

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF LOUISVILLE GAS AND	)	
ELECTRIC COMPANY AND KENTUCKY	)	CASE NO.
UTILITIES COMPANY FOR A WAIVER AND	)	2010-00482
DEVIATION FROM KRS 278.2213	)	

O R D E R

The matter is before the Commission upon an application filed by Louisville Gas and Electric Company (“LG&E”) and Kentucky Utilities Company (“KU”) requesting a waiver and deviation pursuant to KRS 278.2219 and 807 KAR 5:080, Section 5, to permit the companies newly renamed nonregulated affiliates to appropriately and reasonably use LG&E’s and KU’s abbreviations, brands, trademarks and logos without an accompanying disclaimer. In support of their application, the companies state that, as a result of PPL Corporation’s acquisition of ownership and control of LG&E and KU, “the names of several nonregulated affiliates were changed to more accurately reflect the return to domestic ownership and control of the holding company and of LG&E and KU.”<sup>1</sup> The following five entities’ names were changed as a result of the PPL acquisition:

- |                              |   |                              |
|------------------------------|---|------------------------------|
| 1. E.ON U.S. LLC             | → | LG&E and KU Energy LLC       |
| 2. E.ON U.S. Capital Corp    | → | LG&E and KU Capital LLC      |
| 3. E.ON U.S. Services Inc.   | → | LG&E and KU Services Company |
| 4. E.ON U.S. Foundation Inc. | → | LG&E and KU Foundation Inc.  |
| 5. E.ON U.S. Hydro I LLC     | → | LG&E and KU Hydro I LLC      |

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<sup>1</sup> Application at 3.

KRS 278.2213(13) prohibits a utility's name, trademark, brand or logo from being used by a nonregulated affiliate in any type of visual or audio media without a disclaimer. 807 KAR 5:080, Section 6 sets forth the specific manner and content of the disclaimer.<sup>2</sup> Pursuant to KRS 278.2219, a utility can request a waiver or deviation from the disclaimer requirement. In requesting a waiver or deviation, a utility must, among other things, demonstrate the basis for such a waiver or deviation and establish that compliance with the disclaimer requirement is impracticable or unreasonable. KRS 278.2219(2)(a) and KRS 278.2219(3).

LG&E and KU contend that requiring the companies to adhere to the disclaimer requirement would be impracticable and unreasonable because a disclaimer is not needed due to the fact that none of its nonregulated affiliates are engaged in competitive businesses or markets. The companies note that LG&E and KU Energy, LLC is the immediate holding company of the two utilities and is not engaged in any material business activities other than in connection with its status as LG&E's and KU's holding company. They further note that LG&E and KU Services Company provide services to LG&E and KU at or below market cost in accordance with the Public Utility Holding Company Act of 2005 and state cost allocation methodologies. Likewise, LG&E

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<sup>2</sup> 807 KAR 5:080, Section 6(1) provides in full as follows:

The disclaimer shall state that "(affiliate's name) is not the same company as (utility's name). (Affiliate's name) is not regulated by the Kentucky Public Service Commission. You do not have to buy (the affiliate's) (products or services, as applicable) in order to receive quality regulated services from the utility."

and KU Capital LLC serves as a financial subsidiary as part of the LG&E and KU Energy, LLC holding company structure. LG&E and KU Foundation, Inc. is a non-profit charitable organization serving as the philanthropic arm of LG&E and KU. Lastly, LG&E and KU Hydro I LLC is active only in the hydropower license process at the Federal Energy Regulatory Commission.

LG&E and KU assert that the five nonregulated affiliates will not use the companies' brands to gain a competitive advantage. Rather, the LG&E and KU brands will be used internally and externally by the nonregulated affiliates for ordinary, non-competitive activities. Because the nonregulated affiliates are not engaged in competitive activities, LG&E and KU further argue that there would be no risk of undue confusion and influence to the public by the use of the brands by the nonregulated affiliates.

Lastly, should any of LG&E's and KU's existing or new nonregulated affiliates begin offering competitive products or services, LG&E and KU commit that they would seek Commission approval of an appropriate disclaimer prior to the use of the companies' brands in connection with the offering of such competitive products or services.

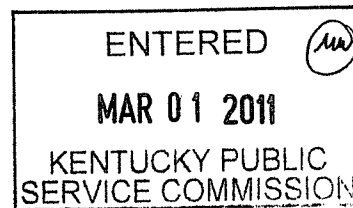
Having reviewed the application and being otherwise sufficiently advised, the Commission finds that LG&E and KU have shown good cause to permit the companies to deviate from the disclaimer requirement of KRS 278.2213(13).

IT IS THEREFORE ORDERED that:

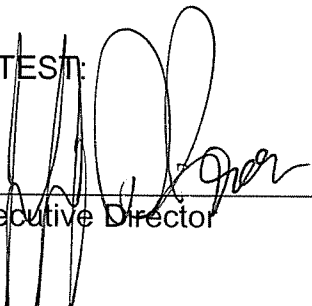
1. LG&E's and KU's application for a waiver and deviation from KRS 278.2213(13) is granted.

2. If any of LG&E's and KU's existing or new nonregulated affiliates begin offering competitive products or services, LG&E and KU shall seek Commission approval of an appropriate disclaimer pursuant to the requirements of KRS 278.2213(13) and 807 KAR 5:080, Section 6, prior to the use of, among other things, LG&E's and KU's abbreviations, brands, trademarks and logos in connection with the offering of such competitive products or services.

By the Commission



ATTEST:

  
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