



Mr. Jeff Derouen
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40601

RECEIVED

JAN 13 2009

PUBLIC SERVICE
COMMISSION

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

Lonnie E. Bellar
Vice President
T 502-627-4830
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January 13, 2009

RE: *Application of Kentucky Utilities Company for an Adjustment of Base Rates – Case No. 2008-00251*

Application of Kentucky Utilities Company to File Depreciation Study – Case No. 2007-00565

Application of Louisville Gas and Electric Company for an Adjustment of Its Electric and Gas Base Rates – Case No. 2008-00252

Application of Louisville Gas and Electric Company to File Depreciation Study – Case No. 2007-00564

Dear Mr. Derouen:

Please find enclosed and accept for filing two original and twenty (20) copies of the motion of Kentucky Utilities Company and Louisville Gas and Electric Company (collectively “Companies”), in the above-referenced matters for leave to file the Settlement Agreement, Stipulation, and Recommendation and Testimony of Lonnie E. Bellar thereon.

The original counsel signatures for Louisville Gas and Electric Company, Kentucky Utilities Company and The Kroger Company are included with each original version of the Settlement Agreement, Stipulation and Recommendation. Copies of the signature pages from the other parties are included in the original versions. Counsel for the Office of the Attorney General, Utility and Rate Intervention Division, Kentucky Industrial Utility Customers, Inc., Lexington-Fayette Urban County Government, Community Action Kentucky, Inc., Community Action Council for Lexington-Fayette, Bourbon, Harrison, and Nicholas Counties, Inc., Association of Community Ministries and People

Mr. Jeff Derouen
January 13, 2009

Organized and Working for Energy Reform will file their original signature pages under separate cover with the Commission.

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

Sincerely,

A handwritten signature in cursive script that reads "Lonnie E. Bellar". The signature is written in black ink and is positioned above the printed name.

Lonnie E. Bellar

cc: Parties of Record

Mr. Jeff Derouen
January 13, 2009

Counsel of Record

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

Consultants to the Parties

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

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

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

In the Matter of:

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

In the Matter of:

APPLICATION OF LOUISVILLE GAS)
AND ELECTRIC COMPANY FOR AN) CASE NO. 2008-00252
ADJUSTMENT OF ITS ELECTRIC)
AND GAS BASE RATES)

In the Matter of:

APPLICATION OF LOUISVILLE GAS)
AND ELECTRIC COMPANY TO FILE) CASE NO. 2007-00564
DEPRECIATION STUDY)

MOTION OF KENTUCKY UTILITIES COMPANY
AND LOUISVILLE GAS AND ELECTRIC COMPANY
FOR LEAVE TO FILE SETTLEMENT AGREEMENT AND TESTIMONY THEREON

Kentucky Utilities Company (“KU”) and Louisville Gas and Electric Company (“LG&E”) (collectively “Companies”) hereby move the Public Service Commission (“Commission”) for leave to file the Settlement Agreement, Stipulation, and Recommendation (“Settlement Agreement”) and the Testimony on Settlement of Lonnie E. Bellar on behalf of the Companies enclosed herewith. In support of this Motion, the Companies state that they, the Commission staff, and all other intervenors in these proceedings met at the Commission on January 6, 7, and 9, 2009, to engage in arm’s-length negotiations to settle the matters at issue in these proceedings, if possible. The Settlement Agreement that accompanies this Motion is the

product of those negotiations and represents a unanimous and global settlement of the matters at issue in these proceedings. The Testimony on Settlement of Lonnie E. Bellar describes the Settlement Agreement and the process by which the parties reached it. The Companies desire to submit the Settlement Agreement into the record of these proceedings for the Commission's consideration and approval to permit a change in base rates for service rendered on and after February 6, 2009.

WHEREFORE, the Companies respectfully move the Commission to grant them leave to file in these proceedings the enclosed Settlement Agreement and Testimony on Settlement.

Dated: January 13, 2009

Respectfully submitted,



Kendrick R. Riggs
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W. Duncan Crosby III
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220 West Main Street
Louisville, Kentucky 40202
Telephone: (502) 627-2088

Counsel for Louisville Gas and Electric
Company and Kentucky Utilities Company

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of the above and foregoing Motion for Leave to File Responsive Comments and to Modify Procedural Schedule was served, hand delivery, and electronic email, to the following persons on the 13th day of January 2009:

Dennis G. Howard II
Lawrence W. Cook
Assistant Attorneys General
Office of the Attorney General
Office of Rate Intervention
1024 Capital Center Drive, Suite 200
Frankfort, KY 40601-8204

David C. Brown
Stites & Harbison, PLLC
400 West Market Street, Suite 1800
Louisville, KY 40202

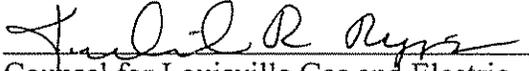
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Lisa Kilkelly
Legal Aid Society
416 West Muhammad Ali Blvd.
Suite 300
Louisville, KY 40202


Counsel for Louisville Gas and Electric
Company and Kentucky Utilities Company

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JAN 13 2009

COMMONWEALTH OF KENTUCKY

**PUBLIC SERVICE
COMMISSION**

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

**APPLICATION OF KENTUCKY)
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**APPLICATION OF LOUISVILLE GAS)
AND ELECTRIC COMPANY FOR AN) CASE NO. 2008-00252
ADJUSTMENT OF ITS ELECTRIC)
AND GAS BASE RATES)**

In the Matter of:

**APPLICATION OF LOUISVILLE GAS)
AND ELECTRIC COMPANY TO FILE) CASE NO. 2007-00564
DEPRECIATION STUDY)**

**TESTIMONY ON SETTLEMENT OF
LONNIE E. BELLAR
VICE PRESIDENT OF STATE REGULATION AND RATES
KENTUCKY UTILITIES COMPANY AND
LOUISVILLE GAS AND ELECTRIC COMPANY**

Filed: January 13, 2009

1 **Q. Please state your name, position and business address.**

2 A. My name is Lonnie E. Bellar. I am the Vice President of State Regulation and Rates
3 for Kentucky Utilities Company (“KU”) and Louisville Gas and Electric Company
4 (“LG&E”) (collectively “Companies”) and an employee of E.ON U.S. Services, Inc.,
5 which provides services to the Companies. My business address is 220 West Main
6 Street, Louisville, Kentucky.

7 **Q. What is the purpose of your testimony?**

8 A. The purpose of my testimony is to discuss why the unanimous settlement agreement
9 reached by all parties to these proceedings produces fair, just, and reasonable rates,
10 terms, and conditions for all the parties hereto and for all of the Companies’
11 customers, and to recommend that the Commission approve the settlement.

12 **Overview of Procedural Matters and Settlement Agreement Process**

13 **Q. Please describe the procedural background and posture of these proceedings.**

14 A. On December 28, 2007, the Companies filed with the Commission new depreciation
15 studies and applications for approval of the depreciation rates contained therein, to
16 which applications the Commission assigned Case Nos. 2007-00564 (LG&E) and
17 2007-00565 (KU). The Companies filed their depreciation studies and applications in
18 accordance with the settlement agreement reached in the Companies’ most recent past
19 rate cases, Case Nos. 2003-00433 (LG&E) and 2003-00434 (KU), and in accordance
20 with the Commission’s July 27, 2006 Order in Case No. 2006-00283 granting the
21 Companies an extension of time until December 31, 2007, to file such studies. The
22 Commission granted intervention to the Attorney General of the Commonwealth of
23 Kentucky, by and through his Office of Rate Intervention (“AG”), in the Companies’
24 2007 depreciation cases, in which cases the Companies and the AG filed direct

1 testimony and issued and responded to various data requests, and the Companies filed
2 rebuttal testimony.

3 On July 1, 2008, the Companies filed with the Commission their notices of
4 intent to file base rate adjustment applications on or after July 29, 2008. On July 29,
5 2008, in accordance with their notices of intent, the Companies filed applications in
6 Case Nos. 2008-00251 (KU) and 2008-00252 (LG&E) for increases in base rates for
7 their electric and gas operations, as well as for other modifications of their electric
8 and gas rates, terms, and conditions. Several parties petitioned the Commission for
9 intervention in one or both proceedings. Ultimately, the Commission granted
10 intervention to the AG, the Kentucky Industrial Utilities Customers, Inc. (“KIUC”),
11 the Lexington-Fayette Urban County Government (“LFUCG”), the Kroger Company
12 (“Kroger”), the Community Action Council of Lexington-Fayette, Bourbon, Harrison,
13 and Nicholas Counties, Inc. (“CAC”), and Community Action Kentucky, Inc.
14 (“CAK”) in Case No. 2008-00251 (KU); the Commission granted intervention to the
15 AG, KIUC, CAK, the Association of Community Ministries (“ACM”), and People
16 Organized and Working for Energy Reform (“POWER”) in Case No. 2008-00252
17 (LG&E). (Collectively, the Companies and the intervenors in Case Nos. 2007-00564,
18 2007-00565, 2008-00251, and 2008-00252, are referred to hereinafter as the
19 “Parties”.)

20 On August 21, 2008, in response to Commission orders dated August 15,
21 2008, the Companies filed in their respective rate cases reports concerning the Small
22 Time-of-Day (“STOD”) rates each company had implemented on a pilot-program
23 basis.

1 Finally, on August 22, 2008, the Commission issued orders consolidating
2 Case Nos. 2007-00565 and 2008-00251 (KU) and consolidating Case Nos. 2007-
3 00564 and 2008-00252 (LG&E). The Parties have submitted into the records of these
4 consolidated proceedings testimony, data requests, and responses to data requests.

5 **Q. In lieu of a contested hearing, have the Parties reached a settlement for the**
6 **Commission's consideration?**

7 A. Yes. The Parties met at the Commission's offices and engaged in arm's-length
8 negotiations on January 6, 7, and 9, 2009, to reach the Settlement Agreement,
9 Stipulation, and Recommendation ("Settlement Agreement") attached hereto as
10 Exhibit LEB-1. The Settlement Agreement is a reasonable "black-box" compromise
11 between the Parties' various interests, and results in fair, just, and reasonable rates,
12 terms, and conditions for all of the Companies' customers. A "black box" settlement
13 does not attach specific dollars or concessions to any particular issue, but provides an
14 overall settlement that on balance can be considered to be a fair, just, and reasonable
15 result. Because it is a settlement, however, the Parties have agreed that it should not
16 constitute a precedent, either before the Commission or elsewhere; rather, it is the
17 product of compromise and negotiation between the Parties' positions, all of which
18 may reasonably be litigated in future base rate or other cases.

19 **Revenue Requirement and Rate Design Issues**

20 **Q. What revenue requirement does the Settlement Agreement establish for the**
21 **Companies' electric and gas utility operations?**

22 A. The Settlement Agreement reduces KU's current revenue requirement by \$8,851,000,
23 reduces the revenue requirement for LG&E's electric operations by \$13,157,000, and
24 increases the revenue requirement for LG&E's gas operations by \$22,000,000. These

1 new revenue requirements clearly are the result of arm's-length negotiations and
2 represent significant changes from the positions the Parties initially took in these
3 proceedings. The Companies' filed position in this proceeding sought revenue
4 requirement increases for all of KU's and LG&E's utility operations, namely an
5 increase of \$22 million for KU, \$15 million for LG&E's electric operations, and \$30
6 million for LG&E's gas operations. The AG recommended a revenue requirement
7 decrease of \$41 million for KU, a decrease of \$52 million for LG&E's electric
8 operations, and an increase of \$13 million for LG&E's gas operations. The KIUC did
9 not file testimony concerning LG&E's gas revenue requirement, but recommended a
10 revenue requirement decrease of \$69 million for KU and a decrease of \$51 million for
11 LG&E's electric operations. Though the Companies certainly filed their base rate
12 applications with the objective of increasing their base rates to recover the calculated
13 revenue deficiencies for their respective utility operations, considering the complexity
14 of the issues, uncertainty in the outcome, and changes in economic circumstances
15 since the cases were filed, they nevertheless believe that the compromises the Parties
16 reached on revenue requirements and all other issues in these proceedings are fair,
17 just, and reasonable, and deserve Commission approval.

18 **Q. What revenue allocations does the Settlement Agreement establish?**

19 A. The Settlement Agreement establishes the revenue allocations for KU, LG&E
20 electric, and LG&E gas, which are set forth in Settlement Agreement Exhibits 1
21 (KU), 2 (LG&E electric), and 3 (LG&E gas). These allocations will result in a
22 decrease in the average KU residential customer's monthly bill of \$0.75, a decrease in
23 the average LG&E residential electric customer's monthly bill of \$1.04, and an

1 increase in the average LG&E gas customer's monthly bill of \$4.83, as shown in
2 Exhibit LEB-2, which is attached hereto.¹

3 **Q. Which surcredit mechanisms have expired or will expire when new rates go into**
4 **effect, and what is the impact of those expirations?**

5 A. The Companies' tariffed Value Delivery Surcredit Riders ("VDSRs") expired on their
6 own terms upon the Companies' filing of the base rate applications at issue in these
7 proceedings. The Settlement Agreement provides that the Companies' Merger
8 Surcredit Riders ("MSRs") will expire when new rates go into effect on February 6,
9 2009, and the total distribution of the merger surcredits will be prorated to that date.²
10 The original purpose of both of these surcredits was to ensure that the Companies'
11 customers and shareholders shared on a 50-50 basis the estimated cost savings
12 associated with certain merger and other cost savings. Now that the surcredits have
13 terminated (in the case of the VDSRs) or will terminate when new rates go into effect
14 (in the case of the MSRs), the Companies' customers will receive 100% of the full
15 benefits of the actual savings the Companies have achieved on an ongoing basis
16 through the new base rates.

17 **Q. What return on equity for the Companies' Environmental Cost Recovery**
18 **mechanisms does the Settlement Agreement establish?**

19 A. In addition to base rates, the Settlement Agreement establishes that, effective as of the
20 first expense month after which the Commission approves the Settlement Agreement,

¹ See Exhibit LEB-1. Average residential monthly usages are 1,311 kWh for KU, 1,051 kWh for LG&E electric, and 59 ccf for LG&E gas.

² This provision of the Settlement Agreement accords with the settlement agreement the Commission approved by order dated June 26, 2008, in Case Nos. 2007-00562 and 2007-00563, which cases concerned terminating the Companies' merger surcredit mechanisms. The Commission-approved agreement provided that the Companies' merger surcredits would terminate when the Companies put new rates into effect.

1 the return on equity (“ROE”) that will apply to the Companies’ recovery under their
2 Environmental Cost Recovery (“ECR”) mechanisms will be 10.63%. This represents
3 a fair compromise between the Companies’ evidence that a fair ROE for electric
4 utility operations is 11.25%, KIUC’s evidence that a fair ROE for such operations is
5 10.5%, and the AG’s evidence that a fair ROE for such operations is 9.9%.

6 **Q. Does the Settlement Agreement address other issues related to the Companies’**
7 **rates, terms, and conditions of service?**

8 A. Yes, the Settlement Agreement addresses several other issues concerning the
9 Companies’ rates, terms, and conditions of service. First, whereas the Companies’
10 applications sought increased customer charges, the Settlement Agreement provides
11 that the Companies’ current customer charges will remain in effect after February 6,
12 2009, with the exception of LG&E’s gas residential customer charge, which will
13 increase by \$1.00 per month to \$9.50 per month.

14 Second, the Parties agreed that residential customer deposits of \$135 for
15 LG&E electric, \$160 for LG&E gas, \$295 for LG&E electric and gas combined, and
16 \$135 for KU were fair, just, and reasonable, and that all other customer deposit
17 amounts should be as the Companies proposed in these proceedings.

18 Third and finally, the Settlement Agreement increases the amounts of the
19 interruptible electric service credits for the Companies’ Curtailable Service Riders,
20 CSR1 and CSR2, decreases the total number of hours per year a customer can be
21 interrupted for each rider, caps the number of interruptions to two per day for each
22 rider, and limits the amount of load that can be eligible for the CSR2 rider to an
23 aggregate of 100 MW per Company.

1 **Q. What other regulatory accounting issues does the Settlement Agreement**
2 **address?**

3 A. The Settlement Agreement addresses several regulatory accounting issues in these
4 proceedings. First, the Parties agreed that the Companies should apply the
5 depreciation rates attached to Settlement Agreement Exhibits 7 (KU) and 8 (LG&E
6 electric and gas), which include the depreciation of the cost of the Companies' new
7 Customer Care System software over ten years. These rates are based on the Average
8 Service Life methodology and the service lives as filed in the Companies'
9 applications, and will be effective for the Companies' accounting and ratemaking
10 purposes upon the approval of the Settlement Agreement.

11 Second, the Parties agreed that the Commission should grant the Companies'
12 requests, as stated in their Applications, to establish and amortize over five years a
13 regulatory asset for each of the Companies for the costs associated with the
14 transmission depancaking settlement agreement in Federal Energy Regulatory
15 Commission Docket No. ER06-1458-000 between the Utilities and East Kentucky
16 Power Cooperative, Inc. The Parties further agreed that amortization of these
17 regulatory assets should begin in the month after which the Commission approves the
18 Settlement Agreement.

19 Third, the Parties agreed that the Commission should grant the Companies'
20 requests that revenues related to MISO Schedule 10 expenses deferred between the
21 end of the test year and February 6, 2009, as well as any future adjustments to the
22 MISO exit fee, be deferred as regulatory liabilities until the amounts can be amortized
23 in future base rate cases. Concerning amortizing the amounts related to MISO

1 Schedule 10 expenses and the MISO exit fee already deferred as of the end of the test
2 year, the Parties agreed that such amortization should begin in the month after the
3 Commission approves the Settlement Agreement.

4 Fourth and finally, the Settlement Agreement provides that the Companies
5 may amortize their actual rate case expenses in these proceedings over a three-year
6 period. The amortization will begin in the month after the Commission approves the
7 Settlement Agreement.

8 **Q. How does the Settlement Agreement affect the Companies' collection cycles and**
9 **late payment charge policies?**

10 A. The Companies sought in their applications in these proceedings to harmonize their
11 collection cycles and late payment policies by making all customers' bills due by the
12 tenth day following the date of bill issuance, and by imposing a late payment penalty
13 on customers who do not pay their bills within fifteen days of bill issuance. Any
14 payment later than ten days but within fifteen days of bill issuance would, under the
15 Companies' proposal, be noted in the Companies' internal (but not external) credit
16 scoring for late-paying customers.

17 Under the terms of the Settlement Agreement, however, a customer's bill will
18 be due twelve days after the date of bill issuance, though there will be no adverse
19 credit impact on the customer's payment and credit record, including credit scoring,
20 both internally and externally, and the account will not be considered delinquent for
21 any purpose if the customer's payment arrives within fifteen days after the date of bill
22 issuance. If the customer's payment does not arrive within fifteen days after the date

1 of bill issuance, the appropriate Company may assess a late payment charge as set out
2 in the Companies' proposed tariffs in these proceedings.

3 The Settlement Agreement explicitly acknowledges that the Companies will
4 not be able to implement the change in the due date of customers' bills and that KU
5 will not be able to implement its late payment charge until the first billing cycle
6 following the full operation of its new Customer Care System.

7 These changes will reduce LG&E customer confusion and dissatisfaction
8 caused by the timing differences between the billing cycle and the dispatch of the
9 payment reminder or "brown bill" and will put in place consistent billing and
10 collection procedures for both LG&E and KU.

11 **Q. How does the Settlement Agreement help ensure that the Companies' low-**
12 **income customers will receive extra support in these difficult economic times?**

13 A. The Parties put in place several safeguards and added means of assistance, including
14 contributions from the Companies' shareholders, to help ensure greater support for
15 the Companies' low-income customers. These benefits could not be achieved by the
16 litigation of the issues in the case and can only be accomplished by the consent of
17 LG&E and KU. First, the Settlement Agreement provides that if a residential
18 customer indicates an inability to pay or difficulty in paying a required customer
19 deposit, the appropriate Company will offer the customer the option to pay all or a
20 portion of the required deposit in installments over a period not to exceed the first
21 four normal billing periods.

22 Second, the Settlement Agreement provides that CAK and ACM/POWER will
23 study the feasibility of a program pursuant to which CAK, ACM/POWER, their

1 member agencies, and other emergency energy assistance agencies approved by the
2 Companies (“Assistance Agencies”) would annually pre-certify recipients of certain
3 utility payment assistance, conceptually similar to the pre-certification program
4 currently in place in the Commonwealth of Virginia, which would allow the
5 Companies’ Kentucky operations to waive the late payment charges for such pre-
6 certified customers during the months of December through March each year. Any or
7 all of the Assistance Agencies could choose to opt in or out of such a program. If
8 feasible, such a program could benefit low-income customers by keeping late
9 payment charges from adding to the difficulties such customers already face in
10 staying current on their utility bills.

11 Third, the Settlement Agreement provides significant additional funding for
12 the Home Energy Assistance (“HEA”) program from both customer contributions and
13 donations from the Companies’ shareholders. Specifically, the Settlement Agreement
14 provides that the currently approved monthly residential meter charge (for gas and
15 electric meters) for the HEA program will increase from \$0.10 to \$0.15 per meter. In
16 addition, for a period of two years following the implementation of the rates proposed
17 in the Settlement Agreement or until rates take effect in the Companies’ next base
18 rate proceedings, whichever is longer, the Companies will make a dollar-for-dollar
19 contribution from shareholder funds to the HEA program to match HEA funds
20 collected from customers (up to \$300,000 per year on a combined-Companies basis).
21 The shareholder contribution component of HEA funding is a major benefit of the
22 Settlement Agreement. Though the Companies have historically separated their
23 charitable contributions from rate matters, the Companies agreed to a shareholder

1 contribution to the HEA program as part of the Settlement Agreement to achieve a
2 fair, just, and reasonable outcome for all Parties and customers.

3 **Q. Have the Parties agreed that the Commission should approve the Companies'**
4 **applications in these proceedings, as modified by the Settlement Agreement?**

5 A. Yes, the Parties have agreed that, except as modified by the Settlement Agreement
6 (including its exhibits), the Commission should approve the Companies' proposed
7 rates, terms, and conditions in these proceedings, with the explicit caveat that the
8 Commission's approval of the Settlement Agreement shall not be construed to
9 approve or deny the adjustments to the Companies' electric revenues and expenses
10 associated with the normalization of weather, which was an adjustment the
11 Companies proposed in their rate case applications. Thus, approval of the
12 Commission of the proposed Settlement Agreement will approve for example the
13 various changes in the miscellaneous charges (e.g., meter reading charge) and other
14 changes in the terms and conditions presented in the applications.

15 **Q. Do you have a recommendation?**

16 A. Yes. LG&E and KU, and the other parties to the Settlement Agreement recommend
17 the Commission approve the Settlement Agreement in its entirety and without
18 modification so that the change in base rates and termination of the merger surcredit
19 riders can occur for service rendered on and after February 6, 2009. The timing of the
20 approval is important because it avoid the need to put the rates filed with the
21 applications in effect subject to refund, pending a final order by the Commission.

22 **Q. Does this conclude your testimony?**

23 A. Yes.

VERIFICATION

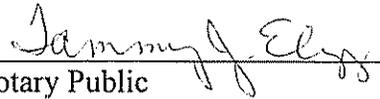
COMMONWEALTH OF KENTUCKY)
) SS:
COUNTY OF JEFFERSON)

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



LONNIE E. BELLAR

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 12th day of January 2009.

 (SEAL)

Notary Public

My Commission Expires:

November 9, 2010

Exhibit LEB-1
Settlement Agreement, Stipulation and
Recommendation

Document is Separately Bound

Summary of Annual Revenue, Percent of Annual Revenue,
Average Bill Increase, and Percent Average Bill Increase
By Class of Service

	Class Increases at Filed Rates				Class Increases at Settlement Agreement Rates			
	Annual Increase	% Annual Increase	Increase in Avg. Bill	% Increase in Avg. Bill	Annual Increase	% Annual Increase	Increase in Avg. Bill	% Increase in Avg. Bill
LG&E								
ELECTRIC								
Residential	\$13,673,275.92	4.46%	\$3.18	4.46%	(\$4,479,982.28)	-1.46%	(\$1.04)	-1.46%
General Service	\$228,601.00	0.20%	\$0.47	0.20%	(\$1,184,278.24)	-1.04%	(\$2.41)	-1.04%
Large Commercial	\$0.00	0.00%	\$0.00	0.00%	(\$2,272,361.85)	-1.65%	(\$69.24)	-1.65%
Small Time-of-Day Service STOD	\$333,201.36	6.20%	\$782.16	6.20%	\$231,647.08	4.31%	\$543.77	4.31%
Large Commercial Time-of-Day	\$0.00	0.00%	\$0.00	0.00%	(\$662,102.23)	-1.90%	(\$834.93)	-1.90%
Industrial	\$0.00	0.00%	\$0.00	0.00%	(\$666,151.49)	-1.72%	(\$149.50)	-1.72%
Industrial Time-of-Day	(\$8,461.00)	-0.01%	(\$11.03)	-0.01%	(\$3,692,385.00)	-3.44%	(\$4,795.31)	-3.44%
Lighting	\$670,819.45	4.54%	\$0.64	4.54%	(\$247,169.80)	-1.67%	(\$0.24)	-1.67%
GAS								
Residential	\$25,482,608.02	5.92%	\$7.34	5.92%	\$16,763,049.79	3.90%	\$4.83	3.90%
Commercial	\$4,012,950.00	1.96%	\$13.24	1.96%	\$4,764,612.68	2.32%	\$15.72	2.32%
Industrial	\$55,837.68	0.27%	\$22.32	0.27%	\$230,052.51	1.12%	\$91.95	1.12%
As Available	\$23,962.28	0.38%	\$124.80	0.38%	\$23,962.28	0.38%	\$124.80	0.38%
Firm Transportation	\$175,906.69	4.44%	\$215.84	4.44%	\$175,906.69	4.44%	\$215.84	4.44%
KU								
Residential	\$17,329,356.12	4.27%	\$3.50	4.27%	(\$3,707,309.13)	-0.91%	(\$0.75)	-0.91%
General Service/AES	\$768,722.20	0.53%	\$0.82	0.53%	(\$814,706.04)	-0.56%	(\$0.86)	-0.56%
Large Power	(\$70,621.00)	-0.02%	(\$0.63)	-0.02%	(\$3,200,904.20)	-1.10%	(\$28.77)	-1.10%
Large Commercial/Industrial TOD	(\$38,022.00)	-0.02%	(\$69.77)	-0.02%	(\$1,965,035.60)	-1.22%	(\$3,605.57)	-1.22%
Large Industrial TOD	\$0.00	0.00%	\$0.00	0.00%	(\$2,001,991.00)	-9.12%	(\$166,832.58)	-9.12%
Small Time-of-Day	\$88,707.00	0.92%	\$139.48	0.92%	(\$28,848.00)	-0.30%	(\$45.36)	-0.30%
Mine Power	\$675,586.10	6.32%	\$1,387.24	6.32%	\$584,099.62	5.47%	\$1,199.38	5.47%
Large Mine Power TOD	\$34,295.00	0.19%	\$283.43	0.19%	(\$94,753.00)	-0.53%	(\$783.08)	-0.53%
Lighting	\$785,808.62	4.22%	\$0.40	4.22%	(\$164,672.44)	-0.88%	(\$0.08)	-0.88%

RECEIVED

JAN 13 2009

PUBLIC SERVICE
COMMISSION

SETTLEMENT AGREEMENT, STIPULATION, AND RECOMMENDATION

This Settlement Agreement, Stipulation, and Recommendation ("Settlement Agreement") is entered into this 12th day of January 2009, by and between Louisville Gas and Electric Company ("LG&E"); Kentucky Utilities Company ("KU") (LG&E and KU are hereafter collectively referenced as "the Utilities"); Commonwealth of Kentucky, ex. rel. Jack Conway, Attorney General, by and through the Office of Rate Intervention ("AG"); Kentucky Industrial Utility Customers, Inc. ("KIUC"); The Kroger Company ("Kroger"); Lexington-Fayette Urban County Government ("LFUCG"); Community Action Kentucky, Inc. ("CAK"); Community Action Council for Lexington-Fayette, Bourbon, Harrison and Nicholas Counties, Inc. ("CAC"); Association of Community Ministries ("ACM"); and, People Organized and Working for Energy Reform ("POWER") in the proceedings involving LG&E and KU which are the subject of this Settlement Agreement, as set forth below.

WITNESSETH:

WHEREAS, KU filed on July 29, 2008 with the Kentucky Public Service Commission ("Commission") its Application for Authority to Adjust Rates, *In the Matter of: An Application of Kentucky Utilities Company for an Adjustment of Base Rates*, and the Commission has established Case No. 2008-00251 to review KU's base rate application;

WHEREAS, LG&E filed on July 29, 2008 with the Commission its Application for Authority to Adjust Rates, *In the Matter of: An Application of Louisville Gas and Electric Company for an Adjustment of Its Electric and Gas Base Rates*, and the Commission has established Case No. 2008-00252 to review LG&E's base rate application (Case Nos. 2008-00251 and 2008-00252 are hereafter collectively referenced as the "rate proceedings");

WHEREAS, the AG, KIUC, Kroger, and CAK have been granted intervention by the Commission in both of the rate proceedings; LFUCG and CAC have been granted intervention

by the Commission in Case No. 2008-00251 only; and ACM and POWER have been granted intervention by the Commission in Case No. 2008-00252 only;

WHEREAS, on August 22, 2008, the Commission granted consolidation of Case No. 2008-00251 with the case captioned *In the Matter of: Application of Kentucky Utilities Company to File Depreciation Study*, Case No. 2007-00565, and Case No. 2008-00252 with the case captioned *In the Matter of: Application of Louisville Gas and Electric Company to File Depreciation Study*, Case No. 2007-00564;

WHEREAS, pursuant to the terms of the Utilities' Small Time-of-Day ("STOD") pilot tariffs, the Utilities performed studies of their STOD rates after the three-year pilot period, which studies the Utilities filed in these proceedings pursuant to the Commission's August 15, 2008 Orders in these proceedings;

WHEREAS, a prehearing informal conference for the purpose of discussing settlement, attended in person by representatives of the AG, KIUC, Kroger, LFUCG, CAK, CAC, ACM and POWER, the Commission Staff and the Utilities, took place on January 6, 7, and 9, 2009 at the offices of the Commission during which a number of procedural and substantive issues were discussed, including potential settlement of all issues pending before the Commission in the above-referenced proceedings;

WHEREAS, all of the Parties hereto unanimously desire to settle all the issues pending before the Commission in the above-referenced proceedings;

WHEREAS, the adoption of this Agreement will eliminate the need for the Commission and the parties to expend significant resources litigating these proceedings, and eliminate the possibility of, and any need for, rehearing or appeals of the Commission's final order herein;

WHEREAS, it is understood by all Parties hereto that this Settlement Agreement is subject to the approval of the Commission, insofar as it constitutes an agreement by all parties to the rate proceedings for settlement, and, absent express agreement stated herein, does not represent agreement on any specific claim, methodology or theory supporting the appropriateness of any proposed or recommended adjustments to the Utilities' rates, terms, and conditions;

WHEREAS, the Parties have spent many hours, over several days, in order to reach the stipulations and agreements which form the basis of this Settlement Agreement;

WHEREAS, all of the Parties, who represent diverse interests and divergent viewpoints, agree that this Settlement Agreement, viewed in its entirety, is a fair, just, and reasonable resolution of all the issues in the above-referenced proceedings; and

WHEREAS, it is the position of the Parties hereto that this Settlement Agreement is supported by sufficient and adequate data and information, and should be approved by the Commission.

NOW, THEREFORE, for and in consideration of the premises and conditions set forth herein, the Parties hereby stipulate and agree as follows:

ARTICLE I. Revenue Requirement.

Section 1.1. The Parties hereto stipulate that the following decreases in annual revenues for LG&E electric and KU operations, for purposes of determining the base electric rates of LG&E and KU in the rate proceedings, are fair, just, and reasonable for the Parties and for all customers of LG&E and KU:

Section 1.1.1. LG&E Electric Operations: \$13,157,000;

Section 1.1.2. KU Operations: \$8,851,000.

The Parties hereto agree that these decreases in annual revenues for LG&E electric operations and for KU operations will be effective for service rendered on and after February 6, 2009.

Section 1.2. The Parties hereto agree that, effective for service rendered on and after February 6, 2009, an increase in annual revenues for LG&E gas operations of \$22,000,000, for purposes of determining the base rates of LG&E gas operations in the rate proceedings, is fair, just, and reasonable for the Parties and for all gas customers of LG&E.

ARTICLE II. Allocation of Revenue.

Section 2.1. The Parties hereto agree that the allocations of the decreases in annual revenues for KU and LG&E electric operations, and that the allocation of the increase in annual revenue for LG&E gas operations, as set forth on the allocation schedules designated Exhibit 1 (KU), Exhibit 2 (LG&E electric), and Exhibit 3 (LG&E gas) hereto, are fair, just, and reasonable for the Parties and for all customers of LG&E and KU.

Section 2.2. The Parties hereto agree that, effective February 6, 2009, the Utilities shall implement the electric and gas rates set forth on the tariff sheets in Exhibit 4 (KU), Exhibit 5 (LG&E electric), and Exhibit 6 (LG&E gas), attached hereto, which rates the Parties unanimously stipulate are fair, just, and reasonable and should be approved by the Commission.

ARTICLE III. Treatment of Certain Specific Issues.

Section 3.1. The Parties agree that LG&E and KU may amortize their actual rate case expenses in these proceedings over a three year period. The amortization shall begin in the month after which the Commission approves this Settlement Agreement.

Section 3.2. The Parties agree that the depreciation rates attached hereto as Exhibit 7 (KU) and Exhibit 8 (LG&E electric and gas), which include the depreciation of the cost of the

Utilities' new Customer Care System software over ten years, are based on the Average Service Life methodology and the service lives as filed in the respective applications, and shall be effective for the Utilities' accounting and ratemaking purposes upon the approval of this Settlement Agreement.

Section 3.3. *The Parties hereto agree that, effective as of the first expense month after which the Commission approves this Settlement Agreement, the return on equity that shall apply to the Utilities' recovery under their environmental cost recovery ("ECR") mechanism is 10.63%.*

Section 3.4. *The Parties hereto agree that the Commission should grant the Utilities' requests, as stated in their Applications, to establish and amortize over five years a regulatory asset for each of the Utilities for the costs associated with the transmission depancaking settlement agreement in Federal Energy Regulatory Commission Docket No. ER06-1458-000 between the Utilities and East Kentucky Power Cooperative, Inc. The amortization shall begin in the month after which the Commission approves this Settlement Agreement.*

Section 3.5. *The Parties hereto agree that the Commission should grant the Utilities' requests that revenues related to MISO Schedule 10 expenses deferred between the end of the test year and February 6, 2009, as well as any future adjustments to the MISO exit fee, be deferred as regulatory liabilities until the amounts can be amortized in future base rate cases. The amortization of the amounts related to MISO Schedule 10 expenses and the MISO exit fee already deferred as of the end of the test year shall begin in the month after which the Commission approves this Settlement Agreement.*

Section 3.6. *The Parties hereto agree that the Utilities' currently approved customer charges shall remain unchanged in the new rates, terms, and conditions proposed by this*

Settlement Agreement, with the exception of LG&E's gas residential customer charge, which shall increase by \$1.00 per month to \$9.50 per month.

Section 3.7. The Parties hereto agree that the Utilities' merger surcredits will terminate February 6, 2009, and the total distribution of the merger surcredits will be prorated to that date.

Section 3.8. The Parties hereto agree that the following residential customer deposit amounts shall be implemented: \$135 for LG&E electric; \$160 for LG&E gas; \$295 for LG&E electric and gas combined; and \$135 for KU. All other customer deposit amounts will be as filed by the Utilities in these proceedings.

Section 3.9. The Parties hereto agree that, if a residential customer indicates an inability to pay or difficulty in paying a required customer deposit, the appropriate Utility shall offer the customer the option to pay all or a portion of the required deposit in installments over a period not to exceed the first four normal billing periods.

Section 3.10. The Parties hereto agree to the following changes to the following Curtailable Service Riders for LG&E electric and KU: the CSR1 credit will increase from the currently approved level by \$2.00 per kW; CSR1 customers will be interruptible for no more than 200 hours annually, and no more than two interruptions per day; the CSR2 credit will increase from the currently approved level by \$1.50 per kW; CSR2 customers will be interruptible for no more than 425 hours annually, and no more than two interruptions per day. The amount of load that can be eligible for the CSR2 rider shall be limited to an aggregate of 100 MW per Utility.

Section 3.11. The Utilities agree to work with interested parties to study the feasibility of measuring demand for generation service to multi-site customers based on conjunctive demand, where "conjunctive demand" herein refers to the measured demand at a meter at the time that the

total demand of a multi-site customer's loads, measured over a coinciding time period, has reached its peak during the billing period.

Section 3.12. The Parties hereto agree that payment for a customer's bill shall be due to the appropriate Utility twelve days after the date on which the Utility issues the bill, though there will be no adverse credit impact on the customer's payment and credit record, including credit scoring, both internally and externally, and the account will not be considered delinquent for any purpose if the Utility receives the customer's payment within fifteen days after the date on which the Utility issues the customer's bill. If the appropriate Utility does not receive the customer's payment within fifteen days after the date on which the Utility issues the customer's bill, the Utility may assess a late payment charge as set out in the Utility's proposed tariffs in these proceedings. The Parties acknowledge and agree that LG&E and KU will not be able to implement the change in the due date of customers' bills and that KU will not be able to implement its late payment charge until the first billing cycle following the full operation of its new Customer Care System.

Section 3.13. The Parties hereto agree that the Utilities, CAK, and ACM/POWER will consult with each other concerning the design of a plan regarding the identification of late payment charges for low income customers associated with utility assistance payments. Specifically, they shall discuss the implementation of a plan by which CAK, ACM/POWER, their member agencies, and other Utility-approved emergency energy assistance agencies ("Assistance Agencies") would annually pre-certify recipients of certain utility payment assistance, conceptually similar to the pre-certification program currently in place in the Commonwealth of Virginia, which would allow the Utilities' Kentucky operations to waive the late payment charges for such pre-certified customers during the months of December through

March each year. Participation in such a pre-certification program would be optional to any or all of the Assistance Agencies.

Section 3.14. The Parties hereto agree that the Utilities shall increase the currently approved monthly residential meter charge (for gas and electric meters) for the Home Energy Assistance (“HEA”) program from \$0.10 to \$0.15 per meter. For a period of two years following the implementation of the rates proposed in this Settlement Agreement or until rates take effect in the Utilities’ next base rate proceedings, whichever is longer, the Utilities shall make a dollar-for-dollar contribution from shareholder funds to the HEA program to match HEA funds collected from customers (up to \$300,000 per year on a combined-Utilities basis).

Section 3.15. The Parties hereto agree that, except as modified in this Settlement Agreement and the exhibits attached hereto, the rates, terms, and conditions proposed by the Utilities in the rate proceedings shall be approved as filed. Approval of this Settlement Agreement shall not be construed to approve or deny the adjustments to LG&E’s and KU’s electric revenues and expenses associated with the normalization of weather.

ARTICLE IV. Miscellaneous Provisions.

Section 4.1. Except as specifically stated otherwise in this Settlement Agreement, the Parties agree that making this Settlement Agreement shall not be deemed in any respect to constitute an admission by any party hereto that any computation, formula, allegation, assertion or contention made by any other party in these proceedings is true or valid.

Section 4.2. The Parties hereto agree that the foregoing stipulations and agreements represent a fair, just, and reasonable resolution of the issues addressed herein and request the Commission to approve the Settlement Agreement.

Section 4.3. The Parties hereto agree that, following the execution of this Settlement Agreement, the Parties shall cause the Settlement Agreement to be filed with the Commission by January 12, 2009 together with a request to the Commission for consideration and approval of this Settlement Agreement for rates to become effective on February 6, 2009.

Section 4.4. Each party waives all cross-examination of the other parties' witnesses unless the Commission disapproves this Agreement, and each party further stipulates and recommends that the Notice of Intent, Notice, Application, testimony, pleadings, and responses to data requests filed in this proceeding be admitted into the record. The Parties stipulate that after the date of this Settlement Agreement they will not otherwise contest the Utilities' proposals, as modified by this Settlement Agreement, in the hearing of the above-referenced proceedings regarding the subject matter of the Settlement Agreement, and that they will refrain from cross-examination of the Utilities' witnesses during the hearing, except insofar as such cross-examination is in support of the Settlement Agreement.

Section 4.5. The Parties hereto agree that this Settlement Agreement is subject to the acceptance of and approval by the Commission. The Parties hereto further agree to act in good faith and to use their best efforts to recommend to the Commission that this Settlement Agreement be accepted and approved.

Section 4.6. If the Commission issues an order adopting this Settlement Agreement in its entirety, each of the parties agrees that it shall file neither an application for rehearing with the Commission, nor an appeal to the Franklin Circuit Court with respect to such order.

Section 4.7. The Parties hereto agree that, if the Commission does not accept and approve this Settlement Agreement in its entirety, then: (a) this Settlement Agreement shall be void and withdrawn by the parties hereto from further consideration by the Commission and

— none of the parties shall be bound by any of the provisions herein, provided that no party is precluded from advocating any position contained in this Settlement Agreement; and (b) neither the terms of this Settlement Agreement nor any matters raised during the settlement negotiations shall be binding on any of the Parties to this Settlement Agreement or be construed against any of the Parties.

Section 4.8. The Parties hereto agree that, should the Settlement Agreement be voided or vacated for any reason after the Commission has approved the Settlement Agreement, then the parties shall be returned to the *status quo* existing at the time immediately prior to the execution of this agreement.

Section 4.9. The Parties hereto agree that this Settlement Agreement shall in no way be deemed to divest the Commission of jurisdiction under Chapter 278 of the Kentucky Revised Statutes.

Section 4.10. The Parties hereto agree that this Settlement Agreement shall inure to the benefit of and be binding upon the parties hereto, their successors and assigns.

Section 4.11. The Parties hereto agree that this Settlement Agreement constitutes the complete agreement and understanding among the parties hereto, and any and all oral statements, representations or agreements made prior hereto or contained contemporaneously herewith shall be null and void and shall be deemed to have been merged into this Settlement Agreement.

Section 4.12. The Parties hereto agree that, for the purpose of this Settlement Agreement only, the terms are based upon the independent analysis of the parties to reflect a fair, just, and reasonable resolution of the issues herein and are the product of compromise and negotiation.

Section 4.13. The Parties hereto agree that neither the Settlement Agreement nor any of the terms shall be admissible in any court or commission except insofar as such court or

commission is addressing litigation arising out of the implementation of the terms herein or the approval of this Settlement Agreement. This Settlement Agreement shall not have any precedential value in this or any other jurisdiction.

Section 4.14. The signatories hereto warrant that they have appropriately informed, advised, and consulted their respective Parties in regard to the contents and significance of this Settlement Agreement and based upon the foregoing are authorized to execute this Settlement Agreement on behalf of their respective Parties.

Section 4.15. The Parties hereto agree that this Settlement Agreement is a product of negotiation among all parties hereto, and no provision of this Settlement Agreement shall be strictly construed in favor of or against any party. Notwithstanding anything contained in the Settlement Agreement, the parties recognize and agree that the effects, if any, of any future events upon the operating income of the Utilities are unknown and this Settlement Agreement shall be implemented as written.

Section 4.16. The Parties hereto agree that this Settlement Agreement may be executed in multiple counterparts.

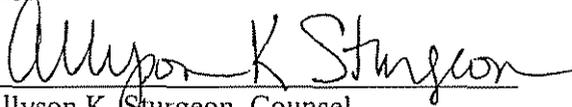
IN WITNESS WHEREOF, the parties have hereunto affixed their signatures:

Louisville Gas and Electric Company
and Kentucky Utilities Company

HAVE SEEN AND AGREED:

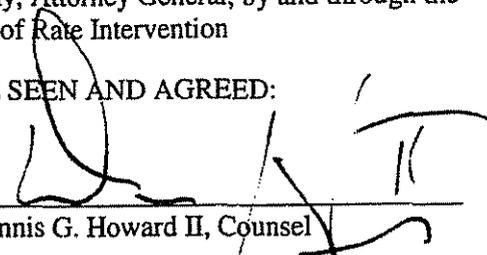
By: 
Kendrick R. Riggs, Counsel

-and-

By: 
Allyson K. Sturgeon, Counsel

Commonwealth of Kentucky, ex. rel. Jack
Conway, Attorney General, by and through the
Office of Rate Intervention

HAVE SEEN AND AGREED:

By: 
Dennis G. Howard II, Counsel

Kentucky Industrial Utility Customers, Inc.

HAVE SEEN AND AGREED:

By: Michael L. Kurtz
Michael L. Kurtz, Counsel

The Kroger Company

HAVE SEEN AND AGREED:

By: 
David C. Brown, Counsel

Lexington-Fayette Urban County Government

HAVE SEEN AND AGREED:

By: Willis L. Wilson
Willis L. Wilson, Counsel
*Pending approval of the Fayette
Urban County Council*

Community Action Kentucky, Inc.

HAVE SEEN AND AGREED:

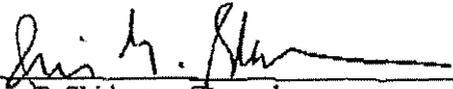
By:



Joe F. Childers, Counsel

Community Action Counsel for
Lexington-Fayette, Bourbon, Harrison
and Nicholas Counties, Inc.

HAVE SEEN AND AGREED: .

By: 
Iris G. Skidmore, Counsel

Association of Community Ministries

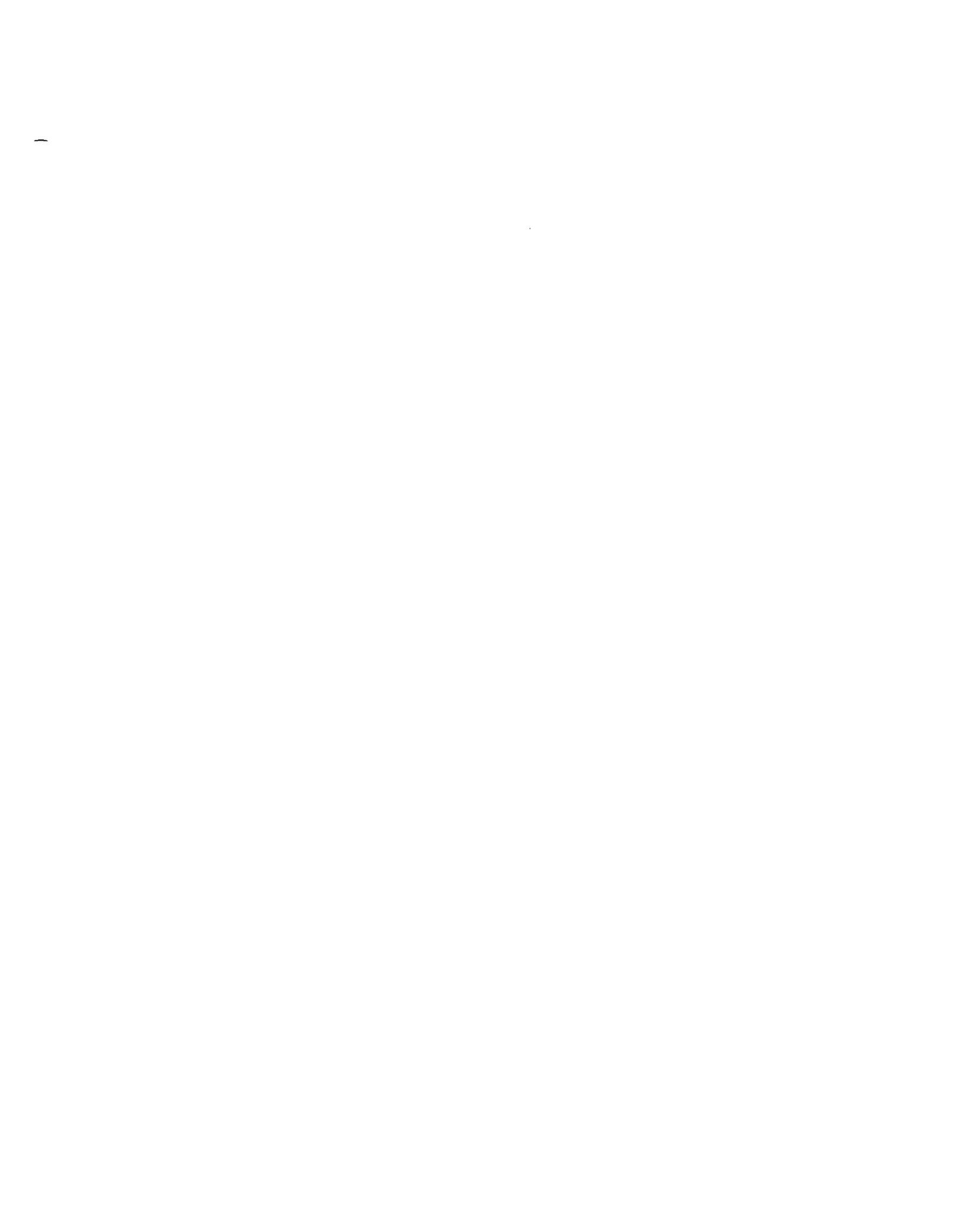
HAVE SEEN AND AGREED:

By: *Lisa Kilkelly*
Lisa Kilkelly, Counsel

People Organized and Working for
Energy Reform

HAVE SEEN AND AGREED:

By: *Lisa Kil Kelly*
Lisa Kil Kelly, Counsel



Settlement Agreement Exhibit 1
KU Rate Allocation

KENTUCKY UTILITIES COMPANY
 Summary of Proposed Increase
 Based on Sales for the 12 months ended April 30, 2008

	Revenue Adjusted to as Billed Basis	Adjustment to Remove ECR Billings	Adjustment to Remove DSM Billings	Adjustment to Remove Merger Surcredit Billings	Adjustment to Remove Value Delivery Surcredit	Adjustment to Reflect a Full Year of Base Rate Changes for FAC Rollin	Adjustment to Reflect FAC Billings for Full Year of the Rollin	Adjustment to Reflect Full Year of Base Rate Changes for ECR Rollin	Adjustment Reflecting Year-End Number of Customers	Adjustment Reflecting Customer Rate Switching during Test Year	Adjustment Reflecting Temperature Normalization	Adjusted Billings at Current Rates
Total Residential	419,658,185	(20,625,999)	(3,999,568)	6,931,759	1,281,117	26,969,802	(26,968,415)	8,317,267	843,080		(6,924,469)	405,482,758
General Service Rate GS - Secondary	136,859,057	(6,655,712)	(123,092)	2,258,368	416,427	8,173,074	(8,163,701)	2,660,581	1,130,662		(1,002,779)	135,552,885
General Service Rate GS - Primary	3,021,555	(150,004)	(2,670)	50,423	9,403	164,763	(198,343)	71,094	(40,127)			2,926,095
Total General Service	139,880,612	(6,805,716)	(125,762)	2,308,790	425,830	8,337,838	(8,362,043)	2,731,675	1,090,535		(1,002,779)	138,478,980
All Electric School Service Rate - AES	7,663,579	(375,761)		125,127	23,364	545,922	(545,878)	155,692				7,592,045
Large Power Rate LPS - Secondary	217,223,215	(10,481,169)	(240,135)	3,549,075	660,193	18,252,448	(18,201,574)	4,461,707	(6,373,654)		(565,554)	208,284,552
Large Power Rate LPP - Primary	83,319,658	(4,017,666)	(45,915)	1,260,029	253,206	7,774,251	(7,768,615)	1,608,542			(195,804)	82,187,686
Large Power Rate LPT - Transmission	1,313,122	(63,713)	(2,128)	21,533	3,988	118,293	(118,292)	25,729				1,298,531
Small Time-of-Day - STODS Secondary	9,082,582	(439,535)	(15,427)	149,681	27,621	889,347	(916,875)	150,385			(32,622)	8,895,156
Small Time-of-Day - STODP Primary	729,069	(35,498)	(215)	11,935	2,222	69,199	(71,871)	11,395				716,236
Small Time-of-Day - STODT Transmission												
Total Combined Lighting & Power Service	311,667,645	(15,037,581)	(303,820)	4,992,254	947,229	27,103,538	(27,077,227)	6,257,758	(6,373,654)		(793,981)	301,382,162
Large Comm./Industrial Time-of-Day - LCI-TOD Primary	129,809,288	(6,234,214)		1,515,989	394,429	12,980,212	(12,959,017)	2,520,001				128,046,688
Large Comm./Industrial Time-of-Day - LCI-TOD Transmission	39,511,303	(1,899,790)		460,770	120,177	3,739,483	(3,738,335)	772,635				38,966,242
Curtailable Service Riders - Primary - LCI-TOD Primary	(96,313)											(96,313)
Curtailable Service Riders - Transmission - LCI-TOD Transmission	(5,446,292)											(5,446,292)
Total Comm./Industrial Time-of-Day Service	163,777,986	(8,134,004)		1,996,759	514,605	16,719,695	(16,697,352)	3,292,636				161,470,325
Large Industrial Time of Day - LITOD	22,399,707	(1,074,397)		365,961	68,105	1,605,452	(1,605,452)	199,393				21,958,768
Coal Mining Power Service Rate - MP Primary	6,647,736	(322,307)		108,485	20,228	478,023	(451,324)	151,877	215,149			6,847,866
Coal Mining Power Service Rate - MP Transmission	3,858,666	(185,612)		63,911	11,701	316,330	(305,597)	80,508				3,839,906
Total Coal Mining Power Service	10,506,402	(507,920)		172,396	31,929	794,353	(756,922)	232,385	215,149			10,687,772
Large Mine Power Time-of-Day Rate - LMP-TOD Primary	4,738,075	(226,784)		77,434	14,392	392,964	(392,865)	113,845				4,717,063
Large Mine Power Time-of-Day Rate - LMP-TOD Transmission	13,387,918	(653,513)		218,899	40,804	1,166,482	(1,169,016)	296,131				13,287,705
Total Large Mine Power Time-of-Day Service	18,125,994	(880,296)		296,333	55,196	1,559,446	(1,561,881)	409,976				18,004,768
Street Lighting - SL	7,312,070	(351,684)		120,138	22,193	192,583	(178,863)	131,336	5,438			7,253,212
Decorative Street Lighting - SLDEC	1,378,194	(62,946)		23,165	4,259	19,268	(14,694)	24,162	(87,075)			1,284,334
Private Outdoor Lighting - POL	4,076,501	(196,490)		66,864	12,408	142,318	(133,089)	74,198	65,957			4,108,667
Customer Outdoor Lighting - OL	6,015,216	(289,759)		98,990	19,315	214,873	(205,005)	109,176	(2,475)			5,960,330
Total Private Outdoor Lighting Service	18,781,981	(900,879)		309,157	58,175	569,042	(531,650)	338,872	(18,155)			18,606,543
TOTAL ULTIMATE CONSUMERS	\$ 1,112,462,089	\$ (54,342,552)	\$ (4,429,149)	\$ 17,498,536	\$ 3,405,550	\$ 84,205,087	\$ (84,106,820)	\$ 21,935,653	\$ (4,243,045)	\$	\$ (8,721,229)	\$ 1,083,664,121
Miscellaneous Service Revenue	6,158,810											6,158,810
TOTAL JURISDICTIONAL	\$ 1,118,620,900	\$ (54,342,552)	\$ (4,429,149)	\$ 17,498,536	\$ 3,405,550	\$ 84,205,087	\$ (84,106,820)	\$ 21,935,653	\$ (4,243,045)	\$	\$ (8,721,229)	\$ 1,089,822,931

KENTUCKY UTILITIES COMPANY
 Summary of Proposed Increase
 Based on Sales for the 12 months ended April 30, 2008

	Adjusted Billings at Current Rates (see page 1)	Increase	Percentage Increase
Total Residential	405,482,758	(3,707,309)	-0.91%
General Service Rate GS - Secondary	135,552,885	(1,166,733)	-0.86%
General Service Rate GS - Primary	2,926,095	420,637	14.38%
Total General Service	138,478,980	(746,096)	-0.54%
All Electric School Service Rate - AES	7,592,045	(68,610)	-0.90%
Large Power Rate LPS - Secondary	208,284,552	(2,166,971)	-1.04%
Large Power Rate LPP - Primary	82,187,686	(955,743)	-1.16%
Large Power Rate LPT - Transmission	1,298,531	(78,190)	-6.02%
Small Time-of-Day - STODS Secondary	8,895,156	(26,450)	-0.30%
Small Time-of-Day - STODP Primary	716,236	(2,398)	-0.33%
Small Time-of-Day - STODT Transmission			
Total Combined Lighting & Power Service	301,382,162	(3,229,752)	-1.07%
Large Comm./Industrial Time-of-Day - LCI-TOD Primary	128,046,688	(1,622,576)	-1.27%
Large Comm./Industrial Time-of-Day - LCI-TOD Transmission	38,966,242	(282,264)	-0.72%
Curtailable Service Riders - Primary - LCI -TOD Primary	(96,313)	(60,196)	62.50%
Curtailable Service Riders - Transmission -LCI-TOD Transmission	(5,446,292)		0.00%
Total Comm./Industrial Time-of-Day Service	161,470,325	(1,965,036)	
Large Industrial Time of Day - LITOD	21,958,768	(2,001,991)	-9.12%
Coal Mining Power Service Rate - MP Primary	6,847,866	504,713	7.37%
Coal Mining Power Service Rate - MP Transmission	3,839,906	79,387	2.07%
Total Coal Mining Power Service	10,687,772	584,100	5.47%
Large Mine Power Time-of-Day Rate - LMP-TOD Primary	4,717,063	(22,224)	-0.47%
Large Mine Power Time-of-Day Rate - LMP-TOD Transmission	13,287,705	(72,529)	-0.55%
Total Large Mine Power Time-of-Day Service	18,004,768	(94,753)	-0.53%
Street Lighting - SL	7,253,212	(63,675)	-0.88%
Decorative Street Lighting - SLDEC	1,284,334	(11,468)	-0.89%
Private Outdoor Lighting - POL	4,108,667	(36,771)	-0.89%
Customer Outdoor Lighting - OL	5,960,330	(52,759)	-0.89%
Total Private Outdoor Lighting Service	18,606,543	(164,673)	-0.89%
TOTAL ULTIMATE CONSUMERS	\$ 1,083,664,121	(11,394,120)	-1.05%
Miscellaneous Service Revenue	6,158,810	2,536,008	
TOTAL JURISDICTIONAL	1,089,822,931	(8,858,112)	-0.81%

KENTUCKY UTILITIES COMPANY

Calculations of Proposed Rate Increase
Based on Sales for the 12 months ended April 30, 2008

(1)	(2)	(3)	(4)	(5)	(6)	(7)
	Bills	Total KWH	Present Rates	Calculated Revenue at Present Rates	Proposed Rates	Calculated Revenue at Proposed Rates
RS - Rate Codes 010, 050						
Customer Charges	2,670,330		\$ 5.00	\$ 13,351,650	\$ 5.00	13,351,650
All Energy		3,031,975,597	\$ 0.05774	175,066,271	\$ 0.05716	173,307,725
Minimum Energy				3,908		3,872
Total Calculated at Base Rates				<u>\$ 188,421,829</u>		<u>\$ 186,663,247</u>
Correction Factor				<u>1.0000000</u>		<u>1.0000000</u>
Total After Application of Correction Factor				<u>\$ 188,421,833</u>		<u>\$ 186,663,250</u>
Fuel Clause Billings - proforma for rollin				4,859,674		4,859,674
Adjustment to Reflect Year-End Customers				(550,029)		(544,895)
Adjustment to Reflect Temperature Normalization				(4,501,179)		(4,455,965)
Total				<u><u>\$ 188,230,299</u></u>		<u><u>\$ 186,522,064</u></u>
Proposed Increase						(1,708,235)
	Percentage Increase					-0.91%

KENTUCKY UTILITIES COMPANY
Calculations of Proposed Rate Increase
Based on Sales for the 12 months ended April 30, 2008

(1)	(2)	(3)	(4)	(5)	(6)	(7)
	Bills	Total KWH	Present Rates	Calculated Revenue at Present Rates	Proposed Rates	Calculated Revenue at Proposed Rates
RS - Rate Codes 020, 060, 080						
Customer Charges	2,287,781		\$ 5.00	\$ 11,438,905	\$ 5.00	11,438,905
All Energy		3,465,833,654	\$ 0.05774	200,117,235	\$ 0.05716	198,107,052
Minimum Energy				(426)		(421)
Total Calculated at Base Rates				<u>\$ 211,555,715</u>		<u>\$ 209,545,535</u>
Correction Factor				1.000000		1.000000
Total After Application of Correction Factor				<u>\$ 211,555,693</u>		<u>\$ 209,545,514</u>
Fuel Clause Billings - proforma for rollin				6,726,947		6,726,947
Adjustment to Reflect Year-End Customers				1,393,109		1,379,872
Adjustment to Reflect Temperature Normalization				(2,423,290)		(2,398,948)
Total				<u><u>\$ 217,252,459</u></u>		<u><u>\$ 215,253,385</u></u>
Proposed Increase						(1,999,074)
	Percentage Increase					-0.92%

KENTUCKY UTILITIES COMPANY

Calculations of Proposed Rate Increase

Based on Sales for the 12 months ended April 30, 2008

(1)	(2)	(3)	(4)	(5)	(6)	(7)
	Bills	Total KWH	Present Rates	Calculated Revenue at Present Rates	Proposed Rates	Calculated Revenue at Proposed Rates
GSS - Rate Codes 110, 113, 150, 153, 710						
Customer Charges	938,420		\$ 10.00	\$ 9,384,200	\$ 10.00	9,384,200
All KWH		1,819,611,111	\$ 0.06745	122,732,769	\$ 0.06681	121,568,218
Minimum Energy				197,073		195,336
Total Calculated at Base Rates				<u>\$ 132,314,043</u>		<u>\$ 131,147,754</u>
Correction Factor				1.000005		1.000005
Total After Application of Correction Factor				<u>\$ 132,313,364</u>		<u>\$ 131,147,082</u>
Fuel Clause Billings - proforma for rollin				3,111,638		3,111,638
Adjustment to Reflect Year-End Customers				1,130,662		1,120,696
Adjustment to Reflect Temperature Normalization				(1,002,779)		(993,264)
Total				<u><u>\$ 135,552,885</u></u>		<u><u>\$ 134,386,151</u></u>
Proposed Increase						(1,166,733)
	Percentage Increase					-0.86%

KENTUCKY UTILITIES COMPANY
Calculations of Proposed Rate Increase
Based on Sales for the 12 months ended April 30, 2008

(1)	(2)	(3)	(4)	(5)	(6)	(7)
	Bills / KW	Total KWH	Present Rates	Calculated Revenue at Present Rates	Proposed Rates	Calculated Revenue at Proposed Rates
GSP - Rate Codes 111, 151 (Customers to be Served Under Rate PS)						
Customer Charges	872		\$ 10.00	\$ 8,720	\$ 75.00	65,400
All KWH		43,720,684	\$ 0.06745	2,948,960	\$ 0.03223	1,409,118
Minimum Energy				81,888		89,331
Demand (KW)	241,323				7.26	1,752,004
Demand Discount				(150,182)		-
Total Calculated at Base Rates				<u>\$ 2,889,386</u>		<u>\$ 3,315,852</u>
Correction Factor				<u>0.999780</u>		<u>0.999780</u>
Total After Application of Correction Factor				<u>\$ 2,890,020</u>		<u>\$ 3,316,580</u>
Fuel Clause Billings - proforma for rollin				76,202		76,202
VDT Amortization & Surcredit Adjustment				-		-
Adjustment to Reflect Year-End Customers				(40,127)		(46,050)
Adjustment to Reflect Temperature Normalization				-		-
Total				<u><u>\$ 2,926,095</u></u>		<u><u>3,346,732</u></u>
Proposed Increase						420,637
	Percentage Increase					14.38%

KENTUCKY UTILITIES COMPANY

Calculations of Proposed Rate Increase
Based on Sales for the 12 months ended April 30, 2008

(1)	(2)	(3)	(4)	(5)	(6)	(7)
	Bills	Total KWH	Present Rates	Calculated Revenue at Present Rates	Proposed Rates	Calculated Revenue at Proposed Rates
AES - Rate Code 220						
Number of Customers	3,668					
All KWH		131,931,925	\$ 0.05571	\$ 7,349,928	\$ 0.05519	7,281,323
Minimum Energy				559		554
Total Calculated at Base Rates				<u>\$ 7,350,487.00</u>		<u>7,281,877</u>
Correction Factor				<u>1,000,000</u>		<u>1,000,000</u>
Total After Application of Correction Factor				<u>\$ 7,350,487</u>		<u>\$ 7,281,877</u>
Fuel Clause Billings - proforma for rollin				241,558		241,558
VDT Amortization & Surcredit Adjustment				.		.
Adjustment to Reflect Year-End Customers				.		.
Adjustment to Reflect Temperature Normalization				.		.
Total				<u>\$ 7,592,045</u>		<u>\$ 7,523,435</u>
Proposed Increase						(68,610)
	Percentage Increase					-0.90%

KENTUCKY UTILITIES COMPANY

Calculations of Proposed Rate Increase

Based on Sales for the 12 months ended April 30, 2008

(1)	(2)	(3)	(4)	(5)	(6)	(7)
	Bills /kW	Total KWH	Present Rates	Calculated Revenue at Present Rates	Proposed Rates	Calculated Revenue at Proposed Rates
LPS - Rate Codes 562, 568 (Renamed Rate PS-Secondary)						
Customer Charges	107,045		\$ 75.00	\$ 8,028,375	\$ 75.00	\$ 8,028,375
Demand (KW)	9,890,858		\$ 7.65	75,665,061	\$ 7.65	75,665,061
Minimum Demand Charges				486,832		481,597
All KWH		3,797,009,283	\$ 0.03282	124,617,845	\$ 0.03223	122,377,609
Minimum Energy				19,525		19,315
Total Calculated at Base Rates				\$ 208,817,638		\$ 206,571,957
Correction Factor				1.000000		1.000000
Total After Application of Correction Factor				\$ 208,817,741		\$ 206,572,059
Fuel Clause Billings - proforma for rollin				6,178,202		6,178,202
STOD Billings				227,817		227,817
Adjustment to Reflect Year-End Customers				(6,373,654)		(6,305,110)
Adjustment to Reflect Temperature Normalization				(565,554)		(555,387)
Total				<u>\$ 208,284,552</u>		<u>\$ 206,117,581</u>
Proposed Increase						(2,166,971)
	Percentage Increase					-1.04%

KENTUCKY UTILITIES COMPANY
Calculations of Proposed Rate Increase
Based on Sales for the 12 months ended April 30, 2008

(1)	(2)	(3)	(4)	(5)	(6)	(7)
	Bills / KW	Total KWH	Present Rates	Calculated Revenue at Present Rates	Proposed Rates	Calculated Revenue at Proposed Rates
LPP - Rate Codes 561, 566 (Renamed Rate PS-Primary)						
Customer Charges	4,202		\$ 75.00	\$ 315,150	\$ 75.00	315,150
Demand (KW)	3,572,354		\$ 7.26	25,935,289	\$ 7.26	25,935,289
Minimum Demand Charges				70,488		69,639
All KWH		1,624,875,433	\$ 0.03282	53,328,412	\$ 0.03223	52,369,735
Minimum Energy				(21,897)		(21,634)
Total Calculated at Base Rates				\$ 79,627,441		\$ 78,668,180
Correction Factor				0.999999		0.999999
Total After Application of Correction Factor				\$ 79,627,495		\$ 78,668,232
Fuel Clause Billings - proforma for rollin				2,658,502		2,658,502
STOD Billings				97,494		97,494
VDT Amortization & Surcredit Adjustment				.		.
Adjustment to Reflect Year-End Customers				.		.
Adjustment to Reflect Temperature Normalization				(195,804)		(192,284)
Total				<u>\$ 82,187,686</u>		<u>\$ 81,231,943</u>
Proposed Increase						(955,743)
	Percentage Increase					-1.16%

KENTUCKY UTILITIES COMPANY
Calculations of Proposed Rate Increase
Based on Sales for the 12 months ended April 30, 2008

(1)	(2)	(3)	(4)	(5)	(6)	(7)
	Bills/ KW	Total KWH	Present Rates	Calculated Revenue at Present Rates	Proposed Rates	Calculated Revenue at Proposed Rates
LPT - Rate Codes 560, 567 (Customers to be Served Under Rate RTS)						
Customer Charges	24		\$ 75.00	\$ 1,800	\$ 120.00	2,880
Demand (KW)	57,176		\$ 6.92	395,659		
On-Peak Demand (KVA)	60,593				\$ 4.39	266,002
Off-Peak Demand (KVA)	58,217				\$ 1.13	65,786
Minimum Demand Charges						
All KWH		26,100,266	\$ 0.03282	856,611	\$ 0.03223	841,212
Minimum Energy						
Total Calculated at Base Rates				\$ 1,254,069		\$ 1,175,879
Correction Factor				1.000000		1.000000
Total After Application of Correction Factor				\$ 1,254,069		\$ 1,175,879
Fuel Clause Billings - proforma for rollin				42,896		42,896
STOD Billings				1,566		1,566
VDT Amortization & Surcredit Adjustment				.		.
Adjustment to Reflect Year-End Customers				.		.
Adjustment to Reflect Temperature Normalization				.		.
Total				<u>\$ 1,298,531</u>		<u>\$ 1,220,341</u>
Proposed Increase						(78,190)
	Percentage Increase					-6.02%

KENTUCKY UTILITIES COMPANY
 Calculations of Proposed Rate Increase
 Based on Sales for the 12 months ended April 30, 2008

(1)	(2)	(3)	(4)	(5)	(6)	(7)
	Bills/ KW	Total KWH	Present Rates	Calculated Revenue at Present Rates	Proposed Rates	Calculated Revenue at Proposed Rates
LCIP - Rate Code 563 (Renamed Rate LTOD-Primary)						
Customer Charge	466		\$ 120.00	\$ 55,920	\$ 120.00	\$ 55,920
On-Peak Demand (KW)	5,196,011		\$ 5.12	26,603,575	\$ 5.12	26,603,575
Off-Peak Demand (KW)	5,141,908		\$ 1.27	6,530,223	\$ 1.27	6,530,223
Minimum Demand						
Energy		2,747,259,009	\$ 0.03282	90,165,041	\$ 0.03223	88,544,158
Minimum Energy				<u>128,806</u>		<u>127,112</u>
Total Calculated at Base Rates				\$ 123,483,565		\$ 121,860,989
Correction Factor				<u>1.000000</u>		<u>1.000000</u>
Total After Application of Correction Factor				\$ 123,483,561		\$ 121,860,985
Fuel Clause Billings - proforma for rollin				4,563,128		4,563,128
VDT Amortization & Surcredit Adjustment				.		.
Adjustment to Reflect Year-End Customers				.		.
Adjustment to Reflect Temperature Normalization				.		.
Total				<u>\$ 128,046,689</u>		<u>\$ 126,424,113</u>
CSR						
Proposed Increase						(1,622,576)
	Percentage Increase					-1.27%
CSR-1	30,098		\$ (3.20)	(96,313)	(5.20)	(156,509)
						(60,196)

KENTUCKY UTILITIES COMPANY
Calculations of Proposed Rate Increase
Based on Sales for the 12 months ended April 30, 2008

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
		Bills/ KW/KVA	Total KWH	Present Rates	Calculated Revenue at Present Rates	Proposed Rates	Calculated Revenue at Proposed Rates
LCIT - Rate Code 564 (Customers to be Served Under Rate RTS)							
Customer Charge	79			\$ 120.00	\$ 9,480	\$ 120.00	9,480
On-Peak Demand (KW)	1,590,349			\$ 4.93	\$ 7,840,423		
On-Peak Demand (KVA)	1,824,495					\$ 4.39	8,009,534
Off-Peak Demand (KW)	1,577,381			\$ 1.27	\$ 2,003,274		
Off-Peak Demand (KVA)	1,815,762					\$ 1.13	2,051,811
Minimum Demand							
Energy			841,958,377	\$ 0.03282	27,633,074	\$ 0.03223	27,136,318
Minimum Energy					11,444		8,286
Total Calculated at Base Rates					\$ 37,497,694		\$ 37,215,430
Correction Factor					0.999998		0.999998
Total After Application of Correction Factor					\$ 37,497,758		\$ 37,215,494
Fuel Clause Billings - proforma for rollin					1,468,484		1,468,484
VDT Amortization & Surcredit Adjustment					.		.
Adjustment to Reflect Year-End Customers					.		.
Adjustment to Reflect Temperature Normalization					.		.
Total					<u>\$ 38,966,242</u>		<u>\$ 38,683,978</u>
Proposed Increase							(282,264)
Percentage Increase							-0.72%
CSR-3	1,756,868			\$ (3.10)	(5,446,292)	\$ (3.10)	(5,446,292)

KENTUCKY UTILITIES COMPANY
 Calculations of Proposed Rate Increase
 Based on Sales for the 12 months ended April 30, 2008

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
		Bills	Total KWH	Present Rates	Calculated Revenue at Present Rates	Proposed Rates	Calculated Revenue at Proposed Rates
STOD-P Rate Code 582 (Customers Eligible for Service Under Rate TOD-Primary)							
Customer	24			\$ 90.00	\$ 2,160	\$ 120.00	2,880
Demand (KW)	26,938			\$ 7.26	195,573		
On-Peak Demand (KW)	26,938					\$ 6.00	161,630
Off-Peak Demand (KW)	26,658					\$ 1.27	33,856
Minimum Demand							
On Peak Energy			7,988,094	\$ 0.03879	309,858	\$ 0.03223	257,456
Off Peak Energy			7,861,106	\$ 0.02596	204,074	\$ 0.03223	253,363
Minimum Energy					(23,990)		(23,909)
Total Calculated at Base Rates					\$ 687,675		\$ 685,277
Correction Factor					1.000000		1.000000
Total After Application of Correction Factor					\$ 687,675		\$ 685,277
Fuel Clause Billings - proforma for rollin					28,561		28,561
VDT Amortization & Surcredit Adjustment					.		.
Adjustment to Reflect Year-End Customers					.		.
Adjustment to Reflect Temperature Normalization				\$.	0.03223	.
Total					<u>\$ 716,236</u>		<u>\$ 713,838</u>
Proposed Increase							(2,398)
		Percentage Increase					-0.33%

KENTUCKY UTILITIES COMPANY
Calculations of Proposed Rate Increase
Based on Sales for the 12 months ended April 30, 2008

(1)	(2)	(3)	(4)	(5)	(6)	(7)
	Bills / KW	Total KWH	Present Rates	Calculated Revenue at Present Rates	Proposed Rates	Calculated Revenue at Proposed Rates
STOD-S Rate Code 584 (Customers Eligible for Service Under Rate TOD-Secondary)						
Customer	612		\$ 90.00	\$ 55,080	\$ 90.00	55,080
Demand (KW)	351,379		\$ 7.65	2,688,050		
On-Peak Demand (KW)	351,379				6.39	2,245,312
Off-Peak Demand (KW)	348,514				1.27	442,612
Minimum Demand						
On Peak Energy		94,624,461	\$ 0.03879	3,670,483	\$ 0.03223	3,049,746
Off Peak Energy		94,679,823	\$ 0.02596	2,457,888	\$ 0.03223	3,051,531
Minimum Energy				(251,753)		(250,984)
Total Calculated at Base Rates				\$ 8,619,748		\$ 8,593,298
Correction Factor				1.000000		1.000000
Total After Application of Correction Factor				\$ 8,619,748		\$ 8,593,298
Fuel Clause Billings - proforma for rollin				308,031		308,031
VDT Amortization & Surcredit Adjustment						
Adjustment to Reflect Year-End Customers						
Adjustment to Reflect Temperature Normalization				(32,622)	0.03223	(32,622)
Total				<u>\$ 8,895,156</u>		<u>\$ 8,868,706</u>
Proposed Increase						(26,450)
	Percentage Increase					-0.30%

KENTUCKY UTILITIES COMPANY
 Calculations of Proposed Rate Increase
 Based on Sales for the 12 months ended April 30, 2008

(1)	(2)	(3)	(4)	(5)	(6)	(7)
	Bills / KW	Total KWH	Present Rates	Calculated Revenue at Present Rates	Proposed Rates	Calculated Revenue at Proposed Rates
MPP - Rate Codes 681, 686 (Customers to be Served Under Rate PS-Primary)						
Customer Charge	364		\$ 75.00	\$ 27,300	\$ 75.00	27,300
Demand (KW)	411,206		\$ 5.45	2,241,075	\$ 7.26	2,985,358
Minimum demand billings				6,123		6,588
All KWH		109,956,679	\$ 0.03479	3,825,393	\$ 0.03223	3,543,904
Minimum energy billings				330,628		355,737
Total Calculated at Base Rates				\$ 6,430,518		\$ 6,918,888
Correction Factor				<u>0.999993</u>		<u>0.999993</u>
Total After Application of Correction Factor				\$ 6,430,565		\$ 6,918,938
Fuel Clause Billings - proforma for rollin				202,151		202,151
VDT Amortization & Surcredit Adjustment				.		.
Adjustment to Reflect Year-End Customers				215,149		231,489
Adjustment to Reflect Temperature Normalization				.		.
Total				<u>\$ 6,847,865</u>		<u>\$ 7,352,578</u>
Proposed Increase						504,713
	Percentage Increase					7.37%

KENTUCKY UTILITIES COMPANY
 Calculations of Proposed Rate Increase
 Based on Sales for the 12 months ended April 30, 2008

(1)	(2)	(3)	(4)	(5)	(6)	(7)
	Bills / KW	Total KWH	Present Rates	Calculated Revenue at Present Rates	Proposed Rates	Calculated Revenue at Proposed Rates
MPT - Rate Codes 680, 687 (Customers to be Served Under Rate RTS)						
Customer Charge	123		\$ 75.00	\$ 9,225	\$ 120.00	14,760
Demand (KW)	222,219		\$ 5.33	1,184,429	\$ 4.39	1,183,785
On-Peak Demand (KVA)	269,655				\$ 1.13	298,946
Off-Peak Demand (KVA)	264,554					
Minimum demand billings				2,768		1,724
All KWH		69,078,000	\$ 0.03479	2,403,224	\$ 0.03223	2,226,384
Minimum energy billings				123,549		76,981
Total Calculated at Base Rates				\$ 3,723,194		\$ 3,802,581
Correction Factor				0.999999		0.999999
Total After Application of Correction Factor				\$ 3,723,197		\$ 3,802,584
Fuel Clause Billings - proforma for rollin				116,709		116,709
VDT Amortization & Surcredit Adjustment				.		.
Adjustment to Reflect Year-End Customers				.		.
Adjustment to Reflect Temperature Normalization				.		.
Total				<u>\$ 3,839,906</u>		<u>\$ 3,919,293</u>
Proposed Increase						79,387
	Percentage Increase					2.07%

KENTUCKY UTILITIES COMPANY
Calculations of Proposed Rate Increase
Based on Sales for the 12 months ended April 30, 2008

(1)	(2)	(3)	(4)	(5)	(6)	(7)
	Bills / KW	Total KWH	Present Rates	Calculated Revenue at Present Rates	Proposed Rates	Calculated Revenue at Proposed Rates
LMPP - Rate Code 683 (Customers to be Served Under Rate LTOD-Primary)						
Customer Charge	39		\$ 120.00	\$ 4,680	\$ 120.00	4,680
On-Peak Demand (KW)	271,755		\$ 5.79	1,573,462	\$ 5.12	1,391,386
Off-Peak Demand (KW)	264,038		\$ 1.13	298,363	\$ 1.27	335,328
Minimum Demand Charge Energy		87,153,119	\$ 0.03082	2,686,059	\$ 0.03223	2,808,945
Minimum Energy Charge						
Total Calculated at Base Rates				\$ 4,562,563		\$ 4,540,339
Correction Factor				1.000000		1.000000
Total After Application of Correction Factor				\$ 4,562,563		\$ 4,540,339
Fuel Clause Billings - proforma for rollin				154,499		154,499
VDT Amortization & Surcredit Adjustment						
Adjustment to Reflect Year-End Customers						
Adjustment to Reflect Temperature Normalization						
Total				<u>\$ 4,717,062</u>		<u>\$ 4,694,838</u>
Proposed Increase						(22,224)
	Percentage Increase					-0.47%

KENTUCKY UTILITIES COMPANY
 Calculations of Proposed Rate Increase
 Based on Sales for the 12 months ended April 30, 2008

(1)	(2)	(3)	(4)	(5)	(6)	(7)
	Bills / Kw	Total KWH	Present Rates	Calculated Revenue at Present Rates	Proposed Rates	Calculated Revenue at Proposed Rates
LMPT - Rate Code 684 (Customers to be Served Under Rate RTS)						
Customer Charge	82		\$ 120.00	\$ 9,840	\$ 120.00	9,840
On-Peak Demand (KW)	716,818		\$ 5.25	3,763,296		
On-Peak Demand (KVA)	744,449				\$ 4.39	3,268,129
Off-Peak Demand (KW)	687,441		\$ 1.13	776,808		
Off-Peak Demand (KVA)	726,578				\$ 1.13	821,033
Minimum Demand Charge						
Energy		268,266,000	\$ 0.03082	8,267,958	\$ 0.03223	8,646,213
Minimum Energy Charge						
Total Calculated at Base Rates				\$ 12,817,902		\$ 12,745,215
Correction Factor				1.002173		1.002173
Total After Application of Correction Factor				\$ 12,790,113		\$ 12,717,584
Fuel Clause Billings - proforma for rollin				497,592		497,592
VDT Amortization & Surcredit Adjustment				.		.
Adjustment to Reflect Year-End Customers				.		.
Adjustment to Reflect Temperature Normalization				.		.
Total				\$ 13,287,705		\$ 13,215,176
Proposed Increase						(72,529)
	Percentage Increase					-0.55%

KENTUCKY UTILITIES COMPANY
 Calculations of Proposed Rate Increase
 Based on Sales for the 12 months ended April 30, 2008

(1)	(2)	(3)	(4)	(5)	(6)	(7)
	Bills	Total KWH	Present Rates	Calculated Revenue at Present Rates	Proposed Rates	Calculated Revenue at Proposed Rates
LI-TOD Billing Code 730 (Renamed Rate IS)						
Customer Charge	12		\$ 120.00	\$ 1,440	\$ 120.00	1,440
On-Peak Demand (KW)	1,520,293		\$ 4.58	\$ 6,962,943	\$ 4.58	6,962,943
Off-Peak Demand (KW)	1,689,560		\$ 0.93	\$ 1,571,291	\$ 0.93	1,571,291
Minimum Demand Charge						
Energy		388,735,959	\$ 0.03282	12,758,314	\$ 0.02767	10,756,324
Minimum Energy Charge						
Total Calculated at Base Rates				\$ 21,293,989		\$ 19,291,998
Correction Factor				1.000000		1.000000
Total After Application of Correction Factor				\$ 21,293,989		\$ 19,291,998
Fuel Clause Billings - proforma for rollin				664,780		664,780
VDT Amortization & Surcredit Adjustment				.		.
Adjustment to Reflect Year-End Customers				.		.
Adjustment to Reflect Temperature Normalization				.		.
Total				<u>\$ 21,958,769</u>		<u>\$ 19,956,778</u>
Proposed Increase						(2,001,991)
	Percentage Increase					-9.12%

KENTUCKY UTILITIES COMPANY
 Calculations of Proposed Rate Increase
 Based on Sales for the 12 months ended April 30, 2008

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
		KWH	Total Lights	Present Rates	Calculated Revenue at Present Rates	Proposed Rates	Calculated Revenue at Proposed Rates
Street Lighting Service Rate Schedule							
Incandescent Street Lighting							
01000L INC STD ST LT *	30,601	900	\$ 2.76	\$ 2,484	\$ 2.74	2,466	
02500L INC STD ST LT *	1,028,530	15,372	\$ 3.64	55,954	\$ 3.61	55,493	
04000L INC STD ST LT *	500,061	4,598	\$ 5.37	24,691	\$ 5.32	24,461	
06000L INC STD ST LT *	6,650	46	\$ 7.19	331	\$ 7.13	328	
02500L INC ORN ST LT *	6,432	96	\$ 4.48	430	\$ 4.44	426	
04000L INC ORN ST LT *	52,140	484	\$ 6.35	3,073	\$ 6.29	3,044	
06000L INC ORN ST LT *	2,561	20	\$ 8.28	166	\$ 8.21	164	
Mercury Vapor Street Lighting							
07000L MV STD ST LT	1,128,653	16,381	\$ 7.73	126,625	\$ 7.66	125,478	
010000L MV STD ST LT	1,119,282	11,427	\$ 9.12	104,214	\$ 9.04	103,300	
020000L MV STD ST LT	3,088,066	20,462	\$ 11.13	227,742	\$ 11.03	225,696	
07000L MV ORN ST LT	103,502	1,500	\$ 10.09	15,135	\$ 10.00	15,000	
010000L MV ORN ST LT	634,541	6,474	\$ 11.22	72,638	\$ 11.12	71,991	
020000L MV ORN ST LT	2,649,502	17,555	\$ 12.81	224,880	\$ 12.69	222,773	
High Pressure Sodium Street Lighting							
05800L HPS DEC ACORN ST LT	1,992	72	\$ 11.77	847	\$ 11.66	840	
09500L HPS DEC ACORN ST LT	64,530	1,650	\$ 12.59	20,774	\$ 12.48	20,592	
04000L HPS HISTORIC ACORN ST LT	35,760	1,788	\$ 17.29	30,915	\$ 17.13	30,628	
05800L HPS HISTORIC ACORN ST LT	23,905	864	\$ 17.94	15,500	\$ 17.78	15,362	
09500L HPS HISTORIC ACORN ST LT	186,349	4,819	\$ 18.78	90,501	\$ 18.61	89,682	
05800L HPS POL	61,534	2,097	\$ 4.86	10,191	\$ 4.82	10,108	
04000L HPS STD ST LT	1,685,220	84,259	\$ 5.46	460,054	\$ 5.41	455,841	
05800L HPS STD ST LT	2,822,338	102,010	\$ 6.00	612,060	\$ 5.95	606,960	
09500L HPS STD ST LT	9,120,054	233,717	\$ 6.84	1,598,624	\$ 6.78	1,584,601	
022000L HPS STD ST LT	5,356,942	66,399	\$ 10.36	687,894	\$ 10.27	681,918	
050000L HPS STD ST LT	1,599,629	9,894	\$ 17.07	168,891	\$ 16.92	167,406	
04000L HPS ORN ST LT	943,032	47,165	\$ 8.20	386,753	\$ 8.13	383,451	
05800L HPS ORN ST LT	2,762,804	99,823	\$ 8.74	872,453	\$ 8.66	864,467	
09500L HPS ORN ST LT	1,278,676	32,764	\$ 9.77	320,104	\$ 9.68	317,156	
022000L HPS ORN ST LT	4,158,893	51,518	\$ 13.29	684,674	\$ 13.17	678,492	
050000L HPS ORN ST LT	859,382	5,316	\$ 19.99	106,267	\$ 19.81	105,310	

KENTUCKY UTILITIES COMPANY
 Calculations of Proposed Rate Increase
 Based on Sales for the 12 months ended April 30, 2008

Street Lighting Service Rate Schedule
High Pressure Sodium Granville Configurations

016000L GRANVILLE STLT-CONFIG A	75,007	1,500	\$ 40.55	60,825	\$ 40.19	60,285
016000L GRANVILLE STLT-CONFIG B	16,201	324	\$ 65.07	21,083	\$ 64.48	20,892
016000L GRANVILLE STLT-CONFIG C	25,201	504	\$ 44.46	22,408	\$ 44.06	22,206
016000L GRANVILLE STLT-CONFIG D	3,000	60	\$ 46.19	2,771	\$ 45.77	2,746
016000L GRANVILLE STLT-CONFIG E	600	12	\$ 47.39	569	\$ 46.96	564
016000L GRANVILLE STLT-CONFIG F	3,600	72	\$ 63.09	4,542	\$ 62.52	4,501
016000L GRANVILLE STLT-CONFIG G	5,999	120	\$ 61.36	7,363	\$ 60.81	7,297
016000L GRANVILLE STLT-CONFIG H	.	.	\$ 45.75	.	\$ 45.34	.
016000L GRANVILLE STLT-CONFIG I	1,200	24	\$ 41.75	1,002	\$ 41.37	993
016000L GRANVILLE STLT-CONFIG A1	9,001	180	\$ 57.45	10,341	\$ 56.93	10,247
016000L GRANVILLE STLT-CONFIG B1	.	.	\$ 81.97	.	\$ 81.23	.
016000L GRANVILLE STLT-CONFIG E1	600	12	\$ 64.29	771	\$ 63.71	765
016000L GRANVILLE STLT-CONFIG A2	12,001	240	\$ 57.45	13,788	\$ 56.93	13,663
016000L GRANVILLE STLT-CONFIG B3	2,400	48	\$ 58.65	2,815	\$ 58.12	2,790
016000L GRANVILLE STLT-CONFIG G1	1,800	36	\$ 61.36	2,209	\$ 60.81	2,189
016000L GRANVILLE STLT-CONFIG B2	15,603	312	\$ 59.87	18,679	\$ 59.33	18,511
016000L GRANVILLE STLT-CONFIG A3	30,602	612	\$ 48.35	29,590	\$ 47.91	29,321
016000L GRANVILLE STLT-CONFIG A	5,401	108	\$ 40.55	4,379	\$ 40.19	4,341

0107800L MH DIRECTIONAL -M POL	381,116	1,057	\$ 39.32	41,561	\$ 38.97	41,191
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Sub-Total	41,902,893	844,691	\$	7,169,563	\$	7,105,936
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Total Calculated at Base Rates			\$	7,169,563	\$	7,105,936
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<i>Correction Factor</i>				1.000001		1.000001
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Total After Application of Correction Factor			\$	7,169,559	\$	7,105,932
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Fuel Clause Billings - proforma for rollin				78,214		78,214
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VDT Amortization & Surcredit Adjustment				.		.
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Adjustment to Reflect Year-End Customers				5,438		5,390
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Adjustment to Reflect Temperature Normalization				.		.
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Total			\$	<u>7,253,211</u>	\$	<u>7,189,536</u>
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Proposed Increase						(63,675)
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Percentage Increase						-0.88%
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KENTUCKY UTILITIES COMPANY
 Calculations of Proposed Rate Increase
 Based on Sales for the 12 months ended April 30, 2008

(1)	(2)	(3)	(4)	(5)	(6)	(7)
	KWH	Total Lights	Present Rates	Calculated Revenue at Present Rates	Proposed Rates	Calculated Revenue at Proposed Rates
Street Lighting Service Rate Schedule						
Decorative						
04000L HPS COLONIAL ST LT	160,854	8,022	\$ 7.40	\$ 59,363	\$ 7.33	\$ 58,801
05800L HPS COLONIAL ST LT	309,845	11,189	\$ 7.96	89,064	\$ 7.89	88,281
09500L HPS COLONIAL ST LT	619,118	15,786	\$ 8.71	137,496	\$ 8.63	136,233
032000L MH DIRECTIONAL -M POL	388,127	2,575	\$ 23.27	59,920	\$ 23.06	59,380
05800L HPS CONTEMPORARY ST LT	1,260,005	57,101	\$ 13.50	770,864	\$ 13.38	764,011
09500L HPS CONTEMPORARY ST LT	234,286	6,647	\$ 16.15	107,349	\$ 16.00	106,352
022000L HPS CONTEMPORARY ST LT	445,967	6,445	\$ 19.13	123,293	\$ 18.96	122,197
050000L HPS CONTEMPORARY ST LT	102,820	689	\$ 25.42	17,514	\$ 25.19	17,356
Sub-Total	3,521,022	108,454		\$ 1,364,863		\$ 1,352,612
				\$ 1,364,863		\$ 1,352,612
				1.000106		1.000106
				\$ 1,364,718		\$ 1,352,468
				6,691		6,691
				(87,063)		(86,282)
				\$ 1,284,346		\$ 1,272,877
						(11,469)
Proposed Increase						-0.89%
	Percentage Increase					

KENTUCKY UTILITIES COMPANY
 Calculations of Proposed Rate Increase
 Based on Sales for the 12 months ended April 30, 2008

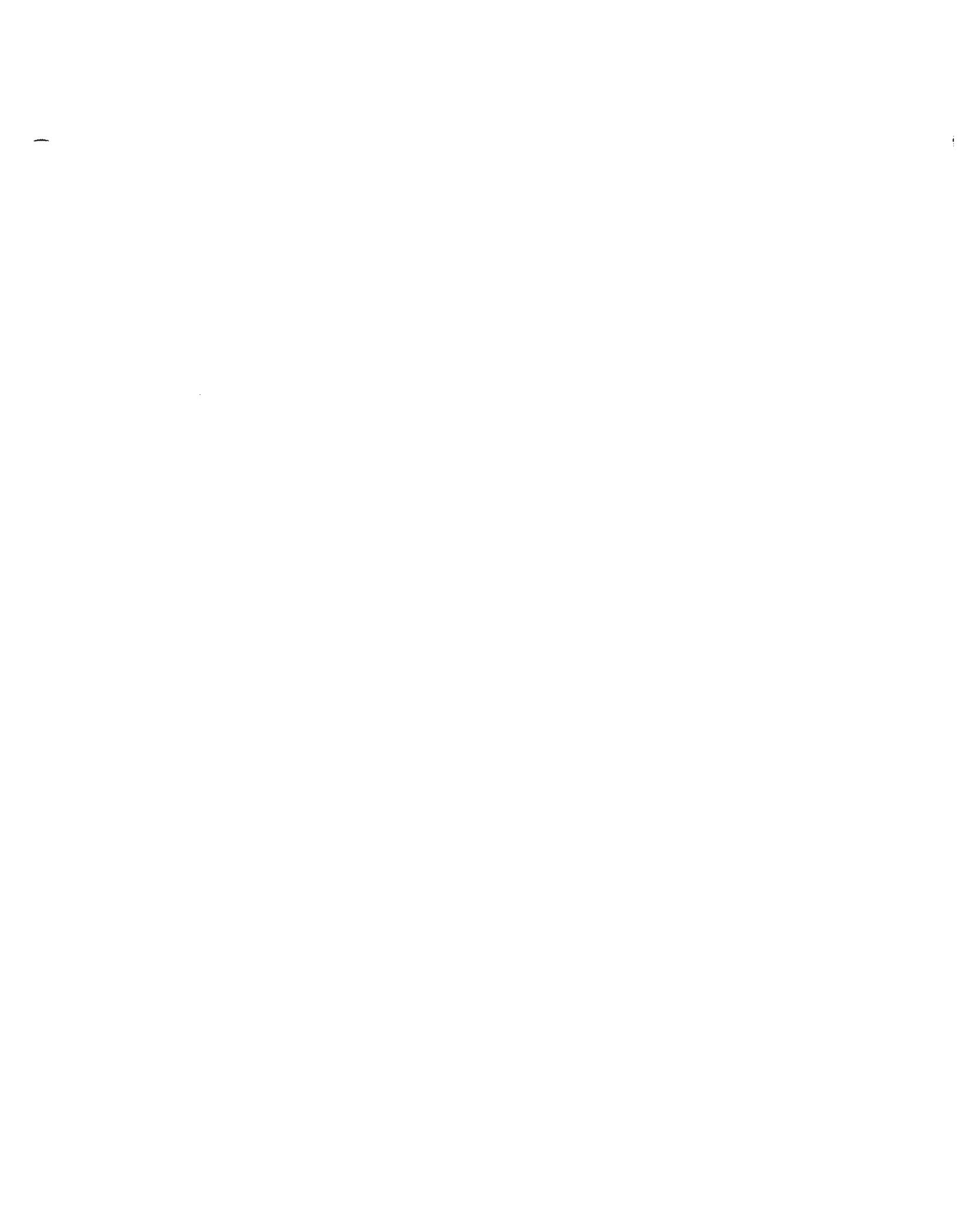
(1)	(2)	(3)	(4)	(5)	(6)	(7)
	KWH	Total Lights	Present Rates	Calculated Revenue at Present Rates	Proposed Rates	Calculated Revenue at Proposed Rates
Private Outdoor Lighting						
Decorative (Served Underground)						
04000L HPS COLONIAL DEC POL	12,031	605	\$ 7.40	\$ 4,477	\$ 7.33	\$ 4,435
05800L HPS COLONIAL DEC POL	57,712	2,083	\$ 7.96	16,581	\$ 7.89	16,435
09500L HPS COLONIAL DEC POL	778,055	19,927	\$ 8.71	173,564	\$ 8.63	171,970
05800L HPS CONTEMPORARY DEC POI	16,936	612	\$ 13.50	8,262	\$ 13.38	8,189
09500L HPS CONTEMPORARY DEC POI	129,472	3,320	\$ 16.15	53,618	\$ 16.00	53,120
022000 HPS CONTEMPORARY DEC POI	621,161	7,700	\$ 19.13	147,301	\$ 18.96	145,992
050000 HPS CONTEMPORARY DEC POI	1,706,928	10,550	\$ 25.42	268,181	\$ 25.19	265,755
Directional (Served Overhead)						
09500L HPS DIRECTIONAL POL	4,867,927	124,562	\$ 6.70	834,565	\$ 6.64	827,092
022000L HPS DIRECTIONAL POL	5,933,517	73,593	\$ 9.79	720,475	\$ 9.70	713,852
050000L HPS DIRECTIONAL POL	14,702,952	90,929	\$ 15.34	1,394,851	\$ 15.20	1,382,121
Metal Halide Contemporary						
012000L MH CONTEMPORARY POL	45,669	662	\$ 11.17	7,395	\$ 11.07	7,328
012000L MH CONTEMPORARY -M POL	143,197	2,076	\$ 19.94	41,395	\$ 19.76	41,022
032000L MH CONTEMPORARY POL	522,484	3,477	\$ 16.13	56,084	\$ 15.98	55,562
032000L MH CONTEMPORARY -M POL	979,440	6,493	\$ 24.87	161,481	\$ 24.65	160,052
0107800L MH CONTEMPORARY POL	207,637	584	\$ 33.23	19,406	\$ 32.93	19,231
0107800L MH CONTEMPORARY -M POL	652,302	1,818	\$ 41.99	76,338	\$ 41.61	75,647
Sub-Total	31,377,420	348,991		\$ 3,983,975		\$ 3,947,802
				\$ 3,983,975		\$ 3,947,802
				Correction Factor		1.000025
Total After Application of Correction Factor				\$ 3,983,877		\$ 3,947,705
				58,833		58,833
Fuel Clause Billings - proforma for rollin						
VDT Amortization & Surcredit Adjustment				65,957		65,358
Adjustment to Reflect Year-End Customers						
Adjustment to Reflect Temperature Normalization						
Total				\$ 4,108,667		\$ 4,071,896
Proposed Increase						(36,771)
Percentage Increase						-0.89%

KENTUCKY UTILITIES COMPANY

Calculations of Proposed Rate Increase

Based on Sales for the 12 months ended April 30, 2008

(1)	(2)	(3)	(4)	(5)	(6)	(7)
	KWH	Total Lights	Present Rates	Calculated Revenue at Present Rates	Proposed Rates	Calculated Revenue at Proposed Rates
Private Outdoor Lighting						
02500L INC COL *			\$ 5.10	\$ -	\$ 5.05	\$ -
03500L MV COL *			\$ 6.23	\$ -	\$ 6.17	\$ -
07000L MV COL *	2,484	24	\$ 7.47	\$ 179	\$ 7.40	\$ 178
020000L MV SPECIAL LIGHTING *	812,654	5,390	\$ 6.88	\$ 37,083	\$ 6.82	\$ 36,760
050000L HPS SPECIAL LIGHTING *	354,052	2,192	\$ 9.18	\$ 20,123	\$ 9.10	\$ 19,947
Standard (Served Overhead)						
07000L MV POL	8,701,195	126,212	\$ 8.76	\$ 1,105,617	\$ 8.68	\$ 1,095,520
020000L MV POL	984,179	6,527	\$ 11.13	\$ 72,646	\$ 11.03	\$ 71,993
09500L HPS POL	15,623,163	399,642	\$ 5.62	\$ 2,245,988	\$ 5.57	\$ 2,226,006
022000L HPS POL	1,404,988	17,427	\$ 10.36	\$ 180,544	\$ 10.27	\$ 178,975
050000L HPS POL	4,231,587	26,167	\$ 17.07	\$ 446,671	\$ 16.92	\$ 442,746
Decorative (Served Underground)						
04000L HPS DEC ACORN D/D POL	477	24	\$ 11.11	\$ 267	\$ 11.01	\$ 264
05800L HPS DEC ACORN D/D POL	13,568	490	\$ 11.77	\$ 5,767	\$ 11.66	\$ 5,713
09500L HPS DEC ACORN D/D POL	113,943	2,913	\$ 12.61	\$ 36,733	\$ 12.50	\$ 36,413
04000L HPS HIST ACORN D/D POL	14,641	732	\$ 17.29	\$ 12,656	\$ 17.13	\$ 12,539
05800L HPS HIST ACORN D/D POL	24,675	892	\$ 17.84	\$ 15,913	\$ 17.68	\$ 15,771
09500L HPS HIST ACORN D/D POL	255,935	6,549	\$ 18.78	\$ 122,990	\$ 18.61	\$ 121,877
05800L HPS COACH DEC POL	7,969	288	\$ 26.62	\$ 7,667	\$ 26.38	\$ 7,597
09500L HPS COACH DEC POL	121,707	3,120	\$ 27.36	\$ 85,363	\$ 27.11	\$ 84,583
05800L HPS COACH DEC POL	6,972	252	\$ 26.62	\$ 6,708	\$ 26.38	\$ 6,648
09500L HPS COACH DEC POL	4,681	120	\$ 27.36	\$ 3,283	\$ 27.11	\$ 3,253
Metal Halide Directional						
012000L MH DIRECTIONAL POL	414,824	6,001	\$ 10.03	\$ 60,190	\$ 9.94	\$ 59,650
012000L MH DIRECTIONAL -W POL	98,345	1,425	\$ 12.08	\$ 17,214	\$ 11.97	\$ 17,057
012000L MH DIRECTIONAL -M POL	9,172	133	\$ 18.78	\$ 2,498	\$ 18.61	\$ 2,475
032000L MH DIRECTIONAL POL	6,984,958	46,496	\$ 14.52	\$ 675,122	\$ 14.39	\$ 669,077
032000L MH DIRECTIONAL -W POL	1,459,773	9,730	\$ 16.58	\$ 161,323	\$ 16.43	\$ 159,864
0107800L MH DIRECTIONAL POL	5,071,356	14,106	\$ 30.58	\$ 431,361	\$ 30.30	\$ 427,412
0107800L MH DIRECTIONAL -W POL	1,281,044	3,572	\$ 33.43	\$ 119,412	\$ 33.13	\$ 118,340
Sub-Total	47,998,342	680,424		\$ 5,873,319		\$ 5,820,659
Total Calculated at Base Rates				\$ 5,873,319		\$ 5,820,659
Correction Factor				0.997705		0.997705
Total After Application of Correction Factor				\$ 5,886,830		\$ 5,834,049
Fuel Clause Billings - proforma for rollin				89,152		89,152
VDT Amortization & Surcredit Adjustment				-		-
Adjustment to Reflect Year-End Customers				(2,475)		(2,453)
Adjustment to Reflect Temperature Normalization				-		-
Total				<u>\$ 5,973,507</u>		<u>\$ 5,920,748</u>
Proposed Increase		Percentage Increase				(52,759)
						-0.88%



Settlement Agreement Exhibit 2
LG&E Electric Rate Allocation

Louisville Gas and Electric Company
Summary of Proposed Rate Increase
Based on Billing Determinant for the 12 Months Ended April 30, 2008

Rate Class	Customers	Current Annual Revenue	Proposed Annual Revenue	Change	Percent Change
Residential	4,300,539	306,682,919	302,202,937	(4,479,982)	-1.46%
General Service Rate GS	491,176				
Secondary Service	176				
Primary Service (To be Served Under Rate LP Primary)	491,352	113,818,365	112,634,087	(1,184,278)	-1.04%
Total General Service -- existing customer classification					
Large Commercial Rate LC-Primary (Renamed Rate CPS-Secondary)	578	8,802,440	8,638,565	(163,875)	-1.86%
Large Commercial Rate LC-Secondary (Renamed Rate CPS-Secondary)	32,240	129,042,509	126,934,023	(2,108,487)	-1.63%
Total Commercial Power Service Rate	32,818	137,844,949	135,572,588	(2,272,362)	-1.65%
Small Time of Day Primary (Customers to be Served Under Rate CTOD-Primary)	35	649,693	680,442	30,749	4.73%
Small Time of Day Secondary (Customers to be Served Under Rate CTOD-Secondary)	391	4,725,978	4,926,876	200,898	4.25%
Total Small Time of Day -- existing customer classification	426	5,375,671	5,607,318	231,647	4.31%
Large Commercial Rate LCTOD-Primary (Renamed Rate CTOD-Primary)	166	16,476,905	16,146,911	(329,994)	-2.00%
Large Commercial Rate LCTOD-Secondary (Renamed Rate CTOD-Secondary)	627	18,332,575	18,000,467	(332,108)	-1.81%
Total Commercial Time of Day -- existing customer classification	793	34,809,480	34,147,377	(662,102)	-1.90%
Industrial Power RATE LP-Primary (Renamed Rate IPS-Primary)	488	6,559,921	6,441,257	(118,664)	-1.81%
Industrial Power RATE LP-Secondary (Renamed Rate IPS-Secondary)	3,968	32,205,956	31,658,469	(547,487)	-1.70%
Total Industrial Power Rate -- existing customer classification	4,456	38,765,877	38,099,726	(666,151)	-1.72%
Industrial Power Rate LPTOD-Transmission Total (Customers to be Served Under Rate RTS)	60	23,798,462	23,231,960	(566,502)	-2.38%
Industrial Power Rate LPTOD-Primary (Renamed Rate ITOD-Primary)	551	83,171,293	81,357,747	(1,813,546)	-2.18%
CSR1 Credits	3	(2,006,398)	(3,275,694)	(1,269,296)	63.26%
Industrial Power Rate LPTOD-Secondary (Renamed Rate ITOD-Secondary)	156	2,396,391	2,353,350	(43,041)	-1.80%
Total Industrial Power Rate -- existing customer classification	770	107,359,748	103,667,363	(3,692,385)	-3.44%
Special Contract -- customer 1	12	9,411,128	9,198,004	(213,123)	-2.26%
Special Contract -- customer 2	12	6,439,570	6,144,487	(295,083)	-4.58%
Special Contract -- customer 3	12	1,185,229	1,157,591	(27,638)	-2.33%
Special Contract -- customer 4	12	1,341,461	1,310,242	(31,219)	-2.33%
Total Special Contracts -- existing customer classification	48	18,377,388	17,810,325	(567,063)	-3.09%
Street Lighting Energy Rate SLE (Renamed Rate SE)	1,424	177,980	174,260	(3,720)	-2.09%
Traffic Lighting Energy Rate TLE (Renamed Rate TE)	10,666	204,756	201,677	(3,079)	-1.50%
Public Street Lighting Rate PSL (Renamed Restricted Lighting Service Rate RLS)	479,995	5,618,943	5,524,525	(94,418)	-1.68%
Outdoor Lighting Rate OL and Outdoor Lighting Rate LS	552,868	8,761,683	8,615,729	(145,953)	-1.67%
Total Lighting	1,044,953	14,763,362	14,516,193	(247,170)	-1.67%
Miscellaneous Revenue		7,716,331	8,090,444	374,113	4.85%
Total	1,044,953	785,514,092	772,348,357	(13,165,734)	-1.68%

LOUISVILLE GAS AND ELECTRIC COMPANY
 Calculations of Proposed Electric Rate Increase
 Based Upon Sales for the 12 months ended April 30, 2008

	Billing Determinants	Present Rate		Calculated	Calculated	
				Revenue at	Proposed Rate	Revenue at
				Present Rates		Proposed Rates
RESIDENTIAL RATE RS						
	Customer Charges	4,238,995	\$ 5.00	21,194,975	\$ 5.00	21,194,975
	Energy Charges All kWh	4,505,124,771	\$ 0.06404	288,508,190	\$ 0.06303	283,958,014
	Subtotal @ base Rates before application of correction Factor			309,703,165		305,152,989
	Correction Factor		1.002281		1.002281	
	Subtotal @ base Rates after application of correction Factor			308,998,221		304,458,402
	Fuel Adjustment Clause - proforma for rollin			7,996,340		7,996,340
	Adjustment to Reflect Weather Normalization	(180,159,000)		(11,432,293)	\$ 0.06303	(11,355,422)
	Adjustment to Reflect Year-End Customers			271,996		267,917
	Total Residential Rate RS	4,324,965,771		<u>305,834,264</u>		<u>301,367,237</u>
	PROPOSED INCREASE					(4,467,027)
	Percentage Increase					-1.46%

LOUISVILLE GAS AND ELECTRIC COMPANY
 Calculations of Proposed Electric Rate Increase
 Based Upon Sales for the 12 months ended April 30, 2008

	Billing Determinants	Present Rate		Calculated	Calculated	
				Revenue at	Proposed Rate	Revenue at
				Present Rates		Proposed Rates
RESIDENTIAL (Formerly Rate WH)						
Customer Charges	61,544	\$			\$	
Energy Charges All kWh	13,238,042	\$	0.06404	847,764	\$	0.06303
Subtotal @ base Rates before application of correction Factor				847,764		834,394
Correction Factor			1.000424			1.000424
Subtotal @ base Rates after application of correction Factor				847,405		834,040
Fuel Adjustment Clause - proforma for rollin				27,242		27,242
Adjustment to Reflect Weather Normalization				(25,992)		(25,582)
Adjustment to Reflect Year-End Customers						
Total Residential Rate WH				<u>848,655</u>		<u>835,700</u>
PROPOSED INCREASE						(12,955)
Percentage Increase	4,338,203,813					-1.53%

LOUISVILLE GAS AND ELECTRIC COMPANY
Calculations of Proposed Electric Rate Increase
Based Upon Sales for the 12 months ended April 30, 2008

Billing Determinants		Present Rate	Calculated Revenue at Present Rates	Proposed Rate	Calculated Revenue at Proposed Rates
GENERAL SERVICE RATE GS					
Secondary Service					
Customer Charges					
Single Phase Customers	323,290	\$ 10.00	3,232,900	\$ 10.00	3,232,900
Three Phase Customers	167,886	\$ 15.00	2,518,290	\$ 15.00	2,518,290
Energy Charges					
Summer Rate	586,596,370	0.07621	44,704,509	\$ 0.07050	41,355,044
Winter Rate	911,606,941	0.06849	62,435,959	\$ 0.07050	64,268,289
Primary Service (To be Served Under Rate CPS Primary)					
Customer Charges					
Single Phase Customers	25	\$ 10.00	250	\$ 65.00	1,625
Three Phase Customers	151	\$ 15.00	2,265	\$ 65.00	9,815
Energy Charges					
Summer Rate	3,349,660	0.07621	255,278	\$ 0.02601	87,125
Winter Rate	7,570,760	0.06849	518,521	\$ 0.02601	196,915
Summer Rates					
Winter Rates	18,487			\$ 12.97000	239,782
	41,784			\$ 10.17000	424,948
Primary Service Discount			(37,567)		
Subtotal @ base Rates before application of correction Factor					
Correction Factor			0.999744	0.999744	
Subtotal @ base Rates after application of correction Factor					
Fuel Adjustment Clause - proforma for rollin					
			2,724,376		2,724,376
Adjustment to Reflect Weather Normalization (Summer)			(17,010,000)	\$ 0.07050	(1,230,648)
Adjustment to Reflect Weather Normalization (Winter)			(7,905,000)	\$ 0.07050	(589,380)
Adjustment to Reflect Year-End Customers					(633,737)
			(1,902,898)		
			<u>113,818,365</u>		<u>112,634,087</u>
Total Rate GS					(1,184,276)
PROPOSED INCREASE					-1.04%
Percentage Increase					

LOUISVILLE GAS AND ELECTRIC COMPANY
 Calculations of Proposed Electric Rate Increase
 Based Upon Sales for the 12 months ended April 30, 2008

Billing Determinants		Present Rate		Calculated	Proposed Rate		Calculated
				Revenue at		Revenue at	
				Present Rates			Proposed Rates
LARGE COMMERCIAL RATE LC-Primary (Renamed Rate CPS-Primary)							
Customer Charges	578	\$	65.00	37,570	\$	65.00	37,570
kW Demand							
Summer Rates	127,312		12.97	1,651,237	\$	12.97	1,651,237
Winter Rates	221,152		10.17	2,249,116	\$	10.17	2,249,116
Energy Charges							
All kWh	157,715,440	\$	0.02702	4,261,471	\$	0.02601	4,102,179
Subtotal @ base Rates before application of correction Factor				8,199,394			8,040,101
Correction Factor			1.000090			1.000090	
Subtotal @ base Rates after application of correction Factor				8,198,656			8,039,378
Fuel Adjustment Clause - proforma for rollin				285,797			285,797
STOD Program Costs				24,310			24,310
Adjustment to Reflect Weather Normalization	(2,169,000)			(59,147)	\$	0.02601	(56,936)
Adjustment to Reflect Year-End Customers				352,824			346,015
Total Rate LC - Primary				<u>8,802,440</u>			<u>8,638,565</u>
PROPOSED INCREASE							(163,875)
Percentage Increase							-1.86%

LOUISVILLE GAS AND ELECTRIC COMPANY
 Calculations of Proposed Electric Rate Increase
 Based Upon Sales for the 12 months ended April 30, 2008

Billing Determinants		Present Rate		Calculated Revenue at Present Rates	Proposed Rate		Calculated Revenue at Proposed Rates
LARGE COMMERCIAL RATE LC-Secondary (Renamed Rate CPS-Secondary)							
Customer Charges	32,240	\$	65.00	2,095,600	\$	65.00	2,095,600
kW Demand							
Summer Rates	1,878,940		14.81	27,827,101		14.81	27,827,101
Winter Rates	3,299,066		11.75	38,764,026		11.75	38,764,026
Energy Charges							
All kWh	2,120,676,289	\$	0.02702	57,300,673	0.02601		55,158,790
Subtotal @ base Rates before application of correction Factor				125,987,400			123,845,517
Correction Factor			1.000090		1.000090		
Subtotal @ base Rates after application of correction Factor				125,976,062			123,834,372
Fuel Adjustment Clause - proforma for rollin				3,812,511			3,812,511
STOD Program Costs				327,414			327,414
Adjustment to Reflect Weather Normalization	(27,230,000)			(735,755)	0.02601		(708,252)
Adjustment to Reflect Year-End Customers				(337,723)			(332,022)
Total Rate LC - Secondary				<u>129,042,509</u>			<u>126,934,023</u>
PROPOSED INCREASE							(2,108,487)
Percentage Increase							-1.63%

LOUISVILLE GAS AND ELECTRIC COMPANY
 Calculations of Proposed Electric Rate Increase
 Based Upon Sales for the 12 months ended April 30, 2008

Billing Determinants		Present Rate	Calculated Revenue at Present Rates	Proposed Rate	Calculated Revenue at Proposed Rates
Small Time of Day Primary (Customers to be Served Under Rate CTOD-Primary)					
Customer Charges	35	\$ 80.00	2,800	\$ 90.00	3,150
kW Demand					
Summer Rates	Max	10,134	12.97	131,438	
	Basic	10,134		2.56	25,943
	Peak	9,905		10.42	103,213
Winter Rates	Max	15,882	10.17	161,520	
	Basic	15,882		2.56	40,658
	Peak	15,487		7.62	118,009
Energy Charges					
Basic kWh	8,482,800	\$ 0.01723	146,159	\$ 0.02605	220,977
Peak kWh	5,705,400	\$ 0.03289	187,651	\$ 0.02605	148,626
Subtotal @ base Rates before application of correction Factor			629,567		660,575
Correction Factor			1.000090	1.000090	
Subtotal @ base Rates after application of correction Factor			629,511		660,516
Fuel Adjustment Clause - proforma for rollin			25,379		25,379
Adjustment to Reflect Weather Normalization			(5,197)		(5,453)
Adjustment to Reflect Year-End Customers			-		-
Total Rate LC - Small Time of Day Primary			649,693		680,442
PROPOSED INCREASE					30,749
Percentage Increase					4.73%

LOUISVILLE GAS AND ELECTRIC COMPANY
 Calculations of Proposed Electric Rate Increase
 Based Upon Sales for the 12 months ended April 30, 2008

Billing Determinants	Present Rate		Calculated Revenue at Present Rates	Proposed Rate		Calculated Revenue at Proposed Rates
Small Time of Day Secondary (Customers to be Served Under Rate CTOD-Secondary)						
Customer Charges 391	\$	80.00	31,280	\$	90.00	35,190
kW Demand						
Summer Rates Max	70,499	14.81	1,044,090			
Basic	70,499			3.57		251,681
Peak	70,227			11.21		787,249
Winter Rates Max	114,376	11.75	1,343,918			
Basic	114,376			3.57		408,322
Peak	113,466			8.15		924,751
Energy Charges						
Basic kWh	55,971,960	\$ 0.01723	964,397	\$ 0.02605		1,458,070
Peak kWh	41,306,240	\$ 0.03289	1,358,562	\$ 0.02605		1,076,028
Subtotal @ base Rates before application of correction Factor			4,742,247			4,941,291
Correction Factor		1.000090		1.000090		
Subtotal @ base Rates after application of correction Factor			4,741,821			4,940,847
Fuel Adjustment Clause - proforma for rollin			173,253			173,253
Adjustment to Reflect Weather Normalization (Basic)	(740,484)		(24,374)	\$ 0.02605		(19,290)
Adjustment to Reflect Weather Normalization (Peak)	(487,516)		(16,048)	\$ 0.02605		(12,700)
Adjustment to Reflect Year-End Customers			(148,674)			(155,235)
Total Rate LC - Small Time of Day Primary			<u>4,725,978</u>			<u>4,926,876</u>
PROPOSED INCREASE						200,898
Percentage Increase						4.25%

LOUISVILLE GAS AND ELECTRIC COMPANY
 Calculations of Proposed Electric Rate Increase
 Based Upon Sales for the 12 months ended April 30, 2008

Billing Determinants	Present Rate	Calculated Revenue at Present Rates	Proposed Rate	Calculated Revenue at Proposed Rates
LARGE COMMERCIAL RATE LCTOD-Primary (Renamed Rate CTOD-Primary)				
Customer Charges 166	\$ 90.00	14,940	\$ 90.00	14,940
kW Basic Demand				
Summer Rates 234,624	2.56	600,637	2.56	600,637
Winter Rates 407,055	2.56	1,042,061	2.56	1,042,061
kW Peak Demand				
Summer Rates 229,329	10.42	2,389,608	10.42	2,389,608
Winter Rates 396,923	7.62	3,024,553	7.62	3,024,553
Energy Charges				
All kWh 328,944,000	0.02705	8,901,225	0.02605	8,568,991
Subtotal @ base Rates before application of correction Factor		15,973,024		15,640,791
Correction Factor 1.003673			1.003673	
Subtotal @ base Rates after application of correction Factor		15,914,575		15,583,557
Fuel Adjustment Clause - proforma for rollin		590,472		590,472
Adjustment to Reflect Weather Normalization (1,041,000)		(28,142)	0.02605	(27,118)
Adjustment to Reflect Year-End Customers				
Total Rate LC - Time of Day Primary		<u>16,476,905</u>		<u>16,146,911</u>
PROPOSED INCREASE				(329,994)
Percentage Increase				-2.00%

LOUISVILLE GAS AND ELECTRIC COMPANY
Calculations of Proposed Electric Rate Increase
Based Upon Sales for the 12 months ended April 30, 2008

Billing Determinants		Present Rate	Calculated Revenue at Present Rates	Proposed Rate	Calculated Revenue at Proposed Rates
LARGE COMMERCIAL RATE LCTOD-Secondary (Renamed Rate CTOD-Secondary)					
Customer Charges	627	\$ 90.00	56,430	\$ 90.00	56,430
kW Basic Demand					
Summer Rates	247,136	3.57	882,276	3.57	882,276
Winter Rates	443,105	3.57	1,581,885	3.57	1,581,885
kW Peak Demand					
Summer Rates	246,184	11.21	2,759,723	11.21	2,759,723
Winter Rates	439,581	8.15	3,582,585	8.15	3,582,585
Energy Charges					
All kWh	332,619,135	0.02706	9,000,674	0.02605	8,664,728
Subtotal @ base Rates before application of correction Factor			17,853,572		17,527,627
Correction Factor			1.003673	1.003673	
Subtotal @ base Rates after application of correction Factor			17,798,205		17,463,489
Fuel Adjustment Clause - proforma for rollin			604,239		604,239
Adjustment to Reflect Weather Normalization			(69,869)		(67,261)
Adjustment to Reflect Year-End Customers					
Total Rate LC - Time of Day Secondary			<u>18,332,575</u>		<u>18,000,467</u>
PROPOSED INCREASE					(332,108)
Percentage Increase					-1.81%

LOUISVILLE GAS AND ELECTRIC COMPANY
 Calculations of Proposed Electric Rate Increase
 Based Upon Sales for the 12 months ended April 30, 2008

Billing Determinants		Present Rate		Calculated Revenue at Present Rates	Proposed Rate		Calculated Revenue at Proposed Rates
Industrial Power RATE LP-Primary (Renamed Rate IPS-Primary)							
Customer Charges	488	\$	90.00	43,920	\$	90.00	43,920
kW Basic Demand							
Summer Rates	102,083		13.18	1,345,454		13.18	1,345,454
Winter Rates	191,255		10.59	2,025,390		10.59	2,025,390
Power Factor kW							
Summer Rates	(1,555)		13.18	(20,495)		13.18	(20,495)
Winter Rates	(4,801)		10.59	(50,843)		10.59	(50,843)
Energy Charges							
All kWh	110,166,480		0.02357	2,596,624		0.02256	2,485,356
Subtotal @ base Rates before application of correction Factor				5,940,051	5,828,783		
Correction Factor				1.002986	1.002986		
Subtotal @ base Rates after application of correction Factor				5,922,368	5,811,431		
Fuel Adjustment Clause - proforma for rollin				200,071	200,071		
Adjustment to Reflect Weather Normalization				(10,536)	(9,904)		
Adjustment to Reflect Year-End Customers				448,017	439,658		
Total Rate LP - Primary				<u>6,559,921</u>	<u>6,441,257</u>		
PROPOSED INCREASE							(118,664)
Percentage Increase							-1.81%

LOUISVILLE GAS AND ELECTRIC COMPANY
 Calculations of Proposed Electric Rate Increase
 Based Upon Sales for the 12 months ended April 30, 2008

Billing Determinants		Present Rate		Calculated Revenue at Present Rates	Proposed Rate		Calculated Revenue at Proposed Rates
Industrial Power RATE LP-Secondary (Renamed Rate IPS-Secondary)							
Customer Charges	3,968	\$	90.00	357,120	\$	90.00	357,120
kW Basic Demand							
Summer Rates	496,433		14.94	7,416,709		14.94	7,416,709
Winter Rates	915,520		12.35	11,306,672		12.35	11,306,672
Power Factor kW							
Summer Rates	(3,798)		14.94	(56,742)		14.94	(56,742)
Winter Rates	(10,682)		12.35	(131,923)		12.35	(131,923)
Energy Charges							
All kWh	558,408,226		0.02357	13,161,682		0.02256	12,597,690
Subtotal @ base Rates before application of correction Factor				32,053,516			31,489,526
Correction Factor			1.002986			1.002986	
Subtotal @ base Rates after application of correction Factor				31,958,100			31,395,787
Fuel Adjustment Clause - proforma for rollin				1,005,629			1,005,629
Adjustment to Reflect Weather Normalization				(60,410)			(57,821)
Adjustment to Reflect Year-End Customers	(2,567,000)			(697,363)		0.02256	(685,126)
Total Rate LP - Secondary				<u>32,205,956</u>			<u>31,658,469</u>
PROPOSED INCREASE							(547,487)
Percentage Increase							-1.70%

LOUISVILLE GAS AND ELECTRIC COMPANY
 Calculations of Proposed Electric Rate Increase
 Based Upon Sales for the 12 months ended April 30, 2008

Billing Determinants		Present Rate	Calculated Revenue at Present Rates	Proposed Rate	Calculated Revenue at Proposed Rates
INDUSTRIAL POWER RATE LPTOD-Transmission Total (Customers to be Served Under Rate RTS)					
Customer Charges	60	\$ 120.00	7,200	\$ 120.00	7,200
kW Basic Demand					
Summer Rates	331,013	2.63	870,554		
Winter Rates	656,611	2.63	1,726,887		
KVA Basic Demand					
Summer Rates	358,206			2.29	820,292
Winter Rates	707,002			2.29	1,619,034
kW Peak Demand					
Summer Rates	328,661	9.28	3,049,974		
Winter Rates	654,931	6.69	4,381,488		
KVA Peak Demand					
Summer Rates	358,987			8.08	2,900,613
Winter Rates	712,920			5.83	4,156,324
Power Factor kW					
Summer Rates	(75,008)	2.63	(197,271)		
Winter Rates	(124,303)	2.63	(326,916)		
Energy Charges					
All kWh	552,708,000	0.02362	13,054,963	0.02261	12,496,728
Buy-through power			(42,730)		(42,730)
Excess Facilities Charges			39,266		39,266
Interruptible Credits:	244,760	(3.10)	(758,756)	(5.10)	(1,248,276)
Subtotal @ base Rates before application of correction Factor			21,804,669		20,748,451
Correction Factor		1.000185		1.000185	
Subtotal @ base Rates after application of correction Factor			21,800,625		20,744,603
Fuel Adjustment Clause - proforma for rollin			998,618		998,618
Replacement Power			240,463		240,463
Adjustment to Reflect Weather Normalization			.		.
Adjustment to Reflect Year-End Customers			.		.
Total Rate LPTOD - Transmission			<u>23,039,706</u>		<u>21,983,684</u>
PROPOSED INCREASE					(1,056,022)
Percentage Increase					-4.58%

LOUISVILLE GAS AND ELECTRIC COMPANY
Calculations of Proposed Electric Rate Increase
Based Upon Sales for the 12 months ended April 30, 2008

Billing Determinants		Present Rate	Calculated	Proposed Rate	Calculated
			Revenue at Present Rates		Revenue at Proposed Rates
INDUSTRIAL POWER RATE LPTOD-Primary (Renamed Rate ITOD-Primary)					
Customer Charges	551	\$ 120.00	66,120	\$ 120.00	66,120
kW Basic Demand					
Summer Rates	1,200,518	3.79	4,549,963	3.79	4,549,963
Winter Rates	2,311,430	3.79	8,760,320	3.79	8,760,320
kW Peak Demand					
Summer Rates	1,184,443	9.29	11,003,475	9.29	11,003,475
Winter Rates	2,267,622	6.70	15,193,067	6.70	15,193,067
Power Factor kW					
Summer Rates	(201,014)	3.79	(761,841)	3.79	(761,841)
Winter Rates	(352,746)	3.79	(1,336,909)	3.79	(1,336,909)
Energy Charges					
All kWh	1,796,066,850	0.02362	42,423,099	0.02261	40,609,071
Buy-through power					
Interruptible Credits:	389,888.07	(3.20)	(1,247,642)	(5.20)	(2,027,418)
Subtotal @ base Rates before application of correction Factor			78,645,380		76,051,577
Correction Factor			1.000185	1.000185	
Subtotal @ base Rates after application of correction Factor			78,630,795		76,037,473
Fuel Adjustment Clause - proforma for rollin			3,267,662		3,267,662
Replacement Power			25,195		25,195
Adjustment to Reflect Weather Normalization				0.02261	
Adjustment to Reflect Year-End Customers					
Total Rate LPTOD - Primary			<u>81,923,652</u>		<u>79,330,330</u>
PROPOSED INCREASE					(2,593,322)
Percentage Increase					-3.17%

LOUISVILLE GAS AND ELECTRIC COMPANY
 Calculations of Proposed Electric Rate Increase
 Based Upon Sales for the 12 months ended April 30, 2008

Billing Determinants		Present Rate		Calculated	Proposed Rate		Calculated
				Revenue at Present Rates			Revenue at Proposed Rates
INDUSTRIAL POWER RATE LPTOD-Secondary (Renamed Rate ITOD-Secondary)							
Customer Charges	156	\$	120.00	18,720	\$	120.00	18,720
kW Basic Demand							
Summer Rates	35,009		4.85	169,794		4.85	169,794
Winter Rates	67,936		4.85	329,490		4.85	329,490
kW Peak Demand							
Summer Rates	34,012		9.99	339,780		9.99	339,780
Winter Rates	65,763		7.40	486,646		7.40	486,646
Power Factor kW							
Summer Rates	(2,383)		4.85	(11,559)		4.85	(11,559)
Winter Rates	(4,298)		4.85	(20,846)		4.85	(20,846)
Energy Charges							
All kWh	42,622,361		0.02362	1,006,740		0.02261	963,692
Subtotal @ base Rates before application of correction Factor				2,318,765	2,275,716		
Correction Factor				1.000185	1.000185		
Subtotal @ base Rates after application of correction Factor				2,318,335	2,275,294		
Fuel Adjustment Clause - proforma for rollin				78,056	78,056		
Adjustment to Reflect Weather Normalization				.	0.02261		
Adjustment to Reflect Year-End Customers				.	.		
Total Rate LPTOD - Secondary				<u>2,396,391</u>	<u>2,353,350</u>		
PROPOSED INCREASE							(43,041)
Percentage Increase							-1.80%

LOUISVILLE GAS AND ELECTRIC COMPANY
 Calculations of Proposed Electric Rate Increase
 Based Upon Sales for the 12 months ended April 30, 2008

Billing Determinants		Calculated Revenue at		Calculated Revenue at	
		Present Rate	Present Rates	Proposed Rate	Proposed Rates
SPECIAL CONTRACT					
Customer Charges	12				
Kw Demand					
Summer Rates	152,828	12.48	1,907,293	12.48	1,907,293
Winter Rates	236,030	10.29	2,428,749	10.29	2,428,749
Power Factor kW					
Summer Rates	(9,459)	12.48	(118,053)	12.48	(118,053)
Winter Rates	(17,574)	10.29	(180,836)	10.29	(180,836)
Energy Charges					
All kWh	211,866,000	0.02365	5,010,631	0.02264	4,796,646
Subtotal @ base Rates before application of correction Factor			9,047,785		8,833,800
Correction Factor		0.998106		0.998106	
Subtotal @ base Rates after application of correction Factor			9,064,954		8,850,563
Fuel Adjustment Clause - proforma for rollin			375,854		375,854
Adjustment to Reflect Weather Normalization	(1,255,000)		5		(28,413)
Adjustment to Reflect Year-End Customers					
Total Rate			<u>9,411,128</u>		<u>9,198,004</u>
PROPOSED INCREASE					(213,123)
Percentage Increase					-2.26%

LOUISVILLE GAS AND ELECTRIC COMPANY
 Calculations of Proposed Electric Rate Increase
 Based Upon Sales for the 12 months ended April 30, 2008

Billing Determinants		Present Rate	Calculated	Proposed Rate	Calculated
			Revenue at Present Rates		Revenue at Proposed Rates
SPECIAL CONTRACT					
Customer Charges	12				
Kw Demand	222,741	11.67	2,599,387		
Minimum Demand billings (April 2008)	3,127	11.67	36,492		
kW Basic Demand					
Summer Rates	80,813			3.79	306,281
Winter Rates	145,055			3.79	549,758
kW Peak Demand					
Summer Rates	81,792			9.29	759,848
Winter Rates	141,926			6.70	950,904
Power Factor kW					
Summer Rates					(21,323)
Winter Rates					(30,013)
Energy Charges					
All kWh	147,542,400	0.02379	3,510,034	0.02261	3,335,934
Subtotal @ base Rates before application of correction Factor			6,145,913		5,851,389
Correction Factor		0.998106		0.998106	
Subtotal @ base Rates after application of correction Factor			6,157,576		5,862,493
Fuel Adjustment Clause - proforma for rollin			281,994		281,994
Adjustment to Reflect Year-End Customers					
Total Rate			<u>6,439,570</u>		<u>6,144,487</u>
PROPOSED INCREASE					(295,083)
Percentage Increase					-4.58%

LOUISVILLE GAS AND ELECTRIC COMPANY
 Calculations of Proposed Electric Rate Increase
 Based Upon Sales for the 12 months ended April 30, 2008

Billing Determinants		Present Rate	Calculated Revenue at Present Rates	Proposed Rate	Calculated Revenue at Proposed Rates	
SPECIAL CONTRACT						
Customer Charges	12					
Kw Demand		56,529	8.73	493,498	8.73	493,498
Energy Charges All kWh		27,312,000	0.02364	645,656	0.02263	618,071
Subtotal @ base Rates before application of correction Factor				1,139,154		1,111,569
Correction Factor			0.998106		0.998106	
Subtotal @ base Rates after application of correction Factor				1,141,316		1,113,678
Fuel Adjustment Clause - proforma for rollin				43,913		43,913
Adjustment to Reflect Year-End Customers						
Total Rate				<u>1,185,229</u>		<u>1,157,591</u>
PROPOSED INCREASE						(27,638)
Percentage Increase						-2.33%

SPECIAL CONTRACT						
Customer Charges	12					
Kw Demand		63,227	8.73	551,972	8.73	551,972
Energy Charges All kWh		30,852,000	0.02364	729,341	0.02263	698,181
Subtotal @ base Rates before application of correction Factor				1,281,313		1,250,152
Correction Factor			0.998106		0.998106	
Subtotal @ base Rates after application of correction Factor				1,283,744		1,252,525
Fuel Adjustment Clause - proforma for rollin				57,717		57,717
Adjustment to Reflect Weather Normalization						
Adjustment to Reflect Year-End Customers						
Total Rate				<u>1,341,461</u>		<u>1,310,242</u>
PROPOSED INCREASE						(31,219)
						-2.33%

LOUISVILLE GAS AND ELECTRIC COMPANY
Calculations of Proposed Electric Rate Increase
Based Upon Sales for the 12 months ended April 30, 2008

Billing Determinants	Present Rate	Calculated Revenue at Present Rates	Proposed Rate	Calculated Revenue at Proposed Rates
STREET LIGHTING ENERGY RATE SLE (Renamed Rate SE)				
Customer Charges	1,424			
Energy Charges All kWh	3,713,467	0.04628	0.04527	168,109
Subtotal @ base Rates before application of correction Factor		171,859		168,109
Correction Factor		0.999629	0.999629	
Subtotal @ base Rates after application of correction Factor		171,923		168,171
Fuel Adjustment Clause - proforma for rollin		7,535		7,535
Adjustment to Reflect Year-End Customers		(1,478)		(1,445)
Total Rate		<u>177,980</u>		<u>174,260</u>
PROPOSED INCREASE				(3,720) -2.09%
TRAFFIC LIGHTING ENERGY RATE TLE (Renamed Rate TE)				
Customer Charges	10,666	2.80	2.80	29,865
Energy Charges All kWh	3,641,648	0.0566	0.05559	202,439
Subtotal @ base Rates before application of correction Factor		235,982		232,304
Correction Factor		0.979175	0.979175	
Subtotal @ base Rates after application of correction Factor		241,001		237,245
Fuel Adjustment Clause - proforma for rollin		7,187		7,187
Adjustment to Reflect Year-End Customers		(43,432)		(42,755)
Total Rate		<u>204,756</u>		<u>201,677</u>
PROPOSED INCREASE				(3,079) -1.50%

LOUISVILLE GAS AND ELECTRIC COMPANY
 Calculations of Proposed Electric Rate Increase
 Based Upon Sales for the 12 months ended April 30, 2008

Billing Determinants	Present Rate	Calculated Revenue at Present Rates	Proposed Rate	Calculated Revenue at Proposed Rates
PUBLIC STREET LIGHTING RATE PSL				
Renamed Restricted Lighting Service Rate RLS				
OVERHEAD SERVICE:				
Mercury Vapor				
	<u>Lights</u>			
100W MERCURY OUTDOOR LIGHTMay07-Nov07 Rates:	331	\$ 6.86	2,271	\$ 6.74 2,231
100W MERCURY OUTDOOR LIGHTDec07-Apr08 Rates:	236	\$ 6.86	1,619	\$ 6.74 1,591
175W MERCURY OUTDOOR LIGHTMay07-Nov07 Rates:	20,690	\$ 8.06	166,761	\$ 7.92 163,865
175W MERCURY OUTDOOR LIGHTDec07-Apr08 Rates:	14,660	\$ 8.06	118,160	\$ 7.92 116,107
250W MERCURY OUTDOOR LIGHTMay07-Nov07 Rates:	33,509	\$ 9.21	308,618	\$ 9.05 303,256
250W MERCURY OUTDOOR LIGHTDec07-Apr08 Rates:	23,917	\$ 9.21	220,276	\$ 9.05 216,449
400W MERCURY OUTDOOR LIGHTMay07-Nov07 Rates:	48,115	\$ 11.09	533,595	\$ 10.90 524,454
400W MERCURY OUTDOOR LIGHTDec07-Apr08 Rates:	34,342	\$ 11.09	380,853	\$ 10.90 374,328
400W MERCURY OUTDOOR LIGHT Metal PoleMay07-Nov07 Rates:	435	\$ 15.91	6,937	\$ 15.64 6,819
400W MERCURY OUTDOOR LIGHT Metal PoleDec07-Apr08 Rates:	296	\$ 15.91	4,709	\$ 15.64 4,629
1000W MERCURY OUTDOOR LIGHTMay07-Nov07 Rates:	6	\$ 20.77	125	\$ 20.42 123
1000W MERCURY OUTDOOR LIGHTDec07-Apr08 Rates:	.	\$ 20.77	.	\$ 20.42 .
1000W MERCURY FLOOD LIGHTMay07-Nov07 Rates:	60	\$ 20.77	1,246	\$ 20.42 1,225
1000W MERCURY FLOOD LIGHTDec07-Apr08 Rates:	36	\$ 20.77	748	\$ 20.42 735
High Pressure Sodium				
100W HP SODIUM OUTDOOR LIGHTMay07-Nov07 Rates:	126	\$ 8.19	1,032	\$ 8.05 1,014
100W HP SODIUM OUTDOOR LIGHTDec07-Apr08 Rates:	90	\$ 8.19	737	\$ 8.05 725
150W HP SODIUM OUTDOOR LIGHTMay07-Nov07 Rates:	14,377	\$ 9.84	141,470	\$ 9.67 139,026
150W HP SODIUM OUTDOOR LIGHTDec07-Apr08 Rates:	10,261	\$ 9.84	100,968	\$ 9.67 99,224
150W HP SODIUM FLOOD LIGHTMay07-Nov07 Rates:	98	\$ 9.84	964	\$ 9.67 948
150W HP SODIUM FLOOD LIGHTDec07-Apr08 Rates:	69	\$ 9.84	679	\$ 9.67 667
250W HP SODIUM OUTDOOR LIGHTMay07-Nov07 Rates:	16,804	\$ 11.80	198,287	\$ 11.60 194,926
250W HP SODIUM OUTDOOR LIGHTDec07-Apr08 Rates:	11,930	\$ 11.80	141,482	\$ 11.60 139,084
400W HP SODIUM OUTDOOR LIGHTMay07-Nov07 Rates:	26,634	\$ 12.40	330,262	\$ 12.19 324,668
400W HP SODIUM OUTDOOR LIGHTDec07-Apr08 Rates:	19,008	\$ 12.40	235,699	\$ 12.19 231,708
400W HP SODIUM FLOOD LIGHTMay07-Nov07 Rates:	3,791	\$ 12.40	47,008	\$ 12.19 46,212
400W HP SODIUM FLOOD LIGHTDec07-Apr08 Rates:	2,665	\$ 12.40	33,046	\$ 12.19 32,486
UNDERGROUND SERVICE:				
Mercury Vapor				
100W MERCURY LIGHT TOP MOUNTMay07-Nov07 Rates:	702	\$ 11.13	7,813	\$ 10.94 7,680
100W MERCURY LIGHT TOP MOUNTDec07-Apr08 Rates:	501	\$ 11.13	5,576	\$ 10.94 5,481
175W MERCURY LIGHT TOP MOUNTMay07-Nov07 Rates:	7,491	\$ 12.23	91,615	\$ 12.02 90,042
175W MERCURY LIGHT TOP MOUNTDec07-Apr08 Rates:	5,347	\$ 12.23	65,394	\$ 12.02 64,271
175W UG MERCURY LIGHT METAL POLEMay07-Nov07 Rates:	709	\$ 16.54	11,727	\$ 16.26 11,528
175W UG MERCURY LIGHT METAL POLEDec07-Apr08 Rates:	506	\$ 16.54	8,369	\$ 16.26 8,228
250W UG MERCURY OUTDOOR LIGHTMay07-Nov07 Rates:	7,083	\$ 17.73	125,582	\$ 17.43 123,457
250W UG MERCURY OUTDOOR LIGHTDec07-Apr08 Rates:	5,056	\$ 17.73	89,643	\$ 17.43 88,126
400W UG MERCURY OUTDOOR LIGHTMay07-Nov07 Rates:	4,889	\$ 20.94	102,376	\$ 20.58 100,616
400W UG MERCURY OUTDOOR LIGHTDec07-Apr08 Rates:	3,490	\$ 20.94	73,081	\$ 20.58 71,824
400W UG MERCURY LIGHT METAL POLEMay07-Nov07 Rates:	2,601	\$ 21.05	54,751	\$ 20.69 53,815
400W UG MERCURY LIGHT METAL POLEDec07-Apr08 Rates:	1,856	\$ 21.05	39,069	\$ 20.69 38,401

LOUISVILLE GAS AND ELECTRIC COMPANY
 Calculations of Proposed Electric Rate Increase
 Based Upon Sales for the 12 months ended April 30, 2008

Billing Determinants		Present Rate	Calculated Revenue at			
			Present Rates	Proposed Rate	Proposed Rates	
High Pressure Sodium						
100W HP SODIUM LIGHT TOP MOUNT	May07-Nov07 Rates:	13,611	\$ 12.23	166,463	\$ 12.02	163,604
100W HP SODIUM LIGHT TOP MOUNT	Dec07-Apr08 Rates:	9,715	\$ 12.23	118,814	\$ 12.02	116,774
150W UG HP SODIUM OUTDOOR LIGHT	May07-Nov07 Rates:	1,367	\$ 21.15	28,912	\$ 20.79	28,420
150W UG HP SODIUM OUTDOOR LIGHT	Dec07-Apr08 Rates:	977	\$ 21.15	20,664	\$ 20.79	20,312
250W UG HP SODIUM OUTDOOR LIGHT	May07-Nov07 Rates:	3,936	\$ 22.49	88,521	\$ 22.11	87,025
250W UG HP SODIUM OUTDOOR LIGHT	Dec07-Apr08 Rates:	2,808	\$ 22.49	63,152	\$ 22.11	62,085
250W HP SODIUM LIGHTMETAL POLE	May07-Nov07 Rates:	787	\$ 22.49	17,700	\$ 22.11	17,401
250W HP SODIUM LIGHTMETAL POLE	Dec07-Apr08 Rates:	561	\$ 22.49	12,617	\$ 22.11	12,404
400W UG HP SODIUM OUTDOOR LIGHT	May07-Nov07 Rates:	4,319	\$ 24.20	104,520	\$ 23.79	102,749
400W UG HP SODIUM OUTDOOR LIGHT	Dec07-Apr08 Rates:	3,084	\$ 24.20	74,633	\$ 23.79	73,368
400W HP SODIUM LIGHTMETAL POLE	May07-Nov07 Rates:	1,263	\$ 24.20	30,565	\$ 23.79	30,047
400W HP SODIUM LIGHTMETAL POLE	Dec07-Apr08 Rates:	900	\$ 24.20	21,780	\$ 23.79	21,411
Total Installed Prior to Jan. 1, 1991		366,106		4,400,889		4,325,569
OVERHEAD SERVICE:						
Mercury Vapor (Renamed Rate RLS)						
	<u>Lights</u>					
175W MERCURY OUTDOOR LIGHT	May07-Nov07 Rates:	7	\$ 9.97	70	\$ 9.80	69
175W MERCURY OUTDOOR LIGHT	Dec07-Apr08 Rates:	5	\$ 9.97	50	\$ 9.80	49
250W MERCURY OUTDOOR LIGHT	May07-Nov07 Rates:	365	\$ 11.23	4,099	\$ 11.04	4,030
250W MERCURY OUTDOOR LIGHT	Dec07-Apr08 Rates:	261	\$ 11.23	2,931	\$ 11.04	2,881
400W MERCURY OUTDOOR LIGHT	May07-Nov07 Rates:	91	\$ 13.56	1,234	\$ 13.33	1,213
400W MERCURY OUTDOOR LIGHT	Dec07-Apr08 Rates:	64	\$ 13.56	868	\$ 13.33	853
400W MERCURY FLOOD LIGHT	May07-Nov07 Rates:	28	\$ 13.56	380	\$ 13.33	373
400W MERCURY FLOOD LIGHT	Dec07-Apr08 Rates:	19	\$ 13.56	258	\$ 13.33	253
1000W MERCURY FLOOD LIGHT	May07-Nov07 Rates:	56	\$ 24.74	1,385	\$ 24.32	1,362
1000W MERCURY FLOOD LIGHT	Dec07-Apr08 Rates:	41	\$ 24.74	1,014	\$ 24.32	997
High Pressure Sodium						
100W HP SODIUM OUTDOOR LIGHT	May07-Nov07 Rates:	2,565	\$ 8.19	21,007	\$ 8.05	20,648
100W HP SODIUM OUTDOOR LIGHT	Dec07-Apr08 Rates:	1,818	\$ 8.19	14,889	\$ 8.05	14,635
150W HP SODIUM OUTDOOR LIGHT	May07-Nov07 Rates:	4,009	\$ 9.84	39,449	\$ 9.67	38,767
150W HP SODIUM OUTDOOR LIGHT	Dec07-Apr08 Rates:	2,859	\$ 9.84	28,133	\$ 9.67	27,647
150W HP SODIUM FLOOD LIGHT	May07-Nov07 Rates:	77	\$ 9.84	758	\$ 9.67	745
150W HP SODIUM FLOOD LIGHT	Dec07-Apr08 Rates:	57	\$ 9.84	561	\$ 9.67	551
250W HP SODIUM OUTDOOR LIGHT	May07-Nov07 Rates:	516	\$ 11.80	6,089	\$ 11.60	5,986
250W HP SODIUM OUTDOOR LIGHT	Dec07-Apr08 Rates:	350	\$ 11.80	4,130	\$ 11.60	4,060
400W HP SODIUM OUTDOOR LIGHT	May07-Nov07 Rates:	3,453	\$ 12.40	42,817	\$ 12.19	42,092
400W HP SODIUM OUTDOOR LIGHT	Dec07-Apr08 Rates:	2,446	\$ 12.40	30,330	\$ 12.19	29,817
400W HP SODIUM FLOOD LIGHT	May07-Nov07 Rates:	9,667	\$ 12.40	119,871	\$ 12.19	117,841
400W HP SODIUM FLOOD LIGHT	Dec07-Apr08 Rates:	6,778	\$ 12.40	84,047	\$ 12.19	82,624
1000W HP SODIUM OUTDOOR LIGHT	May07-Nov07 Rates:	14	\$ 28.19	395	\$ 27.71	388
1000W HP SODIUM OUTDOOR LIGHT	Dec07-Apr08 Rates:	10	\$ 28.19	282	\$ 27.71	277
UNDERGROUND SERVICE:						

LOUISVILLE GAS AND ELECTRIC COMPANY
 Calculations of Proposed Electric Rate Increase
 Based Upon Sales for the 12 months ended April 30, 2008

Billing Determinants	Present Rate	Calculated Revenue at Present Rates	Proposed Rate	Calculated Revenue at Proposed Rates	
Mercury Vapor (Renamed Rate RLS)					
100W MERCURY LIGHT TOP MOUNTMay07-Nov07 Rates:	\$ 13.90	-	\$ 13.66	-	
100W MERCURY LIGHT TOP MOUNTDec07-Apr08 Rates:	\$ 13.90	-	\$ 13.66	-	
175W MERCURY LIGHT TOP MOUNTMay07-Nov07 Rates:	259 \$ 14.93	3,867	\$ 14.68	3,802	
175W MERCURY LIGHT TOP MOUNTDec07-Apr08 Rates:	185 \$ 14.93	2,762	\$ 14.68	2,716	
175W UG MERCURY LIGHT METAL POLEMay07-Nov07 Rates:	\$ 23.75	-	\$ 23.35	-	
175W UG MERCURY LIGHT METAL POLEDec07-Apr08 Rates:	\$ 23.75	-	\$ 23.35	-	
250W UG MERCURY OUTDOOR LIGHTMay07-Nov07 Rates:	175 \$ 24.70	4,323	\$ 24.28	4,249	
250W UG MERCURY OUTDOOR LIGHTDec07-Apr08 Rates:	125 \$ 24.70	3,088	\$ 24.28	3,035	
400W UG MERCURY OUTDOOR LIGHTMay07-Nov07 Rates:	\$ 27.52	-	\$ 27.05	-	
400W UG MERCURY OUTDOOR LIGHTDec07-Apr08 Rates:	\$ 27.52	-	\$ 27.05	-	
400W UG MERCURY OUTDOOR LIGHTMay07-Nov07 Rates:	\$ 27.52	-	\$ 27.05	-	
400W UG MERCURY OUTDOOR LIGHTDec07-Apr08 Rates:	\$ 27.52	-	\$ 27.05	-	
High Pressure Sodium					
70W HP SODIUM LIGHT TOP MOUNTMay07-Nov07 Rates:	1,346 \$ 11.79	15,869	\$ 11.59	15,600	
70W HP SODIUM LIGHT TOP MOUNTDec07-Apr08 Rates:	967 \$ 11.79	11,401	\$ 11.59	11,208	
100W HP SODIUM LIGHT TOP MOUNTMay07-Nov07 Rates:	35,461 \$ 12.23	433,688	\$ 12.02	426,241	
100W HP SODIUM LIGHT TOP MOUNTDec07-Apr08 Rates:	25,247 \$ 12.23	308,771	\$ 12.02	303,469	
150W UG HP SODIUM LIGHT TOP MOUNTMay07-Nov07 Rates:	2,420 \$ 18.09	43,778	\$ 17.78	43,028	
150W UG HP SODIUM LIGHT TOP MOUNTDec07-Apr08 Rates:	1,721 \$ 18.09	31,133	\$ 17.78	30,599	
150W UG HP SODIUM OUTDOOR LIGHTMay07-Nov07 Rates:	630 \$ 21.15	13,325	\$ 20.79	13,098	
150W UG HP SODIUM OUTDOOR LIGHTDec07-Apr08 Rates:	452 \$ 21.15	9,560	\$ 20.79	9,397	
250W UG HP SODIUM OUTDOOR LIGHTMay07-Nov07 Rates:	527 \$ 22.49	11,852	\$ 22.11	11,652	
250W UG HP SODIUM OUTDOOR LIGHTDec07-Apr08 Rates:	374 \$ 22.49	8,411	\$ 22.11	8,269	
250W HP SODIUM LIGHTMETAL POLEMay07-Nov07 Rates:	\$ 22.49	-	\$ 22.11	-	
250W HP SODIUM LIGHTMETAL POLEDec07-Apr08 Rates:	\$ 22.49	-	\$ 22.11	-	
400W UG HP SODIUM OUTDOOR LIGHTMay07-Nov07 Rates:	1,836 \$ 24.20	44,431	\$ 23.79	43,678	
400W UG HP SODIUM OUTDOOR LIGHTDec07-Apr08 Rates:	1,299 \$ 24.20	31,436	\$ 23.79	30,903	
400W HP SODIUM LIGHTMETAL POLEMay07-Nov07 Rates:	7 \$ 24.20	169	\$ 23.79	167	
400W HP SODIUM LIGHTMETAL POLEDec07-Apr08 Rates:	5 \$ 24.20	121	\$ 23.79	119	
1000W UG HP SODIUM OUTDOOR LIGHTMay07-Nov07 Rates:	14 \$ 56.28	788	\$ 55.32	774	
1000W UG HP SODIUM OUTDOOR LIGHTDec07-Apr08 Rates:	10 \$ 56.28	563	\$ 55.32	553	
Additional Poles	229	\$ 1.78	408	\$ 1.75	401

LOUISVILLE GAS AND ELECTRIC COMPANY
Calculations of Proposed Electric Rate Increase
Based Upon Sales for the 12 months ended April 30, 2008

Billing Determinants	Present Rate	Calculated Revenue at			
		Present Rates	Proposed Rates		
DECORATIVE LIGHTING FIXTURES:					
Acorn w/ Decorative Baskets					
70W HP SODIUM ACORN/DECO BASKETMay07-Nov07 Rates:	77	\$ 16.17	1,245	\$ 15.90	1,224
70W HP SODIUM ACORN/DECO BASKETDec07-Apr08 Rates:	27	\$ 16.17	437	\$ 15.90	429
100W HP SODIUM ACORN/DECO BASKETMay07-Nov07 Rates:	864	\$ 16.88	14,584	\$ 16.59	14,334
100W HP SODIUM ACORN/DECO BASKETDec07-Apr08 Rates:	149	\$ 16.88	2,515	\$ 16.59	2,472
8-Sided Coach					
70W HP SODIUM 8-SIDED COACHMay07-Nov07 Rates:	262	\$ 16.38	4,292	\$ 16.10	4,218
70W HP SODIUM 8-SIDED COACHDec07-Apr08 Rates:	172	\$ 16.38	2,817	\$ 16.10	2,769
100W HP SODIUM 8-SIDED COACHMay07-Nov07 Rates:	14	\$ 17.44	244	\$ 17.14	240
100W HP SODIUM 8-SIDED COACHDec07-Apr08 Rates:	10	\$ 17.44	174	\$ 17.14	171
Poles					
10' Smooth	1,168	\$ 9.36	10,932	\$ 9.20	10,746
10' Fluted	433	\$ 11.17	4,837	\$ 10.98	4,754
Bases					
Old Town/Manchester	285	\$ 3.00	855	\$ 2.95	841
Chesapeake/Franklin	176	\$ 3.22	567	\$ 3.17	558
Jefferson/Westchester	1,045	\$ 3.25	3,396	\$ 3.19	3,334
Norfolk/Essex	362	\$ 3.42	1,238	\$ 3.36	1,216
Total Installed After Dec. 31, 1990	113,889		1,432,924		1,408,422
Total Rate PSL	479,995		5,833,813		5,733,991
Subtotal @ base Rates before application of correction Factor		0.999999	5,833,819	0.999999	5,733,997
Subtotal @ base Rates after application of correction Factor			100,954		100,954
Fuel Adjustment Clause - proforma for rollin					
Adjustment to Reflect Year-End Customers			(315,830)		(310,426)
			<u>5,618,943</u>		<u>5,524,525</u>
					(94,418)
					-1.68%

LOUISVILLE GAS AND ELECTRIC COMPANY
 Calculations of Proposed Electric Rate Increase
 Based Upon Sales for the 12 months ended April 30, 2008

Billing Determinants	Present Rate	Calculated Revenue at Present Rates	Proposed Rate	Calculated Revenue at Proposed Rates	
OUTDOOR LIGHTING RATE OL					
OVERHEAD SERVICE:					
Mercury Vapor (Renamed Rate RLS)					
100W MERCURY OUTDOOR LIGHTMay07-Nov07 Rates:	348	\$ 7.62	2,652	\$ 7.49	2,607
100W MERCURY OUTDOOR LIGHTDec07-Apr08 Rates:	264	\$ 7.62	2,012	\$ 7.49	1,977
175W MERCURY OUTDOOR LIGHTMay07-Nov07 Rates:	20,679	\$ 8.67	179,287	\$ 8.52	176,185
175W MERCURY OUTDOOR LIGHTDec07-Apr08 Rates:	15,228	\$ 8.67	132,027	\$ 8.52	129,743
250W MERCURY OUTDOOR LIGHTMay07-Nov07 Rates:	10,107	\$ 9.86	99,655	\$ 9.69	97,937
250W MERCURY OUTDOOR LIGHTDec07-Apr08 Rates:	7,318	\$ 9.86	72,155	\$ 9.69	70,911
400W MERCURY OUTDOOR LIGHTMay07-Nov07 Rates:	6,670	\$ 12.06	80,440	\$ 11.85	79,040
400W MERCURY OUTDOOR LIGHTDec07-Apr08 Rates:	4,392	\$ 12.06	52,968	\$ 11.85	52,045
400W MERCURY FLOOD LIGHTMay07-Nov07 Rates:	4,032	\$ 12.06	48,626	\$ 11.85	47,779
400W MERCURY FLOOD LIGHTDec07-Apr08 Rates:	2,969	\$ 12.06	35,806	\$ 11.85	35,163
1000W MERCURY OUTDOOR LIGHTMay07-Nov07 Rates:	491	\$ 22.19	10,895	\$ 21.81	10,709
1000W MERCURY OUTDOOR LIGHTDec07-Apr08 Rates:	366	\$ 22.19	8,122	\$ 21.81	7,982
1000W MERCURY FLOOD LIGHTMay07-Nov07 Rates:	1,836	\$ 22.19	40,741	\$ 21.81	40,043
1000W MERCURY FLOOD LIGHTDec07-Apr08 Rates:	1,361	\$ 22.19	30,201	\$ 21.81	29,683
High Pressure Sodium					
100W HP SODIUM OUTDOOR LIGHTMay07-Nov07 Rates:	1,468	\$ 8.47	12,434	\$ 8.33	12,228
100W HP SODIUM OUTDOOR LIGHTDec07-Apr08 Rates:	1,088	\$ 8.47	9,215	\$ 8.33	9,063
150W HP SODIUM OUTDOOR LIGHTMay07-Nov07 Rates:	3,621	\$ 10.87	39,360	\$ 10.69	38,708
150W HP SODIUM OUTDOOR LIGHTDec07-Apr08 Rates:	2,590	\$ 10.87	29,240	\$ 10.69	28,756
150W HP SODIUM FLOOD LIGHTMay07-Nov07 Rates:	610	\$ 10.87	6,631	\$ 10.69	6,521
150W HP SODIUM FLOOD LIGHTDec07-Apr08 Rates:	460	\$ 10.87	5,000	\$ 10.69	4,917
250W HP SODIUM OUTDOOR LIGHTMay07-Nov07 Rates:	2,719	\$ 12.86	34,966	\$ 12.64	34,368
250W HP SODIUM OUTDOOR LIGHTDec07-Apr08 Rates:	2,053	\$ 12.86	26,402	\$ 12.64	25,950
400W HP SODIUM OUTDOOR LIGHTMay07-Nov07 Rates:	5,942	\$ 13.70	81,405	\$ 13.47	80,039
400W HP SODIUM OUTDOOR LIGHTDec07-Apr08 Rates:	4,410	\$ 13.70	60,417	\$ 13.47	59,403
400W HP SODIUM FLOOD LIGHTMay07-Nov07 Rates:	21,650	\$ 13.70	296,605	\$ 13.47	291,626
400W HP SODIUM FLOOD LIGHTDec07-Apr08 Rates:	16,110	\$ 13.70	220,707	\$ 13.47	217,002
UNDERGROUND SERVICE:					
Mercury Vapor (Renamed Rate RLS)					
100W MERCURY LIGHT TOP MOUNTMay07-Nov07 Rates:	189	\$ 13.22	2,499	\$ 13.00	2,457
100W MERCURY LIGHT TOP MOUNTDec07-Apr08 Rates:	145	\$ 13.22	1,917	\$ 13.00	1,885
175W MERCURY LIGHT TOP MOUNTMay07-Nov07 Rates:	3,875	\$ 14.11	54,676	\$ 13.87	53,746
175W MERCURY LIGHT TOP MOUNTDec07-Apr08 Rates:	2,625	\$ 14.11	37,039	\$ 13.87	36,409
High Pressure Sodium					
70W HP SODIUM LIGHT TOP MOUNTMay07-Nov07 Rates:	-	\$ 11.75	-	\$ 11.55	-
70W HP SODIUM LIGHT TOP MOUNTDec07-Apr08 Rates:	-	\$ 11.75	-	\$ 11.55	-
100W HP SODIUM LIGHT TOP MOUNTMay07-Nov07 Rates:	8,671	\$ 15.54	134,747	\$ 15.28	132,493
100W HP SODIUM LIGHT TOP MOUNTDec07-Apr08 Rates:	5,865	\$ 15.54	91,142	\$ 15.28	89,617
150W HP SODIUM OUTDOOR LIGHTMay07-Nov07 Rates:	-	\$ 21.14	-	\$ 20.78	-
150W HP SODIUM OUTDOOR LIGHTDec07-Apr08 Rates:	-	\$ 21.14	-	\$ 20.78	-
250W UG HP SODIUM OUTDOOR LIGHTMay07-Nov07 Rates:	225	\$ 24.32	5,472	\$ 23.91	5,380
250W UG HP SODIUM OUTDOOR LIGHTDec07-Apr08 Rates:	164	\$ 24.32	3,988	\$ 23.91	3,921
400W UG HP SODIUM OUTDOOR LIGHTMay07-Nov07 Rates:	297	\$ 26.87	7,980	\$ 26.41	7,844
400W UG HP SODIUM OUTDOOR LIGHTDec07-Apr08 Rates:	225	\$ 26.87	6,046	\$ 26.41	5,942
Total Installed Prior to Jan. 1, 1991	161,163		1,963,475		1,930,099
	lights				

LOUISVILLE GAS AND ELECTRIC COMPANY
 Calculations of Proposed Electric Rate Increase
 Based Upon Sales for the 12 months ended April 30, 2008

Billing Determinants	Present Rate	Calculated Revenue at Present Rates	Proposed Rate	Calculated Revenue at Proposed Rates	
OUTDOOR LIGHTING RATE OL					
OVERHEAD SERVICE:					
Lights					
Mercury Vapor (Renamed Rate RLS)					
175W MERCURY OUTDOOR LIGHTMay07-Nov07 Rates:	705	\$ 10.16	7,163	\$ 9.99	7,043
175W MERCURY OUTDOOR LIGHTDec07-Apr08 Rates:	508	\$ 10.16	5,161	\$ 9.99	5,075
250W MERCURYMay07-Nov07 Rates:	406	\$ 11.43	4,641	\$ 11.24	4,563
250W MERCURYDec07-Apr08 Rates:	304	\$ 11.43	3,475	\$ 11.24	3,417
400W MERCURYMay07-Nov07 Rates:	326	\$ 13.77	4,489	\$ 13.54	4,414
400W MERCURYDec07-Apr08 Rates:	240	\$ 13.77	3,305	\$ 13.54	3,250
400W MERCURY FLOOD LIGHTMay07-Nov07 Rates:	1,336	\$ 13.77	18,397	\$ 13.54	18,089
400W MERCURY FLOOD LIGHTDec07-Apr08 Rates:	1,004	\$ 13.77	13,825	\$ 13.54	13,594
1000W MERCURY OUTDOOR LIGHTMay07-Nov07 Rates:	118	\$ 25.00	2,950	\$ 24.58	2,900
1000W MERCURY OUTDOOR LIGHTDec07-Apr08 Rates:	91	\$ 25.00	2,275	\$ 24.58	2,237
1000W MERCURY FLOOD LIGHTMay07-Nov07 Rates:	2,665	\$ 25.01	66,652	\$ 24.58	65,506
1000W MERCURY FLOOD LIGHTDec07-Apr08 Rates:	1,820	\$ 25.01	45,518	\$ 24.58	44,736
High Pressure Sodium					
100W HP SODIUMMay07-Nov07 Rates:	13,173	\$ 8.47	111,575	\$ 8.33	109,731
100W HP SODIUMDec07-Apr08 Rates:	9,786	\$ 8.47	82,887	\$ 8.33	81,517
150W HP SODIUM OUTDOOR LIGHTMay07-Nov07 Rates:	9,363	\$ 10.87	101,776	\$ 10.69	100,090
150W HP SODIUM OUTDOOR LIGHTDec07-Apr08 Rates:	6,836	\$ 10.87	74,307	\$ 10.69	73,077
150W HP SODIUM FLOOD LIGHTMay07-Nov07 Rates:	1,655	\$ 10.87	18,099	\$ 10.69	17,799
150W HP SODIUM FLOOD LIGHTDec07-Apr08 Rates:	1,218	\$ 10.87	13,240	\$ 10.69	13,020
250W HP SODIUM OUTDOOR LIGHTMay07-Nov07 Rates:	2,727	\$ 12.86	35,069	\$ 12.64	34,469
250W HP SODIUM OUTDOOR LIGHTDec07-Apr08 Rates:	2,009	\$ 12.86	25,836	\$ 12.64	25,394
400W HP SODIUM OUTDOOR LIGHTMay07-Nov07 Rates:	11,519	\$ 13.70	157,810	\$ 13.47	155,161
400W HP SODIUM OUTDOOR LIGHTDec07-Apr08 Rates:	8,562	\$ 13.70	117,299	\$ 13.47	115,330
400W HP SODIUM FLOOD LIGHTMay07-Nov07 Rates:	52,195	\$ 13.70	715,072	\$ 13.47	703,067
400W HP SODIUM FLOOD LIGHTDec07-Apr08 Rates:	38,772	\$ 13.70	531,176	\$ 13.47	522,259
1000W HP SODIUM OUTDOOR LIGHTMay07-Nov07 Rates:	91	\$ 32.37	2,946	\$ 31.82	2,896
1000W HP SODIUM OUTDOOR LIGHTDec07-Apr08 Rates:	70	\$ 32.37	2,266	\$ 31.82	2,227
Additional Pole Charge	97,348	\$ 1.78	173,279	\$ 1.75	170,359
UNDERGROUND SERVICE:					
Mercury Vapor (Renamed Rate RLS)					
100W MERCURY LIGHT TOP MOUNTMay07-Nov07 Rates:		\$ 13.67		\$ 13.44	
100W MERCURY LIGHT TOP MOUNTDec07-Apr08 Rates:		\$ 13.67		\$ 13.44	
175W MERCURY LIGHT TOP MOUNTMay07-Nov07 Rates:	1,527	\$ 15.15	23,134	\$ 14.89	22,737
175W MERCURY LIGHT TOP MOUNTDec07-Apr08 Rates:	1,108	\$ 15.15	16,786	\$ 14.89	16,498
High Pressure Sodium					
70W HP SODIUM LIGHT TOP MOUNTMay07-Nov07 Rates:	8,531	\$ 11.75	100,239	\$ 11.55	98,533
70W HP SODIUM LIGHT TOP MOUNTDec07-Apr08 Rates:	6,350	\$ 11.75	74,613	\$ 11.55	73,343
100W HP SODIUM LIGHT TOP MOUNTMay07-Nov07 Rates:	65,196	\$ 15.53	1,012,494	\$ 15.27	995,543
100W HP SODIUM LIGHT TOP MOUNTDec07-Apr08 Rates:	48,049	\$ 15.53	746,201	\$ 15.27	733,708
150W UG HP SODIUM LIGHT TOP MOUNTMay07-Nov07 Rates:	6,507	\$ 18.87	122,787	\$ 18.55	120,705
150W UG HP SODIUM LIGHT TOP MOUNTDec07-Apr08 Rates:	4,889	\$ 18.87	92,255	\$ 18.55	90,691
150W HP SODIUM OUTDOOR LIGHTMay07-Nov07 Rates:	3,228	\$ 21.17	68,337	\$ 20.81	67,175
150W HP SODIUM OUTDOOR LIGHTDec07-Apr08 Rates:	2,094	\$ 21.17	44,330	\$ 20.81	43,576
250W UG HP SODIUM OUTDOOR LIGHTMay07-Nov07 Rates:	3,466	\$ 24.32	84,293	\$ 23.91	82,872
250W UG HP SODIUM OUTDOOR LIGHTDec07-Apr08 Rates:	2,583	\$ 24.32	62,819	\$ 23.91	61,760
400W UG HP SODIUM OUTDOOR LIGHTMay07-Nov07 Rates:	10,420	\$ 26.87	279,985	\$ 26.41	275,192
400W UG HP SODIUM OUTDOOR LIGHTDec07-Apr08 Rates:	7,828	\$ 26.87	210,338	\$ 26.41	206,737
1000W UG HP SODIUM OUTDOOR LIGHTMay07-Nov07 Rates:	168	\$ 60.45	10,156	\$ 59.42	9,983
1000W UG HP SODIUM OUTDOOR LIGHTDec07-Apr08 Rates:	128	\$ 60.45	7,738	\$ 59.42	7,606

LOUISVILLE GAS AND ELECTRIC COMPANY
Calculations of Proposed Electric Rate Increase
Based Upon Sales for the 12 months ended April 30, 2008

Billing Determinants	Calculated Revenue at		Calculated Revenue at		
	Present Rate	Present Rates	Proposed Rate	Proposed Rates	
DECORATIVE LIGHTING FIXTURES:					
Acorn w/ Decorative Baskets					
70W HP SODIUM ACORN/DECO BASKETMay07-Nov07 Rates:	247	\$ 16.60	4,100	\$ 16.32	4,031
70W HP SODIUM ACORN/DECO BASKETDec07-Apr08 Rates:	44	\$ 16.60	730	\$ 16.32	718
100W HP SODIUM ACORN/DECO BASKETMay07-Nov07 Rates:	867	\$ 17.41	15,094	\$ 17.11	14,634
100W HP SODIUM ACORN/DECO BASKETDec07-Apr08 Rates:	156	\$ 17.41	2,716	\$ 17.11	2,669
8-Sided Coach					
70W HP SODIUM 8-SIDED COACHMay07-Nov07 Rates:	501	\$ 16.78	8,407	\$ 16.49	8,261
70W HP SODIUM 8-SIDED COACHDec07-Apr08 Rates:	99	\$ 16.78	1,661	\$ 16.49	1,633
100W HP SODIUM 8-SIDED COACHMay07-Nov07 Rates:	575	\$ 17.60	10,120	\$ 17.30	9,948
100W HP SODIUM 8-SIDED COACHDec07-Apr08 Rates:	201	\$ 17.60	3,538	\$ 17.30	3,477
Poles					
10' Smooth	995	\$ 9.36	9,313	\$ 9.20	9,154
10' Fluted	2,954	\$ 11.17	32,996	\$ 10.98	32,435
Bases					
Old Town/Manchester	263	\$ 3.00	789	\$ 2.95	776
Chesapeake/Franklin	2,068	\$ 3.22	6,659	\$ 3.17	6,556
Jefferson/Westchester	1,150	\$ 3.25	3,738	\$ 3.19	3,669
Norfolk/Essex	717	\$ 3.42	2,452	\$ 3.36	2,409
Total Installed After Dec. 31, 1990	342,271		5,399,306		5,308,449

LOUISVILLE GAS AND ELECTRIC COMPANY
 Calculations of Proposed Electric Rate Increase
 Based Upon Sales for the 12 months ended April 30, 2008

Billing Determinants		Calculated Revenue at		Calculated Revenue at	
		Present Rate	Present Rates	Proposed Rate	Proposed Rates
OUTDOOR LIGHTING RATE LS					
Served Underground					
High Pressure Sodium					
4 SIDED COLONIAL 6300L	517	\$ 16.45	8,505	\$ 16.17	8,360
4 SIDED COLONIAL 6300L	446	\$ 16.45	7,337	\$ 16.17	7,212
4 SIDED COLONIAL 9500L	5,352	\$ 17.03	91,145	\$ 16.74	89,592
4 SIDED COLONIAL 9500L	4,894	\$ 17.03	83,345	\$ 16.74	81,926
4 SIDED COLONIAL 16000L	577	\$ 18.12	10,455	\$ 17.81	10,276
4 SIDED COLONIAL 16000L	446	\$ 18.12	8,082	\$ 17.81	7,943
ACORN 6300L	257	\$ 16.81	4,320	\$ 16.52	4,246
ACORN 6300L	187	\$ 16.81	3,143	\$ 16.52	3,089
ACORN 9500L	5,178	\$ 18.92	97,968	\$ 18.60	96,311
ACORN 9500L	4,518	\$ 18.92	85,481	\$ 18.60	84,035
ACORN 9500L BRONZE POLE	85	\$ 19.93	1,694	\$ 19.59	1,665
ACORN 9500L BRONZE POLE	64	\$ 19.93	1,276	\$ 19.59	1,254
ACORN 16000L	639	\$ 19.93	12,735	\$ 19.59	12,518
ACORN 16000L	487	\$ 19.93	9,706	\$ 19.59	9,540
ACORN 16000L BRONZE POLE	368	\$ 20.86	7,676	\$ 20.51	7,548
ACORN 16000L BRONZE POLE	278	\$ 20.86	5,799	\$ 20.51	5,702
CONTEMPORARY 16000L	154	\$ 25.65	3,950	\$ 25.21	3,882
CONTEMPORARY 16000L	130	\$ 25.65	3,335	\$ 25.21	3,277
CONTEMPORARY 28500L	516	\$ 28.33	14,618	\$ 27.85	14,371
CONTEMPORARY 28500L	409	\$ 28.33	11,587	\$ 27.85	11,391
CONTEMPORARY 50000L	1,066	\$ 32.05	34,165	\$ 31.51	33,590
CONTEMPORARY 50000L	925	\$ 32.05	29,646	\$ 31.51	29,147
COBRA HEAD 16000L UGHPS	25	\$ 22.42	561	\$ 22.04	551
COBRA HEAD 16000L UGHPS	23	\$ 22.42	516	\$ 22.04	507
COBRA HEAD 28500L UGHPS	.	\$ 24.46	.	\$ 24.04	.
COBRA HEAD 28500L UGHPS	.	\$ 24.46	.	\$ 24.04	.
COBRA HEAD 50000L UGHPS	64	\$ 28.09	1,798	\$ 27.61	1,767
COBRA HEAD 50000L UGHPS	47	\$ 28.09	1,320	\$ 27.61	1,298
LONDON (10' SMOOTH POLE)	.	\$ 28.77	.	\$ 28.28	.
LONDON (10' SMOOTH POLE)	21	\$ 28.77	604	\$ 28.28	594
LONDON (10' FLUTED POLE)	47	\$ 30.48	1,433	\$ 29.96	1,408
LONDON (10' FLUTED POLE)	13	\$ 30.48	396	\$ 29.96	389
LONDON (10' SMOOTH POLE)	.	\$ 29.62	.	\$ 29.12	.
LONDON (10' SMOOTH POLE)	62	\$ 29.62	1,836	\$ 29.12	1,805
LONDON (10' FLUTED POLE)	106	\$ 31.23	3,310	\$ 30.70	3,254
VICTORIAN (10' SMOOTH POLE)	60	\$ 31.23	1,874	\$ 30.70	1,842
VICTORIAN (10' SMOOTH POLE)	.	\$ 27.85	.	\$ 27.38	.
VICTORIAN (10' SMOOTH POLE)	.	\$ 27.85	.	\$ 27.38	.
VICTORIAN (10' FLUTED POLE)	112	\$ 28.41	3,182	\$ 27.93	3,128
VICTORIAN (10' FLUTED POLE)	78	\$ 28.41	2,216	\$ 27.93	2,179
VICTORIAN (10' SMOOTH POLE)	.	\$ 29.63	.	\$ 29.13	.
VICTORIAN (10' SMOOTH POLE)	.	\$ 29.63	.	\$ 29.13	.
VICTORIAN (10' FLUTED POLE)	321	\$ 30.24	9,707	\$ 29.73	9,543
VICTORIAN (10' FLUTED POLE)	173	\$ 30.24	5,232	\$ 29.73	5,143
Mercury Vapor					
4 SIDED COLONIAL 4000L UGMV	7	\$ 16.55	116	\$ 16.27	114
4 SIDED COLONIAL 4000L UGMV	5	\$ 16.55	83	\$ 16.27	81
4 SIDED COLONIAL 8000L UGMV	233	\$ 18.17	4,234	\$ 17.86	4,161
4 SIDED COLONIAL 8000L UGMV	172	\$ 18.17	3,125	\$ 17.86	3,072
COBRA HEAD 8000L UGMV	.	\$ 22.41	.	\$ 22.03	.
COBRA HEAD 8000L UGMV	.	\$ 22.41	.	\$ 22.03	.
COBRA HEAD 13000L UGMV	7	\$ 23.92	167	\$ 23.51	165
COBRA HEAD 13000L UGMV	5	\$ 23.92	120	\$ 23.51	118
COBRA HEAD 25000L UGMV	50	\$ 27.09	1,355	\$ 26.63	1,332
COBRA HEAD 25000L UGMV	37	\$ 27.09	1,002	\$ 26.63	985

LOUISVILLE GAS AND ELECTRIC COMPANY
Calculations of Proposed Electric Rate Increase
Based Upon Sales for the 12 months ended April 30, 2008

Billing Determinants	Present Rate	Calculated Revenue at Present Rates	Proposed Rate	Calculated Revenue at Proposed Rates
Bases				
Old Town/Manchester	31	\$ 2.53	\$ 2.49	77
Chesapeake/Franklin	500	\$ 2.53	\$ 2.49	1,245
Jefferson/Westchester	277	\$ 2.53	\$ 2.49	690
Norfolk/Essex	95	\$ 2.69	\$ 2.64	251
Served Overhead				
High Pressure Sodium				
COBRA HEAD 16000L OHHPMay07-Nov07 Rates:	1,126	\$ 9.87	\$ 9.70	10,922
COBRA HEAD 16000L OHHPDec07-Apr08 Rates:	1,005	\$ 9.87	\$ 9.70	9,749
COBRA HEAD 28500L OHHPMay07-Nov07 Rates:	660	\$ 11.78	\$ 11.58	7,643
COBRA HEAD 28500L OHHPDec07-Apr08 Rates:	476	\$ 11.78	\$ 11.58	5,512
COBRA HEAD 50000L OHHPMay07-Nov07 Rates:	1,214	\$ 15.55	\$ 15.29	18,562
COBRA HEAD 50000L OHHPDec07-Apr08 Rates:	611	\$ 15.55	\$ 15.29	9,342
DIRECTIONAL FLOOD 16000L OHHPMay07-Nov07 Rates:	322	\$ 11.38	\$ 11.19	3,603
DIRECTIONAL FLOOD 16000L OHHPDec07-Apr08 Rates:	279	\$ 11.38	\$ 11.19	3,122
DIRECTIONAL FLOOD 50000L OHHPMay07-Nov07 Rates:	5,405	\$ 16.50	\$ 16.22	87,669
DIRECTIONAL FLOOD 50000L OHHPDec07-Apr08 Rates:	3,430	\$ 16.50	\$ 16.22	55,635
OPEN BOTTOM 9500L OHHPMay07-Nov07 Rates:	1,655	\$ 8.50	\$ 8.36	13,919
OPEN BOTTOM 9500L OHHPDec07-Apr08 Rates:	1,402	\$ 8.50	\$ 8.36	11,721
Mercury Vapor				
COBRA HEAD 8000L MVMay07-Nov07 Rates:	21	\$ 9.87	\$ 9.70	204
COBRA HEAD 8000L MVDec07-Apr08 Rates:	13	\$ 9.87	\$ 9.70	126
COBRA HEAD 13000L MVMay07-Nov07 Rates:	98	\$ 11.33	\$ 11.14	1,092
COBRA HEAD 13000L MVDec07-Apr08 Rates:	76	\$ 11.33	\$ 11.14	847
COBRA HEAD 25000L MVMay07-Nov07 Rates:	288	\$ 14.44	\$ 14.19	4,087
COBRA HEAD 25000L MVDec07-Apr08 Rates:	200	\$ 14.44	\$ 14.19	2,838
DIRECTIONAL FLOOD 25000L MVMay07-Nov07 Rates:	1,054	\$ 15.92	\$ 15.65	16,495
DIRECTIONAL FLOOD 25000L MVDec07-Apr08 Rates:	765	\$ 15.92	\$ 15.65	11,972
OPEN BOTTOM 8000L MVMay07-Nov07 Rates:	89	\$ 9.83	\$ 9.66	860
OPEN BOTTOM 8000L MVDec07-Apr08 Rates:	74	\$ 9.83	\$ 9.66	715
Poles	2,653	\$ 9.79	\$ 9.62	25,522
Total Outdoor Lights LS	49,434			874,731
Subtotal @ base Rates before application of correction Factor		8,252,604		8,113,279
Correction Factor		1.000386	1.000386	
Subtotal @ base Rates after application of correction Factor		8,249,420		8,110,148
Fuel Adjustment Clause - proforma for rollin				116,526
Adjustment to Reflect Year-End Customers				389,055
		<u>8,761,683</u>		<u>8,615,729</u>
				(145,953)
				-1.67%



Settlement Agreement Exhibit 3
LG&E Gas Rate Allocation

Louisville Gas and Electric Company

Summary of Proposed Rate Increase

Based on Billing Determinants for the 12 Months Ended April 30, 2008

Rate Class	Customers	Existing Annual Revenue	Proposed Annual Revenue	Change	Percent Change
Residential Gas Service Rate RGS	3,472,107	430,331,407	447,094,457	16,763,050	3.90%
Firm Commercial Gas Service Rate CGS	303,023	204,983,275	209,747,888	4,764,613	2.32%
Firm Industrial Gas Service Rate IGS	2,478	20,542,885	20,772,938	230,053	1.12%
Gas Transportation Service/Standby Rider to Rate IGS	24				
Total Industrial Gas Service Rate	2,502	20,542,885	20,772,938	230,053	1.12%
As Available Gas Service Rate AAGS	192	6,233,438	6,257,400	23,962	0.38%
Total Firm Transportation (Non-Standby) Rate FT	815	3,963,800	4,139,707	175,907	4.44%
Total Rate PS-FT	765	57,405	57,405	-	0.00%
Special Contract -- customer 1	12	260,223	263,021	2,798	1.08%
Special Contract -- customer 2	12	314,351	317,160	2,809	0.89%
Special Contract -- customer 3	24	838,238	843,831	5,593	0.67%
Special Contract -- customer 4 *				2,798	-
Total Special Contracts	48	1,412,811	1,424,012	13,999	0.99%
Miscellaneous Revenue		2,434,180	2,462,562	28,382	1.17%
Total	3,779,452	669,959,202	691,956,368	21,999,964	3.28%

* There are no sales for generation Special Contract customer during the test year.

A pro-forma adjustment was made to adjust test year revenues to reflect this contract.

(see Rives Exhibit 1 reference Schedule 1.38.) However, the proposed increase in rates for this contract is shown here.

LOUISVILLE GAS AND ELECTRIC COMPANY
 Calculations of Proposed Electric Rate Increase
 Based Upon Sales for the 12 months ended April 30, 2008

Rate Class	Billing Determinants	Present Rates	Calculated Revenue @ Present Rates	Proposed Rates	Calculated Revenue @ Proposed Rates
<u>RATE RGS:</u>					
Residential Gas Service Rate RGS	Customer Months	Per Customer			
Customer Charges	3,472,107	\$ 8.50	\$ 29,512,910	\$ 9.50	\$ 32,985,017
	MCF	per Mcf			
Distribution Cost Component	20,459,539.9	\$ 1.5470	\$ 31,650,908	2.1349	\$ 43,679,072
			\$ 61,163,818		\$ 76,664,088
Residential Gas Service Rate RGS Summer A/C Rider	MCF	per Mcf			
	4,484.4	\$ 1.5470	\$ 6,937	\$ 2.1349	\$ 9,574
Subtotal	20,464,024.3		\$ 61,170,755		\$ 76,673,662
Correction Factor		0.993510		0.993510	
Subtotal Rate RGS after application of Correction Factor	20,464,024.3		61,570,362		77,174,544
Value Delivery Surcredit			(1,217,277)		(1,217,277)
VDT Amorization & Surcredit Adjustment			.		-
Temperature Normalization Adjustment	1,830,489.8	1.547	\$ 2,831,768	2.135	3,907,913
Adjustment to Reflect Year-End Customers	110,565		319,390		402,113
GSC at Current (May 08 to July 08) Charges GSC	22,405,079.5	16.3725	\$ 366,827,164		366,827,164
Total Residential Gas Service Rate RGS	22,405,079.5		430,331,407		447,094,457
Proposed Increase in Revenue					16,763,050 3.90%

LOUISVILLE GAS AND ELECTRIC COMPANY
 Calculations of Proposed Electric Rate Increase
 Based Upon Sales for the 12 months ended April 30, 2008

Rate Class	Billing Determinants	Present Rates	Calculated Revenue @ Present Rates	Proposed Rates	Calculated Revenue @ Proposed Rates
RATE CGS:					
Firm Commercial Gas Service Rate CGS	Customer Months	Per Customer			
Customer Charges (meters < 5000 cfh)	290,148	\$ 16.50	\$ 4,787,442	23.00	\$ 6,673,404
Customer Charges (meters 5000 cfh or >)	12,875	\$ 117.00	1,506,375	160.00	2,060,000
Distribution Cost Component	MCF	per Mcf			
On Peak Mcf	10,027,500.0	\$ 1.4968	15,009,162	\$ 1.7052	17,098,893
Off Peak Mcf	430,237.1	\$ 0.9968	428,860	\$ 1.2052	518,522
	10,457,737.1		\$ 21,731,839		\$ 26,350,819
Gas Transportation Service/Standby Rider to Rate CGS	Customer Months	Per Customer			
Administrative Charges	34	\$ 90.00	\$ 3,060	\$ 159.00	\$ 5,406
Distribution Cost Component	MCF	per Mcf			
On Peak Mcf	2,800.0	\$ 1.4968	4,191	\$ 1.7052	4,775
Off Peak Mcf	56,017.5	\$ 0.9968	55,838	\$ 1.2052	67,512
	58,817.5		\$ 63,089		77,693
Firm Commercial Gas Service Rate CGS Summer A/C Rider	MCF	per Mcf			
Distribution Cost Component	17,290.0	\$ 1.4968	\$ 25,880	\$ 1.7052	\$ 29,483
Subtotal	10,533,844.6		\$ 21,820,808		\$ 26,457,995
Correction Factor		1.006922		1.006922	
Subtotal Rate CGS after application of Correction Factor	10,533,844.6		21,670,809		26,276,119
Value Delivery Surcredit			(574,052)		(574,052)
VDT Amorization & Surcredit Adjustment			-		-
Temperature Normalization Adjustment	647,578.4	1.4968	969,295	\$ 1.7052	1,104,251
Adjustment to Reflect Year-End Customers	70,697.9		143,149		173,121
Adjustment for Rate Switching & Plant Closing					
Customer Charge	(14.0)	\$ 117.00	(1,638)	\$ 117.00	(1,638)
On Peak Mcf	(26,986.8)	\$ 1.4968	(40,394)	\$ 1.7052	(46,018)
GSC at Current (May 08 to July 08) Charges	11,162,306.0	16.3725	182,754,855		182,754,855
GSC at Current Charges - Pipeline Suppliers Demand Component	62,828.1	0.9749	61,251		61,251
Total Commercial Gas Service Rate CGS	11,225,120.1		204,983,275		209,747,888
Proposed Increase in Revenue					4,764,613 2.32%

LOUISVILLE GAS AND ELECTRIC COMPANY
 Calculations of Proposed Electric Rate Increase
 Based Upon Sales for the 12 months ended April 30, 2008

Rate Class	Billing Determinants	Present Rates	Calculated Revenue @ Present Rates	Proposed Rates	Calculated Revenue @ Proposed Rates
RATE IGS:					
Firm Industrial Gas Service Rate IGS					
	Customer Months	Per Customer			
Customer Charges (meters < 5000 cfh)	1,427	\$ 16.50	\$ 23,546	23.00	\$ 32,821
Customer Charges (meters 5000 cfh or >)	1,051	\$ 117.00	122,967	160.00	168,160
Distribution Cost Component	MCF	per Mcf			
On Peak Mcf	820,113.4	\$ 1.4968	1,227,546	\$ 1.6524	1,355,155
Off Peak Mcf	302,383.0	\$ 0.9968	301,415	\$ 1.1524	348,466
	1,122,496.4		\$ 1,675,474		\$ 1,904,603
Gas Transportation Service/Standby Rider to Rate IGS					
	Customer Months	Per Customer			
Administrative Charges	24	\$ 90.00	\$ 2,160	\$ 153.00	\$ 3,672
Distribution Cost Component	MCF	per Mcf			
On Peak Mcf	1,400.0	\$ 1.4968	2,096	\$ 1.4968	2,096
Off Peak Mcf	30,783.7	\$ 0.9968	30,685	\$ 0.9968	30,685
	32,183.7		\$ 34,941		36,453
Subtotal	1,154,680.1		\$ 1,710,414		\$ 1,941,055
Correction Factor		1.002558		1.002558	
Subtotal Rate IGS after application of Correction Factor	1,154,680.1		1,706,051		1,936,103
Value Delivery Surcredit			(56,222)		(56,222)
VDT Amorization & Surcredit Adjustment			-		-
Temperature Normalization Adjustment	27,729.6	\$ 1.4968	41,506	\$ 1.4968	41,506
Adjustment to Reflect Year-End Customers			-		-
GSC at Current (May 08 to July 08) Charges GSC	1,149,453.1	16.3725	18,819,421		18,819,421
GSC at Current Charges - Pipeline Suppliers Demand Component	32,956.6	0.9749	32,129		32,129
Total Commercial Gas Service Rate IGS	1,182,409.7		20,542,885		20,772,938
Proposed Increase in Revenue					230,053 1.12%

LOUISVILLE GAS AND ELECTRIC COMPANY
 Calculations of Proposed Electric Rate Increase
 Based Upon Sales for the 12 months ended April 30, 2008

Rate Class	Billing Determinants	Present Rates	Calculated Revenue @ Present Rates	Proposed Rates	Calculated Revenue @ Proposed Rates
<u>RATE AAGS</u>					
As Available Gas Service	<u>Customer Months</u>	<u>Per Customer</u>			
Customer Charges	192 \$	150.00 \$	28,800	\$ 275.00	\$ 52,800
	<u>MCF</u>	<u>per Mcf</u>			
Distribution Cost Component	358,748.5 \$	0.5252	188,415	\$ 0.5252	\$ 188,415
			\$ 217,215		\$ 241,215
Total Rate AAGS	358,748.5		\$ 217,215		\$ 241,215
Correction Factor		1.001574		1.001574	
Subtotal Rate AAGS after application of Correction Factor	358,748.5		216,873		240,836
Value Delivery Surcredit			(16,523)		(16,523)
VDT Amortization & Surcredit Adjustment			.		.
Temperature Normalization Adjustment	9,437.8 \$	0.5252	4,957	\$ 0.5252	4,957
Adjustment to Reflect Year-End Customers	.		.		.
GSC at Current (May 08 to July 08) Charges GSC	368,186.3 \$	16.3725	6,028,131		6,028,131
GSC at Current Charges - Pipeline Suppliers Demand Component	.	0.9747	.		.
Total As Available Gas Service Rate AAGS	368,186.3		6,233,438		6,257,400
Proposed Increase in Revenue					23,962 0.38%

LOUISVILLE GAS AND ELECTRIC COMPANY
 Calculations of Proposed Electric Rate Increase
 Based Upon Sales for the 12 months ended April 30, 2008

Rate Class	Billing Determinants	Present Rates	Calculated Revenue @ Present Rates	Proposed Rates	Calculated Revenue @ Proposed Rates
RATE FT:					
Firm Transportation Service (Non-Standby) Rate FT	Customer Months	Per Customer			
Administrative Charges	815	\$ 90.00	\$ 73,350	\$ 230.00	\$ 187,450
Distribution Cost Component	MCF	per Mcf			
	8,088,264.2	\$ 0.4300	\$ 3,477,954	\$ 0.4300	\$ 3,477,954
Utilization Charge for Daily Imbalances: Daily Storage Charge	940,366.7 Mcf	\$ 0.1200	\$ 112,844	\$ 0.1833	\$ 172,369
Total Rate FT	8,088,264.2		\$ 3,664,148		\$ 3,837,773
Correction Factor		1.004084		1.004084	
Subtotal Rate FT after application of Correction Factor	8,088,264.2		3,649,244		\$ 3,822,163
Value Delivery Surcredit			\$ (5,262)		\$ (5,262)
VDT Amortization & Surcredit Adjustment			\$ -		\$ -
Temperature Normalization Adjustment	102,908.2	0.4300	\$ 44,251		\$ 44,251
Adjustment to Reflect Year-End Customers	139,306.0		\$ 63,816		\$ 66,804
Adjustment for Rate Switching					
Administrative Charges	14.0	\$ 90.00	\$ 1,260		\$ 1,260
Distribution Cost Component	26,986.8	\$ 0.4300	\$ 11,604		\$ 11,604
UCDI Charge - Daily Demand Charge (current)	940,366.7	\$ 0.2115	\$ 198,888		\$ 198,888
Total Firm Transportation (Non-Standby) Rate FT	8,357,465.2		\$ 3,963,800		\$ 4,139,707
Proposed Increase in Revenue					175,907 4.44%

LOUISVILLE GAS AND ELECTRIC COMPANY
 Calculations of Proposed Electric Rate Increase
 Based Upon Sales for the 12 months ended April 30, 2008

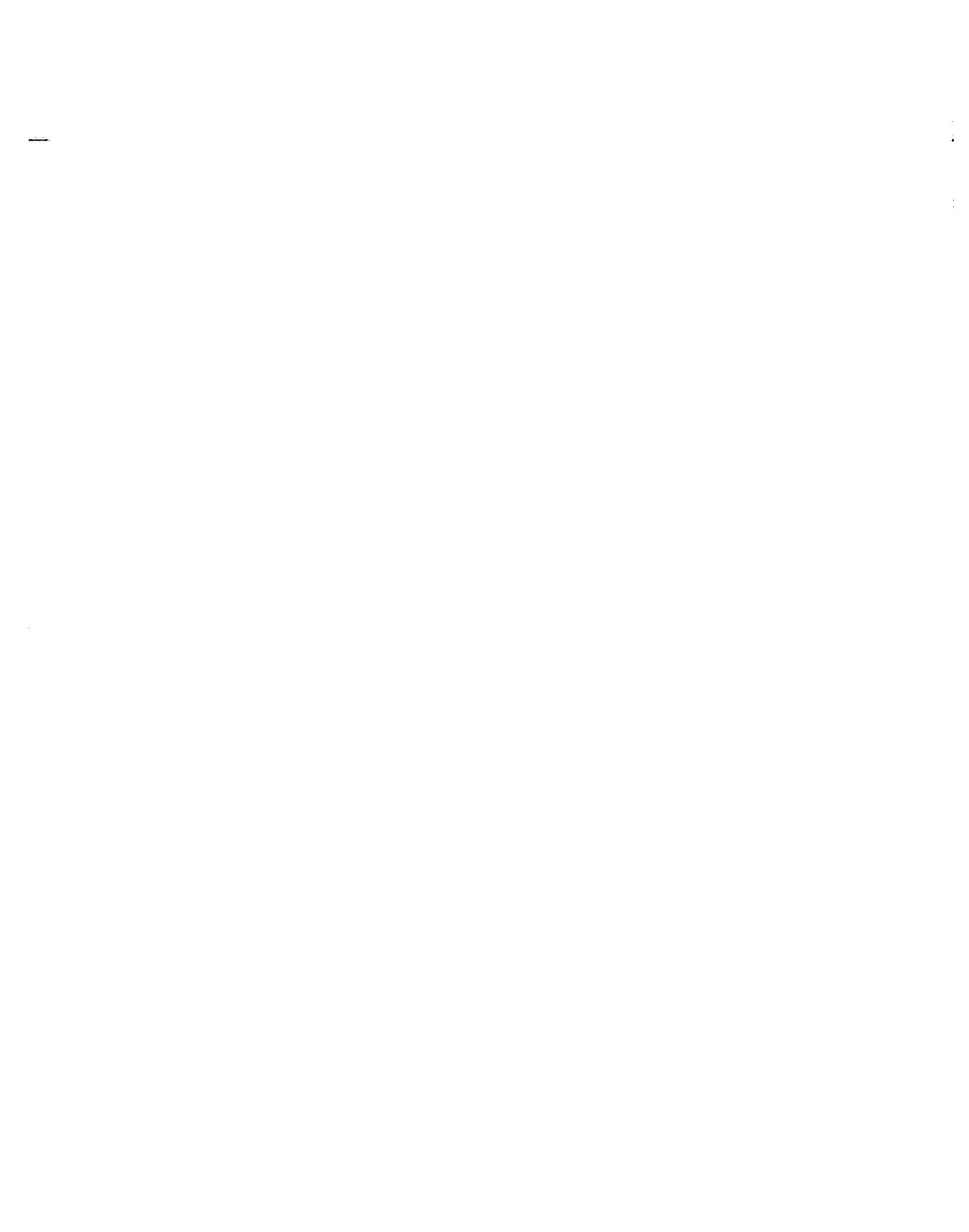
Rate Class	Billing Determinants	Present Rates	Calculated Revenue @ Present Rates	Proposed Rates	Calculated Revenue @ Proposed Rates
<u>RATE PS-FT:</u>					
Pooling Service Rate PS - FT	<u>Customer Months</u>	<u>Per Customer</u>			
Administrative Charges	765	\$ 75.00	\$ 57,405	\$ 75.00	\$ 57,405
Total Rate PS-FT			<u>\$ 57,405</u>		<u>\$ 57,405</u>
Proposed Increase in Revenue					0.00%

LOUISVILLE GAS AND ELECTRIC COMPANY
 Calculations of Proposed Electric Rate Increase
 Based Upon Sales for the 12 months ended April 30, 2008

Rate Class	Billing Determinants	Present Rates	Calculated Revenue @ Present Rates	Proposed Rates	Calculated Revenue @ Proposed Rates
SPECIAL CONTRACTS					
Special Contract		Customer Months	Per Customer		
Customer Charges		12	\$ 686.00	\$ 8,232	\$ 9,372
Administrative Charges	Transportation Service	12	\$ 90.00	\$ 1,080	\$ 2,760
		MCF	per Mcf		
Distribution Charge		703,946.5	\$ 0.0487	\$ 34,282	\$ 34,282
Demand Charge		90,000.0	\$ 2.43	\$ 218,700	\$ 218,700
Total Special Contract			\$ 262,294	\$ 262,294	\$ 265,114
Correction Factor			1.007806	1.007806	
Subtotal Special Contract after application of Correction Factor			260,263		263,061
Value Delivery Surcredit			\$ (1,479)	\$ (1,479)	
VDT Amorization & Surcredit Adjustment			\$ -	\$ -	
Temperature Normalization Adjustment		29,539.7	0.04870	\$ 1,439	\$ 1,439
Total Rate Special Contract		733,486.17	\$ 260,223	\$ 260,223	\$ 263,021
Proposed Increase in Revenue					2,798 1.08%
Special Contract		Customer Months	Per Customer		
Customer Charges		12	\$ 180.00	\$ 2,160	\$ 3,300
Administrative Charges	Transportation Service	12	\$ 90.00	\$ 1,080	\$ 2,760
		MCF	per Mcf		
Distribution Charge		1,283,277.4	\$ 0.1049	\$ 134,616	\$ 134,616
Demand Charge		64,902.4	\$ 2.75	\$ 178,482	\$ 178,482
Total Special Contract			\$ 316,337	\$ 316,337	\$ 319,157
Correction Factor			1.003741	1.003741	
Subtotal Special Contract after application of Correction Factor			315,158		317,968
Value Delivery Surcredit			\$ (1,767)	\$ (1,767)	
VDT Amorization & Surcredit Adjustment			\$ -	\$ -	
Temperature Normalization Adjustment		9,141.7	0.1049	\$ 959	\$ 959
Total Rate Special Contract		1,292,419.13	\$ 314,351	\$ 314,351	\$ 317,160
Proposed Increase in Revenue					2,809 0.89%

LOUISVILLE GAS AND ELECTRIC COMPANY
 Calculations of Proposed Electric Rate Increase
 Based Upon Sales for the 12 months ended April 30, 2008

Rate Class	Billing Determinants	Present Rates	Calculated Revenue @ Present Rates	Proposed Rates	Calculated Revenue @ Proposed Rates
Special Contracts		Customer Months	Per Customer		
Customer Charges		24	\$ 180.00	\$ 275.00	\$ 6,600
Administrative Charges	Transportation Service	24	\$ 90.00	\$ 230.00	\$ 5,520
		MCF	per Mcf		
Distribution Charge		2,046,613.2	\$ 0.3200	\$ 0.3200	\$ 654,916
Total Special Contract			\$ 661,396		\$ 667,036
Correction Factor			1.008446	1.008446	661,450
Minimum Bill			163,850		163,850
Subtotal Special Contract after application of Correction Factor			\$ 819,707		\$ 825,300
Value Delivery Surcredit			(3,375)		(3,375)
VDT Amorization & Surcredit Adjustment			\$ -		-
Temperature Normalization Adjustment		68,456.3	0.3200		21,906
Total Rate Special Contract		2,115,069.5	\$ 838,238		\$ 843,831
Proposed Increase in Revenue					5,593 0.67%



Settlement Agreement Exhibit 4
KU Tariffs

Kentucky Utilities Company
220 West Main Street
Louisville, Kentucky

Rates, Terms and Conditions for Furnishing

ELECTRIC SERVICE

In seventy-seven counties in the State of Kentucky
as depicted on territorial maps as filed with the

PUBLIC SERVICE COMMISSION
OF KENTUCKY

Date of Issue

Date Effective
February 6, 2009

Issued by
Lonnie E. Bellar, Vice President
State Regulation and Rates

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Date of Issue:

Date Effective: February 6, 2009

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

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Date of Issue:

Date Effective: February 6, 2009

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

Standard Rate	RS	
		Residential Service
APPLICABLE		
In all territory served		
AVAILABILITY OF SERVICE		
Available for single phase delivery to single family residential service subject to the terms and conditions on Sheet No. 100 of this Tariff. Three phase service under this rate schedule is restricted to those customers being billed on this rate schedule as of its effective date of July 1, 2004		
RATE		
Customer Charge:	\$5 00 per month	
Plus an Energy Charge of:	\$0.05716 per kWh	
ADJUSTMENT CLAUSES		
The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:		
Fuel Adjustment Clause	Sheet No. 85	
Demand Side Management Cost Recovery Mechanism	Sheet No. 86	
Environmental Cost Recovery Surcharge	Sheet No. 87	
Franchise Fee Rider	Sheet No. 90	
School Tax	Sheet No. 91	
Home Energy Assistance Program	Sheet No. 92	
MINIMUM CHARGE		
The Customer Charge shall be the minimum charge		
DUE DATE OF BILL		
Customer's payment will be due within twelve (12) days from date of bill.		
LATE PAYMENT CHARGE		
If full payment is not received within three (3) days from the due date of the bill, a 5% late payment charge will be assessed on the current month's charges		
TERMS AND CONDITIONS		
Service will be furnished under Company's Terms and Conditions applicable hereto		

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Date of Issue:

Date Effective: February 6, 2009

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

Standard Rate	VFD	
Volunteer Fire Department Service		
APPLICABLE		
In all territory served.		
AVAILABILITY OF SERVICE		
Available for single-phase delivery, in accordance with the provisions of KRS 278.172, to any volunteer fire department qualifying for aid under KRS 95A.262. Service under this rate schedule is at the option of the customer with the customer determining whether service will be provided under this schedule or any other schedule applicable to this load.		
DEFINITION		
To be eligible for this rate a volunteer fire department is defined as:		
<ol style="list-style-type: none"> 1) having at least 12 members and a chief, 2) having at least one fire fighting apparatus, and 3) half the members must be volunteers 		
RATE		
Customer Charge:	\$5 00 per month	
Plus an Energy Charge of:	\$0.05716 per kWh	
ADJUSTMENT CLAUSES		
The bill amount computed at the charges specified above shall be increased or decreased in accordance with:		
Fuel Adjustment Clause		Sheet No. 85
Demand-Side Management Cost Recovery Mechanism		Sheet No. 86
Environmental Cost Recovery Surcharge		Sheet No. 87
Franchise Fee Rider		Sheet No. 90
School Tax		Sheet No. 91
MINIMUM CHARGE		
The Customer Charge shall be the minimum charge		
DUE DATE OF BILL		
Customer's payment will be due within twelve (12) days from date of bill.		
LATE PAYMENT CHARGE		
If full payment is not received within three (3) days from the due date of the bill, a 5% late payment charge will be assessed on the current month's charges.		
TERMS AND CONDITIONS		
Service will be furnished under Company's Terms and Conditions applicable hereto		

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Date of Issue:

Date Effective: February 6, 2009

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

Standard Rate	GS	
		General Service Rate
APPLICABLE		
In all territory served		
AVAILABILITY OF SERVICE		
To general lighting and small power loads for secondary service.		
Service under this schedule will be limited to average maximum loads not exceeding 50 kW. Existing customers with an average maximum load exceeding 50 kW who are receiving service under P.S.C. 13, Fourth Revision of Original Sheet No. 10 as of February 6, 2009, will continue to be served under this rate at their option. New customers, upon demonstrating an average demand of 50 kW or greater, will be served under the appropriate rate schedule.		
RATE		
Customer Charge:	\$10.00 per month for single-phase service	
	\$10.00 per month for three-phase service	
Plus an Energy Charge of:	\$0.06681 per kWh	
ADJUSTMENT CLAUSES		
The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:		
Fuel Adjustment Clause		Sheet No. 85
Demand-Side Management Cost Recovery Mechanism		Sheet No. 86
Environmental Cost Recovery Surcharge		Sheet No. 87
Franchise Fee Rider		Sheet No. 90
School Tax		Sheet No. 91
MINIMUM CHARGE		
The Customer Charge shall be the minimum charge		
DUE DATE OF BILL		
Customer's payment will be due within twelve (12) days from date of bill.		
LATE PAYMENT CHARGE		
If full payment is not received within three (3) days from the due date of the bill, a 5% late payment charge will be assessed on the current month's charges.		
TERMS AND CONDITIONS		
Service will be furnished under Company's Terms and Conditions applicable hereto.		

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Date of Issue:
Date Effective: February 6, 2009
Issued By: Lonnie E. Bellar, Vice President, State Regulation and Rates, Lexington, Kentucky

Standard Rate	A.E.S.								
All Electric School									
<p>APPLICABLE In all territory served.</p>									
<p>AVAILABILITY OF SERVICE Service under this rate is available where energy requirement for (1) a complex of school buildings on a central campus, (2) an individual school building, or (3) an addition to an existing school building is served electrically by Kentucky Utilities Company; such energy requirement to include, but not be limited to, lighting, heating, cooling and water heating. Other school buildings not so receiving every energy requirement electrically shall be separately metered from the above defined service and served under another appropriate applicable rate. At those locations where the school owns its distribution system and makes the service connections therefrom to the various buildings and/or load centers, the Company shall be given the option of providing service by use of the existing Customer owned distribution system, or of constructing its own facilities in accordance with the Company's Overhead Construction Standards. In any event, the Company's investment in construction may be limited to an amount not exceeding twice the estimated annual revenue from the service so connected. If the Customer desires, he will be allowed to make a contribution for the remaining requirement, so as to receive service under this schedule.</p> <p>School buildings, as referred to herein, shall be defined as buildings used as classrooms, laboratories, gymnasiums, libraries, cafeterias, school related offices or for other bona fide school purposes by duly constituted school authorities of Kentucky. This Rate Schedule is not available to include buildings of privately operated kindergartens or day care centers and is restricted to those customers receiving service as of the effective date when this schedule is approved by the Public Service Commission.</p> <p>Other fuels may be used as incidental to and for instructional laboratory and other miscellaneous purposes without affecting the availability of this rate.</p>									
<p>RATE All kilowatt-hours: \$0.05519 per kWh.</p>									
<p>ADJUSTMENT CLAUSES The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:</p> <table style="width: 100%; border: none;"> <tr> <td style="width: 60%;">Fuel Adjustment Clause</td> <td>Sheet No. 85</td> </tr> <tr> <td>Environmental Cost Recovery Surcharge</td> <td>Sheet No. 87</td> </tr> <tr> <td>Franchise Fee Rider</td> <td>Sheet No. 90</td> </tr> <tr> <td>School Tax</td> <td>Sheet No. 91</td> </tr> </table>		Fuel Adjustment Clause	Sheet No. 85	Environmental Cost Recovery Surcharge	Sheet No. 87	Franchise Fee Rider	Sheet No. 90	School Tax	Sheet No. 91
Fuel Adjustment Clause	Sheet No. 85								
Environmental Cost Recovery Surcharge	Sheet No. 87								
Franchise Fee Rider	Sheet No. 90								
School Tax	Sheet No. 91								

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Date of Issue:
Date Effective: February 6, 2009
Issued By: Lonnie E. Bellar, Vice President, State Regulation and Rates, Lexington, Kentucky

Standard Rate	A.E.S.
All Electric School	
MINIMUM CHARGE	
<p>An Annual Minimum Charge of \$20.47 per kW for all connected equipment, except air-conditioning and other individual equipment of one (1) kW or less, but not less than \$204.70 per year. Payments to be made monthly of not less than 1/12 of the annual minimum until the aggregate payments during the contract year equal the annual minimum. However, minimum payments made in excess of the amount bases on the rate schedule will be applied as a credit on billings for energy used during the contract year.</p>	
DUE DATE OF BILL	
<p>Customer's payment will be due within twelve (12) days from date of bill.</p>	
LATE PAYMENT CHARGE	
<p>If full payment is not received within three (3) days from the due date of the bill, a 5% late payment charge will be assessed on the current month's charges.</p>	

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Date of Issue:
Date Effective: February 6, 2009
Issued By: Lonnie E. Bellar, Vice President, State Regulation and Rates, Lexington, Kentucky

Standard Rate	PS Power Service	
APPLICABLE In all territory served		
AVAILABILITY OF SERVICE This rate schedule is available for secondary or primary service. Service under this schedule will be limited to minimum average secondary loads of 50 kW and maximum average loads not exceeding 250 kW. Secondary or primary customers receiving service under PSC 13, Fourth Revision of Original Sheet No. 20, Large Power Service, or Fourth Revision of Original Sheet No. 30, Mine Power Service, as of February 6, 2009, with loads not meeting this criteria will continue to be served under this rate at their option. Customers initiating service on this rate after February 6, 2009, and whose load characteristics subsequently do not meet this criteria will be billed on the appropriate rate		
RATE		
Customer Charge per month:	Secondary \$75.00	Primary \$75.00
Plus an Energy Charge per kWh of:	\$ 0.03223	\$ 0.03223
Plus a Maximum Load Charge per kW of:	\$ 7.65	\$ 7.26
ADJUSTMENT CLAUSES The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:		
Fuel Adjustment Clause		Sheet No. 85
Demand-Side Management Cost Recovery Mechanism		Sheet No. 86
Environmental Cost Recovery Surcharge		Sheet No. 87
Franchise Fee Rider		Sheet No. 90
School Tax		Sheet No. 91
DETERMINATION OF MAXIMUM LOAD The load will be measured and will be the average kW demand delivered to the customer during the 15-minute period of maximum use during the month. Company reserves the right to place a kVA meter and base the billing demand on the measured kVA. The charge will be computed based on the measured kVA times 90 percent of the applicable kW charge. In lieu of placing a kVA meter, Company may adjust the measured maximum load for billing purposes when power factor is less than 90 percent in accordance with the following formula: (BASED ON POWER FACTOR MEASURED AT TIME OF MAXIMUM LOAD). Adjusted Maximum kW Load for Billing Purposes = $\frac{\text{Maximum Load Measured} \times 90\%}{\text{Power Factor (in percent)}}$		

Date of Issue:

Date Effective: February 6, 2009

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

Standard Rate	PS
Power Service	
MINIMUM ANNUAL CHARGE	
<p>Service under this schedule is subject to an annual minimum of \$91.80 per kilowatt for secondary delivery and \$87.12 per kilowatt for primary delivery for each yearly period based on the greatest of (a), (b), (c), (d), or (e) as follows:</p>	
<ul style="list-style-type: none"> (a) The highest monthly maximum load during such yearly period; (b) The contract capacity, based on the expected maximum kW demand upon the system; (c) 60 percent of the kW capacity of facilities specified by the customer; (d) Secondary delivery, \$918.00 per year; Primary delivery, \$2,178.00 per year; or (e) Minimum may be adjusted where customer's service requires an abnormal investment in special facilities. 	
<p>Payments to be made monthly of not less than 1/12 of the Annual Minimum until the aggregate payments during the contract year equal the Annual Minimum. However, payments made in excess of the amount based on above rate schedule will be applied as a credit on billings for energy used during contract year. A new customer or an existing customer having made a permanent change in the operation of electrical equipment that materially affects the use in kilowatt-hours and/or use in kilowatts of maximum load will be given an opportunity to determine new service requirements in order to select the most favorable contract year period and rate applicable</p>	
DUE DATE OF BILL	
<p>Customer's payment will be due within twelve (12) days from date of bill.</p>	
LATE PAYMENT CHARGE	
<p>If full payment is not received within three (3) days from the due date of the bill, a 1% late payment charge will be assessed on the current month's charges.</p>	
TERM OF CONTRACT	
<p>For a fixed term of not less than one (1) year and for such time thereafter until terminated by either party giving thirty (30) days written notice to the other of the desire to terminate</p>	
TERMS AND CONDITIONS	
<p>Service will be furnished under Company's Terms and Conditions applicable hereto</p>	

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Date of Issue:

Date Effective: February 6, 2009

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

Kentucky Utilities Company

P.S.C. No. 14, Original Sheet No. 20

Standard Rate	TOD Time-of-Day Service	
APPLICABLE In all territory served		
AVAILABILITY OF SERVICE This schedule is available for secondary or primary service. Service under this schedule will be limited to minimum average loads of 250kW and maximum average loads not exceeding 5,000 kW. Customers initiating service on this rate whose load characteristics subsequently do not meet this criteria will be billed on the appropriate rate.		
RATE		
Customer Charge per month:	<u>Secondary</u> \$ 90.00	<u>Primary</u> \$120.00
Plus an Energy Charge per kWh of:	\$ 0.03223	\$ 0.03223
Plus a Maximum Load Charge per kW of:		
On-Peak Demand	\$ 6.39	\$ 6.00
Off-Peak Demand	\$ 1.27	\$ 1.27
ADJUSTMENT CLAUSES The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:		
Fuel Adjustment Clause		Sheet No. 85
Demand-Side Management Cost Recovery Mechanism		Sheet No. 86
Environmental Cost Recovery Surcharge		Sheet No. 87
Franchise Fee Rider		Sheet No. 90
School Tax		Sheet No. 91
DETERMINATION OF MAXIMUM LOAD		
The load will be measured and will be the average kW demand delivered to the customer during the 15-minute period of maximum use during the appropriate rating period each month.		
Company reserves the right to place a kVA meter and base the billing demand on the measured kVA. The charge will be computed based on the measured kVA times 90 percent, at the applicable kW charge.		
In lieu of placing a kVA meter, Company may adjust the measured maximum load for billing purposes when power factor is less than 90 percent in accordance with the following formula: (BASED ON POWER FACTOR MEASURED AT TIME OF MAXIMUM LOAD)		
Adjusted Maximum kW Load for Billing Purposes = $\frac{\text{Maximum kW Load Measured} \times 90\%}{\text{Power Factor (in percent)}}$		

Date of Issue:

Date Effective: February 6, 2009

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

Standard Rate	TOD
Time-of-Day Service	
RATING PERIODS	
The rating periods applicable to the Maximum Load charges shall be as follows:	
On-Peak Period during Summer Billing Months of June through September is defined as weekdays from 10:00 a.m. to 9:00 p.m., Eastern Standard Time, throughout Company's service area	
On-Peak Period during Winter Billing Months of October through May is defined as weekdays from 8:00 a.m. to 10:00 p.m., Eastern Standard Time, throughout Company's service area	
Off-Peak Period – All hours Monday through Friday not included above, plus all hours of Saturday and Sunday	
MINIMUM ANNUAL CHARGE	
Service under this schedule is subject to an annual minimum of \$76.68 per kilowatt for secondary and \$72.00 per kilowatt for primary on-peak delivery for each yearly period based on the greatest of (a), (b), (c), (d), or (e) as follows:	
<ul style="list-style-type: none">(a) The highest monthly on-peak maximum load during such yearly period;(b) The contract capacity, based on the expected maximum kW demand upon the system;(c) Sixty percent of the kW capacity of facilities specified by the customer;(d) Secondary delivery, \$918.00 per year; Primary delivery, \$2,178.00 per year; or(e) Minimum may be adjusted where customer's service requires an abnormal investment in special facilities	
Payments to be made monthly of not less than 1/12 of the Annual Minimum until the aggregate payments during the contract year equal the Annual Minimum. However, payments made in excess of the amount based on above rate schedule will be applied as a credit on billings for energy used during contract year.	
DUE DATE OF BILL	
Customer's payment will be due within twelve (12) days from date of bill.	
LATE PAYMENT CHARGE	
If full payment is not received within three (3) days from the due date of the bill, a 1% late payment charge will be assessed on the current month's charges.	
TERM OF CONTRACT	
Service will be furnished under this schedule only under contract for a fixed term of not less than one (1) year, and for yearly periods thereafter until terminated by either party giving written notice to the other party 90 days prior to termination. Company, however, may require a longer fixed term of contract and termination notice because of conditions associated with the customer's requirements for service.	
TERMS AND CONDITIONS	
Service will be furnished under Company's Terms and Conditions applicable hereto.	

Date of Issue:

Date Effective: February 6, 2009

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

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Standard Rate	LTOD										
Large Time-of-Day Service											
<p>APPLICABLE In all territory served</p>											
<p>AVAILABILITY OF SERVICE This schedule is available for primary service. Service under this schedule will be limited to minimum average loads of 5,000kW and maximum average loads not exceeding 50,000 kW. Customers with new or increased load requirements that exceed 50,000 kW will have a rate developed based upon their electrical characteristics. Customers initiating service on this rate whose load characteristics subsequently do not meet this criteria will be billed on the appropriate rate.</p>											
<p>RATE</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">Customer Charge per month:</td> <td style="text-align: right;">\$120 00</td> </tr> <tr> <td>Plus an Energy Charge per kWh of:</td> <td style="text-align: right;">\$ 0.03223</td> </tr> <tr> <td>Plus a Maximum Load Charge per kW of:</td> <td></td> </tr> <tr> <td style="padding-left: 20px;">On-Peak Demand</td> <td style="text-align: right;">\$ 5.12</td> </tr> <tr> <td style="padding-left: 20px;">Off-Peak Demand</td> <td style="text-align: right;">\$ 1.27</td> </tr> </table>		Customer Charge per month:	\$120 00	Plus an Energy Charge per kWh of:	\$ 0.03223	Plus a Maximum Load Charge per kW of:		On-Peak Demand	\$ 5.12	Off-Peak Demand	\$ 1.27
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Environmental Cost Recovery Surcharge	Sheet No. 87										
Franchise Fee Rider	Sheet No. 90										
School Tax	Sheet No. 91										
<p>DETERMINATION OF MAXIMUM LOAD The load will be measured and will be the average kW demand delivered to the customer during the 15-minute period of maximum use during the appropriate rating period each month.</p> <p>Company reserves the right to place a kVA meter and base the billing demand on the measured kVA. The charge will be computed based on the measured kVA times 90 percent, at the applicable kW charge.</p> <p>In lieu of placing a kVA meter, Company may adjust the measured maximum load for billing purposes when power factor is less than 90 percent in accordance with the following formula: (BASED ON POWER FACTOR MEASURED AT TIME OF MAXIMUM LOAD)</p> $\text{Adjusted Maximum kW Load for Billing Purposes} = \frac{\text{Maximum kW Load Measured} \times 90\%}{\text{Power Factor (in percent)}}$											

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Standard Rate	LTOD
Large Time-of-Day Service	
RATING PERIODS	
The rating periods applicable to the Maximum Load charges shall be as follows:	
On-Peak Period during Summer Billing Months of June through September is defined as weekdays from 10:00 a.m. to 9:00 p.m., Eastern Standard Time, throughout Company's service area	
On-Peak Period during Winter Billing Months of October through May is defined as weekdays from 8:00 a.m. to 10:00 p.m., Eastern Standard Time, throughout Company's service area	
Off-Peak Period – All hours Monday through Friday not included above, plus all hours of Saturday and Sunday.	
MINIMUM ANNUAL CHARGE	
Service under this schedule is subject to an annual minimum of \$61.44 per kilowatt for primary on-peak delivery for each yearly period based on the greatest of (a), (b), (c), (d), or (e) as follows:	
<ul style="list-style-type: none"> (a) The highest monthly on-peak maximum load during such yearly period; (b) The contract capacity, based on the expected on-peak maximum kW demand upon the system; (c) Sixty percent of the kW capacity of facilities specified by the customer; (d) Primary delivery, \$307,200 per year; or (e) Minimum may be adjusted where customer's service requires an abnormal investment in special facilities. 	
Payments to be made monthly of not less than 1/12 of the Annual Minimum until the aggregate payments during the contract year equal the Annual Minimum. However, payments made in excess of the amount based on above rate schedule will be applied as a credit on billings for energy used during contract year.	
DUE DATE OF BILL	
Customer's payment will be due within twelve (12) days from date of bill.	
LATE PAYMENT CHARGE	
If full payment is not received within three (3) days from the due date of the bill, a 1% late payment charge will be assessed on the current month's charges.	
TERM OF CONTRACT	
Service will be furnished under this schedule only under contract for a fixed term of not less than one (1) year, and for yearly periods thereafter until terminated by either party giving written notice to the other party ninety (90) days prior to termination. Company, however, may require a longer fixed term of contract and termination notice because of conditions associated with the customer's requirements for service.	
TERMS AND CONDITIONS	
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Standard Rate	RTS
Retail Transmission Service	
APPLICABLE	
In all territory served.	
AVAILABILITY OF SERVICE	
This schedule is available for transmission service. Service under this schedule will be limited to maximum average loads not exceeding 50,000 kVA. Customers with new or increased load requirements that exceed 50,000 kVA will have rate developed based upon their electrical characteristics	
RATE	
Customer Charge per month:	<u>Transmission</u> \$120.00
Plus an Energy Charge per kWh of:	\$ 0.03223
Plus a Maximum Load Charge per kVA of:	
On-Peak Demand	\$ 4.39
Off-Peak Demand	\$ 1.13
ADJUSTMENT CLAUSES	
The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:	
Fuel Adjustment Clause	Sheet No. 85
Demand-Side Management Cost Recovery Mechanism	Sheet No. 86
Environmental Cost Recovery Surcharge	Sheet No. 87
Franchise Fee Rider	Sheet No. 90
School Tax	Sheet No. 91
DETERMINATION OF MAXIMUM LOAD	
The load will be measured and will be the average kVA demand delivered to the customer during the 15-minute period of maximum use during the appropriate rating period each month.	
RATING PERIODS	
The rating periods applicable to the Maximum Load charges shall be as follows:	
On-Peak Period during Summer Billing Months of June through September is defined as weekdays from 10:00 a.m. to 9:00 p.m., Eastern Standard Time, throughout Company's service area	
On-Peak Period during Winter Billing Months of October through May is defined as weekdays from 8:00 a.m. to 10:00 p.m., Eastern Standard Time, throughout Company's service area	
Off-Peak Period – All hours Monday through Friday not included above, plus all hours of Saturday and Sunday.	

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Standard Rate	RTS
Retail Transmission Service	
MINIMUM ANNUAL CHARGE	
Service under this schedule is subject to an annual minimum of \$52.68 per kVA for transmission on-peak delivery for each yearly period based on the greater of (a), (b), (c), or (d), as follows:	
<ul style="list-style-type: none">(a) The highest monthly on-peak load during such yearly period;(b) The contract capacity, based on the expected on-peak maximum kW demand upon the system;(c) Sixty percent of the kW capacity of facilities specified by the customer; or(d) Minimum may be adjusted where customer's service requires an abnormal investment in special facilities	
Payments to be made monthly of not less than 1/12 of the Annual Minimum until the aggregate payments during the contract year equal the Annual Minimum. However, payments made in excess of the amount based on above rate schedule will be applied as a credit on billings for energy used during contract year.	
DUE DATE OF BILL	
Customer's payment will be due within twelve (12) days from date of bill.	
LATE PAYMENT CHARGE	
If full payment is not received within three (3) days from the due date of the bill, a 1% late payment charge will be assessed on the current month's charges	
TERM OF CONTRACT	
Service will be furnished under this schedule only under contract for a fixed term of not less than one (1) year and for yearly periods thereafter until terminated by either party giving written notice to the other party ninety (90) days prior to termination. Company, however, may require a longer fixed term of contract and termination notice because of conditions associated with the customer's requirements for service.	
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Kentucky Utilities Company

P. S. C. No. 14, Original Sheet No. 30

Standard Rate	IS	
Industrial Service		
APPLICABLE		
In all territory served.		
AVAILABILITY OF SERVICE		
Available for three-phase delivery to customers up to an aggregate of two hundred (200) MVA for all customers taking service under this schedule and under the Industrial Service Rate IS schedule of Louisville Gas and Electric Company. This schedule is restricted to individual customers whose monthly demand is twenty (20) MVA or greater. A customer is defined as large industrial time-of-day if that customer's load either increases or decreases twenty (20) MVA or more per minute or seventy (70) MVA or more in ten (10) minutes when such increases or decreases exceed one (1) occurrence per hour during any hour of the billing month.		
Subject to the above aggregate limit of two hundred (200) MVA, this schedule is mandatory for all customers whose load is defined as large industrial time-of-day and not served on another standard rate schedule as of July 1, 2004.		
BASE RATE		
Customer Charge:	\$120.00 per month	
Energy Charge of:	<u>Primary</u>	<u>Transmission</u>
Per monthly billing period	\$0.03223 per kWh	\$0.02767 per kWh
Plus a Demand Charge of:		
Per monthly billing period		
Standard Load Charges:		
On-Peak	\$4.79 per kVA	\$4.58 per kVA
Off-Peak	\$0.93 per kVA	\$0.93 per kVA
Where the monthly Standard On-Peak billing and Off-Peak billing are the greater of the applicable charge per kVA times:		
a) the maximum metered standard demand, as measured over a fifteen (15) minute interval, for each peak period in the monthly billing period;		
b) 60% of the maximum metered standard demand, as determined in (a) above, for each peak period in the preceding eleven (11) monthly billing periods;		
c) 60% of the contract capacity based on the expected maximum demand upon the system; or		
d) minimum may be adjusted where customer's service requires an abnormal investment in special facilities.		
Plus Fluctuating Load Charges:		
On-Peak	\$2.29 per kVA	\$2.20 per kVA
Off-Peak	\$0.37 per kVA	\$0.37 per kVA

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Standard Rate	IS								
Industrial Service									
<p>Where the monthly Fluctuating On-Peak billing and Off-Peak billing are the greater of the applicable charge per kVA times:</p> <ul style="list-style-type: none"> e) the maximum metered fluctuating demand, as measured over a five (5) minute interval, for each peak period less the maximum metered standard demand for that peak period in the monthly billing period, or f) 60% of the billed fluctuating demand, as determined in (e) above, for each peak period in the preceding eleven (11) monthly billing periods 									
<p>RATING PERIODS</p> <p>The rating periods applicable to the peak load charges shall be as follows:</p> <p>The On-Peak Period during the four consecutive summer billing months of June through September is defined as weekdays from 10:00 a.m. to 9:00 p.m., Eastern Standard Time (EST), year round, throughout Company's service territory.</p> <p>The On-Peak Period during the eight consecutive winter billing months of October through May is defined as weekdays from 8:00 a.m. to 10:00 p.m., Eastern Standard Time (EST), year round, throughout Company's service territory.</p> <p>The Off-Peak Period shall consist of all other hours.</p>									
<p>MINIMUM CHARGE</p> <p>The minimum charge will be the Demand Charge. Without limiting the foregoing, the Demand Charge shall be due regardless of any event or occurrence that might limit (a) Customer's ability or interest in operating Customer's facility, including but without limitation any acts of God, fires, floods, earthquakes, acts of government, terrorism, severe weather, riot, embargo, changes in law, or strikes or (b) Company's ability to serve customer.</p>									
<p>ADJUSTMENT CLAUSES</p> <p>The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:</p> <table style="width: 100%; border: none;"> <tr> <td style="width: 60%;">Fuel Adjustment Clause</td> <td style="text-align: right;">Sheet No. 85</td> </tr> <tr> <td>Environmental Cost Recovery Surcharge</td> <td style="text-align: right;">Sheet No. 87</td> </tr> <tr> <td>Franchise Fee Rider</td> <td style="text-align: right;">Sheet No. 90</td> </tr> <tr> <td>School Tax</td> <td style="text-align: right;">Sheet No. 91</td> </tr> </table>		Fuel Adjustment Clause	Sheet No. 85	Environmental Cost Recovery Surcharge	Sheet No. 87	Franchise Fee Rider	Sheet No. 90	School Tax	Sheet No. 91
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Standard Rate

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Industrial Service

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TERM OF CONTRACT

Unless terminated by mutual agreement, the initial term of contract for service shall be for a fixed term of five years with successive one year term renewal until canceled by either party giving at least one (1) year written notice to the other prior to the end of the initial term or the then current annual renewal period, as applicable.

PROTECTION OF SERVICE

Where Customer's use of service is intermittent, subject to violent or extraordinary fluctuations, or produces unacceptable levels of harmonic current, in each case as determined by Company in its reasonable discretion, Company reserves the right to require Customer to furnish, at Customer's own expense, suitable equipment (as approved by Company in its reasonable discretion) to meter and limit such intermittence, fluctuation, or harmonics to the extent reasonably requested by Company. Without limiting the foregoing, Company may require such equipment if, at any time, the megavars, harmonics, and other undesirable electrical characteristics produced by the Customer exceed the limits set forth in the IEEE standards for such characteristics. In addition, if the Customer's use of Company's service under this schedule causes such undesirable electrical characteristics in an amount exceeding those IEEE standards, such use shall be deemed to cause a dangerous condition which could subject any person to imminent harm or result in substantial damage to the property of Company or others, and Company shall therefore terminate service to the Customer in accordance with 807 KAR 5:056, Section 14(b). Such a termination of service shall not be considered a cancellation of the service agreement or relieve Customer of any minimum billing or other guarantees. Company shall be held harmless for any damages or economic loss resulting from such termination of service. If requested by Company, Customer shall provide all available information to Company that aids Company in enforcing its service standards. If Company at any time has a reasonable basis for believing that Customer's proposed or existing use of the service provided will not comply with the service standards for interference, fluctuations, or harmonics, Company may engage such experts and/or consultants as Company shall determine are appropriate to advise Company in ensuring that such interference, fluctuations, or harmonics are within acceptable standards. Should such experts and/or consultants determine Customer's use of service is unacceptable, Company's use of such experts and/or consultants will be at the Customer's expense.

SYSTEM CONTINGENCIES AND INDUSTRY SYSTEM PERFORMANCE CRITERIA

Company reserves the right to interrupt up to 95% of Customer's load to facilitate Company compliance with system contingencies and with industry performance criteria. Customer will permit Company to install electronic equipment and associated real-time metering to permit Company interruption of Customer's load. Such equipment will immediately notify Customer five (5) minutes before an electronically initiated interruption that will begin immediately thereafter and last no longer than ten (10) minutes nor shall the interruptions exceed twenty (20) per month. Such interruptions will not be accumulated nor credited against annual hours, if any, under the CURTAILMENT SERVICE RIDER 3. Company's right to interrupt under this provision is restricted to responses to unplanned outage or de-rates of E ON U.S. LLC System (EUS System) owned or purchased generation or when Automatic Reserve Sharing is invoked with ECAR or an ISO/TRO. EUS System, as used herein, shall consist of KU and LG&E. At customer's request, Company shall provide documentation of the need for interruption under this provision within sixty (60) days of the end of the applicable billing period.

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Kentucky Utilities Company

P.S.C. No. 14, Original Sheet No. 30.3

Standard Rate

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Industrial Service

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LIABILITY

In no event shall Company have any liability to the Customer or any other party affected by the electrical service to the Customer for any consequential, indirect, incidental, special, or punitive damages, and such limitation of liability shall apply regardless of claim or theory. In addition, to the extent that Company acts within its rights as set forth herein and/or any applicable law or regulation, Company shall have no liability of any kind to the Customer or any other party. In the event that the Customer's use of Company's service causes damage to Company's property or injuries to persons, the Customer shall be responsible for such damage or injury and shall indemnify, defend, and hold Company harmless from any and all suits, claims, losses, and expenses associated therewith.

TERMS AND CONDITIONS

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

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Standard Rate	ST. LT.																																																			
Street Lighting Service																																																				
AVAILABILITY OF SERVICE																																																				
<p>This rate schedule is available, for the various types of street lighting services shown herein, in any community in which the Company has an electric franchise. Service is subject to the provisions herein and the provisions of the Company's standard contract for street lighting service. Should the service not meet these standard provisions, then the Company reserves the right to revise the charges listed hereinafter so as to include any additional or unusual cost involved.</p>																																																				
STANDARD/ORNAMENTAL SERVICE																																																				
<p>1. STANDARD OVERHEAD SYSTEM: Street lighting equipment furnished under the Standard Overhead Rate shall consist of wood poles, brackets, appropriate fixtures for the lamps being used, the necessary overhead street lighting circuit, protective equipment, controls and transformers. The Company will install, own, operate and maintain the entire street lighting system, including circuits, lighting fixtures and lamp replacements. The Customer shall pay the Standard Overhead Rate.</p>																																																				
<p>2. ORNAMENTAL OVERHEAD SYSTEM: The Company will, upon request, furnish under the Ornamental Overhead Rate, ornamental poles of the Company's choosing, together with overhead wiring and all other equipment and provisions mentioned in 2 above. The Customer will pay the Ornamental Overhead Rate.</p>																																																				
<p>3. OTHER THAN CONVENTIONAL OVERHEAD SYSTEMS: Should the Customer require, either initially or upon replacement, a system or equipment other than that described in 2 or 3 above for lamp sizes as provided herein, (this constituting a conventional overhead system) the Customer may make a non-refundable contribution to the Company equal to the difference in the installed cost between the system or equipment so required and the cost of a conventional overhead system as hereinbefore defined. In a similar manner the Customer will pay the difference in the cost of operation and maintaining such a system or equipment and the cost of operation and maintaining a conventional Overhead System. Any installation costs which are to be borne by the Customer, should be paid at the time of installation.</p>																																																				
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<p>NOTE: * Incandescent is restricted to those fixtures in service on October 12, 1982. Mercury Vapor is restricted to those fixtures in service on February 1, 2004. Upon failure, existing fixtures will either be removed from service or replaced with available lighting at the customer's option.</p>																																																				

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Kentucky Utilities Company

P.S.C. No. 14, Original Sheet No. 35.1

Standard Rate	ST. LT.		
Street Lighting Service			
DECORATIVE UNDERGROUND SERVICE			
<p>1. FURNISHED EQUIPMENT: Street lighting equipment furnished hereunder shall consist of appropriate size decorative poles and fixtures for the lamps being used, the necessary underground conductor, protective equipment, controls and transformers. The Company will install, own, operate and maintain the entire street lighting system, including conductor, decorative poles, fixtures and lamp replacements. The Customer shall pay the rate as shown plus, at the time of installation, pay to the Company the amount to cover the additional cost of underground over the equivalent overhead street lighting circuitry.</p> <p>2. STORAGE PROVISION FOR GRAN VILLE LIGHT AND ACCESSORIES: If the Company provides storage for the fixture, poles and/or the accessories, an adder of 12.50% will apply to the monthly rate per light.</p>			
RATE	HIGH PRESSURE SODIUM (HPS)		
<u>Type Of Pole & Fixture</u>	<u>Lumen Output (Approximate)</u>	<u>Load/Light In kW</u>	<u>Monthly Rate Per Light</u>
Acorn (Decorative Pole)	4,000	0.060	\$10.72
Acorn (Historic Pole)	4,000	0.060	\$17.13
Acorn (Decorative Pole)	5,800	0.083	\$11.66
Acorn (Historic Pole)	5,800	0.083	\$17.78
Acorn (Decorative Pole)	9,500	0.117	\$12.48
Acorn (Historic Pole)	9,500	0.117	\$18.61
Colonial	4,000	0.060	\$ 7.33
Colonial	5,800	0.083	\$ 7.89
Colonial	9,500	0.117	\$ 8.63
Coach	5,800	0.083	\$26.39
Coach	9,500	0.117	\$27.11
Contemporary	5,800	0.083	\$13.38
Contemporary	9,500	0.117	\$16.00
Contemporary	22,000	0.242	\$18.96
Contemporary	50,000	0.485	\$25.19
Gran Ville	16,000	0.150	\$40.19
Gran Ville Accessories:			
* Single Crossarm Bracket			\$16.13
Twin Crossarm Bracket			\$17.96
24 Inch Banner Arm			\$ 2.80
24 Inch Clamp Banner Arm			\$ 3.87
18 Inch Banner Arm			\$ 2.58
18 Inch Clamp On Banner Arm			\$ 3.19
Flagpole Holder			\$ 1.19
Post-Mounted Receptacle			\$16.75
Base-Mounted Receptacle			\$16.16
** Additional Receptacles			\$ 2.29
Planter			\$ 3.88
Clamp On Planter			\$ 4.31
* For Existing Poles Only			
** For 2 Receptacles on Same Pole			

Date of Issue:

Date Effective: February 6, 2009

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

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Standard Rate	ST. LT.
Street Lighting Service	
ADJUSTMENT CLAUSES	
The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:	
Fuel Adjustment Clause	Sheet No. 85
Environmental Cost Recovery Surcharge	Sheet No. 87
Franchise Fee Rider	Sheet No. 90
School Tax	Sheet No. 91
DUE DATE OF BILL	
Customer's payment will be due within twelve (12) days from date of bill.	
DETERMINATION OF ENERGY CONSUMPTION	
The kilowatt-hours will be determined as set forth on Sheet No. 67 of this Tariff.	

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Date of Issue:

Date Effective: February 6, 2009

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

Kentucky Utilities Company

P.S.C. No. 14, Original Sheet No. 36

Standard Rate	P.O. LT.		
Private Outdoor Lighting			
APPLICABLE			
<i>In all territory served</i>			
AVAILABILITY OF SERVICE			
Service under this schedule is offered, under the conditions set out hereinafter, for lighting applications on private property such as, but not limited to, residential, commercial and industrial plant site or parking lot, other commercial area lighting, etc. to Customers now receiving electric service from the Company at the same location. Service will be provided under written contract signed by Customer prior to service commencing, when facilities are required other than fixture(s).			
RATE			
STANDARD (SERVED OVERHEAD)			
TYPE LIGHT	APPROX. LUMENS	kW RATING	MONTHLY CHARGE
Open Bottom Mercury Vapor	7,000**	.207	\$ 8.68
Cobra Mercury Vapor	20,000**	.453	\$11.03
Open Bottom High Pressure Sodium	5,800	.083	\$ 4.82
Open Bottom High Pressure Sodium	9,500	.117	\$ 5.57
Cobra High Pressure Sodium	22,000	.242	\$10.27
Cobra High Pressure Sodium	50,000	.485	\$16.92
DIRECTIONAL (SERVED OVERHEAD)			
TYPE LIGHT	APPROX. LUMENS	kW RATING	MONTHLY CHARGE
Directional High Pressure Sodium	9,500	.117	\$ 6.64
Directional High Pressure Sodium	22,000	.242	\$ 9.70
Directional High Pressure Sodium	50,000	.485	\$15.20
The Company will furnish a complete standard or directional fixture with appropriate mast arm on existing poles with available secondary voltage of 120/240.			
Where the location of existing poles are not suitable or where there are no existing poles for mounting of lights, and the Customer requests service under these conditions, the Company may furnish the required facilities at an additional charge per month to be determined by the Company. These additional charges are subject to change by Company upon thirty (30) days prior written notice.			

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

Kentucky Utilities Company

P.S.C. No. 14, Original Sheet No. 36.1

Standard Rate	P.O. LT.			
Private Outdoor Lighting				
<p>All facilities required by Company will be standard stocked material. When underground facilities are requested and the Company agrees to underground service, the Customer will be responsible for ditching and back-filling and seeding and/or repaving as necessary, and provide, own and maintain all conduit.</p>				
METAL HALIDE COMMERCIAL AND INDUSTRIAL LIGHTING				
TYPE POLE AND FIXTURE	APPROX. LUMENS	KW RATING	MONTHLY CHARGE	
Directional Fixture Only	12,000	0.207	\$ 9.94	R
Directional Fixture With Wood Pole	12,000	0.207	\$11.97	R
Directional Fixture With Direct Burial Metal Pole	12,000	0.207	\$18.61	T/R
Directional Fixture Only	32,000	0.450	\$14.39	R
Directional Fixture With Wood Pole	32,000	0.450	\$16.43	R
Directional Fixture With Metal Pole	32,000	0.450	\$23.06	R
Directional Fixture Only	107,800	1.080	\$30.30	R
Directional Fixture With Wood Pole	107,800	1.080	\$33.13	R
Directional Fixture With Metal Pole	107,800	1.080	\$38.32	R
Contemporary Fixture Only	12,000	0.207	\$11.07	R
Contemporary Fixture With Direct Burial Metal Pole	12,000	0.207	\$19.76	T/R
Contemporary Fixture Only	32,000	0.450	\$15.98	R
Contemporary Fixture With Metal Pole	32,000	0.450	\$24.65	R
Contemporary Fixture Only	107,800	1.080	\$32.93	R
Contemporary Fixture With Metal Pole	107,800	1.080	\$41.61	R

Date of Issue:

Date Effective: February 6, 2009

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

Kentucky Utilities Company

P.S.C. No. 14, Original Sheet No. 36.2

Standard Rate	P.O. LT.		
Private Outdoor Lighting			
<p>Company, where secondary voltage of 120/240 is available, will furnish, own, and maintain poles, fixtures and any necessary circuitry up to 100 feet. All poles and fixtures furnished by Company will be standard stocked materials. Where Customer's location would require the installation of additional facilities, Company may furnish, own, and maintain the requested facilities at an additional charge per month to be determined by Company. Such charges are subject to change by Company upon 30 days prior written notice.</p> <p>Customer is to pay the monthly rate plus any additional charge determined above plus provide all ditching, back-filling, and repaving/seeding/sodding as necessary and provide, own, and maintain all conduit. Company may, at Customer's request, provide all ditching, back-filling, and repaving/seeding/sodding as necessary for payment, in advance, of Company's cost to provide those services. Upon termination of service, the Company shall not be required to remove underground facilities.</p> <p>Where Customer has need for non-stocked styles of poles or fixtures, Company may agree to provide the requested styles for payment, in advance, by Customer of the cost difference between the requested styles and the stock materials. Customer accepts that Company's maintenance of non-stock materials is dependent on outside vendors and that maintenance of non-stock styles may be delayed or materials unavailable.</p>			
DECORATIVE HPS (SERVED UNDERGROUND)			
TYPE POLE AND FIXTURE	APPROX. LUMENS	kW RATING	MONTHLY CHARGE
Acorn Decorative	4,000	0.060	\$11.01
Acorn Historic	4,000	0.060	\$17.13
Acorn Decorative	5,800	0.083	\$11.66
Acorn Historic	5,800	0.083	\$17.68
Acorn Decorative	9,500	0.117	\$12.50
Acorn Historic	9,500	0.117	\$18.61
Colonial	4,000	0.060	\$ 7.33
Colonial	5,800	0.083	\$ 7.89
Colonial	9,500	0.117	\$ 8.63
Coach	5,800	0.083	\$26.38
Coach	9,500	0.117	\$27.11
Contemporary	5,800	0.083	\$13.38
Contemporary	9,500	0.117	\$16.00
Contemporary	22,000 *	0.242	\$18.96
Contemporary	50,000 *	0.485	\$25.19
Gran Ville	16,000	0.150	\$40.19

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

Kentucky Utilities Company

P.S.C. No. 14, Original Sheet No. 36.3

Standard Rate	P.O. LT.
Private Outdoor Lighting	
Gran Ville Accessories:	MONTHLY CHARGE
*** Single Crossarm Bracket	\$16.13
Twin Crossarm Bracket	\$17.96
24 Inch Banner Arm	\$ 2.80
24 Inch Clamp Banner Arm	\$ 3.87
18 Inch Banner Arm	\$ 2.58
18 Inch Clamp Banner Arm	\$ 3.19
Flagpole Holder	\$ 1.19
Post-Mounted Receptacle	\$16.75
Base-Mounted Receptacle	\$16.16
**** Additional Receptacle	\$ 2.29
Planter	\$ 3.88
Clamp On Planter	\$ 4.31
<p>Company to furnish, own, and maintain decorative poles, fixtures and any necessary circuitry up to 100 feet for the size lamps being used. Additional facilities required by Customer will be provided at a charge to be determined by the Company. These additional charges are subject to change by the Company upon 30 days prior written notice. All facilities furnished by the Company will be standard stocked material. Customer to pay rate plus any additional charges as determined above plus provide all ditching, back-filling, and repaving/seeding/sodding as necessary, and provide, own, and maintain all conduit. Upon termination of this service, the Company shall not be required to remove underground wiring. If the Company provides storage for the fixture, poles and/or the accessories, then an adder of 12.50 % will apply to the rate per light for Gran Ville lights and accessories.</p>	
<p>NOTE: • NOT AVAILABLE FOR URBAN RESIDENTIAL HOME USE ** RESTRICTED TO THOSE FIXTURES IN SERVICE ON AUGUST 20, 1990. UPON FAILURE, EXISTING FIXTURES WILL EITHER BE REMOVED FROM SERVICE OR REPLACED WITH AVAILABLE LIGHTING AT THE CUSTOMER'S OPTION. *** FOR EXISTING POLES ONLY **** FOR 2 RECEPTACLES ON SAME POLE</p>	
<p>ADJUSTMENT CLAUSES The bill amount computed at the charges specified above shall be increased or decreased in accordance with:</p>	
Fuel Adjustment Clause	Sheet No. 85
Environmental Cost Recovery Surcharge	Sheet No. 87
Franchise Fee Rider	Sheet No. 90
School Tax	Sheet No. 91

Date of Issue:

Date Effective: February 6, 2009

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

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Standard Rate	P.O. LT.
Private Outdoor Lighting	
DUE DATE OF BILL	
Payment is due within twelve (12) days from date of bill. Billing for this service to be made a part of bill rendered for other electric service.	
DETERMINATION OF ENERGY CONSUMPTION	
The kilowatt-hours will be determined as set forth on Sheet No. 67 of this Tariff.	
TERM OF CONTRACT	
For a fixed term of not less than five (5) years and for such time thereafter until terminated by either party giving thirty (30) days prior written notice to the other when additional facilities are required. Cancellation by Customer prior to the initial five-year term will require the Customer to pay to Company its cost of labor to install and remove facilities plus cost of non-salvage material, prorated on the basis of the remaining portion of the five-year period.	
Signed contracts will not be required when the fixture(s) are placed on existing pole with a 120 volt source	
TERMS AND CONDITIONS	
<ol style="list-style-type: none">1. Service shall be furnished under Company's Terms and Conditions, except as set out herein2. All service and necessary maintenance on the light and facilities will be performed only during regular scheduled working hours of the Company. The Company shall be allowed two (2) business days after notification by the Customer in which to restore service.3. The Customer shall be responsible for fixture replacement or repairs where such replacement or repairs are caused from willful damage, vandalism, or causes other than normal burnouts.4. The Company shall own and maintain all facilities required in providing this service, except as noted above.	

Date of Issue:

Date Effective: February 6, 2009

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

Standard Rate	LE
Lighting Energy Service	
APPLICABLE	
In all territory served	
AVAILABILITY OF SERVICE	
Available to municipalities, county governments, divisions or agencies of the state or Federal governments, civic associations, and other public or quasi-public agencies for service to public street and highway lighting systems, where the municipality or other agency owns and maintains all street lighting equipment and other facilities on its side of the point of delivery of the energy supplied hereunder	
RATE	
\$0.04739 per kWh	
ADJUSTMENT CLAUSES	
The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:	
Fuel Adjustment Clause Environmental Cost Recovery Surcharge Franchise Fee Rider School Tax	Sheet No. 85 Sheet No. 87 Sheet No. 90 Sheet No. 91
DUE DATE OF BILL	
Customer's payment will be due within twelve (12) days from date of bill.	
CONDITIONS OF DELIVERY	
a) Service hereunder will be metered except when, by mutual agreement of Company and customer, an unmetered installation will be more satisfactory from the standpoint of both parties. In the case of unmetered service, billing will be based on a calculated consumption taking into account the types of equipment served b) The location of the point of delivery of the energy supplied hereunder and the voltage at which such delivery is effected shall be mutually agreed upon by Company and the customer in consideration of the type and size of customer's street lighting system and the voltage which Company has available for delivery.	
TERMS AND CONDITIONS	
Service will be furnished under Company's Terms and Conditions applicable hereto.	

Date of Issue:

Date Effective: February 6, 2009

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

Standard Rate	TE
Traffic Energy Service	
APPLICABLE	
In all territory served.	
AVAILABILITY OF SERVICE	
Available to municipalities, county governments, divisions of the state or Federal governments or any other governmental agency for service to traffic control devices including signals, cameras, or other traffic lights which operate on a 24-hour all-day every-day basis, where the governmental agency owns and maintains all equipment on its side of the point of delivery of the energy supplied hereunder. In the application of this rate each point of delivery will be considered as a separate customer.	
RATE	
Customer Charge: \$2.80 per delivery per month	
Plus an Energy Charge of: \$0.05795 per kWh	
ADJUSTMENT CLAUSES	
The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:	
Fuel Adjustment Clause Environmental Cost Recovery Surcharge Franchise Fee Rider School Tax	Sheet No. 85 Sheet No. 87 Sheet No. 90 Sheet No. 91
MINIMUM CHARGE	
The Customer Charge	
DUE DATE OF BILL	
<i>Customer's payment will be due within twelve (12) days from date of bill.</i>	
CONDITIONS OF SERVICE	
<ol style="list-style-type: none"> 1. Service hereunder will be metered except when, by mutual agreement of Company and customer, an unmetered installation will be more satisfactory from the standpoint of both parties. In the case of unmetered service, billing will be based on a calculated consumption, taking into account the size and characteristics of the load, or on meter readings obtained from a similar installation. 2. The location of each point of delivery of energy supplied hereunder shall be mutually agreed upon by Company and the customer. 3. Traffic lights not operated on an all-day every-day basis will be served under General Service Rate GS. 	
TERMS AND CONDITIONS	
Service will be furnished under Company's Terms and Conditions applicable hereto.	

Date of Issue:

Date Effective: February 6, 2009

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

Standard Rate	CTAC
Cable Television Attachment Charges	
<p>APPLICABLE In all territory served</p> <p>AVAILABILITY OF SERVICE Where a cable television system operator has proper authorization to provide cable television service in a given area (hereinafter "Customer"), Company is willing to permit the attachments of cables, wires and appliances to its poles where, in Company's judgment, such attachments will not interfere with its electric service requirements and other prior licensees using Company's poles. Attachments will be permitted upon execution by both parties of a Cable Television Attachment Agreement and an Application and Permit form supplied by Company.</p> <p>RENTAL CHARGE Rental charge of \$2 71 per year for each attachment to pole, subject to annual adjustment as provided below.</p> <p>RENTAL CHARGE ADJUSTMENT The rental charge stated above is subject to change by Company upon twenty (20) days' written notice to the Customer and the Public Service Commission. Such change will be either an upward or downward adjustment, when conditions arise which materially affect the investment in facilities, or a change in Company's costs to cover expense of operation, maintenance, depreciation, taxes, insurance and return on investment, in accordance with the Commission's allowance of such expenses and investments. A change in the Rental Charge will not be made more often than once in any 12-month period and will apply to the next semi-annual billing period</p> <p>BILLING Rental charges to be billed semi-annually based on the number of pole attachments being maintained on December 1 and June 1. Payment will be due within twelve (12) days from date of bill.</p> <p>TERM OF AGREEMENT The Cable Television Attachment Agreement shall become effective upon execution by both parties and shall continue in effect for not less than one (1) year, subject to provisions contained in the agreement. At any time thereafter, the Customer may terminate the agreement by giving not less than six (6) months' prior written notice. Upon termination of the agreement, Customer shall immediately remove its cables, wire, appliances and all other attachments from all poles of Company.</p> <p>TERMS AND CONDITIONS OF POLE ATTACHMENTS Pole attachments shall be permitted in accordance with this Rental Schedule. Company's Terms and Conditions shall be applicable, to the extent they are not in conflict with or inconsistent with the special provisions of this Rental Schedule, Cable Television Attachments Agreement, the Application and Permit form.</p>	

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Date of Issue:

Date Effective: January 1, 1984 Refiled:

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

Standard Rate

CTAC

Cable Television Attachment Charges

Upon written Agreement, Company is willing to permit, to the extent it may lawfully do so, the attachment of cables, wires and appliances to its poles by a cable television system operator, hereinafter "Customer," where, in its judgment, such use will not interfere with its electric service requirements and other prior licensees using Company's poles, including consideration of economy and safety, in accordance with this rental schedule approved by the Public Service Commission. The Terms and Conditions applicable to such service are as follows:

1. ATTACHMENT APPLICATIONS AND PERMITS

Before making attachment to any pole or poles of Company, Customer shall make application and receive a permit therefore on a form to be supplied by Company (KU Form 17-52). The information submitted by Customer with the application for a permit shall consist of drawings and associated descriptive matter which shall be adequate in all detail to enable Company to thoroughly check the proposed installation of Customer. Before the attachments are made, the permit must be approved by Company. Customer shall not build separate pole lines along existing facilities of Company and shall not place intermediate poles in spans of Company, unless authorized by Company in writing. Company shall have the right to remove unauthorized Customer attachments at Customer's expense after notice to Customer. In the event a pole attachment count does not correspond to the recorded attachment count, Customer will pay a back rental fee for any excess attachments. The back rental fee will be double the rate otherwise in effect over the time since last pole attachment count and shall be payable on demand.

2. PERMITTED ATTACHMENTS

Customer shall be permitted to make only one bolt attachment for one messenger on tangent poles and two bolt attachments for two messengers on corner poles. A maximum of five individual coaxial cables may be supported by any single messenger if these cables are all attached to the messenger by suitable lashings or bindings, and so that the maximum overall dimension of the resulting cable bundle does not exceed two (2) inches. Any messenger attachment other than to tangent poles must be properly braced with guys and anchors provided by Customer to the satisfaction of Company. The use of existing Company anchors for this purpose must be specifically authorized in writing, subject to additional charge, and will not ordinarily be permitted. The use of crossarms or brackets shall not be permitted. In addition to messenger attachments, Customer will be permitted one Customer amplifier installation per pole and four service drops to be tapped on cable messenger strand and not on pole. Customer power supply installations shall be permitted, but only at pole locations specifically approved by Company. Any or all of the above are considered one attachment for billing purposes. Any additional attachments desired by Customer will be considered on an individual basis by Company, and as a separate attachment application.

3. CONSTRUCTION AND MAINTENANCE REQUIREMENTS AND SPECIFICATIONS

Customer's cables, wires and appliances, in each and every location, shall be erected and maintained in accordance with the requirements and specifications of the National Electrical

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Standard Rate	CTAC
Cable Television Attachment Charges	
<p>Safety Code, current edition, and Company's construction practices, or any amendments or revisions of said Code and in compliance with any rules or orders now in effect or that hereinafter may be issued by the Public Service Commission of Kentucky, or other authority having jurisdiction. In the event any of Customer's construction does not meet any of the foregoing requirements, <i>Customer will correct same in fifteen work days after written notification.</i> Company may make corrections and bill Customer for total costs incurred, if not corrected by Customer.</p>	
<p>4. MAINTENANCE OF ATTACHMENTS</p>	
<p>Customer shall, at its own expense, make and maintain said attachments in safe condition and in thorough repair, and in a manner suitable to Company and so as not to conflict with the use of said poles by Company, or by other parties, firms, corporations, governmental units, etc., using said poles, pursuant to any license or permit by Company, or interfere with the working use of facilities thereon or which may, from time to time, be placed thereon. Customer shall promptly at any time, at its own expense, upon written notice from Company, relocate, replace or renew its facilities placed on said poles, and transfer them to substituted poles, or perform any other work in connection with said facilities that may be required by Company but in no case longer than two months after date of written request. In cases of emergency, however, Company may arrange to relocate, replace or renew the facilities placed on said poles by Customer, transfer them to substituted poles or perform any other work in connection with said facilities that may be required in the maintenance, replacement, removal or relocation of said poles, the facilities thereon or which may be placed thereon, or for the service needs of Company, or its other licensees, and Customer shall, on demand, reimburse Company for the expense thereby incurred</p>	
<p>5. COSTS ASSOCIATED WITH ATTACHMENTS</p>	
<p>In the event that any pole or poles of Company to which Customer desires to make attachments are inadequate to support the additional facilities in accordance with the aforesaid specifications, Company will indicate on the application and permit form (KU Form 17-52) the changes necessary to provide adequate poles and the estimated cost thereof to Customer and return the form to Customer. If Customer still desires to make the attachments, and returns the form to Company marked to so indicate, Company will replace such inadequate poles with suitable poles and Customer will, on demand, reimburse Company for the total cost of pole replacement necessary to accommodate Customer attachments, less the salvage value of any pole that is removed, and the expense of transferring Company's facilities from the old to the new poles. Where Customer desired attachments can be accommodated on pre-sent poles of Company by rearranging Company's facilities thereon, Customer will compensate Company for the full expense incurred in completing such rearrangements, within ten days after receipt of Company's invoice for such expense. Customer will also, on demand, reimburse the owner or owners of other facilities attached to said poles for any expense incurred by it or them in transferring or rearranging said facilities. In the event Customer makes an unauthorized attachment which necessitates rearrangements when discovered, then Customer shall pay on demand twice the expense incurred in completing such rearrangements.</p>	

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Date Effective: January 1, 1984 Refiled:

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Standard Rate	CTAC
Cable Television Attachment Charges	
6. MAINTENANCE AND OPERATION OF COMPANY'S FACILITIES	
<p>Company reserves to itself, its successors and assigns, the right to maintain its poles and to operate its facilities thereon in such manner as will, in its own judgment, best enable it to fulfill its electric service requirements, but in accordance with the specifications herein before referred to. Company shall not be liable to Customer for any interruption to service to Customer's subscribers or for interference with the operation of the cables, wires and appliances of Customer arising in any manner out of the use of Company's poles hereunder.</p>	
7. FRANCHISES AND EASEMENTS	
<p>Customer shall submit to Company evidence, satisfactory to Company, of Customer's authority to erect and maintain Customer's facilities within public streets, highways and other thoroughfares within the above described territory which is to be served and shall secure any necessary consent by way of franchise or other satisfactory license, permit or authority, acceptable to Company from State, County or municipal authorities or from the owners of property where necessary to construct and maintain facilities at the locations of poles of Company which it desires to use. Customer must secure its own easement rights on private property. Customer must, regardless of authority received or franchises given by governmental agencies, conform to all requirements of Terms and Conditions with regard to Company's property. Company's approval of attachments shall not constitute any representation or warranty by Company to Customer regarding Customer's right to occupy or use any public or private right-of-way.</p>	
8. INSPECTION OF FACILITIES	
<p>Company reserves the right to inspect each new installation of Customer on its poles and in the vicinity of its lines or appliances and to make periodic inspections, every two (2) years or more often as plant conditions warrant of the entire plant of Customer. Such inspections, made or not, shall not operate to relieve Customer of any responsibility, obligation or liability.</p>	
9. RENTALS	
<p>Customer shall pay to Company an annual rental charge per attachment in accordance with the Rental Schedule from time to time in effect, as approved by the Public Service Commission for each year from the 1st of January of each respective year to the following December 31 provided, however, that should the Agreement be terminated in accordance with the terms of the said Agreement at any time after January 1 of any year and prior to December 31 of that year, the annual rentals will be prorated from January 1 to the date of such termination. The rental payments herein provided for shall be made on a semi-annual basis upon the number of poles on which attachments are being maintained on the 1st day of December and the 1st day of June, respectively. This rental charge is subject to change in accordance with the Rental Schedule from time to time in effect, as approved by the Public Service Commission or applicable regulations or statutes.</p>	

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Standard Rate	CTAC
Cable Television Attachment Charges	
<p>10. PRECAUTIONS TO AVOID FACILITY DAMAGE</p> <p>Customer shall exercise precautions to avoid damage to facilities of Company and of others supported on said poles; and shall assume all responsibility for any and all loss for such damage cause by it. Customer shall make an immediate report to Company of the occurrence of any damage and shall reimburse Company for the expense incurred in making repairs.</p>	
<p>11. INDEMNITIES AND INSURANCE</p> <p>Customer shall defend, indemnify and save harmless Company from any and all damage, loss, claim, demand, suit, liability, penalty or forfeiture of every kind and nature-including but not limited to costs and expenses of defending against the same and payment of any settlement or judgment therefore, by reason of (a) injuries or deaths to persons, (b) damages to or destructions of properties, (c) pollutions, contaminations of or other adverse effects on the environment or (d) violations of governmental laws, regulations or orders whether suffered directly by Company it-self or indirectly by reason of claims, demands or suits against it by third parties, resulting or alleged to have resulted from acts or omissions of Customer, its employees, agents, or other representatives or from their presence on the premises of Company, either solely or in concurrence with any alleged joint negligence of Company.</p> <p>Customer shall provide and maintain in an Insurance Company(s) authorized to do business in the Commonwealth of Kentucky, the following:</p> <ul style="list-style-type: none"> (a) Insurance protection for Customer employees to the extent required by the Workmen's Compensation Law of Kentucky and, where same is not applicable or if necessary to provide a defense for Company, Employer's Liability Protection (covering both Company and Customer) for Customer employees for no less than \$100,000.00 per employee. (b) Public Liability and Business Liability insurance with a minimum limit of \$500,000.00 for each person injured and with a minimum total limit of \$1,000,000.00 for each accident and a minimum limit of \$100,000.00 for property damage for each accident. (c) Public Liability and Property Damage insurance on all automotive equipment used by Customer on job to the extent of the amounts for Public Liability and Property Damage insurance set out in the preceding Paragraph (b) (d) In the event that work covered by the Agreement includes work to be done in places or areas where the Maritime Laws are in effect, then and in that event additional insurance protection to the limits in Paragraph (b) above for liability arising out of said Maritime Laws. (e) In the event the work covers fixed wing aircraft, rotor lift, lighter than air aircraft or any other form of aircraft, appropriate insurance will be carried affording protection to the limits prescribed in the preceding Paragraph (b). 	

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Standard Rate	CTAC
Cable Television Attachment Charges	
<p>(f) In the event the work covers blasting, explosives or operations underground, in trenches or other excavations, appropriate insurance will be carried affording protection to the limits prescribed in the preceding Paragraph (b), together with products hazard and completed operations insurance where applicable, affording protection to the limits above prescribed. Customer's liability insurance shall be written to eliminate XCU exclusions. Said insurance is to be kept in force for not less than one year after cancellation of the Agreement.</p> <p>Before starting work, Customer shall furnish to Company a certificate(s) of insurance satisfactory to Company, evidencing the existence of the insurance required by the above provisions, and this insurance may not be canceled for any cause without sixty (60) days advance written notice being first given Company; provided, that failure of Company to require Customer to furnish any such certificate(s) shall not constitute a waiver by Company of Customer's obligation to maintain insurance as provided herein.</p> <p>Each policy required hereunder shall contain a contractual endorsement written as follows: "The insurance provided herein shall also be for the benefit of Kentucky Utilities Company so as to guarantee, within the policy limits, the performance by the named insured of the indemnity provisions of the Cable Television Attachment Agreement between the named insured and Kentucky Utilities Company. This insurance may not be canceled for any cause without sixty (60) days advance written notice being first given to Kentucky Utilities Company."</p>	
<p>12. ATTACHMENT REMOVAL AND NOTICES</p>	
<p>Customer may at any time voluntarily remove its attachments from any pole or poles of Company, but shall immediately give Company written notice of such removal on a form to be supplied by Company (KU Form 17-53). No refund of any rental will be due on account of such voluntary removal.</p>	
<p>13. FORBIDDEN USE OF POLES</p>	
<p>Prior to Customer's initial attachment, Company reserves the right due to engineering design requirements to refuse use by Customer of certain or specific poles or structures (such as normal transmission routes). Upon notice from Company to Customer that the use of any pole or poles is forbidden by municipal or other public authorities or by property owners, the permit covering the use of such pole or poles shall immediately terminate and Customer shall remove its facilities from the affected pole or poles at once. No refund of any rental will be due on account of any removal resulting from such forbidden use.</p>	
<p>14. NON-COMPLIANCE</p>	
<p>If Customer shall fail to comply with any of the provisions of these Rules and Regulations or Terms and Conditions or default in any of its obligations under these Rules and Regulations or Terms and Conditions and shall fail within thirty (30) days after written notice from Company to correct such default or non-compliance, Company may, at its option, forthwith terminate the Agreement or the permit covering the poles as to which such default or non-</p>	

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Date of Issue:

Date Effective: January 1, 1984 Refiled:

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

Standard Rate	CTAC
Cable Television Attachment Charges	
<p>compliance shall have occurred, by giving written notice to Customer of said termination. No refund of any rental will be due on account of such termination.</p>	
15. BILLING	
<p>Bills for expenses and other charges under the Agreement shall be payable within twelve (12) days after presentation. Non-payment of bills shall constitute a default of the Agreement</p>	
16. WAIVERS	
<p>Failure to enforce or insist upon compliance with any of these Rules and Regulations or Terms and Conditions or the Agreement shall not constitute a general waiver or relinquishment thereof, but the same shall be and remain at all times in full force and effect.</p>	
17. USE OF COMPANY'S FACILITIES BY OTHERS	
<p>Nothing herein contained shall be construed as affecting the rights or privileges previously conferred by Company, by contract or otherwise, to others, not parties to the Agreement, to use any poles covered by the Agreement; and Company shall have the right to continue and to extend such rights or privileges. The attachment privileges herein granted shall at all times be subject to such existing contracts and arrangements.</p>	
18. ASSIGNMENT	
<p>Customer shall not assign, transfer or sublet the privileges hereby granted and/or provided in the Agreement without the prior consent in writing of Company.</p>	
19. PROPERTY RIGHTS	
<p>No use, however extended, of Company poles under the Agreement shall create or vest in Customer any ownership or property rights in said poles, but Customer shall be and remain a customer only. Nothing herein contained shall be construed to compel Company to maintain any of said poles for a period longer than demanded by its electric service requirements.</p>	
20. FAILURE TO PROCEED	
<p>Customer agrees to proceed as expeditiously as practical with the work of providing the television cable service to the area described in the Agreement. Within ninety (90) days from the date of the Agreement, Customer shall make progress reasonably satisfactory to Company in the installation of its facilities or shall demonstrate, to the reasonable satisfaction of Company, its ability to proceed expeditiously</p>	

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Date of Issue:

Date Effective: January 1, 1984 Refiled:

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

Standard Rate	CTAC
Cable Television Attachment Charges	
21. TERMINATION	
<p>Upon termination of the Agreement in accordance with any of its terms, Customer shall immediately remove its cables, wires and appliances from all poles of Company. If not removed, Company shall have the right to remove them at the cost and expense of Customer.</p>	
22. SECURITY	
<p>Customer shall furnish bond for the purposes hereinafter specified as follows:</p>	
<ul style="list-style-type: none">(a) during the period of Customer's initial installation of its facilities and at the time of any expansion involving more than seventy-five (75) poles, a bond in the amount of \$2,000 for each 100 poles (or fraction thereof) to which Customer intends to attach its facilities;(b) following the satisfactory completion of Customer's initial installation, the amount of bond shall be reduced to \$1,000 for each 100 poles (or fraction thereof);(c) after Customer has been a customer of Company pursuant to the Agreement and is not in default thereunder for a period of three years, the bond shall be reduced to \$500 for each 100 poles (or fraction thereof).(d) such bond shall contain the provision that it shall not be terminated prior to six (6) months' after receipt by Company of written notice of the desire of the bonding or insurance company to terminate such bond. This six (6) months' termination clause may be waived by Company if an acceptable replacement bond is received before the six (6) months has ended. Upon receipt of such termination notice, Company shall request Customer to immediately remove its cables, wires and all other facilities from all poles of Company. If Customer should fail to complete the removal of all of its facilities from the poles of Company within thirty (30) days after receipt of such request from Company, then Company shall have the right to remove them at the cost and expense of Customer and without being liable for any damage to Customer's wires, cables, fixtures or appurtenances. Such bond shall guarantee the payment of any sums which may become due to Company for rentals, inspections or work performed for the benefit of Customer under the Agreement, including the removal of attachments upon termination of the Agreement by any of its provisions.e) Company in its sole discretion may agree in writing to accept other collateral (such as a cash deposit or an irrevocable bank letter of credit) in substitution for the bond required by, and subject to the other requirements of, this Section 22.	
23. NOTICES	
<p>Any notice, or request, required by these Rules and Regulations or Terms and Conditions or the Agreement shall be deemed properly given if mailed, postage pre-paid, to the Senior Vice President in charge of Operations, Kentucky Utilities Company, One Quality Street, Lexington,</p>	

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Date of Issue:

Date Effective: January 1, 1984 Refiled:

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

Standard Rate

CTAC

Cable Television Attachment Charges

Kentucky, in the case of Company; or, in the case of the Customer, to its representative designated in the Agreement. The designation of the person to be notified, and/or his address may be changed by Company or Customer at any time, or from time to time, by similar notice.

24. ADJUSTMENTS

Nothing contained herein or in any Agreement shall be construed as affecting in any way the right of Company, and Company shall at all times have the right, to unilaterally file with the Public Service Commission a change in rental charges for attachments to poles, other charges as provided for, any rule, regulation, condition or any other change required. Such change or changes to become effective upon approval of the Commission or applicable regulations or statutes, and shall constitute an amendment to the Agreement.

25. TERM OF AGREEMENT

The Cable Television Attachment Agreement shall become effective upon execution by both parties and shall continue in effect for not less than one (1) year, subject to provision contained in the Agreement. At any time thereafter, the Customer may terminate the Agreement by giving not less than six (6) months prior written notice. Upon termination of the Agreement, Customer shall immediately remove its cables, wire, appliances and all other attachments from all poles of Company.

26. BINDING EFFECT

Subject to the provisions of Section 18 hereof, the Agreement and these Rules and Regulations or Terms and Conditions shall extend to and bind the successors and assigns of the parties hereto.

Date of Issue:

Date Effective: January 1, 1984 Refiled:

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

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Standard Rate	Special Charges
<p>The following charges will be applied uniformly throughout Company's service territory. Each charge, as approved by the Public Service Commission, reflects only that revenue required to meet associated expenses.</p>	
<p>RETURNED PAYMENT CHARGE</p>	
<p>In those instances where a customer renders payment to Company which is not honored upon deposit by Company, the customer will be charged \$10.00 to cover the additional processing costs.</p>	
<p>METER TEST CHARGE</p>	
<p>Where the test of a meter is performed during normal working hours upon the written request of a customer, pursuant to 807 KAR 5:006, Section 18, and the results show the meter was not more than two percent fast, the customer will be charged \$60.00 to cover the test and transportation costs.</p>	
<p>DISCONNECTING AND RECONNECTING SERVICE CHARGE</p>	
<p>A charge of \$25.00 will be made to cover disconnection and reconnection of electric service when discontinued for non-payment of bills or for violation of Company's Terms and Conditions, such charge to be made before reconnection is effected. No charge will be made for customers qualifying for service reconnection pursuant to 807 KAR 5:006, Section 15, Winter Hardship Reconnection.</p>	
<p>Residential and general service customers may request and be granted temporary suspension of electric service. In the event of such temporary suspension, Company will make a charge of \$25.00 to cover disconnection and reconnection of electric service, such charge to be made before reconnection is effected.</p>	
<p>METER PULSE CHARGE</p>	
<p>Where a customer desires and Company is willing to provide data meter pulses, a charge of \$9.00 per month will be made to those data pulses. Time pulses will not be supplied.</p>	
<p>METER DATA PROCESSING CHARGE</p>	
<p>A charge of \$2.75 per report will be made to cover the cost of processing, generating, and providing recorder metered customer with profile reports.</p>	

Date of Issue:

Date Effective: February 6, 2009

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

Standard Rate Rider

CSR1

Curtable Service Rider 1

APPLICABLE

In all territory served.

AVAILABILITY OF SERVICE

This rider is restricted to those customers receiving service under the provisions of the preceding CSR rider, P.S.C. No. 13, Original Sheet No. 50, as of the execution date of the Settlement Agreement in P.S.C. Case No. 2003-00434, May 12, 2004.

CONTRACT OPTION

Customer may, at Customer's option, contract with Company to curtail service upon notification by Company. Requests for curtailment shall not exceed two hundred (200) hours per year nor shall any single request for curtailment be for less than thirty (30) minutes or for more than fourteen (14) hours per calendar day, with no more than two (2) requests for curtailment per calendar day within these parameters. Company may request or cancel a curtailment at any time during an hour, but shall give no less than twenty (20) minutes notice when either requesting or canceling a curtailment.

Compliance with a request for curtailment shall be measured in one of the following ways:

- a) Customer shall contract for a given amount of firm demand, and the curtable load shall be Customer's monthly billing demand in excess of the firm contract. During a request for curtailment, Customer shall reduce its demand to the firm demand designated in the contract. The difference in the maximum demand in the billing month and the maximum demand in any requested curtailment period, but not less than the contracted firm demand, in the billing period shall be the curtable demand on which the monthly credit is based. The demand in excess of the firm load during each requested curtailment in the billing period shall be the measure of non-compliance.
- b) Customer shall contract for a given amount of curtable load by which Customer shall agree to reduce its demand from the monthly maximum demand. During a request for curtailment, Customer shall reduce its demand to a level equal to the maximum monthly demand less the curtable load designated in the contract. The difference in the maximum demand in the billing month and the maximum demand in any requested curtailment period, but not more than the contracted curtable load, in the billing period shall be the curtable demand on which the monthly credit is based. The difference in contracted curtable load and the actual curtailed load during each requested curtailment in the billing period shall be the measure of non-compliance.
- c) At the time of a request for curtailment, Company shall give Customer an option of purchasing a block of power as is required to meet the curtailment request. Company shall give Customer a price for such power, based on existing market conditions, at the time of the curtailment request. Customer must state agreement to the purchase of power, if that is Customer's

Date of Issue:

Date Effective: February 6, 2009

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

Standard Rate Rider	CSR1										
Curtaileable Service Rider 1											
<p>intention, and the block of power to be purchased shall be specified by Customer at the time Company makes the request for curtailment. Should Customer elect to purchase the block of power, Customer will pay for that power whether consumed by Customer or not. Should the block of power not be sufficient to meet the curtailment request, any deficiency shall be considered the measure of non-compliance. Should purchase power not be available from the market, Customer is obligated to meet the compliance provisions of a) or b) above.</p> <p>d) In those months in which Company does not request load curtailment, the customer will receive a credit based on either the difference in the monthly billing demand and the contracted firm demand, a) above, or the contracted curtaileable demand, b) above.</p>											
<p>RATE</p> <p>Customer will receive a credit against the applicable power schedule for curtaileable kW, as determined in the preceding paragraph, times the applicable credit. Customer will be charged for the portion of each requested curtailment not met at the applicable charge.</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 40%;"></td> <td style="width: 30%; text-align: center;">Primary</td> <td style="width: 30%; text-align: center;">Transmission</td> </tr> <tr> <td>Demand Credit of:</td> <td style="text-align: center;">\$ 5.20 per kW</td> <td style="text-align: center;">\$ 5.10 per kW</td> </tr> <tr> <td>Non-Compliance Charge of:</td> <td style="text-align: center;">\$16.00 per kW</td> <td style="text-align: center;">\$16.00 per kW</td> </tr> </table> <p>Failure of Customer to curtail when requested to do so may result in termination of service under this rider.</p>				Primary	Transmission	Demand Credit of:	\$ 5.20 per kW	\$ 5.10 per kW	Non-Compliance Charge of:	\$16.00 per kW	\$16.00 per kW
	Primary	Transmission									
Demand Credit of:	\$ 5.20 per kW	\$ 5.10 per kW									
Non-Compliance Charge of:	\$16.00 per kW	\$16.00 per kW									
<p>TERM OF CONTRACT</p> <p>The minimum original contract period shall be one (1) year and thereafter until terminated by giving at least six (6) months previous written notice, but Company may require that contract be executed for a longer initial term when deemed necessary by the size of the load or other conditions.</p>											
<p>TERMS AND CONDITIONS</p> <p>Except as specified above, all other provisions of the power rate to which this schedule is a rider shall apply.</p>											

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Date of Issue:
Date Effective: February 6, 2009
Issued By: Lonnie E. Bellar, Vice President, State Regulation and Rates, Lexington, Kentucky

Standard Rate Rider	CSR2
Curtaillable Service Rider 2	
APPLICABLE	
In all territory served	
AVAILABILITY OF SERVICE	
This rider shall be made available to customers served under the applicable power schedules who contract for not less than 1,000 kilowatts individually and up to an aggregate of 100 megawatts of total requirements to be subject to curtailment under this schedule, such curtailment to be implemented upon notification by the Company.	
CONTRACT OPTION	
Customer may, at Customer's option, contract with Company to curtail service upon notification by Company. Requests for curtailment shall not exceed four hundred and twenty five (425) hours per year nor shall any single request for curtailment be for less than thirty (30) minutes or for more than fourteen (14) hours per calendar day, with no more than two (2) requests for curtailment per calendar day within these parameters. Company may request or cancel a curtailment at any time during an hour, but shall give no less than ten (10) minutes notice when either requesting or canceling a curtailment	
Compliance with a request for curtailment shall be measured in one of the following ways:	
<ul style="list-style-type: none">a) The customer shall contract for a given amount of firm demand, and the curtaillable load shall be the Customer's monthly billing demand in excess of the firm contract. During a request for curtailment, the customer shall reduce its demand to the firm demand designated in the contract. The difference in the maximum demand in the billing month and the maximum demand in any requested curtailment period, but not less than the contracted firm demand, in the billing period shall be the curtaillable demand on which the monthly credit is based. The demand in excess of the firm load during each requested curtailment in the billing period shall be the measure of non-compliance.b) The customer shall contract for a given amount of curtaillable load by which the customer shall agree to reduce its demand from the monthly maximum demand. During a request for curtailment, the Customer shall reduce its demand to a level equal to the maximum monthly demand less the curtaillable load designated in the contract. The difference in the maximum demand in the billing month and the maximum demand in any requested curtailment period, but not more than the contracted curtaillable load, in the billing period shall be the curtaillable demand on which the monthly credit is based. The difference in contracted curtaillable load and the actual curtailed load during each requested curtailment in the billing period shall be the measure of non-compliance.	

Date of Issue:

Date Effective: February 6, 2009

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

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Standard Rate Rider	CSR2										
Curtaileable Service Rider 2											
<p>c) At the time of a request for curtailment, Company shall give Customer an option of purchasing a block of power as is required to meet the curtailment request. Company shall give Customer a price for such power, based on existing market conditions, at the time of the curtailment request. Customer must state agreement to the purchase of power, if that is Customer's intention, and the block of power to be purchased shall be specified by Customer at the time Company makes the request for curtailment. Should Customer elect to purchase the block of power, Customer will pay for that power whether consumed by Customer or not. Should the block of power not be sufficient to meet the curtailment request, any deficiency shall be considered the measure of non-compliance. Should purchase power not be available from the market, Customer is obligated to meet the compliance provisions of a) or b) above. This option to "buy-thru" will be available to the customer only after customer has been served under CSR2 for three (3) years with no non-compliances.</p> <p>d) In those months in which Company does not request load curtailment, the customer will receive a credit based on either the difference in the monthly billing demand and the contracted firm demand, a) above, or the contracted curtaileable demand, b) above.</p>											
<p>RATE</p> <p>Customer will receive a credit against the applicable power schedule for curtaileable kW, as determined in the preceding paragraph, times the applicable credit. Customer will be charged for the portion of each requested curtailment not met at the applicable charge.</p> <table border="0" style="width: 100%;"> <tr> <td style="width: 40%;"></td> <td style="text-align: center;">Primary</td> <td style="text-align: center;">Transmission</td> </tr> <tr> <td>Demand Credit of:</td> <td style="text-align: center;">\$ 5.69 per kW</td> <td style="text-align: center;">\$ 5.59 per kW</td> </tr> <tr> <td>Non-Compliance Charge of:</td> <td style="text-align: center;">\$16.00 per kW</td> <td style="text-align: center;">\$16.00 per kW</td> </tr> </table> <p>Failure of Customer to curtail when requested to do so may result in termination of service under this rider.</p>				Primary	Transmission	Demand Credit of:	\$ 5.69 per kW	\$ 5.59 per kW	Non-Compliance Charge of:	\$16.00 per kW	\$16.00 per kW
	Primary	Transmission									
Demand Credit of:	\$ 5.69 per kW	\$ 5.59 per kW									
Non-Compliance Charge of:	\$16.00 per kW	\$16.00 per kW									
<p>TERM OF CONTRACT</p> <p>The minimum original contract period shall be one (1) year and thereafter until terminated by giving at least six (6) months previous written notice, but Company may require that contract be executed for a longer initial term when deemed necessary by the size of the load or other conditions.</p>											
<p>TERMS AND CONDITIONS</p> <p>Except as specified above, all other provisions of the power rate to which this schedule is a rider shall apply.</p>											

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Date of Issue:

Date Effective: February 6, 2009

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

Standard Rate Rider

CSR3

Curtable Service Rider 3

APPLICABLE

In all territory served.

AVAILABILITY OF SERVICE

This rider is restricted to those customers receiving service under the provisions of Rate IS – Industrial Service and on service as of the effective date when this schedule is approved by the Public Service Commission.

CONTRACT OPTION

Customer may, at Customer's option, contract with Company to curtail service upon notification by Company. Requests for curtailment shall not exceed one hundred (100) hours in any continuous year nor shall any single request for curtailment be for less than thirty (30) minutes or for more than fourteen (14) hours per calendar day, with unlimited requests for curtailment per calendar day within these parameters. Requests for curtailment are limited to the On-Peak periods specified under Rating Periods in the IS rate schedule. Company may request or cancel a curtailment at any time during an hour, but shall give no less than twenty (20) minutes notice when either requesting or canceling a curtailment.

Compliance with a request for curtailment shall be measured in one of the following ways:

- a) Customer shall contract for a given amount of firm demand, and the curtable load shall be Customer's monthly billing demand in excess of the firm contract. During a request for curtailment, Customer shall reduce its demand to the firm demand designated in the contract. The difference in the maximum demand in the billing month and the maximum demand in any requested curtailment period, but not less than the contracted firm demand, in the billing period shall be the curtable demand on which the monthly credit is based. The demand in excess of the firm load during each requested curtailment in the billing period shall be the measure of non-compliance.
- b) Customer shall contract for a given amount of curtable load by which Customer shall agree to reduce its demand from the monthly maximum demand. During a request for curtailment, Customer shall reduce its demand to a level equal to the maximum monthly demand less the curtable load designated in the contract. The difference in the maximum demand in the billing month and the maximum demand in any requested curtailment period, but not more than the contracted curtable load, in the billing period shall be the curtable demand on which the monthly credit is based. The difference in contracted curtable load and the actual curtailed load during each requested curtailment in the billing period shall be the measure of non-compliance.

In those months in which Company does not request load curtailment, Customer will receive a credit based on either the difference in the monthly billing demand and the contracted firm demand, a) above, or the contracted curtable demand, b) above.

Date of Issue:

Date Effective: February 6, 2009

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

Kentucky Utilities Company

P.S.C. No. 14, Original Sheet No. 52.1

Standard Rate Rider	CSR3	
Curtable Service Rider 3		
RATE		
Customer will receive a credit against the applicable power schedule for curtable kVA, as determined in the preceding paragraph, times the applicable credit. Customer will be charged for the portion of each requested curtailment not met at the applicable charge.		
	Primary	Transmission
Demand Credit of:	\$ 3.20 per kVA	\$ 3.10 per kVA
Non-Compliance Charge of:	\$16.00 per kVA	\$16.00 per kVA
Failure of Customer to curtail when requested to do so may result in termination of service under this rider.		
TERM OF CONTRACT		
The minimum original contract period shall be one (1) year and thereafter until terminated by giving at least six (6) months previous written notice, but Company may require that contract be executed for a longer initial term when deemed necessary by the size of the load or other conditions.		
TERMS AND CONDITIONS		
Except as specified above, all other provisions of the power rate to which this schedule is a rider shall apply.		

Date of Issue:

Date Effective: February 6, 2009

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

Standard Rate Rider	LRI
Load Reduction Incentive Rider	
<p>APPLICABLE In all territory served.</p> <p>AVAILABILITY OF SERVICE This schedule shall be made available as a rider to any customer served on Company's standard tariffs, having stand-by generation facilities of at least 500 kW, and agreeing to operate such facilities in accordance with the terms and conditions of this tariff. Service under this schedule is offered for a total maximum contracted load of 10,000 kW.</p> <p>RATE Up to \$0.30 per kWh</p> <p>TERMS AND CONDITIONS</p> <ol style="list-style-type: none">1) Company will have the option to require Customer to operate Customer's stand-by generation to replace Customer's electric usage. Such period of generation shall not exceed 8 hours in any 24-hour period nor shall the total hours of generation in any 12-month period exceed 300 hours.2) Should Company request Customer to operate Customer's stand-by generation, Company will notify Customer by 12 noon on a day ahead basis.3) Company's request for Customer to operate Customer's stand-by generation will include an offer of a payment per kWh for Customer to operate Customer's stand-by generation.4) Customer is obligated to operate Customer's stand-by generation should Customer accept Company's offered price.5) Customer's stand-by generation shall not be operated in parallel with Company's system (i.e., such generation shall be connected to circuits which are isolated from Company's system).6) Customer will be responsible for maintaining Customer's stand-by generation, including an adequate fuel supply, to ensure meeting Customer's obligation under this schedule.7) Company will meter the output of Customer's stand-by generation, base the payment for Customer reducing load on the metered output, and provide payment to Customer through a credit to Customer's standard service billing.8) Customer may provide Company with the option to install equipment that will permit Company to remotely start stand-by generation and switch circuits to such generation so that they are isolated from Company's system.9) Company has no obligation to request operation of Customer's stand-by generation nor to provide any credit to Customer without first requesting Customer to provide stand-by generation. <p>TERM OF CONTRACT The minimum term of contract shall be for one (1) year and thereafter until terminated by either party giving at least six (6) months written notice. Company may require a longer initial term when deemed necessary. Failure of Customer to operate stand-by generation may result in termination of contract.</p>	

Date of Issue:

Date Effective: August 1, 2006 Refiled:

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

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Kentucky Utilities Company

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

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

Date of Issue:

Date Effective: June 30, 2008 Refiled:

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

Standard Rate Rider

SQF

Small Capacity Cogeneration and Small Power Production Qualifying Facilities

SELECTION OF RATE AND METERING

Subject to provisions hereafter in this Section relative to payment of costs of metering equipment, either Seller or Company may select Rate A, the Time-Differentiated Rate, for application to Company's said purchases of energy from Seller. If neither Seller nor Company selects Rate A, then Rate B, the Non-Time-Differentiated Rate, shall apply.

If neither Seller nor Company selects Rate A, and Rate B therefore is to apply to such purchases, Company, at Seller's cost, will install, own and operate a non-time-differentiated meter and associated equipment, at a location selected by Company, measuring energy, produced by Seller's generator, flowing into Company's system. Such meter will be tested at intervals prescribed by Commission Regulation, with Seller having a right to witness all such tests; and Seller will pay to Company its fixed cost on such meter and equipment, expense of such periodic tests of the meter and any other expenses (all such costs and expenses, together, being hereafter called "costs of non-time-differentiated metering")

If either Seller or Company selects Rate A to apply to Company's said purchases of energy from Seller, the party (Seller or Company) so selecting Rate A shall pay (a) the cost of a time-differentiated recording meter and associated equipment, at a location selected by Company, measuring energy, produced by Seller's generator, flowing into Company's system, required for the application of Rate A, in excess of (b) the costs of non-time-differentiated metering which shall continue to be paid by Seller.

In addition to metering referred to above, Company at its option and cost may install, own and operate, on Seller's generator, a recording meter to record the capacity, energy and reactive output of such generator at specified time intervals.

Company shall have access to all such meters at reasonable times during Seller's normal business hours, and shall regularly provide to Seller copies of all information provided by such meters.

PAYMENT

Any payment due from Company to Seller will be due within twelve (12) days from date of Company's reading of meter; provided, however, that, if Seller is a customer of Company, in lieu of such payment Company may offset its payment due to Seller hereunder, against Seller's next bill and payment due to Company for Company's service to Seller as customer.

PARALLEL OPERATION

Company hereby permits Seller to operate its generating facilities in parallel with Company's system, under the following conditions and any other conditions required by Company where unusual conditions not covered herein arise:

1. Prior to installation in Seller's system of any generator and associated facilities which are intended to be interconnected and operated in parallel with Company's system, or prior to the inter-connection to Company's system of any such generator and associated facilities already installed in Seller's system, Seller will provide to Company plans for such generator

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T

T
T

Standard Rate Rider

SQF

Small Capacity Cogeneration and Small Power Production Qualifying Facilities

- and facilities Company may, but shall have no obligation to, examine such plans and disapprove them in whole or in part, to the extent Company believes that such plans and proposed facilities will not adequately assure the safety of Company's facilities or system. Seller acknowledges and agrees that the sole purpose of any Company examination of such plans is the satisfaction of Company's interest in the safety of Company's own facilities and system, and that Company shall have no responsibility of any kind to Seller or to any other party in connection with any such examination. If Seller thereafter proposes any change from such plans submitted to Company, prior to the implementation thereof Seller will provide to Company new plans setting out such proposed change(s)
2. Seller will own, install, operate and maintain all generating facilities on its plant site, such facilities to include, but not be limited to, (a) protective equipment between the systems of Seller and Company and (b) necessary control equipment to synchronize frequency and voltage between such two systems. Seller's voltage at the point of interconnection will be the same as Company's system voltage. Suitable circuit breakers or similar equipment, as specified by Company, will be furnished by Seller at a location designated by Company to enable the separation or disconnection of the two electrical systems. Except in emergencies, the circuit breakers, or similar equipment, will be operated only by, or at the express direction of, Company personnel and will be accessible to Company at all times. In addition, a circuit breaker or similar equipment shall be furnished and installed by Seller to separate or disconnect Seller's generator.
 3. Seller will be responsible for operating the generator and all facilities owned by Seller, except as hereafter specified. Seller will maintain its system in synchronization with Company's system.
 4. Seller will (a) pay Company for all damage to Company's equipment, facilities or system, and (b) save and hold Company harmless from all claims, demands and liabilities of every kind and nature for injury or damage to, or death of, persons and/or property of others, including costs and expenses of defending against the same, arising in any manner in connection with Seller's generator, equipment, facilities or system or the operation thereof.
 5. Seller will construct any additional facilities, in addition to generating and associated (interface) facilities, required for interconnection unless Company and Seller agree to Company's constructing such facilities, at Seller's expense, where Seller is not a customer of Company. When Seller is a customer of Company and Company is required to construct facilities different than otherwise required to permit interconnection, Seller shall pay such additional cost of facilities. Seller agrees to reimburse Company, at the time of installation, or, if agreed to by both parties, over a period of up to three (3) years, for any facilities including any hereafter required (but exclusive of metering equipment, elsewhere herein provided for) constructed by Company to permit Seller to operate interconnected with Company's system. When interconnection costs are repaid over a period of time, such payments will be made monthly and include interest on the unpaid balance at the percentage rate equal to the capital costs that Company would experience at such time by new financing, based on Company's then existing capital structure, with return on equity to be at the rate allowed in Company's immediately preceding rate case.

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Standard Rate Rider

SQF

Small Capacity Cogeneration and Small Power Production Qualifying Facilities

- 6 Company will have the continuing right to inspect and approve Seller's facilities, described herein, and to request and witness any tests necessary to determine that such facilities are installed and operating properly; but Company will have no obligation to inspect or approve facilities, or to request or witness tests; and Company will not in any manner be responsible for Seller's facilities or any operation thereof
- 7 Seller assumes all responsibility for the electric service upon Seller's premises at and from the point of any delivery or flow of electricity from Company, and for the wires and equipment used in connection therewith; and Seller will protect and save Company harmless from all claims for injury or damage to persons or property, including but not limited to *property of Seller, occurring on or about Seller's premises or at and from the point of delivery or flow of electricity from Company, occasioned by such electricity or said wires and equipment, except where said injury or damage is proved to have been caused solely by the negligence of Company.*
- 8 Each, Seller and Company, will designate one or more Operating Representatives for the purpose of contacts and communications between the parties concerning operations of the two systems.
- 9 Seller will notify Company's Energy Control Center prior to each occasion of Seller's generator being brought into or (except in cases of emergencies) taken out of operation.
- 10 Company reserves the right to curtail a purchase from Seller when:
 - (a) the purchase will result in costs to Company greater than would occur if the purchase were not made but instead Company, itself, generated an equivalent amount of energy; or
 - (b) Company has a system emergency and purchases would (or could) contribute to such emergency

Seller will be notified of each curtailment

TERMS AND CONDITIONS

Except as provided herein, conditions or operations will be as provided in Company's Terms and Conditions.

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Standard Rate Rider	LQF
Large Capacity Cogeneration and Small Power Production Qualifying Facilities	
AVAILABILITY	
In all territory served	
APPLICABILITY OF SERVICE	
Applicable to any small power production or cogeneration "qualifying facility" with capacity over 100 kW as defined by the Kentucky Public Service Commission Regulation 807 KAR 5:054, and which contracts to sell energy or capacity or both to Company	
RATES FOR PURCHASES FROM QUALIFYING FACILITIES	
Energy Component Payments	
The hourly avoided energy cost (AEC) in \$ per MWh, which is payable to a QF for delivery of energy, shall be equal to Company's actual variable fuel expenses, for Company-owned coal and natural gas-fired production facilities, divided by the associated megawatt-hours of generation, as determined for the previous month. The total amount of the avoided energy cost payment to be made to a QF in an hour is equal to $[AEC \times E_{QF}]$, where E_{QF} is the amount of megawatt-hours delivered by a QF in that hour and which are determined by suitable metering.	
Capacity Component Payments	
The hourly avoided capacity cost (ACC) in \$ per MWh, which is payable to a QF for delivery of capacity, shall be equal to the effective purchase price for power available to Company from the inter-utility market (which includes both energy and capacity charges) less Company's actual variable fuel expense (AEC). The total amount of the avoided capacity cost payment to be made to a QF in an hour is equal to $[ACC \times CAP_i]$, where CAP_i , the capacity delivered by the QF, is determined on the basis of the system demand (D_i) and Company's need for capacity in that hour to adequately serve the load.	
Determination of CAP_i	
For the following determination of CAP_i , C_{KU} represents Company's installed or previously arranged capacity at the time a QF signs a contract to deliver capacity; C_{QF} represents the actual capacity provided by a QF, but no more than the contracted capacity; and C_M represents capacity purchased from the inter-utility market.	
1. System demand is less than or equal to Company's capacity: $D_1 \leq C_{KU}; CAP_i = 0$	
2. System demand is greater than Company's capacity but less than or equal to the total of Company's capacity and the capacity provided by a QF: $C_{KU} < D_1 \leq [C_{KU} + C_{QF}]; CAP_i = C_M$	

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Kentucky Utilities Company

P.S.C. No. 14, Original Sheet No. 56.1

Standard Rate Rider

LQF

Large Capacity Cogeneration and Small Power Production Qualifying Facilities

3. System demand is greater than the total of Company's capacity and the capacity provided by a QF:

$$D_1 > [C_{KU} + C_{QF}]; \quad CAP_1 = C_{QF}$$

PAYMENT

Company shall pay each bill for electric power rendered to it in accordance with the terms of the contract, within twelve (12) days of the date the bill is rendered. In lieu of such payment plan, Company will, upon written request, credit the Customer's account for such purchases.

TERM OF CONTRACT

For contracts which cover the purchase of energy only, the term shall be one (1) year, and shall be self-renewing from year-to-year thereafter, unless canceled by either party on one (1) year's written notice.

For contracts which cover the purchase of capacity and energy, the term shall be five (5) years.

TERMS AND CONDITIONS

1. Qualifying facilities shall be required to pay for any additional interconnection costs, to the extent that such costs are in excess of those that Company would have incurred if the qualifying facility's output had not been purchased.
2. A qualifying facility operating in parallel with Company must demonstrate that its equipment is designed, installed, and operated in a manner that insures safe and reliable interconnected operation. A qualifying facility should contact Company for assistance in this regard.
3. The purchasing, supplying and billing for service, and all conditions applying hereto, shall be specified in the contract executed by the parties, and are subject to the jurisdiction of the Kentucky Public Service Commission, and to Company's Terms and Conditions currently in effect, as filed with the Commission.

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Standard Rate Rider

NMS

Net Metering Service

APPLICABLE

In all territory served.

AVAILABILITY OF SERVICE

Available to customers who own, operate and maintain a generation system located on customer's premises, that use as its total fuel source solar, wind, hydro energy, or biomass, in parallel with Company's electric system to provide all or part of their electrical requirements, and who execute Company's written Net Metering Program Notification Form. The generation system shall be limited to a maximum capacity of 30 kilowatts.

NOTIFICATION

The customer shall submit a completed Net Metering Program Notification Form to Company at least 30 days prior to the date the customer intends to interconnect his generator to Company's facilities. Customer shall have all equipment necessary to complete the interconnection installed prior to such notification. Company shall have 30 days from the date of notification to determine whether the customer has satisfied the tariff requirements and shall notify customer. The date of notification shall be the third day following the mailing of the Net Metering Program Notification Form by customer. Customer may interconnect his generator thirty-one days after the date of notification, and begin operation unless Company provides notification of non-compliance to the tariff, prior to the 31st day.

METERING AND BILLING

Net Metering Service shall be measured in accordance with standard metering practices by metering equipment capable of registering power flow in both directions for each time period defined by the applicable rate schedule. If electricity generated by the customer and fed back to Company's system exceeds the electricity supplied to the customer from the system during a billing period, the customer shall receive a credit for the net delivery on the customer's bill for the succeeding billing period. Net metering service shall be measured using a single meter or, as determined by Company, additional meters.

LIABILITY INSURANCE

A customer with a generator with a rated capacity not exceeding 30 kilowatts shall maintain homeowners, commercial, or other insurance providing coverage in the amount of at least \$100,000 for the liability of the insured against loss arising out of the use of a generator.

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Standard Rate Rider

NMS

Net Metering Service

ADDITIONAL CONTROLS AND TESTS

Company may install additional controls or meters, or conduct additional tests as it may deem necessary.

NET METERING SERVICE INTERCONNECTION GUIDELINES

Customer shall operate their generating facilities in parallel with Company's system under the following conditions and any other conditions required by Company where unusual conditions arise not covered herein:

1. Customer to own, install, and maintain all generating facilities on their premises. Such facilities shall include, but not be limited to, necessary control equipment to synchronize frequency, voltage, etc., between customer's and Company's system as well as adequate protective equipment between the two systems. Customer's voltage at the point of interconnection will be the same as Company's system voltage.
2. Customer will be responsible for operating generators and all facilities owned by customer, except as specified hereinafter. Customer will maintain its system in synchronization with Company's system.
3. Customer will be responsible for any damage done to Company's equipment due to failure of customer's control, safety, or other equipment.
4. Company at, its discretion, may require a suitable lockable, company accessible, load breaking manual disconnect switch or similar equipment, as specified by Company, to be furnished by customer at a location designated by Company to enable the separation or disconnection of the two electrical systems. The load breaking manual disconnect switch must be accessible to Company at all times.
5. Customer agrees to inform Company of any changes it wishes to make in its generating and/or associated facilities that is different from those initially installed and described to Company in writing and obtain prior approval from Company.
6. Company will have the right to inspect and approve customer's facilities, described herein, and conduct any tests necessary to determine that such facilities are installed and operating properly. However, Company will have no obligation to inspect, witness tests or in any manner be responsible for customer's facilities or operation.
7. The customer assumes all responsibility for the electric service on the customer's premises at and from the point of delivery of electricity from Company and for the wires and equipment used in connection therewith, and will protect and save Company harmless from all claims for injury or damage to persons or property occurring on the customer's premises or at and from the point of delivery of electricity from Company, occasioned by such electricity or said wires and equipment, except where said injury or damage will be shown to have been occasioned solely by the negligence of Company.

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Standard Rate Rider

NMS

Net Metering Service

CONDITIONS OF INTERCONNECTION

A customer may begin operation of his generator on an interconnected basis when all of the following have been satisfied:

- 1 The customer has properly notified Company of his intent to interconnect by submission of the completed *Net Metering Program Notification Form*.
- 2 The net metering customer has installed a lockable, company accessible, load breaking manual disconnect switch, if required.
- 3 A licensed electrician has certified, by signing Company Net Metering Program Notification Form, that any required manual disconnect switch has been installed properly and that the generator has been installed in accordance with the manufacturer's specifications as well as all applicable provisions of the National Electrical Code.
- 4 The vendor has certified, by signing Company Net Metering Program Notification Form, that the generator being installed is in compliance with the requirements established by Underwriters Laboratories, or other national testing laboratories.
- 5 The customer has had the inverter settings inspected by Company, if the generator is a static inverter-connected generator with an alternating current capacity in excess of 10 kilowatts. Company may impose a fee on the customer of no more than \$50 for such inspection.
- 6 For non-static inverter-connected generators, the customer has interconnected according to Company's interconnection guidelines and Company has inspected all protective equipment settings. Company may impose a fee on the customer of no more than \$50 for such inspection.

DEFINITIONS

"Billing period" shall be the time period between the dates on which Company issues the customer's bills.

"Billing Period Credit" shall be the electricity generated by the customer that flows into the electric system and which exceeds the electricity supplied to the customer from the electric system during any billing period.

TERMS AND CONDITIONS

Except as provided herein, service will be furnished under Company's Terms and Conditions applicable hereto.

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Standard Rate Rider

NMS

Net Metering Service

Net Metering Program Notification Form

INTERCONNECTION NOTIFICATION

APPLICANT HEREBY GIVES NOTICE OF INTENT TO OPERATE A GENERATING FACILITY.

Section 1. Applicant Information

Name: _____
Mail Address: _____
City: _____ State: _____ Zip Code: _____
Facility Location (if different from above): _____
Daytime Phone Number: _____
KU Account Number : _____

Section 2. Generating Facility Information

Generator Type (check one): Solar _____, Wind _____, Hydro _____, Biomass _____
Generator Manufacturer, Model Name & Number: _____
Power Rating in Kilowatts: AC: _____ DC: _____
Inverter Manufacturer, Model Name & Number: _____
Battery Backup? (yes or no) _____

Section 3. Installation Information

Installation Date: _____ Proposed Interconnection Date: _____

Section 4. Certifications

- 1. The system hardware is listed by Underwriters Laboratories to be in compliance with UL 1741:
Signed (Vendor): _____ Date: _____
Name (printed): _____ Company: _____
Phone Number: _____
2. The system has been installed in accordance with the manufacturer's specifications as well as all applicable provisions of the National Electrical Code.
Signed (Licensed Electrician): _____ Date: _____
License Number: _____ Phone Number: _____
Mail Address: _____
City: _____ State: _____ Zip Code: _____
3. Utility signature signifies only receipt of this form.
Signed (Utility Representative): _____
Date: _____

I hereby certify that, to the best of my knowledge, all of the information provided in this Notice is true and correct.

Signature of Applicant _____

Date of Issue:

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Standard Rate Rider	EF							
Excess Facilities								
<p>APPLICABILITY In all territory served.</p>								
<p>AVAILABILITY OF SERVICE This rider is available for nonstandard service facilities which are considered to be in excess of the standard facilities that would normally be provided by Company. This rider does not apply to line extensions or to other facilities which are necessary to provide basic electric service. Company reserves the right to decline to provide service hereunder for any project (a) that exceeds \$100,000 or (b) where Company does not have sufficient expertise to install, operate, or maintain the facilities or (c) where the facilities do not meet Company's safety requirements, or (d) where the facilities are likely to become obsolete prior to the end of the initial contract term.</p>								
<p>DEFINITION OF EXCESS FACILITIES Excess facilities are lines and equipment which are installed in addition to or in substitution for the normal facilities required to render basic electric service. Applications of excess facilities include, but are not limited to, emergency backup feeds, automatic transfer switches, redundant transformer capacity, and duplicate or check meters.</p>								
<p>LEASED FACILITIES CHARGE The customer shall pay for excess facilities through a contribution in aid of construction, which may take the form of a one-time payment or a Carrying Cost Charge based on the original installed cost of the facilities. Company shall provide normal operation and maintenance of the leased facilities. Should the leased facilities suffer catastrophic failure, customer must provide for replacement or, at customer's option, terminate the agreement.</p>								
<p>Monthly Rates</p> <hr/> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%;"></th> <th style="text-align: center; border-bottom: 1px solid black;">Carrying Cost</th> <th style="text-align: center; border-bottom: 1px solid black;">Operating Expenses</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">For Distribution Facilities</td> <td style="text-align: center;">0.93%</td> <td style="text-align: center;">0.56%</td> </tr> </tbody> </table>				Carrying Cost	Operating Expenses	For Distribution Facilities	0.93%	0.56%
	Carrying Cost	Operating Expenses						
For Distribution Facilities	0.93%	0.56%						
<p>The percentage rates are applied to the installed cost of the excess facilities</p>								
<p>PAYMENT The Excess Facilities Charges shall be incorporated with the bill for electric service and will be subject to the same payment provisions.</p>								
<p>TERM OF CONTRACT The initial term of contract to the customer under this schedule shall be not less than five (5) years. The term shall continue automatically until terminated by either party upon at least one (1) month's written notice.</p>								

Date of Issue:
 Date Effective: February 6, 2009
 Issued By: Lonnie E. Bellar, Vice President, State Regulation and Rates, Lexington, Kentucky

Standard Rate Rider	RC
Redundant Capacity	
APPLICABLE	
This rate is applicable to customers served under Company's rate schedules which include a demand charge or a special contract including a demand charge.	
AVAILABILITY	
Available to customers requesting the reservation of capacity on Company's facilities which are shared by other customers when Company has and is willing to reserve such capacity. Such facilities represent a redundant delivery to provide electric service to the Customer's facility in the event that an emergency or unusual occurrence renders the Customer's principal delivery unavailable for providing service.	
RATE:	
<u>Capacity Reservation Charge</u>	
Secondary Distribution	\$0.80 per kW per Month
Primary Distribution	\$0.63 per kW per Month
Applicable to the greater of:	
<ul style="list-style-type: none"> (1) the highest average load in kilowatts recorded at either the principal distribution feed metering point or at the redundant distribution feed metering point during any 15-minute interval in the monthly billing period; (2) 50% of the maximum demand similarly determined for any of the eleven (11) preceding months; or (3) the contracted capacity reservation. 	
TERM OF CONTRACT	
The minimum contract term shall be five (5) years and shall be renewed for one-year periods until either party provides the other with ninety (90) days written notice of a desire to terminate the arrangement. Company may require that a contract be executed for a longer initial term when deemed necessary by the difficulty and/or high cost associated with providing the redundant feed or other special conditions.	

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Kentucky Utilities Company

P.S.C. No. 14 , Original Sheet No. 62

Standard Rate Rider

SS

Supplemental or Standby Service

N

APPLICABLE

In all territory served

AVAILABILITY OF SERVICE

This service is available as a rider to customers whose premises or equipment are regularly supplied with electric energy from generating facilities other than those of Company and who desire to contract with Company for reserve, breakdown, supplemental or standby service

RATE

	Secondary	Primary	Transmission
Contract Demand per kVA per Month	\$ 6 15	\$ 5 80	\$ 5 63

CONTRACT DEMAND

Contract Demand is defined as the number of kilowatts mutually agreed upon as representing customer's maximum service requirements and contracted for by customer; provided, however, if such number of kilowatts is exceeded by a recorded demand, such recorded demand shall become the new contract demand commencing with the month in which recorded and continuing for the remaining term of the contract or until superseded by a higher recorded demand.

MINIMUM CHARGE

Electric service actually used each month will be charged for in accordance with the provisions of the applicable rate schedule; provided, however, the minimum billing under that rate schedule shall in no case be less than an amount calculated at the appropriate rate above applied to the Contract Demand.

DUE DATE OF BILL

Customer's payment will be due within twelve (12) days from date of bill.

SPECIAL TERMS AND CONDITIONS

- 1) In order to protect its equipment from overload damage, Company may require customer to install at his own expense an approved shunt trip type breaker and an approved automatic pole-mounted disconnect. Such circuit breakers shall be under the sole control of Company and will be set by Company to break the connection with its service in the event customer's demand materially exceeds that for which the customer contracted.
- 2) In the event customer's use of service is intermittent or subject to violent fluctuations, Company will require customer to install and maintain at his own expense suitable equipment to satisfactorily limit such intermittence or fluctuations

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Standard Rate Rider

SS

Supplemental or Standby Service

N

SPECIAL TERMS AND CONDITIONS (continued)

- 3) Customer's generating equipment shall *not* be operated in parallel with Company's service until the manner of such operation has been approved by Company and is in compliance with Company's operating standards for system reliability and safety.

TERM OF CONTRACT

The minimum contract period shall be one (1) year, but Company may require that a contract be executed for a longer initial term when deemed necessary by the size of load or special conditions.

TERMS AND CONDITIONS

Service will be furnished under Company's Terms and Conditions except as provided herein.

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Standard Rate Rider

IFL

Rider for Intermittent and Fluctuating Loads

APPLICABLE

In all territory served.

AVAILABILITY OF SERVICE

This schedule applies to all loads having a detrimental effect upon the electric service rendered to other customers of Company or upon Company's facilities.

Where Customer's use of service is intermittent, subject to violent or extraordinary fluctuations, or produces unacceptable levels of harmonic current, in each case as determined by Company, in its reasonable discretion, Company reserves the right to require Customer to furnish, at Customer's own expense, suitable equipment (as approved by Company in its reasonable discretion) to meter and limit such intermittence, fluctuation, or harmonics to the extent reasonably requested by Company. Without limiting the foregoing, Company may require such equipment if, at any time, the megavars, harmonics, and other desirable electrical characteristics produced by the Customer exceed the limits set forth in the IEEE standards for such characteristics. In addition, if the Customer's use of Company's service under this schedule causes such undesirable electrical characteristics in an amount exceeding those IEEE standards, such use shall be deemed to cause a dangerous condition which could subject any person to imminent harm or result in substantial damage to the property of Company or others, and Company shall therefore terminate service to the Customer in accordance with 807 KAR 5:056, Section 14(b). Such a termination of service shall not be considered a cancellation of the service agreement or relieve Customer of any minimum billing or other guarantees. Company shall be held harmless for any damages or economic loss resulting from such termination of service. If requested by Company, Customer shall provide all available information to Company that aids Company in enforcing its service standards. If Company at any time has a reasonable basis for believing that Customer's proposed or existing use of the service provided will not comply with the service standards for interference, fluctuations, or harmonics, Company may engage such experts and/or consultants as Company shall determine are appropriate to advise Company in ensuring that such interference, fluctuations, or harmonics are within acceptable standards. Should such experts and/or consultants determine Customer's use of service is unacceptable, Company's use of such experts and/or consultants will be at the Customer's expense.

RATE

1. A contribution in aid of construction or an excess facilities charge shall be required for all special or added facilities, if any, necessary to serve such loads, as provided under the Excess Facilities Rider.
2. Plus the charges provided for under the rate schedule applicable, including any customer charge if applicable, energy charge, maximum load charge (if load charge rate is used), fuel clause and the minimum under such rate adjusted in accordance with (a) or (b) herein.
 - (a) If rate schedule calls for a minimum based on the total kW of connected load, each kVA of such special equipment shall be counted as one kW connected load for minimum billing purposes.
 - (b) If rate schedule calls for a minimum based on the 15-minute integrated load, and such loads operate only intermittently so that the kW registered on a standard 15-minute integrated demand meter is small in comparison to the instantaneous load such equipment is capable of imposing, each kVA of such special equipment shall be counted as one-third kW load for minimum billing purposes.

MINIMUM CHARGE

As determined by this Rider and the Rate Schedule to which it is attached.

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Standard Rate Rider	TS
Temporary and/or Seasonal Electric Service	
APPLICABLE	
In all territory served	
AVAILABILITY OF SERVICE	
This rider is available at the option of Customer where Customer's business is of such nature to require:	
<ol style="list-style-type: none">1 only seasonal service or temporary service, including service provided for construction of residences or commercial buildings, and where in the judgment of Company the local and system electrical facility capacities are adequate to serve the load without impairment of service to other customers; or2. where Customer has need for temporary use of Company facilities and Company has facilities it is willing to provide.	
This service is available for not less than one (1) month (approximately thirty (30) days), but when service is used longer than one (1) month, any fraction of a month's use will be prorated for billing purposes.	
CONDITIONS	
Company may permit such electric loads to be served on the rate schedule normally applicable, but without requiring a yearly contract and minimum, substituting therefor the following conditions and agreements:	
<ol style="list-style-type: none">1 Customer to pay Company for all costs of making temporary connections, including cost of installing necessary transformers, meters, poles, wire and any other material, and any cost of material which cannot be salvaged, and the cost of removing such facilities when load has ceased2 Customer to pay regular rate of the electric rate schedule applicable3 Where Customer is receiving service under a standard rate and has need for temporary use of Company facilities, Customer will pay for non-savable materials outlined in (1) above at the Carrying Cost Charge specified on the Excess Facilities Rider, Rate Sheet No. 60.	

Date of Issue:

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

Standard Rate Rider

Kilowatt-Hours Consumed By Street Lighting Units

APPLICABLE

Determination of energy set out below applies to the Company's non-metered lighting rate schedules

DETERMINATION OF ENERGY CONSUMPTION

The applicable fuel clause charge or credit will be based on the kilowatt-hours calculated by multiplying the kilowatt load of each light times the number of hours that light is in use during the billing month. The kilowatt load of each light is shown in the section titled RATE. The number of hours a light will be in use during a given month is from dusk to dawn as shown in the following Hours Use Table

HOURS USE TABLE

<u>Month</u>	<u>Hours Light Is In Use</u>
JAN	407
FEB	344
MAR	347
APR	301
MAY	281
JUN	257
JUL	273
AUG	299
SEP	322
OCT	368
NOV	386
DEC	415
TOTAL FOR YEAR	4,000 HRS

Date of Issue:

Date Effective: February 6, 2009

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

Standard Rate Rider

SGE

Small Green Energy Rider

APPLICABLE

In all territory served

AVAILABILITY OF SERVICE

Service under this rider is available to customers receiving service under Company's standard RS or GS rate schedules as an option to participate in Company's "Green Energy Program" whereby Company will aggregate the resources provided by the participating customers to develop green power, purchase green power, or purchase Renewable Energy Certificates.

DEFINITIONS

- a) Green power is that electricity generated from renewable sources including but not limited to: solar, wind, hydroelectric, geothermal, landfill gas, biomass, biodiesel used to generate electricity, agricultural crops or waste, all animal and organic waste, all energy crops and other renewable resources deemed to be Green-e Certified.
- b) A Renewable Energy Certificate ("REC") is the tradable unit which represents the commodity formed by unbundling the environmental-benefit attributes of a unit of green power from the underlying electricity. One REC is equivalent to the environmental-benefits attributes of one (1) MWh of green power.

RATE

\$5.00 per 300 kWh block per month

TERMS AND CONDITIONS

- a) Customers may purchase as many whole blocks as they desire. The eligible customer may participate in Company's "Green Energy Program" by making a request to Company's Call Center or through Company's website enrollment form and may withdraw at any time through a request to Company's Call Center. Funds provided by Customer to Company are not refundable.
- b) Customers may not owe any arrearage prior to entering the "Green Energy Program". Any customer failing to fulfill payment for the requested blocks may be removed from the "Green Energy Program." Any Customer removed from or withdrawing from the "Green Energy Program" will not be allowed to re-apply for one (1) year.
- c) Customer will be billed as provided for under "Rate" times the number of blocks Customer has agreed to purchase per month. Such billing will be added to Customer's billing under any standard rate schedules plus applicable riders plus applicable adjustment clauses.
- d) The service under this rate schedule shall coincide with the three (3) year term of the contract under which Company contracts for the purchase of RECs. Six (6) months prior to expiration of said contract Company shall file for renewal of this rate schedule with the Public Service Commission of Kentucky and may adjust block prices to reflect market conditions as they exist at that time. Upon Commission approval of any change in rate, Company will provide sixty (60) days notice for Customer to adjust the number of blocks contracted for or withdraw from the "Green Energy Program". Service under this rate schedule will continue until the Commission renders a decision on the filing for renewal.

Date of Issue:

Date Effective: May 31, 2007 **Refiled:**

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

Standard Rate Rider	LGE
Large Green Energy Rider	
APPLICABLE	
In all territory served	
AVAILABILITY OF SERVICE	
Service under this rider is available to customers receiving service under Company's standard PS, TOD, RTS, or IS rate schedules as an option to participate in Company's "Green Energy Program" whereby Company will aggregate the resources provided by the participating customers to develop green power, purchase green power, or purchase Renewable Energy Certificates.	
DEFINITIONS	
a) Green power is that electricity generated from renewable sources including but not limited to: solar, wind, hydroelectric, geothermal, landfill gas, biomass, biodiesel used to generate electricity, agricultural crops or waste, all animal and organic waste, all energy crops and other renewable resources deemed to be Green-e Certified. b) A Renewable Energy Certificate ("REC") is the tradable unit which represents the commodity formed by unbundling the environmental-benefit attributes of a unit of green power from the underlying electricity. One REC is equivalent to the environmental-benefits attributes of one (1) MWh of green power	
RATE	
\$13.00 per 1,000 kWh block per month	
TERMS AND CONDITIONS	
a) Customers may purchase as many whole blocks as they desire. The eligible customer may participate in Company's "Green Energy Program" by entering into a written one-year agreement that will renew in one year terms until either party gives thirty (30) days notice to the other. Funds provided by Customer to Company are not refundable. b) Customers may not owe any arrearage prior to entering the "Green Energy Program". Any customer failing to fulfill payment for the requested blocks may be removed from the "Green Energy Program". Any customer removed from or withdrawing from the "Green Energy Program" will not be allowed to re-apply for one (1) year. c) Customer will be billed as provided for under "Rate" times the number of blocks Customer has agreed to purchase per month. Such billing will be added to Customer's billing under any standard rate schedules plus applicable riders plus applicable adjustment clauses. d) The service under this rate schedule shall coincide with the three (3) year term of the contract under which Company contracts for the purchase of RECs. Six (6) months prior to expiration of said contract Company shall file for renewal of this rate schedule with the Public Service Commission of Kentucky and may adjust block prices to reflect market conditions as they exist at that time. Upon Commission approval of any change in rate, Company will provide sixty (60) days notice for Customer to adjust the number of blocks contracted for or withdraw from the "Green Energy Program". Service under this rate schedule will continue until the Commission renders a decision on the filing for renewal.	

Date of Issue:

Date Effective: May 31, 2007 Refiled:

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

Standard Rate Rider

BDR

Brownfield Development Rider

APPLICABLE

In all territory served.

AVAILABILITY OF SERVICE

Service under this rider is conditional on approval of a special contract for such service filed with and approved by the Public Service Commission of Kentucky. Available to customers being served on Company's standard rate schedules and meeting the following conditions;

- a) The minimum monthly billing load must be 500 kW or greater;
- b) The service must be from existing facilities;
- c) The service location must have been idle for a minimum of two years; and
- d) The service location must have been submitted to, approved by, and added to the State of Kentucky's inventory of "brownfield" sites.

RATE

Company will permit such electric loads to be served on the rate schedule normally applicable and Customer will be subject to and comply with all Terms and Conditions except:

- a) for the twelve consecutive monthly billings of the first contract year, the demand charge shall be reduced by 50%;
- b) for the twelve consecutive monthly billings of the second contract year, the demand charge shall be reduced by 40%;
- c) for the twelve consecutive monthly billings of the third contract year, the demand charge shall be reduced by 30%;
- d) for the twelve consecutive monthly billings of the fourth contract year, the demand charge shall be reduced by 20%;
- e) for the twelve consecutive monthly billings of the fifth contract year, the demand charge shall be reduced by 10%; and
- f) all subsequent billing shall be at the full charges stated in the applicable rate schedule.

TERMS AND CONDITIONS

Company may offer differing terms as it deems them appropriate under special contract to which this rider is a part depending on the circumstances associated with providing service to a particular customer and subject to approval by the Public Service Commission of Kentucky.

TERM OF CONTRACT

Service will be furnished under the applicable standard rate schedule and this rider, filed as a special contract with the Public Service Commission of Kentucky, for a fixed term of not less than eight (8) years and for such time thereafter under the terms stated in the standard rate schedule. A greater Term of Contract or termination notice may be required because of conditions associated with a customer's requirements for service. Service will be continued under conditions provided for under the rate schedule to which this Rider is attached after the original Term of Contract.

Date of Issue:

Date Effective: March 7, 2008 **Refiled:**

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

ELECTRIC RIDER	RTP
Real-Time Pricing Rider	
<p>APPLICABLE In all territory served by the Company.</p>	
<p>AVAILABILITY OF SERVICE RTP shall be offered as an optional three (3) year pilot program and is available as a rider to the Company's LTOD, or IS rate schedules for customers having received service under those schedules for a minimum of one (1) year. Service will be provided under RTP following its approval and shall remain in effect until modified or terminated by order of the Commission.</p> <p>a) No customers will be accepted on RTP following the end of the second year of the pilot program. A customer exiting the pilot program or disconnected for non-pay will not be allowed to return to it until the Commission has issued a decision on the pilot program report.</p> <p>b) The Company will file a report on RTP with the Commission within six months after the first three years of implementation of the pilot program. Such report will detail findings and recommendations.</p> <p>c) Service under RTP may not be taken in conjunction with any other load reduction riders such as but not limited to CSR, LRI, or NMS.</p>	
<p>BILLING Customers participating in the RTP Pilot will be billed monthly based on the following calculation:</p> $\text{RTP Bill} = \text{SB} + \text{PC} + \sum_{t=1}^n \{ \text{Price}_t \times (\text{AL}_t - \text{CBL}_t) \}$ <p>Where:</p> <p>RTP Bill = Customer's bill for service under this tariff in a specific month.</p> <p>SB = Customer's bill for the current billing period based on current usage and billed under the appropriate standard rate schedule.</p> <p>PC = Customer specific program charge.</p> <p>$\sum_{t=1}^n$ = Sum of all hours of the billing period from t=1 to n.</p> <p>Price_t = Real-time day-ahead marginal generation supply cost for hour t.</p> <p>AL_t = Customer's actual kVA load for hour t.</p> <p>CBL_t = Customer's baseline kVA load for hour t.</p>	
<p>HOURLY PRICING Hourly prices (Price_t) are determined each day based on projections of the marginal generation supply cost for the next day and adjusted for losses to the customer's delivery voltage. Hourly prices will be provided on a day-ahead basis to Customer. The Company may revise these prices the day before they become effective. Prices become binding at 4:00 p.m. of the preceding day. Service under RTP will require customer enter into a confidentiality agreement with the Company to protect the day ahead hourly prices.</p>	

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

ELECTRIC RIDER

RTP

Real-Time Pricing Rider

CUSTOMER BASELINE LOAD (CBL)

The CBL is based on one complete calendar year of hourly firm kVA load data developed from actual historical metered interval data for the Customer's specific service delivery and mutually agreed to by Customer and Company. The CBL is determined by:

1. selecting the historical calendar period that corresponds to the current billing period,
2. shifting the historical calendar period back no more than 4 days or forward until the days of the week agree for the historical calendar period and the current billing period, and
3. adjusting on a pro rata basis each hour of the historical calendar period so that the sum of the hourly kVA loads for the historical calendar period matches the sum of the hourly kVA loads for the current billing period

PROGRAM CHARGE (PC)

A program charge of \$57 per billing period shall be added to the Customer's bill to cover the additional customer specific costs associated with the pilot program.

MINIMUM CHARGE

The minimum charge in the applicable Standard Tariff shall apply plus PC, customer specific program charge.

TERMS OF CONTRACT

For a fixed term of not less than one year and for such time thereafter until terminated by either party giving 30 days written notice to the other of the desire to terminate.

TERMS AND CONDITIONS

Except as specified above, all other provisions of the power rate to which this schedule is a rider shall apply.

Date of Issue:

Date Effective: December 1, 2008 Refiled:

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

Adjustment Clause	FAC
Fuel Adjustment Clause	
APPLICABLE	
In all territory served.	
AVAILABILITY OF SERVICE	
This schedule is mandatory to all electric rate schedules.	
(1) The charge per kWh delivered under the rate schedules to which this fuel clause is applicable shall be increased or decreased during each month in accordance with the following formula:	
$\text{Adjustment Factor} = \frac{F(m)}{S(m)} - \frac{F(b)}{S(b)}$	
where "F" is the expense of fossil fuel and "S" is the kWh sales in the base (b) and current (m) periods as defined in 807 KAR 5:056, all as set out below.	
(2) Fuel costs (F) shall be the most recent actual monthly cost of:	
(a) Fossil fuel consumed in the utility's own plants, plus the cost of fuel which would have been used in plants suffering forced generation or transmission outages, but less the cost of fuel related to substitute generation; plus	
(b) The actual identifiable fossil and nuclear fuel costs associated with energy purchased for reasons other than identified in paragraph (c) below, but excluding the cost of fuel related to purchases to substitute for the forced outages; plus	
(c) The net energy cost of energy purchases, exclusive of capacity or demand charges (irrespective of the designation assigned to such transaction) when such energy is purchased on an economic dispatch basis. Included therein may be such costs as the charges for economy energy purchases and the charges as a result of scheduled outages, all such kinds of energy being purchased by the buyer to substitute for its own higher cost energy; and less	
(d) The cost of fossil fuel recovered through inter-system sales including the fuel costs related to economy energy sales and other energy sold on an economic dispatch basis.	
(e) All fuel costs shall be based on weighted average inventory costing.	
(3) Forced outages are all non-schedules losses of generation or transmission which require substitute power for a continuous period in excess of six (6) hours. Where forced outages are not as a result of faulty equipment, faulty manufacture, faulty design, faulty installations, faulty operation, or faulty maintenance, but are Acts of God, riot, insurrection or acts of the public enemy, then the utility may, upon proper showing, with the approval of the Commission, include the fuel cost of substitute energy in the adjustment. Until such approval is obtained, in making the calculations of fuel cost (F) in subsection (2)(a) and (b) above, the forced outage costs to be subtracted shall be no less than the fuel cost related to the lost generation.	

Date of Issue:

Date Effective: February 6, 2009

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

Kentucky Utilities Company

P.S.C. No. 14, Original Sheet No. 85.1

Adjustment Clause	FAC
Fuel Adjustment Clause	
<p>(4) Sales (S) shall be all kWh's sold, excluding inter-system sales. Where, for any reason, billed system sales cannot be coordinated with fuel costs for the billing period, sales may be equated to the sum of (i) generation, (ii) purchases, (iii) interchange in, less (iv) energy associated with pumped storage operations, less (v) inter-system sales referred to in subsection (2)(d) above, less (vi) total system losses. Utility used energy shall not be excluded in the determination of sales (S).</p> <p>(5) The cost of fossil fuel shall include no items other than the invoice price of fuel less any cash or other discounts. The invoice price of fuel includes the cost of the fuel itself and necessary charges for transportation of the fuel from the point of acquisition to the unloading point, as listed in Account 151 of FERC Uniform System of Accounts for Public Utilities and Licensees.</p> <p>(6) Base (b) period shall be the twelve (12) months ending October 2006 and the base fuel factor is \$0.02591 per kWh.</p> <p>(7) Current (m) period shall be the second month preceding the month in which the Fuel Clause Adjustment Factor is billed.</p> <p>(8) Pursuant to the Public Service Commission's Order in Case No. 2006-00509 dated October 31, 2007, the Fuel Adjustment Clause will become effective with bills rendered on and after the first billing cycle of December 2007.</p>	

Date of Issue:

Date Effective: With Bills Rendered On and After December 3, 2007 Refiled:

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

Adjustment Clause	DSM
Demand-Side Management Cost Recovery Mechanism	
<p>APPLICABLE In all territory served</p> <p>AVAILABILITY OF SERVICE This schedule is mandatory to Residential Rate RS, Volunteer Fire Department Service Rate VFD, General Service Rate GS, Power Rate PS, and Time-of-Day Rate TOD. Industrial customers who elect not to participate in a demand-side management program hereunder shall not be assessed a charge pursuant to this mechanism.</p> <p>RATE The monthly amount computed under each of the rate schedules to which this Demand-Side Management Cost Recovery Mechanism is applicable shall be increased or decreased by the DSM Cost Recovery Component (DSMRC) at a rate per kilowatt hour of monthly consumption in accordance with the following formula:</p> $\text{DSMRC} = \text{DCR} + \text{DRLS} + \text{DSMI} + \text{DBA}$ <p>Where:</p> <p>DCR = DSM COST RECOVERY The DCR shall include all expected costs which have been approved by the Commission for each twelve-month period for demand-side management programs which have been developed through a collaborative advisory process ("approved programs"). Such program costs shall include the cost of planning, developing, implementing, monitoring, and evaluating DSM programs. Program costs will be assigned for recovery purposes to the rate classes whose customers are directly participating in the program. In addition, all costs incurred by or on behalf of the collaborative process, including but not limited to costs for consultants, employees and administrative expenses, will be recovered through the DCR. Administrative costs that are allocable to more than one rate class will be recovered from those classes and allocated by rate class on the basis of the estimated budget from each program. The cost of approved programs shall be divided by the expected kilowatt-hour sales for the upcoming twelve-month period to determine the DCR for such rate class.</p> <p>DRLS = DSM REVENUE FROM LOST SALES Revenues from lost sales due to DSM programs implemented on and after the effective date of this tariff and will be recovered as follows:</p> <ol style="list-style-type: none"> 1) For each upcoming twelve-month period, the estimated reduction in customer usage (in kWh) as determined for the approved programs shall be multiplied by the non-variable revenue requirement per kWh for purposes of determining the lost revenue to be recovered hereunder from each customer class. The non-variable revenue requirement for the Residential, Volunteer Fire Department, and General Service customer class is defined as the weighted average price per kWh of expected billings under the energy charges contained in the RS, VFD, and GS rate schedules in the upcoming twelve-month period after deducting the variable costs included in such energy charges. The non-variable revenue requirement for each of the customer classes that are billed under demand and energy rates (rate schedules PS and TOD) is defined as the weighted average price per kWh represented by the composite of the 	

Date of Issue:

Date Effective: February 6, 2009

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

Adjustment Clause	DSM
Demand-Side Management Cost Recovery Mechanism	
RATE (continued)	
<p>expected billings under the respective demand and energy charges in the upcoming twelve-month period, after deducting the variable costs included in the energy charges.</p>	
<p>2) The lost revenues for each customer class shall then be divided by the estimated class sales (in kWh) for the upcoming twelve-month period to determine the applicable DRLS surcharge. Recovery of revenue from lost sales calculated for a twelve-month period shall be included in the DRLS for 36 months or until implementation of new rates pursuant to a general rate case, whichever comes first. Revenues from lost sales will be assigned for recovery purposes to the rate classes whose programs resulted in the lost sales</p>	
<p>Revenues collected hereunder are based on engineering estimates of energy savings, expected program participation and estimated sales for the upcoming twelve-month period. At the end of each such period, any difference between the lost revenues actually collected hereunder and the lost revenues determined after any revisions of the engineering estimates and actual program participation are accounted for shall be reconciled in future billings under the DSM Balance Adjustment (DBA) component.</p>	
<p>A program evaluation vendor will be selected to provide evaluation criteria against which energy savings will be estimated for that program. Each program will be evaluated after implementation and any revision of the original engineering estimates will be reflected in both (a) the retroactive true-up provided for under the DSM Balance Adjustment and (b) the prospective future lost revenues collected hereunder.</p>	
DSMI = DSM INCENTIVE	
<p>For all Energy Impact Programs except Direct Load Control, the DSM incentive amount shall be computed by multiplying the net resource savings expected from the approved programs which are to be installed during the upcoming twelve-month period times fifteen (15) percent, not to exceed five (5) percent of program expenditures. Net resource savings are defined as program benefits less utility program costs and participant costs where program benefits will be calculated on the basis of the present value of Company's avoided costs over the expected life of the program, and will include both capacity and energy savings. For Energy Education and Direct Load Control Programs, the DSM incentive amount shall be computed by multiplying the annual cost of the approved programs which are to be installed during the upcoming twelve-month period times five (5) percent.</p>	
<p>The DSM incentive amount related to programs for Residential Rate RS, Volunteer Fire Department Rate VFD, General Service Rate GS, Power Rate PS, and Time-of-Day Rate TOD shall be divided by the expected kilowatt-hour sales for the upcoming twelve-month period to determine the DSMI for such rate class. DSM incentive amounts will be assigned for recovery purposes to the rate classes whose programs created the incentive.</p>	

Date of Issue:

Date Effective: February 6, 2009

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

Adjustment Clause	DSM
Demand-Side Management Cost Recovery Mechanism	
DBA = DSM BALANCE ADJUSTMENT	
<p>The DBA shall be calculated on a calendar year basis and is used to reconcile the difference between the amount of revenues actually billed through the DCR, DRLS, DSMI and previous application of the DBA and the revenues which should have been billed, as follows:</p>	
<ol style="list-style-type: none">1) For the DCR, the balance adjustment amount will be the difference between the amount billed in a twelve-month period from the application of the DCR unit charge and the actual cost of the approved programs during the same twelve-month period2) For the DRLS the balance adjustment amount will be the difference between the amount billed during the twelve-month period from application of the DRLS unit charge and the amount of lost revenues determined for the actual DSM measures implemented during the twelve-month period.3) For the DSMI, the balance adjustment amount will be the difference between the amount billed during the twelve-month period from application of the DSMI unit charge and the incentive amount determined for the actual DSM measures implemented during the twelve-month period.4) For the DBA, the balance adjustment amount will be the difference between the amount billed during the twelve-month period from application of the DBA and the balance adjustment amount established for the same twelve-month period	
<p>The balance adjustment amounts determined on the basis of the above paragraphs (1)-(4) shall include interest applied to the monthly amounts, such interest to be calculated at a rate equal to the average of the "Three-month Commercial Paper Rate" for the immediately preceding twelve-month period. The total of the balance adjustment amounts shall be divided by the expected kilowatt-hour sales for the upcoming twelve-month period to determine the DBA for such rate class. DSM balance adjustment amounts will be assigned for recovery purposes to the rate classes to which over- or under-recoveries of DSM amounts were realized.</p>	
<p>The filing of modifications to the DSMRC which require changes in the DCR component shall be made at least two months prior to the beginning of the effective period for billing.</p>	
<p>Modifications to other components of the DSMRC shall be made at least thirty days prior to the effective period for billing. Each filing shall include the following information as applicable:</p>	
<ol style="list-style-type: none">1) A detailed description of each DSM program developed by the collaborative process, the total cost of each program over the twelve-month period, an analysis of expected resource savings, information concerning the specific DSM or efficiency measures to be installed, and any applicable studies which have been performed, as available2) A statement setting forth the detailed calculation of the DCR, DRLS, DSMI, DBA and DSMRC	
<p>Each change in the DSMRC shall be placed into effect with bills rendered on and after the effective date of such change</p>	

Date of Issue:

Date Effective: February 6, 2009

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

Kentucky Utilities Company

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

Adjustment Clause	DSM		
Demand-Side Management Cost Recovery Mechanism			
Monthly Adjustment Factors			
<u>Residential Service Rate RS and Volunteer Fire Department Service Rate VFD</u>		<u>Energy Charge</u>	
DSM Cost Recovery Component (DCR)		\$ 0.00162 per kWh	T
DSM Revenues from Lost Sales (DRLS)		\$ 0.00035 per kWh	R/T
DSM Incentive (DSMI)		\$ 0.00007 per kWh	T
DSM Balance Adjustment (DBA)		\$(0.00001) per kWh	T
Total DSMRC for Rates RS and VFD		\$ 0.00203 per kWh	R/T
 <u>General Service Rate GS</u>		 <u>Energy Charge</u>	
DSM Cost Recovery Component (DCR)		\$ 0.00052 per kWh	T
DSM Revenues from Lost Sales (DRLS)		\$ 0.00042 per kWh	R/T
DSM Incentive (DSMI)		\$ 0.00003 per kWh	T
DSM Balance Adjustment (DBA)		\$(0.00019) per kWh	T
Total DSMRC for Rate GS		\$ 0.00078 per kWh	R/T
 <u>Power Service Rate PS and Time-of-Day Service TOD</u>		 <u>Energy Charge</u>	
DSM Cost Recovery Component (DCR)		\$ 0.00033 per kWh	T
DSM Revenues from Lost Sales (DRLS)		\$ 0.00013 per kWh	R/T
DSM Incentive (DSMI)		\$ 0.00002 per kWh	T
DSM Balance Adjustment (DBA)		\$ 0.00005 per kWh	T
Total DSMRC for Rates PS and TOD		\$ 0.00053 per kWh	R/T
 <u>Large Time-of-Day Rate LTOD</u>		 <u>Energy Charge</u>	
DSM Cost Recovery Component (DCR)		\$ 0.00000 per kWh	T
DSM Revenues from Lost Sales (DRLS)		\$ 0.00000 per kWh	
DSM Incentive (DSMI)		\$ 0.00000 per kWh	
DSM Balance Adjustment (DBA)		\$ 0.00000 per kWh	
Total DSMRC for Rate LTOD		\$ 0.00000 per kWh	T

Date of Issue:

Date Effective: February 6, 2009

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

Adjustment Clause	ECR
Environmental Cost Recovery Surcharge	
<p>APPLICABLE In all territory served.</p>	
<p>AVAILABILITY OF SERVICE To electric rate schedules RS, VFD, GS, AES, PS, TOD, LTOD, RTS, IS, ST.LT., P.O.LT., LE, TE, FAC, and DSM</p>	
<p>RATE The monthly billing amount under each of the schedules to which this mechanism is applicable, including the fuel clause and demand-side management cost recovery mechanism, shall be increased or decreased by a percentage factor calculated in accordance with the following formula.</p> $\text{CESF} = \text{E(m)} / \text{R(m)} \qquad \text{MESF} = \text{CESF} - \text{BESF}$ <p>MESF = Monthly Environmental Surcharge Factor CESF = Current Environmental Surcharge Factor BESF = Base Environmental Surcharge Factor</p> <p>E(m) is the jurisdictional total of each approved environmental compliance plan revenue requirement of environmental compliance costs for the current expense month and R(m) is the revenue for the current expense month as set forth below.</p>	
<p>DEFINITIONS</p> <ol style="list-style-type: none"> 1) For all Plans, $\text{E(m)} = [(\text{RB}/12) (\text{ROR} + (\text{ROR} - \text{DR}) (\text{TR} / (1 - \text{TR}))) + \text{OE} - \text{BAS}$ <ol style="list-style-type: none"> a) RB is the Total Environmental Compliance Rate Base b) ROR is the Rate of Return on Environmental Compliance Rate Base, designated as the overall rate of return [cost of short-term debt, long-term debt, preferred stock, and common equity] c) DR is the Debt Rate [cost of short-term debt, and long-term debt] d) TR is the Composite Federal and State Income Tax Rate. e) OE is the Operating Expenses [Depreciation and Amortization Expense, Property Taxes, Emission Allowance Expense and O&M expense adjusted for the Average Month Expense already included in existing rates]. Includes operation and maintenance expense recovery authorized by the K.P.S.C. in Case Nos 2000-439, 2002-146, 2004-00426 and 2006-00206. f) BAS is the total proceeds from by-product and allowance sales. 2) Total E(m) (sum of each approved environmental compliance plan revenue requirement) is multiplied by the Jurisdictional Allocation Factor to arrive at the Net Jurisdictional E(m). 3) The revenue R(m) is the average monthly base revenue for the Company for the 12 months ending with the current expense month. Base revenue includes the customer, energy and demand charge for each rate schedule to which this mechanism is applicable and automatic adjustment clause revenues for the Fuel Adjustment Clause and the Demand-Side Management Cost Recovery Mechanism as applicable for each rate schedule. 4) Current expense month (m) shall be the second month preceding the month in which the Environmental Surcharge is billed. 	

Date of Issue:

Date Effective: February 6, 2009

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

Adjustment Clause	FF
Franchise Fee Rider	
APPLICABLE	
In all territory served.	
AVAILABILITY OF SERVICE	
Available as an option for collection of revenues within governmental jurisdictions which impose on Company franchise fees, permitting fees, local taxes or other charges by ordinance, franchise, or other governmental directive and not otherwise collected in the charges of Company's base rate schedules.	
DEFINITIONS	
Base Year - the twelve month period ending November 30.	
Collection Year - the full calendar year following the Base Year.	
Base Year Amount -	
<ol style="list-style-type: none">1) a percentage of revenues, as determined in the franchise agreement, for the Base Year; and2) license fees, permit fees, or other costs specifically borne by Company for the purpose of maintaining the franchise as incurred in the Base Year and applicable specifically to Company by ordinance or franchise for operation and maintenance of its facilities in the franchise area, including but not limited to costs incurred by Company as a result of governmental regulation or directives requiring construction or installation of facilities beyond that normally provided by Company in accordance with applicable Rules and Regulations approved by and under the direction of the Kentucky Public Service Commission; and3) any adjustment for over or under collection of revenues associated with the amounts in 1) or 2).	
RATE	
The franchise percentage will be calculated by dividing the Base Year amount by the total revenues in the Base Year for the franchise area. The franchise percentage will be monitored during the Collection Year and adjusted to recover the Base Year Amount in the Collection Year as closely as possible.	
BILLING	
<ol style="list-style-type: none">1) The franchise charge will be applied exclusively to the base rate and all riders of bills of customers receiving service within the franchising governmental jurisdiction, before taxes.2) The franchise charge will appear as a separate line item on the Customer's bill and show the unit of government requiring the franchise.3) Payment of the collected franchise charges will be made to the governmental franchising body as agreed to in the franchise agreement.	
TERM OF CONTRACT	
As agreed to in the franchise agreement. In the event such franchise agreement should lapse but payment of franchise fees, other local taxes, or permitting fees paid by Company by ordinance, franchise, or other governmental directive should continue, collection shall continue under this tariff.	
TERMS AND CONDITIONS	
Service will be furnished in accordance with the provisions of the franchise agreement in so far as those provisions do not conflict with the Terms and Conditions applicable to Company approved by and under the direction of the Kentucky Public Service Commission.	

Date of Issue:

Date Effective: October 16, 2003 Refiled:

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

Kentucky Utilities Company

P.S.C. No. 14, Original Sheet No. 91

Adjustment Clause	ST
School Tax	
APPLICABLE	
In all territory served	
AVAILABILITY OF SERVICE	
This schedule is applied as a rate increase to all other schedules pursuant to KRS 160.617 for the recovery by the utility of school taxes in any county requiring a utility gross receipts license tax for schools under KRS 160.613.	
RATE	
The utility gross receipts license tax imposed by the county but not to exceed 3%.	

Date of Issue:
Date Effective: February 6, 2009
Issued By: Lonnie E. Bellar, Vice President, State Regulation and Rates, Lexington, Kentucky

Adjustment Clause	HEA
Home Energy Assistance Program	
APPLICABLE	
In all territory served	
AVAILABILITY	
To all residential customers.	
RATE	
\$0.15 per meter per month.	
BILLING	
The HEA charge shall be shown as a separate item on customer bills.	
SERVICE PERIOD	
The Home Energy Assistance charge will be applied to all residential electric bills rendered during the billing cycles commencing October 1, 2007 through September 30, 2012, or as otherwise directed by the Public Service Commission. Proceeds from this charge will be used to fund residential low-income demand-side management Home Energy Assistance programs which have been designed through a collaborative advisory process and then filed with, and approved by, the Commission.	

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TERMS AND CONDITIONS

Customer Bill of Rights

As a residential customer of a regulated public utility in Kentucky, you are guaranteed the following rights subject to Kentucky Revised Statutes and the provisions of the Kentucky Public Service Commission Administrative Regulations:

- You have the right to service, provided you (or a member of your household whose debt was accumulated at your address) are not indebted to the utility.
- You have the right to inspect and review the utility's rates and tariffed operating procedures during the utility's normal office hours.
- You have the right to be present at any routine utility inspection of your service conditions.
- You must be provided a separate, distinct disconnect notice alerting you to a possible disconnection of your service, if payment is not received.
- You have the right to dispute the reasons for any announced termination of your service.
- You have the right to negotiate a partial payment plan when your service is threatened by disconnection for non-payment.
- You have the right to participate in equal, budget payment plans for your natural gas and electric service.
- You have the right to maintain your utility service for up to thirty (30) days upon presentation of a medical certificate issued by a health official.
- You have the right to prompt (within 24 hours) restoration of your service when the cause for discontinuance has been corrected.
- If you have not been disconnected, you have the right to maintain your natural gas and electric service for up to thirty (30) days, you present a Certificate of Need issued by the Kentucky Cabinet for Human Resources between the months of November and the end of March.
- If you have been disconnected due to non-payment, you have the right to have your natural gas or electric service reconnected between the months of November through March provided you:
 - 1) Present a Certificate of Need issued by the Kentucky Cabinet for Human Resources, and
 - 2) Pay one third (1/3) of your outstanding bill (\$200 maximum), and
 - 3) Accept referral to the Human Resources' Weatherization Program, and
 - 4) Agree to a repayment schedule that will cause your bill to become current by October 15.
- You have the right to contact the Public Service Commission regarding any dispute that you have been unable to resolve with your utility (call Toll Free 1-800-772-4636).

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TERMS AND CONDITIONS

General

COMMISSION RULES AND REGULATIONS

All electric service supplied by Company shall be in accordance with the applicable rules and regulations of the Public Service Commission of Kentucky

COMPANY TERMS AND CONDITIONS

In addition to the rules and regulations of the Commission, all electric service supplied by Company shall be in accordance with these Terms and Conditions, which shall constitute a part of all applications and contracts for service

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RATES, TERMS AND CONDITIONS ON FILE

A copy of the rate schedules, terms, and conditions under which electric service is supplied is on file with the Public Service Commission of Kentucky. A copy of such rate schedules, terms and conditions, together with the law, rules, and regulations of the Commission, is available for public inspection in each office of Company where bills may be paid.

ASSIGNMENT

No order for service, agreement or contract for service may be assigned or transferred without the written consent of Company

RENEWAL OF CONTRACT

If, upon the expiration of any service contract for a specified term, the customer continues to use the service, the contract (unless otherwise provided therein) will be automatically renewed for successive periods of one (1) year each, subject to termination at the end of any year upon thirty (30) days prior written notice by either party

AGENTS CANNOT MODIFY AGREEMENT WITHOUT CONSENT OF P.S.C. OF KY.

No agent has power to amend, modify, alter, or waive any of these Terms and Conditions, or to bind Company by making any promises or representations not contained herein.

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SUPERSEDE PREVIOUS TERMS AND CONDITIONS

These Terms and Conditions supersede all terms and conditions under which Company has previously supplied electric service

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TERMS AND CONDITIONS
Customer Responsibilities

APPLICATION FOR SERVICE

A written application or contract, properly executed, may be required before Company is obligated to render electric service. Company shall have the right to reject for valid reasons any such application or contract

All applications for service shall be made in the legal name of the party desiring the service

Where an unusual expenditure for construction or equipment is necessary or where the proposed manner of using electric service is clearly outside the scope of Company's standard rate schedules, Company may establish special contracts giving effect to such unusual circumstances. Customer accepts that non-standard service may result in the delay of required maintenance or, in the case of outages, restoration of service.

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TRANSFER OF APPLICATION

Applications for electric service are not transferable and new occupants of premises will be required to make application for service before commencing the use of electricity. Customers who have been receiving electric service shall notify Company when discontinuance of service is desired, and shall pay for all electric service furnished until such notice has been given and final meter readings made by Company

OPTIONAL RATES

If two or more rate schedules are available for the same class of service, it is Customer's responsibility to determine the options available and to designate the schedule under which he desires to receive service.

Company will, at any time, upon request, advise any customer as to the most advantageous rate for existing or anticipated service requirements as defined by the customer, but Company does not assume responsibility for the selection of such rate or for the continuance of the lowest annual cost under the rate selected.

In those cases in which the most favorable rate is difficult to predetermine, Customer will be given the opportunity to change to another schedule, unless otherwise prevented by the rate schedule under which Customer is currently served, after trial of the schedule originally designated; however, after the first such change, Company shall not be required to make a change in schedule more often than once in twelve (12) months.

From time to time, Customer should investigate his operating conditions to determine a desirable change from one available rate to another. Company, lacking knowledge of changes that may occur at any time in Customer's operating conditions, does not assume responsibility that Customer will at all times be served under the most beneficial rate.

In no event will Company make refunds covering the difference between the charges under the rate in effect and those under any other rate applicable to the same class of service.

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TERMS AND CONDITIONS

Customer Responsibilities

CUSTOMER'S EQUIPMENT AND INSTALLATION

Customer shall furnish, install, and maintain at his expense all electrical apparatus and wiring to connect with Company's service drop or service line. All such apparatus and wiring shall be installed and maintained in conformity with applicable statutes, laws or ordinances and with the rules and regulations of the constituted authorities having jurisdiction. Customer shall not install wiring or connect and use any motor or other electricity-using device which in the opinion of Company is detrimental to its electric system or to the service of other customers of Company. Company assumes no responsibility whatsoever for the condition of Customer's electrical wiring, apparatus, or appliances, nor for the maintenance or removal of any portion thereof.

In the event Customer builds or extends its own transmission or distribution system over property Customer owns, controls, or has rights to, and said system extends or may extend into the service territory of another utility company, Customer will notify Company of their intention in advance of the commencement of construction

OWNER'S CONSENT TO OCCUPY

Customer shall grant easements and rights-of-way on and across Customer's property at no cost to Company.

ACCESS TO PREMISES AND EQUIPMENT

Company shall have the right of access to Customer's premises at all reasonable times for the purpose of installing, meter reading, inspecting, repairing, or removing its equipment used in connection with its supply of electric service or for the purpose of turning on and shutting off the supply of electricity when necessary and for all other proper purposes. Customer shall not construct or permit the construction of any structure or device which will restrict the access of Company to its equipment for any of the above purposes

PROTECTION OF COMPANY'S PROPERTY

Customers will be held responsible for tampering, interfering with, breaking of seals of meters, or other equipment of Company installed on Customer's premises, and will be held liable for same according to law. Customer hereby agrees that no one except the employees of Company shall be allowed to make any internal or external adjustments of any meter or any other piece of apparatus which shall be the property of Company.

POWER FACTOR

Company installs facilities to supply power to Customer at or near unity power factor.

Company expects any customer to use apparatus which shall result in a power factor near unity. However, Company will permit the use of apparatus which shall result, during normal operation, in a power factor not lower than 90 percent either lagging or leading

Where Customer's power factor is less than 90 percent, Company reserves the right to require Customer to furnish, at his own expense, suitable corrective equipment to maintain a power factor of 90 percent or higher

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TERMS AND CONDITIONS
Customer Responsibilities

EXCLUSIVE SERVICE ON INSTALLATION CONNECTED

Except in cases where Customer has a contract with Company for reserve or auxiliary service, no other electric light or power service will be used by Customer on the same installation in conjunction with Company's service, either by means of a throw-over switch or any other connection.

LIABILITY

Customer assumes all responsibility for the electric service upon Customer's premises at and from the point of delivery of electricity and for the wires and equipment used in connection therewith, and will protect and save Company harmless from all claims for injury or damage to persons or property occurring on Customer's premises or at and from the point of delivery of electricity, occasioned by such electricity or said wires and equipment, except where said injury or damage will be shown to have been occasioned solely by the negligence of Company.

NOTICE TO COMPANY OF CHANGES IN CUSTOMER'S LOAD

The service connections, transformers, meters, and appurtenances supplied by Company for the rendition of electric service to its customers have a definite capacity which may not be exceeded without damage. In the event that Customer contemplates any material increase in his connected load, whether in a single increment or over an extended period, he shall immediately give Company written notice of this fact so as to enable it to enlarge the capacity of such equipment. In case of failure to give such notice Customer may be held liable for any damage done to meters, transformers, or other equipment of Company caused by such material increase in Customer's connected load.

PERMITS

Customer shall obtain or cause to be obtained all permits, easements, or certificates, except street permits, necessary to give Company or its agents access to Customer's premises and equipment and to enable its service to be connected therewith. In case Customer is not the owner of the premises or of intervening property between the premises and Company's distribution lines the customer shall obtain from the proper owner or owners the necessary consent to the installation and maintenance in said premises and in or about such intervening property of all such wiring or other customer-owned electrical equipment as may be necessary or convenient for the supply of electric service to customer. Provided, however, to the extent permits, easements, or certificates are necessary for the installation and maintenance of Company-owned facilities, Company shall obtain the aforementioned consent.

The construction of electric facilities to provide service to a number of customers in a manner consistent with good engineering practice and the least public inconvenience sometimes requires that certain wires, guys, poles, or other appurtenances on a customer's premises be used to supply service to neighboring customers. Accordingly, each customer taking Company's electric service shall grant to Company such rights on or across his or her premises as may be necessary to furnish service to neighboring premises, such rights to be exercised by Company in a reasonable manner and with due regard for the convenience of Customer.

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TERMS AND CONDITIONS
Customer Responsibilities

PERMITS (continued)

Company shall make or cause to be made application for any necessary street permits, and shall not be required to supply service under Customer's application until a reasonable time after such permits are granted

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TERMS AND CONDITIONS

Company Responsibilities

METERING

The electricity used will be measured by a meter or meters to be furnished and installed by Company at its expense and all bills will be calculated upon the registration of said meters. When service is supplied by Company at more than one delivery point on the same premises, each delivery point will be metered and billed separately on the rate applicable. Meters include all measuring instruments. Meters will be located outside whenever possible. Otherwise, meters will be located as near as possible to the service entrance and on the ground floor of the building, in a clean, dry, safe and easily accessible place, free from vibration, agreed to by Company.

POINT OF DELIVERY OF ELECTRICITY

The point of delivery of electrical energy supplied by Company shall be at the point, as designated by Company, where Company's facilities are connected with the facilities of Customer, irrespective of the location of the meter.

EXTENSION OF SERVICE

The main transmission lines of Company, or branches thereof, will be extended to such points as provide sufficient load to justify such extensions or in lieu of sufficient load, Company may require such definite and written guarantees from a customer, or group of customers, in addition to any minimum payments required by the Tariff as may be necessary. This requirement may also be made covering the repayment, within a reasonable time, of the cost of tapping such existing lines for light or power service or both.

COMPANY'S EQUIPMENT AND INSTALLATION

Company will furnish, install, and maintain at its expense the necessary overhead service drop or service line required to deliver electricity at the voltage contracted for, to Customer's electric facilities.

Company will furnish, install, and maintain at its expense the necessary meter or meters. (The term meter as used here and elsewhere in these rules and regulations shall be considered to include all associated instruments and devices, such as current and potential transformers, installed for the purpose of measuring deliveries of electricity to the customer.) Suitable provision for Company's meter, including an adequate protective enclosure for the same if required, shall be made by Customer. Title to the meter shall remain in Company, with the right to install, operate, maintain, and remove same. Customer shall protect such property of Company from loss or damage, and no one who is not an agent of Company shall be permitted to remove, damage, or tamper with the same. Customer shall execute such reasonable form of easement agreement as may be required by Company.

Notwithstanding the provisions of 807 KAR 5:006, Section 13(4), a reasonable time shall be allowed subsequent to Customer's service application to enable Company to construct or install the facilities required for such service. In order that Company may make suitable provision for enlargement, extension or alteration of its facilities, each applicant for commercial or industrial service shall furnish Company with realistic estimates of prospective electricity requirements.

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TERMS AND CONDITIONS

Company Responsibilities

COMPANY NOT LIABLE FOR INTERRUPTIONS

Company will exercise reasonable care and diligence in an endeavor to supply service continuously and without interruption but does not guarantee continuous service and shall not be liable for any loss or damage resulting from interruption, reduction, delay or failure of electric service not caused by the willful negligence of Company, or resulting from any cause or circumstance beyond the reasonable control of Company.

COMPANY NOT LIABLE FOR DAMAGE ON CUSTOMER'S PREMISES

Company is merely a supplier of electricity delivered to the point of connection of Company's and Customer's facilities, and shall not be liable for and shall be protected and held harmless for any injury or damage to persons or property of Customer or of third persons resulting from the presence, use or abuse of electricity on Customer's premises or resulting from defects in or accidents to any of Customer's wiring, equipment, apparatus, or appliances, or resulting from any cause whatsoever other than the negligence of Company.

LIABILITY

In no event shall Company have any liability to Customer or any other party affected by the electrical service to Customer for any consequential, indirect, incidental, special, or punitive damages, and such limitation of liability shall apply regardless of claim or theory. In addition, to the extent that Company acts within its rights as set forth herein and/or any applicable law or regulation, Company shall have no liability of any kind to Customer or any other party. In the event that the customer's use of Company's service causes damage to Company's property or injuries to persons, Customer shall be responsible for such damage or injury and shall indemnify, defend, and hold Company harmless from any and all suits, claims, losses, and expenses associated therewith.

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TERMS AND CONDITIONS

Character of Service

Electric service, under the rate schedules herein, will be 60 cycle, alternating current delivered from Company's various load centers and distribution lines at typical nominal voltages and phases, as available in a given location, as follows:

SECONDARY VOLTAGES

Residential Service -

Single phase 120/240 volts three-wire service or 120/208Y volts three-wire where network system is available.

Non-Residential Service -

- 1) Single phase 120/240 volts three-wire service or 120/208Y volts where network system is available
- 2) Three phase 240 volts three-wire, 480 volts three-wire, 120-208Y volts four-wire, or 277/480Y four-wire

PRIMARY VOLTAGES

According to location, 2,400/4160Y volts, 7,200/12,470Y volts, 13,800 volts, or 34,500 volts

TRANSMISSION VOLTAGES

According to location, 69,000 volts, 138,000 volts, or 345,000 volts.

The voltage available to any individual customer shall depend upon the voltage of Company's lines serving the area in which Customer's electric load is located.

RESTRICTIONS

1. Except for minor loads, with approval of company, two-wire service is restricted to those customers on service 7/1/04
2. To be eligible for the rate applicable to any delivery voltage other than secondary voltage, Customer must furnish and maintain complete substation structure, transformers, and other equipment necessary to take service at the primary or transmission voltage available at point of connection
 - a) In the event Company is required to provide transformation to reduce an available voltage to a lower voltage for delivery to a customer, Customer shall be served at the rate applicable to the lower voltage; provided, however, that if the same rate is applicable to both the available voltage and the delivery voltage, Customer may be required to make a non-refundable payment to reflect the additional investment required to provide service.
 - b) The available voltage shall be the voltage on that distribution or transmission line which Company designates as being suitable from the standpoint of capacity and other operating characteristics for supplying the requirements of Customer.

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TERMS AND CONDITIONS

Residential Rate Specific Terms and Conditions

Residential electric service is available for uses customarily associated with residential occupation, including lighting, cooking, heating, cooling, refrigeration, household appliances, and other domestic purposes

1. Residential rates are based on service to single family units and are not applicable to multi-family dwellings served through a single meter. Where two or more families occupy a residential building, Company will require, as a condition precedent to the application of the residential rate, that the wiring in the building be so arranged as to permit each family to be served through a separate meter. In those cases where such segregation of wiring would involve undue expense to Customer, Company will allow service to two or more families to be taken through one meter, but in this event the minimum bills of the applicable residential rate shall be multiplied by the number of families thus served, such number of families to be determined on the basis of the number of kitchens in the building. At Customer's option, in lieu of the foregoing, electric service rendered to a multi-family residential building through a single meter will be classified as commercial and billed on the basis of service to one customer at an appropriate non-residential rate.
2. Single family unit service shall include usage of electric energy customarily incidental to home occupations, such as the office of a physician, surgeon, dentist, musician or artist when such occupation is carried on by Customer in his residence.
3. A residential building used by a single family as a home, which is also used to accommodate roomers or boarders for compensation, will be billed at the residential rate provided it does not exceed twelve (12) rooms in size. Such a residential building of more than twelve (12) rooms used to accommodate roomers or borders for compensation will be classified as commercial and billed on the appropriate rate. In determining the room rating of rooming and boarding houses, all wired rooms shall be counted except hallways, vestibules, alcoves, closets, bathrooms, lavatories, garrets, attics, storage rooms, trunk rooms, basements, cellars, porches and private garages.
4. Service used in residential buildings occupied by fraternity or sorority organizations associated with educational institutions will be classified as residential and billed at the residential rate.
5. Where both residential and general or commercial classes of service are supplied through a single meter, such combined service shall be billed at the appropriate non-residential rate. Customer may arrange his wiring so as to separate the general service from the residential service, in which event two meters will be installed by Company and separate residential and general service rates applied to the respective classes of service.
6. If Customer's barns, pump house or other outbuildings are located at such distance from his residence as to make it impracticable to supply service thereto through his residential meter, the separate meter required to measure service to such remotely located buildings will be considered a separate service contract and billed as a separate customer on the applicable non-residential rate.

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TERMS AND CONDITIONS
Residential Rate Specific Terms and Conditions

7. Single-phase power service used for domestic purposes will be permitted under Residential Rate RS when measured through the residential meter subject to the conditions set forth below:
- (a) Single-phase motors may be served at 120 volts if the locked-rotor current at rated voltage does not exceed 50 amperes. Motors with locked-rotor current ratings in excess of 50 amperes must be served at 240 volts.
 - (b) Single-phase motors of new central residential cooling installations with total locked-rotor ratings of *not to exceed 125 amperes* (inclusive of any auxiliary motors arranged for simultaneous starting with the compressor) may be connected for across-the-line starting provided the available capacity of Company's electric distribution facilities at desired point of supply is such that, in Company's judgment, the starting of such motors will not result in excessive voltage dips and undue disturbance of lighting service and television reception of nearby electric customers. However, except with Company's express written consent, no new single-phase central residential cooling unit having a total lock-rotor rating in excess of 125 amperes inclusive of auxiliary motors arranged for simultaneous starting with the compressor) shall hereafter be connected to Company's lines, or be eligible for electric service therefrom, unless it is equipped with an approved type of current-limiting device for starting which will reduce the *initial and incremental starting current inrush* to a maximum of 100 amperes per step. Company shall be furnished with reasonable advance notice of any proposed central residential cooling installation.
 - (c) In the case of multi-motored devices arranged for sequential starting of the motors, the above rules are considered to apply to the locked-rotor currents of the individual motors; if arranged for simultaneous starting of the motors, the rules apply to the sum of the locked-rotor currents of all motors so started.
 - (d) Any motor or motors served through a separate meter will be billed as a separate customer.

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TERMS AND CONDITIONS

Billing

METER READINGS AND BILLS

Each bill for utility service shall be issued in compliance with 807 KAR 5:006, Section 6

All bills will be based upon meter readings made in accordance with Company's meter reading schedule. Company, except if prevented by reasons beyond its control, shall read customers meters at least quarterly, except that customer-read meters shall be read at least once during the calendar year.

In the case of opening and closing bills when the total period between regular and special meter readings is less than thirty days, the minimum charges of the applicable rate schedules will be prorated on the basis of the ratio of the actual number of days in such period to thirty days.

When Company is unable to read Customer's meter after reasonable effort, or when Company experiences *circumstances which make actual meter readings impossible or impracticable*, Customer may be billed on an estimated basis and the billing will be adjusted as necessary when the meter is read.

In the event Company's meter fails to register properly by reason of damage, accident, etc., Company shall have the right to estimate Customer's consumption during the period of failure on the basis of such factors as *Customer's connected load, heating degree days, and consumption during a previous corresponding period and during a test period immediately following replacement of the defective meter.*

Bills are due and payable at the office of Company during business hours, or at other locations designated by Company, within twelve (12) days from date of rendition thereof. If full payment is not received within three (3) days after the due date of the bill, a late payment charge will be assessed on the current month's charges.

Failure to receive a bill does not exempt Customer from these provisions of Company's Terms and Conditions

READING OF SEPARATE METERS NOT COMBINED

For billing purposes, each meter upon Customer's premises will be considered separately and readings of two (2) or more meters will not be combined except where Company's operating convenience requires the installation of two (2) or more meters upon Customer's premises instead of one (1) meter.

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TERMS AND CONDITIONS

Billing

MONITORING OF CUSTOMER USAGE

In order to detect unusual deviations in individual customer consumption, Company will monitor the usage of each customer at least once annually. Should an unusual deviation in Customer's consumption be found which cannot be attributed to a readily identified cause, Company will perform a detailed analysis of Customer's meter reading and billing records. If the cause for the usage deviation cannot be determined from analysis of Customer's meter reading and billing records, Company will contact Customer by telephone or in writing to determine whether there have been changes such as different number of household members or work staff, additional or different appliances, changes in business volume, or known leaks in Customer's service line. Where the deviation is not otherwise explained, Company will test Customer's meter to determine whether it shows an average error greater than two (2) percent fast or slow. Company will notify Customer of the investigation, its findings, and any refunds or back-billing in accordance with 807 KAR 5:006, Section 10(4) and (5). In addition to the annual monitoring, Company will immediately investigate usage deviations brought to its attention as a result of its on-going meter reading or billing processes or customer inquiry.

RESALE OF ELECTRIC ENERGY

Electric energy furnished under Company's standard application or contract is for the use of Customer only and Customer shall not resell such energy to any other person, firm, or corporation on the Customer's premises, or for use on any other premises. This does not preclude Customer from allocating Company's billing to Customer to any other person, firm, or corporation provided the sum of such allocations does not exceed Company's billing.



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TERMS AND CONDITIONS

Deposits

GENERAL

- 1) Company may require a cash deposit or other guaranty from customers to secure payment of bills in accordance with 807 KAR 5:006, Section 7, except for customers qualifying for service reconnection pursuant to 807 KAR 5:006, Section 15, Winter Hardship Reconnection.
- 2) Deposits may be required from all customers not meeting satisfactory credit and payment criteria. *Satisfactory credit for customers will be determined by utilizing independent credit sources (primarily utilized with new customers having no prior history with Company), as well as historic and ongoing payment and credit history with Company.*
 - a) Examples of independent credit scoring resources include credit scoring services, public record financial information, financial scoring and modeling services, and information provided by independent credit/financial watch services
 - b) Satisfactory payment criteria with Company may be established by paying all bills rendered, having no disconnections for nonpayment, having no late notices, having no defaulted credit arrangements, having no returned payments, having no meter diversion or theft of service
- 3) Company may offer customers the option of paying all or a portion of their deposits in installments over a period not to exceed the first four (4) normal billing periods. Service may be refused or discontinued for failure to pay and/or maintain the requested deposit
- 4) *Interest on deposits will be calculated at the rate prescribed by law, from the date of deposit, and will be paid annually either by refund or credit to Customer's bills, except that no refund or credit will be made if Customer's bill is delinquent on the anniversary date of the deposit. If interest is paid or credited to Customer's bill prior to twelve (12) months from the date of deposit, the payment or credit will be on a prorated basis. Upon termination of service, the deposit, any principal amounts, and interest earned and owing will be credited to the final bill, with any remainder refunded to Customer.*

RESIDENTIAL

- 1) Residential customers are those customers served under Residential Service, Sheet No. 5
- 2) The deposit for a residential customer is in the amount of \$135, which is calculated in accordance with 807 KAR 5:006, Section 7(1)(b).
- 3) Company will retain Customer's deposit for a period not to exceed twelve (12) months, provided Customer has met *satisfactory payment and credit criteria*.
- 4) If a deposit is held longer than eighteen (18) months, the deposit will be recalculated at Customer's request, and based on Customer's actual usage. If the deposit on account differs from the recalculated amount by more than \$10 00, Company may collect any underpayment and shall refund any overpayment by check or credit to Customer's bill. No refund will be made if Customer's bill is delinquent at the time of the recalculation.
- 5) If Customer fails to maintain a satisfactory payment or credit record, or otherwise become a new or greater credit risk, as determined by Company in its sole discretion, Company may require a new or additional deposit from Customer

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TERMS AND CONDITIONS

Deposits

GENERAL SERVICE

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

OTHER SERVICE

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

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Date of Issue:

Date Effective: February 6, 2009

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

TERMS AND CONDITIONS

Budget Payment Plan

Company's Budget Payment Plan is available to any residential customer or general service customer. Under this plan, a customer may elect to pay, each month, a budgeted amount in lieu of billings for actual usage. A customer may enroll in this plan at any time.

The budgeted amount will be determined by Company and will be based on one-twelfth of Customer's usage for either an actual or estimated twelve (12) months. The budgeted amount will be subject to review and adjustment by Company at any time during Customer's budget year. If actual usage indicates Customer's account will not be current with the final payment in Customer's budget year, Customer will be required to pay their Budget Payment Plan account to \$0 prior to the beginning of the customer's next budget year.

If a customer fails to pay bills as agreed under the Budget Payment Plan, Company reserves the right to remove the customer from the plan, restore the customer to regular billing, and require immediate payment of any deficiency. A customer removed from the Budget Payment Plan for non-payment may be prohibited from further participation in the plan for twelve (12) months.

Failure to receive a bill in no way exempts a customer from the provisions of these terms and conditions.

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TERMS AND CONDITIONS

Bill Format

Account Number 123456-0000 Page 2

IMPORTANT INFORMATION

The power to save. It's in your hands. The amount of electricity you consumed during this billing cycle resulted in the production of approximately 3354 pounds of CO2. A typical residential customer uses 1,000 kilowatt hours of electricity per month, which would result in the production of 2,000 lbs of carbon.

You can reduce the impact of these emissions by joining our demand Conservation program, which allows you to help us reduce the need for generating electricity. Visit our website at www.eon-us.com or call 1-866-587-COOL (2665) for more information or to sign up today.

To request a copy of your rate schedule, please call (800) 981-0600.

New enrollment only - Please check box(es) below and on front of stub.

- Budget Plan
- Energy Audit
- Automatic Bank Club (voided check must be provided)

Please deduct my Automatic Bank Club Payment from my Checking Account.

I hereby authorize KU to debit my bank account for payment of my monthly bill. This authorization applies to all my current and future KU accounts, and will remain in effect until revoked by me or KU.

Signature: _____

Date: _____

Processing Automatic Bank Club requests can take up to two billing cycles. Please continue making regular payments until you receive a bill that indicates the amount due will be deducted from your bank account on the payment due date.

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TERMS AND CONDITIONS

Discontinuance of Service

In accordance with and subject to the rules and regulations of the Public Service Commission of Kentucky, Company shall have the right to refuse or discontinue to serve an applicant or customer under the following conditions:

- A. When Company's or Commission's rules and regulations have not been complied with. However, service may be discontinued or refused only after Company has made a reasonable effort to induce Customer to comply with its rules and then only after Customer has been given at least ten (10) days written notice of such intention, mailed to his last known address
- B. When a dangerous condition is found to exist on Customer's or applicant's premises. In such case service will be discontinued without notice or refused, as the case might be. Company will notify Customer or applicant immediately of the reason for the discontinuance or refusal and the corrective action to be taken before service can be restored or initiated.
- C. When Customer or applicant refuses or neglects to provide reasonable access and/or easements to and on his premises for the purposes of installation, operation, meter reading, maintenance, or removal of Company's property. Customer shall be given fifteen (15) days written notice of Company's intention to discontinue or refuse service.
- D. When Applicant is indebted to Company for service furnished. Company may refuse to serve until indebtedness is paid.
- E. When Customer or Applicant does not comply with state, municipal or other codes, rules and regulations applying to such service
- F. When directed to do so by governmental authority.
- G. Service will not be supplied to any premises if Applicant or Customer is indebted to Company for service previously supplied at the same or any other premises until payment of such indebtedness shall have been made. Service will not be continued to any premises if Applicant or Customer is indebted to Company for service previously supplied at the same premises in accordance with 807 KAR 5:006, Section 14(1)(f). Unpaid balances of previously rendered Final Bills may be transferred to any account for which Customer has responsibility and may be included on initial or subsequent bills for the account to which the transfer was made. Such transferred Final Bills, if unpaid, will be a part of the past due balance of the account to which they are transferred. When there is no lapse in service, such transferred Final Bills will be subject to Company's collections and disconnect procedures in accordance with 807 KAR 5:006, Section 14(1)(f). Final Bills transferred following a lapse in service will not be subject to disconnection unless: (1) such service was provided pursuant to a fraudulent application submitted by Customer; (2) Customer and Company have entered into a contractual agreement which allows for such a disconnection; or (3) the current account is subsequently disconnected for service supplied at that point of delivery, at which time, all unpaid and past due balances must be paid prior to reconnect. Company shall have the right to transfer Final Bills between residential and commercial with residential characteristics (e.g., service supplying common use facilities of any apartment building) revenue classifications

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TERMS AND CONDITIONS

Discontinuance of Service

Service will not be supplied or continued to any premises if at the time of application for service Applicant is merely acting as an agent of a person or former customer who is indebted to Company for service previously supplied at the same or other premises until payment of such indebtedness shall have been made. Service will not be supplied where Applicant is a partnership or corporation whose general partner or controlling stockholder is a present or former customer who is indebted to Company for service previously supplied at the same premises until payment of such indebtedness shall have been made.

- H. For non-payment of bills. Company shall have the right to discontinue service for non-payment of bills after Customer has been given at least ten days written notice separate from his original bill. Cut-off may be effected not less than twenty-seven (27) days after the mailing date of original bills unless, prior to discontinuance, a residential customer presents to Company a written certificate, signed by a physician, registered nurse, or public health officer, that such discontinuance will aggravate an existing illness or infirmity on the affected premises, in which case discontinuance may be effected not less than thirty (30) days from the original date of discontinuance. Company shall notify Customer, in writing, of state and federal programs which may be available to aid in payment of bills and the office to contact for such possible assistance.
- I. For fraudulent or illegal use of service. When Company discovers evidence that by fraudulent or illegal means Customer has obtained unauthorized service or has diverted the service for unauthorized use or has obtained service without same being properly measured, the service to Customer may be discontinued without notice. Within twenty-four (24) hours after such termination, Company shall send written notification to Customer of the reasons for such discontinuance of service and of Customer's right to challenge the termination by filing a formal complaint with the Public Service Commission of Kentucky. Company's right of termination is separate from and in addition to any other legal remedies which the utility may pursue for illegal use or theft of service. Company shall not be required to restore service until Customer has complied with all rules of Company and regulations of the Commission and Company has been reimbursed for the estimated amount of the service rendered and the cost to Company incurred by reason of the fraudulent use.

When service has been discontinued for any of the above reasons, Company shall not be responsible for any damage that may result therefrom.

Discontinuance or refusal of service shall be in addition to, and not in lieu of, any other rights or remedies available to Company.

Company may defer written notice based on Customer's payment history provided Company continues to provide the required ten (10) days written notice prior to discontinuance of service.

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TERMS AND CONDITIONS

Line Extension Plan

A. AVAILABILITY

In all territory served by where Company does not have existing facilities to meet Customer's electric service needs

B. DEFINITIONS

- 1) "Company" shall mean Kentucky Utilities Company
- 2) "Customer" shall mean the applicant for service. When more than one electric service is requested by an applicant on the same extension, such request shall be considered one customer under this plan when the additional service request(s) is only for incidental or minor convenience loads or when the applicant for service is the developer of a subdivision.
- 3) "Line Extension" shall mean the single phase facilities required to serve Customer by the shortest route most convenient to Company from the nearest existing adequate Company facilities to Customer's delivery point, approved by Company, and excluding transformers, service drop, and meters, if required and normally provided to like customers.
- 4) "Permanent Service" shall mean service contracted for under the terms of the applicable rate schedule but not less than one year and where the intended use is not seasonal, intermittent, or speculative in nature.
- 5) "Commission" shall mean the Public Service Commission of Kentucky.

C. GENERAL

- 1) All extensions of service will be made through the use of overhead facilities except as provided in these rules
- 2) Customer requesting service which requires an extension(s) shall furnish to Company, at no cost, properly executed easement(s) for right-of-way across Customer's property to be served.
- 3) Customer requesting extension of service into a subdivision, subject to the jurisdiction of a public commission, board, committee, or other agency with authority to zone or otherwise regulate land use in the area and require a plat (or Plan) of the subdivision, Customer shall furnish, at no cost, Company with the plat (or plan) showing street and lot locations with utility easement and required restrictions. Plats (or plans) supplied shall have received final approval of the regulating body and recorded in the office of the appropriate County Court Clerk when required. Should no regulating body exist for the area service is to be extended into, Customer shall furnish Company the required easement.
- 4) The title to all extensions, rights-of way, permits, and easements shall be and remain with Company
- 5) Where Company is required or elects to construct an additional extension or lateral to serve Customer or another customer, Company reserves the right to connect to any extension constructed under this plan and Customer shall grant to Company, at no cost, properly executed easement(s) for right-of-way across Customer's property for the additional extension or lateral
- 6) Customer must agree in writing to take service when the extension is completed and have his building or other permanent facility wired and ready for connection.
- 7) Nothing herein shall be construed as preventing Company from making electric line extensions under more favorable terms than herein prescribed provided the potential revenue is of such amount and permanency as to warrant such terms and render economically

Date of Issue:

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

TERMS AND CONDITIONS
Line Extension Plan

C. GENERAL (continued)

feasible the capital expenditure involved and provided such extensions are made to other customers under similar conditions.

- 8) Company may require a non-refundable deposit in cases where Customer does not have a real need or in cases where the estimated revenue does not justify the investment.
- 9) Company shall not be obligated to extend its lines in cases where such extensions, in the good judgment of Company, would be infeasible, impractical, or contrary to good engineering or operating practice, unless otherwise ordered by Commission.

D. NORMAL LINE EXTENSIONS

- 1) In accordance with 807 KAR 5:041, Section 11(1), Company will provide, at no cost, a line extension of up to 1,000 feet to Customer requesting permanent service where the installed transformer capacity does not exceed 25 kVA.
- 2) Where Customer requires poly-phase service or transformer capacity in excess of 25 kVA and Company provides such facilities, Company may require Customer to pay, in advance, a non-refundable amount for the additional cost to Company in providing facilities above that required in NORMAL LINE EXTENSIONS 1) above.

E. OTHER LINE EXTENSIONS

- 1) In accordance with 807 KAR 5:041, Section 11(2), Company shall provide to Customer requesting permanent service a line extension in excess of 1,000 feet per customer but Company may require the total cost of the footage in excess of 1,000 feet per customer, based on the average cost per foot of the total extension, be deposited with Company by Customer.
- 2) Each year for ten (10) years Company shall refund to Customer, who made the deposit for excess footage, the cost of 1,000 feet of extension for each additional customer connected during that year directly to the original extension for which the deposit was made.
- 3) Each year for ten (10) years Company shall refund to Customer, who made the deposit for excess footage, the cost of 1,000 feet of extension less the length of the lateral or extension for each additional customer connected during that year by a lateral or extension to the original extension for which the deposit was made.
- 4) No refund shall be made for additional customers connected to an extension or lateral from the original extension for which the deposit was made.
- 5) The total amount refunded shall not exceed the amount originally deposited nor shall any refund be made after the ten (10) year refund period ends.
- 6) Where Customer requires poly-phase service or transformer capacity above 25 kVA per customer and Company provides such facilities, Company may require Customer to pay, in advance, a non-refundable amount for the additional cost to Company in providing facilities above that required in OTHER LINE EXTENSIONS 1) above.

F. OVERHEAD LINE EXTENSIONS TO SUBDIVISIONS

- 1) In accordance with 807 KAR 5:041, Section 11(3), Customer desiring service extended for and through a subdivision may be required by Company to deposit the total cost of the extension.
- 2) Each year for ten (10) years Company shall refund to Customer, the cost of 1,000 feet of extension for each additional customer connected during that year directly to the original extension for which the deposit was made.
- 3) The total amount refunded shall not exceed the amount originally deposited nor shall any refund be made after the ten-year refund period ends.

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TERMS AND CONDITIONS
Line Extension Plan

G. MOBILE HOME LINE EXTENSIONS

- 1) Company will make line extensions for service to mobile homes in accordance with 807 KAR 5:041, Section 12, and Commission's Order, dated August 9, 1991, in Case No. 91-213,
- 2) Company shall provide, at no cost, a line extension of up to 300 feet to Customer requesting permanent service for a mobile home
- 3) Company shall provide to Customer requesting permanent service for a mobile home a line extension in excess of 300 feet and up to 1,000 feet but Company may require the total cost of the footage in excess of 300 feet, based on the average cost per foot of the total extension, be deposited with Company by Customer. Beyond 1,000 feet, the policies set forth in OTHER LINE EXTENSIONS shall apply.
- 4) Each year for four (4) years Company shall refund to Customer equal amounts of the deposit for the extension from 300 feet to 1,000 feet
- 5) If service is disconnected for sixty (60) days, if the original mobile home is removed and not replaced by another mobile home or a permanent structure in sixty (60) days, the remainder of the deposit is forfeited.
- 6) No refund will be made except to the original customer.

H. UNDERGROUND LINE EXTENSIONS

General

- 1) Company will make underground line extensions for service to new residential customers and subdivisions in accordance with 807 KAR 5:041, Section 21
- 2) In order that Company may make timely provision for materials, and supplies, Company may require Customer to execute a contract for an underground extension under these Terms and Conditions with Company at least six (6) months prior to the anticipated date service is needed and Company may require Customer to deposit with Company at least 10% of any amounts due under the contract at the time of execution. Customer shall deposit the balance of any amounts due under the contract with Company prior to ordering materials or commencement of actual construction by Company of facilities covered by the contract
- 3) Customer shall give Company at least 120 days written notice prior to the anticipated date service is needed and Company will undertake to complete installation of its facilities at least thirty (30) days prior to that date. However, nothing herein shall be interpreted to require Company to extend service to portions of subdivisions not under active development.
- 4) At Company's discretion, Customer may perform a work contribution to Company's specifications, including but not limited to conduit, setting pads, or any required trenching and backfilling, and Company shall credit amounts due from Customer for underground service by Company's estimated cost for such work contribution.
- 5) Customer will provide, own, operate and maintain all electric facilities on his side of the point of delivery with the exception of Company's meter.
- 6) In consideration of Customer's underground service, Company shall credit any amounts due under the contract for each service at the rate of \$50.00 or Company's average estimated installed cost for an overhead service whichever is greater.
- 7) Unit charges, where specified herein, are determined from Company's estimate of Company's average unit cost of such construction and the estimated cost differential between underground and overhead distribution systems in representative residential subdivisions

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TERMS AND CONDITIONS

Line Extension Plan

H. UNDERGROUND EXTENSIONS

General (continued)

- 8) Three phase primary required to supply either individual loads or the local distribution system may be overhead unless Customer chooses underground construction and deposits with Company a non-refundable deposit for the cost differential.

Individual Premises

Where Customer requests and Company agrees to supply underground service to an individual premise, Company may require Customer to pay, in advance, a non-refundable amount for the additional cost of the underground extension (including all associated facilities) over the cost of an overhead extension of equivalent capacity.

Medium Density Subdivisions

- 1) A medium density residential subdivision is defined as containing ten or more lots for the construction of new residential buildings each designed for less than five (5)-family occupancy.
- 2) Customer shall provide any required trenching and backfilling or at Company's discretion be required to deposit with Company a non-refundable amount determined by a unit charge of \$6.88 per aggregate lot front-foot along all streets contiguous to the lots to be served through an underground extension.
- 3) The Customer may be required to advance to the Company the Company's full estimated cost of construction of an underground electric distribution extension. Where Customer is required to provide trenching and backfilling, advance will be the Company's full estimate cost of construction. Where Customer is required to deposit with the Company a non-refundable advance in place of trenching and backfilling, advance will be determined by a unit charge of \$15.81 per aggregate lot front-foot along all streets contiguous to the lots to be served through an underground extension.
- 4) Each year for ten (10) years Company shall refund to Customer an amount determined as follows:
 - a. Where customer is required to provide trenching and backfilling, a refund of \$5,000 for each customer connected during that year.
 - b. Where customer is required to provide a non-refundable advance, 500 times the difference in the unit charge advance amount in 3) and the non-refundable unit charge advance in 2) for each customer connected during that year.
- 5) In no case shall the refunds provided for herein exceed the amounts deposited less any non-refundable charges applicable to the project nor shall any refund be made after a ten-year refund period ends.

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TERMS AND CONDITIONS

Line Extension Plan

H. UNDERGROUND EXTENSIONS (continued)

High Density Subdivisions

- 1) A high density residential subdivision is defined as building complexes consisting of two or more buildings each not more than three stories above grade and each designed for five (5) or more family occupancy
- 2) Customer shall provide any required trenching and backfilling or at Company's discretion be required to deposit with Company a non-refundable amount for the additional cost of the underground extension (including all associated facilities) over the cost of an overhead extension of equivalent capacity.
- 3) The Customer may be required to advance to the Company the Company's full estimated cost of construction of an underground electric distribution extension.
 - i. Company shall refund to Customer any amounts due when permanent service is provided by Company to twenty (20%) percent of the family units in Customer's project.
 - ii. In no case shall the refunds provided for herein exceed the amounts deposited less any non refundable charges applicable to the project nor shall any refund be made after a ten-year refund period ends.

Other Underground Subdivisions

In cases where a particular residential subdivision does not meet the conditions provided for above, Customer requests and Company agrees to supply underground service, Company may require Customer to pay, in advance, a non-refundable amount for the additional cost of the underground extension (including all associated facilities) over the cost of an overhead extension of equivalent capacity.

I. SPECIAL CASES

- 1) Where Customer requests service that is seasonal, intermittent, speculative in nature, at voltages of 34.5kV or greater, or where the facilities requested by Customer do not meet the Terms and Conditions outlined in previous sections of LINE EXTENSION PLAN and the anticipated revenues do not justify Company's installing facilities required to meet customers needs, Company may request Customer deposit with Company a refundable amount to justify Company's investment.
- 2) Each year for ten (10) years Company shall refund to Customer, an amount calculated by:
 - a. Adding the sum of Customer's annual base rate monthly electric demand billing for that year to the sum of the annual base rate monthly electric billing of the monthly electric demand billing for that year of any customer(s), who connects directly to the facilities provided for in this agreement and requiring no further investment by Company
 - b. times the refundable amount divided by the estimated total ten-year base rate electric demand billing required to justify the investment.
- 3) The total amount refunded shall not exceed the amount originally deposited nor shall any refund be made after the ten-year refund period ends

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TERMS AND CONDITIONS

Energy Curtailment and Service Restoration Procedures

PURPOSE

To provide procedures for reducing the consumption of electric energy on the Kentucky Utilities Company (Company) system in the event of a capacity shortage and to restore service following an outage. Notwithstanding any provisions of these Energy Curtailment and Service Restoration Procedures, the Company shall have the right to take whatever steps, with or without notice and without liability on Company's part, that the Company believes necessary, in whatever order consistent with good utility practices and not on an unduly discriminatory basis, to preserve system integrity and to prevent the collapse of the Company's electric system or interconnected electric network or to restore service following an outage. Such actions will be taken giving priority to maintaining service to the Company's retail and full requirements customers relative to other sales whenever feasible and as allowed by law.

ENERGY CURTAILMENT PROCEDURE

PRIORITY LEVELS

For the purpose of these procedures, the following Priority Levels have been established:

- I. Essential Health and Safety Uses -- to be given special consideration in these procedures shall, insofar as the situation permits, include the following types of use
 - A. "Hospitals", which shall be limited to institutions providing medical care to patients
 - B. "Life Support Equipment", which shall be limited to kidney machines, respirators, and similar equipment used to sustain the life of a person.
 - C. "Police Stations and Government Detention Institutions", which shall be limited to essential uses required for police activities and the operation of facilities used for the detention of persons
 - D. "Fire Stations", which shall be limited to facilities housing mobile fire-fighting apparatus
 - E. "Communication Services", which shall be limited to essential uses required for telephone, telegraph, television, radio and newspaper operations, and operation of state and local emergency services.
 - F. "Water and Sewage Services", which shall be limited to essential uses required for the supply of water to a community, flood pumping and sewage disposal
 - G. "Transportation and Defense-related Services", which shall be limited to essential uses required for the operation, guidance control and navigation of air, rail and mass transit systems, including those uses essential to the national defense and operation of state and local emergency services. These uses shall include essential street, highway and signal-lighting services

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TERMS AND CONDITIONS

Energy Curtailment and Service Restoration Procedures

Although, when practical, these types of uses will be given special consideration when implementing the manual load-shedding provisions of this program, any customer may be affected by rotating or unplanned outages and should install emergency generation equipment if continuity of service is essential. Where the emergency is system-wide in nature, consideration will be given to the use of rotating outages as operationally practicable. In case of customers supplied from two utility sources, only one source will be given special consideration. Also, any other customers who, in their opinion, have critical equipment should install emergency generation equipment.

Company maintains lists of customers with life support equipment and other critical needs for the purpose of curtailments and service restorations. Company, lacking knowledge of changes that may occur at any time in customer's equipment, operation, and backup resources, does not assume the responsibility of identifying customers with priority needs. It shall, therefore, be the customer's responsibility to notify Company if he has critical needs.

- II. Critical Commercial and Industrial Uses -- Except as described in Section III below, these uses shall include commercial or industrial operations requiring regimented shutdowns to prevent conditions hazardous to the general population, and to energy utilities and their support facilities critical to the production, transportation, and distribution of service to the general population. Company shall maintain a list of such customers for the purpose of curtailments and service restoration.
- III. Residential Use -- The priority of residential use during certain weather conditions (for example severe winter weather) will receive precedence over critical commercial and industrial uses. The availability of Company service personnel and the circumstances associated with the outage will also be considered in the restoration of service.
- IV. Non-critical commercial and industrial uses.
- V. Nonessential Uses -- The following and similar types of uses of electric energy shall be considered nonessential for all customers:
 - A. Outdoor flood and advertising lighting, except for the minimum level to protect life and property, and a single illuminated sign identifying commercial facilities when operating after dark.
 - B. General interior lighting levels greater than minimum functional levels.
 - C. Show-window and display lighting
 - D. Parking-lot lighting above minimum functional levels
 - E. Energy use to lower the temperature below 78 degrees during operation of cooling equipment and above 65 degrees during operation of heating equipment
 - F. Elevator and escalator use in excess of the minimum necessary for non-peak hours of use

T

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TERMS AND CONDITIONS

Energy Curtailment and Service Restoration Procedures

- G Energy use greater than that which is the minimum required for lighting, heating, or cooling of commercial or industrial facilities for maintenance cleaning or business-related activities during non-business hours

Non-jurisdictional customers will be treated in a manner consistent with the curtailment procedures contained in the service agreement between the parties or the applicable tariff.

CURTAILMENT PROCEDURES

In the event Company's load exceeds internal generation, transmission, or distribution capacity, or other system disturbances exist, and internal efforts have failed to alleviate the problem, including emergency energy purchases, the following steps may be taken, individually or in combination, in the order necessary as time permits:

- 1 Customers having their own internal generation capacity will be curtailed, and customers on curtailable contracts will be curtailed for the maximum hours and load allowable under their contract. Nothing in this procedure shall limit Company's rights under the Curtailable Service Rider tariff.
- 2 Power output will be maximized at Company's generating units.
- 3 Company use of energy at its generating stations will be reduced to a minimum.
- 4 Company's use of electric energy in the operation of its offices and other facilities will be reduced to a minimum.
- 5 The Kentucky Public Service Commission will be advised of the situation.
- 6 An appeal will be made to customers through the news media and/or personal contact to voluntarily curtail as much load as possible. The appeal will emphasize the defined priority levels as set forth above.
- 7 Customers will be advised through the use of the news media and personal contact that load interruption is imminent.
- 8 Implement procedures for interruption of selected distribution circuits.

SERVICE RESTORATION PROCEDURES

Where practical, priority uses will be considered in restoring service and service will be restored in the order I through IV as defined under PRIORITY LEVELS. However, because of the varieties of unpredictable circumstances which may exist or precipitate outages, it may be necessary to balance specific individual needs with infrastructure needs that affect a larger population. When practical, Company will attempt to provide estimates of repair times to aid customers in assessing the need for alternative power sources and temporary relocations.

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

Settlement Agreement Exhibit 5
LG&E Electric Tariffs

Louisville Gas and Electric Company
220 West Main Street
Louisville, Kentucky

Rates, Terms and Conditions for Furnishing
ELECTRIC SERVICE

In the nine counties of the Louisville, Kentucky, metropolitan area
as depicted on territorial maps as filed with the

PUBLIC SERVICE COMMISSION
OF KENTUCKY

Date of Issue

Date Effective
February 6, 2009

Issued by
Lonnie E. Bellar, Vice President
State Regulation and Rates

Louisville Gas and Electric Company

P.S.C Electric No. 7, Original Sheet No. 1

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Louisville Gas and Electric Company

P.S.C. Electric No. 7, Original Sheet No. 1.1

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Date of Issue:

Date Effective: February 6, 2009

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

Louisville Gas and Electric Company

P.S.C. Electric No. 7, Original Sheet No. 5

Standard Rate	RS	T
Residential Service		
APPLICABLE In all territory served		
AVAILABILITY OF SERVICE Available for single-phase delivery to single family residential service subject to the terms and conditions on Sheet No. 100 of this Tariff		T
RATE Customer Charge: \$5 00 per month Plus an Energy Charge of: \$0.06303 per kWh		R/T
ADJUSTMENT CLAUSES The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:		
Fuel Adjustment Clause Demand-Side Management Cost Recovery Mechanism Environmental Cost Recovery Surcharge Franchise Fee Rider School Tax Home Energy Assistance Program	Sheet No. 85 Sheet No. 86 Sheet No. 87 Sheet No. 90 Sheet No. 91 Sheet No. 92	T ↓
MINIMUM CHARGE The Customer Charge shall be the minimum charge.		
DUE DATE OF BILL Customer's payment will be due within twelve (12) days from date of bill.		T T
LATE PAYMENT CHARGE If full payment is not received within three (3) days from the due date of the bill, a 5% late payment charge will be assessed on the current month's charges.		T T
TERMS AND CONDITIONS Service will be furnished under Company's Terms and Conditions applicable hereto.		

Date of Issue:

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

Louisville Gas and Electric Company

P.S.C. Electric No. 7, Original Sheet No. 7

Standard Rate	VFD
Volunteer Fire Department Service	
APPLICABLE	
In all territory served.	
AVAILABILITY OF SERVICE	
Available for single-phase delivery, in accordance with the provisions of KRS 278.172, to any volunteer fire department qualifying for aid under KRS 95A.262. Service under this rate schedule is at the option of the customer with the customer determining whether service will be provided under this schedule or any other schedule applicable to this load	
DEFINITION	
To be eligible for this rate a volunteer fire department is defined as:	
<ol style="list-style-type: none">1) having at least 12 members and a chief,2) having at least one fire fighting apparatus, and3) half the members must be volunteers.	
RATE	
Customer Charge:	\$5 00 per month
Plus an Energy Charge of:	\$0.06303 per kWh
ADJUSTMENT CLAUSES	
The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:	
Fuel Adjustment Clause	Sheet No. 85
Demand-Side Management Cost Recovery Mechanism	Sheet No. 86
Environmental Cost Recovery Surcharge	Sheet No. 87
Franchise Fee Rider	Sheet No. 90
School Tax	Sheet No. 91
MINIMUM CHARGE	
The Customer Charge shall be the minimum charge.	
DUE DATE OF BILL	
Customer's payment will be due within twelve (12) days from date of bill.	
LATE PAYMENT CHARGE	
If full payment is not received within three (3) days from the due date of the bill, a 5% late payment charge will be assessed on the current month's charges.	
TERMS AND CONDITIONS	
Service will be furnished under Company's Terms and Conditions applicable hereto	

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Louisville Gas and Electric Company

P.S.C. Electric No. 7, Original Sheet No. 10

Standard Rate	GS										
General Service Rate											
APPLICABLE In all territory served											
AVAILABILITY OF SERVICE To general lighting and small power loads for secondary service Service under this schedule will be limited to average maximum loads not exceeding 50 kW. Existing customers with an average maximum load exceeding 50 kW who are receiving service under P.S.C. Electric No. 6, Fourth Revision of Original Sheet No. 10 as of February 6, 2009, will continue to be served under this rate at their option. New customers, upon demonstrating an average demand of 50 kW or greater, will be served under the appropriate rate schedule.											
RATE Customer Charge: \$10.00 per month for single-phase service \$15.00 per month for three-phase service Plus an Energy Charge of: \$ 0.07050 per kWh											
ADJUSTMENT CLAUSES The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following: <table><tr><td>Fuel Adjustment Clause</td><td>Sheet No. 85</td></tr><tr><td>Demand-Side Management Cost Recovery Mechanism</td><td>Sheet No. 86</td></tr><tr><td>Environmental Cost Recovery Surcharge</td><td>Sheet No. 87</td></tr><tr><td>Franchise Fee Rider</td><td>Sheet No. 90</td></tr><tr><td>School Tax</td><td>Sheet No. 91</td></tr></table>		Fuel Adjustment Clause	Sheet No. 85	Demand-Side Management Cost Recovery Mechanism	Sheet No. 86	Environmental Cost Recovery Surcharge	Sheet No. 87	Franchise Fee Rider	Sheet No. 90	School Tax	Sheet No. 91
Fuel Adjustment Clause	Sheet No. 85										
Demand-Side Management Cost Recovery Mechanism	Sheet No. 86										
Environmental Cost Recovery Surcharge	Sheet No. 87										
Franchise Fee Rider	Sheet No. 90										
School Tax	Sheet No. 91										
MINIMUM CHARGE The Customer Charge shall be the Minimum Charge.											
DUE DATE OF BILL Customer's payment will be due within twelve (12) days from date of bill.											
LATE PAYMENT CHARGE If full payment is not received within three (3) days from the due date of the bill, a 5% late payment charge will be assessed on the current month's charges.											
TERMS AND CONDITIONS Service will be furnished under Company's Terms and Conditions applicable hereto											

Date of Issue:

Date Effective: February 6, 2009

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

Louisville Gas and Electric Company

P.S.C. Electric No. 7, Original Sheet No. 15

Standard Rate	IPS	
Industrial Power Service		
APPLICABLE		
In all territory served		
AVAILABILITY OF SERVICE		
This rate schedule is available for industrial secondary or primary service.		
<p>Service under this schedule will be limited to minimum average secondary loads of 50 kW and maximum average loads not exceeding 250 kW. Secondary or primary customers receiving service under P.S.C. of Ky. Electric No. 6, Fourth Revision of Original Sheet No. 25, Large Power Industrial Rate LP, as of February 6, 2009, with loads not meeting this criteria will continue to be served under this rate at their option. Customers initiating service on this rate after February 6, 2009, and whose load characteristics subsequently do not meet this criteria will be billed on the appropriate rate.</p>		
RATE		
Customer Charge per month:	Secondary	Primary
	\$90.00	\$90.00
Plus an Energy Charge per kWh of:	\$ 0.02256	\$ 0.02256
Plus a Demand Charge per kW of:		
Summer Rate: (Four Billing Period June through September)	\$14.94	\$13.18
Winter Rate: (All other months)	\$12.35	\$10.59
ADJUSTMENT CLAUSES		
The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:		
Fuel Adjustment Clause		Sheet No. 85
Demand-Side Management Cost Recovery Mechanism		Sheet No. 86
Environmental Cost Recovery Surcharge		Sheet No. 87
Franchise Fee Rider		Sheet No. 90
School Tax		Sheet No. 91
POWER FACTOR PROVISION		
<p>In the case of customers with maximum demands of 150 kilowatts or more, the monthly demand charge shall be decreased .4% for each whole one per cent by which the monthly average power factor exceeds 80% lagging and shall be increased .6% for each whole one per cent by which the monthly average power factor is less than 80% lagging. Customers with maximum demands less than 150 kilowatts shall maintain an average lagging power factor of not less than 80%, and suitable accessory equipment shall be installed by such customers where necessary to avoid a lower power factor.</p>		
<p>Monthly average power factor shall be determined by means of a reactive component meter ratcheted to record only lagging reactive kilovolt ampere hours, used in conjunction with a standard watt-hour meter.</p>		

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Louisville Gas and Electric Company

P.S.C. Electric No. 7, Original Sheet No. 15.1

Standard Rate

IPS

Industrial Power Service

DETERMINATION OF BILLING DEMAND

The monthly billing demand shall be the highest average load in kilowatts recorded during any 15-minute interval in the monthly billing period; but not less than 50% of the *maximum demand* similarly determined for any of the four (4) billing periods of June through September within the *eleven (11) preceding months*; nor less than 25 kilowatts (10 kilowatts to any customer served under this rate schedule on March 1, 1964).

MINIMUM CHARGE

The Customer Charge plus the monthly billing demand, which is the highest average load in kilowatts recorded during any 15-minute interval in the monthly billing period; but not less than 50% of the maximum demand similarly determined for any of the four (4) billing periods of June through September within the eleven (11) preceding months; nor less than 25 kilowatts (10 kilowatts to any customer served under this rate schedule on March 1, 1964)

DUE DATE OF BILL

Customer's payment will be due within twelve (12) days from date of bill

LATE PAYMENT CHARGE

If full *payment is not received* within three (3) days from the due date of the bill, a 1% late payment charge will be assessed on the current month's charges.

TERM OF CONTRACT

Contracts under this rate shall be for an initial term of one (1) year, remaining in effect from month to month thereafter until terminated by notice of either party to the other.

TERMS AND CONDITIONS

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

Date of Issue:

Date Effective: February 6, 2009

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

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Louisville Gas and Electric Company

P.S.C. Electric No. 7, Original Sheet No. 16

Standard Rate	CPS	
Commercial Power Service		
APPLICABLE		
In all territory served.		
AVAILABILITY OF SERVICE		
This rate schedule is available for commercial secondary or primary service.		
<p>Service under this schedule will be limited to minimum average secondary loads of 50 kW and maximum average loads not exceeding 250 kW. Secondary or primary customers receiving service under P.S.C. of Ky. Electric No. 6, Fourth Revision of Original Sheet No. 15, Large Commercial Rate L.C., as of February 6, 2009, with loads not meeting this criteria will continue to be served under this rate at their option. Customers initiating service on this rate after February 6, 2009, and whose load characteristics subsequently do not meet this criteria will be billed on the appropriate rate</p>		
RATE		
Customer Charge per month:	Secondary \$65.00	Primary \$65.00
Plus an Energy Charge per kWh of:	\$ 0.02601	\$ 0.02601
Plus a Demand Charge per kW of:		
Summer Rate: (Four Billing Period June through September)	\$14.81	\$12.97
Winter Rate: (All other months)	\$11.75	\$10.17
ADJUSTMENT CLAUSES		
The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:		
Fuel Adjustment Clause		Sheet No. 85
Demand-Side Management Cost Recovery Mechanism		Sheet No. 86
Environmental Cost Recovery Surcharge		Sheet No. 87
Franchise Fee Rider		Sheet No. 90
School Tax		Sheet No. 91
DETERMINATION OF BILLING DEMAND		
The monthly billing demand shall be the highest average load in kilowatts recorded during any 15-minute interval in the monthly billing period; but not less than 50% of the maximum demand similarly determined for any of the four billing periods of June through September within the eleven (11) preceding months; nor less than 25 kilowatts (10 kilowatts to any customer served under this rate schedule on March 1, 1964).		
MINIMUM CHARGE		
The Customer Charge plus the monthly billing demand, which is the highest average load in kilowatts recorded during any 15-minute interval in the monthly billing period; but not less than 50% of the maximum demand similarly determined for any of the four (4) billing periods of June		

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

Louisville Gas and Electric Company

P.S.C. Electric No. 7, Original Sheet No. 16.1

Standard Rate	CPS
Commercial Power Service	
<p>through September within the eleven (11) preceding months; nor less than 25 kilowatts (10 kilowatts to any customer served under this rate schedule on March 1, 1964).</p>	
DUE DATE OF BILL	
<p>Customer's payment will be due within twelve (12) days from date of bill</p>	
LATE PAYMENT CHARGE	
<p>If full payment is not received within three (3) days from the due date of the bill, a 1% late payment charge will be assessed on the current month's charges.</p>	
TERM OF CONTRACT	
<p>Contracts under this rate shall be for an initial term of one (1) year, remaining in effect from month to month thereafter until terminated by notice of either party to the other.</p>	
TERMS AND CONDITIONS	
<p>Service will be furnished under Company's Terms and Conditions applicable hereto.</p>	

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Date of Issue:

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

Louisville Gas and Electric Company

P.S.C. Electric No. 7, Original Sheet No. 20

Standard Rate	ITOD	
Industrial Time-of-Day Service		
APPLICABLE		
In all territory served		
AVAILABILITY OF SERVICE		
This schedule is available for secondary or primary industrial service. Service under this schedule will be limited to minimum average loads of 250 kW and maximum average loads not exceeding 50,000 kW. Customers with new or increased load requirements that exceed 50,000 kW will have a rate developed based upon their electrical characteristics. Customers initiating service on this rate whose load characteristics subsequently do not meet this criteria will be billed on the appropriate rate.		
RATE		
Customer Charge per month:	Secondary	Primary
	\$120.00	\$120.00
Plus an Energy Charge per kWh of:	\$ 0.02261	\$ 0.02261
Plus a Demand Charge per kW of:		
Basic Demand	\$ 4.85	\$ 3.79
Peak Demand		
Summer Peak Period	\$ 9.99	\$ 9.29
Winter Peak Period	\$ 7.40	\$ 6.70
<p>Basic Demand Charges are applicable to the highest average load in kilowatts recorded during any 15-minute interval of the billing period and Peak Demand Charges are applicable to the highest average load in kilowatts recorded during any 15-minute interval of the peak period, as defined herein, in the monthly billing period, but not less than 50% of the maximum demands similarly determined for any of the four (4) billing periods of June through September within the eleven (11) preceding months.</p> <p>SUMMER PEAK PERIOD is defined as weekdays from 10 A.M. to 9 P.M., Eastern Standard Time, during the four (4) billing periods of June through September.</p> <p>WINTER PEAK PERIOD is defined as weekdays from 8 A.M. to 10 P.M., Eastern Standard Time, during the eight (8) billing periods of October through May.</p>		
POWER FACTOR PROVISION		
The monthly demand charge shall be decreased .4% for each whole one percent by which the monthly average power factor exceeds 80% lagging and shall be increased .6% for each whole one percent by which the monthly average power factor is less than 80% lagging.		
Monthly average power factor shall be determined by means of a reactive component meter ratcheted to record only lagging reactive kilovolt ampere hours, used in conjunction with a standard watt-hour meter.		

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Louisville Gas and Electric Company

P.S.C. Electric No. 7, Original Sheet No. 20.1

Standard Rate	ITOD
Industrial Time-of-Day Service	
ADJUSTMENT CLAUSES	
The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:	
Fuel Adjustment Clause	Sheet No. 85
Demand-Side Management Cost Recovery Mechanism	Sheet No. 86
Environmental Cost Recovery Surcharge	Sheet No. 87
Franchise Fee Rider	Sheet No. 90
School Tax	Sheet No. 91
MINIMUM CHARGE	
The bill shall in no event be less than the Customer Charge plus the Demand Charge computed upon the billing demand for the month	
DUE DATE OF BILL	
Customer's payment will be due within twelve (12) days from date of bill	
LATE PAYMENT CHARGE	
If full payment is not received within three (3) days from the due date of the bill, a 1% late payment charge will be assessed on the current month's charges.	
TERM OF CONTRACT	
Contracts under this rate shall be for an initial term of one (1) year, remaining in effect from month to month thereafter until terminated by notice of either party to the other.	
TERMS AND CONDITIONS	
Service will be furnished under Company's Terms and Conditions applicable hereto	

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

Louisville Gas and Electric Company

P.S.C. Electric No. 7, Original Sheet No. 21

Standard Rate	CTOD	
Commercial Time-of-Day Service		
APPLICABLE		
In all territory served.		
AVAILABILITY OF SERVICE		
This schedule is available for secondary or primary commercial service. Service under this schedule will be limited to minimum average loads of 250 kW and maximum average loads not exceeding 50,000 kW. Customers with new or increased load requirements that exceed 50,000 kW will have a rate developed based upon their electrical characteristics. Customers initiating service on this rate whose load characteristics subsequently do not meet this criteria will be billed on to the appropriate rate.		
RATE		
Customer Charge per month:	Secondary \$90.00	Primary \$90.00
Plus an Energy Charge per kWh of:	\$ 0.02605	\$ 0.02605
Plus a Demand Charge per kW of:		
Basic Demand	\$ 3.57	\$ 2.56
Peak Demand		
Summer Peak Period	\$11.21	\$10.42
Winter Peak Period	\$ 8.15	\$ 7.62
<p>Basic Demand Charges are applicable to the highest average load in kilowatts recorded during any 15-minute interval of the billing period and Peak Demand Charges are applicable to the highest average load in kilowatts recorded during any 15-minute interval of the peak period, as defined herein, in the monthly billing period, but not less than 50% of the maximum demands similarly determined for any of the four (4) billing periods of June through September within the eleven (11) preceding months.</p> <p>SUMMER PEAK PERIOD is defined as weekdays from 10 A.M. to 9 P.M., Eastern Standard Time, during the four (4) billing periods of June through September.</p> <p>WINTER PEAK PERIOD is defined as weekdays from 8 A.M. to 10 P.M., Eastern Standard Time, during the eight (8) billing periods of October through May.</p>		
ADJUSTMENT CLAUSES		
The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:		
Fuel Adjustment Clause		Sheet No. 85
Demand-Side Management Cost Recovery Mechanism		Sheet No. 86
Environmental Cost Recovery Surcharge		Sheet No. 87
Franchise Fee Rider		Sheet No. 90
School Tax		Sheet No. 91

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Louisville Gas and Electric Company

P.S.C. Electric No. 7, Original Sheet No. 21.1

Standard Rate	CTOD
Commercial Time-of-Day Service	
MINIMUM CHARGE	
The bill shall in no event be less than the Customer Charge plus the Demand Charge computed upon the billing demand for the month.	
DUE DATE OF BILL	
Customer's payment will be due within twelve (12) days from date of bill.	
LATE PAYMENT CHARGE	
If full payment is not received within three (3) days from the due date of the bill, a 1% late payment charge will be assessed on the current month's charges.	
TERM OF CONTRACT	
Contracts under this rate shall be for an initial term of one (1) year, remaining in effect from month to month thereafter until terminated by notice of either party to the other.	
TERMS AND CONDITIONS	
Service will be furnished under Company's Terms and Conditions applicable hereto.	

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Louisville Gas and Electric Company

P.S.C. Electric No. 7, Original Sheet No. 25

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Standard Rate	RTS
Retail Transmission Service	
APPLICABLE	
In all territory served.	
AVAILABILITY OF SERVICE	
This schedule is available for transmission service. Service under this schedule will be limited to maximum average loads not exceeding 50,000 kVA. Customers with new or increased load requirements that exceed 50,000 kVA will have rate developed based upon their electrical characteristics.	
RATE	
Customer Charge per month:	Transmission \$120.00
Plus an Energy Charge per kWh of:	\$ 0.02261
Plus a Demand Charge per kVA of:	
Basic Demand	\$ 2.29
Peak Demand	
Summer Peak Period	\$ 8.08
Winter Peak Period	\$ 5.83
Basic Demand Charges are applicable to the highest average load in kVA recorded during any 15-minute interval of the billing period and Peak Demand Charges are applicable to the highest average load in kVA recorded during any 15-minute interval of the peak period, as defined herein, in the monthly billing period, but not less than 50% of the maximum demands similarly determined for any of the four (4) billing periods of June through September within the eleven (11) preceding months.	
SUMMER PEAK PERIOD is defined as weekdays from 10 A.M. to 9 P.M., Eastern Standard Time, during the four (4) billing periods of June through September.	
WINTER PEAK PERIOD is defined as weekdays from 8 A.M. to 10 P.M., Eastern Standard Time, during the eight (8) billing periods of October through May.	
ADJUSTMENT CLAUSES	
The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:	
Fuel Adjustment Clause	Sheet No. 85
Demand-Side Management Cost Recovery Mechanism	Sheet No. 86
Environmental Cost Recovery Surcharge	Sheet No. 87
Franchise Fee Rider	Sheet No. 90
School Tax	Sheet No. 91

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Louisville Gas and Electric Company

P.S.C. Electric No. 7, Original Sheet No. 25.1

Standard Rate	RTS
Retail Transmission Service	
MINIMUM CHARGE	
The bill shall in no event be less than the Customer Charge plus the Demand Charge computed upon the billing demand for the month.	
DUE DATE OF BILL	
Customer's payment will be due within twelve (12) days from date of bill.	
LATE PAYMENT CHARGE	
If full payment is not received within three (3) days from the due date of the bill, a 1% late payment charge will be assessed on the current month's charges.	
TERM OF CONTRACT	
Contracts under this rate shall be for an initial term of one (1) year, remaining in effect from month to month thereafter until terminated by notice of either party to the other.	
TERMS AND CONDITIONS	
Service will be furnished under Company's Terms and Conditions applicable hereto.	

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Louisville Gas and Electric Company

P.S.C. Electric No. 7, Original Sheet No. 30

Standard Rate	IS		
Industrial Service			
APPLICABLE			
In all territory served			
AVAILABILITY OF SERVICE			
Available for three-phase delivery to customers up to an aggregate of two hundred (200) MVA for all customers taking service under this schedule and under the IS schedule of Kentucky Utilities Company. This schedule is restricted to individual customers whose monthly demand is twenty (20) MVA or greater. A customer is defined as large industrial time-of-day if that customer's load either increases or decreases twenty (20) MVA or more per minute or seventy (70) MVA or more in ten (10) minutes when such increases or decreases exceed one (1) occurrence per hour during any hour of the billing month.			
Subject to the above aggregate limit of two hundred (200) MVA, this schedule is mandatory for all customers whose load is defined as large industrial time-of-day and not served on another standard rate schedule as of July 1, 2004			
BASE RATE			
Customer Charge: \$120.00 per month			
	<u>Secondary</u>	<u>Primary</u>	<u>Transmission</u>
Energy Charge of:			
Per monthly billing period	\$0.02261 per kWh	\$0.02261 per kWh	\$0.02261 per kWh
Plus a Demand Charge of:			
Per monthly billing period of			
Standard Load Charges:			
Basic Demand Charge	\$4.85 per kVA	\$3.79 per kVA	\$2.63 per kVA
Plus Peak Demand Charge			
Winter Peak	\$7.40 per kVA	\$6.70 per kVA	\$6.69 per kVA
Summer Peak	\$9.99 per kVA	\$9.29 per kVA	\$9.28 per kVA
Where the monthly Standard billing is the greater of the applicable charge per kVA times:			
a) the maximum metered standard demand, as measured over a fifteen (15) minute interval, for the basic demand and each peak period, in the monthly billing period,			
b) 60% of the maximum metered standard demand, as determined in (a) above, for the basic demand and each peak period in the preceding eleven (11) monthly billing periods,			
c) 60% of the contract capacity based on the expected maximum demand upon the system, or			
d) minimum may be adjusted where customer's service requires an abnormal investment in special facilities.			
Plus Fluctuating Load Charges:			

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Louisville Gas and Electric Company

P.S.C. Electric No. 7, Original Sheet No. 30.1

Standard Rate	IS Industrial Service		
Basic Demand Charge	\$2.31 per kVA	\$1.76 per kVA	\$1.17 per kVA
Plus Peak Demand Charge			
Winter Peak	\$3.57 per kVA	\$3.22 per kVA	\$3.22 per kVA
Summer Peak	\$4.87 per kVA	\$4.52 per kVA	\$4.51 per kVA
Where the monthly Fluctuating billing is the greater of the applicable charge per kVA times:			
e) the maximum metered fluctuating demand, as measured over a five (5) minute interval, for the basic demand and each peak period less the maximum metered standard demand for the basic demand and each peak period in the monthly billing period, or			
f) 60% of the billed fluctuating demand, as determined in (e) above, for the basic demand and each peak period in the preceding eleven (11) monthly billing periods.			
SUMMER PEAK PERIOD is defined as weekdays from 10 A.M. to 9 P.M., Eastern Standard Time, during the 4 billing periods of June through September.			
WINTER PEAK PERIOD is defined as weekdays from 8 A.M. to 10 P.M., Eastern Standard Time, during the 8 billing periods of October through May.			
MINIMUM BILL			
The minimum bill will be the Demand Charge. Without limiting the foregoing, the Demand Charge shall be due regardless of any event or occurrence that might limit (a) Customer's ability or interest in operating Customer's facility, including but without limitation any acts of God, fires, floods, earthquakes, acts of government, terrorism, severe weather, riot, embargo, changes in law, or strikes or (b) Company's ability to serve customer.			
ADJUSTMENT CLAUSES			
The amount computed at the charges specified above shall be increased or decreased in accordance with the following:			
Fuel Adjustment Clause		Sheet No. 85	
Environmental Cost Recovery Surcharge		Sheet No. 87	
Franchise Fee Rider		Sheet No. 90	
School Tax		Sheet No. 91	
DUE DATE OF BILL			
Customer's payment will be due within twelve (12) days from date of bill.			
LATE PAYMENT CHARGE			
If full payment is not received within three (3) days from the due date of the bill, a 1% late payment charge will be assessed on the current month's charges.			

Date of Issue:

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

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Standard Rate

IS

Industrial Service

TERM OF CONTRACT

Unless terminated by mutual agreement, the initial term of contract for service shall be for a fixed term of five (5) years with successive one (1) year term renewal until canceled by either party giving at least one (1) year written notice to the other prior to the end of the initial term or the then current annual renewal period, as applicable.

PROTECTION OF SERVICE

Where Customer's use of service is intermittent, subject to violent or extraordinary fluctuations, or produces unacceptable levels of harmonic current, in each case as determined by Company in its reasonable discretion, Company reserves the right to require Customer to furnish, at Customer's own expense, suitable equipment (as approved by Company in its reasonable discretion) to meter and limit such intermittence, fluctuation, or harmonics to the extent reasonably requested by Company. Without limiting the foregoing, Company may require such equipment if, at any time, the megavars, harmonics, and other undesirable electrical characteristics produced by the Customer exceed the limits set forth in the IEEE standards for such characteristics. In addition, if the Customer's use of Company's service under this schedule causes such undesirable electrical characteristics in an amount exceeding those IEEE standards, such use shall be deemed to cause a dangerous condition which could subject any person to imminent harm or result in substantial damage to the property of Company or others, and Company shall therefore terminate service to the Customer in accordance with 807 KAR 5:056, Section 14(b). Such a termination of service shall not be considered a cancellation of the service agreement or relieve Customer of any minimum billing or other guarantees. Company shall be held harmless for any damages or economic loss resulting from such termination of service. If requested by Company, Customer shall provide all available information to Company that aids Company in enforcing its service standards. If Company at any time has a reasonable basis for believing that Customer's proposed or existing use of the service provided will not comply with the service standards for interference, fluctuations, or harmonics, Company may engage such experts and/or consultants as Company shall determine are appropriate to advise Company in ensuring that such interference, fluctuations, or harmonics are within acceptable standards. Should such experts and/or consultants determine Customer's use of service is unacceptable, Company's use of such experts and/or consultants will be at the Customer's expense.

SYSTEM CONTINGENCIES AND INDUSTRY SYSTEM PERFORMANCE CRITERIA

Company reserves the right to interrupt up to 95% of Customer's load to facilitate Company compliance with system contingencies and with industry performance criteria. Customer will permit Company to install electronic equipment and associated real-time metering to permit Company interruption of Customer's load. Such equipment will immediately notify Customer five (5) minutes before an electronically initiated interruption that will begin immediately thereafter and last no longer than ten (10) minutes nor shall the interruptions exceed twenty (20) per month. Such interruptions will not be accumulated nor credited against annual hours, if any, under the CURTAILMENT SERVICE RIDER 3. Company's right to interrupt under this provision is restricted to responses to unplanned outage or de-rates of E.ON U.S. LLC System ("EUS System") owned or purchased generation or when Automatic Reserve Sharing is invoked with ECAR or an ISO/TRO. EUS System, as used herein, shall consist of LG&E and KU. At customer's request, Company shall provide documentation of the need for interruption under this provision within sixty (60) days of the end of the applicable billing period.

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Louisville Gas and Electric Company

P.S.C. Electric No. 7, Original Sheet No. 30.3

Standard Rate	IS
Industrial Service	
LIABILITY	
<p>In no event shall Company have any liability to the Customer or any other party affected by the electrical service to the Customer for any consequential, indirect, incidental, special, or punitive damages, and such limitation of liability shall apply regardless of claim or theory. In addition, to the extent that Company acts within its rights as set forth herein and/or any applicable law or regulation, Company shall have no liability of any kind to the Customer or any other party. In the event that the Customer's use of Company's service causes damage to Company's property or injuries to persons, the Customer shall be responsible for such damage or injury and shall indemnify, defend, and hold Company harmless from any and all suits, claims, losses, and expenses associated therewith</p>	
TERMS AND CONDITIONS	
<p>Service will be furnished under Company's Terms and Conditions applicable hereto.</p>	

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Louisville Gas and Electric Company

P.S.C. Electric No. 7, Original Sheet No. 35

Standard Rate	LS		
	Lighting Service		
APPLICABLE			
In all territory served.			
AVAILABILITY OF SERVICE			
To any customer who can be served in accordance with the special terms and conditions set forth herein and who is willing to contract for service in accordance with such special terms and conditions			
CHARACTER OF SERVICE			
This rate schedule covers electric lighting service to outdoor equipment for the illumination of streets, driveways, yards, lots and other outdoor areas. Company will provide, own and maintain the lighting equipment, as hereinafter described, and will furnish the electrical energy to operate such equipment. Service under this rate will be available on an automatically controlled dusk-to-dawn every-night schedule of approximately 4000 hours per year, and only to the types of lighting units specified herein.			
RATES			
UNDERGROUND SERVICE			
<u>Type Of Fixture</u>	<u>Lumen Output (Approximate)</u>	<u>Load/Light In kW</u>	<u>Monthly Rate Per Light</u>
<u>High Pressure Sodium</u>			
4 Sided Colonial	6,300	.110	\$16.17
4 Sided Colonial	9,500	.145	16.74
4 Sided Colonial	16,000	.200	17.81
Acorn	6,300	.110	16.52
Acorn	9,500	.145	18.60
Acorn (Bronze Pole)	9,500	.145	19.59
Acorn	16,000	.200	19.59
Acorn (Bronze Pole)	16,000	.200	20.51
Contemporary	16,000	.200	25.21
Contemporary	28,500	.312	27.85
Contemporary	50,000	.495	31.51
Cobra Head	16,000	.200	22.04
Cobra Head	28,500	.312	24.04
Cobra Head	50,000	.495	27.61
* London (10' Smooth Pole)	6,300	.110	28.28
* London (10' Fluted Pole)	6,300	.110	29.96
* London (10' Smooth Pole)	9,500	.145	29.12
* London (10' Fluted Pole)	9,500	.145	30.70
* Victorian (10' Smooth Pole)	6,300	.110	27.38
* Victorian (10' Fluted Pole)	6,300	.110	27.93
* Victorian (10' Smooth Pole)	9,500	.145	29.13
* Victorian (10' Fluted Pole)	9,500	.145	29.73

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Louisville Gas and Electric Company

P.S.C. Electric No. 7, Original Sheet No. 35.1

Standard Rate	LS		
Lighting Service			
* Bases Available:			
Old Town / Manchester			\$ 2.49
Chesapeake / Franklin			2.49
Jefferson / Westchester			2.49
Norfolk / Essex			2.64
 <u>Mercury Vapor</u>			
4 Sided Colonial	4,000	.124	16.27
4 Sided Colonial	8,000	.210	17.86
Cobra Head	8,000	.210	22.03
Cobra Head	13,000	.298	23.51
Cobra Head	25,000	.462	26.63
<p>Based on lighting choice, Company will furnish and install the lighting unit complete with lamp, fixture or luminaire, control device, mast arm (cobra head) and pole.</p> <p>The above rates for underground service contemplate a normal installation served from underground lines located in the streets, with a direct buried cable connection of not more than 200 feet per unit in those localities supplied with electric service through underground distribution facilities. If additional facilities are required, the customer shall make non-refundable cash advance equivalent to the installed cost of such excess facilities. The Company may provide underground lighting service in localities otherwise served through overhead facilities when, in its judgment, it is practicable to do so from an operating and economic standpoint. Company may decline to install equipment and provide service thereto in locations deemed by the Company as unsuitable for underground installation.</p>			
 OVERHEAD SERVICE			
<u>Type Of Fixture</u>	<u>Lumen Output (Approximate)</u>	<u>Load/Light In kW</u>	<u>Monthly Rate Per Light</u>
<u>High Pressure Sodium</u>			
Cobra Head	16,000	.200	9.70
Cobra Head	28,500	.312	11.58
Cobra Head	50,000	.495	15.29
Directional Flood	16,000	.200	11.19
Directional Flood	50,000	.495	16.22
Open Bottom	9,500	.145	8.36
<u>Mercury Vapor</u>			
Cobra Head	8,000	.210	9.70
Cobra Head	13,000	.298	11.14
Cobra Head	25,000	.462	14.19
Directional Flood	25,000	.462	15.65
Open Bottom	8,000	.210	9.66

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Louisville Gas and Electric Company

P.S.C. Electric No. 7, Original Sheet No. 35.3

Standard Rate	LS
Lighting Service	
Fuel Adjustment Clause Environmental Cost Recovery Surcharge Franchise Fee Rider School Tax	Sheet No. 85 Sheet No. 87 Sheet No. 90 Sheet No. 91
SPECIAL TERMS AND CONDITIONS	
<ol style="list-style-type: none">1 All lighting units, poles and conductors installed in accordance herewith shall be the property of Company, and Company shall have access to the same for maintenance, inspection and all other proper purposes. Company shall have the right to make other attachments to the poles and to further extend the conductors installed in accordance herewith when necessary for the further extension of its electric service.2 If any permit is required from municipal or other governmental authority with respect to the installation and use of any of the lighting units served hereunder, it will be the responsibility of the customer to obtain such permit.3 All servicing and maintenance will be performed only during regular schedule working hours of the Company. The customer shall be responsible for reporting outages and other operating faults, and the Company will undertake to service the lighting equipment within two (2) business days after such notification by the customer.4 The customer will exercise proper care to protect the property of Company on his premises, and in the event of loss or damage to Company's property arising from the negligence of the customer, the cost of the necessary repair or replacement shall be paid by the customer. Company may decline to install equipment and provide service thereto in locations where, in Company's judgment, such equipment will be subject to unusual hazards or risk of damage.5 Contracts for this service shall have a minimum fixed term of five (5) years, and shall continue from month to month after such minimum fixed term until terminated by either party giving thirty days notice to the other. Company shall have the right at any time to discontinue service for non-payment of bills or other causes set forth in its General Rules and Regulations. Upon permanent discontinuance of service, lighting units and other equipment will be removed.6 Before agreeing to install lighting units Company may require reasonable assurance that the interest of the applicant for service will continue for a minimum fixed contract term or that the service will be continued by another party after the interest of the original applicant has terminated.7 Mercury Vapor is restricted to those fixtures in service prior to July 22, 2007. Upon failure, existing fixtures will either be removed from service or replaced with available lighting at the customer's option.	
TERMS AND CONDITIONS	
Service will be furnished under Company's Terms and Conditions applicable hereto.	

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Louisville Gas and Electric Company

P.S.C. Electric No. 7, Original Sheet No. 36

Standard Rate	RLS	
Restricted Lighting Service		
<u>OUTDOOR LIGHTING</u>		
APPLICABLE In all territory served.		
AVAILABILITY OF SERVICE - RESTRICTED To any customer who can be served in accordance with the special terms and conditions set forth herein and who is willing to contract for service in accordance with such special terms and conditions. This rate schedule will continue to be available to fixtures that were being served hereunder on July 1, 2004, and will not be available for the addition of new fixtures.		
CHARACTER OF SERVICE These rates cover electric lighting service to outdoor equipment for the illumination of streets, driveways, yards, lots and other outdoor areas. Company will provide, own and maintain the lighting equipment, as hereinafter described, and will furnish the electrical energy to operate such equipment. Service under this rate will be available on an automatically controlled dusk-to-dawn every-night schedule of approximately 4000 hours per year, and only to the types of lighting units specified herein.		
RATES		
<u>Type of Unit</u>	<u>Rate Per Month Per Unit</u>	
<u>Overhead Service</u>	<u>Installed Prior to</u>	<u>Installed After</u>
<u>Mercury Vapor</u>	<u>January 1, 1991</u>	<u>December 31, 1990</u>
100 Watt	\$7.49	N/A
175 Watt	8.52	\$ 9.99
250 Watt	9.69	11.24
400 Watt	11.85	13.54
1000 Watt	21.81	24.58
<u>High Pressure Sodium Vapor</u>		
100 Watt	\$ 8.33	\$ 8.33
150 Watt	10.69	10.69
250 Watt	12.64	12.64
400 Watt	13.47	13.47
1000 Watt	N/A	31.82
<u>Underground Service</u>		
<u>Mercury Vapor</u>		
100 Watt - Top Mounted	13.00	\$13.44
175 Watt - Top Mounted	13.87	14.89
<u>High Pressure Sodium Vapor</u>		
70 Watt - Top Mounted	\$11.55	\$ 11.55
100 Watt - Top Mounted	15.28	15.27
150 Watt - Top Mounted	N/A	18.55
150 Watt	20.78	20.81
250 Watt	23.91	23.91
400 Watt	26.41	26.41
1000 Watt	N/A	59.42

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Louisville Gas and Electric Company

P.S.C. Electric No. 7, Original Sheet No. 36.1

Standard Rate	RLS
Restricted Lighting Service (Continued)	
<u>Decorative Lighting Service</u>	<u>Rate Per Month Per Unit</u>
<u>Fixtures</u>	
<u>Acorn with Decorative Basket</u>	
70 Watt High Pressure Sodium	\$16.32
100 Watt High Pressure Sodium	17.11
<u>8-Sided Coach</u>	
70 Watt High Pressure Sodium	16.49
100 Watt High Pressure Sodium	17.30
<u>Poles</u>	
10' Smooth	9.20
10' Fluted	10.98
<u>Bases</u>	
Old Town/Manchester	2.95
Chesapeake/Franklin	3.17
Jefferson/Westchester	3.19
Norfolk/Essex	3.36
NA – Not Available	
ADJUSTMENT CLAUSES	
The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:	
Fuel Adjustment Clause	Sheet No. 85
Environmental Surcharge	Sheet No. 87
Franchise Fee	Sheet No. 90
School Tax	Sheet No. 91
SPECIAL TERMS AND CONDITIONS	
<p>1. Company will furnish and install the lighting unit complete with lamp, fixture or luminaire, control device, and mast arm. The above rates for overhead service contemplate installation on an existing wood pole with service supplied from overhead circuits only; provided, however, that, when possible, floodlights served hereunder may be attached to existing metal street lighting standards supplied from overhead service. If the location of an existing pole is not suitable for the installation of a lighting unit, the Company will extend its secondary conductor one span and install an additional pole for the support of such unit, the customer to pay an additional charge of \$1.75 per month for each such pole so installed. If still further poles or conductors are required to extend service to the lighting unit, the customer will be required to make a non-refundable cash advance equal to the installed cost of such further facilities</p>	
<p>2. The above rates for underground service contemplate a normal installation served from underground lines located in the streets, with a direct buried cable connection of not more than 200 feet per unit in those localities supplied with electric service through underground distribution facilities. If additional facilities are required, the customer shall make</p>	

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Louisville Gas and Electric Company

P.S.C. Electric No. 7, Original Sheet No. 36.2

Standard Rate	RLS
Restricted Lighting Service	
<p>a non-refundable cash advance equivalent to the installed cost of such excess facilities. The Company may provide underground lighting service in localities otherwise served through overhead facilities when, in its hereto in locations deemed by the Company as unsuitable for underground installation.</p>	
<p>3. DECORATIVE LIGHTING SERVICE The monthly rates for Decorative Lighting are calculated as the sum of the rates for the individual elements of the customized light. For example, the monthly rate will be calculated as the sum of the rates for the chosen fixture style and wattage, the chosen pole style, and the chosen base style, if one is chosen. This provides flexibility for the Company to meet the individual desires of each Decorative Lighting customer.</p>	
<p>4. All lighting units, poles and conductors installed in accordance herewith shall be the property of Company, and Company shall have access to the same for maintenance, inspection and all other proper purposes. Company shall have the right to make other attachments to the poles and to further extend the conductors installed in accordance herewith when necessary for the further extension of its electric service.</p>	
<p>5. If any permit is required from municipal or other governmental authority with respect to the installation and use of any of the lighting units served hereunder, it will be the responsibility of the customer to obtain such permit.</p>	
<p>6. All servicing and maintenance will be performed only during regular schedule working hours of the Company. The customer shall be responsible for reporting outages and other operating faults, and the Company will undertake to service the lighting equipment within two (2) business days after such notification by the customer.</p>	
<p>7. The customer will exercise proper care to protect the property of Company on his premises, and in the event of loss or damage to Company's property arising from the negligence of the customer, the cost of the necessary repair or replacement shall be paid by the customer. Company may decline to install equipment and provide service thereto in locations where, in Company's judgment, such equipment will be subject to unusual hazards or risk of damage.</p>	
<p>8. Contracts for this service shall have a minimum fixed term of two years, and shall continue from month to month after such minimum fixed term until terminated by either party giving thirty days notice to the other. Company shall have the right at any time to discontinue service for non-payment of bills or other causes set forth in its General Rules and Regulations. Upon permanent discontinuance of service, lighting units and other equipment will be removed.</p>	
<p>9. Before agreeing to install lighting units Company may require reasonable assurance that the interest of the applicant for service will continue for a minimum fixed contract term or that the service will be continued by another party after the interest of the original applicant has terminated.</p>	
<p>10. Mercury Vapor is restricted to those fixtures in service prior to July 22, 2007. Upon failure, existing fixtures will either be removed from service or replaced with available lighting at the customer's option.</p>	

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Louisville Gas and Electric Company

P.S.C. Electric No. 7, Original Sheet No. 36.3

Standard Rate	RLS	
Restricted Lighting Service		
PUBLIC STREET LIGHTING		
AVAILABILITY OF SERVICE - RESTRICTED		
<p>The following lighting units and rates are available to municipal, county, state and Federal governments, including divisions thereof, and other bodies politic which have the authority to levy and collect general taxes, for the lighting of public streets and roads, public parks and other outdoor locations open to and reserved for general public use. This rate schedule will continue to be available to fixtures that were being served hereunder on July 1, 2004, and will not be available for the addition of new fixtures.</p>		
CHARACTER OF SERVICE		
<p>These rates cover electric lighting service to Company-owned and maintained street lighting equipment as hereinafter described. Service under these rates will be available on an automatically controlled dusk-to-dawn every-night schedule of approximately 4,000 hours per year, and only to the types of lighting units specified herein.</p>		
RATES		
	Rate Per Month Per Unit	
Type of Unit	Installed Prior to January 1, 1991	Installed After December 31, 1990
<u>Overhead Service</u>		
<u>Mercury Vapor</u>		
100 Watt	\$ 6.74	N/A
175 Watt	7.92	\$ 9.80
250 Watt	9.05	11.04
400 Watt	10.90	13.33
400 Watt (metal pole)	15.64	N/A
1000 Watt	20.42	24.32
<u>High Pressure Sodium Vapor</u>		
100 Watt	\$ 8.05	\$ 8.05
150 Watt	9.67	9.67
250 Watt	11.60	11.60
400 Watt	12.19	12.19
1000 Watt	N/A	27.71
<u>Underground Service</u>		
<u>Mercury Vapor</u>		
100 Watt - Top Mounted	\$10.94	\$13.66
175 Watt - Top Mounted	12.02	14.68
175 Watt	16.26	23.35
250 Watt	17.43	24.28
400 Watt	20.58	27.05
400 Watt on State of Ky. Pole	20.69	27.05
<u>High Pressure Sodium Vapor</u>		
70 Watt - Top Mounted	\$ N/A	\$11.59
100 Watt - Top Mounted	12.02	12.02
150 Watt - Top Mounted	N/A	17.78
150 Watt	20.79	20.79
250 Watt	22.11	22.11
250 Watt on State of Ky. Pole	22.11	22.11
400 Watt	23.79	23.79
400 Watt on State of Ky. Pole	23.79	23.79
1000 Watt	N/A	55.32

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Louisville Gas and Electric Company

P.S.C. Electric No. 7, Original Sheet No. 36.4

Standard Rate	RLS
Restricted Lighting Service	
<u>Decorative Lighting Service</u>	<u>Rate Per Month Per Unit</u>
<u>Fixtures</u>	
<u>Acorn with Decorative Basket</u>	
70 Watt High Pressure Sodium	\$15.90
100 Watt High Pressure Sodium	16.59
<u>8-Sided Coach</u>	
70 Watt High Pressure Sodium	16.10
100 Watt High Pressure Sodium	17.14
<u>Poles</u>	
10' Smooth	9.20
10' Fluted	10.98
<u>Bases</u>	
Old Town/Manchester	2.95
Chesapeake/Franklin	3.17
Jefferson/Westchester	3.19
Norfolk/Essex	3.36
 NA – Not Available 	
 ADJUSTMENT CLAUSES	
The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:	
Fuel Adjustment Clause	Sheet No. 85
Environmental Cost Recovery Surcharge	Sheet No. 87
Franchise Fee Rider	Sheet No. 90
School Tax	Sheet No. 91
 SPECIAL TERMS AND CONDITIONS	
1. <u>Overhead Service</u> . The above rates contemplate installation on an existing pole in Company's system. If the location of an existing pole is not suitable for the installation of a lighting unit, the Company will extend its secondary conductor one span and install an additional pole for the support of such unit. If still further poles or conductors are required to extend service to the lighting unit, the customer will be required to make a non-refundable cash advance equal to the installed cost of such further facilities.	
2. <u>Underground Service</u> . In all areas other than the downtown section of the City of Louisville designated by City ordinance as an underground district, the Company will provide a normal installation consisting of a direct buried cable connection of not more than 200 feet per unit. If additional facilities or expenditures are required, including any additional cost to break pavement or remove rock, the customer shall make a non-refundable cash advance equivalent to the excess costs. Company may decline to install equipment and provide service thereto in locations deemed by Company unsuitable for underground installation.	

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Louisville Gas and Electric Company

P.S.C. Electric No. 6, Original Sheet No. 36.5

Standard Rate

RLS

Restricted Lighting Service

Within the aforesaid City of Louisville underground district, the Company will provide *underground facilities in accordance with sound engineering practices.*

3. **DECORATIVE LIGHTING SERVICE.** The monthly rates for Decorative Lighting are calculated as the sum of the rates for the individual elements of the customized light. For example, the monthly rate will be calculated as the sum of the rates for the chosen fixture style and wattage, the chosen pole style, and the chosen base style, if one is chosen. This provides flexibility for the Company to meet the individual desires of each Decorative Lighting customer.
4. Company will furnish and install the complete lighting unit. All lighting units, including poles, standards and conductors installed in accordance herewith shall be the property of Company, and Company shall have access to the same for maintenance, inspection and all other proper purposes. Company shall have the right to make other attachments to the poles and to further extend the conductors installed in accordance herewith when necessary for the further extension of its electric service.
5. Customer shall be responsible for any permit or authorization that may be required for the installation of the lighting units at the specified locations.
6. Company may decline to install equipment and provide service thereto in locations where, in Company's judgment, such equipment will be subject to unusual hazards or risk of damage.
7. Contracts for this service shall have a minimum fixed term of five years, and shall continue from month to month after such minimum fixed term until terminated by either party giving thirty days notice to the other. Company shall have the right at any time to discontinue service for nonpayment of bill or other causes set forth in its General Rules and Regulations. Upon permanent discontinuance of service, lighting units and other equipment will be removed.
8. Nothing herein shall prevent Company and Customer from taking into account unusual circumstances and agreeing on modifications of the above rates commensurate with such circumstances, provided such agreement are duly filed with and made subject to the jurisdiction of the Public Service Commission of Kentucky.
9. Mercury Vapor is restricted to those fixtures in service prior to July 22, 2007. Upon failure, existing fixtures will either be removed from service or replaced with available lighting at the customer's option.

TERMS AND CONDITIONS

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

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Louisville Gas and Electric Company

P.S.C. Electric No. 7, Original Sheet No. 37

Standard Rate	LE
Lighting Energy Service	
APPLICABLE	
In all territory served.	
AVAILABILITY OF SERVICE	
Available to municipalities, county governments, divisions or agencies of the state or Federal governments, civic associations, and other public or quasi-public agencies for service to public street and highway lighting systems, where the municipality or other agency owns and maintains all street lighting equipment and other facilities on its side of the point of delivery of the energy supplied hereunder	
RATE	
\$0.04527 per kWh.	
ADJUSTMENT CLAUSES	
The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:	
Fuel Adjustment Clause Environmental Cost Recovery Surcharge Franchise Fee Rider School Tax	Sheet No. 85 Sheet No. 87 Sheet No. 90 Sheet No. 91
DUE DATE OF BILL	
Customer's payment will be due within twelve (12) days from date of bill.	
CONDITIONS OF DELIVERY	
<ol style="list-style-type: none">1. Service hereunder will be metered except when, by mutual agreement of Company and customer, an unmetered installation will be more satisfactory from the standpoint of both parties. In the case of unmetered service, billing will be based on a calculated consumption taking into account the types of equipment served.2. The location of the point of delivery of the energy supplied hereunder and the voltage at which such delivery is effected shall be mutually agreed upon by Company and the customer in consideration of the type and size of customer's street lighting system and the voltage which Company has available for delivery.	
TERMS AND CONDITIONS	
Service will be furnished under Company's Terms and Conditions applicable hereto.	

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Louisville Gas and Electric Company

P.S.C. Electric No. 7, Original Sheet No. 38

Standard Rate	TE
Traffic Energy Service	
APPLICABLE	
In all territory served.	
AVAILABILITY OF SERVICE	
Available to municipalities, county governments, divisions of the state or Federal governments or any other governmental agency for service to traffic control devices including signals, cameras, or other traffic lights which operate on a 24-hour all-day every-day basis, where the governmental agency owns and maintains all equipment on its side of the point of delivery of the energy supplied hereunder. In the application of this rate each point of delivery will be considered as a separate customer.	
RATE	
Customer Charge: \$2 80 per delivery per month	
Plus an Energy Charge of: \$0 05559 per kWh	
ADJUSTMENT CLAUSES	
The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:	
Fuel Adjustment Clause	Sheet No. 85
Environmental Cost Recovery Surcharge	Sheet No. 87
Franchise Fee Rider	Sheet No. 90
School Tax	Sheet No. 91
MINIMUM CHARGE	
The Customer Charge shall be the minimum charge.	
DUE DATE OF BILL	
Customer's payment will be due within twelve (12) days from date of bill.	
CONDITIONS OF SERVICE	
<ol style="list-style-type: none">1 Service hereunder will be metered except when, by mutual agreement of Company and customer, an unmetered installation will be more satisfactory from the standpoint of both parties. In the case of unmetered service, billing will be based on a calculated consumption, taking into account the size and characteristics of the load, or on meter readings obtained from a similar installation.2. The location of each point of delivery of energy supplied hereunder shall be mutually agreed upon by Company and the customer.3 Traffic lights not operated on an all-day every-day basis will be served under General Service Rate GS	
TERMS AND CONDITIONS	
Service will be furnished under Company's Terms and Conditions applicable hereto.	

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

Louisville Gas and Electric Company

P.S.C. Electric No. 7, Original Sheet No. 40

Standard Rate	CTAC
Cable Television Attachment Charges	
APPLICABLE	
In all territory served.	
AVAILABILITY OF SERVICE	
Available to any established and properly franchised operator of a cable television system (herein called Customer) who applies for the right to make cable attachments to Company's poles in accordance with the terms and conditions herein set forth. Any entitlement acquired by a Customer hereunder shall not be exclusive and shall be subject to existing rights and privileges acquired by other public utilities or entities making lawful use of Company's poles	
APPLICABILITY OF PSC OF KY. ORDER (CASE NO. 251)	
This rate schedule is issued pursuant to an Order of the Public Service Commission of Kentucky dated September 17, 1982, in Administrative Case No. 251 (hereinafter called "Order 251"), and an Order in Administrative Case No. 251-26, dated May 31, 1983. Order 251 specifies, inter alia, the formula to be used in arriving at the charges to be made for the service provided herein. Company shall have the right to file with the Commission revisions of this rate schedule, including revisions of the charges for service, any such filing to be made in accordance with law and the rules of the Commission.	
ATTACHMENT CHARGES	
For each attachment to a pole on which three parties have attachments	\$0.38 per month
For each attachment to a pole on which two parties have attachments	\$0.53 per month
PAYMENT OF CHARGES	
Charges will be billed monthly. Charges applicable to attachments made or reserved during any calendar month will be billed for the full month and will not be prorated for portions of a month. Likewise, any attachments removed during any month will be credited for the full month in which such removal occurred. All payments will be due within twelve (12) days from date of bill.	
PENALTY FOR UNAUTHORIZED ATTACHMENTS	
If and when Company determines that Customer has made attachments to Company's poles without prior authorization, Company will make a charge of twice the charge otherwise payable, for the period from the date of such attachment to the billing date. If make-ready costs are involved in connection with such unauthorized attachments, Company will bill such make-ready charges at twice the amount otherwise payable.	

Date of Issue:

Date Effective: January 1, 1991 Refiled:

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

Standard Rate	CTAC
Cable Television Attachment Charges	
TERMS AND CONDITIONS	
<ol style="list-style-type: none"> 1 Customer shall secure any right, license or permit from any governmental body, authority or other person or persons which may be required for the construction or maintenance of its facilities. Nothing herein shall be deemed or construed to constitute a grant of any easement, right-of-way, or franchise by Company or any other party. Company does not warrant that any of its easements, rights-of-way, or franchises provide for the construction and maintenance of Customer's facilities. Customer shall erect, construct, attach and maintain its facilities solely at its risk and Company, by the granting of rights and privileges hereunder, does not assume any obligation or liability for the adequacy of Customer's easements, rights-of-way or franchises. Customer shall indemnify and save harmless Company from any and all claims, including the expenses incurred by Company to defend itself against such claims, resulting from or arising out of the failure of Customer to secure such right, license, permit or easement for the construction or maintenance of said facilities. 2. If Customer has not already done so prior to the effective date of this rate schedule, Customer shall furnish to Company, in a form suitable to Company, four copies of a map of the appropriate county in Kentucky or portion thereof upon which Customer shall indicate the general area in which it plans to install or has already installed cable television facilities. Such map shall be revised from time to time by Customer and furnished in the same number of copies to Company before Customer extends its system into additional areas within Company's service area 3 Customer shall make written application for permission to install attachments on any pole of Company, specifying the location of each pole, the character of its proposed attachments and the amount and location of space desired. As soon thereafter as practicable, Company shall notify Customer in writing whether or not it is willing to permit an attachment to such pole "as is" or whether the Customer and Company shall determine by mutual agreement after a "walk through" (or other mutually agreeable method) by representatives of both parties the reasonable cost for make-ready" adjustments or other appropriate work on poles (including replacement). All rights granted to Customer under this rate schedule shall be subject to the prior rights of the South Central Bell Telephone Company, and any other prior licensees, their successors or assigns. 4. All attachments are to be placed on poles of Company in a manner satisfactory to Company and so as not to interfere with the present or any future use which Company may desire to make of said poles or attachments thereto. Company will furnish Customer with a drawing showing the general arrangement and location of Customer's attachments that is satisfactory to Company. All attachments shall be installed and at all times maintained by Customer so as to comply at least with the minimum requirements of the National Electric Safety Code, regulations of the Kentucky Public Service Commission and any other applicable regulations or codes promulgated by state, local or other governmental authority having jurisdiction. Customer shall take any necessary precautions, by the installation of protective equipment or other means, to protect all persons and property of all kinds against injury or damage occurring by reason of Customer's attachments on Company's poles. Customer shall install, maintain and remove its equipment in such manner, and employ such methods and procedures, as to make it unnecessary for Company to de-energize any of its electric lines or facilities, and Company shall have no obligation to so de-energize its facilities for the present or future use of its poles and equipment and of any interference therewith. 	

Date of Issue:

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

Louisville Gas and Electric Company

P.S.C. Electric No. 7, Original Sheet No. 40.2

Standard Rate	CTAC
Cable Television Attachment Charges	
<p>5 In any case where Company deems it necessary to install a new pole to accommodate Customer's attachments and the new pole is to be taller or stronger than considered by Company to be necessary to accommodate the attachments of Company and of its other licensees, the "make-ready" cost of such extra height or strength shall be paid to Company by Customer. Such cost shall be a sum equal to Company's estimate of the difference between the cost in place of the new pole and the current cost in place of a pole considered by Company to be adequate for the attachments of Company and of its licensees. The aforesaid payment shall be made whether the new pole is an initial installation or replacement of an existing pole. The new pole shall be the property of Company regardless of any payments by Customer toward its cost and Customer shall acquire no right, title or interest in and to such pole.</p> <p>6 Where a new pole is erected hereunder (including the replacement of an existing pole) solely to adequately provide for the attachments Customer proposes to place on the new pole, Customer shall pay Company a sum equal to the actual cost of the new pole in place, plus the cost of removal of the existing pole, if any, minus the salvage value of the removed pole. Customer shall also pay to Company and the respective existing licensees the cost of removing all attachments from the pole and reestablishing the same or like attachments on the newly installed pole, with appropriate salvage credit allowance for any attachments which are not reused in such replacement, and the cost of installing any new or additional attachments required solely because of the erection of such new pole. The new pole shall be the property of Company regardless of any payments by Customer toward its cost and Customer shall acquire no right, title or interest in and to such pole.</p> <p>7. Prior to any strand construction or attachment, Customer shall install appropriate guys and anchors of a type approved by Company in those instances when proper construction requires the same. Customer shall obtain appropriate easements or rights-of-way from appropriate property owners for such equipment and for any other facilities of Customer.</p> <p>8. If Customer's desired attachments can be accommodated on existing poles of Company by rearrangement of facilities of Company and of other licensees thereon and should it be necessary for Company to rearrange its facilities on existing poles of others in order to accommodate Customer's desired attachments, such rearrangement shall be made and Customer shall, on demand, reimburse Company for any expense incurred by it in transferring or rearranging said facilities. Any additional guying required by reason of such rearrangements shall be provided by or at the expense of Customer and to the satisfaction of Company.</p> <p>9 Customer will obtain and maintain at all times during the use of Company's poles hereunder policies of insurance or a bond at Customer's option (with waiver of subrogation endorsement and contractual rider) with Company named as an additional primary insured as follows:</p>	

Date of Issue:

Date Effective: September 20, 1983 Refiled:

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

Louisville Gas and Electric Company

P.S.C. Electric No. 7, Original Sheet No. 40.3

Standard Rate	CTAC
Cable Television Attachment Charges	
<p>(a) Public liability insurance or a bond in an amount not less than \$300,000 for any one occurrence</p> <p>(b) Property damage liability insurance or a bond in an amount not less than \$100,000 for any one occurrence.</p> <p>(c) In addition, Customer shall carry catastrophe or excess liability insurance or a bond covering the foregoing perils in an amount not less than \$5,000,000 for any one occurrence.</p> <p>(d) Each such policy or a bond shall contain a contractual rider covering liability assumed by the Customer under the indemnity agreement set forth immediately below.</p>	
<p>Whether or not a policy of insurance or a bond is in effect, Customer will indemnify, hold harmless, and defend Company from and against any and all actions or causes of actions, claims, demands, liabilities, loss, damage or expense of whatever kind and nature, including payments made under any workmen's compensation law or under any plan for employees' disability and death benefits, and attorneys' fees, which Company may suffer or incur by reason of bodily injury, including death, to any person or persons, or by reason of damage to or destruction of any property, including the loss of use thereof, arising out of or in any manner connected with the facilities of Customer to be installed hereunder including, but not limited to, the installation, maintenance, operation or removal thereof, or at any other time, or which Company may sustain or incur in connection with any litigation, investigation, or other expenditures incident thereto, including any suit instituted to enforce the obligation of this agreement of indemnity, due in whole or in part to any act, omission, or negligence of Customer or joint fault of Company and Customer and their representatives, employees or contractors (except insofar as such indemnity arising out of any acts or omissions of such representatives or employees may be found to be contrary to law, in which case this provision for indemnity shall in all other respects be and remain effective and binding). The amount of such indemnity shall be covered under the insurance policy or bond and shall not be less than the limits set forth in Items (a), (b) and (c) above. Before Customer shall become entitled to any rights under this rate schedule and prior to making attachments to Company's poles, Customer shall furnish to Company a copy of each of its aforesaid insurance policies, or bond, from an insurance carrier(s) acceptable to Company, and a certificate(s) from said carrier(s) or bonding company stating that policies of insurance have been issued by it to Customer providing for the insurance or bond coverage listed above and that such policies are in force. Such certificate shall state that the insurance carrier or bonding company will give Company fifteen days' prior written notice of any cancellation of or material change in such policies. The certificate shall also quote in full the agreements of indemnity set forth herein and in Paragraphs 4, 18 and 21 of this "Terms and Conditions" section as evidence of the type of contractual liability coverage furnished. If such certificate recites that it is subject to any exceptions contained in the policy or policies of insurance, such exceptions shall be stated in full in said certificate and Company may, at its discretion, require Customer before starting work to obtain policies of insurance which are not subject to any exceptions which Company finds objectionable.</p>	
<p>10. Under no circumstances shall Customer, its employees or contractors or subcontractors, disturb, tamper with or contact any of Company's equipment, other than poles. Extra precautions shall be taken to avoid contact with Company's lines, wires and transformers, whether or not they appear to be energized.</p>	

Date of Issue:

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Louisville Gas and Electric Company

P.S.C. Electric No. 7, Original Sheet No. 40.4

Standard Rate	CTAC
Cable Television Attachment Charges	
<p>11. Company reserves the right to, but shall not be obligated to, inspect each new installation of Customer on its poles or on poles other to which its facilities are attached and to make periodic inspections, semi-annually or more often as conditions may warrant. Company's right to make such inspections and any inspection made pursuant to such right shall not relieve Customer of any responsibility, obligation or liability assumed under this rate schedule.</p> <p>12. If Company finds substandard installations by Customer, Company may give to Customer a period of time, not to exceed ten days, to make such adjustments at its own expense, or Company, at its option, may make said corrections and charge the Customer the cost of correcting such installations.</p> <p>13. In the event that Company finds it necessary or appropriate to change its poles or attachments for reasons unrelated to Customer's operations, Customer shall be given notice of the change (e.g., relocation to another pole) and Customer shall make the necessary adjustment at its expense within 30 days. If Customer fails to make said adjustments within the prescribed time, Company may make said changes, notwithstanding the presence of Customer's facilities and may, if necessary, separate or otherwise remove Customer's cables or equipment.</p> <p>14. Whenever Company notifies Customer in writing that the attachments of Customer interfere with the operation of equipment of Company or other licensee, or constitute a hazard to the service rendered by Company or other licensee, or fail to comply with the codes or regulations hereinbefore referred to, Customer shall within ten days after the date of such notice remove, rearrange, or change its attachments as directed by Company. In case of emergency, Company reserves the right to remove, separate, or relocate the attachments of Customer at Customer's expense.</p> <p>15. Upon thirty days' written notice to Customer, Company may discontinue the use of, remove, replace or change the location of any or all of its poles or attachments regardless of any occupancy of Company's poles by Customer or Customer shall at its sole cost, within ten days after such notice by Company, make such changes in, remove or transfer its attachments as shall be required by such action of Company.</p> <p>16. Customer may at any time abandon the use of a Company pole by removing therefrom all of its attachments and by giving written notice thereof to Company.</p> <p>17. Unless otherwise mutually agreed, electric service for television amplifiers of Customer shall be supplied from the lines of Company in the manner shown on a standardized sketch, which Company will supply to Customer on request, and shall be served and billed at Company's applicable rate for electric service.</p>	

Date of Issue:

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

Louisville Gas and Electric Company

P.S.C. Electric No. 7, Original Sheet No. 40.5

Standard Rate	CTAC
Cable Television Attachment Charges	
<p>18. Customer shall release Company from any and all liability for loss of or damage to the facilities of Customer and for any interruption to or failure of the service rendered by Customer with respect to which such facilities are used, unless the loss, damage or interruption was caused by the sole negligence of Company. Customer shall indemnify, hold harmless, and defend Company from and against any and all loss, damage, cost or expense which Company may suffer or for which Company may be held liable because of interference with television reception of said subscribers or others, arising out of or in any manner connected with the attachment, operation, and maintenance of the facilities of Customer on the poles of Company under this rate schedule, unless the loss, damage or interruption was caused by the sole negligence of Company. In the event that any part of this provision for indemnity is found to be contrary to law, all other parts of this provision for indemnity shall remain effective and binding</p> <p>19. All costs referred to in Paragraphs 5, 6, 12, 14, 20 and 22 of this "Terms and Conditions" section shall include, in addition to direct costs of material, labor and equipment usage, appropriate allowances for taxes, insurance, fringe benefits and other indirect expenses applicable to labor, stores expense, supervision, engineering, and administrative and general expenses, all to be determined and applied in accordance with Company's standard procedures then in effect and applicable to work it performs for the account of other parties</p> <p>20. All costs of every kind incurred by Company in the performance of Company's work necessitated by Customer pursuant to the above conditions shall be billed to Customer and paid in full within 30 days of billing date. The term "all costs" shall include, but not be limited to, the expense of protecting and relocating Company's facilities, and repairing damage caused by Customer to Company's facilities, and the costs of having Company's representatives on each site during construction. To determine "all costs," Company shall for each such project of Customer accumulate cost data through Company's normal cost accumulation procedures</p> <p>21. Customer shall furnish bond, in a form and substance satisfactory to Company, in the amount of One Hundred Thousand Dollars (\$100,000 00) to guarantee the performance of the obligations assumed by Customer under the terms of this rate schedule not otherwise covered by the insurance required by Paragraph 9 above (such as, but not limited to, Customer's removal of its facilities at termination hereof or payment of monies due hereunder). Such bond shall be submitted to Company at the time of Customer's application under this rate schedule and prior to Customer's making attachments to Company's poles. In addition, Company, at its discretion, may require Customer, upon written notice and before the undertaking by Company of any subsequent action for the benefit of the Customer, to advance to Company an amount equal to the estimated costs of any work which Company has been authorized to perform, either by reason of an application of Customer or otherwise, plus any amounts then due Company by Customer, or to furnish additional bond, in lieu thereof, in an equal amount. After two years have passed from the date of the initial issuance of Customer's bond hereunder, if Customer has substantially complied with its obligations hereunder, Customer may apply to Company for a reduction of the penal sum of its bond, for the release of the corporate surety thereon, or for other relief--which application shall not be unreasonably denied, provided that no reduction or other concession or indulgence with respect to said bond shall release Customer from any underlying obligations.</p>	

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Louisville Gas and Electric Company

P.S.C. Electric No. 7, Original Sheet No. 40.6

Standard Rate	CTAC
Cable Television Attachment Charges	
<p>22. If Customer fails to comply with any of the provisions of this rate schedule or defaults in the performance of any of its obligations under this rate schedule and fails within thirty days after written notice from Company to correct such defaults or noncompliance, Company may, at its option, forthwith terminate the specific permit or permits covering the poles and Customer's attachments to which such default or noncompliance is applicable and remove or rearrange attachments or facilities of Customer at Customer's expense, or Company may require Customer, upon reasonable notice, to remove some, but not all, of Customer's attachments from Company's poles or Company may give Customer written notice to completely remove all of Customer's attachments from Company's poles within 120 days.</p> <p>23. Customer will instruct or cause to be instructed the persons working on line installation, maintenance or otherwise (whether they be its employees or employees of contractors or subcontractors) on Company's facilities so as to familiarize such persons with the requirements of the National Electric Safety Code. Said persons shall observe the requirements of the National Electric Safety Code, and all equipment installed shall comply therewith.</p> <p>24. The term "Customer" shall include its employees and agents and its contractors and subcontractors and their employees and agents.</p> <p>25. Customer shall not assign, transfer or sublet any of the rights hereby acquired without the prior written consent of Company.</p> <p>26. To the extent they are not in conflict with nor inconsistent with the special provisions of this rate schedule, Company's Terms and Conditions, as filed with the Public Service Commission of Kentucky, shall be applicable to the service rendered hereunder.</p> <p>27. This rate schedule, and any service rendered pursuant hereto, is subject to Order 251 and to the continuing regulatory jurisdiction of the Public Service Commission of Kentucky.</p>	

Date of Issue:

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

Louisville Gas and Electric Company

P.S.C. Electric No. 7, Original Sheet No. 45

Standard Rate	Special Charges
<p>The following charges will be applied uniformly throughout Company's service territory. Each charge, as approved by the Public Service Commission, reflects only that revenue required to meet associated expenses.</p>	
RETURNED PAYMENT CHARGE	
<p>In those instances where a customer renders payment to Company which is not honored upon deposit by Company, the Customer will be charged \$10.00 to cover the additional processing costs.</p>	
METER TEST CHARGE	
<p>Where the test of a meter is performed during normal working hours upon the written request of a customer, pursuant to 807 KAR 5:006, Section 18, and the results show the meter was not more than two percent fast, the customer will be charged \$60.00 to cover the test and transportation costs.</p>	
DISCONNECTING AND RECONNECTING SERVICE CHARGE	
<p>A charge of \$29.00 will be made to cover disconnection and reconnection of electric service when discontinued for non-payment of bills or for violation of Company's Terms and Conditions, such charge to be made before reconnection is effected. If both gas and electric services are reconnected at the same time, the total charge for restoration of both services shall be \$29.00. No charge will be made for customers qualifying for service reconnection pursuant to 807 KAR 5:006, Section 15, Winter Hardship Reconnection.</p>	
<p><i>Residential and general service customers may request and be granted temporary suspension of electric service. In the event of such temporary suspension, Company will make a charge of \$29.00 to cover disconnection and reconnection of electric service, such charge to be made before reconnection is effected.</i></p>	
METER PULSE CHARGE	
<p>Where a customer desires and Company is willing to provide data meter pulses, a charge of \$9.00 per month will be made to those data pulses. Time pulses will not be supplied.</p>	
METER DATA PROCESSING CHARGE	
<p>A charge of \$2.75 per report will be made to cover the cost of processing, generating, and providing recorder metered customer with profile reports</p>	

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Date of Issue:

Date Effective: February 6, 2009

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

Standard Rate Rider

CSR1

Curtable Service Rider 1

APPLICABLE

In all territory served

AVAILABILITY OF SERVICE

This rider is restricted to those customers receiving service under the provisions of the preceding Interruptible Service rider, P.S.C. of Ky. Electric No. 5, Original Sheet No. 13-A, as of the execution date of the Settlement Agreement in P.S.C. Case No. 2003-00433, May 12, 2004.

CONTRACT OPTION

Customer may, at Customer's option, contract with Company to curtail service upon notification by Company. Requests for curtailment shall not exceed two hundred (200) hours per year nor shall any single request for curtailment be for less than thirty (30) minutes or for more than fourteen (14) hours per calendar day, with no more than two (2) requests for curtailment per calendar day within these parameters. Company may request or cancel a curtailment at any time during an hour, but shall give no less than twenty (20) minutes notice when either requesting or canceling a curtailment

Compliance with a request for curtailment shall be measured in one of the following ways:

- a) Customer shall contract for a given amount of firm demand, and the curtable load shall be Customer's monthly billing demand in excess of the firm contract. During a request for curtailment, Customer shall reduce its demand to the firm demand designated in the contract. The difference in the *maximum demand in the billing month* and the maximum demand in any requested curtailment period, but not less than the contracted firm demand, in the billing period shall be the curtable demand on which the monthly credit is based. The demand in excess of the firm load during each requested curtailment in the billing period shall be the measure of non-compliance.
- b) Customer shall contract for a given amount of curtable load by which Customer shall agree to reduce its demand from the monthly maximum demand. During a request for curtailment, Customer shall reduce its demand to a level equal to the maximum monthly demand less the curtable load designated in the contract. The difference in the maximum demand in the billing month and the maximum demand in any requested curtailment period, but not more than the contracted curtable load, in the billing period shall be the curtable demand on which the monthly credit is based. The difference in contracted curtable load and the actual curtailed load during each requested curtailment in the billing period shall be the measure of non-compliance.
- c) At the time of a request for curtailment, Company shall give Customer an option of purchasing a block of power as is required to meet the curtailment request. Company shall give Customer a price for such power, based on existing market conditions, at the time of the curtailment request. Customer must state agreement to the purchase of power, if that is Customer's

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Louisville Gas and Electric Company

P.S.C. Electric No. 7, Original Sheet No. 50.1

Standard Rate Rider

CSR1

Curtable Service Rider 1

intention, and the block of power to be purchased shall be specified by Customer at the time Company makes the request for curtailment. Should Customer elect to purchase the block of power, Customer will pay for that power whether consumed by Customer or not. Should the block of power not be sufficient to meet the curtailment request, any deficiency shall be considered the measure of non-compliance. Should purchase power not be available from the market, Customer is obligated to meet the compliance provisions of a) or b) above.

- d) In those months in which Company does not request load curtailment, the customer will receive a credit based on either the difference in the monthly billing demand and the contracted firm demand, a) above, or the contracted curtable demand, b) above.

RATE

Customer will receive a credit against the applicable power schedule for curtable kW, as determined in the preceding paragraph, times the applicable credit. Customers will be charged for the portion of each requested curtailment not met at the applicable charge.

	Primary	Transmission
Demand Credit of:	\$ 5.20 per kW	\$ 5.10 per kW
Non-Compliance Charge of:	\$16.00 per kW	\$16.00 per kW

Failure of Customer to curtail when requested to do so may result in termination of service under this rider

TERM OF CONTRACT

The minimum original contract period shall be one (1) year and thereafter until terminated by giving at least six (6) months previous written notice, but Company may require that contract be executed for a longer initial term when deemed necessary by the size of the load or other conditions.

TERMS AND CONDITIONS

Except as specified above, all other provisions of the power rate to which this schedule is a rider shall apply.

Date of Issue:

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

Louisville Gas and Electric Company

P.S.C. Electric No. 7, Original Sheet No. 51

Standard Rate Rider

CSR2

Curtaileable Service Rider 2

APPLICABLE

In all territory served.

AVAILABILITY OF SERVICE

This rider shall be made available to customers served under the applicable power schedules who contract for not less than 1,000 kilowatts individually and up to an aggregate of 100 megawatts of total requirements to be subject to curtailment under this schedule, such curtailment to be implemented upon notification by the Company.

CONTRACT OPTION

Customer may, at Customer's option, contract with Company to curtail service upon notification by Company. Requests for curtailment shall not exceed four hundred and twenty five (425) hours per year nor shall any single request for curtailment be for less than thirty (30) minutes or for more than fourteen (14) hours per calendar day, with no more than two (2) requests for curtailment per calendar day within these parameters. Company may request or cancel a curtailment at any time during an hour, but shall give no less than ten (10) minutes notice when either requesting or canceling a curtailment.

Compliance with a request for curtailment shall be measured in one of the following ways:

- a) The customer shall contract for a given amount of firm demand, and the curtailable load shall be Customer's monthly billing demand in excess of the firm contract. During a request for curtailment, the customer shall reduce its demand to the firm demand designated in the contract. The difference in the maximum demand in the billing month and the maximum demand in any requested curtailment period, but not less than the contracted firm demand, in the billing period shall be the curtailable demand on which the monthly credit is based. The demand in excess of the firm load during each requested curtailment in the billing period shall be the measure of non-compliance.
- b) Customer shall contract for a given amount of curtailable load by which customer shall agree to reduce its demand from the monthly maximum demand. During a request for curtailment, Customer shall reduce its demand to a level equal to the maximum monthly demand less the curtailable load designated in the contract. The difference in the maximum demand in the billing month and the maximum demand in any requested curtailment period, but not more than the contracted curtailable load, in the billing period shall be the curtailable demand on which the monthly credit is based. The difference in contracted curtailable load and the actual curtailed load during each requested curtailment in the billing period shall be the measure of non-compliance.
- c) At the time of a request for curtailment, Company shall give Customer an option of purchasing a block of power as is required to meet the curtailment request. Company shall give Customer a price

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Louisville Gas and Electric Company

P.S.C. Electric No. 7, Original Sheet No. 51.1

Standard Rate Rider

CSR2

Curtaileable Service Rider 2

for such power, based on existing market conditions, at the time of the curtailment request. Customer must state agreement to the purchase of power, if that is Customer's intention, and the block of power to be purchased shall be specified by Customer at the time Company makes the request for curtailment. Should Customer elect to purchase the block of power, Customer will pay for that power whether consumed by Customer or not. Should the block of power not be sufficient to meet the curtailment request, any deficiency shall be considered the measure of non-compliance. Should purchase power not be available from the market, Customer is obligated to meet the compliance provisions of a) or b) above. This option to "buy-thru" will be available to the customer only after customer has been served under CSR2 for three (3) years with no non-compliances.

- d) In those months in which Company does not request load curtailment, the customer will receive a credit based on either the difference in the monthly billing demand and the contracted firm demand, a) above, or the contracted curtaileable demand, b) above.

RATE

Customer will receive a credit against the applicable power schedule for curtaileable kW, as determined in the preceding paragraph, times the applicable credit. Customers will be charged for the portion of each requested curtailment not met at the applicable charge.

	Primary	Transmission
Demand Credit of:	\$ 5.55 per kW	\$ 5.48 per kW
Non-Compliance Charge of:	\$16.00 per kW	\$16.00 per kW

Failure of Customer to curtail when requested to do so may result in termination of service under this rider.

TERM OF CONTRACT

The minimum original contract period shall be one (1) year and thereafter until terminated by giving at least six (6) months previous written notice, but Company may require that contract be executed for a longer initial term when deemed necessary by the size of the load or other conditions.

TERMS AND CONDITIONS

Except as specified above, all other provisions of the power rate to which this schedule is a rider shall apply.

Date of Issue:

Date Effective: February 6, 2009

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

Standard Rate Rider

CSR3

Curtailed Service Rider 3

APPLICABLE

In all territory served.

AVAILABILITY OF SERVICE

This rider is restricted to those customers receiving service under the provisions of the Rate IS – Industrial Service and on service as of the effective date when this schedule is approved by the Public Service Commission.

CONTRACT OPTION

Customer may, at Customer's option, contract with Company to curtail service upon notification by Company. Requests for curtailment shall not exceed one hundred (100) hours in any continuous year nor shall any single request for curtailment be for less than thirty (30) minutes or for more than fourteen (14) hours per calendar day, with unlimited requests for curtailment per calendar day within these parameters. Requests for curtailment are limited to the On-Peak periods specified under Rating Periods in the Rate IS – Industrial Service rate schedule. Company may request or cancel a curtailment at any time during an hour, but shall give no less than twenty (20) minutes notice when either requesting or canceling a curtailment.

Compliance with a request for curtailment shall be measured in one of the following ways:

- a) Customer shall contract for a given amount of firm demand, and the curtailable load shall be Customer's monthly billing demand in excess of the firm contract. During a request for curtailment, Customer shall reduce its demand to the firm demand designated in the contract. The difference in the maximum demand in the billing month and the maximum demand in any requested curtailment period, but not less than the contracted firm demand, in the billing period shall be the curtailable demand on which the monthly credit is based. The demand in excess of the firm load during each requested curtailment in the billing period shall be the measure of non-compliance.
- b) Customer shall contract for a given amount of curtailable load by which Customer shall agree to reduce its demand from the monthly maximum demand. During a request for curtailment, Customer shall reduce its demand to a level equal to the maximum monthly demand less the curtailable load designated in the contract. The difference in the maximum demand in the billing month and the maximum demand in any requested curtailment period, but not more than the contracted curtailable load, in the billing period shall be the curtailable demand on which the monthly credit is based. The difference in contracted curtailable load and the actual curtailed load during each requested curtailment in the billing period shall be the measure of non-compliance.
- c) In those months in which Company does not request load curtailment, the customer will receive a credit based on either the difference in the monthly billing demand and the contracted firm demand, a) above, or the contracted curtailable demand, b) above.

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

Louisville Gas and Electric Company

P.S.C. Electric No. 7, Original Sheet No. 52.1

Standard Rate Rider	CSR3	
Curtaillable Service Rider 3		
RATE		
<i>Customer will receive a credit against the applicable power schedule for curtailable kVA, as determined in the preceding paragraph, times the applicable credit. Customers will be charged for the portion of each requested curtailment not met at the applicable charge.</i>		
Demand Credit of:	Primary \$ 3.20 per kVA	Transmission \$ 3.10 per kVA
Non-Compliance Charge of:	\$16.00 per kVA	\$16.00 per kVA
Failure of Customer to curtail when requested to do so may result in termination of service under this rider.		
TERM OF CONTRACT		
The minimum original contract period shall be one (1) year and thereafter until terminated by giving at least six (6) months previous written notice, but Company may require that contract be executed for a longer initial term when deemed necessary by the size of the load or other conditions.		
TERMS AND CONDITIONS		
Except as specified above, all other provisions of the power rate to which this schedule is a rider shall apply.		

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Louisville Gas and Electric Company

P.S.C. Electric No. 7, Original Sheet No. 53

Standard Rate Rider

LRI

Load Reduction Incentive Rider

APPLICABLE

In all territory served

AVAILABILITY OF SERVICE

This schedule shall be made available as a rider to any customer served on Company's standard tariffs, having stand-by generation facilities of at least 500 kW, and agreeing to operate such facilities in accordance with the terms and conditions of this tariff. Service under this schedule is offered for a total maximum contracted load of 10,000 kW.

RATE

Up to \$0.30 per kWh

TERMS AND CONDITIONS

- 1) Company will have the option to require Customer to operate Customer's stand-by generation to replace Customer's electric usage. Such period of generation shall not exceed 8 hours in any 24-hour period nor shall the total hours of generation in any 12-month period exceed 300 hours.
- 2) Should Company request Customer to operate Customer's stand-by generation, Company will notify Customer by 12 noon on a day ahead basis.
- 3) Company's request for Customer to operate Customer's stand-by generation will include an offer of a payment per kWh for Customer to operate Customer's stand-by generation.
- 4) Customer is obligated to operate Customer's stand-by generation should Customer accept Company's offered price.
- 5) Customer's stand-by generation shall not be operated in parallel with Company's system (i.e., such generation shall be connected to circuits which are isolated from Company's system).
- 6) Customer will be responsible for maintaining Customer's stand-by generation, including an adequate fuel supply, to ensure meeting Customer's obligation under this schedule.
- 7) Company will meter the output of Customer's stand-by generation, base the payment for Customer reducing load on the metered output, and provide payment to Customer through a credit to Customer's standard service billing.
- 8) Customer may provide Company with the option to install equipment that will permit Company to remotely start stand-by generation and switch circuits to such generation so that they are isolated from Company's system.
- 9) Company has no obligation to request operation of Customer's stand-by generation nor to provide any credit to Customer without first requesting Customer to provide stand-by generation.

TERM OF CONTRACT

The minimum term of contract shall be for one (1) year and thereafter until terminated by either party giving at least six (6) months written notice. Company may require a longer initial term when deemed necessary. Failure of Customer to operate stand-by generation may result in termination of contract.

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Louisville Gas and Electric Company

P.S.C. Electric No. 7, Original Sheet No. 55

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

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Standard Rate Rider

SQF

Small Capacity Cogeneration and Small Power Production Qualifying Facilities

SELECTION OF RATE AND METERING

Subject to provisions hereafter in this Section relative to payment of costs of metering equipment, either Seller or Company may select Rate A, the Time-Differentiated Rate, for application to Company's said purchases of energy from Seller. If neither Seller nor Company selects Rate A, then Rate B, the Non-Time-Differentiated Rate, shall apply.

If neither Seller nor Company selects Rate A, and Rate B therefore is to apply to such purchases, Company, at Seller's cost, will install, own and operate a non-time-differentiated meter and associated equipment, at a location selected by Company, measuring energy, produced by Seller's generator, flowing into Company's system. Such meter will be tested at intervals prescribed by Commission Regulation, with Seller having a right to witness all such tests; and Seller will pay to Company its fixed cost on such meter and equipment, expense of such periodic tests of the meter and any other expenses (all such costs and expenses, together, being hereafter called "costs of non-time-differentiated metering").

If either Seller or Company selects Rate A to apply to Company's said purchases of energy from Seller, the party (Seller or Company) so selecting Rate A shall pay (a) the cost of a time-differentiated recording meter and associated equipment, at a location selected by Company, measuring energy, produced by Seller's generator, flowing into Company's system, required for the application of Rate A, in excess of (b) the costs of non-time-differentiated metering which shall continue to be paid by Seller.

In addition to metering referred to above, Company at its option and cost may install, own and operate, on Seller's generator, a recording meter to record the capacity, energy and reactive output of such generator at specified time intervals.

Company shall have access to all such meters at reasonable times during Seller's normal business hours, and shall regularly provide to Seller copies of all information provided by such meters.

PAYMENT

Any payment due from Company to Seller will be due within twelve (12) days from date of Company's reading of meter; provided, however, that, if Seller is a customer of Company, in lieu of such payment Company may offset its payment due to Seller hereunder, against Seller's next bill and payment due to Company for Company's service to Seller as customer.

PARALLEL OPERATION

Company hereby permits Seller to operate its generating facilities in parallel with Company's system, under the following conditions and any other conditions required by Company where unusual conditions not covered herein arise:

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Standard Rate Rider

SQF

Small Capacity Cogeneration and Small Power Production Qualifying Facilities

- 1 Prior to installation in Seller's system of any generator and associated facilities which are intended to be interconnected and operated in parallel with Company's system, or prior to the inter-connection to Company's system of any such generator and associated facilities already installed in Seller's system, Seller will provide to Company plans for such generator and facilities. Company may, but shall have no obligation to, examine such plans and disapprove them in whole or in part, to the extent Company believes that such plans and proposed facilities will not adequately assure the safety of Company's facilities or system. Seller acknowledges and agrees that the sole purpose of any Company examination of such plans is the satisfaction of Company's interest in the safety of Company's own facilities and system, and that Company shall have no responsibility of any kind to Seller or to any other party in connection with any such examination. If Seller thereafter proposes any change from such plans submitted to Company, prior to the implementation thereof Seller will provide to Company new plans setting out such proposed change(s).
- 2 Seller will own, install, operate and maintain all generating facilities on its plant site, such facilities to include, but not be limited to, (a) protective equipment between the systems of Seller and Company and (b) necessary control equipment to synchronize frequency and voltage between such two systems. Seller's voltage at the point of interconnection will be the same as Company's system voltage. Suitable circuit breakers or similar equipment, as specified by Company, will be furnished by Seller at a location designated by Company to enable the separation or disconnection of the two electrical systems. Except in emergencies, the circuit breakers, or similar equipment, will be operated only by, or at the express direction of, Company personnel and will be accessible to Company at all times. In addition, a circuit breaker or similar equipment shall be furnished and installed by Seller to separate or disconnect Seller's generator
- 3 Seller will be responsible for operating the generator and all facilities owned by Seller, except as hereafter specified. Seller will maintain its system in synchronization with Company's system.
- 4 Seller will (a) pay Company for all damage to Company's equipment, facilities or system, and (b) save and hold Company harmless from all claims, demands and liabilities of every kind and nature for injury or damage to, or death of, persons and/or property of others, including costs and expenses of defending against the same, arising in any manner in connection with Seller's generator, equipment, facilities or system or the operation thereof.
- 5 Seller will construct any additional facilities, in addition to generating and associated (interface) facilities, required for interconnection unless Company and Seller agree to Company's constructing such facilities, at Seller's expense, where Seller is not a customer of Company. When Seller is a customer of Company and Company is required to construct facilities different than otherwise required to permit interconnection, Seller shall pay such additional cost of facilities. Seller agrees to reimburse Company, at the time of installation, or, if agreed to by both parties, over a period of up to three (3) years, for any facilities including any hereafter required (but exclusive of metering equipment, elsewhere herein provided for) constructed by Company to permit Seller to operate interconnected with Company's system. When interconnection costs are repaid over a period of time, such payments will be made monthly and include interest on the unpaid balance at the percentage rate equal to the capital costs that Company would experience at such time by new financing, based on Company's then existing capital structure, with return on equity to be at the rate allowed in Company's immediately preceding rate case.

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Louisville Gas and Electric Company

P.S.C. Electric No. 7, Original Sheet No. 55.3

Standard Rate Rider

SQF

Small Capacity Cogeneration and Small Power Production Qualifying Facilities

6. Company will have the continuing right to inspect and approve Seller's facilities, described herein, and to request and witness any tests necessary to determine that such facilities are installed and operating properly; but Company will have no obligation to inspect or approve facilities, or to request or witness tests; and Company will not in any manner be responsible for Seller's facilities or any operation thereof
7. Seller assumes all responsibility for the electric service upon Seller's premises at and from the point of any delivery or flow of electricity from Company, and for the wires and equipment used in connection therewith; and Seller will protect and save Company harmless from all claims for injury or damage to persons or property, including but not limited to property of Seller, occurring on or about Seller's premises or at and from the point of delivery or flow of electricity from Company, occasioned by such electricity or said wires and equipment, except where said injury or damage is proved to have been caused solely by the negligence of Company.
8. Each, Seller and Company, will designate one or more Operating Representatives for the purpose of contacts and communications between the parties concerning operations of the two systems.
9. Seller will notify Company's Energy Control Center prior to each occasion of Seller's generator being brought into or (except in cases of emergencies) taken out of operation.
10. Company reserves the right to curtail a purchase from Seller when:
 - (a) the purchase will result in costs to Company greater than would occur if the purchase were not made but instead Company, itself, generated an equivalent amount of energy; or
 - (b) Company has a system emergency and purchases would (or could) contribute to such emergency

Seller will be notified of each curtailment.

TERMS AND CONDITIONS

Except as provided herein, conditions or operations will be as provided in Company's Terms and Conditions.

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Louisville Gas and Electric Company

P.S.C. Electric No. 7, Original Sheet No. 56

Standard Rate Rider

LQF

Large Capacity Cogeneration and Small Power Production Qualifying Facilities

AVAILABILITY

In all territory served.

APPLICABILITY OF SERVICE

Applicable to any small power production or cogeneration "qualifying facility" with capacity over 100 kW as defined by the Kentucky Public Service Commission Regulation 807 KAR 5:054, and which contracts to sell energy or capacity or both to Company.

RATES FOR PURCHASES FROM QUALIFYING FACILITIES

Energy Component Payments

The hourly avoided energy cost (AEC) in \$ per MWh, which is payable to a QF for delivery of energy, shall be equal to Company's actual variable fuel expenses, for Company-owned coal and natural gas-fired production facilities, divided by the associated megawatt-hours of generation, as determined for the previous month. The total amount of the avoided energy cost payment to be made to a QF in an hour is equal to $[AEC \times E_{QF}]$, where E_{QF} is the amount of megawatt-hours delivered by a QF in that hour and which are determined by suitable metering.

Capacity Component Payments

The hourly avoided capacity cost (ACC) in \$ per MWh, which is payable to a QF for delivery of capacity, shall be equal to the effective purchase price for power available to Company from the inter-utility market (which includes both energy and capacity charges) less Company's actual variable fuel expense (AEC). The total amount of the avoided capacity cost payment to be made to a QF in an hour is equal to $[ACC \times CAP_i]$, where CAP_i , the capacity delivered by the QF, is determined on the basis of the system demand (D_i) and Company's need for capacity in that hour to adequately serve the load.

Determination of CAP_i

For the following determination of CAP_i , $C_{LG\&E}$ represents Company's installed or previously arranged capacity at the time a QF signs a contract to deliver capacity; C_{QF} represents the actual capacity provided by a QF, but no more than the contracted capacity; and C_M represents capacity purchased from the inter-utility market.

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Louisville Gas and Electric Company

P.S.C. Electric No. 7, Original Sheet No. 56.1

Standard Rate Rider

LQF

Large Capacity Cogeneration and Small Power Production Qualifying Facilities

1. System demand is less than or equal to Company's capacity:
 $D_1 \leq C_{LG\&E}$; $CAP_1 = 0$
2. System demand is greater than Company's capacity but less than or equal to the total of Company's capacity and the capacity provided by a QF:
 $C_{LG\&E} < D_1 \leq [C_{LG\&E} + C_{QF}]$; $CAP_1 = C_M$
3. System demand is greater than the total of Company's capacity and the capacity provided by a QF:
 $D_1 > [C_{LG\&E} + C_{QF}]$; $CAP_1 = C_{QF}$

PAYMENT

Company shall pay each bill for electric power rendered to it in accordance with the terms of the contract, within twelve (12) days of the date the bill is rendered. In lieu of such payment plan, Company will, upon written request, credit the Customer's account for such purchases.

TERM OF CONTRACT

For contracts which cover the purchase of energy only, the term shall be one (1) year, and shall be self-renewing from year-to-year thereafter, unless canceled by either party on one (1) year's written notice.

For contracts which cover the purchase of capacity and energy, the term shall be five (5) years.

TERMS AND CONDITIONS

1. Qualifying facilities shall be required to pay for any additional interconnection costs, to the extent that such costs are in excess of those that Company would have incurred if the qualifying facility's output had not been purchased.
2. A qualifying facility operating in parallel with Company must demonstrate that its equipment is designed, installed, and operated in a manner that insures safe and reliable interconnected operation. A qualifying facility should contact Company for assistance in this regard.
3. The purchasing, supplying and billing for service, and all conditions applying hereto, shall be specified in the contract executed by the parties, and are subject to the jurisdiction of the Kentucky Public Service Commission, and to Company's Terms and Conditions currently in effect, as filed with the Commission.

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Louisville Gas and Electric Company

P.S.C. Electric No. 7, Original Sheet No. 57

Standard Rate Rider

NMS

Net Metering Service

APPLICABLE

In all territory served.

AVAILABILITY OF SERVICE

Available to customers who own, operate and maintain a generation system located on customer's premises, that use as its total fuel source solar, wind, hydro energy, or biomass, in parallel with Company's electric system to provide all or part of their electrical requirements, and who execute Company's written Net Metering Program Notification Form. The generation system shall be limited to a maximum capacity of 30 kilowatts.

NOTIFICATION

The customer shall submit a completed Net Metering Program Notification Form to Company at least 30 days prior to the date the customer intends to interconnect his generator to Company's facilities. Customer shall have all equipment necessary to complete the interconnection installed prior to such notification. Company shall have 30 days from the date of notification to determine whether the customer has satisfied the tariff requirements and shall notify customer. The date of notification shall be the third day following the mailing of the Net Metering Program Notification Form by customer. Customer may interconnect his generator thirty-one days after the date of notification, and begin operation unless Company provides notification of non-compliance to the tariff, prior to the 31st day.

METERING AND BILLING

Net Metering Service shall be measured in accordance with standard metering practices by metering equipment capable of registering power flow in both directions for each time period defined by the applicable rate schedule. If electricity generated by the customer and fed back to Company's system exceeds the electricity supplied to the customer from the system during a billing period, the customer shall receive a credit for the net delivery on the customer's bill for the succeeding billing period. Net metering service shall be measured using a single meter or, as determined by Company, additional meters.

LIABILITY INSURANCE

A customer with a generator with a rated capacity not exceeding 30 kilowatts shall maintain homeowners, commercial, or other insurance providing coverage in the amount of at least \$100,000 for the liability of the insured against loss arising out of the use of a generator.

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Louisville Gas and Electric Company

P.S.C. Electric No. 7, Original Sheet No. 57.1

Standard Rate Rider

NMS

Net Metering Service

ADDITIONAL CONTROLS AND TESTS

Company may install additional controls or meters, or conduct additional tests as it may deem necessary

NET METERING SERVICE INTERCONNECTION GUIDELINES

Customer shall operate their generating facilities in parallel with Company's system under the following conditions and any other conditions required by Company where unusual conditions arise *not covered herein*:

1. Customer to own, install, and maintain all generating facilities on their premises. Such facilities shall include, but not be limited to, necessary control equipment to synchronize frequency, voltage, etc., between customer's and Company's system as well as adequate protective equipment between the two systems. Customer's voltage at the point of interconnection will be the same as Company's system voltage
2. Customer will be responsible for operating generators and all facilities owned by customer, except as specified hereinafter. Customer will maintain its system in synchronization with Company's system.
3. Customer will be responsible for any damage done to Company's equipment due to failure of customer's control, safety, or other equipment.
4. Company at its discretion, may require a suitable lockable, company accessible, load breaking manual disconnect switch or similar equipment, as specified by Company, to be furnished by customer at a location designated by Company to enable the separation or disconnection of the two electrical systems. The load breaking manual disconnect switch must be accessible to Company at all times
5. Customer agrees to inform Company of any changes it wishes to make in its generating and/or associated facilities that is different from those initially installed and described to Company in writing and obtain prior approval from Company.
6. Company will have the right to inspect and approve customer's facilities, described herein, and conduct any tests necessary to determine that such facilities are installed and operating properly. However, Company will have no obligation to inspect, witness tests or in any manner be responsible for customer's facilities or operation.
7. The customer assumes all responsibility for the electric service on the customer's premises at and from the point of delivery of electricity from Company and for the wires and equipment used in connection therewith, and will protect and save Company harmless from all claims for injury or damage to persons or property occurring on the customer's premises or at and from the point of delivery of electricity from Company, occasioned by such electricity or said wires and equipment, except where said injury or damage will be shown to have been occasioned solely by the negligence of Company

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Standard Rate Rider

NMS

Net Metering Service

CONDITIONS OF INTERCONNECTION

A customer may begin operation of his generator on an interconnected basis when all of the following have been satisfied:

1. The customer has properly notified Company of his intent to interconnect by submission of the completed Net Metering Program Notification Form.
2. The net metering customer has installed a lockable, company accessible, load breaking manual disconnect switch, if required.
3. A licensed electrician has certified, by signing Company Net Metering Program Notification Form, that any required manual disconnect switch has been installed properly and that the generator has been installed in accordance with the manufacturer's specifications as well as all applicable provisions of the National Electrical Code.
4. The vendor has certified, by signing Company Net Metering Program Notification Form, that the generator being installed is in compliance with the requirements established by Underwriters Laboratories, or other national testing laboratories.
5. The customer has had the inverter settings inspected by Company, if the generator is a static inverter-connected generator with an alternating current capacity in excess of 10 kilowatts. Company may impose a fee on the customer of no more than \$50 for such inspection.
6. For non-static inverter-connected generators, the customer has interconnected according to Company's interconnection guidelines and Company has inspected all protective equipment settings. Company may impose a fee on the customer of no more than \$50 for such inspection.

DEFINITIONS

"Billing period" shall be the time period between the dates on which Company issues the customer's bills.

"Billing Period Credit" shall be the electricity generated by the customer that flows into the electric system and which exceeds the electricity supplied to the customer from the electric system during any billing period.

TERMS AND CONDITIONS

Except as provided herein, service will be furnished under Company's Terms and Conditions applicable hereto.

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Louisville Gas and Electric Company

P.S.C. Electric No. 7, Original Sheet No. 57.3

Standard Rate Rider	NMS
Net Metering Service	
Net Metering Program Notification Form	
INTERCONNECTION NOTIFICATION	
APPLICANT HEREBY GIVES NOTICE OF INTENT TO OPERATE A GENERATING FACILITY.	
Section 1. Applicant Information	
Name: _____	
Mail Address: _____	
City: _____ State: _____ Zip Code: _____	
Facility Location (if different from above): _____	
Daytime Phone Number: _____	
KU Account Number : _____	
Section 2. Generating Facility Information	
Generator Type (check one): Solar _____, Wind _____, Hydro _____, Biomass _____	
Generator Manufacturer, Model Name & Number: _____	
Power Rating in Kilowatts: AC: _____ DC: _____	
Inverter Manufacturer, Model Name & Number: _____	
Battery Backup? (yes or no) _____	
Section 3. Installation Information	
Installation Date: _____ Proposed Interconnection Date: _____	
Section 4. Certifications	
1 The system hardware is listed by Underwriters Laboratories to be in compliance with UL 1741:	
Signed (Vendor): _____ Date: _____	
Name (printed): _____ Company: _____	
Phone Number: _____	
2 The system has been installed in accordance with the manufacturer's specifications as well as all applicable provisions of the National Electrical Code.	
Signed (Licensed Electrician): _____ Date: _____	
License Number: _____ Phone Number: _____	
Mail Address: _____	
City: _____ State: _____ Zip Code: _____	
3 Utility signature signifies only receipt of this form.	
Signed(Utility Representative): _____	
Date: _____	
I hereby certify that, to the best of my knowledge, all of the information provided in this Notice is true and correct.	
Signature of Applicant _____	

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Louisville Gas and Electric Company

P.S.C. Electric No. 7, Original Sheet No. 60

Standard Rate Rider

EF

Excess Facilities

APPLICABILITY

In all territory served

AVAILABILITY OF SERVICE

This rider is available for nonstandard service facilities which are considered to be in excess of the standard facilities that would normally be provided by Company. This rider does not apply to line extensions or to other facilities which are necessary to provide basic electric service. Company reserves the right to decline to provide service hereunder for any project (a) that exceeds \$100,000 or (b) where Company does not have sufficient expertise to install, operate, or maintain the facilities or (c) where the facilities do not meet Company's safety requirements, or (d) where the facilities are likely to become obsolete prior to the end of the initial contract term. Customers currently being served under the Excess Facilities Rider pursuant to Original Sheet No. 54 of LG&E's Tariff PSC of Ky. Electric No. 6, shall continue to be served thereunder.

DEFINITION OF EXCESS FACILITIES

Excess facilities are lines and equipment which are installed in addition to or in substitution for the normal facilities required to render basic electric service. Applications of excess facilities include, but are not limited to, emergency backup feeds, automatic transfer switches, redundant transformer capacity, and duplicate or check meters.

LEASED FACILITIES CHARGE

The customer shall pay for excess facilities through a contribution in aid of construction, which may take the form of a one-time payment or a *Carrying Cost Charge* based on the original installed cost of the facilities. Company shall provide normal operation and maintenance of the leased facilities. Should the leased facilities suffer catastrophic failure, customer must provide for replacement or, at customer's option, terminate the agreement.

Monthly Rates

	<u>Carrying Cost</u>	<u>Operating Expenses</u>
For Distribution Facilities	0.94%	0.68%

The percentage rates are applied to the installed cost of the excess facilities

PAYMENT

The Excess Facilities Charges shall be incorporated with the bill for electric service and will be subject to the same payment provisions.

TERM OF CONTRACT

The initial term of contract to the customer under this schedule shall be not less than five (5) years. The term shall continue automatically until terminated by either party upon at least one (1) month's written notice.

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Louisville Gas and Electric Company

P.S.C. Electric No. 7, Original Sheet No. 61

Standard Rate Rider	RC
Redundant Capacity	
APPLICABLE	
This rate is applicable to customers served under Company's rate schedules which include a demand charge or a special contract including a demand charge.	
AVAILABILITY	
Available to customers requesting the reservation of capacity on Company's facilities which are shared by other customers when Company has, and is willing, to reserve such capacity. Such facilities represent a <i>redundant delivery</i> to provide electric service to Customer's facility in the event that an emergency or unusual occurrence renders Customer's principal delivery unavailable for providing service.	
RATE:	
<u>Capacity Reservation Charge</u>	
Secondary Distribution	\$1.43 per kW per Month
Primary Distribution	\$1.06 per kW per Month
Applicable to the greater of:	
<ol style="list-style-type: none">(1) the highest average load in kilowatts recorded at either the principal distribution feed metering point or at the redundant distribution feed metering point during any 15-minute interval in the monthly billing period,(2) 50% of the maximum demand similarly determined for any of the eleven (11) preceding months, or(3) the contracted capacity reservation.	
TERM OF CONTRACT	
The minimum contract term shall be five (5) years, and shall be renewed for one (1) year periods until either party provides the other with ninety (90) days written notice of a desire to terminate the <i>arrangement</i> . Company may require that a contract be executed for a longer initial term when deemed necessary by the difficulty and/or high cost associated with providing the redundant feed or other special conditions.	

Date of Issue:

Date Effective: February 6, 2009

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

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Louisville Gas and Electric Company

P.S.C. Electric No. 7, Original Sheet No. 62

Standard Rate Rider	SS		
Supplemental or Standby Service			
APPLICABLE			
In all territory served.			
AVAILABILITY OF SERVICE			
This service is available as a rider to customers whose premises or equipment are regularly supplied with electric energy from generating facilities other than those of Company and who desire to contract with Company for reserve, breakdown, supplemental or standby service.			
RATE			
Contract Demand per kVA per Month:	Secondary	Primary	Transmission
	\$7.62	\$6.67	\$5.63
CONTRACT DEMAND			
Contract Demand is defined as the number of kilowatts mutually agreed upon as representing Customer's maximum service requirements and contracted for by Customer; provided, however, if such number of kilowatts is exceeded by a recorded demand, such recorded demand shall become the new contract demand commencing with the month in which recorded and continuing for the remaining term of the contract or until superseded by a higher recorded demand.			
MINIMUM CHARGE			
Electric service actually used each month will be charged for in accordance with the provisions of the applicable rate schedule; provided, however, the minimum billing under that rate schedule shall in no case be less than an amount calculated at the appropriate rate above applied to the Contract Demand.			
DUE DATE OF BILL			
Customer's payment will be due within twelve (12) days from date of bill.			
SPECIAL TERMS AND CONDITIONS			
1) In order to protect its equipment from overload damage, Company may require customer to install at his own expense an approved shunt trip type breaker and an approved automatic pole-mounted disconnect. Such circuit breakers shall be under the sole control of Company and will be set by Company to break the connection with its service in the event Customer's demand materially exceeds that for which Customer contracted.			

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Louisville Gas and Electric Company

P.S.C. Electric No. 7, Original Sheet No. 62.1

Standard Rate Rider

SS

Supplemental or Standby Service

SPECIAL TERMS AND CONDITIONS (continued)

- 2) In the event Customer's use of service is intermittent or subject to violent fluctuations, Company will require Customer to install and maintain at his own expense suitable equipment to satisfactorily limit such intermittence or fluctuations
- 3) Customer's generating equipment shall not be operated in parallel with Company's service until the manner of such operation has been approved by Company and is in compliance with Company's operating standards for system reliability and safety.

TERM OF CONTRACT

The minimum contract period shall be one (1) year, but Company may require that a contract be executed for a longer initial term when deemed necessary by the size of load or special conditions

TERMS AND CONDITIONS

Service will be furnished under Company's Terms and Conditions except as provided herein.

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Louisville Gas and Electric Company

P.S.C. Electric No. 7, Original Sheet No. 65

Standard Rate Rider	IFL
Rider for Intermittent and Fluctuating Loads	
APPLICABLE	
In all territory served.	
AVAILABILITY OF SERVICE	
This schedule applies to all loads having a detrimental effect upon the electric service rendered to other customers of Company or upon Company's facilities.	
Where Customer's use of service is intermittent, subject to violent or extraordinary fluctuations, or produces unacceptable levels of harmonic current, in each case as determined by Company, in its reasonable discretion, Company reserves the right to require Customer to furnish, at Customer's own expense, suitable equipment (as approved by Company in its reasonable discretion) to meter and limit such intermittence, fluctuation, or harmonics to the extent reasonably requested by Company. Without limiting the foregoing, Company may require such equipment if, at any time, the megavars, harmonics, and other desirable electrical characteristics produced by the Customer exceed the limits set forth in the IEEE standards for such characteristics. In addition, if the Customer's use of Company's service under this schedule causes such undesirable electrical characteristics in an amount exceeding those IEEE standards, such use shall be deemed to cause a dangerous condition which could subject any person to imminent harm or result in substantial damage to the property of Company or others, and Company shall therefore terminate service to the Customer in accordance with 807 KAR 5:056, Section 14(b). Such a termination of service shall not be considered a cancellation of the service agreement or relieve Customer of any minimum billing or other guarantees. Company shall be held harmless for any damages or economic loss resulting from such termination of service. If requested by Company, Customer shall provide all available information to Company that aids Company in enforcing its service standards. If Company at any time has a reasonable basis for believing that Customer's proposed or existing use of the service provided will not comply with the service standards for interference, fluctuations, or harmonics, Company may engage such experts and/or consultants as Company shall determine are appropriate to advise Company in ensuring that such interference, fluctuations, or harmonics are within acceptable standards. Should such experts and/or consultants determine Customer's use of service is unacceptable, Company's use of such experts and/or consultants will be at the Customer's expense.	
RATE	
1. A contribution in aid of construction or an excess facilities charge shall be required for all special or added facilities, if any, necessary to serve such loads, as provided under the Excess Facilities Rider.	
2. Plus the charges provided for under the rate schedule applicable, including any Customer Charge if applicable, Energy Charge, Maximum Load Charge (if load charge rate is used), Fuel Clause and the Minimum Charge under such rate adjusted in accordance with (a) or (b) herein.	
(a) If rate schedule calls for a minimum based on the total kW of connected load, each kVA of such special equipment shall be counted as one kW connected load for minimum billing purposes.	
(b) If rate schedule calls for a minimum based on the 15-minute integrated load, and such loads operate only intermittently so that the kW registered on a standard 15-minute integrated demand meter is small in comparison to the instantaneous load such equipment is capable of imposing, each kVA of such special equipment shall be counted as one-third kW load for minimum billing purposes.	
MINIMUM CHARGE	
As determined by this Rider and the Rate Schedule to which it is attached.	

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Standard Rate Rider	TS
Temporary and/or Seasonal Electric Service	
APPLICABLE	
In all territory served	
AVAILABILITY OF SERVICE	
This rider is available at the option of the Customer where Customer's business is of such nature to require:	
<ol style="list-style-type: none">1. only seasonal service or temporary service, including service provided for construction of residences or commercial buildings, and where in the judgment of Company the local and system electrical facility capacities are adequate to serve the load without impairment of service to other customers; or2. where Customer has need for temporary use of Company facilities and Company has facilities it is willing to provide	
This service is available for not less than one (1) month (approximately 30 days), but when service is used longer than one (1) month, any fraction of a month's use will be prorated for billing purposes.	
CONDITIONS	
Company may permit such electric loads to be served on the rate schedule normally applicable, but without requiring a yearly contract and minimum, substituting therefore the following conditions and agreements:	
<ol style="list-style-type: none">1. Customer to pay Company for all costs of making temporary connections, including cost of installing necessary transformers, meters, poles, wire and any other material, and any cost of material which cannot be salvaged, and the cost of removing such facilities when load has ceased.2. Customer to pay regular rate of the electric rate schedule applicable.3. Where Customer is receiving service under a standard rate and has need for temporary use of Company facilities, Customer will pay for non-savable materials outlined in (1) above at the Carrying Cost Charge specified on the Excess Facilities Rider, Rate Sheet No 60.	

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

Louisville Gas and Electric Company

P.S.C. Electric No. 7, Original Sheet No. 67

Standard Rate Rider

Kilowatt-Hours Consumed By Street Lighting Units

APPLICABLE

Determination of energy set out below applies to the Company's non-metered lighting rate schedules.

DETERMINATION OF ENERGY CONSUMPTION

The applicable fuel clause charge or credit will be based on the kilowatt-hours calculated by multiplying the kilowatt load of each light times the number of hours that light is in use during the billing month. The kilowatt load of each light is shown in the section titled RATE. The number of hours a light will be in use during a given month is from dusk to dawn as shown in the following Hours Use Table.

HOURS USE TABLE

<u>Month</u>	<u>Hours Light Is In Use</u>
JAN	407
FEB	344
MAR	347
APR	301
MAY	281
JUN	257
JUL	273
AUG	299
SEP	322
OCT	368
NOV	386
DEC	415
TOTAL FOR YEAR	4,000 HRS.

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Louisville Gas and Electric Company

P.S.C. Electric No. 7, Original Sheet No. 70

Standard Rate Rider	SGE
Small Green Energy Rider	
APPLICABLE	
In all territory served.	
AVAILABILITY OF SERVICE	
Service under this rider is available to customers receiving service under Company's standard RS or GS rate schedules as an option to participate in Company's "Green Energy Program" whereby Company will aggregate the resources provided by the participating customers to develop green power, purchase green power, or purchase Renewable Energy Certificates.	
DEFINITIONS	
a) Green power is that electricity generated from renewable sources including but not limited to: solar, wind, hydroelectric, geothermal, landfill gas, biomass, biodiesel used to generate electricity, agricultural crops or waste, all animal and organic waste, all energy crops and other renewable resources deemed to be Green-e Certified. b) A Renewable Energy Certificate ("REC") is the tradable unit which represents the commodity formed by unbundling the environmental-benefit attributes of a unit of green power from the underlying electricity. One REC is equivalent to the environmental-benefits attributes of one MWh of green power.	
RATE	
\$5 00 per 300 kWh block per month	
TERMS AND CONDITIONS	
a) Customers may purchase as many whole blocks as they desire. The eligible Customer may participate in Company's "Green Energy Program" by making a request to Company's Call Center or through Company's website enrollment form and may withdraw at any time through a request to Company's Call Center. Funds provided by Customer to Company are not refundable. b) Customers may not owe any arrearage prior to entering the "Green Energy Program". Any customer failing to fulfill payment for the requested blocks may be removed from the "Green Energy Program". Any customer removed from or withdrawing from the "Green Energy Program" will not be allowed to re-apply for one year. c) Customer will be billed as provided for under "Rate" times the number of blocks Customer has agreed to purchase per month. Such billing will be added to Customer's billing under any standard rate schedules plus applicable riders plus applicable adjustment clauses. d) The service under this rate schedule shall coincide with the three year term of the contract under which Company contracts for the purchase of RECs. Six months prior to expiration of said contract Company shall file for renewal of this rate schedule with the Public Service Commission of Kentucky and may adjust block prices to reflect market conditions as they exist at that time. Upon Commission approval of any change in rate, Company will provide sixty (60) days notice for Customer to adjust the number of blocks contracted for or withdraw from the "Green Energy Program". Service under this rate schedule will continue until the Commission renders a decision on the filing for renewal.	

Date of Issue:

Date Effective: May 31, 2007 Refiled:

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

Louisville Gas and Electric Company

P.S.C. Electric No. 7, Original Sheet No. 70.1

Standard Rate Rider	LGE
Large Green Energy Rider	
APPLICABLE	
In all territory served	
AVAILABILITY OF SERVICE	
Service under this rider is available to customers receiving service under Company's standard IPS, CPS, ITOD, CTOD, RTS, or IS rate schedules as an option to participate in Company's "Green Energy Program" whereby Company will aggregate the resources provided by the participating customers to develop green power, purchase green power, or purchase Renewable Energy Certificates.	
DEFINITIONS	
<ul style="list-style-type: none">a) Green power is that electricity generated from renewable sources including but not limited to: solar, wind, hydroelectric, geothermal, landfill gas, biomass, biodiesel used to generate electricity, agricultural crops or waste, all animal and organic waste, all energy crops and other renewable resources deemed to be Green-e Certified.b) A Renewable Energy Certificate ("REC") is the tradable unit which represents the commodity formed by unbundling the environmental-benefit attributes of a unit of green power from the underlying electricity. One REC is equivalent to the environmental-benefits attributes of one MWh of green power.	
RATE	
\$13.00 per 1,000 kWh block per month	
TERMS AND CONDITIONS	
<ul style="list-style-type: none">a) Customers may purchase as many whole blocks as they desire. The eligible Customer may participate in Company's "Green Energy Program" by entering into a written one year agreement that will renew in one year terms until either party gives thirty (30) days notice to the other. Funds provided by Customer to Company are not refundable.b) Customers may not owe any arrearage prior to entering the "Green Energy Program". Any customer failing to fulfill payment for the requested blocks may be removed from the "Green Energy Program". Any customer removed from or withdrawing from the "Green Energy Program" will not be allowed to re-apply for one year.c) Customer will be billed as provided for under "Rate" times the number of blocks Customer has agreed to purchase per month. Such billing will be added to Customer's billing under any standard rate schedules plus applicable riders plus applicable adjustment clauses.d) The service under this rate schedule shall coincide with the three year term of the contract under which Company contracts for the purchase of RECs. Six months prior to expiration of said contract Company shall file for renewal of this rate schedule with the Public Service Commission of Kentucky and may adjust block prices to reflect market conditions as they exist at that time. Upon Commission approval of any change in rate, Company will provide sixty (60) days notice for Customer to adjust the number of blocks contracted for or withdraw from the "Green Energy Program". Service under this rate schedule will continue until the Commission renders a decision on the filing for renewal.	

Date of Issue:

Date Effective: May 31, 2007 Refiled:

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

Standard Rate Rider

BDR

Brownfield Development Rider

APPLICABLE

In all territory served.

AVAILABILITY OF SERVICE

Service under this rider is conditional on approval of a special contract for such service filed with and approved by the Public Service Commission of Kentucky. Available to customers being served on Company's standard rate schedules and meeting the following conditions;

- a) The minimum monthly billing load must be 500 kW or greater;
- b) The service must be from existing facilities;
- c) The service location must have been idle for a minimum of two (2) years; and
- d) The service location must have been submitted to, approved by, and added to the State of Kentucky's inventory of "brownfield" sites.

RATE

Company will permit such electric loads to be served on the rate schedule normally applicable and Customer will be subject to and comply with all Terms and Conditions except:

- a) for the twelve consecutive monthly billings of the first contract year, the demand charge shall be reduced by 50%;
- b) for the twelve consecutive monthly billings of the second contract year, the demand charge shall be reduced by 40%;
- c) for the twelve consecutive monthly billings of the third contract year, the demand charge shall be reduced by 30%;
- d) for the twelve consecutive monthly billings of the fourth contract year, the demand charge shall be reduced by 20%;
- e) for the twelve consecutive monthly billings of the fifth contract year, the demand charge shall be reduced by 10%; and
- f) all subsequent billing shall be at the full charges stated in the applicable rate schedule.

TERMS AND CONDITIONS

Company may offer differing terms as it deems them appropriate under special contract to which this rider is a part depending on the circumstances associated with providing service to a particular customer and subject to approval by the Public Service Commission of Kentucky.

TERM OF CONTRACT

Service will be furnished under the applicable standard rate schedule and this rider, filed as a special contract with the Public Service Commission of Kentucky, for a fixed term of not less than eight (8) years and for such time thereafter under the terms stated in the standard rate schedule. A greater Term of Contract or termination notice may be required because of conditions associated with a customer's requirements for service. Service will be continued under conditions provided for under the rate schedule to which this Rider is attached after the original Term of Contract.

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Date Effective: March 7, 2008 Refiled:

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

Louisville Gas and Electric Company

P.S.C. Electric No. 7, Original Sheet No. 76

Standard Rate	RRP		
Residential Responsive Pricing Service			
APPLICABLE			
In the territory served by Company and falling in four meter reading routes selected by Company for testing "smart meters" and Customer reaction to responsive pricing.			
AVAILABILITY OF SERVICE			
RRP shall be available as an optional pilot program to single phase, single family residential service for three years and shall remain in effect until modified or terminated by order of the Commission			
a) RRP is restricted to a maximum of one hundred (100) customers eligible for Rate RS in any year. Company will notify all customers eligible for RRP and accept applications on a first-come-first-served basis.			
b) No customers will be accepted on RRP following the end of the second year of the pilot program. A customer exiting the pilot program or disconnected for non-pay will not be allowed to return to it until the Commission has issued a decision on the pilot program report.			
c) Non customer-specific costs of modifying Company's customer billing systems to accommodate RRP will be recovered through a charge per kWh billed to customers taking service under rates RS and GS.			
d) Company will file a report on RRP with the Commission within six months after the first three years of implementation of the pilot program. Such report will detail findings and recommendations.			
RATE			
Customer Charge: \$10.00 per month			
Plus an Energy Demand Charge:			
Low Cost Hours (P ₁):		\$0.04217 per kWh	
Medium Cost Hours (P ₂):		\$0.05448 per kWh	
High Cost Hours (P ₃):		\$0.10867 per kWh	
Critical Cost Hours (P ₄):		\$0.30332 per kWh	
DETERMINATION OF PRICING PERIODS			
Pricing periods are established in Eastern Standard Time year round by season for weekdays and weekends. The hours of the pricing periods for price levels P ₁ , P ₂ , and P ₃ are as follows:			
<u>Summer peak months of June through September</u>			
	Low (P ₁)	Medium (P ₂)	High (P ₃)
Weekdays	9 P.M. – 10 A.M.	10 A.M. – 1 P.M. 6 P.M. – 9 P.M.	1 P.M. – 6 P.M.
Weekends	6 P.M. – 1 P.M.	1 P.M. – 6 P.M.	
<u>All other months October continuously through May</u>			
	Low (P ₁)	Medium (P ₂)	High (P ₃)
Weekdays	10 P.M. – 8 A.M.	8 A.M. – 6 P.M.	6 P.M. – 10 P.M.
Weekends	10 P.M. – 6 P.M.	6 P.M. – 10 P.M.	

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Date of Issue:

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Louisville Gas and Electric Company

P.S.C. Electric No. 7, Original Sheet No. 76.1

Standard Rate

RRP

Residential Responsive Pricing Service

The hours of the responsive pricing periods for price level P₄ shall be determined at the discretion of Company. Each customer will be notified by electronic signal at least one half hour prior to the start of price level P₄. The cumulative hours for P₄ shall not exceed 80 hours annually or 6 hours daily.

ADJUSTMENT CLAUSES

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

Fuel Adjustment Clause	Sheet No. 85
Demand Side Management Cost Recovery Mechanism	Sheet No. 86
Environmental Cost Recovery Surcharge	Sheet No. 87
Franchise Fee Rider	Sheet No. 90
School Tax	Sheet No. 91
Home Energy Assistance Program	Sheet No. 92

MINIMUM CHARGE

The Customer Charge shall be the minimum charge.

DUE DATE OF BILL

Customer's payment will be due within twelve (12) days from date of bill.

LATE PAYMENT CHARGE

If full payment is not received within three (3) days from the due date of the bill, a 5% late payment charge will be assessed on the current month's charges.

TERMS OF CONTRACT

For a fixed term of not less than one (1) year and for such time thereafter until terminated by either party giving thirty (30) days written notice to the other of the desire to terminate.

TERMS AND CONDITIONS

Service will be furnished under Company's Terms and Conditions applicable hereto. Customers served under this optional pilot program will not be eligible for Company's Budget Payment Plan.

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Louisville Gas and Electric Company

P.S.C. Electric No. 7, Original Sheet No. 77

Standard Rate	GRP		
General Responsive Pricing Service			
APPLICABLE			
In the territory served by Company and falling in four meter reading routes selected by Company for testing "smart meters" and customer reaction to responsive pricing			
AVAILABILITY OF SERVICE			
GRP shall be available as an optional pilot program to any customer for alternating current service, single-phase or three-phase, for lighting, power, and other general usage, measured and delivered at one of Company's standard distribution secondary voltages for three years and shall remain in effect until modified or terminated by order of the Commission			
a) GRP is restricted to a maximum of fifty (50) customers eligible for Rate GS in any year. Company will notify all eligible customers of GRP and accept applications on a first-come-first-served basis.			
b) No customers will be accepted on GRP following the end of the second year of the pilot program. A customer exiting the pilot program or disconnected for non-pay will not be allowed to return to it until the Commission has issued a decision on the pilot program report			
c) Non customer-specific costs of customer billing systems to bill customers will be recovered through a charge per kWh billed to customers taking service under rates RS and GS.			
d) Company will file a report on GRP with the Commission within six months after the first three years of implementation of the pilot program. Such report will detail findings and recommendations.			
RATE			
Customer Charge: \$20.00 per meter per month for single-phase service \$24.00 per meter per month for three-phase service			
Plus an Energy Demand Charge:			
	Low Cost Hours (P ₁):	\$0.04789 per kWh	
	Medium Cost Hours (P ₂):	\$0.06279 per kWh	
	High Cost Hours (P ₃):	\$0.13718 per kWh	
	Critical Cost Hours (P ₄):	\$0.30332 per kWh	
DETERMINATION OF PRICING PERIODS			
Pricing periods are established in Eastern Standard Time year round by season for weekdays and weekends. The hours of the pricing periods for price levels P ₁ , P ₂ , and P ₃ are as follows:			
<u>Summer peak months of June through September</u>			
	Low (P ₁)	Medium (P ₂)	High (P ₃)
Weekdays	9 P.M. – 10 A.M.	10 A.M. – 1 P.M. 6 P.M. – 9 P.M.	1 P.M. – 6 P.M.
Weekends	6 P.M. – 1 P.M.	1 P.M. – 6 P.M.	
<u>All other months October continuously through May</u>			
	Low (P ₁)	Medium (P ₂)	High (P ₃)
Weekdays	10 P.M. – 8 A.M.	8 A.M. – 6 P.M.	6 P.M. – 10 P.M.
Weekends	10 P.M. – 6 P.M.	6 P.M. – 10 P.M.	

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Louisville Gas and Electric Company

P.S.C. Electric No. 7, Original Sheet No. 77.1

Standard Rate	GRP
General Responsive Pricing Service	
<p>The hours of the responsive pricing periods for price level P₄ shall be determined at the discretion of Company. Each customer will be notified by electronic signal at least one half hour prior to the start of price level P₄. The cumulative hours for P₄ shall not exceed 80 hours annually or 6 hours daily.</p>	
ADJUSTMENT CLAUSES	
<p>The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:</p>	
<p>Fuel Adjustment Clause Demand Side Management Cost Recovery Mechanism Environmental Cost Recovery Surcharge Franchise Fee Rider School Tax</p>	<p>Sheet No. 85 Sheet No. 86 Sheet No. 87 Sheet No. 90 Sheet No. 91</p>
MINIMUM CHARGE	
<p>The Customer Charge shall be the minimum charge.</p>	
DUE DATE OF BILL	
<p>Customer's payment will be due within twelve (12) days from date of bill.</p>	
LATE PAYMENT CHARGE	
<p>If full payment is not received within three (3) days from the due date of the bill, a 5% late payment charge will be assessed on the current month's charges.</p>	
TERMS OF CONTRACT	
<p>For a fixed term of not less than one (1) year and for such time thereafter until terminated by either party giving thirty (30) days written notice to the other of the desire to terminate.</p>	
TERMS AND CONDITIONS	
<p>Service will be furnished under Company's Terms and Conditions applicable hereto. Customers served under this optional pilot program will not be eligible for Company's Budget Payment Plan.</p>	

Date of Issue:

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

STANDARD RIDER	RTP
Real-Time Pricing Rider	
<p>APPLICABLE In all territory served by the Company.</p>	
<p>AVAILABILITY OF SERVICE RTP shall be offered as an optional three (3) year pilot program and is available as a rider to the Company's CTOD, ITOD, or IS rate schedules for customers having received service under those schedules for a minimum of one (1) year. Service will be provided under RTP following its approval and shall remain in effect until modified or terminated by order of the Commission.</p> <p>a) No customers will be accepted on RTP following the end of the second year of the pilot program. A customer exiting the pilot program or disconnected for non-pay will not be allowed to return to it until the Commission has issued a decision on the pilot program report.</p> <p>b) The Company will file a report on RTP with the Commission within six months after the first three years of implementation of the pilot program. Such report will detail findings and recommendations.</p> <p>c) Service under RTP may not be taken in conjunction with any other load reduction riders such as but not limited to CSR, LRI, or NMS.</p>	
<p>BILLING Customers participating in the RTP Pilot will be billed monthly based on the following calculation:</p> $\text{RTP Bill} = \text{SB} + \text{PC} + \sum_{t=1}^n \{ \text{Price}_t \times (\text{AL}_t - \text{CBL}_t) \}$ <p>Where:</p> <p>RTP Bill = Customer's bill for service under this tariff in a specific month. SB = Customer's bill for the current billing period based on current usage and billed under the appropriate standard rate schedule. PC = Customer specific program charge. $\sum_{t=1}^n$ = Sum of all hours of the billing period from t=1 to n. Price_t = Real-time day-ahead marginal generation supply cost for hour t. AL_t = Customer's actual kVA load for hour t. CBL_t = Customer's baseline kVA load for hour t.</p>	
<p>HOURLY PRICING Hourly prices (Price_t) are determined each day based on projections of the marginal generation supply cost for the next day and adjusted for losses to the customer's delivery voltage. Hourly prices will be provided on a day-ahead basis to Customer. The Company may revise these prices the day before they become effective. Prices become binding at 4:00 p.m. of the preceding day. Service under RTP will require customer enter into a confidentiality agreement with the Company to protect the day ahead hourly prices.</p>	

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STANDARD RIDER

RTP

Real-Time Pricing Rider

CUSTOMER BASELINE LOAD (CBL)

The CBL is based on one complete calendar year of hourly kVA firm load data developed from actual historical metered interval data for the Customer's specific service delivery and mutually agreed to by Customer and Company. The CBL is determined by:

1. selecting the historical calendar period that corresponds to the *current billing period*,
2. shifting the historical calendar period back no more than 4 days or forward until the days of the week agree for the historical calendar period and the current billing period, and
3. adjusting on a pro rata basis each hour of the historical calendar period so that the sum of the hourly kVA loads for the historical calendar period matches the sum of the hourly kVA loads for the *current billing period*.

PROGRAM CHARGE (PC)

A program charge of \$57 per billing period shall be added to the Customer's bill to cover the additional customer specific costs associated with the pilot program.

MINIMUM CHARGE

The minimum charge in the applicable Standard Tariff shall apply plus PC, customer specific program charge

TERMS OF CONTRACT

For a fixed term of not less than one year and for such time thereafter until terminated by either party giving 30 days written notice to the other of the desire to terminate.

TERMS AND CONDITIONS

Except as provided above, all other provisions of the power rate to which this schedule is a rider shall apply.

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

Adjustment Clause	FAC
Fuel Adjustment Clause	
APPLICABLE	
In all territory service	
AVAILABILITY OF SERVICE	
This schedule is mandatory to all electric rate schedules.	
(1) The charge per kWh delivered under the rate schedules to which this fuel clause is applicable shall be increased or decreased during each month in accordance with the following formula:	
$\text{Adjustment Factor} = \frac{F(m)}{S(m)} - \frac{F(b)}{S(b)}$	
Where "F" is the expense of fossil fuel and "S" is the kWh sales in the base (b) and current (m) periods as defined in 807 KAR 5:056, all as set out below:	
(2) Fuel costs (F) shall be the most recent actual monthly cost of:	
(a) Fossil fuel consumed in the utility's own plants, plus the cost of fuel which would have been used in plants suffering forced generation or transmission outages, but less the cost of fuel related to substitute generation, plus	
(b) The actual identifiable fossil and nuclear fuel costs associated with energy purchased for reasons other than identified in paragraph (c) below, but excluding the cost of fuel related to purchases to substitute for the forced outages, plus	
(c) The net energy cost of energy purchases, exclusive of capacity or demand charges (irrespective of the designation assigned to such transaction) when such energy is purchased on an economic dispatch basis. Included therein may be such costs as the charges for economy energy purchases and the charges as a result of scheduled outages, all such kinds of energy being purchased by the buyer to substitute for its own higher cost energy; and less	
(d) The cost of fossil fuel recovered through inter-system sales including the fuel costs related to economy energy sales and other energy sold on an economic dispatch basis.	
(e) All fuel costs shall be based on weighted average inventory costing.	
(3) Forced Outages are all nonscheduled losses of generation or transmission which require substitute power for a continuous period in excess of six (6) hours. Where forced outages are not as a result of faulty equipment, faulty manufacture, faulty design, faulty installations, faulty operation, or faulty maintenance, but are Acts of God, riot, insurrection or acts of the public enemy, then the utility may, upon proper showing, with the approval of the Commission, include the fuel cost of substitute energy in the adjustment. Until such approval is obtained, in making the calculations of fuel cost (F) in subsection (2)(a) and (b) above, the forced outage costs to be subtracted shall be no less than the fuel cost related to the lost generation.	

Date of Issue:

Date Effective: February 6, 2009

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

Louisville Gas and Electric Company

P.S.C. Electric No. 7, Original Sheet No. 85.1

Adjustment Clause	FAC
Fuel Adjustment Clause	
<p>(4) Sales (S) shall be all kWh's sold, excluding inter-system sales. Where, for any reason, billed system sales cannot be coordinated with fuel costs for the billing period, sales may be equated to the sum of (i) generation, (ii) purchases, (iii) interchange in, less (iv) energy associated with pumped storage operations, less (v) inter-system sales referred to in subsection (2)(d) above, less (vi) total system losses. Utility used energy shall not be excluded in the determination of sales (S).</p> <p>(5) The cost of fossil fuel shall include no items other than the invoice price of fuel less any cash or other discounts. The invoice price of fuel includes the cost of the fuel itself and necessary charges for transportation of the fuel from the point of acquisition to the unloading point, as listed in Account 151 of FERC Uniform System of Accounts for Public Utilities and Licensees.</p> <p>(6) Base (b) period shall be the twelve (12) months ending October 2006 and the base fuel factor is \$0.01703 per kWh.</p> <p>(7) Current (m) period shall be the second month preceding the month in which the Fuel Clause Adjustment Factor is billed.</p> <p>(8) Pursuant to the Public Service Commission's Order in Case No. 2006-00510 dated October 31, 2007, the Fuel Adjustment Clause will become effective with bills rendered on and after the first billing cycle of December 2007.</p>	

Date of Issue:

Date Effective: With Bills Rendered On and After December 3, 2007 Refiled:

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

Adjustment Clause	DSM
Demand-Side Management Cost Recovery Mechanism	
<p>APPLICABLE In all territory served.</p>	
<p>AVAILABILITY OF SERVICE This schedule is mandatory to Residential Rate RS, Volunteer Fire Department Rate VFD, General Service Rate GS, Industrial Power Service Rate IPS, Commercial Power Service Rate CPS, Industrial Time-of-Day Rate ITOD, Commercial Time-of-Day Rate CTOD, and Retail Transmission Service Rate RTS. Industrial customers who elect not to participate in a demand-side management program hereunder shall not be assessed a charge pursuant to this mechanism</p>	
<p>RATE The monthly amount computed under each of the rate schedules to which this Demand-Side Management Cost Recovery Mechanism is applicable shall be increased or decreased by the DSM Cost Recovery Component (DSMRC) at a rate per kilowatt hour of monthly consumption in accordance with the following formula:</p> $\text{DSMRC} = \text{DCR} + \text{DRLS} + \text{DSMI} + \text{DBA}$ <p>Where:</p> <p>DCR = DSM COST RECOVERY The DCR shall include all expected costs which have been approved by the Commission for each twelve-month period for demand-side management programs which have been developed through a collaborative advisory process ("approved programs"). Such program costs shall include the cost of planning, developing, implementing, monitoring, and evaluating DSM programs. Program costs will be assigned for recovery purposes to the rate classes whose customers are directly participating in the program. In addition, all costs incurred by or on behalf of the collaborative process, including but not limited to costs for consultants, employees and administrative expenses, will be recovered through the DCR. Administrative costs that are allocable to more than one rate class will be recovered from those classes and allocated by rate class on the basis of the estimated budget from each program. The cost of approved programs shall be divided by the expected kilowatt-hour sales for the upcoming twelve-month period to determine the DCR for such rate class</p> <p>DRLS = DSM REVENUE FROM LOST SALES Revenues from lost sales due to DSM programs implemented on and after the effective date of this tariff and will be recovered as follows:</p> <ol style="list-style-type: none"> 1) For each upcoming twelve-month period, the estimated reduction in customer usage (in kWh) as determined for the approved programs shall be multiplied by the non-variable revenue requirement per kWh for purposes of determining the lost revenue to be recovered hereunder from each customer class. The non-variable revenue requirement for the Residential, Volunteer Fire Department, and General Service customer classes is defined as the weighted average price per kWh of expected billings under the energy charges contained in the RS, VFD, and GS rate schedules in the upcoming twelve-month period after deducting the variable costs included in such energy charges. The non-variable revenue requirement for each of the customer classes that are billed under demand and energy rates (rate schedules PS and CTOD) is defined as the weighted average price per kWh 	

Date of Issue:

Date Effective: February 6, 2009

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

Adjustment Clause	DSM
Demand-Side Management Cost Recovery Mechanism	
<p>RATE (continued)</p>	
<p>represented by the composite of the expected billings under the respective demand and energy charges in the upcoming twelve-month period, after deducting the variable costs included in the energy charges</p>	
<p>2) The lost revenues for each customer class shall then be divided by the estimated class sales (in kWh) for the upcoming twelve-month period to determine the applicable DRLS surcharge. Recovery of revenue from lost sales calculated for a twelve-month period shall be included in the DRLS for thirty-six (36) months or until implementation of new rates pursuant to a general rate case, whichever comes first. Revenues from lost sales will be assigned for recovery purposes to the rate classes whose programs resulted in the lost sales.</p>	
<p>Revenues collected hereunder are based on engineering estimates of energy savings, expected program participation and estimated sales for the upcoming twelve-month period. At the end of each such period, any difference between the lost revenues actually collected hereunder and the lost revenues determined after any revisions of the engineering estimates and actual program participation are accounted for shall be reconciled in future billings under the DSM Balance Adjustment (DBA) component.</p>	
<p>A program evaluation vendor will be selected to provide evaluation criteria against which energy savings will be estimated for that program. Each program will be evaluated after implementation and any revision of the original engineering estimates will be reflected in both (a) the retroactive true-up provided for under the DSM Balance Adjustment and (b) the prospective future lost revenues collected hereunder.</p>	
<p>DSMI = DSM INCENTIVE</p>	
<p>For all Energy Impact Programs except Direct Load Control, the DSM incentive amount shall be computed by multiplying the net resource savings expected from the approved programs which are to be installed during the upcoming twelve-month period times fifteen (15) percent, not to exceed five (5) percent of program expenditures. Net resource savings are defined as program benefits less utility program costs and participant costs where program benefits will be calculated on the basis of the present value of Company's avoided costs over the expected life of the program, and will include both capacity and energy savings. For Energy Education and Direct Load Control Programs, the DSM incentive amount shall be computed by multiplying the annual cost of the approved programs which are to be installed during the upcoming twelve-month period times five (5) percent.</p>	
<p>The DSM incentive amount related to programs for Residential Rate RS, Volunteer Fire Department Rate VFD, General Service Rate GS, Commercial Power Service Rate CPS, and Commercial Time-of-Day Rate CTOD shall be divided by the expected kilowatt-hour sales for the upcoming twelve-month period to determine the DSMI for such rate class. DSM incentive amounts will be assigned for recovery purposes to the rate classes whose programs created the incentive.</p>	

Date of Issue:

Date Effective: February 6, 2009

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

Adjustment Clause	DSM
Demand-Side Management Cost Recovery Mechanism	
DBA = DSM BALANCE ADJUSTMENT	
<p>The DBA shall be calculated on a calendar year basis and is used to reconcile the difference between the amount of revenues actually billed through the DCR, DRLS, DSMI and previous application of the DBA and the revenues which should have been billed, as follows:</p>	
<ol style="list-style-type: none">1) For the DCR, the balance adjustment amount will be the difference between the amount billed in a twelve-month period from the application of the DCR unit charge and the actual cost of the approved programs during the same twelve-month period.2) For the DRLS the balance adjustment amount will be the difference between the amount billed during the twelve-month period from application of the DRLS unit charge and the amount of lost revenues determined for the actual DSM measures implemented during the twelve-month period.3) For the DSMI, the balance adjustment amount will be the difference between the amount billed during the twelve-month period from application of the DSMI unit charge and the incentive amount determined for the actual DSM measures implemented during the twelve-month period.4) For the DBA, the balance adjustment amount will be the difference between the amount billed during the twelve-month period from application of the DBA and the balance adjustment amount established for the same twelve-month period.	
<p>The balance adjustment amounts determined on the basis of the above paragraphs (1)-(4) shall include interest applied to the monthly amounts, such interest to be calculated at a rate equal to the average of the "Three-month Commercial Paper Rate" for the immediately preceding twelve-month period. The total of the balance adjustment amounts shall be divided by the expected kilowatt-hour sales for the upcoming twelve-month period to determine the DBA for such rate class. DSM balance adjustment amounts will be assigned for recovery purposes to the rate classes to which over- or under-recoveries of DSM amounts were realized</p>	
<p>The filing of modifications to the DSMRC which require changes in the DCR component shall be made at least two months prior to the beginning of the effective period for billing</p>	
<p>Modifications to other components of the DSMRC shall be made at least thirty (30) days prior to the effective period for billing. Each filing shall include the following information as applicable:</p>	
<ol style="list-style-type: none">1) A detailed description of each DSM program developed by the collaborative process, the total cost of each program over the twelve-month period, an analysis of expected resource savings, information concerning the specific DSM or efficiency measures to be installed, and any applicable studies which have been performed, as available.2) A statement setting forth the detailed calculation of the DCR, DRLS, DSMI, DBA and DSMRC.	
<p>Each change in the DSMRC shall be placed into effect with bills rendered on and after the effective date of such change.</p>	

Date of Issue:

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Louisville Gas and Electric Company

P.S.C. Electric No. 7, Original Sheet No. 86.3

Adjustment Clause	DSM		
Demand-Side Management Cost Recovery Mechanism			
Monthly Adjustment Factors			
Residential Rate RS, Volunteer Fire Department Rate VFD, and Residential Responsive Pricing Rate RRP		<u>Energy Charge</u>	
DSM Cost Recovery Component (DCR)	\$ 0.00203	per kWh	T
DSM Revenues from Lost Sales (DRLS)	\$ 0.00069	per kWh	R/T
DSM Incentive (DSMI)	\$ 0.00009	per kWh	T
DSM Balance Adjustment (DBA)	\$(0.00011)	per kWh	T
Total DSMRC for Rates RS, VFD, and RRP	\$ 0.00270	per kWh	R/T
General Service Rate GS and General Responsive Pricing Rate GRP		<u>Energy Charge</u>	
DSM Cost Recovery Component (DCR)	\$ 0.00057	per kWh	T
DSM Revenues from Lost Sales (DRLS)	\$ 0.00079	per kWh	R/T
DSM Incentive (DSMI)	\$ 0.00003	per kWh	T
DSM Balance Adjustment (DBA)	\$(0.00009)	per kWh	T
Total DSMRC for Rates GS and GRP	\$ 0.00130	per kWh	R/T
<u>Commercial Power Service Rate CPS</u>		<u>Energy Charge</u>	
DSM Cost Recovery Component (DCR)	\$ 0.00041	per kWh	T
DSM Revenues from Lost Sales (DRLS)	\$ 0.00048	per kWh	R/T
DSM Incentive (DSMI)	\$ 0.00002	per kWh	T
DSM Balance Adjustment (DBA)	\$(0.00006)	per kWh	T
Total DSMRC for Rate CPS	\$ 0.00085	per kWh	R/T
<u>Commercial Time-of-Day Rate CTOD</u>		<u>Energy Charge</u>	
DSM Cost Recovery Component (DCR)	\$ 0.00032	per kWh	T
DSM Revenues from Lost Sales (DRLS)	\$ 0.00055	per kWh	R/T
DSM Incentive (DSMI)	\$ 0.00001	per kWh	T
DSM Balance Adjustment (DBA)	\$(0.00003)	per kWh	T
Total DSMRC for Rate CTOD	\$ 0.00085	per kWh	R/T

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Louisville Gas and Electric Company

P.S.C. Electric No. 7, Original Sheet No. 86.4

Adjustment Clause	DSM	
Demand-Side Management Cost Recovery Mechanism		
Monthly Adjustment Factors		
Industrial Power Service Rate IPS, Industrial Time-of-Day Service Rate ITOD, <u>and Retail Transmission Rate RTS</u>		
		<u>Energy Charge</u>
DSM Cost Recovery Component (DCR)	\$ 0.00000	per kWh
DSM Revenues from Lost Sales (DRLS)	\$ 0.00000	per kWh
DSM Incentive (DSMI)	\$ 0.00000	per kWh
DSM Balance Adjustment (DBA)	\$ <u>0.00000</u>	per kWh
Total DSMRC for Rates IPS, ITOD, and RTS	\$ 0.00000	per kWh

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

Louisville Gas and Electric Company

P.S.C. Electric No. 7, Original Sheet No. 87

Adjustment Clause	ECR
Environmental Cost Recovery Surcharge	
APPLICABLE	
In all territory served	
AVAILABILITY OF SERVICE	
To electric rate schedules RS, VDF, GS, CPS, IPS, CTOD, ITOD, RTS, IS, LS, RLS, LE, TE, FAC, and DSM.	
RATE	
The monthly billing amount under each of the schedules to which this mechanism is applicable, including the fuel clause and demand-side management cost recovery mechanism, shall be increased or decreased by a percentage factor calculated in accordance with the following formula	
$CESF = E(m) / R(m)$	$MESF = CESF - BESF$
MESF = Monthly Environmental Surcharge Factor CESF = Current Environmental Surcharge Factor BESF = Base Environmental Surcharge Factor	
E(m) is the jurisdictional total of each approved environmental compliance plan revenue requirement of environmental compliance costs for the current expense month and R(m) is the revenue for the current expense month as set forth below.	
DEFINITIONS	
<ol style="list-style-type: none">1) For all Plans, $E(m) = [(RB/12) (ROR + (ROR - DR) (TR / (1 - TR)))] + OE - BAS$<ol style="list-style-type: none">a) RB is the Total Environmental Compliance Rate Base.b) ROR is the Rate of Return on Environmental Compliance Rate Base, designated as the overall rate of return [cost of short-term debt, long-term debt, preferred stock, and common equity].c) DR is the Debt Rate [cost of short-term debt, and long-term debt].d) TR is the Composite Federal and State Income Tax Rate.e) OE is the Operating Expenses [Depreciation and Amortization Expense, Property Taxes, Insurance Expense; adjusted for the Average Month Expense already included in existing rates] Includes operation and maintenance expense recovery authorized by the K.P.S.C. in Case Nos. 2000-386, 2002-147, 2004-00421 and 2006-00208.f) BAS is the total proceeds from by-product and allowance sales.2) Total E(m) (sum of each approved environmental compliance plan revenue requirement) is multiplied by the Jurisdictional Allocation Factor to arrive at the Net Jurisdictional E(m).3) The revenue R(m) is the average monthly base revenue for the Company for the 12 months ending with the current expense month. Base revenue includes the customer, energy and demand charge for each schedule to which this mechanism is applicable and automatic adjustment clause revenues for the Fuel Adjustment Clause and the Demand-Side Management Cost Recovery Mechanism as applicable for each rate schedule.4) Current expense month (m) shall be the second month preceding the month in which the Environmental Surcharge is billed.	

Date of Issue:

Date Effective: July 1, 2005 Refiled:

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

Louisville Gas and Electric Company

P.S.C. Electric No. 7, Original Sheet No. 90

Adjustment Clause	FF
Franchise Fee Rider	
APPLICABLE	
In all territory served	
AVAILABILITY OF SERVICE	
Available as an option for collection of revenues within governmental jurisdictions which impose on Company franchise fees, permitting fees, local taxes or other charges by ordinance, franchise, or other governmental directive and not otherwise collected in the charges of Company's base rate schedules	
DEFINITIONS	
Base Year - the twelve-month period ending November 30	
Collection Year - the full calendar year following the Base Year.	
Base Year Amount -	
<ol style="list-style-type: none">1) a percentage of revenues, as determined in the franchise agreement, for the Base Year; and2) License fees, permit fees, or other costs specifically borne by Company for the purpose of maintaining the franchise as incurred in the Base Year and applicable specifically to Company by ordinance or franchise for operation and maintenance of its facilities in the franchise area, including but not limited to costs incurred by Company as a result of governmental regulation or directives requiring construction or installation of facilities beyond that normally provided by Company in accordance with applicable Rules and Regulations approved by and under the direction of the Kentucky Public Service Commission; and3) any adjustment for over or under collection of revenues associated with the amounts in 1) or 2)	
RATE	
The franchise percentage will be calculated by dividing the Base Year amount by the total revenues in the Base Year for the franchise area. The franchise percentage will be monitored during the Collection Year and adjusted to recover the Base Year Amount in the Collection Year as closely as possible	
BILLING	
<ol style="list-style-type: none">1) The franchise charge will be applied exclusively to the base rate and all riders of bills of customers receiving service within the franchising governmental jurisdiction, before taxes2) The franchise charge will appear as a separate line item on the Customer's bill and show the unit of government requiring the franchise.3) Payment of the collected franchise charges will be made to the governmental franchising body as agreed to in the franchise agreement.	
TERM OF CONTRACT	
As agreed to in the franchise agreement. In the event such franchise agreement should lapse but payment of franchise fees, other local taxes, or permitting fees paid by Company by ordinance, franchise, or other governmental directive should continue, collection shall continue under this tariff.	
TERMS AND CONDITIONS	
Service will be furnished in accordance with the provisions of the franchise agreement in so far as those provisions do not conflict with the Terms and Conditions applicable to Company approved by and under the direction of the Kentucky Public Service Commission.	

Date of Issue:

Date Effective: October 16, 2003 Refiled:

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

Louisville Gas and Electric Company

P.S.C. Electric No. 7, Original Sheet No. 91

Adjustment Clause	ST
School Tax	
<p>APPLICABLE <i>In all territory served</i></p>	
<p>AVAILABILITY OF SERVICE This schedule is applied as a rate increase to all other schedules pursuant to KRS 160.617 for the recovery by the utility of school taxes in any county requiring a utility gross receipts license tax for schools under KRS 160.613.</p>	
<p>RATE The utility gross receipts license tax imposed by the county but not to exceed 3%.</p>	

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

Louisville Gas and Electric Company

P.S.C. Electric No. 7, Original Sheet No. 92

Adjustment Clause	HEA
Home Energy Assistance Program	
APPLICABLE	
In all territory served.	
AVAILABILITY	
To all residential customers.	
RATE	
\$0.15 per meter per month	
BILLING	
The HEA charge shall be shown as a separate item on customer bills.	
SERVICE PERIOD	
The Home Energy Assistance charge will be applied to all residential electric bills rendered during the billing cycles commencing October 1, 2007 through September 30, 2012, or as otherwise directed by the Public Service Commission. Proceeds from this charge will be used to fund residential low-income demand-side management Home Energy Assistance programs which have been designed through a collaborative advisory process and then filed with, and approved by, the Commission.	

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TERMS AND CONDITIONS

Customer Bill of Rights

As a residential customer of a regulated public utility in Kentucky, you are guaranteed the following rights subject to Kentucky Revised Statutes and the provisions of the Kentucky Public Service Commission Administrative Regulations:

- You have the right to service, provided you (or a member of your household whose debt was accumulated at your address) are not indebted to the utility.
- You have the right to inspect and review the utility's rates and tariffed operating procedures during the utility's normal office hours.
- You have the right to be present at any routine utility inspection of your service conditions.
- You must be provided a separate, distinct disconnect notice alerting you to a possible disconnection of your service, if payment is not received.
- You have the right to dispute the reasons for any announced termination of your service.
- You have the right to negotiate a partial payment plan when your service is threatened by disconnection for non-payment.
- You have the right to participate in equal, budget payment plans for your natural gas and electric service.
- You have the right to maintain your utility service for up to thirty (30) days upon presentation of a medical certificate issued by a health official.
- You have the right to prompt (within 24 hours) restoration of your service when the cause for discontinuance has been corrected.
- If you have not been disconnected, you have the right to maintain your natural gas and electric service for up to thirty (30) days, you present a Certificate of Need issued by the Kentucky Cabinet for Human Resources between the months of November and the end of March.
- If you have been disconnected due to non-payment, you have the right to have your natural gas or electric service reconnected between the months of November through March provided you:
 - 1) Present a Certificate of Need issued by the Kentucky Cabinet for Human Resources, and
 - 2) Pay one third (1/3) of your outstanding bill (\$200 maximum), and
 - 3) Accept referral to the Human Resources' Weatherization Program, and
 - 4) Agree to a repayment schedule that will cause your bill to become current by October 15
- You have the right to contact the Public Service Commission regarding any dispute that you have been unable to resolve with your utility (call Toll Free 1-800-772-4636)

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

TERMS AND CONDITIONS

General

COMMISSION RULES AND REGULATIONS

All electric service supplied by Company shall be in accordance with the applicable rules and regulations of the Public Service Commission of Kentucky.

COMPANY TERMS AND CONDITIONS.

In addition to the rules and regulations of the Commission, all electric service supplied by Company shall be in accordance with these Terms and Conditions, which shall constitute a part of all applications and contracts for service.

RATES, TERMS AND CONDITIONS ON FILE

A copy of the rate schedules, terms, and conditions under which electric service is supplied is on file with the Public Service Commission of Kentucky. A copy of such rate schedules, terms and conditions, together with the law, rules, and regulations of the Commission, is available for public inspection in each office of Company where bills may be paid.

ASSIGNMENT

No order for service, agreement or contract for service may be assigned or transferred without the written consent of Company.

RENEWAL OF CONTRACT

If, upon the expiration of any service contract for a specified term, the customer continues to use the service, the contract (unless otherwise provided therein) will be automatically renewed for successive periods of one (1) year each, subject to termination at the end of any year upon thirty (30) days prior written notice by either party.

AGENTS CANNOT MODIFY AGREEMENT WITHOUT CONSENT OF P.S.C. OF KY.

No agent has power to amend, modify, alter, or waive any of these Terms and Conditions, or to bind Company by making any promises or representations not contained herein.

SUPERSEDE PREVIOUS TERMS AND CONDITIONS

These Terms and Conditions supersede all terms and conditions under which Company has previously supplied electric service

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Date of Issue:

Date Effective: February 6, 2009

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

TERMS AND CONDITIONS
Customer Responsibilities

APPLICATION FOR SERVICE

A written application or contract, properly executed, may be required before Company is obligated to render electric service. Company shall have the right to reject for valid reasons any such application or contract.

All applications for service shall be made in the legal name of the party desiring the service.

Where an unusual expenditure for construction or equipment is necessary or where the proposed manner of using electric service is clearly outside the scope of Company's standard rate schedules, Company may establish special contracts giving effect to such unusual circumstances. Customer accepts that non-standard service may result in the delay of required maintenance or, in the case of outages, restoration of service.

TRANSFER OF APPLICATION

Applications for electric service are not transferable and new occupants of premises will be required to make application for service before commencing the use of electricity. Customers who have been receiving electric service shall notify Company when discontinuance of service is desired, and shall pay for all electric service furnished until such notice has been given and final meter readings made by Company.

OPTIONAL RATES

If two or more rate schedules are available for the same class of service, it is Customer's responsibility to determine the options available and to designate the schedule under which he desires to receive service.

Company will, at any time, upon request, advise any customer as to the most advantageous rate for existing or anticipated service requirements as defined by Customer, but Company does not assume responsibility for the selection of such rate or for the continuance of the lowest annual cost under the rate selected.

In those cases in which the most favorable rate is difficult to predetermine, Customer will be given the opportunity to change to another schedule, unless otherwise prevented by the rate schedule under which Customer is currently served, after trial of the schedule originally designated; however, after the first such change, Company shall not be required to make a change in schedule more often than once in twelve months.

From time to time, Customer should investigate his operating conditions to determine a desirable change from one available rate to another. Company, lacking knowledge of changes that may occur at any time in Customer's operating conditions, does not assume responsibility that customers will at all times be served under the most beneficial rate.

In no event will Company make refunds covering the difference between the charges under the rate in effect and those under any other rate applicable to the same class of service.

CUSTOMER'S EQUIPMENT AND INSTALLATION

Customer shall furnish, install and maintain at his expense all electrical apparatus and wiring to connect with Company's service drop or service line. All such apparatus and wiring shall be

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TERMS AND CONDITIONS
Customer Responsibilities

installed and maintained in conformity with applicable statutes, laws or ordinances and with the rules and regulations of the constituted authorities having jurisdiction. Customer shall not install wiring or connect and use any motor or other electricity-using device which in the opinion of Company is detrimental to its electric system or to the service of other customers of Company. Company assumes no responsibility whatsoever for the condition of Customer's electrical wiring, apparatus, or appliances, nor for the maintenance or removal of any portion thereof.

In the event Customer builds or extends its own transmission or distribution system over property Customer owns, controls, or has rights to, and said system extends or may extend into the service territory of another utility company, Customer will notify Company of their intention in advance of the commencement of construction.

OWNER'S CONSENT TO OCCUPY

Customer shall grant easements and rights-of-way on and across Customer's property at no cost to Company.

ACCESS TO PREMISES AND EQUIPMENT

Company shall have the right of access to Customer's premises at all reasonable times for the purpose of installing, meter reading, inspecting, repairing, or removing its equipment used in connection with its supply of electric service or for the purpose of turning on and shutting off the supply of electricity when necessary and for all other proper purposes. Customer shall not construct or permit the construction of any structure or device which will restrict the access of Company to its equipment for any of the above purposes.

PROTECTION OF COMPANY'S PROPERTY

Customers will be held responsible for tampering, interfering with, breaking of seals of meters, or other equipment of Company installed on Customer's premises, and will be held liable for same according to law. Customer hereby agrees that no one except the employees of Company shall be allowed to make any internal or external adjustments of any meter or any other piece of apparatus which shall be the property of Company.

POWER FACTOR

Company installs facilities to supply power to its customers at or near unity power factor.

Company expects any customer to use apparatus which shall result in a power factor near unity. However, Company will permit the use of apparatus which shall result, during normal operation, in a power factor not lower than 90 percent either lagging or leading.

Where Customer's power factor is less than 90 percent, Company reserves the right to require the customer to furnish, at his own expense, suitable corrective equipment to maintain a power factor of 90 percent or higher.

EXCLUSIVE SERVICE ON INSTALLATION CONNECTED

Except in cases where Customer has contracted with Company for reserve or auxiliary service, no other electric light or power service will be used by Customer on the same installation in conjunction with Company's service, either by means of a throw-over switch or any other connection.

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TERMS AND CONDITIONS
Customer Responsibilities

LIABILITY

Customer assumes all responsibility for the electric service upon Customer's premises at and from the point of delivery of electricity and for the wires and equipment used in connection therewith, and will protect and save Company harmless from all claims for injury or damage to persons or property occurring on Customer's premises or at and from the point of delivery of electricity, occasioned by such electricity or said wires and equipment, except where said injury or damage will be shown to have been occasioned solely by the negligence of Company.

NOTICE TO COMPANY OF CHANGES IN CUSTOMER'S LOAD

The service connections, transformers, meters, and appurtenances supplied by Company for the rendition of electric service to its customers have a definite capacity which may not be exceeded without damage. In the event that Customer contemplates any material increase in his connected load, whether in a single increment or over an extended period, he shall immediately give Company written notice of this fact so as to enable it to enlarge the capacity of such equipment. In case of failure to give such notice, Customer may be held liable for any damage done to meters, transformers, or other equipment of Company caused by such material increase in the Customer's connected load.

PERMITS

Customer shall obtain or cause to be obtained all permits, easements, or certificates, except street permits, necessary to give Company or its agents access to Customer's premises and equipment and to enable its service to be connected therewith. In case Customer is not the owner of the premises or of intervening property between the premises and Company's distribution lines, Customer shall obtain from the proper owner or owners the necessary consent to the installation and maintenance in said premises and in or about such intervening property of all such wiring or other customer-owned electrical equipment as may be necessary or convenient for the supply of electric service to customer. Provided, however, to the extent permits, easements, or certificates are necessary for the installation and maintenance of Company-owned facilities, Company shall obtain the aforementioned consent.

The construction of electric facilities to provide service to a number of customers in a manner consistent with good engineering practice and the least public inconvenience sometimes requires that certain wires, guys, poles, or other appurtenances on a customer's premises be used to supply service to neighboring customers. Accordingly, each customer taking Company's electric service shall grant to Company such rights on or across his or her premises as may be necessary to furnish service to neighboring premises, such rights to be exercised by Company in a reasonable manner and with due regard for the convenience of the customer.

Company shall make or cause to be made application for any necessary street permits, and shall not be required to supply service under Customer's application until a reasonable time after such permits are granted.

Date of Issue:

Date Effective: February 6, 2009

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

TERMS AND CONDITIONS
Company Responsibilities

METERING

The electricity used will be measured by a meter or meters to be furnished and installed by Company at its expense and all bills will be calculated upon the registration of said meters. When service is supplied by Company at more than one delivery point on the same premises, each delivery point will be metered and billed separately on the rate applicable. Meters include all measuring instruments. Meters will be located outside whenever possible. Otherwise, meters will be located as near as possible to the service entrance and on the ground floor of the building, in a clean, dry, safe and easily accessible place, free from vibration, agreed to by Company

POINT OF DELIVERY OF ELECTRICITY

The point of delivery of electrical energy supplied by Company shall be at the point, as designated by Company, where Company's facilities are connected with the facilities of Customer, irrespective of the location of the meter

EXTENSION OF SERVICE

The main transmission lines of Company, or branches thereof, will be extended to such points as provide sufficient load to justify such extensions or in lieu of sufficient load, Company may require such definite and written guarantees from a customer, or group of customers, in addition to any minimum payments required by the Tariff as may be necessary. This requirement may also be made covering the repayment, within a reasonable time, of the cost of tapping such existing lines for light or power service or both.

COMPANY'S EQUIPMENT AND INSTALLATION

Company will furnish, install, and maintain at its expense the necessary overhead service drop or service line required to deliver electricity at the voltage contracted for, to Customer's electric facilities

Company will furnish, install, and maintain at its expense the necessary meter or meters. (The term meter as used here and elsewhere in these rules and regulations shall be considered to include all associated instruments and devices, such as current and potential transformers, installed for the purpose of measuring deliveries of electricity to the customer.) Suitable provision for Company's meter, including an adequate protective enclosure for the same if required, shall be made by Customer. Title to the meter shall remain with Company, with the right to install, operate, maintain, and remove same. Customer shall protect such property of Company from loss or damage, and no one who is not an agent of Company shall be permitted to remove, damage, or tamper with the same. Customer shall execute such reasonable form of easement agreement as may be required by Company.

Notwithstanding the provisions of 807 KAR 5:006, Section 13(4), a reasonable time shall be allowed subsequent to Customer's service application to enable Company to construct or install the facilities required for such service. In order that Company may make suitable provision for enlargement, extension or alteration of its facilities, each applicant for commercial or industrial service shall furnish Company with realistic estimates of prospective electricity requirements.

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TERMS AND CONDITIONS

Company Responsibilities

COMPANY NOT LIABLE FOR INTERRUPTIONS

Company will exercise reasonable care and diligence in an endeavor to supply service continuously and without interruption but does not guarantee continuous service and shall not be liable for any loss or damage resulting from interruption, reduction, delay, or failure of electric service not caused by the willful negligence of Company, or resulting from any cause or circumstance beyond the reasonable control of Company.

COMPANY NOT LIABLE FOR DAMAGE ON CUSTOMER'S PREMISES

Company is merely a supplier of electricity delivered to the point of connection of Company's and Customer's facilities, and shall not be liable for and shall be protected and held harmless for any injury or damage to persons or property of Customer or of third persons resulting from the presence, use or abuse of electricity on Customer's premises or resulting from defects in or accidents to any of customer's wiring, equipment, apparatus, or appliances, or resulting from any cause whatsoever other than the negligence of Company

LIABILITY

In no event shall Company have any liability to Customer or any other party affected by the electrical service to Customer for any consequential, indirect, incidental, special, or punitive damages, and such limitation of liability shall apply regardless of claim or theory. In addition, to the extent that Company acts within its rights as set forth herein and/or any applicable law or regulation, Company shall have no liability of any kind to Customer or any other party. In the event that Customer's use of Company's service causes damage to Company's property or injuries to persons, Customer shall be responsible for such damage or injury and shall indemnify, defend, and hold Company harmless from any and all suits, claims, losses, and expenses associated therewith

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TERMS AND CONDITIONS
Character of Service

Electric service, under the rate schedule herein, will be 60 cycle, alternating current delivered from Company's various load centers and distribution lines at typical nominal voltages and phases, as available in a given location, as follows:

SECONDARY VOLTAGES

Residential Service -

Single phase 120/240 volts three-wire service or 120/208Y volts three-wire where network system is available

Non-Residential Service -

- 1) Single phase 120/240 volts three-wire service or 120/208Y where network system is available
- 2) Three phase 240 volts three-wire, 480 volts three-wire, 120/208Y volts four-wire or 277/480Y volts four-wire

PRIMARY VOLTAGES

According to location, 2400/4160Y volts, 7200/12,470Y volts, 13,800 volts, or 34,500 volts

TRANSMISSION VOLTAGES

According to location, 69,000 volts, 138,000 volts, or 345,000 volts

The voltage available to any individual customer shall depend upon the voltage of Company's lines serving the area in which such customer's electric load is located.

RESTRICTIONS

1. Except for minor loads, with approval of the Company, two-wire service is restricted to those customers on service 7/1/04
2. To be eligible for the rate applicable to any delivery voltage other than secondary voltage, a customer must furnish and maintain complete substation structure, transformers, and other equipment necessary to take service at the primary or transmission voltage available at point of connection
 - a) In the event Company is required to provide transformation to reduce an available voltage to a lower voltage for delivery to Customer, Customer shall be served at the rate applicable to the lower voltage; provided, however, that if the same rate is applicable to both the available voltage and the delivery voltage, Customer may be required to make a non-refundable payment to reflect the additional investment required to provide service.
 - b) The available voltage shall be the voltage on that distribution or transmission line which the Company designates as being suitable from the standpoint of capacity and other operating characteristics for supplying the requirements of Customer.

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TERMS AND CONDITIONS

Residential Rate Specific Terms and Conditions

Residential electric service is available for uses customarily associated with residential occupation, including lighting, cooking, heating, cooling, refrigeration, household appliances, and other domestic purposes.

- 1 Residential rates are based on service to single family units and are not applicable to multi-family dwellings served through a single meter. Where two or more families occupy a residential building, Company will require, as a condition precedent to the application of the residential rate, that the wiring in the building be so arranged as to permit each family to be served through a separate meter. In those cases where such segregation of wiring would involve undue expense to Customer, Company will allow service to two or more families to be taken through one meter, *but in this event the minimum bills of the applicable residential rate shall be multiplied by the number of families thus served, such number of families to be determined on the basis of the number of kitchens in the building*. At Customer's option, in lieu of the foregoing, electric service rendered to a multi-family residential building through a single meter will be classified as commercial and billed on the basis of service to one customer at an appropriate non-residential rate.
- 2 Single family unit service shall include usage of electric energy customarily incidental to home occupations, such as the office of a physician, surgeon, dentist, musician or artist when such occupation is carried on by Customer in his residence.
- 3 A residential building used by a single family as a home, which is also used to accommodate roomers or boarders for compensation, will be billed at the residential rate provided it does not exceed twelve (12) rooms in size. Such a residential building of more than twelve (12) rooms used to accommodate roomers or boarders for compensation will be classified as commercial and billed on the appropriate rate. In determining the room rating of rooming and boarding houses, all wired rooms shall be counted except hallways, vestibules, alcoves, closets, bathrooms, lavatories, garrets, attics, storage rooms, trunk rooms, basements, cellars, porches and private garages.
- 4 Service used in residential buildings occupied by fraternity or sorority organizations associated with educational institutions will be classified as residential and billed at the residential rate.
- 5 Where both residential and general or commercial classes of service are supplied through a single meter, such combined service shall be billed at the appropriate non-residential rate. Customer may arrange his wiring so as to separate the general service from the residential service, *in which event two (2) meters will be installed by Company and separate residential and general service rates applied to the respective classes of service*.
- 6 If Customer's barns, pump house or other outbuildings are located at such distance from his residence as to make it impracticable to supply service thereto through his residential meter, the separate meter required to measure service to such remotely located buildings will be considered a separate service contract and billed as a separate customer on the applicable non-residential rate.
- 7 Single-phase power service used for domestic purposes will be permitted under Residential Rate RS when measured through the residential meter subject to the conditions set forth below:

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TERMS AND CONDITIONS

Residential Rate Specific Terms and Conditions

- (a) Single-phase motors may be served at 120 volts if the locked-rotor current at rated voltage does not exceed 50 amperes. Motors with locked-rotor current ratings in excess of 50 amperes must be served at 240 volts.
- (b) Single-phase motors of new central residential cooling installations with total locked-rotor ratings of not to exceed 125 amperes (inclusive of any auxiliary motors arranged for simultaneous starting with the compressor) may be connected for across-the-line starting provided the available capacity of Company's electric distribution facilities at desired point of supply is such that, in Company's judgment, the starting of such motors will not result in excessive voltage dips and undue disturbance of lighting service and television reception of nearby electric customers. However, except with Company's express written consent, no new single-phase central residential cooling unit having a total lock-rotor rating in excess of 125 amperes inclusive of auxiliary motors arranged for simultaneous starting with the compressor) shall hereafter be connected to Company's lines, or be eligible for electric service therefrom, unless it is equipped with an approved type of current-limiting device for starting which will reduce the initial and incremental starting current inrush to a maximum of 100 amperes per step. Company shall be furnished with reasonable advance notice of any proposed central residential cooling installation.
- (c) In the case of multi-motored devices arranged for sequential starting of the motors, the above rules are considered to apply to the locked-rotor currents of the individual motors; if arranged for simultaneous starting of the motors, the rules apply to the sum of the locked-rotor currents of all motors so started.
- (d) Any motor or motors served through a separate meter will be billed as a separate customer.

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TERMS AND CONDITIONS

BILLING

METER READINGS AND BILLS

Each bill for utility service shall be issued in compliance with 807 KAR 5:006, Section 6

All bills will be based upon meter readings made in accordance with Company's meter reading schedule. Company, except if prevented by reasons beyond its control, shall read customer meters at least quarterly, except that customer-read meters shall be read at least once during the calendar year.

In the case of opening and closing bills when the total period between regular and special meter readings is less than thirty days, the minimum charges of the applicable rate schedules will be prorated on the basis of the ratio of the actual number of days in such period to thirty days.

When Company is unable to read Customer's meter after reasonable effort, or when Company experiences circumstances which make actual meter readings impossible or impracticable, Customer may be billed on an estimated basis and the billing will be adjusted as necessary when the meter is read

In the event Company's meter fails to register properly by reason of damage, accident, etc., Company shall have the right to estimate Customer's consumption during the period of failure on the basis of such factors as Customer's connected load, heating degree days, and consumption during a previous corresponding period and during a test period immediately following replacement of the defective meter.

Where Company serves a customer with both electric and gas service at the same service location, Company will render a combined bill. Provided, however, a residential customer may request, and Company will render, separate bills under the following conditions: (1) Customer is being threatened with disconnection for non-payment or has already been disconnected for that reason and (2) Customer would be able to pay either the gas or electric portion of his bill and thus retain one service.

Bills are due and payable at the office of Company during business hours, or at other locations designated by Company, within twelve (12) days from date of rendition thereof. If full payment is not received within three (3) days after the due date of the bill, a late payment charge will be assessed on the current month's charges.

Failure to receive a bill does not exempt Customer from these provisions of Company's Terms and Conditions.

READING OF SEPARATE METERS NOT COMBINED

For billing purposes, each meter upon Customer's premises will be considered separately and readings of two or more meters will not be combined except where Company's operating convenience requires the installation of two or more meters upon the customer's premises instead of one meter.

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TERMS AND CONDITIONS

BILLING

MONITORING OF CUSTOMER USAGE

In order to detect unusual deviations in individual customer consumption, Company will monitor the usage of each customer at least once annually. Should an unusual deviation in Customer's consumption be found which cannot be attributed to a readily identified cause, Company will perform a detailed analysis of Customer's meter reading and billing records. If the cause for the usage deviation cannot be determined from analysis of the customer's meter reading and billing records, Company will contact Customer by telephone or in writing to determine whether there have been changes such as different number of household members or work staff, additional or different appliances, changes in business volume, or known leaks in Customer's service line. Where the deviation is not otherwise explained, Company will test Customer's meter to determine whether it shows an average error greater than 2 percent fast or slow. Company will notify Customer of the investigation, its findings, and any refunds or back-billing in accordance with 807 KAR 5:006, Section 10(4) and (5). In addition to the annual monitoring, Company will immediately investigate usage deviations brought to its attention as a result of its on-going meter reading or billing processes or customer inquiry.

RESALE OF ELECTRIC ENERGY

Electric energy furnished under Company's standard application or contract is for the use of Customer only and Customer shall not resell such energy to any other person, firm, or corporation on Customer's premises or for use on any other premises. This does not preclude Customer from allocating Company's billing to Customer to any other person, firm, or corporation provided the sum of such allocations does not exceed Company's billing.

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TERMS AND CONDITIONS

DEPOSITS

GENERAL

- 1) Company may require a cash deposit or other guaranty from customers to secure payment of bills in accordance with 807 KAR 5:006, Section 7 except for customers qualifying for service reconnection pursuant to 807 KAR 5:006, Section 15, Winter Hardship Reconnection
- 2) Deposits may be required from all customers not meeting satisfactory credit and payment criteria. Satisfactory credit for customers will be determined by utilizing independent credit sources (primarily utilized with new customers having no prior history with Company), as well as historic and ongoing payment and credit history with Company.
 - a) Examples of independent credit scoring resources include credit scoring services, public record financial information, financial scoring and modeling services, and information provided by independent credit/financial watch services
 - b) Satisfactory payment criteria with Company may be established by paying all bills rendered, having no disconnections for nonpayment, having no late notices, having no defaulted credit arrangements, having no returned payments, having no meter diversion or theft of service
- 3) Company may offer customers the option of paying all or a portion of their deposits in installments over a period not to exceed the first four (4) normal billing periods. Service may be refused or discontinued for failure to pay and/or maintain the requested deposit
- 4) Interest on deposits will be calculated at the rate prescribed by law, from the date of deposit, and will be paid annually either by refund or credit to Customer's bills, except that no refund or credit will be made if Customer's bill is delinquent on the anniversary date of the deposit. If interest is paid or credited to Customer's bill prior to twelve (12) months from the date of deposit, the payment or credit will be on a prorated basis. Upon termination of service, the deposit, any principal amounts, and interest earned and owing will be credited to the final bill, with any remainder refunded to Customer

RESIDENTIAL

- 1) Residential customers are those customers served under Residential Service, Sheet No. 5.
- 2) The deposit for a residential customer is in the amount of \$135.00, which is calculated in accordance with 807 KAR5:006, Section 7(1)(b). For combination gas and electric customers, the total deposit will be \$295.00.
- 3) Company shall retain Customer's deposit for a period not to exceed twelve (12) months, provided Customer has met satisfactory payment and credit criteria.
- 4) If a deposit is held longer than eighteen (18) months, the deposit will be recalculated, at Customer's request, and based on Customer's actual usage. If the deposit on account differs from the recalculated amount by more than \$10.00, Company may collect any underpayment and shall refund any overpayment by check or credit to Customer's bill. No refund will be made if Customer's bill is delinquent at the time of the recalculation.
- 5) If Customer fails to maintain a satisfactory payment or credit record, or otherwise becomes a new or greater credit risk, as determined by Company in its sole discretion, Company may require a new or additional deposit from Customer.

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TERMS AND CONDITIONS

Deposits

GENERAL SERVICE

- 1) General service customers are those customers served under General Service, Sheet No. 10
- 2) The deposit for a general service customer is in the amount of \$220.00, which is calculated in accordance with 807 KAR5:006, Section 7(1)(b).
- 3) Company shall retain Customer's deposit as long as Customer remains on service.
- 4) For a deposit held longer than eighteen (18) months, the deposit will be recalculated, at Customer's request, and based on Customer's actual usage. If the deposit on account differs from the recalculated amount by more than ten percent (10%), Company may collect any underpayment and shall refund any overpayment by check or credit to Customer's bill. No refund will be made if Customer's bill is delinquent at the time of the recalculation.
- 5) If Customer fails to maintain a satisfactory payment or credit record, or otherwise becomes a new or greater credit risk, as determined by Company in its sole discretion, Company may require a new or additional deposit from Customer.

OTHER SERVICE

- 1) The deposit for all other customers, those not classified herein as residential or general service, shall not exceed 2/12 of Customer's actual or estimated annual bill where bills are rendered monthly in accordance with 807 KAR5:006, Section 7(1)(a).
- 2) For customers not meeting the parameters of GENERAL 2), above, Company may retain Customer's deposit as long as Customer remains on service.
- 3) For a deposit held longer than eighteen (18) months, the deposit will be recalculated, at Customer's request, and based on Customer's actual usage. If the deposit on account differs from the recalculated amount by more than ten percent (10%), Company may collect any underpayment and shall refund any overpayment by check or credit to Customer's bill. No refund will be made if Customer's bill is delinquent at the time of the recalculation.
- 4) If Customer fails to maintain a satisfactory payment or credit record, or otherwise becomes a new or greater credit risk, as determined by Company in its sole discretion, Company may require a new or additional deposit from Customer.

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TERMS AND CONDITIONS

Budget Payment Plan

Company's Budget Payment Plan is available to any residential customer or general service customer. Under this plan, a customer may elect to pay, each month, a budgeted amount in lieu of billings for actual usage. A customer may enroll in the plan at any time.

The budgeted amount will be determined by Company, and will be based on one-twelfth of Customer's usage for either an actual or estimated twelve (12) months. The budgeted amount will be subject to review and adjustment by Company at any time during Customer's budget year. If actual usage indicates Customer's account will not be current with the final payment in Customer's budget year, Customer will be required to pay their Budget Payment Plan account to \$0 prior to the beginning of Customer's next budget year.

If Customer fails to pay bills as agreed under the Budget Payment Plan, Company reserves the right to remove Customer from the plan, restore the Customer to regular billing and require immediate payment of any deficiency. A customer removed from the Budget Payment Plan for non-payment may be prohibited from further participation in the plan for twelve (12) months.

Failure to receive a bill in no way exempts Customer from the provisions of these terms and conditions.

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

Louisville Gas and Electric Company

P.S.C. Electric No. 7, Original Sheet No. 104.1

TERMS AND CONDITIONS

Bill Format

Account Number 3000-0216-5900-28 Page 2

GAS CHARGES

Rate Type: GAS RESIDENTIAL		Meter Reading Information	
Customer Charge	8 50	Meter # 499779	
Gas Distribution Charge	2 78	Actual Reading on 06/19	1292
Gas Supply Component (\$1 17652 x 18 ccf)	21 18	Previous Reading on 05/20	1274
		Current ccf Usage	18
Other Charges For Above Rates			
Gas Residential DSM (\$ 01069 x 18 ccf)	0 19	Meter Multiplier	1
Home Energy Assistance Fund Charge	0.15	Metered ccf Usage	18
Total Gas Charges	\$32.80		

OTHER CHARGES

Demand Conservation Credit	(5.00)
Total Other Charges Due	(\$5.00)

BILLING INFORMATION

Late Charge to be Assessed 3 days After Due Date \$3.59

Electric DSM Cost Recovery: This Charge represents costs of Demand-Side Management programs such as energy-conservation initiatives, energy audits, and weather initiatives taken on behalf of customers

IMPORTANT INFORMATION

The power to save. It's in your hands. The amount of electricity you consumed during this billing cycle resulted in the production of approximately 1126 pounds of CO₂. A typical residential customer uses 1,000 kilowatt hours of electricity per month, which would result in the production of 2,000 lbs. of carbon.

You can reduce the impact of these emissions by joining our demand Conservation program, which allows you to help us reduce the need for generating electricity. Visit our website at www.eon-us.com or call 1-866-587-COOL (2665) for more information or to sign up today.

To request a copy of your rate schedule, please call (502) 589-1444

New enrollment only - Please check box(es) below and on front of stub.

- Budget Plan
- Energy Audit
- Automatic Bank Club (voided check must be provided)

Please deduct my Automatic Bank Club Payment from my Checking Account.

I hereby authorize LG&E to debit my bank account for payment of my monthly bill. This authorization applies to all my current and future LG&E accounts, and will remain in effect until revoked by me or LG&E.

Signature: _____

Date: _____

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TERMS AND CONDITIONS

Discontinuance of Service

In accordance with and subject to the rules and regulations of the Public Service Commission of Kentucky, Company shall have the right to refuse or discontinue to serve an applicant or customer under the following conditions:

- A. When Company's or Commission's rules and regulations have not been complied with. However, service may be discontinued or refused only after Company has made a reasonable effort to induce Customer to comply with its rules and then only after Customer has been given at least ten (10) days written notice of such intention, mailed to his last known address.
- B. When a dangerous condition is found to exist on the customer's or applicant's premises. In such case service will be discontinued without notice or refused, as the case might be. Company will notify the customer or applicant immediately of the reason for the discontinuance or refusal and the corrective action to be taken before service can be restored or initiated.
- C. When a customer or applicant refuses or neglects to provide reasonable access and/or easements to and on his premises for the purposes of installation, operation, meter reading, maintenance, or removal of Company's property. Customer shall be given fifteen (15) days written notice of Company's intention to discontinue or refuse service.
- D. When Applicant is indebted to Company for service furnished. Company may refuse to serve until indebtedness is paid.
- E. When customer or applicant does not comply with state, municipal or other codes, rules and regulations applying to such service.
- F. When directed to do so by governmental authority.
- G. Service will not be supplied to any premises if the applicant or customer is indebted to Company for service previously supplied at the same or any other premises until payment of such indebtedness shall have been made. Service will not be continued to any premises if the applicant or customer is indebted to Company for service previously supplied at the same premises in accordance with 807 KAR 5:006, Section 14(1)(f). Unpaid balances of previously rendered Final Bills may be transferred to any account for which the customer has responsibility and may be included on initial or subsequent bills for the account to which the transfer was made. Such transferred Final Bills, if unpaid, will be a part of the past due balance of the account to which they are transferred. When there is no lapse in service, such transferred final bills will be subject to Company's collections and disconnect procedures in accordance with 807 KAR 5:006, Section 14(1)(f). Final Bills transferred following a lapse in service will not be subject to disconnection unless: (1) such service was provided pursuant to a fraudulent application submitted by Customer; (2) Customer and Company have entered into a contractual agreement which allows for such a disconnection; or (3) the current account is subsequently disconnected for service supplied at that point of delivery, at which time, all unpaid and past due balances must be paid prior to reconnect. Company shall have the right to transfer Final Bills between residential and commercial with residential characteristics (e.g., service supplying common use facilities of any apartment building) revenue classifications.

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TERMS AND CONDITIONS

Discontinuance of Service

Service will not be supplied or continued to any premises if at the time of application for service the applicant is merely acting as an agent of a person or former customer who is indebted to Company for service previously supplied at the same or other premises until payment of such indebtedness shall have been made. Service will not be supplied where the applicant is a partnership or corporation whose general partner or controlling stockholder is a present or former customer who is indebted to Company for service previously supplied at the same premises until payment of such indebtedness shall have been made.

- H. For non-payment of bills. Company shall have the right to discontinue service for non-payment of bills after Customer has been given at least ten days written notice separate from his original bill. Cut-off may be effected not less than twenty-seven (27) days after the mailing date of original bills unless, prior to discontinuance, a residential customer presents to Company a written certificate, signed by a physician, registered nurse, or public health officer, that such discontinuance will aggravate an existing illness or infirmity on the affected premises, in which case discontinuance may be effected not less than thirty (30) days from the original date of discontinuance. Company shall notify the customer, in writing, of state and federal programs which may be available to aid in payment of bills and the office to contact for such possible assistance.
- I. For fraudulent or illegal use of service. When Company discovers evidence that by fraudulent or illegal means a customer has obtained unauthorized service or has diverted the service for unauthorized use or has obtained service without same being properly measured, the service to the customer may be discontinued without notice. Within twenty-four (24) hours after such termination, Company shall send written notification to Customer of the reasons for such discontinuance of service and of Customer's right to challenge the termination by filing a formal complaint with the Public Service Commission of Kentucky. Company's right of termination is separate from and in addition to any other legal remedies which the utility may pursue for illegal use or theft of service. Company shall not be required to restore service until Customer has complied with all rules of Company and regulations of the Commission and Company has been reimbursed for the estimated amount of the service rendered and the cost to Company incurred by reason of the fraudulent use.

When service has been discontinued for any of the above reasons, Company shall not be responsible for any damage that may result therefrom.

Discontinuance or refusal of service shall be in addition to, and not in lieu of, any other rights or remedies available to Company.

Company may defer written notice based on Customer's payment history provided Company continues to provide the required ten (10) days written notice prior to discontinuance of service.

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TERMS AND CONDITIONS

Line Extension Plan

A. AVAILABILITY

In all territory served by where Company does not have existing facilities to meet Customer's electric service needs.

B. DEFINITIONS

- 1) "Company" shall mean Louisville Gas and Electric Company
- 2) "Customer" shall mean the applicant for service. When more than one electric service is requested by an applicant on the same extension, such request shall be considered one customer under this plan when the additional service request(s) is only for incidental or minor convenience loads or when the applicant for service is the developer of a subdivision.
- 3) "Line Extension" shall mean the single phase facilities required to serve Customer by the shortest route most convenient to Company from the nearest existing adequate Company facilities to Customer's delivery point, approved by Company, and excluding transformers, service drop, and meters, if required and normally provided to like customers.
- 4) "Permanent Service" shall mean service contracted for under the terms of the applicable rate schedule but not less than one year and where the intended use is not seasonal, intermittent, or speculative in nature.
- 5) "Commission" shall mean the Public Service Commission of Kentucky.

C. GENERAL

- 1) All extensions of service will be made through the use of overhead facilities except as provided in these rules.
- 2) Customer requesting service which requires an extension(s) shall furnish to Company, at no cost, properly executed easement(s) for right-of-way across Customer's property to be served.
- 3) Customer requesting extension of service into a subdivision, subject to the jurisdiction of a public commission, board, committee, or other agency with authority to zone or otherwise regulate land use in the area and require a plat (or Plan) of the subdivision, Customer shall furnish, at no cost, Company with the plat (or plan) showing street and lot locations with utility easement and required restrictions. Plats (or plans) supplied shall have received final approval of the regulating body and recorded in the office of the appropriate County Court Clerk when required. Should no regulating body exist for the area service is to be extended into, Customer shall furnish Company the required easement.
- 4) The title to all extensions, rights-of way, permits, and easements shall be and remain with Company.
- 5) Where Company is required or elects to construct an additional extension or lateral to serve Customer or another customer, Company reserves the right to connect to any extension constructed under this plan and Customer shall grant to Company, at no cost, properly executed easement(s) for right-of-way across Customer's property for the additional extension or lateral.
- 6) Customer must agree in writing to take service when the extension is completed and have his building or other permanent facility wired and ready for connection.
- 7) Nothing herein shall be construed as preventing Company from making electric line extensions under more favorable terms than herein prescribed provided the potential revenue is of such amount and permanency as to warrant such terms and render economically

Date of Issue:

Date Effective: February 6, 2009

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

TERMS AND CONDITIONS Line Extension Plan

C. GENERAL (continued)

feasible the capital expenditure involved and provided such extensions are made to other customers under similar conditions.

- 8) Company may require a non-refundable deposit in cases where Customer does not have a real need or in cases where the estimated revenue does not justify the investment.
- 9) The Company shall not be obligated to extend its lines in cases where such extensions, in the good judgment of Company, would be infeasible, impractical, or contrary to good engineering or operating practice, unless otherwise ordered by Commission.

D. NORMAL LINE EXTENSIONS

- 1) In accordance with 807 KAR 5:041, Section 11(1), Company will provide, at no cost, a line extension of up to 1,000 feet to Customer requesting permanent service where the installed transformer capacity does not exceed 25kVA
- 2) Where Customer requires poly-phase service or transformer capacity in excess of 25kVA and Company provides such facilities, Company may require Customer to pay, in advance, a non-refundable amount for the additional cost to Company in providing facilities above that required in NORMAL LINE EXTENSIONS 1) above.

E. OTHER LINE EXTENSIONS

- 1) In accordance with 807 KAR 5:041, Section 11(2), Company shall provide to Customer requesting permanent service a line extension in excess of 1,000 feet per customer but Company may require the total cost of the footage in excess of 1,000 feet per customer, based on the average cost per foot of the total extension, be deposited with Company by Customer.
- 2) Each year for ten (10) years Company shall refund to Customer, who made the deposit for excess footage, the cost of 1,000 feet of extension for each additional customer connected during that year directly to the original extension for which the deposit was made.
- 3) Each year for ten (10) years Company shall refund to Customer, who made the deposit for excess footage, the cost of 1,000 feet of extension less the length of the lateral or extension for each additional customer connected during that year by a lateral or extension to the original extension for which the deposit was made.
- 4) No refund shall be made for additional customers connected to an extension or lateral from the original extension for which the deposit was made.
- 5) The total amount refunded shall not exceed the amount originally deposited nor shall any refund be made after the ten (10) year refund period ends.
- 6) Where Customer requires poly-phase service or transformer capacity above 25kVA per customer and Company provides such facilities, Company may require Customer to pay, in advance, a non-refundable amount for the additional cost to Company in providing facilities above that required in OTHER LINE EXTENSIONS 1) above.

F. OVERHEAD LINE EXTENSIONS FOR SUBDIVISIONS

- 1) In accordance with 807 KAR 5:041, Section 11(3), Customer desiring service extended for and through a subdivision may be required by Company to deposit the total cost of the extension.
- 2) Each year for ten (10) years Company shall refund to Customer, the cost of 1,000 feet of extension for each additional customer connected during that year directly to the original extension for which the deposit was made.
- 3) The total amount refunded shall not exceed the amount originally deposited nor shall any refund be made after the ten-year refund period ends.

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TERMS AND CONDITIONS
Line Extension Plan

G. MOBILE HOME LINE EXTENSIONS

- 1) Company will make line extensions for service to mobile homes in accordance with 807 KAR 5:041, Section 12, and Commission's Order, dated August 9, 1991, in Case No 91-213,
- 2) Company shall provide, at no cost, a line extension of up to 300 feet to Customer requesting permanent service for a mobile home.
- 3) Company shall provide to Customer requesting permanent service for a mobile home a line extension in excess of 300 feet and up to 1,000 feet but Company may require the total cost of the footage in excess of 300 feet, based on the average cost per foot of the total extension, be deposited with Company by Customer. Beyond 1,000 feet the policies set forth in OTHER LINE EXTENSIONS shall apply
- 4) Each year for four (4) years Company shall refund to Customer equal amounts of the deposit for the extension from 300 feet to 1,000 feet.
- 5) If service is disconnected for sixty (60) days, if the original mobile home is removed and not replaced by another mobile home or a permanent structure in sixty (60) days, the remainder of the deposit is forfeited
- 6) No refund will be made except to the original customer.

H. UNDERGROUND LINE EXTENSIONS

General

- 1) Company will make underground line extensions for service to new residential customers and subdivisions in accordance with 807 KAR 5:041, Section 21.
- 2) In order that Company may make timely provision for materials, and supplies, Company may require Customer to execute a contract for an underground extension under these Terms and Conditions with Company at least six (6) months prior to the anticipated date service is needed and Company may require Customer to deposit with Company at least 10% of any amounts due under the contract at the time of execution. Customer shall deposit the balance of any amounts due under the contract with Company prior to ordering materials or commencement of actual construction by Company of facilities covered by the contract.
- 3) Customer shall give Company at least 120 days written notice prior to the anticipated date service is needed and Company will undertake to complete installation of its facilities at least thirty (30) days prior to that date. However, nothing herein shall be interpreted to require Company to extend service to portions of subdivisions not under active development
- 4) At Company's discretion, Customer may perform a work contribution, to Company's specifications, including but not limited to conduit, setting pads, or any required trenching and backfilling, and Company shall credit amounts due from Customer for underground service by Company's estimated cost for such work contribution.
- 5) Customer will provide, own, operate and maintain all electric facilities on his side of the point of delivery including the service and with the exception of Company's meter.
- 6) The normal point of delivery shall be at a junction device at the corner of the lot nearest Company's facilities. Customer shall bring Customer's service line to a point within 1 1/2 feet of the junction device with a sufficient length of service conductor left coiled above grade for completion of installation and connection by Company.
- 7) In consideration of Customer's underground service, Company shall credit any amounts due under the contract for each service at the rate of \$50.00 or Company's average estimated installed cost for an overhead service whichever is greater.
- 8) Unit charges, where specified herein, are determined from Company's estimate of Company's average unit cost of such construction and the estimated cost differential between underground and overhead distribution systems in representative residential subdivisions.

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TERMS AND CONDITIONS

Line Extension Plan

H. UNDERGROUND EXTENSIONS

General (continued)

- 9) Three phase primary required to supply either individual loads or the local distribution system may be overhead unless Customer chooses underground construction and deposits with Company a non-refundable deposit for the cost differential.

Individual Premises

- 1) Within the City of Louisville underground district or in those cases where Company's engineering or operating convenience requires the construction of an underground extension to an individual premise, the excess of the cost of an underground extension over that of an overhead extension will be at no cost
- 2) In cases other than those specified in 1) above, where Customer requests and Company agrees to supply underground service to an individual premise, Company may require Customer to pay, in advance, a non-refundable amount for the additional cost of the underground extension (including all associated facilities) over the cost of an overhead extension of equivalent capacity.

Medium Density Subdivisions

- 1) A medium density residential subdivision is defined as containing ten or more lots for the construction of new residential buildings each designed for less than five (5)-family occupancy.
- 2) Customer shall provide any required trenching and backfilling or at Company's discretion be required to deposit with Company a non-refundable amount determined by a unit charge of \$4.65 per aggregate lot front-foot along all streets contiguous to the lots to be served through an underground extension.
- 3) The Customer may be required to advance to the Company the Company's full estimated cost of construction of an underground electric distribution extension. Where Customer is required to provide trenching and backfilling, advance will be the Company's full estimate cost of construction. Where Customer is required to deposit with the Company a non-refundable advance in place of trenching and backfilling, advance will be determined by a unit charge of \$18.10 per aggregate lot front-foot along all streets contiguous to the lots to be served through an underground extension.
- 4) Each year for ten (10) years Company shall refund to Customer an amount determined as follows:
 - a. Where customer is required to provide trenching and backfilling, a refund of \$5,000 for each customer connected during that year.
 - b. Where customer is required to provide a non-refundable advance, 500 times the difference in the unit charge advance amount in 3) and the non-refundable unit charge advance in 2) for each customer connected during that year
- 5) In no case shall the refunds provided for herein exceed the amounts deposited less any non-refundable charges applicable to the project nor shall any refund be made after a ten-year refund period ends

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TERMS AND CONDITIONS

Line Extension Plan

H. UNDERGROUND EXTENSIONS (continued)

High Density Subdivisions

- 1) A high density residential subdivision is defined as building complexes consisting of two or more buildings each not more than three stories above grade and each designed for five (5) or more family occupancy.
- 2) Customer shall provide any required trenching and backfilling or at Company's discretion be required to deposit with Company a non-refundable amount for the additional cost of the underground extension (including all associated facilities) over the cost of an overhead extension of equivalent capacity.
- 3) The Customer may be required to advance to the Company the Company's full estimated cost of construction of an underground electric distribution extension.
 - i Company shall refund to Customer any amounts due when permanent service is provided by Company to twenty (20%) percent of the family units in Customer's project
 - ii In no case shall the refunds provided for herein exceed the amounts deposited less any non refundable charges applicable to the project nor shall any refund be made after a ten-year refund period ends

Other Underground Subdivisions

In cases where a particular residential subdivision does not meet the conditions provided for above, Customer requests and Company agrees to supply underground service, Company may require Customer to pay, in advance, a non-refundable amount for the additional cost of the underground extension (including all associated facilities) over the cost of an overhead extension of equivalent capacity.

I. SPECIAL CASES

- 1) Where Customer requests service that is seasonal, intermittent, speculative in nature, at voltages of 34.5kV or greater, or where the facilities requested by Customer do not meet the Terms and Conditions outlines in previous sections of LINE EXTENSION PLAN and the anticipated revenues do not justify the Company's installing facilities required to meet Customer's needs, Company may request Customer deposit with Company a refundable amount to justify Company's investment.
- 2) Each year for ten (10) years, Company shall refund to Customer, an amount calculated by:
 - a Adding the sum of Customer's annual base rate monthly electric demand billing for that year to the sum of the annual base rate monthly electric demand billing of the monthly electric billing for that year of any customer(s), who connects directly to the facilities provided for in this agreement and requiring no further investment by Company
 - b times the refundable amount divided by the estimated total ten-year base rate electric demand billing required to justify the investment.
- 3) The total amount refunded shall not exceed the amount originally deposited nor shall any refund be made after the ten-year refund period ends.

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TERMS AND CONDITIONS

Energy Curtailment and Service Restoration Procedures

PURPOSE

To provide procedures for reducing the consumption of electric energy on the Louisville Gas and Electric Company ("Company") system in the event of a capacity shortage and to restore service following an outage. Notwithstanding any provisions of these Energy Curtailment and Service Restoration Procedures, Company shall have the right to take whatever steps, with or without notice and without liability on Company's part, that Company believes necessary, in whatever order consistent with good utility practices and not on an unduly discriminatory basis, to preserve system integrity and to prevent the collapse of Company's electric system or interconnected electric network or to restore service following an outage. Such actions will be taken giving priority to maintaining service to Company's retail and full requirements customers relative to other sales whenever feasible and as allowed by law.

ENERGY CURTAILMENT PROCEDURE

PRIORITY LEVELS

For the purpose of these procedures, the following Priority Levels have been established:

- I Essential Health and Safety Uses -- to be given special consideration in these procedures shall, insofar as the situation permits, include the following types of use
 - A "Hospitals", which shall be limited to institutions providing medical care to patients.
 - B "Life Support Equipment", which shall be limited to kidney machines, respirators, and similar equipment used to sustain the life of a person.
 - C "Police Stations and Government Detention Institutions", which shall be limited to essential uses required for police activities and the operation of facilities used for the detention of persons.
 - D "Fire Stations", which shall be limited to facilities housing mobile fire-fighting apparatus
 - E "Communication Services", which shall be limited to essential uses required for telephone, telegraph, television, radio and newspaper operations, and operation of state and local emergency services.
 - F "Water and Sewage Services", which shall be limited to essential uses required for the supply of water to a community, flood pumping and sewage disposal.
 - G "Transportation and Defense-related Services", which shall be limited to essential uses required for the operation, guidance control and navigation of air, rail and mass transit systems, including those uses essential to the national defense and operation of state and local emergency services. These uses shall include essential street, highway and signal-lighting services.

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TERMS AND CONDITIONS

Energy Curtailment and Service Restoration Procedures

Although, when practical, these types of uses will be given special consideration when implementing the manual load-shedding provisions of this program, any customer may be affected by rotating or unplanned outages and should install emergency generation equipment if continuity of service is essential. Where the emergency is system-wide in nature, consideration will be given to the use of rotating outages as operationally practicable. In case of customers supplied from two utility sources, only one source will be given special consideration. Also, any other customers who, in their opinion, have critical equipment should install emergency generation equipment.

Company maintains lists of customers with life support equipment and other critical needs for the purpose of curtailments and service restorations. Company, lacking knowledge of changes that may occur at any time in Customer's equipment, operation, and backup resources, does not assume the responsibility of identifying customers with priority needs. It shall, therefore, be Customer's responsibility to notify Company if he has critical needs.

- II. Critical Commercial and Industrial Uses -- Except as described in Section III below, these uses shall include commercial or industrial operations requiring regimented shutdowns to prevent conditions hazardous to the general population, and to energy utilities and their support facilities critical to the production, transportation, and distribution of service to the general population. Company shall maintain a list of such customers for the purpose of curtailments and service restoration.
- III Residential Use -- The priority of residential use during certain weather conditions (for example severe winter weather) will receive precedence over critical commercial and industrial uses. The availability of Company service personnel and the circumstances associated with the outage will also be considered in the restoration of service.
- IV Non-critical commercial and industrial uses
- V. Nonessential Uses -- The following and similar types of uses of electric energy shall be considered nonessential for all customers:
 - A Outdoor flood and advertising lighting, except for the minimum level to protect life and property, and a single illuminated sign identifying commercial facilities when operating after dark
 - B General interior lighting levels greater than minimum functional levels.
 - C Show-window and display lighting.
 - D Parking-lot lighting above minimum functional levels.
 - E Energy use to lower the temperature below 78 degrees during operation of cooling equipment and above 65 degrees during operation of heating equipment
 - F Elevator and escalator use in excess of the minimum necessary for non-peak hours of use.

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TERMS AND CONDITIONS

Energy Curtailment and Service Restoration Procedures

- G Energy use greater than that which is the minimum required for lighting, heating, or cooling of commercial or industrial facilities for maintenance cleaning or business-related activities during non-business hours.

Non-jurisdictional customers will be treated in a manner consistent with the curtailment procedures contained in the service agreement between the parties or the applicable tariff

CURTAILMENT PROCEDURES

In the event Company's load exceeds internal generation, transmission, or distribution capacity, or other system disturbances exist, and internal efforts have failed to alleviate the problem, including emergency energy purchases, the following steps may be taken, individually or in combination, in the order necessary as time permits:

- 1 Customers having their own internal generation capacity will be curtailed, and customers on curtailable contracts will be curtailed for the maximum hours and load allowable under their contract. Nothing in this procedure shall limit Company's rights under the Curtailable Service Rider tariff
- 2 Power output will be maximized at Company's generating units.
- 3 Company use of energy at its generating stations will be reduced to a minimum.
- 4 Company's use of electric energy in the operation of its offices and other facilities will be reduced to a minimum.
- 5 The Kentucky Public Service Commission will be advised of the situation.
- 6 An appeal will be made to customers through the news media and/or personal contact to voluntarily curtail as much load as possible. The appeal will emphasize the defined priority levels as set forth above.
- 7 Customers will be advised through the use of the news media and personal contact that load interruption is imminent.
- 8 Implement procedures for interruption of selected distribution circuits.

SERVICE RESTORATION PROCEDURES

Where practical, priority uses will be considered in restoring service and service will be restored in the order I through IV as defined under PRIORITY LEVELS. However, because of the varieties of unpredictable circumstances which may exist or precipitate outages, it may be necessary to balance specific individual needs with infrastructure needs that affect a larger population. When practical, Company will attempt to provide estimates of repair times to aid customers in assessing the need for alternative power sources and temporary relocations

Date of Issue:

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

**Settlement Agreement Exhibit 6
LG&E Gas Tariffs**

Louisville Gas and Electric Company
220 West Main Street
Louisville, Kentucky

Rates, Terms and Conditions for Furnishing

NATURAL GAS SERVICE

In the sixteen counties of the Louisville, Kentucky, metropolitan area
as depicted on territorial maps as filed with the

**PUBLIC SERVICE COMMISSION
OF KENTUCKY**

Date of Issue

Date Effective
February 6, 2009

Issued by
Lonnie E. Bellar, Vice President
State Regulation and Rates

Louisville Gas and Electric Company

P.S.C. Gas No. 7, Original Sheet No. 1

GENERAL INDEX		
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VFD Volunteer Fire Department Service	7	02-06-09
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PBR Performance-Based Ratemaking Mechanism	87	11-01-05
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Issued By: Lonnie E. Bellar, Vice President, State Regulation and Rates, Louisville, Kentucky

Louisville Gas and Electric Company

P.S.C. Gas No. 7, Original Sheet No. 5

Standard Rate	RGS	
Residential Gas Service		
APPLICABLE		
In all territory served.		
AVAILABILITY OF SERVICE		
Available for residential customers		
RATE		
Customer Charge:	\$9.50 per delivery point per month	I
Plus a Charge Per 100 Cubic Feet:		
Distribution Cost Component	\$0.21349	I
Gas Supply Cost Component	<u>\$0.96425</u>	I
Total Charge Per 100 Cubic Feet	\$1.17774	I
<p>The "Gas Supply Cost Component" as shown above is the cost per 100 cubic feet determined in accordance with the Gas Supply Clause set forth on Sheet No. 85 of this Tariff. The Performance-Based Ratemaking Mechanism, set forth on Sheet No. 87, is included as a component of the Gas Supply Clause as shown on Sheet No. 85 of this Tariff.</p>		
ADJUSTMENT CLAUSES		
The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:		
Demand Side Management Cost Recovery Mechanism	Sheet No. 86	T
Weather Normalization Adjustment	Sheet No. 88	↓
Franchise Fee and Local Tax	Sheet No. 90	↓
School Tax	Sheet No. 91	↓
Home Energy Assistance Program	Sheet No. 92	↓
MINIMUM CHARGE		
The Customer Charge shall be the minimum charge.		
DUE DATE OF BILL		
Customer's payment will be due within twelve (12) days from date of bill		
LATE PAYMENT CHARGE		
If full payment is not received within three (3) days from the due date of the bill, a 5% late payment charge will be assessed on the current month's charges.		
TERMS AND CONDITIONS		
Service will be furnished under Company's Terms and Conditions applicable hereto.		

Date of Issue:

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

Louisville Gas and Electric Company

P.S.C. Gas No. 7, Original Sheet No. 7

Standard Rate	VFD
Volunteer Fire Department Service	
APPLICABLE	
In all territory served.	
AVAILABILITY OF SERVICE	
Available, in accordance with the provisions of KRS 278.172, to any volunteer fire department qualifying for aid under KRS 95A.262. Service under this rate schedule is at the option of the customer with the customer determining whether service will be provided under this schedule or any other schedule applicable to this load.	
DEFINITION	
To be eligible for this rate a volunteer fire department is defined as;	
<ol style="list-style-type: none">1) having at least 12 members and a chief,2) having at least one fire fighting apparatus, and3) half the members must be volunteers.	
RATE	
Customer Charge:	\$9.50 per delivery point per month
Plus a Charge Per 100 Cubic Feet:	
Distribution Cost Component	\$0.21349
Gas Supply Cost Component	<u>\$0.96425</u>
Total Charge Per 100 Cubic Feet	\$1.17774
The "Gas Supply Cost Component" as shown above is the cost per 100 cubic feet determined in accordance with the Gas Supply Clause set forth on Sheet No. 85 of this Tariff. The Performance-Based Ratemaking Mechanism, set forth on Sheet No. 87, is included as a component of the Gas Supply Clause as shown on Sheet No. 85 of this Tariff.	
ADJUSTMENT CLAUSES	
The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:	
Demand Side Management Cost Recovery Mechanism	Sheet No. 86
Weather Normalization Adjustment	Sheet No. 88
Franchise Fee and Local Tax	Sheet No. 90
School Tax	Sheet No. 91
MINIMUM CHARGE	
The Customer Charge shall be the minimum charge.	
DUE DATE OF BILL	
Customer's payment will be due within twelve (12) days from date of bill.	
LATE PAYMENT CHARGE	
If full payment is not received within three (3) days from the due date of the bill, a 5% late payment charge will be assessed on the current month's charges.	
TERMS AND CONDITIONS	
Service will be furnished under Company's Terms and Conditions applicable hereto.	

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Louisville Gas and Electric Company

P.S.C. Gas No. 7, Original Sheet No. 10

Standard Rate	CGS	
Firm Commercial Gas Service		
APPLICABLE		
In all territory served.		
AVAILABILITY OF SERVICE		
Available for commercial customers. As used herein, the term "commercial" applies to any activity engaged primarily in the sale of goods or services including institutions and local, state and federal governmental agencies for uses other than those involving manufacturing.		
RATE		
Customer Charge		
If all of the customer's meters have a capacity < 5000 cf/hr:	\$ 23.00 per delivery point per month	I
If any of the customer's meters have a capacity ≥ 5000 cf/hr:	\$160.00 per delivery point per month	I
Plus a Charge Per 100 Cubic Feet:		
Distribution Cost Component	\$0.17052	I
Gas Supply Cost Component	<u>\$0.96425</u>	I
Total Charge Per 100 Cubic Feet	\$1.13477	I
The "Gas Supply Cost Component" as shown above is the cost per 100 cubic feet determined in accordance with the Gas Supply Clause set forth on Sheet No. 85 of this Tariff. The Performance-Based Ratemaking Mechanism, set forth on Sheet No. 87, is included as a component of the Gas Supply Clause as shown on Sheet No. 85 of this Tariff.		
<u>Off-Peak Pricing Provision:</u>		
The "Distribution Cost Component" applicable to monthly usage in excess of 100,000 cubic feet shall be reduced by \$0.05 per 100 cubic feet during the seven off-peak billing periods of April through October. The first 100,000 cubic feet per month during such period shall be billed at the rate set forth above.		
ADJUSTMENT CLAUSES		
The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:		
Demand Side Management Cost Recovery Mechanism	Sheet No. 86	T
Weather Normalization Adjustment	Sheet No. 88	↓
Franchise Fee and Local Tax	Sheet No. 90	↓
School Tax	Sheet No. 91	↓
MINIMUM CHARGE		
The Customer Charge shall be the minimum charge.		
DUE DATE OF BILL		
Customer's payment will be due within twelve (12) days from date of bill.		
LATE PAYMENT CHARGE		
If full payment is not received within three (3) days from the due date of the bill, a 5% late payment charge will be assessed on the current month's charges.		
TERMS AND CONDITIONS		
Service will be furnished under Company's Terms and Conditions applicable hereto.		

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Louisville Gas and Electric Company

P.S.C. Gas No. 7, Original Sheet No. 15

Standard Rate	IGS	
Firm Industrial Gas Service		
APPLICABLE		
In all territory served.		
AVAILABILITY OF SERVICE		
Available for industrial customers. As used herein, the term "industrial" applies to any activity engaged primarily in a process or processes which create or change raw or unfinished materials into another form or product.		
RATE		
Customer Charge		
If all of the customer's meters have a capacity < 5000 cf/hr:	\$ 23.00 per delivery point per month	I
If any of the customer's meters have a capacity ≥ 5000 cf/hr:	\$160.00 per delivery point per month	I
Plus a Charge Per 100 Cubic Feet:		
Distribution Cost Component	\$0.16524	I
Gas Supply Cost Component	<u>\$0.96425</u>	I
Total Charge Per 100 Cubic Feet	\$1.12949	I
The "Gas Supply Cost Component" as shown above is the cost per 100 cubic feet determined in accordance with the Gas Supply Clause set forth on Sheet No. 85 of this Tariff. The Performance-Based Ratemaking Mechanism, set forth on Sheet No. 87, is included as a component of the Gas Supply Clause as shown on Sheet No. 85 of this Tariff.		
<u>Off-Peak Pricing Provision:</u>		
The "Distribution Cost Component" applicable to monthly usage in excess of 100,000 cubic feet shall be reduced by \$0.05 per 100 cubic feet during the seven off-peak billing periods of April through October. The first 100,000 cubic feet per month during such period shall be billed at the rate set forth above.		
ADJUSTMENT CLAUSES		
The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:		
Demand Side Management Cost Recovery Mechanism	Sheet No. 86	T
Franchise Fee and Local Tax	Sheet No. 90	T
School Tax	Sheet No. 91	T
MINIMUM CHARGE		
The Customer Charge shall be the minimum charge		
DUE DATE OF BILL		
Customer's payment will be due within twelve (12) days from date of bill.		
LATE PAYMENT CHARGE		
If full payment is not received within three (3) days from the due date of the bill, a 5% late payment charge will be assessed on the current month's charges.		
TERMS AND CONDITIONS		
Service will be furnished under Company's Terms and Conditions applicable hereto.		

Date of Issue:

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

Standard Rate	AAGS
As-Available Gas Service	
APPLICABLE	
In all territory served.	
AVAILABILITY OF SERVICE	
This rate schedule is designed to make available to commercial and industrial customers quantities of natural gas that Company may from time to time have available for sale without impairment of service to customers served under other higher priority rate schedules, and which can be supplied from Company's existing distribution system, subject to the special conditions hereinafter set forth.	
This rate shall not be available for gas loads which are predominantly space heating in character. In order to ensure that this rate schedule shall not be available for loads which are predominantly space heating in character and which do not consume substantial quantities of gas throughout the year, customers served hereunder shall be required to consume, when gas is available, at least 50 Mcf each day during each billing cycle at each individual Delivery Point.	
Customers served under Rate G-6 and Rate G-7 as of the first effective date of this Rate AAGS shall have the right to elect service under Rate AAGS, Rate CGS, or Rate IGS. Such Customers that elect to transfer from either Rate G-6 or Rate G-7 to service under Rate AAGS may do so without complying with the requirement set forth above that customers served hereunder shall be required to consume, when gas is available, at least 50 Mcf each day during each billing cycle at each individual Delivery Point. Customers not electing service under either Rate CGS or Rate IGS shall receive service hereunder upon the first effective date hereof, irrespective of the November 1 start-date set forth in "Contract-Term" below.	
COMPANY NOT OBLIGATED TO CONTINUE SERVICE	
Company shall have the right to discontinue the supply of natural gas wholly or in part for such period or periods as, in the sole judgment of Company, may be necessary or advisable to enable it to supply the full gas requirements of its customers served under higher priority rate schedules. Nothing herein shall prevent Company from expanding its obligations under such other rate schedules. Company may decline to accept any additional contracts for service hereunder.	
CONTRACT TERM	
Customers served under Rate AAGS shall enter a written contract with Company more fully described in the Special Terms and Conditions of this rate schedule. The minimum contract term for service hereunder shall be for a period of at least one (1) year and shall commence on November 1 and be effective through the following October 31, and year to year thereafter, unless terminated by either Company or Customer upon prior written notice on or before the April 30 preceding the October 31 termination date.	
Any customer served under Rate CGS or Rate IGS shall provide notice to Company by April 30 of its request for service to be effective commencing on the following November 1.	

Date of Issue:

Date Effective: February 6, 2009

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

Louisville Gas and Electric Company

P.S.C. Gas No. 7, Original Sheet No. 20.1

STANDARD RATE SCHEDULE	AAGS
As-Available Gas Service	
RATE	
Customer Charge:	
\$275.00 per delivery point per month	
Plus a Charge Per Mcf	
Distribution Cost Component	\$ 0.5252
Gas Supply Cost Component	<u>\$ 9.6425</u>
Total Charge Per Mcf	\$10.1677
<p>The "Gas Supply Cost Component" as shown above is the cost per Mcf determined in accordance with the Gas Supply Clause set forth on Sheet Nos. 85 of this Tariff. The Performance-Based Ratemaking Mechanism, set forth on Sheet Nos. 87, is included as a component of the Gas Supply Clause as shown on Sheet No. 85 of this Tariff.</p>	
ADJUSTMENT CLAUSES	
The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:	
Demand Side Management Cost Recovery Mechanism	Sheet No. 86
Franchise Fee and Local Tax	Sheet No. 90
School Tax	Sheet No. 91
PENALTY FOR FAILURE TO INTERRUPT	
<p>Company shall have the right to interrupt sales service under this rate schedule upon eighteen (18) hours' prior notice. Provision of oral notice by telephone to Customer shall be deemed proper notice of interruption of service under this rate schedule.</p>	
<p>In addition to the charges set forth above, if the Customer fails to discontinue the consumption of natural gas at its facility at the conclusion of the eighteen- (18-) hour notice period, Company may charge the Customer the following penalty for each Mcf used during the period of interruption in addition to any other remedy available to Company, including, but not limited to, immediate termination of service under this rate schedule, irrespective of the provisions set forth on "Contract Term", and immediate transfer by Company to either Rate CGS or Rate IGS, as applicable.</p>	
<p>Customer shall be charged a per Mcf penalty charge equal to \$15.00 plus the mid-point price posted in "Gas Daily" for Dominion--South Point on the day to which such interruption of service is applicable, plus any other charges under this rate schedule for such unauthorized usage by Customer that occurs following the conclusion of the eighteen- (18-) hour notice of interruption by Company to Customer.</p>	
<p>If Customer is delivering quantities of gas to Company pursuant to Rate TS during such period of interruption, the charge described in the immediately preceding paragraph shall be applicable only to those quantities used by customer in excess of those being delivered by Customer to Company.</p>	

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Standard Rate	AAGS
As-Available Gas Service	
<p>Company shall not be required to provide service under this rate schedule for any Customer that does not comply with the terms or conditions of this rate schedule. Payment of penalty charges hereunder shall not be considered an <i>exclusive remedy for failure to comply</i> with the notice of interruption, nor shall the payment of such charges be considered a substitute for any other remedy available to Company.</p>	
<p>SPECIAL TERMS AND CONDITIONS</p> <ol style="list-style-type: none"> 1. Service shall be supplied hereunder only at such times and in such volumes as Company, <i>in its sole judgment, determines that gas is available for such service without impairment of service supplied under other rate schedules.</i> 2. Each customer served hereunder shall be required to enter into a written contract specifying, among other things, <i>realistic monthly requirements for gas under this rate schedule.</i> Such volumes shall be used as the basis for apportionment of gas when the total customer requirements exceed the quantity of gas available for service hereunder. 3. The customer shall contract under this rate schedule for a specified quantity of gas stated in terms of maximum required deliveries in Mcf per day. On no day shall Company be obligated to supply gas in excess of such contract quantity. In no case will Company be <i>obligated to supply gas to Customer at greater volumes and greater rates of flow than those historically delivered by Company to Customer.</i> 4. Customer shall discontinue taking service upon applicable notice by Company to do so. 5. No gas service whatsoever to Customer's equipment or process served hereunder shall be supplied or permitted to be taken under any other of Company's gas rate schedules during periods of interruption 6. Upon commencement of service hereunder, Customer shall be required to certify that Customer's alternate fuel facilities are operational and alternate fuel is on site and capable of use. LG&E may, <i>at its discretion, verify such certification through physical inspection of Customer's facility.</i> In the event that Customer does not have alternate fuel facilities, Customer shall certify that the processes which utilize gas delivered hereunder are capable of complete discontinuance of natural gas use. LG&E may request Customer to verify either of the foregoing alternatives on an annual basis on or before October 1 of each year. Failure of Customer to annually certify either of the above alternatives shall result, in the sole discretion of Company, in immediate termination of service under this rate schedule and the immediate transfer to the appropriate firm sales rate schedule, either Rate CGS or Rate IGS. 7. Service hereunder must be supplied through a separate meter and physically isolated from any other service provided by Company under other rate schedules. 8. Company shall not be obligated to install or construct any facilities (other than necessary meters and regulators) in order to provide service hereunder. 	

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

Louisville Gas and Electric Company

P.S.C. Gas No. 7, Original Sheet No. 20.3

Standard Rate

AAGS

As-Available Gas Service

- 9 Any Customer contracting for service hereunder, other than a Customer transferring from either Rate G-6 or Rate G-7 as stipulated above, may be required, in the sole discretion of Company, either prior to electing service hereunder or at anytime thereafter, to have appropriate remote metering devices. The remote metering devices allow Company to monitor the Customer's usage and determine compliance with notice of interruption of service hereunder. The Customer shall be responsible for the cost of the remote metering equipment and the cost of its installation.

Any Customer required to have remote metering as described above shall be responsible for making any necessary modifications to its facilities, including, but not limited to, any modifications of Customer's piping, in order to facilitate the installation and operation of such remote metering.

Any Customer required to have remote metering shall be responsible for providing the necessary and adequate electric and telephone service to provide this metering within thirty (30) days of Company's notice to Customer that such remote metering shall be required. Electric and telephone services installed for this equipment shall conform to Company's specifications. The Customer shall be responsible for maintaining the necessary and adequate electric and telephone service to provide such remote metering.

DUE DATE OF BILL

Customer's payment will be due within twelve (12) days from date of bill

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LATE PAYMENT CHARGE

If full payment is not received within three (3) days from the due date of the bill, a 1% late payment charge will be assessed on the current month's charges

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TERMS AND CONDITIONS

Service will be furnished under Company's Terms and Conditions applicable hereto, to the extent that such Terms and Conditions are not in conflict, nor inconsistent, with the specific provisions hereof

Date of Issue:

Date Effective: February 6, 2009

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

Standard Rate

FT

Firm Transportation Service (Non-Standby)

APPLICABLE

In all territory served

AVAILABILITY OF SERVICE

Available to commercial and industrial customers who consume at least 50 Mcf each day at each individual Delivery Point, have purchased natural gas elsewhere, obtained all requisite authority to transport such gas to Company's system through the system of Company's Pipeline Transporter, and have requested Company to utilize its system to transport, by displacement, such customer-owned gas to Customer's place of utilization. Customers electing to transfer from another service shall notify Company on or before March 31 and execute a contract by April 30 in order to begin receiving service hereunder beginning November 1 of that same year. Any such transportation service hereunder shall be conditioned on Company being granted a reduction in billing demands by its Pipeline Transporter corresponding to the Customer's applicable transportation quantities.

Transportation service hereunder will be subject to the terms and conditions herein set forth and to the availability of adequate capacity on Company's system to perform such service without detriment to its other customers.

CHARACTER OF SERVICE

Transportation service under this rate schedule shall be considered firm from the Receipt Point at Company's interconnection with its Pipeline Transporter ("Receipt Point") to the Delivery Point at the Customer's place of utilization ("Delivery Point"), subject to paragraph 6 of the Special Conditions.

Company's sole obligation hereunder is to redeliver Customer's gas from the Receipt Point to the Delivery Point. Accordingly, Company has no obligation to deliver to the Customer a volume of gas, either daily or monthly, which differs from the volume delivered to Company at the Receipt Point

Company will provide service to meet imbalances only on an as-available basis. For purposes used herein, "Imbalances" are defined as the difference between the volume of gas delivered by the Customer to the Receipt Point and the volume of gas taken by Customer at the Delivery Point. When Company can provide such service, the Utilization Charge for Daily Imbalances shall apply to daily imbalances in excess of ±10% of the delivered volume of gas as set forth herein. Company shall issue an Operational Flow Order as set forth herein during periods when service cannot be provided to meet daily imbalances

RATE

In addition to any and all charges billed directly to Company by other parties related to the transportation of customer-owned gas, and any other charges set forth herein, the following charges shall apply.

Administration Charge: \$230.00 per Delivery Point per month

Distribution Charge Per Mcf: \$0.43

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Date of Issue:

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

Standard Rate	FT
Firm Transportation Service (Non-Standby)	
ADJUSTMENT CLAUSES	
The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:	
Demand Side Management Cost Recovery Mechanism	Sheet No. 86
Franchise Fee and Local Tax	Sheet No. 90
School Tax	Sheet No. 91
DUE DATE OF BILL	
Customer's payment will be due within twelve (12) days from date of bill	
LATE PAYMENT CHARGE	
If full payment is not received within three (3) days from the due date of the bill, a 1% late payment charge will be assessed on the current month's charges.	
IMBALANCES	
Company will calculate on a daily and monthly basis the Customer's imbalance resulting from the difference between the metered usage of the Customer and the volumes that the Customer has delivered into Company's system. This will be calculated as follows:	
$\text{Imbalance} = \text{Metered Usage} - \text{Delivered Volume}$	
Company will also determine the imbalance percentage. This percentage will be calculated as follows:	
$\text{Imbalance \%} = \frac{(\text{Metered Usage} - \text{Delivered Volumes})}{\text{Delivered Volume}}$	
The term daily shall mean the period of twenty-four (24) consecutive hours beginning at 10:00 a m , Eastern Clock Time.	
CASH-OUT PROVISION FOR MONTHLY IMBALANCES	
If the monthly imbalance is negative (an over-delivery into Company's system), Company shall purchase the monthly imbalance from Customer at a price per Mcf which is determined by multiplying the appropriate percentage specified below times the lowest daily mid-point price posted in "Gas Daily" for Dominion South Point during the month in which the imbalance occurred. The appropriate percentage shall be dependent on the Customer's monthly imbalance percentage to be applied as follows:	

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Date of Issue:

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Louisville Gas and Electric Company

P.S.C. Gas No. 7, Original Sheet No. 30.2

Standard Rate	FT
Firm Transportation Service (Non-Standby)	
<p>When Total Net Negative Imbalance Percentage is:</p> <p>0% to ≤5%</p> <p>>5% to ≤10%</p> <p>>10% to ≤15%</p> <p>>15% to ≤20%</p> <p>>20%</p>	<p>The following percentage shall be multiplied by the above-referenced "Gas Daily" price for Dominion South Point:</p> <p>100%</p> <p>90%</p> <p>80%</p> <p>70%</p> <p>60%</p>
<p>If the monthly imbalance is positive (an under-delivery into Company's system), Customer shall be billed for the monthly imbalance from Company at a price per Mcf which is determined by multiplying the appropriate percentage specified below times the highest daily mid-point price posted in "Gas Daily" for Dominion South Point during the month in which the imbalance occurred. The appropriate percentage shall be dependent on the Customer's monthly imbalance percentage to be applied as follows:</p>	
<p>When Total Net Positive Imbalance Percentage is:</p> <p>0% to ≤5%</p> <p>>5% to ≤10%</p> <p>>10% to ≤15%</p> <p>>15% to ≤20%</p> <p>>20%</p>	<p>The following percentage shall be multiplied by the above-referenced "Gas Daily" price for Dominion South Point:</p> <p>100%</p> <p>110%</p> <p>120%</p> <p>130%</p> <p>140%</p>
<p>The monthly imbalance percentages stated above will be used to calculate the cash-out price for imbalances that fall within each category. For example, a Customer with a monthly imbalance percentage of 9% will cash-out at the 0% to 5% price for 5% of the imbalance and at the 5% to 10% price for 4% of the imbalance.</p>	
<p>All such adjustments shall be shown and included on the Customer's monthly bill. The billing of these charges shall not be construed as a waiver by Company of any other rights or remedies it has under law, the regulations of the PSC of Kentucky, or this rate schedule, nor shall it be construed as an exclusive remedy for failure to comply with the provisions of this rate schedule.</p>	
<p>VARIATIONS IN MMBTU CONTENT</p> <p>Changes in billings of the "cash-out" provision caused by variations in the MMBtu content of the gas shall be corrected on the following bill</p>	
<p>UTILIZATION CHARGE FOR DAILY IMBALANCES</p> <p>Should an imbalance exceed ±10% of the delivered volume of gas on any day when an Operational Flow Order (as described below) has not been issued, then Company shall charge the Utilization Charge for Daily Imbalances times the recorded imbalance greater than ±10% of the delivered volume of gas for each daily occurrence. The Utilization Charge for Daily Imbalances is the sum of the following:</p>	

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Louisville Gas and Electric Company

P.S.C. Gas No. 7, Original Sheet No. 30.3

Standard Rate	FT
Firm Transportation Service (Non-Standby)	
Daily Demand Charge:	\$0.2128 per Mcf
Daily Storage Charge:	<u>\$0.1833</u>
Utilization Charge for Daily Imbalances:	\$0.3961 per Mcf
Note: The Daily Demand Charge may change with each filing of the GSCC.	
<p>These charges are in addition to any other charges set forth herein. The Utilization Charge for Daily Imbalances will not be applied to daily imbalances which do not exceed $\pm 10\%$ of the delivered volume. Company shall not have an obligation to provide balancing service for any volumes of gas hereunder.</p>	
OPERATIONAL FLOW ORDERS	
<p>Company shall have the right to issue an Operational Flow Order ("OFO") which will require actions by Customer to alleviate conditions that, in the sole judgment of Company, jeopardize the operational integrity of Company's system required to maintain system reliability. Customer shall be responsible for complying with the directives contained in the OFO.</p>	
<p>Upon issuance of an OFO, Company will direct Customer to comply with one of the following conditions: (a) Customer must take delivery of an amount of natural gas from Company that is no more than the daily amount being delivered by the Pipeline Transporter to Company for Customer; or (b) Customer must take delivery of an amount of natural gas from Company that is no less than the daily amount being delivered by the Pipeline Transporter to Company for Customer. Provision of oral notice by telephone to Customer shall be deemed as proper notice of an OFO. Customer shall respond to an OFO by either adjusting its deliveries to Company's system or its consumption at its facility.</p>	
<p>All volumes taken by Customer in excess of volumes delivered by Pipeline Transporter to Company for Customer in violation of the above "condition (a)" OFO shall constitute an unauthorized receipt by Customer from Company. All volumes taken by Customer less than volumes delivered by Pipeline Transporter to Company for Customer in violation of "condition (b)" OFO shall constitute an unauthorized delivery by Customer to Company. Customer shall be charged a per Mcf charge equal to \$15.00 plus the mid-point price posted in "Gas Daily" for Dominion South Point on the day for which the OFO was violated, plus any other charges under this rate schedule for such unauthorized receipts or deliveries that occur twenty-four (24) hours after notice of the OFO is provided to the Customer or that fall outside the ± 10 percent imbalance tolerance regardless of the notice.</p>	
<p>Company will not be required to provide service under this rate schedule for any Customer that does not comply with the terms or conditions of an OFO. Payment of charges hereunder shall not be considered an exclusive remedy for failure to comply with the OFO, nor shall the payment of such charges be considered a substitute for any other remedy available to Company.</p>	

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Standard Rate

FT

Firm Transportation Service (Non-Standby)

OPTIONAL SALES AND PURCHASE TRANSACTION

Customer may agree to sell its natural gas supplies to Company, and Company may agree to purchase natural gas supplies from Customer under a written contract setting forth specific arrangements of the transaction. If Company purchases natural gas from Customer, such gas will not be redelivered to Customer, and Customer shall discontinue or otherwise interrupt the usage of such natural gas.

RETURN TO FIRM SALES SERVICE

Return to firm sales service is contingent upon the ability of Company to secure the appropriate quantities of gas supply and transportation capacity with Company's Pipeline Transporter, as determined solely by Company.

REMOTE METERING

Remote metering service shall be required as a prerequisite to the Customer obtaining service under this rate schedule. The remote metering devices will allow Company to monitor the Customer's usage on a daily basis and bill the Customer.

The Customer shall be responsible for the cost of this remote metering equipment and the cost of its installation.

The Customer shall be responsible for making any necessary modifications to its facilities, including, but not limited to, any modifications of Customer's piping, in order to facilitate the installation and operation of such remote metering.

The Customer shall be responsible for providing the necessary and adequate electric and telephone service to provide this metering by October 1st of the year that the Customer's Rate FT service becomes effective. Electric and telephone services installed for this equipment shall conform to Company's specifications. The Customer shall be responsible for maintaining the necessary and adequate electric and telephone service to provide this metering.

SPECIAL TERMS AND CONDITIONS

- 1 Service under this rate schedule shall be performed under a written contract between Customer and Company setting forth specific arrangements as to the volumes to be transported by Company for Customer, Delivery Points, methods of metering, timing of receipts and deliveries of gas by Company, and any other matters relating to individual customer circumstances.
- 2 At least ten days prior to the beginning of each month, Customer shall provide Company with a schedule setting forth daily volumes of gas to be delivered into Company's system for Customer's account. Customer shall give Company at least twenty-four hours written notice of any subsequent changes to scheduled deliveries of natural gas flow. Company will not be obligated to utilize its underground storage capacity for purposes of this service.
- 3 In no case will Company be obligated to transport greater quantities hereunder than those specified in the written contract between Customer and Company.

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Standard Rate

FT

Firm Transportation Service (Non-Standby)

4. Volumes of gas transported hereunder will be determined in accordance with Company's measurement base as set forth in the General Rules of this Tariff.
5. All volumes of natural gas transported hereunder shall be of the same quality and meet the same specifications as that delivered to Company by its Pipeline Transporter.
6. Company will have the right to curtail or interrupt the transportation or delivery of gas to any customer hereunder when, in Company's judgment, such curtailment is necessary to enable Company to respond to an emergency or force majeure condition.
7. Should Customer be unable to deliver sufficient volumes of transportation gas to Company's system, Company will not be obligated hereunder to provide standby quantities for purposes of supplying such Customer requirements.
8. Company shall not be required to render service under this rate schedule to any customer that fails to comply with any and all of the terms and conditions of this rate schedule.

TERMS AND CONDITIONS

Service under this rate is subject to Company's Terms and Conditions governing the supply of gas service as incorporated in this Tariff, to the extent that such Terms and Conditions are not in conflict with nor inconsistent with the specific provisions hereof.

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Louisville Gas and Electric Company

P.S.C. Gas No. 7, Original Sheet No. 35

N

Standard Rate	DGGS
Distributed Generation Gas Service	
APPLICABLE In all territory served.	
AVAILABILITY OF SERVICE Available for commercial and industrial customers with a connected load of less than or equal to 8,000 cubic feet per hour that consume natural gas to produce electricity for own use by Customer, for further distribution, for sale in the open market, or for any other purpose. Service hereunder shall be at a single delivery (custody transfer) point. Gas sales service provided hereunder shall be metered and billed separately from gas service provided under any other rate schedule. Sales service hereunder shall be subject to the terms and conditions herein set forth and to the availability of adequate capacity on Company's gas system to perform such service without detriment to its other customers. Availability of gas service under this rate schedule shall be determined by Company on a case-by-case basis, which determination shall be within Company's sole discretion. Company shall not be obligated to make modifications or additions to its gas system to serve loads under this rate schedule.	
CHARACTER OF SERVICE Gas sales service under this rate schedule shall be considered firm.	
RATE In addition to any other charges set forth herein, the following charges shall apply	
Monthly Customer Charge per Delivery Point:	\$160.00
Demand Charge per 100 cubic feet of Monthly Billing Demand:	\$0.9400
Plus a Charge Per 100 Cubic Feet:	
Distribution Cost Component	\$0.02561
Gas Supply Cost Component	<u>\$0.96425</u>
Total Charge Per 100 Cubic Feet	\$0.98986
 The "Gas Supply Cost Component" as shown above is the cost per 100 cubic feet determined in accordance with the Gas Supply Clause set forth on Sheet No. 85 of this Tariff. The Performance-Based Ratemaking Mechanism, set forth on Sheet No. 87, is included as a component of the Gas Supply Clause as shown on Sheet No. 85 of this Tariff. The minimum monthly Demand Charge shall be equal to the Demand Charge per 100 cubic feet times ten (10). The total monthly minimum bill shall be the sum of the minimum monthly Demand Charge and the Monthly Customer Charge.	

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Standard Rate

DGGS

Distributed Generation Gas Service

In no case shall Company be obligated to deliver greater volumes hereunder than those specified in the written contract between Customer and Company. Payment of any and all charges hereunder shall not be considered an exclusive remedy for takes in excess of the maximum daily quantity ("MDQ"), nor shall the payment of such charges be considered a substitute for any other remedy (including, but not limited to, physical discontinuance or suspension of service hereunder) available to Company.

ADJUSTMENT CLAUSES

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

Franchise Fee and Local Tax
School Tax

Sheet No. 90
Sheet No. 91

DUE DATE OF BILL

Customer's payment will be due within twelve (12) days from date of bill.

LATE PAYMENT CHARGE

If full payment is not received within three (3) days from the due date of the bill, a 1% late payment charge will be assessed on the current month's charges.

SPECIAL TERMS AND CONDITIONS

- 1 Service under this rate schedule shall be performed under a written contract between Customer and Company setting forth specific arrangements as to the volumes to be sold by Company to Customer, and any other matters relating to individual customer circumstances
2. The minimum contract term for service hereunder shall be for a period not less than five (5) years commencing from the effective date thereof.
3. Such written contract shall specify the minimum delivery pressure, the maximum hourly rate ("MHR"), and the maximum daily quantity ("MDQ"). The MHR is the maximum hourly gas load in 100 cubic feet that the Customer's installation will require when operating at full capacity. The MDQ shall be twenty-four (24) times the MHR.
- 4 In no case shall Company be obligated to make deliveries hereunder at a pressure greater than thirty (30) psig or the prevailing line pressure, which ever is less.
- 5 Increases in the MDQ may be requested annually by Customer. Customer may request Company to increase the MDQ at least ninety (90) days in advance of the anniversary date of the written contract. Such increases in the MDQ that are acceptable to Company in its sole discretion shall be effective on the anniversary date of the effective date of the written contract.

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Louisville Gas and Electric Company

P.S.C. Gas No. 7, Original Sheet No. 35.2

Standard Rate	DGGS
Distributed Generation Gas Service	
<p>6 In the event that Company is agreeable to the installation of any Company-owned facilities required to serve Customer, such facilities to be installed by Company shall be specified in the written contract and the cost of such facilities and installation thereof shall be paid by Customer to Company.</p>	
TERMS AND CONDITIONS	
<p>Service under this rate is subject to Company's Terms and Conditions governing the supply of gas service as incorporated in this Tariff, to the extent that such Terms and Conditions are not in conflict with nor inconsistent with the specific provisions hereof</p>	

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Date of Issue:
Date Effective: February 6, 2009
Issued By: Lonnie E. Bellar, Vice President, State Regulation and Rates, Louisville, Kentucky

Special Charges

The following charges will be applied uniformly throughout Company's service territory. Each charge, as approved by the Public Service Commission, reflects only that revenue required to meet associated expenses.

RETURNED PAYMENT CHARGE

In those instances where a Customer renders payment to Company which is not honored upon deposit by Company, the Customer will be charged \$10.00 to cover the additional processing costs.

METER TEST CHARGE

Where the test of a meter is performed during normal working hours upon the written request of a Customer, pursuant to 807 KAR 5:006, Section 18, and the results show the meter was not more than two (2) percent fast, the Customer will be charged \$80.00 to cover the test and transportation costs.

DISCONNECTING AND RECONNECTING SERVICE CHARGE

A charge of \$29.00 will be made to cover disconnection and reconnection of gas service when discontinued for non-payment of bills or for violation of Company's Terms and Conditions, such charge to be made before reconnection is effected. If both gas and electric services are reconnected at the same time, the total charge for both services shall be \$29.00. No charge will be made for customers qualifying for service reconnection pursuant to 807 KAR 5:006, Section 15, Winter Hardship Reconnection.

Customers under Gas Rates RGS, CGS and IGS may request and be granted temporary suspension of gas service. In the event of such temporary suspension, Company will make a charge of \$29.00 to cover disconnection and reconnection of gas service, such charge to be made before reconnection is effected. If both gas and electric services are reconnected at the same time, the total charge for both services shall be \$29.00.

INSPECTION CHARGE

With respect to Customer's service line and house line inspections prior to initiation or resumption of gas service, Company will make two such inspections without charge. When more than two trips are necessary to complete the inspections at any one location, a charge of \$135.00 will be made for each additional trip.

CHARGE FOR TEMPORARY AND SHORT TERM SERVICE

The customer shall pay the cost of all material, labor and expense incurred by Company in supplying gas service for any temporary or short term use, in addition to the regular rates for service without pro-rating of rate blocks or minimum charges for service of less than thirty days in a regular meter reading period.

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Louisville Gas and Electric Company

P.S.C. Gas No. 7, Original Sheet No. 50

Standard Rate Rider	TS		
Gas Transportation Service/Standby			
APPLICABLE			
In all territory served			
AVAILABILITY OF SERVICE			
<p>Available to commercial and industrial customers served under Rate CGS and Rate IGS who consume either (a) an average of at least 50 Mcf each day during the billing cycle at each individual Delivery Point, or (b) 50,000 Mcf annually at each individual Delivery Point. Also available to customers served under Rate AAGS who consume at least 50 Mcf each day during the billing cycle at each individual Delivery Point. Customer shall have purchased natural gas elsewhere, and request Company to utilize its system to transport, by displacement, such customer-owned gas to place of utilization. Any transportation service hereunder will be conditioned on Company being able to retain or secure adequate standby quantities of natural gas. In addition, transportation service hereunder will be subject to the terms and conditions herein set forth and to the availability of adequate capacity on Company's system to perform such service without detriment to its other customers.</p>			
RATE			
In addition to any and all charges billed directly to Company by other parties related to the transportation of customer-owned gas, the following charges shall apply:			
Administrative Charge: \$153 00 per Delivery Point per month			
	<u>CGS</u>	<u>IGS</u>	<u>AAGS</u>
Distribution Charge Per Mcf	\$1.7052	\$1.6524	\$0.5252
Pipeline Supplier's Demand Component	1.0143	1.0143	1.0143
Total	\$2.7195	\$2.6667	\$1.5395
<p>The "Distribution Charge" applicable to Rate CGS and IGS monthly quantities in excess of 100 Mcf shall be reduced by \$0.50 per Mcf during the seven off-peak billing periods of April through October. The first 100 Mcf per month during such period shall be billed at the rate set forth above.</p>			
<p>Pipeline Supplier's Demand Component: Average demand cost per Mcf of all gas, including transported gas, delivered to Company by its pipeline supplier as determined from Company's Gas Supply Clause.</p>			
ADJUSTMENT CLAUSES			
The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:			
Demand Side Management Cost Recovery Mechanism	Sheet No. 86		
Franchise Fee and Local Tax	Sheet No. 90		
School Tax	Sheet No. 91		

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Louisville Gas and Electric Company

P.S.C. Gas No. 7, Original Sheet No. 50.1

Standard Rate Rider

TS

Gas Transportation Service/Standby

IMBALANCES

Company will calculate on a monthly basis the Customer's imbalance resulting from the difference between the metered usage of the Customer and the volumes that the Customer has delivered into Company's system. This will be calculated as follows:

$$\text{Imbalance} = \text{Metered Usage} - \text{Delivered Volumes}$$

Company will also determine the imbalance percentage. This percentage will be calculated as follows:

$$\text{Imbalance \%} = \frac{(\text{Metered Usage} - \text{Delivered Volumes})}{\text{Delivered Volumes}}$$

CASH-OUT PROVISION FOR POSITIVE MONTHLY IMBALANCES (STANDBY SERVICE)

Company will provide standby quantities of natural gas hereunder for purposes of supplying Customer's requirements should Customer be unable to obtain sufficient transportation volumes. Such standby service will be provided at the same rates and under the same terms and conditions as those set forth in Company's applicable rate schedule under which it sells gas to Customer.

CASH-OUT PROVISION FOR NEGATIVE MONTHLY IMBALANCES

If the monthly imbalance is negative (an over-delivery into Company's system), Company shall purchase the monthly imbalance from customer at a price per Mcf which is determined by multiplying the appropriate percentage specified below times the lowest daily mid-point price posted in "Gas Daily" for Dominion South Point during the month in which the negative imbalance occurred. The appropriate percentage shall be dependent on the Customer's monthly negative imbalance percentage to be applied as follows:

When Total Net Negative Balance Percentage is:

The following percentage shall be multiplied by the above referenced "Gas Daily" price for Dominion South Point:

0% to ≤5%	100%
>5% to ≤10%	90%
>10% to ≤15%	80%
>15% to ≤20%	70%
>20%	60%

The monthly imbalance percentages stated above will be used to calculate the cash-out price for negative imbalances that fall within each category. For example, a Customer with a

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Louisville Gas and Electric Company

P.S.C. Gas No. 7, Original Sheet No. 50.2

Standard Rate Rider

TS

Gas Transportation Service/Standby

negative monthly imbalance percentage of 9% will cash-out at the 0% to 5% price for 5% of the imbalance and at the 5% to 10% price for 4% of the imbalance.

All such adjustments shall be shown and included on the Customer's bill. The billing of these charges shall not be construed as a waiver by Company of any other rights or remedies it has under law, the regulations of the PSC of Kentucky, or this rate schedule, nor shall it be construed as an exclusive remedy for failure to comply with the provisions of this rate schedule.

Variations in MMBtu Content:

Changes in billings of the "cash-out" provision caused by variations in the MMBtu content of the gas shall be corrected on the following bill.

SPECIAL TERMS AND CONDITIONS

1. Service under this rider shall be performed under a written contract between Customer and Company setting forth specific arrangements as to volumes to be transported by Company for Customer, points of delivery, methods of metering, timing of receipts and deliveries of gas by Company, and any other matters relating to individual customer circumstances.
2. At least ten days prior to the beginning of each month, Customer shall provide Company with a schedule setting forth daily volumes of gas to be delivered into Company's system for Customer's account. Customer shall give Company at least twenty-four (24) hours' prior notice of any subsequent changes to scheduled deliveries.
3. In no case will Company be obligated to supply gas to Customer, including both gas sold to Customer and gas transported hereunder, at greater volumes and greater rates of flow than those historically purchased by Customer from Company.
4. Volumes of gas transported hereunder will be determined in accordance with Company's measurement base as set forth in the General Rules of this Tariff.
5. All volumes of natural gas transported hereunder shall be of the same quality and meet the same specifications as that delivered to Company by its pipeline transporter.
6. Company will have the right to curtail or interrupt the transportation or delivery of gas to any Customer hereunder when, in Company's judgment, such curtailment is necessary to enable Company to respond to an emergency or force majeure condition.
7. Should Customer be unable to deliver sufficient volumes of transportation gas to Company's system, Company will provide standby quantities of natural gas to Customer as set forth in Customer's standard rate schedule CGS, IGS, or AAGS. In the event of an interruption of sales service to a Customer served under Rate AAGS, as provided for in that rate schedule, Company shall continue to deliver quantities of customer-owned natural gas in amounts equal to such quantities being delivered by pipeline transporter for Customer. During such periods of interruption, a Customer served under Rate AAGS shall not take quantities of natural gas in excess of those being delivered to Company on Customer's behalf. If Customer takes natural gas in excess of such quantities, Customer shall be subject to penalties in accordance with Company's Curtailment Rules.

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Louisville Gas and Electric Company

P.S.C. Gas No. 7, Original Sheet No. 50.3

Standard Rate Rider

TS

Gas Transportation Service/Standby

TERMS AND CONDITIONS

Service will be furnished under Company's Terms and Conditions applicable hereto, to the extent that such Terms and Conditions are not in conflict with nor inconsistent with the specific provisions hereof

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Standard Rate Rider	PS-TS
Pooling Service – Rate TS	
APPLICABLE	
In all territory served	
AVAILABILITY OF SERVICE	
Available to "TS Pool Managers"	
For the purpose of this rider a "TS Pool Manager" is defined as an entity which has been appointed by a customer or group of customers served under Rate TS to perform the functions and responsibilities of requesting and receiving information, nominating supply, and other related duties.	
RATE	
In addition to any charges billed directly to TS Pool Manager or Customer as a result of the application of Rate TS or this rider, the following charge shall apply:	
PS-TS Pool Administration Charge: \$75 per customer in TS Pool per month	
CHARACTER OF SERVICE	
Service under this rider allows a TS Pool Manager to deliver to Company, on an aggregated basis, those natural gas supplies that are needed to satisfy the full requirements of one or more standby sales transportation customers that comprise a PS-TS Pool.	
The TS Pool Manager will be responsible for arranging for volumes of transportation gas to meet the daily and monthly requirements of customer(s) in the pool. The Cash-Out Provision of Rate TS shall be applied against the aggregate volume of all customers in a specific pool. The TS Pool Manager will be responsible for the payment of the PS-TS Pool Administration Charge and any Monthly Cash-Out payments incurred by a specific pool as a result of imbalances under Rate TS.	
TERMS AND CONDITIONS	
1. No customer shall participate in a TS Pool that does not individually meet the availability conditions of Rate TS, and no customer shall participate in more than one pool concurrently. Likewise, customers served under As-Available Gas Service Rate AAGS cannot be in the same pool with customers served under other sales rates.	
2. To receive service hereunder, the PS-TS Pool Manager shall enter into a PS-TS Pool Management Agreement with Company and shall submit a PS-TS Application/Agency Agreement for each member of the pool, signed by both Customer and its TS Pool Manager. The PS-TS Pool Management Agreement shall set forth the specific obligations of the TS Pool Manager and Company under this rider. The PS-TS Application/Agency Agreement shall set forth the members of the pool	
The TS Pool Manager shall submit a signed PS-TS Pool Management Agreement and a PS-TS Application/Agency Agreement for each member of the pool at least four (4) weeks prior to the beginning of a billing period when service under this rider shall commence. Company shall notify the TS Pool Manager of the date when service hereunder will commence. A customer who terminates service under this rider or who desires to change TS Pool Managers shall likewise provide Company with a written notice at least four (4) weeks prior to the end of a billing period.	

Date of Issue:

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Standard Rate Rider	PS-TS
Pooling Service – Rate TS	
<p>3. The TS Pool Manager shall upon request of Company agree to maintain a cash deposit, a surety bond, an irrevocable letter of credit, or such other financial instrument satisfactory to Company in order to assure TS Pool Manager's performance of its obligations under the PS-TS Pool Management Agreement. In determining the level of the deposit, bond or other security to be required of a TS Pool Manager, Company shall consider such factors, including, but not limited to, the following: the volume of natural gas to be transported on behalf of PS-TS Pool members, the general credit worthiness of the TS Pool Manager, and the TS Pool Manager's prior credit record with Company, if any. In the event that the TS Pool Manager defaults on its obligations under this rider or the PS-TS Pool Management Agreement, Company shall have the right to use such cash deposit, or the proceeds from such bond, irrevocable letter of credit, or other financial instrument to satisfy TS Pool Manager's obligation hereunder. Specific terms and conditions regarding credit requirements shall be included in the PS-TS Pool Management Agreement. Such credit requirements shall be administered by Company in a non-discriminatory manner.</p> <p>4. The TS Pool Manager shall provide Company with the written consent, in the form of a PS-TS Application/Agency Agreement, of all members to any change in the composition of the pool membership at least four weeks prior to the beginning of the first billing period that would apply to the modified pool. With the consent of the current pool members, the TS Pool Manager may provide written consent in the form of a PS-TS Application/Agency Agreement on behalf of the current pool members to any change in the composition of the pool. Without exception, any new pool member must provide its own written consent in the form of a PS-TS Application/Agency Agreement.</p> <p>5. The PS-TS Pool Management Agreement will be terminated by Company upon four weeks written notice if a TS Pool Manager fails to meet any condition of this rider and/or Rate TS. The PS-TS Pool Management Agreement will also be terminated by Company upon four weeks written notice if the TS Pool Manager has payments in arrears. Written notice of termination of the PS-TS Pool Management Agreement shall be provided both to the TS Pool Manager and to the individual members of the pool by Company.</p> <p>6. Company shall directly bill the TS Pool Manager for the PS-TS Pool Administration Charge, monthly cash-out charges or payments contained in Rate TS. The monthly bill will be rendered at these net charges plus an amount equivalent to 1% thereof, which amount will be deducted provided bill is paid within fifteen (15) days from date of bill. If payment is not made within twenty-seven (27) days from date of bill then the TS Pool Manager will be considered in default.</p> <p>7. Company shall directly bill the individual customers in the pool for all Distribution Charges, Customer Charges, and Administrative Charges as provided for in either Rate TS or Customer's otherwise applicable sales rate schedule to which Rate TS is a Rider</p>	

Date of Issue:

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Standard Rate Rider

PS-FT

Pooling Service – Rate FT

APPLICABLE

In all territory served.

AVAILABILITY OF SERVICE

Available to "FT Pool Managers".

For the purpose of this rider a "FT Pool Manager" is defined as an entity which has been appointed by a customer or group of customers served under Rate FT to perform the functions and responsibilities of requesting and receiving information, nominating supply, and other related duties.

RATE

In addition to any charges billed directly to FT Pool Manager or Customer as a result of the application of Rate FT or this rider, the following charge shall apply:

PS-FT Pool Administration Charge: \$75 per customer in FT Pool per month

CHARACTER OF SERVICE

Service under this rider allows an FT Pool Manager to deliver to Company, on an aggregated basis, those natural gas supplies that are needed to satisfy the full requirements of one or more firm transportation customers that comprise a PS-FT Pool.

The FT Pool Manager will be responsible for arranging for volumes of transportation gas to meet the daily and monthly requirements of customer(s) in the pool. The Daily Utilization Charge, OFO Penalty and Cash-Out Provision of Rate FT shall be applied against the aggregate volume of all customers in a specific pool. The FT Pool Manager will be responsible for the payment of the PS-FT Pool Administration Charge and any Daily Utilization Charges, OFO penalties or Monthly Cash-Out payments incurred by a specific pool as a result of imbalances under Rate FT. For purposes of this rider the Daily Utilization Charge shall apply to daily imbalances that exceed $\pm 5\%$, instead of the $\pm 10\%$ otherwise applicable in Rate FT. Company shall issue an Operational Flow Order as set forth in Rate FT to the FT Pool Manager during periods when service cannot be provided to meet daily imbalances.

TERMS AND CONDITIONS

1. No customer shall participate in an FT Pool that does not individually meet the availability conditions of Rate FT, and no customer shall participate in more than one pool concurrently. Unless a Customer meets the provisions of the Remote Metering requirement under Rate FT, that Customer shall not participate in a pool.
2. To receive service hereunder, the FT Pool Manager shall enter into a PS-FT Pool Management Agreement with Company and shall submit a PS-FT Application/Agency Agreement for each member of the pool, signed by both Customer and its Pool Manager. The PS-FT Pool Management Agreement shall set forth the specific obligations of the FT Pool Manager and Company under this rider. The PS-FT Application/Agency Agreement shall set forth the members of the pool.

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Standard Rate Rider

PS-FT

Pooling Service – Rate FT

The FT Pool Manager shall submit a signed PS-FT Pool Management Agreement and a PS-FT Application/Agency Agreement for each member of the pool at least four (4) weeks prior to the beginning of a billing period when service under this rider shall commence. Company shall notify the FT Pool Manager of the date when service hereunder will commence. A customer who terminates service under this rider or who desires to change FT Pool Managers shall likewise provide Company with a written notice at least four (4) weeks prior to the end of a billing period

- 3 The FT Pool Manager shall upon request of Company agree to maintain a cash deposit, a surety bond, an irrevocable letter of credit, or such other financial instrument satisfactory to Company in order to assure FT Pool Manager's performance of its obligations under the PS-FT Pool Management Agreement. In determining the level of the deposit, bond or other security to be required of an FT Pool Manager, Company shall consider such factors, but not limited to, the following: the volume of natural gas to be transported on behalf of PS-FT Pool members, the general credit worthiness of the FT Pool Manager, and the FT Pool Manager's prior credit record with Company, if any. In the event that the FT Pool Manager defaults on its obligations under this rider or the PS-FT Pool Management Agreement, Company shall have the right to use such cash deposit, or the proceeds from such bond, irrevocable letter of credit, or other financial instrument to satisfy FT Pool Manager's obligation hereunder. Specific terms and conditions regarding credit requirements shall be included in the PS-FT Pool Management Agreement. Such credit requirements shall be administered by Company in a non-discriminatory manner.
- 4 The FT Pool Manager shall provide Company with the written consent, in the form of a PS-FT Application/Agency Agreement, of all members to any change in the composition of the pool membership at least four weeks prior to the beginning of the first billing period that would apply to the modified pool. With the consent of the current pool members, the FT Pool Manager may provide written consent in the form of a PS-FT Application/Agency Agreement on behalf of the current pool members to any change in the composition of the pool. Without exception, any new pool member must provide its own written consent in the form of a PS-FT Application/Agency Agreement.
- 5 The PS-FT Pool Management Agreement will be terminated by Company upon four weeks written notice if an FT Pool Manager fails to meet any condition of this rider and/or Rate FT. The PS-FT Pool Management Agreement will also be terminated by Company upon four weeks written notice if the FT Pool Manager has payments in arrears. Written notice of termination of the PS-FT Pool Management Agreement shall be provided both to the FT Pool Manager and to the individual members of the pool by Company.
- 6 Company shall directly bill the FT Pool Manager for the PS-FT Pool Administration Charge, Utilization Charge for Daily Imbalances, monthly cash-out charges or payments, and unauthorized overrun charges under an OFO contained in Rate FT. The bill will be rendered at these net charges plus an amount equivalent to 1% thereof, which amount will be deducted provided bill is paid within fifteen (15) days from date of bill. If payment is not made within twenty seven (27) days from date of bill, then the FT Pool Manager will be considered in default.
- 7 Company shall directly bill the individual customers in the pool for all Distribution Charges, Administrative Charges, and remote metering charges or payments provided for in Rate FT.

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Standard Rate Rider	EF
Excess Facilities	
<p>APPLICABILITY In all territory served</p>	
<p>AVAILABILITY OF SERVICE This rider is available for nonstandard service facilities which are considered to be in excess of the standard facilities that would normally be provided by Company. This rider does not apply to main extensions or to other facilities which are necessary to provide basic gas service. Company reserves the right to decline to provide service hereunder for any project (a) that exceeds \$100,000 or (b) where Company does not have sufficient expertise to install, operate, or maintain the facilities or (c) where the facilities do not meet Company's safety requirements, or (d) where the facilities are likely to become obsolete prior to the end of the initial contract term. Customers currently being served under the Excess Facilities Rider pursuant to Original Sheet No. 52 of LG&E's Tariff PSC. of Ky. Gas No. 6, shall continue to be served thereunder</p>	
<p>DEFINITION OF EXCESS FACILITIES Excess facilities are equipment and devices which are installed in addition to or in substitution for the normal facilities required to render basic gas service. Applications of excess facilities include, but are not limited to, emergency backup feeds, automatic transfer switches, redundant transformer capacity, and duplicate or check meters.</p>	
<p>LEASED FACILITIES CHARGE Customer shall pay for excess facilities through a contribution in aid of construction, which may take the form of a one-time payment or a Carrying Cost Charge based on the installed cost of the facilities. Company shall provide normal operation and maintenance of the leased facilities. Should the leased facilities suffer catastrophic failure, Customer must provide for replacement or, at Customer's option, terminate the agreement.</p>	
<p><u>Monthly Rates</u></p>	
<p><u>Carrying Cost</u></p>	<p><u>Operating Expenses</u></p>
<p>0.94%</p>	<p>0.68%</p>
<p>The percentage rates are applied to the installed cost of the excess facilities</p>	
<p>PAYMENT The Excess Facilities Charges shall be incorporated with the bill for gas service and will be subject to the same payment provisions.</p>	
<p>TERM OF CONTRACT The initial term of contract to Customer under this schedule shall be not less than five (5) years. The term shall continue automatically until terminated by either party upon at least one (1) month's written notice</p>	

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Louisville Gas and Electric Company

P.S.C. Gas No. 7, Original Sheet No. 85

Adjustment Clause	GSC	
	Gas Supply Clause	
APPLICABLE TO		
All gas sold		
GAS SUPPLY COST COMPONENT (GSCC)		
Gas Supply Cost	\$0.90631	T
Gas Cost Actual Adjustment (GCAA)	0.03654	T
Gas Cost Balance Adjustment (GCBA)	0.01257	T
<i>Refund Factors (RF) continuing for twelve months from the effective date of each or until Company has discharged its refund obligation thereunder:</i>		
Refund Factor Effective August 1, 2006	0.00000	T
Performance-Based Rate Recovery Component (PBRRC)	<u>0.00883</u>	T
Total Gas Supply Cost Component Per 100 Cubic Feet (GSCC)	\$0.96425	T

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Louisville Gas and Electric Company

P.S.C. Gas No. 7, Original Sheet No. 85.1

Adjustment Clause	GSC Gas Supply Clause
<p>The bill amount computed under each of the rate schedules to which this Gas Supply Clause is applicable shall include a Gas Supply Cost Component per 100 cubic feet of consumption calculated for each three-month period in accordance with the following formula:</p>	
$\text{GSCC} = \text{Gas Supply Cost} + \text{GCAA} + \text{GCBA} + \text{RF} + \text{PBRRC}$	
<p>where:</p>	
<p>Gas Supply Cost is the expected average cost per 100 cubic feet for each three-month period determined by dividing the sum of the monthly gas supply costs by the expected deliveries to customers. Monthly gas supply cost is composed of the following:</p>	
<ul style="list-style-type: none">(a) Expected total purchases at the filed rates of Company's wholesale supplier of natural gas, plus(b) Other gas purchases for system supply, minus(c) Portion of such purchase cost expected to be used for non-Gas Department purposes, minus(d) Portion of such purchase cost expected to be injected into underground storage, plus(e) Expected underground storage withdrawals at the average unit cost of working gas contained therein;	
<p>(GCAA) is the Gas Cost Actual Adjustment per 100 cubic feet which compensates for differences between the previous quarter's expected gas cost and the actual cost of gas during that quarter.</p>	
<p>(GCBA) is the Gas Cost Balance Adjustment per 100 cubic feet which compensates for any under- or over-collections which have occurred as a result of prior adjustments.</p>	
<p>(RF) is the sum of the Refund Factors set forth on Sheet No. 85 of this Tariff</p>	
<p>(PBRRC) is the amount per 100 cubic feet calculated pursuant to the Experimental Performance-Based Rate Mechanism contained in the Adjustment Clause PBR. The PBRRC is determined for each 12-month PBR period ended October 31.</p>	
<p>Company shall file a revised Gas Supply Cost Component (GSCC) every three months giving effect to known changes in the wholesale cost of all gas purchases and the cost of gas deliveries from underground storage. Such filing shall be made at least thirty days prior to the beginning of each three-month period and shall include the following information:</p>	
<ul style="list-style-type: none">1 A copy of the tariff rate of Company's wholesale gas supplier applicable to such three-month period.2. A statement, through the most recent three-month period for which figures are available, setting out the accumulated costs recovered hereunder compared to actual gas supply costs recorded on the books	

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Louisville Gas and Electric Company

P.S.C. Gas No. 7, Original Sheet No. 85.2

Adjustment Clause	GSC
Gas Supply Clause	
<p>3. A statement setting forth the supporting calculations of the Gas Supply Cost and the Gas Cost Actual Adjustment (GCAA) and the Gas Cost Balance Adjustment (GCBA) applicable to such three-month period.</p>	
<p>To allow for the effect of Company's cycle billing, each change in the GSCC shall be placed into effect with service rendered on and after the first day of each three-month period.</p>	
<p>In the event that Company receives from its supplier a refund of amounts paid to such supplier with respect to a prior period, Company will make adjustments in the amounts charged to its customers under this provision, as follows:</p>	
<ol style="list-style-type: none">1. The "Refundable Amount" shall be the amount received by Company as a refund less any portion thereof applicable to gas purchased for electric energy production. Such Refundable Amount shall be divided by the number of hundred cubic feet of gas that Company estimates it will sell to its customers during the twelve-month period which commences with implementation of the next Gas Supply Clause filing, thus determining a "Refund Factor "2. Effective with the implementation of the next Gas Supply Clause filing, Company will reduce, by the Refund Factor so determined, the Gas Supply Cost Component that would otherwise be applicable during the subsequent twelve-month period. Provided, however, that the period of reduced Gas Supply Cost Component will be adjusted, if necessary, in order to refund, as nearly as possible, the Refundable Amount3. In the event of any large or unusual refunds, Company may apply to the Public Service Commission of Kentucky for the right to depart from the refund procedure herein set forth	

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Adjustment Clause	DSM
Demand-Side Management Cost Recovery Mechanism	
<p>APPLICABLE In all territory served.</p> <p>AVAILABILITY OF SERVICE This schedule is mandatory to Residential Gas Service Rate RGS, Volunteer Fire Department Service Rate VFD, Firm Commercial Gas Service Rate CGS, Firm Industrial Gas Service Rate IGS, As-Available Gas Service Rate AAGS, Firm Gas Transportation Rate FT, Standby Gas Transportation Rate TS Rider. Any industrial customers who also receive electric service under Industrial Power Service Rate IPS, Industrial Time-of-Day Service ITOD, or Industrial Service Rate IS and have elected not to participate in a demand-side management program hereunder shall not be assessed a charge pursuant to this mechanism.</p> <p>RATE The monthly amount computed under each of the rate schedules to which this Demand-Side Management Cost Recovery Mechanism is applicable shall be increased or decreased by the DSM Cost Recovery Component (DSMRC) at a rate per 100 cubic feet (Ccf) of monthly gas consumption in accordance with the following formula:</p> $\text{DSMRC} = \text{DCR} + \text{DRLS} + \text{DSMI} + \text{DBA}$ <p>Where:</p> <p>DCR = DSM COST RECOVERY The DCR shall include all expected costs which have been approved by the Commission for each twelve-month period for demand-side management programs which have been developed through a collaborative advisory process ("approved programs"). Such program costs shall include the cost of planning, developing, implementing, monitoring, and evaluating DSM programs. Program costs will be assigned for recovery purposes to the rate classes whose customers are directly participating in the program. In addition, all costs incurred by or on behalf of the collaborative process, including but not limited to costs for consultants, employees and administrative expenses, will be recovered through the DCR. Administrative costs that are allocable to more than one rate class will be recovered from those classes and allocated by rate class on the basis of the estimated budget from each program. The cost of approved programs shall be divided by the expected Ccf sales for the upcoming twelve-month period to determine the DCR for such rate class.</p> <p>DRLS = DSM REVENUE FROM LOST SALES Revenues from lost sales due to DSM programs implemented on and after the effective date of this tariff and will be recovered as follows:</p> <ol style="list-style-type: none"> 1. For each upcoming twelve-month period, the estimated reduction in customer usage (in Ccf) as determined for the approved programs shall be multiplied by the non-variable revenue requirement per Ccf for purposes of determining the lost revenue to be recovered hereunder for each customer class. The non-variable revenue requirement is defined as the weighted average price per Ccf of expected Distribution Cost Component billings for the customer classes. 	

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Adjustment Clause	DSM
Demand-Side Management Cost Recovery Mechanism	
<p>2. The lost revenues for each customer class shall then be divided by the estimated class sales (in Ccf) for the upcoming twelve-month period to determine the applicable DRLS surcharge. Recovery of revenues from lost sales calculated for a twelve-month period shall be included in the DRLS for thirty-six (36) months or until implementation of new rates pursuant to a general rate case. For recovery purposes, the lost sales revenues will be assigned to the rate classes whose programs resulted in the lost sales</p>	
<p>Revenues collected hereunder are based on engineering estimates of energy savings, expected program participation and estimated sales for the upcoming twelve-month period. At the end of each such period, any difference between the lost revenues actually collected hereunder and the lost revenues determined after any revisions of the engineering estimates and actual program participation are accounted for shall be reconciled in future billings under the DSM Balance Adjustment (DBA) component.</p>	
<p>A program evaluation vendor will be selected to provide evaluation criteria against which energy savings will be estimated for that program. Each program will be evaluated after implementation and any revision of the original engineering estimates will be reflected in both (a) the retroactive true-up provided for under the DSM Balance Adjustment and (b) the prospective future lost revenues collected hereunder.</p>	
<p>DSMI = DSM INCENTIVE For all Energy Impact Programs except Direct Load Control, the DSM incentive amount shall be computed by multiplying the net resource savings expected from the approved programs which are to be installed during the upcoming twelve-month period times fifteen (15) percent, not to exceed five (5) percent of program expenditures. Net resource savings are defined as program benefits less utility program costs and participant costs where program benefits will be calculated on the basis of the present value of Company's avoided costs over the expected life of the program, and will include both capacity and energy savings. For Energy Education and Direct Load Control Programs, the DSM incentive amount shall be computed by multiplying the annual cost of the approved programs which are to be installed during the upcoming twelve-month period times five (5) percent.</p>	
<p>The DSM incentive amount shall be divided by the expected Ccf sales for the upcoming twelve-month period to determine the DSMI. DSM incentive amounts will be assigned for recovery purposes to the rate classes whose programs created the incentive.</p>	
<p>DBA = DSM BALANCE ADJUSTMENT The DBA shall be calculated on a calendar year basis and is used to reconcile the difference between the amount of revenues actually billed through the DCR, DRLS, DSMI and previous application of the DBA and the revenues which should have been billed, as follows:</p>	

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

Adjustment Clause	DSM
Demand-Side Management Cost Recovery Mechanism	
<p>(1) For the DCR, the balance adjustment amount will be the difference between the amount billed in a twelve-month period from the application of the DCR unit charge and the actual cost of the approved programs during the same twelve-month period.</p> <p>(2) For the DRLS the balance adjustment amount will be the difference between the amount billed during the twelve-month period from application of the DRLS unit charge and the amount of lost revenues determined for the actual DSM measures implemented during the twelve-month period.</p> <p>(3) For the DSMI, the balance adjustment amount will be the difference between the amount billed during the twelve-month period from application of the DSMI unit charge and the incentive amount determined for the actual DSM measures implemented during the twelve-month period.</p> <p>(4) The DBA, the balance adjustment amount will be determined by calculating the difference between the amount billed during the twelve-month period from application of the DBA unit charges and the balance adjustment amount established for the same twelve-month period.</p>	
<p>The balance adjustment amounts determined on the basis of the above paragraphs (1)-(4) shall include interest to be calculated at a rate equal to the average of the "Three-month Commercial Paper Rate" for the immediately preceding twelve-month period. The balance adjustment amounts, plus interest, shall be divided by the expected Ccf sales for the upcoming twelve-month period to determine the DBA for each rate class. DSM balance adjustment amounts will be assigned for recovery purposes to the rate classes to which over- or under-recoveries of DSM amounts were realized.</p> <p>The filing of modifications to the DSMRC which require changes in the DCR component shall be made at least two (2) months prior to the beginning of the effective period for billing. Modifications to other components of the DSMRC shall be made at least thirty (30) days prior to the effective period for billing. Each filing shall include the following information as applicable:</p>	
<p>(1) A detailed description of each DSM program developed by the collaborative process, the total cost of each program over the twelve-month period, an analysis of expected resource savings, information concerning the specific DSM or efficiency measures to be installed, and any applicable studies which have been performed, as available.</p> <p>(2) A statement setting forth the detailed calculation of the DCR, DRLS, DSMI, DBA and DSMRC.</p>	
<p>Each change in the DSMRC shall be placed into effect with bills rendered on and after the effective date of such change.</p>	

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Louisville Gas and Electric Company

P.S.C. Gas No. 7, Original Sheet No. 86.3

Adjustment Clause	DSM
Demand-Side Management Cost Recovery Mechanism	
<u>Monthly Adjustment Factors:</u>	
<u>Residential Rate RGS and Volunteer Fire Department Rate VFD</u>	
	<u>Energy Charge</u>
DSM Cost Recovery Component (DCR):	\$ 0.01044 per Ccf
DSM Revenues from Lost Sales (DRLS):	\$ 0.00091 per Ccf
DSM Incentive (DSMI):	\$ 0.00077 per Ccf
DSM Balance Adjustment (DBA):	<u>\$(0.00059) per Ccf</u>
Total DSMRC for Rates RGS and VFD:	\$ 0.01153 per Ccf
<u>Commercial Customers Served Under Firm Commercial Gas Service Rate CGS, As Available Gas Service Rate AAGS, Rate TS, and Rate FT</u>	
	<u>Energy Charge</u>
DSM Cost Recovery Component (DCR):	\$ 0.00109 per Ccf
DSM Revenues from Lost Sales (DRLS):	\$ 0.00000 per Ccf
DSM Incentive (DSMI):	\$ 0.00004 per Ccf
DSM Balance Adjustment (DBA):	<u>\$(0.00008) per Ccf</u>
Total DSMRC for Rates CGS, AAGS, TS, and FT:	\$ 0.00105 per Ccf

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Date of Issue:
Date Effective: February 6, 2009
Issued By: Lonnie E. Bellar, Vice President, State Regulation and Rates, Louisville, Kentucky

Adjustment Clause	PBR
Experimental Performance Based Rate Mechanism	
APPLICABLE	
To all gas sold	
RATE MECHANISM	
<p>The monthly amount computed under each of the rate schedules to which this Performance Based Ratemaking Mechanism is applicable shall be increased or decreased by the Performance Based Rate Recovery Component (PBRRC) at a rate per 100 cubic feet (Ccf) of monthly gas consumption. Demand costs and commodity costs shall be accumulated separately and included in the Pipeline Supplier's Demand Component and the Gas Supply Cost Component of the Gas Supply Clause (GSC), respectively. The PBRRC shall be determined for each 12-month period ended October 31 during the effective term of this experimental performance based ratemaking mechanism, which 12-month period shall be defined as the PBR period</p>	
<p>The PBRRC shall be computed in accordance with the following formula:</p>	
$\text{PBRRC} = \frac{\text{CSPBR} + \text{BA}}{\text{ES}}$	
Where:	
ES	= Expected Ccf sales, as reflected in Company's GSC filing for the upcoming 12-month period beginning February 1.
CSPBR	= Company Share of Performance Based Ratemaking Mechanism savings or expenses. The CSPBR shall be calculated as follows:
$\text{CSPBR} = \text{TPBRR} \times \text{ACSP}$	
Where:	
TPBRR	= Total Performance Based Ratemaking Results. The TPBRR shall be savings or expenses created during the PBR Period. TPBRR shall be calculated as follows:
$\text{TPBRR} = (\text{GAIF} + \text{TIF} + \text{OSSIF})$	
<u>GAIF</u>	
<p>GAIF = Gas Acquisition Index Factor. The GAIF shall be calculated by comparing the total annual Benchmark Gas Costs (BGC) for system supply natural gas purchases for the PBR period to the total annual Actual Gas Costs (AGC) for system supply natural gas purchases during the same period to determine if any Shared Expenses or Shared Savings exist</p>	
<p>The BGC shall include two benchmark components as follows:</p>	
$\text{BGC} = \text{TABMGCC} + \text{HRF}$	

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Louisville Gas and Electric Company

P.S.C. Gas No. 7, Original Sheet No. 87.1

Adjustment Clause	PBR
Experimental Performance Based Rate Mechanism	
Where:	
<p>TABMGCC represents the Total Annual Benchmark Gas Commodity Costs and is the annual sum of the monthly Benchmark Gas Commodity Costs (BMGCC) of gas purchased for system supply; and</p>	
<p>HRF represents Historical Reservation Fees and is an annual dollar amount equal to Company's average annual supply reservation fees based on the 24-month period ended October 31 immediately preceding the PBR period.</p>	
<p>BMGCC represents Benchmark Gas Commodity Costs and shall be calculated on a monthly basis and accumulated for the PBR period. BMGCC shall be calculated as follows:</p>	
$\text{BMGCC} = \text{Sum } \{[\text{SZFQE}\%i \times (\text{APV} - \text{PEFDCQ}) \times \text{SAI}i]\} + [\text{PEFDCQ} \times \text{DAI}]$	
Where:	
<p>SZFQE% is the Supply Zone Firm Quantity Entitlement Percentage derived from Company's firm entitlements by pipeline and by zone for which indices are posted. The percentage represents the pro-rata portion of Company's firm lateral and mainline receipt point quantity entitlements by zone for each transportation contract by pipeline.</p>	
<p><i>i</i> represents each supply area.</p>	
<p>APV is the actual purchased volumes of natural gas for system supply for the month. The APV shall include purchases necessary to cover retention volumes required by the pipeline as fuel.</p>	
<p>PEFDCQ are the Purchases In Excess of Firm Daily Contract Quantities delivered to Company's city gate. Firm Daily Contract Quantities are the maximum daily contract quantities which Company can deliver to its city gate under its various firm transportation agreements and arrangements.</p>	
<p>SAI is the Supply Area Index factor to be established for each supply area in which Company has firm transportation entitlements used to transport its natural gas purchases and for which price postings are available. The four supply areas are TGT-SL (Texas Gas Transmission - Zone SL), TGT-1 (Texas Gas Transmission - Zone 1), TGPL-0 (Tennessee Gas Pipeline - Zone 0), and TGPL-1 (Tennessee Gas Pipeline - Zone 1).</p>	
<p>The monthly SAI for TGT-SL, TGT-1, TGPL-0 and TGPL-1 shall be calculated using the following formula:</p>	
$\text{SAI} = [I(1) + I(2) + I(3)] / 3$	
<p>DAI is the Delivery Area Index to be established for purchases made by Company when Company has fully utilized its pipeline quantity entitlements on a daily basis and which are for delivery to Company's city gate from either Texas Gas Transmission's Zone 4 or Tennessee Gas Pipeline's Zone 2.</p>	

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Louisville Gas and Electric Company

P.S.C. Gas No. 7, Original Sheet No. 87.2

Adjustment Clause	PBR
Experimental Performance Based Rate Mechanism	
The monthly DAI for TGT-4 and TGPL-2 shall be calculated using the following formula:	
$DAI = [I(1) + I(2) + I(3)] / 3$	
Where:	
I represents each index reflective of both supply area prices and price changes throughout the month in these various supply areas.	
The indices for each supply zone are as follows:	
SAI (TGT-SL)	
I(1) is the average of weekly <i>Natural Gas Week</i> postings for Gulf Coast Onshore Louisiana as Delivered to Pipeline	
I(2) is the average of the daily high and low <i>Gas Daily</i> postings for Louisiana - Onshore South Texas Gas Zone SL averaged for the month.	
I(3) is the <i>Inside FERC's Gas Market Report</i> first-of-the-month posting for Texas Gas Zone SL	
SAI (TGT-1)	
I(1) is the average of weekly <i>Natural Gas Week</i> postings for North Louisiana as Delivered to Pipeline.	
I(2) is the average of the daily high and low <i>Gas Daily</i> postings for East Texas - North Louisiana Area - Texas Gas Entire Zone 1 averaged for the month.	
I(3) is the <i>Inside FERC's Gas Market Report</i> first-of-the-month posting for Texas Gas Zone1.	
SAI (TGPL-0)	
I(1) is the average of weekly <i>Natural Gas Week</i> postings for Gulf Coast Onshore Texas as Delivered to Pipeline.	
I(2) is the average of the daily high and low <i>Gas Daily</i> postings for South - Corpus Christi-Tennessee averaged for the month.	
I(3) is the <i>Inside FERC's - Gas Market Report</i> first-of-the-month posting for Tennessee Zone 0.	

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Adjustment Clause	PBR
Experimental Performance Based Rate Mechanism	
SAI (TGPL-1)	
I(1) is the average of weekly <i>Natural Gas Week</i> postings for Gulf Coast Onshore Louisiana as Delivered to Pipeline.	
I(2) is the average of the daily high and low <i>Gas Daily</i> postings for Louisiana - Onshore South - Tennessee 500 Leg averaged for the month.	
I(3) is the <i>Inside FERC's - Gas Market Report</i> first-of-the-month posting for Tennessee Zone 1.	
DAI (TGT-4) and (TGPL-2)	
I(1) is the average of weekly <i>Natural Gas Week</i> postings for Spot Prices on Interstate Pipeline Systems for Dominion - South.	
I(2) is the average of the daily high and low <i>Gas Daily</i> postings for the Daily Price Survey for Appalachia - Dominion South Point.	
I(3) is the <i>Inside FERC's - Gas Market Report</i> first-of-the-month posting for Prices of Spot Gas Delivered to Pipeline for Dominion Transmission Inc. - Appalachia.	
AGC represents Company's total annual Actual Gas Costs of natural gas purchased for system supply and is equal to the total monthly actual gas commodity costs and supply reservation fees plus the gains and/or losses from the use of financial hedging instruments and the financial transaction costs associated with such instruments paid by Company to its suppliers accumulated for the PBR period. Such costs shall exclude labor-related or other expenses typically classified as operating and maintenance expenses.	
To the extent that AGC exceeds BGC for the PBR period, then the GAIF Shared Expenses shall be computed as follows:	
Shared Expenses = AGC - BGC	
To the extent that AGC is less than BGC for the PBR period, then the GAIF Shared Savings shall be computed as follows:	
Shared Savings = BGC - AGC	

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Louisville Gas and Electric Company

P.S.C. Gas No. 7, Original Sheet No. 87.4

Adjustment Clause	PBR
Experimental Performance Based Rate Mechanism	
<u>TIF</u>	
<p>TIF = Transportation Index Factor. The Transportation Index Factor shall be calculated by comparing the Total Annual Benchmark Monthly Gas Transportation Costs (TABMGTC) of natural gas transportation services during the PBR period, to the Total Annual Actual Gas Transportation Costs (TAAGTC) applicable to the same period to determine if any Shared Expenses or Shared Savings exist</p>	
<p>The Total Annual Benchmark Monthly Gas Transportation Costs (TABMGTC) are calculated as follows:</p>	
TABMGTC = Annual Sum of Monthly BMGTC	
<p>Where:</p>	
<p>BMGTC is the Benchmark Monthly Gas Transportation Costs which include both demand and volumetric costs associated with natural gas pipeline transportation services. The BMGTC shall be accumulated for the PBR period and shall be calculated as follows:</p>	
BMGTC = Sum [BM(TGT) + BM(TGPL) + BM(PPL)]	
<p>Where:</p>	
<p>BM(TGT) is the benchmark associated with Texas Gas Transmission Corporation.</p>	
<p>BM(TGPL) is the benchmark associated with Tennessee Gas Pipeline Company</p>	
<p>BM(PPL) is the benchmark associated with a proxy pipeline. The appropriate benchmark, which will be determined at the time of purchase, will be used to benchmark purchases of transportation capacity from non-traditional sources.</p>	
<p>The benchmark associated with each pipeline shall be calculated as follows:</p>	
<p>BM(TGT) = (TPDR x DQ) + (TPCR x AV) + S&DB</p>	
<p>BM(TGPL) = (TPDR x DQ) + (TPCR x AV) + S&DB</p>	
<p>BM(PPL) = (TPDR x DQ) + (TPCR x AV) + S&DB</p>	
<p>Where:</p>	
<p>TPDR is the applicable Tariffed Pipeline Demand Rate.</p>	

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Louisville Gas and Electric Company

P.S.C. Gas No. 7, Original Sheet No. 87.5

Adjustment Clause

PBR

Experimental Performance Based Rate Mechanism

DQ is the Demand Quantities contracted for by Company from the applicable transportation provider.

TPCR is the applicable Tariffed Pipeline Commodity Rate

AV is the Actual Volumes delivered at Company's city-gate by the applicable transportation provider for the month.

S&DB represents Surcharges, Direct Bills and other applicable amounts approved by the Federal Energy Regulatory Commission (FERC). Such amounts are limited to FERC-approved charges such as surcharges, direct bills, cashouts, take-or-pay amounts, Gas Supply Realignment and other Order 636 transition costs.

The Total Annual Actual Gas Transportation Costs (**TAAGTC**) paid by Company for the PBR period shall include both demand and volumetric costs associated with natural gas pipeline transportation services as well as all applicable FERC-approved surcharges, direct bills and cashouts included in S&DB, plus the gains and/or losses from the use of financial hedging instruments and the financial transaction costs associated with such instruments. Such costs shall exclude labor-related or other expenses typically classified as operating and maintenance expenses

To the extent that TAAGTC exceeds TABMGTC for the PBR period, then the TIF Shared Expenses shall be computed as follows:

$$\text{Shared Expenses} = \text{TAAGTC} - \text{TABMGTC}$$

To the extent that TAAGTC is less than TABMGTC for the PBR period, then the TIF Shared Savings shall be computed as follows:

$$\text{Shared Savings} = \text{TABMGTC} - \text{TAAGTC}$$

Should one of Company's pipeline transporters file a rate change effective during any PBR period and bill such proposed rates subject to refund, the period over which the benchmark comparison is made for the relevant transportation costs will be extended for one or more 12-month periods, until the FERC has approved final settled rates, which will be used as the appropriate benchmark. Company will not share in any of the savings or expenses related to the affected pipeline until final settled rates are approved.

OSSIF

OSSIF = Off-System Sales Index Factor. The Off-System Sales Index Factor shall be equal to the Net Revenue from Off-System Sales (**NR**)

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Louisville Gas and Electric Company

P.S.C. Gas No. 7, Original Sheet No. 87.6

Adjustment Clause	PBR
Experimental Performance Based Rate Mechanism	
Net Revenue is calculated as follows:	
NR = OSREV - OOPC	
Where:	
OSREV is the total revenue associated with off-system sales and storage service transactions.	
OOPC is the out-of-pocket costs associated with off-system sales and storage service transactions, and shall be determined as follows:	
OOPC = OOPC(GC) + OOPC(TC) + OOPC(SC) + OOPC(UGSC) + Other Costs	
Where:	
OOPC(GC) is the Out-of-Pocket Gas Costs associated with off-system sales transactions. For off-system sales utilizing Company's firm supply contracts, the OOPC(GC) shall be the incremental cost to purchase the gas available under Company's firm supply contracts. For off-system sales not using Company's firm supply contracts, the OOPC(GC) shall be the incremental costs to purchase the gas from other entities.	
OOPC(TC) is the Out-of-Pocket Transportation Costs associated with off-system sales transactions. For off-system sales utilizing Company's firm transportation agreements, the OOPC(TC) shall be the incremental cost to use the transportation available under Company's firm supply contracts. For off-system sales not using Company's firm transportation agreements, the OOPC(TC) shall be the incremental costs to purchase the transportation from other entities.	
OOPC(SC) is the Out-of-Pocket Storage Costs associated with off-system sales of storage. If this is gas in Company's own storage it shall be priced at the average price of the gas in Company's storage during the month of the sale. If this is gas from the storage component of Texas Gas's No-Notice Service, this gas shall be priced at the replacement cost	
OOPC(UGSC) is the Out-of-Pocket Underground Storage Costs associated with off-system sales of storage services. For the off-systems sales of storage services utilizing Company's on-system storage, the OOPC(UGSC) shall include incremental storage losses, odorization, and other fuel-related costs such as purification, dehydration, and compression. Such costs shall exclude labor-related expenses	
Other Costs represent all other incremental costs and include, but are not limited to, costs such as applicable sales taxes and excise fees plus the gains and/or losses from the use of financial hedging instruments and the transaction costs associated with such instruments. Such costs shall exclude labor-related or other expenses typically classified as operating and maintenance expenses	

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Adjustment Clause

PBR

Experimental Performance Based Rate Mechanism

ACSP

ACSP = Applicable Company Sharing Percentage. The ACSP shall be determined based on the PTAGSC.

Where:

PTAGSC = Percentage of Total Actual Gas Supply Costs. The PTAGSC shall be the TPBRR stated as a Percentage of Total Actual Gas Supply Costs and shall be calculated as follows:

$$PTAGSC = \frac{TPBRR}{TAGSC}$$

Where:

TAGSC = Total Actual Gas Supply Costs. The TAGSC shall be calculated as follows:

$$TAGSC = AGC + TAAGTC$$

If the absolute value of the PTAGSC is less than or equal to 4.5%, then the ACSP of 25% shall be applied to TPBRR to determine CSPBR. If the absolute value of the PTAGSC is greater than 4.5%, then the ACSP of 25% shall be applied to the amount of TPBRR that is equal to 4.5% of TAGSC to determine a portion of CSPBR, and the ACSP of 50% shall be applied to the amount of TPBRR that is in excess of 4.5% of TAGSC to determine a portion of CSPBR. These two portions are added together to produce the total CSPBR.

BA

BA = Balance Adjustment. The BA is used to reconcile the difference between the amount of revenues billed or credited through the CSPBR and previous application of the BA and revenues which should have been billed or credited, as follows:

- 1) For the CSPBR, the balance adjustment amount will be the difference between the amount billed in a 12-month period from the application of the CSPBR and the actual amount used to establish the CSPBR for the period.
- 2) For the BA, the balance adjustment amount will be the difference between the amount billed in a 12-month period from the application of the BA and the actual amount used to establish the BA for the period.

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Adjustment Clause

PBR

Experimental Performance Based Rate Mechanism

Review

Within 60 days of the end of the fourth year of the five-year extension, Company will file an assessment and review of the PBR mechanism for the first four years of the five-year extension period. In that report and assessment, Company will make any recommended modifications to the PBR mechanism

Date of Issue:

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Adjustment Clause

WNA

Weather Normalization Adjustment Clause Applicable to Rates RGS and CGS

WEATHER NORMALIZATION ADJUSTMENT (WNA)

The sales to Residential and Commercial Customers under Rate Schedules RGS and CGS shall be increased or decreased monthly by an amount hereinafter described as the Weather Normalization Adjustment (WNA).

Determination of WNA

Weather normalized volumes shall be utilized during the November through April billing periods to calculate the non-gas portion of the bills of all heating Customers served under Rate Schedules RGS and CGS. During the remainder of the year, May through October, the bills shall be computed based on actual consumption

Weather Normalization Adjustment will be calculated using the following formula:

$$\text{WNA} = [(\text{Actual Mcf} - \text{Base Load Mcf}) * (\text{Normal Degree Days}/\text{Actual Degree Days})]$$

Each Customer's base load will be determined individually, and will be recomputed annually. Rates used in the computation of the WNA shall be determined based on the applicable base rate charge as set forth on the RGS and CGS Rate Schedules

Date of Issue:

Date Effective: September 27, 2000 Refiled:

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

Adjustment Clause	Franchise Fee
APPLICABILITY	
All gas rate schedules	
MONTHLY CHARGE	
A surcharge shall be calculated and added to the total bill for gas service for all customers located within local governmental jurisdictions which currently or in the future impose municipal franchise fees or other local taxes on the Company by ordinance, franchise, or otherwise. Such fees or taxes shall be net of any corresponding fees or taxes which are currently included in the base charges of each rate schedule.	
The amount calculated shall be applied exclusively to the bills of customers receiving service within the territorial limits of the authority imposing the fee or tax. The fee or tax shall be added to the customer's bill as a separate item. Where more than one such fee or tax is imposed, each of the fees or taxes applicable to each customer shall be added to the bills as separately identified items.	

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Louisville Gas and Electric Company

P.S.C. Gas No. 7, Original Sheet No. 91

Adjustment Clause	ST
School Tax	
<p>APPLICABLE In all territory served.</p> <p>AVAILABILITY OF SERVICE This schedule is applied as a rate increase to all other schedules pursuant to KRS 160.617 for the recovery by the utility of school taxes in any county requiring a utility gross receipts license tax for schools under KRS 160.613.</p> <p>RATE The utility gross receipts license tax imposed by the county but not to exceed 3%</p>	

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Louisville Gas and Electric Company

P.S.C. Gas No. 7, Original Sheet No. 92

Adjustment Clause	HEA
Home Energy Assistance	
APPLICABLE	
In all territory served.	
AVAILABILITY	
To all residential customers	
RATE	
\$0.15 per meter per month.	
BILLING	
The HEA charge shall be shown as a separate item on customer bills	
SERVICE PERIOD	
The Home Energy Assistance charge will be applied to all residential gas bills rendered during the billing cycles commencing October 1, 2007 through September 30, 2012, or as otherwise directed by the Public Service Commission. Proceeds from this charge will be used to fund residential low-income demand-side management Home Energy Assistance programs which have been designed through a collaborative advisory process and then filed with, and approved by, the Commission.	

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Date of Issue:

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TERMS AND CONDITIONS

Customer Bill of Rights

As a residential customer of a regulated public utility in Kentucky, you are guaranteed the following rights subject to Kentucky Revised Statutes and the provisions of the Kentucky Public Service Commission Administrative Regulations:

- You have the right to service, provided you (or a member of your household whose debt was accumulated at your address) are not indebted to the utility.
- You have the right to inspect and review the utility's rates and tariffed operating procedures during the utility's normal office hours.
- You have the right to be present at any routine utility inspection of your service conditions.
- You must be provided a separate, distinct disconnect notice alerting you to a possible disconnection of your service, if payment is not received.
- You have the right to dispute the reasons for any announced termination of your service.
- You have the right to negotiate a partial payment plan when your service is threatened by disconnection for non-payment.
- You have the right to participate in equal, budget payment plans for your natural gas and electric service.
- You have the right to maintain your utility service for up to thirty (30) days upon presentation of a medical certificate issued by a health official.
- You have the right to prompt (within 24 hours) restoration of your service when the cause for discontinuance has been corrected.
- If you have not been disconnected, you have the right to maintain your natural gas and electric service for up to thirty (30) days, you present a Certificate of Need issued by the Kentucky Cabinet for Human Resources between the months of November and the end of March.
- If you have been disconnected due to non-payment, you have the right to have your natural gas or electric service reconnected between the months of November through March provided you:
 - 1) Present a Certificate of Need issued by the Kentucky Cabinet for Human Resources, and
 - 2) Pay one third (1/3) of your outstanding bill (\$200 maximum), and
 - 3) Accept referral to the Human Resources' Weatherization Program, and
 - 4) Agree to a repayment schedule that will cause your bill to become current by October 15.
- You have the right to contact the Public Service Commission regarding any dispute that you have been unable to resolve with your utility (call Toll Free 1-800-772-4636).

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

TERMS AND CONDITIONS

General

COMMISSION RULES AND REGULATIONS

All gas service supplied by Company shall be in accordance with the applicable rules and regulations of the Public Service Commission of Kentucky.

COMPANY TERMS AND CONDITIONS.

In addition to the rules and regulations of the Commission, all gas service supplied by Company shall be in accordance with these Terms and Conditions which shall constitute a part of all applications and contracts for service.

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RATES, TERMS AND CONDITIONS ON FILE

A copy of the rate schedules, terms, and conditions under which gas service is supplied is on file with the Public Service Commission of Kentucky. A copy of such rate schedules, terms and conditions, together with the law, rules, and regulations of the Commission, is available for public inspection in each office of Company where bills may be paid.

ASSIGNMENT

No order for service, agreement or contract for service may be assigned or transferred without the written consent of Company.

RENEWAL OF CONTRACT

If, upon the expiration of any service contract for a specified term, the customer continues to use the service, the contract (unless otherwise provided therein) will be automatically renewed for successive periods of one (1) year each, subject to termination at the end of any year upon thirty (30) days prior written notice by either party.

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AGENTS CANNOT MODIFY AGREEMENT WITHOUT CONSENT OF P.S.C. OF KY.

No agent has power to amend, modify, alter, or waive any of these Terms and Conditions, or to bind Company by making any promises or representations not contained herein.

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SUPERSEDE PREVIOUS TERMS AND CONDITIONS

These Terms and Conditions supersede all terms and conditions under which Company has previously supplied gas service

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Date of Issue:

Date Effective: February 6, 2009

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

TERMS AND CONDITIONS
Customer Responsibilities

APPLICATION FOR SERVICE

A written application or contract, properly executed, may be required before Company is obligated to render gas service. Company shall have the right to reject for valid reasons any such application or contract.

All applications for service shall be made in the legal name of the party desiring the service.

Where an unusual expenditure for construction or equipment is necessary or where the proposed manner of using gas service is clearly outside the scope of Company's standard rate schedules, Company may establish special terms and require special contracts giving effect to such unusual circumstances.

TRANSFER OF APPLICATION

Applications for gas service are not transferable and new occupants of premises will be required to make application for service before commencing the use of gas. Customers who have been receiving gas service shall notify Company when discontinuance of service is desired, and shall pay for all gas service furnished until such notice has been given and final meter readings made by Company.

OPTIONAL RATES

If two or more rate schedules are available for the same class of service, it is Customer's responsibility to determine the options available and to designate the schedule under which he desires to receive service.

Company will, at any time, upon request, advise any Customer as to the most advantageous rate for existing or anticipated service requirements as defined by the Customer, but Company does not assume responsibility for the selection of such rate or for the continuance of the lowest annual cost under the rate selected.

In those cases in which the most favorable rate is difficult to predetermine, the Customer will be given the opportunity to change to another schedule, unless otherwise prevented by the rate schedule under which Customer is currently served, after trial of the schedule originally designated; however, after the first such change, Company shall not be required to make a change in schedule more often than once in twelve months.

From time to time, Customer should investigate his operating conditions to determine a desirable change from one available rate to another. Company, lacking knowledge of changes that may occur at any time in Customer's operating conditions, does not assume responsibility that Customers will at all times be served under the most beneficial rate.

In no event will Company make refunds covering the difference between the charges under the rate in effect and those under any other rate applicable to the same class of service.

CUSTOMER'S EQUIPMENT AND INSTALLATION

Customer shall furnish, install, and maintain at his expense the necessary Customer's Service Line extending from Company's Service Connection at the property line to the building or place of utilization of the gas.

Date of Issue:

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

TERMS AND CONDITIONS
Customer Responsibilities

All piping, appliances, and other gas equipment and apparatus, except the meter and regulator, located on and within the Customer's premises beyond point of connection with Company's Service Connection at the property line shall be furnished and installed by and at the expense of Customer, and shall be maintained by Customer in good and safe condition. Company assumes no responsibility whatsoever for the condition of Customer's piping, apparatus or appliances, nor for the maintenance or renewal of any portion thereof.

OWNER'S CONSENT TO OCCUPY

Customer shall grant easements and rights-of-way on and across Customer's property at no cost to Company.

ACCESS TO PREMISES AND EQUIPMENT

Company shall have the right of access to Customer's premises at all reasonable times for the purpose of installing, meter reading, inspecting, repairing, or removing its equipment used in connection with its supply of gas service or for the purpose of turning on and shutting off the gas supply when necessary and for all other proper purposes. Customer shall not construct or permit the construction of any structure or device which will restrict the access of Company to its equipment for any of the above purposes.

PROTECTION OF COMPANY'S PROPERTY

Customers will be held responsible for tampering, interfering with, breaking of seals of meters, or other equipment of Company installed on Customer's premises, and will be held liable for same according to law. Customer hereby agrees that no one except the employees of Company shall be allowed to make any internal or external adjustments of any meter or any other piece of apparatus which shall be the property of Company.

EXCLUSIVE SERVICE ON INSTALLATION CONNECTED

Gas service shall not be used for purposes other than as set forth in customer's application or contract.

LIABILITY

Customer assumes all responsibility for the gas service upon Customer's premises at and from the point of delivery of gas and for the pipes and equipment used in connection therewith, and will protect and save Company harmless from all claims for injury or damage to persons or property occurring on Customer's premises or at and from the point of delivery of gas, occasioned by such gas or said pipes and equipment, except where said injury or damage will be shown to have been occasioned solely by the negligence of Company.

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TERMS AND CONDITIONS
Customer Responsibilities

NOTICE TO COMPANY OF CHANGES IN CUSTOMER'S LOAD

The service pipes, meters, and appurtenances supplied by Company for the rendition of gas service to its customers have a definite capacity. In the event that Customer contemplates any material increase in his connected load, whether in a single increment or over an extended period, he shall immediately give Company written notice of this fact so as to enable it to enlarge the capacity of such equipment. *In case of failure to give such notice, Customer may be held liable for any damage done to meters, regulators, or other equipment of Company caused by such material increase in Customer's connected load*

PERMITS

Customer shall obtain or cause to be obtained all permits, easements, or certificates, except street permits, necessary to give Company or its agents access to Customer's premises and equipment and to enable its service to be connected therewith. In case Customer is not the owner of the premises or of intervening property between the premises and Company's distribution mains, Customer shall obtain from the proper owner or owners the necessary consent to the installation and maintenance in said premises and across such intervening property of Customer's piping and facilities required for the supply of gas service to Customer. Provided, however, to the extent permits, easements, or certificates are necessary for the installation and maintenance of Company-owned facilities, Company shall obtain the aforementioned consent.

Company shall make or cause to be made application for any necessary street permits, and shall not be required to supply service under Customer's application until a reasonable time after such permits are granted.

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TERMS AND CONDITIONS
Company Responsibilities

METERING

The gas used will be measured by a meter or meters to be furnished and installed by Company at its expense and all bills will be calculated upon the registration of said meters. When service is supplied by Company at more than one delivery point on the same premises, each delivery point will be metered and billed separately on the rate applicable. Meters include all measuring instruments. Meters will be located outside whenever possible. Otherwise, meters will be located as near as possible to the service entrance and on the ground floor of the building, in a clean, dry, safe and easily accessible place, free from vibration, agreed to by Company.

POINT OF DELIVERY OF GAS

The point of delivery of gas supplied by Company shall be at the point where the gas passes from the pipes of Company's Service Connection into Customer's Service Line, irrespective of the location of the metering and regulating equipment

COMPANY'S EQUIPMENT AND INSTALLATION

Company will furnish, install, and maintain at its expense the necessary Service Connection extending from its main to Customer's nearest property line, the location of which Service Connection shall be at the discretion of Company

Company will furnish, install, and maintain at its expense the necessary meter, regulator, and connections appurtenant thereto, which shall be located in accordance with the discretion and judgment of Company. A suitable site or location for such meter and regulation, together with an adequate protective enclosure for the same, if required, shall be provided by Customer. Title to the meter, regulator, and connections shall remain with Company, with the right to install, operate, maintain and remove same. Customer shall protect such property of Company from loss or damage, and no one who is not an agent of Company shall be permitted to remove, damage or tamper with the same. Customer shall execute such reasonable form of easement agreement as may be required by Company.

Notwithstanding the provisions of 807 KAR 5:006, Section 13(4), a reasonable time shall be allowed subsequent to Customer's service application to enable Company to construct or install the facilities required for such service. In order that Company may make suitable provision for enlargement, extension or alteration of its facilities, each applicant for commercial or industrial service shall furnish Company with realistic estimates of prospective gas requirements.

COMPANY NOT LIABLE FOR INTERRUPTIONS

Company will exercise reasonable care and diligence in an endeavor to supply gas service continuously and without interruption, except as provided in the terms of certain rate schedules; however, Company does not guarantee continuous service and shall not be liable for any loss or damage resulting from interruption, reduction, delay or failure of gas service not caused by the willful negligence of Company, or resulting from any cause or circumstance beyond the reasonable control of Company

COMPANY NOT LIABLE FOR DAMAGE ON CUSTOMER'S PREMISES

Company is merely a supplier of gas service delivered at Company's property line, and shall not be liable for and shall be protected and held harmless for any injury or damage to persons or

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TERMS AND CONDITIONS
Company Responsibilities

property of the Customer or of third persons resulting from the presence, use or abuse of gas on the Customer's premises or resulting from defects in or accidents to any of Customer's piping, equipment, apparatus or appliances, or resulting from any cause whatsoever other than the negligence of Company

LIABILITY

In no event shall Company have any liability to the Customer or any other party affected by the gas service to the Customer for any consequential, indirect, incidental, special, or punitive damages, and such limitation of liability shall apply regardless of claim or theory. In addition, to the extent that Company acts within its rights as set forth herein and/or any applicable law or regulation, Company shall have no liability of any kind to the Customer or any other party. In the event that the Customer's use of Company's service causes damage to Company's property or injuries to persons, the Customer shall be responsible for such damage or injury and shall indemnify, defend, and hold Company harmless from any and all suits, claims, losses, and expenses associated therewith.

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TERMS AND CONDITIONS

Character of Service

HEATING VALUE

The gas to be supplied by Company shall be natural gas with a heating value of not less than 1,000 Btu per cubic foot; provided, however, that in the case of a supply emergency, Company reserves the right to supplement its supply of natural gas with a mixture of vaporized liquified petroleum gas and air, in which case the heating value of the gas mixture supplied shall not be less than 1,000 Btu per cubic foot

STANDARD PRESSURE AND MEASUREMENT BASE

The standard distribution pressure of the gas supplied by Company is four ounces per square inch above atmospheric pressure.

Atmospheric pressure shall be assumed in all cases to be 14.5 pounds per square inch and temperature shall be assumed to be 60 degrees Fahrenheit; provided, however, Company reserves the right for billing purposes to correct as necessary the actual temperature to a 60 degree Fahrenheit basis in the case of large volume customers

All gas measured at pressures higher than the standard pressure shall be converted to a pressure base of 14.73 pounds per square inch absolute for billing purposes.

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TERMS AND CONDITIONS

Billing

METER READINGS AND BILLS

Each bill for utility service shall be issued in compliance with 807 KAR 5:006, Section 6.

All bills will be based upon meter readings made in accordance with Company's meter reading schedule. Company, except if prevented by reasons beyond its control, shall read customers meters at least quarterly, except that customer-read meters shall be read at least once during the calendar year.

In the case of opening and closing bills when the total period between regular and special meter readings is less than thirty days, the minimum charges of the applicable rate schedules will be prorated on the basis of the ratio of the actual number of days in such period to thirty days.

When Company is unable to read Customer's meter after reasonable effort, or when Company experiences circumstances which make actual meter readings impossible or impracticable, Customer may be billed on an estimated basis and the billing will be adjusted as necessary when the meter is read.

In the event Company's electric or gas meter fails to register properly by reason of damage, accident, etc., Company shall have the right to estimate Customer's consumption during the period of failure on the basis of such factors as Customer's connected load, heating degree days, and consumption during a previous corresponding period and during a test period immediately following replacement of the defective meter.

Where Company serves a customer with both electric and gas service at the same service location, Company will render a combined bill. Provided, however, a residential customer may request, and Company will render, separate bills under the following conditions: (1) Customer is being threatened with disconnection for non-payment or has already been disconnected for that reason and (2) Customer would be able to pay either the gas or electric portion of his bill and thus retain one service.

Bills are due and payable at the office of Company during business hours, or at other locations designated by Company, within twelve (12) days from date of rendition thereof. If full payment is not received within three (3) days after the due date of the bill, a late payment charge will be assessed on the current month's charges.

Failure to receive a bill does not exempt Customer from these provisions of Company's Terms and Conditions

READING OF SEPARATE METERS NOT COMBINED

For billing purposes, each meter upon Customer's premises will be considered separately and readings of two or more meters will not be combined except where Company's operating convenience requires the installation of two or more meters upon Customer's premises instead of one meter.

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TERMS AND CONDITIONS

Billing

MONITORING OF CUSTOMER USAGE

In order to detect unusual deviations in individual Customer consumption, Company will monitor the usage of each Customer at least once annually. Should an unusual deviation in the Customer's consumption be found which cannot be attributed to a readily identified cause, Company will perform a detailed analysis of the Customer's meter reading and billing records. If the cause for the usage deviation cannot be determined from analysis of the Customer's meter reading and billing records, Company will contact Customer by telephone or in writing to determine whether there have been changes such as different number of household members or work staff, additional or different appliances, changes in business volume, or known leaks in the Customer's service line. Where the deviation is not otherwise explained, Company will test Customer's meter to determine whether it shows an average error greater than 2 percent fast or slow. Company will notify the customers of the investigation, its findings, and any refunds or back-billing in accordance with 807 KAR 5:006, Section 10(4) and (5). In addition to the annual monitoring, Company will immediately investigate usage deviations brought to its attention as a result of its on-going meter reading or billing processes or customer inquiry.

RESALE OF GAS

Gas service furnished under Company's standard application or contract is for the use of Customer only and Customer shall not resell such gas to any other person, firm, or corporation on Customer's premises or for use on any other premises. This does not preclude Customer from allocating Company's billing to Customer to any other person, firm, or corporation provided the sum of such allocations does not exceed Company's billing

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TERMS AND CONDITIONS

Deposits

The Company may require a minimum cash deposit or other guaranty to secure payment of bills except for customers qualifying for service reconnection pursuant to 807 KAR 5:006, Section 15, Winter Hardship Reconnection. The Company may offer customers the option of paying all or a portion of their deposits in installments over a period not to exceed the first four normal billing periods. Service may be refused or discontinued for failure to pay the requested deposit.

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Generally, deposits will be required from all customers not meeting satisfactory credit and payment criteria. Satisfactory credit for customers will be determined by utilizing independent credit sources (primarily utilized with new customers having no prior history with the Company), as well as historic and ongoing payment and credit history with the Company. Examples of independent credit scoring resources include credit scoring services, public record financial information, financial scoring and modeling services, and information provided by independent credit/financial watch services. Satisfactory payment criteria with the Company may be established by paying all bills rendered, having no disconnections for nonpayment, having no late notices, having no defaulted credit arrangements, having no returned payments, having no meter diversion or theft of service.

If a non-residential customer fails to maintain a satisfactory payment or credit record, or otherwise becomes a new or greater credit risk, as determined by the Company in its sole discretion, the Company may require a new or additional deposit from the customer. A new or additional deposit may also be required if the customer's classification of service changes or if there is a substantial change in usage.

Interest on deposits will be calculated at the rate prescribed by law, from the date of deposit, and will be paid annually either by refund or credit to the customer's bills, except that no refund or credit will be made if the customer's bill is delinquent on the anniversary date of the deposit. If interest is paid or credited to the customer's bill prior to twelve (12) months from the date of deposit, the payment or credit will be on a prorated basis. Upon termination of service, the deposit, any principal amounts, and interest earned and owing will be credited to the final bill, with any remainder refunded to the customer.

Residential deposits will be retained for a period not to exceed twelve (12) months, provided the customer has met satisfactory payment and credit criteria. Non-residential deposits will be maintained as long as the customer remains on service.

If a deposit is held longer than eighteen (18) months, the deposit will be recalculated at the customer's request based on the customer's actual usage. If the deposit on account differs from the recalculated amount by more than \$10.00 for a residential customer or 10 percent (10%) for a non-residential customer, the Company may collect any underpayment and shall refund any overpayment by check or credit to the customer's bill. No refund will be made if the customer's bill is delinquent at the time of the recalculation.

DEPOSIT AMOUNT

Residential gas customers will pay a deposit in the amount of \$160.00, which is calculated in accordance with 807 KAR5:006 Section 7(1)(b). For combination gas and electric customers, the total deposit will be \$295.00.

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TERMS AND CONDITIONS

Deposits

Non-residential customers' deposits shall be based upon actual usage of the customer at the same or similar premises for the most recent twelve-month period, if such information is available. If usage information is not available, the deposit will be based on the average bills of similar customers and premises in the system. The deposit amount shall not exceed 2/12 of the customer's actual or estimated annual bill where bills are rendered monthly.

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TERMS AND CONDITIONS

Budget Payment Plan

Company's Budget Payment Plan is available to residential customers and to small commercial customers served under Rates CGS. Small business customers with combined gas and electric services must be served exclusively under General Service Rate GS for their electric service. Under this plan, a customer may elect to pay, each month, a budgeted amount in lieu of billings for actual usage. A customer may enroll in the plan at any time.

The budgeted amount will be determined by Company and will be based on one-twelfth of the customer's usage for either an actual or estimated twelve (12) months. The budgeted amount will be subject to review and adjustment by Company at any time during the customer's budget year. If actual usage indicates the customer's account will not be current with the final payment in the customer's budget year, the customer will be required to pay their Budget Payment Plan account to \$0 prior to the beginning of the customer's next budget year.

If a customer fails to pay bills as agreed under the Budget Payment Plan, Company reserves the right to remove the customer from the plan, restore the customer to regular billing and require immediate payment of any deficiency. A customer removed from the Budget Payment Plan for non-payment may be prohibited from further participation in the Plan for twelve (12) months.

Failure to receive a bill in no way exempts a customer from the provisions of these terms and conditions.

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TERMS AND CONDITIONS

Bill Format

Account Number 3000-0216-5900-28 Page 2

GAS CHARGES

Rate Type: GAS RESIDENTIAL		Meter Reading Information	
Customer Charge	8 50	Meter # 499779	
Gas Distribution Charge	2 78	Actual Reading on 06/19	1292
Gas Supply Component (\$1 17652 x 18 ccf)	21 18	Previous Reading on 05/20	1274
		Current ccf Usage	18
Other Charges For Above Rates			
Gas Residential DSM (\$ 01069 x 18 ccf)	0 19	Meter Multiplier	1
Home Energy Assistance Fund Charge	0 15	Metered ccf Usage	18
Total Gas Charges	\$32 80		

OTHER CHARGES

Demand Conservation Credit	(5.00)
Total Other Charges Due	(\$5.00)

BILLING INFORMATION

Late Charge to be Assessed 3 days After Due Date	\$3 59
Electric DSM Cost Recovery: This Charge represents costs of Demand-Side Management programs such as energy-conservation initiatives, energy audits, and weather initiatives taken on behalf of customers	

IMPORTANT INFORMATION

The power to save. It's in your hands. The amount of electricity you consumed during this billing cycle resulted in the production of approximately 1126 pounds of CO₂. A typical residential customer uses 1,000 kilowatt hours of electricity per month, which would result in the production of 2,000 lbs of carbon.

You can reduce the impact of these emissions by joining our demand Conservation program, which allows you to help us reduce the need for generating electricity. Visit our website at www.eon-us.com or call 1-866-587-COOL (2665) for more information or to sign up today.

To request a copy of your rate schedule, please call (502) 589-1444.

New enrollment only - Please check box(es) below and on front of stub.

- Budget Plan
- Energy Audit
- Automatic Bank Club (voided check must be provided)

Please deduct my Automatic Bank Club Payment from my Checking Account.

I hereby authorize LG&E to debit my bank account for payment of my monthly bill. This authorization applies to all my current and future LG&E accounts, and will remain in effect until revoked by me or LG&E.

Signature: _____

Date: _____

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TERMS AND CONDITIONS
Discontinuance of Service

In accordance with and subject to the rules and regulations of the Public Service Commission of Kentucky, Company shall have the right to refuse, or to discontinue, to serve an applicant or customer under the following conditions:

- A. When Company's or Commission's rules and regulations have not been complied with. However, service may be discontinued or refused only after Company has made a reasonable effort to induce Customer to comply with its rules and then only after Customer has been given at least 10 days written notice of such intention, mailed to his last known address.
- B. When a dangerous condition is found to exist on Customer's or Applicant's premises. In such case service will be discontinued without notice or refused, as the case might be. Company will notify Customer or Applicant immediately of the reason for the discontinuance or refusal and the corrective action to be taken before service can be restored or initiated.
- C. When Customer or Applicant refuses or neglects to provide reasonable access and/or easements to and on his premises for the purposes of installation, operation, meter reading, maintenance, or removal of Company's property. Customer shall be given 15 days written notice of Company's intention to discontinue or refuse service.
- D. When Applicant is indebted to Company for service furnished. Company may refuse to serve until indebtedness is paid.
- E. When Customer or Applicant does not comply with state, municipal or other codes, rules and regulations applying to such service.
- F. When directed to do so by governmental authority.
- G. Service will not be supplied to any premises if Applicant or Customer is indebted to Company for service previously supplied at the same or any other premises until payment of such indebtedness shall have been made. Service will not be continued to any premises if Applicant or Customer is indebted to Company for service previously supplied at the same premises in accordance with 807 KAR 5:006, Section 14(1)(f). Unpaid balances of previously rendered Final Bills may be transferred to any account for which Customer has responsibility and may be included on initial or subsequent bills for the account to which the transfer was made. Such transferred Final Bills, if unpaid, will be a part of the past due balance of the account to which they are transferred. When there is no lapse in service, such transferred Final Bills will be subject to Company's collections and disconnect procedures in accordance with 807 KAR 5:006, Section 14(1)(f). Final Bills transferred following a lapse in service will not be subject to disconnection unless: (1) such service was provided pursuant to a fraudulent application submitted by Customer; (2) Customer and Company have entered into a contractual agreement which allows for such a disconnection; or (3) the current account is subsequently disconnected for service supplied at that point of delivery, at which time, all unpaid and past due balances must be paid prior to reconnect. Company shall have the right to transfer Final Bills between residential and commercial with residential characteristics (e.g., service supplying common use facilities of any apartment building) revenue classifications.

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TERMS AND CONDITIONS

Discontinuance of Service

Service will not be supplied or continued to any premises if at the time of application for service Applicant is merely acting as an agent of a person or former customer who is indebted to Company for service previously supplied at the same or other premises until payment of such indebtedness shall have been made. Service will not be supplied where Applicant is a partnership or corporation whose general partner or controlling stockholder is a present or former customer who is indebted to Company for service previously supplied at the same premises until payment of such indebtedness shall have been made.

- H. For non-payment of bills. Company shall have the right to discontinue service for non-payment of bills after Customer has been given at least ten days written notice separate from his original bill. Cut-off may be effected not less than twenty-seven (27) days after the mailing date of original bills unless, prior to discontinuance, a residential customer presents to Company a written certificate, signed by a physician, registered nurse, or public health officer, that such discontinuance will aggravate an existing illness or infirmity on the affected premises, in which case discontinuance may be effected not less than thirty (30) days from the original date of discontinuance. Company shall notify Customer, in writing, of state and federal programs which may be available to aid in payment of bills and the office to contact for such possible assistance.
- I. For fraudulent or illegal use of service. When Company discovers evidence that by fraudulent or illegal means Customer has obtained unauthorized service or has diverted the service for unauthorized use or has obtained service without same being properly measured, the service to Customer may be discontinued without notice. Within twenty-four (24) hours after such termination, Company shall send written notification to Customer of the reasons for such discontinuance of service and of the customer's right to challenge the termination by filing a formal complaint with the Public Service Commission of Kentucky. Company's right of termination is separate from and in addition to any other legal remedies which the utility may pursue for illegal use or theft of service. Company shall not be required to restore service until Customer has complied with all rules of Company and regulations of the Commission and Company has been reimbursed for the estimated amount of the service rendered and the cost to Company incurred by reason of the fraudulent use.

When service has been discontinued for any of the above reasons, Company shall not be responsible for any damage that may result therefrom.

Discontinuance or refusal of service shall be in addition to, and not in lieu of, any other rights or remedies available to Company.

Company may defer written notice based on Customer's payment history provided Company continues to provide the required ten (10) days written notice prior to discontinuance of service.

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TERMS AND CONDITIONS
Gas Main Extension Rules

1. Company will extend its gas distribution mains at its own expense for a distance of one hundred (100) feet to each bona-fide applicant who agrees in writing to take service within one (1) year after the extension is completed and who has a suitable Customer's Service Line installed and ready for connection provided the following criteria are met:
 - a) *The existing main is of sufficient capacity to properly supply the additional customer(s);*
 - b) The customer(s) contracts to use gas on a continuous basis for one (1) year or more; and,
 - c) The potential consumption and revenue will be of such amount and permanence as to warrant the capital expenditures involved to make the investment economically feasible.
2. Company will extend its gas mains in excess of the above distance provided the applicant for service advances to Company an amount equal to the estimated cost of such excess portion of the extension. Company shall have the right to determine the length of the extension and to specify the pipe size and location of the extension, as well as the timing of its construction.
3. Where funds were advanced in accordance with paragraph 2 for extensions into developed residential neighborhoods and notwithstanding paragraph 1, any customer that subsequently connects to the main during a ten-year period from the effective date of the main extension contract shall advance to Company a pro rata share of the cost of the extension over 100 feet per connected customer.
4. For each new year-round customer connected to an extension in accordance with paragraph 3, Company will refund to the previous applicant(s) who advanced funds an amount equal to the difference between the refundable amount advanced and the amount of the advance so determined for the new applicant.
5. *Company will extend its gas mains to serve a proposed real estate subdivision provided the applicant for such extension advances to Company an amount equal to the estimated cost of the total extension. Company shall have the right to determine the length of the extension and to specify the pipe size and the location of the extension, as well as the timing of its construction.*
6. For each new year-round customer actually connected to the extension within a ten-year period following the effective date of the gas main extension contract, but not to extensions or laterals therefrom, Company will refund to applicant(s) who advanced funds in accordance with paragraph 5 above an amount equal to 100 times the average unit cost per foot of extension advanced by such applicant(s); provided that such refunds shall not exceed, in the aggregate, the amount originally advanced to Company.
7. Company will install at its own expense a service pipe of suitable capacity extending from its gas main to the customer's property line beyond which point all necessary piping shall be installed by and at the expense of the customer and in a manner acceptable to Company.
8. Company will install at its own expense the necessary meter together with the regulator required to convert from medium pressure to service pressure. When a high pressure gas line is tapped to serve a customer or group of customers, Company may charge the customer or customers for the estimated installed cost of the additional high pressure regulator.

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TERMS AND CONDITIONS
Gas Main Extension Rules

9. In the event Company is required to make a further extension of its mains to serve a customer, Company reserves the right to tap any extension constructed under these rules and to make connections from such additional extensions without application of the refunds referred to in paragraph 4 or 6 above.
10. The title to all extensions herein provided for, together with all necessary rights-of-way, permits and easements, shall be and remain in Company.
11. Company shall not be obligated to make service connections or to extend its gas mains in cases where such extensions or connections, in the sole judgment of Company would be infeasible, impractical, or contrary to good operating practice, or where such extensions are not in accordance with the terms of the applicable rate schedule.

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TERMS AND CONDITIONS

Gas Service Restrictions

By Order dated September 5, 1973, in Case Nos. 5829 and 5839, the Public Service Commission of Kentucky authorized Company to incorporate in its gas tariff restrictions on the supply of gas service, occasioned by the inadequacy of gas supplies to meet customer demands. These restrictions have been modified from time to time by tariff filings authorized or approved by the Commission. Uncertainty as to future gas supply makes it necessary that Company continue to exercise control over the addition of gas loads to its system, as set forth in these rules.

1. **GENERAL** Except as specifically provided in these rules, Company will not (a) initiate service to any new customer, location, or service point; (b) permit any commercial customer (including any governmental agency or institution) or any industrial customer to increase its connected load or to expand its gas requirements in any manner; or (c) permit any customer to change to another rate schedule for the purpose of obtaining a higher priority under Company's Tariff.

2. **NEW CUSTOMERS** Until further notice, Company will accept applications for gas service to new customers as set forth below. Main extensions will be made in accordance with the Gas Main Extension Rules contained in this Tariff.
 - (a) **FOR SERVICE UNDER RATES RGS, VFD, CGS, DGGS, IGS, and FT.** Single family dwelling units individually metered. Commercial and industrial customers and multi-family residences served through a single meter. Company will have the right to limit the total connected load to a maximum of 8,000 cubic feet per hour, when in Company's judgment such is necessary in order to enable it to continue to supply reliable service to existing customers. T

 - (b) **FOR SERVICE UNDER OTHER RATE SCHEDULES.** Company may undertake to serve new customers with requirements in excess of those allowable under Rates RGS, VFD, CGS, DGGS, IGS, and FT when in its judgment actual and potential gas supplies are sufficient to enable it to do so. Company will designate the applicable rate schedule under which such service will be supplied. T
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3. **INCREASE IN SERVICE TO EXISTING CUSTOMERS** Until further notice, Company will, upon application, permit increases in the connected gas load or the gas usage of commercial and industrial customers existing as of the effective date of these rules, as follows:
 - (a) **ADDITIONAL SERVICE UNDER RATES RGS, VFD, CGS, DGGS, IGS, and FT.** T
 Company will permit the addition of connected gas loads under Rates RGS, VFD, CGS, DGGS, IGS, and FT. Company will have the right to limit the total connected load to a maximum of 8,000 cubic feet per hour, when in Company's judgment such is necessary in order to enable it to continue to supply reliable service to existing customers. T
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 - (b) **ADDITIONAL SERVICE UNDER OTHER RATE SCHEDULES** Company may undertake to serve existing customers with additional requirements in excess of those allowable under Rates RGS, VFD, CGS, DGGS, IGS, and FT when in its judgment actual and potential gas supplies are sufficient to enable it to do so. Company will designate the applicable rate schedule under which such service will be supplied. T

Date of Issue:

Date Effective: February 6, 2009

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

TERMS AND CONDITIONS
Gas Service Restrictions

4. **LOAD ADDITIONS TO BE AGGREGATED.** Limitations on new or additional gas loads as specified herein refer to the aggregate of loads added subsequent to the effective date of these rules, and not to individual increments made from time to time. T
5. **VOLUMES OF GAS USAGE.** Daily and monthly volumes of gas usage may be established or increased to reflect additions of connected load or increased usage of connected load existing as of the effective date of these rules. For customers subject to curtailment under Company's Curtailment Rules, Monthly Base Period Volumes will be established or adjusted accordingly.
6. **TRANSFERS BETWEEN LOCATIONS.** Company may permit any customer to transfer his own gas entitlement from one location to another; provided, however, that transfers of service cannot be aggregated so as to exceed the limitations on connected load set forth in Paragraphs 2 and 3 above with respect to Rates RGS, VFD, CGS, DGGS, IGS, and FT. T
7. **PRIORITY CONSIDERATIONS.** If at any time, Company is required to select among applicants for service as provided for in Paragraphs 2(b) or 3(b) above, it will, to the extent practicable, observe the following priorities in the order named:
- (a) Schools, hospitals and similar institutions.
 - (b) Other commercial establishments
 - (c) Industrial process and feedstock uses.
 - (d) Other industrial applications
8. **LAPSE OF APPLICATIONS.** If any applicant for new or increased service under these rules is not ready to take such service within twelve (12) months from the date of application, such application shall be void. Any reapplication shall be subject to Company's rules in effect at the time thereof.
9. Applicants may make application for gas service beyond that provided for in these rules, to be initiated at such time as these rules may be terminated or modified so as to enable Company to provide the service applied for. Company will file such applications in the order of receipt and dispose of them as circumstances dictate.

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TERMS AND CONDITIONS

Curtailment Rules

These rules are established to govern LG&E's available supply of gas to sales and transportation customers during periods of shortage or substantial reduction in the gas available to LG&E. These rules are designed to provide for curtailment or discontinuance of service made necessary by a deficiency in gas supply, capacity, or unforeseen emergency circumstances. These rules are designed to enable LG&E to continue to supply reliable gas service for residential and other human welfare purposes. These rules shall apply and continue in effect until lawfully modified or superseded under the regulatory jurisdiction of the Public Service Commission of Kentucky.

1 DEFINITIONS (for Purposes of these Rules).

COMMERCIAL CUSTOMERS: Customers engaged primarily in the sale of goods or services, including institutions and local, state and Federal governmental agencies, for uses other than those involving manufacturing.

INDUSTRIAL CUSTOMERS: Customers engaged primarily in a process or processes which create or change raw or unfinished materials into another form or product, including, but not limited to, the generation of electric power.

SMALL INDUSTRIAL CUSTOMER: Any industrial customer whose aggregate of twelve Monthly Base Period Volumes is 10,000 Mcf or less.

LARGE INDUSTRIAL CUSTOMER: Any industrial customer whose aggregate of twelve Monthly Base Period Volumes exceeds 10,000 Mcf.

PILOT LIGHT REQUIREMENTS: Gas used on either a continuous or intermittent basis only for the ignition of the fuel in the main burner; does not include any gas used to preheat or atomize solid or liquid fuels.

BASE PERIOD: The twelve (12) months ending on the October 31 preceding the calendar year which is the subject of the implementation of any curtailments hereunder.

MONTHLY BASE PERIOD VOLUMES: Monthly volumes assigned to each customer determined from its gas consumption during the Base Period.

AUTHORIZED MONTHLY VOLUME: The volume of gas authorized to be taken during a month and determined by deducting from the Monthly Base Period Volume the curtailment amount applicable for the month.

Some Customers may have usage falling within more than one (1) of the above categories; as such, these customers may be required to segregate their total usage accordingly.

2 COMBINATION OF AUTHORIZED MONTHLY VOLUMES. Subject to a written application by a customer and acceptance thereof by LG&E, LG&E may permit any customer served through more than one point of delivery at any location, or any person, corporation or entity served with gas at more than one location, to take gas through the points or at the locations of its choosing, provided that the gas so taken will not exceed the combined Authorized Monthly Volumes applicable to such points of delivery, and provided that only volumes purchased under rate schedules subject to Pro-Rata Curtailment may be so combined. Gas taken through each individual point of delivery will be billed at the rate applicable to such point of delivery.

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TERMS AND CONDITIONS
Curtailment Rules

The right to combine Authorized Monthly Volumes as herein described is limited to individual customers or individual persons, corporations or entities and such right will not extend to similar combinations between or among unrelated customers. Nor shall such combinations be employed by any customer for the purpose of obtaining a lower overall cost of gas.

Provided, however, in the case of Industrial Customers provided with sales service under Rate IGS or Special Contracts, which have requested and received approval to combine Authorized Monthly Volumes, Monthly Base Period Volumes for such combined Industrial Customers must aggregate to not less than 10,000 Mcf for a twelve-month period and such combination shall be treated as a Large Industrial Customer for the purpose of implementing either Pro-Rata or Emergency Curtailment.

For the purpose of assessment of penalties, the point of delivery will be considered on a combined basis, so that the actual combined takes will be measured against combined Authorized Monthly Volumes. It will be the responsibility of any applicant for this treatment to advise LG&E in writing as to the party or entity to be held accountable for the payment of such penalty.

3. PRO-RATA CURTAILMENT. In order to meet seasonal and daily sendout requirements, to preserve underground storage deliverability, and to provide for adequate and timely underground storage injections, LG&E will implement pro-rata curtailment with respect to the classes of customers here listed:

- (a) All customers served under Rate AAGS.
- (b) Large Industrial Customers provided with sales service under Rate IGS or Special Contracts.

LG&E will assign Monthly Base Period Volumes to each customer in the above two classes. Except in the case of an Emergency Curtailment, LG&E will provide as much notice as practicable to each of these customers that curtailment is being implemented. Such notice will include the percentage curtailment applicable to customer's Monthly Base Period Volume and the Authorized Monthly Volume such customer is authorized to take during said billing period.

Except in the case of Emergency Curtailment, such Pro-Rata Curtailment may only be implemented after LG&E issues an Operational Flow Order to customers served under Rate FT and takes similar actions applicable to transportation customers served under Special Contracts.

During each month, Pro-Rata Curtailment will be first applied to Rate AAGS customers until such curtailment reaches 100% of Monthly Base Period Volumes (allowing, however, for continuation of Pilot Light Requirements used in connection with alternate fuels). When Rate AAGS customers are 100% curtailed, any additional curtailment required will be apportioned at a uniform percentage to other customers subject to Pro-Rata curtailment under this Section 3.

4. EMERGENCY CURTAILMENT. In the event of an emergency, LG&E will initiate the following actions, individually or in combination, in the order necessary as time permits so that service may continue to be supplied for residential and other human health, safety and welfare needs.

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TERMS AND CONDITIONS
Curtailment Rules

- (1) Issue Operational Flow Orders to customers served under Rate FT, and take similar actions applicable to transportation customers served under Special Contracts. Customers that fail to comply with Operational Flow Orders will be required to discontinue the use of natural gas.
- (2) Discontinue service to customers served under Rate AAGS.
- (3) Implement curtailment of all or a portion of the gas usage by Large Industrial Customers served under either Rate IGS or Special Contracts for gas sales service.
- (4) Once curtailment in level 3 (above) has reached 100% of usage (excluding Pilot Light Requirements), implement curtailment of all or a portion of gas usage to the remaining Small Industrial and non-human needs commercial use customers.
- (5) Once curtailment of customers in level 4 (above) has reached 100% of usage (excluding Pilot Light Requirements), request reduction of gas usage by human needs commercial, residential, and other human needs customers
- (6) Implement forced curtailment of gas usage through the isolation of gas distribution load centers from the gas distribution system network.

5. PENALTY CHARGES LG&E may, in its sole discretion, apply a penalty for all gas taken during a period of either Pro-Rata or Emergency Curtailment.

Any customer subject to Pro-Rata curtailment in accordance with Section 3 above, who at the end of a month has taken gas in excess of its Authorized Monthly Volumes (excluding Pilot Light Requirements where applicable) for such month, may, in the sole discretion of LG&E, be subject to a penalty charge applicable to such excess takes of gas at the rate of \$15.00 per Mcf plus the highest daily mid-point price posted in "Gas Daily" for Dominion-South Point during each month of the period of curtailment, such penalty to be in addition to the established rate for service

Any customer subject to Emergency Curtailment in accordance with Section 4 above, who uses quantities of gas in excess of authorized quantities (excluding Pilot Light Requirements where applicable) during a period of such Emergency Curtailment, may, in the sole discretion of LG&E, be subject to a penalty charge applicable to such unauthorized takes of gas at the rate of \$15.00 per Mcf plus the highest daily mid-point price posted in "Gas Daily" for Dominion-South Point during each month of the period of curtailment, such penalty to be in addition to the established rate for service.

The payment of penalty charges for takes of gas in excess of Authorized Monthly Volumes or authorized quantities shall not be considered as giving any customer the right to make unauthorized takes of gas, nor shall such penalty charges be considered as a substitute for any other remedy available to LG&E.

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TERMS AND CONDITIONS

Curtailment Rules

LG&E shall return to all customers through LG&E's Gas Supply Clause any penalty charges collected from customers under this Section 5 net of any penalty charges incurred from LG&E's supplier(s).

- 6 **DISCONTINUANCE OF SERVICE.** If any customer subject to curtailment under these rules fails to limit its use of gas as provided for herein, then LG&E shall have the right to immediately discontinue all gas supply to such customer



Date of Issue:

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Settlement Agreement Exhibit 7
KU Depreciation Rates

Kentucky Utilities Company
Annualized Depreciation
Depreciation adjustment under 2006 ASL rates

Property Group	Depreciable Balance 4-30-08	2006 ASL Rates
Intangible Plant		
301 Organization	44,456	0.00%
302 Franchises and Consents	83,453	0.00%
303 Misc. Intangible Plant - Software	25,536,344	20.00%
303.1 CCS Software	-	10.00%
Total Intangible Plant	25,664,252	
Steam Production Plant		
310.00 Land	10,874,263	0.00%
311.00 Structures and Improvements		
5603 Tyrone Unit 3	5,540,781	0.00%
5604 Tyrone Units 1&2	583,381	0.00%
5613 Green River Unit 3	2,818,745	0.00%
5614 Green River Unit 4	4,584,599	0.00%
5615 Green River Units 1&2	2,596,587	0.00%
5621 Brown Unit 1	4,703,190	0.60%
5622 Brown Unit 2	2,102,892	0.08%
5623 Brown Unit 3	20,393,087	0.54%
5643 Pineville Unit 3	16,204	0.00%
5650 Ghent Unit 1 Scrubber	24,301,127	2.65%
5651 Ghent Unit 1	17,401,172	0.39%
5652 Ghent Unit 2	16,011,013	0.50%
5653 Ghent Unit 3	41,471,559	1.19%
5654 Ghent Unit 4	29,847,745	1.41%
5591 System Laboratory	805,716	1.54%
	173,177,798	
312.00 Boiler Plant Equipment		
5603 Tyrone Unit 3	12,871,948	3.99%
5604 Tyrone Units 1&2	421,900	0.14%
5613 Green River Unit 3	11,306,456	3.08%
5614 Green River Unit 4	24,333,224	4.20%
5615 Green River Units 1&2	127,047	2.18%
5621 Brown Unit 1	35,820,003	2.98%

Kentucky Utilities Company
Annualized Depreciation
Depreciation adjustment under 2006 ASL rates

Property Group	Depreciable Balance 4-30-08	2006 ASL Rates
5622 Brown Unit 2	29,419,949	3.01%
5623 Brown Unit 3	86,541,309	2.80%
5643 Pineville Unit 3	226,832	0.00%
5650 Ghent Unit 1 Scrubber	86,520,141	3.87%
5651 Ghent Unit 1	163,735,182	3.84%
5652 Ghent Unit 2	89,995,577	2.33%
5653 Ghent Unit 3	259,377,006	2.63%
5654 Ghent Unit 4	231,652,822	2.79%
5659 Coal Cars	7,647,232	2.41%
5660 Ghent 3 Scrubber	118,758,718	3.87%
	1,158,755,347	
314.00 Turbogenerator Units		
5603 Tyrone Unit 3	4,717,000	3.44%
5604 Tyrone Units 1&2	68,206	0.00%
5613 Green River Unit 3	4,469,895	2.90%
5614 Green River Unit 4	10,171,918	3.79%
5621 Brown Unit 1	4,833,421	1.12%
5622 Brown Unit 2	11,041,057	2.91%
5623 Brown Unit 3	27,652,377	3.17%
5651 Ghent Unit 1	25,577,290	2.23%
5652 Ghent Unit 2	29,546,661	2.08%
5653 Ghent Unit 3	40,076,564	2.03%
5654 Ghent Unit 4	51,922,998	2.20%
	210,077,388	
315.00 Accessory Electric Equipment		
5603 Tyrone Unit 3	707,890	0.00%
5604 Tyrone Units 1&2	99,211	0.00%
5613 Green River Unit 3	781,287	0.00%
5614 Green River Unit 4	1,147,502	1.46%
5621 Brown Unit 1	3,329,621	2.10%
5622 Brown Unit 2	997,856	0.48%
5623 Brown Unit 3	6,453,917	0.54%
5650 Ghent Unit 1 Scrubber	3,016,784	2.70%
5651 Ghent Unit 1	7,703,537	0.55%

Kentucky Utilities Company
Annualized Depreciation
Depreciation adjustment under 2006 ASL rates

Property Group	Depreciable Balance 4-30-08	2006 ASL Rates
5652 Ghent Unit 2	10,873,596	0.60%
5653 Ghent Unit 3	25,991,761	1.03%
5654 Ghent Unit 4	21,911,936	1.22%
5660 Ghent 3 Scrubber	11,277,367	2.70%
	<u>94,292,263</u>	
316.00 Miscellaneous Plant Equipment		
5603 Tyrone Unit 3	526,592	3.12%
5604 Tyrone Units 1&2	50,127	0.00%
5613 Green River Unit 3	153,382	3.97%
5614 Green River Unit 4	2,165,959	2.71%
5615 Green River Units 1&2	84,750	0.00%
5621 Brown Unit 1	424,540	2.26%
5622 Brown Unit 2	106,658	0.71%
5623 Brown Unit 3	4,317,609	2.33%
5650 Ghent Unit 1 Scrubber	985,410	2.87%
5651 Ghent Unit 1	1,718,709	1.38%
5652 Ghent Unit 2	1,500,525	1.07%
5653 Ghent Unit 3	3,150,438	1.40%
5654 Ghent Unit 4	6,247,981	2.03%
5591 System Laboratory	2,229,677	2.74%
	<u>23,662,356</u>	
317.00 Asset Retirement Obligations - Steam *	9,249,179	
Total Steam	<u><u>1,680,088,593</u></u>	
Hydraulic Production Plant		
5691 Dix Dam		
330.10 Land Rights	879,311	0.00%
331.00 Structures and Improvements	453,195	1.29%
332.00 Reservoirs, Dams & Waterways	9,025,249	0.72%
333.00 Water Wheels, Turbines and Generators	436,634	0.66%
334.00 Accessory Electric Equipment	85,383	0.83%
335.00 Misc. Power Plant Equipment	101,513	3.55%

Kentucky Utilities Company
Annualized Depreciation
Depreciation adjustment under 2006 ASL rates

Property Group	Depreciable Balance 4-30-08	2006 ASL Rates
336.00 Roads, Railroads and Bridges	46,976	0.00%
337.00 Asset Retirement Obligation - Hydro *	4,970	
	11,033,232	
Other Production Plant		
340.10 Land Rights - 5645 Brown CT 9 Gas Pipeline	176,409	2.97%
340.20 Land	118,514	0.00%
341.00 Structures and Improvements		
5697 Paddy's Run Generator 13	1,910,328	3.03%
5635 Brown CT 5	775,082	3.04%
5636 Brown CT 6	192,814	3.05%
5637 Brown CT 7	544,966	2.93%
5638 Brown CT 8	2,012,655	2.60%
5639 Brown CT 9	4,641,055	2.60%
5640 Brown CT 10	1,865,718	2.61%
5641 Brown CT 11	1,858,754	2.72%
0470 Trimble County CT 5	3,740,231	3.14%
0471 Trimble County CT 6	3,588,684	3.12%
0474 Trimble County CT 7	3,559,155	3.32%
0475 Trimble County CT 8	3,548,852	3.32%
0476 Trimble County CT 9	3,655,976	3.32%
0477 Trimble County CT 10	3,653,030	3.32%
5696 Haeffling Units 1,2,&3	434,853	6.47%
	35,982,154	
342.00 Fuel Holders, Producers and Accessories		
5697 Paddy's Run Generator 13	1,995,101	3.11%
5635 Brown CT 5	727,929	3.11%
5636 Brown CT 6	146,515	2.92%
5637 Brown CT 7	145,745	2.92%
5638 Brown CT 8	19,613	2.63%
5639 Brown CT 9	1,932,187	2.65%
5640 Brown CT 10	31,738	2.63%
5641 Brown CT 11	52,430	2.74%
5645 Brown CT 9 Gas Pipeline	8,106,131	2.57%

Kentucky Utilities Company
Annualized Depreciation
Depreciation adjustment under 2006 ASL rates

Property Group	Depreciable Balance 4-30-08	2006 ASL Rates
0470 Trimble County CT 5	239,584	3.21%
0471 Trimble County CT 6	239,246	3.21%
0473 Trimble County CT Pipeline	4,850,115	3.23%
0474 Trimble County CT 7	578,059	3.42%
0475 Trimble County CT 8	576,386	3.42%
0476 Trimble County CT 9	593,786	3.42%
0477 Trimble County CT 10	622,873	3.42%
5696 Haefling Units 1,2,&3	227,578	0.00%
	21,085,015	
343.00 Prime Movers		
5697 Paddy's Run Generator 13	17,421,691	3.62%
5635 Brown CT 5	13,182,503	3.65%
5636 Brown CT 6	30,423,304	3.55%
5637 Brown CT 7	30,024,907	3.58%
5638 Brown CT 8	26,344,009	3.30%
5639 Brown CT 9	21,502,647	3.23%
5640 Brown CT 10	19,670,646	3.26%
5641 Brown CT 11	34,931,891	3.41%
0470 Trimble County CT 5	30,564,294	3.72%
0471 Trimble County CT 6	30,443,723	3.72%
0474 Trimble County CT 7	22,773,708	3.91%
0475 Trimble County CT 8	22,568,161	3.91%
0476 Trimble County CT 9	22,401,560	3.91%
0477 Trimble County CT 10	22,385,894	3.91%
	344,638,937	
344.00 Generators		
5697 Paddy's Run Generator 13	5,185,636	2.94%
5635 Brown CT 5	2,831,528	2.94%
5636 Brown CT 6	3,712,620	2.76%
5637 Brown CT 7	3,722,788	2.76%
5638 Brown CT 8	4,953,961	2.46%
5639 Brown CT 9	5,452,041	2.31%
5640 Brown CT 10	4,944,423	2.46%
5641 Brown CT 11	5,187,040	2.53%

Kentucky Utilities Company
Annualized Depreciation
Depreciation adjustment under 2006 ASL rates

Property Group	Depreciable Balance 4-30-08	2006 ASL Rates
0470 Trimble County CT 5	3,763,275	3.04%
0471 Trimble County CT 6	3,757,947	3.04%
0474 Trimble County CT 7	2,950,282	3.26%
0475 Trimble County CT 8	2,937,930	3.26%
0476 Trimble County CT 9	2,957,520	3.26%
0477 Trimble County CT 10	2,954,149	3.26%
5696 Haefling Units 1,2,&3	4,023,002	0.00%
	59,334,142	
345.00 Accessory Electric Equipment		
5697 Paddy's Run Generator 13	2,456,320	2.88%
5635 Brown CT 5	1,332,167	2.89%
5636 Brown CT 6	1,354,816	2.71%
5637 Brown CT 7	1,347,700	2.71%
5638 Brown CT 8	1,799,436	2.41%
5639 Brown CT 9	3,226,186	2.32%
5640 Brown CT 10	1,804,419	2.44%
5641 Brown CT 11	916,326	2.48%
0470 Trimble County CT 5	1,677,092	2.98%
0471 Trimble County CT 6	1,674,719	2.98%
0474 Trimble County CT 7	3,146,235	3.19%
0475 Trimble County CT 8	3,137,127	3.19%
0476 Trimble County CT 9	3,231,827	3.19%
0477 Trimble County CT 10	3,229,223	3.19%
5696 Haefling Units 1,2,&3	623,419	0.00%
	30,957,013	
346.00 Miscellaneous Plant Equipment		
5697 Paddy's Run Generator 13	1,089,550	3.20%
5635 Brown CT 5	2,139,353	3.20%
5636 Brown CT 6	48,960	3.33%
5637 Brown CT 7	35,647	3.23%
5638 Brown CT 8	230,069	2.77%
5639 Brown CT 9	760,255	2.77%
5640 Brown CT 10	274,391	2.85%
5641 Brown CT 11	548,588	3.22%

Kentucky Utilities Company
Annualized Depreciation
Depreciation adjustment under 2006 ASL rates

Property Group	Depreciable Balance 4-30-08	2006 ASL Rates
0470 Trimble County CT 5	28,964	3.73%
0474 Trimble County CT 7	8,889	3.50%
0475 Trimble County CT 8	8,861	3.50%
0476 Trimble County CT 9	9,114	3.50%
0477 Trimble County CT 10	9,106	3.49%
5696 Haefling Units 1,2,&3	35,805	0.00%
	<u>5,227,550</u>	
347.00 Asset Retirement Obligations Othe Prod *	70,990	
Total Other Production	<u><u>497,590,725</u></u>	
Transmission Plant		
350.1 Land Rights	23,341,455	0.98%
350.2 Land	1,232,665	0.00%
352.1 Struct. and Impr. Non Sys Control	7,228,687	1.54%
352.2 Struct. and Impr. Sys Control	1,154,520	1.43%
353.1 Station Equipment	175,730,576	1.98%
353.2 Syst Control/Microwave Equip	14,749,281	0.46%
354 Towers & Fixtures	63,279,467	1.21%
355 Poles & Fixtures	100,687,186	2.28%
356 Overhead Conductors and Devices	132,799,950	1.79%
357 Underground Conduit	448,760	2.60%
358 Underground Conductors & Devices	1,114,762	1.26%
359 Transmission ARO's *	11,027	
Total Transmission Plant	<u>521,778,335</u>	
Distribution Plant		
360.1 Land Rights	1,496,173	0.65%
360.2 Land	1,998,646	0.00%
361 Structures and Improvements	5,058,913	1.65%
362 Station Equipment	103,445,343	2.28%
364 Poles Towers & Fixtures	212,853,185	2.30%

Kentucky Utilities Company
Annualized Depreciation
Depreciation adjustment under 2006 ASL rates

Property Group	Depreciable Balance 4-30-08	2006 ASL Rates
365 Overhead Conductors and Devices	199,717,218	2.70%
366 Underground Conduit	1,546,234	1.93%
367 Underground Conductors & Devices	86,404,514	2.09%
368 Line Transformers	248,482,289	3.10%
369 Services	83,122,059	1.99%
370 Meters	65,364,852	1.76%
371 Installations on Customer Premises	18,284,592	2.38%
373 Street Lighting & Signal Systems	53,771,544	2.29%
374 Asset Retirement Cost - Distribution *	18,610	
Total Distribution Plant	1,081,564,173	
General Plant		
389.2 Land	2,575,973	0.00%
390.1 Structures & Improvements	29,901,859	1.66%
390.2 Improvements to Leased Property	531,973	1.56%
391.1 Office Furniture & Equipment	6,548,609	4.19%
391.2 Non PC Computer Equipment	10,163,473	10.14%
391.3 Cash Processing Equipment	448,191	23.26%
391.4 Personal Computer Equipment	2,486,306	15.47%
392 Transportation Equipment	18,955,798	20.00%
393 Stores Equipment	735,053	5.25%
394 Tool, Shop & Garage Equipment	5,473,498	4.75%
395 Laboratory Equipment	3,160,382	27.42%
396 Power Operated Equipment	270,942	6.37%
397.10 Communication Equipment - Carrier	8,835,076	7.13%
397.20 Communication Equip. - Remote Contrc	3,913,060	7.95%
397.30 Communication Equipment - Mobile	5,087,846	7.30%
398 Misc Equipment	373,590	20.54%
Total General Plant	99,461,628	
Total Plant in Service	3,917,180,938	

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Settlement Agreement Exhibit 8
LG&E Depreciation Rates

Louisville Gas and Electric Company
Annualized Depreciation
Depreciation adjustment under 2006 ASL rates

Property Group	DEPRECIABLE PLANT 4/30/08	2006 ASL Rates
ELECTRIC PLANT		
Intangible Plant	2,340	0.00%
Steam Production Plant		
310.20 Land	6,302,990	0.00%
311.00 Structures and Improvements		
0112 Cane Run Unit 1	4,233,982	0.00%
0121 Cane Run Unit 2	2,102,942	0.00%
0131 Cane Run Unit 3	3,532,141	0.00%
0141 Cane Run Unit 4	3,819,018	1.14%
0142 Cane Run Unit 4 Scrubber	760,360	0.95%
0151 Cane Run Unit 5	6,165,918	1.92%
0152 Cane Run Unit 5 Scrubber	1,696,435	1.56%
0161 Cane Run Unit 6	19,461,771	2.13%
0162 Cane Run Unit 6 Scrubber	1,894,851	2.04%
0211 Mill Creek Unit 1	19,171,039	1.64%
0212 Mill Creek Unit 1 Scrubber	1,716,996	1.65%
0221 Mill Creek Unit 2	10,816,688	1.42%
0222 Mill Creek Unit 2 Scrubber	1,393,404	1.81%
0231 Mill Creek Unit 3	24,851,259	1.51%
0232 Mill Creek Unit 3 Scrubber	362,867	1.47%
0241 Mill Creek Unit 4	60,488,020	1.85%
0242 Mill Creek Unit 4 Scrubber	5,330,552	1.76%
0311 Trimble County Unit 1	160,530,135	2.08%
0312 TC Unit 1 Cooling Tower PHFU 105	117,601	2.08%
0312 Trimble County Unit 1 Scrubber	511,309	2.28%
	328,957,286	
311.10 Capital Leased Property		
0161 Cane Run Unit 6	1,236,508	2.13%
0241 Mill Creek Unit 4	1,640,450	1.85%
	2,876,958	
312.00 Boiler Plant Equipment		
0103 Cane Run Locomotive	51,549	2.67%
0104 Cane Run Rail Cars	1,501,773	3.14%
0112 Cane Run Unit 1	1,053,743	0.00%
0121 Cane Run Unit 2	132,837	0.00%
0131 Cane Run Unit 3	711,483	0.00%

Louisville Gas and Electric Company
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Property Group	DEPRECIABLE PLANT 4/30/08	2006 ASL Rates
0141 Cane Run Unit 4	30,339,036	5.88%
0142 Cane Run Unit 4 Scrubber	17,076,590	4.93%
0151 Cane Run Unit 5	36,914,000	6.11%
0152 Cane Run Unit 5 Scrubber	28,412,993	4.07%
0161 Cane Run Unit 6	48,163,545	5.19%
0162 Cane Run Unit 6 Scrubber	32,098,669	4.46%
0203 Mill Creek Locomotive	613,424	2.90%
0204 Mill Creek Rail Cars	3,593,112	3.13%
0211 Mill Creek Unit 1	49,106,781	4.24%
0212 Mill Creek Unit 1 Scrubber	42,569,898	4.50%
0221 Mill Creek Unit 2	47,542,433	4.70%
0222 Mill Creek Unit 2 Scrubber	34,482,173	4.28%
0231 Mill Creek Unit 3	140,162,816	3.87%
0232 Mill Creeel Unit 3 Scrubber	63,198,506	3.85%
0241 Mill Creek Unit 4	237,317,538	3.85%
0242 Mill Creek Unit 4 Scrubber	114,320,483	3.71%
0311 Trimble County Unit 1	247,714,970	3.62%
0312 TC Unit 1 Cooling Tower PHFU 105	15,510	3.62%
0312 Trimble County Unit 1 Scrubber	64,095,503	3.62%
	1,241,189,365	
314.00 Turbogenerator Units		
0112 Cane Run Unit 1	106,009	0.00%
0121 Cane Run Unit 2	19,999	0.00%
0131 Cane Run Unit 3	581,178	0.00%
0141 Cane Run Unit 4	9,122,982	3.09%
0151 Cane Run Unit 5	7,375,366	2.22%
0161 Cane Run Unit 6	15,385,129	3.29%
0211 Mill Creek Unit 1	14,510,858	2.15%
0221 Mill Creek Unit 2	16,626,880	2.46%
0231 Mill Creek Unit 3	27,124,236	2.15%
0241 Mill Creek Unit 4	42,098,157	2.29%
0312 TC Unit 1 Cooling Tower PHFU 105	21,816,938	2.48%
0311 Trimble County Unit 1	59,415,222	2.48%
	214,182,953	
315.00 Accessory Electric Equipment		
0112 Cane Run Unit 1	1,891,013	0.00%
0121 Cane Run Unit 2	1,277,223	0.00%

Louisville Gas and Electric Company
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Depreciation adjustment under 2006 ASL rates

Property Group	DEPRECIABLE PLANT 4/30/08	2006 ASL Rates
0131 Cane Run Unit 3	767,324	0.00%
0141 Cane Run Unit 4	5,532,270	3.18%
0142 Cane Run Unit 4 Scrubber	987,949	0.82%
0151 Cane Run Unit 5	6,892,343	2.97%
0152 Cane Run Unit 5 Scrubber	2,221,029	1.49%
0161 Cane Run Unit 6	8,518,498	2.80%
0162 Cane Run Unit 6 Scrubber	2,124,667	1.44%
0211 Mill Creek Unit 1	14,425,286	2.75%
0212 Mill Creek Unit 1 Scrubber	5,541,695	1.67%
0221 Mill Creek Unit 2	6,428,715	2.03%
0222 Mill Creek Unit 2 Scrubber	4,505,053	1.69%
0231 Mill Creek Unit 3	13,487,584	1.58%
0232 Mill Creel Unit 3 Scrubber	2,531,773	1.56%
0241 Mill Creek Unit 4	20,753,935	1.75%
0242 Mill Creek Unit 4 Scrubber	5,864,979	1.71%
0311 Trimble County Unit 1	56,226,923	2.13%
0312 TC Unit 1 Cooling Tower PHFU 105	63,422	2.13%
0312 Trimble County Unit 1 Scrubber	2,736,920	2.12%
	162,778,602	
316.00 Miscellaneous Plant Equipment		
0112 Cane Run Unit 1	38,746	0.00%
0131 Cane Run Unit 3	11,664	0.00%
0141 Cane Run Unit 4	71,143	6.30%
0142 Cane Run Unit 4 Scrubber	6,464	2.83%
0151 Cane Run Unit 5	80,866	5.40%
0152 Cane Run Unit 5 Scrubber	47,299	2.85%
0161 Cane Run Unit 6	2,753,924	4.32%
0162 Cane Run Unit 6 Scrubber	31,569	2.75%
0211 Mill Creek Unit 1	696,199	3.22%
0221 Mill Creek Unit 2	115,871	2.90%
0231 Mill Creek Unit 3	318,625	2.59%
0241 Mill Creek Unit 4	5,393,692	3.04%
0242 Mill Creek Unit 4 Scrubber	53,007	2.83%
0311 Trimble County Unit 1	2,713,060	2.89%
	12,332,130	
317.00 Asset Retirement Obligations - Steam *	5,697,179	

Louisville Gas and Electric Company
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Depreciation adjustment under 2006 ASL rates

Property Group	DEPRECIABLE PLANT 4/30/08	2006 ASL Rates
Total Steam	1,974,317,463	
Hydraulic Production Plant - Project 289		
0451 - Ohio Falls Project 289		
330.20 Land	6	0.00%
331.00 Structures and Improvements	4,550,757	0.08%
332.00 Reservoirs, Dams & Waterways	9,352,023	3.30%
333.00 Water Wheels, Turbines and Generators	10,895,237	0.25%
334.00 Accessory Electric Equipment	4,581,251	2.94%
335.00 Misc. Power Plant Equipment	224,504	2.29%
336.00 Roads, Railroads and Bridges	28,797	0.00%
	29,632,574	
Hydraulic Production Plant - Other Than Project 289		
0450 - Ohio Falls Other Than Project 289		
330.20 Land	1	0.00%
331.00 Structures and Improvements	65,796	0.53%
335.00 Misc. Power Plant Equipment	7,814	1.61%
336.00 Roads, Railroads and Bridges	1,134	0.00%
337.00 Aset Retirement Obligations - Hydro *	31,163	
	105,907	
Total Hydraulic Plant	29,738,482	
Other Production Plant		
340.20 Land	49,259	0.00%
341.00 Structures and Improvements		
0171 Cane Run GT 11	68,932	1.34%
0410 Zorn and River Road Gas Turbine	8,241	0.61%
0431 Paddys Run Generator 12	42,865	0.60%
0432 Paddys Run Generator 13	2,158,698	3.05%
0459 Brown CT 5	858,539	3.05%
0460 Brown CT 6	105,978	3.17%
0461 Brown CT 7	144,356	3.12%
0470 Trimble County CT 5	1,555,655	3.16%
0471 Trimble County CT 6	1,467,924	3.14%

Louisville Gas and Electric Company
Annualized Depreciation
Depreciation adjustment under 2006 ASL rates

Property Group	DEPRECIABLE PLANT 4/30/08	2006 ASL Rates
0474 Trimble County CT 7	2,083,698	3.34%
0475 Trimble County CT 8	2,075,527	3.34%
0476 Trimble County CT 9	2,137,402	3.34%
0477 Trimble County CT 10	2,132,790	3.34%
	14,840,604	
342.00 Fuel Holders, Producers and Accessories		
0171 Cane Run GT 11	118,874	3.85%
0410 Zorn and River Road Gas Turbine	12,802	0.59%
0430 Paddys Run Generator 11	9,238	0.58%
0431 Paddys Run Generator 12	12,197	0.85%
0432 Paddys Run Generator 13	2,255,338.17	3.08%
0459 Brown CT 5	822,581	3.07%
0460 Brown CT 6	363,762	2.99%
0461 Brown CT 7	102,065	2.99%
0470 Trimble County CT 5	97,997	3.17%
0471 Trimble County CT 6	97,862	3.17%
0473 Trimble County CT Pipeline	1,998,391	3.19%
0474 Trimble County CT 7	338,423	3.36%
0475 Trimble County CT 8	337,096	3.36%
0476 Trimble County CT 9	347,147	3.36%
0477 Trimble County CT 10	361,860	3.36%
	7,275,631	
343.00 Prime Movers		
0432 Paddys Run Generator 13	19,711,932	3.84%
0459 Brown CT 5	14,329,963	3.84%
0460 Brown CT 6	19,135,984	3.85%
0461 Brown CT 7	19,416,144	3.81%
0470 Trimble County CT 5	12,535,260	3.88%
0471 Trimble County CT 6	12,417,684	3.88%
0474 Trimble County CT 7	13,328,878	3.99%
0475 Trimble County CT 8	13,203,913	3.99%
0476 Trimble County CT 9	13,094,542	3.99%
0477 Trimble County CT 10	13,060,778	3.99%
	150,235,077	
344.00 Generators		
0171 Cane Run GT 11	2,492,496	5.73%
0410 Zorn and River Road Gas Turbine	1,827,581	2.70%

Louisville Gas and Electric Company
Annualized Depreciation
Depreciation adjustment under 2006 ASL rates

Property Group	DEPRECIABLE PLANT 4/30/08	2006 ASL Rates
0430 Paddys Run Generator 11	1,523,116	2.74%
0431 Paddys Run Generator 12	2,991,746	2.63%
0432 Paddys Run Generator 13	5,859,858	3.00%
0459 Brown CT 5	3,219,205	3.00%
0460 Brown CT 6	2,417,995	2.91%
0461 Brown CT 7	2,421,079	2.91%
0470 Trimble County CT 5	1,539,295	3.09%
0471 Trimble County CT 6	1,537,168	3.09%
0474 Trimble County CT 7	1,726,824	3.28%
0475 Trimble County CT 8	1,717,277	3.28%
0476 Trimble County CT 9	1,728,008	3.28%
0477 Trimble County CT 10	1,722,674	3.28%
	32,724,322	
345.00 Accessory Electric Equipment		
0171 Cane Run GT 11	116,627	2.40%
0410 Zorn and River Road Gas Turbine	40,936	2.31%
0430 Paddys Run Generator 11	68,109	4.27%
0431 Paddys Run Generator 12	114,338	3.82%
0432 Paddys Run Generator 13	2,778,993	3.32%
0459 Brown CT 5	2,575,301	3.32%
0460 Brown CT 6	942,589	3.26%
0461 Brown CT 7	943,792	3.26%
0470 Trimble County CT 5	685,979	3.38%
0471 Trimble County CT 6	685,031	3.38%
0474 Trimble County CT 7	1,841,955	3.52%
0475 Trimble County CT 8	1,834,732	3.52%
0476 Trimble County CT 9	1,889,431	3.52%
0477 Trimble County CT 10	1,885,354	3.52%
	16,403,167	
346.00 Miscellaneous Plant Equipment		
0410 Zorn and River Road Gas Turbine	9,488	0.00%
0430 Paddys Run Generator 11	9,494	0.00%
0431 Paddys Run Generator 12	1,141	0.00%
0432 Paddys Run Generator 13	1,274,483	2.81%
0459 Brown CT 5	2,395,225	2.81%
0460 Brown CT 6	22,456	2.86%
0461 Brown CT 7	23,048	2.86%

Louisville Gas and Electric Company
Annualized Depreciation
Depreciation adjustment under 2006 ASL rates

Property Group	DEPRECIABLE PLANT 4/30/08	2006 ASL Rates
0470 Trimble County CT 5	14,529	3.22%
0474 Trimble County CT 7	5,205	3.11%
0475 Trimble County CT 8	5,183	3.11%
0476 Trimble County CT 9	5,328	3.12%
0477 Trimble County CT 10	5,316	3.10%
	3,770,896	
347.00 Asset Retirement Obligations - Other Prod *	297,215	
Total Other Production	225,596,172	

Transmission Plant

350.2 Transmission Lines Land	885,061	0.00%
350.1 Land Rights	7,781,411	3.92%
352.1 Structures & Improvements	3,443,349	1.17%
353.1 Station Equipment - Project 289	1,108,850	1.32%
353.1 Station Equipment	133,193,694	1.32%
354 Towers & Fixtures	24,705,992	1.38%
355 Poles & Fixtures	38,253,365	2.95%
356.1 Overhead Conductors & Devices - Project 289	16,390	2.52%
356 Overhead Conductors & Devices	38,514,217	2.52%
357 Underground Conduit	1,880,752	1.85%
358 Underground Conductors & Devices	5,303,989	3.65%
359 Transmission ARO's *	4,000	
TOTAL TRANSMISSION PLANT	255,091,069	

Distribution Plant

360.2 Substation Land	1,981,707	0.00%
360.2 Substation Land Class A (Plant Held for Future	637,632	0.00%
361 Substation Structures	6,130,215	1.01%
362.1 Substation Equipment	86,733,151	1.01%
362.1 Substation Equipment - Class A (Plant Held for	11,382	0.00%
364 Poles Towers & Fixtures	106,709,095	3.00%
365 Overhead Conductors & Devices	182,141,013	2.90%
366 Underground Conduit	62,534,874	1.25%

Louisville Gas and Electric Company
Annualized Depreciation
Depreciation adjustment under 2006 ASL rates

Property Group	DEPRECIABLE PLANT 4/30/08	2006 ASL Rates
367 Underground Conductors & Devices	95,365,944	1.76%
368.1 Line Transformers	97,370,472	2.18%
368.2 Line Transformer Installations	11,107,541	2.18%
369.1 Underground Services	3,521,786	2.45%
369.2 Overhead Services	21,039,201	4.99%
370.1 Meters	25,560,632	3.79%
370.2 Meter Installations	8,828,416	3.79%
373.1 Overhead Street Lighting	24,651,434	2.77%
373.2 Underground Streetlighting	42,382,522	2.95%
373.4 Street lighting Transformers	87,546	0.00%
374 ARO Distribution *	37,674	
TOTAL DISTRIBUTION PLANT	776,832,239	
General Plant		
392.1 Transportation Equip Cars & Trucks	9,070,918	20.00%
392.2 Transportation Equip Trailers	557,110	3.62%
394 Tools, Shop, and Garage Equipment	3,194,244	4.39%
395 Laboratory Equipment	1,496,151	30.32%
396.1 Power Operated Equip Hourly Rated	2,285,136	20.00%
396.2 Power operated Equipment Other	51,068	3.17%
TOTAL GENERAL PLANT	16,654,627	
TOTAL ELECTRIC PLANT	3,278,232,391	
GAS PLANT		
INTANGIBLE PLANT	1,187	0.00%
UNDERGROUND STORAGE		
350.1 Land	32,864	0.00%
350.2 Rights of Way	63,678	0.00%
351.2 Compressor Station Structures	1,704,039	1.36%
351.3 Reg Station Structures	10,880	0.00%
351.4 Other Structures	1,317,477	0.92%
352.40 Well Drilling	2,622,898	0.36%
352.50 Well Equipment	6,142,763	3.46%
352.1 Storage Leaseholds & Rights	548,241	0.00%
352.2 Reservoirs	400,511	0.00%

Louisville Gas and Electric Company
Annualized Depreciation
Depreciation adjustment under 2006 ASL rates

Property Group	DEPRECIABLE PLANT 4/30/08	2006 ASL Rates
352.3 Nonrecoverable Natural Gas	9,648,855	0.92%
Gas Stored Underground Non-Current	2,139,990	0.00%
353 Lines	12,768,805	1.68%
354 Compressor Station Equipment	15,120,619	1.28%
355 Measuring & Regulating Equipment	387,809	1.22%
356 Purification Equipment	9,933,661	1.92%
357 Other Equipment	1,067,350	2.18%
358 ARO Storage *	541,132	
TOTAL UNDERGROUND STORAGE	64,451,571	
TRANSMISSION PLANT		
365.2 Rights of Way	220,659	0.27%
367 Mains	12,681,249	0.37%
TOTAL TRANSMISSION PLANT Excl ARO Assets	12,901,908	
DISTRIBUTION PLANT		
374 Land	59,725	0.00%
374.2 Land Rights	74,018	0.04%
375.1 City Gate Structures	224,019	1.06%
375.2 Other Distribution Structures	505,355	8.35%
376 Mains	279,586,446	1.76%
378 Measuring and Reg Equipment	8,254,321	2.53%
379 Meas & Reg Equipment - City Gate	3,864,491	2.33%
380 Services	137,878,756	3.60%
381 Meters	22,084,789	3.99%
382 Meter Installations	9,381,447	7.09%
383 House Regulators	4,941,391	2.22%
384 House Regulator Installations	5,298,054	2.23%
385 Industrial Meas & Reg Station Equip	159,362	0.94%
386 Other Equipment	51,112	3.48%
388 ARO Distribution *	30,769	
TOTAL DISTRIBUTION PLANT	472,394,054	
GENERAL PLANT		
392.1 Cars & Trucks	1,932,498	20.00%
392.2 Trailers	451,395	4.76%
394 Other Equipment	3,750,330	4.68%

Louisville Gas and Electric Company
Annualized Depreciation
Depreciation adjustment under 2006 ASL rates

Property Group	DEPRECIABLE PLANT 4/30/08	2006 ASL Rates
395 Laboratory Equipment	436,783	36.02%
396.1 Power Operated Equipment Hourly rated	2,415,942	20.00%
396.2 Power Operated Equipment Other	51,525	2.69%
TOTAL GENERAL PLANT	9,038,473	
TOTAL GAS PLANT	558,787,193	
COMMON UTILITY PLANT		
INTANGIBLE PLANT		
301 Organization	83,782	0.00%
302 Franchises and Consents	4,200	0.00%
303 Software	29,259,188	20.00%
303.1 CCS Software	-	10.00%
TOTAL INTANGIBLE PLANT	29,347,170	
GENERAL PLANT		
389.1 Land	1,691,944	0.00%
389.2 Land Rights	202,095	2.95%
390.10 Structures and Improvements - BOC	18,239,781	3.30%
390.10 Structures and Improvements - LG&E Building	1,482,088	3.30%
390.10 Structures and Improvements - BOC (Actors)	493,943	3.30%
390.10 Structures and Improvements	28,701,014	3.30%
390.20 Structures and Improvements - Transportation	431,574	25.92%
390.30 Structures and Improvements - Stores	10,918,821	1.51%
390.40 Structures and Improvements - Shops	529,682	1.37%
390.60 Structures and Improvements - Microwave	855,653	2.31%
391.10 Office Furniture	12,943,068	6.01%
391.20 Office Equipment	3,388,007	8.78%
391.30 Computer Equipment - Non PC	18,405,419	21.96%
391.31 Personal Computers	1,870,245	20.68%
391.40 Security Equipment	2,601,715	6.93%
392.1 Cars & Trucks	84,479	20.00%
392.2 Trailers	63,404	2.63%
393 Stores Equipment	1,208,453	5.60%
394 Other Equipment	3,636,099	5.17%
395 Laboratory Equipment	22,282	61.24%
396.1 Power Operated Equipment Hourly	258,314	20.00%

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Depreciation adjustment under 2006 ASL rates

Property Group	DEPRECIABLE PLANT 4/30/08	2006 ASL Rates
396.2 Power Operated Equipment Other	14,147	4.01%
397 Communications Equipment	35,656,730	12.00%
397.10 Comm. Equip. - Computer	6,342,423	0.90%
398.00 Miscellaneous Equipment	594,390	34.63%
399.10 ARO Common *	3,735	
TOTAL GENERAL PLANT	<u>150,639,505</u>	
TOTAL COMMON UTILITY PLANT	<u>179,986,675</u>	
TOTAL PLANT IN SERVICE	<u>4,017,006,260</u>	