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PUBLIC SERVICE COMMISSION

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of: )  
)  
AN ADJUSTMENT OF THE GAS AND )  
ELECTRIC RATES, TERMS AND )  
CONDITIONS OF LOUISVILLE GAS AND )  
ELECTRI COMPANY )

CASE NO. 2003-00433 ✓

In the Matter of: )  
)  
AN ADJUSTMENT OF THE ELECTRIC )  
RATES, TERMS AND CONDITIONS OF )  
KENTUCKY UTILITIES COMPANY )

CASE NO. 2003-00434

**MOTION OF LOUISVILLE GAS AND ELECTRIC COMPANY AND  
KENTUCKY UTILITIES COMPANY TO ELIMINATE FILING REQUIREMENT**

In its Orders of June 30, 2004, approving new rates and charges for gas and/or electric service rendered by Louisville Gas and Electric Company ("LG&E") and Kentucky Utilities Company ("KU") (hereinafter jointly the "Companies") on and after July 1, 2004, the Kentucky Public Service Commission ("Commission") noted concerns about the underfunded status of the Companies' pension and post-retirement plans. As a result, the Commission ordered LG&E and KU to develop and implement a plan that would eliminate the underfunding within a reasonable period of time. In its Orders, the Commission also required the Companies to file periodic progress reports describing the progress made with regard to the funding of its pension and post-retirement plans. Pursuant to the Commission's orders, the Companies developed a plan and filed it with the Commission on June 30, 2005.

In conjunction with this Motion, LG&E and KU are also filing a progress report in the above-referenced actions. In the report, the Companies note significant changes in pension

funding and accounting rules in the form of the Pension Protection Act of 2006 (PPA) and Statement of Financial Accountings Standards No. 158 (SFAS No. 158). The PPA modified the ERISA rules governing the funding of defined benefit plans. In applying its pension funding strategy under these new rules, the Companies' non-union and union pension plans have been fully funded for the past two plan years and are projected to remain so for the next plan year as shown in the tables on pages 4 and 5 of the attached progress report. . In addition, as noted in their Plan, LG&E and KU will continue their strategy of funding post-retirement benefits for current active and retired participants to the extent allowable under the 401(h) account in the E.ON U.S. LLC Retirement Plan with the remainder funded on a pay-as-you-go basis through the VEBA trusts.

WHEREFORE, Louisville Gas and Electric Company and Kentucky Utilities Company respectfully request the Commission to eliminate the periodic reporting requirement imposed by the Commission's June 30, 2004 Orders on funding of the Companies' pension and post-retirement plans.

Respectfully submitted,



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**CERTIFICATE OF SERVICE**

It is certified that a true and correct copy of the foregoing was served via U. S. Mail, postage prepaid, this 20<sup>th</sup> day of March, 2007 upon:

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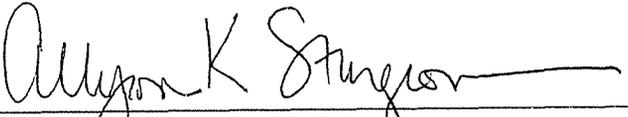
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