



an e-on company

Mr. Ralph Bowling
Vice President – Power Production
Louisville Gas and Electric Company
Kentucky Utilities Company
P. O. Box 32010
Louisville, KY 40232

**Louisville Gas and
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State Regulation and Rates
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August 6, 2010

**RE: *Louisville Gas and Electric Company's Application
For Adjustments in its Electric and Gas Rates -
Case No. 2009-00549***

RECEIVED

AUG 06 2010

**PUBLIC SERVICE
COMMISSION**

Dear Mr. Bowling:

On January 29, 2010, 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 June 8, 2009, LG&E filed a Stipulation and Recommendation with the Commission proposing rates lower than those originally proposed on January 29. On July 30, 2010, after evidentiary hearings, the Commission issued its Order in Case No. 2009-00459 approving the rates submitted by LG&E in the Stipulation and Recommendation, including the rates contained in the aforementioned special contract.

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:

**KENTUCKY
PUBLIC SERVICE COMMISSION**

**JEFF R. DEROUEN
EXECUTIVE DIRECTOR**

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

Mr. Ralph Bowling
Vice President – Power Production
Louisville Gas and Electric Company
Kentucky Utilities Company
August 6, 2010

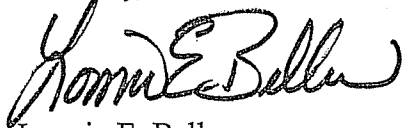
Monthly Sales Customer Charge: \$170.00
Monthly Demand Charge: \$9.682 per Mcf
Distribution Charge: \$0.2848 per Mcf

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, there are no changes.

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 July 30, 2010, 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,

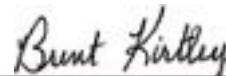


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