

David R. McDowell, Assistant Director Public Service Commission of Kentucky Filings Division 211 Sower Boulevard P.O. Box 615 Frankfort, Kentucky 40602-0615

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PUBLIC SERVICE
COMMISSION

Louisville Gas and Electric Company

State Regulation and Rates 220 West Main Street PO Box 32010 Louisville, Kentucky 40232 www.eon-us.com

Robert M. Conroy Director - Rates T 502-627-3324 F 502-627-3213 robert.conroy@eon·us.com

March 30, 2009

Re: Annual Report Form No. 1, Kentucky Public Service Commission Annual Report for Major Natural Gas Companies, and Annual Resource Assessment for Louisville Gas and Electric Company Pursuant to Administrative Case No. 387

Dear Mr. McDowell:

Enclosed are one completed signed copy of Annual Report Form No. 1 for Electric Utilities and one completed signed copy of Kentucky Public Service Commission Annual Report for Major Natural Gas Companies for Natural Gas Companies covering the operations of Louisville Gas and Electric Company ("LG&E").

Also enclosed, in accordance with Ordering Paragraph (2) of the Commission's Order in Administrative Case 387, dated October 7, 2005, are an original and five (5) copies of the 2008 Annual Resource Assessment Filing for LG&E, along with a Petition for Confidential Protection regarding certain information provided in response to Item Nos. 11 and 14.

Sincerely,

Robert M. Conroy

Enclosures

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY

In	the	M	atter	of.

A REVIEW OF THE ADEQUACY OF)	
KENTUCKY'S GENERATION CAPACITY)	ADMINISTRATIVE
AND TRANSMISSION SYSTEM)	CASE NO. 387

2008 ANNUAL RESOURCE ASSESSMENT FILING
OF
LOUISVILLE GAS AND ELECTRIC COMPANY
PURSUANT TO APPENDIX G
OF THE COMMISSION'S ORDER
DATED DECEMBER 20, 2001
AS AMENDED BY THE
COMMISSION'S ORDER
DATED MARCH 29, 2004

FILED: MARCH 2009

2008 ANNUAL RESOURCE ASSESSMENT FILING PURSUANT TO APPENDIX G OF THE COMMISSION'S ORDER DATED DECEMBER 20, 2001, IN ADMINISTRATIVE CASE NO. 387 AS AMENDED BY THE COMMISSION'S ORDER DATED MARCH 29, 2004 FILED MARCH 2009

ITEM NO. 1

ITEM NO. 2

ITEM NO. 5

ITEM NO. 9

ITEM NO. 10

The information originally requested in the Items of Appendix G of the Commission's Order dated December 20, 2001, in Administrative Case No. 387, is no longer required pursuant to the Commission's Order of March 29, 2004, amending the previous Order.

2008 ANNUAL RESOURCE ASSESSMENT FILING PURSUANT TO APPENDIX G OF THE COMMISSION'S ORDER DATED DECEMBER 20, 2001, IN ADMINISTRATIVE CASE NO. 387 AS AMENDED BY THE COMMISSION'S ORDER DATED MARCH 29, 2004 FILED MARCH 2009

ITEM NO. 3

RESPONDENT: Stuart Wilson/Scott Cooke

3. Actual and weather-normalized monthly coincident peak demands for the just completed calendar year. Demands should be disaggregated into (a) native load demand (firm and non-firm) and (b) off-system demand (firm and non-firm).

Response:

Please refer to the attached Table LGE-3, which shows the actual and weather-normalized native LG&E peak demands. The normalized native LG&E stand alone peak demands are available only on a seasonal (summer/winter) basis.

TABLE LGE-3 NATIVE AND OFF-SYSTEM DEMANDS BY MONTH FOR 2008

Normal

Louisville Gas & Electric Co.

				Weather			
	Actual			(Seasonal)	Off-System (1)		
Time of Monthly Native Peak	Native Peak	Non-Firm	Firm	Native Peak	Firm (2) Non-	Non-Firm (2)	Total
1/2/2008 19:00	1,913	55	1,858	1,918	130	0	130
2/11/2008 20:00	1,836	36	1,800		0	0	J
3/7/2008 20:00	1,729	25	1,672		0	0	O
4/25/2008 17:00	1,710	69	1,650		0	0	J
5/27/2008 17:00	1,971	58	1,914		100	0	100
6/26/2008 16:00	2,489	20	2,439		0	0	U
7/29/2008 18:00	2,500	42	2,459		0	0	J
8/1/2008 16:00	2,471	0	2,471		0	0	J
9/2/2008 16:00	2,502	0	2,502	2,526	0	0	U
10/15/2008 16:00	2,003	09	1,943		0	0	U
11/17/2008 19:00	1,647	58	1,589		539	0	536
12/22/2008 19:00	1,821	41	1,780		150	0	15(

lotor

- Power Supply System Agreement between LG&E and KU. The individual company sales will include an allocation of the sales sourced (1) The allocation of off-system sales split between LG&E and KU is handled in the After-the-Fact Billing process in accordance with the with purchased power and allocated to the individual company based on each company's contribution to off-system sales.
 - (2) The allocation of off-system sales between firm and non-firm is not available from the hourly data in AFB. The breakout is based on the monthly totals for LG&E and KU sales for firm and non-firm sales.

2008 ANNUAL RESOURCE ASSESSMENT FILING PURSUANT TO APPENDIX G OF THE COMMISSION'S ORDER DATED DECEMBER 20, 2001, IN ADMINISTRATIVE CASE NO. 387 AS AMENDED BY THE COMMISSION'S ORDER DATED MARCH 29, 2004 FILED MARCH 2009

ITEM NO. 4

RESPONDENT: Stuart Wilson

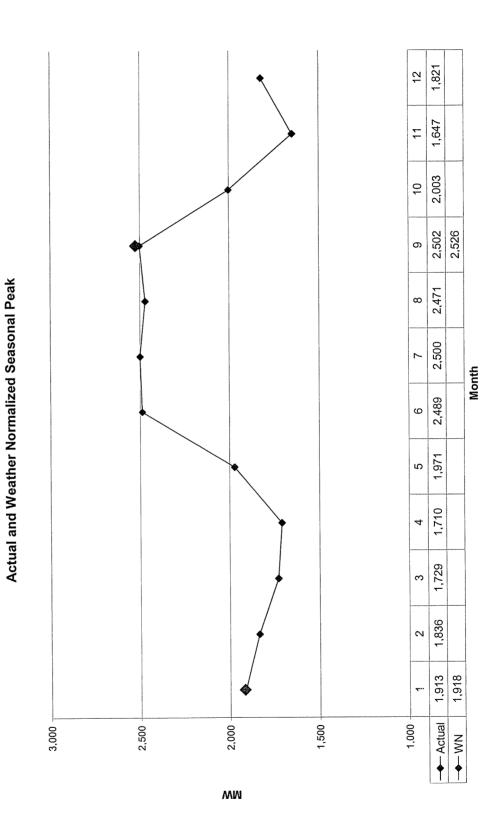
4. Load shape curves that show actual peak demands and weather-normalized peak demands (native load demand and total demand) on a monthly basis for the just completed calendar year.

Response:

Please refer to the attached Figure LGE-4.

Figure LGE-4

LG&E 2008



2008 ANNUAL RESOURCE ASSESSMENT FILING PURSUANT TO APPENDIX G OF THE COMMISSION'S ORDER DATED DECEMBER 20, 2001, IN ADMINISTRATIVE CASE NO. 387 AS AMENDED BY THE COMMISSION'S ORDER DATED MARCH 29, 2004 FILED MARCH 2009

ITEM NO. 6

RESPONDENT: Stuart Wilson/Scott Cooke

6. Based on the most recent demand forecast, the base case demand and energy forecasts and high case demand and energy forecasts for the current year and the following four years. The information should be disaggregated into (a) native load (firm and non-firm demand) and (b) off-system load (both firm and non-firm demand).

Response:

- a) Please see the attached Table LGE-6a.
- b) Off-system sales ("OSS") projections for 2009-2013 contained in Table LGE-6b are based on the combined Companies' current plan. For OSS, only base case total sales energy projections exist for 2009-2013. The projections consist of the expected market sales, dubbed "Wholesale OSS". In the long-range model, wholesale financially Firm and Non-firm sales are not distinguished but are combined into an overall expected sales energy.

Table LGE-6a

Louisville Gas & Electric	2009	2010	2011	2012	2013
Base Case Energy Sales (GWh)	11,977	11,962	12,100	12,312	12,454
High Case Energy Sales (GWh)		12,784	12,978	13,254	13,519
Base Case Energy Requirements (GWh)	12,686	12,673	12,823	13,053	13,209
High Case Energy Requirements (GWh)	13,271	13,544	13,754	14,052	14,338
Base Case Native Peak Demand (MW) High Case Native Peak Demand (MW)	2,641	2,654 2,836	2,662 2,855	2,643 2,846	2,701 2,931

Table LGE-6b
Total Base Case Off-System Sales Energy Projection

	2009	2010	2011	2012	2013
Existing OSS (GWH)	0	0	0	0	0
Wholesale OSS (GWH)	1,234	1,944	2,585	1,329	1,443
Total OSS (GWH)	1,234	1,944	2,585	1,329	1,443

2008 ANNUAL RESOURCE ASSESSMENT FILING PURSUANT TO APPENDIX G OF THE COMMISSION'S ORDER DATED DECEMBER 20, 2001, IN ADMINISTRATIVE CASE NO. 387 AS AMENDED BY THE COMMISSION'S ORDER DATED MARCH 29, 2004 FILED MARCH 2009

ITEM NO. 7

RESPONDENT: Scott Cooke

7. The target reserve margin currently used for planning purposes, stated as a percentage of demand. If changed from what was in use in 2001, include a detailed explanation for the change.

Response:

The Companies established an optimal reserve margin range of 13% to 15%, with 14% recommended for planning purposes. The range provides an optimum level of reliability through various system operating conditions. The reserve margin analysis was performed as part of the 2008 Integrated Resource Plan ("2008 IRP"), filed with the Commission in April 2008.

The Companies utilized a planning reserve margin target of 12% in 2001 and 14% in 2002 based on a reserve margin range of 11%-14% established in the Companies' 1999 IRP. A detailed explanation of the current target reserve margin is documented in the report titled "2008 Analysis of Reserve Margin Planning Criterion" included in Volume III of the Companies' 2008 IRP. The Companies have utilized a 14% planning reserve margin target since 2002.

2008 ANNUAL RESOURCE ASSESSMENT FILING PURSUANT TO APPENDIX G OF THE COMMISSION'S ORDER DATED DECEMBER 20, 2001, IN ADMINISTRATIVE CASE NO. 387 AS AMENDED BY THE COMMISSION'S ORDER DATED MARCH 29, 2004 FILED MARCH 2009

ITEM NO. 8

RESPONDENT: Scott Cooke

8. Projected reserve margins stated in megawatts and as a percentage of demand for the current year and the following 4 years. Identify projected deficits and current plans for addressing these. For each year identify the level of firm capacity purchases projected to meet native load demand.

Response:

Please see the attached Table LGE-8.

Table LGE-8 Combined Company Reserve Margin Needs (MW)

Current Values	2009	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Peak Load CSR/Interrupt	6,969 -100	7,093 -100	7,173 -100	7,263 -100	7,452 -100
DSM	-189	-253	-319	-380	-441
Net Load	6,681	6,741	6,755	6,783	6,911
Existing Capability	7,417	7,412	7,400	7,471	7,473
New Capacity	0	549	549	549	549
Dynegy Purchase	165	0	0	0	0
OMU	167	0	0	0	0
OVEC	179	179	179	179	179
Total Supply	7,928	8,140	8,128	8,199	8,201
MW Margin	1,247	1,399	1,373	1,416	1,290
Reserve Margin %	18.7%	20.8%	20.3%	20.9%	18.7%
Capacity Need for 14%	(312)	(456)	(427)	(466)	(322)

2008 ANNUAL RESOURCE ASSESSMENT FILING PURSUANT TO APPENDIX G OF THE COMMISSION'S ORDER DATED DECEMBER 20, 2001, IN ADMINISTRATIVE CASE NO. 387 AS AMENDED BY THE COMMISSION'S ORDER DATED MARCH 29, 2004 FILED MARCH 2009

ITEM NO. 11

RESPONDENT: Scott Cooke

11. A list that identifies scheduled outages or retirements of generating capacity during the current year and the following four years.

Response:

The planned maintenance outage schedule for 2009 through 2013 is being provided pursuant to a Petition for Confidential Protection. The schedule is regularly modified based on actual operating conditions, forced outages, changes in the schedule required to meet environmental compliance regulations, fluctuations in wholesale prices, and other unforeseen events.

2008 ANNUAL RESOURCE ASSESSMENT FILING PURSUANT TO APPENDIX G OF THE COMMISSION'S ORDER DATED DECEMBER 20, 2001, IN ADMINISTRATIVE CASE NO. 387 AS AMENDED BY THE COMMISSION'S ORDER DATED MARCH 29, 2004 FILED MARCH 2009

ITEM NO. 12

RESPONDENT: Scott Cooke

12. Identify all planned base load or peaking capacity additions to meet native load requirements over the next 10 years. Show the expected in-service date, size and site for all planned additions. Include additions planned by the utility, as well as those by affiliates, if constructed in Kentucky or intended to meet load in Kentucky.

Response:

Please see the attached Table LGE-12.

Table LGE-12 Planned Capacity Additions (2009-2018)

In Service Date	Type	Future Site	Summer Capacity (MW)	Winter Capacity (MW)
June 2010	Supercritical Pulverized Coal	Trimble County Plant	549	563
June 2017	2x1 Combined Cycle Combustion Turbine	Undecided	475	551

2008 ANNUAL RESOURCE ASSESSMENT FILING PURSUANT TO APPENDIX G OF THE COMMISSION'S ORDER DATED DECEMBER 20, 2001, IN ADMINISTRATIVE CASE NO. 387 AS AMENDED BY THE COMMISSION'S ORDER DATED MARCH 29, 2004 FILED MARCH 2009

ITEM NO. 13

RESPONDENT: Keith Yocum

- 13. The following transmission energy data for the just completed calendar year and the forecast for the current year and the following four years:
 - a. Total energy received from all interconnections and generation sources connected to the transmission system.
 - b. Total energy delivered to all interconnections on the transmission system.
 - c. Peak load capacity of the transmission system.
 - d. Peak demand for summer and winter seasons on the transmission system.

Response:

Data exists for 2008. The Company does not forecast this type of data; therefore no forecast exists for 2009-2012.

a. LG&E and KU operate as a single NERC Control area that contains several generators not owned by LG&E and KU; the non-Company owned facilities are also included as sources below:

Tie Lines Received (MWH)	16,511,814
Net Generation-LG&E (MWH)	17,202,747
Net Generation-KU (MWH)	18,295,536
Net Received from OMU (MWH)	1,130,065
Net Generation-IPPs (MWH)	<u>1,121,778</u>
Total Sources (MWH)	54,420,415

b. LG&E and KU operate as a single Control Area, the amount of energy delivered at the interconnections of the single Control area were 18,896,814 MWH(s).

- c. There is no set number for peak load capacity for the transmission system. The system is built to support Network Service and firm PTP customers as tested under the E.ON Transmission Planning Guidelines. Actual transmission capacity available for Network customers, import, export or thru-flow will vary depending on which facilities (generation, load or transmission) in the interconnected transmission system of the eastern interconnect are connected and operated at any given time.
- d. The maximum summer peak transmission load for the combined LG&E/KU transmission system was 7042 MW for the peak hour of 7/29/2008 at 4PM.

The maximum winter peak transmission load for the combined LG&E/KU transmission system was 7067 for the peak hour of 1/25/2008 at 8 AM.

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ITEM NO. 14

RESPONDENT: Keith Yocum

14. Identify all planned transmission capacity additions for the next 10 years. Include the expected in-service date, size and site for all planned additions and identify the transmission need each addition is intended to address.

Response:

The response to this item is being provided pursuant to a Petition for Confidential Protection.

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION PECEIVED

MAR 30 2009

In the Matter of:

PUBLIC SERVICE COMMISSION

PETITION FOR CONFIDENTIAL PROTECTION OF LOUISVILLE GAS AND ELECTRIC COMPANY OF CERTAIN PLANNING-RELATED INFORMATION FILED IN CONNECTION WITH ITS 2008 ANNUAL REPORT

ADM_CASE NO. 387

MAR 3 0 2009 PUBLIC SERVICE

PETITION OF LOUISVILLE GAS AND ELECTRIC COMPANY FOR CONFIDENTIAL PROTECTION

confidential protection to certain planning-related information it is required to submit in

connection with its annual report. In support of this Petition, LG&E states as follows:

COMMISSION Louisville Gas and Electric Company ("LG&E") petitions the Public Service Commission of Kentucky ("Commission") pursuant to 807 KAR 5:001, Section 7, to grant

By Order of December 20, 2001, in In the Matter of: A Review of the Adequacy of 1. Kentucky's Generation Capacity and Transmission System, Administrative Case No. 387, the Commission established findings regarding the adequacy of Kentucky's generation capacity and transmission system. In an effort to continue monitoring these issues, however, the Commission ordered Kentucky's six major jurisdictional electric utilities to file annually certain planningrelated information, as defined in Appendix G to its Order, and as amended in its subsequent Order dated March 29, 2004. By Order of October 7, 2005, the Commission closed Administrative Case No. 387, but required jurisdictional utilities to continue to submit such information as a supplement to their annual report (such annual report being the FERC Form No. 1).

Simultaneous with the filing of this Petition, LG&E is filing its annual report 2. including the planning-related information required by Appendix G to the Commission's

December 20, 2001 Order. LG&E's response to Item No. 14 of Appendix G regarding the need for transmission capacity additions contains confidential information the disclosure of which has a reasonable likelihood of threatening public safety. Additionally, LG&E's response to Item No. 11 of Appendix G regarding scheduled outages or retirements of generating capacity contains confidential commercial information the disclosure of which would cause LG&E competitive injury. Therefore, LG&E's responses to Item Nos. 11 and 14 are being submitted with this request for confidential treatment.

Transmission Capacity Additions

- 3. Pursuant to Item No. 14 of Appendix G to the Commission's December 20, 2001 Order in Administrative Case No. 387, jurisdictional electric utilities must file annually all planned transmission capacity additions for the 10 years following such filing including such facility's expected in-service date, size and site, as well as, identify the transmission need each addition is intended to address.
- 4. On June 20, 2005, the Kentucky General Assembly amended the Kentucky Open Records Act to protect from disclosure certain information that has a reasonable likelihood of threatening public safety by exposing a vulnerability "in preventing, protecting against, mitigating, or responding to a terrorist act." KRS 61.878(1)(m). This includes infrastructure records exposing such a vulnerability in the location, configuration, or security of critical systems, including electrical systems. KRS 61.878(1)(m)(1)(f).
- 5. The information provided in response to Item No. 14 reveals information regarding LG&E's transmission capacity additions and the need that such additions are intended to address. If such information is made available in the public record, individuals seeking to induce public harm will have critical information concerning the present vulnerabilities of

LG&E's transmission system. Knowledge of such vulnerabilities may allow such a person to cause public harm through the disruption of the electric transmission system.

6. The information contained in response to Item No. 14 for which LG&E is seeking confidential treatment is not known outside of LG&E, and it is not disseminated within LG&E except to those employees with a legitimate business need to know and act upon the information.

Scheduled Outages

- 7. Pursuant to Item No. 11 of Appendix G to the Commission's December 20, 2001 Order in Administrative Case No. 387, jurisdictional electric utilities also must file annually information concerning scheduled outages or retirements of generating capacity.
- 8. The Kentucky Open Records Act protects commercial information, generally recognized as confidential or proprietary, if its public disclosure would cause competitive injury to the disclosing entity. KRS 61.878(1)(c). Competitive injury occurs when disclosure of the information would give competitors an unfair business advantage. The information contained in the response to Item No. 11 contains such competitive and proprietary information, and is therefore being submitted with this request for confidential treatment.
- 9. LG&E's response to Item No. 11 regarding scheduled maintenance outages and retirements of generation capacity contains sensitive commercial information, the disclosure of which would unfairly advantage LG&E's competitors for wholesale power sales. This information would allow competitors of LG&E to know when LG&E's generating plants will be down for maintenance and thus know a crucial input into LG&E's generating costs and need for power and energy during those periods. The commercial risk of the disclosure of this information is that potential suppliers will be able to manipulate the price of power bid to LG&E

in order to maximize their revenues, thereby causing higher prices for LG&E's customers and giving a commercial advantage to LG&E's competitors.

- 10. Further, disclosure of this information will damage LG&E's competitive position and business interests. The information provided in response to Item No. 11 regarding scheduled outages is highly sensitive information that, if made public, would enable prospective purchasers of LG&E's power supply to manipulate the bidding process to the detriment of LG&E. Thus, disclosure of this information may detrimentally impact LG&E's ability to contract for offsystem sales during the same time period. Any impairment of LG&E's ability to obtain fair prices for its power supply will decrease the price LG&E is paid for its power supply. As a result, LG&E will not get the same quality of offers that would be produced by a system protected by the confidentiality employed by unregulated business and LG&E will not be able to compete effectively for off-system sales.
- 11. The information contained in response to Item No. 11 of the Commission's Order for which LG&E is seeking confidential treatment is not known outside of LG&E, and it is not disseminated within LG&E except to those employees with a legitimate business need to know and act upon the information. This information is not on file with the Federal Energy Regulatory Commission, the Securities and Exchange Commission or other public agencies, and is not available from any commercial or other source outside of LG&E.
- 12. The information contained in response to Item No. 11 and for which LG&E is seeking confidential protection is identical in nature to that provided to the Commission in response to the Commission's requests for information in Case No. 2000-497 and previously in this proceeding. The Commission granted confidential protection to LG&E's planned maintenance schedule for each of LG&E's generating units.

13. The information provided in response to Item Nos. 11 and 14 of Appendix G to

the Commission's December 20, 2001 Order demonstrates on its face that it merits confidential

protection. If the Commission disagrees, however, it must hold an evidentiary hearing to protect

the due process rights of LG&E and supply the Commission with a complete record to enable it

to reach a decision with regard to this matter. Utility Regulatory Commission v. Kentucky Water

Service Company, Inc., Ky. App., 642 S.W.2d 591, 592-94 (1982).

14. LG&E does not object to disclosure of the confidential information, pursuant to a

protective agreement, to intervenors with a legitimate interest in reviewing the confidential

information for the purpose of assisting the Commission's review in this proceeding.

15. In accordance with the provisions of 807 KAR 5:001 Section 7, one copy of

LG&E's response to the Commission's request with the confidential information highlighted and

ten (10) copies of LG&E's response without the confidential information is herewith filed with

the Commission.

WHEREFORE, Louisville Gas and Electric Company respectfully requests that the

Commission grant confidential protection, or in the alternative, schedule an evidentiary hearing

on all factual issues.

Respectfully submitted,

Allyson Sturgeon

Senior Corporate Attorney

220 West Main Street

P.O. Box 32010

Louisville, Kentucky 40232

(502) 627-2088

COUNSEL FOR

LOUISVILLE GAS AND ELECTRIC COMPANY

2008 ANNUAL RESOURCE ASSESSMENT FILING PURSUANT TO APPENDIX G OF THE COMMISSION'S ORDER DATED DECEMBER 20, 2001, IN ADMINISTRATIVE CASE NO. 387 AS AMENDED BY THE COMMISSION'S ORDER DATED MARCH 29, 2004 FILED MARCH 2009

ITEM NO. 11

RESPONDENT: Scott Cooke

11. A list that identifies scheduled outages or retirements of generating capacity during the current year and the following four years.

Response:

The planned maintenance outage schedule for 2009 through 2013 is being provided pursuant to a Petition for Confidential Protection. The schedule is regularly modified based on actual operating conditions, forced outages, changes in the schedule required to meet environmental compliance regulations, fluctuations in wholesale prices, and other unforeseen events.

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ITEM NO. 14

RESPONDENT: Keith Yocum

14. Identify all planned transmission capacity additions for the next 10 years. Include the expected in-service date, size and site for all planned additions and identify the transmission need each addition is intended to address.

Response:

The response to this item is being provided pursuant to a Petition for Confidential Protection.