



March 7, 2011

Jeff Derouen
Executive Director
Public Service Commission of Kentucky
211 Sower Boulevard
Frankfort, Kentucky 40602

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MAR 07 2011

PUBLIC SERVICE
COMMISSION

LG&E and KU Energy LLC

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Allyson K. Sturgeon
Sr. Corporate Attorney
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RE: Herren & Adams v. Kentucky Utilities Company
Case No.: 2011-00047

Dear Mr. Derouen:

Enclosed please find an original and eleven (11) copies of Kentucky Utilities Company's Answer to Complainant's Complaint.

Please file-stamp the extra copy of the Answer as received and return it to me in the enclosed envelope. Should you have any questions concerning the enclosed, please do not hesitate to contact me.

Sincerely,

Allyson K. Sturgeon

AKS/kmw
Enclosures
C: Parties of Record

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

HERREN & ADAMS

COMPLAINANT

v.

KENTUCKY UTILITIES COMPANY

DEFENDANT

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CASE NO.
2011-00047

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COMMISSION**

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ANSWER OF
KENTUCKY UTILITIES COMPANY

In accordance with the Kentucky Public Service Commission's ("Commission") Order of February 21, 2011 in the above-captioned proceeding, Kentucky Utilities Company ("KU" or the "Company") respectfully submits this Answer to the Complaint of Herren & Adams filed on December 10, 2010. In support of its Answer, and in response to the specific averments contained in said Complaint, KU states as follows:

1. KU admits the averments contained in paragraph (a) of the Complaint, on information and belief.
2. KU admits the averments contained in paragraph (b) of the Complaint.

3. With regard to the allegations contained in paragraph (c) of the Complaint, KU states as follows:

a. KU affirmatively states that the Kentucky Public Service Commission approved changes in the Company's rates, terms and conditions effective August 1, 2010. One of the changes was the addition of a minimum demand charge for customers served under Electric Rate Schedule Power Service (PS) which is currently limited to those customers with minimum secondary loads of 50 kW and with maximum secondary loads of 250 kW. Customers who had previously been served on the PS rate had been grandfathered in previous rate cases and were permitted to stay on the rate, even if their loads did not otherwise meet the stated load criteria. As a result of their usage, beginning on August 1, 2011, the base demand minimum was applied to Herren & Adams' account each month.

b. With regard to Complainant's request for relief, KU states that it has recently credited Herren & Adams' account in the amount of \$1599.18 for the difference between the amounts they were charged during August, September and October 2010 under Rate PS – Secondary and the amounts they would have been charged for those periods under Rate GS.

4. KU denies all allegations contained in the Complaint which are not expressly admitted in the foregoing paragraphs of this Answer.

FIRST AFFIRMATIVE DEFENSE

The Complaint, or parts of it, fails to set forth any claim upon which relief can be granted by this Commission and, therefore should be dismissed.

SECOND AFFIRMATIVE DEFENSE

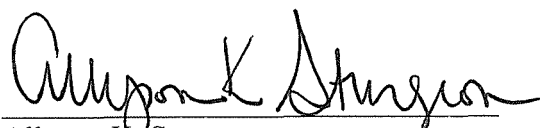
The Complainant has failed to set forth a *prima facie* case that KU has violated its tariff or any statute or Commission regulation, and the Complaint should be dismissed for that reason.

WHEREFORE, for all of the reasons set forth above, Kentucky Utilities Company respectfully requests:

- (1) that the Complaint herein be dismissed without further action taken by the Commission;
- (2) that this matter be closed on the Commission's docket; and
- (3) that KU be afforded any and all other relief to which it may be entitled.

Dated: March 7, 2011

Respectfully submitted,




Allyson K. Sturgeon
Senior Corporate Attorney
LG&E and KU Services Company
220 West Main Street
Louisville, Kentucky 40202
(502) 627-2088

Counsel for Kentucky Utilities Company

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and correct copy of the foregoing Answer was served on the following on the 7th day of March, 2011, U.S. mail, postage prepaid:

Charles C. Adams, Jr., Esq.
Herren & Adams
148 N. Broadway
Lexington, Kentucky 40507


Counsel for Kentucky Utilities Company