

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 |) | CASE NO. 2006-00351 |
| REVISIONS ASSOCIATED WITH 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 for approval of proposed revisions to the Emergency Curtailment Procedures contained in their respective tariffs. The proposed tariffs have an effective date of August 13, 2006.

Based on a review of the revised tariff changes proposed by LG&E and KU, the Commission finds that an investigation is needed to determine the reasonableness of the proposed tariffs and that investigation cannot be concluded by August 13, 2006. Therefore, pursuant to KRS 278.190(2), the tariffs proposed by LG&E and KU should be suspended for 5 months, through January 12, 2007.

IT IS THEREFORE ORDERED that:

1. The revised Emergency Curtailment Procedures tariffs filed by LG&E and KU are suspended for 5 months from August 13, 2006 up to and including January 12, 2007.

2. Within 20 days of the date of this Order, LG&E and KU shall individually or jointly file responses to the requests for information set forth in Appendix A, which is attached hereto and incorporated herein by reference.

3. All requests for information and responses thereto shall be appropriately indexed and an original and four copies shall be filed with the Commission, with copies to all parties of record. Any requests for information from the Commission Staff shall be responded to as if set forth in a Commission Order. All responses shall include the name of the witness who will be responsible for responding to questions at any hearing in this proceeding related to the information provided.

Done at Frankfort, Kentucky, this 11th day of August, 2006.

By the Commission

ATTEST:



Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2006-00351 DATED August 11, 2006

1. The application, at Paragraph No. 6, states that, "In addition, some of the procedures contained in the Companies' Energy Curtailment tariffs are no longer feasible to implement due to changes in the use of utilities' transmission systems." Explain in detail the specific procedures that are contained in the current tariffs that are no longer feasible to implement, and explain in detail the specific changes in the use of the transmission systems which cause those procedures to no longer be feasible.
2. Provide an explanation of the term, "Critical Commercial and Industrial Uses," which appears in the proposed tariffs attached to the application.
3. Explain in detail why the proposed tariffs do not contain a definition of the term, "Critical Commercial and Industrial Uses."
4. Provide a definition of the term, "certain weather conditions," as used in the tariffs in determining the priority level for residential use.
5. Explain in detail why the tariffs do not contain a definition of the term, "certain weather conditions," and provide examples of what will qualify under that phrase in addition to the listed example of severe winter weather.
6. Explain in detail why the proposed tariffs assign a lower priority to residential use than the Critical Commercial and Industrial Uses, except when certain weather conditions exist.

7. For each existing non-jurisdictional customer, explain in detail the services provided to that customer and the curtailment procedures that are contained in the service agreement with that customer or in the applicable tariff.

8. Explain in detail why any sale of energy to a non-jurisdictional customer should have a higher priority than the sale of energy to a jurisdictional customer.

9. Explain in detail why the proposed curtailment procedures provide for the purchase of emergency energy prior to curtailing customers served under curtailable contracts.

10. Explain in detail why the proposed tariffs delete the current provision which allows jurisdictional customers to be curtailed only after all non-firm off-system sales have been discontinued, except for emergency energy transactions where such energy can be returned within reasonable periods of time.

11. Explain in detail why the proposed tariffs delete the current requirement to purchase off-system power as appropriate before curtailing jurisdictional customers.

12. Explain in detail how the proposed curtailment procedures will differ from the current procedures as a result of replacing the provision to purchase off-system power as appropriate with the provision to purchase emergency energy.