



an e-on company

Mr. Kent Horrell
Director of Operations
Louisville Water Company
550 South Third Street
Louisville, Kentucky 40202

August 6, 2010

RECEIVED

AUG 06 2010

PUBLIC SERVICE
COMMISSION

Louisville Gas and
Electric Company
State Regulation and Rates
220 West Main Street
PO Box 32010
Louisville, Kentucky 40232
www.eon-us.com

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

Dear Mr. Horrell:

On January 29, 2010, Louisville Gas and Electric Company ("LG&E") filed an Application with the Kentucky Public Service Commission ("Commission") requesting adjustments to its gas and electric rates, terms, and conditions, including the rates for electric service under the power contract dated October 10, 1961, between LG&E and Louisville Water Company.

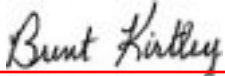
On June 8, 2009, LG&E filed a Stipulation and Recommendation with the Commission proposing rates lower than those originally proposed on January 29. On July 30, 2010, after evidentiary hearings, the Commission issued its Order in Case No. 2009-00459 approving the rates submitted by LG&E in the Stipulation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

The rates approved by the Commission to become effective with service rendered on and after August 1, 2010, are set forth below:

Demand Charge - \$9.85 per kW of billing demand per month

Energy Charge - 2.8816¢ per kWh

Fuel Clause is set forth on the attached Exhibit 1.

KENTUCKY PUBLIC SERVICE COMMISSION
JEFF R. DEROUEN EXECUTIVE DIRECTOR
TARIFF BRANCH

EFFECTIVE 8/1/2010
PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

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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 questions regarding this matter, please contact me.

Sincerely,



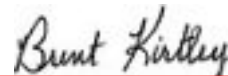
Lonnie E. Bellar

Attachment

**KENTUCKY
PUBLIC SERVICE COMMISSION**

**JEFF R. DEROUEN
EXECUTIVE DIRECTOR**

TARIFF BRANCH



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8/1/2010

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