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Ms. Elizabeth O'Donnell, Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
P. O. Box 615
Frankfort, Kentucky 40602

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MAY 03 2007

PUBLIC SERVICE
COMMISSION

May 3, 2007

Kentucky Utilities Company
State Regulation and Rates
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Louisville, Kentucky 40232
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**RE: An Examination of the Application of the Fuel Adjustment Clause of
Kentucky Utilities Company From November 1, 2004 to October 31,
2006 - CASE NO. 2006-00509**

Dear Ms. O'Donnell:

Enclosed please find an original and six (6) copies of a revised page 3 of the Testimony of John P. Malloy, revised Responses of Kentucky Utilities Company to Questions 16, 17 and 30 of the Information Requested in Appendix B of the Commission's Order Dated December 18, 2006, and revised Responses of Kentucky Utilities Company to the First set of Data Requests of Kentucky Industrial Utility Customer's Inc. filed on February 8, 2007, in the above-referenced proceeding.

Please contact me if you have any questions concerning this filing.

Sincerely,

Robert M. Conroy

Enclosures

cc: Michael L. Kurtz, Esq.
Elizabeth E. Blackford, Esq.

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED

MAY 03 2007

PUBLIC SERVICE
COMMISSION

In the Matter of:

AN EXAMINATION BY THE PUBLIC)
SERVICE COMMISSION OF THE APPLICATION)
OF THE FUEL ADJUSTMENT CLAUSE OF)
KENTUCKY UTILITIES COMPANY)
FROM NOVEMBER 1, 2004 TO OCTOBER 31, 2006)

Case No. 2006-00509

REVISED DIRECT TESTIMONY OF
JOHN P. MALLOY
DIRECTOR -GENERATION SERVICES
E.ON U.S. SERVICES INC.

JANUARY 22, 2007

1 No. 2005-00471.⁵ Now that the Companies have exited MISO, they are able to
2 procure economic power from all producers, including those in the MISO
3 footprint.

4
5 **Q. What changes does KU expect to occur in the wholesale power market within**
6 **the next two years that may significantly affect KU's Electric Power**
7 **procurement practices?**

8 A. As a general matter, KU's electric power procurement practices will continue to
9 be guided by the same philosophy that has guided them to date. That philosophy
10 is to serve the Company's native load customers through reasonable, least-cost
11 resources. Over time, the Company has achieved this goal primarily by investing
12 in, owning, and operating generation assets; a recent example of this is the
13 Company's investment in Trimble County Unit No. 2. This approach to serving
14 the Company's customers ensures that the Company can wisely use the market to
15 serve native load when market prices for power are lower than the cost of using
16 another of the Company's generating assets to serve incremental load. This
17 philosophy allows the Company to procure power from the market when it is
18 economic to do so.

19 That being said, several issues merit consideration. FERC policy related
20 to market-based rate authority continues to be in a state of flux. FERC has issued
21 a Notice of Proposed Rulemaking related to this topic,⁶ and a final rule has yet to

⁵ *In the Matter of the Application of Louisville Gas and Electric Company and Kentucky Utilities Company for Authority to Transfer Functional Control of their Transmission System.*

⁶ *Market-Based Rates for Wholesale Sales of Electric Energy, Capacity and Ancillary Services by Public Utilities*, Docket No. RM04-7-000, Notice of Proposed Rulemaking (May 19, 2006), 115 FERC ¶61,210.

KENTUCKY UTILITIES COMPANY

**May 3, 2007 Revision to Response to Information Requested in Appendix B of
Commission's Order Dated December 18, 2006**

Case No. 2006-00509

Question No. 16

Witness: Robert M. Conroy

Q-16. Provide a schedule of the present and proposed rates that KU seeks to change pursuant to Administrative Regulation 807 KAR 5:056, shown in comparative form.

A-16. Please see the attached schedule.

The attached schedules have been revised to reflect the effect of the ECR roll-in on tariffs issued February 20, 2007 and April 2, 2007 as approved by the Commission's Order in Case No. 2006-00129.

Kentucky Utilities Revised Tariffs

Tariff Sheet No.	Rate Schedule	Existing Base Rate Energy and Fuel	Existing Fuel Component of Base Rates	Existing Base Rate -- Excluding Fuel Base	Proposed Revised Fuel Component of Base Rates	Revised Base Rates including Fuel
5	RS	\$ 0.04865	\$ 0.01810	\$ 0.03055	\$ 0.02591	\$ 0.05646
6	VFD	0.04865	\$ 0.01810	\$ 0.03055	\$ 0.02591	\$ 0.05646
10	GS	0.05818	\$ 0.01810	\$ 0.04008	\$ 0.02591	\$ 0.06599
15	AES -- All Electric School	0.04672	\$ 0.01810	\$ 0.02862	\$ 0.02591	\$ 0.05453
20	LP	0.02501	\$ 0.01810	\$ 0.00691	\$ 0.02591	\$ 0.03282
25	LCI-TOD	0.02501	\$ 0.01810	\$ 0.00691	\$ 0.02591	\$ 0.03282
30	MP	0.02698	\$ 0.01810	\$ 0.00888	\$ 0.02591	\$ 0.03479
35	LMP-TOD	0.02301	\$ 0.01810	\$ 0.00491	\$ 0.02591	\$ 0.03082
38	LI-TOD	0.02501	\$ 0.01810	\$ 0.00691	\$ 0.02591	\$ 0.03282
62	STOD -- On-Peak Energy	0.03098	\$ 0.01810	\$ 0.01288	\$ 0.02591	\$ 0.03879
62	STOD -- Off-Peak Energy	0.01815	\$ 0.01810	\$ 0.00005	\$ 0.02591	\$ 0.02596

LIGHTING SCHEDULES -- ALL RATES PER UNIT PER MONTH

Page	Schedule	Kwh per year	LOAD/LIGHT	Tariff	
				Existing	Revised
40	ST. LT.				
	Street Lighting System				
	Incandescent System -- Standard				
	1,000 Lumens (approximately)	408	0.102 KW/Light	\$ 2.43	\$ 2.70
	2,500 " "	804	0.201 KW/Light	3.04	3.56
	4,000 " "	1308	0.327 KW/Light	4.40	5.25
	6,000 " "	1788	0.447 KW/Light	5.88	7.04
	Incandescent System -- Ornamental				
	1,000 Lumens (approximately)	408	0.102 KW/Light	\$ 3.02	\$ 3.29
	2,500 " "	804	0.201 KW/Light	3.87	4.39
	4,000 " "	1308	0.327 KW/Light	5.37	6.22
	6,000 " "	1788	0.447 KW/Light	6.95	8.11
	Mercury Vapor -- Standard				
	7,000 Lumens (approximately)	828	0.207 KW/Light	\$ 7.04	\$ 7.58
	10,000 " "	1176	0.294 KW/Light	8.18	8.95
	20,000 " "	1812	0.453 KW/Light	9.72	10.90
	Mercury Vapor -- Ornamental				
	7,000 Lumens (approximately)	828	0.207 KW/Light	\$ 9.36	\$ 9.90
	10,000 " "	1176	0.294 KW/Light	10.24	11.01
	20,000 " "	1812	0.453 KW/Light	11.38	12.56
	High Pressure Sodium Vapor -- Standard				
	4,000 Lumens (approximately)	240	0.060 KW/Light	\$ 5.21	\$ 5.37
	5,800 " "	332	0.083 KW/Light	5.67	5.89
	9,500 " "	468	0.117 KW/Light	6.40	6.71
	22,000 " "	968	0.242 KW/Light	9.54	10.17
	50,000 " "	1940	0.485 KW/Light	15.49	16.75
	High Pressure Sodium Vapor -- Ornamental				
	4,000 Lumens (approximately)	240	0.060 KW/Light	\$ 7.90	\$ 8.06
	5,800 " "	332	0.083 KW/Light	8.36	8.58
	9,500 " "	468	0.117 KW/Light	9.29	9.60
	22,000 " "	968	0.242 KW/Light	12.41	13.04
	50,000 " "	1940	0.485 KW/Light	18.35	19.61

LIGHTING SCHEDULES -- ALL RATES PER UNIT PER MONTH

Page	Schedule		Kwh per year	LOAD/LIGHT	Tariff		
					Existing	Revised	
40.1	ST. LT.						
	Decorative Underground Service						
	Acorn with Decorative Pole						
	4,000 Lumens (approximately)		240	0.060 KW/Light	\$ 10.75	\$	10.91
	5,800 " "		332	0.083 KW/Light	11.34		11.56
	9,500 " "		468	0.117 KW/Light	12.06		12.37
	Acorn with Historic Pole						
	4,000 Lumens (approximately)		240	0.060 KW/Light	\$ 16.84	\$	17.00
	5,800 " "		332	0.083 KW/Light	17.41		17.63
	9,500 " "		468	0.117 KW/Light	18.15		18.46
	Colonial						
	4,000 Lumens (approximately)		240	0.060 KW/Light	\$ 7.11	\$	7.27
	5,800 " "		332	0.083 KW/Light	7.60		7.82
	9,500 " "		468	0.117 KW/Light	8.25		8.56
	Coach						
	5,800 Lumens (approximately)		332	0.083 KW/Light	\$ 25.94	\$	26.16
	9,500 " "		468	0.117 KW/Light	26.58		26.89
	Contemporary						
	5,800 Lumens (approximately)		332	0.083 KW/Light	\$ 13.04	\$	13.26
	9,500 " "		468	0.117 KW/Light	15.56		15.87
	22,000 " "		968	0.242 KW/Light	18.16		18.79
	50,000 " "		1940	0.485 KW/Light	23.69		24.95
	Gran Ville						
	16,000 Lumens (approximately)		600	0.150 KW/Light	\$ 39.52	\$	39.91

LIGHTING SCHEDULES -- ALL RATES PER UNIT PER MONTH

Page	Schedule		Kwh per year	LOAD/LIGHT	Tariff		
					Existing	Revised	
41	P.O.Lt.						
	Private Outdoor Lighting						
	Standard (Served Overhead)						
	Mercury Vapor						
	7,000 Lumens (approximately)		828	0.207 KW/Light	\$ 8.05	\$	8.59
	20,000 " "		1812	0.453 KW/Light	9.72		10.90
	High Pressure Sodium						
	5,800 " "		332	0.083 KW/Light	\$ 4.55	\$	4.77
	9,500 " "		468	0.117 KW/Light	5.21		5.52
	22,000 " "		968	0.242 KW/Light	9.54		10.17
	50,000 " "		1940	0.485 KW/Light	15.49		16.75
	Directional (Served Overhead)						
	High Pressure Sodium						
	9,500 Lumens (approximately)		468	0.117 KW/Light	\$ 6.27	\$	6.58
	22,000 " "		968	0.242 KW/Light	8.98		9.61
	50,000 " "		1940	0.485 KW/Light	13.78		15.04

LIGHTING SCHEDULES -- ALL RATES PER UNIT PER MONTH

Page	Schedule		Kwh per year	LOAD/LIGHT	Tariff		
					Existing	Revised	
41.1	P.O.Lt.						
		Private Outdoor Lighting					
		Metal Halide Commercial and Industrial Lighting					
		Directional Fixture					
		12,000 Lumens (approximately)	828	0.207 KW/Light	\$ 9.30	\$ 9.84	
		32,000 " "	1800	0.45 KW/Light	13.07	14.24	
		107,800 " "	4320	1.08 KW/Light	27.17	29.98	
		Directional Fixture with Wood Pole					
		12,000 Lumens (approximately)	828	0.207 KW/Light	\$ 11.32	\$ 11.86	
		32,000 " "	1800	0.45 KW/Light	15.09	16.26	
		107,800 " "	4320	1.08 KW/Light	29.97	32.78	
		Directional Fixture with Metal Pole					
		12,000 Lumens (approximately)	828	0.207 KW/Light	\$ 17.91	\$ 18.45	
		32,000 " "	1800	0.45 KW/Light	21.67	22.84	
		107,800 " "	4320	1.08 KW/Light	35.77	38.58	
		Contemporary Fixture					
		12,000 Lumens (approximately)	828	0.207 KW/Light	\$ 10.42	\$ 10.96	
		32,000 " "	1800	0.45 KW/Light	14.65	15.82	
		107,800 " "	4320	1.08 KW/Light	29.78	32.59	
		Contemporary Fixture with Metal Pole					
		12,000 Lumens (approximately)	828	0.207 KW/Light	\$ 19.04	\$ 19.58	
		32,000 " "	1800	0.45 KW/Light	23.25	24.42	
		107,800 " "	4320	1.08 KW/Light	38.38	41.19	

LIGHTING SCHEDULES -- ALL RATES PER UNIT PER MONTH

Page	Schedule		Kwh per year	LOAD/LIGHT	Tariff		
					Existing	Revised	
41.2	P.O.Lt.						
	Private Outdoor Lighting						
	Directional HPS Served Underground						
	Acorn with Decorative Pole						
	4,000 Lumens (approximately)		240	0.060 KW/Light	\$ 10.75	\$	10.91
	5,800 " "		332	0.083 KW/Light	11.34		11.56
	9,500 " "		468	0.117 KW/Light	12.07		12.38
	Acorn with Historic Pole						
	4,000 Lumens (approximately)		240	0.060 KW/Light	\$ 16.84	\$	17.00
	5,800 " "		332	0.083 KW/Light	17.41		17.63
	9,500 " "		468	0.117 KW/Light	18.15		18.46
	Colonial						
	4,000 Lumens (approximately)		240	0.060 KW/Light	\$ 7.11	\$	7.27
	5,800 " "		332	0.083 KW/Light	7.60		7.82
	9,500 " "		468	0.117 KW/Light	8.25		8.56
	Coach						
	5,800 Lumens (approximately)		332	0.083 KW/Light	\$ 25.94	\$	26.16
	9,500 " "		468	0.117 KW/Light	26.58		26.89
	Contemporary						
	5,800 Lumens (approximately)		332	0.083 KW/Light	\$ 13.04	\$	13.26
	9,500 " "		468	0.117 KW/Light	15.56		15.87
	22,000 " "		968	0.242 KW/Light	18.16		18.79
	50,000 " "		1940	0.485 KW/Light	23.69		24.95
	Gran Ville						
	16,000 Lumens (approximately)		600	0.150 KW/Light	\$ 39.52	\$	39.91

KENTUCKY UTILITIES COMPANY

**May 3, 2007 Revision to Response to Information Requested in Appendix B of
Commission's Order Dated December 18, 2006**

Case No. 2006-00509

Question No. 17

Witness: Robert M. Conroy

Q-17. Provide a statement showing by cross-outs and italicized inserts all proposed changes in rates. A copy of the current tariff may be used.

A-17. Please see the attached schedule.

The attached schedules have been revised to reflect the effect of the ECR roll-in on tariffs issued February 20, 2007 and April 2, 2007 as approved by the Commission's Order in Case No. 2006-00129.

ELECTRIC RATE SCHEDULE RS
Residential Service

APPLICABLE

In all territory served.

AVAILABILITY OF SERVICE

Available for single phase, single family residential service subject to the terms and conditions on Sheet No. 85 of this Tariff. Three phase service under this rate schedule is restricted to those customers being billed on this rate schedule as of its effective date of July 1, 2004.

RATE

Customer Charge: \$5.00 per month

Plus an Energy Charge of:

5,646 cents per KWH

Deleted: 4.865

ADJUSTMENT CLAUSES

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

Fuel Adjustment Clause	Sheet No. 70
Demand Side Management Cost Recovery Mechanism	Sheet No. 71
Environmental Cost Recovery Surcharge	Sheet No. 72
Merger Surcredit Rider	Sheet No. 73
Value Delivery Surcredit Rider	Sheet No. 75
Franchise Fee Rider	Sheet No. 76
School Tax	Sheet No. 77
Home Energy Assistance Program	Sheet No. 78

MINIMUM CHARGE

The Customer Charge shall be the minimum charge.

DUE DATE OF BILL

Customer's payment will be due within 10 days from date of bill.

TERMS AND CONDITIONS

Service will be furnished under Company's Terms and Conditions applicable hereto.

Date of Issue: February 20, 2007
Canceling Second Revision of
Original Sheet No. 5
Issued June 8, 2005

Issued By

Date Effective: With Bills Rendered
On and After
March 5, 2007

John R. McCall, Executive Vice President,
General Counsel, and Corporate Secretary
Lexington, Kentucky

Issued By Authority of an Order of the KPSC in Case No. 2006-00129 dated January 31, 2007

ELECTRIC RATE SCHEDULE VFD
Volunteer Fire Department Service

APPLICABLE

In all territory served.

AVAILABILITY OF SERVICE

Available for single-phase delivery, in accordance with the provisions of KRS 278.172, to any volunteer fire department qualifying for aid under KRS 95A.262. It is optional with the customer whether service will be provided under this schedule or any other schedule applicable to this load.

DEFINITION

To be eligible for this rate a volunteer fire department is defined as:

- 1) having at least 12 members and a chief,
- 2) having at least one fire fighting apparatus, and
- 3) more than half the members must be volunteer.

RATE

Customer Charge: \$5.00 per month

Plus an Energy Charge of:
5.646 cents per KWH

Deleted: 4 865

MINIMUM CHARGE

The Customer Charge shall be the minimum charge.

ADJUSTMENT CLAUSES

The bill amount computed at the charges specified above shall be increased or decreased in accordance with:

Fuel Adjustment Clause	Sheet No. 70
Demand-Side Management Surcharge	Sheet No. 71
Environmental Cost Recovery Surcharge	Sheet No. 72
Merger Surcredit Rider,	Sheet No. 73
Value Delivery Surcredit Rider	Sheet No. 75
Franchise Fee Rider	Sheet No. 76
School Tax	Sheet No. 77

DUE DATE OF BILL

Customer's payment will be due within 10 days from date of bill.

TERMS AND CONDITIONS

Service will be furnished under Company's Terms and Conditions applicable hereto.

Date of Issue: February 20, 2007
Canceling First Revision of
Original Sheet No. 6
Issued June 8, 2005

Issued By

Date Effective: With Bills Rendered
On and After
March 5, 2007

John R. McCall, Executive Vice President,
General Counsel, and Corporate Secretary
Lexington, Kentucky

Issued By Authority of an Order of the KPSC in Case No. 2006-00129 dated January 31, 2007

ELECTRIC RATE SCHEDULE GS
General Service Rate

APPLICABLE

In all territory served.

AVAILABILITY OF SERVICE

To general lighting and small power loads for secondary service. It is optional with the customer whether service will be billed under this schedule or any other schedule applicable to this load. Customers executing a one year contract under this schedule will continue to be billed under such schedule for not less than 12 consecutive months unless there shall be a material and permanent change in the customer's use of service.

Service under this schedule will be limited to maximum loads not exceeding 500 KW. Service to existing customers with a maximum load exceeding 500 KW is restricted to those customers being billed under the rate schedule as of its effective date of July 1, 2004. New customers, upon demonstrating an average demand of 500 KW or greater, will be served under the appropriate rate schedule.

RATE

Customer Charge: \$10.00 per month

Plus an Energy Charge of:

6.599 cents per KWH

Deleted: 5818

PRIMARY DISCOUNT

A 5% Primary Discount will be applied to the bill, including the minimum charge, of any primary or voltage delivery customer who has a demand of 50 kilowatts or more during the billing period. This discount does not apply to fuel clause revenue. Primary service under this rate schedule is restricted to those customers being billed under the rate schedule as of its effective date of July 1, 2004.

ADJUSTMENT CLAUSES

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

Fuel Adjustment Clause	Sheet No. 70
Demand-Side Management Surcharge	Sheet No. 71
Environmental Cost Recovery Surcharge	Sheet No. 72
Merger Surcredit Rider	Sheet No. 73
Value Delivery Surcredit Rider	Sheet No. 75
Franchise Fee Rider	Sheet No. 76
School Tax	Sheet No. 77

Date of Issue: February 20, 2007
Canceling First Revision of
Original Sheet No. 10
Issued June 8, 2005

Issued By

Date Effective: With Bills Rendered
On and After
March 5, 2007

John R. McCall, Executive Vice President,
General Counsel, and Corporate Secretary
Lexington, Kentucky

Issued By Authority of an Order of the KPSC in Case No. 2006-00129 dated January 31, 2007

ELECTRIC RATE SCHEDULE

A.E.S.

All Electric School

APPLICABLE

In all territory served.

AVAILABILITY OF SERVICE

Service under this rate is available where energy requirement for (1) a complex of school buildings on a central campus, (2) an individual school building, or (3) an addition to an existing school building is served electrically by Kentucky Utilities Company; such energy requirement to include, but not be limited to, lighting, heating, cooling and water heating. Other school buildings not so receiving every energy requirement electrically shall be separately metered from the above defined service and served under another appropriate applicable rate. At those locations where the school owns its distribution system and makes the service connections therefrom to the various buildings and/or load centers, the Company shall be given the option of providing service by use of the existing Customer owned distribution system, or of constructing its own facilities in accordance with the Company's Overhead Construction Standards. In any event, the Company's investment in construction may be limited to an amount not exceeding twice the estimated annual revenue from the service so connected. If the Customer desires, he will be allowed to make a contribution for the remaining requirement, so as to receive service under this schedule.

School buildings, as referred to herein, shall be defined as buildings used as classrooms, laboratories, gymnasiums, libraries, cafeterias, school related offices or for other bona fide school purposes by duly constituted school authorities of Kentucky. This Rate Schedule is not available to include buildings of privately operated kindergartens or day care centers.

Other fuels may be used as incidental to and for instructional laboratory and other miscellaneous purposes without affecting the availability of this rate.

RATE

All kilowatt-hours: 5.453¢ per KWH.

Deleted: 4.672

ADJUSTMENT CLAUSES

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

Fuel Adjustment Clause	Sheet No. 70
Environmental Cost Recovery Surcharge	Sheet No. 72
Merger Surcredit Rider	Sheet No. 73
Value Delivery Surcredit Rider	Sheet No. 75
Franchise Fee Rider	Sheet No. 76
School Tax	Sheet No. 77

Date of Issue: February 20, 2007
Canceling First Revision of
Original Sheet No. 15
Issued June 8, 2005

Issued By

Date Effective: With Bills Rendered
On and After
March 5, 2007

John R. McCall, Executive Vice President,
General Counsel, and Corporate Secretary
Lexington, Kentucky

Issued By Authority of an Order of the KPSC in Case No. 2006-00129 dated January 31, 2007

ELECTRIC RATE SCHEDULE

LP

Large Power Service

APPLICABLE

In all territory served.

AVAILABILITY OF SERVICE

This rate schedule is available for secondary, primary or available transmission line service on an annual basis for lighting and/or heating and/or power.

It is optional with the customer whether service will be billed under this schedule for the entire requirements, or under various other schedules applicable to the various services. The customer having selected this schedule will continue to be billed under it for not less than 12 consecutive months, unless there should be a material and permanent change in the customer's service.

Service under this schedule will be limited to minimum average secondary loads of 200 KW and maximum average loads not exceeding 5,000 KW.

Customers with average single phase loads less than 200KW receiving service under this rate schedule as of July 1, 2004, will continue to be served under this rate schedule.

RATE

Customer Charge: \$75.00 per month

Maximum Load Charge:

Secondary Service

\$7.20 per kilowatt of the maximum load in the month.

Primary Service

\$6.81 per kilowatt of the maximum load in the month

Transmission Service

\$6.47 per kilowatt of the maximum load in the month

Plus an Energy Charge of:

3.282 cents per KWH

Deleted: 2.501

ADJUSTMENT CLAUSES

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

Fuel Adjustment Clause	Sheet No. 70
Demand-Side Management Surcharge	Sheet No. 71
Environmental Cost Recovery Surcharge	Sheet No. 72
Merger Surcredit Rider	Sheet No. 73
Value Delivery Surcredit Rider	Sheet No. 75
Franchise Fee Rider	Sheet No. 76
School Tax	Sheet No. 77
Program Cost Recovery Mechanism	Sheet No. 62

Date of Issue: February 20, 2007
Canceling First Revision of
Original Sheet No. 20
Issued June 8, 2005

Issued By

Date Effective: With Bills Rendered
On and After
March 5, 2007

John R. McCall, Executive Vice President,
General Counsel, and Corporate Secretary
Lexington, Kentucky

Issued By Authority of an Order of the KPSC in Case No. 2006-00129 dated January 31, 2007

ELECTRIC RATE SCHEDULE

LCI-TOD

Large Commercial/Industrial Time-of-Day Service

APPLICABLE

In all territory served

AVAILABILITY OF SERVICE

Available to, and mandatory for, all customers served primary or transmission voltage, with an average demand of 5,000 kilowatts or greater, subject to the following guidelines:

- (1) Customers being served on this rate whose average demand have subsequently been reduced below 5,000 kilowatts over a period of twelve (12) months or who have had a material and permanent change in operations which will undoubtedly reduce demands below this level will be placed on the appropriate non-time-differentiated rate at the Company's discretion.
- (2) It is the responsibility of the customer to keep the Company fully informed of any change or expected change in operations which will affect the customer's qualification to be served on this rate.
- (3) Service under this schedule will be limited to maximum loads not exceeding 50,000 KW. Customers with new or increased load requirements that exceed 50,000 KW will have a rate developed as part of their contract based upon their electrical characteristics.

RATE

Customer Charge: \$120.00 per month

Maximum Load Charge:	<u>Primary</u>	<u>Transmission</u>
On-Peak Demand	\$5.16 per KW	\$4.97 per KW
Off-Peak Demand	\$.74 per KW	\$.74 per KW

Energy Charge: 3.282 cents per KWH

Deleted: 2.501

ADJUSTMENT CLAUSES

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

Fuel Adjustment Clause	Sheet No. 70
Demand-Side Management Surcharge	Sheet No. 71
Environmental Cost Recovery Surcharge	Sheet No. 72
Merger Surcredit Rider	Sheet No. 73
Value Delivery Surcredit Rider	Sheet No. 75
Franchise Fee Rider	Sheet No. 76
School Tax	Sheet No. 77

Date of Issue: February 20, 2007
 Canceling First Revision of
 Original Sheet No. 25
 Issued June 8, 2005

Issued By

Date Effective: With Bills Rendered
 On and After
 March 5, 2007

John R. McCall, Executive Vice President,
 General Counsel, and Corporate Secretary
 Lexington, Kentucky

Issued By Authority of an Order of the KPSC in Case No. 2006-00129 dated January 31, 2007

ELECTRIC RATE SCHEDULE MP
Coal Mining Power Service

APPLICABLE

In all territory served.

AVAILABILITY OF SERVICE

This schedule is for primary or transmission line service, where available, for the operation of coal mines, coal cleaning, processing or other related operations incidental to such operation, where the customer reserves not less than 50 kilowatts of capacity.

Service under this schedule will be limited to maximum loads not exceeding 5,000 KW. Existing customers who demonstrate an average demand of 5,000 KW or greater over a 12-month period, or new customers upon demonstrating an average demand of 5,000 KW or greater, will be served under Rate Schedule LMP-TOD.

RATE

Customer Charge: \$75.00 per month

Maximum Load Charge:

Primary Service at nominal voltage of 2,400 or more shall be \$5.10 per kilowatt of the maximum load in the month.

Transmission Line Service at nominal voltage of 34,500 or more shall be \$4.98 per kilowatt of the maximum load in the month.

Plus an Energy Charge of:

3.479 cents per KWH

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ADJUSTMENT CLAUSES

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

Fuel Adjustment Clause	Sheet No. 70
Environmental Cost Recovery Surcharge	Sheet No. 72
Merger Surcredit Rider	Sheet No. 73
Value Delivery Surcredit Rider	Sheet No. 75
Franchise Fee Rider	Sheet No. 76
School Tax	Sheet No. 77

MINIMUM ANNUAL CHARGE

Not less than the greater of (a), (b) or (c) as follows:

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On and After
March 5, 2007

John R. McCall, Executive Vice President,
General Counsel, and Corporate Secretary
Lexington, Kentucky

Issued By Authority of an Order of the KPSC in Case No. 2006-00129 dated January 31, 2007

ELECTRIC RATE SCHEDULE LMP-TOD
Large Mine Power Time-of-Day Rate

APPLICABLE

In all territory served

AVAILABILITY OF SERVICE

Available to, and mandatory for, all mine power service customers served on primary or transmission voltage, with demands of 5,000 kilowatts or greater, subject to the following guidelines:

- (1) Mine power service under this rate is restricted to coal mining, coal cleaning, coal processing or other related operation and for power, lighting and/or heating incidental to such operation.
- (2) Customers being served on this rate whose average demands have subsequently been reduced below 5,000 kilowatts over a period of twelve (12) months or who have had a material and permanent change in operations which will undoubtedly reduce demands below this level will be placed on the appropriate non-time-differentiated rate at the Company's discretion.
- (3) It is the responsibility of the customer to keep the Company fully informed of any change or expected change in operations which will affect the customer's qualifications to be served on this rate.
- (4) Service under this schedule will be limited to maximum loads not exceeding 50,000 KW. Customers with new or increased load requirements that exceed 50,000 KW will have a rate developed as part of their contract based upon their electrical characteristics.

RATE

Customer Charge: \$120.00 per month

Maximum Load Charge:	<u>Primary</u>	<u>Transmission</u>
On-Peak Demand	\$5.75	\$5.21
Off-Peak Demand	\$.74	\$.74

Energy Charge: 3.082 cents per KWH

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DETERMINATION OF MAXIMUM LOAD

The load will be measured and will be the average KW demand delivered to the customer during the 15-minute period of maximum use during the appropriate rating period each month.

The Company reserves the right to place a KVA meter and base the billing demand on the measured KVA. The charge will be computed based on the measured KVA times 90 percent, at the applicable KW charge.

In lieu of placing a KVA meter, the Company may adjust the measured maximum load for billing purposes when power factor is less than 90 percent in accordance with the following formula:
(BASED ON POWER FACTOR MEASURED AT TIME OF MAXIMUM LOAD)

$$\text{Adjusted Maximum KW Load for Billing Purposes} = \frac{\text{Maximum KW Load Measured} \times 90\%}{\text{Power Factor (in percent)}}$$

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John R. McCall, Executive Vice President,
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 Lexington, Kentucky

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ELECTRIC RATE SCHEDULE LI-TOD
Large Industrial Time-of-Day Service

APPLICABLE

In all territory served.

AVAILABILITY OF SERVICE

Available for three-phase delivery to customers up to an aggregate of two hundred (200) MVA for all customers taking service under this schedule and under the LI-TOD schedule of Louisville Gas and Electric Company. This schedule is restricted to individual customers whose monthly demand is twenty (20) MVA or greater. A customer is defined as large industrial time-of-day if that customer's load either increases or decreases twenty (20) MVA or more per minute or seventy (70) MVA or more in ten (10) minutes when such increases or decreases exceed one (1) occurrence per hour during any hour of the billing month.

Subject to the above aggregate limit of two hundred (200) MVA, this schedule is mandatory for all customers whose load is defined as large industrial time-of-day and not served on another standard rate schedule as of the effective date this rate schedule is approved by the Public Service Commission of Kentucky. Existing customers as of the effective date of this rate schedule, April 1, 2004, shall have the first option to the available capacity under this rate schedule by signing a contract for firm service by March 1, 2005, which commits to billing for demand related charges by July 1, 2006.

BASE RATE

Customer Charge: \$120.00 per month

	<u>Primary</u>	<u>Transmission</u>
Energy Charge of:		
Per monthly billing period	\$0.03282 per kWh	\$0.03282 per kWh

Plus a Demand Charge of:
 Per monthly billing period

Standard Load Charges:		
On-Peak	\$4.58 per KVA	\$4.66 per KVA
Off-Peak	\$0.73 per KVA	\$0.74 per KVA

Where the monthly Standard On-Peak billing and Off-Peak billing are the greater of the applicable charge per KVA times:

- (a) the maximum metered standard demand, as measured over a fifteen (15) minute interval, for each peak period in the monthly billing period,
- (b) 60% of the maximum metered standard demand, as determined in (a) above, for each peak period in the preceding eleven (11) monthly billing periods,
- (c) 60% of the contract capacity based on the expected maximum demand upon the system, or
- (d) minimum may be adjusted where customer's service requires an abnormal investment in special facilities.

Plus Fluctuating Load Charges:		
On-Peak	\$2.29 per KVA	\$2.20 per KVA
Off-Peak	\$0.37 per KVA	\$0.37 per KVA

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John R. McCall, Executive Vice President,
 General Counsel, and Corporate Secretary
 Lexington, Kentucky

Issued By Authority of an Order of the KPSC in Case No. 2006-00129 dated January 31, 2007

ELECTRIC RATE SCHEDULE

ST. LT.

Street Lighting Service

AVAILABILITY OF SERVICE

This rate schedule is available, for the various types of street lighting services shown herein, in any community in which the Company has an electric franchise. Service is subject to the provisions herein and the provisions of the Company's standard contract for street lighting service. Should the service not meet these standard provisions, then the Company reserves the right to revise the charges listed hereinafter so as to include any additional or unusual cost involved.

STANDARD/ORNAMENTAL SERVICE

1. **STANDARD OVERHEAD SYSTEM:** Street lighting equipment furnished under the Standard Overhead Rate shall consist of wood poles, brackets, appropriate fixtures for the lamps being used, the necessary overhead street lighting circuit, protective equipment, controls and transformers. The Company will install, own, operate and maintain the entire street lighting system, including circuits, lighting fixtures and lamp replacements. The Customer shall pay the Standard Overhead Rate.
2. **ORNAMENTAL OVERHEAD SYSTEM:** The Company will, upon request, furnish under the Ornamental Overhead Rate, ornamental poles of the Company's choosing, together with overhead wiring and all other equipment and provisions mentioned in 2 above. The Customer will pay the Ornamental Overhead Rate.
3. **OTHER THAN CONVENTIONAL OVERHEAD SYSTEMS:** Should the Customer require, either initially or upon replacement, a system or equipment other than that described in 2 or 3 above for lamp sizes as provided herein, (this constituting a conventional overhead system) the Customer may make a non-refundable contribution to the Company equal to the difference in the installed cost between the system or equipment so required and the cost of a conventional overhead system as hereinbefore defined. In a similar manner the Customer will pay the difference in the cost of operation and maintaining such a system or equipment and the cost of operation and maintaining a conventional Overhead System. Any installation costs which are to be borne by the Customer, should be paid at the time of installation.

RATE

	LOAD/LIGHT	RATE PER LIGHT PER MONTH	
		STANDARD	ORNAMENTAL
*INCANDESCENT			
1,000 Lumens (approximately)	.102 KW/Light	\$ 2.70	\$ 3.29
2,500 " "	.201 KW/Light	3.56	4.39
4,000 " "	.327 KW/Light	5.25	6.22
6,000 " "	.447 KW/Light	7.04	8.11
**MERCURY VAPOR			
7,000 Lumens (approximately)	.207 KW/Light	\$ 7.58	9.90
10,000 " "	.294 KW/Light	8.95	11.01
20,000 " "	.453 KW/Light	10.90	12.56
HIGH PRESSURE SODIUM			
4,000 Lumens (approximately)	.060 KW/Light	\$ 5.37	\$ 8.06
5,800 " "	.083 KW/Light	5.89	8.58
9,500 " "	.117 KW/Light	6.71	9.60
22,000 " "	.242 KW/Light	10.17	13.04
50,000 " "	.485 KW/Light	16.75	19.61

NOTE: *Incandescent restricted to those fixtures in service on October 12, 1982 (Except for spot replacement)
 **Mercury Vapor restricted to those fixtures in service on February 1, 2004 (Except for spot replacement)

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ELECTRIC RATE SCHEDULE ST. LT.
Street Lighting Service

DECORATIVE UNDERGROUND SERVICE

- FURNISHED EQUIPMENT:** Street lighting equipment furnished hereunder shall consist of appropriate size decorative poles and fixtures for the lamps being used, the necessary underground conductor, protective equipment, controls and transformers. The Company will install, own, operate and maintain the entire street lighting system, including conductor, decorative poles, fixtures and lamp replacements. The Customer shall pay the rate as shown plus, at the time of installation, pay to the Company the amount to cover the additional cost of *underground over the equivalent overhead street lighting circuitry.*
- STORAGE PROVISION FOR GRAN VILLE LIGHT AND ACCESSORIES:** If the Company provides storage for the fixture, poles and/or the accessories, an adder of 12.50% will apply to the monthly rate per light.

RATE HIGH PRESSURE SODIUM (HPS)

Type Of Pole & Fixture	Lumen Output (Approximate)	Load/Light In KW	Monthly Rate Per Light
Acorn (Decorative Pole)	4,000	0.060	\$10.91
Acorn (Historic Pole)	4,000	0.060	\$17.00
Acorn (Decorative Pole)	5,800	0.083	\$11.56
Acorn (Historic Pole)	5,800	0.083	\$17.63
Acorn (Decorative Pole)	9,500	0.117	\$12.37
Acorn (Historic Pole)	9,500	0.117	\$18.46
Colonial	4,000	0.060	\$ 7.27
Colonial	5,800	0.083	\$ 7.82
Colonial	9,500	0.117	\$ 8.56
Coach	5,800	0.083	\$26.16
Coach	9,500	0.117	\$26.89
Contemporary	5,800	0.083	\$13.26
Contemporary	9,500	0.117	\$15.87
Contemporary	22,000	0.242	\$18.79
Contemporary	50,000	0.485	\$24.95
Gran Ville	16,000	0.150	\$39.91
Gran Ville Accessories:			
* Single Crossarm Bracket			\$16.28
Twin Crossarm Bracket			\$18.12
24 Inch Banner Arm			\$ 2.82
24 Inch Clamp Banner Arm			\$ 3.90
18 Inch Banner Arm			\$ 2.60
Flagpole Holder			\$ 1.20
Post-Mounted Receptacle			\$16.90
Base-Mounted Receptacle			\$16.31
** Additional Receptacles			\$ 2.31
Planter			\$ 3.91

* For Existing Poles Only
 ** For 2 Receptacles on Same Pole

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John R. McCall, Executive Vice President,
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 Lexington, Kentucky

Issued By Authority of an Order of the KPSC in Case No. 2006-00129 dated January 31, 2007

ELECTRIC RATE SCHEDULE

P.O. LT.

Private Outdoor Lighting

APPLICABLE

In all territory served.

AVAILABILITY OF SERVICE

Service under this schedule is offered, under the conditions set out hereinafter, for lighting applications on private property such as, but not limited to, residential, commercial and industrial plant site or parking lot, other commercial area lighting, etc. to Customers now receiving electric service from the Company at the same location. Service will be provided under written contract signed by Customer prior to service commencing, when facilities are required other than fixture(s).

RATE

STANDARD (SERVED OVERHEAD)

TYPE LIGHT	APPROX. LUMENS	KW RATING	MONTHLY CHARGE
Open Bottom Mercury Vapor	7,000**	.207	\$ 8.59
Cobra Mercury Vapor	20,000**	.453	\$ 10.90
Open Bottom High Pressure Sodium	5,800	.083	\$ 4.77
Open Bottom High Pressure Sodium	9,500	.117	\$ 5.52
Cobra High Pressure Sodium	22,000	.242	\$ 10.17
Cobra High Pressure Sodium	50,000	.485	\$ 16.75

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DIRECTIONAL (SERVED OVERHEAD)

TYPE LIGHT	APPROX. LUMENS	KW RATING	MONTHLY CHARGE
Directional High Pressure Sodium	9,500	.117	\$ 6.58
Directional High Pressure Sodium	22,000	.242	\$ 9.61
Directional High Pressure Sodium	50,000	.485	\$ 15.04

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The Company will furnish a complete standard or directional fixture with appropriate mast arm on existing poles with available secondary voltage of 120/240.

Where the location of existing poles are not suitable or where there are no existing poles for mounting of lights, and the Customer requests service under these conditions, the Company may furnish the required facilities at an additional charge per month to be determined by the Company. These additional charges are subject to change by Company upon 30 days prior written notice.

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 Lexington, Kentucky

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ELECTRIC RATE SCHEDULE P.O. LT.
Private Outdoor Lighting

All facilities required by Company will be standard stocked material. When underground facilities are requested and the Company agrees to underground service, the Customer will be responsible for ditching and back-filling and seeding and/or repaving as necessary, and provide, own and maintain all conduit.

METAL HALIDE COMMERCIAL AND INDUSTRIAL LIGHTING

TYPE POLE AND FIXTURE	APPROX. LUMENS	KW RATING	MONTHLY CHARGE
Directional Fixture Only	12,000	0.207	\$ <u>9.84</u>
Directional Fixture With Wood Pole	12,000	0.207	\$ <u>11.86</u>
Directional Fixture With Metal Pole	12,000	0.207	\$ <u>18.45</u>
Directional Fixture Only	32,000	0.450	\$ <u>14.24</u>
Directional Fixture With Wood Pole	32,000	0.450	\$ <u>16.26</u>
Directional Fixture With Metal Pole	32,000	0.450	\$ <u>22.84</u>
Directional Fixture Only	107,800	1.080	\$ <u>29.98</u>
Directional Fixture With Wood Pole	107,800	1.080	\$ <u>32.78</u>
Directional Fixture With Metal Pole	107,800	1.080	\$ <u>38.58</u>
Contemporary Fixture Only	12,000	0.207	\$ <u>10.96</u>
Contemporary Fixture With Metal Pole	12,000	0.207	\$ <u>19.58</u>
Contemporary Fixture Only	32,000	0.450	\$ <u>15.82</u>
Contemporary Fixture With Metal Pole	32,000	0.450	\$ <u>24.42</u>
Contemporary Fixture Only	107,800	1.080	\$ <u>32.59</u>
Contemporary Fixture With Metal Pole	107,800	1.080	\$ <u>41.19</u>

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John R. McCall, Executive Vice President,
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Lexington, Kentucky

**ELECTRIC RATE SCHEDULE P.O. LT.
Private Outdoor Lighting**

Company, where secondary voltage of 120/240 is available, will furnish, own, and maintain poles, fixtures and any necessary circuitry up to 100 feet. All poles and fixtures furnished by Company will be standard stocked materials. Where Customer's location would require the installation of additional facilities, Company may furnish, own, and maintain the requested facilities at an additional charge per month to be determined by Company. Such charges are subject to change by Company upon 30 days prior written notice.

Customer is to pay the monthly rate plus any additional charge determined above plus provide all ditching, back-filling, and repaving/seeding/sodding as necessary and provide, own, and maintain all conduit. Company may, at Customer's request, provide all ditching, back-filling, and repaving/seeding/sodding as necessary for payment, in advance, of Company's cost to provide those services. Upon termination of service, the Company shall not be required to remove underground facilities.

Where Customer has need for non-stocked styles of poles or fixtures, Company may agree to provide the requested styles for payment, in advance, by Customer of the cost difference between the requested styles and the stock materials. Customer accepts that Company's maintenance of non-stock materials is dependent on outside vendors and that maintenance of non-stock styles may be delayed or materials unavailable.

DECORATIVE HPS (SERVED UNDERGROUND)

TYPE POLE AND FIXTURE	APPROX. LUMENS	KW RATING	MONTHLY CHARGE
Acorn Decorative	4,000	0.060	\$10.91
Acorn Historic	4,000	0.060	\$17.00
Acorn Decorative	5,800	0.083	\$11.56
Acorn Historic	5,800	0.083	\$17.63
Acorn Decorative	9,500	0.117	\$12.38
Acorn Historic	9,500	0.117	\$18.46
Colonial	4,000	0.060	\$ 7.27
Colonial	5,800	0.083	\$ 7.82
Colonial	9,500	0.117	\$ 8.56
Coach	5,800	0.083	\$26.16
Coach	9,500	0.117	\$26.89
Contemporary	5,800	0.083	\$13.26
Contemporary	9,500	0.117	\$15.87
Contemporary	22 000 *	0.242	\$18.79
Contemporary	50,000 *	0.485	\$24.95
Gran Ville	16,000	0.150	\$39.91

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ELECTRIC RATE SCHEDULE STOD
Small Time-of-Day Service

APPLICABLE

In all territory served by the Company.

AVAILABILITY OF SERVICE

Available to commercial customers whose average maximum monthly demands are greater than 250 KW and less than 2,000KW.

- a) STOD shall be available as an optional pilot program for three years effective 14 weeks following the Final Order in PSC Case No 2003-00434 for existing customers on Rate LP, Original Sheet No 20, PSC No 13.
- b) As an optional pilot program, STOD is restricted to 100 customers. The Company will notify all eligible customers of STOD and accept applications on a first-come-first-served basis with the beginning of business 6 weeks following the Final Order in PSC Case No 2003-00434.
- c) For each year or partial year of the pilot program, programming costs plus lost revenues will be recovered from customers served under Rate LP by a program cost recovery mechanism.
- d) No customers will be accepted for STOD following the end of the second year of the pilot program.
- e) The Company will file a report on STOD with the Commission within six months of the end of the third year of the pilot program. Such report will detail findings and recommendations.
- f) STOD shall remain in effect until terminated by order of the Commission.

RATE

Customer Charge: \$90.00 per month

Plus a Demand Charge:

- Secondary Service - \$7.20 per KW per month
- Primary Service - \$6.81 per KW per month
- Transmission Service - \$6.47 per KW per month

Plus an Energy Charge of:

- On-Peak Energy - \$0.03879 per KWH
- Off-Peak Energy - \$0.02596 per KWH

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Where the On-Peak Energy is defined for bills rendered during a billing period as the metered consumption from:

- a) 10 A.M. to 9 P.M., Eastern Standard Time, on weekdays for the four consecutive billing months of June through September or
- b) 8 A.M. to 10 P.M., Eastern Standard Time, on weekdays for the eight consecutive billing months from October through May.

All other metered consumption shall be defined as Off-Peak Energy.

DETERMINATION OF MAXIMUM LOAD

The load will be measured and will be the average KW demand delivered to the customer during the 15-minute period of maximum use during the appropriate rating period each month.

The Company reserves the right to place a KVA meter and base the billing demand on the measured KVA. The charge will be computed based on the measured KVA times 90 percent, at the applicable KW charge.

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John R. McCall, Executive Vice President,
General Counsel, and Corporate Secretary
Lexington, Kentucky

Issued By Authority of an Order of the KPSC in Case No. 2006-00129 dated January 31, 2007

FAC

Fuel Adjustment Clause

APPLICABLE

In all territory served.

AVAILABILITY OF SERVICE

This schedule is a mandatory rider to all electric rate schedules.

- (1) The charge per KWH delivered under the rate schedules to which this fuel clause is applicable shall be increased or decreased during each month in accordance with the following formula:

$$\text{Adjustment Factor} = \frac{F(m)}{S(m)} - \frac{F(b)}{S(b)}$$

where "F" is the expense of fossil fuel and "S" is the KWH sales in the base (b) and current (m) periods as defined in 807 KAR 5:056, all as set out below.

- (2) Fuel costs (F) shall be the most recent actual monthly cost of:
 - (a) Fossil fuel consumed in the utility's own plants, plus the cost of fuel which would have been used in plants suffering forced generation or transmission outages, but less the cost of fuel related to substitute generation, plus
 - (b) The actual identifiable fossil and nuclear fuel costs associated with energy purchased for reasons other than identified in paragraph (c) below, but excluding the cost of fuel related to purchases to substitute the forced outages, plus
 - (c) The net energy cost of energy purchases, exclusive of capacity or demand charges (irrespective of the designation assigned to such transaction) when such energy is purchased on an economic dispatch basis. Included therein may be such costs as the charges for economy energy purchases and the charges as a result of schedule outage, all such kinds of energy being purchased by the buyer to substitute for its own higher cost energy; and less
 - (d) The cost of fossil fuel recovered through inter-system sales including the fuel costs related to economy energy sales and other energy sold on an economic dispatch basis.
 - (e) All fuel costs shall be based on weighted average inventory costing.
- (3) Forced outages are all non-schedules losses of generation or transmission which require substitute power for a continuous period in excess of six hours. Where forced outages are not as a result of faulty equipment, faulty manufacture, faulty design, faulty installations, faulty operation, or faulty maintenance, but are Acts of God, riot, insurrection or acts of the public enemy, then the utility may, upon proper showing, with the approval of the Commission, include the fuel cost of substitute energy in the adjustment. Until such approval is obtained, in making the calculations of fuel cost (F) in subsection (2)(a) and (b) above, the forced outage costs to be subtracted shall be no less than the fuel cost related to the lost generation.

Date of Issue: July 20, 2004

Issued By

Date Effective: May 1, 2003

Refiled: July 20, 2004

Michael S. Beer, Vice President
Lexington, Kentucky

Issued By Authority of an Order of the KPSC in Case No. 2003-00434 dated June 30, 2004

FAC

Fuel Adjustment Clause

- (4) Sales (S) shall be all KWH's sold, excluding inter-system sales. Where, for any reason, billed system sales cannot be coordinated with fuel costs for the billing period, sales may be equated to the sum of (i) generation, (ii) purchases, (iii) interchange in, less (iv) energy associated with pumped storage operations, less (v) inter-system sales referred to in subsection (2)(d) above, less (vi) total system losses. Utility used energy shall not be excluded in the determination of sales (S).
- (5) The cost of fossil fuel shall include no items other than the invoice price of fuel less any cash or other discounts. The invoice price of fuel includes the cost of the fuel itself and necessary charges for transportation of the fuel from the point of acquisition to the unloading point, as listed in Account 151 of FERC Uniform System of Accounts for Public Utilities and Licensees.
- (6) Base (b) period shall be the twelve months ending October 2006 and the base fuel factor is 2.591 cents per KWH.
- (7) Current (m) period shall be the second month preceding the month in which the Fuel Clause Adjustment Factor is billed.
- (8) Pursuant to the Public Service Commission's Order in Case No. 2004-00465 dated May 24, 2005, the Fuel Adjustment Clause will become effective with bills rendered on and after the first billing cycle of July 2005.

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Date Effective: With Bills Rendered
On and After
July 5, 2005

John R. McCall, Executive Vice President,
General Counsel, and Corporate Secretary
Lexington, Kentucky

Issued By Authority of an Order of the KPSC in Case No. 2004-00465 dated May 24, 2005, 2004

KENTUCKY UTILITIES COMPANY

**May 3, 2007 Revision to Response to Information Requested in Appendix B of
Commission's Order Dated December 18, 2006**

Case No. 2006-00509

Question No. 30

Witness: Mike Dotson

Q-30. Identify all changes in the organizational structure and personnel of the departments or divisions that are responsible for KU's fuel procurement activities that occurred during the period from May 1, 2006 to October 31, 2006.

A-30. The following change occurred in the Fuels Department during the period under review.

Tracey Washburn (Fuels Accounting Analyst II) transferred to the Trading Department on June 19, 2006. Jerry Baker (Accounting Analyst) joined the Fuels Department on May 1, 2006 to fill Ms. Washburn's position.

Eric Bliss left the Company on October 13, 2006; the position for Fuels Procurement Specialist for WKE is still open.

Please find attached a copy of the October 31, 2006 organizational chart for the Corporate Fuels and By-Products Department.

Revised May 3, 2007

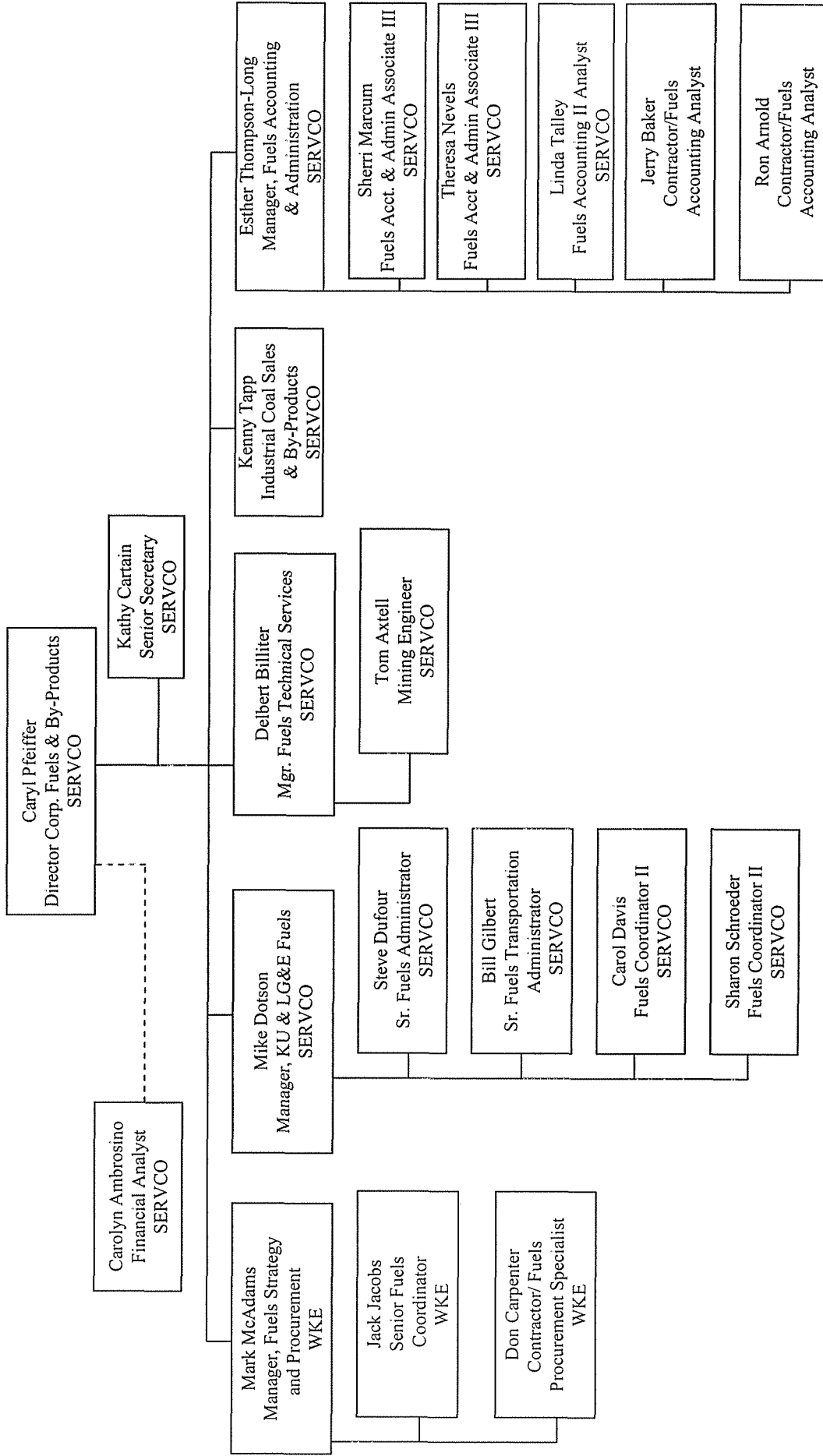
Don Carpenter was hired as a contractor to replace Eric Bliss as Fuels Procurement Specialist for WKE on December 26, 2006.

Ron Arnold (Accounting Analyst) joined the Fuels department as a contractor on November 26, 2006.

Please find attached a copy of the May 10, 2007 organizational chart for the Corporate Fuels and By-Products Department.

Corporate Fuels and By-Products

May 3, 2007



KENTUCKY UTILITIES COMPANY

**May 3, 2007 Revision to Response to First Set of Data Requests of
Kentucky Industrial Utility Customers, Inc.
Filed on February 8, 2007**

Case No. 2006-00509

Question No. 16

Witness: Robert M. Conroy

- Q-16. With regard to the Company's response to Question No. 12, page 18 of 24, of the Commission's data request, please confirm that the kWh sales shown in the response for each sale made during the Month Ending April 30, 2006 were measured at the Company's generator bus. For each of the sales shown for the Month Ending April 30, 2006, please provide documentation showing the amount of the kWh purchase by the buyer shown in the schedule (page 18 of 24).
- A-16. The sales to MISO and LG&E shown in the referenced response would be considered bus sales. The OMU load is part of the LG&E/KU control area and the sales value represents the difference between the load on the OMU system and the generation from the Smith units when KU was providing backup power to OMU. Attached is documentation for the kWh values.

The attachment in the original response dated February 23, 2007 was for the period April 2005 and should have been for the period April 2006. Attached is the documentation for the correct period, April 2006.

KENTUCKY UTILITIES April 2006

PRE-MERGER SALES	MWH	TRANSMISSION	ENERGY	TOTAL ENERGY	FIXED CHARGES	TOTAL FIXED CHARGE AND ENERGY REVENUE
		\$	\$	\$	\$	\$

OMU BACKUP	2275	\$0.00	\$113,004.68	\$113,004.68	\$0.00	\$113,004.68
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\$49,67239

TOTAL PRE-MERGER SALES	2275	\$0.00	\$113,004.68	\$113,004.68	\$0.00	\$113,004.68
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OTHER SALES	MWH	TRANSMISSION	ENERGY	TOTAL ENERGY	FIXED CHARGES	TOTAL FIXED CHARGE AND ENERGY REVENUE
		\$	\$	\$	\$	\$

OK MISO	4125	\$0.00	\$160,078.29	\$160,078.29	\$0.00	\$160,078.29
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TOTAL SALES OTHER THAN PREMIERGER	4125	\$0.00	\$160,078.29	\$160,078.29	\$0.00	\$160,078.29
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Note> LEM total will be broken out between different management reporting segments within reconciliation section below

INTERCOMPANY SALES						3%
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KU GEN FOR LGE NATIVE LOAD (KU SALE TO LGE)	275	NL		\$19,621.79		
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Fuel cost and MWh sent to LGE for native load (INTERNAL ECONOMY)

SPLIT SAVINGS (LGE TO KU RATE BASE)		NL		OK		Subtotal NL
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One half the difference between KU gen (fuel) sent to LGE and the displaced LGE source which would have been used to supply the LGE local load. (Includes displaced LGE gen and purchases)

SALE OF FREED UP KU GEN BACK TO LGE	101592	OSS		\$3,334,512.99		Subtotal OSS
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Sale back to LGE the gen. freed up at KU from the economy purchase (INTERNAL REPLACEMENT) (Internal Economy matched w/gen)

KU SALES TO LGE FOR LGE INTERRUPTIBLE BUY THROUGHGS	0	NL		\$0.00		
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Sale of KU gen. Allocated to LGE interruptible buy throughgs

TOTAL	101867		\$3,354,134.78	101,867		\$3,354,134.78
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COMMON SALES ADJUSTMENTS FROM PRIOR MONTHS	MWH	ENERGY	FIXED CHARGES	TOTAL
		\$	\$	\$

IMPA	0		\$0.00	(\$2.21)
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IMEA	0		\$0.00	\$2.21
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TOTAL	0		\$0.00	\$0.00
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Reconciliation

KU PREMIERGER SALES	2,275	\$113,004.68
KU BUY RESELL	0	\$0.00
KU COMMON SALES	4,125	\$160,078.29
KU INTERCOMPANY SALES	101,867	\$3,354,134.78
TOTAL KU SALES EXCLUDING ADJUSTMENTS	108,267	\$3,627,217.75

PRIOR MONTHS COMMON SALES ADJUSTMENTS	0	\$0.00
PRIOR MONTHS INTERCOMPANY ADJUSTMENTS	0	\$0.00
PRIOR MONTHS PRE-MERGER ADJUSTMENTS	0	\$0.00
TOTAL ADJUSTMENTS	0	\$0.00

TOTAL SALES INCLUDING ADJUSTMENTS	108,267	\$3,627,217.75
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TRANSMISSION SALES	0	\$0.00
PRIOR MONTH TRANSMISSION ADJUSTMENTS	0	\$0.00
TOTAL TRANSMISSION INCLUDING ADJUSTMENTS	0	\$0.00
ENERGY AND TRANSMISSION INCLUDING ADJUSTMENTS	108,267	\$3,627,217.75