



an eon company

Directorate of Base Operations Support  
DBOS E&SD (ATZK-OSC-C)  
US Army Armor Center and Fort Knox  
Building 1110, 3rd Floor, Room 311  
Fort Knox, KY 40121-5000

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

February 9, 2009

Robert M. Conroy  
Director - Rates  
T 502-627-3324  
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robert.conroy@eon-us.com

**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 Directorate of Base Operation Support:

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 The United States of America as Fort Knox (hereinafter Fort Knox) receives natural gas transportation service, which incorporates by reference transportation service provided under LG&E’s Firm Transportation Service (Non-Standby) Rate FT.

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 as follows:

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

Directorate of Base Operations Support  
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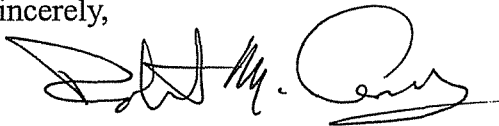
Monthly Transportation Administrative Charge:	\$230.00
Monthly Customer Charge:	\$781.00
Daily Storage Charge:	\$0.1833 per Mcf
Demand Charge:	\$2.43 per Mcf
Distribution Charge:	\$0.0487 per Mcf

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 questions regarding this matter, please contact me.

Sincerely,



Robert M. Conroy

cc: Mr. Gary Meredith  
1110 Sixth Avenue, Room 311  
Fort Knox, KY 40121-50000

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OF KENTUCKY  
EFFECTIVE  
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Executive Director