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FEB 26 2007  
FINANCIAL ANA

Elizabeth O'Donnell, Executive Director  
Public Service Commission of Kentucky  
Attention: Mr. Daryl Newby  
211 Sower Boulevard  
P.O. Box 615  
Frankfort, Kentucky 40602

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FEB 23 2007

PUBLIC SERVICE  
COMMISSION

Kentucky Utilities Company  
State Regulation and Rates  
220 West Main Street  
PO Box 32010  
Louisville, Kentucky 40232  
www.eon-us.com

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

February 23, 2007

Dear Ms. O'Donnell:

In compliance with 807 KAR 5:056, Kentucky Utilities Company herewith files its monthly fuel adjustment factor applicable to billings under retail rates during the March 2007 billing cycle which begins March 5, 2007.

The necessary supporting data to justify the amount of the adjustment is included. Please contact me if you have any questions about this filing.

Sincerely,

Robert M. Conroy

Enclosure

CHECKED  
Public Service Commission  
FEB 28 2007  
By New  
FINANCIAL ANALYSIS DIVISION

**KENTUCKY UTILITIES COMPANY**  
**FUEL ADJUSTMENT CLAUSE SCHEDULE**

Expense Month : January 2007

$$\frac{\text{Fuel "Fm" (Fuel Cost Schedule)}}{\text{Sales "Sm" (Sales Schedule)}} = \frac{\$43,423,894}{1,965,115,220 \text{ KWH}} = (+) \$ 0.02210 / \text{KWH}$$

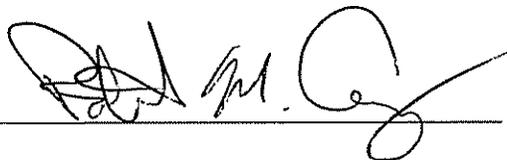
Per PSC approved Tariff Sheet No. 70 effective July 5, 2005. = (-) \$ 0.01810 / KWH

$$\text{FAC Factor (1)} = \underline{\underline{\$ 0.00400}} / \text{KWH}$$

Note: (1) Five decimal places in dollars for normal rounding.

Effective Date for Billing: March 5, 2007

Submitted by \_\_\_\_\_



Title: Manager, Rates

**KENTUCKY UTILITIES COMPANY  
FUEL COST SCHEDULE**

Expense Month : January 2007

(A) <u>Company Generation</u>		
Coal Burned	(+) \$	37,637,025
Oil Burned	(+)	379,748
Gas Burned	(+)	215,528
Fuel (assigned cost during Forced Outage)	(+)	385,199 *
Fuel (substitute cost for Forced Outage)	(-)	<u>341,457 *</u>
SUB-TOTAL	\$	38,232,302
(B) <u>Purchases</u>		
Net energy cost - economy purchases	(+) \$	2,793,918
Identifiable fuel cost - other purchases	(+)	-
Identifiable fuel cost (substitute for Forced Outage)	(-)	1,250 *
Less Purchases above Highest Cost Units	(-)	-
Internal Economy	(+)	11,016,300
Internal Replacement	(+)	<u>16,493</u>
SUB-TOTAL	\$	13,826,711
(C) <u>Inter-System Sales</u>		
Including Interchange-out	(+) \$	523,631
Internal Economy	(+)	-
Internal Replacement	(+)	7,031,776
Dollars Assigned to Inter-System Sales Losses	(+)	<u>5,236</u>
SUB-TOTAL	\$	7,560,643
(D) <u>Over or (Under) Recovery</u>		
From Page 5, Line 13	\$	<u>1,074,476</u>
TOTAL FUEL RECOVERY (A+B-C-D) =	\$	43,423,894

\* Excluded from calculations per 807 KAR 5:056 due to fuel cost for substitute generation and purchases being less than assigned cost during Forced Outage

## KENTUCKY UTILITIES COMPANY

### SALES SCHEDULE (KWH)

Expense Month : January 2007

(A) Generation (Net)	(+)	1,635,083,000
Purchases including interchange-in	(+)	121,746,000
Internal Economy	(+)	643,598,000
Internal Replacement	(+)	482,000
SUB-TOTAL		<u>2,400,909,000</u>
(B) Inter-system Sales including interchange-out	(+)	20,941,000
Internal Economy	(+)	-
Internal Replacement	(+)	289,795,000
(*) System Losses	(+)	125,057,780
SUB-TOTAL		<u>435,793,780</u>
TOTAL SALES (A-B)		<u>1,965,115,220</u>

(\*) Note: See Page 4 of 6, "Adjustment of rolling 12-MTD average overall system losses to reflect losses

**KENTUCKY UTILITIES COMPANY**

**ADJUSTMENT OF ROLLING 12-MTD AVERAGE OVERALL SYSTEM  
LOSSES TO REFLECT LOSSES AT RETAIL LEVEL**

Expense Month : January 2007

12 Months to Date KWH Sources: 24,625,021,000 KWH  
 12 MTD Overall System Losses: 1,282,660,249 KWH  
 January 2006 KWH Sources: 2,400,909,000 KWH

$$1,282,660,249 / 24,625,021,000 = 5.208768\%$$

$$5.208768\% \times 2,400,909,000 = 125,057,780 \text{ KWH}$$

**WHOLESALE KWH SALES AND LOSSES**

237,255,981 Wholesale Sales & Deliveries to ODP at Transmission Voltage (WS-T)  
 50,376,800 Wholesale sales at Primary Voltage (WS-P)  
 310,736,000 Intersystem Sales at Transmission Voltage (IS-T)

	<u>Wholesale Sales\Deliveries</u>	<u>Loss Percentage</u>	<u>Losses</u>	<u>Wholesale Sources</u>
WS-T:	237,255,981	3.1%	7,590,233	244,846,214
WS-P:	50,376,800	3.1% & 0.7%	1,978,126	52,354,926
IS-T:	310,736,000	1.0%	3,138,747	313,874,747

**KENTUCKY UTILITIES COMPANY**  
**FUEL ADJUSTMENT CLAUSE**  
**OVER OR (UNDER) RECOVERY SCHEDULE**

Expense Month : January 2007

1. Last FAC Rate Billed		<u>\$0.00439</u>
2. KWH Billed at Above Rate		<u>1,602,003,991</u>
3. FAC Revenue/(Refund)	(Line 1 x Line 2)	<u>\$ 7,032,798</u>
4. KWH Used to Determine Last FAC Rate		<u>1,630,638,928</u>
5. Non-Jurisdictional KWH (Included in Line 4)		<u>237,363,356</u>
6. Kentucky Jurisdictional KWH	(Line 4 - Line 5)	<u>1,393,275,572</u>
7. Revised FAC Rate Billed, if prior period adjustment is needed (See Note 1)		<u>\$0.00000</u>
8. Recoverable FAC Revenue/(Refund)	(Line 1 x Line 6)	<u>\$ 6,116,480</u>
9. Over or (Under) Recovery	(Line 3 - Line 8)	<u>\$ 916,318</u>
10. Total Sales "Sm" (From Page 3 of 6)		<u>1,965,115,220</u>
11. Kentucky Jurisdictional Sales		<u>1,675,859,012</u>
12. Total Sales Divided by Kentucky Jurisdictional Sales (Line 10 / Line 11)		<u>1.17260176</u>
13. Total Company Over or (Under) Recovery	(Line 9 x Line 12)	<u>\$ 1,074,476</u>
		To Page 2, Line D

**FUEL ADJUSTMENT CLAUSE  
INTERCOMPANY TRANSACTIONS**  
Expense Month : January 2007

**KENTUCKY UTILITIES COMPANY**

<b>Purchases</b>		KWH	
Internal Economy	\$ 9,417,921.96	643,598,000	Fuel for LGE Sale to KU for Native Load
	1,598,378.48		Half of Split Savings to LGE from KU
	<u>\$ 11,016,300.44</u>	<u>643,598,000</u>	
Internal Replacement	\$ -	0	Freed-up LGE Generation sold back to KU
	16,492.84	482,000	LGE Generation for KU Pre-Merger Sales
	<u>\$ 16,492.84</u>	<u>482,000</u>	
Total Purchases	<u>\$ 11,032,793.28</u>	<u>644,080,000</u>	
<b>Sales</b>			
Internal Economy	\$ -	0	KU Fuel Cost - Sales to LGE Native Load
	-	-	Half of Split Savings
	<u>\$ -</u>	<u>0</u>	
Internal Replacement	\$ 7,031,775.80	289,795,000	Freed-up KU Generation sold back to LGE
	-	0	KU Generation for LGE Pre-Merger
	-	0	KU Generation for LGE IB
	<u>\$ 7,031,775.80</u>	<u>289,795,000</u>	
Total Sales	<u>\$ 7,031,775.80</u>	<u>289,795,000</u>	

**LOUISVILLE GAS AND ELECTRIC COMPANY**

<b>Purchases</b>		KWH	
Internal Economy	\$ -	0	KU Fuel Cost - Sales to LGE Native Load
	-	-	Half of Split Savings
	<u>\$ -</u>	<u>0</u>	
Internal Replacement	\$ 7,031,775.80	289,795,000	Freed-up KU Generation sold back to LGE
	-	0	KU Generation for LGE Pre-Merger
	-	0	KU Generation for LGE IB
	<u>\$ 7,031,775.80</u>	<u>289,795,000</u>	
Total Purchases	<u>\$ 7,031,775.80</u>	<u>289,795,000</u>	
<b>Sales</b>			
Internal Economy	\$ 9,417,921.96	643,598,000	Fuel for LGE Sale to KU for Native Load
	1,598,378.48	-	Half of Split Savings to LGE from KU
	<u>\$ 11,016,300.44</u>	<u>643,598,000</u>	
Internal Replacement	\$ -	0	Freed-up LGE Generation sold back to KU
	16,492.84	482,000	LGE Generation for KU Pre-Merger Sales
	<u>\$ 16,492.84</u>	<u>482,000</u>	
Total Sales	<u>\$ 11,032,793.28</u>	<u>644,080,000</u>	



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

March 23, 2007

Dear Ms. O'Donnell:

In compliance with 807 KAR 5:056, Kentucky Utilities Company herewith files its monthly fuel adjustment factor applicable to billings under retail rates during the April 2007 billing cycle which begins April 3, 2007.

The necessary supporting data to justify the amount of the adjustment is included. Please contact me if you have any questions about this filing.

Sincerely,

Robert M. Conroy

Enclosure

**KENTUCKY UTILITIES COMPANY**  
**FUEL ADJUSTMENT CLAUSE SCHEDULE**

Expense Month : February 2007

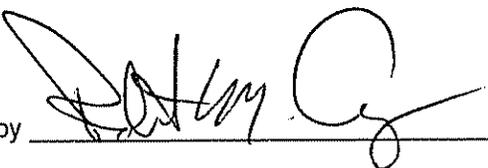
$$\frac{\text{Fuel "Fm" (Fuel Cost Schedule)} \quad \$48,327,043}{\text{Sales "Sm" (Sales Schedule)} \quad 1,987,810,977 \text{ KWH}} = (+) \$ 0.02431 / \text{KWH}$$

Per PSC approved Tariff Sheet No. 70 effective July 5, 2005. = (-) \$ 0.01810 / KWH

$$\text{FAC Factor (1)} = \underline{\underline{\$ 0.00621 / \text{KWH}}}$$

Note: (1) Five decimal places in dollars for normal rounding.

Effective Date for Billing: April 3, 2007

Submitted by  \_\_\_\_\_

Title: Manager, Rates

**KENTUCKY UTILITIES COMPANY  
FUEL COST SCHEDULE**

Expense Month : February 2007

(A) <u>Company Generation</u>		
Coal Burned	(+) \$	37,537,560
Oil Burned	(+)	184,314
Gas Burned	(+)	3,561,764
Fuel (assigned cost during Forced Outage)	(+)	795,142
Fuel (substitute cost for Forced Outage)	(-)	730,252
SUB-TOTAL	\$	41,348,528
(B) <u>Purchases</u>		
Net energy cost - economy purchases	(+) \$	2,993,334
Identifiable fuel cost - other purchases	(+)	-
Identifiable fuel cost (substitute for Forced Outage)	(-)	75,363
Less Purchases above Highest Cost Units	(-)	-
Internal Economy	(+)	9,635,684
Internal Replacement	(+)	10,656
SUB-TOTAL	\$	12,564,311
(C) <u>Inter-System Sales</u>		
Including Interchange-out	(+) \$	282,509
Internal Economy	(+)	451
Internal Replacement	(+)	4,361,190
Dollars Assigned to Inter-System Sales Losses	(+)	2,825
SUB-TOTAL	\$	4,646,975
(D) <u>Over or (Under) Recovery</u>		
From Page 5, Line 13	\$	938,821
TOTAL FUEL RECOVERY (A+B-C-D) =		\$ 48,327,043

**KENTUCKY UTILITIES COMPANY**

**SALES SCHEDULE (KWH)**

Expense Month : February 2007

(A) Generation (Net)	(+)	1,642,277,000
Purchases including interchange-in	(+)	151,163,000
Internal Economy	(+)	494,972,000
Internal Replacement	(+)	133,000
SUB-TOTAL		<u>2,288,545,000</u>

(B) Inter-system Sales including interchange-out	(+)	10,119,000
Internal Economy	(+)	5,000
Internal Replacement	(+)	172,740,000
(*) System Losses	(+)	117,870,023
SUB-TOTAL		<u>300,734,023</u>

TOTAL SALES (A-B) 1,987,810,977

(\*) Note: See Page 4 of 6, "Adjustment of rolling 12-MTD average overall system losses to reflect losses

**KENTUCKY UTILITIES COMPANY**

**ADJUSTMENT OF ROLLING 12-MTD AVERAGE OVERALL SYSTEM  
LOSSES TO REFLECT LOSSES AT RETAIL LEVEL**

Expense Month : February 2007

12 Months to Date KWH Sources: 24,887,217,000 KWH  
 12 MTD Overall System Losses: 1,281,800,002 KWH  
 February 2006 KWH Sources: 2,288,545,000 KWH

$$1,281,800,002 / 24,887,217,000 = 5.150435\%$$

$$5.150435\% \times 2,288,545,000 = 117,870,023 \text{ KWH}$$

**WHOLESALE KWH SALES AND LOSSES**

237,579,528 Wholesale Sales & Deliveries to ODP at Transmission Voltage (WS-T)  
 48,636,000 Wholesale sales at Primary Voltage (WS-P)  
 182,864,000 Intersystem Sales at Transmission Voltage (IS-T)

	<u>Wholesale Sales\Deliveries</u>	<u>Loss Percentage</u>	<u>Losses</u>	<u>Wholesale Sources</u>
WS-T:	237,579,528	3.1%	7,600,583	245,180,111
WS-P:	48,636,000	3.1% & 0.7%	1,909,771	50,545,771
IS-T:	182,864,000	1.0%	1,847,111	184,711,111

**KENTUCKY UTILITIES COMPANY**  
**FUEL ADJUSTMENT CLAUSE**  
**OVER OR (UNDER) RECOVERY SCHEDULE**

Expense Month : February 2007

1. Last FAC Rate Billed		<u>\$0.00374</u>
2. KWH Billed at Above Rate		<u>1,768,018,178</u>
3. FAC Revenue/(Refund)	(Line 1 x Line 2)	<u>\$ 6,612,388</u>
4. KWH Used to Determine Last FAC Rate		<u>1,812,440,693</u>
5. Non-Jurisdictional KWH (Included in Line 4)		<u>259,051,157</u>
6. Kentucky Jurisdictional KWH	(Line 4 - Line 5)	<u>1,553,389,536</u>
7. Revised FAC Rate Billed, if prior period adjustment is needed (See Note 1)		<u>\$0.00000</u>
8. Recoverable FAC Revenue/(Refund)	(Line 1 x Line 6)	<u>\$ 5,809,677</u>
9. Over or (Under) Recovery	(Line 3 - Line 8)	<u>\$ 802,711</u>
10. Total Sales "Sm" (From Page 3 of 6)		<u>1,987,810,977</u>
11. Kentucky Jurisdictional Sales		<u>1,699,617,997</u>
12. Total Sales Divided by Kentucky Jurisdictional Sales (Line 10 / Line 11)		<u>1.16956338</u>
13. Total Company Over or (Under) Recovery	(Line 9 x Line 12)	<u>\$ 938,821</u>
		To Page 2, Line D

**FUEL ADJUSTMENT CLAUSE  
INTERCOMPANY TRANSACTIONS**  
Expense Month : February 2007

**KENTUCKY UTILITIES COMPANY**

<b>Purchases</b>		<b>KWH</b>	
Internal Economy			
	\$ 8,483,387.56	494,972,000	Fuel for LGE Sale to KU for Native Load
	1,152,296.49		Half of Split Savings to LGE from KU
	<u>\$ 9,635,684.05</u>	<u>494,972,000</u>	
Internal Replacement			
	\$ -	0	Freed-up LGE Generation sold back to KU
	10,656.38	133,000	LGE Generation for KU Pre-Merger Sales
	<u>\$ 10,656.38</u>	<u>133,000</u>	
<b>Total Purchases</b>	<u><b>\$ 9,646,340.43</b></u>	<u><b>495,105,000</b></u>	
<b>Sales</b>			
Internal Economy			
	\$ 450.89	5,000	KU Fuel Cost - Sales to LGE Native Load
	-		Half of Split Savings
	<u>\$ 450.89</u>	<u>5,000</u>	
Internal Replacement			
	\$ 4,361,190.46	172,740,000	Freed-up KU Generation sold back to LGE
	-	0	KU Generation for LGE Pre-Merger
	-	0	KU Generation for LGE IB
	<u>\$ 4,361,190.46</u>	<u>172,740,000</u>	
<b>Total Sales</b>	<u><b>\$ 4,361,641.35</b></u>	<u><b>172,745,000</b></u>	

**LOUISVILLE GAS AND ELECTRIC COMPANY**

<b>Purchases</b>		<b>KWH</b>	
Internal Economy			
	\$ 450.89	5,000	KU Fuel Cost - Sales to LGE Native Load
	-		Half of Split Savings
	<u>\$ 450.89</u>	<u>5,000</u>	
Internal Replacement			
	\$ 4,361,190.46	172,740,000	Freed-up KU Generation sold back to LGE
	-	0	KU Generation for LGE Pre-Merger
	-	0	KU Generation for LGE IB
	<u>\$ 4,361,190.46</u>	<u>172,740,000</u>	
<b>Total Purchases</b>	<u><b>\$ 4,361,641.35</b></u>	<u><b>172,745,000</b></u>	
<b>Sales</b>			
Internal Economy			
	\$ 8,483,387.56	494,972,000	Fuel for LGE Sale to KU for Native Load
	1,152,296.49		Half of Split Savings to LGE from KU
	<u>\$ 9,635,684.05</u>	<u>494,972,000</u>	
Internal Replacement			
	\$ -	0	Freed-up LGE Generation sold back to KU
	10,656.38	133,000	LGE Generation for KU Pre-Merger Sales
	<u>\$ 10,656.38</u>	<u>133,000</u>	
<b>Total Sales</b>	<u><b>\$ 9,646,340.43</b></u>	<u><b>495,105,000</b></u>	



an *e-on* company

Elizabeth O'Donnell, Executive Director  
Public Service Commission of Kentucky  
Attention: Mr. Daryl Newby  
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Robert M. Conroy  
Manager - Rates  
T 502-627-3324  
F 502-627-3213  
[robert.conroy@eon-us.com](mailto:robert.conroy@eon-us.com)

April 23, 2007

Dear Ms. O'Donnell:

In compliance with 807 KAR 5:056, Kentucky Utilities Company herewith files its monthly fuel adjustment factor applicable to billings under retail rates during the May, 2007 billing cycle which begins May 3, 2007.

The necessary supporting data to justify the amount of the adjustment is included. Please contact me if you have any questions about this filing.

Sincerely,

Robert M. Conroy

Enclosure

**RECEIVED**

APR 24 2007

**FINANCIAL ANA**

**KENTUCKY UTILITIES COMPANY**  
**FUEL ADJUSTMENT CLAUSE SCHEDULE**

Expense Month : March 2007

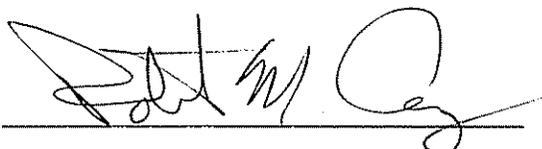
$$\frac{\text{Fuel "Fm" (Fuel Cost Schedule)} \quad \$41,680,651}{\text{Sales "Sm" (Sales Schedule)} \quad 1,708,548,136 \text{ KWH}} = (+) \$ 0.02440 / \text{KWH}$$

Per PSC approved Tariff Sheet No. 70 effective July 5, 2005. = (-) \$ 0.01810 / KWH

$$\text{FAC Factor (1)} = \underline{\underline{\$ 0.00630 / \text{KWH}}}$$

Note: (1) Five decimal places in dollars for normal rounding

Effective Date for Billing: May 3, 2007

Submitted by 

Title: Manager, Rates

**KENTUCKY UTILITIES COMPANY  
FUEL COST SCHEDULE**

Expense Month : March 2007

(A) <u>Company Generation</u>		
Coal Burned	(+) \$	27,282,783
Oil Burned	(+)	622,559
Gas Burned	(+)	2,514,814
Fuel (assigned cost during Forced Outage)	(+)	979,618
Fuel (substitute cost for Forced Outage)	(-)	824,574
SUB-TOTAL	\$	30,575,200
(B) <u>Purchases</u>		
Net energy cost - economy purchases	(+) \$	4,816,928
Identifiable fuel cost - other purchases	(+)	-
Identifiable fuel cost (substitute for Forced Outage)	(-)	256,795
Less Purchases above Highest Cost Units	(-)	-
Internal Economy	(+)	9,318,311
Internal Replacement	(+)	24,944
SUB-TOTAL	\$	13,903,388
(C) <u>Inter-System Sales</u>		
Including Interchange-out	(+) \$	108,518
Internal Economy	(+)	-
Internal Replacement	(+)	3,184,353
Dollars Assigned to Inter-System Sales Losses	(+)	1,085
SUB-TOTAL	\$	3,293,956
(D) <u>Over or (Under) Recovery</u>		
From Page 5, Line 13	\$	(496,019)
TOTAL FUEL RECOVERY (A+B-C-D) =		\$ 41,680,651

**KENTUCKY UTILITIES COMPANY**

**SALES SCHEDULE (KWH)**

Expense Month : March 2007

(A) Generation (Net)	(+)	1,232,695,000
Purchases including interchange-in	(+)	208,330,000
Internal Economy	(+)	501,644,000
Internal Replacement	(+)	<u>337,000</u>
SUB-TOTAL		<u>1,943,006,000</u>

(B) Inter-system Sales including interchange-out	(+)	2,487,000
Internal Economy	(+)	-
Internal Replacement	(+)	132,960,000
(*) System Losses	(+)	<u>99,010,864</u>
SUB-TOTAL		<u>234,457,864</u>

TOTAL SALES (A-B) 1,708,548,136

(\*) Note: See Page 4 of 6, "Adjustment of rolling 12-MTD average overall system losses to reflect losses

**KENTUCKY UTILITIES COMPANY**

**ADJUSTMENT OF ROLLING 12-MTD AVERAGE OVERALL SYSTEM  
LOSSES TO REFLECT LOSSES AT RETAIL LEVEL**

Expense Month : March 2007

12 Months to Date KWH Sources: 24,901,009,000 KWH  
 12 MTD Overall System Losses: 1,268,894,989 KWH  
 March 2006 KWH Sources: 1,943,006,000 KWH

$$1,268,894,989 / 24,901,009,000 = 5.095757\%$$

$$5.095757\% \times 1,943,006,000 = 99,010,864 \text{ KWH}$$

**WHOLESALE KWH SALES AND LOSSES**

191,804,804 Wholesale Sales & Deliveries to ODP at Transmission Voltage (WS-T)  
 46,425,600 Wholesale sales at Primary Voltage (WS-P)  
 135,447,000 Intersystem Sales at Transmission Voltage (IS-T)

	<u>Wholesale Sales\Deliveries</u>	<u>Loss Percentage</u>	<u>Losses</u>	<u>Wholesale Sources</u>
WS-T:	191,804,804	3.1%	6,136,170	197,940,974
WS-P:	46,425,600	3.1% & 0.7%	1,822,976	48,248,576
IS-T:	135,447,000	1.0%	1,368,152	136,815,152

**KENTUCKY UTILITIES COMPANY**  
**FUEL ADJUSTMENT CLAUSE**  
**OVER OR (UNDER) RECOVERY SCHEDULE**

Expense Month : March 2007

1.	Last FAC Rate Billed		\$0.00400
2.	KWH Billed at Above Rate		1,569,289,771
3.	FAC Revenue/(Refund)	(Line 1 x Line 2)	\$ 6,277,159
4.	KWH Used to Determine Last FAC Rate		1,965,115,220
5.	Non-Jurisdictional KWH (Included in Line 4)		289,256,208
6.	Kentucky Jurisdictional KWH	(Line 4 - Line 5)	1,675,859,012
7.	Revised FAC Rate Billed, if prior period adjustment is needed (See Note 1)		\$0.00000
8.	Recoverable FAC Revenue/(Refund)	(Line 1 x Line 6)	\$ 6,703,436
9.	Over or (Under) Recovery	(Line 3 - Line 8)	\$ (426,277)
10.	Total Sales "Sm" (From Page 3 of 6)		1,708,548,136
11.	Kentucky Jurisdictional Sales		1,468,320,798
12.	Total Sales Divided by Kentucky Jurisdictional Sales (Line 10 / Line 11)		1.16360685
13.	Total Company Over or (Under) Recovery	(Line 9 x Line 12)	\$ (496,019)
			To Page 2, Line D

**FUEL ADJUSTMENT CLAUSE  
INTERCOMPANY TRANSACTIONS**  
Expense Month : March 2007

**KENTUCKY UTILITIES COMPANY**

		KWH	
<b>Purchases</b>			
Internal Economy			
	\$ 8,734,022.46	501,644,000	Fuel for LGE Sale to KU for Native Load
	584,288.30		Half of Split Savings to LGE from KU
	<u>\$ 9,318,310.76</u>	<u>501,644,000</u>	
Internal Replacement			
	\$ -	0	Freed-up LGE Generation sold back to KU
	24,943.93	337,000	LGE Generation for KU Pre-Merger Sales
	<u>\$ 24,943.93</u>	<u>337,000</u>	
<b>Total Purchases</b>	<u><b>\$ 9,343,254.69</b></u>	<u><b>501,981,000</b></u>	
<b>Sales</b>			
Internal Economy			
	\$ -	0	KU Fuel Cost - Sales to LGE Native Load
	-		Half of Split Savings
	<u>\$ -</u>	<u>0</u>	
Internal Replacement			
	\$ 3,184,352.61	132,960,000	Freed-up KU Generation sold back to LGE
	-	0	KU Generation for LGE Pre-Merger
	-	0	KU Generation for LGE IB
	<u>\$ 3,184,352.61</u>	<u>132,960,000</u>	
<b>Total Sales</b>	<u><b>\$ 3,184,352.61</b></u>	<u><b>132,960,000</b></u>	

**LOUISVILLE GAS AND ELECTRIC COMPANY**

		KWH	
<b>Purchases</b>			
Internal Economy			
	\$ -	0	KU Fuel Cost - Sales to LGE Native Load
	-		Half of Split Savings
	<u>\$ -</u>	<u>0</u>	
Internal Replacement			
	\$ 3,184,352.61	132,960,000	Freed-up KU Generation sold back to LGE
	-	0	KU Generation for LGE Pre-Merger
	-	0	KU Generation for LGE IB
	<u>\$ 3,184,352.61</u>	<u>132,960,000</u>	
<b>Total Purchases</b>	<u><b>\$ 3,184,352.61</b></u>	<u><b>132,960,000</b></u>	
<b>Sales</b>			
Internal Economy			
	\$ 8,734,022.46	501,644,000	Fuel for LGE Sale to KU for Native Load
	584,288.30		Half of Split Savings to LGE from KU
	<u>\$ 9,318,310.76</u>	<u>501,644,000</u>	
Internal Replacement			
	\$ -	0	Freed-up LGE Generation sold back to KU
	24,943.93	337,000	LGE Generation for KU Pre-Merger Sales
	<u>\$ 24,943.93</u>	<u>337,000</u>	
<b>Total Sales</b>	<u><b>\$ 9,343,254.69</b></u>	<u><b>501,981,000</b></u>	



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MAY 25 2007

PUBLIC SERVICE  
COMMISSION

Elizabeth O'Donnell, Executive Director  
Public Service Commission of Kentucky  
Attention: Mr. Daryl Newby  
211 Sower Boulevard  
P.O. Box 615  
Frankfort, Kentucky 40602

**Kentucky Utilities Company**  
State Regulation and Rates  
220 West Main Street  
PO Box 32010  
Louisville, Kentucky 40232  
[www.eon-us.com](http://www.eon-us.com)

Robert M. Conroy  
Manager - Rates  
T 502-627-3324  
F 502-627-3213  
[robert.conroy@eon-us.com](mailto:robert.conroy@eon-us.com)

May 25, 2007

Dear Ms. O'Donnell:

In compliance with 807 KAR 5:056, Kentucky Utilities Company herewith files its monthly fuel adjustment factor applicable to billings under retail rates during the June, 2007 billing cycle which begins June 4, 2007.

The necessary supporting data to justify the amount of the adjustment is included. Please contact me if you have any questions about this filing.

Sincerely,

Robert M. Conroy

Enclosure

**KENTUCKY UTILITIES COMPANY**  
**FUEL ADJUSTMENT CLAUSE SCHEDULE**

Expense Month : April 2007

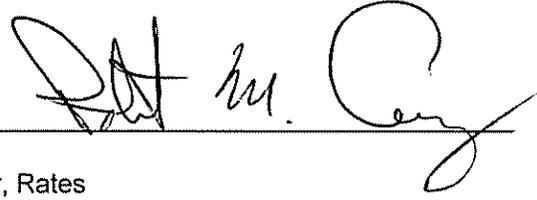
$$\frac{\text{Fuel "Fm" (Fuel Cost Schedule)} \quad \$47,035,649}{\text{Sales "Sm" (Sales Schedule)} \quad 1,608,630,988 \text{ KWH}} = (+) \$ 0.02924 / \text{KWH}$$

Per PSC approved Tariff Sheet No. 70 effective July 5, 2005. = (-) \$ 0.01810 / KWH

$$\text{FAC Factor (1)} = \underline{\underline{\$ 0.01114 / \text{KWH}}}$$

Note: (1) Five decimal places in dollars for normal rounding.

Effective Date for Billing: June 4, 2007

Submitted by   
Title: Manager, Rates

**KENTUCKY UTILITIES COMPANY  
FUEL COST SCHEDULE**

Expense Month : April 2007

(A) <u>Company Generation</u>		
Coal Burned	(+) \$	26,383,690
Oil Burned	(+)	375,963
Gas Burned	(+)	6,701,448
Fuel (assigned cost during Forced Outage)	(+)	619,682
Fuel (substitute cost for Forced Outage)	(-)	368,116
SUB-TOTAL	\$	33,712,667
 (B) <u>Purchases</u>		
Net energy cost - economy purchases	(+) \$	5,468,867
Identifiable fuel cost - other purchases	(+)	-
Identifiable fuel cost (substitute for Forced Outage)	(-)	741,864
Less Purchases above Highest Cost Units	(-)	-
Internal Economy	(+)	8,095,719
Internal Replacement	(+)	19,554
SUB-TOTAL	\$	12,842,276
 (C) <u>Inter-System Sales</u>		
Including Interchange-out	(+) \$	66,658
Internal Economy	(+)	-
Internal Replacement	(+)	1,498,501
Dollars Assigned to Inter-System Sales Losses	(+)	667
SUB-TOTAL	\$	1,565,826
 (D) <u>Over or (Under) Recovery</u>		
From Page 5, Line 13	\$	(2,046,532)
TOTAL FUEL RECOVERY (A+B-C-D) =		\$ 47,035,649

**KENTUCKY UTILITIES COMPANY**

**SALES SCHEDULE (KWH)**

Expense Month : April 2007

(A) Generation (Net)	(+)	1,233,659,000
Purchases including interchange-in	(+)	138,020,000
Internal Economy	(+)	387,567,000
Internal Replacement	(+)	215,000
SUB-TOTAL		<u>1,759,461,000</u>

(B) Inter-system Sales including interchange-out	(+)	890,000
Internal Economy	(+)	-
Internal Replacement	(+)	59,450,000
(*) System Losses	(+)	90,490,012
SUB-TOTAL		<u>150,830,012</u>

TOTAL SALES (A-B) 1,608,630,988

(\*) Note: See Page 4 of 6, "Adjustment of rolling 12-MTD average overall system losses to reflect losses

**KENTUCKY UTILITIES COMPANY**

**ADJUSTMENT OF ROLLING 12-MTD AVERAGE OVERALL SYSTEM  
LOSSES TO REFLECT LOSSES AT RETAIL LEVEL**

Expense Month : April 2007

12 Months to Date KWH Sources: 24,987,011,000 KWH  
 12 MTD Overall System Losses: 1,285,095,188 KWH  
 April 2006 KWH Sources: 1,759,461,000 KWH

$$1,285,095,188 / 24,987,011,000 = 5.143053\%$$

$$5.143053\% \times 1,759,461,000 = 90,490,012 \text{ KWH}$$

**WHOLESALE KWH SALES AND LOSSES**

179,889,686 Wholesale Sales & Deliveries to ODP at Transmission Voltage (WS-T)  
 44,313,200 Wholesale sales at Primary Voltage (WS-P)  
 60,340,000 Intersystem Sales at Transmission Voltage (IS-T)

	Wholesale Sales\Deliveries	Loss Percentage	Losses	Wholesale Sources
WS-T:	179,889,686	3.1%	5,754,985	185,644,671
WS-P:	44,313,200	3.1% & 0.7%	1,740,029	46,053,229
IS-T:	60,340,000	1.0%	609,495	60,949,495

**KENTUCKY UTILITIES COMPANY**  
**FUEL ADJUSTMENT CLAUSE**  
**OVER OR (UNDER) RECOVERY SCHEDULE**

Expense Month : April 2007

1.	Last FAC Rate Billed		<u>\$0.00621</u>
2.	KWH Billed at Above Rate		<u>1,416,248,637</u>
3.	FAC Revenue/(Refund)	(Line 1 x Line 2)	<u>\$ 8,794,904</u>
4.	KWH Used to Determine Last FAC Rate		<u>1,987,810,977</u>
5.	Non-Jurisdictional KWH (Included in Line 4)		<u>288,192,980</u>
6.	Kentucky Jurisdictional KWH	(Line 4 - Line 5)	<u>1,699,617,997</u>
7.	Revised FAC Rate Billed, if prior period adjustment is needed (See Note 1)		<u>\$0.00000</u>
8.	Recoverable FAC Revenue/(Refund)	(Line 1 x Line 6)	<u>\$ 10,554,628</u>
9.	Over or (Under) Recovery	(Line 3 - Line 8)	<u>\$ (1,759,724)</u>
10.	Total Sales "Sm" (From Page 3 of 6)		<u>1,608,630,988</u>
11.	Kentucky Jurisdictional Sales		<u>1,383,192,063</u>
12.	Total Sales Divided by Kentucky Jurisdictional Sales (Line 10 / Line 11)		<u>1.16298454</u>
13.	Total Company Over or (Under) Recovery	(Line 9 x Line 12)	<u>\$ (2,046,532)</u>
			To Page 2, Line D

**FUEL ADJUSTMENT CLAUSE  
INTERCOMPANY TRANSACTIONS**  
Expense Month : April 2007

**KENTUCKY UTILITIES COMPANY**

		KWH	
<b>Purchases</b>			
Internal Economy			
	\$ 7,757,936.16	387,567,000	Fuel for LGE Sale to KU for Native Load
	337,782.45		Half of Split Savings to LGE from KU
	<u>\$ 8,095,718.61</u>	<u>387,567,000</u>	
Internal Replacement			
	\$ -	0	Freed-up LGE Generation sold back to KU
	19,553.99	215,000	LGE Generation for KU Pre-Merger Sales
	<u>\$ 19,553.99</u>	<u>215,000</u>	
<b>Total Purchases</b>	<u><u>\$ 8,115,272.60</u></u>	<u><u>387,782,000</u></u>	
<b>Sales</b>			
Internal Economy			
	\$ -	0	KU Fuel Cost - Sales to LGE Native Load
	-		Half of Split Savings
	<u>\$ -</u>	<u>0</u>	
Internal Replacement			
	\$ 1,498,500.69	59,450,000	Freed-up KU Generation sold back to LGE
	-	0	KU Generation for LGE Pre-Merger
	-	0	KU Generation for LGE IB
	<u>\$ 1,498,500.69</u>	<u>59,450,000</u>	
<b>Total Sales</b>	<u><u>\$ 1,498,500.69</u></u>	<u><u>59,450,000</u></u>	

**LOUISVILLE GAS AND ELECTRIC COMPANY**

		KWH	
<b>Purchases</b>			
Internal Economy			
	\$ -	0	KU Fuel Cost - Sales to LGE Native Load
	-		Half of Split Savings
	<u>\$ -</u>	<u>0</u>	
Internal Replacement			
	\$ 1,498,500.69	59,450,000	Freed-up KU Generation sold back to LGE
	-	0	KU Generation for LGE Pre-Merger
	-	0	KU Generation for LGE IB
	<u>\$ 1,498,500.69</u>	<u>59,450,000</u>	
<b>Total Purchases</b>	<u><u>\$ 1,498,500.69</u></u>	<u><u>59,450,000</u></u>	
<b>Sales</b>			
Internal Economy			
	\$ 7,757,936.16	387,567,000	Fuel for LGE Sale to KU for Native Load
	337,782.45		Half of Split Savings to LGE from KU
	<u>\$ 8,095,718.61</u>	<u>387,567,000</u>	
Internal Replacement			
	\$ -	0	Freed-up LGE Generation sold back to KU
	19,553.99	215,000	LGE Generation for KU Pre-Merger Sales
	<u>\$ 19,553.99</u>	<u>215,000</u>	
<b>Total Sales</b>	<u><u>\$ 8,115,272.60</u></u>	<u><u>387,782,000</u></u>	



an **e-on** company

Elizabeth O'Donnell, Executive Director  
Public Service Commission of Kentucky  
Attention: Mr. Daryl Newby  
211 Sower Boulevard  
P.O. Box 615  
Frankfort, Kentucky 40602

June 22, 2007

Dear Ms. O'Donnell:

In compliance with 807 KAR 5:056, Kentucky Utilities Company herewith files its monthly fuel adjustment factor applicable to billings under retail rates during the July, 2007 billing cycle which begins July 3, 2007.

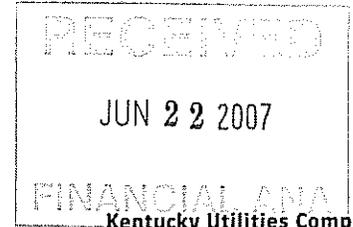
The necessary supporting data to justify the amount of the adjustment is included. Please contact me if you have any questions about this filing.

Sincerely,

A handwritten signature in black ink, appearing to read 'Robert M. Conroy', with a horizontal line extending to the right.

Robert M. Conroy

Enclosure



**Kentucky Utilities Company**  
State Regulation and Rates  
220 West Main Street  
PO Box 32010  
Louisville, Kentucky 40232  
[www.eon-us.com](http://www.eon-us.com)

Robert M. Conroy  
Manager - Rates  
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F 502-627-3213  
[robert.conroy@eon-us.com](mailto:robert.conroy@eon-us.com)

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JUN 22 2007

PUBLIC SERVICE  
COMMISSION

**KENTUCKY UTILITIES COMPANY**  
**FUEL ADJUSTMENT CLAUSE SCHEDULE**

Expense Month : May 2007

$$\frac{\text{Fuel "Fm" (Fuel Cost Schedule)} \quad \$45,780,885}{\text{Sales "Sm" (Sales Schedule)} \quad 1,707,400,810 \text{ KWH}} = (+) \$ 0.02681 / \text{KWH}$$

Per PSC approved Tariff Sheet No. 70 effective July 5, 2005 = (-) \$ 0.01810 / KWH

$$\text{FAC Factor (1)} = \underline{\underline{\$ 0.00871 / \text{KWH}}}$$

Note: (1) Five decimal places in dollars for normal rounding.

Effective Date for Billing: July 3, 2007

Submitted by   
Title: Manager, Rates

**KENTUCKY UTILITIES COMPANY  
FUEL COST SCHEDULE**

Expense Month : May 2007

(A) <u>Company Generation</u>		
Coal Burned	(+) \$	28,082,476
Oil Burned	(+)	458,084
Gas Burned	(+)	4,054,715
Fuel (assigned cost during Forced Outage)	(+)	1,086,173
Fuel (substitute cost for Forced Outage)	(-)	968,565
SUB-TOTAL	\$	32,712,883
(B) <u>Purchases</u>		
Net energy cost - economy purchases	(+) \$	6,460,951
Identifiable fuel cost - other purchases	(+)	-
Identifiable fuel cost (substitute for Forced Outage)	(-)	160,649
Less Purchases above Highest Cost Units	(-)	-
Internal Economy	(+)	8,322,794
Internal Replacement	(+)	3,234
SUB-TOTAL	\$	14,626,330
(C) <u>Inter-System Sales</u>		
Including Interchange-out	(+) \$	14,683
Internal Economy	(+)	-
Internal Replacement	(+)	2,161,668
Dollars Assigned to Inter-System Sales Losses	(+)	147
SUB-TOTAL	\$	2,176,498
(D) <u>Over or (Under) Recovery</u>		
From Page 5, Line 13	\$	(618,170)
TOTAL FUEL RECOVERY (A+B-C-D) =	\$	45,780,885

**KENTUCKY UTILITIES COMPANY**

**SALES SCHEDULE (KWH)**

Expense Month : May 2007

(A) Generation (Net)	(+)	1,279,139,000
Purchases including interchange-in	(+)	202,770,000
Internal Economy	(+)	406,497,000
Internal Replacement	(+)	40,000
SUB-TOTAL		<u>1,888,446,000</u>

(B) Inter-system Sales including interchange-out	(+)	303,000
Internal Economy	(+)	-
Internal Replacement	(+)	86,015,000
(*) System Losses	(+)	94,727,190
SUB-TOTAL		<u>181,045,190</u>

TOTAL SALES (A-B) 1,707,400,810

(\*) Note: See Page 4 of 6, "Adjustment of rolling 12-MTD average overall system losses to reflect losses

**KENTUCKY UTILITIES COMPANY**

**ADJUSTMENT OF ROLLING 12-MTD AVERAGE OVERALL SYSTEM  
LOSSES TO REFLECT LOSSES AT RETAIL LEVEL**

Expense Month : May 2007

12 Months to Date KWH Sources: 24,945,228,000 KWH  
 12 MTD Overall System Losses: 1,251,288,905 KWH  
 May 2007 KWH Sources: 1,888,446,000 KWH

$$1,251,288,905 / 24,945,228,000 = 5.016145\%$$

$$5.016145\% \times 1,888,446,000 = 94,727,190 \text{ KWH}$$

**WHOLESALE KWH SALES AND LOSSES**

181,008,377 Wholesale Sales & Deliveries to ODP at Transmission Voltage (WS-T)  
 51,615,600 Wholesale sales at Primary Voltage (WS-P)  
 86,318,000 Intersystem Sales at Transmission Voltage (IS-T)

	Wholesale Sales\Deliveries	Loss Percentage	Losses	Wholesale Sources
WS-T:	181,008,377	3.1%	5,790,774	186,799,151
WS-P:	51,615,600	3.1% & 0.7%	2,026,770	53,642,370
IS-T:	86,318,000	1.0%	871,899	87,189,899

**KENTUCKY UTILITIES COMPANY**  
**FUEL ADJUSTMENT CLAUSE**  
**OVER OR (UNDER) RECOVERY SCHEDULE**

Expense Month : May 2007

1. Last FAC Rate Billed		<u>\$0.00630</u>
2. KWH Billed at Above Rate		<u>1,383,632,874</u>
3. FAC Revenue/(Refund)	(Line 1 x Line 2)	<u>\$ 8,716,887</u>
4. KWH Used to Determine Last FAC Rate		<u>1,708,548,136</u>
5. Non-Jurisdictional KWH (Included in Line 4)		<u>240,227,338</u>
6. Kentucky Jurisdictional KWH	(Line 4 - Line 5)	<u>1,468,320,798</u>
7. Revised FAC Rate Billed, if prior period adjustment is needed (See Note 1)		<u>\$0.00000</u>
8. Recoverable FAC Revenue/(Refund)	(Line 1 x Line 6)	<u>\$ 9,250,421</u>
9. Over or (Under) Recovery	(Line 3 - Line 8)	<u>\$ (533,534)</u>
10. Total Sales "Sm" (From Page 3 of 6)		<u>1,707,400,810</u>
11. Kentucky Jurisdictional Sales		<u>1,473,634,282</u>
12. Total Sales Divided by Kentucky Jurisdictional Sales (Line 10 / Line 11)		<u>1.15863266</u>
13. Total Company Over or (Under) Recovery	(Line 9 x Line 12)	<u>\$ (618,170)</u>
		To Page 2, Line D

**FUEL ADJUSTMENT CLAUSE  
INTERCOMPANY TRANSACTIONS**  
Expense Month : May 2007

**KENTUCKY UTILITIES COMPANY**

		KWH	
<b>Purchases</b>			
Internal Economy			
	\$ 7,878,666 71	406,497,000	Fuel for LGE Sale to KU for Native Load
	444,127.69		Half of Split Savings to LGE from KU
	<u>\$ 8,322,794 40</u>	<u>406,497,000</u>	
Internal Replacement			
	\$ -	0	Freed-up LGE Generation sold back to KU
	3,233.56	40,000	LGE Generation for KU Pre-Merger Sales
	<u>\$ 3,233 56</u>	<u>40,000</u>	
<b>Total Purchases</b>	<u><u>\$ 8,326,027.96</u></u>	<u><u>406,537,000</u></u>	
<b>Sales</b>			
Internal Economy			
	\$ -	0	KU Fuel Cost - Sales to LGE Native Load
	-		Half of Split Savings
	<u>\$ -</u>	<u>0</u>	
Internal Replacement			
	\$ 2,161,668 28	86,015,000	Freed-up KU Generation sold back to LGE
	-	0	KU Generation for LGE Pre-Merger
	-	0	KU Generation for LGE IB
	<u>\$ 2,161,668 28</u>	<u>86,015,000</u>	
<b>Total Sales</b>	<u><u>\$ 2,161,668.28</u></u>	<u><u>86,015,000</u></u>	

**LOUISVILLE GAS AND ELECTRIC COMPANY**

		KWH	
<b>Purchases</b>			
Internal Economy			
	\$ -	0	KU Fuel Cost - Sales to LGE Native Load
	-		Half of Split Savings
	<u>\$ -</u>	<u>0</u>	
Internal Replacement			
	\$ 2,161,668 28	86,015,000	Freed-up KU Generation sold back to LGE
	-	0	KU Generation for LGE Pre-Merger
	-	0	KU Generation for LGE IB
	<u>\$ 2,161,668 28</u>	<u>86,015,000</u>	
<b>Total Purchases</b>	<u><u>\$ 2,161,668.28</u></u>	<u><u>86,015,000</u></u>	
<b>Sales</b>			
Internal Economy			
	\$ 7,878,666 71	406,497,000	Fuel for LGE Sale to KU for Native Load
	444,127.69		Half of Split Savings to LGE from KU
	<u>\$ 8,322,794 40</u>	<u>406,497,000</u>	
Internal Replacement			
	\$ -	0	Freed-up LGE Generation sold back to KU
	3,233.56	40,000	LGE Generation for KU Pre-Merger Sales
	<u>\$ 3,233 56</u>	<u>40,000</u>	
<b>Total Sales</b>	<u><u>\$ 8,326,027.96</u></u>	<u><u>406,537,000</u></u>	



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JUL 23 2007  
FINANCIAL ANA

Elizabeth O'Donnell, Executive Director  
Public Service Commission of Kentucky  
Attention: Mr. Daryl Newby  
211 Sower Boulevard  
P.O. Box 615  
Frankfort, Kentucky 40602

**Kentucky Utilities Company**  
State Regulation and Rates  
220 West Main Street  
PO Box 32010  
Louisville, Kentucky 40232  
www.eon-us.com

RECEIVED

JUL 23 2007

PUBLIC SERVICE  
COMMISSION

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

July 23, 2007

Dear Ms. O'Donnell:

In compliance with 807 KAR 5:056, Kentucky Utilities Company herewith files its monthly fuel adjustment factor applicable to billings under retail rates during the August, 2007 billing cycle which begins August 2, 2007.

Included in this filing is an adjustment for gas expenses that were understated for the period January, 2007 through May, 2007. For details on the adjustment please see page 5 of 6, Note 2.

The necessary supporting data to justify the amount of the adjustment is included. Please contact me if you have any questions about this filing.

Sincerely,

Robert M. Conroy

Enclosure

**KENTUCKY UTILITIES COMPANY**  
**FUEL ADJUSTMENT CLAUSE SCHEDULE**

Expense Month : June 2007

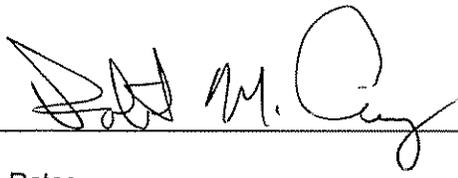
$$\frac{\text{Fuel "Fm" (Fuel Cost Schedule)} \quad \$42,277,597}{\text{Sales "Sm" (Sales Schedule)} \quad 1,833,204,157 \text{ KWH}} = (+) \$ 0.02306 / \text{KWH}$$

Per PSC approved Tariff Sheet No. 70 effective July 5, 2005. = (-) \$ 0.01810 / KWH

$$\text{FAC Factor (1)} = \underline{\underline{\$ 0.00496 / \text{KWH}}}$$

Note: (1) Five decimal places in dollars for normal rounding

Effective Date for Billing: August 2, 2007

Submitted by   
Title: Manager, Rates

**KENTUCKY UTILITIES COMPANY  
FUEL COST SCHEDULE**

Expense Month : June 2007

<u>(A) Company Generation</u>		
Coal Burned	(+) \$	33,068,467
Oil Burned	(+)	585,117
Gas Burned	(+)	3,729,582
Fuel (assigned cost during Forced Outage)	(+)	2,317,081
Fuel (substitute cost for Forced Outage)	(-)	2,325,507
SUB-TOTAL	\$	<u>37,374,740</u>
<u>(B) Purchases</u>		
Net energy cost - economy purchases	(+) \$	6,200,515
Identifiable fuel cost - other purchases	(+)	-
Identifiable fuel cost (substitute for Forced Outage)	(-)	2,058,626
Less Purchases above Highest Cost Units	(-)	3,998
Internal Economy	(+)	6,560,469
Internal Replacement	(+)	58,370
SUB-TOTAL	\$	<u>10,756,730</u>
<u>(C) Inter-System Sales</u>		
Including Interchange-out	(+) \$	405,496
Internal Economy	(+)	10,697
Internal Replacement	(+)	2,142,462
Dollars Assigned to Inter-System Sales Losses	(+)	4,055
SUB-TOTAL	\$	<u>2,562,710</u>
<u>(D) Over or (Under) Recovery</u>		
From Page 5, Line 13	\$	<u>3,291,163</u>
TOTAL FUEL RECOVERY (A+B-C-D) =	\$	42,277,597

## KENTUCKY UTILITIES COMPANY

### SALES SCHEDULE (KWH)

Expense Month : June 2007

(A) Generation (Net)	(+)	1,524,871,000
Purchases including interchange-in	(+)	188,836,000
Internal Economy	(+)	315,445,000
Internal Replacement	(+)	917,000
SUB-TOTAL		<u>2,030,069,000</u>
(B) Inter-system Sales including interchange-out	(+)	8,743,000
Internal Economy	(+)	173,000
Internal Replacement	(+)	86,778,000
(*) System Losses	(+)	101,170,843
SUB-TOTAL		<u>196,864,843</u>
TOTAL SALES (A-B)		<u>1,833,204,157</u>

(\*) Note: See Page 4 of 6, "Adjustment of rolling 12-MTD average overall system losses to reflect losses

**KENTUCKY UTILITIES COMPANY**

**ADJUSTMENT OF ROLLING 12-MTD AVERAGE OVERALL SYSTEM  
LOSSES TO REFLECT LOSSES AT RETAIL LEVEL**

Expense Month : June 2007

12 Months to Date KWH Sources:	24,983,563,000	KWH
12 MTD Overall System Losses:	1,245,084,946	KWH
June 2007 KWH Sources:	2,030,069,000	KWH

1,245,084,946	/	24,983,563,000	=	4.983616%
4.983616%	X	2,030,069,000	=	101,170,843 KWH

**WHOLESALE KWH SALES AND LOSSES**

189,974,050	Wholesale Sales & Deliveries to ODP at Transmission Voltage	(WS-T)
56,933,200	Wholesale sales at Primary Voltage	(WS-P)
95,694,000	Intersystem Sales at Transmission Voltage	(IS-T)

	<u>Wholesale Sales\Deliveries</u>	<u>Loss Percentage</u>	<u>Losses</u>	<u>Wholesale Sources</u>
WS-T:	189,974,050	3.1%	6,077,601	196,051,651
WS-P:	56,933,200	3.1% & 0.7%	2,235,574	59,168,774
IS-T:	95,694,000	1.0%	966,606	96,660,606

**KENTUCKY UTILITIES COMPANY**  
**FUEL ADJUSTMENT CLAUSE**  
**OVER OR (UNDER) RECOVERY SCHEDULE**

Expense Month : June 2007

1	Last FAC Rate Billed		<u>\$0.01114</u>
2	KWH Billed at Above Rate		<u>1,530,915,242</u>
3	FAC Revenue/(Refund)	(Line 1 x Line 2)	<u>\$ 17,054,396</u>
4	KWH Used to Determine Last FAC Rate		<u>1,608,630,988</u>
5	Non-Jurisdictional KWH (Included in Line 4)		<u>225,438,925</u>
6	Kentucky Jurisdictional KWH	(Line 4 - Line 5)	<u>1,383,192,063</u>
7	Revised FAC Rate Billed, if prior period adjustment is needed (See Note 1)		<u>\$0.00991</u>
8	Recoverable FAC Revenue/(Refund)	(Line 7 x Line 6)	<u>\$ 13,707,433</u>
9	Over or (Under) Recovery (See Note 2)	(Line 3 - Line 8)	<u>\$ 2,845,910</u>
10	Total Sales "Sm" (From Page 3 of 6)		<u>1,833,204,157</u>
11	Kentucky Jurisdictional Sales		<u>1,585,194,449</u>
12	Total Sales Divided by Kentucky Jurisdictional Sales (Line 10 / Line 11)		<u>1.15645381</u>
13	Total Company Over or (Under) Recovery	(Line 9 x Line 12)	<u>\$ 3,291,163</u>
			To Page 2, Line D

Note 1:

Gas expense reported for April were misstated resulting in a revision to the April FAC factor

Note 2:

In June it was discovered that gas expense for the months of January through May were understated. For the January through April period, fuel expense was understated by \$651,426.08. Listed below are the corrected factors for the January through April period with a calculation to determine the under recovery by period. This amount was then combined with the current over recovery amount and placed on line 9. The May understatement will be reflected in the July 2007 expense month.

	<u>Corrected Factor</u>	<u>As Filed Factor</u>	<u>Difference</u>
January 2007	0.00400	0.00400	0.00000
February 2007	0.00621	0.00621	0.00000
March 2007	0.00664	0.00630	0.00034
April 2007	0.01116	0.01114	0.00002
	<u>0.02801</u>	<u>0.02765</u>	<u>0.00036</u>
	<u>Difference</u>	<u>Sales</u>	<u>Under Recovery</u>
January 2007	0.00000	1,569,289,771	-
February 2007	0.00000	1,416,248,637	-
March 2007	0.00034	1,383,632,874	(470,435)
April 2007	0.00002	1,530,915,242	(30,618)
January through April Over Recovery	<u>0.00036</u>		<u>(501,053)</u>
FAC Revenue/(Refund) - Line 3 above			17,054,396
Recoverable FAC Revenue/(Refund) - Line 8 above			<u>13,707,433</u>
Over recovery - Line 3 less Line 8 above			3,346,963
January through April Under Recovery			<u>(501,053)</u>
Total over recovery			<u>2,845,910</u>

**FUEL ADJUSTMENT CLAUSE  
INTERCOMPANY TRANSACTIONS**  
Expense Month : June 2007

**KENTUCKY UTILITIES COMPANY**

<b>Purchases</b>		<b>KWH</b>	
Internal Economy			
	\$ 6,118,826.42	315,445.000	Fuel for LGE Sale to KU for Native Load
	441,642.61		Half of Split Savings to LGE from KU
	<u>\$ 6,560,469.03</u>	<u>315,445,000</u>	
Internal Replacement			
	\$ 944.70	15,000	Freed-up LGE Generation sold back to KU
	57,425.74	902,000	LGE Generation for KU Pre-Merger Sales
	<u>\$ 58,370.44</u>	<u>917,000</u>	
<b>Total Purchases</b>	<u><b>\$ 6,618,839.47</b></u>	<u><b>316,362,000</b></u>	
<b>Sales</b>			
Internal Economy			
	\$ 10,412.57	173,000	KU Fuel Cost - Sales to LGE Native Load
	284.06		Half of Split Savings
	<u>\$ 10,696.63</u>	<u>173,000</u>	
Internal Replacement			
	\$ 2,142,462.25	86,778,000	Freed-up KU Generation sold back to LGE
	-	0	KU Generation for LGE Pre-Merger
	-	0	KU Generation for LGE IB
	<u>\$ 2,142,462.25</u>	<u>86,778,000</u>	
<b>Total Sales</b>	<u><b>\$ 2,153,158.88</b></u>	<u><b>86,951,000</b></u>	

**LOUISVILLE GAS AND ELECTRIC COMPANY**

<b>Purchases</b>		<b>KWH</b>	
Internal Economy			
	\$ 10,412.57	173,000	KU Fuel Cost - Sales to LGE Native Load
	284.06		Half of Split Savings
	<u>\$ 10,696.63</u>	<u>173,000</u>	
Internal Replacement			
	\$ 2,142,462.25	86,778,000	Freed-up KU Generation sold back to LGE
	-	0	KU Generation for LGE Pre-Merger
	-	0	KU Generation for LGE IB
	<u>\$ 2,142,462.25</u>	<u>86,778,000</u>	
<b>Total Purchases</b>	<u><b>\$ 2,153,158.88</b></u>	<u><b>86,951,000</b></u>	
<b>Sales</b>			
Internal Economy			
	\$ 6,118,826.42	315,445.000	Fuel for LGE Sale to KU for Native Load
	441,642.61		Half of Split Savings to LGE from KU
	<u>\$ 6,560,469.03</u>	<u>315,445,000</u>	
Internal Replacement			
	\$ 944.70	15,000	Freed-up LGE Generation sold back to KU
	57,425.74	902,000	LGE Generation for KU Pre-Merger Sales
	<u>\$ 58,370.44</u>	<u>917,000</u>	
<b>Total Sales</b>	<u><b>\$ 6,618,839.47</b></u>	<u><b>316,362,000</b></u>	



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Elizabeth O'Donnell, Executive Director  
Public Service Commission of Kentucky  
Attention: Mr. Daryl Newby  
211 Sower Boulevard  
P.O. Box 615  
Frankfort, Kentucky 40602

**RECEIVED**  
AUG 24 2007  
PUBLIC SERVICE  
COMMISSION

**Kentucky Utilities Company**  
State Regulation and Rates  
220 West Main Street  
PO Box 32010  
Louisville, Kentucky 40232  
www.eon-us.com

August 24, 2007

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

Dear Ms. O'Donnell:

In compliance with 807 KAR 5:056, Kentucky Utilities Company herewith files its monthly fuel adjustment factor applicable to billings under retail rates during the September, 2007 billing cycle which begins September 4, 2007.

The necessary supporting data to justify the amount of the adjustment is included. Please contact me if you have any questions about this filing.

Sincerely,

A handwritten signature in black ink, appearing to read 'R. M. Conroy', with a long horizontal line extending to the right.

Robert M. Conroy

Enclosure

**RECEIVED**  
AUG 24 2007  
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**KENTUCKY UTILITIES COMPANY**  
**FUEL ADJUSTMENT CLAUSE SCHEDULE**

Expense Month : July 2007

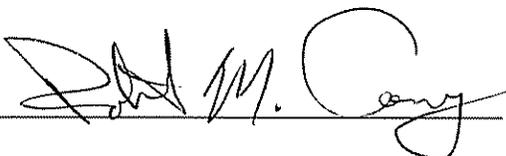
$$\frac{\text{Fuel "Fm" (Fuel Cost Schedule)} \quad \$47,906,674}{\text{Sales "Sm" (Sales Schedule)} \quad 1,885,408,684 \text{ KWH}} = (+) \$ 0.02541 / \text{KWH}$$

Per PSC approved Tariff Sheet No. 70 effective July 5, 2005. = (-) \$ 0.01810 / KWH

$$\text{FAC Factor (1)} = \underline{\underline{\$ 0.00731 / \text{KWH}}}$$

Note: (1) Five decimal places in dollars for normal rounding

Effective Date for Billing: September 4, 2007

Submitted by   
Title: Manager, Rates

**KENTUCKY UTILITIES COMPANY  
FUEL COST SCHEDULE**

Expense Month : July 2007

(A) <u>Company Generation</u>		
Coal Burned	(+) \$	36,052,902
Oil Burned	(+)	557,670
Gas Burned	(+)	4,264,949
Fuel (assigned cost during Forced Outage)	(+)	707,007
Fuel (substitute cost for Forced Outage)	(-)	1,066,219
SUB-TOTAL	\$	40,516,309
 (B) <u>Purchases</u>		
Net energy cost - economy purchases	(+) \$	4,225,058
Identifiable fuel cost - other purchases	(+)	-
Identifiable fuel cost (substitute for Forced Outage)	(-)	30,794
Less Purchases above Highest Cost Units	(-)	-
Internal Economy	(+)	5,911,294
Internal Replacement	(+)	3,847
SUB-TOTAL	\$	10,109,405
 (C) <u>Inter-System Sales</u>		
Including Interchange-out	(+) \$	117,946
Internal Economy	(+)	13,826
Internal Replacement	(+)	2,843,186
Dollars Assigned to Inter-System Sales Losses	(+)	1,179
SUB-TOTAL	\$	2,976,137
 (D) <u>Over or (Under) Recovery</u>		
From Page 5, Line 13	\$	(257,097)
 TOTAL FUEL RECOVERY (A+B-C-D) =		
	\$	47,906,674

## KENTUCKY UTILITIES COMPANY

### SALES SCHEDULE (KWH)

Expense Month : July 2007

(A) Generation (Net)	(+)	1,650,418,000
Purchases including interchange-in	(+)	169,379,000
Internal Economy	(+)	285,676,000
Internal Replacement	(+)	66,000
SUB-TOTAL		<u>2,105,539,000</u>
(B) Inter-system Sales including interchange-out	(+)	3,565,000
Internal Economy	(+)	298,000
Internal Replacement	(+)	112,054,000
(*) System Losses	(+)	104,213,316
SUB-TOTAL		<u>220,130,316</u>
TOTAL SALES (A-B)		<u>1,885,408,684</u>

(\*) Note: See Page 4 of 6, "Adjustment of rolling 12-MTD average overall system losses to reflect losses

**KENTUCKY UTILITIES COMPANY**

**ADJUSTMENT OF ROLLING 12-MTD AVERAGE OVERALL SYSTEM  
LOSSES TO REFLECT LOSSES AT RETAIL LEVEL**

Expense Month : July 2007

12 Months to Date KWH Sources: 24,852,442,000 KWH  
 12 MTD Overall System Losses: 1,230,067,603 KWH  
 July 2007 KWH Sources: 2,105,539,000 KWH

$$1,230,067,603 / 24,852,442,000 = 4.949484\%$$

$$4.949484\% \times 2,105,539,000 = 104,213,316 \text{ KWH}$$

**WHOLESALE KWH SALES AND LOSSES**

201,225,747 Wholesale Sales & Deliveries to ODP at Transmission Voltage (WS-T)  
 59,501,200 Wholesale sales at Primary Voltage (WS-P)  
 115,917,000 Intersystem Sales at Transmission Voltage (IS-T)

	Wholesale Sales\Deliveries	Loss Percentage	Losses	Wholesale Sources
WS-T:	201,225,747	3.1%	6,437,563	207,663,310
WS-P:	59,501,200	3.1% & 0.7%	2,336,410	61,837,610
IS-T:	115,917,000	1.0%	1,170,879	117,087,879

**KENTUCKY UTILITIES COMPANY**  
**FUEL ADJUSTMENT CLAUSE**  
**OVER OR (UNDER) RECOVERY SCHEDULE**

Expense Month : July 2007

1. Last FAC Rate Billed		<u>\$0.00871</u>
2. KWH Billed at Above Rate		<u>1,619,098,612</u>
3. FAC Revenue/(Refund)	(Line 1 x Line 2)	<u>\$ 14,102,349</u>
4. KWH Used to Determine Last FAC Rate		<u>1,707,400,810</u>
5. Non-Jurisdictional KWH (Included in Line 4)		<u>233,766,528</u>
6. Kentucky Jurisdictional KWH	(Line 4 - Line 5)	<u>1,473,634,282</u>
7. Revised FAC Rate Billed, if prior period adjustment is needed (See Note 1)		<u>\$0.00972</u>
8. Recoverable FAC Revenue/(Refund)	(Line 7 x Line 6)	<u>\$ 14,323,725</u>
9. Over or (Under) Recovery	(Line 3 - Line 8)	<u>\$ (221,376)</u>
10. Total Sales "Sm" (From Page 3 of 6)		<u>1,885,408,684</u>
11. Kentucky Jurisdictional Sales		<u>1,623,453,551</u>
12. Total Sales Divided by Kentucky Jurisdictional Sales (Line 10 / Line 11)		<u>1.16135672</u>
13. Total Company Over or (Under) Recovery	(Line 9 x Line 12)	<u>\$ (257,097)</u>
		<u>To Page 2, Line D</u>

**Note 1:**

As communicated in the KU June 2007 expense month filing made on July 23, 2007, it was discovered that the gas expense for the months of January through May was understated. The adjustment for January through April was made in the June 2007 expense month filing. It has been determined that the gas expense for the month of May was understated by \$1,693,596.30. A corrected factor for May was calculated to determine the under recovery for that period.

**FUEL ADJUSTMENT CLAUSE  
INTERCOMPANY TRANSACTIONS**  
Expense Month : July 2007

**KENTUCKY UTILITIES COMPANY**

		KWH	
<b>Purchases</b>			
Internal Economy			
	\$ 5,354,023.99	285,676,000	Fuel for LGE Sale to KU for Native Load
	557,269.61		Half of Split Savings to LGE from KU
	<u>\$ 5,911,293.60</u>	<u>285,676,000</u>	
Internal Replacement			
	\$ -	0	Freed-up LGE Generation sold back to KU
	3,846.54	66,000	LGE Generation for KU Pre-Merger Sales
	<u>\$ 3,846.54</u>	<u>66,000</u>	
<b>Total Purchases</b>	<u><b>\$ 5,915,140.14</b></u>	<u><b>285,742,000</b></u>	
<b>Sales</b>			
Internal Economy			
	\$ 13,826.34	298,000	KU Fuel Cost - Sales to LGE Native Load
	-		Half of Split Savings
	<u>\$ 13,826.34</u>	<u>298,000</u>	
Internal Replacement			
	\$ 2,843,186.37	112,054,000	Freed-up KU Generation sold back to LGE
	-	0	KU Generation for LGE Pre-Merger
	-	0	KU Generation for LGE IB
	<u>\$ 2,843,186.37</u>	<u>112,054,000</u>	
<b>Total Sales</b>	<u><b>\$ 2,857,012.71</b></u>	<u><b>112,352,000</b></u>	

**LOUISVILLE GAS AND ELECTRIC COMPANY**

		KWH	
<b>Purchases</b>			
Internal Economy			
	\$ 13,826.34	298,000	KU Fuel Cost - Sales to LGE Native Load
	-		Half of Split Savings
	<u>\$ 13,826.34</u>	<u>298,000</u>	
Internal Replacement			
	\$ 2,843,186.37	112,054,000	Freed-up KU Generation sold back to LGE
	-	0	KU Generation for LGE Pre-Merger
	-	0	KU Generation for LGE IB
	<u>\$ 2,843,186.37</u>	<u>112,054,000</u>	
<b>Total Purchases</b>	<u><b>\$ 2,857,012.71</b></u>	<u><b>112,352,000</b></u>	
<b>Sales</b>			
Internal Economy			
	\$ 5,354,023.99	285,676,000	Fuel for LGE Sale to KU for Native Load
	557,269.61		Half of Split Savings to LGE from KU
	<u>\$ 5,911,293.60</u>	<u>285,676,000</u>	
Internal Replacement			
	\$ -	0	Freed-up LGE Generation sold back to KU
	3,846.54	66,000	LGE Generation for KU Pre-Merger Sales
	<u>\$ 3,846.54</u>	<u>66,000</u>	
<b>Total Sales</b>	<u><b>\$ 5,915,140.14</b></u>	<u><b>285,742,000</b></u>	



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Elizabeth O'Donnell, Executive Director  
Public Service Commission of Kentucky  
Attention: Mr. Daryl Newby  
211 Sower Boulevard  
P.O. Box 615  
Frankfort, Kentucky 40602

September 21, 2007

Dear Ms. O'Donnell:

In compliance with 807 KAR 5:056, Kentucky Utilities Company herewith files its monthly fuel adjustment factor applicable to billings under retail rates during the October, 2007 billing cycle which begins October 3, 2007.

The necessary supporting data to justify the amount of the adjustment is included. Please contact me if you have any questions about this filing.

Sincerely,

A handwritten signature in black ink that reads 'Robert M. Conroy'.

Robert M. Conroy

Enclosure

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SEP 21 2007

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COMMISSION

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SEP 25 2007  
FINANCIAL ANA

Kentucky Utilities Company  
State Regulation and Rates  
220 West Main Street  
PO Box 32010  
Louisville, Kentucky 40232  
[www.eon-us.com](http://www.eon-us.com)

Robert M. Conroy  
Manager - Rates  
T 502-627-3324  
F 502-627-3213  
[robert.conroy@eon-us.com](mailto:robert.conroy@eon-us.com)

**KENTUCKY UTILITIES COMPANY**  
**FUEL ADJUSTMENT CLAUSE SCHEDULE**

Expense Month : August 2007

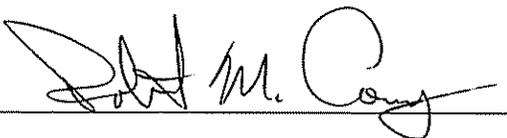
$$\begin{array}{r} \text{Fuel "Fm" (Fuel Cost Schedule)} \quad \quad \quad \$67,632,549 \\ \hline \text{Sales "Sm" (Sales Schedule)} \quad \quad \quad 2,193,193,917 \text{ KWH} \end{array} = (+) \$ 0.03084 / \text{KWH}$$

Per PSC approved Tariff Sheet No. 70 effective July 5, 2005. = (-) \$ 0.01810 / KWH

$$\text{FAC Factor (1)} = \underline{\underline{\$ 0.01274 / \text{KWH}}}$$

Note: (1) Five decimal places in dollars for normal rounding.

Effective Date for Billing: October 3, 2007

Submitted by 

Title: Manager, Rates

**KENTUCKY UTILITIES COMPANY  
FUEL COST SCHEDULE**

Expense Month : August 2007

<u>(A) Company Generation</u>		
Coal Burned	(+) \$	39,080,053
Oil Burned	(+)	446,638
Gas Burned	(+)	17,017,743
Fuel (assigned cost during Forced Outage)	(+)	2,557,387
Fuel (substitute cost for Forced Outage)	(-)	<u>2,708,334</u>
SUB-TOTAL	\$	56,393,487
<u>(B) Purchases</u>		
Net energy cost - economy purchases	(+) \$	7,882,965
Identifiable fuel cost - other purchases	(+)	-
Identifiable fuel cost (substitute for Forced Outage)	(-)	2,099,187
Less Purchases above Highest Cost Units	(-)	33,610
Internal Economy	(+)	7,648,195
Internal Replacement	(+)	<u>557</u>
SUB-TOTAL	\$	13,398,920
<u>(C)</u>		
<u>Inter-System Sales</u>		
Including Interchange-out	(+) \$	72,770
Internal Economy	(+)	21,064
Internal Replacement	(+)	1,411,228
Dollars Assigned to Inter-System Sales Losses	(+)	<u>728</u>
SUB-TOTAL	\$	1,505,790
<u>(D)</u>		
<u>Over or (Under) Recovery</u>		
From Page 5, Line 13	\$	<u>654,068</u>
TOTAL FUEL RECOVERY (A+B-C-D) =	\$	67,632,549

## KENTUCKY UTILITIES COMPANY

### SALES SCHEDULE (KWH)

Expense Month : August 2007

(A) Generation (Net)	(+)	1,918,468,000
Purchases including interchange-in	(+)	200,978,000
Internal Economy	(+)	240,042,000
Internal Replacement	(+)	4,000
SUB-TOTAL		<u>2,359,492,000</u>

(B) Inter-system Sales including interchange-out	(+)	2,361,000
Internal Economy	(+)	301,000
Internal Replacement	(+)	45,547,000
(*) System Losses	(+)	118,089,083
SUB-TOTAL		<u>166,298,083</u>

TOTAL SALES (A-B) 2,193,193,917

(\*) Note: See Page 4 of 6, "Adjustment of rolling 12-MTD average overall system losses to reflect losses

**KENTUCKY UTILITIES COMPANY**

**ADJUSTMENT OF ROLLING 12-MTD AVERAGE OVERALL SYSTEM  
LOSSES TO REFLECT LOSSES AT RETAIL LEVEL**

Expense Month : August 2007

12 Months to Date KWH Sources: 24,928,792,000 KWH  
 12 MTD Overall System Losses: 1,247,649,194 KWH  
 August 2007 KWH Sources: 2,359,492,000 KWH

$$1,247,649,194 / 24,928,792,000 = 5.004852\%$$

$$5.004852\% \times 2,359,492,000 = 118,089,083 \text{ KWH}$$

**WHOLESALE KWH SALES AND LOSSES**

227,363,941 Wholesale Sales & Deliveries to ODP at Transmission Voltage (WS-T)  
 69,727,600 Wholesale sales at Primary Voltage (WS-P)  
 48,209,000 Intersystem Sales at Transmission Voltage (IS-T)

	Wholesale Sales\Deliveries	Loss Percentage	Losses	Wholesale Sources
WS-T:	227,363,941	3.1%	7,273,769	234,637,710
WS-P:	69,727,600	3.1% & 0.7%	2,737,966	72,465,566
IS-T:	48,209,000	1.0%	486,960	48,695,960

**KENTUCKY UTILITIES COMPANY**  
**FUEL ADJUSTMENT CLAUSE**  
**OVER OR (UNDER) RECOVERY SCHEDULE**

Expense Month : August 2007

1. Last FAC Rate Billed		<u>\$0.00496</u>
2. KWH Billed at Above Rate		<u>1,699,127,618</u>
3. FAC Revenue/(Refund)	(Line 1 x Line 2)	<u>\$ 8,427,673</u>
4. KWH Used to Determine Last FAC Rate		<u>1,833,204,157</u>
5. Non-Jurisdictional KWH (Included in Line 4)		<u>248,009,708</u>
6. Kentucky Jurisdictional KWH	(Line 4 - Line 5)	<u>1,585,194,449</u>
7. Revised FAC Rate Billed, if prior period adjustment is needed (See Note 1)		<u>\$0.00000</u>
8. Recoverable FAC Revenue/(Refund)	(Line 1 x Line 6)	<u>\$ 7,862,564</u>
9. Over or (Under) Recovery	(Line 3 - Line 8)	<u>\$ 565,109</u>
10. Total Sales "Sm" (From Page 3 of 6)		<u>2,193,193,917</u>
11. Kentucky Jurisdictional Sales		<u>1,894,900,562</u>
12. Total Sales Divided by Kentucky Jurisdictional Sales (Line 10 / Line 11)		<u>1.157419</u>
13. Total Company Over or (Under) Recovery	(Line 9 x Line 12)	<u>\$ 654,068</u>
		To Page 2, Line D

**FUEL ADJUSTMENT CLAUSE  
INTERCOMPANY TRANSACTIONS**  
Expense Month : August 2007

**KENTUCKY UTILITIES COMPANY**

		KWH	
<b>Purchases</b>			
Internal Economy			
	\$ 7,200,912.50	240,042,000	Fuel for LGE Sale to KU for Native Load
	447,282.68		Half of Split Savings to LGE from KU
	<u>\$ 7,648,195.18</u>	<u>240,042,000</u>	
Internal Replacement			
	\$ 556.97	4,000	Freed-up LGE Generation sold back to KU
	-	0	LGE Generation for KU Pre-Merger Sales
	<u>\$ 556.97</u>	<u>4,000</u>	
<b>Total Purchases</b>	<u><b>\$ 7,648,752.15</b></u>	<u><b>240,046,000</b></u>	
<b>Sales</b>			
Internal Economy			
	\$ 20,994.41	301,000	KU Fuel Cost - Sales to LGE Native Load
	69.55		Half of Split Savings
	<u>\$ 21,063.96</u>	<u>301,000</u>	
Internal Replacement			
	\$ 1,411,228.23	45,547,000	Freed-up KU Generation sold back to LGE
	-	0	KU Generation for LGE Pre-Merger
	-	0	KU Generation for LGE IB
	<u>\$ 1,411,228.23</u>	<u>45,547,000</u>	
<b>Total Sales</b>	<u><b>\$ 1,432,292.19</b></u>	<u><b>45,848,000</b></u>	

**LOUISVILLE GAS AND ELECTRIC COMPANY**

		KWH	
<b>Purchases</b>			
Internal Economy			
	\$ 20,994.41	301,000	KU Fuel Cost - Sales to LGE Native Load
	69.55		Half of Split Savings
	<u>\$ 21,063.96</u>	<u>301,000</u>	
Internal Replacement			
	\$ 1,411,228.23	45,547,000	Freed-up KU Generation sold back to LGE
	-	0	KU Generation for LGE Pre-Merger
	-	0	KU Generation for LGE IB
	<u>\$ 1,411,228.23</u>	<u>45,547,000</u>	
<b>Total Purchases</b>	<u><b>\$ 1,432,292.19</b></u>	<u><b>45,848,000</b></u>	
<b>Sales</b>			
Internal Economy			
	\$ 7,200,912.50	240,042,000	Fuel for LGE Sale to KU for Native Load
	447,282.68		Half of Split Savings to LGE from KU
	<u>\$ 7,648,195.18</u>	<u>240,042,000</u>	
Internal Replacement			
	\$ 556.97	4,000	Freed-up LGE Generation sold back to KU
	-	0	LGE Generation for KU Pre-Merger Sales
	<u>\$ 556.97</u>	<u>4,000</u>	
<b>Total Sales</b>	<u><b>\$ 7,648,752.15</b></u>	<u><b>240,046,000</b></u>	



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Elizabeth O'Donnell, Executive Director  
Public Service Commission of Kentucky  
Attention: Mr. Daryl Newby  
211 Sower Boulevard  
P.O. Box 615  
Frankfort, Kentucky 40602

October 22, 2007

Dear Ms. O'Donnell:

In compliance with 807 KAR 5:056, Kentucky Utilities Company herewith files its monthly fuel adjustment factor applicable to billings under retail rates during the November, 2007 billing cycle which begins November 1, 2007.

The necessary supporting data to justify the amount of the adjustment is included. Please contact me if you have any questions about this filing.

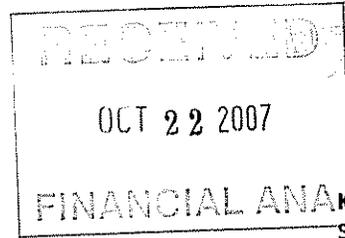
Sincerely,

Robert M. Conroy

Enclosure

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OCT 22 2007



PUBLIC SERVICE  
COMMISSION

**Kentucky Utilities Company**  
State Regulation and Rates  
220 West Main Street  
PO Box 32010  
Louisville, Kentucky 40232  
www.eon-us.com

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

**KENTUCKY UTILITIES COMPANY**  
**FUEL ADJUSTMENT CLAUSE SCHEDULE**

Expense Month : September 2007

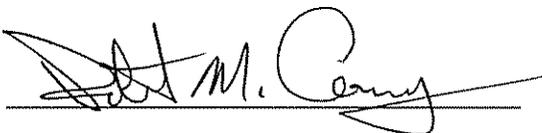
$$\begin{array}{r} \text{Fuel "Fm" (Fuel Cost Schedule)} \quad \$44,499,927 \\ \hline \text{Sales "Sm" (Sales Schedule)} \quad 1,748,843,791 \text{ KWH} \end{array} = (+) \$ 0.02545 / \text{KWH}$$

Per PSC approved Tariff Sheet No. 70 effective July 5, 2005. = (-) \$ 0.01810 / KWH

$$\text{FAC Factor (1)} = \underline{\underline{\$ 0.00735 / \text{KWH}}}$$

Note: (1) Five decimal places in dollars for normal rounding.

Effective Date for Billing: November 1, 2007

Submitted by 

Title: Manager, Rates

**KENTUCKY UTILITIES COMPANY  
FUEL COST SCHEDULE**

Expense Month : September 2007

(A) <u>Company Generation</u>		
Coal Burned	(+) \$	33,088,499
Oil Burned	(+)	301,355
Gas Burned	(+)	5,122,123
Fuel (assigned cost during Forced Outage)	(+)	-
Fuel (substitute cost for Forced Outage)	(-)	-
SUB-TOTAL	\$	<u>38,511,977</u>
(B) <u>Purchases</u>		
Net energy cost - economy purchases	(+) \$	4,884,791
Identifiable fuel cost - other purchases	(+)	-
Identifiable fuel cost (substitute for Forced Outage)	(-)	-
Less Purchases above Highest Cost Units	(-)	-
Internal Economy	(+)	4,496,858
Internal Replacement	(+)	81,792
SUB-TOTAL	\$	<u>9,463,441</u>
(C) <u>Inter-System Sales</u>		
Including Interchange-out	(+) \$	684,887
Internal Economy	(+)	209,406
Internal Replacement	(+)	1,429,868
Dollars Assigned to Inter-System Sales Losses	(+)	6,849
SUB-TOTAL	\$	<u>2,331,010</u>
(D) <u>Over or (Under) Recovery</u>		
From Page 5, Line 13	\$	<u>1,144,481</u>
TOTAL FUEL RECOVERY (A+B-C-D) =	\$	44,499,927

## KENTUCKY UTILITIES COMPANY

### SALES SCHEDULE (KWH)

Expense Month : September 2007

(A) Generation (Net)	(+)	1,543,957,000
Purchases including interchange-in	(+)	171,380,000
Internal Economy	(+)	209,708,000
Internal Replacement	(+)	1,378,000
SUB-TOTAL		<u>1,926,423,000</u>

(B) Inter-system Sales including interchange-out	(+)	18,061,000
Internal Economy	(+)	5,211,000
Internal Replacement	(+)	55,937,000
(*) System Losses	(+)	98,370,209
SUB-TOTAL		<u>177,579,209</u>

TOTAL SALES (A-B) 1,748,843,791

(\*) Note: See Page 4 of 6, "Adjustment of rolling 12-MTD average overall system losses to reflect losses

**KENTUCKY UTILITIES COMPANY**

**ADJUSTMENT OF ROLLING 12-MTD AVERAGE OVERALL SYSTEM  
LOSSES TO REFLECT LOSSES AT RETAIL LEVEL**

Expense Month : September 2007

12 Months to Date KWH Sources: 25,018,755,000 KWH  
 12 MTD Overall System Losses: 1,277,549,089 KWH  
 September 2007 KWH Sources: 1,926,423,000 KWH

$$1,277,549,089 / 25,018,755,000 = 5.106366\%$$

$$5.106366\% \times 1,926,423,000 = 98,370,209 \text{ KWH}$$

**WHOLESALE KWH SALES AND LOSSES**

181,292,374 Wholesale Sales & Deliveries to ODP at Transmission Voltage (WS-T)  
 53,860,400 Wholesale sales at Primary Voltage (WS-P)  
 79,209,000 Intersystem Sales at Transmission Voltage (IS-T)

	Wholesale Sales\Deliveries	Loss Percentage	Losses	Wholesale Sources
WS-T:	181,292,374	3.1%	5,799,859	187,092,233
WS-P:	53,860,400	3.1% & 0.7%	2,114,915	55,975,315
IS-T:	79,209,000	1.0%	800,091	80,009,091

**KENTUCKY UTILITIES COMPANY**  
**FUEL ADJUSTMENT CLAUSE**  
**OVER OR (UNDER) RECOVERY SCHEDULE**

Expense Month : September 2007

1. Last FAC Rate Billed		<u>\$0.00731</u>
2. KWH Billed at Above Rate		<u>1,758,856,929</u>
3. FAC Revenue/(Refund)	(Line 1 x Line 2)	<u>\$ 12,857,244</u>
4. KWH Used to Determine Last FAC Rate		<u>1,885,408,684</u>
5. Non-Jurisdictional KWH (Included in Line 4)		<u>261,955,133</u>
6. Kentucky Jurisdictional KWH	(Line 4 - Line 5)	<u>1,623,453,551</u>
7. Revised FAC Rate Billed, if prior period adjustment is needed (See Note 1)		<u>\$0.00000</u>
8. Recoverable FAC Revenue/(Refund)	(Line 1 x Line 6)	<u>\$ 11,867,445</u>
9. Over or (Under) Recovery	(Line 3 - Line 8)	<u>\$ 989,799</u>
10. Total Sales "Sm" (From Page 3 of 6)		<u>1,748,843,791</u>
11. Kentucky Jurisdictional Sales		<u>1,512,478,663</u>
12. Total Sales Divided by Kentucky Jurisdictional Sales (Line 10 / Line 11)		<u>1.15627667</u>
13. Total Company Over or (Under) Recovery	(Line 9 x Line 12)	<u>\$ 1,144,481</u>
		To Page 2, Line D

**FUEL ADJUSTMENT CLAUSE  
INTERCOMPANY TRANSACTIONS**  
Expense Month : September 2007

**KENTUCKY UTILITIES COMPANY**

		KWH	
<b>Purchases</b>			
Internal Economy			
	\$ 4,187,546.89	209,708,000	Fuel for LGE Sale to KU for Native Load
	309,311.33		Half of Split Savings to LGE from KU
	<u>\$ 4,496,858.22</u>	<u>209,708,000</u>	
Internal Replacement			
	\$ 42,970.03	727,000	Freed-up LGE Generation sold back to KU
	38,821.78	651,000	LGE Generation for KU Pre-Merger Sales
	<u>\$ 81,791.81</u>	<u>1,378,000</u>	
<b>Total Purchases</b>	<u><b>\$ 4,578,650.03</b></u>	<u><b>211,086,000</b></u>	
<b>Sales</b>			
Internal Economy			
	\$ 205,743.51	5,211,000	KU Fuel Cost - Sales to LGE Native Load
	3,662.19		Half of Split Savings
	<u>\$ 209,405.70</u>	<u>5,211,000</u>	
Internal Replacement			
	\$ 1,429,867.86	55,937,000	Freed-up KU Generation sold back to LGE
	-	0	KU Generation for LGE Pre-Merger
	-	0	KU Generation for LGE IB
	<u>\$ 1,429,867.86</u>	<u>55,937,000</u>	
<b>Total Sales</b>	<u><b>\$ 1,639,273.56</b></u>	<u><b>61,148,000</b></u>	

**LOUISVILLE GAS AND ELECTRIC COMPANY**

		KWH	
<b>Purchases</b>			
Internal Economy			
	\$ 205,743.51	5,211,000	KU Fuel Cost - Sales to LGE Native Load
	3,662.19		Half of Split Savings
	<u>\$ 209,405.70</u>	<u>5,211,000</u>	
Internal Replacement			
	\$ 1,429,867.86	55,937,000	Freed-up KU Generation sold back to LGE
	-	0	KU Generation for LGE Pre-Merger
	-	0	KU Generation for LGE IB
	<u>\$ 1,429,867.86</u>	<u>55,937,000</u>	
<b>Total Purchases</b>	<u><b>\$ 1,639,273.56</b></u>	<u><b>61,148,000</b></u>	
<b>Sales</b>			
Internal Economy			
	\$ 4,187,546.89	209,708,000	Fuel for LGE Sale to KU for Native Load
	309,311.33		Half of Split Savings to LGE from KU
	<u>\$ 4,496,858.22</u>	<u>209,708,000</u>	
Internal Replacement			
	\$ 42,970.03	727,000	Freed-up LGE Generation sold back to KU
	38,821.78	651,000	LGE Generation for KU Pre-Merger Sales
	<u>\$ 81,791.81</u>	<u>1,378,000</u>	
<b>Total Sales</b>	<u><b>\$ 4,578,650.03</b></u>	<u><b>211,086,000</b></u>	



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Elizabeth O'Donnell, Executive Director  
Public Service Commission of Kentucky  
Attention: Mr. Daryl Newby  
211 Sower Boulevard  
P.O. Box 615  
Frankfort, Kentucky 40602

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COMMISSION

**Kentucky Utilities Company**  
State Regulation and Rates  
220 West Main Street  
PO Box 32010  
Louisville, Kentucky 40232  
www.eon-us.com

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

November 21, 2007

Dear Ms. O'Donnell:

In compliance with 807 KAR 5:056, Kentucky Utilities Company herewith files its monthly fuel adjustment factor applicable to billings under retail rates during the December, 2007 billing cycle which begins December 3, 2007.

The necessary supporting data to justify the amount of the adjustment is included. Please contact me if you have any questions about this filing.

Sincerely,

Robert M. Conroy

Enclosure

**KENTUCKY UTILITIES COMPANY**  
**FUEL ADJUSTMENT CLAUSE SCHEDULE**

Expense Month : October 2007

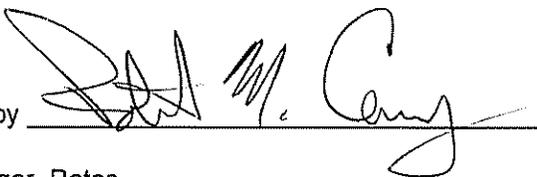
$$\frac{\text{Fuel "Fm" (Fuel Cost Schedule)} \quad \$46,591,842}{\text{Sales "Sm" (Sales Schedule)} \quad 1,637,807,764 \quad \text{KWH}} = (+) \$ 0.02845 / \text{KWH}$$

Per PSC approved Tariff Sheet No. 70 effective December 3, 2007. = (-) \$ 0.02591 / KWH

$$\text{FAC Factor (1)} = \underline{\underline{\$ 0.00254 / \text{KWH}}}$$

Note: (1) Five decimal places in dollars for normal rounding

Effective Date for Billing: December 3, 2007

Submitted by   
Title: Manager, Rates

**KENTUCKY UTILITIES COMPANY  
FUEL COST SCHEDULE**

Expense Month : October 2007

<u>(A) Company Generation</u>		
Coal Burned	(+) \$	28,628,582
Oil Burned	(+)	263,029
Gas Burned	(+)	4,880,954
Fuel (assigned cost during Forced Outage)	(+)	1,085,647
Fuel (substitute cost for Forced Outage)	(-)	1,419,578
SUB-TOTAL	\$	<u>33,438,634</u>
<u>(B) Purchases</u>		
Net energy cost - economy purchases	(+) \$	4,400,922
Identifiable fuel cost - other purchases	(+)	-
Identifiable fuel cost (substitute for Forced Outage)	(-)	232,389
Less Purchases above Highest Cost Units	(-)	-
Internal Economy	(+)	6,525,961
Internal Replacement	(+)	23,578
SUB-TOTAL	\$	<u>10,718,072</u>
<u>(C) Inter-System Sales</u>		
Including Interchange-out	(+) \$	507,167
Internal Economy	(+)	124,648
Internal Replacement	(+)	3,507,835
Dollars Assigned to Inter-System Sales Losses	(+)	5,072
SUB-TOTAL	\$	<u>4,144,722</u>
<u>(D) Over or (Under) Recovery</u>		
From Page 5, Line 13	\$	<u>(6,579,858)</u>
TOTAL FUEL RECOVERY (A+B-C-D) =	\$	46,591,842

## KENTUCKY UTILITIES COMPANY

### SALES SCHEDULE (KWH)

Expense Month : October 2007

(A) Generation (Net)	(+)	1,406,409,000
Purchases including interchange-in	(+)	180,612,000
Internal Economy	(+)	303,425,000
Internal Replacement	(+)	363,000
SUB-TOTAL		<u>1,890,809,000</u>

(B) Inter-system Sales including interchange-out	(+)	15,870,000
Internal Economy	(+)	3,153,000
Internal Replacement	(+)	137,380,000
(*) System Losses	(+)	96,598,236
SUB-TOTAL		<u>253,001,236</u>

TOTAL SALES (A-B) 1,637,807,764

(\*) Note: See Page 4 of 6, "Adjustment of rolling 12-MTD average overall system losses to reflect losses

**KENTUCKY UTILITIES COMPANY**

**ADJUSTMENT OF ROLLING 12-MTD AVERAGE OVERALL SYSTEM  
LOSSES TO REFLECT LOSSES AT RETAIL LEVEL**

Expense Month : October 2007

12 Months to Date KWH Sources: 24,953,082,000 KWH  
 12 MTD Overall System Losses: 1,274,810,807 KWH  
 October 2007 KWH Sources: 1,890,809,000 KWH

$$1,274,810,807 / 24,953,082,000 = 5.108831\%$$

$$5.108831\% \times 1,890,809,000 = 96,598,236 \text{ KWH}$$

**WHOLESALE KWH SALES AND LOSSES**

175,528,779 Wholesale Sales & Deliveries to ODP at Transmission Voltage (WS-T)  
 49,650,400 Wholesale sales at Primary Voltage (WS-P)  
 156,403,000 Intersystem Sales at Transmission Voltage (IS-T)

	<u>Wholesale Sales\Deliveries</u>	<u>Loss Percentage</u>	<u>Losses</u>	<u>Wholesale Sources</u>
WS-T:	175,528,779	3.1%	5,615,472	181,144,251
WS-P:	49,650,400	3.1% & 0.7%	1,949,603	51,600,003
IS-T:	156,403,000	1.0%	1,579,828	157,982,828

**KENTUCKY UTILITIES COMPANY**  
**FUEL ADJUSTMENT CLAUSE**  
**OVER OR (UNDER) RECOVERY SCHEDULE**

Expense Month : October 2007

1. Last FAC Rate Billed		<u>\$0.01274</u>
2. KWH Billed at Above Rate		<u>1,449,787,683</u>
3. FAC Revenue/(Refund)	(Line 1 x Line 2)	<u>\$ 18,470,295</u>
4. KWH Used to Determine Last FAC Rate		<u>2,193,193,917</u>
5. Non-Jurisdictional KWH (Included in Line 4)		<u>298,293,355</u>
6. Kentucky Jurisdictional KWH	(Line 4 - Line 5)	<u>1,894,900,562</u>
7. Revised FAC Rate Billed, if prior period adjustment is needed (See Note 1)		<u>\$0.00000</u>
8. Recoverable FAC Revenue/(Refund)	(Line 1 x Line 6)	<u>\$ 24,141,033</u>
9. Over or (Under) Recovery	(Line 3 - Line 8)	<u>\$ (5,670,738)</u>
10. Total Sales "Sm" (From Page 3 of 6)		<u>1,637,807,764</u>
11. Kentucky Jurisdictional Sales		<u>1,411,516,686</u>
12. Total Sales Divided by Kentucky Jurisdictional Sales (Line 10 / Line 11)		<u>1.16031768</u>
13. Total Company Over or (Under) Recovery	(Line 9 x Line 12)	<u>\$ (6,579,858)</u>
		To Page 2, Line D

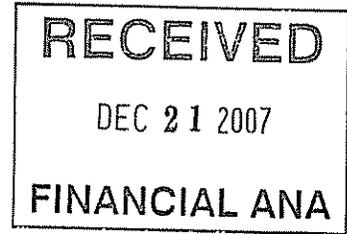
**FUEL ADJUSTMENT CLAUSE  
INTERCOMPANY TRANSACTIONS**  
Expense Month : October 2007

**KENTUCKY UTILITIES COMPANY**

<b>Purchases</b>		<b>KWH</b>	
Internal Economy			
	\$ 5,834,589.31	303,425.000	Fuel for LGE Sale to KU for Native Load
	691,372.08		Half of Split Savings to LGE from KU
	<u>\$ 6,525,961.39</u>	<u>303,425,000</u>	
Internal Replacement			
	\$ 652.43	12.000	Freed-up LGE Generation sold back to KU
	22,925.46	351,000	LGE Generation for KU Pre-Merger Sales
	<u>\$ 23,577.89</u>	<u>363,000</u>	
<b>Total Purchases</b>	<u><b>\$ 6,549,539.28</b></u>	<u><b>303,788,000</b></u>	
<b>Sales</b>			
Internal Economy			
	\$ 121,941.72	3,153.000	KU Fuel Cost - Sales to LGE Native Load
	2,706.38		Half of Split Savings
	<u>\$ 124,648.10</u>	<u>3,153,000</u>	
Internal Replacement			
	\$ 3,507,835.38	137,380,000	Freed-up KU Generation sold back to LGE
	-	0	KU Generation for LGE Pre-Merger
	-	0	KU Generation for LGE IB
	<u>\$ 3,507,835.38</u>	<u>137,380,000</u>	
<b>Total Sales</b>	<u><b>\$ 3,632,483.48</b></u>	<u><b>140,533,000</b></u>	

**LOUISVILLE GAS AND ELECTRIC COMPANY**

<b>Purchases</b>		<b>KWH</b>	
Internal Economy			
	\$ 121,941.72	3,153.000	KU Fuel Cost - Sales to LGE Native Load
	2,706.38		Half of Split Savings
	<u>\$ 124,648.10</u>	<u>3,153,000</u>	
Internal Replacement			
	\$ 3,507,835.38	137,380.000	Freed-up KU Generation sold back to LGE
	-	0	KU Generation for LGE Pre-Merger
	-	0	KU Generation for LGE IB
	<u>\$ 3,507,835.38</u>	<u>137,380,000</u>	
<b>Total Purchases</b>	<u><b>\$ 3,632,483.48</b></u>	<u><b>140,533,000</b></u>	
<b>Sales</b>			
Internal Economy			
	\$ 5,834,589.31	303,425.000	Fuel for LGE Sale to KU for Native Load
	691,372.08		Half of Split Savings to LGE from KU
	<u>\$ 6,525,961.39</u>	<u>303,425,000</u>	
Internal Replacement			
	\$ 652.43	12,000	Freed-up LGE Generation sold back to KU
	22,925.46	351,000	LGE Generation for KU Pre-Merger Sales
	<u>\$ 23,577.89</u>	<u>363,000</u>	
<b>Total Sales</b>	<u><b>\$ 6,549,539.28</b></u>	<u><b>303,788,000</b></u>	



Elizabeth O'Donnell, Executive Director  
Public Service Commission of Kentucky  
Attention: Mr. Daryl Newby  
211 Sower Boulevard  
P. O. Box 615  
Frankfort, Kentucky 40602

**Kentucky Utilities Company**  
State Regulation and Rates  
220 West Main Street  
PO Box 32010  
Louisville, Kentucky 40232  
www.eon-us.com



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

December 21, 2007

Dear Ms. O'Donnell:

In compliance with 807 KAR 5:056, Kentucky Utilities Company herewith files its monthly fuel adjustment factor applicable to billings under retail rates during the January 2008 billing cycle which begins January 4, 2008.

The determination of the November expense month billing factor uses the base fuel factor of \$0.01810/kWh, the base fuel factor actually in effect during November billings. KU inadvertently used the new base fuel factor of \$0.02591/kWh when determining the October expense month FAC billing factor, and this error results in an under-collection of incurred fuel expense, as shown on the attached Exhibit 1. KU will determine the October under-collection of fuel expense on Page 5 of 6 on the December 2007 expense month Form A by revising the FAC billing factor applied to December sales.

The necessary supporting data to justify the amount of the adjustment is included. Please contact me if you have any questions about this filing.

Sincerely,

Robert M. Conroy  
Manager, Rates

Enclosures

**KENTUCKY UTILITIES COMPANY**  
**FUEL ADJUSTMENT CLAUSE SCHEDULE**

Expense Month : November 2007

$$\begin{array}{r} \text{Fuel "Fm" (Fuel Cost Schedule)} \\ \hline \end{array} = \frac{\$43,023,518}{\begin{array}{r} \text{Sales "Sm" (Sales Schedule)} \\ \hline \end{array}} = (+) \$ 0.02605 / \text{KWH}$$

1,651,783,213 KWH

Per PSC approved Tariff Sheet No. 70 effective June 30, 2005. = (-) \$ 0.01810 / KWH

$$\text{FAC Factor (1)} = \underline{\underline{\$ 0.00795 / \text{KWH}}}$$

Note: (1) Five decimal places in dollars for normal rounding.

Effective Date for Billing: January 4, 2008

Submitted by 

Title: Manager, Rates

**KENTUCKY UTILITIES COMPANY  
FUEL COST SCHEDULE**

Expense Month : November 2007

(A) <u>Company Generation</u>		
Coal Burned	(+) \$	29,777,722
Oil Burned	(+)	717,170
Gas Burned	(+)	2,193,580
Fuel (assigned cost during Forced Outage)	(+)	2,229,323
Fuel (substitute cost for Forced Outage)	(-)	1,930,237
SUB-TOTAL	\$	32,987,558
(B) <u>Purchases</u>		
Net energy cost - economy purchases	(+) \$	5,469,389
Identifiable fuel cost - other purchases	(+)	-
Identifiable fuel cost (substitute for Forced Outage)	(-)	562,467
Less Purchases above Highest Cost Units	(-)	-
Internal Economy	(+)	6,664,636
Internal Replacement	(+)	32,062
SUB-TOTAL	\$	11,603,620
(C) <u>Inter-System Sales</u>		
Including Interchange-out	(+) \$	509,777
Internal Economy	(+)	190,520
Internal Replacement	(+)	2,452,400
Dollars Assigned to Inter-System Sales Losses	(+)	5,098
SUB-TOTAL	\$	3,157,795
(D) <u>Over or (Under) Recovery</u>		
From Page 5, Line 13	\$	(1,590,135)
TOTAL FUEL RECOVERY (A+B-C-D) =	\$	43,023,518

## KENTUCKY UTILITIES COMPANY

### SALES SCHEDULE (KWH)

Expense Month : November 2007

(A) Generation (Net)	(+)	1,319,182,000
Purchases including interchange-in	(+)	173,925,000
Internal Economy	(+)	363,473,000
Internal Replacement	(+)	616,000
SUB-TOTAL		<u>1,857,196,000</u>
(B) Inter-system Sales including interchange-out	(+)	12,611,000
Internal Economy	(+)	2,592,000
Internal Replacement	(+)	92,515,000
(*) System Losses	(+)	97,694,787
SUB-TOTAL		<u>205,412,787</u>
TOTAL SALES (A-B)		<u><u>1,651,783,213</u></u>

(\*) Note: See Page 4 of 6, "Adjustment of rolling 12-MTD average overall system losses to reflect losses

**KENTUCKY UTILITIES COMPANY**

**ADJUSTMENT OF ROLLING 12-MTD AVERAGE OVERALL SYSTEM  
LOSSES TO REFLECT LOSSES AT RETAIL LEVEL**

Expense Month : November 2007

12 Months to Date KWH Sources: 24,577,764,000 KWH  
 12 MTD Overall System Losses: 1,292,873,372 KWH  
 November 2007 KWH Sources: 1,857,196,000 KWH

$$1,292,873,372 / 24,577,764,000 = 5.260338\%$$

$$5.260338\% \times 1,857,196,000 = 97,694,787 \text{ KWH}$$

**WHOLESALE KWH SALES AND LOSSES**

187,558,428 Wholesale Sales & Deliveries to ODP at Transmission Voltage (WS-T)  
 45,941,200 Wholesale sales at Primary Voltage (WS-P)  
 107,718,000 Intersystem Sales at Transmission Voltage (IS-T)

	<u>Wholesale Sales\Deliveries</u>	<u>Loss Percentage</u>	<u>Losses</u>	<u>Wholesale Sources</u>
WS-T:	187,558,428	3.1%	6,000,321	193,558,749
WS-P:	45,941,200	3.1% & 0.7%	1,803,955	47,745,155
IS-T:	107,718,000	1.0%	1,088,061	108,806,061

**KENTUCKY UTILITIES COMPANY**  
**FUEL ADJUSTMENT CLAUSE**  
**OVER OR (UNDER) RECOVERY SCHEDULE**

Expense Month : November 2007

1. Last FAC Rate Billed		<u>\$0.00735</u>
2. KWH Billed at Above Rate		<u>1,326,864,327</u>
3. FAC Revenue/(Refund)	(Line 1 x Line 2)	<u>\$ 9,752,453</u>
4. KWH Used to Determine Last FAC Rate		<u>1,748,843,791</u>
5. Non-Jurisdictional KWH (Included in Line 4)		<u>236,365,128</u>
6. Kentucky Jurisdictional KWH	(Line 4 - Line 5)	<u>1,512,478,663</u>
7. Revised FAC Rate Billed, if prior period adjustment is needed (See Note 1)		<u>\$0.00000</u>
8. Recoverable FAC Revenue/(Refund)	(Line 1 x Line 6)	<u>\$ 11,116,718</u>
9. Over or (Under) Recovery	(Line 3 - Line 8)	<u>\$ (1,364,265)</u>
10. Total Sales "Sm" (From Page 3 of 6)		<u>1,651,783,213</u>
11. Kentucky Jurisdictional Sales		<u>1,417,156,732</u>
12. Total Sales Divided by Kentucky Jurisdictional Sales (Line 10 / Line 11)		<u>1.16556142</u>
13. Total Company Over or (Under) Recovery	(Line 9 x Line 12)	<u>\$ (1,590,135)</u>

To Page 2, Line D

**FUEL ADJUSTMENT CLAUSE  
INTERCOMPANY TRANSACTIONS**  
Expense Month : November 2007

**KENTUCKY UTILITIES COMPANY**

		KWH	
<b>Purchases</b>			
Internal Economy			
	\$ 6,050,402.87	363,473,000	Fuel for LGE Sale to KU for Native Load
	614,233.08		Half of Split Savings to LGE from KU
	<u>\$ 6,664,635.95</u>	<u>363,473,000</u>	
Internal Replacement			
	\$ -	0	Freed-up LGE Generation sold back to KU
	32,062.25	616,000	LGE Generation for KU Pre-Merger Sales
	<u>\$ 32,062.25</u>	<u>616,000</u>	
<b>Total Purchases</b>	<u><b>\$ 6,696,698.20</b></u>	<u><b>364,089,000</b></u>	
<b>Sales</b>			
Internal Economy			
	\$ 190,520.17	2,592,000	KU Fuel Cost - Sales to LGE Native Load
	-		Half of Split Savings
	<u>\$ 190,520.17</u>	<u>2,592,000</u>	
Internal Replacement			
	\$ 2,452,400.30	92,515,000	Freed-up KU Generation sold back to LGE
	-	0	KU Generation for LGE Pre-Merger
	-	0	KU Generation for LGE IB
	<u>\$ 2,452,400.30</u>	<u>92,515,000</u>	
<b>Total Sales</b>	<u><b>\$ 2,642,920.47</b></u>	<u><b>95,107,000</b></u>	

**LOUISVILLE GAS AND ELECTRIC COMPANY**

		KWH	
<b>Purchases</b>			
Internal Economy			
	\$ 190,520.17	2,592,000	KU Fuel Cost - Sales to LGE Native Load
	-		Half of Split Savings
	<u>\$ 190,520.17</u>	<u>2,592,000</u>	
Internal Replacement			
	\$ 2,452,400.30	92,515,000	Freed-up KU Generation sold back to LGE
	-	0	KU Generation for LGE Pre-Merger
	-	0	KU Generation for LGE IB
	<u>\$ 2,452,400.30</u>	<u>92,515,000</u>	
<b>Total Purchases</b>	<u><b>\$ 2,642,920.47</b></u>	<u><b>95,107,000</b></u>	
<b>Sales</b>			
Internal Economy			
	\$ 6,050,402.87	363,473,000	Fuel for LGE Sale to KU for Native Load
	614,233.08		Half of Split Savings to LGE from KU
	<u>\$ 6,664,635.95</u>	<u>363,473,000</u>	
Internal Replacement			
	\$ -	0	Freed-up LGE Generation sold back to KU
	32,062.25	616,000	LGE Generation for KU Pre-Merger Sales
	<u>\$ 32,062.25</u>	<u>616,000</u>	
<b>Total Sales</b>	<u><b>\$ 6,696,698.20</b></u>	<u><b>364,089,000</b></u>	

**KU**

**Exhibit 1**

**Change to Base Fuel Factor –  
October 2007 Expense Month**

## Kentucky Utilities Company Fuel Recovery Position, October 2007

		Actual October FAC Billing Factor (a)	Corrected October FAC Billing Factor (b)
(1) October Fuel Expense	Form A	\$ 46,591,842	\$ 46,591,842
(2) October Fuel Cost per kWh	Form A	\$ 0.02845	\$ 0.02845
(3) October Retail Energy Sales, kWh		1,449,787,683	1,449,787,683
(4) Fuel Expense Recoverable from Retail Customers	(2) x (3)	\$ 41,246,460	\$ 41,246,460
(5) Base Fuel Factor in effect in October		\$ 0.01810	\$ 0.01810
(6) Base Fuel Factor used to calculate October FAC factor		\$ 0.02591	
(7) Fuel Expense Recovered through Base Rates, October	(3) x (5)	\$ 26,241,157	\$ 26,241,157
(8) FAC Billing Factor, actual	(2) - (6)	\$ 0.00254	
(9) FAC Billing Factor, correct	(2) - (5)		\$ 0.01035
(10) Fuel Expense Recovered through Billing Factor	(3) x (8)	\$ 3,682,461	\$ 15,005,303
(11) Total Fuel Expense Recovered	(7) + (10)	\$ 29,923,618	\$ 41,246,460
(12) Over/(Under) Recovery	(11) - (4)	\$ (11,322,842)	\$ -



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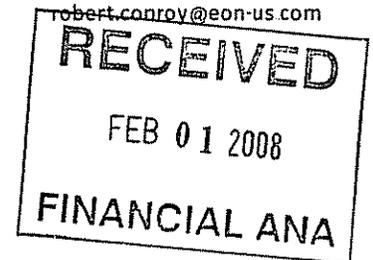
Elizabeth O'Donnell, Executive Director  
Public Service Commission of Kentucky  
Attention: Mr. Daryl Newby  
211 Sower Boulevard  
P. O. Box 615  
Frankfort, Kentucky 40602

Kentucky Utilities Company  
State Regulation and Rates  
220 West Main Street  
PO Box 32010  
Louisville, Kentucky 40232  
www.eon-us.com

Robert M. Conroy  
Manager - Rates  
T 502-627-3324  
F 502-627-3213

robert.conroy@eon-us.com

January 31, 2008



Dear Ms. O'Donnell:

In compliance with 807 KAR 5:056, Kentucky Utilities Company herewith files its monthly fuel adjustment factor applicable to billings under retail rates during the February 2008 billing cycle which begins February 4, 2008.

As discussed in the conference on January 30, 2008 attended by representatives of Kentucky Utilities Company, the Commission Staff and the Attorney General's office, KU is revising its December 2007 expense month filing made on January 25, 2008 to reflect the allocation of the under-collection of the October 2007 fuel expenses evenly over the billing months of February, March and April 2008.

The necessary supporting data to justify the amount of the adjustment is included. Please contact me if you have any questions about this filing.

Sincerely,

Robert M. Conroy  
Manager, Rates

Enclosures

**KENTUCKY UTILITIES COMPANY**  
**FUEL ADJUSTMENT CLAUSE SCHEDULE**

Expense Month : December 2007

$$\frac{\text{Fuel "Fm" (Fuel Cost Schedule)}}{\text{Sales "Sm" (Sales Schedule)}} = \frac{\$49,695,183}{1,829,213,676 \text{ KWH}} = (+) \$ 0.02717 / \text{KWH}$$

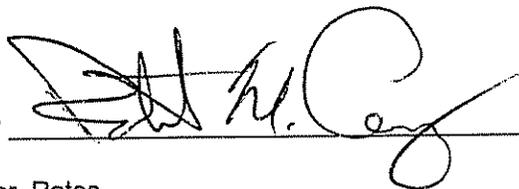
Per PSC approved Tariff Sheet No. 70 effective December 3, 2007 = (-) \$ 0.02591 / KWH

$$\text{FAC Factor (1)} = \underline{\underline{\$ 0.00126 / \text{KWH}}}$$

Note: (1) Five decimal places in dollars for normal rounding.

Effective Date for Billing: February 4, 2008

Submitted by



Title: Manager, Rates

**KENTUCKY UTILITIES COMPANY  
FUEL COST SCHEDULE**

Expense Month : December 2007

<u>(A) Company Generation</u>		
Coal Burned	(+) \$	35,098,754
Oil Burned	(+)	1,201,075
Gas Burned	(+)	1,774,004
Fuel (assigned cost during Forced Outage)	(+)	914,441
Fuel (substitute cost for Forced Outage)	(-)	<u>1,116,557</u>
SUB-TOTAL	\$	37,871,717
<u>(B) Purchases</u>		
Net energy cost - economy purchases	(+) \$	3,740,370
Identifiable fuel cost - other purchases	(+)	-
Identifiable fuel cost (substitute for Forced Outage)	(-)	110,528
Less Purchases above Highest Cost Units	(-)	-
Internal Economy	(+)	8,909,821
Internal Replacement	(+)	<u>33</u>
SUB-TOTAL	\$	12,539,696
<u>(C)</u>		
<u>Inter-System Sales</u>		
Including Interchange-out	(+) \$	327,168
Internal Economy	(+)	-
Internal Replacement	(+)	4,500,469
Dollars Assigned to Inter-System Sales Losses	(+)	<u>3,272</u>
SUB-TOTAL	\$	4,830,909
<u>(D)</u>		
<u>Over or (Under) Recovery</u>		
From Page 5, Line 16	\$	<u>(4,114,679)</u>
TOTAL FUEL RECOVERY (A+B-C-D) =	\$	49,695,183

## KENTUCKY UTILITIES COMPANY

### SALES SCHEDULE (KWH)

Expense Month : December 2007

(A) Generation (Net)	(+)	1,534,054,000
Purchases including interchange-in	(+)	100,602,000
Internal Economy	(+)	511,119,000
Internal Replacement	(+)	2,000
SUB-TOTAL		<u>2,145,777,000</u>
(B) Inter-system Sales including interchange-out	(+)	14,010,000
Internal Economy	(+)	-
Internal Replacement	(+)	188,654,000
(*) System Losses	(+)	113,899,324
SUB-TOTAL		<u>316,563,324</u>
TOTAL SALES (A-B)		<u>1,829,213,676</u>

(\*) Note: See Page 4 of 6, "Adjustment of rolling 12-MTD average overall system losses to reflect losses

**KENTUCKY UTILITIES COMPANY**

**ADJUSTMENT OF ROLLING 12-MTD AVERAGE OVERALL SYSTEM  
LOSSES TO REFLECT LOSSES AT RETAIL LEVEL**

Expense Month : December 2007

12 Months to Date KWH Sources: 24,595,672,000 KWH  
 12 MTD Overall System Losses: 1,305,555,206 KWH  
 December 2007 KWH Sources: 2,145,777,000 KWH

$$1,305,555,206 / 24,595,672,000 = 5.308069\%$$

$$5.308069\% \times 2,145,777,000 = 113,899,324 \text{ KWH}$$

**WHOLESALE KWH SALES AND LOSSES**

211,096,642 Wholesale Sales & Deliveries to ODP at Transmission Voltage (WS-T)  
 48,733,200 Wholesale sales at Primary Voltage (WS-P)  
 202,664,000 Intersystem Sales at Transmission Voltage (IS-T)

	<u>Wholesale Sales\Deliveries</u>	<u>Loss Percentage</u>	<u>Losses</u>	<u>Wholesale Sources</u>
WS-T:	211,096,642	3.1%	6,753,350	217,849,992
WS-P:	48,733,200	3.1% & 0.7%	1,913,588	50,646,788
IS-T:	202,664,000	1.0%	2,047,111	204,711,111

**KENTUCKY UTILITIES COMPANY**  
**FUEL ADJUSTMENT CLAUSE**  
**OVER OR (UNDER) RECOVERY SCHEDULE**

Expense Month : December 2007

1.	Last FAC Rate Billed		<u>\$0.00254</u>
2.	KWH Billed at Above Rate		<u>1,525,415,958</u>
3.	FAC Revenue/(Refund)	(Line 1 x Line 2)	<u>\$ 3,874,557</u>
4.	KWH Used to Determine Last FAC Rate		<u>1,637,807,764</u>
5.	Non-Jurisdictional KWH (Included in Line 4)		<u>226,291,078</u>
6.	Kentucky Jurisdictional KWH	(Line 4 - Line 5)	<u>1,411,516,686</u>
7.	Revised FAC Rate Billed, if prior period adjustment is needed (See Note 1)		<u>\$0.00258</u>
8.	Recoverable FAC Revenue/(Refund)	(Line 7 x Line 6)	<u>\$ 3,641,713</u>
9.	Over or (Under) Recovery	(Line 3 - Line 8)	<u>\$ 232,844</u>
10.	Total Sales "Sm" (From Page 3 of 6)		<u>1,829,213,676</u>
11.	Kentucky Jurisdictional Sales		<u>1,567,816,660</u>
12.	Total Sales Divided by Kentucky Jurisdictional Sales (Line 10 / Line 11)		<u>1.16672678</u>
13.	Total Company Over or (Under) Recovery	(Line 9 x Line 12)	<u>\$ 271,665</u>
14.	Additional (Under) Recovery -- September 2007	Note 2	<u>\$ (211,546)</u>
15.	Additional (Under) Recovery -- December 2007	Note 3	<u>\$ (4,174,798)</u>
16.	Total Company Over or (Under) Recovery	Line 13 + Line 14 + Line 15	<u>\$ (4,114,679)</u> To Page 2, Line D

Note 1: October fuel expense was increased as a result of the 2006 Mine Safety Act. This adjustment to October fuel expense results in a calculated billing factor of \$0.00258/kWh. Please see Exhibit 1, Page 2.

Note 2: Additionally, KU is adjusting its December under-recovery balance by \$211,546 -- the amount by which September fuel expense was adjusted as explained in the attached Exhibit 1. This amount reflects the additional fuel cost incurred by KU as a result of the 2006 Mine Safety Act.

Note 3: As communicated in the KU November 2007 expense month filing made on December 21, 2007, it was discovered that the revised base fuel factor was used to calculate the October FAC billing factor. However, October expenses must be recovered using the base fuel factor in effect during October retail billings. Using the correct base fuel for October expenses results in a billing factor of \$0.01035, excluding the impact of the Mine Safety Act as discussed in Note 1. Using the correct October fuel factor to calculate December's under-recovered fuel expense results in a Total Company under-recovered balance of \$12,524,393. By agreement on January 30, 2008, KU agreed to adjust the December, January and February expense month filings each for one-third of the Total Company under-recovered amount rather than include the entire balance in the December filing. Please see Exhibit 2.

**FUEL ADJUSTMENT CLAUSE  
INTERCOMPANY TRANSACTIONS**

Expense Month : December 2007

**KENTUCKY UTILITIES COMPANY**

		KWH	
<b>Purchases</b>			
Internal Economy	\$ 8,025,570.23	511,119,000	Fuel for LGE Sale to KU for Native Load
	884,250.81		Half of Split Savings to LGE from KU
	<u>\$ 8,909,821.04</u>	<u>511,119,000</u>	
Internal Replacement	\$ -	0	Freed-up LGE Generation sold back to KU
	33.03	2,000	LGE Generation for KU Pre-Merger Sales
	<u>\$ 33.03</u>	<u>2,000</u>	
<b>Total Purchases</b>	<u><b>\$ 8,909,854.07</b></u>	<u><b>511,121,000</b></u>	
<b>Sales</b>			
Internal Economy	\$ -	0	KU Fuel Cost - Sales to LGE Native Load
	-		Half of Split Savings
	<u>\$ -</u>	<u>0</u>	
Internal Replacement	\$ 4,500,469.00	188,654,000	Freed-up KU Generation sold back to LGE
	-	0	KU Generation for LGE Pre-Merger
	-	0	KU Generation for LGE IB
	<u>\$ 4,500,469.00</u>	<u>188,654,000</u>	
<b>Total Sales</b>	<u><b>\$ 4,500,469.00</b></u>	<u><b>188,654,000</b></u>	

**LOUISVILLE GAS AND ELECTRIC COMPANY**

		KWH	
<b>Purchases</b>			
Internal Economy	\$ -	0	KU Fuel Cost - Sales to LGE Native Load
	-		Half of Split Savings
	<u>\$ -</u>	<u>0</u>	
Internal Replacement	\$ 4,500,469.00	188,654,000	Freed-up KU Generation sold back to LGE
	-	0	KU Generation for LGE Pre-Merger
	-	0	KU Generation for LGE IB
	<u>\$ 4,500,469.00</u>	<u>188,654,000</u>	
<b>Total Purchases</b>	<u><b>\$ 4,500,469.00</b></u>	<u><b>188,654,000</b></u>	
<b>Sales</b>			
Internal Economy	\$ 8,025,570.23	511,119,000	Fuel for LGE Sale to KU for Native Load
	884,250.81		Half of Split Savings to LGE from KU
	<u>\$ 8,909,821.04</u>	<u>511,119,000</u>	
Internal Replacement	\$ -	0	Freed-up LGE Generation sold back to KU
	33.03	2,000	LGE Generation for KU Pre-Merger Sales
	<u>\$ 33.03</u>	<u>2,000</u>	
<b>Total Sales</b>	<u><b>\$ 8,909,854.07</b></u>	<u><b>511,121,000</b></u>	

# KU Fuel Adjustment Clause

December 2007

Exhibit 1

**FAC Adjustment due to Mine Safety Accruals**

Calculate retail under-collection for September:

Kentucky Utilities Company

	As Filed	Revised	Difference
Fuel Expense, F(m)	\$ 44,499,927	\$ 44,713,980	\$ 214,053
Sales, S(m)	1,748,843,791	1,748,843,791	
Fuel expense per kWh	0.02545	0.02557	0.00012
Fuel factor billed in November	0.00735	0.00747	0.00012
November sales, kWh	1,326,864,327	1,326,864,327	
FAC Revenue	9,752,452.80	9,752,452.80	
KWH Used to Determine Last FAC Rate	1,748,843,791	1,748,843,791	
Non-Jurisdictional KWH (Included in Line 4)	236,365,128	236,365,128	
Kentucky Jurisdictional KWH	1,512,478,663	1,512,478,663	
Recoverable FAC Revenue/(Refund)	11,116,718	11,298,216	181,497
Over or (Under) Recovery	(1,364,265)	(1,545,763)	(181,497)
Total Sales "Sm" (From Page 3 of 6)	1,651,783,213	1,651,783,213	
Kentucky Jurisdictional Sales	1,417,156,732	1,417,156,732	
Total Sales Divided by Kentucky Jurisdictional Sales	1.16556142	1.16556142	
Total Company Over or (Under) Recovery	(1,590,135)	(1,801,681)	(211,546) *

\* Include as addition to December expense month over/under recovery

### FAC Adjustment due to Mine Safety Accruals

Calculate retail under-collection for October:

Kentucky Utilities Company

	As Filed	Revised	Difference
Fuel Expense, F(m)	\$ 46,591,842	\$ 46,667,871	\$ 76,029
Sales, S(m)	1,637,807,764	1,637,807,764	
Fuel expense per kWh	0.02845	0.02849	0.00004
Fuel factor billed in December	0.00254	0.00258	0.00004
December sales, kWh	1,525,415,958	1,525,415,958	
FAC Revenue	3,874,556.53	3,874,556.53	
KWH Used to Determine Last FAC Rate	1,637,807,764	1,637,807,764	
Non-Jurisdictional KWH (Included in Line 4)	226,291,078	226,291,078	
Kentucky Jurisdictional KWH	1,411,516,686	1,411,516,686	
Recoverable FAC Revenue/(Refund)		3,641,713	
Over or (Under) Recovery		232,843	
Total Sales "Sm" (From Page 3 of 6)		1,829,213,676	
Kentucky Jurisdictional Sales		1,567,816,660	
Total Sales Divided by Kentucky Jurisdictional Sales		1.166726775	
Total Company Over or (Under) Recovery		271,665	

**KENTUCKY UTILITIES COMPANY**  
**FUEL ADJUSTMENT CLAUSE SCHEDULE**

Expense Month : September 2007 as Revised January 25, 2008

$$\frac{\text{Fuel "Fm" (Fuel Cost Schedule)} \quad \$44,713,980}{\text{Sales "Sm" (Sales Schedule)} \quad 1,748,843,791 \quad \text{KWH}} = (+) \$ 0.02557 / \text{KWH}$$

Per PSC approved Tariff Sheet No. 70 effective June 5, 2005. = (-) \$ 0.01810 / KWH

$$\text{FAC Factor (1)} = \underline{\underline{\$ 0.00747 / \text{KWH}}}$$

Note: (1) Five decimal places in dollars for normal rounding.

Effective Date for Billing: February 4, 2008

Submitted by \_\_\_\_\_

Title: Manager, Rates

**KENTUCKY UTILITIES COMPANY  
FUEL COST SCHEDULE**

Expense Month : September 2007 as Revised January 25, 2008

(A) <u>Company Generation</u>		
Coal Burned	(+) \$	33,302,552
Oil Burned	(+)	301,355
Gas Burned	(+)	5,122,123
Fuel (assigned cost during Forced Outage)	(+)	-
Fuel (substitute cost for Forced Outage)	(-)	-
SUB-TOTAL	\$	<u>38,726,030</u>
(B) <u>Purchases</u>		
Net energy cost - economy purchases	(+) \$	4,884,791
Identifiable fuel cost - other purchases	(+)	-
Identifiable fuel cost (substitute for Forced Outage)	(-)	-
Less Purchases above Highest Cost Units	(-)	-
Internal Economy	(+)	4,496,858
Internal Replacement	(+)	81,792
SUB-TOTAL	\$	<u>9,463,441</u>
(C) <u>Inter-System Sales</u>		
Including Interchange-out	(+) \$	684,887
Internal Economy	(+)	209,406
Internal Replacement	(+)	1,429,868
Dollars Assigned to Inter-System Sales Losses	(+)	6,849
SUB-TOTAL	\$	<u>2,331,010</u>
(D) <u>Over or (Under) Recovery</u>		
From Page 5, Line 13	\$	<u>1,144,481</u>
TOTAL FUEL RECOVERY (A+B-C-D) =	\$	44,713,980

**KENTUCKY UTILITIES COMPANY**  
**FUEL ADJUSTMENT CLAUSE SCHEDULE**

Expense Month : October 2007 as Revised January 25, 2008

$$\frac{\text{Fuel "Fm" (Fuel Cost Schedule)} \quad \$46,667,871}{\text{Sales "Sm" (Sales Schedule)} \quad 1,637,807,764 \quad \text{KWH}} = (+) \$ 0.02849 / \text{KWH}$$

Per PSC approved Tariff Sheet No. 70 effective June 5, 2005. = (-) \$ 0.01810 / KWH

$$\text{FAC Factor (1)} = \underline{\underline{\$ 0.01039 / \text{KWH}}}$$

Note: (1) Five decimal places in dollars for normal rounding.

Effective Date for Billing: February 4, 2008

Submitted by \_\_\_\_\_

Title: Manager, Rates

**KENTUCKY UTILITIES COMPANY  
FUEL COST SCHEDULE**

Expense Month : October 2007 as Revised January 25, 2008

(A) <u>Company Generation</u>		
Coal Burned	(+) \$	28,704,611
Oil Burned	(+)	263,029
Gas Burned	(+)	4,880,954
Fuel (assigned cost during Forced Outage)	(+)	1,085,647
Fuel (substitute cost for Forced Outage)	(-)	1,419,578
SUB-TOTAL	\$	33,514,663
(B) <u>Purchases</u>		
Net energy cost - economy purchases	(+) \$	4,400,922
Identifiable fuel cost - other purchases	(+)	-
Identifiable fuel cost (substitute for Forced Outage)	(-)	232,389
Less Purchases above Highest Cost Units	(-)	-
Internal Economy	(+)	6,525,961
Internal Replacement	(+)	23,578
SUB-TOTAL	\$	10,718,072
(C) <u>Inter-System Sales</u>		
Including Interchange-out	(+) \$	507,167
Internal Economy	(+)	124,648
Internal Replacement	(+)	3,507,835
Dollars Assigned to Inter-System Sales Losses	(+)	5,072
SUB-TOTAL	\$	4,144,722
(D) <u>Over or (Under) Recovery</u>		
From Page 5, Line 13	\$	(6,579,858)
TOTAL FUEL RECOVERY (A+B-C-D) =	\$	46,667,871

# KU Fuel Adjustment Clause

December 2007

Exhibit 2

**Kentucky Utilities Company**  
**December Fuel Adjustment Clause**  
**Calculation of Under-Recovery Adjustment**  
**Informal Conference January 30, 2008**

1.	Last FAC Rate Billed		\$	0.00254
2.	KWH Billed at Above Rate			1,525,415,958
3.	FAC Revenue/(Refund)	(Line 1 x Line 2)	\$	3,874,557.00
4.	KWH Used to Determine Last FAC Rate			1,637,807,764
5.	Non-Jurisdictional KWH (Included in Line 4)			226,291,078
6.	Kentucky Jurisdictional KWH	(Line 4 - Line 5)		1,411,516,686
7.	Revised FAC Rate Billed, if prior period adjustment is needed (See Note 1)		\$	0.01035
8.	Recoverable FAC Revenue/(Refund)	(Line 7 x Line 6)		14,609,197.70
9.	Over or (Under) Recovery	(Line 3 - Line 8)	\$	(10,734,640.70)
10.	Total Sales "Sm" (From Page 3 of 6)			1,829,213,676
11.	Kentucky Jurisdictional Sales			1,567,816,660
12.	Total Sales Divided by Kentucky Jurisdictional Sales	(Line 10 / Line 11)		1.1667268
13.	Total Company Over or (Under) Recovery	(Line 9 x Line 12)	\$	(12,524,393)
	December expense month under-recovery adjustment		\$	(4,174,798)
	January expense month under-recovery adjustment		\$	(4,174,798)
	February expense month under-recovery adjustment		\$	(4,174,797)

Above adjustment to KU's under-recovery fuel expense reflects the agreement to spread the cost recovery associated with the October 2007 FAC billing factor over three months.

The adjustment to KU's October fuel expense related to the 2006 Mine Safety Act is not included in these adjustments

Note 1: As previously communicated, using the correct base fuel for the October expense month results in a billing factor of \$0.01035 / kWh.