

Louisville Gas and Electric Company

Original Sheet No 23-0

Canceled PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE P.S.C. of KY. Electric No. 4

STANDARD RATE SCHEDULE

ESM

Earnings Sharing Mechanism

MAR 05 2000

APPLICABLE

In all territory served by the Company .

PURSUANT TO 807 KAR 5:011, SECTION 9(1)

BY: Stephan Bue SECRETARY OF THE COMMISSION

AVAILABILITY OF SERVICE

To all Louisville Gas and Electric Company Electric Rate Schedules excluding the Rider for Interruptible Service.

RATE

The monthly billing amount computed under each of the rate schedules to which this mechanism is applicable, including the Fuel Adjustment Clause, the Trimble County Credit, the Demand-Side Management Cost Recovery Mechanism, the Environmental Cost Recovery Surcharge, and the Merger Surcredit Rider, shall be adjusted by a percentage factor which shall be calculated in accordance with the following formula:

Earning Sharing Mechanism Factor ESMF = (RA + BA) / ER

Where:

(RA) is the jurisdictional Revenue Adjustment for the Current Reporting Period that is equal to 40% of any revenue surplus or deficit outside the deadband established by the Commission's Orders in Case No. 98-426.

(BA) is the Balancing Adjustment which reconciles any over- or under-collection of the RA from the prior adjustment year.

(ER) is the Estimated Revenue of the jurisdictional sales for Current Adjustment Year.

DEFINITIONS:

- (1) Current Reporting Period shall be a calendar year.
(2) Current Adjustment Year shall be the twelve months beginning with the first April billing cycle following the Current Reporting Period.

TERMS AND CONDITIONS

- (1) The Earnings Sharing Mechanism will
a) exclude all electric jurisdictional revenues and expenses associated with the Fuel Adjustment Clause and the Environmental Cost Recovery Surcharge,

DATE OF ISSUE February 4, 2000 DATE EFFECTIVE March 5, 2000
ISSUED BY Robert M. Hewett Group Executive Louisville, KY

Issued pursuant to an Order of the PSC of KY. In Case No. 98-426

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