346,051	
Estimated Annual Growth Rate	0.08%	0.08%	0.08%	0.08%	0.08%	0.08%	0.08%	0.08%	0.08%	0.08%	0.08%	0.08%	1.00%
Growth Adjusted meters	343,294	343,569	343,844	344,119	344,394	344,670	344,946	345,222	345,498	345,774	346,051	346,328	
10 cents per meter	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10
Monthly HEA billing	\$ 34,329	\$ 34,357	\$ 34,384	\$ 34,412	\$ 34,439	\$ 34,467	\$ 34,495	\$ 34,522	\$ 34,550	\$ 34,577	\$ 34,605	\$ 34,633	\$ 413,770
Less 10% Administrative Costs	\$ 3,433	\$ 3,436	\$ 3,438	\$ 3,441	\$ 3,444	\$ 3,447	\$ 3,450	\$ 3,452	\$ 3,455	\$ 3,458	\$ 3,461	\$ 3,463	\$ 41,378
Less Uncollectible Accounts	\$ 281	\$ 282	\$ 282	\$ 282	\$ 282	\$ 283	\$ 283	\$ 283	\$ 283	\$ 284	\$ 284	\$ 284	\$ 3,393
Net Administrative Costs	\$ 3,152	\$ 3,154	\$ 3,156	\$ 3,159	\$ 3,162	\$ 3,164	\$ 3,167	\$ 3,169	\$ 3,172	\$ 3,174	\$ 3,177	\$ 3,179	\$ 37,985
Net HEA Funding Electric	\$ 31,177	\$ 31,203	\$ 31,228	\$ 31,253	\$ 31,277	\$ 31,303	\$ 31,328	\$ 31,353	\$ 31,378	\$ 31,403	\$ 31,428	\$ 31,454	\$ 375,785
LGE Gas													
Est. Number of Residential Customers	291,485	291,718	291,951	292,185	292,419	292,653	292,887	293,121	293,355	293,590	293,825	294,060	
Estimated Annual Growth Rate	0.08%	0.08%	0.08%	0.08%	0.08%	0.08%	0.08%	0.08%	0.08%	0.08%	0.08%	0.08%	1.00%
Growth Adjusted meters	291,718	291,951	292,185	292,419	292,653	292,887	293,121	293,355	293,590	293,825	294,060	294,295	
10 cents per meter	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10
Monthly HEA billing	\$ 29,172	\$ 29,195	\$ 29,219	\$ 29,242	\$ 29,265	\$ 29,289	\$ 29,312	\$ 29,336	\$ 29,359	\$ 29,383	\$ 29,406	\$ 29,430	\$ 351,608
Less 10% Administrative Costs	\$ 2,917	\$ 2,920	\$ 2,922	\$ 2,924	\$ 2,927	\$ 2,929	\$ 2,931	\$ 2,934	\$ 2,936	\$ 2,938	\$ 2,941	\$ 2,943	\$ 35,162
Less Uncollectible Accounts	\$ 239	\$ 239	\$ 240	\$ 240	\$ 240	\$ 240	\$ 240	\$ 241	\$ 241	\$ 241	\$ 241	\$ 241	\$ 2,883
Net Administrative Costs	\$ 2,678	\$ 2,681	\$ 2,682	\$ 2,684	\$ 2,687	\$ 2,689	\$ 2,691	\$ 2,693	\$ 2,695	\$ 2,697	\$ 2,700	\$ 2,702	\$ 32,279
Net HEA Funding Gas	\$ 26,494	\$ 26,514	\$ 26,537	\$ 26,558	\$ 26,578	\$ 26,600	\$ 26,621	\$ 26,643	\$ 26,664	\$ 26,686	\$ 26,706	\$ 26,728	\$ 319,329
Net HEA Funding Electric	\$ 31,177	\$ 31,203	\$ 31,228	\$ 31,253	\$ 31,277	\$ 31,303	\$ 31,328	\$ 31,353	\$ 31,378	\$ 31,403	\$ 31,428	\$ 31,454	\$ 375,785
Net HEA Funding Gas	\$ 26,494	\$ 26,514	\$ 26,537	\$ 26,558	\$ 26,578	\$ 26,600	\$ 26,621	\$ 26,643	\$ 26,664	\$ 26,686	\$ 26,706	\$ 26,728	\$ 319,329
Net Administrative Costs - Electric	\$ 3,152	\$ 3,154	\$ 3,156	\$ 3,159	\$ 3,162	\$ 3,164	\$ 3,167	\$ 3,169	\$ 3,172	\$ 3,174	\$ 3,177	\$ 3,179	\$ 37,985
Net Administrative Costs - Gas	\$ 2,678	\$ 2,681	\$ 2,682	\$ 2,684	\$ 2,687	\$ 2,689	\$ 2,691	\$ 2,693	\$ 2,695	\$ 2,697	\$ 2,700	\$ 2,702	\$ 32,279
Total	\$ 5,830	\$ 5,835	\$ 5,838	\$ 5,843	\$ 5,849	\$ 5,853	\$ 5,858	\$ 5,862	\$ 5,867	\$ 5,871	\$ 5,877	\$ 5,881	\$ 70,264
Total	\$ 5,830	\$ 5,835	\$ 5,838	\$ 5,843	\$ 5,849	\$ 5,853	\$ 5,858	\$ 5,862	\$ 5,867	\$ 5,871	\$ 5,877	\$ 5,881	\$ 70,264

Louisville Gas and Electric Company
 Estimate of HEA Annual Proceeds
 Based on Residential Customers at 6/30/04

REVISED

	October	November	December	January	February	March	April	May	June	July	August	September	Total
LGE Electric													
Est. Number of Residential Customers	343,020	343,294	343,569	343,844	344,119	344,394	344,670	344,946	345,222	345,498	345,774	346,051	
Estimated Annual Growth Rate	0.08%	0.08%	0.08%	0.08%	0.08%	0.08%	0.08%	0.08%	0.08%	0.08%	0.08%	0.08%	1.00%
Growth Adjusted meters	343,294	343,569	343,844	344,119	344,394	344,670	344,946	345,222	345,498	345,774	346,051	346,328	
10 cents per meter	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10
Monthly HEA billing	\$ 34,329	\$ 34,357	\$ 34,384	\$ 34,412	\$ 34,439	\$ 34,467	\$ 34,495	\$ 34,522	\$ 34,550	\$ 34,577	\$ 34,605	\$ 34,633	\$ 413,770
Less Uncollectible Accounts	\$ 281	\$ 282	\$ 282	\$ 282	\$ 282	\$ 283	\$ 283	\$ 283	\$ 283	\$ 284	\$ 284	\$ 284	\$ 3,393
Net Monthly HEA Collected	\$ 34,048	\$ 34,075	\$ 34,102	\$ 34,130	\$ 34,157	\$ 34,184	\$ 34,212	\$ 34,239	\$ 34,267	\$ 34,293	\$ 34,321	\$ 34,349	\$ 410,377
Less 10% Administrative Costs	\$ 3,405	\$ 3,408	\$ 3,410	\$ 3,413	\$ 3,416	\$ 3,418	\$ 3,421	\$ 3,424	\$ 3,427	\$ 3,429	\$ 3,432	\$ 3,435	\$ 41,038
Net HEA Funding Electric	\$ 30,643	\$ 30,667	\$ 30,692	\$ 30,717	\$ 30,741	\$ 30,766	\$ 30,791	\$ 30,815	\$ 30,840	\$ 30,864	\$ 30,889	\$ 30,914	\$ 369,339
LGE Gas													
Est. Number of Residential Customers	291,485	291,718	291,951	292,185	292,419	292,653	292,887	293,121	293,355	293,590	293,825	294,060	
Estimated Annual Growth Rate	0.08%	0.08%	0.08%	0.08%	0.08%	0.08%	0.08%	0.08%	0.08%	0.08%	0.08%	0.08%	1.00%
Growth Adjusted meters	291,718	291,951	292,185	292,419	292,653	292,887	293,121	293,355	293,590	293,825	294,060	294,295	
10 cents per meter	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10
Monthly HEA billing	\$ 29,172	\$ 29,195	\$ 29,219	\$ 29,242	\$ 29,265	\$ 29,289	\$ 29,312	\$ 29,336	\$ 29,359	\$ 29,383	\$ 29,406	\$ 29,430	\$ 351,608
Less Uncollectible Accounts	\$ 239	\$ 239	\$ 240	\$ 240	\$ 240	\$ 240	\$ 240	\$ 241	\$ 241	\$ 241	\$ 241	\$ 241	\$ 2,883
Net Monthly HEA Collected	\$ 28,933	\$ 28,956	\$ 28,979	\$ 29,002	\$ 29,025	\$ 29,049	\$ 29,072	\$ 29,095	\$ 29,118	\$ 29,142	\$ 29,165	\$ 29,189	\$ 348,725
Less 10% Administrative Costs	\$ 2,893	\$ 2,896	\$ 2,898	\$ 2,900	\$ 2,903	\$ 2,905	\$ 2,907	\$ 2,910	\$ 2,912	\$ 2,914	\$ 2,917	\$ 2,919	\$ 34,873
Net HEA Funding Gas	\$ 26,040	\$ 26,060	\$ 26,081	\$ 26,102	\$ 26,122	\$ 26,144	\$ 26,165	\$ 26,185	\$ 26,206	\$ 26,228	\$ 26,248	\$ 26,270	\$ 313,851
Net HEA Funding Electric	\$ 30,643	\$ 30,667	\$ 30,692	\$ 30,717	\$ 30,741	\$ 30,766	\$ 30,791	\$ 30,815	\$ 30,840	\$ 30,864	\$ 30,889	\$ 30,914	\$ 369,339
Net HEA Funding Gas	\$ 26,040	\$ 26,060	\$ 26,081	\$ 26,102	\$ 26,122	\$ 26,144	\$ 26,165	\$ 26,185	\$ 26,206	\$ 26,228	\$ 26,248	\$ 26,270	\$ 313,851
Total	\$ 56,683	\$ 56,727	\$ 56,773	\$ 56,819	\$ 56,863	\$ 56,910	\$ 56,956	\$ 57,000	\$ 57,046	\$ 57,092	\$ 57,137	\$ 57,184	\$ 683,190
Net Administrative Costs - Electric	\$ 3,405	\$ 3,408	\$ 3,410	\$ 3,413	\$ 3,416	\$ 3,418	\$ 3,421	\$ 3,424	\$ 3,427	\$ 3,429	\$ 3,432	\$ 3,435	\$ 41,038
Net Administrative Costs - Gas	\$ 2,893	\$ 2,896	\$ 2,898	\$ 2,900	\$ 2,903	\$ 2,905	\$ 2,907	\$ 2,910	\$ 2,912	\$ 2,914	\$ 2,917	\$ 2,919	\$ 34,873
Total	\$ 6,298	\$ 6,304	\$ 6,308	\$ 6,313	\$ 6,319	\$ 6,323	\$ 6,328	\$ 6,334	\$ 6,339	\$ 6,343	\$ 6,349	\$ 6,354	\$ 75,911

Kentucky Utilities Company
 Estimate of HEA Annual Proceeds
 Based on Residential Customers at 6/30/04

REVISED

KU Electric	October	November	December	January	February	March	April	May	June	July	August	September	Total
Est. Number of Residential Customers	397,708	398,026	398,344	398,663	398,982	399,301	399,620	399,940	400,260	400,580	400,900	401,221	
Estimated Annual Growth Rate	0.08%	0.08%	0.08%	0.08%	0.08%	0.08%	0.08%	0.08%	0.08%	0.08%	0.08%	0.08%	
Growth Adjusted meters	398,026	398,344	398,663	398,982	399,301	399,620	399,940	400,260	400,580	400,900	401,221	401,542	
10 cents per meter	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10
Monthly HEA billing	\$ 39,803	\$ 39,834	\$ 39,866	\$ 39,898	\$ 39,930	\$ 39,962	\$ 39,994	\$ 40,026	\$ 40,058	\$ 40,090	\$ 40,122	\$ 40,154	\$ 479,737
Less Uncollectible Accounts	\$ 167	\$ 167	\$ 167	\$ 168	\$ 168	\$ 168	\$ 168	\$ 168	\$ 168	\$ 168	\$ 169	\$ 169	\$ 2,015
Net Monthly HEA Collected	\$ 39,636	\$ 39,667	\$ 39,699	\$ 39,730	\$ 39,762	\$ 39,794	\$ 39,826	\$ 39,858	\$ 39,890	\$ 39,922	\$ 39,953	\$ 39,985	\$ 477,722
Less 10% Administrative Costs	\$ 3,964	\$ 3,967	\$ 3,970	\$ 3,973	\$ 3,976	\$ 3,979	\$ 3,983	\$ 3,986	\$ 3,989	\$ 3,992	\$ 3,995	\$ 3,999	\$ 47,772
Net HEA Funding Electric	\$ 35,672	\$ 35,700	\$ 35,729	\$ 35,757	\$ 35,786	\$ 35,815	\$ 35,843	\$ 35,872	\$ 35,901	\$ 35,930	\$ 35,958	\$ 35,986	\$ 429,950