



Ernie Fletcher  
Governor

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Commonwealth of Kentucky  
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Mark David Goss  
Chairman

John W. Clay  
Commissioner

December 4, 2006

**PARTIES OF RECORD:**

RE: Case No. 2006-00129

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

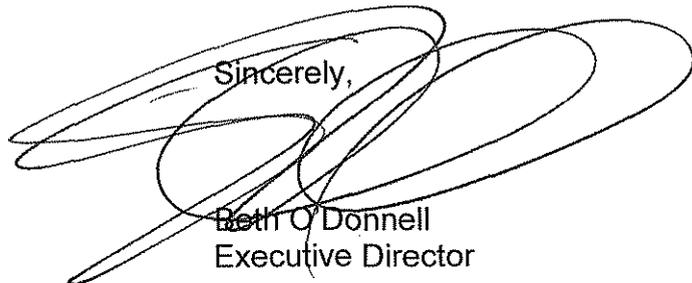
AND

Case No. 2006-00130

AN EXAMINATION BY THE PUBLIC SERVICE COMMISSION OF THE ENVIRONMENTAL SURCHARGE MECHANISM OF LOUISVILLE GAS AND ELECTRIC COMPANY FOR THE SIX-MONTH BILLING PERIODS ENDING 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

Enclosed please find a memorandum that has been filed in the record of the above-referenced case. Any comments regarding this memorandum's content should be submitted to the Commission within five days of receipt of this letter. Questions regarding this memorandum should be directed to Isaac Scott as (502) 564-3940, extension 444.

Sincerely,



Beth O'Donnell  
Executive Director

Attachment

**INTRA-AGENCY MEMORANDUM**

**KENTUCKY PUBLIC SERVICE COMMISSION**

**TO:** Main Case File – Case No. 2006-00129  
Main Case File – Case No. 2006-00130

**FROM:** Isaac Scott, Team Leader 

**DATE:** December 4, 2006

**SUBJECT:** November 29, 2006 Informal Conference

Pursuant to the Commission's November 28, 2006 Orders in these cases, an informal conference was held on November 29, 2006. Attached to this memorandum as Attachment 1 is a list of the participants. The Kentucky Industrial Utility Customers, Inc. did not attend the conference. The purpose of the conference was to discuss the November 21, 2006 motions from Kentucky Utilities Company ("KU") and Louisville Gas and Electric Company ("LG&E") to file corrections to data responses, direct testimonies, and briefs concerning the determination of the environmental surcharge net under-recovery position.

KU and LG&E provided handouts comparing the original data responses and determination of the surcharge net under-recovery with corrected versions of the responses and surcharge net under-recovery. Copies of these handouts are attached to this memorandum as Attachments 2 and 3. KU and LG&E explained the need for the corrections using the handouts and answered questions about the corrections.

KU and LG&E had originally proposed to recover the respective surcharge net under-recoveries over a 4-month period. In the November 21, 2006 motions, KU continued to propose a 4-month recovery period, while LG&E proposed to change its recovery period from 4 months to 12 months. The Attorney General asked why LG&E was proposing to extend the recovery period while KU was not. KU and LG&E indicated that the change was based on a review of the potential affect the under-recovery would have on the respective monthly surcharge factors. Staff noted that this explanation had not been included in the November 21, 2006 motion. KU and LG&E indicated they would file this information.

Due to auditor requirements in conjunction with the end-of-year financial closeout, KU and LG&E asked if final Orders in these cases could be issued by the end of December, assuming no party had an objection to submitting the case on the existing record. Staff indicated that it may be difficult; however, Staff indicated it might be possible to have final Orders out by mid-January 2007. In order to expedite the remaining process for these cases, the parties and Staff agreed to the following

procedural steps: (1) KU and LG&E would file the additional information requested at the conference by November 30, 2006; (2) any data requests on the corrections identified by KU and LG&E would be issued no later than December 7, 2006; (3) KU and LG&E would respond to any requests no later than December 12, 2006; (4) the parties would indicate to the Commission no later than December 19, 2006 whether they believed the cases could be decided based on the record including the correction. Staff suggested that if the parties agreed the cases could be submitted for decision based upon the record, the submission of a joint statement by the parties as soon as possible would assist in the efforts to getting final Orders issued as early in January 2007 as possible.

Attachments

CASE NO. 2006-00129 and 2006-00130  
 KENTUCKY UTILITIES COMPANY and  
 LOUISVILLE GAS & ELECTRIC COMPANY  
 INFORMAL CONFERENCE – November 29, 2006

NAME	WITH
Isaac Scott	PSC - Financial Analysis
Anita Mitchell	PSC - Legal
Kamil R. Rami	SKO for LG&E/KU
Kent W. Blake	LG&E/KU
<del>John M. O'Connell</del>	LG&E/KU
Carol Foxworthy	LG&E - KU
Beth Cocanougher	LGE / KU
Bryce Bennett	OAG
Dennis Howard Jr	OAG
Dawn McGee	PSC - Financial Analysis

# Kentucky Utilities Company

## Original Data Response to Question 3

**Kentucky Utilities Company**  
**Environmental Cost Recovery Surcharge**  
**Calculation of E(m) and Jurisdictional Surcharge Billing Factor**  
**Summary Schedule for Expense Months December 2002 through February 2006**

Combined 1994 and Post 1994 Plan												
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
Expense Month	Combined 1994 and Post 1994 Retail E(m)	Adjustment to Retail E(m) for Allowance Exclusion	Adjustment to Retail E(m) for (Over)/Under	Adjustment to Retail E(m) for Monthly True-up	Retail E(m) Including all Adjustments	Average Monthly Retail Revenues	Current Environmental Surcharge Factor (CESF)	Base Environmental Surcharge Factor (BESF)	Monthly Environmental Surcharge Factor (MESF)	Actual ECR Revenues	ECR Revenue Recovered Through Base Rates	Combined Total Over/(Under) Recovery
		Question No. 2				ES Form 1.00	(8) / (7)		(8) - (9)			
Dec-02	1,467,676	(0)	-	-	1,467,675	53,869,377	2.72%	0.00%	2.72%			
Jan-03	1,352,687	(0)	-	-	1,352,687	54,338,318	2.49%	0.00%	2.49%			
Feb-03	1,589,529	(0)	-	-	1,589,528	55,279,792	2.88%	0.00%	2.88%	2,311,836	-	844,161
Mar-03	1,587,735	(0)	-	-	1,587,735	55,827,418	2.84%	0.00%	2.84%	1,905,993	-	553,307
Apr-03	1,622,752	(0)	-	-	1,622,752	55,998,256	2.90%	0.00%	2.90%	1,877,008	-	287,480
May-03	1,772,248	(0)	-	-	1,772,248	56,150,665	3.16%	0.00%	3.16%	1,814,947	-	227,211
Jun-03										2,085,716	-	462,964
Jul-03										2,581,906	-	809,658
Case No. 2003-00068												
Jun-03	1,927,669	(0)	-	-	1,927,669	56,240,084	3.43%	0.00%	3.43%			
Jul-03	2,083,718	(0)	-	-	2,083,718	56,306,383	3.70%	0.00%	3.70%			
Aug-03	2,096,376	(0)	-	-	2,096,376	55,872,160	3.75%	0.00%	3.75%	2,416,293	-	488,624
Sep-03	2,255,793	(0)	(500,171)	(207,577)	1,548,044	55,800,669	2.77%	3.03%	-0.26%	2,803,674	-	719,956
Oct-03	2,589,108	(0)	(500,171)	167,892	2,256,828	55,757,523	4.05%	3.03%	1.02%	2,452,551	-	356,175
Nov-03	2,564,972	(0)	(500,171)	1,780,819	3,845,620	55,435,952	6.94%	3.03%	3.91%	(105,284)	604,575	(1,048,734)
Dec-03										653,976	1,585,628	(17,224)
Jan-04										1,471,882	1,763,608	(610,130)
Case No. 2003-00068												
Dec-03	2,770,620	(1)	(500,171)	374,797	2,645,245	55,639,805	4.75%	3.03%	1.72%			
Jan-04	2,745,371	(0)	(500,171)	(1,055,778)	1,189,421	55,969,795	2.13%	3.03%	-0.90%			
Feb-04	3,215,981	(48)	(500,171)	(548,993)	2,166,770	56,205,075	3.86%	3.03%	0.83%	1,081,102	1,732,063	167,920
Mar-04	3,266,583	(48)	(500,171)	195,302	2,961,666	56,209,870	5.27%	3.03%	2.24%	(594,344)	1,504,435	(279,330)
Apr-04	3,484,976	(51)	(500,171)	229,566	3,214,320	56,786,599	5.66%	2.68%	2.98%	398,632	1,473,740	(294,398)
May-04	3,293,684	(46)	(500,171)	342,727	3,136,193	57,178,307	5.48%	2.68%	2.80%	1,054,644	1,416,747	(480,275)
Jun-04										1,609,078	1,573,168	(32,075)
Jul-04										1,576,134	954,792	(605,267)
Case No. 2003-00434												
Jun-04	3,752,873	(50)	(500,171)	(149,833)	3,102,819	57,687,839	5.38%	2.68%	2.70%			
Jul-04	2,442,913	(240)	(500,171)	365,208	2,327,709	57,977,804	4.01%	0.30%	3.71%			
Aug-04	2,430,709	(248)	(520,166)	1,195,674	3,105,968	58,740,675	5.29%	0.30%	4.99%	1,282,367	184,757	(1,635,696)
Sep-04	2,264,458	(234)	-	(147,660)	2,116,565	59,157,003	3.58%	0.30%	3.28%	1,115,530	183,812	(1,028,368)
Oct-04	2,092,529	(218)	-	1,156	2,093,467	59,769,681	3.50%	0.30%	3.20%	1,099,282	162,720	(1,843,967)
Nov-04	2,214,858	(244)	-	48,155	2,262,770	60,841,133	3.72%	0.30%	3.42%	1,676,595	155,050	(284,921)
Dec-04										1,958,572	184,567	49,672
Jan-05										2,279,163	205,773	222,167



# Kentucky Utilities Company

## Corrected Data Response to Question 3

**Kentucky Utilities Company**  
**Environmental Cost Recovery Surcharge**  
**Calculation of E(m) and Jurisdictional Surcharge Billing Factor**  
**Summary Schedule for Expense Months December 2002 through February 2006**

**Combined 1994 and Post 1994 Plan**

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
Expense Month	Combined 1994 and Post 1994 Retail E(m)	Adjustment to Retail E(m) for Allowance Exclusion	Adjustment to Retail E(m) for (Over)/Under	Adjustment to Retail E(m) for Monthly True-up	Retail E(m) Including all Adjustments	Average Monthly Retail Revenues ES Form 1.00	Current Environmental Surcharge Factor (CESF) (6) / (7)	Base Environmental Surcharge Factor (BESF)	Monthly Environmental Surcharge Factor (MESF) (8) - (9)	Actual ECR Revenues	ECR Revenue Recovered Through Base Rates	Combined Total Over/(Under) Recovery
Dec-02	1,467,676	(0)	-	-	1,467,675	53,869,377	2.72%	0.00%	2.72%			
Jan-03	1,352,687	(0)	-	-	1,352,687	54,338,318	2.49%	0.00%	2.49%			
Feb-03	1,589,529	(0)	-	-	1,589,528	55,279,792	2.88%	0.00%	2.88%	2,311,836	-	844,161
Mar-03	1,587,735	(0)	-	-	1,587,735	55,827,418	2.84%	0.00%	2.84%	1,905,993	-	553,307
Apr-03	1,622,752	(0)	-	-	1,622,752	55,998,256	2.90%	0.00%	2.90%	1,877,008	-	287,480
May-03	1,772,248	(0)	-	-	1,772,248	56,150,665	3.16%	0.00%	3.16%	1,814,947	-	227,211
Jun-03										2,085,716	-	462,964
Jul-03										2,581,906	-	809,658
Case No. 2003-00068												
Jun-03	1,927,669	(0)	-	-	1,927,669	56,240,084	3.43%	0.00%	3.43%			
Jul-03	2,083,718	(0)	-	-	2,083,718	56,306,383	3.70%	0.00%	3.70%			
Aug-03	2,096,376	(0)	-	-	2,096,376	55,872,180	3.75%	0.00%	3.75%	2,416,293	-	488,624
Sep-03	2,255,793	(0)	(500,171)	-	1,755,621	55,800,669	3.15%	3.03%	0.12%	2,803,674	-	719,956
Oct-03	2,589,108	(0)	(500,171)	-	2,088,936	55,757,523	3.75%	3.03%	0.72%	2,452,551	-	356,175
Nov-03	2,564,972	(0)	(500,171)	-	2,064,801	55,435,952	3.72%	3.03%	0.69%	(105,264)	604,575	(1,256,311)
Dec-03										653,976	1,585,628	150,668
Jan-04										1,471,882	1,763,608	1,170,689
Dec-03	2,770,620	(1)	(500,171)	-	2,270,448	55,639,805	4.08%	3.03%	1.05%			
Jan-04	2,745,371	(0)	(500,171)	-	2,245,200	55,969,795	4.01%	3.03%	0.98%			
Feb-04	3,215,981	(48)	(500,171)	-	2,715,762	56,205,075	4.83%	3.03%	1.80%	1,081,102	1,732,063	542,717
Mar-04	3,266,583	(48)	(500,171)	-	2,766,364	56,209,870	4.92%	3.03%	1.89%	(594,344)	1,504,435	(1,335,109)
Apr-04	3,484,976	(51)	(500,171)	-	2,984,754	56,786,599	5.26%	2.68%	2.58%	398,632	1,473,740	(843,391)
May-04	3,293,684	(46)	(500,171)	-	2,793,467	57,178,307	4.89%	2.68%	2.21%	1,054,644	1,416,747	(294,973)
Jun-04										1,809,078	1,573,168	197,492
Jul-04										1,576,134	954,792	(262,540)
Case No. 2003-00434												
Jun-04	3,752,873	(50)	(500,171)	-	3,252,652	57,687,839	5.64%	2.68%	2.96%			
Jul-04	2,442,913	(240)	(500,171)	-	1,942,501	57,977,804	3.35%	0.30%	3.05%			
Aug-04	2,430,709	(248)	(520,166)	-	1,910,294	58,740,675	3.25%	0.30%	2.95%	1,262,367	184,757	(1,785,528)
Sep-04	2,264,458	(234)	-	-	2,264,225	59,157,003	3.83%	0.30%	3.53%	1,115,530	183,812	(643,160)
Oct-04	2,092,529	(218)	-	-	2,092,310	59,769,681	3.50%	0.30%	3.20%	1,099,282	162,720	(648,292)
Nov-04	2,214,858	(244)	-	-	2,214,614	60,841,133	3.64%	0.30%	3.34%	1,676,595	155,050	(432,580)
Dec-04										1,958,572	184,567	50,828
Jan-05										2,279,163	205,773	270,322

**Kentucky Utilities Company**  
**Environmental Cost Recovery Surcharge**  
**Calculation of E(m) and Jurisdictional Surcharge Billing Factor**  
**Summary Schedule for Expense Months December 2002 through February 2006**

			OMU NOx									
Dec-04	2,605,069	(235)	-	2,604,834	61,431,600	4.24%	0.30%	3.94%				
Jan-05	2,077,647	(119)	-	2,077,528	62,084,082	3.35%	0.30%	3.05%				
Feb-05	2,056,042	(121)	-	2,055,921	62,627,307	3.28%	0.30%	2.98%	4,312,170	193,261	1,900,597	
Mar-05	2,106,584	(122)	166,667	2,273,109	63,863,061	3.56%	0.30%	3.26%	1,381,557	190,718	(505,253)	
Apr-05	2,405,379	(132)	83,333	2,488,580	64,427,841	3.86%	0.30%	3.56%	1,226,103	171,929	(657,889)	
May-05	1,268,107	(121)	83,333	1,351,319	64,590,724	2.09%	0.30%	1.79%	1,665,912	157,782	(449,416)	
Jun-05									2,204,030	181,271	(103,279)	
Jul-05									1,597,764	210,596	457,042	
Jun-05	2,538,778	(26)	83,333	2,622,085	65,238,233	4.02%	0.30%	3.72%				
Jul-05	2,317,179	(26)	83,333	2,400,486	66,259,682	3.62%	0.30%	3.32%				
Aug-05	2,330,890	(26)	83,333	2,414,197	68,147,986	3.54%	0.30%	3.24%	3,098,332	205,558	681,805	
Sep-05	2,286,205	(25)	83,333	2,369,513	69,795,818	3.39%	0.30%	3.09%	2,493,516	207,382	300,412	
Oct-05	2,279,654	(27)	83,333	2,362,960	71,085,369	3.32%	0.30%	3.02%	875,785	177,188	(1,361,224)	
Nov-05	2,081,572	(24)	83,333	2,164,881	71,913,089	3.01%	0.30%	2.71%	1,475,513	163,482	(730,518)	
Dec-05	2,288,991	(26)	83,333	2,372,298	72,999,224	3.25%	0.30%	2.95%	2,346,498	200,822	184,360	
Jan-06	2,259,458	(10)	83,333	2,342,781	73,493,837	3.19%	0.30%	2.89%	2,199,122	211,922	246,163	
Feb-06	2,390,988	(11)	83,333	2,474,310	73,672,517	3.36%	0.30%	3.06%	1,739,101	191,601	(441,586)	
Mar-06									1,696,177	188,451	(458,153)	
Apr-06									2,010,083	173,309	(290,919)	
	90,178,339			85,237,139					Total Collected	67,128,935	16,510,705	(83,639,640) (1,597,499)

# Louisville Gas and Electric Company

## Original Data Response to Question 2

**Louisville Gas and Electric Company**  
**Environmental Cost Recovery Surcharge**  
**Calculation of E(m) and Jurisdictional Surcharge Billing Factor**  
**Summary Schedule for Expense Months March 2003 through February 2006**

**Combined 1995 and Post 1995 Plan**

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Expense Month	Combined 1995 and Post 1995 Retail E(m)	Adjustment to Retail E(m) for (Over)/Under Case No. 2003-00001	Adjustment to Retail E(m) for Monthly True-up	Retail E(m) including all Adjustments	Average Monthly Retail Revenues	Current Environmental Surcharge Factor (CESF)	Base Environmental Surcharge Factor (BESF)	Monthly Environmental Surcharge Factor (MESF)	Actual ECR Revenues	ECR Revenue Recovered Through Base Rates	Combined Total Over/(Under) Recovery
					ES Form 1.00	(5) / (6)		(7) - (8)			
Mar-03	1,508,237	(717,626)	182,165	972,777	48,719,594	2.00%	0.78%	1.22%			
Apr-03	1,627,181	(717,626)	385,193	1,294,748	48,531,719	2.67%	0.78%	1.89%			
May-03	2,083,111	(717,626)	(77,247)	1,288,238	48,638,923	2.65%	0.78%	1.87%	43,715	296,364	(632,688)
Jun-03	2,016,478	(717,626)	(84,475)	1,214,377	48,108,829	2.52%	0.78%	1.74%	167,813	359,349	(767,586)
Jul-03	2,218,449	-	(254,854)	1,963,595	47,967,892	4.09%	0.78%	3.31%	688,743	459,357	(140,138)
Aug-03	2,102,445	-	(83,838)	2,018,608	47,601,732	4.24%	0.78%	3.46%	664,458	454,169	(105,750)
Sep-03									1,772,521	449,713	258,640
Oct-03									1,086,058	288,546	(644,004)
Case No. 2003-00236											
Sep-03	1,929,708	-	(331,506)	1,598,202	47,354,118	3.38%	0.78%	2.60%			
Oct-03	1,851,346	-	216,139	2,067,485	47,133,899	4.39%	0.78%	3.61%			
Nov-03	2,110,340	59,413	(487,787)	1,681,967	47,027,697	3.58%	2.67%	0.91%	853,683	279,800	(464,718)
Dec-03	1,957,235	59,413	(1,048,618)	968,031	47,052,268	2.06%	2.67%	-0.61%	889,829	304,604	(873,053)
Jan-04	1,837,934	59,413	(68,918)	1,828,429	47,109,702	3.88%	2.67%	1.21%	1,033,165	1,017,655	368,853
Feb-04	1,864,718	59,413	(43,726)	1,880,405	47,245,730	3.98%	2.67%	1.31%	723,453	1,517,028	1,272,450
Mar-04									438,203	1,371,385	(18,841)
Apr-04									659,950	1,321,334	100,878
Mar-04	1,958,049	-	(145,246)	1,812,804	47,260,240	3.84%	2.67%	1.17%			
Apr-04	2,322,646	-	(642,484)	1,680,163	47,491,139	3.54%	2.67%	0.87%			
May-04	2,414,431	-	(387,022)	2,027,409	47,772,793	4.24%	2.67%	1.57%	722,751	1,461,588	371,535
Jun-04	2,798,328	-	(498,110)	2,300,219	48,908,312	4.70%	2.67%	2.03%	1,547,398	2,035,418	1,902,653
Jul-04	2,265,995	-	(559,036)	1,706,959	49,051,711	3.48%	2.38%	1.10%	1,538,553	1,698,247	1,209,390
Aug-04	2,301,531	-	47,428	2,348,959	49,067,426	4.79%	2.38%	2.41%	532,694	1,365,444	(402,081)
Sep-04									(329,093)	1,379,769	(656,283)
Oct-04									237,910	1,129,297	(981,752)
Sep-04	2,292,287	-	195,916	2,488,204	49,206,063	5.06%	2.38%	2.68%			
Oct-04	1,992,889	-	47,606	2,040,495	49,882,749	4.09%	2.38%	1.71%			
Nov-04	1,970,861	-	(48,070)	1,922,891	50,639,333	3.80%	2.38%	1.42%	326,125	1,050,477	(1,111,602)
Dec-04	1,900,304	-	62,832	1,963,137	51,088,456	3.84%	2.38%	1.46%	369,741	1,124,142	(546,612)
Jan-05	1,734,196	-	48,856	1,783,052	51,934,190	3.43%	2.38%	1.05%	498,138	1,243,465	(181,287)
Feb-05	1,693,042	-	175,077	1,868,119	52,285,067	3.57%	2.38%	1.19%	507,787	1,135,935	(319,415)
Mar-05									256,953	1,111,886	(414,213)
Apr-05									296,537	1,046,936	(524,646)

**Louisville Gas and Electric Company  
Environmental Cost Recovery Surcharge  
Calculation of E(m) and Jurisdictional Surcharge Billing Factor  
Summary Schedule for Expense Months March 2003 through February 2006**

Mar-05	1,672,718	-	248,648	1,921,366	52,866,896	3.63%	2.38%	1.25%			
Apr-05	1,938,568	-	946	1,939,514	53,222,864	3.64%	2.38%	1.26%			
May-05	1,292,373	-	(235,813)	1,056,561	53,194,214	1.99%	2.38%	-0.39%	402,786	1,051,906	(466,674)
Jun-05	2,280,168	-	(479,620)	1,800,548	52,808,246	3.41%	2.38%	1.03%	908,066	1,296,301	264,853
Jul-05	2,607,187	-	(337,524)	2,269,664	53,119,058	4.27%	2.38%	1.89%	264,696	1,553,513	761,648
Aug-05	2,288,736	-	(483,096)	1,805,729	54,205,386	3.33%	2.38%	0.95%	1,430,295	1,622,548	1,252,295
Sep-05									1,845,097	1,529,066	1,104,499
Oct-05									274,845	1,262,586	(268,297)
Sep-05	2,280,079	-	(371,153)	1,908,926	55,043,223	3.47%	2.38%	1.09%			
Oct-05	2,014,691	-	51,472	2,066,163	55,800,992	3.70%	2.38%	1.32%			
Nov-05	1,642,304	-	68,761	1,711,065	56,874,790	3.06%	2.38%	0.68%	166,492	1,063,009	(679,425)
Dec-05	1,654,837	-	187,545	1,842,382	56,386,994	3.27%	2.38%	0.89%	430,592	1,211,672	(423,900)
Jan-06	1,813,514	-	211,853	2,025,367	56,406,124	3.59%	2.38%	1.21%	374,323	1,268,795	(67,947)
Feb-06	2,217,546	-	274,615	2,492,161	56,249,899	4.43%	2.38%	2.05%	207,650	1,133,545	(501,187)
Mar-06									268,594	1,113,017	(643,756)
Apr-06									1,717,339	1,093,926	319,103
	72,454,565			65,558,715							
							Grand Total		23,807,859	39,101,789	(2,649,068)

# Louisville Gas and Electric Company

## Corrected Data Response to Question 2

**Louisville Gas and Electric Company**  
**Environmental Cost Recovery Surcharge**  
**Calculation of E(m) and Jurisdictional Surcharge Billing Factor**  
**Summary Schedule for Expense Months March 2003 through February 2006**

**Combined 1995 and Post 1995 Plan**

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Expense Month	Combined 1995 and Post 1995 Retail E(m)	Adjustment to Retail E(m) for (Over)/Under Case No. 2003-00001	Adjustment to Retail E(m) for Monthly True-up	Retail E(m) Including all Adjustments	Average Monthly Retail Revenues	Current Environmental Surcharge Factor (CESF)	Base Environmental Surcharge Factor (BESF)	Monthly Environmental Surcharge Factor (MESF)	Actual ECR Revenues	ECR Revenue Recovered Through Base Rates	Combined Total Over/(Under) Recovery
					ES Form 1.00	(5) / (6)		(7) - (8)			
Mar-03	1,508,237	(717,626)		790,611	48,719,594	1.62%	0.78%	0.84%			
Apr-03	1,627,181	(717,626)		909,555	48,531,719	1.87%	0.78%	1.09%			
May-03	2,083,111	(717,626)		1,365,485	48,638,923	2.81%	0.78%	2.03%	43,715	296,364	(450,533)
Jun-03	2,016,478	(717,626)		1,298,852	48,108,829	2.70%	0.78%	1.92%	167,813	359,349	(382,393)
Jul-03	2,218,449	-		2,218,449	47,967,892	4.62%	0.78%	3.84%	688,743	459,357	(217,385)
Aug-03	2,102,445	-		2,102,445	47,601,732	4.42%	0.78%	3.64%	654,458	454,169	(190,225)
Sep-03									1,772,521	449,713	3,785
Oct-03									1,086,058	288,546	(727,842)
Case No. 2003-00236											
Sep-03	1,929,708	-		1,929,708	47,354,118	4.08%	0.78%	3.30%			
Oct-03	1,851,346	-		1,851,346	47,133,899	3.93%	0.78%	3.15%			
Nov-03	2,110,340	59,413		2,169,753	47,027,697	4.61%	2.67%	1.94%	853,683	279,800	(786,225)
Dec-03	1,957,235	59,413		2,016,648	47,052,268	4.29%	2.67%	1.62%	889,829	304,604	(656,913)
Jan-04	1,837,934	59,413		1,897,347	47,109,702	4.03%	2.67%	1.36%	1,033,165	1,017,655	(118,934)
Feb-04	1,864,718	59,413		1,924,131	47,245,730	4.07%	2.67%	1.40%	723,453	1,517,028	223,832
Mar-04									438,203	1,371,385	(87,759)
Apr-04									659,950	1,321,334	57,153
Mar-04	1,958,049	-		1,958,049	47,260,240	4.14%	2.67%	1.47%			
Apr-04	2,322,646	-		2,322,646	47,491,139	4.89%	2.67%	2.22%			
May-04	2,414,431	-		2,414,431	47,772,793	5.05%	2.67%	2.38%	722,751	1,461,588	226,289
Jun-04	2,798,328	-		2,798,328	48,908,312	5.72%	2.67%	3.05%	1,547,398	2,035,418	1,260,169
Jul-04	2,265,995	-		2,265,995	49,051,711	4.62%	2.38%	2.24%	1,538,553	1,698,247	822,369
Aug-04	2,301,531	-		2,301,531	49,067,426	4.69%	2.38%	2.31%	532,694	1,365,444	(900,191)
Sep-04									(329,093)	1,379,769	(1,215,319)
Oct-04									237,910	1,129,297	(934,324)
Sep-04	2,292,287	-		2,292,287	49,206,063	4.66%	2.38%	2.28%			
Oct-04	1,992,889	-		1,992,889	49,882,749	4.00%	2.38%	1.62%			
Nov-04	1,970,961	-		1,970,961	50,639,333	3.89%	2.38%	1.51%	326,125	1,050,477	(915,686)
Dec-04	1,900,304	-		1,900,304	51,088,456	3.72%	2.38%	1.34%	369,741	1,124,142	(499,006)
Jan-05	1,734,196	-		1,734,196	51,934,190	3.34%	2.38%	0.96%	498,138	1,243,465	(229,358)
Feb-05	1,693,042	-		1,693,042	52,285,067	3.24%	2.38%	0.86%	507,787	1,135,935	(256,583)
Mar-05									256,953	1,111,886	(365,357)
Apr-05									296,537	1,046,936	(349,569)

**Louisville Gas and Electric Company  
Environmental Cost Recovery Surcharge  
Calculation of E(m) and Jurisdictional Surcharge Billing Factor  
Summary Schedule for Expense Months March 2003 through February 2006**

Mar-05	1,672,718	-	1,672,718	52,866,896	3.16%	2.38%	0.78%			
Apr-05	1,938,568	-	1,938,568	53,222,864	3.64%	2.38%	1.26%			
May-05	1,292,373	-	1,292,373	53,194,214	2.43%	2.38%	0.05%	402,785	1,051,905	(218,027)
Jun-05	2,280,168	-	2,280,168	52,808,246	4.32%	2.38%	1.94%	908,066	1,296,301	265,799
Jul-05	2,607,187	-	2,607,187	53,119,058	4.91%	2.38%	2.53%	264,696	1,553,513	525,835
Aug-05	2,288,736	-	2,288,736	54,205,386	4.22%	2.38%	1.84%	1,430,295	1,622,548	772,675
Sep-05								1,845,097	1,529,066	766,976
Oct-05								274,845	1,262,586	(751,304)
Sep-05	2,280,079	-	2,280,079	55,043,223	4.14%	2.38%	1.76%			
Oct-05	2,014,691	-	2,014,691	55,800,992	3.61%	2.38%	1.23%			
Nov-05	1,642,304	-	1,642,304	55,874,790	2.94%	2.38%	0.56%	166,492	1,063,009	(1,050,578)
Dec-05	1,654,837	-	1,654,837	56,386,994	2.93%	2.38%	0.55%	430,592	1,211,672	(372,428)
Jan-06	1,813,514	-	1,813,514	56,406,124	3.22%	2.38%	0.84%	374,323	1,266,795	814
Feb-06	2,217,546	-	2,217,546	56,249,899	3.94%	2.38%	1.56%	207,650	1,133,545	(313,642)
Mar-06								268,594	1,113,017	(431,904)
Apr-06								1,717,339	1,093,926	593,719
	72,454,565		69,821,713			Total Collected		23,807,859	39,101,789	(6,912,066)
									62,909,648	