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PUBLIC SERVICE  
COMMISSION

VIA OVERNIGHT MAIL

November 10, 2006

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

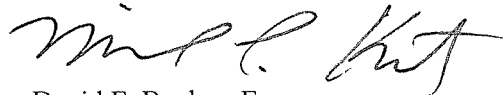
**Re: Case No. 2006-00129 and 2006-00130**

Dear Ms. O'Donnell:

Please find enclosed the original and twelve (12) copies of the Motion of Kentucky Industrial Utility Customers, Inc. to Supplement the Record in the above-referenced matters. By copy of this letter, all parties listed on the Certificate of Service have been served.

Please place this document of file.

Very Truly Yours,



David F. Boehm, Esq.  
Michael L. Kurtz, Esq.  
Kurt J. Boehm, Esq.

**BOEHM, KURTZ & LOWRY**

MLKkew  
Attachment

cc: Certificate of Service

## CERTIFICATE OF SERVICE

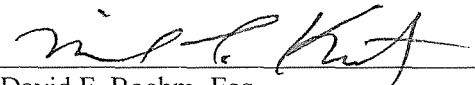
I hereby certify that a copy of the foregoing was served by mailing a true and correct copy, by first-class postage prepaid mail and electronic mail (when available) to all parties on the 10<sup>th</sup> day of November, 2006.

Honorable Elizabeth E. Blackford  
Assistant Attorney General  
Office of the Attorney General  
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Honorable Elizabeth L. Cocanougher  
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Kent Blake  
Director- State Regulation and Rates  
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Kurt J. Boehm, Esq.

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

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PUBLIC SERVICE  
COMMISSION

IN THE MATTER OF:

AN EXAMINATION BY THE PUBLIC SERVICE )  
COMMISSION OF THE ENVIRONMENTAL )  
SURCHARGE MECHANISM OF LOUISVILLE GAS )  
AND ELECTRIC COMPANY FOR THE SIX-MONTH )  
BILLING PERIODS ENDINGS OCTOBER 31, 2003, )  
APRIL 30, 2004, OCTOBER 31, 2004, )  
OCTOBER 31, 2005 AND APRIL 30 2006 AND )  
FOR THE TWO-YEAR BILLING PERIOD ENDING )  
APRIL 30, 2005 )

CASE NO:  
2006-00130

IN THE MATTER OF:

AN EXAMINATION BY THE PUBLIC SERVICE )  
COMMISSION OF THE ENVIRONMENTAL )  
SURCHARGE MECHANISM OF KENTUCKY )  
UTILITIES COMPANY FOR THE SIX-MONTH )  
BILLING PERIODS ENDINGS JULY 31, 2003, )  
JANUARY 31, 2004, JANUARY 31, 2005, )  
JULY 31, 2005, AND JANUARY 31, 2006 AND )  
FOR THE TWO-YEAR BILLING PERIOD ENDING )  
JULY 31, 2004 )

CASE NO:  
2006-00129

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MOTION OF KIUC TO SUPPLEMENT THE RECORD

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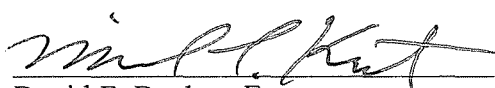
Pursuant to 807 KAR 5:001 Section 5, KIUC requests that the Commission include Appendix A in the record of this case. Appendix A is a data response submitted by LG&E/KU in Case Nos. 2006-00206 and 2006-0208 and was admitted by the Chairman as KIUC Exhibit 1 at the November 8, 2006 hearing.

This data response shows the future level of estimated environmental surcharge rate increases for LG&E and KU assuming their pending environmental compliance plans are approved. These levels of rate increases are as follows:

Estimated Environmental Surcharge Rate Increases for LG&E and KU						
	2007	2008	2009	2010	2011	2013
KU	6.78%	10.51%	14.68%	14.51%	14.07%	13.26%
LG&E	0.76%	1.14%	1.41	1.51%	1.56%	1.50%

The environmental surcharge rate increase information contained in Appendix A is relevant to this proceeding. At pages 21-22 of KIUC's Initial Brief we argued that "The Growing Reliance On Environmental Surcharge Recovery by KU/LG&E Necessitates That The Commission Consider Cost-Of-Service In This Environmental Surcharge Roll-In Proceeding." The information contained in Appendix A quantifies that growing reliance.

Respectfully submitted,



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Kurt J. Boehm, Esq.

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**COUNSEL FOR KENTUCKY INDUSTRIAL  
UTILITY CUSTOMERS, INC.**

November 10, 2006

**2005 ECR Plan (PSC Approved)**<sup>3</sup>

	2007	2008	2009	2010	2011	2012
Monthly Billing Factor <sup>1,2</sup> - LG&E	0.17%	0.26%	0.35%	0.34%	0.32%	0.30%
Monthly Residential Customer Impact (1,000 kwh)	\$0.11	\$0.18	\$0.24	\$0.23	\$0.22	\$0.21
Monthly Billing Factor <sup>1,2</sup> - KU	5.41%	7.71%	10.56%	10.10%	9.48%	8.90%
Monthly Residential Customer Impact (1,000 kwh)	\$3.25	\$4.63	\$6.33	\$6.05	\$5.69	\$5.34

**2006 ECR Plan (PSC Approval Pending)**<sup>4</sup>

	2007	2008	2009	2010	2011	2012
Monthly Billing Factor <sup>1,2</sup> - LG&E	0.59%	0.88%	1.06%	1.17%	1.24%	1.20%
Monthly Residential Customer Impact (1,000 kwh)	\$0.41	\$0.60	\$0.73	\$0.81	\$0.86	\$0.83
Monthly Billing Factor <sup>1,2</sup> - KU	1.36%	2.80%	4.11%	4.42%	4.59%	4.36%
Monthly Residential Customer Impact (1,000 kwh)	\$0.82	\$1.68	\$2.47	\$2.65	\$2.75	\$2.61

**Total 2005 and 2006 ECR Plans**

	2007	2008	2009	2010	2011	2012
Monthly Billing Factor <sup>1,2</sup> - LG&E	0.76%	1.14%	1.41%	1.51%	1.56%	1.50%
Monthly Residential Customer Impact (1,000 kwh)	\$0.52	\$0.78	\$0.97	\$1.04	\$1.08	\$1.03
Monthly Billing Factor <sup>1,2</sup> - KU	6.78%	10.51%	14.68%	14.51%	14.07%	13.26%
Monthly Residential Customer Impact (1,000 kwh)	\$4.06	\$6.30	\$8.80	\$8.70	\$8.44	\$7.95

Note 1 - the billing factors are incremental to the current ECR billing factor

Note 2 - the above values are only estimates and actual billing factor may be different for numerous reasons

Note 3 - 2005 ECR Plan approved by the PSC on June 20, 2005

Note 4 - 2006 ECR Plan pending before the PSC. An Order is expected by December 22, 2006