

Mr. Jeff DeRouen
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40602-0615

RECEIVED

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PUBLIC SERVICE
COMMISSION

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Rick E. Lovekamp
Manager - Regulatory Affairs
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November 30, 2009

RE: APPLICATION OF KENTUCKY UTILITIES COMPANY AND
LOUISVILLE GAS AND ELECTRIC COMPANY TO MODIFY
THEIR GREEN ENERGY PROGRAMS – Case No. 2009-00467

Dear Mr. DeRouen:

Enclosed please find and accept for filing the original and ten (10) copies of Kentucky Utilities Company and Louisville Gas and Electric Company's Application in the above referenced matter.

Should you have any questions concerning the enclosed, please do not hesitate to contact me.

Sincerely,

Rick E. Lovekamp

cc: Hon. Dennis G. Howard II
Hon. Michael L. Kurtz

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF KENTUCKY UTILITIES)	
COMPANY AND LOUISVILLE GAS AND)	
ELECTRIC COMPANY TO MODIFY THEIR)	CASE NO. 2009-00 <u>467</u>
GREEN ENERGY PROGRAMS)	

VERIFIED JOINT APPLICATION

Kentucky Utilities Company (“KU”) and Louisville Gas and Electric Company (“LG&E”) (collectively, “Companies”) hereby respectfully petition the Kentucky Public Service Commission (“Commission”) by application pursuant to 807 KAR 5:001 § 8 to issue an order approving the following modifications to their existing Commission-approved Green Energy Programs: (1) continuing the programs after the Companies’ current contract to purchase Renewable Energy Certificates (“RECs”) expires on June 1, 2010, subject to the changes proposed herein; (2) approving the transfer of REC purchasing responsibility from the Companies’ current vendor, 3Degrees Group, Inc. (f/k/a 3 Phases Climate Solutions, LLC) to the Companies themselves; (3) approving the Companies’ proposed changes to their Small Green Energy (“SGE”) and Large Green Energy (“LGE”) Riders (shown in Exhibit 1 hereto); and (4) changing the current semi-annual reporting periods from December-May and June-November to January-June and July-December, with each semi-annual report being due by the last day of the month following the reporting period (i.e., July 31 and January 31), and the first report to be due on July 31, 2010. The Companies respectfully request that the Commission issue the requested Order by March 1, 2010.

In support of this Application, the Companies state as follows:

1. Addresses: Applicant KU's full name and business address is: Kentucky Utilities Company, One Quality Street, Lexington, Kentucky 40507. KU's mailing address is Kentucky Utilities Company c/o Louisville Gas and Electric Company, Post Office Box 32010, 220 West Main Street, Louisville, Kentucky 40232.

Applicant LG&E's full name and post office address is: Louisville Gas and Electric Company, 220 West Main Street, Post Office Box 32010, Louisville, Kentucky 40202.

2. Articles of Incorporation: A certified copy of KU's current Articles of Incorporation is on file with the Commission in Case No. 2005-00471, *In the Matter of: Application of Louisville Gas and Electric Company and Kentucky Utilities Company for Authority to Transfer Functional Control of their Transmission System* filed on November 18, 2005, and is incorporated by reference herein pursuant to 807 KAR 5:001, Section 8(3).

Likewise, a certified copy of LG&E's Articles of Incorporation is on file with the Commission in Case No. 2005-00471, *In the Matter of: Application of Louisville Gas and Electric Company and Kentucky Utilities Company for Authority to Transfer Functional Control of their Transmission System* filed on November 18, 2005, and is incorporated by reference herein pursuant to 807 KAR 5:001, Section 8(3).

3. KU is a public utility, as defined in KRS 278.010(3)(a), engaged in the electric business. KU generates and purchases electricity, and distributes and sells electricity at retail in the following counties in Central, Northern, Southeastern and Western Kentucky:

Adair	Edmonson	Jessamine	Ohio
Anderson	Estill	Knox	Oldham
Ballard	Fayette	Larue	Owen
Barren	Fleming	Laurel	Pendleton
Bath	Franklin	Lee	Pulaski
Bell	Fulton	Lincoln	Robertson
Bourbon	Gallatin	Livingston	Rockcastle
Boyle	Garrard	Lyon	Rowan

Bracken	Grant	Madison	Russell
Bullitt	Grayson	Marion	Scott
Caldwell	Green	Mason	Shelby
Campbell	Hardin	McCracken	Spencer
Carlisle	Harlan	McCreary	Taylor
Carroll	Harrison	McLean	Trimble
Casey	Hart	Mercer	Union
Christian	Henderson	Montgomery	Washington
Clark	Henry	Muhlenberg	Webster
Clay	Hickman	Nelson	Whitley
Crittenden	Hopkins	Nicholas	Woodford
Daviess			

4. LG&E is a public utility, as defined in KRS 278.010(3)(a), engaged in the electric and gas business. LG&E generates and purchases electricity, and distributes and sells electricity at retail in Jefferson County and portions of Bullitt, Hardin, Henry, Meade, Oldham, Shelby, Spencer, and Trimble Counties. LG&E also purchases, stores and transports natural gas and distributes and sells natural gas at retail in Jefferson County and portions of Barren, Bullitt, Green, Hardin, Hart, Henry, Larue, Marion, Meade, Metcalfe, Nelson, Oldham, Shelby, Spencer, Trimble, and Washington Counties.

I. History of the Companies' Green Energy Programs

5. By Order dated May 31, 2007, in Case No. 2007-00067, the Commission approved the Companies' application to establish Green Energy Programs that would allow their customers voluntarily to purchase RECs.¹ A REC represents the beneficial environmental attributes (i.e., the absence of greenhouse gas emissions) associated with 1 MWh of energy generated using renewable resources, such as wind, solar, and hydro power. RECs are fungible and tradable, and since the Companies first implemented these programs, transparent and liquid markets have developed for various types of RECs, the values of which derive primarily from their physical origin and type of generation technology. For example, solar-generated RECs

from New Jersey command relatively high prices to meet the in-state solar requirement of New Jersey's Renewable Portfolio Standard ("RPS"); however, the vast majority of RECs traded are those from any origin and any technology that can be applied for compulsory compliance in many states and voluntary initiatives for those without formal RPS/Renewable Energy Standards ("RES") programs. The revenue resulting from the original sale of the beneficial attributes in the form of RECs serve to supplement the income of the owner or operator of the renewable generation. Whereas at present this REC-derived supplementary income is unlikely to bridge fully the gap between the market price for wholesale power and the cost of renewable generation, it does make a helpful financial contribution to the viability and growth in the development of renewable energy.

6. Under the currently approved Small Green Energy Rider and Large Green Energy Rider tariff sheets for each utility, customers can purchase RECs in certain monthly increments: \$5.00 per 300 kWh for residential and small business customers (commitment to purchase can be cancelled at any time), and \$13.00 per MWh for all other customers (such customers must commit to purchase whatever number of RECs they desire for one year). The funds customers provide for REC purchases are not refundable, as the SGE and LGE Rider tariff sheets advise customers.

7. Currently, the sources of the Companies' RECs are primarily in Kentucky and surrounding states. Though some sources of the Companies' current RECs are not located within the Companies' service territories, the environmental benefits from such sources are not limited to a specific territory and can be felt throughout the region by partially or wholly offsetting the use of energy produced through the burning of fossil fuels in the region.

¹ *In the Matter of: Joint Application of Louisville Gas and Electric Company and Kentucky Utilities Company for Approval of their Proposed Green Energy Riders*, Case No. 2007-00067, Order (May 31, 2007).

Nonetheless, the Companies advise those enrolling in the Green Energy Programs that environmental benefits associated with their purchase of RECs may accrue outside the Companies' service territories.

8. The Companies contracted with 3 Phases Climate Solutions, LLC (now known as 3Degrees) to procure the necessary RECs for the programs and to perform other administrative functions associated with REC purchases. The fixed purchase price per REC under the Companies' current contract with 3Degrees, as approved by the Commission, is \$12.50. Thus, approximately 75% of each residential and small commercial customer's \$5.00 contribution, and 96% of any other customer's \$13.00 contribution, goes toward the purchase of RECs. The remaining funds are used to grow the Green Energy Programs through education and promotion.

9. In accordance with the Commission's May 31, 2007 Order in Case No. 2007-00067, the Companies submitted semi-annual reports on the status of the Green Energy Programs. The summary tables below show consistent increases for each utility in the number of customers participating and the number of RECs purchased.

Table 1: Kentucky Utilities Company (Data for Six-Month Period Ending)

	<u>Small Green Energy</u>			<u>Large Green Energy</u>		
	Number of Participants	RECs Purchased	Cost of RECs (\$)	Number of Participants	RECs Purchased	Cost of RECs (\$)
5/31/2007	0	0	0	0	0	0
11/30/2007	84	73	912.50	0	0	0
5/31/2008	431	455	5,687.50	2	0	0
11/30/2008	431	1,193	14,912.50	3	25	312.50
5/31/2009	525	1,374	17,169.13	5	539	6,737.50

Table 2: Louisville Gas and Electric Company (Data for Six-Month Period Ending)

	<u>Small Green Energy</u>			<u>Large Green Energy</u>		
	Number of Participants	RECs Purchased	Cost of RECs (\$)	Number of Participants	RECs Purchased	Cost of RECs (\$)
5/31/2007	0	0	0	0	0	0
11/30/2007	170	194	2,425.00	0	0	0
5/31/2008	582	802	10,025.0	1	0	0
11/30/2008	781	1,967	24,587.50	1	1,040	13,000.00
5/31/2009	866	2,487	31,081.63	1	1,651	20,637.50

II. Why the Companies Are Proposing Changes to their Green Energy Programs

10. Because of increasing customer interest in, and the continuing success of, the Companies' Green Energy Programs, they respectfully request to continue the programs after the Companies' current contract to purchase RECs from 3Degrees expires on June 1, 2010. The Companies are applying for an extension of the programs at this time because their SGE and LGE tariff sheets require the Companies to file applications for the extension of, and modifications to, the programs no later than six months prior to the expiration of the approved 3Degrees contract.²

11. In anticipation of continuing their Green Energy Programs, on April 30, 2009, the Companies issued a Request for Proposals ("RFP") to a number of green energy and REC procurement and support services firms around the country, in response to which the Companies received two proposals.

12. After reviewing the proposals and studying the REC market, the Companies concluded that they would best serve their customers and the purposes of the Green Energy Programs by procuring RECs using their own in-house resources. None of the RFP responses

² See Kentucky Utilities Company, P.S.C. No. 14, Original Sheet No. 70, Terms and Conditions (d); Kentucky Utilities Company, P.S.C. No. 14, Original Sheet No. 70.1, Terms and Conditions (d); Louisville Gas and Electric Company, P.S.C. Electric No. 7, Original Sheet No. 70, Terms and Conditions (d); Louisville Gas and Electric Company, P.S.C. Electric No. 7, Original Sheet No. 70.1, Terms and Conditions (d).

provided the Companies with complete protection from exposure to price risk, which protection was a significant reason for outsourcing REC acquisition when the Companies first implemented these programs. Since that time, the over-the-counter REC market has matured significantly. The Companies already have significant in-house commodity expertise, as well as a familiarity with renewable energy and REC markets, so the costs the Companies would incur to purchase RECs (excluding the cost of the RECs themselves) and to administer the programs would be negligible.

13. In addition to the cost-savings the Companies anticipate by bringing the REC acquisition function in-house, the Companies will gain additional experience in the REC and related markets by performing the function. Such experience should prove to be valuable to the Companies and their customers if a state or federal renewable portfolio standard becomes law in the future, which requirement might allow for the purchase of RECs as partial compliance. Being able to navigate the REC market could result in additional cost savings to the Companies' customers in such an event.

III. Proposed Changes to the Companies' Green Energy Programs and Tariff Sheets

14. The Companies do not propose any changes to the current language of the "Applicable," "Availability of Service," and "Definitions" sections of their SGE and LGE Riders.

15. The Companies do not propose to change the amounts approved by the Commission in Case No. 2007-00067 to be used for promotional expenses (no more than 25% of any SGE purchase dollars, and no more than 4% of any LGE purchase dollars). All SGE and LGE revenues in excess of promotional costs (i.e., at least 75% of SGE revenues and at least 96% of LGE revenues) will be used to purchase RECs. These maximum allocations for

promotional expenses compare favorably with the 2008 median percentage of revenues spent on such expenses by all American utilities with green energy programs (18.8%).³

16. One item the Companies do propose to change in the tariffs is the nature, though not the price, of the current “block prices” for the Green Energy Programs (i.e., \$5.00 per 300 kWh block for SGE, \$13.00 per 1,000 kWh block for LGE). The Companies presently anticipate that they will be able to secure more RECs per dollar than those prices indicate. Due to fluctuating market conditions, however, the Companies cannot guarantee in the tariff a particular level of RECs per dollar. Instead, the Companies propose to use all funds collected under the SGE and LGE riders, less a capped level of promotion costs (described in Paragraph 15 above), to purchase the greatest number of RECs the markets will allow, subject to the prioritization of Kentucky REC sources described in Paragraph 18 below. This approach will ensure that customers receive the best REC value for their contributions that the market will allow (again, subject to prioritizing Kentucky REC sources as described below). The Companies therefore propose to change the “Rate” language of each utility’s SGE Rider from, “\$5.00 per 300 kWh block per month,” to, “Voluntary monthly contributions of any amount in \$5.00 increments.” Similarly, the Companies propose to change the “Rate” language of each utility’s LGE Rider from, “\$13.00 per 1,000 kWh block per month,” to, “Voluntary monthly contributions of any amount in \$13.00 increments.”

17. For the last two quarters, the Companies have provided a quarterly update newsletter to their customers participating in their Green Energy Programs. The Companies would use the quarterly newsletter to inform customers of the number of RECs the Companies were able to purchase on their behalf. The Companies would also post the number of RECs

³ LORI BIRD, CLAIRE KREYCIK, AND BARRY FRIEDMAN, GREEN POWER MARKETING IN THE UNITED STATES: A STATUS REPORT (2008 DATA) 22 (National Renewable Energy Laboratory, Technical Report NREL/TP-6A2-46581,

purchased under the programs on a monthly basis on the Companies' website (i.e., REC purchases made in June would be posted in July).

18. As the Companies seek to provide greater value to their customers by bringing the REC purchasing function in-house, they will follow the Commission's guidance stated in its May 31, 2007 Order in Case No. 2007-00067, to prioritize purchasing Kentucky-generated RECs.⁴ To the extent it is reasonably feasible to purchase Kentucky-generated RECs, even if at a reasonable premium compared to regional and national REC prices, the Companies will do so; however, making an absolute commitment to purchase all available Kentucky-generated RECs without also looking in other states to secure RECs would place the Companies (and their customers) at a tremendous bargaining disadvantage vis-à-vis Kentucky renewable energy generators. Therefore, to provide the best value to their customers while seeking to support renewable generation in Kentucky, the Companies will continue to prioritize Kentucky-generated RECs to the extent reasonably feasible.

19. Assuming the changes requested in Paragraph 16 above are acceptable, the Companies propose to modify subsection (a) of the Terms and Conditions section of each LGE tariff by removing the obligation for participating customers to commit to make certain levels of contributions for 12 months. Such a commitment is not necessary under the revised Green Energy Programs, and eliminating the commitment may serve to encourage additional customers to participate.

20. Because the Companies do not foresee a reason to terminate or modify the SGE and LGE Riders (absent significant changes in law or market conditions), the Companies propose to delete from their SGE and LGE Riders paragraph (d) from each tariff sheet's "Terms

September 2009). Available at: <http://www.nrel.gov/docs/fy09osti/46581.pdf>.

and Conditions” section. If the Companies find in the future that it is prudent to seek a change in either or both of the SGE and LGE tariff sheets, they will file an application to that effect at the appropriate time and in accordance with all applicable filing and notice requirements.

21. The Companies request that these proposed changes take effect on June 1, 2010, the date on which the Companies’ current contract with 3Degrees expires.

22. Black-lined and clean versions of the Companies’ SGE and LGE tariff sheets showing the proposed changes described above are collectively attached hereto as Exhibit 1.

IV. Requested Change to Reporting Requirement

23. The Companies respectfully request that the reporting periods for their semi-annual reports on the status of their Green Energy Programs be changed from June-November and December-May to January-June and July-December, with the first such report to be due by July 31, 2010 (the first report would include data from December 2009, as well, to ensure there are no reporting gaps). Such a reporting shift would match the reports to the Companies’ general ledgers for each calendar year, avoiding the need to reconcile the reports to the ledgers.

V. Reason for Requested Order Date

24. The Companies have requested that the Commission approve the above-described changes to their Green Energy Programs by March 1, 2010, to allow the Companies time to provide their customers at least 60 days’ notice of the changes before they take effect so that customers may make any desired changes to their purchases under the SGE and LGE Riders. The current SGE and LGE Riders require such notice under paragraph (d) of their “Terms and

⁴ *In the Matter of: Joint Application of Louisville Gas and Electric Company and Kentucky Utilities Company for Approval of their Proposed Green Energy Riders*, Case No. 2007-00067, Order at 5 (May 31, 2007).

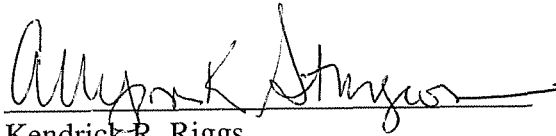
Conditions” sections (as stated in Paragraph 20 above, however, the Companies do not propose to retain this 60-day notice obligation in the revised SGE and LGE tariffs).⁵

WHEREFORE, Louisville Gas and Electric Company and Kentucky Utilities Company respectfully request that the Commission issue an Order by March 1, 2010: (1) continuing the Companies’ Green Energy Programs after June 1, 2010, subject to the changes proposed herein; (2) approving the transfer of REC purchasing responsibility from the Companies’ current vendor, 3Degrees Group, Inc. (f/k/a 3 Phases Climate Solutions, LLC) to the Companies themselves; (3) approving the Companies’ proposed changes to their SGE and LGE Riders (shown in Exhibit 1 hereto); and (4) changing the current semi-annual reporting periods from December-May and June-November to January-June and July-December, with each semi-annual report being due by the last day of the month following the reporting period (i.e., July 31 and January 31), and the first report to be due on July 31, 2010.

⁵ See Kentucky Utilities Company, P.S.C. No. 14, Original Sheet No. 70, Terms and Conditions (d); Kentucky Utilities Company, P.S.C. No. 14, Original Sheet No. 70.1, Terms and Conditions (d); Louisville Gas and Electric Company, P.S.C. Electric No. 7, Original Sheet No. 70, Terms and Conditions (d); Louisville Gas and Electric Company, P.S.C. Electric No. 7, Original Sheet No. 70.1, Terms and Conditions (d).

Dated: November 30, 2009

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Kendrick R. Riggs", written over a horizontal line.

Kendrick R. Riggs
W. Duncan Crosby III
Stoll Keenon Ogden PLLC
2000 PNC Plaza
500 West Jefferson Street
Louisville, Kentucky 40202
Telephone: (502) 333-6000

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


Counsel for Kentucky Utilities Company and
Louisville Gas and Electric Company

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and correct copy of the foregoing Application was served on the following persons on the 30th day of November 2009, U.S. mail, postage prepaid:

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 Kentucky Utilities Company and
Louisville Gas and Electric Company

Exhibit 1

Kentucky Utilities Company

P.S.C. No. 14, First Revision of Original Sheet No. 70
Canceling P.S.C. No. 14, Original Sheet No. 70

Standard Rate Rider

SGE

Small Green Energy Rider

APPLICABLE

In all territory served.

AVAILABILITY OF SERVICE

Service under this rider is available to customers receiving service under Company's standard RS or GS rate schedules as an option to participate in Company's "Green Energy Program" whereby Company will aggregate the resources provided by the participating customers to develop green power, purchase green power, or purchase Renewable Energy Certificates.

DEFINITIONS

- a) Green power is that electricity generated from renewable sources including but not limited to: solar, wind, hydroelectric, geothermal, landfill gas, biomass, biodiesel used to generate electricity, agricultural crops or waste, all animal and organic waste, all energy crops and other renewable resources deemed to be Green-e Certified.
- b) A Renewable Energy Certificate ("REC") is the tradable unit which represents the commodity formed by unbundling the environmental-benefit attributes of a unit of green power from the underlying electricity. One REC is equivalent to the environmental-benefits attributes of one (1) MWh of green power.

RATE

Voluntary monthly contributions of any amount in \$5.00 per 300 kWh block per month increments

TERMS AND CONDITIONS

- a) Customers may contribute monthly as much as they like in \$5.00 increments (e.g., \$5.00, \$10.00, \$15.00, or more per month) purchase as many whole blocks as they desire. An eligible customer may participate in Company's "Green Energy Program" by making a request to Company's Call Center or through Company's website enrollment form and may withdraw at any time through a request to Company's Call Center. Funds provided by Customer to Company are not refundable.
- b) Customers may not owe any arrearage prior to entering the "Green Energy Program". Any customer failing to pay the amount the customer pledged to contribute/fulfill payment for the requested blocks may be removed from the "Green Energy Program." Any Customer removed from or withdrawing from the "Green Energy Program" will not be allowed to re-apply for one (1) year.
- c) Customer will be billed monthly for the amount Customer has pledged to contribute to the "Green Energy Program," as provided for under "Rate" times the number of blocks Customer has agreed to purchase per month. Such billing will be added to Customer's billing under any standard rate schedules plus applicable riders plus applicable adjustment clauses.
- d) The service under this rate schedule shall coincide with the three (3) year term of the contract under which Company contracts for the purchase of RECs. Six (6) months prior to expiration of said contract Company shall file for renewal of this rate schedule with the Public Service Commission of Kentucky and may adjust block prices to reflect market conditions as they exist at that time. Upon Commission approval of any change in rate, Company will provide sixty (60) days notice for Customer to adjust the number of blocks

Date of Issue: February 9, 2009

Date Effective: June 1, 2010 ~~May 31, 2007~~ Refiled: February 9, 2009

Issued By: Lonnie E. Bellar, Vice President, State Regulation and Rates, Lexington, Kentucky

Issued by Authority of an Order of the KPSC in Case No. 2007-00067 dated May 31, 2007

contracted for or withdraw from the "Green Energy Program". Service under this rate schedule will continue until the Commission renders a decision on the filing for renewal.

Date of Issue: ~~February 9, 2009~~

Date Effective: ~~June 1, 2010~~ May 31, 2007 — Refiled: ~~February 9, 2009~~

Issued By: Lonnie E. Bellar, Vice President, State Regulation and Rates, Lexington, Kentucky

Issued by Authority of an Order of the KPSC in Case No. 2007-00067 dated May 31, 2007

Kentucky Utilities Company

P.S.C. No. 14, First Revision of Original Sheet No. 70
Canceling P.S.C. No. 14, Original Sheet No. 70

Standard Rate Rider

SGE

Small Green Energy Rider

APPLICABLE

In all territory served.

AVAILABILITY OF SERVICE

Service under this rider is available to customers receiving service under Company's standard RS or GS rate schedules as an option to participate in Company's "Green Energy Program" whereby Company will aggregate the resources provided by the participating customers to develop green power, purchase green power, or purchase Renewable Energy Certificates.

DEFINITIONS

- a) Green power is that electricity generated from renewable sources including but not limited to: solar, wind, hydroelectric, geothermal, landfill gas, biomass, biodiesel used to generate electricity, agricultural crops or waste, all animal and organic waste, all energy crops and other renewable resources deemed to be Green-e Certified.
- b) A Renewable Energy Certificate ("REC") is the tradable unit which represents the commodity formed by unbundling the environmental-benefit attributes of a unit of green power from the underlying electricity. One REC is equivalent to the environmental-benefits attributes of one (1) MWh of green power.

RATE

Voluntary monthly contributions of any amount in \$5.00 increments

TERMS AND CONDITIONS

- a) Customers may contribute monthly as much as they like in \$5.00 increments (e.g., \$5.00, \$10.00, \$15.00, or more per month). An eligible customer may participate in Company's "Green Energy Program" by making a request to Company's Call Center or through Company's website enrollment form and may withdraw at any time through a request to Company's Call Center. Funds provided by Customer to Company are not refundable.
- b) Customers may not owe any arrearage prior to entering the "Green Energy Program". Any customer failing to pay the amount the customer pledged to contribute may be removed from the "Green Energy Program." Any Customer removed from or withdrawing from the "Green Energy Program" will not be allowed to re-apply for one (1) year.
- c) Customer will be billed monthly for the amount Customer has pledged to contribute to the "Green Energy Program." Such billing will be added to Customer's billing under any standard rate schedules plus applicable riders plus applicable adjustment clauses.

Date of Issue:

Date Effective: June 1, 2010

Issued By: Lonnie E. Bellar, Vice President, State Regulation and Rates, Lexington, Kentucky

Kentucky Utilities Company

P.S.C. No. 14, First Revision of Original Sheet No. 70.1
Canceling P.S.C. No. 14, Original Sheet No. 70.1

Standard Rate Rider

LGE

Large Green Energy Rider

APPLICABLE

In all territory served.

AVAILABILITY OF SERVICE

Service under this rider is available to customers receiving service under Company's standard PS, TOD, RTS, or IS rate schedules as an option to participate in Company's "Green Energy Program" whereby Company will aggregate the resources provided by the participating customers to develop green power, purchase green power, or purchase Renewable Energy Certificates.

DEFINITIONS

- a) Green power is that electricity generated from renewable sources including but not limited to: solar, wind, hydroelectric, geothermal, landfill gas, biomass, biodiesel used to generate electricity, agricultural crops or waste, all animal and organic waste, all energy crops and other renewable resources deemed to be Green-e Certified.
- b) A Renewable Energy Certificate ("REC") is the tradable unit which represents the commodity formed by unbundling the environmental-benefit attributes of a unit of green power from the underlying electricity. One REC is equivalent to the environmental-benefits attributes of one (1) MWh of green power.

RATE

Voluntary monthly contributions of any amount in \$13.00 per 1,000 kWh block per month increments

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TERMS AND CONDITIONS

- a) ~~Customers may contribute monthly as much as they like in \$13.00 increments, (e.g., \$13.00, \$26.00, \$39.00, or more per month). An eligible customer may participate in company's "Green Energy Program" by making a request to the Company and may withdraw at any time through a request to the Company. purchase as many whole blocks as they desire. The eligible customer may participate in Company's "Green Energy Program" by entering into a written one-year agreement that will renew in one-year terms until either party gives thirty (30) days notice to the other. Funds provided by Customer to Company are not refundable.~~
- b) Customers may not owe any arrearage prior to entering the "Green Energy Program". Any customer failing to pay the amount the customer pledged to contribute fulfill payment for the requested blocks may be removed from the "Green Energy Program." Any customer removed from or withdrawing from the "Green Energy Program" will not be allowed to re-apply for one (1) year.
- c) Customer will be billed monthly for the amount customer has pledged to contribute to the "Green Energy Program," as provided for under "Rate" times the number of blocks ~~Customer has agreed to purchase per month. Such billing will be added to Customer's billing under any standard rate schedules plus applicable riders plus applicable adjustment clauses.~~
- d) ~~The service under this rate schedule shall coincide with the three (3) year term of the contract under which Company contracts for the purchase of RECs. Six (6) months prior to expiration of said contract Company shall file for renewal of this rate schedule with the~~

Date of Issue: February 9, 2009

Date Effective: June 1, 2010 May 31, 2007 Refiled: February 9, 2009

Issued By: Lonnie E. Bellar, Vice President, State Regulation and Rates, Lexington, Kentucky

Issued by Authority of an Order of the KPSC in Case No. 2007-00067 dated May 31, 2007

~~Public Service Commission of Kentucky and may adjust block prices to reflect market conditions as they exist at that time. Upon Commission approval of any change in rate, Company will provide sixty (60) days notice for Customer to adjust the number of blocks contracted for or withdraw from the "Green Energy Program". Service under this rate schedule will continue until the Commission renders a decision on the filing for renewal.~~

~~Date of Issue: February 9, 2009~~

~~Date Effective: June 1, 2010 May 31, 2007 Refiled: February 9, 2009~~

~~Issued By: Lonnie E. Bellar, Vice President, State Regulation and Rates, Lexington, Kentucky~~

~~Issued by Authority of an Order of the KPSC in Case No. 2007-00067 dated May 31, 2007~~

Kentucky Utilities Company

P.S.C. No. 14, First Revision of Original Sheet No. 70.1
Canceling P.S.C. No. 14, Original Sheet No. 70.1

Standard Rate Rider

LGE

Large Green Energy Rider

APPLICABLE

In all territory served.

AVAILABILITY OF SERVICE

Service under this rider is available to customers receiving service under Company's standard PS, TOD, RTS, or IS rate schedules as an option to participate in Company's "Green Energy Program" whereby Company will aggregate the resources provided by the participating customers to develop green power, purchase green power, or purchase Renewable Energy Certificates.

DEFINITIONS

- a) Green power is that electricity generated from renewable sources including but not limited to: solar, wind, hydroelectric, geothermal, landfill gas, biomass, biodiesel used to generate electricity, agricultural crops or waste, all animal and organic waste, all energy crops and other renewable resources deemed to be Green-e Certified.
- b) A Renewable Energy Certificate ("REC") is the tradable unit which represents the commodity formed by unbundling the environmental-benefit attributes of a unit of green power from the underlying electricity. One REC is equivalent to the environmental-benefits attributes of one (1) MWh of green power.

RATE

Voluntary monthly contributions of any amount in \$13.00 increments

TERMS AND CONDITIONS

- a) Customers may contribute monthly as much as they like in \$13.00 increments, (e.g., \$13.00, \$26.00, \$39.00, or more per month). An eligible customer may participate in company's "Green Energy Program" by making a request to the Company and may withdraw at any time through a request to the Company. Funds provided by Customer to Company are not refundable.
- b) Customers may not owe any arrearage prior to entering the "Green Energy Program". Any customer failing to pay the amount the customer pledged to contribute may be removed from the "Green Energy Program." Any customer removed from or withdrawing from the "Green Energy Program" will not be allowed to re-apply for one (1) year.
- c) Customer will be billed monthly for the amount customer has pledged to contribute to the "Green Energy Program." Such billing will be added to Customer's billing under any standard rate schedules plus applicable riders plus applicable adjustment clauses.

Date of Issue:

Date Effective: June 1, 2010

Issued By: Lonnie E. Bellar, Vice President, State Regulation and Rates, Lexington, Kentucky

Louisville Gas and Electric Company

P.S.C. Electric No. 7, First Revision of Original Sheet No. 70
Canceling P.S.C. Electric No. 7, Original Sheet No. 70

Standard Rate Rider

SGE

Small Green Energy Rider

APPLICABLE

In all territory served.

AVAILABILITY OF SERVICE

Service under this rider is available to customers receiving service under Company's standard RS or GS rate schedules as an option to participate in Company's "Green Energy Program" whereby Company will aggregate the resources provided by the participating customers to develop green power, purchase green power, or purchase Renewable Energy Certificates.

DEFINITIONS

- a) Green power is that electricity generated from renewable sources including but not limited to: solar, wind, hydroelectric, geothermal, landfill gas, biomass, biodiesel used to generate electricity, agricultural crops or waste, all animal and organic waste, all energy crops and other renewable resources deemed to be Green-e Certified.
- b) A Renewable Energy Certificate ("REC") is the tradable unit which represents the commodity formed by unbundling the environmental-benefit attributes of a unit of green power from the underlying electricity. One REC is equivalent to the environmental-benefits attributes of one MWh of green power.

RATE

Voluntary monthly contributions of any amount in \$5.00 per 300 kWh block per month increments

TERMS AND CONDITIONS

- a) Customers may contribute monthly as much as they like in \$5.00 increments (e.g., \$5.00, \$10.00, \$15.00, or more per month), purchase as many whole blocks as they desire. The eligible Customer may participate in Company's "Green Energy Program" by making a request to Company's Call Center or through Company's website enrollment form and may withdraw at any time through a request to Company's Call Center. Funds provided by Customer to Company are not refundable.
- b) Customers may not owe any arrearage prior to entering the "Green Energy Program". Any customer failing to pay the amount the customer pledged to contribute ~~fulfill payment for the requested blocks~~ may be removed from the "Green Energy Program." Any customer removed from or withdrawing from the "Green Energy Program" will not be allowed to re-apply for one year.
- c) Customer will be billed monthly for the amount Customer has pledged to contribute to the "Green Energy Program," as provided for under "Rate" times the number of blocks Customer has agreed to purchase per month. Such billing will be added to Customer's billing under any standard rate schedules plus applicable riders plus applicable adjustment clauses.
- d) ~~The service under this rate schedule shall coincide with the three year term of the contract under which Company contracts for the purchase of RECs. Six months prior to expiration of said contract Company shall file for renewal of this rate schedule with the Public Service Commission of Kentucky and may adjust block prices to reflect market conditions as they exist at that time. Upon Commission approval of any change in rate, Company will provide sixty (60) days notice for Customer to adjust the number of blocks contracted for or~~

~~Date of Issue: February 9, 2009~~

Date Effective: June 1, 2010 ~~May 31, 2007~~ — Refiled: ~~February 9, 2009~~

Issued By: Lonnie E. Bellar, Vice President, State Regulation and Rates, Louisville, Kentucky

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~~Issued by Authority of an Order of the KPSC in Case No. 2007-00067 dated May 31, 2007~~

~~withdraw from the "Green Energy Program". Service under this rate schedule will continue until the Commission renders a decision on the filing for renewal.~~

~~Date of Issue: February 9, 2009~~
~~Date Effective: June 1, 2010~~~~May 31, 2007~~~~Refiled: February 9, 2009~~
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Louisville Gas and Electric Company

P.S.C. Electric No. 7, First Revision of Original Sheet No. 70
Canceling P.S.C. Electric No. 7, Original Sheet No. 70

Standard Rate Rider

SGE

Small Green Energy Rider

APPLICABLE

In all territory served.

AVAILABILITY OF SERVICE

Service under this rider is available to customers receiving service under Company's standard RS or GS rate schedules as an option to participate in Company's "Green Energy Program" whereby Company will aggregate the resources provided by the participating customers to develop green power, purchase green power, or purchase Renewable Energy Certificates.

DEFINITIONS

- a) Green power is that electricity generated from renewable sources including but not limited to: solar, wind, hydroelectric, geothermal, landfill gas, biomass, biodiesel used to generate electricity, agricultural crops or waste, all animal and organic waste, all energy crops and other renewable resources deemed to be Green-e Certified.
- b) A Renewable Energy Certificate ("REC") is the tradable unit which represents the commodity formed by unbundling the environmental-benefit attributes of a unit of green power from the underlying electricity. One REC is equivalent to the environmental-benefits attributes of one MWh of green power.

RATE

Voluntary monthly contributions of any amount in \$5.00 increments

TERMS AND CONDITIONS

- a) Customers may contribute monthly as much as they like in \$5.00 increments (e.g., \$5.00, \$10.00, \$15.00, or more per month). An eligible Customer may participate in Company's "Green Energy Program" by making a request to Company's Call Center or through Company's website enrollment form and may withdraw at any time through a request to Company's Call Center. Funds provided by Customer to Company are not refundable.
- b) Customers may not owe any arrearage prior to entering the "Green Energy Program". Any customer failing to pay the amount the customer pledged to contribute may be removed from the "Green Energy Program." Any customer removed from or withdrawing from the "Green Energy Program" will not be allowed to re-apply for one year.
- c) Customer will be billed monthly for the amount Customer has pledged to contribute to the "Green Energy Program." Such billing will be added to Customer's billing under any standard rate schedules plus applicable riders plus applicable adjustment clauses.

Date of Issue:

Date Effective: June 1, 2010

Issued By: Lonnie E. Bellar, Vice President, State Regulation and Rates, Louisville, Kentucky

Louisville Gas and Electric Company

P.S.C. Electric No. 7, First Revision of Original Sheet No. 70.1
Canceling P.S.C. Electric No. 7, Original Sheet No. 70.1

Standard Rate Rider

LGE

Large Green Energy Rider

APPLICABLE

In all territory served.

AVAILABILITY OF SERVICE

Service under this rider is available to customers receiving service under Company's standard IPS, CPS, ITOD, CTOD, RTS, or IS rate schedules as an option to participate in Company's "Green Energy Program" whereby Company will aggregate the resources provided by the participating customers to develop green power, purchase green power, or purchase Renewable Energy Certificates.

DEFINITIONS

- a) Green power is that electricity generated from renewable sources including but not limited to: solar, wind, hydroelectric, geothermal, landfill gas, biomass, biodiesel used to generate electricity, agricultural crops or waste, all animal and organic waste, all energy crops and other renewable resources deemed to be Green-e Certified.
- b) A Renewable Energy Certificate ("REC") is the tradable unit which represents the commodity formed by unbundling the environmental-benefit attributes of a unit of green power from the underlying electricity. One REC is equivalent to the environmental-benefits attributes of one MWh of green power.

RATE

Voluntary monthly contributions of any amount in \$13.00 per 1,000 kWh block per month increments

TERMS AND CONDITIONS

- a) Customers may contribute monthly as much as they like in \$13.00 increments (e.g., \$13.00, \$26.00, \$39.00, or more per month). An eligible customer may participate in Company's "Green Energy Program" by making a request to the Company and may withdraw at any time through a request to the Company purchase as many whole blocks as they desire. The eligible Customer may participate in Company's "Green Energy Program" by entering into a written one-year agreement that will renew in one-year terms until either party gives thirty (30) days notice to the other. Funds provided by Customer to Company are not refundable.
- b) Customers may not owe any arrearage prior to entering the "Green Energy Program". Any customer failing to pay the amount the customer pledged to contribute fulfill payment for the requested blocks may be removed from the "Green Energy Program." Any customer removed from or withdrawing from the "Green Energy Program" will not be allowed to re-apply for one year.
- c) Customer will be billed monthly for the amount Customer has pledged to contribute to the "Green Energy Program," as provided for under "Rate" times the number of blocks Customer has agreed to purchase per month. Such billing will be added to Customer's billing under any standard rate schedules plus applicable riders plus applicable adjustment clauses.

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Louisville Gas and Electric Company

P.S.C. Electric No. 7, First Revision of Original Sheet No. 70.1
Canceling P.S.C. Electric No. 7, Original Sheet No. 70.1

Standard Rate Rider

LGE

Large Green Energy Rider

APPLICABLE

In all territory served.

AVAILABILITY OF SERVICE

Service under this rider is available to customers receiving service under Company's standard IPS, CPS, ITOD, CTOD, RTS, or IS rate schedules as an option to participate in Company's "Green Energy Program" whereby Company will aggregate the resources provided by the participating customers to develop green power, purchase green power, or purchase Renewable Energy Certificates.

DEFINITIONS

- a) Green power is that electricity generated from renewable sources including but not limited to: solar, wind, hydroelectric, geothermal, landfill gas, biomass, biodiesel used to generate electricity, agricultural crops or waste, all animal and organic waste, all energy crops and other renewable resources deemed to be Green-e Certified.
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RATE

Voluntary monthly contributions of any amount in \$13.00 increments

TERMS AND CONDITIONS

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