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April 1, 2005

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VIA HAND DELIVERY

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

RE: In the Matter of: Joint Application of Louisville Gas and Electric Company and Kentucky Utilities Company for a Certificate of Public Convenience and Necessity, and a Site Compatibility Certificate, for the Expansion of the Trimble County Generating Station
Case No. 2004-00507

Dear Ms. O'Donnell:

Enclosed please find and accept for filing the original and ten copies of Louisville Gas and Electric Company's and Kentucky Utilities Company's Motion for Clarification in the above-referenced matter. Please confirm your receipt of this filing by placing the stamp of your Office with the date received on the enclosed additional copies and return them to me in the enclosed self-addressed stamped envelope.

Should you have any questions or need any additional information, please contact me at your convenience.

Very truly yours,

J. Gregory Cornett

JGC/ec

Enclosures

cc: Parties of Record

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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COMMISSION

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COMMISSION

In the Matter of:

**JOINT APPLICATION OF LOUISVILLE GAS)
AND ELECTRIC COMPANY AND KENTUCKY)
UTILITIES COMPANY FOR A CERTIFICATE)
OF PUBLIC CONVENIENCE AND NECESSITY,) CASE NO: 2004-00507
AND A SITE COMPATIBILITY CERTIFICATE,)
FOR THE EXPANSION OF THE TRIMBLE)
COUNTY GENERATING STATION)**

* * * * *

**MOTION OF LOUISVILLE GAS AND ELECTRIC
COMPANY AND KENTUCKY UTILITIES
COMPANY FOR CLARIFICATION**

Louisville Gas and Electric Company and Kentucky Utilities Company (collectively, the “Companies”) respectfully move the Commission for the entry of an order clarifying whether the Commission believes that it is the better procedure for the Companies to seek approval of the transfer of the real estate underlying TC2 in this proceeding or to seek approval for the transfer of such real estate in a separate proceeding.

As the Commission is aware, the proposed construction of TC2 is a joint project between the Companies and the Indiana Municipal Power Agency (“IMPA”) and the Illinois Municipal Electric Agency (“IMEA”). Article 6.2.2 of the 2004 Participation Agreement (“Agreement”) between the Companies and IMEA and IMPA addresses the anticipated sale to IMEA and IMPA of a 25% undivided ownership interest in the land underlying the TC2 unit. Article 6.3 of that Agreement provides that such sale is conditioned upon a number of regulatory approvals.

In the Commission Staff’s First Data Request to the Companies, Q-11 inquired regarding the Companies’ plans for seeking Commission approval of that sale pursuant to the order entered

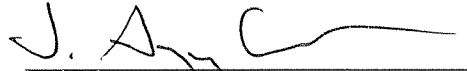
in Case No. 2002-00029. In response to that request, the Companies stated their intention to seek approval of the transfer of such real estate in a separate proceeding following the receipt of the other prerequisite regulatory approvals, but also stated that they did not object to seeking such approval in the context of this proceeding. In the Staff's Second Data Requests to the Companies, Q-3 again inquired about the expected date on which Commission approval of the sale would be filed.

Due to the Commission Staff's continuing inquiry into the issue of the timing of an expected application seeking approval of the sale of the 25% interest in the land underlying the TC2 unit, the Companies believe that it would be helpful to all concerned to have direction regarding whether the Commission would prefer to address the approval of the sale in the context of this proceeding. As previously stated, the Companies have no objection to seeking the approval of the transfer of the real estate underlying the TC2 unit as part of this proceeding, so long as doing so will not delay the date of the hearing or the date of the Commission's ultimate decision in this proceeding. In fact, because the record in this proceeding already contains evidence regarding the sale at issue, the Companies acknowledge that certain administrative efficiencies could be achieved by addressing the approval for that transaction as part of this proceeding.

Therefore, the Companies move the Commission for the entry of an order stating whether the Commission believes that the better procedure is to address the approval of the sale of the real estate underlying the TC2 unit as part of this proceeding. If it is the Commission's belief that the issue should be addressed in this proceeding, then the Companies request that the Commission issue an order within ten (10) days so stating and granting leave for the Companies to file an amended application herein seeking such approval.

Dated: April 1, 2005

Respectfully submitted,



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Counsel for Louisville Gas and Electric
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CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and correct copy of the foregoing Motion for Clarification was served on the following persons on the 1st day of April, 2005, U.S. mail, postage prepaid:

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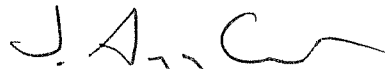
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