



an *e-on* company

Ms. Stephanie L. Stumbo  
Executive Director  
Public Service Commission  
211 Sower Boulevard  
P. O. Box 615  
Frankfort, Kentucky 40602

**RECEIVED**

DEC 05 2008

**PUBLIC SERVICE  
COMMISSION**

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

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

December 5, 2008

**RE: *Adjustments to Demand-Side Management Cost Recovery  
Components for Kentucky Utilities Company***

Dear Ms. Stumbo:

Kentucky Utilities Company ("KU") files herewith an original and four copies of the following revised sheets of KU Tariff PSC No. 13:

Twenty-Seventh Revision of Original Sheet No. 1  
Tenth Revision of Original Sheet No. 71.4  
Eighth Revision of Original Sheet No. 71.5

This filing reflects revised Demand Side Management Cost Recovery Components as approved by the Commission in its Order of May 11, 2001, in Case No. 2000-00459, and reaffirmed in its order of March 31, 2008, in Case No. 2007-00319. Four copies of the supporting data for the twelve month period ending December 31, 2009 are also filed herewith.

Sincerely,

A handwritten signature in black ink, appearing to read 'R. M. Conroy', written over a horizontal line.

Robert M. Conroy

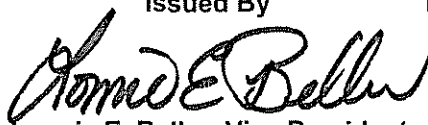
Enclosures

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**Date of Issue: December 5, 2008**  
**Canceling Twenty-Sixth Revision of**  
**Original Sheet No. 1**  
**Issued November 14, 2008**

**Issued By**

**Date Effective: January 5, 2009**



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

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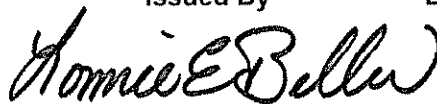
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<b>DSMRM</b>		
<b>Demand-Side Management Cost Recovery Mechanism</b>		
<b>APPLICABLE TO:</b>		
Residential Service Rate RS, Volunteer Fire Department Service Rate VFD, General Service Rate GS, Small Time-of Day Rate STOD, Large Power Rate LP, and Large Commercial and Industrial Time-of-Day Rate LCI-TOD		
<u>DSM Cost Recovery Component (DSMRC):</u>		
<u>Residential Service Rate RS and Volunteer Fire Department Service VFD</u>		<u>Energy Charge</u>
DSM Cost Recovery Component (DCR):	0.162 ¢/Kwh	I
DSM Revenues from Lost Sales (DRLS):	0.042 ¢/Kwh	I
DSM Incentive (DSM):	0.007 ¢/Kwh	I
DSM Balance Adjustment (DBA):	(0.001)¢/Kwh	
DSMRC Rates RS and VFD:	0.210 ¢/Kwh	T/I
<u>General Service Rate GS</u>		<u>Energy Charge</u>
DSM Cost Recovery Component (DCR):	0.052 ¢/Kwh	R
DSM Revenues from Lost Sales (DRLS):	0.052 ¢/Kwh	I
DSM Incentive (DSM):	0.003 ¢/Kwh	
DSM Balance Adjustment (DBA):	(0.019)¢/Kwh	
DSMRC Rate GS:	0.088 ¢/Kwh	I

Date of Issue: December 5, 2008  
Canceling Ninth Revision of  
Original Sheet No. 71.4  
Issued April 17, 2008

Issued By

Date Effective: January 5, 2009



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


<b>DSMRM</b>	
<b>Demand-Side Management Cost Recovery Mechanism</b>	
<u>DSM Cost Recovery Component (DSMRC):</u> (Continued)	
<u>Large Power Rate LP and Small Time-of-Day Service Rate STOD</u>	<u>Energy Charge</u>
DSM Cost Recovery Component (DCR):	0.033 ¢/Kwh
DSM Revenues from Lost Sales (DRLS):	0.016 ¢/Kwh
DSM Incentive (DSM):	0.002 ¢/Kwh
DSM Balance Adjustment (DBA):	0.005 ¢/Kwh
DSMRC Rates LP and STOD	0.056 ¢/Kwh
<u>Large Commercial/Industrial Rate LCI-TOD</u>	<u>Energy Charge</u>
DSM Cost Recovery Component (DCR):	0.000 ¢/Kwh
DSM Revenues from Lost Sales (DRLS):	0.000 ¢/Kwh
DSM Incentive (DSM):	0.000 ¢/Kwh
DSM Balance Adjustment (DBA):	0.000 ¢/Kwh
DSMRC Rate TOD:	0.000 ¢/Kwh

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Date of Issue: December 5, 2008  
Canceling Seventh Revision of  
Original Sheet No. 71.5  
Issued April 17, 2008

Issued By

Date Effective: January 5, 2009

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

**KENTUCKY UTILITIES COMPANY**

**Supporting Calculations for the  
DSM Cost Recovery Mechanism**

**ELECTRIC SERVICE**

**Twelve-Month Period Beginning January 1, 2009  
and Ending December 31, 2009**

Kentucky Utilities  
 Summary of Total DSM Recovery Component (DSMRC)  
 12-Month Period Beginning January 1, 2009

Rate Schedule	DSM Cost Recovery Component (DCR) Exhibit AE	DSM Revenues From Lost Sales Component (DRLS) Exhibit BE	DSM Incentive Component (DSMI) Exhibit CE	DSM Balance Adjustment Component (DBA)	DSM Recovery Component (DSMRC) Total
Residential Service RS	0.162	0.042	0.007	(0.001)	0.210 ¢/kWh
General Service GS	0.052	0.052	0.003	(0.019)	0.088 ¢/kWh
Rate LP (excludes industrial)	0.033	0.016	0.002	0.005	0.056 ¢/kWh

Kentucky Utilities  
Summary of DSM Revenues from DSM Cost Recovery Component (DCR)  
12-month Period Beginning January 1, 2009

Rate Schedule	Exhibit Reference	DSM Cost Recovery Total Amount	Estimated Billing Determinants	DSM Cost Recovery Component (DCR)
Residential Service RS	AE-1	\$ 10,291,005	6,353,305,471 kWh	0.162 ¢/kWh
General Service GS	AE-2	\$ 950,520	1,835,419,500 kWh	0.052 ¢/kWh
Rate LP (excludes industrial)	AE-3	\$ 1,300,367	3,910,428,064 kWh	0.033 ¢/kWh

KENTUCKY UTILITIES COMPANY  
DSM Cost Recovery Component (DCR)  
12-Month Period Beginning January 1, 2009

Program costs, which are categorized by residential, commercial, and industrial must be allocated to the individual rate schedules. The first step, allocation between gas and electric, and between LG&E and KU, is shown on page 3.

On page 4, the DSM Program costs are further assigned to the rate schedules, which is the second and final step of the cost allocation process.

The auxiliary Exhibits identified as AE-1 through AE-6 provide the specific analyses of program costs, revenue recovery, and billing determinants which are necessary to compute the DCR factors for each of the electric rate schedules.



DSM Budget Allocation

Program	Allocation	2009	Program	Allocation	2009
<b>Total of All Programs</b>			<b>Responsive Smart Meters</b>		
LGE: RS and RRP	34.0%	8,618,198	LGE: RS and RRP	95.0%	247,261
LGE: RGS	8.3%	2,092,193	LGE: RGS	5.0%	13,014
LGE: GS and GRP	3.3%	827,171	LGE: GS and GRP	0.0%	-
LGE: LC	3.7%	945,513	LGE: LC	0.0%	-
LGE: LC-TOD	0.9%	215,686	LGE: LC-TOD	0.0%	-
LGE: CGS	0.4%	103,405	LGE: CGS	0.0%	-
KU: RS	40.6%	10,291,005	KU: RS	0.0%	-
KU: GS	3.8%	950,520	KU: GS	0.0%	-
KU: LP	5.1%	1,300,367	KU: LP	0.0%	-
<b>Total</b>		<b>25,344,058</b>	<b>Total</b>		<b>260,275</b>
<b>Residential Audit</b>			<b>Dealer Referral Network</b>		
LGE: RS and RRP	27.8%	193,983	LGE: RS and RRP	24.5%	35,543
LGE: RGS	22.2%	155,186	LGE: RGS	20.9%	30,270
LGE: GS and GRP	0.0%	-	LGE: GS and GRP	2.7%	3,951
LGE: LC	0.0%	-	LGE: LC	0.2%	255
LGE: LC-TOD	0.0%	-	LGE: LC-TOD	0.0%	5
LGE: CGS	0.0%	-	LGE: CGS	1.7%	2,467
KU: RS	50.0%	349,170	KU: RS	41.4%	60,034
KU: GS	0.0%	-	KU: GS	7.8%	11,301
KU: LP	0.0%	-	KU: LP	0.8%	1,156
<b>Total</b>		<b>698,339</b>	<b>Total</b>		<b>144,983</b>
<b>Residential WeCare</b>			<b>Commercial Audit</b>		
LGE: RS and RRP	27.8%	482,824	LGE: RS and RRP	0.0%	-
LGE: RGS	22.2%	386,259	LGE: RGS	0.0%	-
LGE: GS and GRP	0.0%	-	LGE: GS and GRP	17.0%	535,344
LGE: LC	0.0%	-	LGE: LC	26.0%	818,761
LGE: LC-TOD	0.0%	-	LGE: LC-TOD	6.0%	188,945
LGE: CGS	0.0%	-	LGE: CGS	1.0%	31,491
KU: RS	50.0%	869,083	KU: RS	0.0%	-
KU: GS	0.0%	-	KU: GS	15.0%	472,362
KU: LP	0.0%	-	KU: LP	35.0%	1,102,178
<b>Total</b>		<b>1,738,166</b>	<b>Total</b>		<b>3,149,081</b>
<b>Residential Lighting</b>			<b>Commercial HVAC</b>		
LGE: RS and RRP	50.0%	1,694,482	LGE: RS and RRP	0.0%	-
LGE: RGS	0.0%	-	LGE: RGS	0.0%	-
LGE: GS and GRP	0.0%	-	LGE: GS and GRP	43.0%	115,292
LGE: LC	0.0%	-	LGE: LC	6.0%	16,087
LGE: LC-TOD	0.0%	-	LGE: LC-TOD	1.0%	2,681
LGE: CGS	0.0%	-	LGE: CGS	0.0%	-
KU: RS	50.0%	1,694,482	KU: RS	0.0%	-
KU: GS	0.0%	-	KU: GS	40.0%	107,249
KU: LP	0.0%	-	KU: LP	10.0%	26,812
<b>Total</b>		<b>3,388,963</b>	<b>Total</b>		<b>268,122</b>
<b>Residential HVAC</b>			<b>Commercial Demand</b>		
LGE: RS and RRP	50.0%	169,874	LGE: RS and RRP	0.0%	-
LGE: RGS	0.0%	-	LGE: RGS	0.0%	-
LGE: GS and GRP	0.0%	-	LGE: GS and GRP	17.0%	67,777
LGE: LC	0.0%	-	LGE: LC	26.0%	103,659
LGE: LC-TOD	0.0%	-	LGE: LC-TOD	6.0%	23,921
LGE: CGS	0.0%	-	LGE: CGS	1.0%	3,987
KU: RS	50.0%	169,874	KU: RS	0.0%	-
KU: GS	0.0%	-	KU: GS	15.0%	59,803
KU: LP	0.0%	-	KU: LP	35.0%	139,541
<b>Total</b>		<b>339,747</b>	<b>Total</b>		<b>398,688</b>
<b>Residential Construction</b>			<b>Education &amp; Information</b>		
LGE: RS and RRP	27.8%	240,081	LGE: RS and RRP	24.5%	756,937
LGE: RGS	22.2%	192,065	LGE: RGS	20.9%	644,641
LGE: GS and GRP	0.0%	-	LGE: GS and GRP	2.7%	84,134
LGE: LC	0.0%	-	LGE: LC	0.2%	5,420
LGE: LC-TOD	0.0%	-	LGE: LC-TOD	0.0%	107
LGE: CGS	0.0%	-	LGE: CGS	1.7%	52,548
KU: RS	50.0%	432,146	KU: RS	41.4%	1,278,491
KU: GS	0.0%	-	KU: GS	7.8%	240,668
KU: LP	0.0%	-	KU: LP	0.8%	24,628
<b>Total</b>		<b>864,292</b>	<b>Total</b>		<b>3,087,575</b>
<b>Residential Demand</b>			<b>Development &amp; Administration</b>		
LGE: RS and RRP	45.0%	4,611,220	LGE: RS and RRP	24.5%	185,993
LGE: RGS	5.0%	512,358	LGE: RGS	20.9%	158,400
LGE: GS and GRP	0.0%	-	LGE: GS and GRP	2.7%	20,673
LGE: LC	0.0%	-	LGE: LC	0.2%	1,332
LGE: LC-TOD	0.0%	-	LGE: LC-TOD	0.0%	26
LGE: CGS	0.0%	-	LGE: CGS	1.7%	12,912
KU: RS	50.0%	5,123,578	KU: RS	41.4%	314,148
KU: GS	0.0%	-	KU: GS	7.8%	59,136
KU: LP	0.0%	-	KU: LP	0.8%	6,051
<b>Total</b>		<b>10,247,157</b>	<b>Total</b>		<b>758,671</b>

Kentucky Utilities  
Allocation of DSM Program Costs to Rates

<u>ELECTRIC</u>	
Residential Rate RS	\$ 10,291,005
General Service Rate GS	\$ 950,520
Rate LP (excludes industrial)	\$ 1,300,367
TOTAL ELECTRIC	\$ 12,541,892

KENTUCKY UTILITIES COMPANY

DSM Cost Recovery (DCR)  
For Residential Rate RS  
12-Month Period Beginning January 1, 2009

The total 2009 DSM Program Cost for Residential Rate RS is \$10,291,005 as determined on page 4 of Exhibit AE. This filing proposes to determine a DSM Cost Recovery (DCR) factor to be applicable for the period of January 1, 2009 through December 31, 2009. The DCR factor is calculated by dividing the total 2009 program cost for Rate RS by the January - December, 2009 forecasted KWh sales as shown on page 2. The resulting DCR factor for Residential Rate RS is 0.162¢ per kWh.

Kentucky Utilities  
Calculation of DCR Component For Rate RS

Forecast  
kWh Sales

JAN	2009	783,453,153
FEB		666,375,646
MAR		582,240,851
APR		453,848,384
MAY		378,139,163
JUN		445,089,892
JUL		557,377,012
AUG		581,745,115
SEP		512,628,213
OCT		373,506,396
NOV		421,119,028
DEC		597,782,619
		<u>6,353,305,471</u>

Total Program Costs \$ 10,291,005

Revised DCR Factor in ¢ per kWh 0.162

KENTUCKY UTILITIES COMPANY

DSM Cost Recovery (DCR)  
For General Service Rate GS  
12-Month Period Beginning January 1, 2009

The total 2009 DSM Program Cost for General Service Rate GS is \$950,520 as determined on page 4 of Exhibit AE. This filing proposes to determine a DSM Cost Recovery (DCR) factor to be applicable for the period of January 1, 2009 through December 31, 2009. The DCR factor is calculated by dividing the total 2009 program cost for Rate GS by the January - December, 2009 forecasted kWh sales as shown on page 2. The resulting DCR factor for Rate GS is 0.052 ¢ per kWh.

Kentucky Utilities  
Calculation of DCR Component For Rate GS

Forecast  
kWh Sales

JAN 2009	163,803,266
FEB	162,808,279
MAR	151,402,500
APR	132,850,623
MAY	132,380,850
JUN	147,827,232
JUL	169,664,231
AUG	172,535,711
SEP	170,985,200
OCT	140,875,626
NOV	134,925,084
DEC	155,360,899
	<u>1,835,419,500</u>

Total Program Costs \$ 950.520

Revised DCR Factor in ¢ per kWh 0.052

KENTUCKY UTILITIES COMPANY

DSM Cost Recovery (DCR)  
For Light & Power Rate LP  
12-Month Period Beginning January 1, 2009

The total 2009 DSM Program Cost for Light & Power Rate LP is \$1,300,367 as determined on page 4 of Exhibit AE. This filing proposes to determine a DSM Cost Recovery (DCR) factor to be applicable for the period of January 1, 2009 through December 31, 2009. The DCR factor is calculated by dividing the total 2009 program cost for Rate LP by the January - December, 2009 forecasted kWh sales as shown on page 2. The resulting DCR factor for Rate LP is 0.033 ¢ per kWh.

Kentucky Utilities  
Calculation of DCR Component For Rate LP

Forecast  
kWh Sales (excludes industrial)

JAN 2009	332,058,778
FEB	306,621,922
MAR	303,099,145
APR	304,685,387
MAY	314,992,142
JUN	337,641,764
JUL	360,930,108
AUG	360,741,393
SEP	358,691,149
OCT	323,455,192
NOV	300,795,671
DEC	306,715,413
	<u>3,910,428,064</u>

Total Program Costs \$ 1,300,367

Revised DCR Factor in ¢ per kWh 0.033



KENTUCKY UTILITIES COMPANY

DSM Cost Recovery (DCR)  
*For Large Commercial and Industrial Rate LCI-TOD*  
12-Month Period Beginning January 1, 2009

Not applicable at this time.

KENTUCKY UTILITIES COMPANY

DSM Cost Recovery (DCR)  
For High Load Factor Rate HLF  
12-Month Period Beginning January 1, 2009

Not applicable at this time

Kentucky Utilities  
Summary of DSM Revenues from Lost Sales Component (DRLS)  
12-Month Period Beginning January 1, 2009

<u>Rate Schedule</u>	<u>DRLS</u>
Residential Rate RS	0.042 ¢/kWh
General Service GS	0.052 ¢/kWh
Rate LP (excludes industrial)	0.016 ¢/kWh

Kentucky Utilities  
Summary of DSM Revenues from Lost Sales Component: DRLS  
12-Month Period Beginning January 1, 2009

Rate Schedule	Exhibit Reference	Lost Net Revenues Total Amount	Estimated Billing Determinants (kWh)	DSM Revenues from Lost Sales Component (DRLS)
Residential Rate RS	BE-1	\$ 2,692,134	6,353,305,471	0.042 ¢/kWh
General Service GS	BE-2	\$ 945,811	1,835,419,500	0.052 ¢/kWh
Rate LP (excludes industrial)	BE-3	\$ 619,740	3,910,428,064	0.016 ¢/kWh

KENTUCKY UTILITIES COMPANY

DSM Revenues from Lost Sales (DRLS)  
For Residential Rate RS  
12-Month Period Beginning January 1, 2009

This filing computes Revenues from Lost Sales with a Lost Net Revenue methodology based on engineering estimates of DSM program energy reduction. Lost Net Revenue is calculated by multiplying the non-variable revenue requirement per kWh by the estimated annual reduction in customer usage as shown on page 2. The non-variable revenue requirement is the weighted average price per kWh of expected billings in 2009 under the energy charges contained in the Rate Schedule RS, after deducting the variable costs included in such energy charges.

The DRLS factor is calculated by dividing the total applicable lost net revenue amount for Rate RS by the January - December, 2009 forecasted kWh sales as shown on page 3. The resulting DRLS factor for Rate RS is 0.042 ¢ per kWh.

Kentucky Utilities  
Calculation of Lost Net Revenue for Rate RS

<u>Program Descriptions</u>	<u>Total Energy Savings (kWh)</u>	<u>Non-variable Revenue per kWh</u>	<u>Lost Net Revenue</u>
Rate RS	69,994,086	\$ 0.038	\$2,692,134
TOTAL PROGRAMS	69,994,086		\$2,692,134

Kentucky Utilities  
Calculation of DRLS Component For Rate RS

Forecast  
kWh Sales

JAN 2009	783,453,153
FEB	666,375,646
MAR	582,240,851
APR	453,848,384
MAY	378,139,163
JUN	445,089,892
JUL	557,377,012
AUG	581,745,115
SEP	512,628,213
OCT	373,506,396
NOV	421,119,028
DEC	597,782,619
	<u>6,353,305,471</u>

Total Lost Net Revenue \$ 2,692,134

Revised DRLS Factor in ¢ per kWh 0.042

KENTUCKY UTILITIES COMPANY

DSM Revenues from Lost Sales (DRLS)  
For General Service Rate GS  
12-Month Period Beginning January 1, 2009

This filing computes Revenues from Lost Sales with a Lost Net Revenue methodology based on engineering estimates of DSM program energy reduction. Lost Net Revenue is calculated by multiplying the non-variable revenue requirement per kWh by the estimated annual reduction in customer usage as shown on page 2. The non-variable revenue requirement is the weighted average price per kWh of expected billings in 2009 under the energy charges contained in the Rate Schedule GS, after deducting the variable costs included in such energy charges.

The DRLS factor is calculated by dividing the total applicable lost net revenue amount for Rate GS by the January - December, 2009 forecasted kWh sales as shown on page 3. The resulting DRLS factor for Rate GS is 0.052 ¢ per kWh.



Kentucky Utilities  
Calculation of Lost Net Revenue for Rate GS

<u>Program Descriptions</u>	<u>Total Energy Savings (kWh)</u>	<u>Non-variable Revenue per kWh</u>	<u>Lost Net Revenue</u>
Rate GS	28,025,864	\$ 0 034	\$945,811
	<hr/>		
TOTAL PROGRAMS	28,025,864		<hr/> \$945,811

Kentucky Utilities  
Calculation of Lost Net Revenue for Rate GS

Forecast  
kWh Sales

JAN 2009	163,803,266
FEB	162,808,279
MAR	151,402,500
APR	132,850,623
MAY	132,380,850
JUN	147,827,232
JUL	169,664,231
AUG	172,535,711
SEP	170,985,200
OCT	140,875,626
NOV	134,925,084
DEC	155,360,899
	<u>1,835,419,500</u>

Total Lost Net Revenue \$ 945.811

Revised DRLS Factor in ¢ per kWh 0.052

KENTUCKY UTILITIES COMPANY

DSM Revenues from Lost Sales (DRLS)  
For Light & Power Rate LP  
12-Month Period Beginning January 1, 2009

This filing computes Revenues from Lost Sales with a Lost Net Revenue methodology based on engineering estimates of DSM program energy reduction. Lost Net Revenue is calculated by multiplying the non-variable revenue requirement per kWh by the estimated annual reduction in customer usage as shown on page 2. The non-variable revenue requirement is the weighted average price per kWh of expected billings in 2009 under the energy charges contained in the Rate Schedule LP, after deducting the variable costs included in such energy charges.

The DRLS factor is calculated by dividing the total applicable lost net revenue amount for Rate LP by the January - December, 2009 forecasted kWh sales as shown on page 3. The resulting DRLS factor for Rate LP is 0.016 ¢ per kWh.

Kentucky Utilities  
Calculation of Lost Net Revenue For Rate LP

<u>Program Descriptions</u>	<u>Total Energy Savings (kWh)</u>	<u>Non-variable Revenue per kWh</u>	<u>Lost Net Revenue</u>
Rate LP	18,363,870	\$ 0.034	\$619,740
TOTAL PROGRAMS	18,363,870		\$619,740

Kentucky Utilities  
Calculation of Lost Net Revenue For Rate LP

Forecast  
kWh Sales

JAN	2009	332,058,778
FEB		306,621,922
MAR		303,099,145
APR		304,685,387
MAY		314,992,142
JUN		337,641,764
JUL		360,930,108
AUG		360,741,393
SEP		358,691,149
OCT		323,455,192
NOV		300,795,671
DEC		306,715,413
		<u>3,910,428,064</u>
		3,910,428,064

Total Lost Net Revenue \$ 619,740

Revised DRLS Factor in ¢ per kWh 0.016

KENTUCKY UTILITIES COMPANY  
DSM Revenues from Lost Sales (DRLS)  
For Large Commercial & Industrial Power Time-of-Day Rate LCI-TOD  
12-Month Period Beginning January 1, 2009

Not currently applicable

Kentucky Utilities  
Summary of DSM Incentive Component (DSMI)  
12-Month Period Beginning January 1, 2009

Rate Schedule	Exhibit Reference	DSM Incentive Total Amount	Estimated Billing Determinants	DSM Incentive Component (DSMI)
Residential Rate RS	CE-1	\$ 427,579	6,353,305,471 kWh	0.007 ¢/kWh
General Service GS	CE-2	\$ 49,999	1,835,419,500 kWh	0.003 ¢/kWh
Rate LP (excludes industrial)	CE-3	\$ 60,255	3,910,428,064 kWh	0.002 ¢/kWh

Kentucky Utilities  
Calculation of Rate RS Incentives

<u>ELECTRIC</u>	
Residential Rate RS	\$ 427,579
General Service Rate GS	\$ 49,999
Rate LP	\$ 60,255
TOTAL ELECTRIC	\$ 537,833



KENTUCKY UTILITIES COMPANY

DSM Incentive Component (DSMI)  
For Residential Rate RS  
12-Month Period Beginning January 1, 2009

**DSMI = DSM INCENTIVE** For all Programs the DSM incentive amount shall be computed by multiplying the annual program cost of the approved programs which are to be installed during the upcoming twelve-month period times five (5) percent

The DSMI factor is calculated by dividing the total 2009 incentive amount for Rate RS by the January - December, 2009 forecasted kWh sales as shown on page 3. The resulting DSMI factor for Residential Rate RS is 0.007 ¢ per kWh.

Kentucky Utilities  
Calculation of DSMI Component For Rate RS

Forecast  
kWh Sales

JAN	2009	783,453,153
FEB		666,375,646
MAR		582,240,851
APR		453,848,384
MAY		378,139,163
JUN		445,089,892
JUL		557,377,012
AUG		581,745,115
SEP		512,628,213
OCT		373,506,396
NOV		421,119,028
DEC		597,782,619
		<u>6,353,305,471</u>

Total Incentive \$ 427,579

Revised DSMI Factor in ¢ per kWh 0.007

KENTUCKY UTILITIES COMPANY

DSM Incentive Component (DSMI)  
For General Service Rate GS  
12-Month Period Beginning January 1, 2009

**DSMI = DSM INCENTIVE** For all Programs the DSM incentive amount shall be computed by multiplying the annual program cost of the approved programs which are to be installed during the upcoming twelve-month period times five (5) percent.

The DSMI factor is calculated by dividing the total 2009 incentive amount for Rate GS by the January - December, 2009 forecasted kWh sales as shown on page 3. The resulting DSMI factor for General Service Rate GS is 0.003 ¢ per kWh.

Kentucky Utilities  
Calculation of DSMI Component For Rate GS

Forecast  
kWh Sales

JAN	2009	163,803,266
FEB		162,808,279
MAR		151,402,500
APR		132,850,623
MAY		132,380,850
JUN		147,827,232
JUL		169,664,231
AUG		172,535,711
SEP		170,985,200
OCT		140,875,626
NOV		134,925,084
DEC		<u>155,360,899</u>
		1,835,419,500

Total Incentive \$ 49,999

Revised DSMI Factor in ¢ per kWh 0.003

KENTUCKY UTILITIES COMPANY

DSM Incentive Component (DSMI)  
For Light & Power Rate LP  
12-Month Period Beginning January 1, 2009

**DSMI = DSM INCENTIVE.** For all Programs the DSM incentive amount shall be computed by multiplying the annual program cost of the approved programs which are to be installed during the upcoming twelve-month period times five (5) percent.

The DSMI factor is calculated by dividing the total 2009 incentive amount for Rate LP by the January - December, 2009 forecasted kWh sales as shown on page 3. The resulting DSMI factor for Rate LP is 0.002 ¢ per kWh.

Kentucky Utilities  
Calculation of DSMI Component For Rate LP

Forecast  
kWh Sales

JAN	2009	332,058,778
FEB		306,621,922
MAR		303,099,145
APR		304,685,387
MAY		314,992,142
JUN		337,641,764
JUL		360,930,108
AUG		360,741,393
SEP		358,691,149
OCT		323,455,192
NOV		300,795,671
DEC		306,715,413
		<u>3,910,428,064</u>

Total Incentive \$ 60.255

Revised DSMI Factor In ¢ per kWh 0.002

KENTUCKY UTILITIES COMPANY

DSM Incentive Component (DSMI)  
For Large Commercial & Industrial Rate LCI-TOD  
12-Month Period Beginning January 1, 2009

Not applicable at this time.