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January 7, 2005

Public Service Commission
211 Sower Blvd.
Frankfort, KY 40602

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PSC Consumer Services

In the Matter Of: The Application of LG&E For Approval Of New Tariffs Containing a Mechanism For The Pass-Through Of MISO-Related Revenues and Costs Not Already Included in Base Rates,

To whom it may concern,

As a residential customer of LG&E, I strongly urge the Public Service Commission to deny the LG&E application request to pass through charges to customers. The modest example in their letter suggesting a twenty cent per month increase in my energy bill does not seem like much, but topped with ever increasing costs in natural gas, my monthly energy bill has exploded.

At some point the Public Service Commission must Serve the Public and stand-up by saying "NO" to this further request by LG&E.

Thank you for your consideration in this matter.

Sincerely,

Todd Metzmeier
Todd Metzmeier

4601 CHENWOOD LANE
LOUISVILLE KY 40299

Dear LG&E Customer,

Louisville Gas and Electric Company is a member of the Midwest Independent Transmission System Operator, Inc. ("MISO"). The MISO incurs expenses that are shared among the MISO members, including LG&E. Our participation is expected to result in new expenses and revenues that LG&E has not previously incurred and that are not included in LG&E's current base rates. LG&E is seeking permission from the Kentucky Public Service Commission to pass along any expenses and revenues associated with retail service, to our retail customers. LG&E estimates that the net "pass-through" will be a charge of \$0.0002/kilowatt-hour used. For a typical residential customer using 1,000 kwh per month, this estimated pass-through charge will amount to approximately \$0.20 (twenty cents) 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 May 2005 bill.

**NOTICE TO CUSTOMERS OF
LOUISVILLE GAS AND ELECTRIC COMPANY**

PLEASE TAKE NOTICE that on December 1, 2004, Louisville Gas and Electric Company ("LG&E") filed with the Kentucky Public Service Commission ("Commission"), an Application pursuant to Kentucky Revised Statutes 278.180 for approval of a ratemaking mechanism for the recovery of its monthly net costs and revenues associated with the Midwest Independent Transmission System Operator, Inc. ("MISO")'s Open Access Transmission and Energy Markets Tariff ("EMT") not already included in LG&E's existing electric rates. The EMT is a wholesale power tariff filed with and approved by the Federal Energy Regulatory Commission for the purpose of allowing MISO to conduct and administer real-time and day-ahead energy markets. LG&E is a member of MISO and effective March 1, 2005, will begin participating in these wholesale energy markets under the terms and conditions of the EMT.

The ratemaking mechanism proposed by LG&E, titled "MISO EMT Costs and Revenues Recovery Mechanism" is shown below:

Applicable: In all territory served.

Availability of Service: To all Standard Rate Schedules and Pilot Programs.

- (1) The monthly amount computed under each of the rate schedules to which this mechanism is applicable shall be increased or decreased by the Midwest Independent System Operator (MISO) Cost Recovery Component (MCRC) at a rate per kilowatt-hour of monthly consumption in accordance with the following formula:

$$\frac{\text{NCR} + \text{BA}}{\text{S}}$$

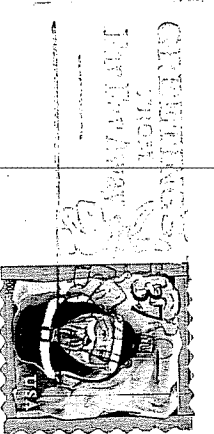
NCR = MISO Net Costs and Revenues in the second preceding month, as defined below.

BA = Balance Adjustment amount, as defined below.

S = Average Monthly Billed Kilowatt-Hours, as defined below.

- (2) MISO Net Costs and Revenues (NCR) shall be the total of:
- (a) The Midwest ISO Management Costs billed LG&E under Service Schedule 16 – Financial Transmission Rights Administrative Service Cost Recovery Adder of the Midwest ISO OATT or any successor Tariff, plus
 - (b) The Midwest ISO Management Costs billed LG&E under Service Schedule 17 – Energy Market Support Administrative Service Cost Recovery Adder of the Midwest ISO OATT or any successor Tariff, plus

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