



Steven L. Beshear
Governor

Leonard K. Peters
Secretary
Energy and Environment Cabinet

Commonwealth of Kentucky
Public Service Commission
211 Sower Blvd.
P.O. Box 615
Frankfort, Kentucky 40602-0615
Telephone: (502) 564-3940
Fax: (502) 564-3460
psc.ky.gov

David L. Armstrong
Chairman

James Gardner
Vice-Chairman

John W. Clay
Commissioner

August 15, 2008

Lonnie E. Bellar
Vice President - State Regulation
Kentucky Utilities Company
220 West Main Street
P. O. Box 32010
Louisville, KY 40202

RE: Case No. 2008-00251

We enclose one attested copy of the Commission's Order in the above case.

Sincerely,

A handwritten signature in cursive script that reads "Stephanie Stumbo".

Stephanie Stumbo
Executive Director

SS/rs

Enclosure



Steven L. Beshear
Governor

Leonard K. Peters
Secretary
Energy and Environment Cabinet

Commonwealth of Kentucky
Public Service Commission
211 Sower Blvd.
P.O. Box 615
Frankfort, Kentucky 40602-0615
Telephone: (502) 564-3940
Fax: (502) 564-3460
psc.ky.gov

David L. Armstrong
Chairman

James Gardner
Vice-Chairman

John W. Clay
Commissioner

Honorable Dennis G. Howard II
Assistant Attorney General
Office of the Attorney General Utility & Rate Intervention Division
1024 Capital Center Drive
Suite 200
Frankfort, KY 40601-8204

August 15, 2008

RE: Case No. 2008-00251

We enclose one attested copy of the Commission's Order in the above case.

Sincerely,

A handwritten signature in cursive script that reads "Stephanie Stumbo".

Stephanie Stumbo
Executive Director

SS/rs
Enclosure



Steven L. Beshear
Governor

Leonard K. Peters
Secretary
Energy and Environment Cabinet

Commonwealth of Kentucky
Public Service Commission
211 Sower Blvd.
P.O. Box 615
Frankfort, Kentucky 40602-0615
Telephone: (502) 564-3940
Fax: (502) 564-3460
psc.ky.gov

David L. Armstrong
Chairman

James Gardner
Vice-Chairman

John W. Clay
Commissioner

Honorable Michael L. Kurtz
Attorney at Law
Boehm, Kurtz & Lowry
36 East Seventh Street
Suite 1510
Cincinnati, OH 45202

August 15, 2008

RE: Case No. 2008-00251

We enclose one attested copy of the Commission's Order in the above case.

Sincerely,

A handwritten signature in cursive script that reads "Stephanie Stumbo".

Stephanie Stumbo
Executive Director

SS/rs
Enclosure



Steven L. Beshear
Governor

Leonard K. Peters
Secretary
Energy and Environment Cabinet

Commonwealth of Kentucky
Public Service Commission
211 Sower Blvd.
P.O. Box 615
Frankfort, Kentucky 40602-0615
Telephone: (502) 564-3940
Fax: (502) 564-3460
psc.ky.gov

David L. Armstrong
Chairman

James Gardner
Vice-Chairman

John W. Clay
Commissioner

Willis L. Wilson
Attorney Sr.
Lexington-Fayette Urban County Government
Department Of Law
200 East Main Street
Lexington, KY 40507

August 15, 2008

RE: Case No. 2008-00251

We enclose one attested copy of the Commission's Order in the above case.

Sincerely,

A handwritten signature in cursive script that reads "Stephanie Stumbo".

Stephanie Stumbo
Executive Director

SS/rs
Enclosure

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF KENTUCKY UTILITIES)
COMPANY FOR AN ADJUSTMENT OF) CASE NO. 2008-00251
ELECTRIC BASE RATES)

O R D E R

On July 29, 2008, Kentucky Utilities Company ("KU") tendered for filing an application for an adjustment of its electric rates based on a historic test period. The application proposed that the new rates become effective on September 1, 2008. By Commission letter dated August 6, 2008, KU was notified that its rate application was rejected as deficient because its customer notice did not include the proposed change in customer deposits, as required by 807 KAR 5:001, Section 10(3)(b).

In response to the Commission's rejection letter, KU filed, on August 7, 2008, a supplemental customer notice which discloses the proposed increases in customer deposits, along with a motion to accept its application as of that date. KU's motion states that its supplemental customer notice will be published the first of three times in a newspaper of general circulation in its service area by August 14, 2008.

Based on a review of KU's supplemental customer notice and being otherwise sufficiently advised, the Commission finds that the deficiency noted in our August 6, 2008 letter has been cured. The supplemental customer notice will be published for the first time on August 14, 2008. Since 807 KAR 5:001, Section 10(4)(c)3, requires the first publication to be within 7 days of the filing of the application, the earliest that the

application can be accepted for filing is August 7, 2008. Therefore, the Commission will accept for filing KU's rate application on August 7, 2008. Based on that filed date and the 30 days' notice requirement set forth in KRS 278.180(1), the earliest possible effective date for KU's proposed electric rates is September 6, 2008.

Based on a review of KU's rate application, the Commission further finds that an investigation will be necessary to determine the reasonableness of the proposed rates and that the investigation cannot be completed by September 6, 2008. Therefore, pursuant to KRS 278.190(2), the Commission will suspend the effective date of the proposed rates for 5 months.

The Commission expects the parties to use their best efforts to informally resolve any discovery disputes or requests for extensions of time. Any such informal resolution should be promptly reduced to writing and filed with the Commission and all parties of record. Absent informal resolution, an objection or motion should be filed at least 4 business days prior to the established due date. If this deadline is not met, the filing party should include in the written objection or motion a full and complete explanation for such failure.

IT IS THEREFORE ORDERED that:

1. KU's rate application is accepted for filing on August 7, 2008.
2. KU's proposed rates, which are to be effective on September 6, 2008, are suspended for 5 months, up to and including February 5, 2009.
3. The procedural schedule set forth in Appendix A, which is attached hereto and incorporated herein, shall be followed.

4. a. All requests for information and responses thereto shall be appropriately bound, tabbed, and indexed and the original and 10 copies shall be filed with the Commission, with copies to all parties of record. Any request for information by letter from the Commission Staff shall be responded to as if set forth in a Commission Order. All responses shall include the name of the witness who will be responsible for responding to questions related to the information provided.

b. Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or an association or a governmental agency, be accompanied by a signed certification of the preparer or person supervising the preparation of the response on behalf of the entity that the response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

c. A party shall make timely amendment to any prior responses if it obtains information which indicates that the response was incorrect when made or, though correct when made, is now incorrect in any material respect.

d. For any requests to which a party fails or refuses to furnish all or part of the requested information, that party shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

5. Any party filing testimony shall file an original and 10 copies with the Commission, with copies to all parties of record.

6. KU shall give notice of the hearing in accordance with the provisions set out in 807 KAR 5:011, Section 8(5). At the time publication is requested, KU shall forward a duplicate of the notice and request to the Commission.

7. At any public hearing in this matter, neither opening statements nor summarization of direct testimonies shall be permitted.

8. Any objections or motions relating to discovery or procedural dates shall be filed upon 4 business days' notice or the filing party shall explain, in writing, why such notice was not possible.

9. Motions for extensions of time with respect to the schedule herein shall be made in writing and will be granted only upon a showing of good cause.

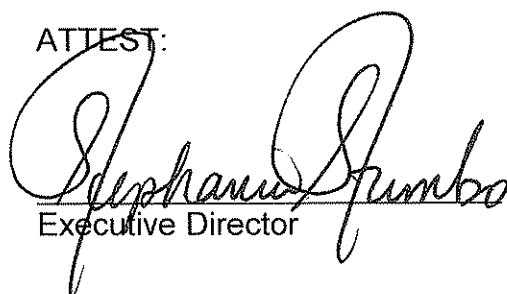
10. Nothing contained herein shall prevent the Commission from entering further Orders in this matter.

Done at Frankfort, Kentucky, this 15th day of August, 2008.

By the Commission

Chairman Armstrong abstains.

ATTEST:


Stephanie Jumbo
Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2008-00251 DATED AUGUST 15, 2008

All requests for information to KU shall
be filed no later than 08/27/08

KU shall file responses to requests for
information no later than 09/11/08

All supplemental requests for information to
KU shall be filed no later than 09/24/08

KU shall file responses to supplemental
requests for information no later than 10/07/08

Intervenor testimony, if any, in verified prepared
form, shall be filed no later than 10/20/08

All requests for information to Intervenors shall
be filed no later than 11/03/08

Intervenors shall file responses to requests for
information no later than 11/18/08

KU shall file, in verified prepared form, its
rebuttal testimony no later than 12/01/08

Last day for KU to publish notice of hearing To be scheduled

Public hearing to be held in Hearing Room 1
of the Commission's offices at 211 Sower Boulevard,
Frankfort, Kentucky, for the purpose of cross-examination
of witnesses of KU and Intervenors To be scheduled

Simultaneous briefs, if any To be scheduled