

Elizabeth O'Donnell Executive Director Kentucky Public Service Commission 211 Sower Boulevard Frankfort, Kentucky 40602-0615

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NOV 0 6 2007 PUBLIC SERVICE Kentucky Utilities Company COMMISSION

220 West Main Street PO Box 32010 Louisville, Kentucky 40232 www.eon-us.com

Robert M. Conrov Manager - Rates T 502-627-3324 F 502-627-3213 robert.conroy@eon-us.com

November 6, 2007

AN EXAMINATION OF THE APPLICATION OF RE: THE FUEL ADJUSTMENT CLAUSE OF KENTUCKY UTILITIES COMPANY FROM NOVEMBER 1, 2006 THROUGH APRIL 30, 2007 - CASE NO. 2007-00278

Dear Ms. O'Donnell:

Enclosed please find an original and ten (10) copies of the Supplemental Response of Kentucky Utilities Company to Information Requested during the Hearing on October 11, 2007.

Also enclosed are an original and ten (10) copies of a Petition for Confidential Protection regarding information provided in response to Question No. 1.

Please contact me if you have any questions concerning this filing.

Sincerely,

Robert M. Conroy

Enclosures

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

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NOV **06** 2007

) CASE NO. 2007-00278

In the Matter of:

AN EXAMINATION OF THE APPLICATION
OF THE FUEL ADJUSTMENT CLAUSE OF

PUBLIC SERVICE
COMMISSION

OF THE FUEL ADJUSTMENT CLAUSE OF
)

KENTUCKY UTILITIES COMPANY FROM

NOVEMBER 1, 2006 THROUGH APRIL 30, 2007)

SUPPLEMENTAL RESPONSE OF KENTUCKY UTILITIES COMPANY TO INFORMATION REQUESTED IN HEARING DATED OCTOBER 11, 2007

FILED: November 6, 2007

VERIFICATION

COMMONWEALTH OF KENTUCKY)
) SS:
COUNTY OF JEFFERSON)

The undersigned, **Mike Dotson**, being duly sworn, deposes and says that he is Manager LG&E and KU Fuels for E.ON U.S. Services, Inc., that he has personal knowledge of the matters set forth in the responses (Question No. 1), and the answers contained therein are true and correct to the best of his information, knowledge and belief.

MIKE DOTSON

Subscribed and sworn to before me, a Notary Public in and before said County and State, this _______, 2007.

Notary Public Ely (SEAL)

My Commission Expires:

November 9, 2010

KENTUCKY UTILITIES COMPANY

November 6, 2007 Supplemental Response to Information Requested in Hearing Dated October 11, 2007

Case No. 2007-00278

Question No. 1

Witness: Mike Dotson

Q-1. Please provide a copy of the Weir International, Inc. review/report referenced in KU's Response to Information Requested in Appendix A of the Commission's Order dated August 3, 2007, Question No. 10.

A-1. Consol claim on KUF03904

Per review of the claim, Consol had based their cost on a mine that was not an approved source of coal under the Agreement. Per letter dated September 14, 2007, KU notified Consol that it was unable to verify that the supply of coal was from an approved source, was immediately suspending payment on the claim, and reserved the right to recover any overpayments that may have been made subject to Consol providing a claim based on the coal that was actually sourced under our contract.

Per letter dated September 26, 2007 Consol notified KU that the coal was being supplied by contractor operated mines under our contract and that Consol was unable to determine the cost impact, therefore, Consol retracted its claim and refunded all monies paid to date.

Consol claim on KUF05039

Weir International is working on a draft report at this time. We will provide a copy of the report, under petition for confidential treatment, within ten business days of receiving the final report.

Revised November 6, 2007

The report by Weir International is now complete. A copy is being provided pursuant to a petition for confidential treatment.



Executive Towers West I 1431 Opus Place, Suite 210 Downers Grove, Illinois 60515 USA

> Tel: 630-968-5400 Fax: 630-968-5401 weir@weirintl.com

Mr. William Gilbert, Jr. E.ON U.S. 220 West Main Street Louisville, Kentucky 40202

October 25, 2007 Project No. 5234.B

Reference: Mine Improvement and New Emergency Response Act of 2006 (MINER Act) Imposition Claim - McElroy Mine

Dear Bill:

Herewith is Weir International, Inc.'s (WEIR) MINER Act Imposition Claim - McElroy Mine report prepared for E.ON U.S. (E.ON).

This report presents WEIR's professional opinion on the reasonableness of a claim submitted by CONSOL Energy Inc. to recover costs incurred for complying with the MINER Act at McElroy Mine.

WEIR appreciates the opportunity to provide this service to E.ON.

Sincerely,

Weir International, Inc.

John W. Sabo

Executive Vice President

cc: D. N. Kostic

Douglas M. Dwosh Senior Mining Engineer

DougLAS DWOSH

Attachment to Question No. 1
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Potson

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 $\begin{array}{c} \text{Attachment to Question No. 1} \\ \text{Pages } 2-13 \\ \text{Filed under Petition for Confidential Treatment} \\ \text{Dotson} \end{array}$