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**PUBLIC SERVICE
COMMISSION**

Ms. Elizabeth O'Donnell
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40601

Kentucky Utilities Company
State Regulation and Rates
220 West Main Street
PO Box 32010
Louisville, Kentucky 40232
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Kent W. Blake
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July 6, 2007

Re: ***Kentucky Utilities Company - Report of Certain Material Changes***
Case No. 2006-00390

Dear Ms. O'Donnell:

In its order of January 22, 2007 issued in the above-referenced proceeding, the Commission directed Kentucky Utilities Company ("KU") to file reports of material changes that they would have had to disclose to the Securities and Exchange Commission ("SEC") on a Form 8-K if each company had continued to have publicly held secured debt.

In compliance with these Commission orders, KU is submitting this letter as their report. With respect to the month of June 2007, KU believes it would have filed a Form 8-K for the following event:

- KU entered into a loan agreement and related documentation in connection with borrowing \$50 million from Fidelity Corporation, an affiliate

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

Sincerely,

Kent W. Blake