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

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LG&E and KU Services
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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 Mr. DeRouen:

In its July 12, 2007 Final Order in the above-styled case, the Commission stated: "The responsive pricing and smart metering pilot program as proposed in LG&E's March 21, 2007 application is approved."¹ The duration of the pilot program, as Commission described it, was to be as follows: "[T]he Pilot will have an initial term of 3 years but will remain in effect until the Commission modifies or terminates it."² LG&E's tariff sheets that apply to the pilot program, Rates RRP and GRP, contain language reflecting the duration approved by the Commission.³

The pilot program's initial three-year term has now ended, having run from January 2008 to January 2011. Per the reporting requirements associated with the program, LG&E is now preparing for the Commission's review a final report on the results obtained from the three-year study period, which report LG&E will file with the Commission no later than June 30, 2011. As part of

¹ Order at 16.

² *Id.* at 6.

³ See LG&E P.S.C. Electric No. 8, Original Sheet No. 76 ("RRP ... shall remain in effect until modified or terminated by order of the Commission."); LG&E P.S.C. Electric No. 8, Original Sheet No. 77 ("GRP ... shall remain in effect until modified or terminated by order of the Commission.").

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the filing of that report LG&E will make its recommendation as to the future of the pilot program. In the meantime, pursuant to the Commission's July 12, 2007 Final Order in this proceeding, the pilot program will continue, and the relevant rates and cost-recovery will remain in effect, until the Commission modifies or terminates the program. LG&E believes leaving the program in effect for the time being not only comports with the Commission's Final Order, but is also necessary to allow the Commission the opportunity to review and evaluate the results of the three-year study.

If you have any questions or concerns about this matter, please do not hesitate to contact me at any time.

Sincerely,

A handwritten signature in cursive script that reads "Lonnie E. Bellar". The signature is written in black ink and is positioned above the printed name.

Lonnie E. Bellar