



a PPL company

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

September 21, 2012

RE: Request of Louisville Gas and Electric Company to Cancel and Withdraw the Tariffs for its Responsive Pricing and Smart Metering Pilot Program
Case No. 2011-00440

Dear Mr. DeRouen:

Pursuant to the Commission's Order of March 22, 2012, in the above-referenced proceeding, Ordering Paragraph No. 2, Louisville Gas and Electric Company hereby files an update describing its efforts to develop a new dynamic pricing or smart meter program.

Please place the file stamp of your Office on the enclosed additional copy and return it in the envelope provided.

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

Sincerely,

Rick E. Lovekamp

Enclosure

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SEP 21 2012

PUBLIC SERVICE
COMMISSION

**Louisville Gas and Electric
Company**

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COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

REQUEST OF LOUISVILLE GAS AND ELECTRIC)	
COMPANY TO CANCEL AND WITHDRAW THE)	CASE NO.
TARIFFS FOR ITS RESPONSIVE PRICING AND)	2011-00440
SMART METERING PILOT PROGRAM)	

Smart Meter Update Report

On July 12, 2007, the Commission issued an Order in Case No. 2007-00117¹ approving a three-year Responsive Pricing and Smart Meter Pilot Program (“Smart Meter Pilot”) for Louisville Gas and Electric Company (“LG&E”). Two tariffs were approved for use under the Smart Meter Pilot: 1) the Residential Responsive Pricing Service tariff (“Rate RRP”) and 2) the General Responsive Pricing Service tariff (“Rate GRP”). The Commission’s Order was amended on October 7, 2008 to allow employees of the General Electric Company to participate in the Smart Meter Pilot. On July 1, 2011, LG&E submitted its final evaluation report to the Commission regarding the Smart Meter Pilot.

On March 22, 2012, the Commission issued an Order in Case No. 2011-00440 approving discontinuance of LG&E’s Smart Meter Pilot, and the cancelation and withdrawal of Rate RRP and Rate GRP tariffs. Additionally, the Commission ordered, “LG&E shall submit a report describing its efforts to develop a new program every three months until it has submitted a dynamic pricing or smart meter application for the Commission’s consideration, with its first report to be filed three months from the date of this order.”

As described in the report filed on June 22, 2012, offering dynamic pricing is a complex undertaking requiring deliberate and methodical approach to deal with the financial, technology, customer acceptance, customer education, and on-going regulatory utility business model, rate structure, and cost recovery to assure even targeted deployment achieves scalable results.

The Commission has indicated its intention to establish a new administrative proceeding to focus solely on Smart Grid and Smart Meter initiatives and to manage the efforts of the Smart Grid Collaborative established in Case No. 2008-00408. This new administrative proceeding will focus on issues relating to the development of time-of-use or dynamic pricing.² Additionally, the

¹ Case No. 2007-00117, Application of Louisville Gas and Electric Company for an Order Approving a Responsive Pricing and Smart Metering Pilot Program (Ky. PSC, Jul. 12, 2007).

² Case No. 2008-00408, Consideration of the New Federal Standards of the Energy Independence and Security Act of 2007, October 6, 2011, 114.

University of Kentucky and the University of Louisville engineering doctoral candidate's development of a smart grid roadmap for Kentucky would be reviewed and coordinated with the Smart Grid Collaborative.³

LG&E looks forward to participating in the new Smart Grid and Smart Meter administrative case and the review of the Smart Grid Roadmap.

³ Id. at 115.