



Mr. Jeff Derouen
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, KY 40602

RECEIVED
APR 08 2009
PUBLIC SERVICE
COMMISSION

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

Rick E. Lovekamp
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April 8, 2009

**RE: *DEVELOPMENT OF GUIDELINES FOR INTERCONNECTION
AND NET METERING FOR CERTAIN GENERATORS WITH
CAPACITY UP TO THIRTY KILOWATTS – ADMINISTRATIVE
CASE NO. 2008-00169***

Dear Mr. Derouen:

In accordance with Ordering Paragraph (2) of the Commission’s Order dated January 8, 2009, in the above-referenced proceeding, please find enclosed and accept for filing the original and four (4) copies of the revised Net Metering tariffs of Kentucky Utilities Company.

If you have any questions, please feel free to contact me.

Sincerely,

Rick E. Lovekamp

Enclosures

Kentucky Utilities Company

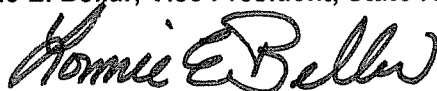
P.S.C. No. 14, Second Revision of Original Sheet No. 1
 Canceling P.S.C. No. 14, First Revision of Original Sheet No. 1

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Issued by Authority of an Order of the KPSC in Case No. 2008-00169 dated January 8, 2009

Standard Rate Rider

**NMS
Net Metering Service**

APPLICABLE

In all territory served.

AVAILABILITY OF SERVICE

Available to customers who own, operate and maintain a generation system located on customer's premises, that use as its total fuel source solar energy, wind energy, biomass or biogas energy, or hydro energy, in parallel with Company's electric system to provide all or part of their electrical requirements, and who execute Company's written Application for Interconnection and Net Metering. The generation system shall be limited to a maximum capacity of 30 kilowatts. This Standard Rate Rider is intended to comply with all provisions of the Interconnection and Net Metering Guidelines approved by the Public Service Commission of Kentucky,

METERING AND BILLING

Net metering service shall be measured using a single meter or, as determined by Company, additional meters and shall be measured in accordance with standard metering practices by metering equipment capable of registering power flow in both directions for each time period defined by the applicable rate schedule. Additional meters, requested by Customer, will be provided at Customer's expense.

If electricity generated by Customer and fed back to Company's system exceeds the electricity supplied to Customer from the system during a billing period, Customer shall receive a credit for the net delivery on Customer's bill for the succeeding billing period. Any such unused excess credits will be carried forward and drawn on by Customer as needed. Unused excess credits existing at the time Customer's service is terminated end with Customer's account and are not transferrable between customers or locations.

NET METERING SERVICE INTERCONNECTION GUIDELINES

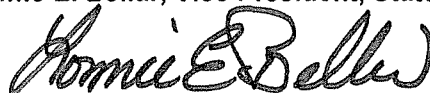
General – Customer shall operate their generating facilities in parallel with Company's system under the following conditions and any other conditions required by Company where unusual conditions arise not covered herein:

1. Customer to own, install, and maintain all generating facilities on their premises. Such facilities shall include, but not be limited to, necessary control equipment to synchronize frequency, voltage, etc., between Customer's and Company's system as well as adequate protective equipment between the two systems. Customer's voltage at the point of interconnection will be the same as Company's system voltage.
2. Customer will be responsible for operating generators and all facilities owned by Customer, except as specified hereinafter. Customer will maintain its system in synchronization with Company's system.
3. Customer will be responsible for any damage done to Company's equipment due to failure of Customer's control, safety, or other equipment.
4. Customer agrees to inform Company of any changes it wishes to make in its generating and/or associated facilities that is different from those initially installed and described to Company in writing and obtain prior approval from Company.
5. Company will have the right to inspect and approve Customer's facilities, described herein, and conduct any tests necessary to determine that such facilities are installed and operating properly. However, Company will have no obligation to inspect, witness tests or in any manner be responsible for Customer's facilities or operation.

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Standard Rate Rider

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NET METERING SERVICE INTERCONNECTION GUIDELINES (continued)

- 6. Customer assumes all responsibility for the electric service on Customer's premises at and from the point of delivery of electricity from Company and for the wires and equipment used in connection therewith, and will protect and save Company harmless from all claims for injury or damage to persons or property occurring on Customer's premises or at and from the point of delivery of electricity from Company, occasioned by such electricity or said wires and equipment, except where said injury or damage will be shown to have been occasioned solely by the negligence of Company.

Level 1 – A Level 1 installation is defined as an inverter-based generator certified as meeting the requirements of Underwriters Laboratories Standard 1741 and meeting the following conditions:

- 1. The aggregated net metering generation on a radial distribution circuit will not exceed 15% of the line section's most recent one hour peak load.
- 2. The aggregated net metering generation on a shared singled-phase secondary will not exceed 20 kVA or the name plate rating of the service transformer.
- 3. A single-phase net metering generator interconnected on the center tap neutral of a 240 volt service shall not create an imbalance between the two sides of the 240 volt service of more than 20% of the nameplate rating of the service transformer.
- 4. A net metering generator interconnected to Company's three-phase, three-wire primary distribution lines, shall appear as a phase-to-phase connection to Company's primary distribution line.
- 5. A net metering generator interconnected to Company's three-phase, four-wire primary distribution lines, shall appear as an effectively grounded source to Company's primary distribution line.
- 6. A net metering generator will not be connected to an area or spot network.
- 7. There are no violations of the applicable provisions of IEEE 1547, "Standard for Interconnecting Distributed Resources with Electric Power Systems".
- 8. Company will not be required to construct any facilities on its own system to accommodate the net metering generator.

Customer desiring a Level 1 interconnection shall submit a "LEVEL 1 - Application for Interconnection and Net Metering". Company shall notify Customer within 20 business days as to whether the request is approved or, if denied, the reason(s) for denial. Approval is contingent upon an initial inspection and witness test at the discretion of Company.

Level 2 – A Level 2 installation is defined as generator that is not inverter-based, is not certified as meeting the requirements of Underwriters Laboratories Standard 1741, or does not meet one or more of the conditions required of a Level 1 net metering generator.

Customer desiring a Level 2 interconnection shall submit a "LEVEL 2 - Application for Interconnection and Net Metering", a "LEVEL 2 – Interconnection Agreement", and an "Exhibit A" containing, but not limited to, line diagrams, relay settings, a description of operation, itemization of Company provided facilities and costs, test information, and operational dates. Company shall notify Customer within 30 business days as to whether the request is approved or, if denied, the reason(s) for denial. Approval is contingent upon an initial inspection and witness test at the discretion of Company.

Customer submitting a "Level 2 - Application for Interconnection and Net Metering" will provide a non-refundable inspection and processing fee of \$100, plus up to \$1,000 of documented costs

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NET METERING SERVICE INTERCONNECTION GUIDELINES (continued)

for any initial impact studies, if required. Additional studies requested by Customer shall be at Customer's expense.

CONDITIONS OF INTERCONNECTION

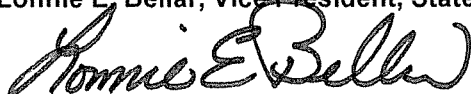
Customer may operate his net metering generator in parallel with Company's system when complying with the following conditions:

1. Customer shall install, operate, and maintain, at Customer's sole cost and expense, any control, protective, or other equipment on Customer's system required by Company's technical interconnection requirements based on IEEE 1547, NEC, accredited testing laboratories, and the manufacturer's suggested practices for safe, efficient and reliable operation of the net metering generation in parallel with Company's system. Customer bears full responsibility for the installation, maintenance and safe operation of the net metering generator. Upon reasonable request from Company, Customer shall demonstrate compliance.
2. Customer shall represent and warrant compliance of the net metering generator with:
 - a) any applicable safety and power standards established by IEEE and accredited testing laboratories;
 - b) NEC, as may be revised from time-to-time;
 - c) Company's rules and regulations and Terms and Conditions, as may be revised by time-to-time by the Public Service Commission of Kentucky;
 - d) the rules and regulations of the Public Service Commission of Kentucky, as may be revised by time-to-time by the Public Service Commission of Kentucky;
 - e) all other local, state, and federal codes and laws, as may be in effect from time-to-time.
3. Any changes or additions to Company's system required to accommodate the net metering generator shall be Customer's financial responsibility and Company shall be reimbursed for such changes or additions prior to construction.
4. Customer shall operate the net metering generator in such a manner as not to cause undue fluctuations in voltage, intermittent load characteristics or otherwise interfere with the operation of Company's electric system. Customer shall so operate the generating facility in such a manner that no adverse impacts will be produced thereby to the service quality rendered by Company to any of its other customers or to any electric system interconnected with Company's electric system.
5. Customer shall be responsible for protecting, at Customer's sole cost and expense, the net metering generator from any condition or disturbance on Company's electric system, including, but not limited to, voltage sags or swells, system faults, outages, loss of a single phase of supply, equipment failures, and lightning or switching surges, except that the Company shall be responsible for repair of damage caused to the net metering generator resulting solely from the negligence or willful misconduct on the part of the Company.
6. Following the initial testing and inspection of the generating facility and upon reasonable advance notice to Customer, Company shall have access at reasonable times to the generating facility to perform reasonable on-site inspections to verify that the installation, maintenance and operation of the net metering generator comply with the requirements of this rate schedule.
7. Customer shall furnish and install on Customer's side of the point of interconnection a safety disconnect switch which shall be capable of fully disconnecting Customer's net metering generator from Company's electric service under the full rated conditions of Customer's net metering generator. The external disconnect switch (EDS) shall be located

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CONDITIONS OF INTERCONNECTION (continued)

adjacent to Company's meters or the location of the EDS shall be noted by placing a sticker on the meter, and shall be of the visible break type in a metal enclosure which can be secured by a padlock. If the EDS is not located directly adjacent to the meter, Customer shall be responsible for ensuring the location of the EDS is properly and legibly identified for so long as the net metering generator is operational. The disconnect switch shall be accessible to Company personnel at all times. Company may waive the requirement for an external disconnect switch for a net metering generator at its sole discretion, and on a case by case basis.

8. Company shall have the right and authority at Company's sole discretion to isolate the generating facility or require the Customer to discontinue operation of the net metering generator if Company believes that:
 - a) continued interconnection and parallel operation of the net metering generator with Company's electric system creates or contributes (or may create or contribute) to a system emergency on either Company's or Customer's electric system;
 - b) the net metering generator is not in compliance with the requirements of this rate schedule, and the non-compliance adversely affects the safety, reliability or power quality of Company's electric system; or
 - c) the net metering generator interferes with the operation of Company's electric system.In non-emergency situations, Company shall give Customer notice of noncompliance including a description of the specific noncompliance condition and allow Customer a reasonable time to cure the noncompliance prior to isolating the Generating Facilities. In emergency situations, where the Company is unable to immediately isolate or cause Customer to isolate only the net metering generator, Company may isolate Customer's entire facility.
9. Customer agrees that, without the prior written permission from Company, no changes shall be made to the generating facility as initially approved. Increases in net metering generator capacity will require a new "Application for Interconnection and Net Metering" which will be evaluated on the same basis as any other new application. Repair and replacement of existing generating facility components with like components that meet UL 1741 certification requirements for Level 1 facilities and not resulting in increases in net metering generator capacity is allowed without approval.
10. Customer shall protect, indemnify and hold harmless Company and its directors, officers, employees, agents, representatives and contractors against and from all loss, claims, actions or suits, including costs and attorneys fees, for or on account of any injury or death of persons or damage to property caused by Customer or Customer's employees, agents, representatives and contractors in tampering with, repairing, maintaining or operating Customer's net metering generator or any related equipment or any facilities owned by Company except where such injury, death or damage was caused or contributed to by the fault or negligence of Company or its employees, agents, representatives or contractors.

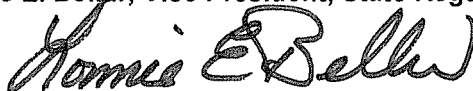
The liability of Company to Customer for injury to person and property shall be governed by the tariff(s) for the class of service under which Customer is taking service.

11. Customer shall maintain general liability insurance coverage (through a standard homeowner's, commercial or other policy) for generating facilities. Customer shall upon request provide Company with proof of such insurance at the time that application is made for net metering.

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CONDITIONS OF INTERCONNECTION (continued)

12. By entering into an Interconnection Agreement, or by inspection, if any, or by non-rejection, or by approval, or in any other way, Company does not give any warranty, express or implied, as to the adequacy, safety, compliance with applicable codes or requirements, or as to any other characteristics, of the generating facility equipment, controls, and protective relays and equipment.

DEFINITIONS

"Billing period" shall be the time period between the dates on which Company issues the customer's bills.

"Billing Period Credit" shall be the electricity generated by the customer that flows into the electric system and which exceeds the electricity supplied to the customer from the electric system during any billing period.

TERMS AND CONDITIONS


Except as provided herein, service will be furnished under Company's Terms and Conditions applicable hereto.

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Standard Rate Rider

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Net Metering Service

LEVEL 1

Application for Interconnection and Net Metering

Use this application form only for a generating facility that is inverter based and Certified by a nationally recognized testing laboratory to meet the requirements of UL 1741.

Submit this Application to:

Kentucky Utilities Company, Attn: Customer Commitment, P. O. Box 32010, Louisville, KY 40232

If you have questions regarding this Application or its status, contact KU at:

502-627-2202 or customer.commitment@eon-us.com

Customer Name: _____ Account Number: _____

Customer Address: _____

Customer Phone No.: _____ Customer E-mail Address: _____

Project Contact Person: _____

Phone No.: _____ E-mail Address (Optional): _____

Provide names and contact information for other contractors, installers, or engineering firms involved in the design and installation of the generating facilities:

Energy Source: ___Solar ___Wind ___Hydro ___Biogas ___Biomass

Inverter Manufacturer and Model #: _____

Inverter Power Rating: _____ Inverter Voltage Rating: _____

Power Rating of Energy Source (i.e., solar panels, wind turbine): _____

Is Battery Storage Used: ___No ___Yes If Yes, Battery Power Rating: _____

Attach documentation showing that inverter is certified by a nationally recognized testing laboratory to meet the requirements of UL 1741.

Attach site drawing or sketch showing location of Utility's meter, energy source, (optional: Utility accessible disconnect switch) and inverter.

Attach single line drawing showing all electrical equipment from the Utility's metering location to the energy source including switches, fuses, breakers, panels, transformers, inverters, energy source, wire size, equipment ratings, and transformer connections.

Expected Start-up Date: _____

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Net Metering Service

LEVEL 2

Application for Interconnection and Net Metering

Use this application form when generating facility is not inverter-based or is not certified by a nationally recognized testing laboratory to meet the requirements of UL 1741 or does not meet any of the additional conditions under Level 1.

Submit this Application, along with an application fee of \$100, to:

Kentucky Utilities Company, Attn: Customer Commitment, P. O. Box 32010, Louisville, KY 40232

If you have questions regarding this Application or its status, contact KU at:

502-627-2202 or customer.commitment@eon-us.com

Customer Name: _____ Account Number: _____

Customer Address: _____

Project Contact Person: _____

Phone No.: _____ E-mail Address (Optional): _____

Provide names and contact information for other contractors, installers, or engineering firms involved in the design and installation of the generating facilities:

Total Generating Capacity of Generating Facility: _____

Type of Generator: Inverter-Based Synchronous Induction

Power Source: Solar Wind Hydro Biogas Biomass

Adequate documentation and information must be submitted with this application to be considered complete. Typically this should include the following:

1. Single-line diagram of the customer's system showing all electrical equipment from the generator to the point of interconnection with the Utility's distribution system, including generators, transformers, switchgear, switches, breakers, fuses, voltage transformers, current transformers, wire sizes, equipment ratings, and transformer connections.
2. Control drawings for relays and breakers.
3. Site Plans showing the physical location of major equipment.
4. Relevant ratings of equipment. Transformer information should include capacity ratings, voltage ratings, winding arrangements, and impedance.
5. If protective relays are used, settings applicable to the interconnection protection. If programmable relays are used, a description of how the relay is programmed to operate as applicable to interconnection protection.
6. A description of how the generator system will be operated including all modes of operation.
7. For inverters, the manufacturer name, model number, and AC power rating. For certified inverters, attach documentation showing that inverter is certified by a nationally recognized testing laboratory to meet the requirements of UL 1741.
8. For synchronous generators, manufacturer and model number, nameplate ratings, and impedance data (Xd, Xd, & Xd).
9. For induction generators, manufacturer and model number, nameplate ratings, and locked rotor current.

Customer Signature: _____ Date: _____

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