



Mr. Jeff DeRouen, Executive Director  
Kentucky Public Service Commission  
211 Sower Boulevard  
Frankfort, Kentucky 40601

July 17, 2015

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**RE: Application of Kentucky Utilities Company for an Adjustment of Its Electric Rates – Case No. 2014-00371**

**Application of Louisville Gas and Electric Company for an Adjustment of Its Electric and Gas Rates – Case No. 2014-00372**

Dear Mr. DeRouen:

I am writing in response to the Commission’s June 30, 2015 Orders in the above-referenced cases, and in particular to address the Commission’s requirement that Louisville Gas and Electric Company and Kentucky Utilities Company (collectively “Companies”) file monthly status reports after completing and filing with the Commission the industrial demand-side management and energy efficiency (“DSM-EE”) study the Companies’ consultant, Cadmus, is currently performing.

As the Commission noted in its Orders, the Companies have committed to have the study complete by May 1, 2016, and to file the study no later than 30 days after the study is complete (i.e., no later than May 31, 2016). By way of update, the Companies have provided Cadmus all the information required for Cadmus to begin work. The Companies and Cadmus met with Kentucky Industrial Utility Customers, Inc. (“KIUC”) and Kentucky Association of Manufactures (“KAM”) to discuss the study, answer questions, and gain support. Cadmus is planning to further interact with, and start collecting data from, the Companies’ customers beginning in August 2015. Therefore, the study is well on track to meet the May 2016 study completion and filing commitments.

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After filing the study with the Commission, the Companies will begin meeting with their DSM-EE Advisory Group to address the definition of “industrial” and opt-out criteria under KRS 278.285(3), and will begin filing monthly status reports as required by the Commission’s Orders no later than 30 days after filing the study with the Commission. In addition to inviting all of the current members of the DSM-EE Advisory Group (including KIUC and Kroger) to attend the meetings, the Companies will extend an invitation to Wal-Mart Store East, L.P. and Sam’s East, Inc., which has requested to participate in the meetings.

In accordance with 807 KAR 5:001, Section 8, this is to certify that the electronically filed documents are a true and accurate copy of the same documents being filed in paper medium; that the electronic filing has been transmitted to the Commission on July 17, 2015; that there are currently no parties in this proceeding that the Commission has excused from participation by electronic means; and that the original and three copies in paper medium of this filing will be filed by hand-delivery with the Commission within two business days from the date of the electronic filing.

Please do not hesitate to contact me if you have any questions about the study’s status or any other related matters.

Sincerely,

Rick E. Lovekamp