N

ELECTRIC RATE SCHEDULE

STOD

Small Time-of-Day Service

APPLICABLE

In all territory served by the Company.

AVAILABILITY OF SERVICE

Available to commercial customers whose average maximum monthly demands are greater than 250 KW and less than 2,000KW.

- a) STOD shall be available as an optional pilot program for three years effective 14 weeks following the Final Order in PSC Case No 2003-00433 for existing customers on Rate LC, Original Sheet No 15, PSC of Ky Electric No 6.
- b) As an optional pilot program, STOD is restricted to 100 customers. The Company will notify all eligible customers of STOD and accept applications on a first-come-first-served basis with the beginning of business 6 weeks following the Final Order in PSC Case No 2003-00433.
- c) For each year or partial year of the pilot program, programming costs plus lost revenues will be recovered from customers served under Rate LC by a program cost recovery mechanism.
- d) No customers will be accepted for STOD following the end of the second year of the pilot
- e) The Company will file a report on STOD with the Commission within six months of the end of the third year of the pilot program. Such report will detail findings and recommendations.
- f) STOD shall remain in effect until terminated by order of the Commission.

RATE

Customer Charge: \$80.00 per month

Plus a Demand Charge:

Winter Rate applies to the eight consecutive billing months October through May

Secondary Service - \$11.14 per KW per month Primary Service -\$ 9.52 per KW per month

Summer Rate applies to the four consecutive billing months June through September

Secondary Service - \$14.20 per KW per month Primary Service -\$12.32 per KW per month

Plus an Energy Charge of:

\$0.02936 per KWH On-Peak Energy -Off-Peak Energy -\$0.01370 per KWH

Where the On-Peak Energy is defined for bills rendered during a billing period as the metered consumption from:

- a) 10 A.M. to 9 P.M., Eastern Standard Time, on weekdays for the four consecutive billing months of June through September or
- b) 8 A.M. to 10 P.M., Eastern Standard Time, on weekdays for the eight consecutive billing months from October through May.

All other metered consumption shall be defined as Off-Peak Energy.

DETERMINATION OF MAXIMUM LOAD

The monthly billing demand shall be the highest load in kilowatts recorded guring 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 11 preceding months; nor less than 25 kilowatts (10 kilowatts to any customer served under this rate schedule on March 1, 1964.

Date of Issue: July 20, 2004

Issued By

Date Effective: With Service Rendered

SECTION 9 (1)

d After 1, 2004

Michael S. Beer, Vice President Louisville, Kentucky

Executive Director

Issued By Authority of an Order of the KPSC in Case Ño! 2003-90433 dated June 30, 2004

ELECTRIC RATE SCHEDULE

STOD

Small Time-of-Day Service

PROGRAM COST RECOVERY MECHANISM

The monthly billing amount computed under Rate LC shall be adjusted by the Program Cost Recovery Factor which shall be calculated per KWH in accordance with the following formula:

Program Cost Recovery Factor = (PC + LR) / LPKWH

Where:

- a) PC is the cost of programming the billing system and will be no more than \$29,050 for each of the three years of the pilot program.
- b) LR is the lost revenues of the pilot program calculated by subtracting the revenues that would have been billed under Rate LC from the revenues realized by actual billings under STOD. LR will be calculated for the first program year and applied in the second program or recovery year. That procedure will repeat for each year or partial year the pilot is in effect.
- c) LPKWH is the expected KWH energy sales for the LC rate in the recovery year.
- d) The Company will file any changes to the Program Cost Recovery Factor with supporting calculations ten days prior to application.

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. 70
Demand Side Management Cost Recovery Mechanism	Sheet No. 71
Environmental Cost Recovery Surcharge	Sheet No. 72
Merger Surcredit Rider	Sheet No. 73
Earnings Sharing Mechanism	Sheet No. 74
Value Delivery Surcredit Rider	Sheet No. 75
Franchise Fee Rider	Sheet No. 76
School Tax	Sheet No. 77

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.

LATE PAYMENT CHARGE

The bill will be rendered at the above net charges (including net minimum bills when applicable) plus an amount equivalent to 1% thereof, which amount will be deducted provided bill is paid within 15 days from date.

EXIT AND EMERGENCY LIGHTING

Where governmental code or regulation requires a separate circuit for exit or emergency lighting, the demand and consumption of such separate circuit may be combined for billing with those of the principal light and power circuit or circuits.

TERMS OF CONTRACT

For a fixed term of not less than one year and for such time the latter uniffer in the party giving 30 days written notice to the other of the desire to terminate. A customer exiting the pilot program will not be allowed to return to it until the Commission has issued a decision on the STOD program report.

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

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