



STOLL · KEENON · OGDEN
P L L C

2000 PNC PLAZA
500 WEST JEFFERSON STREET
LOUISVILLE, KENTUCKY 40202-2828
502-333-6000
FAX: 502-333-6099
WWW.SKOFIRM.COM

J. GREGORY CORNETT
DIRECT DIAL 502-560-4210
DIRECT FAX 502-627-8710
greg.cornett@skofirm.com

February 1, 2007

VIA HAND DELIVERY

RECEIVED

FEB 01 2007

**PUBLIC SERVICE
COMMISSION**

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

**Re: In the Matter of Cumberland Valley Electric, Inc. v. Kentucky Utilities
Company, KPSC Case No. 2006-00148
Our File No.: 400001/122720**

Dear Ms. O'Donnell:

Enclosed please find and accept for filing the original and ten (10) copies of Kentucky Utilities Company's Reply in Further Support of its Motion to Reschedule Hearing 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 two additional copies provided 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/cja
Enclosures

cc: Anthony G. Martin (w/Encl.)
W. Patrick Hauser, PSC (w/Encl.)
Forrest E. Cook (w/Encl.)
Black Mountain Resources LLC (w/Encl.)

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED

In the Matter of:

FEB 01 2007

PUBLIC SERVICE
COMMISSION

CUMBERLAND VALLEY ELECTRIC, INC.)
)
COMPLAINANT)
v.)
)
KENTUCKY UTILITIES COMPANY)
)
DEFENDANT)
_____)

CASE NO. 2006-00148

**KENTUCKY UTILITIES COMPANY'S REPLY IN FURTHER SUPPORT OF ITS
MOTION TO RESCHEDULE HEARING**

Kentucky Utilities Company ("KU") has moved the Commission to reschedule the hearing in this matter due to previously scheduled conflicts. Cumberland Valley Electric, Inc. ("CVE") has responded and, although not objecting to the request by KU, asked that the hearing be set before February 19, 2007, well before the currently-scheduled hearing date of February 27, 2007. KU objects to that request by CVE, and requests that the hearing be rescheduled, as previously requested, on or after March 20, 2007.¹ As grounds for that request, KU states that setting a hearing to occur within the next two weeks, given the press of other business and existing commitments, provides inadequate time to fully prepare for the hearing.² Indeed, the Commission likely recognized the need for adequate preparation time on January 25, when it scheduled the hearing with over a month's notice. Although CVE does not challenge the validity of KU's request for a rescheduled hearing, it attempts to force an earlier hearing by claiming that this case has already proceeded too slowly. However, this case has proceeded on a schedule

¹ CVE has indicated that it may have a conflict the week of March 20. If such a conflict does indeed exist, KU does not object to scheduling the hearing after that week to accommodate the conflict.

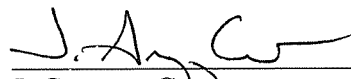
² CVE has indicated that it has conflicts on February 6 and 15. KU has conflicts on February 5, 9, 12 and 16, and it appears that the Commission already has hearings in other matters set for February 7 and 13.

which is typical for cases of this nature, and until now CVE has never claimed a need for expedited resolution of this matter. In any event, KU has only requested a three-week delay in the hearing, for reasons which CVE appears to agree are entirely valid, and there has been no showing that such a delay would unduly prejudice CVE. Accordingly, CVE's request for a hearing date before February 19 should be denied.

CVE has also again asked, in the alternative, that this matter simply be set for resolution on the briefs, without a hearing. KU believes an evidentiary hearing would be helpful to Staff and the Commission in evaluating the evidence in this proceeding. However, for the sake of argument, and only should the Commission elect to establish a briefing schedule in lieu of an evidentiary hearing, KU requests that the parties have the right to first file sur-rebuttal testimony. CVE has taken positions and made statements in its rebuttal testimony which KU contends are either incorrect or misleading, and those statements must be corrected or clarified in order for the record to be accurate and complete. Should the Commission elect to set a briefing schedule, KU would suggest the following: February 14, 2007 for sur-rebuttal testimony; March 2, 2007 for initial briefs by all parties; and March 22, 2007 for reply briefs.³

For all of the foregoing reasons, KU respectfully requests that the Commission grant its motion to reschedule the evidentiary hearing in this matter to on or after March 20, 2007.

Respectfully submitted,



J. Gregory Cornett
STOLL KEENON OGDEN PLLC
2000 PNC Plaza
500 West Jefferson Street
Louisville, Kentucky 40202
(502) 333-6000

³ KU's counsel has previously stated that he will be unavailable from March 5 through March 8.

Allyson K. Sturgeon
Corporate Attorney
E.ON U.S. LLC
220 West Main Street
Louisville, Kentucky 40202
(502) 627-2088

Counsel for Kentucky Utilities Company

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing was served by first-class mail, postage pre-paid, upon the following, this 1st day of February 2007:

Anthony G. Martin
Post Office Box 1812
Lexington, KY 40588

W. Patrick Hauser, PSC
200 Knox Street
Box 1900
Barbourville, KY 40906

Forrest E. Cook
Cook Law Office
178 Main Street, Suite 5
Post Office Box 910
Whitesburg, KY 41858-0910

S. Ross Kegan
Richard Matda
Black Mountain Resources LLC
158 Central Avenue
Post Office Box 527
Benham, KY 40807



Counsel for Kentucky Utilities Company