



Mr. Jeff DeRouen  
Executive Director  
Kentucky Public Service Commission  
211 Sower Boulevard  
Frankfort, KY 40602

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PUBLIC SERVICE  
COMMISSION

**Kentucky Utilities Company**  
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September 1, 2010

**RE: *AN EXAMINATION BY THE PUBLIC SERVICE COMMISSION  
OF THE ENVIRONMENTAL SURCHARGE MECHANISM OF  
KENTUCKY UTILITIES COMPANY FOR THE SIX-MONTH  
BILLING PERIOD ENDING APRIL 30, 2010  
CASE NO. 2010-00241***

Dear Mr. DeRouen:

On August 31, 2010 Kentucky Utilities Company filed revised pages to the Direct Testimony and Data Responses in this proceeding. It has come to my attention that two numbers were transposed on page 7 of the testimony. Please find enclosed and accept for filing the original and ten (10) copies of a revised page 7 with revisions shown in highlight.

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

Sincerely,

Robert M. Conroy

Enclosures

cc: Parties of Record



1 already included as revenue in Column 12 of the October 2009 and November 2009  
2 expense months.

3 **Q. As a result of the operation of the environmental surcharge during the billing**  
4 **period under review, is an adjustment to the revenue requirement necessary?**

5 A. Yes. KU experienced a cumulative under-recovery of \$4,490,751 for the billing  
6 period ending April 30, 2010. KU's response to Question No. 2 of the Commission  
7 Staff's Request for Information shows the calculation of the \$4,490,751 cumulative  
8 under-recovery. However, KU is adjusting this under-recovery position for a  
9 correction made outside of the review period in this proceeding that affected the  
10 February 2010 expense month. A \$3,931,660 prior period adjustment was included  
11 in the April 2010 expense month filing submitted to the Commission on May 17,  
12 2010. The net under-recovery position which KU is requesting in this proceeding is  
13 \$577,091. Therefore, an adjustment to the revenue requirement is necessary to  
14 reconcile the collection of past surcharge revenues with the actual cost for the billing  
15 period under review.

16 **Q. Why is KU making the adjustment discussed above to the recovery position**  
17 **contained in this review period?**

18 A. In the April 2010 expense month filing submitted to the Commission on May 17,  
19 2010, KU identified an error in the amount of ECR revenue collected through base  
20 rates for the February 2010 expense month filing that resulted in an under-collection  
21 for February 2010 expenses. The February 2010 expense month filing included  
22 \$16,950,373 as the amount collected through base rates; however, the correct amount  
23 is \$13,036,713 as shown in Column 10, page 2 of 3, of KU's response to Question