



an eon company

RECEIVED

MAR 10 2009

PUBLIC SERVICE
COMMISSION

Ms. Jeff Derouen
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, KY 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
Director - Rates
T 502-627-3324
F 502-627-3213
robert.conroy@eon-us.com

March 10, 2009

**RE: *AN EXAMINATION BY THE PUBLIC SERVICE COMMISSION
OF THE ENVIRONMENTAL SURCHARGE MECHANISM OF
LOUISVILLE GAS AND ELECTRIC COMPANY FOR THE SIX-
MONTH BILLING PERIOD ENDING OCTOBER 31, 2008***
CASE NO. 2008-00549

Dear Mr. Derouen:

As requested at the technical conference with Commission Staff held on March 6, 2009, please find an electronic copy of the Attachment to Response to Question No. 6(c), page 1 of 2.

In addition, based on discussions with Commission Staff at the technical conference, LG&E is providing an original and ten (10) copies of the Attachment to Response to Question No. 2, page 3 of 3 to clarify that the adjustment to recognize the Cumulative Impact of Changes in Rate of Return is an over-collection in the billing period under review. The change in presentation does not change the cumulative under-collection for the billing period under review.

Should you have any questions concerning the enclosed, please contact me at your convenience.

Sincerely,

Robert M. Conroy

Enclosures
cc: Parties of Record

Louisville Gas & Electric Company
Reconciliation of Combined Over/(Under) Recovery
Summary Schedule for Expense Months March 2008 through August 2008

(1) Billing Month	(2) Expense Month	(3) Rate of Return as Filed	(4) Rate of Return as Revised	(5) Change in Rate of Return (4) - (3)	(6) Rate Base as Revised	(7) True-up Adjustment (5) * (6) / 12	(8) Jurisdictional Allocation, ES Form 1 00	(9) Jurisdictional True up Adjustment (7) * (8)
May-08	Mar-08	11 14%	10 97%	-0 17%	\$ 230,945,310	32,717	76 23%	24,940
Jun-08	Apr-08	11 14%	10 97%	-0 17%	232,485,247	32,935	81 60%	26,875
Jul-08	May-08	11 14%	10 97%	-0 17%	235,277,192	33,331	72 11%	24,035
Aug-08	Jun-08	11 14%	10 97%	-0 17%	237,834,327	33,693	79 71%	26,857
Sep-08	Jul-08	11 14%	10 97%	-0 17%	239,210,977	33,888	83 09%	28,158
Oct-08	Aug-08	11 49%	10 97%	-0 52%	241,274,724	104,552	87 41%	91,389
Cumulative Impact of Changes in Rate of Return						\$ 271,117		\$ 222,254

(1)	(2)	(3) Base Rate Revenues (from ES Form 3 00)	(4) As filed BESF * Base Rates (from ES Form 2 00)	(5) Actual ECR Base Rates (Q2, pg 2, Col 11)	(6) As Filed BESF (from ES Form 1 00)	(7) Recalculated BESF	(8) Recalc BESF * Base Rates (3) * (7)	(9) Recalculated Difference (8) - (4)	(10) BESF % Difference (5) - (8)
May-08	Mar-08	50,387,614	1,824,032	1,710,336	3 62%	3 47%	1,748,450	(75,581)	(38,114)
Jun-08	Apr-08	67,289,649	2,435,885	2,125,384	3 62%	3 47%	2,334,951	(100,934)	(209,567)
Jul-08	May-08	75,567,412	2,735,540	2,403,522	3 62%	3 47%	2,622,189	(113,351)	(218,667)
Aug-08	Jun-08	77,370,827	2,800,824	2,466,595	3 62%	3 47%	2,684,768	(116,056)	(218,173)
Sep-08	Jul-08	72,709,783	2,632,094	2,310,965	3 62%	3 47%	2,523,029	(109,065)	(212,064)
Oct-08	Aug-08	55,222,204	1,999,044	1,873,222	3 62%	3 47%	1,916,210	(82,833)	(42,988)
		398,547,489	14,427,419	12,890,025			13,829,598	(597,821)	(939,572)
		Actual Base Rate Collections	12,890,025		Actual Base Rate Collections		12,890,025		
			(1,537,394)				(939,573)		

(1) Billing Month	(2) Expense Month	(3) Combined Total Over/(Under) Recovery (Q2, pg 2, Col 12)	(4) ROR Trueup	(5) BESF Inconsistency	(6) Use of BESF %	(7) Use of 12 Month Average Revenues
May-08	Mar-08	(414,583)	24,940	(75,581)	(38,114)	(325,828)
Jun-08	Apr-08	350,325	26,875	(100,934)	(209,567)	633,951
Jul-08	May-08	851,160	24,035	(113,351)	(218,667)	1,159,144
Aug-08	Jun-08	205,281	26,857	(116,056)	(218,173)	512,653
Sep-08	Jul-08	(556,609)	28,158	(109,065)	(212,064)	(263,638)
Oct-08	Aug-08	(1,044,112)	91,389	(82,833)	(42,988)	(1,009,680)
		(608,538)	222,254	(597,821)	(939,572)	706,601

OVER/UNDER RECONCILIATION	
Combined Over/Under Recovery	(608,538)
Due to BESF Inconsistency	(597,821)
Due to use of BESF %	(939,572)
Due to Change in ROR	222,254
Use of 12 Month Average Revenues	706,601
Subtotal	(608,538)
Unreconciled Difference	-