



Mr. Jeff DeRouen
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40601

RECEIVED

JUL 12 2011

PUBLIC SERVICE
COMMISSION

LG&E and KU Energy LLC
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July 12, 2011

RE: *Joint Application of Louisville Gas and Electric Company and Kentucky Utilities Company for Review, Modification, and Continuation of Existing, and Addition of New, Demand-Side Management and Energy-Efficiency Programs - Case No. 2011-00134*

Dear Mr. DeRouen:

Please find enclosed and accept for filing the original and ten (10) copies of the corrected response of Louisville Gas and Electric Company and Kentucky Utilities Company (collectively “the Companies) to the Commission Staff’s Question No. 17(a) of their Second Information Request dated June 28, 2011, in the above-referenced matter.

In the course of preparing the responses to the data requests, the Companies determined that information that was provided should be corrected or revised. Providing this information is consistent with the general direction in the Commission’s May 20, 2011 Order in this proceeding that a party shall make timely amendment to any prior response if it obtains information which indicates that the response was incorrect when made or, though correct when made, is now incorrect in any material respect.

Also, enclosed are an original and ten (10) copies of a Petition for Confidential Protection for certain information requested in Commission Staff’s Question No. 2-17(a).

Mr. Jeff DeRouen
July 12, 2011

Should you have any questions regarding the enclosed, please contact me at your convenience.

Sincerely,

A handwritten signature in black ink, appearing to read "Rick E. Lovekamp". The signature is fluid and cursive, with a large, sweeping flourish at the end.

Rick E. Lovekamp

cc: Parties of Record

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

JOINT APPLICATION OF LOUISVILLE GAS AND)
ELECTRIC COMPANY AND KENTUCKY UTILITIES)
COMPANY FOR REVIEW, MODIFICATION, AND)
CONTINUATION OF EXISTING, AND ADDITION OF NEW)
DEMAND-SIDE MANAGEMENT AND ENERGY-)
EFFICIENCY PROGRAMS)

CASE NO.
2011-00134

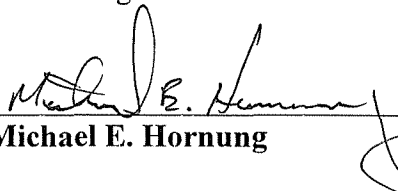
CORRECTED RESPONSE OF
LOUISVILLE GAS AND ELECTRIC COMPANY
AND
KENTUCKY UTILITIES COMPANY
TO THE COMMISSION STAFF'S
SECOND INFORMATION REQUEST
DATED JUNE 28, 2011

FILED: July 12, 2011

VERIFICATION

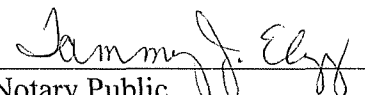
COMMONWEALTH OF KENTUCKY)
) SS:
COUNTY OF JEFFERSON)

The undersigned, **Michael E. Hornung**, being duly sworn, deposes and says that he is Manager of Energy Efficiency Planning & Development for LG&E and KU Services Company, and that he has personal knowledge of the matters set forth in the responses for which he is identified as the witness, and the answers contained therein are true and correct to the best of his information, knowledge and belief.



Michael E. Hornung

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 12th day of July 2011.



Notary Public (SEAL)

My Commission Expires:

November 9, 2014

**LOUISVILLE GAS AND ELECTRIC COMPANY
KENTUCKY UTILITIES COMPANY**

**Corrected Response to the Commission Staff's Second Information Request
Dated June 28, 2011**

Case No. 2011-00134

Question No. 17

Witness: Michael E. Hornung / Counsel

Q-17. Refer to the Companies' response to Staff's initial information request, Item 11. The Companies instituted litigation in October 2010 to recover some portion of the costs associated with the purchase of load control thermostats. The Companies have incurred \$1,986,945 in costs associated with the replacement program of the initial load control thermostats. The 2010 thermostat cost of removal of \$1,940,300 for both Companies was placed in the DSM balancing adjustment for 2011.

- a. What is the estimated cost of litigation? Explain.
- b. Will the cost of litigation be placed in the DSM balancing adjustment or borne by the shareholders? Explain.

A-17. **Original response:**

- a. The Companies are providing the requested information under a Petition for Confidential Protection being filed with the Commission.
- b. Internal legal expenses associated with the litigation will be treated as normal utility expenses. External legal expense will be netted against the recovery; the remainder will be refunded through the DSM balancing adjustment.

Corrected response:

- a. The estimated cost of litigation is [REDACTED]. This amount includes only the cost of outside counsel and experts; internal costs are not included. The Companies are providing the requested information under a Petition for Confidential Protection filed with the Commission on July 11, 2011, which accompanied the original response to this data request.
- b. Internal legal expenses associated with the litigation will be treated as normal utility expenses. External legal expense will be netted against the recovery; the remainder will be refunded through the DSM balancing adjustment.