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David R. McDowell, Assistant Director
Public Service Commission of Kentucky
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April 25, 2008

**Re: *Supplemental Response to the Annual Resource Assessment for
Kentucky Utilities Company Pursuant to Administrative Case No. 387***

Dear Mr. McDowell:

In our March 28, 2008 filing of the Annual Resource Assessment for Kentucky Utilities Company Pursuant to Administrative Case No. 387, it was indicated in responses #8 and #12 that LG&E and KU were finalizing their Joint 2008 Integrated Resource Plan ("IRP") and would submit a supplemental response following the submittal of the 2008 IRP. The 2008 IRP was filed with the Commission in Case No. 2008-00148 on April 21, 2008.

Enclosed, are an original and five (5) copies of the Supplemental Response to the 2007 Annual Resource Assessment Filing for KU.

Sincerely,

Robert M. Conroy

Enclosures

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KENTUCKY UTILITIES COMPANY
2007 ANNUAL RESOURCE ASSESSMENT FILING
PURSUANT TO APPENDIX G OF THE COMMISSION'S ORDER
DATED DECEMBER 20, 2001, IN ADMINISTRATIVE CASE NO. 387
AS AMENDED BY THE COMMISSION'S ORDER DATED MARCH 29, 2004
FILED MARCH 2008

ITEM NO. 8

RESPONDENT: Scott Cooke

8. Projected reserve margins stated in megawatts and as a percentage of demand for the current year and the following 4 years. Identify projected deficits and current plans for addressing these. For each year identify the level of firm capacity purchases projected to meet native load demand.

Response:

The requested data related to the reserve margin is specified in the attached table KU-8. The Companies expect to have adequate capacity to meet the reserve margin target through 2012 with the addition of known new resources.

The Companies have executed a Purchase Power Agreement ("PPA") with Dynegy for unit firm power from Bluegrass Unit 1 (165 MW). This is a peaking option for only June through September 2008 and 2009.

Also, as approved by the Commission in Case No. 2004-507, the Companies are adding capacity by constructing Trimble County 2 that is scheduled for completion by June 2010.

Owensboro Municipal Utilities (OMU) has requested contract termination in May 2010. The status of the pending litigation with OMU is detailed in KU's Response to Commission Staff's Interrogatories and Request for Production of Documents dated 2/8/07, Question No. 2 filed with the Commission on February 23, 2007 in Case No. 2006-00509.

**Table KU-8
Combined Company
Reserve Margin Needs (MW)**

<u>Current Values</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Peak Load	7,095	7,188	7,280	7,404	7,512
CSR/Interrupt	-105	-105	-105	-105	-105
Existing DSM	-128	-128	-128	-128	-128
New DSM	-11	-61	-125	-191	-252
Net Load	6,851	6,894	6,923	6,981	7,027
Existing Capability	7,507	7,467	7,469	7,471	7,473
Dynegy Purchase	165	165	0	0	0
OMU	168	167	0	0	0
OVEC	179	179	179	179	179
Total Supply	8,019	7,978	7,648	7,650	7,652
MW Margin	1,168	1,084	725	669	625
Reserve Margin %	17.0%	15.7%	10.5%	9.6%	8.9%
Capacity Need for 14%	(209)	(118)	244	308	359
New Capacity	0	0	549	0	0
Total Supply	8,019	7,978	8,197	8,199	8,201
Reserve Margin, MW	1,168	1,084	1,274	1,218	1,174
Reserve Margin %	17.0%	15.7%	18.4%	17.5%	16.7%

KENTUCKY UTILITIES COMPANY

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ITEM NO. 12

RESPONDENT: Scott Cooke

12. Identify all planned base load or peaking capacity additions to meet native load requirements over the next 10 years. Show the expected in-service date, size and site for all planned additions. Include additions planned by the utility, as well as those by affiliates, if constructed in Kentucky or intended to meet load in Kentucky.

Response:

The expansion plan identified below is the same as the Companies' 2008 IRP thru the year 2017.

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
New Capacity			549					475		

The construction of Trimble County Unit 2 as approved by the Commission in Case No. 2004-00507 has a net generating capacity of 549 MW. Located at the Trimble County plant site, it has an expected in-service date of June 2010.

In 2015, a Combined Cycle Combustion Turbine with a net generating capacity of 475 MW is expected. The site has not yet been determined.