



STOLL · KEENON · OGDEN  
PLLC

2000 PNC PLAZA  
500 WEST JEFFERSON STREET  
LOUISVILLE, KY 40202-2828  
MAIN: (502) 333-6000  
FAX: (502) 333-6099  
www.skofirm.com

KENDRICK R. RIGGS  
DIRECT DIAL: (502) 560-4222  
DIRECT FAX: (502) 627-8722  
kendrick.riggs@skofirm.com

September 6, 2007

RECEIVED

SEP 10 2007

PUBLIC SERVICE  
COMMISSION

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

**RE: Receipt of U.S. Internal Revenue Service Letter of Certification**

**Application of Kentucky Utilities Company for an Order Authorizing Inclusion of Investment Tax Credits in Calculation of Environmental Surcharge and Declaring Appropriate Ratemaking Methods for Base Rates**  
KPSC Case No. 2007-00178

**Application of Louisville Gas and Electric Company for an Order Authorizing Inclusion of Investment Tax Credits in Calculation of Environmental Surcharge and Declaring Appropriate Ratemaking Methods for Base Rates**  
KPSC Case No. 2007-00179

Dear Ms. O'Donnell:

On behalf of Kentucky Utilities Company ("KU") and Louisville Gas and Electric Company ("LG&E") (collectively, the "Companies"), please include in the records of Case Nos. 2007-00178 and 2007-00179 a copy of the enclosed letter from the U.S. Internal Revenue Service ("IRS"). The IRS letter certifies the Companies' applications for a \$125 million advanced coal project investment tax credit in connection with the construction of Trimble County Unit No. 2 pursuant to 48A of the Internal Revenue Code (26 U.S.C. § 48A).

The Companies referred to the IRS certification process in their applications in the above-referenced proceedings. As noted in ¶ 8 of each of their applications and also in footnotes numbered 4 therein, this IRS letter of certification was requested as part of the overall application process.

Elizabeth O'Donnell  
September 7, 2007  
Page 2

With the completion of this final step in the application process, the Companies respectfully request that the Commission timely consider and grant the relief the Companies requested in their applications in these proceedings.

Yours very truly,

A handwritten signature in black ink, appearing to read "Kendrick R. Riggs". The signature is fluid and cursive, with a long horizontal flourish extending to the right.

Kendrick R. Riggs

KRR:ec  
Enclosure as mentioned  
cc: Parties of Record



DEPARTMENT OF THE TREASURY  
INTERNAL REVENUE SERVICE  
WASHINGTON, D.C. 20224

Large and Mid-Size  
Business Division

AUG 24 2007

S. Bradford Rives  
Chief Financial Officer  
E ON U.S., LLC  
220 West Main Street  
P.O. Box 32030  
Louisville, Kentucky 40232

Re: Section 48A Application for Certification  
Taxpayers: Louisville Gas and Electric Company (TIN: 61-  
0264150) and Kentucky Utilities Company  
(TIN: 61-0247570) Project: Trimble County Unit 2

Dear Mr. Rives:

This letter advises Taxpayers of the Internal Revenue Service's decision regarding Taxpayers' application for certification under section 48A of the Internal Revenue Code of the Taxpayer's Trimble County Unit 2 Project, for which the Service previously issued an allocation of credit under section 48A by letter dated November 29, 2006. In your letter dated September 27, 2006, Taxpayers represented that they have satisfied the requirements under section 48A(e)(2). Specifically, Taxpayers represented, under penalties of perjury, that they have received all federal and state environmental authorizations or reviews necessary to commence construction of the project and that they have entered into a binding contract for purchase of the main steam turbine for the project.

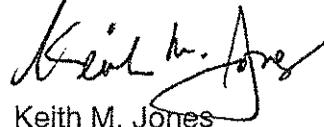
Based on these representations, the Service certifies Taxpayers' section 48A application. Pursuant to section 7.03 of Notice 2006-24, 2006-11 I.R.B. 595, this certification is not a determination that a project qualifies for the qualifying advanced coal project credit under section 48A. The Service may, upon examination (and after any appropriate consultation with the Department of Energy), determine that the project does not qualify for this credit.

Pursuant to section 48A(d)(2)(E) of the Internal Revenue Code, Taxpayers have five (5) years from the date of this certification to place the project in service. In the event the project is not placed in service within this period, this certification shall no longer be valid and the section 48A credits previously allocated to Taxpayers will be forfeited.

Pursuant to section 8.02(2) of Notice 2006-24, please notify Margie Maxwell, LMSB Project Manager, at 8700 Tesoro Drive, Stop 4340SANC, San Antonio, Texas 78228, of any event that would prevent the project from being placed in service within five years from the date of this certification.

If you have any other questions, you may contact me or a member of your staff may contact Ms. Maxwell, at 210-841-2089.

Sincerely,

A handwritten signature in black ink, appearing to read "Keith M. Jones". The signature is fluid and cursive, with a large loop at the end.

Keith M. Jones  
Industry Director  
Natural Resources and Construction