



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

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PUBLIC SERVICE  
COMMISSION

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April 18, 2011

**Re: *Joint Application of Louisville Gas and Electric Company and Kentucky Utilities Company For an Order Approving A Large Commercial And Industrial Real-Time Pricing Pilot Program***  
**Case No. 2007-00161**

Dear Mr. DeRouen:

Pursuant to the Commission's Order, dated February 1, 2008 in the aforementioned case, Louisville Gas and Electric Company ("LG&E") and Kentucky Utilities Company ("KU") (collectively "the Companies") hereby file an annual report as identified in Ordering Paragraph No. 2. The Companies are providing copies of this report to the Kentucky Attorney General and the Kentucky Industrial Utility Customer, Inc. and apologize for the delay in filing this information. Lastly, as stipulated in the Order, the Companies will file no later than June 30, 2011, a detailed explanation of the pilot program.

Please confirm your receipt of this filing by placing the stamp of your Office with date received on the extra copy and returning to me in the enclosed envelope. Should you have any questions in this regard, please do not hesitate to contact me.

Sincerely,

Rick E. Lovekamp

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

**2010 ANNUAL REPORT**

**CASE NO. 2007-00161**

**Filed April 18, 2011**

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

**Response to the Request of Commission Staff of  
Order Dated February 1, 2008**

**Case No. 2007-00161**

**2010 Annual Report**

**Request No. 1**

**Request No. 1**

The current number of program participants.

**Response**

The Companies currently have no program participants.

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

**Response to the Request of Commission Staff of  
Order Dated February 1, 2008**

**Case No. 2007-00161**

**2010 Annual Report**

**Request No. 2**

**Request No. 2**

The type of industry or primary business activity for each participant.

**Response**

The Companies have no program participants and therefore cannot identify any types of industry or primary business activity.

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

**Response to the Request of Commission Staff of  
Order Dated February 1, 2008**

**Case No. 2007-00161**

**2010 Annual Report**

**Request No. 3**

**Request No. 3**

The number of participants that have withdrawn from the program and the reason for such withdrawal.

**Response**

The Companies have not had any participants since this real time pricing program began.

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

**Response to the Request of Commission Staff of  
Order Dated February 1, 2008**

**Case No. 2007-00161**

**2010 Annual Report**

**Request Nos. 4 and 5**

**Request No. 4 and 5**

The average, minimum and maximum monthly electrical usage and cost for program participants during each 12-month reporting period and the 12-month period immediately preceding enrollment into the program.

**Response**

The Companies have no program participants.

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

**Response to the Request of Commission Staff of  
Order Dated February 1, 2008**

**Case No. 2007-00161**

**2010 Annual Report**

**Request No. 6**

**Request No. 6**

All comments and suggestions solicited from program participants.

**Response**

Although the Companies have no program participants, the Companies have had discussions with several interested customers in the Carrolton, Danville, Lexington, Louisville, Morehead, and Richmond areas regarding the pilot program. However, to date, none have agreed to participate primarily for the following reasons: general economic issues; uncertainty of their product demand and production; program complexity and costs associated with implementation; their incremental labor and scheduling issues; industry specific issues regarding purification and product safety; adverse cost and savings compared to risk; and the lack of availability of labor in off-peak hours.

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

**Response to the Request of Commission Staff of  
Order Dated February 1, 2008**

**Case No. 2007-00161**

**2010 Annual Report**

**Request No. 7**

**Request No. 7**

An evaluation by the Companies of the impact of the program on their peak and/or base demand as compared to their historical data for the 12-month period immediately preceding implementation of the program.

**Response**

The Companies have no program participants and therefore have been unable to evaluate the impact of the program on the peak and/or base demand.

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

**Response to the Request of Commission Staff of  
Order Dated February 1, 2008**

**Case No. 2007-00161**

**2010 Annual Report**

**Request No. 8**

**Request No. 8**

A statement by the Companies of whether the program is achieving the stated objectives and an evaluation of the comments and suggestions of the program participants.

**Response**

Although the Companies have no program participants, many customers were initially enthusiastic about the offering but for the reasons and barriers identified in Response No. 6, many declined to participate. The program has, however, raised an awareness and understanding of current opportunities to cut energy costs and spurred interest in the analysis of current usage and additional product offerings by the Companies.

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

**Response to the Request of Commission Staff of  
Order Dated February 1, 2008**

**Case No. 2007-00161**

**2010 Annual Report**

**Request No. 9**

**Request No. 9**

The program costs to the date of the report, along with the details of any deviations from the program budget contained in the application submitted herein.

**Response**

In the 2009 Annual Report submitted to the Commission, the Companies provided variances and explanations of program budget costs. Due to a lack of program participants, no additional expenditures were incurred during 2010.

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

**Response to the Request of Commission Staff of  
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**Case No. 2007-00161**

**2010 Annual Report**

**Request No. 10**

**Request No. 10**

A cumulative comparison of the information furnished in Items 4 and 5 above to allow year-to-year comparison of program results.

**Response**

As explained above, the Companies have had no program participants and thus a cumulative comparison is unavailable.