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> E.ON U.S. LLC State Regulation and Rates 220 West Main Street PO Box 32010 Louisville, Kentucky 40232 www.eon-us.com

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

July 16, 2008

#### RE: AN ADJUSTMENT OF THE GAS AND ELECTRIC RATES, TERMS, AND CONDITIONS OF LOUISVILLE GAS AND ELECTRIC COMPANY – Case No. 2003-00433 JOOB-00252

# AN ADJUSTMENT OF THE ELECTRIC RATES, TERMS, AND CONDITIONS OF KENTUCKY UTILITIES COMPANY – Case No. 2003-00434 2008 -00251

Dear Ms. Stumbo:

Pursuant to the STIPULATION dated May 4, 2004 in the above-referenced proceedings, Louisville Gas and Electric company ("LG&E") and Kentucky Utilities Company ("KU") (collectively "Companies") agreed to conduct a three-year pilot program for a Small Time-of-Day Service ("STOD"). The Commission's Final Order in those proceedings approved STOD and provided the Companies file a report within six months of the end of the pilot program to include detailed findings and recommendations.

Attached is a copy of that report. In summary, the Companies find no appreciable reduction or shift in load by the participating customers. Conversely, the Companies' other customers bear the burden of supporting STOD through the lost revenue recovery mechanism. The Companies seek the Commission's approval to terminate STOD.

If you have any questions or concerns with respect to this filing, please do not hesitate to contact me.

Sincerely,

Filoward Smal

F. Howard Bush

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PUBLIC SERVICE COMMISSION

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

April 30, 2008

# RE: In the Matter of Application of Louisville Gas and Electric Company for an Adjustment of the Gas and Electric Rates, Terms and Conditions Case No. 2003-00433

and

In the Matter of Application of Kentucky Utilities Company for an Adjustment of the Electric Rates, Terms and Conditions Case No. 2003-00434

Dear Ms. Stumbo:

Pursuant to the Stipulation dated May 4, 2004 in the above-referenced proceedings, Louisville Gas and Electric Company ("LG&E") and Kentucky Utilities Company ("KU") (collectively "Companies") agreed to conduct a three year pilot program for a Small Time-of-Day Service ("STOD"). The Commission's Final Order in those proceedings approved STOD and provided the Companies file a report within six months of the end of the pilot program to include detailed findings and recommendations.

Attached is a copy of that report. In summary, the Companies find no appreciable reduction or shift in load by the participating customers. Conversely, the Companies' other customers bear the burden of supporting STOD through the lost revenue recovery mechanism. The Companies seek the Commission's approval to terminate STOD.

If you have any questions or concerns with respect to this filing, please do not hesitate to contact me.

Sincerely, Burgh / Start F. Howard Bush

# Small Commercial Time-of-Day ("STOD") Rate Impact

## **Regulatory Background**

As part of the Stipulation in Case Nos. 2003-00433 and 2003-00434 For An Adjustment of the Gas and Electric Rates for the Louisville Gas & Electric and Kentucky Utilities ("Companies"), a request was made to offer experimental time-of-day rate schedules for commercial customers whose maximum monthly demands were greater than 250 KW and less than 2,000 KW during the calendar year 2003 on a revenue-neutral basis. The Commission approved this program in their final Order dated June 30, 2004. The experimental time-of-day rate schedules were to be available under a three year pilot program to 100 accounts currently served under Rate LC by LG&E, and to 100 accounts served under Rate LP by KU.

The Companies filed their Small Time-of-Date Service – Rate Schedule STOD ("STOD") as required and began offering service in October 2004 under the 3-year pilot program. As part of the Stipulation, the Companies agreed to and are required by the Commission's Order to evaluate the performance of the experimental time-of-day rate schedules after the three year period for the following purposes:

- 1. To determine the amount of load shifted from the on-peak period to the off-peak period,
- 2. To determine the amount of revenue loss from the experimental time-of-day rate schedules,
- 3. To evaluate customer acceptance of the experimental time-of-day rate schedules,
- 4. And to evaluate the potential for implementing the experimental time-of-day rate schedules as either a permanent demand-side management program or as a standard rate schedule.

As agreed to in the Stipulation and required by the Commission's Order, the Companies are required to file a report with the Commission within six months after the first three years of implementation of the experimental time-of-day schedules, and that the experimental time-ofday rate schedules shall remain in effect until the rate schedules are terminated by order of the Commission.

The remainder of this report will cover the topics expressed by the Commission.

# 1. Determine the amount of load shift between the on-peak and off-peak time periods

# **Analysis** Overview

The rates for STOD were developed to encourage customers on the rate schedule to reduce demand or shift usage from peak periods to off-peak periods. There are currently 27 LG&E and 53 KU customers accepting service under STOD. Prior to switching from their rate schedule to STOD, the energy charge for these customers did not vary by time of day. For STOD, the energy charge is lower in the off-peak period than the on-peak period. The analysis discussed

herein was conducted to examine evidence for a reduction in demand or shift in usage from the peak to off-peak period recognizing (i) the limited availability of load profile data prior to the implementation of the STOD rate and (ii) the difficulty of establishing a fully comparable control group. Notwithstanding these constraints, there appears to be no statistical evidence that STOD resulted in a reduction in demand or shift of usage from the peak periods to off-peak periods.

## Approach

The ideal approach to this sort of analysis would be to compare the usage patterns of the customers prior to taking service under STOD with the usage patterns while taking service under STOD. Unfortunately, due to the timing of the implementation of the STOD rate schedules and installation of the necessary metering equipment, the load profile data for the customers prior to taking service under STOD is only available for seven customers, all in the KU service territory, which happened to be part of KU's load research survey. As the next best alternative, the Companies developed a control group for the analysis and compared the usage patterns of the STOD customers to that of the control group. The group of customers who switched to STOD is made up almost entirely of 24-hour supermarkets and discount stores. Since the majority of these types of customers in the Companies service territories switched to STOD, a control group consisting entirely of 24-hour supermarkets, the control group also contains 24-hour convenience stores and pharmacies. The control group consists of 30 LG&E customers and 33 KU customers.

The Companies installed load recorders at the premises of those customers taking service under STOD and the customers in the control group. In this analysis, the average load profile of the STOD customers was compared to the average load profile of the control group over the 12-month period from January 2007 to December 2007. This one year time period was chosen because it represented the most complete period representing a full summer and winter season to evaluate. The timing of implementation and installation of metering equipment for both the STOD customers and the control group limited the completeness in evaluating the first year of effectiveness. In addition, for the seven KU customers where load profile data was available before the switch to STOD, the average usage pattern before and after the switch was compared.

### Analysis

The analysis compared the average daily load profile of the STOD customers to the average daily load profile of the customers in the control group by month, season, and day type (whether it was a weekday or weekend). Comparisons of the average daily load profile during the two peak seasons, summer and winter, are presented here<sup>1</sup>. The following three comparisons are evaluated:

- 1. The average load profile of the STOD customers is compared to the average load profile of the control group (STOD vs. Control).
- 2. The average load profile of the STOD customers is compared to a subset of the control group consisting only of discount stores and supermarkets (STOD vs. Control Subset).

<sup>&</sup>lt;sup>1</sup> For this analysis, the summer season includes June – August; the winter season includes December – February.

3. For the seven KU customers where load profile data was available before and after the switch to the STOD rate, the average usage pattern before and after the switch was compared (Selected KU Customers).

Based on each of these comparisons, there appears to be no statistical evidence that offering the STOD rate schedule resulted in a shift of either demand or energy from the peak period to the off-peak period. The results of these comparisons are discussed further in the following sections.

#### **STOD vs. Control**

Figures 1-4 compare the average daily load profile of the STOD customers to the average daily load profile of the control group. Figures 1 and 3 contain absolute values for the summer and winter months, respectively. Figures 2 and 4 compare each hour's load as a percentage of the total day's load, which puts both groups on the same scale and allows for a comparison of how each uses energy across the day.





Overall, the STOD customers use more energy on average than the control customers in both the summer and the winter, as shown in Figures 1 and 3. This difference is expected given the fact that the control group contains several customers (24-hour pharmacies and convenience stores) that are typically smaller than the average discount store and supermarket. In both seasons, the

Figure 3: Typical Winter Day

Figure 2: Typical Summer Day Normalized

percentage of daily energy consumed during the peak period is greater for the STOD customers than the control customers (see Figures 2 and 4)<sup>2</sup>.

### STOD vs. Control Subset

Figures 5-8 compare the average daily load profile of the STOD customers to the average daily load profile of a subset of the control group consisting of discount stores and supermarkets. The subset includes 11 LG&E and 12 KU customers. The customers in the subset of the control group are more similar to the STOD customers both in terms of the average daily amount of energy consumed and the way the energy is distributed throughout the day (see Figures 5 and 7). Like the previous comparison, the STOD customers consume more energy during the peak periods as a percentage of daily energy consumed (see Figures 6 and 8).









Figure 7: Typical Winter Day (Control Subset)





#### Selected KU Customers

For seven KU customers that switched to STOD, load profile data was available before and after the switch. Figures 9-12 compare the average daily load profiles of these customers before and

 $<sup>^{2}</sup>$  During the summer months, the peak period extends from 10 A.M. to 9 P.M. (hours 10 to 21). During the winter months, the peak period extends from 8 A.M. to 10 P.M (hours 8 to 22).

after the switch. Based on Figures 10 and 12, these customers did not noticeably shift their usage from the peak period to the off-peak period after switching to the STOD rate.



Figure 9: Typical Summer Day (Selected KU Customers)

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Figure 11: Typical Winter Day (Selected KU Customers)



Figure 10: Typical Summer Day Normalized (Selected KU Customers)



Figure 12: Typical Winter Day Normalized (Selected KU Customers)



### 2. Determine the amount of revenue loss

The following table outlines the lost revenues that were incorporated into the determination of the Program Cost Recovery Factor (PCRF) after each year of the pilot program. These lost revenues are calculated annually by comparing the revenues collected through the experimental time-of-day rate schedules to revenues that would have been collected through the LG&E Rate LC and the KU Rate LP schedules. The Companies lost revenues are then incorporated annually into the PCRF that is applied to billing amounts of all customers taking service under LG&E Rate LC and KU Rate LP. Exhibit 1 contains a copy of the lost revenues used for the determination of the PCRF during the three year pilot period. Year 1 is the period November 2004 through October 2005, Year 2 is the period November 2005 through October 2006, and Year 3 is the period November 2006 through October 2006 through October 2007. The table below does not include the program costs which were also recovered from non-STOD customers.

|                        | <u>KU</u>     | L <u>G&amp;E</u> |
|------------------------|---------------|------------------|
| Lost Revenues - Year 1 | \$<br>279,657 | \$<br>329,355    |
| Lost Revenues - Year 2 | 334,276       | 342,304          |
| Lost Revenues - Year 3 | <br>341,234   | <br>313,332      |
|                        | \$<br>955,167 | \$<br>984,991    |

### 3. Evaluate customer acceptance

The Companies currently have 91 customers on STOD; of these 65 are Kroger, 17 are Wal-Mart, 3 are Lowe's, and 6 are others. Comments of the customers are shown below.

#### **Denis George, Kroger**

"We like the STOD rate. You know we do. We are hoping the pilot will continue and you will offer rebates for our energy improvements to our stores and energy efficiency design of our new locations." "A rate that is structured such that it models loads into your off peak times should have reductions for customers whose peak is different than your system peak."

#### **David Ozmont, Wal-Mart**

"Wal-Mart is about controlling costs and we saw reductions in cost with the STOD rate option. We would like to continue with this rate and add new store locations. All of our locations including Neighborhood Markets have high load factors and benefit from most rates that break us out of the standard commercial rate class."

#### **Charlie Martin**, Lowes

"We are all for any utility that lowers our costs. We would like to see utility incentives and rebates in Kentucky for greater energy efficiency too. I believe there was something unusual about the STOD rate where it was kWh based rather than a demand reduction rate. I didn't understand that."

# 4. Evaluate the potential for implementing as a permanent demand-side management program or as a standard rate schedule

Based on the analysis performed, the experimental time-of-day schedules did not result in any statistically significant change in load patterns as there is no determinable shift either of energy consumption or demand from the on-peak to the off-peak periods. Therefore the Companies believe the STOD pilot program has resulted in

- a lack of the desired response in STOD customer consumption patterns although they realized a billing reduction,
- no benefit to the Companies' non-STOD customers since no load reduction or shift was evidenced and those customers were penalized by bearing the costs of the STOD customer's revenue reduction, and
- the Companies experienced a time delay in recovering the annual loss of revenues.

With this said, the Companies believe the STOD Pilot program should be ended and the lost revenue recovery mechanism terminated once all lost revenues are recovered but are willing to continue the experimental time-of-day schedule as it currently exists until the next base rate case when the issue of commercial time-of-day rates will be addressed for the entire customer class. The tariff billing factor including the annual adjustment for lost revenues and a balancing adjustment for previous billing periods would be calculated using the currently established mechanism should the Commission decide to continue STOD through the next rate case.

**EXHIBIT 1** 

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Louisville Gas and Electric Company 220 West Main Street (40202) P.O. Box 32010 Louisville, Kentucky 40232

February 14, 2006

Elizabeth O' Donnell, Executive Director Public Service Commission of Kentucky 211 Sower Boulevard Post Office Box 615 Frankfort, Kentucky 40602-0615

Dear Ms. O'Donnell:

Pursuant to the Commission's Order dated June 30, 2004, in Case No. 2003-00433, Louisville Gas and Electric Company ("LG&E") filed an experimental electric tariff P.S.C. No. 62 for the Small Time of Day Service ("STOD"). That electric tariff provides for the calculation of a monthly charge per KWH to recover programming costs associated with modifying the customer billing system, not to exceed \$29,050 per year, plus any lost revenues associated with STOD. This monthly charge is to be applied to customers taking service under the Large Commercial Service ("LC") for LG&E.

Attached is Exhibit 1 which presents the calculation of the factor to be applied during the period of March 2006 through October 2006. The eight month application period is used to allow for the months remaining in the second program year. As noted in parallel filing for Kentucky Utilities Company's first year factor by my letter dated October 22, 2004, a balancing adjustment is being made for the difference in the programming costs to be recovered in the first year and the actual recovery for the first year. A similar balancing adjustment will be made in the third year factor to reflect any differences for the second year's recovery. This balancing adjustment is being made such that LG&E neither overcharges nor under collects the STOD program costs.

Attached as Exhibit 2 is a calculation of the loss revenue in support of Exhibit 1.

LG&E will begin applying the recovery factor of \$0.000220 per KWH effective with the first billing cycle of the March 2006. Please contact me at (502) 627-3324 or Don Harris at (502) 627-2021 if you have any questions about this information.

Sincerely.

Robert Conroy Manager, Rates

|  | LG&E          |
|--|---------------|
| (1) Program Cost Recovery (2nd Program Year)                     | \$29,050      |
| (2) Lost Revenue (1st Program Year) (See Exhibit 2)              | \$329,355     |
| Balancing Adjustment:  |               |
| Program Cost Recovery (1st Program Year)                         | \$29,050      |
| Less: Actual Recovery (1st Program Year)                         | \$26,187      |
| (3) Total Balancing Adjustment                                   | \$2,863       |
| (4) Total Program Cost Recovery (2nd Program Year) [(1)+(2)+(3)] | \$361,268     |
| (5) LPKWH - Projected Mar '06 thru Oct '06                       | 1,639,423,427 |
| PCRF (dollars per KWH) [(4)/(5)]                                 | 0.000220      |

# **Program Cost Recovery Factor Calculation**

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## Louisville Gas Electric Company

EXHIBIT 2

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|   |   |  |   | PART ALL   |   |  |  |  |   |   |   |  |
|---|---|--|---|--|---|--|--|--|---|---|---|--|
|   | Nov '04   | Dec '04  | Jan '05   | Feb 05   | Mar '05   | Apr '05  | May '05  | Jun '05  | 05 البار  | Aug '05   | Sep '05   | Oct 105  |
|   |   | 000 04   |   | 100 00   |   |  | •  |  | •   |   | #0.00080  | \$0,00390  |
| Fuel Adjustment Clause  | (\$0.00004)   | (\$0.00031)  | \$0.00083   | \$0,00046  | (\$0.00028)   | (\$0.00115)  | \$0.00003  | \$0.00103  | (\$0.00008)   | \$0.00235   | \$0.00369   |  |
| Demand Side Management  | \$0.00018   | \$0.00018  | \$0.00020   | \$0,00020  | \$0.00020   | \$0.00018  | \$0.00018  | \$0.00018  | \$0.00018   | \$0.00018   | \$0.00018   | \$0.00018  |
| Environmental Surcharge   | 0.710%  | 0.760%   | 0.900%  | 1.010%   | 0.530%  | 0.670%   | 0.870%   | 1.470%   | 0.360%  | 1.800%  | 2.400%  | 0.460%   |
| Merger Surcredit  | 3.262%  | 3.262%   | 3.262%  | 3.262%   | 3.262%  | 3.262%   | 3.262%   | 3.262%   | 3.052%  | 2.936%  | 2.936%  | 2,936%   |
| ÷   |   |  | 2.360%  | 2.360%   | 2.360%  | 0.000%   | -2.758%  | 0.000%   | 0.000%  | 0.000%  | 0.000%  | 0,000%   |
| Earning Sharing Mechanism   | 2.360%  | 2.360%   |   | 0.990%   | 0.990%  | 0.990%   | 0.990%   | 0.990%   | 0.990%  | 0.996%  | 0.990%  | 0.990%   |
| Value Delivery Surcredit  | 0.900%  | 0.900%   | 1.040%  | 0.28076  | 0.930%  | 0.000 %  | 0.00070  |  |   |   |   |  |
| Billing Determinants  |   |  |   |  |   |  |  |  |   |   |   | 35   |
| Customers   | 34  | 35   | 35  | 35   | 35  | 34   | 36   | 35   | 35  | 35  | 35  |  |
| Demand-Secondary  | 15,700.0  | 14,889.0   | 14,580.0  | 13,816.0   | 13,589.0  | 15,166.0   | 17,356.0   | 18,569.0   | 19,150.0  | 19,819.0  | 19,267.0  | 18,162.0   |
| Demand-Primary  | 960.0   | 828.0  | 816.0   | 804.0  | 804.0   | 912.0  | 984.0  | 1,092.0  | 1,176.0   | 1,152.0   | 1,080.0   | 1,092.0  |
| Energy  |   |  |   |  |   |  |  |  |   |   |   |  |
| On-Peak   | 3,769,640   | 4,090,860  | 4.073.800   | 3,564,200  | 3.633.020   | 3,814,620  | 3,840,320  | 4,083,820  | 4,136,140   | 4,133,760   | 3,996,460   | 3,931,900  |
| Off-Peak  | 4.611.260   | 5,270,880  | 5,002,680   | 4,467,280  | 4,810,540   | 4,612,100  | 4,656,160  | 6,001,880  | 7,400,380   | 6,957,740   | 6,786,520   | 5,661,060  |
|   |   |  |   |  |   |  |  |  |   |   |   |  |
| Small Time-of-Day Rate  |   |  |   |  |   |  |  |  |   |   |   |  |
| Rate  |   |  |   |  |   |  |  | Acc. c2  | £00.00  | \$80.00   | \$80.00   | \$80.00  |
| Customer  | \$80.00   | \$80.00  | \$80.00   | \$80.00  | \$80.00   | \$80.00  | \$80.00  | \$80.00  | \$80.00   | 400.00  | 400.00  | *****  |
| Demand - Secondary  |   |  |   |  |   |  | _  |  | ··· · · ·   |   | \$11,14   | \$11.14  |
| Winter  | \$11.14   | \$11.14  | \$11.14   | \$11.14  | \$11.14   | \$11.14  | \$11.14  | \$11.14  | \$11.14   | \$11.14   | • •   | \$14.20  |
| Summer  | \$14.20   | \$14.20  | \$14.20   | \$14.20  | \$14.20   | \$14.20  | \$14.20  | \$14.20  | \$14.20   | \$14.20   | \$14.20   | 314.4U   |
| - Primary   |   |  |   |  |   |  |  |  |   |   |   | <b>5</b> 0 50  |
| Winter  | \$9.52  | \$9,52   | \$9.52  | \$9.52   | \$9.52  | \$9.52   | \$9.52   | \$9.52   | \$9.52  | \$9.52  | \$9.52  | \$9.52   |
| Summer  | \$12.32   | \$12,32  | \$12.32   | \$12,32  | \$12.32   | \$12.32  | \$12.32  | \$12.32  | \$12.32   | \$12.32   | \$12,32   | \$12.32  |
| Energy  |   | •  |   |  |   |  |  |  |   |   |   |  |
| On-Peak   | \$0.02936   | \$0.02936  | \$0.02936   | \$0.02936  | \$0.02936   | \$0.02936  | \$0.02936  | \$0.02936  | \$0.03004   | \$0.03004   | \$0.03004   | \$0.03004  |
| Off-Peak  | \$0.01370   | \$0.01370  | \$0.01370   | \$0.01370  | \$0.01370   | \$0.01370  | \$0.01370  | \$0.01370  | \$0.01438   | \$0.01438   | \$0.01438   | \$0.01438  |
|   | ••••••  | •••••  | •••••   |  | •   | -  | ·  |  |   |   |   |  |
| Billing   |   |  |   |  |   |  |  |  |   |   |   |  |
| Customer  | \$2,720.00  | \$2,800.00   | \$2,800.00  | \$2,800.00   | \$2,800.00  | \$2,720.00   | \$2,880.00   | \$2,800.00   | \$2,800.00  | \$2,800.00  | \$2,800.00  | \$2,800.00   |
| Demand  | \$184,037.20  | \$173,746.02   | \$170,189.52  | \$161,564.32   | \$159,035.54  | \$177,631.48   | \$202,713.52   | \$277,133.24   | \$286,418.32  | \$295,622.44  | \$286,897.00  | \$212,720.52   |
| Energy  | \$173,850.89  | \$192,318.71   | \$188,143,49  | \$165,846,65   | \$172,569.87  | \$175,183.01   | \$176,541.19   | \$202,126.72   | \$230,667.11  | \$224,230.45  | \$217,629.44  | \$199,807.92   |
| Fuei Clause   | (\$335.24)  | (\$2.902.14)   | \$7,533.48  | \$3,694,48   | (\$2,364.20)  | (\$9,690.73)   | \$254.89   | \$10,388.27  | (\$922.92)  | \$26,065.03   | \$39,785.51   | \$37,490.54  |
| Demand-Side Management  | \$1,508.56  | \$1,685.11   | \$1,815.30  | \$1,606.30   | \$1,688.71  | \$1,516.81   | \$1,529.37   | \$1,815.43   | \$2,076.57  | \$1,996.47  | \$1,940.76  | \$1,730.33   |
| Environmental Surcharge   | \$2,568.65  | \$2,794.12   | \$3,334.34  | \$3,388.67   | \$1,768.77  | \$2,327.32   | \$3,340.10   | \$7.265.68   | \$1,875.74  | \$9,912.85  | \$13,177.27   | \$2,090.93   |
| Morger Surcredit  | (\$11,885.10)   | (\$12,083.81)  | (\$12,193.88)   | (\$11,054.93)  | (\$10,943.97)   | (\$11,406,82)  | (\$12,632.39)  | (\$16,359.69)  | (\$15,959.36)   | (\$16,460.02)   | (\$16,607.07)   | (\$13,406.96)  |
| Earning Sharing   | \$8,318.17  | \$8,457,25   | \$8,534,29  | \$7,737,15   | \$7,659,49  | \$0.00   | (\$10,332.20)  | \$0.00   | \$0.00  | \$0.00  | \$0.00  | \$0.00   |
| Value Delivery  | (\$3,247.05)  | (\$3,301.34)   | (\$3,849.63)  | (\$3,322.27)   | (\$3,288.92)  | (\$3,348.98)   | (\$3,606.52)   | (\$4,803.18)   | (\$5,018.86)  | (\$5,387.26)  | (\$5,402.66)  | (\$4,388.01)   |
| Total Regenerated Billing   | \$357,536.08  | \$363.513.92   | \$366,306,91  | \$332,260.37   | \$328,925,29  | \$334,932.09   | \$360,687.96   | \$480,366,27   | \$501,936.60  | \$538,779.97  | \$540,320.25  | \$438,845.27   |
|   | 4001,000.00   | 400,010.02   | 4000,000.01   | 4002,E00.01  |   | 4004,002.00  |  | ••••••   | •••••   | •   | •   |  |
| Actual Billing  | \$362,647   | \$369,717  | \$366,307   | \$332,260  | \$328,925   | \$334,932  | \$360,656  | \$479,956  | \$501,937   | \$538,780   | \$540,320   | \$438,878  |
| Ratio of Actual to Regenerated  | 1.01429   | 1.01706  | 1.00000   | 1.00000  | 1.00000   | 1.00000  | 0.99991  | 0.99915  | 1,00000   | 1.00000   | 1.00000   | 1,00007  |
|   |   |  |   |  |   |  |  |  |   |   |   |  |
| Large Commercial Rate   |   |  |   |  |   |  |  |  |   |   |   |  |
| Rate  |   |  |   | <b>.</b>   |   |  |  |  | <b>b</b> oo oo  | *** **  | POT 00  | #CE 00   |
| Customer  | \$65.00   | \$65.00  | \$65.00   | \$65.00  | \$65.00   | \$65.00  | \$65.00  | \$65.00  | \$65.00   | \$65.00   | \$65.00   | \$65.00  |
| Demand - Secondary  |   |  |   |  |   |  |  |  |   |   |   | *****  |
| Winter  | \$11.14   | \$11.14  | \$11.14   | \$11.14  | \$11.14   | \$11.14  | \$11.14  | \$11.14  | \$11.14   | \$11.14   | \$11.14   | \$11.14  |
| Summer  | \$14.20   | \$14.20  | \$14.20   | \$14.20  | \$14.20   | \$14.20  | \$14.20  | \$14.20  | \$14.20   | \$14.20   | \$14.20   | \$14.20  |
| - Primary   |   |  |   |  |   |  |  |  |   |   |   |  |
| Winter  |   |  |   |  |   |  |  |  |   |   |   | \$9.52   |
|   | \$9.52  | \$9.52   | \$9.52  | \$9.52   | \$9.52  | \$9.52   | \$9.52   | \$9.52   | \$9.52  | \$9.52  | \$9.52  |  |
| Summer  | \$9.52<br>\$12.32   | \$9.52<br>\$12.32  | \$9.52<br>\$12.32   | \$9.52<br>\$12.32  | \$9.52<br>\$12.32   | \$9.52<br>\$12.32  | \$12.32  | \$12.32  | \$12.32   | \$12.32   | \$12.32   | \$12.32  |
|   | -   |  |   |  | •   |  | • •  | · · · · ·  |   |   |   |  |
| Summer<br>Energy  | \$12.32   | \$12.32  | \$12.32   | \$12.32  | \$12.32   | \$12.32  | \$12.32  | \$12.32  | \$12.32   | \$12.32   | \$12.32   | \$12.32  |
| Summer<br>Energy<br>Billing   | \$12.32<br>\$0.02349  | \$12.32<br>\$0.02349   | \$12.32<br>\$0.02349  | \$12.32<br>\$0.02349   | \$12.32<br>\$0.02349  | \$12.32<br>\$0.02349   | \$12.32<br>\$0.02349   | \$12.32<br>\$0.02349   | \$12.32<br>\$0.02349  | \$12.32<br>\$0.02349  | \$12.32<br>\$0.02349  | \$12.32<br>\$0,02349   |
| Summer<br>Energy<br>Billing<br>Customer   | \$12.32<br>\$0.02349<br>\$2,210.00  | \$12.32<br>\$0.02349<br>\$2,275.00   | \$12.32<br>\$0.02349<br>\$2,275.00  | \$12.32<br>\$0.02349<br>\$2,275.00   | \$12.32<br>\$0.02349<br>\$2,275.00  | \$12.32<br>\$0.02349<br>\$2,210.00   | \$12.32<br>\$0.02349<br>\$2,340.00   | \$12.32<br>\$0.02349<br>\$2,275.00   | \$12.32<br>\$0.02349<br>\$2,275.00  | \$12.32<br>\$0.02349<br>\$2,275.90  | \$12.32<br>\$0.02349<br>\$2,275.00  | \$12.32<br>\$0.02349<br>\$2,275.00   |
| Summer<br>Energy<br>Billing<br>Customer<br>Demand   | \$12.32<br>\$0.02349<br>\$2,210.00<br>\$184,037.20  | \$12.32<br>\$0.02349<br>\$2,275.00<br>\$173,746.02   | \$12.32<br>\$0.02349<br>\$2,275.00<br>\$170,189.52  | \$12.32<br>\$0.02349<br>\$2,275.00<br>\$161,564.32   | \$12.32<br>\$0.02349<br>\$2,275.00<br>\$159,035.54  | \$12.32<br>\$0.02349<br>\$2,210.00<br>\$177,631.48   | \$12.32<br>\$0.02349<br>\$2,340.00<br>\$202,713.52   | \$12.32<br>\$0.02349<br>\$2,275.00<br>\$277,133.24   | \$12.32<br>\$0.02349<br>\$2,275.00<br>\$286,418.32  | \$12.32<br>\$0.02349<br>\$2,275.00<br>\$295,622.44  | \$12.32<br>\$0.02349<br>\$2,275.00<br>\$286,897.00  | \$12.32<br>\$0.02349<br>\$2,275.00<br>\$212,720.52   |
| Summer<br>Energy<br>Billing<br>Customer<br>Demand<br>Energy   | \$12.32<br>\$0.02349<br>\$2,210.00<br>\$184,037.20<br>\$196,867.34  | \$12.32<br>\$0.02349<br>\$2,275.00<br>\$173,746.02<br>\$219,907.27   | \$12.32<br>\$0.02349<br>\$2,275.00<br>\$170,189.52<br>\$213,206.52  | \$12.32<br>\$0.02349<br>\$2,275.00<br>\$161,564.32<br>\$188,659.47   | \$12.32<br>\$0.02349<br>\$2,275.00<br>\$159,035.54<br>\$198,339.22  | \$12.32<br>\$0.02349<br>\$2,210.00<br>\$177,631.48<br>\$197,943.65   | \$12.32<br>\$0.02349<br>\$2,340.00<br>\$202,713.52<br>\$199,582.32   | \$12.32<br>\$0.02349<br>\$2,275.00<br>\$277,133.24<br>\$236,913.09   | \$12.32<br>\$0.02349<br>\$2,275.00<br>\$286,418.32<br>\$270,992.85  | \$12.32<br>\$0.02349<br>\$2,275.00<br>\$295,622.44<br>\$260,539.34  | \$12.32<br>\$0.02349<br>\$2,275.00<br>\$286,897.00<br>\$253,268.71  | \$12.32<br>\$0.02349<br>\$2,275.00<br>\$212,720.52<br>\$225,808.43   |
| Summer<br>Energy<br>Billing<br>Customer<br>Demand<br>Energy<br>Fuel Clause  | \$12.32<br>\$0.02349<br>\$2,210.00<br>\$184,037.20<br>\$186,867.34<br>(\$335.24)  | \$12.32<br>\$0.02349<br>\$2,275.00<br>\$173,746.02<br>\$219,907.27<br>(\$2,902.14)   | \$12.32<br>\$0.02349<br>\$2,275.00<br>\$170,189.52<br>\$213,206.52<br>\$7,533.48  | \$12.32<br>\$0.02349<br>\$2,275.00<br>\$161,564.32<br>\$188,659.47<br>\$3,694.48   | \$12.32<br>\$0.02349<br>\$2,275.00<br>\$159,035.54<br>\$198,339.22<br>(\$2,364.20)  | \$12.32<br>\$0.02349<br>\$2,210.00<br>\$177,631.48<br>\$197,943.65<br>(\$9,690.73)   | \$12.32<br>\$0.02349<br>\$2,340.00<br>\$202,713.52<br>\$199,582.32<br>\$254.89   | \$12.32<br>\$0.02349<br>\$2,275.00<br>\$277.133.24<br>\$236,913.09<br>\$10,388.27  | \$12.32<br>\$0.02349<br>\$2,275.00<br>\$286,418.32<br>\$270,992.85<br>(\$922.92)  | \$12.32<br>\$0.02349<br>\$2,275.00<br>\$295,622.44<br>\$260,539.34<br>\$26,065.03   | \$12.32<br>\$0.02349<br>\$2,275.00<br>\$286,897.00<br>\$265,268.71<br>\$39,785.51   | \$12.32<br>\$0.02349<br>\$2,275.00<br>\$212,720.52<br>\$226,808.43<br>\$37,490.54  |
| Summer<br>Energy<br>Billing<br>Customer<br>Demand<br>Energy<br>Fuel Clause<br>Demand-Side Management  | \$12.32<br>\$0.02349<br>\$2,210.00<br>\$184,037.20<br>\$196,867.34<br>(\$335.24)<br>\$1,508.56  | \$12.32<br>\$0.02349<br>\$2,275.00<br>\$173,746.02<br>\$219,907.27<br>{\$2,902.14}<br>\$1,685.11   | \$12.32<br>\$0.02349<br>\$2,275.00<br>\$170,189.52<br>\$213,206.52<br>\$7,533.48<br>\$1,815.30  | \$12.32<br>\$0.02349<br>\$2,275.00<br>\$161,564.32<br>\$188,659.47<br>\$3,694.48<br>\$1,606.30   | \$12.32<br>\$0.02349<br>\$2,275.00<br>\$159,035.54<br>\$198,339.22<br>(\$2,364.20)<br>\$1,688.71  | \$12.32<br>\$0.02349<br>\$2,210.00<br>\$177,631.48<br>\$197,943.65<br>(\$9,690.73)<br>\$1,516.81   | \$12.32<br>\$0.02349<br>\$2,340.00<br>\$202,713.52<br>\$199,582.32<br>\$254.89<br>\$1,529.37   | \$12.32<br>\$0.02349<br>\$2,275.00<br>\$277.133.24<br>\$236,913.09<br>\$10,388.27<br>\$1,815.43  | \$12.32<br>\$0.02349<br>\$2,275.00<br>\$286,418.32<br>\$270,992.85<br>(\$922.92)<br>\$2,076.57  | \$12.32<br>\$0.02349<br>\$2,275.00<br>\$295,622.44<br>\$260,539.34<br>\$26,065.03<br>\$1,996.47   | \$12.32<br>\$0.02349<br>\$2,275.00<br>\$286,897.00<br>\$263,266.71<br>\$39,785.51<br>\$1,940.76   | \$12.32<br>\$0.02349<br>\$2,275.00<br>\$212,720.52<br>\$226,808.43<br>\$37,490.54<br>\$1,730.33  |
| Summer<br>Energy<br>Billing<br>Customer<br>Demand<br>Energy<br>Fuel Clause<br>Demand-Side Management<br>Environmental Surcharge   | \$12.32<br>\$0.02349<br>\$2,210.00<br>\$184,037.20<br>\$196,867.34<br>(\$335.24)<br>\$1,508.56<br>\$2,728.44  | \$12.32<br>\$0.02349<br>\$2,275.00<br>\$173,746.02<br>\$219,907.27<br>(\$2,902.14)<br>\$1,685.11<br>\$2,999.81   | \$12.32<br>\$0.02349<br>\$2,275.00<br>\$170,189.52<br>\$213,206.52<br>\$7,533.48<br>\$1,815.30<br>\$3,555.18  | \$12.32<br>\$0.02349<br>\$2,275.00<br>\$161,564.32<br>\$168,659.47<br>\$3,694.48<br>\$1,606.30<br>\$3,613.78   | \$12.32<br>\$0.02349<br>\$2,275.00<br>\$159,035.54<br>\$198,339.22<br>(\$2,354.20)<br>\$1,688.71<br>\$1,902.56  | \$12.32<br>\$0.02349<br>\$2,210.00<br>\$177,631.48<br>\$197,943.65<br>(\$9,690.73)<br>\$1,516.81<br>\$2,476.40   | \$12.32<br>\$0.02349<br>\$2.340.00<br>\$202,713.52<br>\$199,582.32<br>\$254.89<br>\$1,529.37<br>\$3,535.85   | \$12.32<br>\$0.02349<br>\$2,275.00<br>\$277,133.24<br>\$236,913.09<br>\$10,388.27<br>\$1,815.43<br>\$7,769.32  | \$12.32<br>\$0.02349<br>\$28,418.32<br>\$270,992.85<br>(\$922.92)<br>\$2,076.57<br>\$2,019.02   | \$12.32<br>\$0.02349<br>\$2,276.00<br>\$296,622.44<br>\$260,659.34<br>\$26,065.03<br>\$1,966.47<br>\$10,556.97  | \$12.32<br>\$0.02349<br>\$2,275.00<br>\$286,897.00<br>\$253,268.71<br>\$39,765.51<br>\$1,940.76<br>\$14,020.01  | \$12.32<br>\$0.02349<br>\$2.275.00<br>\$212,720.52<br>\$225,808.43<br>\$37,490.54<br>\$1,730.33<br>\$2,208.11  |
| Summer<br>Energy<br>Billing<br>Customer<br>Demand<br>Energy<br>Fuel Clause<br>Demand-Side Management<br>Environmental Surcharge<br>Merger Surcredit   | \$12.32<br>\$0.02349<br>\$2,210.00<br>\$184,037.20<br>\$196,867.34<br>(\$335.24)<br>\$1,508.56<br>\$2,728.44<br>(\$12,624.47)   | \$12.32<br>\$0.02349<br>\$2,275.00<br>\$173,746.02<br>\$219,907.27<br>(\$2,902.14)<br>\$1,685.11<br>\$2,999.81<br>(\$12,973.34)  | \$12.32<br>\$0.02349<br>\$2.275.00<br>\$170,189.52<br>\$213,206.52<br>\$7,533.48<br>\$1,815.30<br>\$3,555.18<br>(\$13,001.52)   | \$12.32<br>\$0.02349<br>\$2,275.00<br>\$161,564.32<br>\$188,659.47<br>\$3,694.48<br>\$1,606.30<br>\$3,613.78<br>(\$11,789.30)  | \$12.32<br>\$0.02349<br>\$2,275.00<br>\$159,035.54<br>\$198,339.22<br>(\$2,364.20)<br>\$1,688.71<br>\$1,992.56<br>(\$11,771.80)   | \$12.32<br>\$0.02349<br>\$2,210.00<br>\$177,631.48<br>\$197,943.65<br>(\$9,690.73)<br>\$1,516.81<br>\$2,476.40<br>(\$12,137.50)  | \$12.32<br>\$0.02349<br>\$2.340.00<br>\$202,713.52<br>\$199,582.32<br>\$254.89<br>\$1,529.37<br>\$3,553.85<br>(\$13,372.76)  | \$12.32<br>\$0.02349<br>\$2,275.00<br>\$277,133.24<br>\$236,913.09<br>\$10,388.27<br>\$1,815.43<br>\$7,769.32<br>(\$17,493.92)   | \$12.32<br>\$0.02349<br>\$22.275.00<br>\$286,418.32<br>\$270,992.85<br>(\$922.92)<br>\$2.076.57<br>\$2.019.02<br>(\$17,178.45)  | \$12.32<br>\$0.02349<br>\$2,276.00<br>\$295,622.44<br>\$260,65.03<br>\$1,996.47<br>\$10,556.97<br>(\$17,529.54)   | \$12.32<br>\$0.02349<br>\$2,275.00<br>\$286,897.00<br>\$253,268.71<br>\$39,785.51<br>\$1,940.76<br>\$14,020.01<br>(\$17,662.77)   | \$12.32<br>\$0.02349<br>\$2.275.00<br>\$212,720.52<br>\$225,808.43<br>\$37,480.54<br>\$1,730.33<br>\$2,208.11<br>(\$14,158.36)   |
| Summer<br>Energy<br>Billing<br>Customer<br>Demand<br>Energy<br>Fuel Clause<br>Demand-Side Management<br>Environmental Surcharge<br>Merger Surcredit<br>Eaming Sharing   | \$12.32<br>\$0.02349<br>\$2,210.00<br>\$184,037.20<br>\$196,867.34<br>(\$335.24)<br>\$1,508.56<br>\$2,728.44<br>(\$12,624.47)<br>\$9,835.65   | \$12.32<br>\$0.02349<br>\$2.275.00<br>\$173,746.02<br>\$219,907.27<br>(\$2,902.14)<br>\$1,685.11<br>\$2,999.81<br>(\$12,973.34)<br>\$9,079.81  | \$12.32<br>\$0.02349<br>\$2,275.00<br>\$170,189.52<br>\$213,206.52<br>\$7,533.48<br>\$1,815.30<br>\$3,555.18<br>(\$13,001.52)<br>\$9,099.53   | \$12.32<br>\$0.02349<br>\$2,275.00<br>\$161,564.32<br>\$188,659.47<br>\$3,694.48<br>\$1,606.30<br>\$3,613.78<br>(\$11,789.30)<br>\$8,251.13  | \$12.32<br>\$0.02349<br>\$2,275.00<br>\$159,035.54<br>\$198,339.22<br>(\$2,364.20)<br>\$1,688.71<br>\$1,902.56<br>(\$11,771.80)<br>\$8,238.88   | \$12.32<br>\$0.02349<br>\$2,210.00<br>\$177,631.48<br>\$197,943.65<br>(\$9,690.73)<br>\$1,516.81<br>\$2,476.40<br>(\$12,137.50)<br>\$0.00  | \$12.32<br>\$0.02349<br>\$2.340.00<br>\$202.713.52<br>\$199.582.32<br>\$254.89<br>\$1,529.37<br>\$3,535.85<br>(\$13,372.76)<br>(\$10,937.76)   | \$12.32<br>\$0.02349<br>\$2,275.00<br>\$277.133.24<br>\$236,913.09<br>\$10,388.27<br>\$1,815.43<br>\$7,769.32<br>(\$17,493.92)<br>\$0.00   | \$12.32<br>\$0.02349<br>\$2.275.00<br>\$286,418.32<br>\$270,992.85<br>(\$922.92)<br>\$2.076.57<br>\$2.019.02<br>(\$17,178.45)<br>\$0.00                                   | \$12.32<br>\$0.02349<br>\$2,276.00<br>\$295,822.44<br>\$260,639.34<br>\$26,085.03<br>\$1,996.47<br>\$10,556.97<br>(\$17,529.54)<br>\$0.00                                 | \$12.32<br>\$0.02349<br>\$2,275.00<br>\$286,897.00<br>\$253,268.71<br>\$39,785.51<br>\$1,940.76<br>\$14,020.01<br>(\$17,562.77)<br>\$0.00   | \$12.32<br>\$0.02349<br>\$2,275.00<br>\$212,720.52<br>\$225,808.43<br>\$37,490.54<br>\$1,730.33<br>\$2,208.11<br>(\$14,158.36)<br>\$0.00   |
| Summer<br>Energy<br>Billing<br>Customer<br>Demand<br>Energy<br>Fuel Clause<br>Demand-Side Management<br>Environmental Surcharge<br>Merger Surcredit<br>Eaming Sharing<br>Value Delivery   | \$12.32<br>\$0.02349<br>\$2,210.00<br>\$184,037.20<br>\$196,867.34<br>(\$335.24)<br>\$1,508.56<br>\$2,728.44<br>(\$12,624.47)<br>\$8,835.55<br>(\$3,449.05)                                 | \$12.32<br>\$0.02349<br>\$2,275.00<br>\$173,746.02<br>\$219,907.27<br>(\$2,902.14)<br>\$1,685.11<br>\$2,999.81<br>(\$12,973.34)<br>\$9,079.81<br>(\$3,644.36)  | \$12.32<br>\$0.02349<br>\$2,275.00<br>\$170,189.52<br>\$213,206.52<br>\$7,533.48<br>\$1,815.30<br>\$3,555.18<br>(\$13,001.52)<br>\$8,039.53<br>(\$4,104.60)                                 | \$12.32<br>\$0.02349<br>\$2,275.00<br>\$161,564.32<br>\$188,659.47<br>\$3,664.48<br>\$1,606.30<br>\$3,613.78<br>(\$11,769.30)<br>\$8,251.13<br>(\$3,542.96)  | \$12.32<br>\$0.02349<br>\$2,275.00<br>\$159,035.54<br>\$198,339.22<br>(\$2,364.20)<br>\$1,688.71<br>\$1,992.56<br>(\$11,771.80)   | \$12.32<br>\$0.02349<br>\$2,210.00<br>\$177,631.48<br>\$197,943.65<br>(\$9,690.73)<br>\$1,516.81<br>\$2,476.40<br>(\$12,137.50)<br>\$0.00<br>(\$3,563.51)  | \$12.32<br>\$0.02349<br>\$2.340.00<br>\$202.713.52<br>\$199.582.32<br>\$254.89<br>\$1,529.37<br>\$3,535.85<br>(\$13,372.76)<br>(\$10,937.76)<br>(\$3,817.89)   | \$12.32<br>\$0.02349<br>\$2,275.00<br>\$277.133.24<br>\$236,913.09<br>\$10,388.27<br>\$1,815.43<br>\$7,769.32<br>(\$17,493.92)<br>\$0.00<br>(\$5,136.12)                                 | \$12.32<br>\$0.02349<br>\$2,275.00<br>\$286,418.32<br>\$270,992.85<br>(\$922.92)<br>\$2,076.57<br>\$2,019.02<br>(\$17,176.45)<br>\$0.00<br>(\$5,402.24)                   | \$12.32<br>\$0.02349<br>\$295,622.44<br>\$260,639.34<br>\$26,085.03<br>\$1,996.47<br>\$10,556.97<br>(\$17,529.54)<br>\$0.00<br>(\$5,737.30)                               | \$12.32<br>\$0.02349<br>\$2,275.00<br>\$286,897.00<br>\$253,268.71<br>\$39,765.51<br>\$1,940.76<br>\$14,020.01<br>(\$17,562.77)<br>\$0.00<br>(\$5,748.18)                                   | \$12.32<br>\$0.02349<br>\$2,275.00<br>\$212,720.52<br>\$225,808.43<br>\$37,490.54<br>\$1,730.33<br>\$2,208.11<br>(\$14,158.36)<br>\$0.00<br>(\$4,633.94)                                 |
| Summer<br>Energy<br>Billing<br>Customer<br>Demand<br>Energy<br>Fuel Clause<br>Demand-Side Management<br>Environmental Surcharge<br>Merger Surcredit<br>Earning Sharing<br>Value Delivery<br>Total Regenerated Billing                                 | \$12.32<br>\$0.02349<br>\$2,210.00<br>\$184,037.20<br>\$196,867.34<br>(\$335.24)<br>\$1,508.56<br>\$2,728.44<br>(\$12,624.47)<br>\$9,835.65   | \$12.32<br>\$0.02349<br>\$2.275.00<br>\$173,746.02<br>\$219,907.27<br>(\$2,902.14)<br>\$1,685.11<br>\$2,999.81<br>(\$12,973.34)<br>\$9,079.81  | \$12.32<br>\$0.02349<br>\$2,275.00<br>\$170,189.52<br>\$213,206.52<br>\$7,533.48<br>\$1,815.30<br>\$3,555.18<br>(\$13,001.52)<br>\$8,039.53<br>(\$4,104.60)                                 | \$12.32<br>\$0.02349<br>\$2,275.00<br>\$161,564.32<br>\$188,659.47<br>\$3,694.48<br>\$1,606.30<br>\$3,613.78<br>(\$11,789.30)<br>\$8,251.13  | \$12.32<br>\$0.02349<br>\$2,275.00<br>\$159,035.54<br>\$198,339.22<br>(\$2,364.20)<br>\$1,688.71<br>\$1,902.56<br>(\$11,771.80)<br>\$8,238.88   | \$12.32<br>\$0.02349<br>\$2,210.00<br>\$177,631.48<br>\$197,943.65<br>(\$9,690.73)<br>\$1,516.81<br>\$2,476.40<br>(\$12,137.50)<br>\$0.00  | \$12.32<br>\$0.02349<br>\$2.340.00<br>\$202.713.52<br>\$199.582.32<br>\$254.89<br>\$1,529.37<br>\$3,535.85<br>(\$13,372.76)<br>(\$10,937.76)   | \$12.32<br>\$0.02349<br>\$2,275.00<br>\$277.133.24<br>\$236,913.09<br>\$10,388.27<br>\$1,815.43<br>\$7,769.32<br>(\$17,493.92)<br>\$0.00   | \$12.32<br>\$0.02349<br>\$2.275.00<br>\$286,418.32<br>\$270,992.85<br>(\$922.92)<br>\$2.076.57<br>\$2.019.02<br>(\$17,178.45)<br>\$0.00                                   | \$12.32<br>\$0.02349<br>\$2,276.00<br>\$295,822.44<br>\$260,639.34<br>\$26,085.03<br>\$1,996.47<br>\$10,556.97<br>(\$17,529.54)<br>\$0.00                                 | \$12.32<br>\$0.02349<br>\$2,275.00<br>\$286,897.00<br>\$253,268.71<br>\$39,785.51<br>\$1,940.76<br>\$14,020.01<br>(\$17,562.77)<br>\$0.00   | \$12.32<br>\$0.02349<br>\$2,275.00<br>\$212,720.52<br>\$226,808.43<br>\$37,490.54<br>\$1,730.33<br>\$2,208.11<br>(\$14,158.36)<br>\$0.00<br>(\$4,633.94)<br>\$463,440.63                 |
| Summer<br>Energy<br>Billing<br>Customer<br>Demand<br>Energy<br>Fuel Clause<br>Demand-Side Management<br>Environmental Surcharge<br>Merger Surcredit<br>Eaming Sharing<br>Value Delivery   | \$12.32<br>\$0.02349<br>\$2,210.00<br>\$184,037.20<br>\$196,867.34<br>(\$335.24)<br>\$1,508.56<br>\$2,728.44<br>(\$12,624.47)<br>\$8,835.55<br>(\$3,449.05)                                 | \$12.32<br>\$0.02349<br>\$2,275.00<br>\$173,746.02<br>\$219,907.27<br>(\$2,902.14)<br>\$1,685.11<br>\$2,999.81<br>(\$12,973.34)<br>\$9,079.81<br>(\$3,644.36)  | \$12.32<br>\$0.02349<br>\$2,275.00<br>\$170,189.52<br>\$213,206.52<br>\$7,533.48<br>\$1,815.30<br>\$3,555.18<br>(\$13,001.52)<br>\$8,039.53<br>(\$4,104.60)                                 | \$12.32<br>\$0.02349<br>\$2,275.00<br>\$161,564.32<br>\$188,659.47<br>\$3,664.48<br>\$1,606.30<br>\$3,613.78<br>(\$11,769.30)<br>\$8,251.13<br>(\$3,542.96)  | \$12.32<br>\$0.02349<br>\$2,275.00<br>\$159,035.54<br>\$198,339.22<br>(\$2,364.20)<br>\$1,688.71<br>\$1,902.56<br>(\$11,771.80)<br>\$8,238.88<br>(\$3,537.70)                                 | \$12.32<br>\$0.02349<br>\$2,210.00<br>\$177,631.48<br>\$197,943.65<br>(\$9,690.73)<br>\$1,516.81<br>\$2,476.40<br>(\$12,137.50)<br>\$0.00<br>(\$3,563.51)  | \$12.32<br>\$0.02349<br>\$2.340.00<br>\$202.713.52<br>\$199.582.32<br>\$254.89<br>\$1,529.37<br>\$3,535.85<br>(\$13,372.76)<br>(\$10,937.76)<br>(\$3,817.89)   | \$12.32<br>\$0.02349<br>\$2,275.00<br>\$277.133.24<br>\$236,913.09<br>\$10,388.27<br>\$1,815.43<br>\$7,769.32<br>(\$17,493.92)<br>\$0.00<br>(\$5,136.12)                                 | \$12.32<br>\$0.02349<br>\$2,275.00<br>\$286,418.32<br>\$270,992.85<br>(\$922.92)<br>\$2,076.57<br>\$2,019.02<br>(\$17,176.45)<br>\$0.00<br>(\$5,402.24)                   | \$12.32<br>\$0.02349<br>\$295,622.44<br>\$260,639.34<br>\$26,085.03<br>\$1,996.47<br>\$10,556.97<br>(\$17,529.54)<br>\$0.00<br>(\$5,737.30)                               | \$12.32<br>\$0.02349<br>\$2,275.00<br>\$286,897.00<br>\$253,268.71<br>\$39,765.51<br>\$1,940.76<br>\$14,020.01<br>(\$17,562.77)<br>\$0.00<br>(\$5,748.18)                                   | \$12.32<br>\$0.02349<br>\$2,275.00<br>\$212,720.52<br>\$225,808.43<br>\$37,490.54<br>\$1,730.33<br>\$2,208.11<br>(\$14,158.36)<br>\$0.00<br>(\$4,633.94)                                 |
| Summer<br>Energy<br>Billing<br>Customer<br>Demand<br>Energy<br>Fuel Clause<br>Demand-Side Management<br>Environmental Surcharge<br>Merger Surcredit<br>Eaming Sharing<br>Value Delivery<br>Total Regenerated Billing<br>Adjusted for Ratio to Actual  | \$12.32<br>\$0.02349<br>\$2,210.00<br>\$184.037.20<br>\$196.867.34<br>\$1,508.56<br>\$2,728.44<br>(\$12,624.47)<br>\$8,835.65<br>(\$3,449.05)<br>\$379,778.43                               | \$12.32<br>\$0.02349<br>\$2,275.00<br>\$173,746.02<br>\$219,907.27<br>(\$2,902.14)<br>\$1,665.11<br>\$2,939.81<br>(\$12,873.34)<br>\$9,079.81<br>(\$3,544.36)<br>\$390,273.18                                  | \$12.32<br>\$0.02349<br>\$2,275.00<br>\$170,189.52<br>\$213,206.52<br>\$7,533.48<br>\$1,815.30<br>\$3,555.18<br>(\$13,001.52)<br>\$9,099.53<br>(\$4,104.60)<br>\$390,568.41                 | \$12.32<br>\$0.02349<br>\$2,275.00<br>\$161,564.32<br>\$188,659.47<br>\$3,694.48<br>\$1,606.30<br>\$3,613.78<br>(\$11,789.30)<br>\$8,251.13<br>(\$3,542.96)<br>\$354,332.22                                  | \$12.32<br>\$0.02349<br>\$2,275.00<br>\$159,035.54<br>\$198,339.22<br>(\$2,364.20)<br>\$1,688.71<br>\$1,902.56<br>(\$11,771.80)<br>\$8,238.68<br>(\$3,537.70)<br>\$353,806.21                 | \$12.32<br>\$0.02349<br>\$2,210.00<br>\$177,631.48<br>\$197,943.65<br>(\$9,690.73)<br>\$1,516.81<br>\$2,476.40<br>(\$12,137.50)<br>\$3,563.51)<br>\$356,386.60   | \$12.32<br>\$0.02349<br>\$2.340.00<br>\$202,713.52<br>\$199,582.32<br>\$254.89<br>\$1,529.37<br>\$3,535.85<br>(\$13,372.76)<br>(\$10,937.76)<br>(\$3,817.89)<br>\$381,827.54   | \$12.32<br>\$0.02349<br>\$2,275.00<br>\$277.133.24<br>\$236,913.09<br>\$10,388.27<br>\$1,815.43<br>\$7,769.32<br>(\$17,493.92)<br>\$0.00<br>(\$5,136.12)<br>\$513,664.31                 | \$12.32<br>\$0.02349<br>\$2,275.00<br>\$286,418.32<br>\$270,992.85<br>(\$922.92)<br>\$2,076.57<br>\$2,019.02<br>(\$17,178.45)<br>\$0.00<br>(\$5,402.24)<br>\$640,278.15   | \$12.32<br>\$0.02349<br>\$2,275.00<br>\$295,622.44<br>\$260,639.34<br>\$260,65.03<br>\$1,996.47<br>\$10,556.97<br>(\$17,529.54)<br>\$0.00<br>(\$5,737.30)<br>\$573,768.41 | \$12.32<br>\$0.02349<br>\$2,275.00<br>\$286,897.00<br>\$253,268.71<br>\$39,785.51<br>\$1,940.76<br>\$14,020.01<br>(\$17,562.77)<br>\$0.00<br>(\$5,748.18)<br>\$574,876.04                   | \$12.32<br>\$0.02349<br>\$2,275.00<br>\$212,720.52<br>\$226,808.43<br>\$37,490.54<br>\$1,730.33<br>\$2,208.11<br>(\$14,158.36)<br>\$0.00<br>(\$4,633.94)<br>\$463,440.63                 |
| Summer<br>Energy<br>Billing<br>Customer<br>Demand<br>Energy<br>Fuel Clause<br>Demand-Side Management<br>Environmental Surcharge<br>Morger Surcredit<br>Earning Sharing<br>Value Delivery<br>Total Regenerated Billing<br>Adjusted for Ratio to Actual | \$12.32<br>\$0.02349<br>\$2,210.00<br>\$184.037.20<br>\$196.867.34<br>\$1,508.56<br>\$2,728.44<br>(\$12,624.47)<br>\$8,835.65<br>(\$3,449.05)<br>\$379,778.43                               | \$12.32<br>\$0.02349<br>\$2,275.00<br>\$173,746.02<br>\$219,907.27<br>(\$2,902.14)<br>\$1,685.11<br>\$2,999.81<br>(\$12,873.34)<br>\$9,079.81<br>(\$3,544.36)<br>\$390,273.18<br>\$396,832.89                  | \$12.32<br>\$0.02349<br>\$2,275.00<br>\$170,189.52<br>\$213,206.52<br>\$7,533.48<br>\$1,815.30<br>\$3,555.18<br>(\$13,001.52)<br>\$9,099.53<br>(\$4,104.60)<br>\$390,568.41<br>\$390,568.51 | \$12.32<br>\$0.02349<br>\$2,275.00<br>\$161,564.32<br>\$188,659.47<br>\$3,694.48<br>\$1,606.30<br>\$3,613.78<br>(\$11,789.30)<br>\$8,251.13<br>(\$3,542.96)<br>\$354,332.22                                  | \$12.32<br>\$0.02349<br>\$2,275.00<br>\$159,035.54<br>\$198,339.22<br>(\$2,364.20)<br>\$1,688.71<br>\$1,902.56<br>(\$11,771.80)<br>\$8,238.68<br>(\$3,537.70)<br>\$353,806.21                 | \$12.32<br>\$0.02349<br>\$2,210.00<br>\$177,631.48<br>\$197,943.65<br>(\$9,690.73)<br>\$1,516.81<br>\$2,476.40<br>(\$12,137.50)<br>\$3,563.51)<br>\$356,386.60   | \$12.32<br>\$0.02349<br>\$2.340.00<br>\$202,713.52<br>\$199,582.32<br>\$254.89<br>\$1,529.37<br>\$3,535.85<br>(\$13,372.76)<br>(\$10,937.76)<br>(\$3,817.89)<br>\$381,827.54<br>\$381,793.71                                   | \$12.32<br>\$0.02349<br>\$2,275.00<br>\$277.133.24<br>\$236,913.09<br>\$10,388.27<br>\$1,815.43<br>\$7,769.32<br>(\$17,493.92)<br>\$0.00<br>(\$5,136.12)<br>\$513,664.31                 | \$12.32<br>\$0.02349<br>\$2,275.00<br>\$286,418.32<br>\$270,992.85<br>(\$922.92)<br>\$2,076.57<br>\$2,019.02<br>(\$17,178.45)<br>\$0.00<br>(\$5,402.24)<br>\$640,278.15   | \$12.32<br>\$0.02349<br>\$2,275.00<br>\$295,622.44<br>\$260,639.34<br>\$260,65.03<br>\$1,996.47<br>\$10,556.97<br>(\$17,529.54)<br>\$0.00<br>(\$5,737.30)<br>\$573,768.41 | \$12.32<br>\$0.02349<br>\$2,275.00<br>\$286,897.00<br>\$253,268.71<br>\$39,785.51<br>\$1,940.76<br>\$14,020.01<br>(\$17,562.77)<br>\$0.00<br>(\$5,748.18)<br>\$574,876.04                   | \$12.32<br>\$0.02349<br>\$2,275.00<br>\$212,720.52<br>\$226,808.43<br>\$37,490.54<br>\$1,730.33<br>\$2,208.11<br>(\$14,158.36)<br>\$0.00<br>(\$4,633.94)<br>\$463,440.63                 |
| Summer<br>Energy<br>Billing<br>Customer<br>Demand<br>Energy<br>Fuel Clause<br>Demand-Side Management<br>Environmental Surcharge<br>Merger Surcredit<br>Eaming Sharing<br>Value Delivery<br>Total Regenerated Billing<br>Adjusted for Ratio to Actual  | \$12.32<br>\$0.02349<br>\$2,210.00<br>\$184,037.20<br>\$196,867.34<br>(\$335.24)<br>\$1,508.56<br>\$2,728.44<br>(\$12,624.47)<br>\$6,835.65<br>(\$3,449.05)<br>\$379,778.43<br>\$385,207.30 | \$12.32<br>\$0.02349<br>\$2,275.00<br>\$173,746.02<br>\$219,907.27<br>(\$2,902.14)<br>\$1,685.11<br>\$2,999.81<br>(\$12,973.34)<br>\$9,079.81<br>(\$3,644.36)<br>\$396,273.18<br>\$396,832.89<br>(\$27,215.89) | \$12.32<br>\$0.02349<br>\$2,275.00<br>\$170,189.52<br>\$213,206.52<br>\$7,533.48<br>\$1,815.30<br>\$3,555.18<br>(\$13,001.52)<br>\$9,099.53<br>(\$4,104.60)<br>\$390,568.41<br>\$390,568.51 | \$12.32<br>\$0.02349<br>\$2,275.00<br>\$161,564.32<br>\$188,659.47<br>\$3,694.48<br>\$1,606.30<br>\$3,613.78<br>(\$11,769.30)<br>\$8,251.13<br>(\$3,542.96)<br>\$354,332.22<br>\$354,332.83<br>(\$22,071.83) | \$12.32<br>\$0.02349<br>\$2,275.00<br>\$159,035.54<br>\$198,339.22<br>(\$2,364.20)<br>\$1,688.71<br>\$1,902.56<br>(\$11,771.80)<br>\$6,238.88<br>(\$3,537.70)<br>\$353,806.21<br>\$353,806.21 | \$12.32<br>\$0.02349<br>\$2,210.00<br>\$177,631.48<br>\$197,943.65<br>(\$9,690.73)<br>\$1,516.81<br>\$2,476.40<br>(\$12,137,50)<br>\$0.00<br>(\$3,563.51)<br>\$356,386.60<br>\$356,386.60<br>\$356,386.50<br>(\$21,454.50) | \$12.32<br>\$0.02349<br>\$2.340.00<br>\$202,713.52<br>\$199,582.32<br>\$254.89<br>\$1,529.37<br>\$3,535.85<br>(\$13,372.76)<br>(\$10,937.76)<br>(\$10,937.76)<br>(\$3,817.89)<br>\$381,827.54<br>\$381,793.71<br>(\$21,137.71) | \$12.32<br>\$0.02349<br>\$2,275.00<br>\$277.133.24<br>\$236,913.09<br>\$10,388.27<br>\$1,815.43<br>\$7,769.32<br>(\$17,493.92)<br>\$0.00<br>(\$5,136.12)<br>\$513,664.31<br>\$513,225.60 | \$12.32<br>\$0.02349<br>\$286,418.32<br>\$270,992.85<br>(\$922.92)<br>\$2,076.57<br>\$2,019.02<br>(\$17,178.45)<br>\$0.00<br>(\$5,402.24)<br>\$640,278.15<br>\$540,278.68 | \$12.32<br>\$0.02349<br>\$2,275.00<br>\$295,622.44<br>\$260,6503<br>\$1,996.47<br>\$10,556.97<br>(\$17,529.54)<br>\$0.00<br>(\$5,737.30)<br>\$573,768.41<br>\$673,768.44  | \$12.32<br>\$0.02349<br>\$286,897.00<br>\$286,897.00<br>\$253,268.71<br>\$39,785.51<br>\$1,940.76<br>\$14,020.01<br>(\$17,582.77)<br>\$0.90<br>(\$5,748.18)<br>\$574,876.04<br>\$574,875.77 | \$12.32<br>\$0.02349<br>\$2,275.00<br>\$212,720.52<br>\$226,808.43<br>\$37,490.54<br>\$1,730.33<br>\$2,208.11<br>(\$14,158.36)<br>\$0.00<br>(\$4,633.94)<br>\$463,440.63<br>\$463,440.63 |



LG&E Energy LLC 220 West Main Street (40202) P.O. Box 32030 Louisville, Kentucky 40232

February 14, 2006

Elizabeth O' Donnell, Executive Director Public Service Commission of Kentucky 211 Sower Boulevard Post Office Box 615 Frankfort, Kentucky 40602-0615

Dear Ms. O'Donnell:

Pursuant to the Commission's Order dated June 30, 2004, in Case No. 2003-00434, Kentucky Utilities Company ("KU") filed an experimental electric tariff P.S.C. No. 62 for the Small Time of Day Service ("STOD"). That electric tariff provides for the calculation of a monthly charge per KWH to recover programming costs associated with modifying the customer billing system, not to exceed \$29,050 per year, plus any lost revenues associated with STOD. This monthly charge is to be applied to customers taking service under the Large Power Service ("LP") for KU.

Attached is Exhibit 1 which presents the calculation of the factor to be applied during the period of March 2006 through October 2006. The eight month application period is used to allow for the months remaining in the second program year. As noted in KU's filing of the first year factor by my letter dated October 22, 2004, a balancing adjustment is being made for the difference in the programming costs to be recovered in the first year and the actual recovery for the first year. A similar balancing adjustment will be made in the third year factor to reflect any differences for the second year's recovery. This balancing adjustment is being made such that KU neither overcharges nor under collects the STOD program costs.

Attached as Exhibit 2 is a calculation of the loss revenue in support of Exhibit 1.

KU will begin applying the recovery factor of \$0.00007 per KWH effective with the first billing cycle of the March 2006. Please contact me at (502) 627-3324 or Don Harris at (502) 627-2021 if you have any questions about this information.

Sincerely,

Robert Conroy Manager, Rates

|  | KU            |
|--|---------------|
| (1) Program Cost Recovery (2nd Program Year)                     | \$29,050      |
| (2) Lost Revenue (1st Program Year) (See Exhibit 2)              | \$279,657     |
| Balancing Adjustment:  |               |
| Program Cost Recovery (1st Program Year)                         | \$29,050      |
| Less: Actual Recovery (1st Program Year)                         | \$58,523      |
| (3) Total Balancing Adjustment                                   | (\$29,473)    |
| (4) Total Program Cost Recovery (2nd Program Year) [(1)+(2)+(3)] | \$279,234     |
| (5) LPKWH - Projected Mar '06 thru Oct '06                       | 4,294,511,960 |
| PCRF (dollars per KWH) [(4)/(5)]                                 | 0.00007       |

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# **Program Cost Recovery Factor Calculation**

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Kentucky Utilities Company

EXHIBIT 2

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|  |  |  | •  | inucky of  |  | addo company  |  |   |  |   | 0   | Oct '05  |
|--|--|--|--|--|--|---|--|---|--|---|---|--|
|  | Nov '04  | Dec '04  | Jan '05  | Feb '05  | Mar '05  | Apr '05   | May '05  | Jun '05   | Jul '05  | Aug '05   | Sep '05   | 004 99   |
|  | 1404 04  |  |  |  |  | ** *****  | \$0.00267  | \$0.00512   | \$0.00118  | \$0.00918   | \$0.00671   | \$0.00760  |
| Fuel Adjustment Clause   | \$0.00316  | \$0.00307  | \$0.00211  | \$0.00279  | \$0.00320  | \$0.00352   | \$0.00287<br>\$0.00004   | \$0,00004   | \$0.00004  | \$0.00004   | \$0.00004   | \$0.00004  |
|  | \$0.00003  | \$0.00003  | \$0,00003  | \$0.00003  | \$0.00003  | \$0.00004   |  | 3.150%  | 2.010%   | 3.420%  | 2.860%  | 1.140%   |
| Demand Side Management   | 2.880%   | 2.850%   | 3.050%   | 6.030%   | 1.920%   | 1.900%  | 2.850%   | 2.576%  | 2.503%   | 2.246%  | 2.246%  | 2.246%   |
| Environmental Surcharge  | 2.576%   | 2.576%   | 2.576%   | 2.576%   | 2.576%   | 2.576%  | 2.576%   |   | 0.000%   | 0.000%  | 0.000%  | 0.000%   |
| Merger Surcredit   | 2.330%   | 2.330%   | 2.330%   | 2.330%   | 2.330%   | 0.000%  | -3.185%  | 0.000%  | 0.410%   | 0.410%  | 0.410%  | 0.410%   |
| Earning Sharing Mechanism  | -  | 0.380%   | 0.450%   | 0.410%   | 0.410%   | 0.410%  | 0.410%   | 0.410%  | <b>U.</b> 4 10 /8 -  | 0.4 10 /0   | 4.7.10.10   |  |
| Value Delivery Surcredit   | 0.380%   | 0.300 %  | 0.40070  |  |  |   |  |   |  |   |   |  |
| Billing Determinants   |  |  | 40   | 48   | 48   | 48  | 48   | 48  | 47   | 49  | 49  | 49<br>29,275.6   |
| Customers  | 48   | 48   | 48   |  | 22,141.1   | 24.010.6  | 25,818.2   | 28,094.4  | 28,751.6   | 30,434.1  | 31,221.5  |  |
| Demand-Secondary   | 25,840.6   | 23,984.6   | 23,470.8   | 22,789.6   | 0.0  | 0.0   | 0.0  | 0.0   | 0.0  | 0.0   | 0.0   | 0.0  |
| Demand-Primary   | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  | 4.6   |  |   |  |   |   |  |
| Energy   |  |  |  |  | E 440 444  | 5,771,400   | 5,636,176  | 6,079,124   | 5,901,776  | 5,707,932   | 6,023,504   | 5,927,916  |
| On-Peak  | 5,750,212  | 6,076,536  | 6,052,396  | 5,339,544  | 5,413,444  | 7,323,168   | 6,941,944  | 8,881,740   | 10,629,672   | 10,262,716  | 10,689,580  | 9,327,552  |
| Off-Peak   | 7,282,164  | 7,791,500  | 7,628,216  | 6,891,328  | 7,060,444  | 7,323,100   | Q.94 (3944   |   |  |   |   |  |
| Small Time-of-Day Rate   |  |  |  |  |  |   |  |   |  |   |   |  |
| Rate   |  |  |  |  | #00.00   | \$90.00   | \$90.00  | \$90.00   | \$90.00  | \$90.00   | \$90.00   | \$90.00  |
| Customer   | \$90.00  | \$90.00  | \$90.00  | \$90.00  | \$90.00  | 490.00  | 400.00   | •••   | -  |   |   |  |
| Demand - Secondary   |  |  |  |  |  | FO 05   | \$6.65   | \$6.65  | \$6.65   | \$6.65  | \$6.65  | \$6.65   |
| Winter   | \$6.65   | \$6.65   | \$6.65   | \$6,65   | \$6.65   | \$6.65  | \$6.65   | \$6.65  | \$6.65   | \$6.65  | \$6.65  | \$6.65   |
| Summer   | \$6.65   | \$6.65   | \$6.65   | \$6.65   | \$6.65   | \$6.65  | 30.00  | <b>4</b> 4.44   |  | •   | -   |  |
| - Primary  | •••••  | • • • •  |  |  |  |   |  | ** nc   | \$6.26   | \$6.26  | \$6.26  | \$6.26   |
| •  | \$6.26   | \$6.26   | \$6,26   | \$6.26   | \$6.26   | \$6.26  | \$6.28   | \$6.26  | •  | \$6.26  | \$6.26  | \$6.26   |
| Winter   | \$6.26   | \$6.26   | \$6.26   | \$6.26   | \$6.26   | \$6.26  | \$6.26   | \$6.26  | \$6.26   | 40.20   | +v-s.v  |  |
| Summer   | 30,20  | 40.20  | <b>W</b> 17-4-W  |  | • • •  |   |  |   |  |   | ******  | \$0.03116  |
| Energy   |  | ** *****   | to 00000   | \$0.02800  | \$0.02800  | \$0.02800   | \$0.02800  | \$0,02800   | \$0.03116  | \$0.03116   | \$0.03116   |  |
| On-Peak  | \$0.02800  | \$0,02800  | \$0.02800  | \$0.01500  | \$0.01500  | \$0.01500   | \$0,01500  | \$0.01500   | \$0.01816  | \$0.01816   | \$0.01816   | \$0.01816  |
| Off-Peak   | \$0.01500  | \$0.01500  | \$0.01500  | 30.01000   | 40.01000   |   | •  | -   |  |   |   |  |
|  |  |  |  |  |  |   |  |   |  |   |   | \$4,410.00   |
| Billing  |  |  | \$4,320.00   | \$4,320.00   | \$4,320.00   | \$4,320.00  | \$4,320.00   | \$4,320.00  | \$4,230.00   | \$4,410.00  | \$4,410.00  |  |
| Customer   | \$4,320.00   | \$4,320.00   |  | \$151,550.84   | \$147,238.32   | \$159,670,49  | \$171,691.03   | \$186,827.76  | \$191,198.14   | \$202,386.77  | \$207,622.98  | \$194,682.74   |
| Demand   | \$171,839.99   | \$159,497.59   | ····   |  | \$257,483.09   | \$271,446.72  | \$261,942.09   | \$303,441.57  | \$376,934.18   | \$364,230.08  | \$385,447.15  | \$354,102.20   |
| Energy   | \$270,238.40   | \$287,015.51   | \$283,890.33   | \$252,877.15   | \$39,916.44  | \$46,092.88   | \$33,583,58  | \$76.599.62   | \$19,507.11  | \$146,610.55  | \$113,486.79  | \$115,941.58   |
| Fuel Clause  | \$41,182.31  | \$42,574.87  | \$28,866.09  | \$34,124.13  | · · · · · ·  |   | \$503.12   | \$598.43  | \$661.26   | \$638.83  | \$676.52  | \$610.22   |
| Demand-Side Management   | \$390.97   | \$416.04   | \$410.42   | \$366.93   | \$374.22   | \$523.78  | \$13,453.13  | \$18,011.30   | \$11,909.87  | \$24,565.05   | \$20,353.00   | \$7,635.11   |
| Environmental Surcharge  | \$14,053,58  | \$14,073.98  | \$14,443.81  | \$26,727.31  | \$8,627.18   | \$9,159.02  |  | (\$15,193.21)   | (\$15,129.15)  | (\$16,684.22)   | (\$16,440.64)   | (\$15,214.00)  |
| Merger Surcredit   | (\$12,932.17)  | (\$13,083.45)  | (\$12,571.18)  | (\$12,106.33)  | (\$11,797.03)  | (\$12,653.64)   | (\$12,506.30)  |   | \$0.00   | \$0.00  | \$0.00  | \$0.00   |
| Earning Sharing  | \$11,395.87  | \$11,529.18  | \$11,077.76  | \$10,668.14  | \$10,395.58  | \$0.00  | (\$15,064.62)  | \$0.00  |  | (\$2,977.24)  | (\$2,933.78)  | (\$2,714.89)   |
| Value Delivery   | (\$1,901.86)   | (\$1,924.11)   | (\$2,189.33)   | (\$1,920.97)   | (\$1,871.89)   | (\$1,962.09)  | (\$1,877.48)   | (\$2,355.88)  | (\$2,416.18)   |   | - فالمسمع بخديد الأربي ا  | \$659,452.94   |
| •  | \$498,587.09   | \$504,419.61   | \$484,328.72   | \$466,607.20   | \$454,685.91   | \$476,597.16  | \$456,044.55   | \$572,249.59  | \$586,895.23   | \$723,179.82  | \$712,622.02  | 2008,402.84  |
| Total Regenerated Billing  | \$490,067.09   | \$304,4 (8.0 )   | \$101,020.72   | • · · · · · · · · · · · · · · · · · · ·  | •••••  |   |  |   | 535,153  | 772,950   | 712.622   | 659,453  |
| Actual Billing   | \$494,566.30   | \$504,419.65   | 484,329  | 466,612  | 454,675  | 476,597   | 456,045  | 572,250   | 0.91184  | 1.06682   | 1.00000   | 1.00000  |
| Ratio of Actual to Regenerated   | 0.99194  | 1.00000  | 1.00000  | 1.00001  | 0.99998  | 1.90090   | 1.00000  | 1.00000   | 9,91194  | 1.00002   |   |  |
| Large Power Rate   |  |  |  |  |  |   |  |   |  |   |   |  |
| Rate   |  |  |  |  |  |   |  |   | \$75.00  | \$75.00   | \$75.00   | \$75.00  |
| Customer   | \$75.00  | \$75.00  | \$75.00  | \$75.00  | \$75.00  | \$75.00   | \$75.00  | \$75.00   | \$19.00  | 410.00  | <b>4</b> 10.00  | ••••••   |
| Demand - Secondary   |  | -  |  |  |  |   |  | *   |  | \$6.65  | \$6.65  | \$6.65   |
| Winter   | \$6.65   | \$6.65   | \$6.65   | \$6.65   | \$6.65   | \$6.65  | \$6.65   | \$6.65  | \$6.65   |   | \$6.65  | \$6.65   |
| Summer   | \$6.65   | \$6.65   | \$6.65   | \$6.65   | \$6.65   | \$6.65  | \$6.65   | \$6.65  | \$6.65   | \$6.65  | 40.00   | 40.00  |
| - Primary  | 90.00  | <b>~</b> ~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~   | ÷*   | • <i>2</i>   | •  |   |  |   | - · ·  | <b>*</b> **   | en n-   | \$6.26   |
| •  | £0.00  | #c 00  | \$6.26   | \$6.26   | \$6.26   | \$6.26  | \$6.26   | \$6.26  | \$6.26   | \$5.26  | \$8.25  |  |
| Winter   | \$6.26   | \$6.26   | \$6.26   | \$6.26   | \$6.26   | \$6.26  | \$6.26   | \$6.26  | \$6.26   | \$6.26  | \$6.26  | \$6.26   |
| Summer   | \$6.26   | \$6.26   | \$0.02200  | \$0.02200  | \$0.02200  | \$0.02200   | \$0.02200  | \$0.02200   | \$0.02516  | \$0.02516   | \$0.02516   | \$0.02516  |
| Energy   | \$0.02200  | \$0.02200  | \$0.02200  | \$0.02200  | 40.01100   | •••••   | •  |   |  |   |   |  |
| Billing  |  |  |  |  |  |   |  | £3 600 00   | \$3,525.00   | \$3,675.00  | \$3,676.00  | \$3,675.00   |
|  | \$3,600.00   | \$3,600.00   | \$3,600.00   | \$3,600.00   | \$3,600.00   | \$3,600.00  | \$3,600.00   | \$3,600.00  |  |   | \$207.622.98  | \$194,682.74   |
|  | \$171,839.99   | \$159,497.59   | \$156,080.82   | \$151,550.84   | \$147,238.32   | \$159,670.49  | \$171,691.03   | \$186,827.76  | \$191,198.14   | \$202,386.77  |   | \$383,827.57   |
| Customer   |  |  |  | \$269,079.18   | \$274,425.54   | \$288,080.50  | \$276,718.64   | \$329,139.01  | \$415,931.23   | \$401,821.50  | \$425,533.19  | •  |
| Customer<br>Demand   |  | \$305 096 79   | \$300,973.46   |  |  | \$46,092.88   | \$33,583.58  | \$76,599.62   | \$19,507.11  | \$146,610.55  | \$113,486.79  | \$115,941.56   |
| Customer<br>Demand<br>Energy   | \$286,712.27   | \$305,096,79   | \$300,973.46<br>\$28.856.09  |  | \$39,916,44  |   |  | \$598.43  | \$661.26   | 8035 93   |   | \$610.22   |
| Customer<br>Demand<br>Energy<br>Fuel Clause  | \$286,712.27<br>\$41,182.31  | \$42,574.87  | \$28,866.09  | \$34,124.13  | \$39,916.44<br>\$374.22  |   | \$503.12   |   | 400  | \$638.83  | \$676.52  | <b>.</b>   |
| Customer<br>Demand<br>Energy<br>Fuel Clause<br>Demand-Side Management  | \$286,712.27<br>\$41,182.31<br>\$390.97  | \$42,574.87<br>\$416.04  | \$28,866.09<br>\$410.42  | \$34,124.13<br>\$366.93  | \$374.22   | \$523.78  |  | \$18,798.09   | \$12,679.54  | \$25,825.54   | \$21,478.44   | \$7,965.60   |
| Customer<br>Demand<br>Energy<br>Fuel Clause<br>Demand-Side Management<br>Environmental Surcharge   | \$286,712.27<br>\$41,182.31<br>\$390.97<br>\$14,507.30   | \$42,574.87<br>\$416.04<br>\$14,568.78   | \$28,866.09<br>\$410.42<br>\$14,942.89   | \$34,124.13<br>\$366.93<br>\$27,660.88   | \$374.22<br>\$8,938.65   | \$523.78<br>\$9,461.39  | \$13,853.75  | \$18,798.09   | \$12,679.54  |   |   |  |
| Customer<br>Demand<br>Energy<br>Fuel Clause<br>Demand-Side Management<br>Environmental Surcharge<br>Merger Surcredit   | \$286,712.27<br>\$41,182.31<br>\$390.97<br>\$14,507.30<br>(\$13,349.68)  | \$42,574.87<br>\$416.04<br>\$14,568.78<br>(\$13,543.42)  | \$28,866.09<br>\$410.42<br>\$14,942.89<br>(\$13,005.55)  | \$34,124.13<br>\$366.93<br>\$27,660.88<br>(\$12,529.20)  | \$374.22<br>\$8,938.65<br>(\$12,222.94)  | \$523.78<br>\$9,461.39<br>(\$13,071.37)   | \$13,853.75<br>(\$12,878.72)   | \$18,798.09<br>(\$15,856.90)  | \$12,679.54<br>(\$16,106.86)   | \$25,825.54<br>(\$17,540.32)  | \$21,478.44   | (\$15,872.54   |
| Customer<br>Demand<br>Energy<br>Fuel Clause<br>Demand-Side Management<br>Environmental Surcharge   | \$286,712.27<br>\$41,182.31<br>\$390.97<br>\$14,507.30   | \$42,574.87<br>\$416.04<br>\$14,568.78   | \$28,866.09<br>\$410.42<br>\$14,942.89<br>(\$13,005.55)<br>\$11,460.53   | \$34,124.13<br>\$366.93<br>\$27,660.88<br>(\$12,529.20)<br>\$11,040.77   | \$374.22<br>\$8,938.65<br>(\$12,222.94)<br>\$10,770.90   | \$523.78<br>\$9,461.39<br>(\$13,071.37)<br>\$0.00   | \$13,853.75<br>(\$12,878.72)<br>(\$15,513.22)  | \$18,798.09<br>(\$15,856.90)<br>\$0.00  | \$12,679.54<br>(\$16,106.86)<br>\$0.00   | \$25,825.54<br>(\$17,540.32)<br>\$0.00  | \$21,478.44<br>(\$17,349.74)<br>\$0.00  | (\$15,872.54<br>\$0.00   |
| Customer<br>Demand<br>Energy<br>Fuel Clause<br>Demand-Side Management<br>Environmental Surcharge<br>Merger Surcredit   | \$286,712.27<br>\$41,182.31<br>\$390.97<br>\$14,507.30<br>(\$13,349.68)  | \$42,574.87<br>\$416.04<br>\$14,568.78<br>(\$13,543.42)<br>\$11,934.51   | \$28,866.09<br>\$410.42<br>\$14,942.89<br>(\$13,005.55)  | \$34,124.13<br>\$366.93<br>\$27,660.88<br>(\$12,529.20)  | \$374.22<br>\$8,938.65<br>(\$12,222.94)  | \$523.78<br>\$9,461.39<br>(\$13,071.37)<br>\$0.00<br>(\$2,026.87)                                 | \$13,853.75<br>(\$12,878.72)<br>(\$15,513.22)<br>(\$1,933.39)  | \$18,798.09<br>(\$15,856.90)<br>\$0.00<br>(\$2,458.79)  | \$12,679.54<br>(\$16,106.66)<br>\$0.00<br>(\$2,572.32)                                 | \$25,825.54<br>(\$17,540.32)<br>\$0.00<br>(\$3,130.01)  | \$21,478.44<br>(\$17,349.74)<br>\$0.00<br>(\$3,096.01)  | (\$15,872.54<br>\$0.00<br>(\$2,832.40  |
| Customer<br>Demand<br>Energy<br>Fuel Clause<br>Demand-Side Management<br>Environmental Surcharge<br>Merger Surcredit<br>Earning Sharing<br>Value Delivery                              | \$286,712.27<br>\$41,182.31<br>\$390.97<br>\$14,507.30<br>(\$13,349.68)<br>\$11,763.78<br>(\$1,963.26)                                 | \$42,574.87<br>\$416.04<br>\$14,568.78<br>(\$13,543.42)<br>\$11,934.51<br>(\$1,991.75)                                 | \$28,866.09<br>\$410.42<br>\$14,942.89<br>(\$13,005.55)<br>\$11,460.53<br>(\$2,264.98)                                 | \$34,124.13<br>\$366.93<br>\$27,660.88<br>(\$12,529.20)<br>\$11,040.77   | \$374.22<br>\$8,938.65<br>(\$12,222.94)<br>\$10,770.90   | \$523.78<br>\$9,461.39<br>(\$13,071.37)<br>\$0.00   | \$13,853.75<br>(\$12,878.72)<br>(\$15,513.22)<br>(\$1,933.39)<br>\$469,624.79                                  | \$18,798.09<br>(\$15,856.90)<br>\$0.00<br>(\$2,458.79)<br>\$597,247.22  | \$12,679.54<br>(\$16,106.86)<br>\$0.00<br>(\$2,572.32)<br>\$624,823.10                 | \$25,825.54<br>(\$17,540.32)<br>\$0.00<br>(\$3,130.01)<br>\$760,287.86                                  | \$21,478.44<br>(\$17,349.74)<br>\$0.00<br>(\$3,096.01)<br>\$752,027.17                                  | (\$15,872.54<br>\$0.00<br>(\$2,832.40<br>\$687,997.75                                    |
| Customer<br>Demand<br>Energy<br>Fuel Clause<br>Demand-Side Management<br>Environmental Surcharge<br>Merger Surcredit<br>Earning Sharing  | \$286,712.27<br>\$41,182.31<br>\$390.97<br>\$14,507.30<br>(\$13,349.68)<br>\$11,763.78   | \$42,574.87<br>\$416.04<br>\$14,568.78<br>(\$13,543.42)<br>\$11,934.51   | \$28,866.09<br>\$410.42<br>\$14,942.89<br>(\$13,005.55)<br>\$11,460.53   | \$34,124.13<br>\$366.93<br>\$27,660.88<br>(\$12,529.20)<br>\$11,040.77<br>(\$1,988.06)                                 | \$374.22<br>\$8,938.65<br>(\$12,222.94)<br>\$10,770.90<br>(\$1,939.47)                                 | \$523.78<br>\$9,461.39<br>(\$13,071.37)<br>\$0.00<br>(\$2,026.87)                                 | \$13,853.75<br>(\$12,878.72)<br>(\$15,513.22)<br>(\$1,933.39)  | \$18,798.09<br>(\$15,856.90)<br>\$0.00<br>(\$2,458.79)  | \$12,679.54<br>(\$16,106.66)<br>\$0.00<br>(\$2,572.32)                                 | \$25,825.54<br>(\$17,540.32)<br>\$0.00<br>(\$3,130.01)  | \$21,478.44<br>(\$17,349.74)<br>\$0.00<br>(\$3,096.01)  | (\$15,872.54<br>\$0.00<br>(\$2,832.40<br>\$687,997.75                                    |
| Customer<br>Demand<br>Energy<br>Fuel Clause<br>Demand-Side Management<br>Environmental Surcharge<br>Merger Surcredit<br>Earning Sharing<br>Value Delivery<br>Total Regenerated Billing | \$286,712.27<br>\$41,182.31<br>\$390.97<br>\$14,507.30<br>(\$13,349,68)<br>\$11,763.78<br>(\$1,963,26)<br>\$514,683,68<br>\$510,533,08 | \$42,574.87<br>\$416.04<br>\$14,568.78<br>(\$13,543.42)<br>\$11,934.51<br>(\$1,991.75)<br>\$622,153.41<br>\$522,153.45 | \$28,866.09<br>\$410.42<br>\$14,942.89<br>(\$13,005.55)<br>\$11,460.53<br>(\$2,264.98)<br>\$501,063.68<br>\$501,063.72 | \$34,124.13<br>\$366.93<br>\$27,660.88<br>(\$12,529.20)<br>\$11,040.77<br>(\$1,988.06)<br>\$482,905.47<br>\$482,910.46 | \$374.22<br>\$8,938.65<br>(\$12,222.94)<br>\$10,770.90<br>(\$1,939.47)<br>\$471,101.66<br>\$471,090.59 | \$523.78<br>\$9,461.39<br>(\$13,071.37)<br>\$0,00<br>(\$2,026.87)<br>\$492,330.80<br>\$492,330.85 | \$13,853.75<br>(\$12,878.72)<br>(\$15,513.22)<br>(\$1,833.39)<br>\$469,624.83<br>\$469,624.83                  | \$18,798.09<br>(\$15,856.90)<br>\$0.00<br>(\$2,458.79)<br>\$597,247.22<br>\$597,247.22                                  | \$12,679.54<br>(\$16,106.86)<br>\$0.00<br>(\$2,572.32)<br>\$624,823.10<br>\$569,736.87 | \$25,825.54<br>(\$17,540.32)<br>\$0.00<br>(\$3,130.01)<br>\$760,287.86<br>\$812,611.83                  | \$21,478.44<br>(\$17,349.74)<br>\$0.00<br>(\$3,096.01)<br>\$752,027.17<br>\$752,027.17                  | (\$15,872.54<br>\$0.00<br>(\$2,832.40<br>\$687,997.75<br>\$687,997.93                    |
| Customer<br>Demand<br>Energy<br>Fuel Clause<br>Demand-Side Management<br>Environmental Surcharge<br>Merger Surcredit<br>Earning Sharing<br>Value Delivery<br>Total Regenerated Billing | \$286,712,27<br>\$41,182.31<br>\$390.97<br>\$14,507.30<br>(\$13,349.68)<br>\$11,763.78<br>(\$1,963.26)<br>\$514,683.68                 | \$42,574.87<br>\$416.04<br>\$14,568.78<br>(\$13,543.42)<br>\$11,934.51<br>(\$1,991.75)<br>\$622,153.41<br>\$522,153.45 | \$28,866.09<br>\$410.42<br>\$14,942.89<br>(\$13,005.65)<br>\$11,460.53<br>(\$2,264.98)<br>\$501,063.68<br>\$501,063.72 | \$34,124.13<br>\$366.93<br>\$27,660.88<br>(\$12,529.20)<br>\$11,040.77<br>(\$1,988.06)<br>\$482,905.47                 | \$374.22<br>\$8,938.65<br>(\$12,222.94)<br>\$10,770.90<br>(\$1,939.47)<br>\$471,101.65                 | \$523.78<br>\$9,461.39<br>(\$13,071.37)<br>\$0.00<br>(\$2,026.87)<br>\$492,330.80                 | \$13,853.75<br>(\$12,878.72)<br>(\$15,513.22)<br>(\$1,933.39)<br>\$469,624.79<br>\$469,624.83<br>(\$13,580.24) | \$18,798.09<br>(\$15,856.90)<br>\$0.00<br>(\$2,458.79)<br>\$597,247.22<br>\$597,247.22<br>\$597,247.45<br>(\$24,997.64) | \$12,679.54<br>(\$16,106.86)<br>\$0.00<br>(\$2,572.32)<br>\$624,823.10                 | \$25,825.54<br>(\$17,540.32)<br>\$0.00<br>(\$3,130.01)<br>\$760,287.86<br>\$812,511.83<br>(\$39,661.86) | \$21,478.44<br>(\$17,349.74)<br>\$0.00<br>(\$3,096.01)<br>\$752,027.17<br>\$752,027.17<br>(\$39,405.15) | (\$15,872.54)<br>\$0.00<br>(\$2,832.40)<br>\$687,997.75<br>\$687,997.93<br>(\$28,544.82) |



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NOV 212006

PUBLIC SERVICE

Elizabeth O'Donnell Executive Director Kentucky Public Service Commission 211 Sower Boulevard Frankfort, Kentucky 40602

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

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

November 21, 2006

Dear Ms. O'Donnell:

Pursuant to the Commission's Order dated June 30, 2004, in Case No. 2003-00433, Louisville Gas and Electric Company ("LG&E") filed an experimental electric tariff P.S.C. No. 62 for the Small Time of Day Service ("STOD"). That electric tariff provides for the calculation of a monthly charge per KWH to recover programming costs associated with modifying the customer billing system, not to exceed \$29,050 per year, plus any lost revenues associated with STOD. This monthly charge is to be applied to customers taking service under the Large Commercial Service ("LC") for LG&E.

Attached is Exhibit 1 which presents the calculation of the factor to be applied during the period of December 2006 through November 2007. The balancing adjustment is being made for the difference in the Program Cost to be recovered in the second year and the actual recovery for the second year. This balancing adjustment is being made such that LG&E neither overcharges nor under collects the STOD program costs.

Attached as Exhibit 2 is a calculation of the loss revenue in support of Exhibit 1.

LG&E will begin applying the recovery factor of \$0.000165 per KWH effective with the first billing cycle of the December 2006. Please contact me at (502) 627-3324 or Don Harris at (502) 627-2021 if you have any questions about this information.

Sincerely,

.

Robert M. Conroy

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|  | LG&E          |
|--|---------------|
| (1) Program Cost Recovery (3rd Program Year)                       | \$29,050      |
| (2) Lost Revenue (2nd Program Year) (See Exhibit 2)                | \$342,304     |
| Balancing Adjustment:  |               |
| Program Cost Recovery (2nd Program Year)                           | \$361,268     |
| Less: Actual Recovery (2nd Program Year)                           | \$331,384     |
| (3) Total Balancing Adjustment                                     | \$29,884      |
| (4) Total Program Cost Recovery (3rd Program Year) [(1) +(2) +(3)] | \$401,238     |
| (5) LPKWH - Projected Dec 06 thru Nov 07                           | 2,434,535,755 |
| PCRF (dollars per KWH) [(4)/(5)]                                   | 0.000165      |

# **Program Cost Recovery Factor Calculation**

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EXHIBIT 2

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# Louisville Gas Electric Company

|  |                                |                             |                             | Louisville                 | Gas Elec                        | tric Com                     | pany                         |                        |                         |                             |                             | •••                       |
|--|--------------------------------|-----------------------------|-----------------------------|----------------------------|---------------------------------|------------------------------|------------------------------|------------------------|-------------------------|-----------------------------|-----------------------------|---------------------------|
|  |                                | 0                           | Jan '06                     | Feb '06                    | Mar 106                         | Apr 106                      | May '06                      | Jun 166                | Jui '06                 | Aug '06                     | Sep '06                     | Oct 106                   |
|  | Nov 105<br>50.00120            | Dec 105<br>\$0.00273        | \$0,00088                   | (\$0.00102)                | \$0.00124                       | \$0.00268                    | \$0.00354                    | \$0.00274<br>\$0.00028 | \$0.00219<br>\$0.00028  | \$0.00275<br>\$0.00028      | \$0.00240<br>\$0.00028      | \$0.00520<br>\$0.00028    |
| Fuel Adjustment Clause   | \$0.00018                      | \$0,00018                   | \$0.00018                   | \$0.00018                  | \$0.00018                       | \$0.0002B<br>3.360%          | \$0,00028<br>3,260%          | 2.280%                 | 0.840%                  | 1.100%                      | 0.790%                      | 0.810%                    |
| Domand Side Management   | 0.350%                         | 0.760%                      | 0.650%                      | 0.420%                     | 0.530%                          | 2,936%                       | 2.936%                       | 2.936%                 | 3.001%                  | 2.149%                      | 2,149%                      | 0.000%                    |
| Environmental Surcharge<br>Merger Surcredit  | 2.935%                         | 2,936%                      | 2,935%                      | 2.936%                     | 0,000%                          | 0.000%                       | 0.000%                       | 0.000%                 | 0.000%                  | 0.000%                      | 1.000%                      | 1,000%                    |
| Earning Sharing Mechanism  | 0.000%                         | 0.000%                      | 0.000%                      | 0.000%                     | 0,920%                          | 1.000%                       | 1.000%                       | 1.000%                 | 1.000%                  | 1.000%                      | 1200                        |                           |
| Value Delivery Surcredit   | 0.590%                         | 0.990%                      | 1.230%                      | 0.310 A                    | •••••••                         |                              |                              |                        |                         |                             |                             |                           |
|  |                                |                             |                             |                            |                                 |                              |                              | 35                     | 31                      | 35                          | 34                          | 34                        |
| Billing Octominants  | 35                             | 35                          | 35                          | 35                         | 37                              | 35                           | 37                           | 18,149.0               | 17.927.0                | 18,957.0                    | 17,946.0                    | 16,391.0                  |
| Customers  | 16.040.0                       | 15.078.0                    | 13,982.0                    | 13,451.0                   | 14,453.0                        | 16,086.0                     | 15.613.0<br>1.578.0          | 1,650.0                | 1,722.0                 | 1,722.0                     | 1,626.0                     | 1,602.0                   |
| Demand-Secondary   | 864.0                          | 816.0                       | 760.0                       | 816.0                      | 1,608.0                         | 1,506.0                      | 0.0162                       |                        | -                       |                             |                             | 3,569,180                 |
| Oemand-Prim#y  |                                |                             |                             |                            | 3,659,740                       | 3,865,280                    | 3,986,389                    | 3.944.440              | 3,901,240               | 3,994,120                   | 3,694,780                   | 5.279.120                 |
| Energy<br>On-Peak  | 3,508,380                      | 3,960,720                   | 4,123,440                   | 3,542,020                  | 4,539,680                       | 4,703,920                    | 4.943,760                    | 5,649,240              | 6,975,520               | 6,731,420                   | 6,429,280                   | 3.218.120                 |
| Of Peak  | 4,200,880                      | 5,055,420                   | 5.087.240                   | 4,351,520                  | 4,039.000                       | 4,100,500                    | -1                           |                        |                         |                             |                             |                           |
|  |                                |                             |                             |                            |                                 |                              |                              |                        |                         |                             |                             |                           |
| Small Time-of-Day Rate   |                                |                             |                             |                            |                                 |                              |                              |                        | 600.00                  | \$80.00                     | \$80.00                     | \$80.00                   |
| Rate   |                                | \$80.00                     | \$60.00                     | \$80.00                    | \$80.00                         | \$80.00                      | \$80.00                      | \$80.00                | \$80.00                 | 300.00                      |                             | •                         |
| Customer   | \$80.00                        | 300.00                      |                             |                            |                                 |                              |                              | \$11.14                | \$11.14                 | \$11.14                     | \$11,14                     | \$11.14                   |
| Demand - Secondary   | \$11.14                        | \$11.14                     | \$11.14                     | \$11.14                    | \$11.14                         | \$11,14                      | \$11.14                      | \$11.14                | \$14.20                 | \$14.20                     | \$14.20                     | \$14.20                   |
| Winter   | \$14.23                        | \$14.20                     | \$14.20                     | \$14.20                    | \$14.20                         | \$14.20                      | \$14.20                      | 314.64                 | ••••                    | •                           |                             |                           |
| Summer   | *14.00                         | •••                         | -                           |                            |                                 | \$9.52                       | \$9.52                       | \$9.52                 | \$9.52                  | \$9.52                      | \$9.52                      | \$9.52                    |
| - Prinary  | \$9.52                         | \$9.52                      | \$9.52                      | \$9.52                     | \$9.52                          | \$12.32                      | \$12.32                      | \$12.32                | \$12.32                 | \$12.32                     | \$12.32                     | \$12.32                   |
| Winter<br>Summer   | \$12.32                        | \$12.32                     | \$12.32                     | \$12.32                    | \$12.32                         | 412-04-                      |                              |                        |                         |                             | \$0,03004                   | \$0,03004                 |
| Energy   |                                |                             |                             | \$0.03004                  | \$0,03004                       | \$0.03004                    | \$0.03004                    | \$0.03004              | \$0.03004               | \$0.03004                   | \$0,01438                   | \$0,01438                 |
| Onfeak   | \$0.03004                      | \$0.03004<br>\$0.01438      | 50.03004<br>50.01438        | \$0.01438                  | \$0.01438                       | \$0.01438                    | \$0.01438                    | \$0.01438              | \$0.01438               | \$0.01438                   | 301014100                   |                           |
| Off-Pezk   | \$0.01438                      | 30.01430                    | 30.01400                    |                            | •                               |                              |                              |                        |                         |                             |                             |                           |
|  |                                |                             |                             |                            |                                 |                              | aa aca 50                    | \$2,800.00             | \$2,460.00              | \$2,800.00                  | \$2,720.00                  | \$2,720.00                |
| Billing  | \$2,800.00                     | \$2,800.00                  | \$2,800.00                  | \$2,800.00                 | \$2,960.00                      | \$2.800.00                   | \$2,960.00<br>\$188,951.38   | \$278,043.60           | \$275,778.44            | \$290,404.44                | \$274,865.52                | \$187,846.78              |
| Customer<br>Demand   | \$186,910,88                   | \$175,737.24                | \$163,185.08                | \$157,612.46               | \$176,425.98                    | \$193,535.16<br>\$183,755.38 | \$190,842.13                 | \$199,727.05           | \$217,501,23            | \$216,781.18                | \$203,444.24                | \$183,131.92              |
| Energy   | \$165,801,83                   | \$191,676.97                | \$197,022.65                | \$169,120.94               | \$175,219.19<br>\$10,157.28     | \$22,965.46                  | \$31,612.70                  | \$26,286.68            | \$23,820.10             | \$29,495.24                 | \$24,297.74<br>\$2,834.74   | \$46,011.16<br>\$2,477.52 |
| Fuel Clause  | \$9,251.23                     | \$24,614.06                 | \$8,105.40                  | (\$8,061.61)<br>\$1,422.64 | \$1,475.90                      | \$2,399.38                   | \$2,500.44                   | \$2,686.23             | \$3,045.49              | \$3,003.15                  | \$4,014,48                  | \$3,500.72                |
| Demand-Side Management   | \$1,387.58                     | \$1,622.91                  | \$1,657.92<br>\$2,460.29    | \$1,356,16                 | \$1,941.12                      | \$13,623.30                  | \$13,673.23                  | \$11,617.60            | \$4,390.05              | \$5,957.32<br>(\$11,786.22) | (\$11,006.68)               | (\$9,362.94)              |
| Environmental Surcharge  | \$1,281.53                     | \$3,013.03<br>(\$11,728.27) | (\$11,016.79)               | (\$9.520.00)               | (\$10,810.04)                   | (\$12,304.15)                | (\$12,640.65)                | (\$15,301.30)          | (\$15,815.73)<br>\$0.00 | \$0.00                      | \$0.00                      | \$0.00                    |
| Marger Surcredit   | (\$10,787.84)<br>\$0.00        | \$0.00                      | \$0.00                      | \$0.00                     | \$0.00                          | \$0.00                       | \$0.00                       | \$0.00<br>(\$5,058,60) | (\$5,112.00)            | (\$5,365.65)                | (\$5,011.70)                | (\$4,263,25)              |
| Earning Sharing  | (\$3,530.79)                   | (\$3,838.59)                | (\$4.479.84)                | (\$2,895.52)               | (\$3,287,89)                    | (\$4,067.75)                 | (\$4,178.99)                 | \$500,801.46           | \$506.087.58            | \$531,298,46                | \$496,158.34                | \$422,061.91              |
| Value Delivery   | \$353,114,52                   | \$383,897.35                | \$359,734,71                | \$311,835.07               | \$354,091.54                    | \$402,706.78                 | \$413,720.24                 | 2000/001010            | ••••                    |                             |                             |                           |
| Total Regenerated Silling  |                                |                             |                             |                            | \$354,592                       | \$402,553                    | \$413,663                    | \$565,874              | \$507,242               | \$531,299                   | \$496,158                   | \$422,062<br>1,00000      |
| Actual Billing   | \$338,558                      | \$385,012                   | \$359.630                   | \$311,835                  | 1,00141                         | 0.99962                      | 0.99986                      | 1.01013                | 1.00228                 | 1.00000                     | 1.00000                     | 1,00000                   |
| Ratio of Actual to Regenerated   | 0.95880                        | 1.00290                     | 0.99971                     | 1.00000                    | 2,007341                        | 0.2002                       | •                            |                        |                         |                             |                             |                           |
|  |                                |                             |                             |                            |                                 |                              |                              |                        |                         |                             |                             |                           |
| Large Commercial Rate  |                                |                             |                             |                            |                                 |                              |                              |                        | \$65.00                 | \$65.00                     | \$65.00                     | \$65.00                   |
| Rate   | \$65.00                        | \$65.00                     | \$65.00                     | \$65.00                    | \$65.00                         | \$65.00                      | \$65.00                      | \$65.00                |                         | ••••                        |                             |                           |
| Customer   | 404.00                         | •••••                       |                             |                            |                                 |                              | e 1 1 1 1                    | \$11.14                | \$11.14                 | \$11.14                     | \$11.14                     | \$11.14                   |
| Demand - Secondary<br>Winter   | \$11,14                        | 511.14                      | \$11.14                     | 511.14                     | \$11,14                         | 511.14<br>514.20             | \$11.14<br>\$14.20           | \$14.20                | \$14.20                 | \$14.20                     | \$14.20                     | \$14.20                   |
| Summer   | \$14.20                        | \$14.20                     | \$14.20                     | \$14.20                    | \$14.20                         | \$ 14.CU                     |                              | ••••••                 |                         |                             |                             | \$9.52                    |
| - Primary  |                                |                             |                             | <b>50 57</b>               | \$9.52                          | \$9.52                       | \$9.52                       | \$9.52                 | \$9.52                  | \$9.52                      | \$9.52<br>\$12.32           | \$12,32                   |
| Winter   | \$9.52                         | \$9.52                      | \$9.52<br>\$12.32           | \$9.52<br>\$12.32          | \$12.32                         | \$12.32                      | \$12.32                      | \$12.32                | \$12.32                 | \$12.32                     | \$0,02417                   | 10.02417                  |
| Summer   | \$12.32                        | \$12.32                     | \$0.02417                   | \$0.02417                  | \$0.02417                       | \$0.02417                    | \$0.02417                    | \$0.02417              | \$0.02417               | \$0.02417                   |                             |                           |
| Energy   | \$0.02417                      | \$0.02417                   | 30.02411                    | <b>VU.22</b> ***           | •••                             |                              |                              |                        |                         |                             |                             |                           |
|  |                                |                             |                             |                            |                                 |                              |                              | \$2,275.00             | \$2,015.00              | \$2,275.00                  | \$2,210.00                  | \$2,210,00                |
| Balog  | \$2,275.00                     | \$2,275.00                  | \$2,275.00                  | \$2,275.00                 | \$2,405.00                      | \$2,275.00                   | \$2,405.00<br>\$188,951.38   | \$2,275,043,60         | \$275,778.44            | \$290,404.44                | \$274,865.52                | \$197,846.78              |
| Customer<br>Demand   | \$168,910.88                   | \$175,737.24                | \$163,185,08                | \$157,612.40               | \$176,425.98                    | \$193,535,16                 | \$215,641,48                 | \$231,879.25           | \$252,891,29            | \$259,235.30                | \$244,698.53                | \$213,863.41              |
| Energy   | \$186,335.23                   | \$217,920,10                | \$227,622.14                | \$191,028.56               | \$198,179.98                    | \$207,117.56<br>\$22,965.46  | \$31,612,70                  | 526,285.68             | \$23,820.10             | \$29,495.24                 | \$24,297.74                 | \$45,011.16               |
| Fuel Clause  | \$9,251.23                     | \$24,614.06                 | \$8,105.40                  | (\$8,061.61)               | \$10,167.28<br>\$1,475.90       | \$2,399.38                   | \$2,500.44                   | \$2,686.23             | \$3,045.49              | \$3,003,15                  | \$2,834.74                  | \$2,477.52<br>\$3,745.51  |
| Demand-Side Management   | \$1,387.68                     | \$1,622.91                  | \$1,657.92<br>\$2,625.78    | \$1,422.64<br>\$1,445.96   | \$2,059.87                      | \$14,390.63                  | \$14,475.00                  | \$12,338.70            | \$4,757.42              | \$6,428.56<br>(\$12,697.21) | \$4,336.35<br>(\$11,889.19) | (\$10,017.66)             |
| Environmental Surcharge  | \$1,351.56                     | \$3,208,49<br>(\$12,489.09) | \$2,625.76<br>(\$11,757.84) |                            | (\$11,471.36)                   | (\$12,997.18)                | (\$13,381.88)                | (\$16,251.04)          | (\$17,175.26)           | \$0.00                      | \$0.00                      | \$0.00                    |
| Merger Surcredit   | (\$11,377.34)<br>\$0.00        | \$0.00                      | \$0,00                      | \$0.60                     | <b>\$</b> 0.00                  | \$0.00                       | 50.00                        | \$0.00<br>(\$5,372.59) | \$0.00<br>(\$5,551,42)  | (\$5,781,45)                | (\$5,413.54)                | (\$4,561.37)              |
| Earning Sharing  | (\$3,723,73)                   | (\$4,087.60)                | (\$4,781.18)                | (\$3.087.27)               | (\$3,489.03)                    | (\$4,296.86)                 |                              | \$531,886.03           | \$549,591.06            | \$572,354.03                | \$535,940.16                | \$451,575.35              |
| Value Delivery<br>Total Regenerated Billing  | \$372,410.51                   | \$408,801.11                | \$383,932.30                | \$332,485,31               | \$375,753.62                    | \$425,389.15                 | \$437.980.08<br>\$437,919.22 | \$537,273.54           | \$550,844.24            | \$572,364.08                | \$535,940.06                | \$451,575.33              |
| Adjusted for Ratio to Actual   | \$357,068.98                   | \$409,988.53                | \$383,820.55                | \$332,485.31               | \$376,284.58                    | \$425,227.05                 | 444 C 3 1 2 4 4              |                        |                         | -                           |                             | (600 613 44)              |
| a contract of the second s |                                |                             |                             |                            |                                 | (\$22,673.73)                | (\$24,256.47)                | (\$31,399,43)          | (\$43,602.68)           | (\$41,065.57)               | (\$39,781.81)               | (\$29,513.44)             |
|  |                                |                             |                             | 1520 220 941               | (\$71 E-0) E-01                 | 1 2 2 2 1 1 2 1 2            |                              |                        | Sala a marene de ser    |                             | 18513 100 251               |                           |
| Lost Revenue by Month<br>Lost Revenue Cumulative   | (\$18,501.09)<br>(\$18,501.09) |                             |                             |                            | (\$21,692.69)<br>(\$110,010.66) |                              | (\$156,940.86)               |                        | (\$231,942.95)          | (\$273,008.53)              | (\$312,790.35)              | (\$342,303.78)            |



Elizabeth O'Donnell Executive Director Kentucky Public Service Commission 211 Sower Boulevard Frankfort, Kentucky 40602

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NOV 2 1 2006 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 Manager - Rates T 502-627-3324 F 502-627-3213 robert.conroy@eon-us.com

November 21, 2006

Dear Ms. O'Donnell:

Pursuant to the Commission's Order dated June 30, 2004, in Case No. 2003-00434, Kentucky Utilities Company ("KU") filed an experimental electric tariff P.S.C. No. 62 for the Small Time of Day Service ("STOD"). That electric tariff provides for the calculation of a monthly charge per KWH to recover programming costs associated with modifying the customer billing system, not to exceed \$29,050 per year, plus any lost revenues associated with STOD. This monthly charge is to be applied to customers taking service under the Large Power Service ("LP") for KU.

Attached is Exhibit I which presents the calculation of the factor to be applied during the period of December 2006 through November 2007. The balancing adjustment is being made for the difference in the Program Cost to be recovered in the second year and the actual recovery for the second year. This balancing adjustment is being made such that KU neither overcharges nor under collects the STOD program costs.

Attached as Exhibit 2 is a calculation of the loss revenue in support of Exhibit 1.

KU will begin applying the recovery factor of \$0.00006 per KWH effective with the first billing cycle of December 2006. Please contact me at (502) 627-3324 or Don Harris at (502) 627-2021 if you have any questions about this information.

Sincerely, M ( مع 6

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Robert M. Conroy

| Program Cost Recovery Factor Calculation | - | Program | Cost | Recovery | Factor | Calculation |
|--|---|---------|------|----------|--------|-------------|
|--|---|---------|------|----------|--------|-------------|

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|   | KU            |
|---|---------------|
| (1) Program Cost Recovery (3rd Program Year)                    | \$29,050      |
| (2) Lost Revenue (2nd Program Year) (See Exhibit 2)             | \$334,276     |
| Balancing Adjustment:   |               |
| Program Cost Recovery (2nd Program Year)                        | \$279,234     |
| Less: Actual Recovery (2nd Program Year)                        | \$281,600     |
| (3) Total Balancing Adjustment                                  | (\$2,366)     |
| (4) Total Program Cost Recovery (3rd Program Year) [(1)+(2)+(2) | 3)] \$360,959 |
| (5) LPKWH - Projected Dec 06 thru Nov 07                        | 5,884,588,262 |
| PCRF (dollars per KWH) [(4)/(5)]                                | 0.00006       |

EXHIBIT 2

#### Kentucky Utilities Company

|                                |               |                              |                              | remuny .                |                            |               |                             |                  |                |                |                    |  |
|--------------------------------|---------------|------------------------------|------------------------------|-------------------------|----------------------------|---------------|-----------------------------|------------------|----------------|----------------|--------------------|--|
|                                |               | _                            |                              | F-4 00                  | Mar 106                    | Apr 16        | May '06                     | Jun 106          | Jul 106        | Aug 106        | Sep '06            | Qct 106  |
|                                | Nov Q5        | Dec 105                      | Jan 106                      | Feb '06                 | Mar Vo                     |               |                             | -                |                |                |                    |  |
|                                |               |                              |                              |                         | \$0.00203                  | \$0.00440     | \$0.00720                   | \$0,00508        | \$0.00723      | \$0.00829      | \$0.00947          | \$0.01299  |
| Fuel Adjustment Clause         | \$0.00670     | \$0.00579                    | \$0.00231                    | \$0.00263               | \$0.00205                  | \$6.00007     | \$0.00007                   | \$0.00007        | \$0,00007      | \$0.00007      | \$0.00007          | \$0.00007  |
| Demand Side Management         | \$0.00004     | \$0.00004                    | \$0.00005                    | \$0.00005               | 2340%                      | 2.850%        | 3.080%                      | 3.540%           | 2.530%         | 3.580%         | 3.410%             | 3.410%   |
| Environmental Surcharge        | 2.120%        | 2.810%                       | 2.670%                       | 2.320%                  | 2.246%                     | 2.246%        | 2,246%                      | 2.246%           | 2.442%         | 1.326%         | 1.326%             | 1.326%   |
| Merger Surredit                | 2.246%        | 2.246%                       | 2.246%                       | 2.246%                  | 2.4407                     | 0.000%        | 0.000%                      | 0.000%           | 0.000%         | 0.000%         | 0.000%             | 0.000%   |
| Earning Sharing Mechanism      | 0.000%        | 0.000%                       | 0.000%                       | 0.000%                  | 0.110%                     | 0.350%        | 0.350%                      | 0.350%           | 0.350%         | 0.350%         | 0.350%             | 0.350%   |
| Value Delivery Surcredit       | 0.410%        | 0.410%                       | 0.440%                       | 0.110%                  | 0.110%                     | 0.33674       | \$7~ <b>\$</b> \$\$\$\$\$\$ | •••••            |                |                |                    |  |
|                                |               |                              |                              |                         |                            |               |                             |                  |                |                |                    |  |
| Bling Usternmants              |               |                              |                              | 53                      | 53                         | 53            | 53                          | 53               | 53             | 53             | 53                 | 53   |
| Customers                      | 49            | 49                           | 53                           | 27,631,9                | 28.990.8                   | 30,285,3      | 32,046.7                    | 34,311.9         | 35,827.1       | 35,789.7       | 35,898.3           | 33 144.6   |
| Damand-Secondary               | 26,387.0      | 24,598.2                     | 27.753.8                     |                         | 20.390.0                   | 0.0           | 0.0                         | 0.0              | 0.0            | 0.0            | 0.0                | 0.0  |
| Demand-Primary                 | 0.0           | 0.0                          | 0.0                          | 0.0                     | 0.0                        | 4.4           |                             |                  |                |                |                    |  |
| Energy                         |               |                              |                              | 6,666,328               | 6,652,952                  | 6.838.340     | 7,564,480                   | 7,383,728        | 6,916,120      | 7,169,060      | 6,713,368          | 6.443,655  |
| On Peak                        | 5,756,212     | 5,943,272                    | 7,554,800                    | 8,819,420               | 8,648,468                  | 8,887.004     | 9,386,380                   | 10,602,332       | 12,550,732     | 13,012,804     | 12,156,616         | 10,498,948   |
| Off-Peak                       | 7,165,355     | 7,547,524                    | 9,500,540                    | 5,613,420               | 0,040,400                  | 0,001,004     |                             |                  |                |                |                    |  |
|                                |               |                              |                              |                         |                            |               |                             |                  |                |                |                    |  |
| Small Time-of-Day Rate         |               |                              |                              |                         |                            |               |                             |                  |                |                |                    | **** ***   |
| Rate                           |               |                              | \$90.00                      | \$90.00                 | \$90.00                    | \$90.00       | \$90.00                     | \$90.00          | \$90.00        | \$90.00        | \$90.09            | \$90.00  |
| Customer                       | \$30.00       | \$90.00                      | 290.00                       |                         |                            |               |                             |                  |                |                |                    |  |
| Demand - Secondary             |               |                              | \$6.65                       | \$5.65                  | \$6.65                     | \$6.65        | \$6,65                      | \$6.65           | \$6.65         | \$6.65         | \$6.65             | \$6.65   |
| Winter                         | \$6.65        | \$6.65                       |                              | \$6,65                  | \$6.65                     | \$5.65        | \$8.55                      | \$6.65           | \$6.65         | \$5.65         | \$6.65             | \$6.65   |
| Summer                         | \$6.65        | \$6.65                       | \$6.65                       | 40.00                   | 40.44                      | •••••         | •                           |                  |                |                |                    |  |
| - Printery                     |               |                              |                              | 36.26                   | \$8.26                     | \$6.76        | \$6.26                      | \$5.26           | \$6.26         | \$6.26         | \$6.26             | \$6.26   |
| Winter                         | \$6.25        | \$6.26                       | \$6.26                       | \$6.26                  | \$6.25                     | \$8.26        | \$6.25                      | \$6.25           | \$6.26         | \$6.26         | \$6.26             | \$6.25   |
| Summer                         | \$6.26        | \$6.25                       | \$5.26                       | \$0.20                  | 40.40                      |               | •                           |                  |                |                |                    |  |
| Energy                         |               |                              |                              | \$0.03116               | \$0.03116                  | \$0.03116     | \$0.03116                   | \$0,03115        | \$0.03116      | \$0.03116      | \$0.03116          | \$0.03116  |
| On-Peak                        | \$0.03116     | \$0.03115                    | \$0.03116                    | \$0.01816               | 50.01816                   | \$0.01816     | \$0,01816                   | \$0,01816        | \$0.01616      | \$0.01816      | \$0.01816          | \$0.01816  |
| Off-Peak                       | \$0.01816     | \$0.01816                    | \$0.01816                    | 20.01010                | 20-01-010                  |               |                             |                  |                |                |                    |  |
|                                |               |                              |                              |                         |                            |               |                             |                  |                |                |                    |  |
| Buby                           |               |                              | \$4,770.00                   | \$4,770.00              | \$4,770.00                 | \$4,770.00    | \$4,770.00                  | \$4,770.00       | \$4,770.00     | \$4,770.00     | \$4,770.00         | \$4,770.00   |
| Customer                       | \$4,410.00    | \$4,410.00                   | \$184,562.77                 | \$183,752.14            | \$192,788.82               | \$201,403.90  | \$213.110.56                | \$228,174,14     | \$238,250.22   | \$244,851.51   | \$238,723.70       | \$220,411.59   |
| Demand                         | \$175,473.55  | \$163,578.03                 | \$407.337.38                 | \$367,883.45            | \$364,362.52               | \$374.470.66  | \$406,165.86                | \$422,615.31     | \$443,427.59   | \$459,700.43   | \$429,952.70       | \$391,445.22   |
| Energy                         | \$309,486.43  | \$322.255.40                 | \$39,397,84                  | \$40,727.52             | \$31,061.92                | \$69,191.51   | \$122,046,19                | \$109,355.24     | \$140,745,34   | \$167,307,65   | \$178,598.75       | \$220,084.43   |
| Fuel Clause                    | \$86,574,51   | \$78.111.71                  | \$852.77                     | \$774.29                | \$765.07                   | \$1,100.77    | \$1,186.56                  | \$1,259.02       | \$1,362.68     | \$1,412.73     | \$1,320.90         | \$1,185.98   |
| Demand-Side Management         | \$516.86      | \$539.63                     | \$17,021.80                  | \$13,871.45             | \$13,893.71                | \$18,551.70   | \$23,015.20                 | \$27,122.55      | \$20,962.46    | \$31,426.76    | \$29,103.19        | \$28,572.30  |
| Environmental Surchargo        | \$12,220.98   | \$15,985.94<br>(\$13,136.42) | (\$14,701.03)                | (\$13,740.55)           | (\$13.647.64)              | (\$15.036.71) | (\$17,300,83)               | (\$17,817,43)    | (\$20,745.24)  | (\$12,056.91)  | (\$11.702.87)      | (\$11,489.39)<br>\$0.00  |
| Merger Surcradit               | (\$13,221.81) | \$0.00                       | \$0.00                       | \$0.00                  | \$0.00                     | \$0.00        | \$0.00                      | 50.00            | \$0.00         | \$0.00         | \$0.00             | (\$2,992.43)   |
| Earning Shanng                 | \$0.00        | (SZ.344.15)                  | (\$2,815.30)                 | (\$657.84)              | (\$653.39)                 | (\$2.290.58)  | (\$2,535,48)                | (\$2,714.18)     | (\$2,900.71)   | (\$3.140.24)   | (\$3,048.03)       | And a local division of the local division o |
| Value Delivery                 | (\$2,359.39)  | \$569,400.14                 | \$637,026.23                 | \$597,380.46            | \$593,341,01               | \$652.161.25  | \$750,359.06                | \$772,764.65     | \$825,872.34   | \$894,071.93   | \$867,818.34       | \$851,097.70   |
| Total Regenerated Billing      | \$573,101.13  | 2003,400,14                  | 4001 (VAN-AN                 |                         |                            | •             |                             |                  |                |                | 000 000            | 850,957  |
|                                | 573,091       | 569.462                      | 636.056                      | 556,316                 | 592,357                    | 651,160       | 749,373                     | 771,712          | 824.841        | 892,985        | 866,686<br>0.39869 | 0,99880  |
| Actual Bliling                 | 0,99998       | 1,00011                      | 0.99848                      | 0,99822                 | 0,99834                    | 0,99846       | 0.99869                     | 0.99854          | 0.99875        | 0.99875        | 0.33003            | 0.00000  |
| Ratio of Actual to Regenerated | 0.93930       | 1.00011                      |                              |                         |                            |               |                             |                  |                |                |                    |  |
| Large Power Rate               |               |                              |                              |                         |                            |               |                             |                  |                |                |                    |  |
| Rate                           |               |                              |                              |                         |                            |               | ATT 00                      | \$75.00          | \$75.00        | \$75.00        | \$75.00            | \$75.00  |
| Customer                       | \$75.00       | \$75.00                      | \$75.00                      | \$75.00                 | \$75.00                    | \$75.00       | \$75.00                     | 410.00           | 410.00         |                |                    |  |
| Demand - Secondary             | •             |                              |                              |                         |                            |               | 00 CE                       | \$6.65           | \$6.65         | \$5.65         | \$6.65             | \$6.65   |
| White                          | \$6.65        | \$6.65                       | \$6.65                       | \$6.65                  | \$6.65                     | \$5.65        | \$6.65<br>\$6.65            | \$6,65           | \$6.65         | \$6.65         | \$6.65             | \$6.65   |
| Summer                         | \$6.65        | \$6.65                       | \$5.65                       | \$6.65                  | \$6.65                     | \$8.65        | 30.00                       | <b>3</b> 0.07    | *****          |                |                    |  |
| - Primary                      | •••••         |                              |                              |                         |                            |               |                             | FC 76            | \$6.26         | \$6.26         | \$6.26             | \$6.26   |
| Water                          | \$5.26        | \$5.25                       | \$6.26                       | \$6.26                  | \$6.26                     | \$6.26        | \$6.25                      | \$6.26<br>\$6.26 | \$5.26         | \$5.26         | \$6.26             | \$6.26   |
| Summer                         | \$6.26        | \$6.26                       | \$6.26                       | \$6.26                  | \$6.26                     | \$6.26        | \$5.26                      | \$0.02516        | \$0,02516      | \$0,02516      | \$3,02515          | \$0.02516  |
| Energy                         | \$0.02516     | \$0.02516                    | \$0.02516                    | \$0.02516               | \$0.02516                  | \$0.02516     | \$0.02516                   | ALUCIN           | 40,01010       |                | ••••               | -  |
| Liki yy                        |               |                              |                              |                         |                            |               |                             |                  |                |                |                    |  |
| Biling                         |               |                              |                              |                         |                            | \$3,975,00    | \$3,975.00                  | \$3,975.00       | \$3,975.00     | \$3,975.00     | \$3,975.00         | \$3,975.00   |
| Customer                       | \$3,675.00    | \$3,675.00                   | \$3,975.00                   | \$3,975.00              | \$3,975.00<br>\$192,768.82 | \$201,403.90  | \$213,110.55                | \$228,174.14     | \$238,250.22   | \$244,651,51   | \$238,723.70       | \$220,411.59   |
| Contract                       | \$175,473.55  | \$163,578.03                 | \$184,562.77                 | \$183,752,14            | \$364,964,23               | \$395,649.66  | \$426,483.54                | \$452 529.27     | \$489 786.00   | \$507,775.70   | \$474,758.80       | \$426,275.92   |
| Energy                         | \$325,106.65  | \$339,428,43                 | \$429,112.35                 | \$389,621.42            |                            | \$69,191.51   | \$122,046.19                | \$109,355.24     | \$140,745.34   | \$167,307.65   | \$178.698.75       | \$220,064.43   |
| Fuel Clause                    | \$86,574,51   | \$78,111.71                  | \$39,397.84                  | \$40,727.52<br>\$774,29 | \$31,081.92<br>\$765.07    | \$1,100.77    | \$1,186.55                  | \$1,259.02       | \$1,362.68     | \$1,412.73     | \$1,320.90         | \$1,185.98   |
| Demand-Side Management         | \$516.86      | \$539.63                     | \$852.77                     | \$174.23                | \$165.07<br>\$14,357.66    | \$19,132.64   | \$23,617.50                 | \$29,153.35      | \$22,115.22    | \$33,119.39    | \$30,504.31        | \$29,732.91  |
| Environmental Surcharge        | \$12,536.55   | \$16,447.85                  | \$17,565.95                  | (\$14,221.84)           | (\$14,103.37)              | (\$15.507.59) | (\$17,752.82)               | (\$18,494.60)    | (\$21,886.05)  | (\$12,706.29)  | (\$12,306.49)      | (\$11,956.09)  |
| Merger Surcredit               | (\$13,563.21) |                              | (\$15,170.98)<br>\$0.00      | (\$14,221.04)<br>\$0.00 | \$0.00                     | \$0.00        | \$0.00                      | \$0.00           | \$0.00         | \$0.00         | \$0.00             | \$0.00   |
| Earning Sharing                | \$0.00        | \$0.00                       | (\$2,905.30)                 | (\$68.0832)             | (\$675.21)                 | (\$2.362.31)  | (\$2,704.33)                | (\$2,817.33)     | (\$3,060.22)   | (\$3,309.37)   | (\$3,205,25)       | (\$3,113.98)   |
| Value Delivery                 | (\$2,420.31)  | (\$2,411.89)                 | \$657,390.40                 | \$618,304.98            | \$613,154.12               | \$672,583.58  | \$769,962.30                | \$802,134.10     | \$871,288.19   | \$942,228.32   | \$912,579.72       | \$885.595.76   |
| Total Regenerated Billing      | \$587,899.60  | \$585,652.77                 | \$657,390.40<br>\$655,388.68 | \$617,203.18            | \$612,136.79               | \$671,550.65  | \$766,850.60                | \$801,041.95     | \$870,199.90   | \$941,081.22   | \$911,388.51       | \$885,533.67   |
| Adjusted for Ratio to Actual   | \$587,889.13  | \$585,916,73                 | 40.00,000.00                 | 493 . 494 A. 40         | ····                       | *** ********* |                             |                  |                |                |                    |  |
|                                |               | 1010 ACA 133                 | (\$20,333.14)                | (\$20,887,23)           | (\$19,780.24)              | (\$20,390.97) | (\$19,577.46)               | (\$29,329.46)    | (\$45,359.12)  | (\$48,095.87)  |                    | (\$34,566.60)  |
| Lost Revenue by Month          | (\$14,798,21) | (\$16,454,43)                | (\$51,585.77)                | (\$72,473.00)           | (\$92,253.24)              |               |                             | (\$151,551.15)   | (\$206,910.27) | (\$255,006.14) | (\$299,709.09)     | (\$334,275.70)   |
| Cumutative Lost Revenue        | (514,798.21)  | (\$31,252.63)                | 140 120001 61                | (                       | ••••••••••••••••           |               |                             |                  |                |                |                    |  |
|                                |               |                              |                              |                         |                            |               |                             |                  |                |                |                    |  |

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Elizabeth O'Donnell Executive Director Kentucky Public Service Commission 211 Sower Boulevard Frankfort, Kentucky 40602

RECEIVED 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 Manager - Rates T 502-627-3324 F 502-627-3213 robert.conroy@eon-us.com

November 21, 2007

Dear Ms. O'Donnell:

Pursuant to the Commission's Order dated June 30, 2004, in Case No. 2003-00434, Kentucky Utilities Company ("KU") filed an experimental electric tariff P.S.C. No. 62 for the Small Time of Day Service ("STOD"). That electric tariff provides for the calculation of a monthly charge per KWH to recover programming costs associated with modifying the customer billing system, not to exceed \$29,050 per year, plus any lost revenues associated with STOD. This monthly charge is to be applied to customers taking service under the Large Power Service ("LP") for KU.

Attached is Exhibit 1 which presents the calculation of the factor to be applied during the period of December 2007 through November 2008. The balancing adjustment is being made for the difference in the Program Cost to be recovered in the third year and the actual recovery for the third year. This balancing adjustment is being made such that KU neither overcharges nor under collects the STOD program costs.

Attached as Exhibit 2 is a calculation of the loss revenue in support of Exhibit 1.

KU will begin applying the recovery factor of \$0.00006 per KWH effective with the first billing cycle of December 2007. As specified in the Rate Schedule STOD, KU will file a report on STOD by April 30, 2008 (six-months after the end of the third year of the pilot program) and will continue STOD and applied the recovery factor until STOD is terminated by order of the commission.

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Please contact me at (502) 627-3324 or Michael Hornung at (502) 627-4671 if you have any questions about this information.

Sincerely,

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AN

Robert M. Conroy

|  | KU            |
|--|---------------|
| (1) Program Cost Recovery (4th Program Year)                     | \$0           |
| (2) Lost Revenue (3rd Program Year) (See Exhibit 2)              | \$341,234     |
| Balancing Adjustment:  |               |
| Program Cost Recovery (3rd Program Year)                         | \$360,959     |
| Less: Actual Recovery (3rd Program Year)                         | \$344,537     |
| (3) Total Balancing Adjustment                                   | \$16,422      |
| (4) Total Program Cost Recovery (4th Program Year) [(1)+(2)+(3)] | \$357,656     |
| (5) LPKWH - Projected Dec '07 thru Nov '08                       | 6,002,259,806 |
| PCRF (dollars per KWH) [(4)/(5)]                                 | 0.00006       |

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# Program Cost Recovery Factor Calculation

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|   | No- 05                                  | Dec-0ô                         | Jan-07                | Feb-07                | Mar-07                | Apr-07                | May-07                 | Jun-07                 | Jul-07                 | Aug-07                 | Sep-07                 | Oct-07                 |
|---|---|--------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| Fuel Adjustment Chrone                            |   | 5462701                        | \$0.00439             | 50 00374              | \$0.00400             | \$0.00621             | S() 00630              | 50 81114               | \$0.60 <del>8</del> 71 | \$6.05.456             | \$0.00731              | \$0.01274              |
| Demand Side Management                            | 10 - 10 - 10 - 10 - 10 - 10 - 10 - 10 - | Situatia?                      | \$0.00367             | \$0.00007             | \$0.00007             | \$0.00008             | \$0.00008              | \$0 00008              | 50,00008               | SU OFAABS              | \$0.00008              | \$0,00008              |
| Environmenta: Surcharge                           |   | 4 180%                         | 4.070%                | 4 560%                | 1.850%                | 1.800%                | 3.100%                 | 4 400%                 | 4 471)**               | 4 13 13 13 10          | 5270%                  | 5 310%                 |
| Merger Surcreat                                   |   | 1.3265.                        | 1 326%                | 1 320%                | 1 326%                | 1 320%                | 1 326%                 | 1 326 %.               | 2 309%                 | 1 500%                 | 1 5355%                | 1 569%                 |
| Eathing Sharing Mechanism                         | 1.1.4.1 <sup>1</sup>                    | () (irš)*,                     | 0.00056               | 0.000%                | 0 (100%               | 0.000%                | 0.000%                 | 0 (iûi)%               | 0 0(a)%                | (1 000° v.             | 0.000%                 | 0 000%                 |
| Value Delivery Surcredit                          | N. 1997.                                | 0.3t+3°*                       | û 350%                | 0 300%                | 0.300%                | 0.300%                | 0 300%                 | 0 300% o               | 0.360%                 | 0.00%                  | 0 300%                 | 0 300%                 |
| Billing Determinants                              |   |                                |                       |                       |                       |                       |                        |                        |                        |                        |                        |                        |
| Customers   | 53                                      | 53                             | 53                    | 53                    | 53                    | 53                    | 53                     | 52                     | 54<br>34,498 5         | 53<br>35,641 6         | 53<br>36,099.0         | 53<br>34,096.0         |
| Demand-Secondary                                  | 39,427 9                                | 29,562 9                       | 28,880.3              | 27,384.2              | 27,958.6              | 31,044.0              | 31,891.9               | 33,377 3<br>0.0        | 34,496 5<br>0.0        | 35,641 6               | 0.0                    | 0.0                    |
| Demand Primary<br>Energy                          | 0.0                                     | 00                             | 0.0                   | 0.0                   | 0.0                   | 0.0                   | 0.0                    | 0.0                    | 0.0                    | 0.0                    | 0.0                    | 4.0                    |
| On-Peak   | 6.972.788                               | 7,123,196                      | 7,266,692             | 6,611,236             | 6,425,872             | 6,962,864             | 7,304,204              | 7,453,500              | 6,892,772              | 6,996,356              | 7,307,656              | 6,810,204              |
| Oll-Peak  | 8,963,372                               | 9,074,020                      | 9,405,584             | 8,560,400             | 8,408,864             | 8,890,440             | 9,190,224              | 10,356,168             | 11,994,760             | 12,715,304             | 12,738,744             | 10,704,072             |
| Small Time-of-Day Rate<br>Rate                    |   |                                |                       |                       |                       |                       |                        |                        |                        |                        |                        |                        |
| Customer  |   | \$90.00                        | \$90.00               | \$90.00               | \$90 (n)              | \$90.00               | \$90.00                | \$90.00                | \$90.00                | \$90.00                | \$90.00                | \$90.00                |
| Demand Secondary                                  |   |                                |                       |                       |                       |                       |                        |                        | \$7.20                 | \$7.20                 | \$7.20                 | \$7,20                 |
| Winter<br>Summer                                  | Y 7                                     | \$6.65                         | \$6.65                | \$6.65                | \$7.20                | \$7.20                | \$7.20<br>\$7.20       | \$7.20<br>\$7.20       | \$7.20                 | \$7.20                 | \$7.20                 | \$7.20                 |
| - Princip   | 370 AT                                  | \$6.65                         | \$6.65                | \$6.65                | \$7.20                | \$7.20                | \$1.20                 | \$1.20                 | \$7.20                 | ₽1.20                  | €2. £6                 | #1.2V                  |
| Weider  |   | \$6.26                         | \$6.26                | \$6.26                | 50 81                 | \$6.81                | \$6.81                 | \$6.81                 | \$6.81                 | 5681                   | \$6,81                 | \$6 81                 |
| Summer  |   | \$6.26                         | \$6.26                | \$6.26                | \$6.81                | \$6.81                | \$6.81                 | \$6.81                 | \$6.81                 | \$6.81                 | \$6.81                 | \$6.81                 |
| Energy  |   | ••••                           | •                     | +                     |                       | •••                   |                        |                        |                        |                        |                        |                        |
| On-Peirk  | . 48                                    | \$0 03116                      | \$0.03116             | \$0.03116             | \$0.03090             | \$0.03098             | \$0.03098              | \$0 03098              | \$0.03098              | \$0 03098              | \$0 03098              | \$0.03098              |
| Oll-Peak  | <u> 1111</u>                            | \$0.01816                      | \$0.01816             | \$0 01816             | \$0.01515             | \$0.01815             | \$0.01815              | \$0.01815              | \$0.01815              | \$0 01815              | \$0 01815              | \$0.01815              |
| Biling  |   |                                |                       |                       |                       |                       |                        |                        |                        |                        |                        |                        |
| Customer  | \$4,770                                 | \$4,770                        | \$4,770               | \$4,770               | \$4,770               | \$4,770               | \$4,770                | \$4,680                | \$4,860                | \$4,770                | \$4,770                | \$4,770                |
| Demand  | \$_527 346                              | \$196,593                      | \$192,054             | \$182,105             | \$201,302             | \$223,517             | \$229,622              | \$240,317              | \$248,389              | \$256,620              | \$259,913              | \$245,491              |
| Energy  | \$380,047                               | \$386,743                      | \$397,921             | \$361,826             | \$351,694             | \$377,071             | \$393,087              | \$418,874              | \$431,243              | \$447,530              | \$457,606              | \$405,259              |
| Fuel Clause                                       | \$80,950                                | \$126,500                      | \$73,288              | \$56,817              | \$59,339              | \$98,449              | \$103,915              | \$198,400              | \$164,510              | \$97,770               | \$146,541              | \$223,132              |
| Demand-Side Management<br>Environmental Surcharge | \$1,116                                 | \$1,134                        | \$1,169               | \$1,063               | \$1,038               | \$1,268               | \$1,320                | \$1,425<br>\$38,003    | \$1,511<br>\$38,018    | \$1,577<br>\$39,262    | \$1,604<br>\$45,872    | \$1,401<br>\$46,731    |
| Merger Surcredit                                  | \$23,557<br>(\$9,106)                   | \$29,918<br>( <b>\$</b> 9,887) | \$27,237<br>(\$9,235) | \$28,267<br>(\$8,418) | \$11,683<br>(\$8,352) | \$12,691<br>(\$9,518) | \$22,714<br>(\$10,017) | \$38,003<br>(\$11,957) | (\$21,227)             | (\$13,468)             | (\$14,560)             | (\$14,727)             |
| Eaming Sharing                                    | [\$3,100]<br>\$0                        | (\$9,667)<br>\$0               | (pa,za)<br>\$0        | (\$0,410)<br>\$0      | (#8,552)<br>\$0       | (49,516)<br>\$0       | (\$10,017)<br>\$0      | \$0                    | \$0                    | \$0                    | \$0                    | \$0                    |
| Value Deliver,                                    | (\$2 365)                               | (\$2,575)                      | (\$2,405)             | (\$1,879)             | (\$1,864)             | (\$2,125)             | (\$2,236)              | (\$2,669)              | (\$2,602)              | (\$2,502)              | (\$2,705)              | (\$2,736)              |
| Total Regenerated Billing                         | \$681,212                               | \$733,196                      | \$684,798             | \$624,551             | \$619,611             | \$706,124             | \$743,174              | \$887,072              | \$864,703              | \$831,578              | \$899,039              | \$909,321              |
| Actual butera                                     |   |                                |                       |                       |                       |                       |                        |                        |                        | 000 01 -               | 000 000                | 008.354                |
| Ratio of Actual to Regenerated                    | 630,155<br>0 99645                      | 732,137<br>0.99856             | 683,745<br>0.99846    | 623,618<br>0.99851    | 618,683<br>0.99850    | 705,166<br>0.99864    | 742,173<br>0.99865     | 886,077<br>0.99888     | 864,224<br>0.99945     | 830,614<br>0 99884     | 895,012<br>0.99885     | 906,351<br>0.99893     |
| Large Power Rate<br>Rate                          |   |                                |                       |                       |                       |                       |                        |                        |                        |                        |                        |                        |
| Customer  | 1 - 5861                                | \$75.00                        | \$75.00               | \$75.00               | \$75.00               | \$75.00               | \$75.00                | \$75.00                | \$75.00                | \$75.00                | \$75.00                | \$75.00                |
| Demand - Secondary                                | 2000                                    | \$70.00                        | \$13.00               | a/5.00                | 212.00                | 3/5.00                | \$75.00                | \$10.00                | 475.00                 | 470.00                 | 4.0.00                 | 475.00                 |
| Wister  | N                                       | \$6.65                         | \$6 65                | \$6.65                | \$7.20                | \$7.20                | \$7.20                 | \$7.20                 | \$7.20                 | \$7 20                 | \$7.20                 | \$7.20                 |
| Summer  | Sec.                                    | \$6.65                         | \$6.65                | \$6.65                | \$7 20                | \$7.20                | \$7.20                 | \$7.20                 | \$7.20                 | \$7 20                 | \$7.20                 | \$7.20                 |
| - Producery                                       |   |                                |                       |                       |                       |                       |                        |                        |                        |                        |                        |                        |
| Winter  | 1 A.A.                                  | \$6.2 <del>0</del>             | \$6.26                | \$6.26                | \$681                 | \$6.81                | \$6.81                 | \$6.81                 | \$6.81                 | \$6 81                 | \$6 81                 | \$5.81                 |
| Summer<br>Energy                                  |   | \$6.26                         | \$6.2ô                | \$6.26                | \$6.81                | \$6.81                | \$6.81                 | \$6.81                 | \$6.81                 | \$6.81                 | \$6.81                 | \$6.81                 |
|   | المشتشد والمسالة                        | \$0.02516                      | \$0.02516             | \$0.02516             | \$0.02501             | \$0.02501             | \$0.02501              | \$0.02501              | \$0.02516              | \$0.02516              | \$0.02516              | \$0.02516              |
| Billing   |   |                                |                       |                       |                       |                       |                        |                        |                        |                        |                        |                        |
| Customer  | \$5 975                                 | \$3,975                        | \$3,975               | \$3,975               | \$3,975               | \$3,975               | \$3,975                | \$3,900                | \$4,050                | \$3,975                | \$3,975                | \$3,975                |
| Demand  | \$_02 34ö                               | \$196,593                      | \$192,054             | \$182,105             | \$201,302             | \$223,517             | \$229,622              | \$240,317              | \$248,389              | \$256,620              | \$259,913              | \$245,491              |
| Energy<br>Fuel Clause                             | \$400 954                               | \$407,522                      | \$420,028             | \$382,222             | \$371,017             | \$396,491             | \$412,526              | \$445,420              | \$475,210              | \$495,945              | \$504,372              | \$440,659              |
| Demand-Side Management                            | \$30,95n                                | \$126,500                      | \$73,288              | \$56,817              | \$59,339              | \$98,449              | \$103,915              | \$198,400              | \$164,510              | \$97,770               | \$146,541              | \$223,132              |
| Environmental Sorcharge                           | \$1,116<br>\$24,205                     | \$1,134<br>\$30,753            | \$1,169<br>\$28,104   | \$1,063               | \$1,038               | \$1,268               | \$1,320                | \$1,425                | \$1,511                | \$1,577                | \$1,604                | \$1,401<br>\$48,568    |
| Merger Surcrean                                   | \$24,203<br>(\$9,462)                   | (\$10,163)                     | \$28,104<br>(\$9,529) | \$29,180<br>(\$8,690) | \$12,033<br>(\$6,602) | \$13,027<br>(\$9,769) | \$23,292<br>(\$10,272) | \$39,136<br>(\$12,313) | \$39,947<br>(\$22,304) | \$41,596<br>(\$14,261) | \$48,295<br>(\$15,329) | \$45,505<br>(\$15,306) |
| Earning Sharing                                   | (\$5,402)<br>\$6                        | (\$10,103)<br>\$0              | (39,529)<br>\$0       | (\$8,690)<br>\$0      | (\$6,602)<br>\$0      | (39,709)<br>50        | (\$10,272)<br>\$0      | (a)(2,3(3)<br>\$0      | (\$22,304)<br>\$0      | (\$14,201)<br>\$8      | (\$15,329)<br>\$0      | (\$13,300)<br>\$0      |
| Value Delivory                                    | (\$1,405)                               | (\$2,647)                      | (\$2,482)             | (\$1,940)             | (\$1,920)             | (\$2,181)             | (\$2,293)              | (\$2,749)              | (\$2,734)              | (\$2,650)              | (\$2,848)              | (\$2,844)              |
| Total Regenerated Simig                           | \$701,684                               | \$753,667                      | \$706,607             | \$644,732             | \$638,182             | \$724,777             | \$762,084              | \$913,535              | \$908,580              | \$880,572              | \$946,522              | \$945,077              |
| Adjusted for Ratio to Actual                      | \$700,598                               | \$752,579                      | \$705,520             | \$643,769             | \$637,227             | \$723,793             | \$761,057              | \$912,511              | \$908,077              | \$879,551              | \$945,441              | \$944,069              |
| Lost Revenue by Month                             | (5.10,444)                              | (\$20,442)                     | (\$21,775)            | (\$20,151)            | (\$18,544)            | (\$18,627)            | (\$18,865)             | (\$26,434)             | (\$43,853)             | (\$48,937)             | (\$47,428)             | (\$35,718)             |
| Cumulative Lost Revenue                           | (\$20,440)                              | (\$40,882)                     | (\$62,657)            | (\$82,808)            | (\$101,351)           | (\$119,979)           | (\$138,863)            | (\$165,297)            | (\$209,150)            | (\$258,087)            | (\$305,516)            | (\$341,234)            |

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Elizabeth O'Donnell **Executive Director** Kentucky Public Service Commission 211 Sower Boulevard Frankfort, Kentucky 40602

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NOV 21 2007 PUBLIC LOUISVIILE Gas and COMMI Status Company Status Status Status 32010 Status 40232 www.eon-us.com

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

November 21, 2007

Dear Ms. O'Donnell:

Pursuant to the Commission's Order dated June 30, 2004, in Case No. 2003-00433, Louisville Gas and Electric Company ("LG&E") filed an experimental electric tariff P.S.C. No. 62 for the Small Time of Day Service ("STOD"). That electric tariff provides for the calculation of a monthly charge per KWH to recover programming costs associated with modifying the customer billing system, not to exceed \$29,050 per year, plus any lost revenues associated with STOD. This monthly charge is to be applied to customers taking service under the Large Commercial Service ("LC") for LG&E.

Attached is Exhibit 1 which presents the calculation of the factor to be applied during the period of December 2007 through November 2008. The balancing adjustment is being made for the difference in the Program Cost to be recovered in the third year and the actual recovery for the third year. This balancing adjustment is being made such that LG&E neither overcharges nor under collects the STOD program costs.

Attached as Exhibit 2 is a calculation of the loss revenue in support of Exhibit 1.

LG&E will begin applying the recovery factor of \$0.000137 per KWH effective with the first billing cycle of the December 2007. As specified in the Rate Schedule STOD, LG&E will file a report on STOD by April 30, 2008 (sixmonths after the end of the third year of the pilot program) and will continue STOD and applied the recovery factor until STOD is terminated by order of the commission.

Please contact me at (502) 627-3324 or Michael Hornung at (502) 627-4671 if you have any questions about this information.

Sincerely,

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Robert M. Conroy

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|  | LG&E          |
|--|---------------|
| (1) Program Cost Recovery (4th Program Year)                     | \$0           |
| (2) Lost Revenue (3rd Program Year) (See Exhibit 2)              | \$313,332     |
| Balancing Adjustment:  |               |
| Program Cost Recovery (3rd Program Year)                         | \$401,238     |
| Less: Actual Recovery (3rd Program Year)                         | \$382,268     |
| (3) Total Balancing Adjustment                                   | \$18,970      |
| (4) Total Program Cost Recovery (4th Program Year) [(1)+(2)+(3)] | \$332,302     |
| (5) LPKWH - Projected Dec '07 thru Nov '08                       | 2,433,180,109 |
| PCRF (dollars per KWH) [(4)/(5)]                                 | 0.000137      |

# **Program Cost Recovery Factor Calculation**

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|   | Nov-86  | Dec-06                | Jan-07             | Feb-07               | Mar-07             | Apr-07           | May-07                 | Jun-07                 | Jui-07                 | Aug-07               | Sec. 07                |                           |
|---|---|-----------------------|--------------------|----------------------|--------------------|------------------|------------------------|------------------------|------------------------|----------------------|------------------------|---------------------------|
| Fuel Adjustment Clause                                    | Sec. 10. 102  | 23.53474              |                    |                      |                    | •                |                        |                        |                        | -09.VI               | Sep-07                 | Oct-07                    |
| Demand Side Management                                    |   | \$0.00481             | \$0.00153          | \$0.00249            | \$0.00323          | \$0,00320        | \$0.00375              | \$0.00454              | \$0 004 16             | SU 06 1.36           | S0 (0450               | ******                    |
| Environmental Surcharge                                   | 50 (Ma.5)<br>+ 160%   | \$0.069.20            | \$0.66928          | \$0 00028            | \$0 00028          | \$0.00020        | \$0.00020              | \$0.00020              | \$0.00620              | Str Offic '' J       | \$0.00400<br>\$0.00020 | \$0,00586                 |
| Merger Surcredit  | / 149%  | 1 420%<br>2 449%      | 0.9?6%<br>2.149%   | 1.440%               | 1 510%             | 0.830 %          | 1 270 %                | 2.240%                 | 2 170%                 | 1 140%               | 6 7 10%                | \$0 60020<br>0 590%       |
| Earning Shanng Mechanism                                  | to the fairs  | ບ ເດຍາ                | 0 000%             | 2 149%<br>6 000%     | 2 149%             | 2.149%           | 2 149%                 | 2 149%                 | 2 95 45                | 2411%                | 2 431%                 | 2 431%                    |
| Value Delivery Surcredit                                  | 1 unity 1   | E GORN.               | 1 000%             | 0 940%               | 0 600%<br>0,940%   | 0.000%           | 0.000%                 | Q QQQ%,                | 0.000%                 | 0 1210%              | ນ (ລ)6*.               | 0.000%                    |
| 0.**-** 0-****  |   |                       | 1.0078             | 0.940.%              | 0.940%             | 0.940%           | 0.946%                 | 0.940%                 | 0 940%                 | 0.940%               | 0 540%                 | 0 940%                    |
| Billing Determinants<br>Customers                         |   |                       |                    |                      |                    |                  |                        |                        |                        |                      |                        |                           |
| Demand-Secondary  | .14   | 34                    | <b>3</b> 3         | 35                   | 36                 | 35               | 44                     | 3:3                    |                        |                      |                        |                           |
| Demand-Primary  | 14.058 0  | 14,162 0              | 12,973.0           | 12,458.0             | 13,508.0           | 14.667.0         | 15,953.0               | 16,961.0               | 35<br>17,390 0         | .35                  | 35                     | 35                        |
| Energy  | 1,350.0   | 1,230.0               | 1,986.0            | 1,740.0              | 1,986.0            | 2,178.0          | 2,214.0                | 2,346.0                | 2,436.0                | 18,343.0             | 17,901 0               | 17,049 0                  |
| On-Peak   | 3.626,980   |                       |                    |                      |                    |                  | -,                     | £,070.0                | 2,430.0                | 2,706.0              | 2,646.0                | 2,466 0                   |
| Off-Peak  | 4,512,220   | 3.754,200             | 4,016,300          | 3,568,860            | 3,569,960          | 3,896,980        | 4,111,660              | 4.222.620              | 3,975,120              | 4,159,920            | 4 140 030              | 4 000 000                 |
|   | 4,312,220   | 4,514,640             | 5,094,840          | 4,358,860            | 4,430,540          | 4,986,120        | 4,767,460              | 5,788,080              | 6,910,480              | 6,740,840            | 4,149,920<br>6,965,360 | 4,003,620<br>5,598,460    |
| Small Time-of-Day Rate                                    |   |                       |                    |                      |                    |                  |                        |                        |                        | -,                   | 0,003,300              | 2,296,400                 |
| Rale  |   |                       |                    |                      |                    |                  |                        |                        |                        |                      |                        |                           |
| Customer  | SHU (M)   | \$80.00               | \$80.00            | \$80.00              | \$80.00            | \$80.00          |                        |                        |                        |                      |                        |                           |
| Demand - Secondary  |   |                       | ••••••             | 400.00               | \$60.00            | \$90.00          | \$80.00                | \$80.00                | \$80.00                | \$80.00              | \$80.00                | \$80.00                   |
| Winter  | \$11.14   | \$11.14               | \$11.14            | \$11,14              | \$11.70            | \$11,70          | \$11.70                | <b>*</b> * * * *       |                        |                      |                        |                           |
| Summer<br>- Pomary  | \$14.20   | \$14.20               | \$14.20            | \$14.20              | 514.76             | \$14.76          | \$11.70                | \$11.70<br>\$14.76     | \$1170                 | \$11 70              | \$11 70                | \$11,70                   |
| - Histiary<br>Winter                                      |   |                       |                    |                      |                    | 417.CO           | #F*.CU                 | <b>₽</b> 14.70         | \$14.76                | \$14 76              | \$14 76                | \$14 76                   |
| Summer  | \$9.52  | \$9.52                | \$9.52             | \$9.52               | \$10,12            | \$10.12          | \$10.12                | \$10.12                | \$10.12                | \$10.10              |                        | <b>.</b>                  |
| Energy  | \$12.52   | \$12.32               | \$12.32            | \$12.32              | \$12.92            | \$12.92          | \$12.92                | \$12.92                | \$12.92                | \$10.12<br>\$12.92   | \$10 12<br>\$12 92     | \$10,12                   |
| On-Peak   | \$1,03604   | \$9,03004             | \$0.03004          |                      |                    |                  |                        |                        |                        | +14 UL ,             | 412 92                 | \$12.92                   |
| Off-Peak  | 59 (114,55  | \$0.0143B             | \$0.03004          | \$0.03004            | \$0,02935          | \$0.02935        | \$0.02935              | \$0.02935              | \$0.03004              | \$0 03004            | \$0.03004              | \$0.03064                 |
| <b>.</b>  | Contraction of the second s | 40.01430              | 30.01430           | \$0.01438            | \$0.01369          | \$0.01369        | \$0.01369              | \$0,01369              | \$0.01438              | \$0 01438            | \$0.01438              | \$0.01438                 |
| Billing   |   |                       | •                  |                      |                    |                  |                        |                        |                        |                      |                        | 40.01400                  |
| Customer  | \$2,720   | \$2,720               | \$2,640            | \$2,800              | \$2,880            | \$2,800          |                        |                        |                        |                      |                        |                           |
| Demand  | \$169,458   | \$169,474             | \$163,426          | \$155,347            | \$178,142          | \$193,645        | \$3,520                | \$2,640                | \$2,800                | \$2,800              | \$2,800                | \$2,800                   |
| Energy<br>Fuel Clause                                     | \$173,840   | \$177,697             | \$193,913          | \$169,889            | \$165,432          | \$182,636        | \$209,056<br>\$185,944 | \$280,655              | \$288,150              | \$305,704            | \$298,405              | \$224,429                 |
| Demand-Side Management                                    | \$24,987  | \$39,773              | \$13,940           | \$19,740             | \$25,842           | \$28,425         | \$33,297               | \$203,173<br>\$45,449  | \$218,785              | \$221,897            | \$225,113              | \$200,775                 |
| Environmental Surcharge                                   | \$2,279   | \$2,315               | \$2,551            | \$2,220              | \$2,240            | \$1,777          | \$1,776                | \$2,002                | \$45,284               | \$36,627             | \$50,109               | \$56,268                  |
| Merger Surcredit  | \$4,330   | \$5,566               | \$3,652            | \$5,040              | \$5,656            | \$3,397          | \$5,507                | \$11,960               | \$2,177<br>\$12,091    | \$2,180              | \$2,227                | \$1,920                   |
| Earning Shanoo  | (\$8,115)   | (\$8,543)             | (\$8,169)          | (\$7,630)            | (\$8,170)          | (\$8,869)        | (\$9,436)              | (\$11,731)             | (\$16,817)             | \$6,489              | \$4,108                | \$2,869                   |
| Value Delivery  | \$0<br>(\$3,695)  | \$0                   | \$0                | 59                   | \$0                | \$0              | \$0                    | \$0                    | (\$10,017)<br>\$0      | (\$13,995)<br>\$0    | (\$14,167)             | (\$11,689)                |
| Total Regenerated Bilkno                                  | \$365,805   | (\$3,890)             | (\$3,720)          | (\$3,266)            | (\$3,497)          | (\$3,796)        | (\$4,039)              | (\$5,021)              | (\$5,193)              | (\$5,280)            | \$0<br>(\$5,345)       | \$0<br>(\$4,485)          |
|   | \$202,005   | \$385,112             | \$368,234          | \$344,140            | \$368,524          | \$400,017        | \$425,624              | \$529,126              | \$547,277              | \$556,422            | \$563,251              | \$472,686                 |
| Actual Billing  | 365,805   | 365,954               | 368,312            | 344,140              |                    |                  |                        |                        |                        | *****                | 4000,201               | 3412,000                  |
| Ratio of Actual to Regenerated                            | 1 00000   | 1.00219               | 1.00021            | 1.00000              | 368,446<br>0.99979 | 400,017          | 425,392                | 529,128                | 539,900                | 549,069              | 555,772                | 466,245                   |
| arge Commercial Rate                                      |   |                       |                    | 1.00000              | 0.55515            | 1.00000          | 0.99945                | 1.00000                | 0 98652                | 0 98679              | 0 98672                | 0 98637                   |
| Rate  |   |                       |                    |                      |                    |                  |                        |                        | 0.01348                | 0.01321              | 0.01326                | 0.01363                   |
| Customer  |   |                       |                    |                      |                    |                  |                        |                        |                        |                      |                        |                           |
| Demand - Secondary  | \$65.60   | \$65.00               | \$65.00            | \$65.00              | \$\u00fc5 \u00fc0  | \$65.00          | \$65.90                | \$65.00                | \$65.00                | \$65.00              | \$65.00                |                           |
| Winter  | \$11.14   | \$11.14               |                    |                      |                    |                  |                        | •••••                  |                        | <b>4</b> 00.00       | \$05,00                | \$65.00                   |
| Summer  | \$14.20   | \$14.20               | \$11.14<br>\$14.20 | \$11.14              | \$11.70            | \$11.70          | \$11.70                | \$11.70                | \$11 70                | \$11.70              | \$11.70                | \$11 70                   |
| - Pnmary  |   | 414.64                | \$14.60            | \$14.20              | \$14.76            | \$14.76          | \$14.76                | \$14.76                | \$14 76                | \$14 76              | \$14,76                | \$14.76                   |
| Winter  | Su 52   | \$9.52                | \$9.52             | \$9.52               | \$10.12            | \$10.12          |                        |                        |                        |                      |                        | •••••                     |
| Summer  | \$12.32   | \$12.32               | \$12.32            | \$12.32              | \$12.92            | \$10.12          | \$10.12                | \$10.12                | \$10.12                | \$10.12              | \$10.12                | \$10.12                   |
| Energy  | 59 02411  | \$0.02417             | \$0.02417          | \$0.02417            | \$0 02348          | \$0.02348        | \$12.92<br>\$0.02348   | \$12.92                | \$12 92                | \$12 92              | \$12.92                | \$12 92                   |
| Billing   |   |                       |                    |                      |                    | W.VLU10          | 40.02340               | \$0.02348              | \$0.02348              | \$0.02348            | \$0.02348              | \$0.02348                 |
| Customer  | <b>50</b> 0 / 0   |                       |                    |                      |                    |                  |                        |                        |                        |                      |                        |                           |
| Demand  | \$2,210<br>\$169,458  | \$2,210               | \$2,145            | \$2,275              | \$2,340            | \$2,275          | \$2,860                | \$2,145                | \$2,275                | #0.00r               |                        |                           |
| Energy  | \$196,724   | \$169,474             | \$163,426          | \$155,347            | \$178,142          | \$193,645        | \$209,056              | \$280,655              | \$288,150              | \$2,275<br>\$305,704 | \$2,275                | \$2,275                   |
| Fuel Clause   | \$24,987  | \$199,858<br>\$39,773 | \$220,216          | \$191,613            | \$187,852          | \$208,575        | \$208,482              | \$235,051              | \$255,594              | \$255,950            | \$298,405<br>\$261,457 | \$224,429                 |
| Demand-Side Management                                    | \$2,279   | \$2,315               | \$13,940           | \$19,740             | \$25,842           | \$28,426         | \$33,297               | \$45,449               | \$45,284               | \$36,627             | \$50,109               | \$225,457                 |
| Environmental Surcharge                                   | \$4,590   | \$5,874               | \$2,551<br>\$3,902 | \$2,220<br>\$5,345   | \$2,240            | \$1,777          | \$1,776                | \$2,002                | \$2,177                | \$2,180              | \$2,227                | \$56,268<br>\$1,920       |
| Merger Surcrodu   | (\$8,601)   | (\$9,015)             | (\$8,729)          | \$5,345<br>(\$8,092) | \$5,986            | \$3,608          | \$5,784                | \$12,663               | \$12,879               | \$6,871              | \$4,363                | \$3,011                   |
| Earning Shanng<br>Maliya Dolume                           | \$0   | \$0                   | \$0                | (30,092)<br>\$0      | (\$8,648)<br>\$0   | (\$9,419)        | (\$9,912)              | (\$12,420)             | (\$17,912)             | (\$14.820)           | (\$15,044)             | (\$12,480)                |
| Value Delivery  | (\$3,916)   | (\$4,105)             | (\$3,975)          | (\$3,463)            | (\$3,701)          | \$0<br>(\$4,032) | \$0<br>(\$4,243)       | \$D<br>/\$6.216\       | \$0                    | \$0                  | \$0                    | \$0                       |
| Total Regenerated Billing<br>Adjusted for Ratio to Actual | \$387,731   | \$406,384             | \$393,477          | \$364,985            | \$390,052          | \$424,855        | \$447,100              | (\$5,316)<br>\$560,228 | (\$5,531)              | (\$5,591)            | (\$5,676)              | (\$4,708)                 |
| majvariou FOF PGINO 10 ACREAT                             | \$367,731   | \$407,272             | \$393,561          | \$364,985            | \$389,969          | \$424,855        | \$446,856              | \$560,230              | \$582,915<br>\$575,057 | \$589,196            | \$598,116              | \$496,173                 |
| ost Revenue by Month                                      | (134 000)   |                       |                    |                      |                    |                  |                        | \$111,E30              | aoro,007               | \$581,411            | \$590,174              | \$489,411                 |
| ost Revenue Cumulative                                    | (\$21,926)<br>(\$21,926)  | (\$21,318)            | (\$25,249)         | (\$20,844)           | (\$21,524)         | (\$24,838)       | (\$21,464)             | (\$31,102)             | (\$35,157)             | (\$32,341)           | (\$34,402)             | 1833 +005                 |
|   | \#4 1.34U]  | (\$43,244)            | (\$68,493)         | (\$89,337)           | (\$110,861)        | (\$135,699)      | (\$157,164)            | (\$188,265)            | (\$223,423)            | (\$255,764)          | (\$290,166)            | (\$23,166)<br>(\$313,332) |
|   |   |                       |                    |                      |                    |                  |                        |                        |                        |                      |                        | 140.0,0001                |