

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF LOUISVILLE GAS AND ELECTRIC)
COMPANY AND KENTUCKY UTILITIES COMPANY)
FOR APPROVAL OF REVISIONS ASSOCIATED WITH) CASE NO. 2006-00351
THE EMERGENCY CURTAILMENT PROCEDURES)
CONTAINED IN THEIR TARIFFS)

O R D E R

On July 14, 2006, Louisville Gas and Electric Company ("LG&E") and Kentucky Utilities Company ("KU") filed a joint application requesting approval of revisions to their respective Emergency Curtailment Procedures tariffs ("Curtailment Tariffs") applicable to LG&E's and KU's electric service and LG&E's gas service. The stated purposes for the revisions was to harmonize and simplify the existing Curtailment Tariffs, adopt more efficient load shedding procedures for use during emergencies, and eliminate certain procedures that are no longer feasible due to changes in the use of their electric transmission systems.

By Order dated August 11, 2006, the Commission suspended for 5 months the implementation of the Curtailment Tariffs to provide sufficient time to conduct an investigation of the reasonableness of the proposed revisions. A request for information was also appended to that Order. LG&E and KU responded to the request for information, and an informal conference was held at the Commission's offices on September 19, 2006.

As a result of discussions during the informal conference, LG&E and KU agreed to file amended electric Curtailment Tariffs which address three issues: (1) the need to define the term "critical commercial and industrial uses"; (2) differentiating the treatment of jurisdictional versus non-jurisdictional customers when possible during a curtailment; and (3) differentiating between a curtailment to address a system-wide non-transmission problem versus a curtailment to address a localized transmission problem. LG&E and KU filed their amended electric tariffs on January 3, 2007.

Based on a review of the LG&E and KU amended electric Curtailment Tariffs, and LG&E's originally proposed revised gas Curtailment Tariff, the Commission finds that the tariffs are reasonable and they should be approved as of the date of this Order.

IT IS THEREFORE ORDERED that:

1. The LG&E and KU proposed amended electric Curtailment Tariffs and LG&E's proposed revised gas Curtailment Tariff are approved as of the date of this Order.
2. Within 20 days of the date of this Order, LG&E and KU shall file with the Commission their revised tariffs as approved herein.

Done at Frankfort, Kentucky, this 8th day of January, 2007.

By the Commission

ATTEST:


Executive Director