



RECEIVED

Stephanie L. Stumbo  
Executive Director  
Kentucky Public Service Commission  
211 Sower Boulevard  
Frankfort, KY 40601

DEC 23 2008  
PUBLIC SERVICE  
COMMISSION

Kentucky Utilities Company  
State Regulation and Rates  
220 West Main Street  
PO Box 32010  
Louisville, Kentucky 40232  
www.eon-us.com

Robert M. Conroy  
Director - Rates  
T 502-627-3324  
F 502-627-3213  
robert.conroy@eon-us.com

December 23, 2008

RE: APPLICATION OF KENTUCKY UTILITIES COMPANY FOR AN  
ADJUSTMENT OF BASE RATES - Case No. 2008-00251

APPLICATION OF KENTUCKY UTILITIES COMPANY TO FILE  
DEPRECIATION STUDY - Case No. 2007-00565

Dear Ms. Stumbo:

Enclosed please find and accept for filing the original and ten copies of Kentucky Utilities Company's Errata Sheets for S. Bradford Rives, Paul W. Thompson, Chris Hermann, Lonnie E. Bellar, Valerie L. Scott, Shannon L. Charnas, Robert M. Conroy and William Steven Seelye in the above-referenced matters.

Please confirm your receipt of these documents by placing the File Stamp of your Office on the enclosed additional copy.

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

Sincerely,

Robert M. Conroy

Enclosures

cc: Parties of Record

Counsel of Record

Allyson K. Sturgeon, Senior Corporate Attorney – E.ON U.S. LLC  
Robert M. Watt – Stoll Keenon Ogden PLLC (Kentucky Utilities)  
Kendrick R. Riggs – Stoll Keenon Ogden PLLC (Kentucky Utilities)  
W. Duncan Crosby – Stoll Keenon Ogden PLLC (Kentucky Utilities)  
Dennis Howard II – Office of the Attorney General (AG)  
Lawrence W. Cook – Office of the Attorney General (AG)  
Paul D. Adams – Office of the Attorney General (AG)  
Michael L. Kurtz – Boehm, Kurtz & Lowry (KIUC)  
David C. Brown – Stites and Harbison (Kroger)  
Willis L. Wilson – LFUCG Department of Law (LFUCG)  
Joe F. Childers – Getty & Childers PLLC (CAK and CAC)

Consultants to the Parties

Steve Seelye – The Prime Group (E.ON U.S. LLC)  
William A. Avera – FINCAP, Inc (E.ON U.S. LLC)  
John Spanos – Gannett Fleming, Inc. (E.ON U.S. LLC)  
Robert Henkes (AG)  
Michael Majoros – Snavely King Majoros O'Connor & Lee (AG)  
Glenn Watkins – Technical Associates (AG)  
Dr. J. Randall Woolridge – Smeal College of Business (AG)  
Lane Kollen – Kennedy and Associates (KIUC)  
Kevin C. Higgins – Energy Strategies, LLC (Kroger)

**COMMONWEALTH OF KENTUCKY**  
**BEFORE THE PUBLIC SERVICE COMMISSION**

**In the Matter of:**

<b>APPLICATION OF KENTUCKY</b>	)	<b>CASE NO.</b>
<b>UTILITIES COMPANY FOR AN</b>	)	<b>2008-00251</b>
<b>ADJUSTMENT OF BASE RATES</b>	)	

<b>APPLICATION OF KENTUCKY</b>	)	<b>CASE NO.</b>
<b>UTILITIES COMPANY TO FILE</b>	)	<b>2007-00565</b>
<b>DEPRECIATION STUDY</b>	)	

**SUMMARY OF ERRATA FROM DATA RESPONSES**

Kentucky Utilities Company (“KU”), by counsel, hereby gives notice of the following corrections to the pre-filed testimony and data responses in these proceedings as previously identified in the responses to the data requests or other filings in this proceeding or otherwise inadvertently omitted:



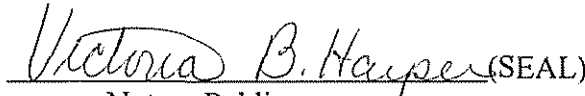
VERIFICATION

STATE OF KENTUCKY    )  
                                  ) SS:  
COUNTY OF JEFFERSON )

The undersigned, **Paul W. Thompson**, being duly sworn, deposes and says that he is the Senior Vice President, Energy services for Kentucky Utilities Company, that he has personal knowledge of the matters set forth in the responses for which he is identified as the witness, and the answers contained therein are true and correct to the best of his information, knowledge and belief.

  
\_\_\_\_\_  
PAUL W. THOMPSON

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 19<sup>th</sup> day of December, 2008.

  
\_\_\_\_\_  
Notary Public

My Commission Expires:

Sept 20, 2010

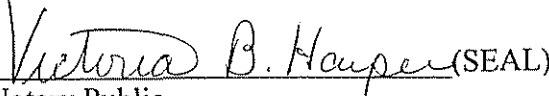
VERIFICATION

STATE OF KENTUCKY                    )  
  ) SS:  
COUNTY OF JEFFERSON                )

The undersigned, **Chris Hermann**, being duly sworn, deposes and says he is Senior Vice President – Energy Delivery for Kentucky Utilities Company, that he has personal knowledge of the matters set forth in the foregoing testimony, and the answers contained therein are true and correct to the best of his information, knowledge and belief.

  
\_\_\_\_\_  
CHRIS HERMANN

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 19<sup>th</sup> day of December, 2008.

  
\_\_\_\_\_  
Notary Public

My Commission Expires:

Sept 20, 2010

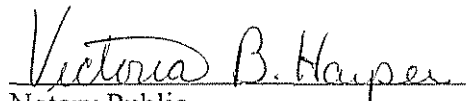
VERIFICATION

COMMONWEALTH OF KENTUCKY )  
 ) SS:  
COUNTY OF JEFFERSON )

The undersigned, **Lonnie E. Bellar**, being duly sworn, deposes and says he is the Vice President of State Regulation and Rates for Kentucky Utilities Company, that he has personal knowledge of the matters set forth in the foregoing testimony, and the answers contained therein are true and correct to the best of his information, knowledge and belief.

  
\_\_\_\_\_  
LONNIE E. BELLAR

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 19<sup>th</sup> day of December, 2008.

  
\_\_\_\_\_  
Notary Public (SEAL)

My Commission Expires:  
Sept 20, 2010

VERIFICATION

COMMONWEALTH OF KENTUCKY )  
 ) SS:  
COUNTY OF JEFFERSON )

The undersigned, **Valerie L. Scott**, being duly sworn, deposes and says she is the Controller for Kentucky Utilities Company, that she has personal knowledge of the matters set forth in the foregoing testimony, and the answers contained therein are true and correct to the best of her information, knowledge and belief.

Valerie L. Scott  
VALERIE L. SCOTT

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 19<sup>th</sup> day of December, 2008.

Victoria B. Harper (SEAL)  
Notary Public

My Commission Expires:  
Sept 20, 2010



VERIFICATION

COMMONWEALTH OF KENTUCKY )  
 ) SS:  
COUNTY OF JEFFERSON )

The undersigned, **Shannon L. Charnas**, being duly sworn, deposes and says she is the Director of Utility Accounting and Reporting for Kentucky Utilities Company, that she has personal knowledge of the matters set forth in the foregoing testimony and exhibits, and the answers contained therein are true and correct to the best of her information, knowledge and belief.

Shannon L. Charnas  
SHANNON L. CHARNAS

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 22<sup>nd</sup> day of December, 2008.

Victoria B. Harper (SEAL)  
Notary Public

My Commission Expires:  
Sept 20, 2010

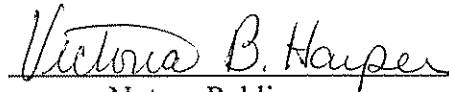
VERIFICATION

STATE OF KENTUCKY    )  
  ) SS:  
COUNTY OF JEFFERSON )

The undersigned, **Robert M. Conroy**, being duly sworn, deposes and says that he is the Director, Rates for Kentucky Utilities Company, that he has personal knowledge of the matters set forth in the responses for which he is identified as the witness, and the answers contained therein are true and correct to the best of his information, knowledge and belief.

  
\_\_\_\_\_  
**ROBERT M. CONROY**

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 22<sup>nd</sup> day of December, 2008.

 (SEAL)  
\_\_\_\_\_  
Notary Public

My Commission Expires:

Sept 20, 2010



**S. Bradford Rives**

**Rives Direct Testimony, Case No. 2008-00251, Exhibit 1:**

- In response to PSC-3 Question No. 41, Exhibit 1 was revised and provided to reflect corrections to Reference Schedules 1.15, 1.16, 1.17 and the addition of Reference Schedule 1.43.

**Rives Direct Testimony, Case No. 2008-00251, Exhibit 2:**

- In response to PSC-3 Question No. 41, Exhibit 2 was revised and provided to reflect the corrected capitalization adjustment for Undistributed Subsidiary Earnings, Investments in *EEI*, and Investments in *OVEC and Other*. The correction was identified in response to AG-2 Question No. 34.

**Rives Direct Testimony, Case No. 2008-00251, Exhibit 8:**

- The response to PSC-3 Question No. 41, Exhibit 8 inadvertently contained errors in the “ORIGINAL” and “DIFFERENCE” columns. The corrected Exhibit 8 is attached.

**Rives – Response to PSC-2 Question No. 94:**

- Should list S. Bradford Rives, not Shannon L. Charnas, as the sponsoring witness.

**Rives – Response to PSC-2 Question No. 96:**

- Should list S. Bradford Rives, not Shannon L. Charnas, as the sponsoring witness.

KENTUCKY UTILITIES

Calculation of Overall Revenue Deficiency/(Sufficiency) at April 30, 2008

	ORIGINAL (1)	REVISED (2)	DIFFERENCE (3) (2) - (1)
1 Adjusted Kentucky Jurisdictional Capitalization (Exhibit 2. Col 10)	\$ 2,073,463,254	\$ 2,097,361,673	\$ 23,898,419
2 Total Cost of Capital (Exhibit 2. Col 13)	8.31%	8.33%	0.02%
3 Net Operating Income Found Reasonable (Line 1 x Line 2)	\$ 172,304,796	\$ 174,710,227	\$ 2,405,431
4 <i>Pro-forma Net Operating Income</i>	158,501,899	159,166,162	664,263
5 Net Operating Income Deficiency/(Sufficiency)	\$ 13,802,897	\$ 15,544,065	\$ 1,741,168
6 Gross Up Revenue Factor - Exhibit 1. Reference Schedule 1.42	0.62175222	0.62175222	-
7 Overall Revenue Deficiency/(Sufficiency)	\$ 22,199,996	\$ 25,000,417	\$ 2,800,421

**Paul W. Thompson**

**Thompson – Response to PSC-1 Question No. 51:**

- The response incorrectly stated KU's actual cost at test-year end as \$396.6 million. The corrected amount of \$398.6 million was provided in response to AG-2 Question No. 19(b).

**Chris Hermann**

**Hermann Direct Testimony, Case No. 2008-00251, page 7, line 13:**

- The testimony should read: “The program is centralized and managed by a Forestry Manager, six Company Utility Arborists, and one shared Arborist.” The correction was identified in response to PSC-2 Question No. 123.

**Lonnie E. Bellar**

**Application, Tab 7 – Proposed Tariffs, Sheet 55:**

- Rate B: Non-Time-Differentiated Rate should be \$0.04262 per kWh instead of \$0.03071 per kWh. The corrected tariff page is attached.

**Application, Tab 7 – Proposed Tariffs, Sheet 86:**

- The reference to “Volunteer Fire Department” was inadvertently omitted. The corrected tariff page is attached. The correction was identified in response to PSC-2 Question No. 1(p).

**Application, Tab 7 – Proposed Tariffs, Sheet 86.3:**

- The presentation of Rates PS, TOD, and LTOD were incorrect. The corrected tariff page is attached. The correction was identified in response to PSC-2 Question No. 1(q).

**Application, Tab 7 – Proposed Tariffs, Sheet 102.1:**

- The reference under OTHER SERVICE, 1) should have been “Chapter 807 KAR” instead of “Chapter 87 KAR. The correction was identified in response to PSC-2 Question No. 1(r). The corrected tariff page is attached.

**Application, Tab 8 – Tariff Comparison, Sheet 55:**

- Rate B: Non-Time-Differentiated Rate should be \$0.04262 per kWh instead of \$0.03071 per kWh in the proposed tariff and 4.262 cents per kWh instead of \$0.03071 per kWh in the current tariff. The corrected tariff comparison page is attached.

**Application, Tab 8 – Tariff Comparison, Sheet 86:**

- The reference to “Volunteer Fire Department” was inadvertently omitted. The corrected tariff comparison page is attached.



**Application, Tab 8 – Tariff Comparison, Sheet 86.3:**

- The presentation of Rates PS, TOD, and LTOD were incorrect. The corrected tariff comparison page is attached.

**Application, Tab 8 – Tariff Comparison, Sheet 102.1:**

- The reference under OTHER SERVICE, 1) should have been “Chapter 807 KAR” instead of “Chapter 87 KAR.”. The corrected tariff comparison page is attached.

**Bellar – Response to PSC-2 Question No. 102(f)(2):**

- The Company inadvertently included 3.2% of other compensation above the line to rate payers. The Company proposed an adjustment to move this expense below the line. The adjustment was provided in response to PSC-3 Question No. 41.

# Kentucky Utilities Company

P.S.C. No. 14, Original Sheet No. 55

Standard Rate Rider	SQF
Small Capacity Cogeneration and Small Power Production Qualifying Facilities	
<b>APPLICABLE:</b> In all territory served	
<b>AVAILABILITY OF SERVICE</b> This rate and the terms and conditions set out herein are available for and applicable to Company's purchases of energy only from the owner of qualifying cogeneration or small power production facilities of 100 kW or less (such owner being hereafter called "Seller") installed on Seller's property to provide all or part of its requirements of electrical energy, or from which facilities Seller may elect to sell to Company all or part of such output of electrical energy  Company will permit Seller's generating facilities to operate in parallel with Company's system under conditions set out below under "Parallel Operation".  Company will purchase such energy from Seller at the Rate, A or B, set out below and selected as hereafter provided, and under the terms and conditions stated herein. Company reserves the right to change the said Rates, upon proper filing with and acceptance by the jurisdictional Commission	
<b>RATE A: TIME-DIFFERENTIATED RATE</b>	
1 For summer billing months of June, July, August and September, during the hours 9:01 A.M. thru 10:00 P.M. weekdays exclusive of holidays (on-peak hours),	\$0.07690 per kWh
2 For winter billing months of December, January and February, during the hours 7:01 A.M. thru 10:00 P.M. weekdays exclusive of holidays (on-peak hours),	\$0.03734 per kWh
3 During all other hours (off-peak hours)	\$0.03759 per kWh
Determination of On-Peak and Off-Peak Hours: On-peak hours are defined as the hours of 9:01 A.M. through 10:00 P.M., E.D.T. (8:01 A.M. through 9:00 P.M., E.S.T.), Mondays through Fridays exclusive of holidays (under 1 above), and the hours of 7:01 A.M. through 10:00 P.M., E.D.T. (6:01 A.M. through 9:00 P.M., E.S.T.), Mondays through Fridays exclusive of holidays (under 2 above). Off-peak hours are defined as all hours other than those listed as on-peak (under 3 above). Company reserves the right to change the hours designated as on-peak from time to time as conditions indicate to be appropriate	
<b>RATE B: NON-TIME-DIFFERENTIATED RATE</b>	
For all kWh purchased by Company,	\$0.04262 per kWh

Date of Issue: May 30, 2008  
Canceling Second Revision of  
Original Sheet No. 45  
Issued May 26, 2006

Issued By

Date Effective: June 30, 2008

Lonnie E. Bellar, Vice President,  
State Regulation & Rates  
Louisville, Kentucky

# Kentucky Utilities Company

P.S.C. No. 14, Original Sheet No. 86

Adjustment Clause	DSM
<b>Demand-Side Management Cost Recovery Mechanism</b>	
<b>APPLICABLE</b>	
In all territory served	
<b>AVAILABILITY OF SERVICE</b>	
This schedule is mandatory to Residential Rate RS, Volunteer Fire Department Service Rate VFD, General Service Rate GS, Power Rate PS, and Time-of-Day Rate TOD. Industrial customers who elect not to participate in a demand-side management program hereunder shall not be assessed a charge pursuant to this mechanism.	
<b>RATE</b>	
The monthly amount computed under each of the rate schedules to which this Demand-Side Management Cost Recovery Mechanism is applicable shall be increased or decreased by the DSM Cost Recovery Component (DSMRC) at a rate per kilowatt hour of monthly consumption in accordance with the following formula:	
<b>DSMRC = DCR + DRLS + DSMI + DBA</b>	
Where:	
<b>DCR = DSM COST RECOVERY</b>	
The DCR shall include all expected costs which have been approved by the Commission for each twelve-month period for demand-side management programs which have been developed through a collaborative advisory process ("approved programs"). Such program costs shall include the cost of planning, developing, implementing, monitoring, and evaluating DSM programs. Program costs will be assigned for recovery purposes to the rate classes whose customers are directly participating in the program. In addition, all costs incurred by or on behalf of the collaborative process, including but not limited to costs for consultants, employees and administrative expenses, will be recovered through the DCR. Administrative costs that are allocable to more than one rate class will be recovered from those classes and allocated by rate class on the basis of the estimated budget from each program. The cost of approved programs shall be divided by the expected kilowatt-hour sales for the upcoming twelve-month period to determine the DCR for such rate class.	
<b>DRLS = DSM REVENUE FROM LOST SALES</b>	
Revenues from lost sales due to DSM programs implemented on and after the effective date of this tariff and will be recovered as follows:	
1) For each upcoming twelve-month period, the estimated reduction in customer usage (in kWh) as determined for the approved programs shall be multiplied by the non-variable revenue requirement per kWh for purposes of determining the lost revenue to be recovered hereunder from each customer class. The non-variable revenue requirement for the Residential, Volunteer Fire Department, and General Service customer class is defined as the weighted average price per kWh of expected billings under the energy charges contained in the RS, VFD, and GS rate schedules in the upcoming twelve-month period after deducting the variable costs included in such energy charges. The non-variable revenue requirement for each of the customer classes that are billed under demand and energy rates (rate schedules PS and TOD) is defined as the weighted average.	

Date of Issue: July 29, 2008

Date Effective: September 1, 2008

Issued By: Lonnie E. Bellar, Vice President, State Regulation and Rates, Lexington, Kentucky

# Kentucky Utilities Company

P.S.C. No. 14, Original Sheet No. 86.3

Adjustment Clause	DSM
Demand-Side Management Cost Recovery Mechanism	
<b>Monthly Adjustment Factors</b>	
<u>Residential Rate RS and Volunteer Fire Department Service Rate VFD</u>	<u>Energy Charge</u>
DSM Cost Recovery Component (DCR)	\$ 0.00160 per kWh
DSM Revenues from Lost Sales (DRLS)	\$ 0.00021 per kWh
DSM Incentive (DSMI)	\$ 0.00006 per kWh
DSM Balance Adjustment (DBA)	\$(0.00001) per kWh
Total DSMRC for Rates RS and VFD	\$ 0.00186 per kWh
<u>General Service Rate GS</u>	<u>Energy Charge</u>
DSM Cost Recovery Component (DCR)	\$ 0.00060 per kWh
DSM Revenues from Lost Sales (DRLS)	\$ 0.00045 per kWh
DSM Incentive (DSMI)	\$ 0.00003 per kWh
DSM Balance Adjustment (DBA)	\$(0.00019) per kWh
Total DSMRC for Rate GS	\$ 0.00089 per kWh
<u>Power Service Rate PS and Time-of-Day Service TOD</u>	<u>Energy Charge</u>
DSM Cost Recovery Component (DCR)	\$ 0.00028 per kWh
DSM Revenues from Lost Sales (DRLS)	\$ 0.00008 per kWh
DSM Incentive (DSMI)	\$ 0.00001 per kWh
DSM Balance Adjustment (DBA)	\$ 0.00005 per kWh
Total DSMRC for Rate PS and TOD	\$ 0.00042 per kWh
<u>Large Time-of-Day Rate LTOD</u>	<u>Energy Charge</u>
DSM Cost Recovery Component (DCR)	\$ 0.00000 per kWh
DSM Revenues from Lost Sales (DRLS)	\$ 0.00000 per kWh
DSM Incentive (DSMI)	\$ 0.00000 per kWh
DSM Balance Adjustment (DBA)	\$ 0.00000 per kWh
Total DSMRC for Rate TOD	\$ 0.00000 per kWh

Date of Issue: July 29, 2008  
 Date Effective: May 2, 2008      Refiled: July 29, 2008  
 Issued By: Lonnie E. Bellar, Vice President, State Regulation and Rates, Lexington, Kentucky

# Kentucky Utilities Company

P.S.C. No. 14, Original Sheet No. 102.1

## TERMS AND CONDITIONS

### Deposits

#### GENERAL SERVICE

- 1) General service customers are those customers served under General Service, Sheet No. 10.
- 2) The deposit for a general service customer is in the amount of \$140.00, which is calculated in accordance with 807 KAR 5:006, Section 7(1)(b).
- 3) Company shall retain Customer's deposit as long as Customer remains on service.
- 4) For a deposit held longer than eighteen (18) months, the deposit will be recalculated, at Customer's request, and based on Customer's actual usage. If the deposit on account differs from the recalculated amount by more than ten (10%) percent, Company may collect any underpayment and shall refund any overpayment by check or credit to Customer's bill. No refund will be made if Customer's bill is delinquent at the time of the recalculation.
- 5) If Customer fails to maintain a satisfactory payment or credit record, or otherwise becomes a new or greater credit risk, as determined by Company in its sole discretion, Company may require a new or additional deposit from Customer.

#### OTHER SERVICE

- 1) The deposit for all other customers, those not classified herein as residential or general service, shall not exceed 2/12 of Customer's actual or estimated annual bill where bills are rendered monthly in accordance with 807 KAR 5:006, Section 7(1)(a).
- 2) For customers not meeting the parameters of GENERAL 2), above, Company may retain Customer's deposit as long as Customer remains on service.
- 3) For a deposit held longer than eighteen (18) months, the deposit will be recalculated, at Customer's request, and based on Customer's actual usage. If the deposit on account differs from the recalculated amount by more than ten (10%) percent, Company may collect any underpayment and shall refund any overpayment by check or credit to Customer's bill. No refund will be made if Customer's bill is delinquent at the time of the recalculation.
- 4) If Customer fails to maintain a satisfactory payment or credit record, or otherwise become a new or greater credit risk, as determined by Company in its sole discretion, Company may require a new or additional deposit from Customer.

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Date of Issue: July 29, 2008

Date Effective: September 1, 2008

Issued By: Lonnie E. Bellar, Vice President, State Regulation and Rates, Lexington, Kentucky

ELECTRIC RATE SCHEDULE	SQF
<b>Small Capacity Cogeneration and Small Power Production Qualifying Facilities</b>	
<b>AVAILABILITY</b> In all territory served.	
<b>APPLICABILITY OF SERVICE</b> This Rate and the terms and conditions set out herein are available for and applicable to Company's purchases of energy only from the owner of qualifying cogeneration or small power production facilities of 100 KW or less (such owner being hereafter called "Seller") installed on Seller's property to provide all or part of its requirements of electrical energy, or from which facilities Seller may elect to sell to Company all or part of such output of electrical energy.  Company will permit Seller's generating facilities to operate in parallel with Company's system under conditions set out below under PARALLEL OPERATION.  Company will purchase such energy from Seller at the Rate, A or B, set out below and selected as hereafter provided, and under the terms and conditions stated herein. Company reserves the right to change the said Rates, upon proper filing with and acceptance by the jurisdictional Commission.	
<b>RATE A: Time-Differentiated Rate</b>	
1. For summer billing months of June, July, August and September, during the hours 9:01 A.M. thru 10:00 P.M. weekdays exclusive of holidays (on-peak hours),	7.690 cents per KWH.
2. For winter billing months of December, January and February, during the hours 7:01 A.M. thru 10:00 P.M. weekdays exclusive of holidays (on-peak hours),	3.734 cents per KWH.
3. During all other hours (off-peak hours),	3.759 cents per KWH.
Determination of On-Peak and Off-Peak Hours: On-peak hours are defined as the hours of 9:01 A.M. through 10:00 P.M., E.D.T. (8:01 A.M. through 9:00 P.M., E.S.T.), Mondays through Fridays exclusive of holidays (under 1 above), and the hours of 7:01 A.M. through 10:00 P.M., E.D.T. (6:01 A.M. through 9:00 P.M., E.S.T.), Mondays through Fridays exclusive of holidays (under 2 above). Off-peak hours are defined as all hours other than those listed as on-peak (under 3 above). Company reserves the right to change the hours designated as on-peak from time to time as conditions indicate to be appropriate.	
<b>RATE B: Non-Time-Differentiated Rate</b>	
For all KWH purchased by Company,	4.262 cents per KWH

Date of Issue: May 30, 2008  
Canceling Second Revision of Original Sheet No. 45  
Issued May 26, 2006

Issued By  
Lonnie E. Bellar, Vice President,  
State Regulation & Rates  
Louisville, Kentucky

Date Effective: June 30, 2008

Standard Rate Rider	SQF
<b>Small Capacity Cogeneration and Small Power Production Qualifying Facilities</b>	
<b>APPLICABLE:</b> In all territory served.	
<b>AVAILABILITY OF SERVICE</b> This rate and the terms and conditions set out herein are available for and applicable to Company's purchases of energy only from the owner of qualifying cogeneration or small power production facilities of 100 kW or less (such owner being hereafter called "Seller") installed on Seller's property to provide all or part of its requirements of electrical energy, or from which facilities Seller may elect to sell to Company all or part of such output of electrical energy.  Company will permit Seller's generating facilities to operate in parallel with Company's system under conditions set out below under "Parallel Operation".  Company will purchase such energy from Seller at the Rate, A or B, set out below and selected as hereafter provided, and under the terms and conditions stated herein. Company reserves the right to change the said Rates, upon proper filing with and acceptance by the jurisdictional Commission.	
<b>RATE A: TIME-DIFFERENTIATED RATE</b>	
1. For summer billing months of June, July, August and September, during the hours 9:01 A.M. thru 10:00 P.M. weekdays exclusive of holidays (on-peak hours),	\$0.07690 per kWh
2. For winter billing months of December, January and February, during the hours 7:01 A.M. thru 10:00 P.M. weekdays exclusive of holidays (on-peak hours),	\$0.03734 per kWh
3. During all other hours (off-peak hours)	\$0.03759 per kWh
Determination of On-Peak and Off-Peak Hours: On-peak hours are defined as the hours of 9:01 A.M. through 10:00 P.M., E.D.T. (8:01 A.M. through 9:00 P.M., E.S.T.), Mondays through Fridays exclusive of holidays (under 1 above), and the hours of 7:01 A.M. through 10:00 P.M., E.D.T. (6:01 A.M. through 9:00 P.M., E.S.T.), Mondays through Fridays exclusive of holidays (under 2 above). Off-peak hours are defined as all hours other than those listed as on-peak (under 3 above). Company reserves the right to change the hours designated as on-peak from time to time as conditions indicate to be appropriate.	
<b>RATE B: NON-TIME-DIFFERENTIATED RATE</b>	
For all kWh purchased by Company,	\$0.04262 per kWh

Date of Issue: May 30, 2008  
Canceling Second Revision of Original Sheet No. 45  
Issued May 26, 2006

Issued By  
Lonnie E. Bellar, Vice President,  
State Regulation & Rates  
Louisville, Kentucky

Date Effective: June 30, 2008

Kentucky Utilities Company

Original Sheet No. 71  
 P.S.C. No. 13

DSMRM
Demand-Side Management Cost Recovery Mechanism
<p><b>APPLICABLE TO:</b> Residential Service Rate RS, Volunteer Fire Department Rate VFD, General Service Rate GS, Small Time-of-Day Service Rate STOD, Large Power Rate LP, and Large Commercial/Industrial Time-of-Day Rate LCI-TOD. Industrial customers served under Large Power Rate LP, and Large Commercial and Industrial Time-of-Day Rate LCI-TOD, who elect not to participate in a demand-side management program hereunder shall not be assessed a charge pursuant to this mechanism.</p> <p>The monthly amount computed under each of the rate schedules to which this Demand-Side Management Cost Recovery Mechanism is applicable shall be increased or decreased by the DSM Cost Recovery Component (DSMRC) at a rate per kilowatt hour of monthly consumption in accordance with the following formula:</p> <p style="text-align: center;"><b>DSMRC = DCR + DRLS + DSMI + DBA</b></p> <p>Where: DCR = DSM COST RECOVERY. The DCR shall include all expected costs which have been approved by the Commission for each twelve-month period for demand-side management programs which have been developed through a collaborative advisory process ("approved programs"). Such program costs shall include the cost of planning, developing, implementing, monitoring, and evaluating DSM programs. Program costs will be assigned for recovery purposes to the rate classes whose customers are directly participating in the program. In addition, all costs incurred by or on behalf of the collaborative process, including but not limited to costs for consultants, employees and administrative expenses, will be recovered through the DCR. Administrative costs that are allocable to more than one rate class will be recovered from those classes and allocated by rate class on the basis of the estimated budget from each program. The cost of approved programs shall be divided by the expected kilowatt-hour sales for the upcoming twelve-month period to determine the DCR for such rate class.</p> <p style="text-align: center;"><b>DRLS = DSM REVENUE FROM LOST SALES</b></p> <p>Revenues from lost sales due to DSM programs implemented on and after the effective date of this tariff and will be recovered as follows:</p> <p>For each upcoming twelve-month period, the estimated reduction in customer usage (in Kwh) as determined for the approved programs shall be multiplied by the non-variable revenue requirement per Kwh for purposes of determining the lost revenue to be recovered hereunder from each customer class. The non-variable revenue requirement for the Residential, Volunteer Fire Department, and General Service customer class is defined as the weighted average price per Kwh of expected billings under the energy charges contained in the Rate RS, VFD, and GS rate schedules in the upcoming twelve-month period after deducting the variable costs</p>

Date of Issue: July 20, 2004

Issued By

Date Effective: July 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

Kentucky Utilities Company

P.S.C. No. 14, Original Sheet No. 86

Adjustment Clause	DSM
Demand-Side Management Cost Recovery Mechanism	
<p><b>APPLICABLE</b>            In all territory served.</p> <p><b>AVAILABILITY OF SERVICE</b>            This schedule is mandatory to Residential Rate RS, Volunteer Fire Department Service Rate VFD, General Service Rate GS, Power Rate PS, and Time-of-Day Rate TOD. Industrial customers who elect not to participate in a demand-side management program hereunder shall not be assessed a charge pursuant to this mechanism.</p> <p><b>RATE</b>            The monthly amount computed under each of the rate schedules to which this Demand-Side Management Cost Recovery Mechanism is applicable shall be increased or decreased by the DSM Cost Recovery Component (DSMRC) at a rate per kilowatt hour of monthly consumption in accordance with the following formula:</p> <p style="text-align: center;"><b>DSMRC = DCR + DRLS + DSMI + DBA</b></p> <p>Where:</p> <p><b>DCR = DSM COST RECOVERY</b>            The DCR shall include all expected costs which have been approved by the Commission for each twelve-month period for demand-side management programs which have been developed through a collaborative advisory process ("approved programs"). Such program costs shall include the cost of planning, developing, implementing, monitoring, and evaluating DSM programs. Program costs will be assigned for recovery purposes to the rate classes whose customers are directly participating in the program. In addition, all costs incurred by or on behalf of the collaborative process, including but not limited to costs for consultants, employees and administrative expenses, will be recovered through the DCR. Administrative costs that are allocable to more than one rate class will be recovered from those classes and allocated by rate class on the basis of the estimated budget from each program. The cost of approved programs shall be divided by the expected kilowatt-hour sales for the upcoming twelve-month period to determine the DCR for such rate class.</p> <p><b>DRLS = DSM REVENUE FROM LOST SALES</b>            Revenues from lost sales due to DSM programs implemented on and after the effective date of this tariff and will be recovered as follows:</p> <p>1) For each upcoming twelve-month period, the estimated reduction in customer usage (in kWh) as determined for the approved programs shall be multiplied by the non-variable revenue requirement per kWh for purposes of determining the lost revenue to be recovered hereunder from each customer class. The non-variable revenue requirement for the Residential, Volunteer Fire Department, and General Service customer class is defined as the weighted average price per kWh of expected billings under the energy charges contained in the RS, VFD, and GS rate schedules in the upcoming twelve-month period after deducting the variable costs included in such energy charges. The non-variable revenue requirement for each of the customer classes that are billed under demand and energy rates (rate schedules PS and TOD) is defined as the weighted average</p>	

Date of Issue: July 29, 2008

Date Effective: September 1, 2008

issued By: Lonnie E. Bellar, Vice President, State Regulation and Rates, Lexington, Kentucky

Kentucky Utilities Company

Ninth Revision of Original Sheet No. 71.4  
 P.S.C. No. 13

DSMRM	
Demand-Side Management Cost Recovery Mechanism	
<b>APPLICABLE TO:</b>	
Residential Service Rate RS, Volunteer Fire Department Service Rate VFD, General Service Rate GS, Small Time-of Day Rate STOD, Large Power Rate LP, and Large Commercial and Industrial Time-of-Day Rate LCI-TOD.	
<b>DSM Cost Recovery Component (DSMRC):</b>	
<u>Residential Service Rate RS and Volunteer Fire Department Service VFD</u>	
	<u>Energy Charge</u>
DSM Cost Recovery Component (DCR):	0.160 ¢/Kwh
DSM Revenues from Lost Sales (DRLS):	0.021 ¢/Kwh
DSM Incentive (DSM):	0.006 ¢/Kwh
DSM Balance Adjustment (DBA):	(0.001) ¢/Kwh
DSMRC Rate RS:	0.186 ¢/Kwh
<u>General Service Rate GS</u>	
	<u>Energy Charge</u>
DSM Cost Recovery Component (DCR):	0.060 ¢/Kwh
DSM Revenues from Lost Sales (DRLS):	0.045 ¢/Kwh
DSM Incentive (DSM):	0.003 ¢/Kwh
DSM Balance Adjustment (DBA):	(0.019) ¢/Kwh
DSMRC Rate GS:	0.089 ¢/Kwh

Date of Issue: April 17, 2008      Issued By      Date Effective: May 3, 2008  
 Canceling Eighth Revision of  
 Original Sheet No. 71.4  
 Issued March 4, 2008

Lonnie E. Bellar, Vice President,  
 State Regulation and Rates  
 Lexington, Kentucky

Issued By Authority of an Order of the KPSC in Case No. 2007-00319 dated March 31, 2008

Kentucky Utilities Company

P.S.C. No. 14, Original Sheet No. 86.3

Adjustment Clause		DSM	
Demand-Side Management Cost Recovery Mechanism			
<b>Monthly Adjustment Factors</b>			
<u>Residential Rate RS and Volunteer Fire Department Service Rate VFD</u>		<u>Energy Charge</u>	
DSM Cost Recovery Component (DCR)		\$ 0.00160	per kWh
DSM Revenues from Lost Sales (DRLS)		\$ 0.00021	per kWh
DSM Incentive (DSM)		\$ 0.00006	per kWh
DSM Balance Adjustment (DBA)		\$(0.00001)	per kWh
Total DSMRC for Rates RS and VFD		\$ 0.00186	per kWh
<u>General Service Rate GS</u>		<u>Energy Charge</u>	
DSM Cost Recovery Component (DCR)		\$ 0.00060	per kWh
DSM Revenues from Lost Sales (DRLS)		\$ 0.00045	per kWh
DSM Incentive (DSM)		\$ 0.00003	per kWh
DSM Balance Adjustment (DBA)		\$(0.00019)	per kWh
Total DSMRC for Rate GS		\$ 0.00089	per kWh
<u>Power Service Rate PS and Time-of-Day Service TOD</u>		<u>Energy Charge</u>	
DSM Cost Recovery Component (DCR)		\$ 0.00028	per kWh
DSM Revenues from Lost Sales (DRLS)		\$ 0.00008	per kWh
DSM Incentive (DSM)		\$ 0.00001	per kWh
DSM Balance Adjustment (DBA)		\$ 0.00005	per kWh
Total DSMRC for Rate PS and TOD		\$ 0.00042	per kWh
<u>Large Time-of-Day Rate LTOD</u>		<u>Energy Charge</u>	
DSM Cost Recovery Component (DCR)		\$ 0.00000	per kWh
DSM Revenues from Lost Sales (DRLS)		\$ 0.00000	per kWh
DSM Incentive (DSM)		\$ 0.00000	per kWh
DSM Balance Adjustment (DBA)		\$ 0.00000	per kWh
Total DSMRC for Rate TOD		\$ 0.00000	per kWh

Date of Issue: July 29, 2008  
 Date Effective: May 2, 2008      Refiled: July 29, 2008  
 Issued By: Lonnie E. Bellar, Vice President, State Regulation and Rates, Lexington, Kentucky



Kentucky Utilities Company

Original Sheet No. 87.1  
P.S.C. No. 13

TERMS AND CONDITIONS	
Deposits	
customers and premises in the system. The deposit amount shall not exceed 2/12 of the customer's actual or estimated annual bill where bills are rendered monthly.	

Date of Issue: July 20, 2004      Issued By      Date Effective: With Service Rendered  
On and After  
July 1, 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

Kentucky Utilities Company

P.S.C. No. 14, Original Sheet No. 102.1

TERMS AND CONDITIONS	
Deposits	
<b>GENERAL SERVICE</b>	
1) General service customers are those customers served under General Service. Sheet No. 10.	
2) The deposit for a general service customer is in the amount of \$140.00, which is calculated in accordance with 807 KAR 5:006, Section 7(1)(b).	
3) Company shall retain Customer's deposit as long as Customer remains on service.	
4) For a deposit held longer than eighteen (18) months, the deposit will be recalculated, at Customer's request, and based on Customer's actual usage. If the deposit on account differs from the recalculated amount by more than ten (10%) percent, Company may collect any underpayment and shall refund any overpayment by check or credit to Customer's bill. No refund will be made if Customer's bill is delinquent at the time of the recalculation.	
5) If Customer fails to maintain a satisfactory payment or credit record, or otherwise becomes a new or greater credit risk, as determined by Company in its sole discretion, Company may require a new or additional deposit from Customer.	
<b>OTHER SERVICE</b>	
1) The deposit for all other customers, those not classified herein as residential or general service, shall not exceed 2/12 of Customer's actual or estimated annual bill where bills are rendered monthly in accordance with 807 KAR 5:006, Section 7(1)(a).	
2) For customers not meeting the parameters of GENERAL 2), above, Company may retain Customer's deposit as long as Customer remains on service.	
3) For a deposit held longer than eighteen (18) months, the deposit will be recalculated, at Customer's request, and based on Customer's actual usage. If the deposit on account differs from the recalculated amount by more than ten (10%) percent, Company may collect any underpayment and shall refund any overpayment by check or credit to Customer's bill. No refund will be made if Customer's bill is delinquent at the time of the recalculation.	
4) If Customer fails to maintain a satisfactory payment or credit record, or otherwise become a new or greater credit risk, as determined by Company in its sole discretion, Company may require a new or additional deposit from Customer.	

Date of Issue: July 29, 2008  
Date Effective: September 1, 2008  
Issued By: Lonnie E. Bellar, Vice President, State Regulation and Rates, Lexington, Kentucky

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**Valerie L. Scott**

**Application, Tab 42 – Income Statement:**

- The Investment Tax Credit should have been shown on line 11 – Income Taxes – Federal, State, and Deferred instead of on line 10 – Taxes Other than Income Taxes. The corrected income statement was provided in response to AG-1 Question No. 15.

**Scott Direct Testimony, Case No. 2008-00251, page 2, line 21:**

- The words “August 8, 2007” should be “July 22, 2007.”

**Scott Direct Testimony, Case No. 2008-00251, – Rives Exhibit 1, Reference Schedule 1.15, page 2 of 4:**

- The TIA expense, shown on line 4, should read “\$7.127 million” instead of “\$7.040 million.” The correction was identified in response to KIUC-2 Question No. 2.20. Reference Schedule 1.15 was revised and provided in response to PSC-3 Question No. 41.
- The Company corrected an error in the calculation of the O&M percentage ratio. The correction was identified in response to PSC-2 Question No. 100(a). Reference Schedule 1.15 was revised and provided in response to PSC-3 Question No. 41.
- A correction was made to the union wage increase applied to union overtime on line 17. The original calculation was made using general ledger accounting periods; the correction accurately reflects the overtime increase applied to the overtime paid by pay period. The correction was identified in response to PSC-2 Question 100(a). Reference Schedule 1.15 was revised and provided in response to PSC-3 Question No. 41.

**Scott Direct Testimony, Case No. 2008-00251, – Rives Exhibit 1, Reference Schedule**

**1.16:**

- The Company corrected an error in the calculation of the O&M percentage ratio. The correction was identified in response to PSC-2 Question No. 105. Reference Schedule 1.16 was revised and provided in response to PSC-3 Question No. 41.

**Scott Direct Testimony, Case No. 2008-00251, – Rives Exhibit 1, Reference Schedule**

**1.17:**

- The Company corrected an error in the calculation of the O&M percentage ratio. In addition, errors in data collection and spreadsheet formula were corrected. The correction was identified in response to PSC-2 Question No. 105. Reference Schedule 1.17 was revised and provided in response to PSC-3 Question No. 41.

**Scott Direct Testimony, Case No. 2008-00251, – Rives Exhibit 1, Reference Schedule**

**1.25:**

- Line 2 should read “May – December 2007” instead of “test year.” The corrected schedule is attached.

Exhibit 1  
Reference Schedule 1.25  
Sponsoring Witness: Scott

KENTUCKY UTILITIES

Adjustment to reflect reallocation of OVEC Demand Charges  
For the Twelve Months Ended April 30, 2008

1. Reallocation of OVEC Demand Charges	\$	3,460,535
2. OVEC Demand Charges in May - December 2007		<u>315,225</u>
3. Adjustment	\$	3,145,310
4. Kentucky Jurisdiction		<u>86.537%</u>
5. Kentucky Jurisdictional adjustment	\$	<u><u>2,721,857</u></u>

**Shannon L. Charnas**

**Charnas Direct Testimony, Case No. 2008-00251, page 7, line 7:**

- The words “in July 2007” should be “in August 2007.”

**Charnas – Response to PSC-2 Question No. 131:**

- Should list Shannon L. Charnas, not S. Bradford Rives, as the sponsoring witness.

**Robert M. Conroy**

**Conroy Direct Testimony, Case No. 2008-00251, page 9, line 5:**

- The text should read “\$918” instead of “\$918,200.” The correction was identified in response to PSC-2 Question No. 22.

**Conroy Direct Testimony, Case No. 2008-00251, page 11, line 19:**

- The text should read “\$918” instead of “\$918,200.” The correction was identified in response to PSC-2 Question No. 22.

**Conroy Direct Testimony, Case No. 2008-00251, Exhibit 1:**

- On page 1 – FAC Rollin Column-GSP and page 5 – column 11, the customer charge revenue of \$8,720 was inadvertently omitted. Corrected Exhibit 1 pages were provided in response to PSC-2 Question No. 23.

**William Steven Seelye**

**Seelye Direct Testimony, Case No. 2008-00251, Exhibit 4:**

- The Company inadvertently included \$8.69 million in miscellaneous revenues in the “Adjusted Billings at Current Rates” column. A corrected Exhibit 4 was provided in response to PSC-2 Question No. 35.

**Seelye Direct Testimony, Case No. 2008-00251, Exhibit 5:**

- On page 5, column 6, the number “(335,544)” was inadvertently included in the exhibit. The correction was identified in response to PSC-2 Question No. 37.
- On pages 12-13, the energy charge was inadvertently omitted. The correction was identified in response to PSC-2 Question No. 38 and KROGER-1 Question No. 5.

**Seelye Direct Testimony, Case No. 2008-00251, Exhibit 6:**

- The Company inadvertently included the “Jurisdictional Ultimate Consumer Revenue” amount of \$1,111,405,132 when the appropriate amount should have been the “Revenue Adjusted to As-Billed Basis” of \$1,112,462,089. A corrected Exhibit 6 was provided in response to PSC-3 Question No. 8.

**Seelye Direct Testimony, Case No. 2008-00251, Exhibit 16, page 14 of 33:**

- The Company inadvertently omitted the amount of “\$256,897,609” from line 12 (RESERVE FOR DEF TAXES). A corrected exhibit page was provided in response to PSC-2 Question No. 40.

Dated: December 23, 2008

Respectfully submitted,

By: 

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Counsel for Kentucky Utilities Company



**CERTIFICATE OF SERVICE**

I hereby certify that a true copy of the foregoing was served via U.S. mail, first-class, postage prepaid, this 23rd day of December 2008 upon the following persons:

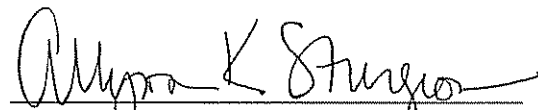
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