



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

February 18, 2005

RECEIVED

FEB 18 2005

PUBLIC SERVICE
COMMISSION

Ms. Elizabeth O'Donnell
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40601

RE: The Application of Kentucky Utilities Company for a Certificate of Public Convenience and Necessity to Construct Flue Gas Desulfurization Systems and Approval of Its 2004 Compliance Plan for Recovery by Environmental Surcharge
Case No. 2004-00426

Dear Ms. O'Donnell:

Please find enclosed and accept for filing the original and ten (10) copies of Kentucky Utilities Company's Certificate of Completed Notice in the above-referenced matter.

If you have any questions regarding this matter, please contact me at 502-627-3324.

Sincerely,

Robert M. Conroy
Manager, Rates

Enclosures

cc: Hon. Elizabeth E. Blackford
Hon. Michael L. Kurtz

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED

FEB 18 2005

In the Matter of:

PUBLIC SERVICE
COMMISSION

**THE APPLICATION OF KENTUCKY UTILITIES)
COMPANY FOR A CERTIFICATE OF PUBLIC)
CONVENIENCE AND NECESSITY TO)
CONSTRUCT FLUE GAS DESULFURIZATION)
AND FOR APPROVAL OF ITS 2004 COMPLIANCE)
PLAN AND RECOVERY THROUGH)
ENVIRONMENTAL SURCHARGE TARIFF)**

CASE NO. 2004-00426

CERTIFICATE OF COMPLETED NOTICE

To: The Public Service Commission, Frankfort, Kentucky

Pursuant to the Rules Governing Tariffs effective August 4, 1984, I hereby certify that I am John R. McCall, Executive Vice President, General Counsel and Corporate Secretary, LG&E Energy Services Inc. for Kentucky Utilities Company ("KU" or "Company"), a utility furnishing retail electric service within the Commonwealth of Kentucky which, on the 20th day of December 2004, filed an application with the Kentucky Public Service Commission to issue an order granting KU a Certificate of Public Convenience and Necessity ("CCN") for the construction of certain Flue Gas Desulfurization ("FGD" or "Scrubber") sulfur dioxide ("SO₂") control technologies at Ghent Units 2, 3 and 4 and at the E.W. Brown Station and approving an amended compliance plan for purposes of recovering the costs of new and additional pollution control facilities through its Environmental Surcharge Tariff with as required by KRS 278.183, as follows:

That more than twenty (20) customers will be affected by said change by way of an increase in their bills, and that on the 7th day of December 2004 there was delivered to the Kentucky Press Association, an agency that acts on behalf of newspapers of general circulation throughout the Commonwealth of Kentucky in which customers affected reside, for publication

therein once a week for three consecutive weeks. Publication of this notice is now complete. Affidavits confirming this publication and copy of said notice are attached as Exhibit A.

On the 20th day of December 2004, notice was exhibited for public inspection at the offices and places of business of the Company in the territory affected thereby, to wit, at the places listed on Exhibit B, and that the same will be kept open to public inspection at said offices and places of business in conformity with the requirements of 807 KAR 5:011, Section 8.

In addition, Kentucky Utilities Company included a general statement explaining the application in this case with the bills for all Kentucky retail customers during the course of their regular monthly billing cycle beginning January 4, 2005. A copy of the general statement is attached as Exhibit C hereto.

Given under my hand this 18th day of February, 2005.



John R. McCall
Executive Vice President, General Counsel
and Corporate Secretary
LG&E Energy Services Inc. for
KENTUCKY UTILITIES COMPANY
220 West Main Street
Louisville, Kentucky 40202

Exhibit A

Affidavits Attesting to Publication of Notice to Customers

NOTARIZED PROOF OF PUBLICATION

STATE OF KENTUCKY

COUNTY OF FRANKLIN

Before me, a Notary Public, in and for said County and State, this 7th day of

January, 2005, came RACHEL McPARTY

personally known to me, who being duly sworn, states as follows:

That she is Advertising Assistant of the Ky Press
Service, Inc., and that the following

publications: see attached ran the Legal Notice for

Kentucky Utilities, Notice to Company Customers (Case No. 2004-00426). See
attached listed of papers for each week.

Rachel McParty
Signed

Bonnie J. Howard
Notary Public

My commission expires 9-18-08

KENTUCKY PRESS SERVICE

101 Consumer Lane
(502) 223-8821

Frankfort, KY 40601
FAX (502) 875-2624

Rachel McCarty Advertising Dept.

List of newspapers running the Notice to Kentucky Utilities Company Customers (Case No. 2004-00426). Attached tearsheets provide proof of publication for week of 12-13-04:

Barbourville Mountain Advocate
Bardstown Kentucky Standard
Beattyville Enterprise
Beaver Dam Ohio County Messenger
Bedford Trimble Banner Democrat
Berea Citizen
Brooksville Bracken County News
Brownsville Edmonson News
Calhoun McLean County News
Campbellsville Central KY News Journal
Carlisle Nicholas Countian
Carrollton News Democrat
Central City Times Argus
Clinton Hickman County Gazette
Columbia Adair Progress
Columbia News
Corbin Times Tribune
Cumberland Tri City News
Cynthiana Democrat
Danville Advocate Messenger
Dawson Springs Progress
Eddyville Herald Ledger
Elizabethtown Hardin Co. Independent
Elizabethtown News Enterprise
Flemingsburg Gazette
Flemingsburg Shopper
Frankfort State Journal
Fulton Leader
Georgetown News
Glasgow Daily Times
Greensburg Record Herald

Greenville Leader News
Harlan Daily Enterprise
Harrodsburg Herald
Hartford Ohio County Times News
Henderson Gleaner
Hodgenville Larue County Herald News
Hopkinsville KY New Era
Irvine Citizen Voice & Times
LaGrange Oldham Era
Lancaster Central Record
Lebanon Enterprise
Leitchfield Grayson Co. News Gazette
Lexington Herald Leader
Liberty Casey County News
London Sentinel Echo
Louisville Courier Journal
Madisonville Messenger
Manchester Enterprise
Marion Crittenden Press
Maysville Ledger Independent
Middlesboro Daily News
Morehead News
Morganfield Union County Advocate
Mt. Sterling Advocate
Mt. Vernon Signal
Munfordville Hart County News Herald
New Castle Henry County Local
Nicholasville Jessamine Journal
Owensboro Messenger Inquirer
Owenton News Herald
Owingsville Bath County News Outlook
Paducah Sun
Paris Bourbon County Citizen/Advertiser
Pineville Sun
Princeton Times Leader
Somerset Pulaski News Journal

Page 2

Radcliff Sentinel
Richmond Register
Russell Springs Times Journal
Sebree Banner
Shelbyville Sentinel News
Shephersville Pioneer News
Smithland Livingston Ledger
Somerset Commonwealth Journal
Springfield Sun
Stanford Interior Journal
Sturgis News
Taylorsville Spencer Magnet
Beattyville Three Forks Tradition
Versailles Woodford Sun
Warsaw Gallatin County News
Whitley City McCreary County Record
Wickliffe Advance Yeoman
Williamsburg News Journal
Williamstown Grant County News
Winchester Sun

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Barbourville Mountain Advocate
Bardstown Kentucky Standard
Beattyville Enterprise
Beaver Dam Ohio County Messenger
Bedford Trimble Banner Democrat
Berea Citizen
Brooksville Bracken County News
Brownsville Edmonson News
Calhoun McLean County News
Campbellsville Central KY News Journal
Carlisle Nicholas Countian
Carrollton News Democrat
Cave City Barren County Progress
Central City Times Argus
Clinton Hickman County Gazette
Columbia Adair Progress
Columbia News
Corbin Times Tribune
Cumberland Tri City News
Cynthiana Democrat
Danville Advocate Messenger
Dawson Springs Progress
Eddyville Herald Ledger
Elizabethtown Hardin Co. Independent
Elizabethtown News Enterprise
Falmouth Outlook
Flemingsburg Gazette
Flemingsburg Shopper
Frankfort State Journal
Fulton Leader
Georgetown News
Glasgow Daily Times
Greensburg Record Herald

Greenville Leader News
Harlan Daily Enterprise
Harrodsburg Herald
Hartford Ohio County Times News
Henderson Gleaner
Hodgenville Larue County Herald News
Hopkinsville KY New Era
Irvine Citizen Voice & Times
LaGrange Oldham Era
Lancaster Central Record
Lawrenceburg Anderson News
Lebanon Enterprise
Leitchfield Grayson Co. News Gazette
Lexington Herald Leader
Liberty Casey County News
London Sentinel Echo
Louisville Courier Journal
Madisonville Messenger
Manchester Enterprise
Marion Crittenden Press
Maysville Ledger Independent
Middlesboro Daily News
Morehead News
Morganfield Union County Advocate
Mt. Sterling Advocate
Mt. Vernon Signal
Munfordville Hart County News Herald
New Castle Henry County Local
Nicholasville Jessamine Journal
Owensboro Messenger Inquirer
Owenton News Herald
Owingsville Bath County News Outlook
Paducah Sun
Paris Bourbon County Citizen/Advertiser
Pineville Sun
Princeton Times Leader
Providence Journal Enterprise
Somerset Pulaski News Journal

Page 2

Radcliff Sentinel
Richmond Register
Russell Springs Times Journal
Sebree Banner
Shelbyville Sentinel News
Shephersville Pioneer News
Smithland Livingston Ledger
Somerset Commonwealth Journal
Springfield Sun
Stanford Interior Journal
Sturgis News
Taylorsville Spencer Magnet
Beattyville Three Forks Tradition
Versailles Woodford Sun
Warsaw Gallatin County News
Whitley City McCreary County Record
Wickliffe Advance Yeoman
Williamsburg News Journal
Williamstown Grant County News
Winchester Sun

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List of newspapers running the Notice to Kentucky Utilities Company Customers (Case No. 2004-00426). Attached tearsheets provide proof of publication for week of 1-3-05:

Bardstown Kentucky Standard
Beattyville Enterprise
Beaver Dam Ohio County Messenger
Bedford Trimble Banner Democrat
Berea Citizen
Brooksville Bracken County News
Brownsville Edmonson News
Calhoun McLean County News
Campbellsville Central KY News Journal
Carlisle Nicholas Countian
Carrollton News Democrat
Cave City Barren County Progress
Clinton Hickman County Gazette
Columbia Adair Progress
Columbia News
Corbin Times Tribune
Cumberland Tri City News
Cynthiana Democrat
Danville Advocate Messenger
Dawson Springs Progress
Eddyville Herald Ledger
Elizabethtown Hardin Co. Independent
Elizabethtown News Enterprise
Falmouth Outlook
Flemingsburg Gazette
Flemingsburg Shopper
Frankfort State Journal
Fulton Leader
Georgetown News
Glasgow Daily Times

Greenville Leader News
Harlan Daily Enterprise
Harrodsburg Herald
Hartford Ohio County Times News
Henderson Gleaner
Hodgenville Larue County Herald News
Hopkinsville KY New Era
Irvine Citizen Voice & Times
Lancaster Central Record
Lawrenceburg Anderson News
Lebanon Enterprise
Leitchfield Grayson Co. News Gazette
Lexington Herald Leader
Liberty Casey County News
London Sentinel Echo
Louisville Courier Journal
Madisonville Messenger
Manchester Enterprise
Marion Crittenden Press
Maysville Ledger Independent
Middlesboro Daily News
Morehead News
Morganfield Union County Advocate
Mt. Sterling Advocate
Mt. Vernon Signal
Munfordville Hart County News Herald
New Castle Henry County Local
Nicholasville Jessamine Journal
Owensboro Messenger Inquirer
Owenton News Herald
Owingsville Bath County News Outlook
Paducah Sun
Paris Bourbon County Citizen/Advertiser
Pineville Sun
Princeton Times Leader
Providence Journal Enterprise
Somerset Pulaski News Journal

Page 2

Radcliff Sentinel
Richmond Register
Russell Springs Times Journal
Sebree Banner
Shelbyville Sentinel News
Shephersville Pioneer News
Smithland Livingston Ledger
Somerset Commonwealth Journal
Springfield Sun
Sturgis News
Taylorsville Spencer Magnet
Beattyville Three Forks Tradition
Versailles Woodford Sun
Whitley City McCreary County Record
Wickliffe Advance Yeoman
Williamsburg News Journal
Williamstown Grant County News
Winchester Sun

Ad No. 1

**(Published Prior to
December 20, 2004)**

NOTICE TO CUSTOMERS OF
KENTUCKY UTILITIES COMPANY

RECOVERY BY ENVIRONMENTAL SURCHARGE OF KU'S 2004
ENVIRONMENTAL COMPLIANCE PLAN

PLEASE TAKE NOTICE that on December 20, 2004, Kentucky Utilities Company ("KU") will file with the Kentucky Public Service Commission ("Commission") in Case No. 2004-00426, an Application pursuant to Kentucky Revised Statute 278.183 for approval of an amended compliance plan ("KU's 2004 Environmental Compliance Plan") for the purpose of recovering the capital costs of and operation and maintenance costs associated with new pollution control facilities, and the cost of emission allowances by way of assessment of an environmental surcharge on customers' bills beginning July 1, 2005, through KU's existing rate mechanism known as the environmental cost recovery surcharge or "Electric Rate Schedule ECR"

Compliance with all federal, state and local environmental regulations requires KU to continually build and upgrade equipment and or facilities required to continue to operate in an environmentally sound manner. Specifically, beginning in 2005, KU will begin to build new Flue Gas Desulfurization systems ("scrubbers") at the Ghent Generating Station at Ghent, Kentucky and the E.W. Brown Generating Station at Burgin, Kentucky to meet current environmental SO₂ emission limitations; and modify the existing ash handling facilities at Ghent and expand the existing ash storage facilities at E.W. Brown to meet by-product disposal and water quality standards. The total capital cost of these new pollution control facilities is estimated to be \$702.5 million. In addition to the construction of these new pollution control facilities, KU expects, beginning in 2005 and continuing through 2008, to purchase emission allowances at market prices to continue to comply with current federal and state environmental regulations. The cost of these emission allowances, based on KU's current forecast, is estimated to be a total of \$58.1 million from 2005 through 2008.

The estimated impact on a residential customer using 1,000 kilowatt hours per month is expected to be an initial increase of \$0.81 for KU customers in 2005, with the maximum increase expected to be \$7.05 in 2009.

The Environmental Surcharge Application described in this Notice is proposed by KU. However, the Public Service Commission may make an order modifying or denying KU's Environmental Surcharge Application. Such action may result in an environmental surcharge for consumers other than the environmental surcharge described in this Notice.

Any corporation, association, body politic or person may, by motion within thirty (30) days after publication, request leave to intervene in Case No. 2004-00426. That motion shall be submitted to the Public Service Commission, 211 Sower Blvd., P.O. Box 615, Frankfort, Kentucky, 40602, and shall set forth the grounds for the request including the status and interest of the party. Intervenors may obtain copies of the Application and testimony by contacting Kentucky Utilities Company at 220 West Main Street, Louisville, Kentucky, 40202, Attention: Kent W. Blake, Director, State Regulation and Rates. A copy of the Application and testimony will be available for public inspection at KU's offices where bills are paid after December 20, 2004.

Ad No. 2

**(Published After
December 20, 2004)**

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KENTUCKY UTILITIES COMPANY

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Exhibit B

List of KU's Offices and Places of Business Where Notice to Customers is Exhibited

Barlow, Ky. Office
Campbellsville, Ky. Office
Carrollton, Ky. Office
Danville Office
Earlington, Ky. Office
Eddyville Office
Elizabethtown, Ky. Office
Georgetown, Ky. Office
Greenville, Ky. Office
Harlan, Ky. Office
Lexington, Ky. General Office
Lexington, Ky. North Office
London, Ky. Office
Maysville, Ky. Office
Middlesboro, Ky. Office
Morehead, Ky. Office
Morganfield, Ky. Office
Mt. Sterling, Ky. Office
Paris, Ky. Office
Richmond, Ky. Office
Shelbyville, Ky. Office
Somerset, Ky. Office
Versailles, Ky. Office
Winchester, Ky. Office

Exhibit C

Copy of the General Statement Included
In Customers' Bills During the Course
Of their Regular Monthly Billing Cycle
Beginning January 4, 2005

Dear KU Customer,

Kentucky Utilities Company recently announced a series of facility improvements to enhance electric reliability for customers and cleaner air for all Kentuckians. These enhancements, which include new sulfur dioxide removal equipment, are in addition to scrubbers and NOx removal equipment either completed or under construction at other Kentucky plants, plus six low-emission, gas-fired combustion turbines completed last year. All of these improvements will better position KU to meet federal proposed limits on air emissions for mercury and to address carbon dioxide restrictions when imposed in the future.

KU has a dual commitment of environmental stewardship and of being a provider of low-cost energy services to its customers. KU is committed to protecting and improving our environment. Continued compliance with current and proposed environmental regulations occasionally causes KU to invest in additional pollution control facilities. KU is seeking permission from the Kentucky Public Service Commission to build new and additional pollution control facilities, and is also seeking permission to pass along the costs of those facilities that are associated with retail service, to our retail customers through the existing Environmental Surcharge billing factor. KU estimates that the initial impact, upon approval from the Kentucky Public Service Commission, will be an increase in the environmental surcharge of \$0.81 per month for a typical residential customer using 1,000 kWh per month. The text below is included to comply with Kentucky Public Service Commission regulations regarding notice of tariff changes to customers. If approved as filed, this change will be included no sooner than your July 2005 bill.

**NOTICE TO CUSTOMERS OF
KENTUCKY UTILITIES COMPANY**

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