

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,)	CASE NO.
MODIFICATION, AND CONTINUATION OF)	2011-00134
EXISTING, AND ADDITION OF NEW,)	
DEMAND-SIDE MANAGEMENT AND)	
ENERGY-EFFICIENCY PROGRAMS)	

COMMISSION STAFF'S FIRST INFORMATION REQUEST TO
LOUISVILLE GAS & ELECTRIC COMPANY AND KENTUCKY UTILITIES COMPANY

Louisville Gas & Electric Company ("LG&E") and Kentucky Utilities Company ("KU") ("the Companies"), pursuant to 807 KAR 5:001, are to file with the Commission the original and 10 copies of the following information, with a copy to all parties of record. The information requested herein is due on or before June 15, 2011. Responses to requests for information shall be appropriately bound, tabbed and indexed. Each response shall include the name of the witness responsible for responding to the questions related to the information provided.

Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association or a governmental agency, be accompanied by a signed certification of the preparer or the person supervising the preparation of the response on behalf of the entity that the response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

The Companies shall make timely amendment to any prior response if they obtain information which indicates that the response was incorrect when made or, though correct when made, is now incorrect in any material respect. For any request to which the Companies fail or refuse to furnish all or part of the requested information, they shall provide a written explanation of the specific grounds for their failure to completely and precisely respond.

Careful attention shall be given to copied material to ensure that it is legible. When the requested information has been previously provided in this proceeding in the requested format, reference may be made to the specific location of that information in responding to this request.

1. Refer to page 11 of the Companies' April 14, 2011 application ("Application"). The Companies request an additional component to the Demand Side Management ("DSM") Cost Recovery Component ("DSMRC"). The additional component is the DSM Capital Cost Recovery ("DCCR"). The proposed component would allow the Companies to earn an approved return on equity exclusively for capital expenditures. The proposed return on equity is 10.50 percent.

a. In Exhibit LEB-3, the rate of return is 10.70 percent for LG&E electric and 10.70 percent for LG&E gas.

(1) Provide the outstanding balances for long-term debt, short-term debt, preferred stock, common equity and the as-of date that supports the 10.70 percent rate of return. Provide this information on a total company and Kentucky jurisdictional basis.

(2) Provide the blended interest rates for long-term debt, short-term debt and preferred stock. Include all supporting calculations showing how these blended interest rates were determined. If applicable, provide the blended interest rates on a total and Kentucky jurisdictional basis. For each outstanding debt listed, indicate whether the interest rate is fixed or variable.

(3) Provide LG&E's calculation of its weighted average cost of capital for DSM purposes.

b. In Exhibit LEB-3, the rate of return for KU is 10.32 percent.

(1) Provide the outstanding balances for long-term debt, short-term debt, preferred stock, common equity and the as-of date that supports the 10.32 percent rate of return. Provide this information on a total company and Kentucky jurisdictional basis.

(2) Provide the blended interest rates for long-term debt, short-term debt and preferred stock. Include all supporting calculations showing how these blended interest rates were determined. If applicable, provide the blended interest rates on a total and Kentucky jurisdictional basis. For each outstanding debt listed, indicate whether the interest rate is fixed or variable.

(3) Provide KU's calculation of its weighted average cost of capital for DSM purposes.

2. Refer to pages 7 through 9 of the testimony of Mr. Lonnie E. Bellar ("Bellar Testimony"). In this filing, the Companies are proposing that new load control switches and programmable thermostats be recorded as capital costs as part of the Residential and Commercial Load Control program. These costs are to be capitalized

in Account 397 - Communications Equipment. The depreciation rate for Communication Equipment for LG&E is 12 percent for an average life of eight years. The depreciation rate for Communication Equipment for KU is 7.13 percent for an average life of 14 years.

a. What is the estimated useful life of load control switches and programmable thermostats? Explain.

b. How were the costs of load control switches and programmable thermostats captured and recovered in prior DSM filings? Explain.

c. If, in prior filings, load control switches and programmable thermostats were not capitalized but the costs were recovered as other DSM costs, explain in detail why these costs are being capitalized now.

d. Fully explain why LG&E and KU have different depreciation rates for Account 397 – Communication Equipment.

e. Are the load control switches and programmable thermostats that are installed for all LG&E and KU customers identical in all aspects (i.e, costs, function, etc.)? If so, fully explain why they should not be depreciated at the same rate.

3. Refer to page 10 of the Bellar Testimony.

a. Mr. Bellar states that operation and maintenance expenses (“O&M”) associated with the load control switches and programmable thermostats are to be captured in Account 908005. In the next base rate case, will the DSM related O&M costs captured in Account 908005, and recovered thru the DSM rate, be removed from the test year O&M costs? Explain.

b. According to Mr. Bellar, the initial installation cost of the load control switches and programmable thermostats will be capitalized with each device. Exhibit LEB-3, pages 1 thru 9, includes the capital cost of load control switches and programmable thermostats for LG&E electric and gas, and also KU electric. Also, Exhibit LEB-3, pages 1 thru 9, includes rate base, return on rate base, O&M, depreciation expense, and annual property tax rate. The following table includes information from Exhibit LEB-3, pages 1 thru 9.

<u>Description</u>	<u>Annual Cash Flow</u>	<u>Operating Expense (O&M)</u>	<u>Annual Depreciation Expense</u>
LG&E Electric Residential Project 1	\$987,648	\$1,813,750	\$118,518
LG&E Electric Commercial Project 2	\$51,659	\$94,400	\$6,199
LG&E Gas Residential Project 1	\$536,747	\$985,700	\$64,410
LG&E Gas Commercial Project 2	\$27,991	\$51,150	\$3,359
KU Electric Residential Project 1	\$1,524,395	\$2,799,450	\$108,689
KU Electric Commercial Project 2	\$79,650	\$145,549	\$5,679
Total	\$3,208,090	\$5,889,999	\$306,854

(1) If the annual cash flow column represents capital costs for 2011, does that amount include the cost of equipment and initial installation? Explain.

(2) In Exhibit MEH-1, Volume I, page 24, Table 1.9.1, Residential Annual Program Budget, and Table 1.9.2, Commercial Annual Program

Budget Program, capital expenditures are listed for the Residential Load Management (Table 1.9.1) program and the Commercial Load Management (Table 1.9.2) program. The capital expenditures for the Residential Load Management program on Table 1.9.1 are \$296,000 and the Commercial Load Management program is \$15,000, for a total of \$311,000. Are those capital expenditures the same capital expenditures listed in the above table, but presented as the calculated rate base amount? Explain.

(3) Will depreciation expense recovered in the DSM surcharge be removed from the test-year depreciation expense in the base rate case and not be considered in any depreciation study for a base rate case? Explain.

(4) Provide a detailed breakdown of the \$5.9 million of O&M as to type of cost and the percentage of O&M and depreciation expense applicable to the various tariffs. Explain.

4. Refer to Exhibit LEB-1 of the Application.

a. Refer to the schedule "DCR Summary - DSM Budget Allocation" for LG&E and KU. The page lists a total dollar amount of all programs of \$23,011,116. It also lists, by program, the total amount of the program expenditures and percentage allocation to the various tariffs.

(1) Confirm that if the total amount would be \$23,011,116, all the total values of the listed programs are summed.

(2) It appears that three of the new proposed programs were not included in the All Programs total. Confirm that the following new proposed programs were not included: Smart Energy Profile Program, Residential Incentive Program and the Residential Refrigerator Removal Program.

(3) If the three proposed new programs have been excluded in 4.a.(2), provide a revised DCR Summary - DSM Budget Allocation page that includes all programs and percentage allocation of amounts by tariff for each program in electronic format with all formulas intact.

b. At page 10 of Exhibit LEB-1, the DSM Cost Recovery Component (“DCR”) is listed as \$9,006,362. At page 13 of Exhibit LEB-1, the DSM Lost Sales Component (“DRLS”) is listed as \$10,266,992; and at page 17 of Exhibit LEB-1, the DCCR is listed as \$2,134,043 for the LG&E electric tariffs. See the table below.

Tariff	Case No 2011-00134			Case No 2007-00319 ¹	
	Proposed Program Costs	Proposed Capital Cost Recovery Component	Proposed Lost Sales Component	Program Costs	Lost Sales Component
RS, RRP, VFD & LEV	\$6,964,031	\$2,028,416	\$6,358,121	\$8,618,198	\$3,614,374
GS & GRP	\$1,272,575	\$99,004	\$1,929,178	\$827,171	\$1,415,846
LC	\$587,876	\$6,384	\$1,486,084	\$945,513	\$1,357,148
LC-TOD	\$181,880	\$241	\$493,608	\$215,686	\$455,447
Total	\$9,006,362	\$2,134,045	\$10,266,991	\$10,606,568	\$6,842,815

(1) Explain how the lost sales factor for each tariff was determined.

¹ Case No. 2007-00319, Joint Application of Louisville Gas and Electric and Kentucky Utilities Company Demand-Side Management for the Review, Modification, and Continuation of Energy Efficiency Programs and DSM Cost Recovery Mechanisms. (Ky. PSC Mar. 31, 2008).

(2) The proposed DRLS for Tariff – RS, RRP, VFD & LEV is \$6.4 million and the DRLS in Case No. 2007-00319 was \$3.6 million. Explain the increase in DRLS from Case No. 2007-00319 to the proposed DRLS in the current application.

(3) The total proposed DRLS of \$10,266,991 is 92 percent of the total of the proposed program costs and capital cost recovery component \$11,140,407 (\$9,006,362 + \$2,134,045). The DRLS, in Case No. 2007-00319, was \$6,842,815 or 65 percent of the program costs of \$10,606,568. Explain the why lost sales as a percentage of program costs have increased by this magnitude from Case No. 2007-00319 to the current application?

(4) Provide in electronic format with all formulas intact, the proposed Lost Sales of \$10,266,991 by tariff for LG&E.

c. In Exhibit LEB-1, the DRLS uses total energy savings multiplied by non-variable revenue per kWh to determine the lost sales. The table below compares the total energy savings from Case No. 2007-00319 to the total energy savings in the current application for LG&E.

Tariff	Case No. 2011-00134	Case No. 2007-00319	Case No. 2011-00134	Case No. 2007-00319
	Total Energy Savings (kWh)	Total Energy Savings (kWh)	Estimated Billing Forecasted Sales	Determinants Forecasted Sales
RS, RRP, VFD & LEV	108,131,314	69,117,414	4,247,555,598	4,253,700,665
GS & GRP	25,417,370	23,483,736	1,596,923,724	1,455,984,948
LC	35,982,662	34,201,940	2,254,666,857	2,305,633,109

LC-TOD	11,951,774	11,376,179	764,417,584	673,919,307
Total	181,483,120	138,179,269	8,863,563,763	8,689,238,029

(1) Explain the difference of 43,303,851 kWh (181,483,120 kWh - 138,179,269 kWh) in total energy savings for tariff RS, RRP, VFD & LEV from Case No. 2007-00319 to the total energy savings in the current application.

(2) Is the decrease in forecasted sales for tariff RS, RRP, VFD & LEV from Case No. 2007-00319 to the current application reflective of the projected energy savings of the residential DSM programs or were there other factors to be considered? Explain.

d. In Exhibit LEB-1, the DSMRC is \$11,443,058. The DSM Lost Sales Component (“DRLS”) is \$8,047,162 and the DSM Capital Cost Recovery Component (“DCCR”) is \$3,215,055 for the KU electric tariffs. See the table below.

Tariff	Case No 2011-00134			Case No 2007-00319	
	Proposed Program Costs	Proposed Capital Cost Recovery Component	Proposed Lost Sales Component	Program Costs	Lost Sales Component
RS, VFD & LEV	\$9,121,941	\$3,056,096	\$5,541,570	\$10,291,005	\$2,692,134
GS	\$1,507,270	\$147,343	\$1,637,805	\$950,520	\$945,811
AES	\$33,673	\$0	\$19,303	\$0	\$0
PS, TODP & TODS (LP)	\$780,174	\$11,616	\$848,484	\$1,300,367	\$619,740
Total	\$11,443,058	\$3,215,055	\$8,047,162	\$12,541,892	\$4,257,685

(1) Explain how the lost sales factor for each tariff was determined.

(2) The proposed DRLS for Tariff – RS, RRP, VFD & LEV is \$5.5 million and the DRLS in Case No. 2007-00319 was \$2.7 million. Explain the increase in DRLS from Case No. 2007-00319 to the proposed DRLS in the current application.

(3) The total proposed DRLS of \$8,047,162 is 55 percent of the total of the proposed program costs and capital cost recovery component of \$14,658,113 (\$11,443,058 + \$3,215,055). The DRLS in Case No. 2007-00319 was \$4,257,685 or 34 percent of the program costs of \$12,541,892. Explain the why lost sales as a percentage of program costs have increased by this magnitude from Case No. 2007-00319 to the current application.

(4) Provide, in electronic format with all formulas intact, the proposed Lost Sales of \$10,266,991 by tariff for LG&E.

e. In Exhibit LEB-1, the DRLS uses total energy savings multiplied by non-variable revenue per kWh to determine the lost sales. The following table compares the total energy savings from Case No. 2007-00319 to the total energy savings in the current application for KU.

Tariff	Case No. 2011-00134	Case No. 2007-00319	Case No. 2011-00134	Case No. 2007-00319
	Total Energy Savings (kWh)	Total Energy Savings (kWh)	Estimated Billing Determinants Forecasted Sales	Forecasted Sales
RS, VFD & LEV	114,970,335	69,994,086	6,329,913,788	6,353,305,471
GS	28,044,606	28,025,864	1,965,268,093	1,835,419,500
AES	564,406	0	139,739,551	0
PS, TODP & TODS (LP)	20,950,226	18,363,870	3,681,693,860	3,910,428,064
Total	164,529,573	116,383,820	12,116,615,292	12,099,153,035

(1) Explain the difference of 48,145,753 kWh (164,529,573 kWh - 116,383,820 kWh) in total energy savings for tariff RS, VFD & LEV from Case No. 2007-00319 to the total energy savings in the current application.

(2) Is the increase in forecasted sales for tariff RS, VFD & LEV from Case No. 2007-00319 to the current application reflective of the projected energy savings of the residential DSM programs or were there other factors to be considered? Explain.

f. For each tariff in Exhibit LEB-1, demonstrate, in electronic format with all formulas intact, how each Balance Adjustment Component (DBA) was determined for all the LG&E electric & gas and KU electric tariffs.

g. Provide, in electronic format with all formulas intact, the calculations to support the DSM Incentive Component in Exhibit LEB-1 for the tariffs listed in the following table.

Tariff	LG&E Electric	LG&E Gas	KU Electric
RS, RRP, VFD & LEV	\$311,862		
GS & GRP	\$61,721		
PS	\$29,271		
CTOD & CTODS	\$9,089		
RGS & VFD		\$113,712	
CGS, AAGS, TS & FT		\$0	
RS, VFD & LEV			\$409,332
GS			\$70,260
AES			\$1,650
PS, TODP & TODS			\$38,606
Total	\$411,943	\$113,712	\$519,848

5. Refer to the Application, Exhibit LEB-3.

a. In Exhibit LEB-3, the annual book depreciation rate is 12.00 percent for LG&E and 7.13 percent for KU. The tax depreciation rate is 3.75 percent. The Deferred Tax Balance is (\$29,095). On page 1 of 9, in Year 1, the rate base is \$898,225, and is determined by the following formula: $\$987,648 - (\$118,518) - \$29,095 = \$898,225$.

(1) Confirm that the formula is mathematically correct.

(2) Since the book depreciation rate is more accelerated than the tax depreciation, is the deferred tax balance amount the opposite sign than would

be normally thought, if the tax depreciation rate were greater than the book depreciation rate? Explain.

b. There is no annual property tax expense in the Total OE, even though an annual property tax rate is supplied. Explain.

c. If an annual property tax expense were included in the Total OE, would the annual property tax expense be excluded from the next base rate case since it is being recovered in the DSM tariff? Explain.

6. In the Application and in Mr. Michael E. Hornung's testimony ("Hornung Testimony"), the existing programs will be in effect through 2014 based on the Order in Case No. 2007-00319 dated March 31, 2008. Five of the existing programs are without change. The five are the following: Residential High Efficiency Lighting, Residential New Construction, Residential and Commercial HVAC Diagnostic and Tune Up, Customer Education and Public Information, and the Dealer Referral Network. The Companies propose to make changes to the following existing programs: Residential and Commercial Load Management/Demand Conservation Program, Commercial Conservation/Commercial Incentive Program, Residential Conservation/Home Energy Performance Program, Residential Low income Weatherization Program (WeCare), and the Program Development and Administration. The following are proposed new programs: Smart Energy Profile Program, Residential Incentive Program, and the Residential Refrigerator Removal Program.

a. Provide the proposed termination date for the existing programs the Companies are proposing to change. Explain.

b. Provide the proposed termination date for the proposed new programs. Explain.

7. Refer to page 14, line 1, of the Hornung Testimony. There is a table of program costs. Provide this table in an electronic format.

8. Refer to pages 15 and 16 of the Hornung Testimony. There is a statement, "If the Companies' reviews reveal any programs to be cost-ineffective or otherwise underperforming, the Companies will discontinue the program and notify the Commission by a letter or motion."

a. What determination will the Companies use as identifying cost-ineffective or underperforming programs? Explain.

b. Have the Companies ever discontinued any cost-ineffective or underperforming program(s)? Explain.

c. If the Companies determine that a program or programs are cost-ineffective or underperforming, would the Companies consider filing an application to remove the proposed costs of the program(s), if those costs significantly affect the residential or commercial DSM tariffs? Explain.

9. Refer to page 21 of the Hornung Testimony, which mentions that the Companies are considering partnering with the Kentucky Home Performance Program ("KHPP"). A Kentucky Home Performance Powerpoint presentation, dated July 23, 2010, states that Kentucky Home Performance will serve middle to upper income bracket households.

a. Will the Companies have an income level requirement to participate in any such program? Explain.

b. If a partnership is formed, explain whether the proposed amount of the incentive paid by the Companies would be affected by the incentives received through the KHPP.

10. Refer to page 29 of the Horning Testimony. Over 20 utilities across the nation have implemented secondary refrigerator removal programs similar to the proposed program. A similar program evaluated by another utility was determined unjustifiable on a cost/benefit basis. Other than the amount of the payment offered by the utility to the customer participant for a refrigerator, explain what other factors might determine whether the program will be cost beneficial for one utility, but not another.

11. Refer to Exhibit MEH-1, Volume I, at page 19. A comment is made that, "In December 2009, the Companies became aware of a technology-related risk concerning the programmable thermostats used with the Demand Conservation Program."

a. Explain the technology-related risk.

b. Was there any financial harm caused by this risk and, if so, was there any financial settlement or credit applied to the DSM program costs? Explain.

c. Did the Companies change vendor(s) and did the vendor(s) fulfill their contractual obligations regarding the programmable thermostats? Explain.

d. The Companies state that, although successful, the Companies recognize that the potential for growth for the Residential and Commercial Load Management Demand Conservation program is still significant.

(1) Explain whether there has been any resistance to the program coming from the perception that cycling the equipment can be harmful to the

equipment or shorten the life span of the equipment. Include in the explanation whether any evidence exists that supports the perception and whether any complaints have been made by participants relating to such a belief.

(2) If resistance to the Demand Conservation program exists, what steps have been taken by the Companies to address any concerns which have been raised?

12. Refer to Exhibit MEH-1, Volume I, at page 21. There are two tables presented as to the projected participants for the Residential Participation Goals and the Commercial Participation Goals. The residential participation goals for Year 1 are 11,900 and the commercial participation goals are 540. In the ICF International Report, Section 10.0 of Volume I, on page 27, the report lists \$6,186,874 for the annual budget and 131,000 participants for the Residential Load Management Program. Also, on page 32 of the ICF International Report, it lists \$321,821 for the annual budget and 5,100 participants for the Commercial Load Management Program.

a. As to the Residential Load Management Program, the annual budget of \$6,186,874 appears to be correct when compared to the Year 1 budget of \$6,187,000 provided on page 24 of Exhibit MEH-1, Volume I. Explain why there is a difference in participants for Year 1 of 11,900 versus 131,000 as shown in the ICF International Report.

b. As to the Commercial Load Management Program, the annual budget of \$321,821 appears to be correct when compared to the Year 1 budget of \$322,000 provided on page 24 of Exhibit MEH-1, Volume I. Explain why there is a

difference in participants for Year 1 of 540 versus 5,100 as shown in the ICF International Report.

c. Depending on which participant number is correct, does this change the lost sales value that has been calculated for these programs and, if so, does it change or revise the calculated DSM factor or rate? Explain.

13. Refer to Exhibit MEH-1, Volume I, at page 24. There is a table of program costs for the Residential Annual Program Budget. Provide in an electronic format, unprotected, with all formulas intact, the seven-year projected programs costs, capital expenditures and capital costs for all programs that are presented in this application and listed in question 6 of this first set of data requests. Year 1 program costs shall be in whole dollars and Years 2 through 7 shall be rounded to thousands (\$000). Use the format of the following table.

<u>Program Costs</u>	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>	<u>Year 6</u>	<u>Year 7</u>
		\$000	\$000	\$000	\$000	\$000	\$000
Administration	\$XXX,XXX	\$XXX	\$XXX	\$XXX	\$XXX	\$XXX	\$XXX
Implementation	\$X,XXX,XXX	\$X,XXX	\$X,XXX	\$X,XXX	\$X,XXX	\$X,XXX	\$X,XXX
Incentives	\$X,XXX,XXX	\$X,XXX	\$X,XXX	\$X,XXX	\$X,XXX	\$X,XXX	\$X,XXX
Miscellaneous	\$X,XXX,XXX	\$X,XXX	\$X,XXX	\$X,XXX	\$X,XXX	\$X,XXX	\$X,XXX
Total	\$5,891,000	\$X,XXX	\$X,XXX	\$X,XXX	\$X,XXX	\$X,XXX	\$X,XXX
<u>Capital Costs</u>	\$296,000	\$XXX	\$XXX	\$XXX	\$XXX	\$XXX	\$XXX
<u>Capital Expenditures</u>	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>	<u>Year 6</u>	<u>Year 7</u>
		\$000	\$000	\$000	\$000	\$000	\$000
Load Control Switches	\$X,XXX,XXX	\$X,XXX	\$X,XXX	\$X,XXX	\$X,XXX	\$X,XXX	\$X,XXX

Programmable Thermostats	\$X,XXX,XXX	\$X,XXX	\$X,XXX	\$X,XXX	\$X,XXX	\$X,XXX	\$X,XXX
Total	\$X,XXX,XXX	\$X,XXX	\$X,XXX	\$X,XXX	\$X,XXX	\$X,XXX	\$X,XXX

14. Refer to Exhibit MEH-1, Volume I, at page 34. There is a table presented as to the projected participants for the Onsite and Online Participation Goals. The participation goals for Year 1 are 1,200 for Onsite and 3,000 for Online. In the ICF International Report, Section 10.0 of Volume I, there is listed on page 43 \$1,460,826 for the annual budget and 7,200 participants for the Residential Conservation/Home Energy Performance Program.

a. The annual budget of \$1,460,826 appears to be correct when compared to the Year 1 budget of \$1,461,000 provided on page 36 of Exhibit MEH-1, Volume I. Explain why there is a difference in participants for Year 1 of 1,200 and 3,000 versus 7,200 as listed in the ICF International Report.

b. Depending on which participant number is correct, does this change the lost sales value that has been calculated for these programs and, if so, does it change or revise the calculated DSM factor or rate? Explain.

15. Exhibit MEH-1, Volume II, Exhibit A, was provided electronically in a pdf format. There are 118 pages in this exhibit. Provide Exhibit MEH-1 in an electronic format with all formulas intact, unprotected, and labeled as to program.

16. The following existing programs are proposed to be changed: Residential and Commercial Load Management/Demand Conservation Program, Commercial Conservation/Commercial Incentive Program, Residential Conservation/Home Energy Performance Program, Residential Low income Weatherization Program (WeCare), and the Program Development and Administration.

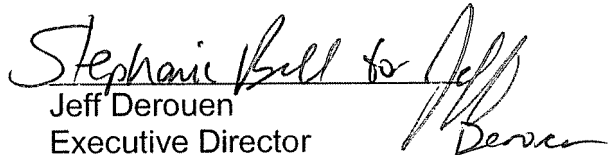
a. Compare the existing programs that are to be changed in this application with the same programs as filed in the Case No. 2007-00319 application and explain the differences by program.

b. If the existing programs were not changed and remained the same as filed in Case No. 2007-00319, what would the effect be on the various DSM components? Explain.

c. By program, provide the proposed annual salaries and benefits of the additional employees to be added.

17. Are the Companies considering any DSM programs that PPL might have in place in other jurisdictions? Explain.

18. Explain whether the intent of the Residential Refrigerator Removal program is to remove secondary refrigerators, to replace inefficient refrigerators with more efficient ones, or both. Include in the explanation whether other appliances, such as window air conditioners, have been considered for a replacement program.


Jeff Derouen
Executive Director
Public Service Commission
P.O. Box 615
Frankfort, KY 40602

DATED: JUN 02 2011

cc: Parties of Record

Honorable David Jeffrey Barberie
Corporate Counsel
Lexington-Fayette Urban County Government
Department Of Law
200 East Main Street
Lexington, KENTUCKY 40507

Lonnie Bellar
Vice President, State Regulation & Rates
LG&E and KU Services Company
220 West Main Street
Louisville, KENTUCKY 40202

David Brown
Stites & Harbison, PLLC
1800 Providian Center
400 West Market Street
Louisville, KENTUCKY 40202

Rick E Lovekamp
Manager - Regulatory Affairs
LG&E and KU Energy LLC
220 West Main Street
Louisville, KENTUCKY 40202

Honorable Kendrick R Riggs
Attorney at Law
Stoll Keenon Ogden, PLLC
2000 PNC Plaza
500 W Jefferson Street
Louisville, KENTUCKY 40202-2828

Honorable Iris G Skidmore
415 W. Main Street
Suite 2
Frankfort, KENTUCKY 40601

Allyson K Sturgeon
Senior Corporate Attorney
LG&E and KU Services Company
220 West Main Street
Louisville, KENTUCKY 40202