



Ernie Fletcher  
Governor

Mark David Goss  
Chairman

Teresa J. Hill, Secretary  
Environmental and Public  
Protection Cabinet

Commonwealth of Kentucky  
**Public Service Commission**  
211 Sower Blvd.  
P.O. Box 615  
Frankfort, Kentucky 40602-0615  
Telephone: (502) 564-3940  
Fax: (502) 564-3460  
psc.ky.gov

John W. Clay  
Commissioner

Christopher L. Lilly  
Commissioner  
Department of Public Protection

Honorable Elizabeth E. Blackford  
Assistant Attorney General  
Office of the Attorney General Utility & Rate Intervention Division  
1024 Capital Center Drive  
Suite 200  
Frankfort, KY 40601-8204

December 5, 2006

RE: Case No. 2006-00129

We enclose one attested copy of the Commission's Order in the above case.

Sincerely,

A handwritten signature in black ink, appearing to read "Beth O'Donnell".

Beth O'Donnell  
Executive Director

BOD/jc  
Enclosure



Ernie Fletcher  
Governor

Mark David Goss  
Chairman

Teresa J. Hill, Secretary  
Environmental and Public  
Protection Cabinet

Commonwealth of Kentucky  
**Public Service Commission**  
211 Sower Blvd.  
P.O. Box 615  
Frankfort, Kentucky 40602-0615  
Telephone: (502) 564-3940  
Fax: (502) 564-3460  
psc.ky.gov

John W. Clay  
Commissioner

Christopher L. Lilly  
Commissioner  
Department of Public Protection

December 5, 2006

Kent Blake  
Director - Rates & Regulatory  
Kentucky Utilities Company  
c/o Louisville Gas & Electric Co.  
P. O. Box 32010  
Louisville, KY 40232-2010

RE: Case No. 2006-00129

We enclose one attested copy of the Commission's Order in the above case.

Sincerely,

A handwritten signature in black ink, appearing to read "Beth O'Donnell".

Beth O'Donnell  
Executive Director

BOD/jc  
Enclosure



Ernie Fletcher  
Governor

Mark David Goss  
Chairman

Teresa J. Hill, Secretary  
Environmental and Public  
Protection Cabinet

Commonwealth of Kentucky  
**Public Service Commission**  
211 Sower Blvd.  
P.O. Box 615  
Frankfort, Kentucky 40602-0615  
Telephone: (502) 564-3940  
Fax: (502) 564-3460  
psc.ky.gov

John W. Clay  
Commissioner

Christopher L. Lilly  
Commissioner  
Department of Public Protection

Honorable David F. Boehm  
Attorney at Law  
Boehm, Kurtz & Lowry  
36 East Seventh Street  
2110 CBLD Building  
Cincinnati, OH 45202

December 5, 2006

RE: Case No. 2006-00129

We enclose one attested copy of the Commission's Order in the above case.

Sincerely,

A handwritten signature in black ink, appearing to read "Beth O'Donnell".

Beth O'Donnell  
Executive Director

BOD/jc  
Enclosure

Honorable Elizabeth E. Blackford  
Assistant Attorney General  
Office of the Attorney General  
Utility & Rate Intervention Division  
1024 Capital Center Drive  
Suite 200  
Frankfort, KY 40601-8204

Kent Blake  
Director - Rates & Regulatory  
Kentucky Utilities Company  
c/o Louisville Gas & Electric Co.  
P. O. Box 32010  
Louisville, KY 40232-2010

Honorable David F. Boehm  
Attorney at Law  
Boehm, Kurtz & Lowry  
36 East Seventh Street  
2110 CBLD Building  
Cincinnati, OH 45202

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN EXAMINATION BY THE PUBLIC SERVICE	)	
COMMISSION OF THE ENVIRONMENTAL	)	
SURCHARGE MECHANISM OF KENTUCKY	)	
UTILITIES COMPANY FOR THE SIX-MONTH	)	CASE NO.
BILLING PERIODS ENDING JULY 31, 2003,	)	2006-00129
JANUARY 31, 2004, JANUARY 31, 2005,	)	
JULY 31, 2005, AND JANUARY 31, 2006 AND	)	
FOR THE TWO-YEAR BILLING PERIOD ENDING	)	
JULY 31, 2004	)	

O R D E R

On November 21, 2006, Kentucky Utilities Company ("KU") filed a motion requesting approval to file corrections to previously filed direct testimony, an earlier data response,<sup>1</sup> and the September 28, 2006 brief. In order to expedite the resolution of the case, KU also requested that an informal conference be scheduled for November 29, 2006.

In its motion, KU states that in October 2006, as a result of its on-going process improvement initiative, it discovered that the methodology used to determine its over- or under-recovery of surcharge revenues was inaccurate. In the originally filed calculation of its surcharge net under-recovery, KU had included the monthly surcharge true-up adjustment as a separate component. However, the monthly surcharge true-up adjustment was already reflected in the surcharge revenues included in the calculations. Consequently, KU modified its methodology to remove the monthly surcharge true-up

---

<sup>1</sup> Response to the Staff's First Data Request dated April 25, 2006, Item 3.

adjustment and recalculated its net under-recovery for the periods under review. As a result of this change, KU determined that its net under-recovery is \$1,597,499. KU previously determined that its net under-recovery of eligible environmental costs during the review periods was \$254,652.

In its November 28, 2006 Order, the Commission scheduled the requested informal conference on November 29, 2006. During this informal conference, a procedural schedule was developed to afford the parties the opportunity to conduct discovery on the corrected testimony and responses. KU and the intervening parties had previously indicated that this case could be submitted for decision based on the existing record without a hearing. The procedural schedule developed at the informal conference provides that KU or the intervening parties may again indicate whether this case may be submitted for decision based on the existing record without a hearing or whether they believe a hearing might be requested.

The Commission finds that KU's motion to correct its previous testimony, data response, and brief should be granted. The Commission also finds that the procedural dates developed at the November 29, 2006 informal conference are reasonable. Those procedural dates are set forth in Appendix A, attached hereto and incorporated herein.

IT IS THEREFORE ORDERED that:

1. KU's motion to file corrections to its previously filed testimony, its response to the Staff's First Data Request dated April 25, 2006, Item 3, and its September 28, 2006 brief, is granted.

2. The procedural schedule set forth in Appendix A, attached hereto and incorporated herein, shall be followed.

Done at Frankfort, Kentucky, this 5th day of December, 2006.

By the Commission

ATTEST:

  
\_\_\_\_\_  
Executive Director

Case No. 2006-00129

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 2006-00129 DATED December 5, 2006.

All requests for information to KU on the corrected testimony and data response shall be filed no later than..... 12/07/06

KU shall file responses to the requests for information no later than..... 12/12/06

All parties shall file either a statement that this case may be submitted for adjudication based on the existing record without a hearing or a request for hearing no later than ..... 12/19/06

If all parties agree the case may be submitted for adjudication based on the existing record without a hearing, all parties shall file comments, if any, no later than..... 12/19/06