

132 FERC ¶ 61,143  
FEDERAL ENERGY REGULATORY COMMISSION  
WASHINGTON, D.C. 20426

August 17, 2010

In Reply Refer To:  
Louisville Gas & Electric Company and  
Kentucky Utilities Company  
Docket Nos. ER02-2560-009  
ER02-2560-010

Troutman Sanders LLP  
Att: Amie V. Colby, Esq.  
Attorney for Louisville Gas and Electric Company and  
Kentucky Utilities Company  
401 Ninth Street, NW, Suite 1000  
Washington, DC 20004

Dear Ms. Colby:

1. On July 12, 2010, you filed a proposed, uncontested settlement agreement (Settlement Agreement) between E.ON U.S., LLC, on behalf of its utility operating companies Louisville Gas and Electric Company and Kentucky Utilities Company (the Companies), and East Kentucky Power Cooperative, Inc. (East Kentucky) (collectively, the Parties). You state that the Settlement Agreement resolves all contested matters and claims between the Parties in the above-captioned proceedings. You state that the Parties have agreed to deem all issues settled and complete upon East Kentucky making a one-time, lump-sum payment to the Companies of \$800,000.00. You state also that, upon receiving this payment, the Companies will withdraw their pending request for rehearing of the Commission's October 15, 2009 order in these proceedings.<sup>1</sup>

2. No comments on the Settlement Agreement were filed.

3. The Commission finds that the Settlement Agreement appears to be fair and reasonable and in the public interest and is hereby approved. The Commission's

---

<sup>1</sup> *Louisville Gas & Elec. Co. and Kentucky Utilities Co.*, 129 FERC ¶ 61,032 (2009).

approval of this Settlement Agreement does not constitute approval of, or precedent regarding, any principle or issue in these proceeding.

4. Pursuant to section 2.7 of the Settlement Agreement, the standard of review for any modifications to the Settlement Agreement proposed by any party to the Settlement Agreement after it is approved by the Commission will be the *Mobile-Sierra* public interest standard.<sup>2</sup> The standard of review for any modifications to the Settlement Agreement proposed by any non-party to the Settlement Agreement after it is approved by the Commission, including any modifications resulting from the Commission acting *sua sponte*, will be the most stringent standard permitted by law.

5. This order terminates the above-captioned dockets and sub-dockets.

By direction of the Commission.

Kimberly D. Bose,  
Secretary.

---

<sup>2</sup> *United Gas Pipe Line. Co. v. Mobile Gas Serv. Corp.*, 350 U.S. 332; *FPC v. Sierra Pac. Power Co.*, 350 U.S. 348 (1956).