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PUBLIC SERVICE  
COMMISSION

Ms. Stephanie L. Stumbo  
Executive Director  
Kentucky Public Service Commission  
211 Sower Boulevard  
Frankfort, Kentucky 40602-0615

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

Rick E. Lovekamp  
Manager - Regulatory Affairs  
T 502-627-3780  
F 502-627-3213  
rick.lovekamp@eon-us.com

September 25, 2008

**RE: Application of Louisville Gas and Electric Company for an Order  
Approving a Responsive Pricing and Smart Metering Pilot Program  
Case No. 2007-00117**

Dear Ms. Stumbo:

Pursuant to the request of Commission Staff in the above-referenced proceeding, please find an original and ten copies of the public version of Louisville Gas and Electric Company's Joint Promotion Agreement with General Electric, along with a Petition for Confidential Protection. In response to a request from staff concerning the types of appliances that some GE employees may receive, this list includes washers, dryers, dishwashers, ranges, microwave ovens, and refrigerators. However, all participant households will not receive every appliance.

If you have any questions or need additional information, please feel free to contact me.

Sincerely,

Rick E. Lovekamp

cc: Parties of Record

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JOINT PROMOTION AGREEMENT

PUBLIC SERVICE  
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<sup>9</sup> THIS AGREEMENT (hereinafter called "Agreement"), made and effective as of this day of September, 2008 ("Effective Date"), by General Electric Company, a New York corporation acting through its GE Consumer & Industrial business component with a place of business at Appliance Park, Louisville, Kentucky, 40225, USA (hereinafter called "GE") and Louisville Gas and Electric Company, a Kentucky corporation with a place of business at 220 West Main Street, Louisville, Kentucky 40202 ("LG&E").

WITNESSETH:

WHEREAS, LG&E is a regulated utility company serving Louisville, Jefferson County, Kentucky;

WHEREAS, LG&E is testing a tiered energy rate program ("SmartRates") with utility meters ("SmartMeters"), a thermostat designed to adjust heating and cooling products to consumer preferences ("SmartStat"), an energy monitor that displays the household kilowatt per hour energy costs at all times ("SmartView") and other energy management equipment (collectively "Energy Equipment") in consumer homes limited to five specific meter reading routes in Louisville, Jefferson County, Kentucky and one specific meter reading route in Oldham County, Kentucky (collectively, "Reading Routes") to determine if LG&E consumers benefit from shifting energy usage from "peak" times to "off-peak" times in order to save on household energy usage (collectively referred to as the "Program");

WHEREAS, SmartRates is an energy rate tiered such that during peak energy-use hours the household energy rate cost will be higher, thereby promoting the shifting of household peak energy usage to off-peak hours that are a lower cost period and to encourage the conservation of energy.

WHEREAS, GE is a household appliances manufacturer and desires to promote and test its energy management and demand side management pilot installations, hardware and technology with respect to GE appliances ("GE Appliances");

WHEREAS, GE will install GE Appliances in [REDACTED] homes within the Reading Routes to test GE Appliances interface with LG&E Energy Equipment including energy usage during SmartRates;

WHEREAS, the parties desire to work together and share certain information and data relative to the advanced methods of saving energy usage with the SmartRates and the GE Appliances; AND

NOW THEREFORE, in consideration of the mutual promises contained herein, the parties agree as follows:

1. LG&E will install and maintain Energy Equipment in the homes of [REDACTED] ("Participants") in the Program. LG&E shall bear all cost and expense associated with the installation and maintenance of the Energy Equipment. GE shall provide LG&E with the addresses of the Participants and written releases signed by each Participant expressly authorizing LG&E to disclose to GE all

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consumption and billing information relating to the Participant's electric service. LG&E will not provide GE with such information for a Participant unless and until such release is provided. LG&E will provide GE with the Reading Routes within which GE may engage Participants. In the event any Participant named by GE does not reside in a Reading Route included in the Program, LG&E shall notify GE and GE will provide a substitute Participant. GE acknowledges that neither GE nor any Participant will be entitled to receive electric rates inconsistent with the Louisville Gas and Electric Company Rates, Terms and Conditions for Furnishing Electric Service on file with the Kentucky Public Service Commission as amended or revised from time to time ("LG&E Tariff") by virtue of utilizing GE Appliances in the Program. GE agrees to provide each Participant with a clear written statement to that effect.

2. LG&E will train and provide professional energy management advice to GE and Participants with respect to the Energy Equipment and the Program. Such training and advice shall be comparable to the training and advice provided to LG&E customers participating in the Program in general.
3. Under the Program, Participants will notify LG&E of their desire to be converted to SmartRates including the standard monthly charge, which will be reflected in the Participants personal LG&E bill. Participants shall bear the costs of their household energy use and shall be solely responsible for payment of their LG&E bill. Participants shall not be obligated to remain on SmartRates except as provided in the LG&E Tariff and may change back to the Current Standard Rate (described below) as provided in the LG&E Tariff. Conversion of Participants to SmartRates under this Agreement is subject to LG&E obtaining any and all regulatory approvals necessary for such conversion.
4. Subject to the LG&E Tariff, LG&E will transmit a rate signal from the SmartMeter to the SmartView located in the Participant's home to signify low, medium, high and critical rates of energy costs per kilowatt hour ("kWh") as set forth herein. Note: All rates are subject to change upon Kentucky Public Service Commission approval.

**Current Standard Rate:**

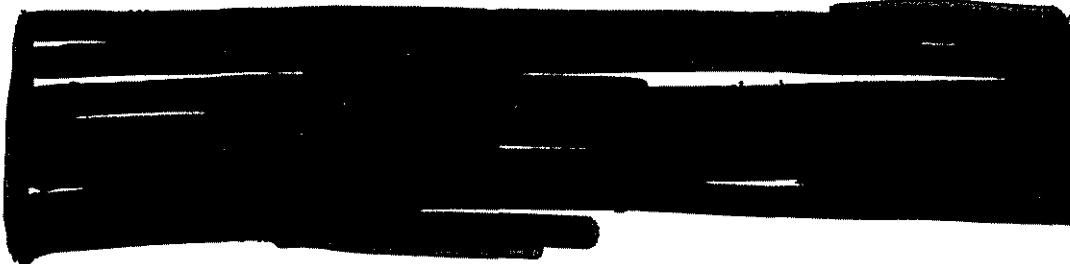
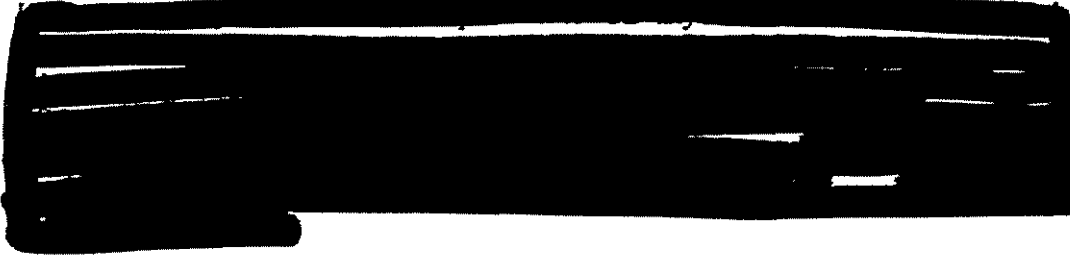
Current Standard Rate	Energy Charge per kWh	% of hours throughout year
	6.404¢	100%
Standard monthly customer charge: \$5.00		

**SmartRates:**

SmartRates	Energy Charge per kWh	% of hours throughout year
Low-Cost SmartRate	4.359¢	56%
Medium-Cost SmartRate	5.589¢	31%
High-Cost SmartRate	11.007¢	12%
Critical Peak SmartRate	30.476¢	1%

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Standard monthly customer charge: \$10.00

5. In addition to causing SmartView to signify standard peak and off-peak hours and signify when High-Cost SmartRate applies, LG&E will cause the SmartView to signify, at least thirty (30) minutes in advance, when Critical Peak SmartRates apply. The SmartStat may be pre-programmed by the Participant to adjust the Participant's heating and cooling during the higher SmartRates. The SmartView will display which SmartRates pricing period is in effect at all times and it will flash red to signify when the higher SmartRates are being applied.
6. 
7. 
8. LG&E shall be responsible for all of the preparation, administration and operation of the Energy Equipment, and all expenses associated therewith shall be borne by LG&E in accordance with the LG&E Tariff. GE shall not be responsible for such expenses.
9. LG&E will provide each Participant with Energy Equipment including one (1) SmartMeter, one (1) SmartView and up to two (2) SmartStats.
10. LG&E hereby represents and warrants that the Energy Equipment does not infringe any intellectual property rights of any third party and is in full compliance with all applicable federal, state, and local laws, statutes, rules, regulations, orders, and administrative agency requirements.
11. During the Term, GE will install and maintain GE Appliances in the homes of the Participants that are enabled with technology to interface with the SmartMeter and alter functionality based on the SmartRates. GE shall bear all cost and expense associated with the installation and maintenance of GE Appliances.

**It is further agreed:**

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12. This Agreement shall commence on the Effective Date and, unless earlier terminated by the terms of this Agreement, shall terminate one (1) year thereafter ("Term"). Either party may terminate this Agreement upon sixty (60) days prior written notice.

13. [REDACTED]

[REDACTED]

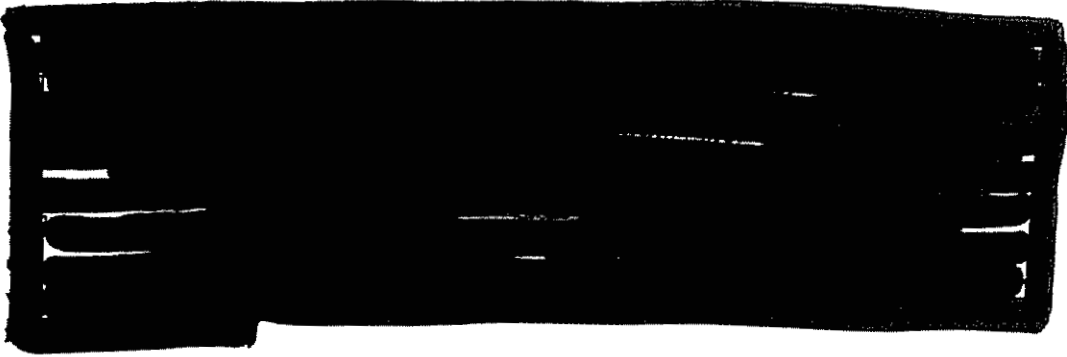
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[REDACTED]

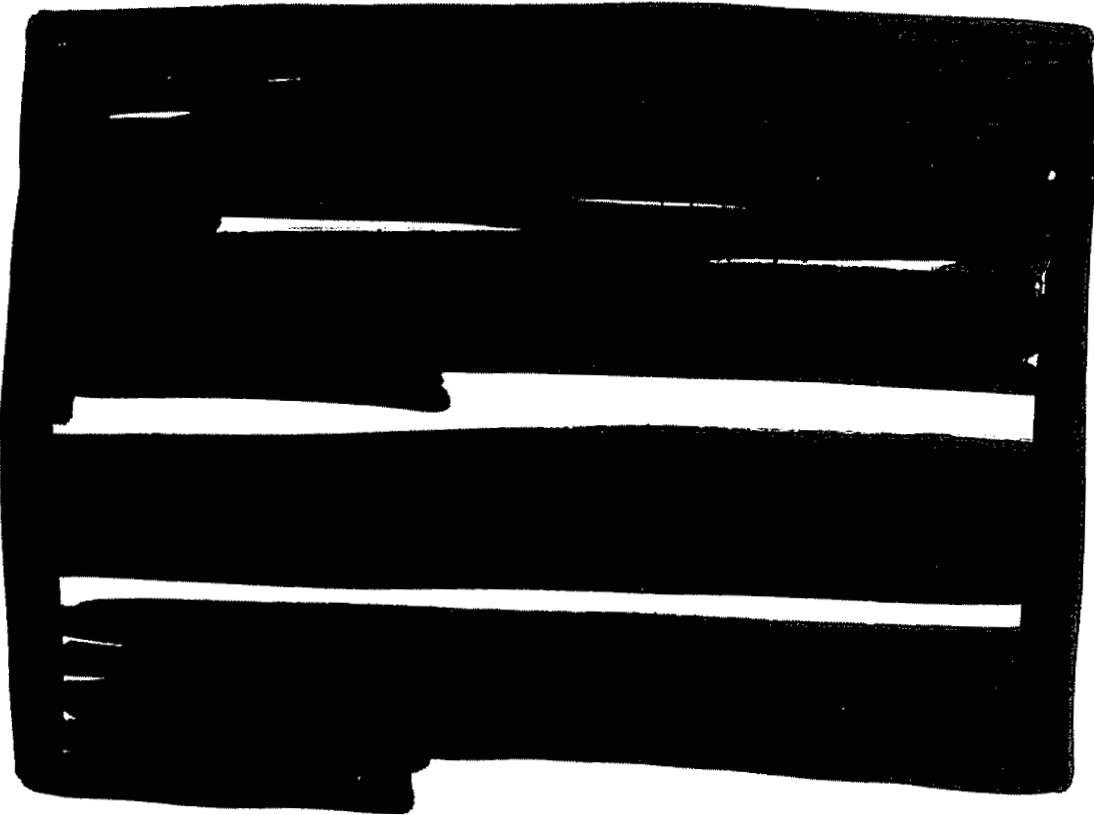
14. [REDACTED]

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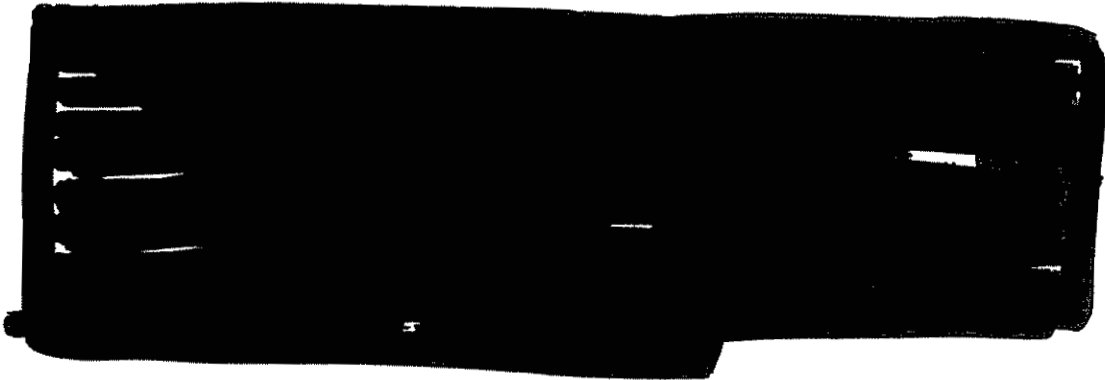
15.



16.



17.



[REDACTED]

[REDACTED]

[REDACTED]

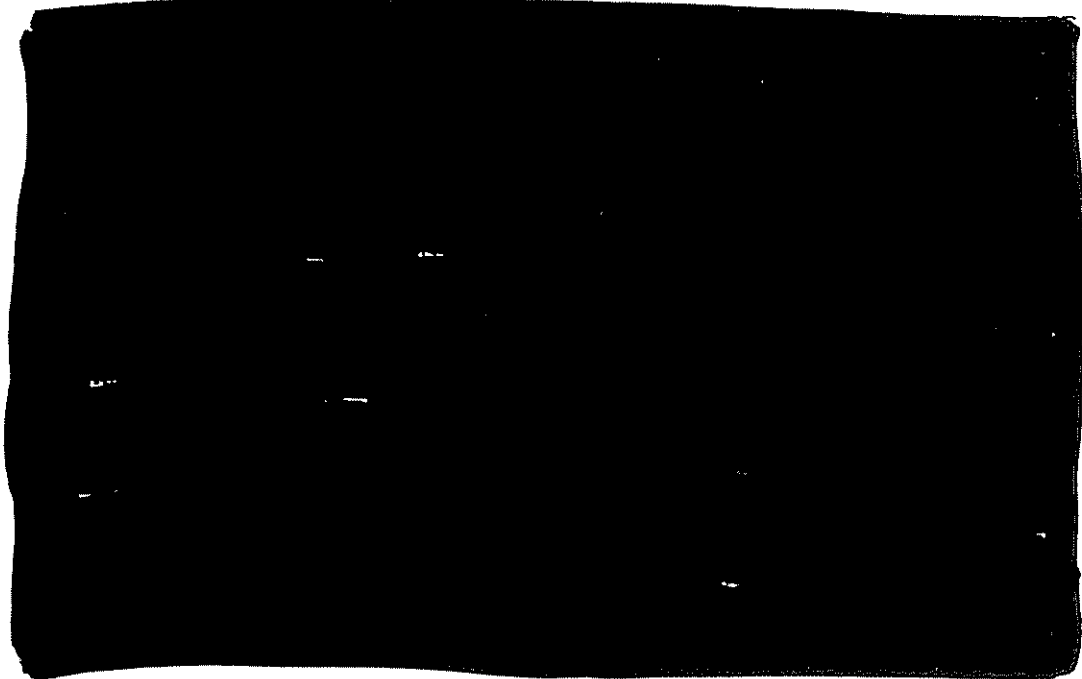
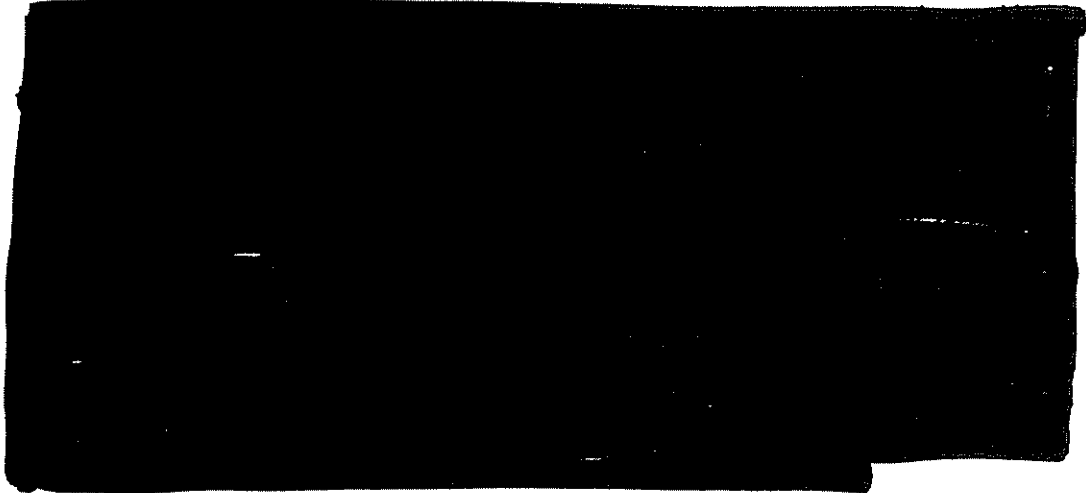
18. [REDACTED]

19. No contract shall exist between the parties until this Agreement is executed by authorized representatives of the parties. This Agreement may not be modified, altered, amended or changed except by mutual agreement in writing. A waiver by either party hereto of any default or breach by the other party shall not be considered as a waiver of any subsequent default or breach of same or other provisions hereof. The failure by either party to this Agreement to object to or to take affirmative action with respect to, any conduct of the

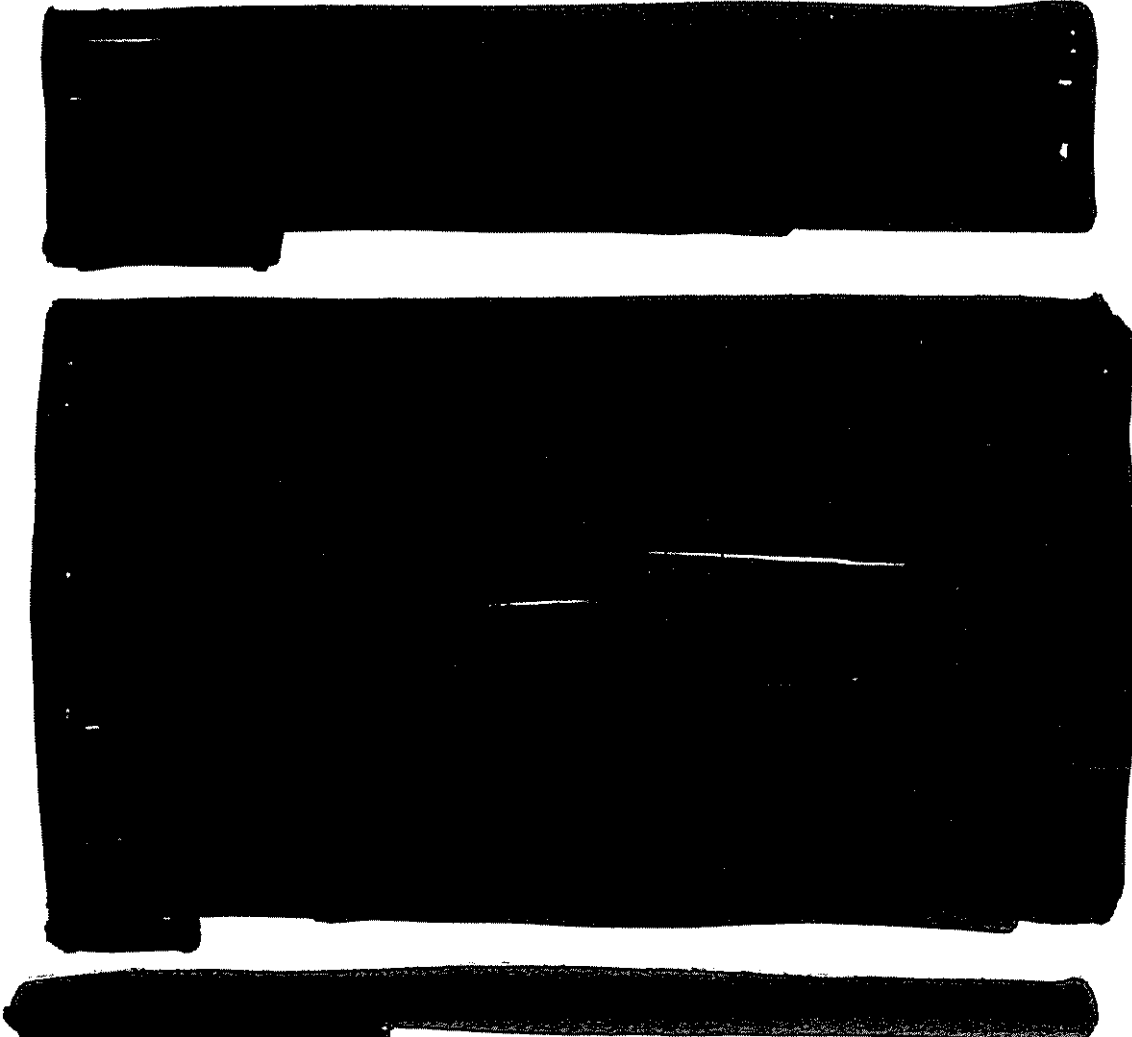
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other which is in violation of the Agreement shall not be construed as a waiver thereof, or of any future breach of subsequent wrongful conduct.

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21. If either party fails to perform any part of this Agreement, notice of failure to perform (default) shall be given to the other party in writing pursuant to Paragraph 28. If the defaulting party does not remedy its failure to perform within ten (10) working days from the date the notice is received, this Agreement may then be terminated.
  22. Nothing contained in this Agreement shall be construed to place LG&E or GE in a relationship as partners, joint venturers, employer and employee or principal and agent. Neither party shall have any authority to create or assume any obligation, expressed or implied, for the other except as specifically set forth in this Agreement.
  23. Neither party shall be considered in default hereunder, or be liable for damages therefor, for any failure of performance hereunder occasioned by an act of God, force of nature, physical casualty, accident, war or war-like activity, insurrection or civil commotion, labor dispute or difficulty, transportation delays, government action (whether or not with

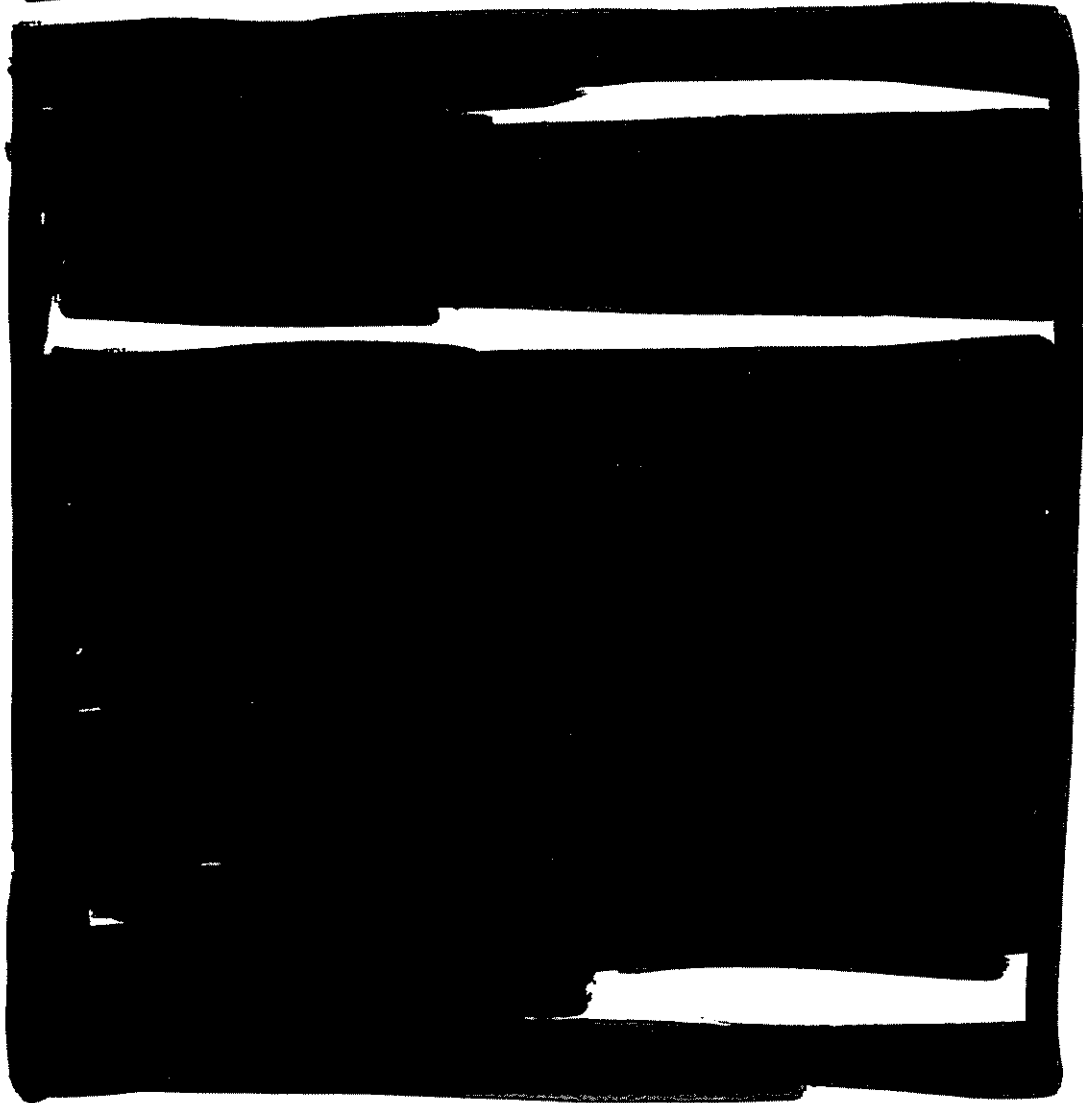
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proper authority) or other cause similar or dissimilar to the foregoing and beyond its reasonable control, provided the party so affected gives prompt notice to the other party. In the event of a suspension of any obligation by reason of this Paragraph that extends beyond thirty (30) days, the party affected may, at its option, elect to terminate this Agreement or cancel the portion of the Agreement affected.

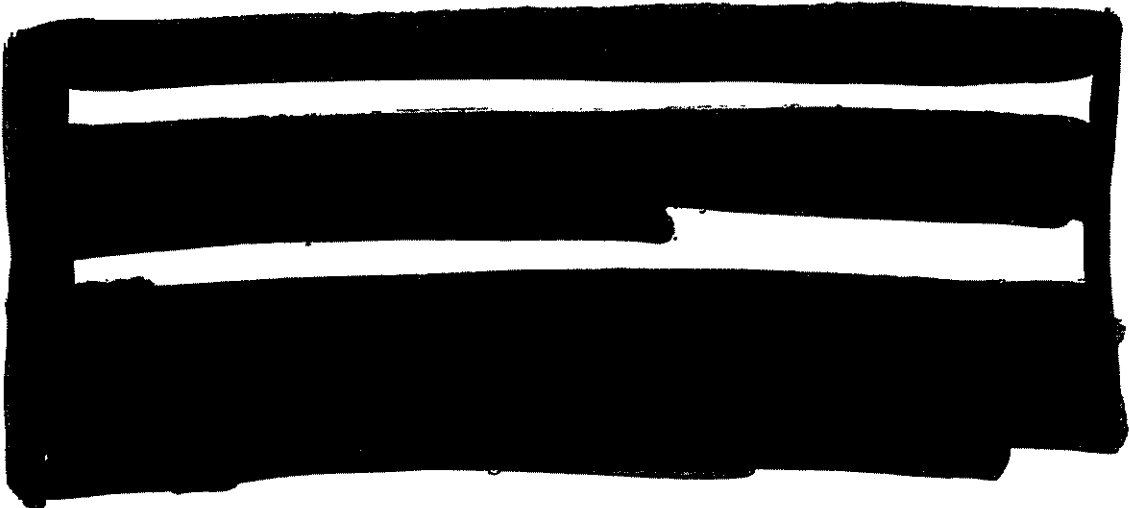
24.



25.



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- 26. This Agreement is to be construed pursuant to the laws of the Commonwealth of Kentucky and shall not be binding until both parties receive an executed counterpart of this Agreement. This Agreement does not constitute an agreement for the provision of utility service to GE.
- 27. No representations of any kind have been made and no understandings or agreements have been made other than as set forth herein. This Agreement supersedes any and all prior agreements of the parties regarding the joint promotion opportunity and constitutes the entire agreement of the parties.
- 28. All communications and notices directed to LG&E by GE under this Agreement shall be addressed to:

John P. Malloy  
Vice President, Energy Delivery – Retail Business  
Louisville Gas and Electric Company  
220 West Main Street  
Louisville, KY 40202

with a copy to:

James J. Dimas  
Senior Corporate Attorney  
Louisville Gas and Electric Company  
220 West Main Street  
Louisville, KY 40202

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and in the case of communications and notices directed to GE by LG&E under this Agreement, they shall be addressed to:

Kevin F. Nolan  
Vice President, Technology  
GE Consumer & Industrial  
Appliance Park AP35-1002  
Louisville, KY 40225

With a copy to:

General Counsel  
GE Consumer & Industrial  
Appliance Park AP2-226  
Louisville, KY 40225

[Remainder of page intentionally left blank.]

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IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

**GENERAL ELECTRIC COMPANY,  
GE CONSUMER & INDUSTRIAL**

By *Kevin F Nolan*  
Name *Kevin Nolan*  
Title *VP Technology*

**LOUISVILLE GAS AND ELECTRIC COMPANY**

By *John P. Malloy*  
Name *John P. Malloy*  
Title *VP RETAIL*

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

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SEP 26 2008

PUBLIC SERVICE  
COMMISSION

In the Matter of:

APPLICATION OF LOUISVILLE GAS AND )  
ELECTRIC COMPANY FOR AN ORDER )  
APPROVING A RESPONSIVE PRICING )  
AND SMART METERING PILOT )  
PROGRAM )

CASE NO. 2007-00117

PETITION OF  
LOUISVILLE GAS AND ELECTRIC COMPANY  
FOR CONFIDENTIAL PROTECTION

Louisville Gas and Electric Company (“LG&E” or the “Company”) hereby petitions the Kentucky Public Service Commission (“Commission”) pursuant to 807 KAR 5:001, Section 7, and KRS 61.878(1)(c) to grant confidential protection for the information described herein, which the Company seeks to provide in response to a request from Commission Staff On September 24, 2008. In support of this Petition, the Company states as follows:

1. The Kentucky Open Records Act exempts from disclosure certain commercial information. KRS 61.878(1)(c). To qualify for this exemption and, therefore, maintain the confidentiality of the information, a party must establish that disclosure of the commercial information would permit an unfair advantage to competitors of the party seeking confidentiality.

2. Commission staff has requested LG&E to produce a copy of its Joint Promotion Agreement with General Electric Company acting by and through its business component GE Consumer & Industrial. This document is commercially sensitive, and therefore merits

confidential protection because the information contained therein constitutes confidential business information of GE, which information LG&E has agreed to keep proprietary and confidential. LG&E also believes that revealing this information in the public record could inhibit its ability to enter into innovative projects with companies in the future, and would likely result in substantial harmful effects to GE that would place it at a competitive disadvantage in the marketplace.

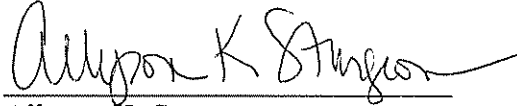
3. If the Commission disagrees with this request for confidential protection, however, it must hold an evidentiary hearing (a) to protect the Company's due process rights and (b) to supply the Commission with a complete record to enable it to reach a decision with regard to this matter. Utility Regulatory Commission v. Kentucky Water Service Company, Inc., Ky. App., 642 S.W.2d 591, 592-94 (1982).

4. LG&E will disclose the confidential information, pursuant to a protective agreement, to intervenors and others with a legitimate interest in this information and as required by the Commission. In accordance with the provisions of 807 KAR 5:001 Section 7, the Company files with the Commission one copy of the above-discussed agreement with the confidential information highlighted and ten (10) copies of the agreement without the confidential information.

**WHEREFORE**, Louisville Gas and Electric Company respectfully requests that the Commission grant confidential protection for the information at issue, or in the alternative, schedule an evidentiary hearing on all factual issues while maintaining the confidentiality of the information pending the outcome of the hearing.

Dated: September 25, 2008

Respectfully submitted,



Allyson K. Sturgeon  
Senior Corporate Attorney  
E.ON U.S. LLC  
220 West Main Street  
Louisville, Kentucky 40202  
Telephone: (502) 627-2088

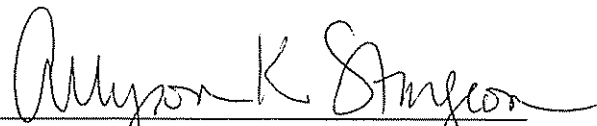
Counsel for Louisville Gas and Electric  
Company

**CERTIFICATE OF SERVICE**

I hereby certify that a true copy of the foregoing was served via U.S. mail, first-class, postage prepaid, this 25th day of September 2008 upon the following persons:

Dennis G. Howard II  
Lawrence W. Cook  
Assistant Attorneys General  
Office of the Attorney General  
Office of Rate Intervention  
1024 Capital Center Drive, Suite 200  
Frankfort, KY 40601-8204

Michael L. Kurtz  
Boehm, Kurtz & Lowry  
36 East Seventh Street, Suite 1510  
Cincinnati, OH 45202



Counsel for Louisville Gas and Electric  
Company