



Mr. John Voyles  
 Vice President - Regulated Generation  
 Louisville Gas and Electric Company  
 Kentucky Utilities Company  
 P. O. Box 32010  
 Louisville, KY 40232

**Louisville Gas and Electric Company**  
 State Regulation and Rates  
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 Director - Rates  
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February 9, 2009

**RE: Louisville Gas and Electric Company's Application To File Depreciation Study – Case No. 2007-00564**

*and*


**Louisville Gas and Electric Company's Application For Adjustments in its Electric and Gas Rates - Case No. 2008-00252**

Dear Mr. Voyles:

On July 29, 2008, Louisville Gas and Electric Company (“LG&E”) filed a Statutory Notice with the Kentucky Public Service Commission (“Commission”) requesting an increase in its gas and electric rates, including the rates contained in the special contract under which Louisville Gas and Electric Company (“LG&E”) and Kentucky Utilities (“KU”), on behalf of their Electric Generation Businesses, receive natural gas sales and transportation service under a special contract for their Cane Run, Mill Creek, and Paddy’s Run facilities.

On January 13, 2009, LG&E filed a Settlement Agreement with the Commission proposing rates lower than those originally proposed. On February 5, 2009, after evidentiary hearings, the Commission issued its Order in Case No. 2008-00252 (consolidated with Case No. 2007-00564 by Order dated August 22, 2008) approving the rates submitted by LG&E in the Settlement Agreement, including the rates contained in the aforementioned special contract.

**PUBLIC SERVICE COMMISSION  
 OF KENTUCKY  
 EFFECTIVE  
 2/6/2009  
 PURSUANT TO 807 KAR 5:011  
 SECTION 9 (1)**

By   
 Executive Director

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Louisville Gas and Electric Company  
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Under the portion of the special contract for service to the Cane Run and Mill Creek facilities, which incorporates by reference sales service provided under LG&E's Firm Industrial Gas Rate IGS, the following rates shall apply:

Monthly Sales Customer Charge:	\$160.00
Monthly Demand Charge:	\$8.30 per Mcf
Distribution Charge:	\$0.2253 per Mcf

Under the portion of the special contract for service to the Paddy's Run facility, which incorporates by reference transportation service provided under LG&E's Firm Transportation Service (Non-Standby) Rate FT, the following rates shall apply:

Monthly Transport Customer Charge:	\$781.00
Monthly Demand Charge:	\$2.43 per Mcf
Distribution Charge:	\$0.0487 per Mcf
Daily Storage Charge:	\$0.1833 per Mcf

The notice date to transfer to Rate Schedule FT has been changed from April 30 to March 31; however, this will not affect your service since you already take service pursuant to Rate Schedule FT. Also, Reserved Balancing Service under Rider RBS, a rider to Rate FT, has been eliminated.

All other provisions of your contract, not specifically mentioned herein, remain the same as those in effect prior to the date of the Commission's Order of February 5, 2009, and all other Tariffs and Riders applicable to this contract will continue to apply.

If you have any further questions regarding this matter, please contact me.

Sincerely,



Robert M. Conroy

PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
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SECTION 9 (1)

By   
Executive Director