

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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JAN 22 2007

PUBLIC SERVICE
COMMISSION

In the Matter of:

AN EXAMINATION OF THE APPLICATION)
OF THE FUEL ADJUSTMENT CLAUSE OF)
KENTUCKY UTILITIES COMPANY FROM)
NOVEMBER 1, 2004 THROUGH)
OCTOBER 31, 2006)

CASE NO. 2006-00509

**MOTION OF KENTUCKY UTILITIES COMPANY
FOR CONFIDENTIAL TREATMENT**

Kentucky Utilities Company (“KU”), pursuant to 807 KAR 5:001, Section 7, respectfully moves the Commission to classify as confidential and protect from public disclosure certain information provided by KU in response to Question Nos. 6, 9 and 24 of the Commission’s data requests, as contained in Appendix B of the Commission’s Order dated December 18, 2006. The information for which KU requests confidential treatment (“Confidential Information”) pertains to forecasted sales revenues (No. 6), planned maintenance schedules (No. 9), and bid analysis information (No. 24). In support of this Motion, KU notes that the Commission treated all this same information as confidential in KU’s last two-year fuel adjustment clause review proceeding. (*See* Letter from Executive Director Beth O’Donnell re KU Petition for Confidential Protection, Case No. 2004-00465 (Feb. 10, 2005), attached hereto as Attachment 1.)

In further support of this Motion, KU states as follows:

1. Under the Kentucky Open Records Act, the Commission is entitled to withhold from public disclosure information confidentially disclosed to it to the extent that open disclosure would permit an unfair commercial advantage to competitors of the entity disclosing the information to the Commission. *See* KRS 61.878(1)(c). Public disclosure of the information identified herein would, in fact, prompt such a result for the reasons set forth below.

2. Public disclosure of projected sales revenues, which are driven by and based on projected power prices, would afford KU's competitors a distinct competitive advantage in bidding for and securing new bulk power loads, as competitors could use KU's projected prices to outbid KU for these loads. Thus, public disclosure of the information requested in Question No. 6 would afford an undue preference to KU's wholesale power purchasers and sellers, as the latter would enjoy an obvious advantage in any contractual negotiation to the extent they knew the Company's forward price projections. As noted above, the Commission has treated such information as confidential in the past. (*See* Attachment 1, Letter from Executive Director Beth O'Donnell re KU Petition for Confidential Protection, Case No. 2004-00465 (Feb. 10, 2005).)

3. Similarly, public disclosure of information regarding KU's plant maintenance schedules would lay bare critical "down time" information, an essential factor in determining KU's generating costs and need for power and energy during those periods. Thus, disclosing the information requested in Question No. 9 would necessarily impair KU's ability to negotiate with prospective contractors and vendors -- now equipped to manipulate the price of power bid to KU to maximize revenues -- and would likewise arm KU's competitors with information with which they could erode KU's competitive position in the wholesale power market. As noted above, the Commission has treated such information as confidential in the past. (*See* Attachment 1, Letter from Executive Director Beth O'Donnell re KU Petition for Confidential Protection, Case No. 2004-00465 (Feb. 10, 2005).)

4. Disclosure of the factors underlying KU's bid analysis/selection process would likewise damage KU's competitive position and business interests. This information reveals the business model the Company uses -- the procedure it follows and the factors/inputs it considers - - in evaluating bids for coal supply. If the Commission grants public access to the information

requested in Question No. 24, potential bidders could manipulate the bid solicitation process to the detriment of KU and its ratepayers by tailoring bids to correspond to and comport with KU's bidding criteria and process. As noted above, the Commission has treated such information as confidential in the past. (*See* Attachment 1, Letter from Executive Director Beth O'Donnell re KU Petition for Confidential Protection, Case No. 2004-00465 (Feb. 10, 2005).)

5. The information for which KU is seeking confidential treatment is not known outside of KU, is not disseminated within KU except to those employees with a legitimate business need to know and act upon the information, and is generally recognized as confidential and proprietary information in the energy industry.

6. KU does not object to limited disclosure of the confidential information described herein, pursuant to an acceptable protective agreement, to intervenors with legitimate interests in reviewing the same for the purpose of participating in this case.

7. In accordance with the provisions of 807 KAR 5:001, Section 7, KU is filing with the Commission one copy of the Confidential Information highlighted and ten (10) copies without the Confidential Information.

WHEREFORE, Kentucky Utilities Company respectfully requests that the Commission grant confidential protection to the information designated as confidential for a period of five years from the date of filing the same.

Dated: January 22nd, 2007

Respectfully submitted,



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Allyson K. Sturgeon
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E.ON U.S. LLC
220 West Main Street
Post Office Box 32010
Louisville, Kentucky 40232
Telephone: (502) 627-2088

Counsel for Kentucky Utilities Company

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of the above and foregoing Motion for Confidential Treatment was served, via United States mail, postage prepaid, and electronic email to the following persons on the 21st day of January 2007:

Elizabeth E. Blackford
Assistant Attorney General
Office of the Attorney General
Office of Rate Intervention
1024 Capital Center Drive, Suite 200
Frankfort, Kentucky 40601-8204

David F. Boehm
Michael L. Kurtz
Boehm Kurtz & Lowry
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Cincinnati, Ohio 45202


Counsel for Kentucky Utilities Company



Ernie Fletcher
Governor

LaJuana S. Wilcher, Secretary
Environmental and Public
Protection Cabinet

Christopher L. Lilly
Commissioner
Department of Public Protection

Commonwealth of Kentucky
Public Service Commission
211 Sower Blvd.
P.O. Box 615
Frankfort, Kentucky 40602-0615
Telephone: (502) 564-3940
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Mark David Goss
Chairman

Ellen C. Williams
Vice Chairman

Gregory Coker
Commissioner

February 10, 2005

Hon. J. Gregory Cornett
Ogden, Newell & Welch PLLC
1700 PNC Plaza
500 West Jefferson Street
Louisville, KY 40202

RE: KU Petition for Confidential Protection
Case No. 2004-00465

Dear Mr. Cornett:

The Commission has received your petition filed January 21, 2005, to protect as confidential certain information provided by KU in response to Questions 6, 9, and 24 as contained in Appendix B to the Commission's Order of December 13, 2004. A review of the information has determined that it is entitled to the protection requested on the grounds relied upon in the petition, and it will be withheld from public inspection.

If the information becomes publicly available or no longer warrants confidential treatment, you are required by 807 KAR 5:001, Section 7(9)(a) to inform the Commission so that the information may be placed in the public record.

Sincerely,

A handwritten signature in black ink, appearing to read "Beth O'Donnell", written over a large, loopy scribble.

Beth O'Donnell
Executive Director

cc: Parties of Record





an *e-on* company

Ms. Elizabeth O'Donnell, Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
P. O. Box 615
Frankfort, Kentucky 40602

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COMMISSION

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

Robert M. Conroy
Manager - Rates
T 502-627-3324
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January 22, 2007

**RE: An Examination of the Application of the Fuel Adjustment Clause of
Kentucky Utilities Company From November 1, 2004 to October 31,
2006 - CASE NO. 2006-00509**

Dear Ms. O'Donnell:

Enclosed please find an original and six (6) copies of the Testimony of John P. Malloy and Mike Dotson, as well as the Response of Kentucky Utilities Company to the Information Requested in Appendix B of the Commission's Order Dated December 18, 2006, in the above-referenced proceeding.

Additionally, attached are the originals and ten (10) copies of a Petition for Confidential Treatment regarding certain information provided in response to Question Nos. 6, 9 and 24.

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

Sincerely,

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

Robert M. Conroy

Enclosures

cc: Michael L. Kurtz, Esq.
Elizabeth E. Blackford, Esq.

COMMONWEALTH OF KENTUCKY
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PUBLIC SERVICE
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In the Matter of:

AN EXAMINATION BY THE PUBLIC)
SERVICE COMMISSION OF THE APPLICATION)
OF THE FUEL ADJUSTMENT CLAUSE OF)
KENTUCKY UTILITIES COMPANY)
FROM NOVEMBER 1, 2004 TO OCTOBER 31, 2006)

Case No. 2006-00509

DIRECT TESTIMONY OF
MIKE DOTSON
MANAGER -LG&E/KU FUELS
E.ON U.S. SERVICES INC.

JANUARY 22, 2007

1 **Q. Please state your name, position, and business address.**

2 A. My name is Mike Dotson. I am the Manager of LG&E/KU Fuels for E.ON U. S.
3 Services, Inc.. My business address is 220 West Main Street, Louisville, Kentucky.

4 **Q. Have you previously testified before this Commission?**

5 A. Yes. I have testified before this Commission in several six-month and two-year
6 reviews of KU's fuel adjustment clause. A statement of my education and work
7 experience is attached to this testimony as Appendix A.

8 **Q. What is the purpose of your testimony?**

9 A. I am submitting this testimony in response to the Order entered in this proceeding by
10 the Commission on December 18, 2006 ("Order"), directing KU to file written direct
11 testimony on a number of issues relating to fuel procurement during the two-year
12 period ended October 31, 2006 ("Review Period").

13 **Q: Please comment generally on the reasonableness of KU's fuel procurement
14 practices during the Review Period.**

15 A. The cornerstone of KU's fuel procurement practices, both during the Review Period
16 and now, is the Company's ongoing commitment to obtain sufficient coal supply in
17 the most efficient and cost-effective manner possible in light of all the circumstances,
18 consistent with KU's obligations to (i) provide reliable and reasonably priced service
19 to its customers and (ii) meet all applicable environmental standards and other legal
20 requirements. KU's coal procurement practices are sufficiently flexible to allow the
21 Company to respond effectively to changes in market conditions. Although KU
22 typically issues formal, sealed-bid solicitations to meet its coal inventory needs, under
23 its written fuel procurement policy, it may solicit offers through more informal

1 means, or may respond to unsolicited offers to the extent the prices and terms and
2 conditions of such offers are competitive with existing market conditions. These
3 practices, by which KU is able to make optimal use of the market, are memorialized
4 in KU's updated written fuel procurement policies and procedures. A complete copy
5 of KU's current written fuel procurement policies and procedures is attached to my
6 testimony as Exhibit MD-1.

7 During the Review Period, KU conducted seven coal supply solicitations in
8 the competitive marketplace. A description of the solicitation and associated bid
9 tabulation sheet for the six-month period ended October 31, 2006 is contained in the
10 response to the Commission's Order, Item No. 24(a) and (b). In addition, each
11 vendor from whom KU purchased coal during the six-month period ended October
12 31, 2006, and the quantities and nature of each purchase (including whether such
13 purchase was a spot or contract purchase), are identified in response to the
14 Commission's Order, Item No. 26.

15 **Q. Please describe the coal suppliers' adherence to contract delivery schedules**
16 **during the Review Period.**

17 A. During calendar year 2004 and during the first half of 2005 KU experienced delivery
18 problems at the E. W. Brown Station mainly due to constraints that the Norfolk
19 Southern Railroad sustained due to the availability of locomotives and crews and the
20 increase in overall railroad traffic. KU also experienced problems with deliveries to
21 the Ghent Compliance Coal Units because of operational problems encountered by
22 some of our coal suppliers. For example, KU has two contracts with Infinity Coal
23 Sales for coal from their Panther Mine located in Kanawha County, West Virginia.

1 The Panther Mine experienced geological conditions and long-wall and roof falls.
2 We are working with the vendors on making up the tonnage.

3 KU also experienced similar railroad problems on the compliance coal side,
4 with coal that originated on both the CSX and Norfolk Southern for barge loading.
5 These problems began to lessen during the second half of 2005 as transportation
6 performance began to improve, except for the Burlington Northern and Santa Fe
7 Railway (BNSF) which experienced major track problems in the spring of 2005 as the
8 result of a major snow storm that damaged the road bed for the track and affected the
9 movement of PRB coal. The BNSF spent the balance of 2005 making repairs; and
10 deliveries of PRB coal were reduced for all PRB shipments.

11 Nationwide the industry saw major improvements in overall coal deliveries;
12 Coal inventories grew during 2006 due to a number of factors: the mild winter of
13 2005/2006 resulted in reduced demand; coal-fired generation was displaced by
14 increased hydroelectric output as well as nuclear output; depressed natural gas prices
15 during late summer/fall displaced about 4 million tons of coal-fired generation;
16 heavier production out of all U. S. basins (responding to high coal prices) lead to a
17 surplus of coal production over consumption; better rail service enabled utilities to
18 build inventories; and an increase in imports into East Coast and Gulf Coast utilities.
19 Coal inventories going into the winter of 2006/2007 are estimated to be 50 days of
20 supply; substantially higher than a year ago (30 million tons more) and 14% higher
21 that the 10 year average of 43 days.

22 KU entered into a coal contract with Lafayette Coal Company dated August 8,
23 2003 for compliance coal produced from their mine located in Gibson County,

1 Indiana. Lafayette experienced a number of problems with the mine, and on
2 December 29, 2005 sold their operation to Bronco Hazelton Company; at which time
3 the contract was assigned to Bronco Hazelton Company. On May 22, 2006, Bronco
4 Hazelton filed for Chapter 11 Bankruptcy with the United States Bankruptcy Court
5 for the Southern District of Indiana; and by order dated June 23, 2006 our contract
6 was rejected as of May 22, 2006, as identified in response to Commission's Order,
7 Item No. 23.

8 A list of all of KU's long-term fuel contracts in effect as of the end of the
9 Review Period, including the details of each contract, is contained in the response to
10 the Commission's Order, Item No. 15 (a)-(k).

11 **Q. What were KU's efforts to ensure the coal suppliers' adherence to contract**
12 **delivery schedules during the Review Period?**

13 A. KU regularly communicates with its vendors to identify any potential problems in
14 meeting agreed-upon delivery schedules. KU works with its suppliers on an ongoing
15 basis to accommodate genuine production/delivery problems and reach mutually
16 agreeable resolutions. This includes mine visits by representatives of KU, working
17 with suppliers on allowing deliveries from alternate sources or moving from rail to
18 barge loading to truck to barge loading. We continue to work with our suppliers on
19 delivery schedules and work with them when needed to make up any tonnage that is
20 behind on delivery.

21 **Q. Please describe KU's efforts to maintain the adequacy of its coal supplies in light**
22 **of any coal supplier's inability or unwillingness to make contract coal deliveries.**

1 A. We work with our suppliers on an ongoing basis to get deliveries made. We worked
2 with our suppliers on allowing deliveries from alternate sources, and switching modes
3 of transportation, such as picking up truck coal delivery to the E. W. Brown Station to
4 supplement for the shortfall in railroad deliveries. KU works to diversify its source of
5 supply, with contracts established for the purchase of compliance coal from three
6 different coal regions: Central Appalachian compliance coal, Indiana compliance coal
7 and Powder River Basin (PRB). These efforts, coupled with ongoing procurement
8 pursuant to the Company's policies, produced adequate coal supplies through the end
9 of the Review Period.

10 **Q: Were there any changes in coal market conditions that occurred during the**
11 **Review Period, or that KU expects to occur within the next 2 years that have**
12 **significantly affected or will significantly affect the company's coal procurement**
13 **practices?**

14 A: No. Although the coal market did undergo change during the Review Period and
15 continues to change, there were no material changes in market conditions that
16 significantly affected, or that KU believes could significantly affect in the future, the
17 company's coal procurement practices. During 2004 and continuing into the first half
18 of 2005 we saw significant supply shortages in the compliance coal market as well as
19 the non-compliance coal market and increases in prices. The shortages and price
20 increases were due to several factors, including utilities trying to rebuild inventory,
21 increases in the export market and world demand for coal, mines closing due to
22 bankruptcy, and transportation problems experienced by the railroads. As previously
23 noted, the industry saw coal production and shipments grow rapidly in 2006 to

1 recover from the low stocks created by the problems experienced during 2004 and
2 2005.

3 Although these changes can affect KU's bargaining power with suppliers,
4 they did not alter, nor are they expected to alter, the Company's coal procurement
5 practices. KU's fuel procurement practices allow the Company to respond effectively
6 to changes in market conditions.

7 **Q. Where KU's fuel purchases and practices during the Review Period reasonable?**

8 A. Yes. In my opinion, KU's fuel purchases and practices were reasonable during the
9 Review Period.

10 **Q. Does this conclude your testimony?**

11 A. Yes.

Appendix A

MIKE DOTSON

PROFESSIONAL EXPERIENCE:

E.ON U.S. Services Inc. , Louisville, Kentucky Manager, LG&E/KU Fuels	May 1998 - Present
BIG RIVERS ELECTRIC COMPANY , Henderson, Kentucky <i>Vice President of Fuels & Environmental Affairs (1/96-7/98)</i> <i>Vice President of Fuels (1/94-12/95)</i> <i>Manager of Fuels (5/93-12/93)</i>	May 1993 – July 1998
KENTUCKY UTILITIES COMPANY , Lexington, Kentucky <i>Manager of Fuel Procurement (9/91-5/93)</i> <i>Fuel Contract Administrator (7/86-9/91)</i>	July 1986 – May 1993
DIAMOND SHAMROCK COAL COMPANY , Lexington, Kentucky ISLAND CREEK COAL COMPANY , Lexington, Kentucky <i>Contract Administrator/Contract Cost Analyst</i>	Feb. 1984 – July 1986 March 1980 – Feb.1984
KENTUCKY AMERICAN WATER COMPANY , Lexington, Kentucky <i>Billing Supervisor</i>	Sept. 1978–March 1980
GTE SYLVANIA , Winchester, Kentucky <i>Cost Accounting Supervisor</i>	Sept. 1976 – Sept. 1978
K-Mart Corp. , Troy, Michigan Assistant Store Manager	Jan. 1975 – Sept. 1976

EDUCATION:

XAVIER UNIVERSITY , Cincinnati, Ohio Master of Business Administration	
UNIVERSITY OF KENTUCKY , Lexington, Kentucky Bachelor of Business Administration	

A. Definitions:

1. "Agreement" means a legally binding document, in which one party agrees to sell and the other agrees to buy Fuel or transportation services for Fuel, fully executed by both Buyer and Seller.
2. "Award Recommendation" means the Company's internal approval process for the review and approval by Management of a recommended Fuel purchase and/or transportation services agreement.
3. "Company" means Louisville Gas and Electric Company (LG&E) or Kentucky Utilities Company (KU) or both.
4. "Contract" is an Agreement for Fuel supply or transportation services with a fixed term typically in excess of one year.
5. "Contract Purchase" means any purchase of Fuel or transportation services by the Company where the terms and conditions are incorporated in the Contract, typically more than one year's duration.
6. "Director" means the Company's Director of Corporate Fuels.
7. "Department" means the Company's Corporate Fuels Department.
8. "Distressed Coal" means a limited amount of coal which may be purchased at a price below the current market price of similar quality coal.
9. "Emergency" means extraordinary conditions affecting Fuel production, transportation, or usage, including but not limited to strikes, lockouts or other labor problems, embargoes, mining impediments and other problems affecting the production or transportation of Fuel, existing and/or forecasted extreme weather conditions, or any other conditions or circumstances that can be reasonably foreseen as impairing the continued supply of Fuel to the Company.
10. "Environmental Standards" mean the legal requirements for compliance with emission levels or other environmental requirements applicable to one or more of the Company's generating Units.
11. "Formal Solicitation" means the process of soliciting sealed bids for the supply of Fuel and/or transportation services.
12. "Fuel" means combustibles (principally coal), purchased by the Company for one of its generating stations.

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Kentucky Utilities Company

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13. "Informal Bid" means the process of considering unsolicited or solicited oral or written bids for Fuel purchases and/or transportation services.
14. "Joint Contract" is any contract that is written to supply Fuel and/or transportation services to both LG&E and KU. The allocation of fuel under a Joint Contract should be made pursuant to Section D8 below.
15. "Purchase Order" is an Agreement for the supply of Fuel and/or transportation services with a term of typically one year or less.
16. "Senior Vice President - Energy Services" means the Company's principal officer responsible for power generation.
17. "Senior Vice President – Energy Marketing" means the Company's principal officer to whom the Director of Corporate Fuels reports and who in turn reports to the Senior Vice President – Energy Services.
18. "Spot Purchase" means any purchase of Fuel and/or transportation services by the Company where the terms and conditions are incorporated in the Purchase Order or Contract and the term is typically of one year or less.
19. "Station" means one of the Company's generating stations.
20. "Supplier" means the seller who is a party to an Agreement and is obligated to comply with the Agreement's terms.
21. "Unit" means a generating unit at a Station.

B. Fuel Procurement Policies:

The Company's Fuel Procurement Policies and Procedures define the process to obtain an adequate and reliable supply of Fuel of sufficient quality at the lowest possible cost of electrical energy delivered to the Unit bus bar, consistent with the Company's obligation to provide adequate and reliable service to its customers, to meet operational and Environmental Standards, and to meet any other applicable legal requirements. The Company will use its best efforts to secure its Fuel supply at competitive prices through the use of the Formal Solicitation, Informal Bid, and negotiation process as described in this document. The awarding of Contracts and Purchase Orders will comply with internal business controls including Minimum Authority Limit Matrices, Sarbanes Oxley compliance and internal auditing recommendations.

Implementation of this policy is of highest priority to the Company. The Director of Corporate Fuels will review the Company's Fuel Procurement Policies and Procedures annually and update the policies as appropriate. The Corporate Fuels Department shall be organized and staffed, and Fuel procurement procedures and administration shall be conducted, in an efficient and practical manner consistent with this policy. Fuel shall be

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purchased at competitive prices considering all material factors, including, but not limited to, quantity needed to maintain an adequate inventory, quality required to meet operating characteristics and Environmental Standards, resulting bus bar energy costs, reliability of the Supplier, diversity of Suppliers, diversity of fuel transportation modes, and meeting Emergency or other unusual circumstances affecting market conditions.

C. Organization:

1. Department Structure. The Department shall be organized and staffed to effectively administer the Company's Fuel procurement function.

2. Organizational Responsibility. The Director is responsible for the operations of the Corporate Fuels Department and reports to the Senior Vice President – Energy Marketing who is responsible for the Energy Marketing and Fuel Procurement functions. The Senior Vice President - Energy Marketing reports to the Senior Vice President – Energy Services who has the final responsibility for Fuel procurement. Other Departments may be utilized by the Corporate Fuels Department to the extent the Director, Senior Vice President – Energy Marketing, and/or Senior Vice President - Energy Services consider advisable in the execution of the functions of the Department.

3. Approval Authority (Award Recommendation). An Award Recommendation will be prepared for all Agreements for the purchase of Fuel and transportation services. The Award Recommendation will be signed (as a minimum) by the Department's Fuel Administrator, Manager of Regulated Fuels, Director of Corporate Fuels, Plant Manager(s) of the Plant(s) that is (are) to receive the Fuel and/or transportation services, and the Vice President of Regulated Generation. Additional signatures may be required in accordance with the following Authority Limit Matrices:

Position	Maximum Term	Maximum Tenor	Maximum Notional \$ Amount
Manager, Regulated Fuels	1 year	2 years	\$10,000,000
Director, Fuels	1 year	2 years	\$10,000,000
Sr. Vice President, Energy Marketing	3 years	3 years	\$20,000,000
Sr. Vice President, Energy Services	5 years	5 years	\$25,000,000
LG&E Energy Corp. Chief Executive Officer	Over 5 years	Over 5 years	Over \$25,000,000

4. Reports. The Director will instruct the Department to prepare, maintain and distribute various reports to management and others as deemed necessary for business operations and regulatory requirements.

5. Records. The Department shall maintain the following records:

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a. Open Files. The Department shall maintain within the Department's office area, the following files for at least one year or longer as the Contract term or other conditions warrant:

- (1) For each current Contract Supplier, Spot Purchase Supplier, or transportation services provider, the files will contain:
 - (a) Contract documents, amendments, Purchase Orders and escalation documentation;
 - (b) General correspondence;
 - (c) Invoices and invoice verification data;
 - (d) Delivery records and quality analyses data;
 - (e) Field inspection reports and other data.
- (2) A record of transportation units (railroad cars, barges, etc.) owned or leased by the Company.
- (3) A list containing current Suppliers and known potential Suppliers of Fuel.

b. Closed Files. The Department shall maintain its closed files in accordance with the Company's record retention plan.

6. General Administrative Duties.

The Department shall subscribe to trade and industry publications and reports of governmental agencies concerning Fuel, transportation services, market information and prices. The Department shall use its best efforts to keep current on Fuel market conditions, prices and availability, and other developments relating to Fuel procurement.

D. Fuel Supply Procedures:

1. Projections. In conjunction with other departments of the Company, the Department shall prepare an annual projection of Fuel usage and delivered cost for each Station for the number of years required in the Company's planning process.
2. Contract/Spot Mix. Subject to the approvals as set forth herein, the Department shall recommend whether a Contract Purchase is advisable, considering the following factors: (a) the availability of adequate supplies from qualified Suppliers, (b) the need to have an adequate inventory committed for an existing Unit, changes to an existing Unit, or a planned new Unit, (c) the desire to maintain flexibility to market conditions and other factors affecting price and availability, (d) existing and anticipated Environmental Standards, and (e) such other factors as may reasonably affect the implementation of the Company's Fuel Procurement Policy.

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3. Current Requirements. The Department shall continually review and analyze the data available to the Department in order to purchase Fuel in a timely manner to meet the requirements of the Company.

4. Supplier Qualifications. The Company shall select potential suppliers on the basis of the current supplier list, performance on past and current Fuel Contracts, market intelligence from industry research, and general knowledge of the industry. No potential qualified supplier shall be preferred or discriminated against because of race, religion, color, sex, age or marital status of the supplier or any of its representatives.

The supplier list is periodically reviewed by the Department to eliminate any suppliers that are known to have gone out of business and to also add any new or existing suppliers that were previously not on the supplier list. The Department not only reviews the membership lists of several coal associations (for example the Lexington Coal Exchange, the North Carolina Coal Institute, the American Coal Council, etc.) for new suppliers to add to the supplier list, but also adds new suppliers based upon field inspection visits. If a supplier is identified that is not on the current supplier list, the Department will add the supplier to the list for the next RFQ. Suppliers can be added to the supplier list either by request of the supplier or by the Department.

A notice of a Request for Quotation (RFQ) is published in several Coal Industry Newsletters. The RFQ is initially sent to the suppliers on the current supplier list. If a supplier that has not received the RFQ calls and asks to be put on the Department's supplier list they are automatically added to that list and a copy of the RFQ is sent to that supplier. During the evaluation of the bids, if a new supplier has submitted a bid that is competitive, a new supplier evaluation will be performed to determine the capability of the supplier.

The supplier evaluation is done to determine if a supplier has the ability to deliver the quantity and quality of coal bid at the offered price. An actual site visit may be conducted. The information requested is based upon:

- The volume and term requested in the RFQ

- Past experience the Company has with the supplier

- The size and financial stability of the supplier

- Past experience the Company has with the type coal being offered

- Previous knowledge the Company has concerning the source operation
(possibly under a different source name)

The data requested may include coal reserve data such as property maps and drill logs, mining plans, listing of all production equipment, coal preparation facilities such as coal preparation plants, sampling and analysis capabilities on site, mine staffing and organization, past production records, and status of permits. In addition, financial data

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will be requested and a supplier credit assessment will be performed in accordance with company policy. If all operational information, financial data, and other results from the site visit evaluation are acceptable, the supplier is approved.

5. Solicitations.

- a. Formal Solicitations. The Company shall purchase its Fuel through sealed-bid solicitations. However, the Company reserves the right to request or accept Informal Bids for Fuel purchases as described in Section 5B, when in its judgment, market conditions or plant conditions provide an opportunity to obtain Fuel more advantageously or more quickly than through the formal sealed-bid procedures. When the Company foregoes the Formal Solicitation process in favor of the Informal Bid procedure (Section 5B below), documentation shall be included in the resulting Contract or Purchase Order file describing the conditions.

A Request for Quotation ("RFQ") number will be assigned to each quotation package. The quotation must be returned to the company address as indicated on or before the due date and time, noting on the mailing label the RFQ number. The RFQ number will identify the quotation and ensure the quotation is opened according to the Company's Fuel Procurement Policies and Procedures.

The RFQ package shall contain the following minimum requirements:

- Instructions to Suppliers on the submission of an RFQ, including time and date the bids are due, correct labeling of bid envelope, signatures required, etc.
- Scope of supply Agreement
- Listing of typical information required from Supplier
 - Quantity and quality of coal being offered
 - Cost structure
 - Length of purchase
 - Transportation capabilities
 - Mining capabilities
 - Other information as required in the RFQ.
- Company terms and conditions

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RFQ's shall be opened on or after the established due date and time within the presence of one or more witnesses from another Department. A numbered log shall be kept for logging in the receipt of each sealed envelope. This numbered log shall be signed by the witnesses noting the bids were all sealed prior to opening and were received prior to the due date and time. Those bids received after the designated time will be returned unopened to the bidder, unless the Director waives this provision.

Upon opening the sealed envelopes, each bid shall be given the log number assigned to it and initialed by the witnesses attending the bid opening.

All candidates shall be given the same opportunity and time frame to respond to the RFQ. Information clarifications shall be shared with all candidates. A copy of the RFQ and the original of the Suppliers' bid documents with evidence of the witness signatures shall be maintained within the Department.

The Department's Fuel Administrator is responsible for entering the bid data into the bid evaluation spreadsheet. The spreadsheet contains data fields such as:

Supplier's name (from bid)

Mine name and location (from bid)

Fuel loading point, river milepost or rail loadout (from bid)

Annual price in dollars per ton and cents/MMBtu (from bid)

Transportation cost (assigned by the Fuel Administrator)

Calculated total delivered cost (calculated by the Fuel Administrator)

Fuel technical specifications, such as:

BTU per pound

Sulfur content

Moisture content

Ash content

Chlorine content

Size

Arsenic content

Hardgrove Index

Other technical specifications as appropriate

The bids are kept in the Fuel Administrator's desk under lock and key when not in use.

The Department's Manager of Regulated Fuels will independently verify that all bid data is correctly entered into the bid evaluation spreadsheet. The completed bid evaluation spreadsheet is then forwarded to Generation Engineering for entering the bid data into VISTA (a software system that evaluates the impact of different coal qualities on Unit bus bar costs).

- b. Informal Bids. When, in the Company's judgment, Fuel can be obtained more advantageously or quickly for a particular plant through the Informal Bid procedures, the Department may solicit offers or accept unsolicited offers from Suppliers by telephone, electronic mail, facsimile or otherwise. Although these bids are typically used for Spot Purchases, circumstances may arise that would justify the recommendation of a long-term Contract from an Informal Bid process.
6. Contract Awards. The Department shall review and analyze each Contract offer. The evaluation will include, but not necessarily be limited to, the items required by the Company to satisfy operational, environmental and economic criteria. Based upon the bid evaluation spreadsheet and the ranking reports generated by VISTA, the Corporate Fuels Department will evaluate and rank all quotations received by total delivered cost and lowest evaluated cost of electrical energy delivered to the Unit busbar. Other factors will be considered, including but not limited to, supplier credit assessment, diversity of region of supply, diversity of transportation mode, and diversity of suppliers. From this ranking, a short list of bidders may be selected from which the Corporate Fuels Department intends to conduct further discussions and/or negotiations. The short list may include unsolicited offers. The size of the short list will be determined solely at the Department's discretion. The Department may engage in preliminary negotiations with Suppliers on the short list to determine which offers warrant further consideration. The objective of the negotiations shall be to reach Agreements with Suppliers that provide the Company with favorable terms and conditions, the lowest possible cost of electrical energy delivered to the Unit bus bar and reliable supply consistent with other qualifiers related to supplier reliability, environmental constraints, transportation options, etc. A team may be formed to conduct negotiations with bidders on the short list. Generally, this team will consist of two or more representatives from the Corporate Fuels Department. The terms and conditions outlined in the quotation submitted to the Corporate Fuels Department by the bidder shall be the basis for beginning negotiations with each potential Supplier. A representative from the Legal Department shall review documents regarding terms and conditions.

The Corporate Fuels Department may in some instances perform investigations of the bidders to determine their ability to supply Fuel under the terms and conditions outlined in their proposals. These investigations may include site visits, mine operation audits, audits of financial information, test shipments, or other similar actions intended to

FUEL PROCUREMENT POLICIES AND PROCEDURES
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determine the bidder's qualification as a Supplier. The Department shall verify the adequacy of the proposed source of supply for coal quantity and quality.

The recommended Supplier(s) shall be selected by the negotiating team based upon the evaluation criteria and the results of the negotiations. The Department's Fuel Administrator will prepare the contract award recommendation for approval as detailed in Section C3. This recommendation will document the selection criteria and pertinent factors, and in circumstances where more than one company is selected, the recommendation shall describe the tonnage requirements and other responsibilities of each of the other recommended Suppliers.

7. Spot Purchases. Spot purchases may be made by the Company subject to the limit of authority stated in section C3. In instances where there exists an opportunity to purchase Distressed Coal or other coal from an Informal Bid, the Manager Regulated Fuels may recommend the purchase of such coal to the Director Corporate Fuels without soliciting proposals through the Formal Solicitation process.
8. Joint Contracts. Joint Contracts shall be made at the discretion of the Department in order to capture economic benefit from the combined purchasing power of LG&E and KU. Such discretion will be based upon the Company's operating requirements, inventory levels, and condition of the Company's power plants. The allocation of the Fuel supplied under a Joint Contract shall be designated in the Contract Award Recommendation. The Department will make all efforts to schedule delivery of the Fuel based upon this Fuel allocation.
9. Documentation. Contracts and Purchase Orders shall be signed by the Supplier and the Company.

The following documents must be maintained:

- The final list of bidders
 - A copy of the bid package
 - The bidders' responses with witnesses' signatures
 - The bid evaluation summary
10. Fuel Oil. Fuel oil is procured on an "as-needed" basis due to the infrequency of use of this Fuel and the nature of the oil market. The responsibility for fuel oil procurement varies. When the need for fuel oil arises, the Corporate Fuels Department and/or the Power Plants, System Dispatch or other appropriate Company responsible individual will solicit vendors for offers. Orders are assigned on the basis of lowest delivered cost and the ability to fill the order. Solicitation results are documented in the Corporate Fuels Department for purchases made by the Department.

E. Fuel Supply Agreement Administration:

1. Compliance. The Department shall review and analyze daily business and operational reports to properly administer all Fuel and transportation services Agreements. Coal

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weighing and sampling is conducted at each individual power plant site. Coal weights are measured in accordance with industry-accepted methods. Coal sampling and analysis is performed in accordance with Generation Services' System Laboratory procedures. These procedures have been developed in accordance with ASTM standards and cover coal sampling, coal sample preparation, coal sample identification, handling and shipping, and coal analysis on a parameter-by-parameter basis. Coal quantity and quality are reported to the Department through the Coal Supply Management System (CSMS).

2. Amendments. A Contract/Purchase Order shall not be materially amended except after analysis by the Department, recommendation of the Director, review by the Legal Department and in accordance with the Authority Matrices in C.3.
3. Contract Administration. The Department shall maintain the necessary data to administer the Contracts. Every Supplier's request for a change in terms, conditions, or prices must be written and supported by adequate data in conformity with the Contract. Each request shall be analyzed by the Department against the Contract provisions, and reported with recommendations to the Director. After review by the Director, the Supplier's request and Department's recommendations shall be reviewed by the Senior Vice President-Energy Marketing and others as deemed necessary. If any request is not approved, the Director shall advise the Supplier, specifying the Company's objections and requesting an adequate explanation. If the Supplier's response is not approved, negotiations between the Supplier and Company as dictated by Contract terms, shall be the primary method of resolving the issue.
4. Supplier's Relief. Any Supplier's request or claim for relief from compliance with any provision of the Contract's terms such as Force Majeure conditions, quality specifications, approval of alternate sources, etc, must be in writing with an adequate description of conditions warranting nonperformance. Each request or claim shall be reviewed by the Director and the Company's Legal Department.
5. Inspections. The Director shall cause inspections of mining and other facilities of a Contract coal Supplier or other Fuel supply facilities as part of Contract Administration.
6. Emission Allowance Management. All allowances offered in connection with supplying fuel for either LG&E or KU generating units will be managed in accordance with the Generation Services SO₂ Compliance Strategy, dated November 2004. The appropriate way to accommodate any additional allowances (offered in conjunction with supplying fuel) will be dependent on the quantity and vintage of the allowances offered.

F. Fuel Supply Agreement Enforcement:

1. General Enforcement Policy. Supplier obligations under Fuel supply Agreements shall be enforced by the Company to ensure Supplier compliance with the Company's overall procurement policy and to provide for the continuing supply of Fuel.
2. Department Responsibility. Whenever it is determined that a shipment does not meet the Fuel Supply Agreement terms or a Supplier is not complying with the Fuel Supply

Agreement terms, the Department shall inform the Supplier and direct that subsequent shipments be in compliance.

G. Legal Assistance:

The Department shall have access to, and may receive advice from, the Legal Department on all matters relating to Fuel procurement, administration and enforcement.

H. Inventory Levels:

The Company has an obligation to ensure the availability of continuous reliable service to its customers. Decisions affecting Fuel inventory shall be responsive to this obligation.

The Company shall maintain an adequate inventory to ensure service reliability while allowing for enough flexibility so inventory levels can be responsive to known and anticipated changes in conditions and avoid the risks due to unforeseen conditions. Inventory targets are established (based upon forecasted burn for each plant, deliverability and quality of the required fuel to each plant, the position of the plant in the dispatch order, risk of market supply-demand imbalance, and the ability to conduct quick spot market transactions) by the Department, and then reviewed by the Senior Management of Energy Services. The general level of inventory is adjusted to meet anticipated conditions (i.e. summer/winter peak load, river lock outages, Unit outages, fuel unloading system outages, etc).

Coal inventories are reported monthly in the Department's Monthly Fuels Management Report. The report contains graphs and other data noting the actual inventory level versus the inventory target for each Station. Inventory levels are also discussed and reported in the monthly Energy Services Trading Meeting and any variances from inventory targets are explained. The Manager of Regulated Fuels has primary responsibility for inventory monitoring and management.

I. Emergency Procurement:

Any one or more of the procedures described herein may be waived by the Senior Vice President-Energy Marketing, whenever, Fuel must be purchased due to extraordinary conditions such as strikes, lockouts or other labor problems affecting Fuel production or transportation, embargoes, mining or other problems affecting production or transportation, existing and/or forecast extreme weather conditions, or any other conditions or circumstances that can be reasonably foreseen as impairing the continued supply of Fuel to the Company. When such a purchase is made, documentation of circumstances will be included in the Contract or Purchase Order file.

J. Transportation Services Contracts:

Transportation services bids shall be requested and Contracts negotiated whenever appropriate. A tariff may be used in lieu of a Contract Agreement if conditions warrant. If a tariff is used for rates and terms and conditions, the Department will send a confirming letter indicating its acceptance of the tariff rates and outlining any exceptions

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taken thereto. Transportation services under tariff rates and conditions may be terminated at any time by the Company. Consideration shall generally be given to the following factors when considering the need or desirability to make a transportation services Agreement:

- plant requirements;
- the locations of potential coal Suppliers;
- the most desirable transportation modes available;
- coal unloading and handling system constraints;
- existing transportation routes and transfer points between Suppliers and Company generating Stations;
- desirability of maintaining flexibility with different modes of transportation;
- economics;
- other factors which may affect the delivery of coal to the Company's generating Stations.

The process of selecting and contracting for transportation services will vary with the mode of transportation being sought. For barge and truck deliveries, the Department will generally use the Company's accepted competitive bidding procedures. In instances where only one rail carrier may serve a plant, direct negotiations with the rail carriers serving a particular coal source may be initiated. The selection of a transportation Supplier will generally be based upon, but not necessarily limited to, cost, reliability, coal unloading and handling system constraints, and other factors. All transportation service Agreements must be in writing and signed by all parties. The approval procedures set forth in Section C.3 shall be used for the approval of all transportation Contracts.

K. Affiliate Transactions:

Transactions and relationships between the Company and its unregulated affiliates are governed by four governmental agencies: the Kentucky Public Service Commission, the Federal Energy Regulatory Commission, the Securities and Exchange Commission, and as regards Kentucky Utilities Company, the Virginia State Commission.

The Company may purchase coal from an affiliate at the lesser of cost or market, if such a transfer is reasonably required by the Company to meet an Emergency and the Company believes in good faith that, under the circumstances, the transaction will be to the advantage of the Company. At the time of the affiliate transaction, the Company will document through the award recommendation process, the pricing basis and the justification for the affiliate transaction. The Company shall report any such purchase in its next recurrent report due to the Commission (Form A or Form B filing, or their

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successor(s)). All such affiliate transactions must as a minimum, meet the requirements of the Affiliate Transaction Overview, dated May 26, 2003, including the requirements of Kentucky Revised Statutes Chapter 278, Kentucky Public Service Commission Sections 2201 through 2219; the Securities and Exchange Commission, Title 17 – Commodity and Security Rules, Part 250 – General Rules and Regulations; and Virginia State Corporation Commission, Code of Virginia Title 56 – Chapter 4 and any other applicable affiliate transaction rules.

L. Ethics and Conduct:

The Company recognizes the importance of following the Company's Code of Ethics to guide the conduct of the Corporate Fuels Department in the performance of its duties and responsibilities:

The Department shall endeavor to serve the best interests of the Company and its customers in the performance of the Department's duties and responsibilities.

Fuels staff shall adhere to the ethical standards and policies of the Company.

Each employee involved with the procurement of Fuel will be required to annually file a "Conflict of Interest" statement with the Company.

Originally issued at Louisville, Kentucky, the 10th day of February, 2003.

Revised effective October 1, 2005.

Louisville Gas and Electric Company

Kentucky Utilities Company

By 

Paul Thompson

Senior Vice President – Energy Services

By 

Martyn Gallus

Senior Vice President – Energy Marketing

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN EXAMINATION BY THE PUBLIC)	
SERVICE COMMISSION OF THE APPLICATION)	
OF THE FUEL ADJUSTMENT CLAUSE OF	)	Case No. 2006-00509
KENTUCKY UTILITIES COMPANY)	
FROM NOVEMBER 1, 2004 TO OCTOBER 31, 2006)	

DIRECT TESTIMONY OF
JOHN P. MALLOY
DIRECTOR –GENERATION SERVICES
E.ON U.S. SERVICES INC.

JANUARY 22, 2007

1 **Q. Please state your name, position and business address.**

2 A. My name is John P. Malloy. My business address is 220 West Main Street,
3 Louisville, Kentucky 40202. I am the Director of Generation Services for E.ON
4 U.S. Services Inc. on behalf of Louisville Gas and Electric Company ("LG&E")
5 and Kentucky Utilities Company ("KU") (collectively "the Companies"). A
6 statement of my qualifications is attached as Appendix A.

7

8 **Q. Have you previously testified before this Commission?**

9 A. Yes, I have testified several times, including Case Nos. 2004-00465¹ and 2004-
10 00466², the Companies' most recent two-year Fuel Adjustment Clause reviews.

11

12 **Q. What is the purpose of your testimony?**

13 A. I am submitting this testimony in accordance with the Order entered in this
14 proceeding by the Commission on December 18, 2006 ("Order"), directing KU
15 file written direct testimony to address changes in the wholesale electric power
16 market and how those changes have impacted, or will impact in the future, KU's
17 power procurement practices.

18

19 **Q. What changes have occurred in the wholesale electric power market during**
20 **the period November 1, 2004 through October 31, 2006 (if any) that have**

¹ In the Matter of: *An Examination by the Public Service Commission of the Application of the Fuel Adjustment Clause of Kentucky Utilities from November 1, 2002 to October 31, 2004*

² In the Matter of: *An Examination by the Public Service Commission of the Application of the Fuel Adjustment Clause of Louisville Gas and Electric Company from November 1, 2002 to October 31, 2004*

1 **significantly affected or may significantly affect KU's Electric Power**
2 **procurement practices?**

3 A. From November 1, 2004, to April 1, 2005, the Companies operated as members
4 of the Midwest Independent Transmission System Operator, Inc. (“MISO”), in a
5 so-called “Day 1” configuration. Beginning April 1, 2005, however, MISO’s
6 “Day 2” market, governed by MISO’s Transmission and Energy Markets Tariff,
7 became operational and changed the way the Companies procured power and
8 served native load customers. The functioning of the Day 2 market is a matter of
9 record in the Commission’s investigation into the Companies’ MISO
10 membership, Case No. 2003-00266. The record of that proceeding also details
11 the Companies’ reasons for seeking to withdraw from MISO membership.

12 The Companies fully withdrew from MISO membership and Day 2
13 operation on September 1, 2006. Prior to that, by order dated March 17, 2006, the
14 Companies obtained conditional authority from the Federal Energy Regulatory
15 Commission (“FERC”) to withdraw from MISO and operate with the Southwest
16 Power Pool (“SPP”) serving as tariff administrator and Tennessee Valley
17 Authority (“TVA”) serving as reliability coordinator.³ This Commission
18 approved the Companies’ withdrawal from MISO membership by order dated
19 May 31, 2006, in Case No. 2003-00266;⁴ the Commission approved the
20 Companies’ arrangement with SPP and TVA by order dated July 6, 2006, in Case

³ Louisville Gas and Electric Company, et al., Docket Nos. EC06-4-000 and EC06-4-001, and LG&E Energy LLC, Docket Nos. ER06-20-000 and ER06-20-001, Order Conditionally Approving Request to Withdraw from the Midwest ISO (March 17, 2006).

⁴ *In the Matter of: Investigation into the Membership of Louisville Gas and Electric Company and Kentucky Utilities Company in the Midwest Independent Transmission System Operator, Inc.*

1 No. 2005-00471.⁵ Now that the Companies have exited MISO, they are able to
2 procure economic power from all producers, including those in the MISO
3 footprint.

4
5 **Q. What changes does KU expect to occur in the wholesale power market within**
6 **the next two years that may significantly affect KU's Electric Power**
7 **procurement practices?**

8 A. As a general matter, LG&E's electric power procurement practices will continue
9 to be guided by the same philosophy that has guided them to date. That
10 philosophy is to serve the Company's native load customers through reasonable,
11 least-cost resources. Over time, the Company has achieved this goal primarily by
12 investing in, owning, and operating generation assets; a recent example of this is
13 the Company's investment in Trimble County Unit No. 2. This approach to
14 serving the Company's customers ensures that the Company can wisely use the
15 market to serve native load when market prices for power are lower than the cost
16 of using another of the Company's generating assets to serve incremental load.
17 This philosophy allows the Company to procure power from the market when it is
18 economic to do so.

19 That being said, several issues merit consideration. FERC policy related
20 to market-based rate authority continues to be in a state of flux. FERC has issued
21 a Notice of Proposed Rulemaking related to this topic,⁶ and a final rule has yet to

⁵ *In the Matter of the Application of Louisville Gas and Electric Company and Kentucky Utilities Company for Authority to Transfer Functional Control of their Transmission System.*

⁶ Market-Based Rates for Wholesale Sales of Electric Energy, Capacity and Ancillary Services by Public Utilities, Docket No. RM04-7-000, Notice of Proposed Rulemaking (May 19, 2006), 115 FERC ¶61,210.

1 be promulgated by FERC. Under current rules, the uncertainty of how FERC
2 may act in the future could limit the willingness of parties to make long-term
3 power sales. The potential future rules, as set out in the Notice of Proposed
4 Rulemaking, contain limitations on market-based rate authority that may cause
5 many utilities to limit their wholesale sales due to loss of market-based rate
6 authority in markets where they would otherwise sell; being limited to cost-based
7 rates would likely decrease the volume of wholesale transactions that occur,
8 which could impact market liquidity and the Companies' procurement.

9 Secondly, and of greater concern to the Combined Companies, is the
10 regional consumption of base load capacity which places greater reliance on
11 natural gas generation resources. This reliance and utilization of natural gas
12 resources will continue to place these units on the margin more than at any time in
13 the recent history. This increased utilization coupled with the historic volatility
14 and availability of natural gas supplies may negatively impact capacity entering
15 the wholesale market and result in sharply rising market prices. The Combined
16 Companies ability to serve its customers with its own supply side resources will
17 be increasingly more important to security of supply.

18 Lastly, electric transmission constraints into the Combined Companies
19 control area may limit the potential for wholesale import of electricity to serve
20 native load under certain conditions.

21 The Combined Companies continue to evaluate the changing wholesale
22 market conditions and ensure strategies are in place to effectively produce / secure
23 energy for our native load customers.

1 Q. **Does this conclude your testimony?**

2 A. Yes.

Appendix A

John P. Malloy

Director – Generation Services
E.ON U.S. Services Inc.
220 West Main Street
P.O. Box 32010
Louisville, Kentucky 40202
(502) 627-4836

Education

Indiana University, Master Business Administration – 2000
Indiana University, B.S. in Finance - 1998

Previous Positions

Louisville Gas and Electric Company, Louisville, Kentucky:
1998-2003 – Maintenance Manager, Mill Creek
1996-1998 – Manager Resource / Project Management, Louisville Gas and
Electric - Fleet
1989-1996 – Instrument and Electrical Supervisor, Mill Creek
1986-1989 – Instrument and Electrical Technician, Mill Creek
1984-1986 – Production Operations, Mill Creek
1983-1984 – Coal Handling Operations, Cane Run
1980-1983 – Instrument and Electrical Technician, Cane Run

Other Professional Associations

LG&E Credit Union
2001-Present Chairman, Board of Directors
1998 - 2001 Treasurer, Board of Directors
1995-1998 Board of Directors

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN EXAMINATION OF THE APPLICATION)
OF THE FUEL ADJUSTMENT CLAUSE OF)
KENTUCKY UTILITIES COMPANY FROM) CASE NO. 2006-00509
FROM NOVEMBER 1, 2004 THROUGH)
OCTOBER 31, 2006)

RESPONSE OF
KENTUCKY UTILITIES COMPANY
TO
INFORMATION REQUESTED IN
APPENDIX B OF COMMISSION'S ORDER
DATED DECEMBER 18, 2006

FILED: JANUARY 22, 2006

KENTUCKY UTILITIES COMPANY

**Response to Information Requested in Appendix B of
Commission's Order Dated December 18, 2006**

Case No. 2006-00509

Question No. 1

Witness: Robert M. Conroy

Q-1. State the month to be used as the base period (b). Include a comprehensive, detailed explanation of the factors considered in the selection of this month as being representative of the net generating cost per kWh that KU will incur between November 1, 2006 and October 31, 2008 ("the next 2-year period").

A-1. KU recommends that the per unit fuel cost for October 2006 be used as the base period. The attached table shows the per unit fuel cost for October 2006 was \$0.02591/kWh. KU estimates that the average per unit fuel cost for the period November 2006 through October 2007 will be \$0.02534/kWh; and the average per unit fuel cost for the period November 2007 through October 2008 will be \$0.02608/kWh. The per unit fuel cost for October 2006 of \$0.02591/kWh is well within the range of the next 2-year period and approximates the average of the projected fuel estimates for the 2-year period (\$0.02573/kWh). For these reasons KU believes that October 2006 is the appropriate month to use as the base period for the next 2-year period.

KU determined the projected F(m)/S(m) results using projected coal, oil and gas expenses, purchased power expenses, off-system sales revenues and all associated generated, purchased and sold kilowatt hours for the period.

KENTUCKY UTILITIES COMPANY

RETAIL FUEL ADJUSTMENT CLAUSE
FUEL COST PER KWH

FOR THE EXPENSE MONTHS ENDING OCTOBER 31, 2006

(1)	(2)	(3)	(4)	(5)
EXPENSE MONTH	EXPENSE MONTH \$/KWH*	FAC BASE \$/KWH	BILLING MONTH	BILLING MONTH FAC FACTOR COL 2 - 3
Jan-06	\$0.02013	\$0.01810	Mar-06	\$0.00203
Feb-06	\$0.02250	\$0.01810	Apr-06	\$0.00440
Mar-06	\$0.02530	\$0.01810	May-06	\$0.00720
Apr-06	\$0.02418	\$0.01810	Jun-06	\$0.00608
May-06	\$0.02533	\$0.01810	Jul-06	\$0.00723
Jun-06	\$0.02639	\$0.01810	Aug-06	\$0.00829
Jul-06	\$0.02757	\$0.01810	Sep-06	\$0.00947
Aug-06	\$0.03109	\$0.01810	Oct-06	\$0.01299
Sep-06	\$0.02318	\$0.01810	Nov-06	\$0.00508
Oct-06	\$0.02591	\$0.01810	Dec-06	\$0.00781
AVERAGE	\$0.02516	\$0.01810	AVERAGE	\$0.00706

KENTUCKY UTILITIES COMPANY

**Response to Information Requested in Appendix B of
Commission's Order Dated December 18, 2006**

Case No. 2006-00509

Question No. 2

Witness: Robert M. Conroy

- Q-2. Provide a calculation of the fossil fuel costs F(b) that KU proposes to use to calculate the base period fuel cost. This calculation shall show each component of F(b) as defined by Administrative Regulation 807 KAR 5:056. Explain why the fuel cost in the selected base period is representative of the level of fuel cost that KU will incur during the next 2-year period.
- A-2. Attached is a copy of the Fuel Cost Schedule for October 2006, which shows the component of F(b) as defined by 807 KAR 5:056.

As explained in the response to Question No. 1, KU reviewed the per unit fuel cost for each month during the January 2006 through October 2006 period and compared those values to the forecasted per unit fuel cost for the next 2-year period. As a result, F(b) and S(b) were considered together in determining the appropriate month to use as a new fuel basing point.

KENTUCKY UTILITIES COMPANY
FUEL COST SCHEDULE

Expense Month : October 2006

(A)	<u>Company Generation</u>		
	Coal Burned	(+)	\$26,757,644
	Oil Burned	(+)	513,607
	Gas Burned	(+)	503,633
	Fuel (assigned cost during Forced Outage)	(+)	755,006 *
	Fuel (substitute cost for Forced Outage)	(-)	<u>724,795</u> *
	SUB-TOTAL		\$27,774,884
(B)	<u>Purchases</u>		
	Net energy cost - economy purchases	(+)	\$ 2,518,548
	Identifiable fuel cost - other purchases	(+)	-
	Identifiable fuel cost (substitute for Forced Outage)	(-)	14,486 *
	Less Purchases above Highest Cost Units	(-)	-
	Internal Economy	(+)	10,721,769
	Internal Replacement	(+)	<u>85</u>
	SUB-TOTAL		\$13,240,402
(C)	<u>Inter-System Sales</u>		
	Including Interchange-out	(+)	\$ 176,773
	Internal Economy	(+)	-
	Internal Replacement	(+)	5,532,811
	Dollars Assigned to Inter-System Sales Losses	(+)	<u>1,768</u>
	SUB-TOTAL		\$ 5,711,352
(D)	<u>Over or (Under) Recovery</u>		
	From Page 5, Line 13		<u>\$ (6,626,777)</u>
	TOTAL FUEL RECOVERY (A+B-C-D) =		\$ 41,930,711

* 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

**Response to Information Requested in Appendix B of
Commission's Order Dated December 18, 2006**

Case No. 2006-00509

Question No. 3

Witness: Robert M. Conroy

- Q-3. Provide a schedule showing each component of sales as defined by Administrative Regulation 807 KAR 5:056 in the selected base period (b). Explain why KU believes that the sales in the selected base period (b) are representative of the level of kWh sales that KU will derive from the level of fuel cost incurred during the selected base period (b).
- A-3. Attached is a copy of the sales schedule for October 2006, which shows the components of sales as defined by 807 KAR 5:056.

As explained in the response to Question No. 1, KU reviewed the per unit fuel cost for each month during the January 2006 through October 2006 period and compared those values to the forecasted per unit fuel cost for the next 2-year period. As a result, F(b) and S(b) were considered together in determining the appropriate month to use as a new fuel basing point.

KENTUCKY UTILITIES COMPANY

SALES SCHEDULE (KWH)

Expense Month : October 2006

(A)	Generation (Net)	(+)	1,222,070,000
	Purchases including interchange-in	(+)	150,665,000
	Internal Economy	(+)	584,523,000
	Internal Replacement	(+)	<u>2,000</u>
	SUB-TOTAL		1,957,260,000
(B)	Inter-system Sales including interchange-out	(+)	7,258,000
	Internal Economy	(+)	-
	Internal Replacement	(+)	227,371,000
	(*) System Losses	(+)	<u>104,560,842</u>
	SUB-TOTAL		339,189,842
			<u><u>1,618,070,158</u></u>
	TOTAL SALES (A-B)		1,618,070,158

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

KENTUCKY UTILITIES COMPANY

**Response to Information Requested in Appendix B of
Commission's Order Dated December 18, 2006**

Case No. 2006-00509

Question No. 4

Witness: Robert M. Conroy

Q-4. Provide a schedule showing the calculation of KU's proposed increase or decrease in its base fuel cost per kWh to be incorporated into its base rate.

A-4.	Current Base	\$0.01810/kWh
	Proposed Base	<u>\$0.02591/kWh</u>
	Increase in Base Rates	\$0.00781/kWh

KENTUCKY UTILITIES COMPANY

**Response to Information Requested in Appendix B of
Commission's Order Dated December 18, 2006**

Case No. 2006-00509

Question No. 5

Witness: Mike Dotson

Q-5. Provide KU's most recent projected fuel requirements for the years 2007 and 2008 in tons and dollars.

A-5.		<u>Tons</u>	<u>Dollars</u>
	2007	7,570,000	\$391,355,007
	2008	8,439,000	\$428,452,902

KENTUCKY UTILITIES COMPANY

**Response to Information Requested in Appendix B of
Commission's Order Dated December 18, 2006**

Case No. 2006-00509

Question No. 6

Witness: Robert M. Conroy

Q-6. Provide KU's most recent sales projections for the years 2007 and 2008 in kWh and dollars.

A-6.	<u>Year</u>	<u>Forecasted kWh</u>	<u>Forecasted \$</u>
	2007	18,785,486,000	\$ [REDACTED]
	2008	19,259,579,000	\$ [REDACTED]

KENTUCKY UTILITIES COMPANY

**Response to Information Requested in Appendix B of
Commission's Order Dated December 18, 2006**

Case No. 2006-00509

Question No. 7

Witness: Robert M. Conroy

- Q-7. Provide separately the amounts of power purchases used in the calculation of sales provided in response to Item 3.

- A-7. Attached is a copy of the data from the Purchased Power Transaction Schedule for October 2006, which is used in the calculation of sales as defined by 807 KAR 5:056 and shown in the response to Item 3.

Kentucky Utilities Company
Purchased-Power Transaction Schedule
October 2006

<u>Company</u>	<u>KWH</u>
American Electric Power Service Corp.	870,000
Cargill- Alliant, LLC	300,000
Constellation Energy Comds. Grp. Inc.	3,000
Dayton Power & Light Co	50,000
Duke Energy Ohio, Inc	1,000
Energy Imbalance	4,000
Midwest Independent Transmission System Operator, Inc.	419,000
Louisville Gas & Electric	584,525,000
Owensboro Municipal Utilities	107,313,000
Ohio Valley Electric Corporation	<u>36,891,000</u>
Total	<u><u>730,376,000</u></u>

KENTUCKY UTILITIES COMPANY

**Response to Information Requested in Appendix B of
Commission's Order Dated December 18, 2006**

Case No. 2006-00509

Question No. 8

Witness: Robert M. Conroy

- Q-8. Provide separately the amounts of intersystem power sales used in the calculation of sales provided in response to Item 3.

- A-8. Attached is a copy of the data from the Sales-Power Transaction Schedule for October 2006, which is used in the calculation of sales as defined by 807 KAR 5:056 and shown in the response to Item 3.

Kentucky Utilities Company
Sales-Power Transaction Schedule
October 2006

<u>Company</u>	<u>KWH</u>
Associated Elect Cooperative	12,000
American Electric Power Service Corp.	1,321,000
Big Rivers Electric Corp.	6,000
Cargill- Alliant, Llc	453,000
Cobb Electric Membership Corporation	88,000
Constellation Energy Comds. Grp. Inc.	187,000
Dayton Power & Light Co	4,000
East Kentucky Power Cooperative	2,000
Illinois Municipal Electric Agency	93,000
Indiana Municipal Power Agency	99,000
Energy Imbalance	9,000
Merrill Lynch Commodities Inc.	552,000
Midwest Independent Transmission System Operator, Inc.	2,666,000
Progress Energy Ventures Inc.	8,000
Sempra Energy Trading Corp.	200,000
Split Rock Energy LLC	147,000
The Energy Authority	87,000
Tenaska Power Services Co.	8,000
Transalta Energy Marketing (U.S.) Inc.	17,000
Tennessee Valley Authority	810,000
Westar Energy, Inc.	476,000
Owensboro Municipal Utilities	13,000
Louisville Gas & Electric	<u>227,371,000</u>
Total	<u><u>234,629,000</u></u>

KENTUCKY UTILITIES COMPANY

**Response to Information Requested in Appendix B of
Commission's Order Dated December 18, 2006**

Case No. 2006-00509

Question No. 9

Witness: John P. Malloy

- Q-9. Provide the planned maintenance schedule for each of KU's generating units for the years 2007 and 2008.
- A-9. The information requested is being provided pursuant to a Petition for Confidential Treatment.

KENTUCKY UTILITIES COMPANY

**Response to Information Requested in Appendix B of
Commission's Order Dated December 18, 2006**

Case No. 2006-00509

Question No. 10

Witness: John P. Malloy

Q-10. For the years ending October 31, 2005 and October 31, 2006, provide:

- a. maximum annual system demand; and,
- b. average annual demand.

A-10. a. Maximum annual net system demand:

<u>Year Ending</u>	<u>Peak Demand (MW)</u>
October 31, 2005	4,079
October 31, 2006	4,207

b. Average annual system demand:

<u>Year Ending</u>	<u>Average Demand (MW) *</u>
October 31, 2005	2,524
October 31, 2006	2,533

* Average demand is calculated as the year ending energy divided by the hours per year

KENTUCKY UTILITIES COMPANY

Response to Information Requested in Appendix B of
Commission's Order Dated December 18, 2006

Case No. 2006-00509

Question No. 11

Witness: John P. Malloy

Q-11. List all firm power commitments for KU for the years 2007 and 2008 for (a) purchases and (b) sales. This list shall identify the other party (buyer or seller), the amount of commitment in MW, and the purpose of the commitment (e.g., peaking, emergency).

A-11. a. Firm Purchases

The firm purchases for Owensboro Municipal Utilities ("OMU") and Ohio Valley Electric Corporation ("OVEC") for the forecast period are shown in the tables below:

<u>Utility</u>	<u>MW</u>	<u>Purpose</u> ¹
OMU (1/1/07-7/31/08)	~169 MW	Baseload
OMU (8/1/08-12/31/08)	~168 MW	Baseload

	<u>Companies'</u>	<u>KU Portion</u>	<u>Purpose</u>
	<u>Amt (MW)</u>	<u>(MW)</u>	
OVEC (Jan 2007)	~171	~53	Baseload
OVEC (Feb 2007)	~156	~48	Baseload
OVEC (Mar 2007)	~156	~48	Baseload
OVEC (Apr 2007)	~157	~48	Baseload
OVEC (May 2007)	~171	~52	Baseload
OVEC (Jun 2007)	~176	~54	Baseload
OVEC (Jul 2007)	~174	~54	Baseload
OVEC (Aug 2007)	~174	~54	Baseload
OVEC (Sep 2007)	~168	~52	Baseload
OVEC (Oct 2007)	~162	~50	Baseload
OVEC (Nov 2007)	~155	~48	Baseload
OVEC (Dec 2007)	~171	~53	Baseload

¹ Please see KU's Response to the Request for Information, Item No. 3 in the Commission's Order dated July 6, 2006 in Case No. 2006-00264 for status description of the OMU contract.

KU will purchase their contractual Power Participation Ratio of (2.5%) of the released capacity for OVEC in 2007. OVEC released capacity for 2008, although not determined at this time, is expected to be similar to 2007.

b. Sales

None.

KENTUCKY UTILITIES COMPANY

**Response to Information Requested in Appendix B of
Commission's Order Dated December 18, 2006**

Case No. 2006-00509

Question No. 12

Witness: Robert M. Conroy

Q-12. Provide a monthly billing summary for all sales other than native load sales for the period November 1, 2004 through October 31, 2006.

A-12. Please see the attached sheets.

	KWH	DEMAND(\$)	CHARGES(\$)	OTHER CHARGES(\$)	TOTAL CHARGES(\$)
for the Month ending November 30, 2004					
Associated Elect Cooperative	54,000		1,084.55	1,152.31	2,236.86
American Electric Power Service Corp.	209,000		5,131.85	5,452.46	10,584.31
Alcoa Power Generating Inc.	186,000		2,814.62	2,990.47	5,805.09
Aquila, Inc D/B/A Aquila Networks	331,000		7,831.72	8,077.60	15,909.32
Bp Energy Company	417,000		7,231.82	7,683.63	14,915.45
Big Rivers Electric Corp.	8,000		200.39	212.91	413.30
Big Rivers Electric Corp.	42,000		2,265.52	2,407.04	4,672.56
Cargill- Alliant, LLC	408,000		8,670.92	9,239.15	17,910.07
Cinergy Services, Inc	725,000		13,391.76	14,228.39	27,620.15
Cobb Electric Membership Corporation	23,000		596.04	633.27	1,229.31
Conocophillips Company	3,000		63.47	67.43	130.90
Constellation Power Source, Inc.	1,976,000		43,898.29	46,640.79	90,539.08
Consumer Energy	26,000		455.01	483.45	938.46
Dominion Energy Marketing, Inc	88,000		2,265.53	2,407.07	4,672.60
Detroit Edison	969,000		20,902.69	22,085.28	42,987.97
Dayton Power And Light Company	26,000		749.07	795.88	1,544.95
Dte Energy Trading, Inc	1,655,000		30,924.17	32,850.18	63,774.35
Duke Energy Trading And Marketing LLC	702,000		13,197.78	14,012.80	27,210.58
East Kentucky Power Cooperative	541,000		12,058.08	12,811.39	24,869.47
Hoosier Energy Rural Electric Coop	806,000	5,847.20	14,679.17	15,596.24	36,122.61
Illinois Municipal Electric Agency	1,000		15.88	16.86	32.74
Indianapolis Power & Light Co	5,000		150.64	160.05	310.69
Kansas City Power & Light	85,000		1,847.93	1,963.37	3,811.30
Lg&E Energy Marketing Inc	957,000		20,366.40	21,638.78	42,005.18
Merrill Lynch Commodities, Inc	138,000		3,446.73	3,662.05	7,108.78
No. Indiana Public Service Co	1,896,000		43,250.23	45,952.25	89,202.48
Northern States Power Company	173,000		4,857.57	5,161.04	10,018.61
Ohio Valley Electric Corporation	1,000		33.77	35.88	69.65
Select Energy, Inc	41,000		934.33	992.70	1,927.03
Sempra Energy Trading Corp	285,000		6,370.42	6,768.40	13,138.82
Southern Indiana Gas & Electric Co.	46,000		932.74	991.01	1,923.75
Split Rock Energy LLC	241,000		6,945.48	7,379.39	14,324.87
Strategic Energy LLC	4,000		95.97	101.96	197.93
Tenaska Power Services Co	19,000		453.31	481.64	934.95
Transalta Energy Marketing (U S) Inc	312,000		7,217.33	7,668.22	14,885.55
Tennessee Valley Authority	200,000		4,155.14	4,414.72	8,569.86
Westar Energy, Inc.	80,000		2,063.86	2,192.79	4,256.65
Wabash Valley Power Association	105,000		2,526.97	2,684.85	5,211.82
Miscellaneous	-		11.85	(11.85)	-
Owensboro Municipal Utilities	-		0.00	10,206.00	10,206.00
Hoosier Energy Rural Electric Coop	-		0.00	10,773.00	10,773.00
Louisville Gas & Electric	222,518,000		3,754,024.35	947,389.87	4,701,414.22
Total	236,302,000	5,847.20	4,048,113.35	1,280,450.72	5,334,411.27

	KWH	DEMAND(\$)	CHARGES(\$)	OTHER CHARGES(\$)	TOTAL CHARGES(\$)
For the Month Ending December 31, 2004					
Associated Elect Cooperative	744,000		15,055.37	15,032.58	30,087.95
American Electric Power Service Corp	1,383,000		32,495.30	32,445.89	64,941.19
Ameren Energy, Inc	182,000		4,018.47	4,012.38	8,030.85
Aquila, Inc D/B/A Aquila Networks	826,000		18,516.67	18,022.45	36,539.12
Bp Energy Company	1,372,000		24,215.11	24,178.44	48,393.55
Big Rivers Electric Corp	48,000		1,186.88	1,185.10	2,371.98
Big Rivers Electric Corp	158,000		8,625.30	8,612.25	17,237.55
Cargill- Alliant, LLC	1,599,000		31,677.86	31,645.07	63,322.93
Cinergy Services, Inc	2,135,000		41,094.07	41,031.82	82,125.89
Citadel Energy Products LLC	1,004,000		20,103.56	20,073.12	40,176.68
Constellation Power Source, Inc.	4,786,000		96,303.13	96,157.28	192,460.41
Consumer Energy	128,000		1,898.77	1,895.91	3,794.68
Dominion Energy Marketing, Inc	199,000		4,631.62	4,624.60	9,256.22
Detroit Edison	2,517,000		57,830.28	57,778.21	115,608.49
Dayton Power And Light Company	197,000		5,124.15	5,116.38	10,240.53
Dte Energy Trading, Inc	5,198,000		91,150.96	91,012.90	182,163.86
Duke Energy Trading And Marketing LLC	180,000		3,710.47	3,700.20	7,410.67
East Kentucky Power Cooperative	1,511,000		31,713.14	31,665.11	63,378.25
Hoosier Energy Rural Electric Coop	1,202,000	11,096.47	20,658.59	20,627.30	52,382.36
Illinois Municipal Electric Agency	160,000		3,988.68	3,982.64	7,971.32
Indiana Municipal Power Agency	127,000		3,288.07	3,283.10	6,571.17
Kansas City Power & Light	271,000		7,812.36	7,800.52	15,612.88
Lg&E Energy Marketing Inc	313,000		8,638.22	8,625.13	17,263.35
Merrill Lynch Commodities Inc	1,058,000		21,051.54	21,019.65	42,071.19
Morgan Stanley Capital Group, Inc	533,000		12,872.09	12,852.59	25,724.68
No Indiana Public Service Co	4,294,000		93,382.46	93,241.01	186,623.47
Northern States Power Company	451,000		12,324.03	12,305.36	24,629.39
Ohio Valley Electric Corporation	3,000		183.41	183.13	366.54
Pseg Energy Resources & Trade LLC	157,000		3,854.20	3,848.37	7,702.57
South Carolina Electric & Gas	372,000		9,917.05	9,902.02	19,819.07
Select Energy, Inc.	134,000		2,807.10	2,802.84	5,609.94
Sempra Energy Trading Corp.	817,000		17,845.37	17,818.33	35,663.70
Southern Indiana Gas & Electric Co.	145,000		3,075.58	3,070.92	6,146.50
Southern Illinois Public Ser	517,000		11,487.44	11,470.04	22,957.48
Split Rock Energy LLC	509,000		12,669.43	12,650.25	25,319.68
Strategic Energy LLC	175,000		3,550.65	3,545.28	7,095.93
The Energy Authority	31,000		585.04	584.14	1,169.18
Tenaska Power Services Co	10,000		331.24	330.74	661.98
Transalta Energy Marketing (U.S.) Inc.	634,000		12,796.57	12,777.20	25,573.77
Tennessee Valley Authority	654,000		14,691.95	14,669.69	29,361.64
Westar Energy, Inc.	558,000		13,592.01	13,571.43	27,163.44
Western Farmers Electric Cooperative	11,000		234.42	234.06	468.48
Wabash Valley Power Association	170,000		4,194.65	4,188.28	8,382.93
Miscellaneous	-		0.01	-0.01	-
Owensboro Municipal Utilities	1,415,000	0.00	25,613.25	4,651.27	30,264.52
Hoosier Energy Rural Electric Coop	-		0.00	11,088.00	11,088.00
Louisville Gas & Electric	331,352,000		6,162,442.11	1,977,424.18	8,139,866.29
Total	370,240,000	11,096.47	6,973,238.63	2,776,737.15	9,761,072.25

	KWH	DEMAND(\$)	CHARGES(\$)	OTHER CHARGES(\$)	TOTAL CHARGES(\$)
For the Month Ending January 31, 2005					
Associated Elect Cooperative	2,670,000		47,326.04	51,748.30	99,074.34
American Electric Power Service Corp	14,964,000		309,663.53	338,732.10	648,395.63
Ameren Energy, Inc	1,177,000		29,514.21	32,272.10	61,786.31
Aquila, Inc D/B/A Aquila Networks	1,010,000		19,982.21	21,849.39	41,831.60
Bp Energy Company	(5,000)		(100.84)	144.84	44.00
Branscan Energy Marketing, Inc.	327,000		6,076.69	6,644.52	12,721.21
Big Rivers Electric Corp	203,000		5,147.07	5,706.27	10,853.34
Big Rivers Electric Corp	49,000		2,568.96	2,809.02	5,377.98
Cargill- Alliant, LLC	13,444,000		299,366.01	327,419.79	626,785.80
Cinergy Services, Inc	4,698,000		108,965.16	119,147.15	228,112.31
Citadel Energy Products LLC	554,000		9,093.00	9,942.67	19,035.67
Cobb Electric Membership Corporation	74,000		1,291.50	1,412.18	2,703.68
Connective Energy Supply, Inc	27,000		901.45	985.67	1,887.12
Constellation Power Source, Inc.	5,209,000		102,465.99	112,033.95	214,499.94
Consumer Energy	7,701,000		159,542.77	174,450.85	333,993.62
Dominion Energy Marketing, Inc.	363,000		8,799.67	9,621.93	18,421.60
Detroit Edison	17,210,000		394,749.56	431,635.96	826,385.52
Dayton Power And Light Company	316,000		6,947.00	7,596.14	14,543.14
Dte Energy Trading, Inc.	4,760,000		92,256.43	100,877.11	193,133.54
Duke Energy Trading And Marketing LLC	89,000		3,831.94	4,190.00	8,021.94
East Kentucky Power Cooperative	2,219,000		53,652.52	58,572.16	112,224.68
Hoosier Energy Rural Electric Coop	1,674,000		35,815.61	38,909.87	74,725.48
Indianapolis Power & Light Co	613,000		19,631.49	21,465.92	41,097.41
Kansas City Power & Light	356,000		7,144.74	7,812.35	14,957.09
Lg&E Energy Marketing Inc.	226,000		4,115.12	4,499.63	8,614.75
Merrill Lynch Commodities Inc	2,630,000		52,807.05	57,741.49	110,548.54
Morgan Stanley Capital Group, Inc.	27,000		1,049.17	1,139.25	2,188.42
No. Indiana Public Service Co	9,245,000		196,056.39	214,376.40	410,432.79
Northern States Power Company	685,000		19,647.36	21,483.26	41,130.62
Occidental Power Services, Inc	658,000		10,417.70	11,391.17	21,808.87
Ohio Valley Electric Corporation	3,000		145.00	158.54	303.54
Public Service Company Of Colorado	158,000		3,160.75	3,456.11	6,616.86
Pseg Energy Resources & Trade LLC	158,000		2,745.11	3,001.62	5,746.73
South Carolina Electric & Gas	473,000		9,751.05	10,662.22	20,413.27
Select Energy, Inc.	297,000		4,900.25	5,358.15	10,258.40
Sempra Energy Trading Corp	1,888,000		43,615.79	47,745.84	91,361.63
Southern Indiana Gas & Electric Co	609,000		12,752.25	13,943.85	26,696.10
Southern Illinois Public Ser	208,000		4,674.27	5,045.80	9,720.07
Split Rock Energy LLC	2,388,000		47,587.39	52,034.09	99,621.48
Strategic Energy LLC	1,832,000		40,556.47	44,325.97	84,882.44
The Energy Authority	4,000		117.59	128.57	246.16
Tenaska Power Services Co	741,000		13,414.28	14,667.74	28,082.02
Transalta Energy Marketing (U S) Inc	721,000		14,530.55	15,864.57	30,395.12
Tennessee Valley Authority	3,986,000		78,256.24	85,568.71	163,824.95
Westar Energy, Inc	1,417,000		26,127.06	28,568.45	54,695.51
Wabash Valley Power Association	283,000		7,793.58	8,592.76	16,386.34
Owensboro Municipal Utilities	65,000		8,190.92	698.99	8,889.91
Hoosier Energy Rural Electric Coop	-		0.00	16,944.00	16,944.00
Louisville Gas & Electric	398,105,000		8,236,649.67	2,272,551.98	10,509,201.65
TOTAL	506,509,000	\$ -	\$ 10,563,693.71	\$ 4,825,929.40	\$ 15,389,623.11

	KWH	DEMAND(\$)	CHARGES(\$)	OTHER CHARGES(\$)	TOTAL CHARGES(\$)
For the Month Ending March 31, 2005					
Associated Elect Cooperative	1,527,000		29,546.94	38,566.67	68,113.61
American Electric Power Service Corp	8,259,000		190,144.66	248,189.71	438,334.37
Alcoa Power Generating Inc	521,000		11,718.35	15,295.59	27,013.94
Aquila, Inc D/B/A Aquila Networks	774,000		16,529.93	21,576.00	38,105.93
Black Oak Capital, LLC	96,000		2,323.41	3,032.67	5,356.08
Branscan Energy Marketing, Inc.	606,000		13,514.46	17,640.00	31,154.46
Big Rivers Electric Corp	16,000		357.84	467.07	824.91
Big Rivers Electric Corp.	74,000		3,439.87	4,489.94	7,929.81
Cargill- Alliant, LLC	3,800,000		64,983.69	84,821.14	149,804.83
Cinergy Services, Inc.	13,935,000		300,348.41	392,035.13	692,383.54
Cobb Electric Membership Corporation	63,000		1,184.43	1,546.00	2,730.43
Conocophillips Company	20,000		422.98	552.09	975.07
Constellation Power Source, Inc.	1,100,000		21,712.12	28,357.56	50,069.68
Consumer Energy	4,915,000		102,552.19	133,858.09	236,410.28
Coral Power L.L.C	10,000		195.09	254.65	449.74
Dominion Energy Marketing, Inc.	620,000		13,450.70	17,556.76	31,007.46
Detroit Edison	5,925,000		136,923.83	178,722.28	315,646.11
Dayton Power And Light Company	295,000		7,171.03	9,385.45	16,556.48
Dte Energy Trading, Inc	1,000		38.95	50.83	89.78
Dte Energy Trading, Inc	2,686,000		46,834.70	61,105.86	107,940.56
Duke Energy Trading And Marketing LLC	117,000		2,754.14	3,594.89	6,349.03
East Kentucky Power Cooperative	2,499,000		55,330.35	72,220.94	127,551.29
Exelon Generation Company, LLC	1,981,000		39,784.93	51,930.01	91,714.94
Hoosier Energy Rural Electric Coop	1,834,000		40,709.58	53,136.90	93,846.48
Illinois Municipal Electric Agency	654,000		13,280.22	17,334.24	30,614.46
Indiana Municipal Power Agency	700,000		14,215.51	18,555.06	32,770.57
Indianapolis Power & Light Co	81,000		2,478.06	3,234.54	5,712.60
Kansas City Power & Light	595,000		11,339.07	14,800.52	26,139.59
Lg&E Energy Marketing Inc	264,000		4,523.63	5,904.54	10,428.17
Merrill Lynch Commodities Inc.	1,595,000		33,455.18	43,676.93	77,132.11
Morgan Stanley Capital Group, Inc.	941,000		19,472.62	25,416.99	44,889.61
No Indiana Public Service Co	2,986,000		72,825.91	95,057.34	167,883.25
Northern States Power Company	1,075,000		21,725.27	28,357.29	50,082.56
Occidental Power Services, Inc.	1,196,000		22,968.41	29,979.92	52,948.33
Ohio Valley Electric Corporation	7,000		323.04	421.65	744.69
Public Service Company Of Colorado	2,748,000		60,972.55	79,585.50	140,558.05
Rainbow Energy Marketing Corp	77,000		1,892.12	2,469.71	4,361.83
South Carolina Electric & Gas	462,000		11,230.39	14,658.68	25,889.07
Select Energy, Inc	2,914,000		64,337.42	83,977.57	148,314.99
Sempra Energy Trading Corp.	3,838,000		80,542.71	105,129.83	185,672.54
Southern Indiana Gas & Electric Co	347,000		7,258.93	9,474.85	16,733.78
Southern Illinois Public Ser	90,000		1,883.62	2,447.59	4,331.21
Split Rock Energy LLC	1,288,000		25,125.52	32,795.53	57,921.05
Strategic Energy LLC	504,000		8,801.81	11,488.73	20,290.54
The Energy Authority	23,000		626.21	817.34	1,443.55
Tenaska Power Services Co	291,000		4,331.23	5,653.43	9,984.66
Transalta Energy Marketing (U S) Inc	441,000		7,842.36	10,236.39	18,078.75
Tennessee Valley Authority	6,941,000		130,257.71	170,021.21	300,278.92
Westar Energy, Inc	1,679,000		32,107.52	41,908.92	74,016.44
Western Farmers Electric Cooperative	513,000		13,389.94	17,477.44	30,867.38
Wabash Valley Power Association	594,000		13,686.58	17,864.63	31,551.21
Louisville Gas & Electric	332,430,000		6,614,700.60	1,925,380.25	8,540,080.85
TOTAL	416,948,000	\$ -	\$ 8,397,566.72	\$ 4,252,512.85	\$ 12,650,079.57

	KWH	DEMAND(\$)	CHARGES(\$)	OTHER CHARGES(\$)	TOTAL CHARGES(\$)
For the Month Ending April 30, 2005					
American Electric Power Service Corp	(4,000)		(80.22)	(136.65)	(216.87)
Big Rivers Electric Corp	3,000		214.21	154.88	369.09
Cinergy Services, Inc.	1,000		43.62	31.53	75.15
Constellation Power Source, Inc.	-		-	147.70	147.70
Dominion Energy Marketing, Inc	-		-	(39.77)	(39.77)
East Kentucky Power Cooperative	1,000		55.92	40.43	96.35
Kansas City Power & Light	2,000		64.30	46.49	110.79
Midwest Independent Transmission System Operator	7,081,000		193,610.33	123,392.77	317,003.10
Ohio Valley Electric Corporation	1,000		51.54	37.27	88.81
Public Service Company Of Colorado	(8,000)		(160.44)	(213.33)	(373.77)
Sempra Energy Trading Corp	-		-	19.51	19.51
Southern Indiana Gas & Electric Co	3,000		184.17	133.15	317.32
Miscellaneous			(253.59)		(253.59)
Owensboro Municipal Utilities	354,000		10,865.00	253.59	11,118.59
Owensboro Municipal Utilities	-		0.00	1,569.77	1,569.77
Hoosier Energy Rural Electric Coop.	-		0.00	0.00	-
Louisville Gas & Electric	185,367,000		3,931,294.82	896,483.89	4,827,778.71
TOTAL	192,801,000	\$ -	\$ 4,135,889.66	\$ 1,021,921.23	\$ 5,157,810.89

	KWH	DEMAND(\$)	CHARGES(\$)	OTHER CHARGES(\$)	TOTAL CHARGES(\$)
For the Month Ending May 31, 2005					
American Electric Power Service Corp.	3,000		248.95	66.26	315.21
Big Rivers Electric Corp.	35,000		3,407.32	731.53	4,138.85
Cinergy Services, Inc	3,000		239.80	63.83	303.63
East Kentucky Power Cooperative	1,000		72.31	19.25	91.56
Midwest Independent Transmission System Operator	9,612,000		358,914.05	77,057.01	435,971.06
Ohio Valley Electric Corporation	1,000		85.33	22.71	108.04
Southern Indiana Gas & Electric Co	2,000		167.49	44.58	212.07
Owensboro Municipal Utilities	3,063,000		129,068.65	17,623.84	146,692.49
Owensboro Municipal Utilities	-		0.00	1,662.00	1,662.00
Louisville Gas & Electric	242,047,000		6,269,678.49	1,500,087.59	7,769,766.08
TOTAL	254,767,000	\$ -	\$ 6,761,882.39	\$ 1,597,378.60	\$ 8,359,260.99

	KWH	DEMAND(\$)	CHARGES(\$)	OTHER CHARGES(\$)	TOTAL CHARGES(\$)
For the Month Ending June 30, 2005					
Aquilainc	-	-	-	0.10	0.10
Midwest Independent Transmission System Operator	32,589,000	-	1,566,590.58	63,490.33	1,630,080.91
Ohio Valley Electric Corporation	-	-	-	1.77	1.77
Miscellaneous	-	-	560.00	(560.00)	-
Owensboro Municipal Utilities	2,325,000	-	200,966.14	23,006.95	223,973.09
Owensboro Municipal Utilities	-	-	0.00	3,975.00	3,975.00
Louisville Gas & Electric	143,718,000	-	5,009,877.70	1,018,559.22	6,028,436.92
TOTAL	178,632,000	\$ -	\$ 6,777,994.42	\$ 1,108,473.37	\$ 7,886,467.79

	KWH	DEMAND(\$)	CHARGES(\$)	OTHER CHARGES(\$)	TOTAL CHARGES(\$)
For the Month Ending July 31, 2005					
East Kentucky Power Cooperative	784,000		27,803.62	18,005.38	45,809.00
Midwest Independent Transmission System Operator	77,005,000		2,054,430.08	1,330,430.61	3,384,860.69
Owensboro Municipal Utilities	7,828,000		830,805.34	76,277.94	907,083.28
Owensboro Municipal Utilities	-		0.00	2,259.00	2,259.00
Louisville Gas & Electric	82,515,000		2,214,163.39	638,109.30	2,852,272.69
TOTAL	168,132,000	\$ -	\$ 5,127,202.43	\$ 2,065,082.23	\$ 7,192,284.66

	KWH	DEMAND(\$)	CHARGES(\$)	OTHER CHARGES(\$)	TOTAL CHARGES(\$)
For the Month Ending August 31 ,2005					
Midwest Independent Transmission System Operator	75,540,000		2,543,255.95	1,730,442.20	4,273,698.15
Miscellaneous			1,504.66	(1,504.66)	-
Owensboro Municipal Utilities	7,953,000		899,458.22	80,387.33	979,845.55
Owensboro Municipal Utilities	-		0.00	11,544.00	11,544.00
Louisville Gas & Electric	152,028,000		3,546,167.92	1,207,442.27	4,753,610.19
TOTAL	235,521,000	\$ -	\$ 6,990,386.75	\$ 3,028,311.14	\$ 10,018,697.89

	KWH	DEMAND(\$)	CHARGES(\$)	OTHER CHARGES(\$)	TOTAL CHARGES(\$)
For the Month Ending September 30, 2005					
Midwest Independent Transmission System Operator	81,843,000		2,949,416.42	1,609,472.08	4,558,888.50
Miscellaneous			2,697.55	-2,697.55	-
Owensboro Municipal Utilities	3,869,000		530,652.97	47,887.62	578,540.59
Owensboro Municipal Utilities	-		0.00	14,467.00	14,467.00
Louisville Gas & Electric	235,266,000		6,452,323.35	1,838,389.17	8,290,712.52
TOTAL	320,978,000	\$ -	\$ 9,935,090.29	\$ 3,507,518.32	\$ 13,442,608.61

	KWH	DEMAND(\$)	CHARGES(\$)	OTHER CHARGES(\$)	TOTAL CHARGES(\$)
For the Month Ending October 31, 2005					
Midwest Independent Transmission System Operator	8,920,000		804,091.64	(352,195.67)	451,895.97
Miscellaneous			4,797.70	(4,797.70)	-
Owensboro Municipal Utilities	8,321,000		201,025.20	32,519.75	233,544.95
Owensboro Municipal Utilities	-		0.00	7,000.00	7,000.00
Louisville Gas & Electric	200,447,000		3,929,417.85	1,574,104.18	5,503,522.03
TOTAL	217,688,000	\$ -	\$ 4,939,332.39	\$ 1,256,630.56	\$ 6,195,962.95

	KWH	DEMAND(\$)	CHARGES(\$)	OTHER CHARGES(\$)	TOTAL CHARGES(\$)
For the Month Ending November 30, 2005					
Midwest Independent Transmission System Operator	50,441,000		1,485,564.50	978,547.32	2,464,111.82
Ohio Valley Electric Corporation	-		-	0.20	0.20
Miscellaneous			2,106.17	(2,106.17)	-
Owensboro Municipal Utilities	-		0.00	60,024.00	60,024.00
Louisville Gas & Electric	408,519,000		9,118,506.87	2,600,079.73	11,718,586.60
TOTAL	458,960,000	\$ -	\$ 10,606,177.54	\$ 3,636,545.08	\$ 14,242,722.62

	KWH	DEMAND(\$)	CHARGES(\$)	OTHER CHARGES(\$)	TOTAL CHARGES(\$)
For the Month of December 31, 2005					
Midwest Independent Transmission System Operator	35,813,000		942,811.33	1,017,795.97	1,960,607.30
Miscellaneous			28.16	(28.16)	-
Owensboro Municipal Utilities	104,000		13,374.04	1,137.18	14,511.22
Louisville Gas & Electric	332,991,000		10,412,312.61	2,562,448.89	12,974,761.50
TOTAL	368,908,000	\$ -	\$ 11,368,526.14	\$ 3,581,353.88	\$ 14,949,880.02

	KWH	DEMAND(\$)	CHARGES(\$)	OTHER CHARGES(\$)	TOTAL CHARGES(\$)
For the Month Ending January 31, 2006					
Midwest Independent Transmission System Operator	9,297,000		221,284.59	252,532.44	473,817.03
Miscellaneous			6.64	(6.64)	-
Louisville Gas & Electric	357,020,000		7,444,211.66	3,658,719.72	11,102,931.38
TOTAL	366,317,000	\$ -	\$ 7,665,502.89	\$ 3,911,245.52	\$ 11,576,748.41

	KWH	DEMAND(\$)	CHARGES(\$)	OTHER CHARGES(\$)	TOTAL CHARGES(\$)
For the Month Ending February 28, 2006					
Midwest Independent Transmission System Operator	2,319,000		71,660.09	43,580.70	115,240.79
Miscellaneous			0.44	(0.44)	-
Louisville Gas & Electric	144,137,000		3,437,302.83	1,300,679.83	4,737,982.66
TOTAL	146,456,000	\$ -	\$ 3,508,963.36	\$ 1,344,260.09	\$ 4,853,223.45

	KWH	DEMAND(\$)	CHARGES(\$)	OTHER CHARGES(\$)	TOTAL CHARGES(\$)
For the Month Ending March 31, 2006					
Illinois Municipal Electric Agency	-		-	(1,650.27)	(1,650.27)
Indiana Municipal Power Agency	-		-	(1,749.03)	(1,749.03)
Midwest Independent Transmission System Operator	1,878,000		61,412.29	26,226.25	87,638.54
Miscellaneous			(4,996.97)	4,996.97	-
Owensboro Municipal Utilities	56,000		1,653.40	233.25	1,886.65
Louisville Gas & Electric	85,543,000		2,285,702.47	830,242.66	3,115,945.13
TOTAL	87,477,000	\$ -	\$ 2,343,771.19	\$ 858,299.83	\$ 3,202,071.02

	KWH	DEMAND(S)	CHARGES(S)	OTHER CHARGES(S)	TOTAL CHARGES(S)
For the Month Ending April 30, 2006					
Illinois Municipal Electric Agency	-		-	2.21	2.21
Indiana Municipal Power Agency	-		-	(2.21)	(2.21)
Midwest Independent Transmission System Operator	4,125,000		105,512.50	54,565.79	160,078.29
Miscellaneous			1.89	(1.89)	-
Owensboro Municipal Utilities	2,275,000		99,924.54	13,080.14	113,004.68
Owensboro Municipal Utilities	-		0.00	903.00	903.00
Louisville Gas & Electric	101,867,000		2,522,268.63	831,866.15	3,354,134.78
TOTAL	108,267,000	\$ -	\$ 2,727,707.56	\$ 900,413.19	\$ 3,628,120.75

	KWH	DEMAND(\$)	CHARGES(\$)	OTHER CHARGES(\$)	TOTAL CHARGES(\$)
For the Month Ending May 31, 2006					
Illinois Municipal Electric Agency	-	-	-	-	-
Indiana Municipal Power Agency	-	-	-	-	-
Midwest Independent Transmission System Operator	11,920,000		395,535.19	218,225.72	613,760.91
Miscellaneous			195.23	(195.23)	-
Owensboro Municipal Utilities	656,000		15,196.31	2,441.97	17,638.28
Owensboro Municipal Utilities	-		0.00	8,283.00	8,283.00
Louisville Gas & Electric	223,690,000		5,911,585.21	1,734,444.52	7,646,029.73
TOTAL	236,266,000	\$ -	\$ 6,322,511.94	\$ 1,963,199.98	\$ 8,285,711.92

	KWH	DEMAND(\$)	CHARGES(\$)	OTHER CHARGES(\$)	TOTAL CHARGES(\$)
For the Month Ending June 30, 2006					
Illinois Municipal Electric Agency	-	-	-	(49.33)	(49.33)
Indiana Municipal Power Agency	-	-	-	(52.41)	(52.41)
Midwest Independent Transmission System Operator	8,708,000		449,885.12	122,805.43	572,690.55
Miscellaneous			(382.94)	382.94	-
Owensboro Municipal Utilities	-		-	6,421.00	6,421.00
Louisville Gas & Electric	138,120,000		4,606,242.51	1,063,720.74	5,669,963.25
TOTAL	146,828,000	\$ -	\$ 5,055,744.69	\$ 1,193,228.37	\$ 6,248,973.06

	KWH	DEMAND(\$)	CHARGES(\$)	OTHER CHARGES(\$)	TOTAL CHARGES(\$)
For the Month Ending July 31, 2006					
Midwest Independent Transmission System Operator	13,435,000		701,137.27	178,435.68	879,572.95
Owensboro Municipal Utilities	1,417,000		106,440.71	10,608.52	117,049.23
Louisville Gas & Electric	154,127,000		5,755,259.23	1,070,149.07	6,825,408.30
TOTAL	168,979,000	\$ -	\$ 6,562,837.21	\$ 1,259,193.27	\$ 7,822,030.48

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	KWH	DEMAND(\$)	CHARGES(\$)	OTHER CHARGES(\$)	TOTAL CHARGES(\$)
For the Month Ending August 31, 2006					
Cinergy Services, Inc.	1,000		100.21	-12.82	87.39
Midwest Independent Transmission System Operator	4,827,000		361,101.40	18,125.20	379,226.60
Psi Energy Inc.	1,000		100.21	32.04	132.25
Miscellaneous			2,716.94	(2,716.94)	-
Owensboro Municipal Utilities	2,283,000		312,849.56	28,263.40	341,112.96
Owensboro Municipal Utilities	-		0.00	2,274.00	2,274.00
Louisville Gas & Electric	87,615,000		3,435,563.55	714,804.92	4,150,368.47
TOTAL	94,727,000	\$ -	\$ 4,112,431.87	\$ 760,769.80	\$ 4,873,201.67

	KWH	DEMAND(\$)	CHARGES(\$)	OTHER CHARGES(\$)	TOTAL CHARGES(\$)
For the Month Ending September 30, 2006					
Alabama Electric Coop , Inc	11,000		282.04	214.48	496.52
Associated Elect Cooperative	3,000		57.31	43.58	100.89
American Electric Power Service Corp	2,289,000		56,639.17	36,028.19	92,667.36
Big Rivers Electric Corp	66,000		4,192.41	2,666.80	6,859.21
Cargill- Alliant, LLC	235,000		5,712.68	3,633.84	9,346.52
Cobb Electric Membership Corporation	44,000		1,537.72	978.15	2,515.87
Constellation Energy Comds Grp Inc.	571,000		15,299.10	9,731.77	25,030.87
Dayton Power & Light Co	47,000		1,057.89	672.92	1,730.81
East Kentucky Power Cooperative	5,000		106.39	80.90	187.29
Merrill Lynch Commodities Inc	1,245,000		30,947.03	19,685.43	50,632.46
Midwest Independent Transmission System Operator	13,730,000		349,131.74	222,082.86	571,214.60
Sempra Energy Trading Corp	553,000		13,966.38	8,884.02	22,850.40
Southern Indiana Gas & Electric Co	2,000		111.86	85.06	196.92
Split Rock Energy LLC	5,000		136.68	103.93	240.61
The Energy Authority	299,000		7,587.72	4,826.56	12,414.28
Tennessee Valley Authority	2,738,000		71,202.50	45,291.92	116,494.42
Miscellaneous			2,016.14	(2,016.14)	-
Owensboro Municipal Utilities	4,000		128.66	17.40	146.06
Owensboro Municipal Utilities	-		0.00	2,533.00	2,533.00
Louisville Gas & Electric	172,580,000		4,205,386.20	1,334,933.82	5,540,320.02
TOTAL	194,427,000	\$ -	\$ 4,765,499.62	\$ 1,690,478.49	\$ 6,455,978.11

	KWH	DEMAND(\$)	CHARGES(\$)	OTHER CHARGES(\$)	TOTAL CHARGES(\$)
For the Month Ending October 31, 2006					
Associated Elect Cooperative	12,000		251.60	224.74	476.34
American Electric Power Service Corp	1,321,000		33,917.08	28,575.77	62,492.85
Big Rivers Electric Corp.	6,000		310.67	277.52	588.19
Cargill- Alliant, LLC	453,000		10,576.08	8,916.11	19,492.19
Cobb Electric Membership Corporation	88,000		2,711.17	2,099.28	4,810.45
Constellation Energy Comds Grp Inc	187,000		5,050.72	4,260.10	9,310.82
Dayton Power & Light Co	4,000		85.69	76.54	162.23
East Kentucky Power Cooperative	2,000		58.58	52.32	110.90
Illinois Municipal Electric Agency	93,000		1,901.12	1,602.74	3,503.86
Indiana Municipal Power Agency	99,000		2,022.57	1,705.12	3,727.69
Energy Imbalance	9,000		506.37	452.32	958.69
Merrill Lynch Commodities Inc.	552,000		13,874.03	11,680.37	25,554.40
Midwest Independent Transmission System Operator	2,666,000		62,210.04	52,445.84	114,655.88
Progress Energy Ventures Inc.	8,000		170.09	151.94	322.03
Sempra Energy Trading Corp.	200,000		4,907.99	4,137.66	9,045.65
Split Rock Energy LLC	147,000		3,402.40	2,868.39	6,270.79
The Energy Authority	87,000		2,010.18	1,710.12	3,720.30
Tenaska Power Services Co.	8,000		174.71	156.06	330.77
Transalta Energy Marketing (U S) Inc	17,000		465.42	415.74	881.16
Tennessee Valley Authority	810,000		18,506.69	15,601.97	34,108.66
Westar Energy, Inc.	476,000		12,971.84	10,935.83	23,907.67
Miscellaneous			102.81	(102.81)	-
Owensboro Municipal Utilities	13,000		584.74	68.21	652.95
Owensboro Municipal Utilities	-		-	17.00	17.00
Louisville Gas & Electric	227,371,000		5,532,811.01	1,198,491.60	6,731,302.61
TOTAL	234,629,000	\$ -	\$ 5,709,583.60	\$ 1,346,820.48	\$ 7,056,404.08

KENTUCKY UTILITIES COMPANY

**Response to Information Requested in Appendix B of
Commission's Order Dated December 18, 2006**

Case No. 2006-00509

Question No. 13

Witness: Robert M. Conroy

Q-13. a. Provide a schedule of the calculation of the 12-month average line loss by month for November 2004 through October 2006.

b. Describe the actions that KU has taken to reduce line loss during this period.

A-13. a. Please see the attached sheet.

b. KU's transmission and distribution system is constantly being expanded and upgraded to provide reliable electric service. All enhancements contribute to a system that will operate with fewer line losses. New line construction and transformer additions provide parallel facilities and reduce the current in existing facilities. Replacing existing conductors with larger conductors or replacing existing transformers with larger transformers reduces the resistance. Adding capacitors near the load reduces system reactive power (VAR) requirements and line and transformer currents. Any reduction in current and/or resistance results in reduced losses. The Company's planning and design objective is to provide a reliable transmission and distribution system at a reasonable cost. For Transmission and Distribution, the cost for losses are evaluated as outlined below.

Transmission:

The cost of transmission line losses is included in the economic analysis when evaluating the cost of alternative projects. The costs of core and copper losses are incorporated into the selection of all transmission transformers.

Distribution:

Losses are evaluated in the selection of standard line materials (cables, wires, distribution transformers, etc.) and distribution substation transformers. Total ownership cost, which includes the cost of no-load, load, and auxiliary losses is a primary consideration in the purchase of all distribution and substation transformer purchases.

Kentucky Utilities Company
12 month Average Line Loss
November 2004 - October 2006

(1)	(2)	(3)	(4)	(5)	(6)
Month	Total kWh Sources 12 Months Ended Current Month	Total kWh System Losses 12 Months Ended Current Month	12 Months End % Losses	Total kWh Sources Current Month	Current Month Calculates System Losses (kWh)
			(3) / (2)		(4) x (5)
Nov-2004	25,022,336,000	1,088,545,797	4.350296%	1,823,534,000	79,329,12
Dec-2004	25,063,434,000	1,064,539,611	4.247381%	2,351,818,000	99,890,67
Jan-2005	24,968,435,000	1,083,007,489	4.337506%	2,475,753,000	107,385,93
Feb-2005	24,908,175,000	1,079,880,891	4.335448%	2,187,783,000	94,850,19
Mar-2005	25,162,278,000	1,078,382,457	4.285711%	2,282,556,000	97,823,75
Apr-2005	25,207,810,000	1,048,943,149	4.161183%	1,752,805,000	72,937,42
May-2005	25,045,552,000	1,069,265,319	4.269282%	1,909,011,000	81,501,06
Jun-2005	25,131,001,000	1,050,397,926	4.179690%	2,108,761,000	88,139,67
Jul-2005	25,239,744,000	1,050,189,601	4.160857%	2,228,051,000	92,706,01
Aug-2005	25,620,371,339	1,084,868,994	4.234400%	2,397,758,339	101,530,67
Sep-2005	25,758,806,339	1,135,249,692	4.407229%	2,174,812,000	95,848,94
Oct-2005	25,607,698,339	1,161,137,590	4.534330%	1,915,056,000	86,834,95
Nov-2005	25,959,932,339	1,202,721,194	4.632990%	2,175,768,000	100,803,11
Dec-2005	26,105,342,339	1,271,318,178	4.869954%	2,497,228,000	121,613,85
Jan-2006	25,916,666,339	1,278,661,583	4.933743%	2,287,077,000	112,838,50
Feb-2006	25,755,232,339	1,296,934,474	5.035616%	2,026,349,000	102,039,15
Mar-2006	25,401,890,339	1,325,741,492	5.219066%	1,929,214,000	100,686,95
Apr-2006	25,322,544,339	1,329,981,235	5.252163%	1,673,459,000	87,892,79
May-2006	25,343,762,339	1,329,774,526	5.246950%	1,930,229,000	101,278,15
Jun-2006	25,226,735,339	1,395,644,580	5.532403%	1,991,734,000	110,190,75
Jul-2006	25,235,344,339	1,381,678,049	5.475170%	2,236,660,000	122,460,93
Aug-2006	25,120,728,000	1,395,202,702	5.553990%	2,283,142,000	126,805,47
Sep-2006	24,782,228,000	1,339,344,361	5.404455%	1,836,312,000	99,242,65
Oct-2006	24,823,802,000	1,326,138,312	5.342205%	1,956,630,000	104,527,18

KENTUCKY UTILITIES COMPANY

**Response to Information Requested in Appendix B of
Commission's Order Dated December 18, 2006**

Case No. 2006-00509

Question No. 14

Witness: John P. Malloy

Q-14. List KU's scheduled, actual, and forced outages between May 1, 2006 and October 31, 2006.

A-14. Please see the attached sheets. Tyrone Units 1 and 2 experienced a forced outage on July 28, 2006. In accordance with the reporting requirement for the NERC Generating Availability Reporting System (GADS) Tyrone Units 1 and 2 were placed in the Inactive State of Mothballed at midnight on 9/26/2006, while life assessment studies are being conducted. Mothballed is defined by IEEE 762 and GADS as "the State in which a unit is unavailable for service but can be brought back into service after some repairs with appropriate amount of notification, typically weeks or months."²

² See the NERC GADS DATA Reporting Instructions, Section III: Event Reporting, Pages III-5 and III-6.

Kentucky Utilities Company
 E. W. Brown Unit 1 - Coal - 101 MW
 May 2006 - October 2006

Schedule vs Actual

MONTH	MAINTENANCE				HOURS OF DURATION		REASON FOR DEVIATION FROM SCHEDULED MAINTENANCE OR REASON FOR FORCED OUTAGE AS APPROPRIATE
	Scheduled FROM	Scheduled TO	Actual FROM	Actual TO	Scheduled	Actual	
May	No Outages > or = 6 Hours						
Jun	No Outages > or = 6 Hours						
Jul	No Outages > or = 6 Hours						
Aug	F	8/26/2006 22:46	8/27/2006 18:04	8/3/2006 7:09	8/4/2006 23:37	40:28	Miscellaneous boiler tube problems
Sep	S	8/26/2006 22:46	8/27/2006 18:04	8/26/2006 22:46	8/27/2006 18:04	19:18	Other precipitator problems
	S	9/1/2006 7:32	9/2/2006 7:37	9/1/2006 7:32	9/2/2006 7:37	24:05	Opacity stack emissions
	S	9/23/2006 0:00	→	9/23/2006 23:50	→	192:00	Annual boiler inspection
Oct	S	→	10/15/2006 15:00	→	10/15/2006 7:43	351:00	" " " " " "
						343:43	" " " " " "

Schedule vs Actual

Kentucky Utilities Company
 E. W. Brown Unit 2 - Coal - 167 MW
 May 2006 - October 2006

MONTH	MAINTENANCE		Actual		HOURS OF DURATION		REASON FOR DEVIATION FROM SCHEDULED MAINTENANCE OR REASON FOR FORCED OUTAGE AS APPROPRIATE
	FROM	TO	FROM	TO	Scheduled	Actual	
May	No Outages > or = 6 Hours						
Jun	No Outages > or = 6 Hours						
Jul	No Outages > or = 6 Hours						
Aug	S	8/19/2006 0:40	8/20/2006 0:58	8/20/2006 0:58	24:18	24:18	Furnace wall waterwall boiler tube failure
Sep	No Outages > or = 6 Hours						
Oct	S	10/7/2006 0:00	10/29/2006 15:00	10/6/2006 21:28	10/28/2006 21:08	543:00	527:40 Annual boiler inspection

2006-509

Kentucky Utilities Company
 E. W. Brown Unit 3 - Coal - 429 MW
 May 2006 - October 2006

Schedule vs Actual

MONTH	MAINTENANCE				HOURS OF DURATION		REASON FOR DEVIATION FROM SCHEDULED MAINTENANCE OR REASON FOR FORCED OUTAGE AS APPROPRIATE
	Scheduled FROM	Scheduled TO	Actual FROM	Actual TO	Scheduled	Actual	
May	S 5/6/2006 0:00	5/28/2006 15:00	5/6/2006 1:24	5/27/2006 12:43	543:00	515:19	Annual boiler inspection
F			5/27/2006 16:24	→	103:36		Generator output breaker
Jun	F		→	6/9/2006 18:01	210:01		" " " " "
Jul	S 7/15/2006 0:47	7/17/2006 16:10	7/15/2006 0:47	7/17/2006 16:10	63:23	63:23	Boiler recirculation pumps
S	7/22/2006 0:15	7/24/2006 2:15	7/22/2006 0:15	7/24/2006 2:15	50:00	50:00	Furnace wall waterwall boiler tube failure
F			7/24/2006 8:32	7/25/2006 20:33	36:01		Furnace wall waterwall boiler tube failure
Aug	No Outages > or = 6 Hours						
Sep	S 9/22/2006 22:23	9/23/2006 21:55	9/22/2006 22:23	9/23/2006 21:55	23:32	23:32	Electrical tie-in for scrubber reserve line
Oct	No Outages > or = 6 Hours						

Kentucky Utilities Company
 E. W. Brown 5 - Gas CT - 117 MW
 May 2006 - October 2006

Schedule vs Actual

MONTH	MAINTENANCE				HOURS OF DURATION		REASON FOR DEVIATION FROM SCHEDULED MAINTENANCE OR REASON FOR FORCED OUTAGE AS APPROPRIATE
	Scheduled FROM	Scheduled TO	Actual FROM	Actual TO	Scheduled	Actual	
May	S 5/9/2006 7:00	5/11/2006 7:50	5/9/2006 7:00	5/11/2006 7:50	48:50	48:50	Gas fuel system
Jun	S 6/2/2006 7:05	6/2/2006 15:50	6/2/2006 7:05	6/2/2006 15:50	8:45	8:45	Gas turbine/compressor wash
Jul	F		6/26/2006 9:30	↑	110:30		Lube oil pumps
Jul	F		↑	7/9/2006 21:30	213:30		" " "
Aug	No Outages > or = 6 Hours						
Sep	S 9/23/2006 0:00	↑	9/25/2006 7:00	↑	192:00	137:00	Gas turbine unit inspection
Oct	↑	10/8/2006 15:00	↑	10/9/2006 6:41	183:00	198:41	" " "

Report dates of forced outage in columns headed Actual

Kentucky Utilities Company
 E. W. Brown 6 - Gas CT - 154 MW
 May 2006 - October 2006

Schedule vs Actual

MONTH	MAINTENANCE				HOURS OF DURATION		REASON FOR DEVIATION FROM SCHEDULED MAINTENANCE OR REASON FOR FORCED OUTAGE AS APPROPRIATE		
	Scheduled		Actual		Scheduled	Actual			
	FROM	TO	FROM	TO	Forced				
May	S	5/12/2006 6:00	5/30/2006 2:16	5/12/2006 6:00	5/30/2006 2:16	428:16	428:16	Low pressure blades	
	S	5/30/2006 7:43	→	5/30/2006 7:43	→	40:17	40:17	Low pressure blades	
Jun	S	→	6/2/2006 6:43	→	6/2/2006 6:43	30:43	30:43	" " " "	
	S	6/2/2006 12:50	6/7/2006 14:22	6/2/2006 12:50	6/7/2006 14:22	121:32	121:32	Low pressure blades	
	S	6/8/2006 7:28	6/9/2006 13:46	6/8/2006 7:28	6/9/2006 13:46	30:18	30:18	Low pressure blades	
	S	6/10/2006 16:33	6/12/2006 11:12	6/10/2006 16:33	6/12/2006 11:12	42:39	42:39	Low pressure blades	
	S	6/16/2006 6:00	6/16/2006 13:00	6/16/2006 6:00	6/16/2006 13:00	7:00	7:00	Gas turbine/compressor wash	
	F			6/19/2006 12:25	6/20/2006 10:41	22:16		Control system logic	
	F			6/20/2006 12:19	6/22/2006 10:48	46:29		Control system logic	
Jul		No Outages > or = 6 Hours							
Aug	F			8/9/2006 13:04	8/10/2006 12:29	23:25		Other gas turbine problems	
Sep	S	9/5/2006 9:35	9/5/2006 19:00	9/5/2006 9:35	9/5/2006 19:00	9:25	9:25	Cooling and seal air system	
	S	9/29/2006 8:30	9/29/2006 15:30	9/29/2006 8:30	9/29/2006 15:30	7:00	7:00	Control system - upgrades	
Oct		No Outages > or = 6 Hours							

Report dates of forced outage in columns headed Actual

Kentucky Utilities Company
 E. W. Brown 7 - Gas CT - 154 MW
 May 2006 - October 2006

Schedule vs Actual

MONTH	MAINTENANCE				HOURS OF DURATION		REASON FOR DEVIATION FROM SCHEDULED MAINTENANCE OR REASON FOR FORCED OUTAGE AS APPROPRIATE
	Scheduled FROM	Scheduled TO	Actual FROM	Actual TO	Scheduled	Actual	
May	F		5/26/2006 2:00	5/26/2006 8:56	6:56		Cooling and seal air system
Jun		No Outages > or = 6 Hours					
Jul	F		7/9/2006 15:00	7/11/2006 12:35	45:35		Atomizing air system
Aug	F		8/9/2006 13:07	8/10/2006 12:43	23:36		Other gas turbine problems
Sep	S		9/6/2006 5:30	9/7/2006 16:00	34:30	34:30	Gas fuel system
Oct		No Outages > or = 6 Hours					

Report dates of forced outage in columns headed Actual

Kentucky Utilities Company
 E. W. Brown 8 - Gas CT - 106 MW
 May 2006 - October 2006

Schedule vs Actual

MONTH	MAINTENANCE				HOURS OF DURATION		REASON FOR DEVIATION FROM SCHEDULED MAINTENANCE OR REASON FOR FORCED OUTAGE AS APPROPRIATE	
	Scheduled FROM	Scheduled TO	Actual FROM	Actual TO	Scheduled	Actual		
May	No Outages > or = 6 Hours							
Jun	S	6/25/2006 0:00	6/25/2006 14:00	6/25/2006 0:00	6/25/2006 14:00	14:00	14:00	Controls and instrumentation
Jul	No Outages > or = 6 Hours							
Aug	No Outages > or = 6 Hours							
Sep	No Outages > or = 6 Hours							
Oct	No Outages > or = 6 Hours							

Schedule vs Actual

Kentucky Utilities Company
 E. W. Brown 9 - Gas CT - 106 MW
 May 2006 - October 2006

MONTH	MAINTENANCE		HOURS OF DURATION		REASON FOR DEVIATION FROM SCHEDULED MAINTENANCE OR REASON FOR FORCED OUTAGE AS APPROPRIATE
	FROM	TO	Scheduled	Actual	
May					
Jun					
Jul					
Aug					
Sep					
Oct					

Generator synchronization equipment

13:43

5/1/2006 13:43

FROM →

TO

No Outages > or = 6 Hours

Kentucky Utilities Company
 E. W. Brown 10 - Gas CT - 106 MW
 May 2006 - October 2006

Schedule vs Actual

MONTH	MAINTENANCE				HOURS OF DURATION		REASON FOR DEVIATION FROM SCHEDULED MAINTENANCE OR REASON FOR FORCED OUTAGE AS APPROPRIATE
	Scheduled FROM	Scheduled TO	Actual FROM	Actual TO	Scheduled	Actual	
May	F				5/22/2006 9:45	33:45	Fire detection and extinguishing system
Jun	No Outages > or = 6 Hours						
Jul	No Outages > or = 6 Hours						
Aug	No Outages > or = 6 Hours						
Sep	No Outages > or = 6 Hours						
Oct	No Outages > or = 6 Hours						

Kentucky Utilities Company
 E. W. Brown 11 - Gas CT - 106 MW
 May 2006 - October 2006

Schedule vs Actual

MONTH	MAINTENANCE				HOURS OF DURATION		REASON FOR DEVIATION FROM SCHEDULED MAINTENANCE OR REASON FOR FORCED OUTAGE AS APPROPRIATE
	Scheduled FROM	Scheduled TO	Actual FROM	Actual TO	Scheduled	Actual	
May	F		5/10/2006 11:24		227:24		Lightning
Jun	F		5/10/2006 12:04	5/11/2006 11:20	23:16		Gas fuel system
Jun		No Outages > or = 6 Hours					
Jul		No Outages > or = 6 Hours					
Aug		No Outages > or = 6 Hours					
Sep	S	9/18/2006 6:30	9/22/2006 14:15	9/18/2006 6:30	103:45	103:45	Fuel nozzle repairs
Oct	S	10/30/2006 7:30		10/30/2006 7:30	40:30	40:30	Fuel nozzle repairs

Report dates of forced outage in columns headed Actual

Kentucky Utilities Company
 Ghent Unit 1 - Coal - 475 MW
 May 2006 - October 2006

Schedule vs Actual

MONTH	MAINTENANCE				HOURS OF DURATION		REASON FOR DEVIATION FROM SCHEDULED MAINTENANCE OR REASON FOR FORCED OUTAGE AS APPROPRIATE
	FROM	Scheduled	TO	Actual	Scheduled	Actual	
May							
	No Outages > or = 6 Hours						
Jun							
	No Outages > or = 6 Hours						
Jul							
	No Outages > or = 6 Hours						
Aug	F	8/22/2006 13:35	8/24/2006 5:31		39:56		Second Reheater boiler tube failures
	F	8/26/2006 22:56	8/27/2006 15:36		16:40		Turbine reheat stop valves
	F	8/27/2006 19:28	8/29/2006 21:12		49:44		Conductors and buses
Sep	F	9/19/2006 22:40	9/21/2006 4:00		29:20		Superheater platen boiler tube failures
Oct	S	10/20/2006 22:27	10/22/2006 12:07		37:40	37:40	Superheater platen boiler tube failures

Kentucky Utilities Company
 Ghent Unit 2 - Coal - 484 MW
 May 2006 - October 2006

Schedule vs Actual

MONTH	MAINTENANCE				HOURS OF DURATION		REASON FOR DEVIATION FROM SCHEDULED MAINTENANCE OR REASON FOR FORCED OUTAGE AS APPROPRIATE
	Scheduled FROM	Scheduled TO	Actual FROM	Actual TO	Scheduled	Actual	
May	No Outages > or = 6 Hours						
Jun	No Outages > or = 6 Hours						
Jul	F	7/29/2006 1:14	7/31/2006 5:18	7/24/2006 21:58	7/25/2006 6:56	8:58	Boiler recirculation piping
Aug	S	7/29/2006 1:14	8/28/2006 0:51	7/29/2006 1:14	7/31/2006 5:18	52:04	Precipitator issues
Sep	S	8/26/2006 0:51	9/29/2006 20:38	8/26/2006 0:51	8/28/2006 1:26	48:35	Precipitator fouling
Oct	S	9/29/2006 20:38	10/2/2006 2:26	9/29/2006 20:38	10/2/2006 2:26	27:22	Precipitator fouling
	S	→	→	10/2/2006 2:26	10/2/2006 2:26	26:26	" " " " "
	F	→	→	10/26/2006 6:41	10/28/2006 9:19	50:38	Opacity
	F	→	→	10/28/2006 9:19	10/28/2006 22:25	13:06	Unit auxiliaries transformer

Report dates of forced outage in columns headed Actual

Kentucky Utilities Company
 Ghent Unit 3 - Coal - 493 MW
 May 2006 - October 2006

Schedule vs Actual

MONTH	MAINTENANCE				HOURS OF DURATION		REASON FOR DEVIATION FROM SCHEDULED MAINTENANCE OR REASON FOR FORCED OUTAGE AS APPROPRIATE
	Scheduled		Actual		Scheduled	Actual	
	FROM	TO	FROM	TO			
May	No Outages > or = 6 Hours						
Jun	No Outages > or = 6 Hours						
Jul	F		7/3/2006 20:09	7/5/2006 13:18		41:09	Superheater boiler tube failures
Aug	No Outages > or = 6 Hours						
Sep	No Outages > or = 6 Hours						
Oct	S	10/21/2006 0:00	11/12/2006 15:00	10/2/2006 22:14	10/7/2006 5:18	543:00	103:04 Annual outage scheduled; only precipitator wash performed

Kentucky Utilities Company
 Ghent Unit 4 - Coal - 493 MW
 May 2006 - October 2006

Schedule vs Actual

MONTH	SCHEDULED		MAINTENANCE		ACTUAL		HOURS OF DURATION		REASON FOR DEVIATION FROM SCHEDULED MAINTENANCE OR REASON FOR FORCED OUTAGE AS APPROPRIATE
	FROM	TO	FROM	TO	FROM	TO	Scheduled	Actual	
May	F		5/28/2006 16:00	5/29/2006 23:35			31:35		Economizer boiler tube failure
F			5/30/2006 18:17	→			29:43		Economizer boiler tube failure
Jun	F		→	6/1/2006 8:26			8:26		" " " " " "
Jul	S	7/7/2006 23:10	7/10/2006 19:56	7/10/2006 19:56			68:46	66:46	Furnace wall waterwall boiler tube failure
Aug									
Aug									No Outages > or = 6 Hours
Sep	S	9/1/2006 18:58	9/2/2006 20:20	9/1/2006 18:58	9/2/2006 20:20		25:22	25:22	Condenser tube leaks
F			9/4/2006 13:00	9/4/2006 13:00	9/5/2006 19:43		30:43		Generator hydrogen coolers
F			9/21/2006 20:27	9/21/2006 20:27	9/24/2006 6:11		57:44		Economizer boiler tube failure
F			9/27/2006 6:52	9/27/2006 6:52	9/28/2006 13:06		30:14		Economizer boiler tube failure
Oct	S	9/30/2006 0:00	10/22/2006 15:00	10/7/2006 16:21	10/27/2006 11:36		543:00	475:15	Annual boiler inspection; later start due to schedule changes

Report dates of forced outage in columns headed Actual

Kentucky Utilities Company
 Green River Unit 3 - Coal - 68 MW
 May 2006 - October 2006

Schedule vs Actual

MONTH	MAINTENANCE				HOURS OF DURATION		REASON FOR DEVIATION FROM SCHEDULED MAINTENANCE OR REASON FOR FORCED OUTAGE AS APPROPRIATE
	Scheduled FROM	Scheduled TO	Actual FROM	Actual TO	Scheduled	Actual	
May	S	5/14/2006 15:00	5/11/2006 10:03	5/11/2006 10:03	327:00	250:03	Annual boiler outage
	S		5/11/2006 16:31	5/12/2006 6:31		14:00	Testing after annual boiler outage
	F		5/25/2006 3:05	5/25/2006 21:00	17:55		Furnace wall waterwall boiler tube failure
	F		5/26/2006 10:55	5/26/2006 17:42	6:47		Turbine control valves
	F		5/26/2006 21:47	5/30/2006 21:50	96:03		Furnace wall waterwall boiler tube failure
Jun							No Outages > or = 6 Hours
Jul							No Outages > or = 6 Hours
Aug	F		8/25/2006 15:45	8/28/2006 3:36	59:51		Furnace wall waterwall boiler tube failure
Sep							No Outages > or = 6 Hours

Schedule vs Actual

Kentucky Utilities Company
 Green River Unit 4 - Coal - 95 MW
 May 2006 - October 2006

MONTH	MAINTENANCE		Actual		HOURS OF DURATION		REASON FOR DEVIATION FROM SCHEDULED MAINTENANCE OR REASON FOR FORCED OUTAGE AS APPROPRIATE
	Scheduled FROM	TO	FROM	TO	Scheduled	Actual	
May	No Outages > or = 6 Hours						
Jun	No Outages > or = 6 Hours						
Jul	No Outages > or = 6 Hours						
Aug	F		8/12/2006 21:12	8/13/2006 4:44	7:32		Circuit breakers
Sep	S	9/16/2006 0:00	→	→	360:00	359:55	Annual boiler inspection
Oct	S	→	10/8/2006 15:00	10/5/2006 22:22	183:00	118:22	" " " " "
	S	→	10/6/2006 2:03	10/6/2006 16:00		13:57	Tests following annual inspection
	S	10/27/2006 20:32	10/27/2006 20:32	10/28/2006 21:55	25:23	25:23	Induced draft fan fouling

Kentucky Utilities Company
 Haefling 1 - Gas CT - 12 MW
 May 2006 - October 2006

Schedule vs Actual

MONTH	MAINTENANCE				HOURS OF DURATION		REASON FOR DEVIATION FROM SCHEDULED MAINTENANCE OR REASON FOR FORCED OUTAGE AS APPROPRIATE
	Scheduled FROM	Scheduled TO	Actual FROM	Actual TO	Scheduled	Actual	
May	F		5/28/2006 7:00	5/30/2006 7:30	48:30		Fuel piping and valves
Jun	F		6/7/2006 13:20	6/14/2006 11:14	165:54		Main transformer
Jul	F		7/17/2006 10:50	→	349:10		Control system
Aug	F		→	8/23/2006 8:10	536:10		" " "
Sep							
Oct							

No Outages > or = 6 Hours

No Outages > or = 6 Hours

Kentucky Utilities Company
 Haefling 2 - Gas C.T. - 12 MW
 May 2006 - October 2006

Schedule vs Actual

MONTH	MAINTENANCE				HOURS OF DURATION		REASON FOR DEVIATION FROM SCHEDULED MAINTENANCE OR REASON FOR FORCED OUTAGE AS APPROPRIATE
	Scheduled		Actual		Scheduled	Actual	
	FROM	TO	FROM	TO	Forced	Actual	
May	No Outages > or = 6 Hours						
Jun	F		6/7/2006 13:20	6/15/2006 10:32	189:12		Main transformer
Jul	F		7/17/2006 10:50	7/28/2006 13:30	266:40		Control system
Aug	No Outages > or = 6 Hours						
Sep	No Outages > or = 6 Hours						
Oct	No Outages > or = 6 Hours						

Kentucky Utilities Company
 Tyrone Unit 1 - Oil - 27 MW
 May 2006 - October 2006

Schedule vs Actual

MONTH	MAINTENANCE				HOURS OF DURATION		REASON FOR DEVIATION FROM SCHEDULED MAINTENANCE OR REASON FOR FORCED OUTAGE AS APPROPRIATE
	Scheduled		Actual		Scheduled	Actual	
	FROM	TO	FROM	TO	Forced	Actual	
May	No Outages > or = 6 Hours						
Jun	No Outages > or = 6 Hours						
Jul	F		7/28/2006 21:00	→		75:00	Service water pump
Aug	F		→	→		744:00	" " " "
Sep	F		→	9/27/2006 0:00		624:00	" " " "
Oct	Unit placed in mothball status 9/27/06 0:00 while life assessment is being done						

Kentucky Utilities Company
 Tyrone Unit 2 - Oil - 31 MW
 May 2006 - October 2006

Schedule vs Actual

MONTH	MAINTENANCE				HOURS OF DURATION		REASON FOR DEVIATION FROM SCHEDULED MAINTENANCE OR REASON FOR FORCED OUTAGE AS APPROPRIATE
	Scheduled		Actual		Scheduled	Actual	
	FROM	TO	FROM	TO	Forced	Actual	
May	No Outages > or = 6 Hours						
Jun	No Outages > or = 6 Hours						
Jul	F		7/28/2006 21:00	→		75:00	Service water pump
Aug	F		→	→		744:00	" " " "
Sep	F		→	9/27/2006 0:00		624:00	" " " "
Oct	Unit placed in mothball status 9/27/06 0:00 while life assessment is being done						

Kentucky Utilities Company
 Tyrone Unit 3 - Coal - 71 MW
 May 2006 - October 2006

Schedule vs Actual

MONTH	MAINTENANCE				HOURS OF DURATION		REASON FOR DEVIATION FROM SCHEDULED MAINTENANCE OR REASON FOR FORCED OUTAGE AS APPROPRIATE
	Scheduled FROM	Scheduled TO	Actual FROM	Actual TO	Scheduled	Actual	
May	S	5/13/2006 10:00	5/14/2006 15:00	5/13/2006 10:00	5/13/2006 10:00	327:00	298:00 Annual boiler outage
	S	5/13/2006 10:00	5/17/2006 15:56	5/13/2006 10:00	5/17/2006 15:56	101:56	101:56 Turbine lube oil system valves and piping
	F			5/17/2006 17:54	5/18/2006 17:00	23:06	23:06 Feedwater chemistry
Jun		No Outages > or = 6 Hours					
Jul		No Outages > or = 6 Hours					
Aug		No Outages > or = 6 Hours					
Sep							
Oct	F			10/23/2006 15:18	10/24/2006 21:00	29:42	29:42 Superheater attenuator piping
	S	10/28/2006 0:00		10/27/2006 20:07		96:00	99:53 Pulverized fuel and air piping

Report dates of forced outage in columns headed Actual

2006-509

KENTUCKY UTILITIES COMPANY

**Response to Information Requested in Appendix B of
Commission's Order Dated December 18, 2006**

Case No. 2006-00509

Question No. 15

Witness: Mike Dotson

Q-15. For each existing fuel contract categorized as long-term (i.e., more than 1 year in length), provide:

- a. Supplier's name and address;
- b. Name and location of production facility;
- c. Date when contract executed;
- d. Duration of contract;
- e. Date(s) of each contract revision, modification or amendment;
- f. Annual tonnage requirements;
- g. Actual annual tonnage received since the contract's inception;
- h. Percent of annual requirements received during the contract's term;
- i. Base price;
- j. Total amount of price escalations to date; and,
- k. Current price paid for coal under the contract (i + j).

A-15. Please see the attached sheets.

A. NAME/ADDRESS: Smoky Mountain Coal Corp. / KUF02860
9725 Cogdill Road, Suite 203
Knoxville, Tennessee 42413

B. PRODUCTION FACILITY:
OPERATOR: KMMC Mining
MINES: Vision #9
LOCATION: Webster County, KY

OPERATOR: Allied Resources, Inc.
MINES: Onton Resources' Mines
LOCATION: Webster County, KY

C. CONTRACT EXECUTED DATE: February 27, 2002

D. CONTRACT DURATION: January 1, 2002 – December 31, 2008

E. CONTRACT AMENDMENTS: Amendment No. 1 effective January 1,
2004. Amending term, quantity, quality and
price.
Amendment No. 2 effective January 1,
2006. Amending term, quantity, quality and
price.

F. ANNUAL TONNAGE
REQUIREMENTS:

2002	200,000 tons
2003	200,000 tons
2004	400,000 tons
2005	400,000 tons
2006	600,000 tons
2007	275,000 tons
2008	275,000 tons

G. ACTUAL TONNAGE:
RECEIVED:

2002	52,826 tons
2003	203,370 tons
2004	279,667 tons
2005	339,349 tons
2006	434,797 tons (through 10/31/06)

H. PERCENT OF ANNUAL
REQUIREMENTS:

2002	26%
2003	102%
2004	70%
2005	85%
2006	87% (through 10/31/06)

I. BASE PRICE: (FOB Barge/ Sebree Dock)	2002	115.40 cents per MMBtu– Quality A
	2003	115.40 cents per MMBtu– Quality A
	2004	119.40 cents per MMBtu– Quality A
	2004	102.00 cents per MMBtu– Quality C
	2005	106.00 cents per MMBtu– Quality C
	2006	126.10 cents per MMBtu– Quality C
	2007	126.10 cents per MMBtu – Quality C
	2008	126.10 cents per MMBtu – Quality C
J. ESCALATIONS TO DATE:		None
K. CURRENT CONTRACT PRICE:		126.10 cents per MMBtu – Quality C

A. NAME/ADDRESS: Alpha Coal Sales Co., LLC. / K06001
One Energy Place
Latrobe, PA 15650

B. PRODUCTION FACILITY:
OPERATOR: Enterprise Mining Co., LLC
MINES: Various mines operated by Enterprise
Mining Co, LLC.
LOCATION: Perry & Knott Counties, KY

C. CONTRACT EXECUTED DATE: May 1, 2006

D. CONTRACT DURATION: May 1, 2006 – December 31, 2006

E. CONTRACT AMENDMENTS: Alpha Coal Sales Co., LLC as agent for
Enterprise Mining Co., LLC. Enterprise
acquired Diamond May Coal Co. and
existing contract KUF03915 from Progress
Fuels Corp.

F. ANNUAL TONNAGE
REQUIREMENTS: 2006 378,566 tons

G. ACTUAL TONNAGE:
RECEIVED: 2006 88,614 (through 10/31/06)

H. PERCENT OF ANNUAL
REQUIREMENTS: 2006 39% (through 10/31/06)

I. BASE PRICE: (FOB Railcar) 2006 162.00 cents per MMBtu

J. ESCALATIONS TO DATE: None

K. CURRENT CONTRACT PRICE: 162.00 cents per MMBtu

A. NAME/ADDRESS: Perry County Coal Corporation and Pike
Letcher Synfuel, LLC / KUF06125
200 Allison Blvd.
Corbin, Kentucky 40701

B. PRODUCTION FACILITY:
OPERATOR: Perry County Coal Corp.
MINES: E4-1, E3-1
PLANT: BG#4 Synthetic fuel facility
LOCATION: Perry County, KY

C. CONTRACT EXECUTED DATE: December 12, 2005

D. CONTRACT DURATION: January 1, 2006 – December 31, 2008

E. CONTRACT AMENDMENTS: None

F. ANNUAL TONNAGE REQUIREMENTS:

2006	120,000 tons
2007	360,000 tons
2008	360,000 tons

G. ACTUAL TONNAGE RECEIVED:

2006	81,450 tons (through 10/31/06)
------	--------------------------------

H. PERCENT OF ANNUAL REQUIREMENTS:

2006	81% (through 10/31/06)
------	------------------------

I. BASE PRICE: (FOB Railcar/Coal) 2006/2008 252.00 cents per MMBtu

I. BASE PRICE: (FOB Railcar/Synfuel) 2006/2008 248.00 cents per MMBtu

J. ESCALATIONS TO DATE: None

K. CURRENT CONTRACT PRICE: 252.00 cents per MMBtu

- A. NAME/ADDRESS: American Mining & Manufacturing, LLC /
K06002
P.O. Box 244
Buckner, Kentucky 40010
- B. PRODUCTION FACILITY:
OPERATOR: American Mining & Manufacturing, LLC
MINES: Stone Chapel
LOCATION: Hopkins County, KY
- C. CONTRACT EXECUTED DATE: May 30, 2006
- D. CONTRACT DURATION: November 1, 2002 – December 31, 2008
- E. CONTRACT AMENDMENTS: Amendment No.1 effective April 1, 2005,
amending term, tonnage and price.

Contract assigned from American Mining &
Manufacturing Corp. effective May 30,
2006
- F. ANNUAL TONNAGE
REQUIREMENTS:
- | | |
|------|--------------|
| 2002 | 0,000 tons |
| 2003 | 234,182 tons |
| 2004 | 184,238 tons |
| 2005 | 209,980 tons |
| 2006 | 300,000 tons |
| 2007 | 300,000 tons |
| 2008 | 300,000 tons |
- G. ACTUAL TONNAGE:
RECEIVED:
- | | |
|------|---------------------------------|
| 2002 | 0 tons |
| 2003 | 234,182 tons |
| 2004 | 184,238 tons |
| 2005 | 162,674 tons |
| 2006 | 179,505 tons (through 10/31/06) |
- H. PERCENT OF ANNUAL
REQUIREMENTS:
- | | |
|------|------|
| 2002 | 0% |
| 2003 | 100% |
| 2004 | 100% |
| 2005 | 77% |

I. BASE PRICE: (FOB Plant)	2002	132.61 cents per MMBtu – Quality B
	2003	132.61 cents per MMBtu – Quality B
	2004	132.61 cents per MMBtu – Quality B
	2004	134.78 cents per MMBtu – Quality B (6/3/04)
	2005	134.78 cents per MMBtu – Quality B
	2005	169.22 cents per MMBtu – Quality B (4/1/05)
	2006	171.39 cents per MMBtu – Quality B
	2007	173.57 cents per MMBtu – Quality B
	2008	175.74 cents per MMBtu – Quality B

J. ESCALATIONS TO DATE: 0.22 cents per MMBtu

K. CURRENT CONTRACT PRICE: 171.61 cents per MMBtu – Quality B

- A. NAME/ADDRESS: Bronco Hazelton Company / KUF06145
2920 North Swan Road, Suite 207
Tucson, Arizona 85712
- B. PRODUCTION FACILITY:
OPERATOR: Hazelton Mining, LLC
PLANT: Hazelton Mine
LOCATION: Gibson County, IN
- C. CONTRACT EXECUTED DATE: December 29, 2005
- D. CONTRACT DURATION: December 29, 2005 – August 31, 2007
- E. CONTRACT AMENDMENTS: Amendment No. 2 effective December 29,
2005 assigning contract from Lafayette Coal
Amendment No.3, amending term, quantity
& price.
Amendment No.4, amending price.
- F. ANNUAL TONNAGE
REQUIREMENTS: 2006 300,000 tons
2007 177,229 tons
- G. ACTUAL TONNAGE:
RECEIVED: 2006 45,604 tons (through 5/31/06)
- H. PERCENT OF ANNUAL
REQUIREMENTS: 2006 36% (through 5/31/06)
- I. BASE PRICE: (FOB Barge) Jan-Jun 2006 145.68 cents per MMBtu
Jul-Dec 2006 150.23 cents per MMBtu
2007 150.23 cents per MMBtu
- J. ESCALATIONS TO DATE: 4.16 cents per MMBtu
- K. CURRENT CONTRACT PRICE: None – Contract rejected in Bankruptcy

A. NAME/ADDRESS: Infinity Coal Sales, LLC / KUF04952
3315 Springbank Lane, Suite 106,
Charlotte, North Carolina 28226

B. PRODUCTION FACILITY:
OPERATOR: Panther Coal Company, LLC
MINES: Panther Mine
LOCATION: Kanawha County, WV

C. CONTRACT EXECUTED DATE: August 5, 2003

D. CONTRACT DURATION: January 1, 2004 – December 31, 2006

E. CONTRACT AMENDMENTS: None

F. ANNUAL TONNAGE
REQUIREMENTS: 2004 500,000 tons
2005 500,000 tons
2006 500,000 tons

G. ACTUAL TONNAGE:
RECEIVED: 2004 434,717 tons
2005 399,469 tons
2006 332,548 tons (through 10/31/06)
Tonnage shipped under multiple synfuel
orders (see page 9 of 25)

H. PERCENT OF ANNUAL
REQUIREMENTS: 2004 87%
2005 80%
2006 80% (through 10/31/06)

I. BASE PRICE: (FOB Barge/coal) 2004 138.60 cents per MMBtu
2005 141.20 cents per MMBtu
2006 146.04 cents per MMBtu

J. ESCALATIONS TO DATE: None

K. CURRENT CONTRACT PRICE: 146.04 cents per MMBtu

- A. NAME/ADDRESS: Progress Fuels Corp. / KUF04966
South Wilmington Street
Raleigh, North Carolina 27601
- B. PRODUCTION FACILITY:
OPERATOR: Various Companies
MINES: Purchased coal
LOCATION: Kanawha, WV
- C. CONTRACT EXECUTED DATE: September 24, 2003
- D. CONTRACT DURATION: January 1, 2004 – December 31, 2007
- E. CONTRACT AMENDMENTS: Amendment No.1 effective Jan.1, 2006.
Amending term, tonnage, price.
- F. ANNUAL TONNAGE REQUIREMENTS:
- | | |
|------|--------------|
| 2004 | 240,000 tons |
| 2005 | 240,000 tons |
| 2006 | 360,000 tons |
| 2007 | 360,000 tons |
- G. ACTUAL TONNAGE RECEIVED:
- | | |
|------|---------------------------------|
| 2004 | 211,420 tons |
| 2005 | 227,207 tons |
| 2006 | 332,184 tons (through 10/31/06) |
- H. PERCENT OF ANNUAL REQUIREMENTS:
- | | |
|------|-------------------------|
| 2004 | 88% |
| 2005 | 95% |
| 2006 | 111% (through 10/31/06) |
- Tonnage shipped under multiple synfuel orders (see page 11 of 25)
- I. BASE PRICE: (FOB Barge/coal)
- | | |
|------|------------------------|
| 2004 | 139.58 cents per MMBtu |
| 2005 | 141.67 cents per MMBtu |
| 2006 | 258.33 cents per MMBtu |
| 2007 | 258.33 cents per MMBtu |
- J. ESCALATIONS TO DATE: None
- K. CURRENT CONTRACT PRICE: 258.33 cents per MMBtu

A. NAME/ADDRESS: Nally and Hamilton Enterprises, Inc./
KUF04014
109 South 4th Street
Bardstown, Kentucky 40004

B. PRODUCTION FACILITY:
OPERATOR: Nally & Hamilton Enterprises, Inc.
MINES: Mill Branch, Gordon, Doty Creek
LOCATION: Letcher County, KY

C. CONTRACT EXECUTED DATE: July 1, 2004

D. CONTRACT DURATION: July 1, 2004 - December 31, 2008

E. CONTRACT AMENDMENTS: None

F. ANNUAL TONNAGE REQUIREMENTS:

2004	60,000 tons
2005	250,000 tons
2006	400,000 tons
2007	400,000 tons
2008	to be determined

G. ACTUAL TONNAGE RECEIVED:

2004	51,673 tons
2005	255,782 tons
2006	292,741 tons (through 10/31/06)

H. PERCENT OF ANNUAL REQUIREMENTS:

2004	86%
2005	102%
2006	86% (through 10/31/06)

I. BASE PRICE: (FOB Railcar)

2004	184.00 cents per MMBtu
2005	184.00 cents per MMBtu
2006	188.00 cents per MMBtu
2007	188.00 cents per MMBtu
2008	to be determined

J. ESCALATIONS TO DATE: 24.44 cents per MMBtu

K. CURRENT CONTRACT PRICE: 212.44 cents per MMBtu

A. NAME/ADDRESS: Massey Coal Sales Company, Inc./
KUF04022
P.O. Box 26765
Richmond, Virginia 23261

B. PRODUCTION FACILITY:
OPERATOR: Bandmill Coal Corp., Elk Run Coal Co.,
Omar Mining Co.
MINES: MacBeth, Crystal River, Chesterfield
LOCATION: Logan, Boone Counties, WV

C. CONTRACT EXECUTED DATE: October 25, 2004

D. CONTRACT DURATION: October 1, 2004 - December 31, 2006

E. CONTRACT AMENDMENTS: None

F. ANNUAL TONNAGE
REQUIREMENTS: 2004 60,000 tons
2005 200,000 tons
2006 600,000 tons

G. ACTUAL TONNAGE:
RECEIVED: 2004 21,399 tons
2005 227,020 tons
2006 353,013 tons (through 10/31/06)

H. PERCENT OF ANNUAL
REQUIREMENTS: 2004 36%
2005 114%
2006 71% (through 10/31/06)

I. BASE PRICE: (FOB Railcar) 2004 255.84 cents per MMBtu
2005 225.93 cents per MMBtu
2006 214.83 cents per MMBtu

J. ESCALATIONS TO DATE: None

K. CURRENT CONTRACT PRICE: 214.83 cents per MMBtu

A. NAME/ADDRESS: Black Beauty Coal Company / KUF05021
414 South Fares Ave.
Evansville, Indiana 47702

B. PRODUCTION FACILITY:
OPERATOR: Black Beauty Coal Company
MINES: Air Quality Mine
LOCATION: Knox County, IN

C. CONTRACT EXECUTED DATE: December 13, 2004

D. CONTRACT DURATION: January 1, 2005 – December 31, 2008

E. CONTRACT AMENDMENTS: Amendment No.1 effect January 1, 2007
extending term, tonnage & price

F. ANNUAL TONNAGE REQUIREMENTS:

2005	200,000 tons
2006	200,000 tons
2007	300,000 tons
2008	200,000 tons

G. ACTUAL TONNAGE RECEIVED:

2005	201,148 tons
2006	171,289 tons (through 10/31/06)

H. PERCENT OF ANNUAL REQUIREMENTS:

2005	100%
2006	103% (through 10/31/06)

I. BASE PRICE: (FOB Barge)

2005	189.81 cents per MMBtu
2006	193.52 cents per MMBtu
2007	217.28 cents per MMBtu
2008	256.94 cents per MMBtu

J. ESCALATIONS TO DATE: None

K. CURRENT CONTRACT PRICE: 193.52 cents per MMBtu

A. NAME/ADDRESS: CONSOL Energy, Inc. / KUF03904
1800 Washington Road
Pittsburgh, Pennsylvania 15241

B. PRODUCTION FACILITY:
OPERATOR: CONSOL of Kentucky
MINES: Mill Creek
LOCATION: Letcher County, KY

C. CONTRACT EXECUTED DATE: January 15, 2003

D. CONTRACT DURATION: January 1, 2003 – December 31, 2007

E. CONTRACT AMENDMENTS: Amendment No. 1 effective January 1,
2005. Amending term, quantity, quality and
price.

F. ANNUAL TONNAGE REQUIREMENTS:

2003	390,000 tons
2004	360,000 tons
2005	570,000 tons
2006	375,000 tons
2007	375,000 tons

G. ACTUAL TONNAGE RECEIVED:

2003	375,821 tons
2004	291,527 tons
2005	443,993 tons
2006	381,461 tons (through 10/31/06)

H. PERCENT OF ANNUAL REQUIREMENTS:

2003	96%
2004	81%
2005	78%
2004	125% (through 10/31/06)

I. BASE PRICE: (FOB Railcar)

2003	104.00 cents per MMBtu
2004	106.00 cents per MMBtu
2005	108.00 cents per MMBtu
2005	172.00 cents per MMBtu
2006	172.21 cents per MMBtu
2007	176.21 cents per MMBtu

J. ESCALATIONS TO DATE: None

K. CURRENT CONTRACT PRICE: 172.21 cents per MMBtu

A. NAME/ADDRESS: Consol Energy / KUF05039
1800 Washington Road
Pittsburgh, PA 15241

B. PRODUCTION FACILITY:
OPERATOR: Consolidation Coal Company
MINES: Shoemaker
LOCATION: Marshall County, WV

C. CONTRACT EXECUTED DATE: December 21, 2004

D. CONTRACT DURATION: January 1, 2005 - December 31, 2008

E. CONTRACT AMENDMENTS: None

F. ANNUAL TONNAGE REQUIREMENTS

2005	841,500 tons (Includes Force Majeure tons of 33,500)
2006	875,000 tons
2007	1,000,000 tons
2008	1,000,000 tons

G. ACTUAL TONNAGE RECEIVED:

2005	682,774 tons
2006	650,199 tons (through 10/31/06)

H. PERCENT OF ANNUAL REQUIREMENTS:

2005	81%
2006	78% (through 10/31/06)

I. BASE PRICE: (FOB Barge)

2005	121.93 cents per MMBtu-Quality A
2006	124.39 cents per MMBtu-Quality A
2007	126.84 cents per MMBtu-Quality A
2008	129.39 cents per MMBtu-Quality A

J. ESCALATIONS TO DATE: None

K. CURRENT CONTRACT PRICE: 124.39 cents per MMBtu

- A. NAME/ADDRESS: TC Sales Company, LLC / KUF06144
106 Lockheed Drive
Beaver, WV 25813
- B. PRODUCTION FACILITY:
OPERATOR: Magnum Coal Company
MINES: Mingo-Logan, Ruffner, Wylo, Campbell's
Creek
LOCATION: Mingo, Logan, Boone & Kanawha Counties,
WV
- C. CONTRACT EXECUTED DATE: January 1, 2006 (contract assignment
effective date)
- D. CONTRACT DURATION: January 1, 2005 - December 31, 2006
- E. CONTRACT AMENDMENTS: Amendment No.1 effective Jan.1, 2006.
Contract assigned to TC Sales Co., LLC
from Arch Coal Sales Co., Inc. contract
KUF05029.
- F. ANNUAL TONNAGE
REQUIREMENTS: 2005 100,000 tons
2006 200,000 tons
- G. ACTUAL TONNAGE:
RECEIVED: 2005 98,908 tons
2006 142,947 tons (through 10/31/06)
Tonnage shipped under multiple synfuel
orders (see page 18 of 25)
- H. PERCENT OF ANNUAL
REQUIREMENTS: 2005 99%
2006 86% (through 10/31/06)
- I. BASE PRICE: (FOB Barge/coal) 2005 243.70 cents per MMBtu
2006 229.24 cents per MMBtu
- J. ESCALATIONS TO DATE: None
- K. CURRENT CONTRACT PRICE: 229.24 cents per MMBtu

A. NAME/ADDRESS: Central Coal Company / KUF06106
148 Bristol East Road
Bristol, Virginia 24202

B. PRODUCTION FACILITY:
OPERATOR: Kanawha Eagle Coal, LLC
MINES: Mine 68, Newtown Energy
LOCATION: Kanawha County, WV

C. CONTRACT EXECUTED DATE: June 24, 2005

D. CONTRACT DURATION: January 1, 2006 – December 31, 2008

E. CONTRACT AMENDMENTS: None

F. ANNUAL TONNAGE REQUIREMENTS:

2006	300,000 tons
2007	300,000 tons

G. ACTUAL TONNAGE RECEIVED:

2006	225,168 tons (through 10/31/06)
------	---------------------------------

H. PERCENT OF ANNUAL REQUIREMENTS:

2006	90% (through 10/31/06)
------	------------------------

I. BASE PRICE: (FOB Barge)

2006	256.10 cents per MMBtu
2007	256.11 cents per MMBtu

J. ESCALATIONS TO DATE: None

K. CURRENT CONTRACT PRICE: 256.10 cents per MMBtu

- A. NAME/ADDRESS: Infinity Coal Sales, LLC / KUF06105
3315 Springbank Lane, Suite 106,
Charlotte, North Carolina 28226
- B. PRODUCTION FACILITY:
OPERATOR: Panther Coal Company, LLC
MINES: Panther Mine
LOCATION: Kanawha County, WV
- C. CONTRACT EXECUTED DATE: August 5, 2005
- D. CONTRACT DURATION: January 1, 2006 – December 31, 2008
- E. CONTRACT AMENDMENTS: None
- F. ANNUAL TONNAGE REQUIREMENTS:
- | | |
|------|--------------|
| 2006 | 400,000 tons |
| 2007 | 400,000 tons |
| 2008 | 400,000 tons |
- G. ACTUAL TONNAGE RECEIVED:
- | | |
|------|---------------------------------|
| 2006 | 142,551 tons (through 10/31/06) |
|------|---------------------------------|
- H. PERCENT OF ANNUAL REQUIREMENTS:
- | | |
|------|------------------------|
| 2006 | 43% (through 10/31/06) |
|------|------------------------|
- I. BASE PRICE: (FOB Barge)
- | | |
|------|------------------------|
| 2006 | 233.61 cents per MMBtu |
| 2007 | 233.61 cents per MMBtu |
| 2008 | 233.61 cents per MMBtu |
- J. ESCALATIONS TO DATE: None
- K. CURRENT CONTRACT PRICE: 233.61 cents per MMBtu

A. NAME/ADDRESS: Perry County Coal Corp. / KUF06108
200 Allison Blvd.
Corbin, Kentucky 40701

B. PRODUCTION FACILITY:
OPERATOR: Perry County Coal Corp.
MINES: E-4 & E-3 mines
LOCATION: Perry County, KY

C. CONTRACT EXECUTED DATE: July 1, 2005

D. CONTRACT DURATION: January 1, 2006 – December 31, 2008

E. CONTRACT AMENDMENTS: None

F. ANNUAL TONNAGE REQUIREMENTS:

2006	120,000 tons
2007	120,000 tons
2008	120,000 tons

G. ACTUAL TONNAGE RECEIVED:

2006	81,450 tons (through 10/31/06)
------	--------------------------------

H. PERCENT OF ANNUAL REQUIREMENTS:

2006	81% (through 10/31/06)
------	------------------------

I. BASE PRICE: (FOB Plant)

2006	267.14 cents per MMBtu
2007	267.14 cents per MMBtu
2008	267.14 cents per MMBtu

J. ESCALATIONS TO DATE: 2.09 cents per MMBtu

K. CURRENT CONTRACT PRICE: 269.23 cents per MMBtu

A. NAME/ADDRESS: Little Elk Mining Co., LLC / KUF05110
1051 Main Street, Suite 100
Milton, W.Va. 25541

B. PRODUCTION FACILITY:
OPERATOR: Little Elk Mining Co., LLC
MINES: Little Elk Mine
LOCATION: Breathitt, Knott, Perry County, KY

C. CONTRACT EXECUTED DATE: November 1, 2005

D. CONTRACT DURATION: January 1, 2006 – December 31, 2008

E. CONTRACT AMENDMENTS: None

F. ANNUAL TONNAGE REQUIREMENTS:

2006	30,000 tons
2007	30,000 tons
2008	30,000 tons

G. ACTUAL TONNAGE RECEIVED:

2006	28,976 tons (through 10/31/06)
------	--------------------------------

H. PERCENT OF ANNUAL REQUIREMENTS:

2006	116% (through 10/31/06)
------	-------------------------

I. BASE PRICE: (FOB Plant)

2006	266.67 cents per MMBtu
2007	266.67 cents per MMBtu
2008	266.67 cents per MMBtu

J. ESCALATIONS TO DATE: 2.66 cents per MMBtu

K. CURRENT CONTRACT PRICE: 269.33 cents per MMBtu

A. NAME/ADDRESS: Little Elk Mining Co., LLC / KUF05109
1051 Main Street, Suite 100
Milton, W.Va. 25541

B. PRODUCTION FACILITY:
OPERATOR: Little Elk Mining Co., LLC
MINES: Little Elk Mine
LOCATION: Breathitt, Knott, Perry County, KY

C. CONTRACT EXECUTED DATE: August 1, 2005

D. CONTRACT DURATION: January 1, 2006 – June 30, 2009

E. CONTRACT AMENDMENTS: None

F. ANNUAL TONNAGE
REQUIREMENTS: 2006 270,000 tons
2007 500,000 tons
2008 500,000 tons
2009 130,000 tons

G. ACTUAL TONNAGE:
RECEIVED: 2006 215,024 tons (through 10/31/06)

H. PERCENT OF ANNUAL
REQUIREMENTS: 2006 98% (through 10/31/06)

I. BASE PRICE: (FOB Railcar) 2006 197.29 cents per MMBtu
2007 197.29 cents per MMBtu
2008 197.29 cents per MMBtu
2009 197.29 cents per MMBtu

J. ESCALATIONS TO DATE: None

K. CURRENT CONTRACT PRICE: 197.29 cents per MMBtu

A. NAME/ADDRESS: ICG, LLC/KUF04056
2000 Ashland Drive
Ashland, Kentucky 41101

B. PRODUCTION FACILITY:
OPERATOR: ICG - Hazard
MINES: Various ICG-Hazard mines
LOCATION: Breathitt, Knott, Perry County, KY

C. CONTRACT EXECUTED DATE: November 11, 2004

D. CONTRACT DURATION: November 13, 2004 – December 31, 2008

E. CONTRACT AMENDMENTS: Amendment No. 1 effective January 1,
2006. Amended term, tons, quality & price.
Amendment No. 2 effective Nov. 1, 2005.
Amended price.

F. ANNUAL TONNAGE
REQUIREMENTS:

2004	13,500 tons
2005	216,000 tons
2006	360,000 tons
2007	350,000 tons

G. ACTUAL TONNAGE:
RECEIVED:

2004	14,701 tons
2005	172,541 tons
2006	234,889 tons (through 10/31/06)

H. PERCENT OF ANNUAL
REQUIREMENTS:

2004	109%
2005	80%
2006	111% (through 10/31/06)

I. BASE PRICE: (FOB Railcar)

2004	207.29 cents per MMBtu
2005	207.29 cents per MMBtu
2006	200.00 cents per MMBtu
2007	200.00 cents per MMBtu

J. ESCALATIONS TO DATE: None

K. CURRENT CONTRACT PRICE: 200.00 cents per MMBtu

A. NAME/ADDRESS:	Marietta Coal Company / KUF05033 629220 Georgetown Road Cambridge, Ohio 43725
B. PRODUCTION FACILITY:	
OPERATOR	Marietta Coal Company
MINE	Belmont Mine
LOCATION	Belmont and Jefferson Counties, Ohio
MINE	West Virginia Strip Mine
LOCATION	Ohio County, West Virginia
C. CONTRACT EXECUTED DATE:	November 15, 2004
D. CONTRACT DURATION:	October 1, 2004 – December 31, 2008
E. CONTRACT AMENDMENTS:	Amendment No. 1 effective June 15, 2005 amending quality and price for two months Amendment No. 2 effective September 15, 2006 amending payment terms
F. ANNUAL TONNAGE REQUIREMENTS:	2004 0 tons 2005 0 tons 2006 0 tons 2007 150,000 tons 2008 150,000 tons
G. ACTUAL TONNAGE RECEIVED:	2004 0 tons 2005 0 tons 2006 4,977 tons (through 10/31/06)
H. PERCENT OF ANNUAL REQUIREMENTS:	2004 - 2005 - 2006 -
I. BASE PRICE (FOB Barge):	2004 \$1.194/MMBtu 2005 \$1.194/MMBtu 2006 \$1.2164/MMBtu 2007 \$1.2388/MMBtu 2008 \$1.2612/MMBtu
J. ESCALATIONS TO DATE:	None
K. CURRENT CONTRACT PRICE:	\$1.2164/MMBtu

2006-509

KENTUCKY UTILITIES COMPANY

**Response to Information Requested in Appendix B of
Commission's Order Dated December 18, 2006**

Case No. 2006-00509

Question No. 16

Witness: Robert M. Conroy

Q-16. Provide a schedule of the present and proposed rates that KU seeks to change pursuant to Administrative Regulation 807 KAR 5:056, shown in comparative form.

A-16. Please see the attached schedule.

Kentucky Utilities Revised Tariffs

Tariff Sheet No.	Rate Schedule	Existing Base Rate Energy and Fuel	Existing Fuel Component of Base Rates	Existing Base Rate -- Excluding Fuel Base	Proposed Revised Fuel Component of Base Rates	Revised Base Rates including Fuel
5	RS	\$ 0.04720	\$ 0.01810	\$ 0.02910	\$ 0.02591	\$ 0.05501
6	VFD	0.04720	\$ 0.01810	\$ 0.02910	\$ 0.02591	\$ 0.05501
10	GS	0.05643	\$ 0.01810	\$ 0.03833	\$ 0.02591	\$ 0.06424
15	AES -- All Electric School	0.04543	\$ 0.01810	\$ 0.02733	\$ 0.02591	\$ 0.05324
20	LP	0.02516	\$ 0.01810	\$ 0.00706	\$ 0.02591	\$ 0.03297
25	LCI-TOD	0.02516	\$ 0.01810	\$ 0.00706	\$ 0.02591	\$ 0.03297
30	MP	0.02716	\$ 0.01810	\$ 0.00906	\$ 0.02591	\$ 0.03497
35	LMP-TOD	0.02316	\$ 0.01810	\$ 0.00506	\$ 0.02591	\$ 0.03097
38	LI-TOD	0.02516	\$ 0.01810	\$ 0.00706	\$ 0.02591	\$ 0.03297
62	STOD -- On-Peak Energy	0.03116	\$ 0.01810	\$ 0.01306	\$ 0.02591	\$ 0.03897
62	STOD -- Off-Peak Energy	0.01816	\$ 0.01810	\$ 0.00006	\$ 0.02591	\$ 0.02597

LIGHTING SCHEDULES -- ALL RATES PER UNIT PER MONTH

Page	Schedule		Kwh per year	LOAD/LIGHT	Tariff	
					Existing	Revised
40	ST. LT.					
	Street Lighting System					
	Incandescent System -- Standard					
	1,000 Lumens (approximately)	408	0.102 KW/Light	\$ 2.37	\$ 2.64	
	2,500 " "	804	0.201 KW/Light	2.96	3.48	
	4,000 " "	1308	0.327 KW/Light	4.28	5.13	
	6,000 " "	1788	0.447 KW/Light	5.71	6.87	
	Incandescent System -- Ornamental					
	1,000 Lumens (approximately)	408	0.102 KW/Light	\$ 3.02	\$ 3.29	
	2,500 " "	804	0.201 KW/Light	3.76	4.28	
	4,000 " "	1308	0.327 KW/Light	5.22	6.07	
	6,000 " "	1788	0.447 KW/Light	6.76	7.92	
	Mercury Vapor -- Standard					
	7,000 Lumens (approximately)	828	0.207 KW/Light	\$ 6.85	\$ 7.39	
	10,000 " "	1176	0.294 KW/Light	7.95	8.72	
	20,000 " "	1812	0.453 KW/Light	9.46	10.64	
	Mercury Vapor -- Ornamental					
	7,000 Lumens (approximately)	828	0.207 KW/Light	\$ 9.11	\$ 9.65	
	10,000 " "	1176	0.294 KW/Light	9.96	10.73	
	20,000 " "	1812	0.453 KW/Light	11.07	12.25	
	High Pressure Sodium Vapor -- Standard					
	4,000 Lumens (approximately)	240	0.060 KW/Light	\$ 5.06	\$ 5.22	
	5,800 " "	332	0.083 KW/Light	5.52	5.74	
	9,500 " "	468	0.117 KW/Light	6.23	6.54	
	22,000 " "	968	0.242 KW/Light	9.28	9.91	
	50,000 " "	1940	0.485 KW/Light	15.06	16.32	
	High Pressure Sodium Vapor -- Ornamental					
	4,000 Lumens (approximately)	240	0.060 KW/Light	\$ 7.68	\$ 7.84	
	5,800 " "	332	0.083 KW/Light	8.13	8.35	
	9,500 " "	468	0.117 KW/Light	9.04	9.35	
	22,000 " "	968	0.242 KW/Light	12.07	12.70	
	50,000 " "	1940	0.485 KW/Light	17.85	19.11	

LIGHTING SCHEDULES -- ALL RATES PER UNIT PER MONTH

Page	Schedule		Kwh per year	LOAD/LIGHT	Tariff		
					Existing	Revised	
40.1	ST. LT.						
		Decorative Underground Service					
		Acorn with Decorative Pole					
		4,000 Lumens (approximately)	240	0.060 KW/Light	\$ 10.46	\$ 10.62	
		5,800 " "	332	0.083 KW/Light	11.03	11.25	
		9,500 " "	468	0.117 KW/Light	11.73	12.04	
		Acorn with Historic Pole					
		4,000 Lumens (approximately)	240	0.060 KW/Light	\$ 16.38	\$ 16.54	
		5,800 " "	332	0.083 KW/Light	16.94	17.16	
		9,500 " "	468	0.117 KW/Light	17.65	17.96	
		Colonial					
		4,000 Lumens (approximately)	240	0.060 KW/Light	\$ 6.92	\$ 7.08	
		5,800 " "	332	0.083 KW/Light	7.39	7.61	
		9,500 " "	468	0.117 KW/Light	8.02	8.33	
		Coach					
		5,800 Lumens (approximately)	332	0.083 KW/Light	\$ 25.16	\$ 25.38	
		9,500 " "	468	0.117 KW/Light	25.85	26.16	
		Contemporary					
		5,800 Lumens (approximately)	332	0.083 KW/Light	\$ 12.69	\$ 12.91	
		9,500 " "	468	0.117 KW/Light	15.13	15.44	
		22,000 " "	968	0.242 KW/Light	17.66	18.29	
		50,000 " "	1940	0.485 KW/Light	23.04	24.30	
		Gran Ville					
		16,000 Lumens (approximately)	600	0.150 KW/Light	\$ 38.44	\$ 38.83	

LIGHTING SCHEDULES -- ALL RATES PER UNIT PER MONTH

Page	Schedule		Kwh per year	LOAD/LIGHT	Tariff	
					Existing	Revised
41	P.O.Lt.					
	Private Outdoor Lighting					
	Standard (Served Overhead)					
	Mercury Vapor					
	7,000 Lumens (approximately)		828	0.207 KW/Light	\$ 7.83	\$ 8.37
	20,000 " "		1812	0.453 KW/Light	9.46	10.64
	High Pressure Sodium					
	5,800 " "		332	0.083 KW/Light	\$ 4.42	\$ 4.64
	9,500 " "		468	0.117 KW/Light	5.06	5.37
	22,000 " "		968	0.242 KW/Light	9.28	9.91
	50,000 " "		1940	0.485 KW/Light	15.06	16.32
	Directional (Served Overhead)					
	High Pressure Sodium					
	9,500 Lumens (approximately)		468	0.117 KW/Light	\$ 6.10	\$ 6.41
	22,000 " "		968	0.242 KW/Light	8.73	9.36
	50,000 " "		1940	0.485 KW/Light	13.41	14.67

LIGHTING SCHEDULES -- ALL RATES PER UNIT PER MONTH

Page	Schedule		Kwh per year	LOAD/LIGHT	Tariff		
					Existing	Revised	
41.1	P.O.Lt.						
	Private Outdoor Lighting						
	Metal Halide Commercial and Industrial Lighting						
	Directional Fixture						
	12,000 Lumens (approximately)		828	0.207 KW/Light	\$ 9.05	\$ 9.59	
	32,000 " "		1800	0.45 KW/Light	12.71	13.88	
	107,800 " "		4320	1.08 KW/Light	26.42	29.23	
	Directional Fixture with Wood Pole						
	12,000 Lumens (approximately)		828	0.207 KW/Light	\$ 11.01	\$ 11.55	
	32,000 " "		1800	0.45 KW/Light	14.68	15.85	
	107,800 " "		4320	1.08 KW/Light	29.15	31.96	
	Directional Fixture with Metal Pole						
	12,000 Lumens (approximately)		828	0.207 KW/Light	\$ 17.42	\$ 17.96	
	32,000 " "		1800	0.45 KW/Light	21.08	22.25	
	107,800 " "		4320	1.08 KW/Light	34.79	37.60	
	Contemporary Fixture						
	12,000 Lumens (approximately)		828	0.207 KW/Light	\$ 10.14	\$ 10.68	
	32,000 " "		1800	0.45 KW/Light	14.25	15.42	
	107,800 " "		4320	1.08 KW/Light	28.96	31.77	
	Contemporary Fixture with Metal Pole						
	12,000 Lumens (approximately)		828	0.207 KW/Light	\$ 18.52	\$ 19.06	
	32,000 " "		1800	0.45 KW/Light	22.61	23.78	
	107,800 " "		4320	1.08 KW/Light	37.33	40.14	

LIGHTING SCHEDULES -- ALL RATES PER UNIT PER MONTH

Page	Schedule		Kwh per year	LOAD/LIGHT		Tariff	
						Existing	Revised
41.2	P.O.Lt.						
	Private Outdoor Lighting						
	Directional HPS Served Underground						
	Acorn with Decorative Pole						
	4,000 Lumens (approximately)		240	0.060 KW/Light	\$	10.46	\$ 10.62
	5,800 " "		332	0.083 KW/Light		11.03	11.25
	9,500 " "		468	0.117 KW/Light		11.74	12.05
	Acorn with Historic Pole						
	4,000 Lumens (approximately)		240	0.060 KW/Light	\$	16.38	\$ 16.54
	5,800 " "		332	0.083 KW/Light		16.94	17.16
	9,500 " "		468	0.117 KW/Light		17.66	17.97
	Colonial						
	4,000 Lumens (approximately)		240	0.060 KW/Light	\$	6.92	\$ 7.08
	5,800 " "		332	0.083 KW/Light		7.39	7.61
	9,500 " "		468	0.117 KW/Light		8.02	8.33
	Coach						
	5,800 Lumens (approximately)		332	0.083 KW/Light	\$	25.16	\$ 25.38
	9,500 " "		468	0.117 KW/Light		25.85	26.16
	Contemporary						
	5,800 Lumens (approximately)		332	0.083 KW/Light	\$	12.69	\$ 12.91
	9,500 " "		468	0.117 KW/Light		15.13	15.44
	22,000 " "		968	0.242 KW/Light		17.66	18.29
	50,000 " "		1940	0.485 KW/Light		23.04	24.30
	Gran Ville						
	16,000 Lumens (approximately)		600	0.150 KW/Light	\$	38.44	\$ 38.83

KENTUCKY UTILITIES COMPANY

**Response to Information Requested in Appendix B of
Commission's Order Dated December 18, 2006**

Case No. 2006-00509

Question No. 17

Witness: Robert M. Conroy

Q-17. Provide a statement showing by cross-outs and italicized inserts all proposed changes in rates. A copy of the current tariff may be used.

A-17. Please see the attached schedule.

ELECTRIC RATE SCHEDULE RS
Residential Service

APPLICABLE

In all territory served.

AVAILABILITY OF SERVICE

Available for single phase, single family residential service subject to the terms and conditions on Sheet No. 85 of this Tariff. Three phase service under this rate schedule is restricted to those customers being billed on this rate schedule as of its effective date of July 1, 2004.

RATE

Customer Charge: \$5.00 per month

Plus an Energy Charge of:
5.501 cents per KWH

Deleted: 4 720

ADJUSTMENT CLAUSES

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

Fuel Adjustment Clause	Sheet No. 70
Demand Side Management Cost Recovery Mechanism	Sheet No. 71
Environmental Cost Recovery Surcharge	Sheet No. 72
Merger Surcredit Rider	Sheet No. 73
Value Delivery Surcredit Rider	Sheet No. 75
Franchise Fee Rider	Sheet No. 76
School Tax	Sheet No. 77
Home Energy Assistance Program	Sheet No. 78

MINIMUM CHARGE

The Customer Charge shall be the minimum charge.

DUE DATE OF BILL

Customer's payment will be due within 10 days from date of bill.

TERMS AND CONDITIONS

Service will be furnished under Company's Terms and Conditions applicable hereto.

Date of Issue: June 8, 2005
Canceling First Revision of
Original Sheet No. 5
Issued October 7, 2004

Issued By

Date Effective: With Bills Rendered
On and After
July 5, 2005

John R. McCall, Executive Vice President,
General Counsel, and Corporate Secretary
Lexington, Kentucky

Issued by Authority of Order of the KPSC in Case No. 2004-00465 dated May 24, 2005

ELECTRIC RATE SCHEDULE

VFD

Volunteer Fire Department Service

APPLICABLE

In all territory served.

AVAILABILITY OF SERVICE

Available for single-phase delivery, in accordance with the provisions of KRS 278.172, to any volunteer fire department qualifying for aid under KRS 95A.262. It is optional with the customer whether service will be provided under this schedule or any other schedule applicable to this load.

DEFINITION

To be eligible for this rate a volunteer fire department is defined as:

- 1) having at least 12 members and a chief,
- 2) having at least one fire fighting apparatus, and
- 3) more than half the members must be volunteer.

RATE

Customer Charge: \$5.00 per month

Plus an Energy Charge of:

5.501 cents per KWH

Deleted: 4.720

MINIMUM CHARGE

The Customer Charge shall be the minimum charge.

ADJUSTMENT CLAUSES

The bill amount computed at the charges specified above shall be increased or decreased in accordance with:

Fuel Adjustment Clause	Sheet No. 70
Demand-Side Management Surcharge	Sheet No. 71
Environmental Cost Recovery Surcharge	Sheet No. 72
Merger Surcredit Rider,	Sheet No. 73
Value Delivery Surcredit Rider	Sheet No. 75
Franchise Fee Rider	Sheet No. 76
School Tax	Sheet No. 77

DUE DATE OF BILL

Customer's payment will be due within 10 days from date of bill.

TERMS AND CONDITIONS

Service will be furnished under Company's Terms and Conditions applicable hereto.

Date of Issue: June 8, 2005
Canceling Original Sheet No. 6
Issued July 20, 2004

Issued By

Date Effective: With Bills Rendered
On and After
July 5, 2005

John R. McCall, Executive Vice President,
General Counsel, and Corporate Secretary
Lexington, Kentucky

Issued by Authority of Order of the KPSC in Case No. 2004-00465 dated May 24, 2005

ELECTRIC RATE SCHEDULE GS
General Service Rate

APPLICABLE

In all territory served.

AVAILABILITY OF SERVICE

To general lighting and small power loads for secondary service. It is optional with the customer whether service will be billed under this schedule or any other schedule applicable to this load. Customers executing a one year contract under this schedule will continue to be billed under such schedule for not less than 12 consecutive months unless there shall be a material and permanent change in the customer's use of service.

Service under this schedule will be limited to maximum loads not exceeding 500 KW. Service to existing customers with a maximum load exceeding 500 KW is restricted to those customers being billed under the rate schedule as of its effective date of July 1, 2004. New customers, upon demonstrating an average demand of 500 KW or greater, will be served under the appropriate rate schedule.

RATE

Customer Charge: \$10.00 per month

Plus an Energy Charge of:

6.424 cents per KWH

Deleted: 5 643

PRIMARY DISCOUNT

A 5% Primary Discount will be applied to the bill, including the minimum charge, of any primary or voltage delivery customer who has a demand of 50 kilowatts or more during the billing period. This discount does not apply to fuel clause revenue. Primary service under this rate schedule is restricted to those customers being billed under the rate schedule as of its effective date of July 1, 2004.

ADJUSTMENT CLAUSES

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

Fuel Adjustment Clause	Sheet No. 70
Demand-Side Management Surcharge	Sheet No. 71
Environmental Cost Recovery Surcharge	Sheet No. 72
Merger Surcredit Rider	Sheet No. 73
Value Delivery Surcredit Rider	Sheet No. 75
Franchise Fee Rider	Sheet No. 76
School Tax	Sheet No. 77

Date of Issue: June 8, 2005
Canceling Original Sheet No. 10
Issued July 20, 2004

Issued By

Date Effective: With Bills Rendered
On and After
July 5, 2005

John R. McCall, Executive Vice President,
General Counsel, and Corporate Secretary
Lexington, Kentucky

Issued by Authority of Order of the KPSC in Case No. 2004-00465 dated May 24, 2005

ELECTRIC RATE SCHEDULE LP
Large Power Service

APPLICABLE

In all territory served.

AVAILABILITY OF SERVICE

This rate schedule is available for secondary, primary or available transmission line service on an annual basis for lighting and/or heating and/or power.

It is optional with the customer whether service will be billed under this schedule for the entire requirements, or under various other schedules applicable to the various services. The customer having selected this schedule will continue to be billed under it for not less than 12 consecutive months, unless there should be a material and permanent change in the customer's service.

Service under this schedule will be limited to minimum average secondary loads of 200 KW and maximum average loads not exceeding 5,000 KW.

Customers with average single phase loads less than 200KW receiving service under this rate schedule as of July 1, 2004, will continue to be served under this rate schedule.

RATE

Customer Charge: \$75.00 per month

Maximum Load Charge:

Secondary Service

\$6.65 per kilowatt of the maximum load in the month.

Primary Service

\$6.26 per kilowatt of the maximum load in the month

Transmission Service

\$5.92 per kilowatt of the maximum load in the month

Plus an Energy Charge of:

3.297 cents per KWH

Deleted: 2.516

ADJUSTMENT CLAUSES

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

Fuel Adjustment Clause	Sheet No. 70
Demand-Side Management Surcharge	Sheet No. 71
Environmental Cost Recovery Surcharge	Sheet No. 72
Merger Surcredit Rider	Sheet No. 73
Value Delivery Surcredit Rider	Sheet No. 75
Franchise Fee Rider	Sheet No. 76
School Tax	Sheet No. 77
Program Cost Recovery Mechanism	Sheet No. 62

Date of Issue: June 8, 2005
Canceling Original Sheet No. 20
Issued July 20, 2004

Issued By

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On and After
July 5, 2005

John R. McCall, Executive Vice President,
General Counsel, and Corporate Secretary
Lexington, Kentucky

Issued by Authority of Order of the KPSC in Case No. 2004-00465 dated May 24, 2005

ELECTRIC RATE SCHEDULE

LCI-TOD

Large Commercial/Industrial Time-of-Day Service

APPLICABLE

In all territory served

AVAILABILITY OF SERVICE

Available to, and mandatory for, all customers served primary or transmission voltage, with an average demand of 5,000 kilowatts or greater, subject to the following guidelines:

- (1) Customers being served on this rate whose average demand have subsequently been reduced below 5,000 kilowatts over a period of twelve (12) months or who have had a material and permanent change in operations which will undoubtedly reduce demands below this level will be placed on the appropriate non-time-differentiated rate at the Company's discretion.
- (2) It is the responsibility of the customer to keep the Company fully informed of any change or expected change in operations which will affect the customer's qualification to be served on this rate.
- (3) Service under this schedule will be limited to maximum loads not exceeding 50,000 KW. Customers with new or increased load requirements that exceed 50,000 KW will have a rate developed as part of their contract based upon their electrical characteristics.

RATE

Customer Charge: \$120.00 per month

Maximum Load Charge:	<u>Primary</u>	<u>Transmission</u>
On-Peak Demand.....	\$4.58 per KW	\$4.39 per KW
Off-Peak Demand.....	\$.73 per KW	\$.73 per KW

Energy Charge: 3.297 cents per KWH

Deleted: 2 516

ADJUSTMENT CLAUSES

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

Fuel Adjustment Clause	Sheet No. 70
Demand-Side Management Surcharge	Sheet No. 71
Environmental Cost Recovery Surcharge	Sheet No. 72
Merger Surcredit Rider	Sheet No. 73
Value Delivery Surcredit Rider	Sheet No. 75
Franchise Fee Rider	Sheet No. 76
School Tax	Sheet No. 77

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 Issued July 20, 2004

Issued By

Date Effective: With Bills Rendered
 On and After
 July 5, 2005

John R. McCall, Executive Vice President,
 General Counsel, and Corporate Secretary
 Lexington, Kentucky

Issued by Authority of Order of the KPSC in Case No. 2004-00465 dated May 24, 2005

ELECTRIC RATE SCHEDULE MP
Coal Mining Power Service

APPLICABLE

In all territory served.

AVAILABILITY OF SERVICE

This schedule is for primary or transmission line service, where available, for the operation of coal mines, coal cleaning, processing or other related operations incidental to such operation, where the customer reserves not less than 50 kilowatts of capacity.

Service under this schedule will be limited to maximum loads not exceeding 5,000 KW. Existing customers who demonstrate an average demand of 5,000 KW or greater over a 12-month period, or new customers upon demonstrating an average demand of 5,000 KW or greater, will be served under Rate Schedule LMP-TOD.

RATE

Customer Charge: \$75.00 per month

Maximum Load Charge:

Primary Service at nominal voltage of 2,400 or more shall be \$4.69 per kilowatt of the maximum load in the month.

Transmission Line Service at nominal voltage of 34,500 or more shall be \$4.57 per kilowatt of the maximum load in the month.

Plus an Energy Charge of:

3.497 cents per KWH

Deleted: 2.716

ADJUSTMENT CLAUSES

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

Fuel Adjustment Clause	Sheet No. 70
Environmental Cost Recovery Surcharge	Sheet No. 72
Merger Surcredit Rider	Sheet No. 73
Value Delivery Surcredit Rider	Sheet No. 75
Franchise Fee Rider	Sheet No. 76
School Tax	Sheet No. 77

MINIMUM ANNUAL CHARGE

Not less than the greater of (a), (b) or (c) as follows:

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Canceling Original Sheet No. 30
Issued July 20, 2004

Issued By

Date Effective: With Bills Rendered
On and After
July 5, 2005

John R. McCall, Executive Vice President,
General Counsel, and Corporate Secretary
Lexington, Kentucky

Issued by Authority of Order of the KPSC in Case No. 2004-00465 dated May 24, 2005

ELECTRIC RATE SCHEDULE LMP-TOD
Large Mine Power Time-of-Day Rate

APPLICABLE

In all territory served

AVAILABILITY OF SERVICE

Available to, and mandatory for, all mine power service customers served on primary or transmission voltage, with demands of 5,000 kilowatts or greater, subject to the following guidelines:

- (1) Mine power service under this rate is restricted to coal mining, coal cleaning, coal processing or other related operation and for power, lighting and/or heating incidental to such operation.
- (2) Customers being served on this rate whose average demands have subsequently been reduced below 5,000 kilowatts over a period of twelve (12) months or who have had a material and permanent change in operations which will undoubtedly reduce demands below this level will be placed on the appropriate non-time-differentiated rate at the Company's discretion.
- (3) It is the responsibility of the customer to keep the Company fully informed of any change or expected change in operations which will affect the customer's qualifications to be served on this rate.
- (4) Service under this schedule will be limited to maximum loads not exceeding 50,000 KW. Customers with new or increased load requirements that exceed 50,000 KW will have a rate developed as part of their contract based upon their electrical characteristics.

RATE

Customer Charge: \$120.00 per month

Maximum Load Charge:	<u>Primary</u>	<u>Transmission</u>
On-Peak Demand.....	\$5.39	\$4.85
Off-Peak Demand.....	\$.73	\$.73

Energy Charge: 3.097 cents per KWH

Deleted: 2 316

DETERMINATION OF MAXIMUM LOAD

The load will be measured and will be the average KW demand delivered to the customer during the 15-minute period of maximum use during the appropriate rating period each month.

The Company reserves the right to place a KVA meter and base the billing demand on the measured KVA. The charge will be computed based on the measured KVA times 90 percent, at the applicable KW charge.

In lieu of placing a KVA meter, the Company may adjust the measured maximum load for billing purposes when power factor is less than 90 percent in accordance with the following formula:
(BASED ON POWER FACTOR MEASURED AT TIME OF MAXIMUM LOAD)

$$\text{Adjusted Maximum KW Load for Billing Purposes} = \frac{\text{Maximum KW Load Measured} \times 90\%}{\text{Power Factor (in percent)}}$$

Date of Issue: June 8, 2005
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Date Effective: With Bills Rendered
 On and After
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John R. McCall, Executive Vice President,
 General Counsel, and Corporate Secretary
 Lexington, Kentucky

Issued by Authority of Order of the KPSC in Case No. 2004-00465 dated May 24, 2005

ELECTRIC RATE SCHEDULE LI-TOD
Large Industrial Time-of-Day Service

APPLICABLE

In all territory served.

AVAILABILITY OF SERVICE

Available for three-phase delivery to customers up to an aggregate of two hundred (200) MVA for all customers taking service under this schedule and under the LI-TOD schedule of Louisville Gas and Electric Company. This schedule is restricted to individual customers whose monthly demand is twenty (20) MVA or greater. A customer is defined as large industrial time-of-day if that customer's load either increases or decreases twenty (20) MVA or more per minute or seventy (70) MVA or more in ten (10) minutes when such increases or decreases exceed one (1) occurrence per hour during any hour of the billing month.

Subject to the above aggregate limit of two hundred (200) MVA, this schedule is mandatory for all customers whose load is defined as large industrial time-of-day and not served on another standard rate schedule as of the effective date this rate schedule is approved by the Public Service Commission of Kentucky. Existing customers as of the effective date of this rate schedule, April 1, 2004, shall have the first option to the available capacity under this rate schedule by signing a contract for firm service by March 1, 2005, which commits to billing for demand related charges by July 1, 2006.

BASE RATE

Customer Charge: \$120.00 per month

	<u>Primary</u>	<u>Transmission</u>
Energy Charge of:		
Per monthly billing period	\$0.03297 per kWh	\$0.03297 per kWh

Deleted: 0.02516
 Deleted: 0.02516

Plus a Demand Charge of:
 Per monthly billing period

Standard Load Charges:		
On-Peak	\$4.58 per KVA	\$4.39 per KVA
Off-Peak	\$0.73 per KVA	\$0.73 per KVA

Where the monthly Standard On-Peak billing and Off-Peak billing are the greater of the applicable charge per KVA times:

- (a) the maximum metered standard demand, as measured over a fifteen (15) minute interval, for each peak period in the monthly billing period,
- (b) 60% of the maximum metered standard demand, as determined in (a) above, for each peak period in the preceding eleven (11) monthly billing periods,
- (c) 60% of the contract capacity based on the expected maximum demand upon the system, or
- (d) minimum may be adjusted where customer's service requires an abnormal investment in special facilities.

Plus Fluctuating Load Charges:		
On-Peak	\$2.29 per KVA	\$2.20 per KVA
Off-Peak	\$0.37 per KVA	\$0.37 per KVA

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John R. McCall, Executive Vice President,
 General Counsel, and Corporate Secretary
 Lexington, Kentucky

Issued by Authority of Order of the KPSC in Case No. 2004-00465 dated May 24, 2005

ELECTRIC RATE SCHEDULE **ST. LT.**
Street Lighting Service

AVAILABILITY OF SERVICE

This rate schedule is available, for the various types of street lighting services shown herein, in any community in which the Company has an electric franchise. Service is subject to the provisions herein and the provisions of the Company's standard contract for street lighting service. Should the service not meet these standard provisions, then the Company reserves the right to revise the charges listed hereinafter so as to include any additional or unusual cost involved.

STANDARD/ORNAMENTAL SERVICE

1. **STANDARD OVERHEAD SYSTEM:** Street lighting equipment furnished under the Standard Overhead Rate shall consist of wood poles, brackets, appropriate fixtures for the lamps being used, the necessary overhead street lighting circuit, protective equipment, controls and transformers. The Company will install, own, operate and maintain the entire street lighting system, including circuits, lighting fixtures and lamp replacements. The Customer shall pay the Standard Overhead Rate.
2. **ORNAMENTAL OVERHEAD SYSTEM:** The Company will, upon request, furnish under the Ornamental Overhead Rate, ornamental poles of the Company's choosing, together with overhead wiring and all other equipment and provisions mentioned in 2 above. The Customer will pay the Ornamental Overhead Rate.
3. **OTHER THAN CONVENTIONAL OVERHEAD SYSTEMS:** Should the Customer require, either initially or upon replacement, a system or equipment other than that described in 2 or 3 above for lamp sizes as provided herein, (this constituting a conventional overhead system) the Customer may make a non-refundable contribution to the Company equal to the difference in the installed cost between the system or equipment so required and the cost of a conventional overhead system as hereinbefore defined. In a similar manner the Customer will pay the difference in the cost of operation and maintaining such a system or equipment and the cost of operation and maintaining a conventional Overhead System. Any installation costs which are to be borne by the Customer, should be paid at the time of installation.

RATE

	LOAD/LIGHT	RATE PER LIGHT PER MONTH	
		STANDARD	ORNAMENTAL
*INCANDESCENT			
1,000 Lumens (approximately)	.102 KW/Light	\$ 2.64	\$ 3.29
2,500 " "	201 KW/Light	3.48	4.28
4,000 " "	327 KW/Light	5.13	6.07
6,000 " "	447 KW/Light	6.87	7.92
**MERCURY VAPOR			
7,000 Lumens (approximately)	207 KW/Light	\$ 7.39	9.65
10,000 " "	294 KW/Light	8.72	10.73
20,000 " "	453 KW/Light	10.64	12.25
HIGH PRESSURE SODIUM			
4,000 Lumens (approximately)	060 KW/Light	\$ 5.22	\$ 7.84
5,800 " "	.083 KW/Light	5.74	8.35
9,500 " "	.117 KW/Light	6.54	9.35
22,000 " "	242 KW/Light	9.91	12.70
50,000 " "	485 KW/Light	16.32	19.11

NOTE: *Incandescent restricted to those fixtures in service on October 12, 1982 (Except for spot replacement)
**Mercury Vapor restricted to those fixtures in service on February 1, 2004 (Except for spot replacement)

- Deleted: 2.37
- Deleted: 3.02
- Deleted: 2.96
- Deleted: 3.76
- Deleted: 4.28
- Deleted: 5.22
- Deleted: 5.71
- Deleted: 6.76
- Deleted: 6.85
- Deleted: 9.11
- Deleted: 7.95
- Deleted: 9.96
- Deleted: 9.46
- Deleted: 11.07
- Deleted: 5.06
- Deleted: 7.68
- Deleted: 5.52
- Deleted: 8.13
- Deleted: 6.23
- Deleted: 9.04
- Deleted: 9.28
- Deleted: 12.07
- Deleted: 15.06
- Deleted: 17.85

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John R. McCall, Executive Vice President,
General Counsel, and Corporate Secretary
Lexington, Kentucky

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ELECTRIC RATE SCHEDULE

ST. LT.

Street Lighting Service

DECORATIVE UNDERGROUND SERVICE

1. **FURNISHED EQUIPMENT:** Street lighting equipment furnished hereunder shall consist of appropriate size decorative poles and fixtures for the lamps being used, the necessary underground conductor, protective equipment, controls and transformers. The Company will install, own, operate and maintain the entire street lighting system, including conductor, decorative poles, fixtures and lamp replacements. The Customer shall pay the rate as shown plus, at the time of installation, pay to the Company the amount to cover the additional cost of underground over the equivalent overhead street lighting circuitry.
2. **STORAGE PROVISION FOR GRAN VILLE LIGHT AND ACCESSORIES:** If the Company provides storage for the fixture, poles and/or the accessories, an adder of 12.50% will apply to the monthly rate per light.

RATE		HIGH PRESSURE SODIUM (HPS)		
Type Of Pole & Fixture	Lumen Output (Approximate)	Load/Light In KW	Monthly Rate Per Light	
Acorn (Decorative Pole)	4,000	0.060	\$10.62	Deleted: 10.46
Acorn (Historic Pole)	4,000	0.060	\$16.54	Deleted: 16.38
Acorn (Decorative Pole)	5,800	0.083	\$11.25	Deleted: 11.03
Acorn (Historic Pole)	5,800	0.083	\$17.16	Deleted: 16.94
Acorn (Decorative Pole)	9,500	0.117	\$12.04	Deleted: 11.73
Acorn (Historic Pole)	9,500	0.117	\$17.96	Deleted: 17.65
Colonial	4,000	0.060	\$ 7.08	Deleted: 6.92
Colonial	5,800	0.083	\$ 7.61	Deleted: 7.39
Colonial	9,500	0.117	\$ 8.33	Deleted: 8.02
Coach	5,800	0.083	\$25.38	Deleted: 25.16
Coach	9,500	0.117	\$26.16	Deleted: 25.85
Contemporary	5,800	0.083	\$12.91	Deleted: 12.69
Contemporary	9,500	0.117	\$15.44	Deleted: 15.13
Contemporary	22,000	0.242	\$18.29	Deleted: 17.66
Contemporary	50,000	0.485	\$24.30	Deleted: 23.04
Gran Ville	16,000	0.150	\$38.83	Deleted: 38.44
Gran Ville Accessories:				
* Single Crossarm Bracket			\$16.28	
Twin Crossarm Bracket			\$18.12	
24 Inch Banner Arm			\$ 2.82	
24 Inch Clamp Banner Arm			\$ 3.90	
18 Inch Banner Arm			\$ 2.60	
Flagpole Holder			\$ 1.20	
Post-Mounted Receptacle			\$16.90	
Base-Mounted Receptacle			\$16.31	
** Additional Receptacles			\$ 2.31	
Planter			\$ 3.91	
* For Existing Poles Only				
** For 2 Receptacles on Same Pole				

Date of Issue: June 8, 2005
 Canceling Original Sheet No. 40.1
 Issued July 20, 2004

Issued By Date Effective: With Bills Rendered
 On and After
 July 5, 2005

John R. McCall, Executive Vice President,
 General Counsel, and Corporate Secretary
 Lexington, Kentucky

Issued By Authority of an Order of the KPSC in Case No. 2004-00465 dated May 24, 2005, 2004

ELECTRIC RATE SCHEDULE		P.O. LT.	
Private Outdoor Lighting			
APPLICABLE			
In all territory served.			
AVAILABILITY OF SERVICE			
Service under this schedule is offered, under the conditions set out hereinafter, for lighting applications on private property such as, but not limited to, residential, commercial and industrial plant site or parking lot, other commercial area lighting, etc. to Customers now receiving electric service from the Company at the same location. Service will be provided under written contract signed by Customer prior to service commencing, when facilities are required other than fixture(s).			
RATE			
STANDARD (SERVED OVERHEAD)			
TYPE LIGHT	APPROX. LUMENS	KW RATING	MONTHLY CHARGE
Open Bottom Mercury Vapor	7,000**	.207	\$ 8.37
Cobra Mercury Vapor	20,000**	.453	\$ 10.64
Open Bottom High Pressure Sodium	5,800	.083	\$ 4.64
Open Bottom High Pressure Sodium	9,500	.117	\$ 5.37
Cobra High Pressure Sodium	22,000	.242	\$ 9.91
Cobra High Pressure Sodium	50,000	.485	\$ 16.32
DIRECTIONAL (SERVED OVERHEAD)			
TYPE LIGHT	APPROX. LUMENS	KW RATING	MONTHLY CHARGE
Directional High Pressure Sodium	9,500	.117	\$ 6.41
Directional High Pressure Sodium	22,000	.242	\$ 9.36
Directional High Pressure Sodium	50,000	.485	\$ 14.67

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- Deleted: 15.06

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The Company will furnish a complete standard or directional fixture with appropriate mast arm on existing poles with available secondary voltage of 120/240.

Where the location of existing poles are not suitable or where there are no existing poles for mounting of lights, and the Customer requests service under these conditions, the Company may furnish the required facilities at an additional charge per month to be determined by the Company. These additional charges are subject to change by Company upon 30 days prior written notice.

Date of Issue: June 8, 2005
 Canceling Original Sheet No. 41
 Issued July 20, 2004

Issued By Date Effective: With Bills Rendered
 On and After
 July 5, 2005

John R. McCall, Executive Vice President,
 General Counsel, and Corporate Secretary
 Lexington, Kentucky

Issued By Authority of an Order of the KPSC in Case No. 2004-00465 dated May 24, 2005, 2004

ELECTRIC RATE SCHEDULE		P.O. LT.	
Private Outdoor Lighting			
All facilities required by Company will be standard stocked material. When underground facilities are requested and the Company agrees to underground service, the Customer will be responsible for ditching and back-filling and seeding and/or repaving as necessary, and provide, own and maintain all conduit.			
METAL HALIDE COMMERCIAL AND INDUSTRIAL LIGHTING			
TYPE POLE AND FIXTURE	APPROX. LUMENS	KW RATING	MONTHLY CHARGE
Directional Fixture Only	12,000	0.207	\$ <u>9.59</u>
Directional Fixture With Wood Pole	12,000	0.207	\$ <u>11.55</u>
Directional Fixture With Metal Pole	12,000	0.207	\$ <u>17.96</u>
Directional Fixture Only	32,000	0.450	\$ <u>13.88</u>
Directional Fixture With Wood Pole	32,000	0.450	\$ <u>15.85</u>
Directional Fixture With Metal Pole	32,000	0.450	\$ <u>22.25</u>
Directional Fixture Only	107,800	1.080	\$ <u>29.23</u>
Directional Fixture With Wood Pole	107,800	1.080	\$ <u>31.96</u>
Directional Fixture With Metal Pole	107,800	1.080	\$ <u>37.60</u>
Contemporary Fixture Only	12,000	0.207	\$ <u>10.68</u>
Contemporary Fixture With Metal Pole	12,000	0.207	\$ <u>19.06</u>
Contemporary Fixture Only	32,000	0.450	\$ <u>15.42</u>
Contemporary Fixture With Metal Pole	32,000	0.450	\$ <u>23.78</u>
Contemporary Fixture Only	107,800	1.080	\$ <u>31.77</u>
Contemporary Fixture With Metal Pole	107,800	1.080	\$ <u>40.14</u>

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Date of Issue: June 8, 2005
Canceling Original Sheet No. 41.1
Issued July 20, 2004

Issued By Date Effective: With Bills Rendered
On and After
July 5, 2005

John R. McCall, Executive Vice President,
General Counsel, and Corporate Secretary
Lexington, Kentucky

Issued By Authority of an Order of the KPSC in Case No. 2004-00465 dated May 24, 2005, 2004

ELECTRIC RATE SCHEDULE P.O. LT.
Private Outdoor Lighting

Company, where secondary voltage of 120/240 is available, will furnish, own, and maintain poles, fixtures and any necessary circuitry up to 100 feet. All poles and fixtures furnished by Company will be standard stocked materials. Where Customer's location would require the installation of additional facilities, Company may furnish, own, and maintain the requested facilities at an additional charge per month to be determined by Company. Such charges are subject to change by Company upon 30 days prior written notice.

Customer is to pay the monthly rate plus any additional charge determined above plus provide all ditching, back-filling, and repaving/seeding/sodding as necessary and provide, own, and maintain all conduit. Company may, at Customer's request, provide all ditching, back-filling, and repaving/seeding/sodding as necessary for payment, in advance, of Company's cost to provide those services. Upon termination of service, the Company shall not be required to remove underground facilities.

Where Customer has need for non-stocked styles of poles or fixtures, Company may agree to provide the requested styles for payment, in advance, by Customer of the cost difference between the requested styles and the stock materials. Customer accepts that Company's maintenance of non-stock materials is dependent on outside vendors and that maintenance of non-stock styles may be delayed or materials unavailable.

DECORATIVE HPS (SERVED UNDERGROUND)

TYPE POLE AND FIXTURE	APPROX. LUMENS	KW RATING	MONTHLY CHARGE
Acorn Decorative	4,000	0.060	\$10.62
Acorn Historic	4,000	0.060	\$16.54
Acorn Decorative	5,800	0.083	\$11.25
Acorn Historic	5,800	0.083	\$17.16
Acorn Decorative	9,500	0.117	\$12.05
Acorn Historic	9,500	0.117	\$17.97
Colonial	4,000	0.060	\$ 7.08
Colonial	5,800	0.083	\$ 7.61
Colonial	9,500	0.117	\$ 8.33
Coach	5,800	0.083	\$25.38
Coach	9,500	0.117	\$26.16
Contemporary	5,800	0.083	\$12.91
Contemporary	9,500	0.117	\$15.44
Contemporary	22,000 *	0.242	\$18.29
Contemporary	50,000 *	0.485	\$24.30
Gran Ville	16,000	0.150	\$38.83

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- Deleted: 17.66
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- Deleted: 8.02
- Deleted: 25.16
- Deleted: 25.85
- Deleted: 12.69
- Deleted: 15.13
- Deleted: 17.66
- Deleted: 23.04
- Deleted: 38.44

Date of Issue: June 8, 2005
 Canceling Original Sheet No. 41.2
 Issued July 20, 2004

Issued By

Date Effective: With Bills Rendered
 On and After
 July 5, 2005

John R. McCall, Executive Vice President,
 General Counsel, and Corporate Secretary
 Lexington, Kentucky

Issued By Authority of an Order of the KPSC in Case No. 2004-00465 dated May 24, 2005, 2004

ELECTRIC RATE SCHEDULE **STOD**
Small Time-of-Day Service

APPLICABLE

In all territory served by the Company.

AVAILABILITY OF SERVICE

Available to commercial customers whose average maximum monthly demands are greater than 250 KW and less than 2,000KW.

- a) STOD shall be available as an optional pilot program for three years effective 14 weeks following the Final Order in PSC Case No 2003-00434 for existing customers on Rate LP, Original Sheet No 20, PSC No 13.
- b) As an optional pilot program, STOD is restricted to 100 customers. The Company will notify all eligible customers of STOD and accept applications on a first-come-first-served basis with the beginning of business 6 weeks following the Final Order in PSC Case No 2003-00434.
- c) For each year or partial year of the pilot program, programming costs plus lost revenues will be recovered from customers served under Rate LP by a program cost recovery mechanism.
- d) No customers will be accepted for STOD following the end of the second year of the pilot program.
- e) The Company will file a report on STOD with the Commission within six months of the end of the third year of the pilot program. Such report will detail findings and recommendations.
- f) STOD shall remain in effect until terminated by order of the Commission.

RATE

Customer Charge: \$90.00 per month

Plus a Demand Charge:

- Secondary Service - \$6.65 per KW per month
- Primary Service - \$6.26 per KW per month
- Transmission Service - \$5.92 per KW per month

Plus an Energy Charge of:

- On-Peak Energy - \$0.03897 per KWH
- Off-Peak Energy - \$0.02597 per KWH

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Where the On-Peak Energy is defined for bills rendered during a billing period as the metered consumption from:

- a) 10 A.M. to 9 P.M., Eastern Standard Time, on weekdays for the four consecutive billing months of June through September or
 - b) 8 A.M. to 10 P.M., Eastern Standard Time, on weekdays for the eight consecutive billing months from October through May.
- All other metered consumption shall be defined as Off-Peak Energy.

DETERMINATION OF MAXIMUM LOAD

The load will be measured and will be the average KW demand delivered to the customer during the 15-minute period of maximum use during the appropriate rating period each month.

The Company reserves the right to place a KVA meter and base the billing demand on the measured KVA. The charge will be computed based on the measured KVA times 90 percent, at the applicable KW charge.

Date of Issue: June 8, 2005
Canceling Original Sheet No. 62
Issued July 20, 2004

Issued By Date Effective: With Bills Rendered
On and After
July 5, 2005

John R. McCall, Executive Vice President,
General Counsel, and Corporate Secretary
Lexington, Kentucky

Issued By Authority of an Order of the KPSC in Case No. 2004-00465 dated May 24, 2005, 2004

FAC
Fuel Adjustment Clause

APPLICABLE

In all territory served.

AVAILABILITY OF SERVICE

This schedule is a mandatory rider to all electric rate schedules.

- (1) The charge per KWH delivered under the rate schedules to which this fuel clause is applicable shall be increased or decreased during each month in accordance with the following formula:

Adjustment Factor = F(m) - F(b) / S(m) S(b)

where "F" is the expense of fossil fuel and "S" is the KWH sales in the base (b) and current (m) periods as defined in 807 KAR 5:056, all as set out below.

- (2) Fuel costs (F) shall be the most recent actual monthly cost of:
(a) Fossil fuel consumed in the utility's own plants, plus the cost of fuel which would have been used in plants suffering forced generation or transmission outages, but less the cost of fuel related to substitute generation, plus
(b) The actual identifiable fossil and nuclear fuel costs associated with energy purchased for reasons other than identified in paragraph (c) below, but excluding the cost of fuel related to purchases to substitute the forced outages, plus
(c) The net energy cost of energy purchases, exclusive of capacity or demand charges (irrespective of the designation assigned to such transaction) when such energy is purchased on an economic dispatch basis. Included therein may be such costs as the charges for economy energy purchases and the charges as a result of schedule outage, all such kinds of energy being purchased by the buyer to substitute for its own higher cost energy; and less
(d) The cost of fossil fuel recovered through inter-system sales including the fuel costs related to economy energy sales and other energy sold on an economic dispatch basis.
(e) All fuel costs shall be based on weighted average inventory costing
(3) Forced outages are all non-schedules losses of generation or transmission which require substitute power for a continuous period in excess of six hours. Where forced outages are not as a result of faulty equipment, faulty manufacture, faulty design, faulty installations, faulty operation, or faulty maintenance, but are Acts of God, riot, insurrection or acts of the public enemy, then the utility may, upon proper showing, with the approval of the Commission, include the fuel cost of substitute energy in the adjustment. Until such approval is obtained, in making the calculations of fuel cost (F) in subsection (2)(a) and (b) above, the forced outage costs to be subtracted shall be no less than the fuel cost related to the lost generation.

Date of Issue: July 20, 2004

Issued By

Date Effective: May 1, 2003

Refiled: July 20, 2004

Michael S. Beer, Vice President
Lexington, Kentucky

Issued By Authority of an Order of the KPSC in Case No. 2003-00434 dated June 30, 2004

FAC

Fuel Adjustment Clause

- (4) Sales (S) shall be all KWH's sold, excluding inter-system sales. Where, for any reason, billed system sales cannot be coordinated with fuel costs for the billing period, sales may be equated to the sum of (i) generation, (ii) purchases, (iii) interchange in, less (iv) energy associated with pumped storage operations, less (v) inter-system sales referred to in subsection (2)(d) above, less (vi) total system losses. Utility used energy shall not be excluded in the determination of sales (S).
- (5) The cost of fossil fuel shall include no items other than the invoice price of fuel less any cash or other discounts. The invoice price of fuel includes the cost of the fuel itself and necessary charges for transportation of the fuel from the point of acquisition to the unloading point, as listed in Account 151 of FERC Uniform System of Accounts for Public Utilities and Licensees.
- (6) Base (b) period shall be the twelve months ending September 2004 and the base fuel factor is 2.591 cents per KWH.
- (7) Current (m) period shall be the second month preceding the month in which the Fuel Clause Adjustment Factor is billed.
- (8) Pursuant to the Public Service Commission's Order in Case No. 2004-00465 dated May 24, 2005, the Fuel Adjustment Clause will become effective with bills rendered on and after the first billing cycle of July 2005.

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Date of Issue: July 20, 2004

Issued By

Date Effective: May 1, 1996

Refiled: July 20, 2004

Michael S. Beer, Vice President
Lexington, Kentucky

Issued By Authority of an Order of the KPSC in Case No. 2003-00434 dated June 30, 2004

KENTUCKY UTILITIES COMPANY

**Response to Information Requested in Appendix B of
Commission's Order Dated December 18, 2006**

Case No. 2006-00509

Question No. 18

Witness: Mike Dotson

Q-18. a. Does KU regularly compare the price of its coal purchases with those paid by other electric utilities?

b. If yes, state:

(1) The utilities that are included in this comparison and their location; and,

(2) How KU's prices compare with those of the other utilities for the review period.

A-18. a. Yes

b. Please see the attached sheet.

UTILITY	SEP 05 - AUG 06 ¢/MMBTU	PLANT LOCATIONS
Ameren Energy Resources	138.69	Illinois
AmerenEnergy Generating Co.	130.77	Illinois
Appalachian Power Co.	188.87	Virginia, West Virginia
Cardinal Operating Co.	162.41	Ohio
Cincinnati Gas & Electric Co.	173.20	Kentucky, Ohio
Columbus Southern Power Co.	161.99	Ohio
Dayton Power & Light Co.	199.72	Ohio
Duke Energy of Indiana	139.94	Indiana
East Kentucky Power Coop, Inc.	215.40	Kentucky
Electric Energy, Inc.	98.93	Illinois
Hoosier Energy Rural Electric Coop, Inc.	123.75	Indiana
Indiana Michigan Power Co.	166.82	Indiana
Indiana-Kentucky Electric Corp.	152.85	Indiana
Indianapolis Power & Light Co.	123.45	Indiana
Kentucky Power Co.	203.30	Kentucky
Kentucky Utilities Co.	201.82	Kentucky
Louisville Gas & Electric Co.	144.50	Kentucky
Monongahela Power Co.	156.72	West Virginia
Northern Indiana Public Service Co.	163.47	Indiana
Ohio Power Co.	134.80	Ohio, West Virginia
Ohio Valley Electric Corp.	180.05	Ohio
Owensboro Municipal Utilities	97.50	Kentucky
Southern Indiana Gas & Electric Co.	150.46	Indiana
Tennessee Valley Authority	165.99	Alabama, Kentucky, Tennessee

Kentucky Utilities ranked 22nd for the 12-month period. KU's ranking is among the highest of the companies in the comparison group primarily due to the cost of the compliance coal KU purchases. KU expects its dependence on compliance coal to decrease due to the installation of scrubbers at the Ghent and Brown stations.

Several of the utilities in the comparison are able to utilize greater amounts of lower cost compliance coal from the Powder River Basin (PRB) than KU.

KENTUCKY UTILITIES COMPANY

**Response to Information Requested in Appendix B of
Commission's Order Dated December 18, 2006**

Case No. 2006-00509

Question No. 19

Witness: Mike Dotson

Q-19. What percentage of KU's coal, as of the date of this Order, is delivered by:

- a. barge?
- b. rail?
- c. truck?

A-19. a. barge: 76%

b. rail: 17%

c. truck: 7%

KENTUCKY UTILITIES COMPANY

**Response to Information Requested in Appendix B of
Commission's Order Dated December 18, 2006**

Case No. 2006-00509

Question No. 20

Witness: Mike Dotson

- Q-20. a. State KU's coal inventory level in tons and in number of days' supply as of November 1, 2006.
- b. Describe the criteria used to determine number of days' supply.
- c. Compare KU's coal inventory as of November 1, 2006 to its inventory target for that date.
- d. If actual coal inventory exceeds inventory target by 10 days' supply, state the reasons for the additional inventory.
- e. (1) Does KU expect any significant changes in its current coal inventory target within the next 12 months?
- (2) If yes, state the expected change and the reasons for this change.
- A-20. a. As of October 31, 2006; 1,087,105 tons; 53 days supply
- b. PSC Formula
- $$\text{Days Burn} = \frac{\text{Current inventory tons}}{\text{Preceding 12 months burn (tons)}} \times 365 \text{ Days}$$
- c. Target 50 Days
- d. The actual coal inventory does not exceed the inventory target by 10 days.
- e. (1) No
- (2) Not applicable.

KENTUCKY UTILITIES COMPANY

**Response to Information Requested in Appendix B of
Commission's Order Dated December 18, 2006**

Case No. 2006-00509

Question No. 21

Witness: Mike Dotson

Q-21. a. Has KU audited any of its coal contracts during the period from May 1, 2006 to October 31, 2006?

b. If yes, for each audited contract:

- (1) Identify the contract.
- (2) Identify the auditor.
- (3) State the results of the audit.
- (4) Describe the actions that KU took as a result of the audit.

A-21. a. No. KU has not conducted any financial audits of coal companies. KU's current coal contracts are fixed price. In the case of coal delivered by truck, a portion of the base contract price is adjusted using government published indices to reflect the changes in the cost of diesel fuel. These agreements thus do not require audits.

KU's Manager Fuels Technical Services and Mining Engineer do conduct scheduled on-site reviews and inspections of the mining operations and sampling systems of each vendor up to twice a year and may conduct unscheduled visits. Additionally, KU employees may visit a vendor as needed to address problems and issues at any time.

b. Not applicable.

KENTUCKY UTILITIES COMPANY

**Response to Information Requested in Appendix B of
Commission's Order Dated December 18, 2006**

Case No. 2006-00509

Question No. 22

Witness: Robert M. Conroy

- Q-22. a. Has KU received any complaints regarding its fuel adjustment clause during the period from May 1, 2006 to October 31, 2006?
- b. If yes, for each complaint, state:
- (1) The nature of the complaint.
 - (2) KU's response.
- A-22. a. No.
- b. Not applicable.

KENTUCKY UTILITIES COMPANY

**Response to Information Requested in Appendix B of
Commission's Order Dated December 18, 2006**

Case No. 2006-00509

Question No. 23

Witness: Mike Dotson

- Q-23. a. Is KU currently involved in any litigation with its current or former coal suppliers?
- b. If yes, for each litigation:
- (1) Identify the coal supplier.
 - (2) Identify the coal contract involved.
 - (3) State the potential liability or recovery to KU.
 - (4) List the issues presented.
 - (5) Provide a copy of the complaint or other legal pleading that initiated the litigation and KU's response, if not previously filed with the Commission.
- c. State the current status of all litigation with coal suppliers.
- A-23. a. Yes

Coal Purchase Order KUF-03975

- b. (1) Cook & Sons Mining.
- (2) Coal Purchase Order KUF-03975 dated October 2, 2003, entered into post bankruptcy petition.
- (3) KU seeks to recover cover damages sustained by KU arising from the non-delivery of 27,699 tons of coal.
- (4) KU claimed that the Debtor failed to make delivery of 27,699 tons of coal provided by the Purchase Order and thereby breached the Purchase Order.
- (5) A copy of the Amended Application for Allowance and Payment of Administrative Expenses filed in the United States Bankruptcy Court in

the Eastern District of Kentucky was filed with the Commission as part of the record in Case No. 2004-00213.

- c. An Agreed Order issued by United States Bankruptcy Court in the Eastern District of Kentucky was filed with the Commission as part of the record in Case No. 2004-00213.

Due to lack of funds, it is anticipated that at some point in time, KU will receive a distribution, but only with respect to a portion of the amount allowed as an administrative expense.

Coal Supply Agreement KUF-06145

- b. (1) Bronco Hazelton Company.
 - (2) Coal Supply Agreement KUF-06145 dated August 8, 2003, filed for Chapter 11 bankruptcy on May 22, 2006. KU filed Proof of Claims on January 16 and 17, 2007. Please see the attached sheets for a copy of the Proof of Claims.
 - (3) KU seeks to recover cover damages sustained by KU arising from the non-delivery of 445,910 tons of coal.
 - (4) KU claimed that the Debtor failed to make delivery of 445,910 tons of coal as required by the Coal Supply Agreement and thereby breached the Coal Supply Agreement.
 - (5) Attached is a copy of Bronco Hazelton Company's voluntary petition for Chapter 11 bankruptcy filed in the United States Bankruptcy Court in the Southern District of Indiana. KU responded by filing Proof of Claims in the proceeding.
- c. An order granting motion to reject the coal supply agreement from Chapter 11 protection and preserving KU's rights and claims related to the coal supply agreement was issued by the United States Bankruptcy Court in the Southern District of Indiana on May 22, 2006. Please see the attached sheets for a copy of the order.



SO ORDERED: June 23, 2006.

RECEIVED
JUN 26 2006

Basil H. Lorch III

Basil H. Lorch III
United States Bankruptcy Judge

UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF INDIANA
EVANSVILLE DIVISION

IN RE:	)	Consolidated for Administration
	)	at Case No. 06-70378
BRONCO HAZELTON CO. <i>et al.</i>)	
)	
Debtors.	)	Bankruptcy Nos. 06-70375
	)	through 06-70379
)	
	)	Chapter 11

ORDER GRANTING MOTION TO REJECT COAL SUPPLY AGREEMENT

This matter having come before the Court on the Debtors' motion to reject (Doc. No. 34) (the "Motion to Reject") the coal supply agreement with Kentucky Utilities Company dated August 8, 2003, identified by contract reference number KUF-06145, as amended (the "KU Agreement"), and the Court having reviewed and considered the Motion to Reject and being otherwise sufficiently advised, it is hereby

ORDERED that the Motion to Reject is GRANTED and the KU Agreement is deemed rejected as of May 22, 2006; and it is further

ORDERED that all rights, claims and defenses of Debtors related to the KU Agreement,
its rejection or any claims arising therefrom are preserved and not affected by its rejection.

###

Distribution:

First Updated Master Service List

1103084_1

U.S. Bankruptcy Court
Southern District of Indiana

Notice of Electronic Claims Filing

The following transaction was received from Apple, Miles on 1/16/2007 at 10:50 AM EDT

Case Name: Bronco Hazelton Co.
Case Number: 06-70378-BHL-11
Kentucky Utilities Company
Creditor Name: 220 West Main Street
LOUISVILLE KY 40202
Claim Number: 147 Claims Register
Total Amount Claimed: \$10576145.00

The following document(s) are associated with this transaction:

Document description:Main Document

Original filename:\\LOUUSR01\Home\2643\KU\Bronco POC\Proof of Claim.pdf

Electronic document Stamp:

[STAMP bkecfStamp_ID=1072195184 [Date=1/16/2007] [FileNumber=6757525-0]
] [8b2bfd667a69557e641b587a62eb3271920b6361a010d4178c78c05205d19cf6969
1732854e673bfbe4dd84ec65bb8291edd43bd21aabe767c58e9c538231224]]

Document description:Exhibit A

Original filename:\\LOUUSR01\Home\2643\KU\Bronco POC\Exhibit A.pdf

Electronic document Stamp:

[STAMP bkecfStamp_ID=1072195184 [Date=1/16/2007] [FileNumber=6757525-1]
] [80aaecad0ea47bb02cc468b170e0de17e086a7b0f9cc5fe5628dd725becbae4a256
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Document description:Exhibit B

Original filename:\\LOUUSR01\Home\2643\KU\Bronco POC\Exhibit B.pdf

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Document description:Exhibit C

Original filename:\\LOUUSR01\Home\2643\KU\Bronco POC\Exhibit C.pdf

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[File another claim](#)

U.S. Bankruptcy Court
Southern District of Indiana

Notice of Electronic Claims Filing

The following transaction was received from Apple, Miles on 1/17/2007 at 10:06 AM EDT

Case Name: Bronco Hazelton Co.
Case Number: 06-70378-BHL-11
Kentucky Utilities Company
Creditor Name: 220 West Main Street
LOUISVILLE KY 40202
Claim Number: 148 Claims Register
Total Amount Claimed: \$10579145.00

The following document(s) are associated with this transaction:

Document description:Main Document

Original filename:\\LOUUSR01\Home\2643\KU\Hazelton\Proof of Claim.pdf

Electronic document Stamp:

[STAMP bkecfStamp_ID=1072195184 [Date=1/17/2007] [FileNumber=6766884-0]
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Document description:Exhibit A

Original filename:\\LOUUSR01\Home\2643\KU\Hazelton\Exhibit A.pdf

Electronic document Stamp:

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Document description:Exhibit B

Original filename:\\LOUUSR01\Home\2643\KU\Hazelton\Exhibit B.pdf

Electronic document Stamp:

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[File another claim](#)

U.S. Bankruptcy Court
Southern District of Indiana

Notice of Electronic Claims Filing

The following transaction was received from Apple, Miles on 1/17/2007 at 10:29 AM EDT

Case Name: Bronco Hazelton Co.
Case Number: 06-70378-BHL-11
Creditor Name: Kentucky Utilities Company
220 West Main Street
LOUISVILLE KY 40202
Claim Number: 149 Claims Register
Total Amount Claimed: \$10579145.00

The following document(s) are associated with this transaction:

Document description:Main Document

Original filename:\\LOUUSR01\Home\2643\KU\White River\Proof of Claim.pdf

Electronic document Stamp:

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Document description:Exhibit A

Original filename:\\LOUUSR01\Home\2643\KU\White River\Exhibit A.pdf

Electronic document Stamp:

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Document description:Exhibit B

Original filename:\\LOUUSR01\Home\2643\KU\White River\Exhibit B.pdf

Electronic document Stamp:

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[File another claim](#)

United States Bankruptcy Court Southern District of Indiana		Voluntary Petition																				
Name of Debtor (if individual, enter Last, First, Middle): Bronco Hazelton Co.		Name of Joint Debtor (Spouse) (Last, First, Middle):																				
All Other Names used by the Debtor in the last 8 years (include married, maiden, and trade names):		All Other Names used by the Joint Debtor in the last 8 years (include married, maiden, and trade names):																				
Last four digits of Soc. Sec./Complete EIN or other Tax ID No. (if more than one, state all): 20-3380486		Last four digits of Soc. Sec./Complete EIN or other Tax ID No. (if more than one, state all):																				
Street Address of Debtor (No. & Street, City, and State): 8642 N. Thompson Road Hazelton, IN <div style="text-align: right; font-size: small;">ZIP Code 47840</div>		Street Address of Joint Debtor (No. & Street, City, and State): <div style="text-align: right; font-size: small;">ZIP Code</div>																				
County of Residence or of the Principal Place of Business: Gibson		County of Residence or of the Principal Place of Business:																				
Mailing Address of Debtor (if different from street address): 2920 N. Swan Road, Suite 207 Tucson, AZ <div style="text-align: right; font-size: small;">ZIP Code 85712</div>		Mailing Address of Joint Debtor (if different from street address): <div style="text-align: right; font-size: small;">ZIP Code</div>																				
Location of Principal Assets of Business Debtor (if different from street address above):																						
Type of Debtor (Form of Organization) (Check one box) <input type="checkbox"/> Individual (includes Joint Debtors) <input checked="" type="checkbox"/> Corporation (includes LLC and LLP) <input type="checkbox"/> Partnership <input type="checkbox"/> Other (if debtor is not one of the above entities, check this box and provide the information requested below.) State type of entity:	Nature of Business (Check all applicable boxes.) <input type="checkbox"/> Health Care Business <input type="checkbox"/> Single Asset Real Estate as defined in 11 U.S.C. § 101 (51B) <input type="checkbox"/> Railroad <input type="checkbox"/> Stockbroker <input type="checkbox"/> Commodity Broker <input type="checkbox"/> Clearing Bank <input type="checkbox"/> Nonprofit Organization qualified under 26 U.S.C. § 501(c)(3)	Chapter of Bankruptcy Code Under Which the Petition is Filed (Check one box) <input type="checkbox"/> Chapter 7 <input checked="" type="checkbox"/> Chapter 11 <input type="checkbox"/> Chapter 15 Petition for Recognition of a Foreign Main Proceeding <input type="checkbox"/> Chapter 9 <input type="checkbox"/> Chapter 12 <input type="checkbox"/> Chapter 15 Petition for Recognition of a Foreign Nonmain Proceeding <input type="checkbox"/> Chapter 13 Nature of Debts (Check one box) <input type="checkbox"/> Consumer/Non-Business <input checked="" type="checkbox"/> Business																				
Filing Fee (Check one box) <input checked="" type="checkbox"/> Full Filing Fee attached <input type="checkbox"/> Filing Fee to be paid in installments (Applicable to individuals only). Must attach signed application for the court's consideration certifying that the debtor is unable to pay fee except in installments. Rule 1006(b). See Official Form 3A. <input type="checkbox"/> Filing Fee waiver requested (Applicable to chapter 7 individuals only). Must attach signed application for the court's consideration. See Official Form 3B.		Chapter 11 Debtors Check one box: <input type="checkbox"/> Debtor is a small business debtor as defined in 11 U.S.C. § 101(51D). <input checked="" type="checkbox"/> Debtor is not a small business debtor as defined in 11 U.S.C. § 101(51D). Check if: <input type="checkbox"/> Debtor's aggregate noncontingent liquidated debts owed to non-insiders or affiliates are less than \$2 million.																				
Statistical/Administrative Information <input type="checkbox"/> Debtor estimates that funds will be available for distribution to unsecured creditors. <input checked="" type="checkbox"/> Debtor estimates that, after any exempt property is excluded and administrative expenses paid, there will be no funds available for distribution to unsecured creditors.		THIS SPACE IS FOR COURT USE ONLY																				
Estimated Number of Creditors <table style="width:100%; font-size: x-small; text-align: center;"> <tr> <td>1-49</td> <td>50-99</td> <td>100-199</td> <td>200-999</td> <td>1000-5,000</td> <td>5001-10,000</td> <td>10,001-25,000</td> <td>25,001-50,000</td> <td>50,001-100,000</td> <td>OVER 100,000</td> </tr> <tr> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input checked="" type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> </table>			1-49	50-99	100-199	200-999	1000-5,000	5001-10,000	10,001-25,000	25,001-50,000	50,001-100,000	OVER 100,000	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>					
1-49	50-99		100-199	200-999	1000-5,000	5001-10,000	10,001-25,000	25,001-50,000	50,001-100,000	OVER 100,000												
<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>												
Estimated Assets <table style="width:100%; font-size: x-small; text-align: center;"> <tr> <td>\$0 to \$50,000</td> <td>\$50,001 to \$100,000</td> <td>\$100,001 to \$500,000</td> <td>\$500,001 to \$1 million</td> <td>\$1,000,001 to \$10 million</td> <td>\$10,000,001 to \$50 million</td> <td>\$50,000,001 to \$100 million</td> <td>More than \$100 million</td> </tr> <tr> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input checked="" type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> </table>		\$0 to \$50,000	\$50,001 to \$100,000	\$100,001 to \$500,000	\$500,001 to \$1 million	\$1,000,001 to \$10 million	\$10,000,001 to \$50 million	\$50,000,001 to \$100 million	More than \$100 million	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>									
\$0 to \$50,000	\$50,001 to \$100,000	\$100,001 to \$500,000	\$500,001 to \$1 million	\$1,000,001 to \$10 million	\$10,000,001 to \$50 million	\$50,000,001 to \$100 million	More than \$100 million															
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>															
Estimated Debts <table style="width:100%; font-size: x-small; text-align: center;"> <tr> <td>\$0 to \$50,000</td> <td>\$50,001 to \$100,000</td> <td>\$100,001 to \$500,000</td> <td>\$500,001 to \$1 million</td> <td>\$1,000,001 to \$10 million</td> <td>\$10,000,001 to \$50 million</td> <td>\$50,000,001 to \$100 million</td> <td>More than \$100 million</td> </tr> <tr> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input checked="" type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> </table>		\$0 to \$50,000	\$50,001 to \$100,000	\$100,001 to \$500,000	\$500,001 to \$1 million	\$1,000,001 to \$10 million	\$10,000,001 to \$50 million	\$50,000,001 to \$100 million	More than \$100 million	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>									
\$0 to \$50,000	\$50,001 to \$100,000	\$100,001 to \$500,000	\$500,001 to \$1 million	\$1,000,001 to \$10 million	\$10,000,001 to \$50 million	\$50,000,001 to \$100 million	More than \$100 million															
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>															

Voluntary Petition <i>(This page must be completed and filed in every case)</i>		Name of Debtor(s): Bronco Hazalton Co.	
Signatures		Signatures	
<p style="text-align: center;">Signature(s) of Debtor(s) (Individual/Joint)</p> <p>I declare under penalty of perjury that the information provided in this petition is true and correct. [If petitioner is an individual whose debts are primarily consumer debts and has chosen to file under chapter 7] I am aware that I may proceed under chapter 7, 11, 12, or 13 of title 11, United States Code, understand the relief available under each such chapter, and choose to proceed under chapter 7. [If no attorney represents me and no bankruptcy petition preparer signs the petition] I have obtained and read the notice required by §342(h) of the Bankruptcy Code.</p> <p>I request relief in accordance with the chapter of title 11, United States Code, specified in this petition.</p> <p><input checked="" type="checkbox"/> _____ Signature of Debtor</p> <p><input checked="" type="checkbox"/> _____ Signature of Joint Debtor</p> <p>_____ Telephone Number (if not represented by attorney)</p> <p>_____ Date</p>		<p style="text-align: center;">Signature of a Foreign Representative</p> <p>I declare under penalty of perjury that the information provided in this petition is true and correct, that I am the foreign representative of a debtor in a foreign proceeding, and that I am authorized to file this petition.</p> <p>(Check only one box.)</p> <p><input type="checkbox"/> I request relief in accordance with chapter 15 of title 11, United States Code. Certified copies of the documents required by §1515 of title 11 are attached.</p> <p><input type="checkbox"/> Pursuant to §1511 of title 11, United States Code, I request relief in accordance with the chapter of title 11 specified in this petition. A certified copy of the order granting recognition of the foreign main proceeding is attached.</p> <p><input checked="" type="checkbox"/> _____ Signature of Foreign Representative</p> <p>_____ Printed Name of Foreign Representative</p> <p>_____ Date</p>	
<p style="text-align: center;">Signature of Attorney</p> <p><input checked="" type="checkbox"/> <u>/s/ C.R. Bowles, Jr.</u> Signature of Attorney for Debtor(s)</p> <p><u>C.R. Bowles, Jr.</u> Printed Name of Attorney for Debtor(s)</p> <p><u>Greenebaum Doll & McDonald PLLC</u> Firm Name</p> <p><u>3500 National City Tower</u> <u>101 South Fifth Street</u> <u>Louisville, KY 40202</u> Address</p> <p style="text-align: right;">Email: <u>crb@gdm.com</u></p> <p><u>502-589-4200 Fax: 502-687-3895</u> Telephone Number</p> <p>_____ Date</p>		<p style="text-align: center;">Signature of Non-Attorney Bankruptcy Petition Preparer</p> <p>I declare under penalty of perjury that: (1) I am a bankruptcy petition preparer as defined in 11 U.S.C. § 110; (2) I prepared this document for compensation and have provided the debtor with a copy of this document and the notices and information required under 11 U.S.C. §§ 110(b), 110(h), and 342(b); and, (3) if rules or guidelines have been promulgated pursuant to 11 U.S.C. § 110(h) setting a maximum fee for services chargeable by bankruptcy petition preparers, I have given the debtor notice of the maximum amount before preparing any document for filing for a debtor or accepting any fee from the debtor, as required in that section. Official Form 19B is attached.</p> <p>_____ Printed Name and title, if any, of Bankruptcy Petition Preparer</p> <p>_____ Social Security number (If the bankruptcy petition preparer is not an individual, state the Social Security number of the officer, principal, responsible person or partner of the bankruptcy petition preparer.) (Required by 11 U.S.C. § 110.)</p> <p>_____ Address</p> <p><input checked="" type="checkbox"/> _____ Date</p> <p>_____ Signature of Bankruptcy Petition Preparer or officer, principal, responsible person, or partner whose social security number is provided above.</p> <p>Names and Social Security numbers of all other individuals who prepared or assisted in preparing this document unless the bankruptcy petition preparer is not an individual:</p> <p>_____ If more than one person prepared this document, attach additional sheets conforming to the appropriate official form for each person.</p> <p><i>A bankruptcy petition preparer's failure to comply with the provisions of title 11 and the Federal Rules of Bankruptcy Procedure may result in fines or imprisonment or both 11 U.S.C. §110; 18 U.S.C. §156.</i></p>	
<p style="text-align: center;">Signature of Debtor (Corporation/Partnership)</p> <p>I declare under penalty of perjury that the information provided in this petition is true and correct, and that I have been authorized to file this petition on behalf of the debtor.</p> <p>The debtor requests relief in accordance with the chapter of title 11, United States Code, specified in this petition.</p> <p><input checked="" type="checkbox"/> <u>/s/ Daniel Hodges</u> Signature of Authorized Individual</p> <p><u>Daniel Hodges</u> Printed Name of Authorized Individual</p> <p><u>Chairman</u> Title of Authorized Individual</p> <p><u>5-22-06</u> Date</p>			

**United States Bankruptcy Court
Southern District of Indiana**

In re Bronco Hazelton Co.
Debtor

Case No. _____
Chapter 11

Exhibit "A" to Voluntary Petition

1. If any of debtor's securities are registered under Section 12 of the Securities Exchange Act of 1934, the SEC file number is _____

2. The following financial data is the latest available information and refers to debtor's condition on _____

a. Total assets	\$	<u>28,000,000.00</u>			
b. Total debts (including debts listed in 2.c., below)	\$	<u>41,000,000.00</u>			
c. Debt securities held by more than 500 holders.			Approximate number of holders		
secured / /	unsecured / /	subordinated / /	\$	<u>0.00</u>	<u>0</u>
secured / /	unsecured / /	subordinated / /	\$	<u>0.00</u>	<u>0</u>
secured / /	unsecured / /	subordinated / /	\$	<u>0.00</u>	<u>0</u>
secured / /	unsecured / /	subordinated / /	\$	<u>0.00</u>	<u>0</u>
secured / /	unsecured / /	subordinated / /	\$	<u>0.00</u>	<u>0</u>
d. Number of shares of preferred stock		<u>0</u>		<u>0</u>	
e. Number of shares of common stock		<u>750</u>		<u>1</u>	

Comments, if any:

3. Brief description of debtor's business:
Coal Mining

4. List the name of any person who directly or indirectly owns, controls, or holds, with power to vote, 5% or more of the voting securities of debtor:
Bronco Holdings I, Inc.

Exhibit B

LIST OF FILING ENTITIES

The following affiliated Debtors have simultaneously filed Chapter 11 petitions in the United States Bankruptcy Court for the Southern District of Indiana, Evansville Division:

1. Bronco Hazelton Co.
2. Bronco Holdings I, Inc.
3. White River Coal, Inc.
4. Hazleton Mining, LLC
5. Hazleton Wash Plant, LLC

**United States Bankruptcy Court
Southern District of Indiana**

In re Bronco Hazelton Co.
Debtor

Case No. _____

Chapter 11

LIST OF EQUITY SECURITY HOLDERS

Following is the list of the Debtor's equity security holders which is prepared in accordance with Rule 1007(a)(3) for filing in this chapter 11 case.

Name and last known address or place of business of holder	Security Class	Number of Securities	Kind of Interest
Bronco Holdings I, Inc. 2920 N. Swan Road, Suite 207 Tucson, AZ 85712	Common	750 Shares	Common Stock

DECLARATION UNDER PENALTY OF PERJURY ON BEHALF OF CORPORATION OR PARTNERSHIP

I, the Chairman of the corporation named as the debtor in this case, declare under penalty of perjury that I have read the foregoing List of Equity Security Holders and that it is true and correct to the best of my information and belief.

Date _____

Signature /s/ Daniel Hodges
Daniel Hodges
Chairman



*Penalty for making a false statement or concealing property: Fine of up to \$500,000 or imprisonment for up to 5 years or both.
18 U.S.C §§ 152 and 3571.*

BRONCO HAZELTON CO
(an Indiana Corporation)

RESOLUTION OF
BOARD OF DIRECTORS

May 11, 2006

The following are the minutes of the Meeting of the Board of Directors of Bronco Hazelton Co., an Indiana corporation (hereinafter referred to as the "Company") held on May 11, 2006 pursuant to prior written notice as required by the By-Laws of the Company. Daniel Hodges, Director of Bronco Hazelton Co., presided and acted as Secretary for the Board.

BOARD MEMBERS PRESENT: Daniel Hodges.

BOARD MEMBERS ABSENT: NONE.

1. The meeting was called to order at approximately 9:00 a.m. It was determined that a quorum was present.
2. There was a discussion of the status of the acquisition of the Hazleton Mine, in Gibson County, Indiana and the status of the Credit Agreements and other transaction documents with Standard Bank.

After the discussion, the Board voted on and adopted the following resolutions:

WHEREAS, it is in the best interest of this corporation (the "Business Entity") to file a voluntary petition in the United States Bankruptcy Court for the Southern District of Indiana pursuant to Chapter 11 of Title 11 of the United States Code;

Be It Therefore **RESOLVED**, that George Robert Johnson, president of this Business Entity, is authorized and directed to execute and deliver all documents necessary to perfect the filing of a chapter 11 voluntary bankruptcy case on behalf of the Business Entity; and

Be It Further **RESOLVED**, that George Robert Johnson, president of this Business Entity, is authorized and directed to appear in all bankruptcy proceedings on behalf of the Business Entity, and to otherwise do and perform all acts and deeds and to execute and deliver all necessary documents on behalf of the corporation in connection with such bankruptcy case, and

Be It Further **RESOLVED**, that George Robert Johnson, president of this Business Entity is authorized and directed to employ Greenebaum Doll & McDonald PLLC to represent the Business Entity in such bankruptcy case.

3. Motion to Adjourn.

After confirming that there was no further business to be discussed, by motion made and seconded, the meeting was adjourned at approximately 9:30 a.m.

The foregoing accurately reflects the business conducted by Bronco Hazleton Co. at its Meeting of the Board of Directors on May 11, 2006.

A handwritten signature in black ink, appearing to read 'Dan Hodges', is written over a horizontal line.

Dan Hodges, Chairman

Joy Technologies, Inc. 177 Thorn Hill Road Warrendale PA 15086	Joy Technologies, Inc. 177 Thorn Hill Road Warrendale PA 15086	Trade Debt		384,055.55
COGAR Mine Supply PO Box 532 Beckley WV 25801	COGAR Mine Supply PO Box 532 Beckley WV 25801	Trade Debt		276,818.00
Gooding Rubber Co. 10321 Werch Drive Suite 200 Woodridge IL 60517	Gooding Rubber Co. 10321 Werch Drive Suite 200 Woodridge IL 60517	Trade Debt		213,746.98
Fairmont Supply Company 401 Technology Drive Canonsburg PA 15317	Fairmont Supply Company 401 Technology Drive Canonsburg PA 15317	Trade Debt		188,066.89
Special Mine Services, Inc. 11782 Country Club Road West Frankfort IL 62896	Special Mine Services, Inc. 11782 Country Club Road West Frankfort IL 62896	Trade Debt		176,891.41
AICCO Inc. 1001 Winstead DR, Suite 500 Cary NC 27513	AICCO Inc. 1001 Winstead DR, Suite 500 Cary NC 27513	Trade Debt		144,000.00
Ashby Electric Co., Inc. 149 East Madison Street PO Box 55 Sebree KY 42455	Ashby Electric Co., Inc. 149 East Madison Street PO Box 55 Sebree KY 42455	Trade Debt		135,362.70
Rudd Equipment Company 4344 Poplar Level Road Louisville KY 40232-2427	Rudd Equipment Company 4344 Poplar Level Road Louisville KY 40232-2427	Trade Debt		125,079.01
BB Mining, Inc. 11700 Water Tank Road Cynthiana IN 47612	BB Mining, Inc. 11700 Water Tank Road Cynthiana IN 47612	Trade Debt	Contingent Unliquidated Disputed Subject to Setoff	112,752.50
Power Technologies 205 E. Illinois Street Petersburg IN 47567	Power Technologies 205 E. Illinois Street Petersburg IN 47567	Trade Debt		106,054.85
A&B Contracting RR 3 Box 110D Owensville IN 47665	A&B Contracting RR 3 Box 110D Owensville IN 47665	Trade Debt		87,094.33
Marion Mining Bolts Corp. c/o Alan C. Stout Stout, Farmer & King, PLLC 2200 Broadway PO Box 7766 Paducah KY 42002-7766	Marion Mining Bolts Corp. c/o Alan C. Stout Stout, Farmer & King, PLLC 2200 Broadway PO Box 7766 Paducah KY 42002-7766	Trade Debt		67,178.86
ConocoPhillips Company 21064 Network Place Chicago IL 60673-1210	ConocoPhillips Company 21064 Network Place Chicago IL 60673-1210	Trade Debt		63,338.30
CSX Transportation Attn: Legal Department 500 Water Street, 15 th Fl. Jacksonville FL 32202	CSX Transportation Attn: Legal Department 500 Water Street, 15 th Fl. Jacksonville FL 32202	Trade Debt		60,000.00
WIN Energy PO Box 270	WIN Energy PO Box 270	Trade Debt		59,660.33

Sullivan IN 47882-0270	Sullivan IN 47882-0270			
Custom Engineering, Inc. 656 Hall Street Clay KY 42404	Custom Engineering, Inc. 656 Hall Street Clay KY 42404	Trade Debt		53,491.41
ONYETT Fabricators, Inc. 3377 North State Road 57 Petersburg IN 47567	ONYETT Fabricators, Inc. 3377 North State Road 57 Petersburg IN 47567	Trade Debt		45,856.82
NYHART 9320 Priority Way West DR. PO Box 80883 Indianapolis IN 46280	NYHART 9320 Priority Way West DR. PO Box 80883 Indianapolis IN 46280	Trade Debt		44,418.16
Kimball Midwest Dept. L-2780 885 Grandview Avenue Columbus OH 43215-1123	Kimball Midwest Dept. L-2780 885 Grandview Avenue Columbus OH 43215-1123	Trade Debt		38,513.07
Dubois County Tire & Supply 2124 Newton St. Jasper IN 47546-1608	Dubois County Tire & Supply 2124 Newton St. Jasper IN 47546-1608	Trade Debt		38,153.90
Hibbs Electric Inc. 1300 Industrial Rd. Madisonville KY 42431-7403	Hibbs Electric Inc. 1300 Industrial Rd. Madisonville KY 42431-7403	Trade Debt		37,380.41
Clifton Gunderson Solutions 1111 Deming Way Madison WI 53717	Clifton Gunderson Solutions 1111 Deming Way Madison WI 53717	Trade Debt		30,656.85
Buchanan Ingersoll, P.C. One Oxford Centre 301 Grant Street, 20 th Floor Pittsburgh PA 15219-1410	Buchanan Ingersoll, P.C. One Oxford Centre 301 Grant Street, 20 th Floor Pittsburgh PA 15219-1410	Trade Debt		29,111.50
Motion Industries, Inc. PO Box 99146 1361 S. Jefferson St. Chicago IL 60607-5035	Motion Industries, Inc. PO Box 99146 1361 S. Jefferson St. Chicago IL 60607-5035	Trade Debt		28,991.49
Minesafe Electronics, Inc. 501 N. Adams St. PO Box 281 Sturgis KY 42459	Minesafe Electronics, Inc. 501 N. Adams St. PO Box 281 Sturgis KY 42459	Trade Debt		28,644.20
LAN Services, Inc. PO Box 397 Madisonville KY 42431	LAN Services, Inc. PO Box 397 Madisonville KY 42431	Trade Debt		28,500.00
Saminco Inc. 10030 Amberwood Road Fort Myers FL 33913	Saminco Inc. 10030 Amberwood Road Fort Myers FL 33913	Trade Debt		27,338.03

bronco hazelton consolidated list of the top 30 unsecured creditors (version 1)

**UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF INDIANA
EVANSVILLE DIVISION**

IN RE:)	
	)	Chapter 11 Case No.
BRONCO HAZELTON CO.	)	06-_____ ()
)	
WHITE RIVER COAL INC.	)	06-_____ ()
)	
HAZLETON MINING LLC	)	06-_____ ()
)	
HAZLETON WASH PLANT, LLC	)	06-_____ ()
)	
BRONCO HOLDINGS I, LLC	)	06-_____ ()
)	
DEBTOR(S)	)	(Motion for Joint Administration Pending)
<hr style="border: 0.5px solid black;"/>		

CERTIFICATE OF EMERGENCY

Pursuant to S.D. Ind. B-1002-1(d) or S.D. Ind. B-5005-1(d), the undersigned hereby certifies that an emergency exists and that the petitions filed concurrently herewith in the above-styled cases is not being filed because there is insufficient time to complete the filing. The petitions were not filed to harass, to cause delay, to increase the cost of litigation or for another improper purpose.

The undersigned further certifies that the emergency which exists are described in sufficient detail in the First Day Motion filed with the Court concurrently herewith. The necessity of the emergency filing has not been caused by any lack of due diligence on the part of the undersigned, but has been brought about by circumstances beyond the control of the undersigned or the undersigned client.

The undersigned further certifies that the above-styled cases were filed with the full understanding of Rule 9011 of the federal Rules of Bankruptcy Procedure and the consequences of noncompliance therewith.

Respectfully submitted,

/s/ C. R. ("Chip") Bowles, Jr.

Michael G. Shaikun, Esq.

C.R. ("Chip") Bowles, Jr., Esq.

Bruce E. Cryder, Esq.

Andrew D. Stosberg, Esq.

GREENEBAUM DOLL & MCDONALD PLLC

3500 National City Tower

101 South Fifth Street

Louisville, Kentucky 40202

Telephone: (502) 589-4200

Facsimile: (502) 587-3695

E-mail: crb@gdm.com

PROPOSED ATTORNEY FOR DEBTORS

bronco certificate of emergency (version 1)

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF INDIANA
101 NW M L King Jr Blvd Rm 352
Evansville, IN 47708

SF01007N (rev 10/2004)

In Re:

Bronco Hazelton Co.

SSN: NA

EIN: 20-3380485

Case Number:

06-70378-BHL-11

Debtor(s)

DEFICIENCY NOTICE FOR BANKRUPTCY PETITION

You are hereby notified that your Bankruptcy Petition is incomplete. Required items which have not been filed as of this date are noted below.

Declaration to Stmt Fin Affrs due 06/06/2006
Fee Disclosure Stmt-Attorney due 06/06/2006
Stmt. of Financial Affairs due 06/06/2006
Stmnt of Fin Affrs-#19-25 due 06/06/2006
Summary of Schedules due 06/06/2006
Declaration to Schedules due 06/06/2006
Schedule A due 06/06/2006
Schedule H due 06/06/2006
Schedule B due 06/06/2006
Schedule D due 06/06/2006
Schedule E due 06/06/2006
Schedule F due 06/06/2006
Schedule G due 06/06/2006

You are further notified that unless these items are filed by the due date listed above, or an extension of time to file is properly applied for and granted, your Bankruptcy case will be dismissed immediately without further notice at the expiration of the due date or extended time period.

Dated: May 25, 2006

JOHN A. O'NEAL, CLERK
U.S. BANKRUPTCY COURT

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF INDIANA**

**In re: Bronco Hazelton Co.
Debtor**

**Case No. 06-70378-BHL-11
Chapter 11**

Summary of Schedules

Indicate as to each schedule whether that schedule is attached and state the number of pages in each. Report the totals from Schedules A,B,D,E,F,I, and J in the boxes provided. Add the amounts from Schedules A and B to determine the total amount of the debtor's assets. Add the amounts from Schedule D,E, and F to determine the total amount of the debtor's liabilities.

NAME OF SCHEDULE	Attached (Yes/No)	No. of Sheets	AMOUNTS SCHEDULED		
			ASSETS	LIABILITIES	OTHER
A. Real Property	YES		\$0		
B. Personal Property	YES		\$451,562		
C. Property Claimed as Exempt	NO				
D. Creditors Holding Secured Priority Claims	YES			\$35,000,000	
E. Creditors Holding Unsecured Priority Claims	YES			\$0	
F. Creditors Holding Unsecured Nonpriority Claims	YES			\$0	
G. Executory Contracts and Unexpired Leases	YES			\$0	
H. Codebtors	YES			\$0	
I. Current Income of Individual Debtor(s)	NO				
J. Current Expenditures of Individual Debtor(s)	NO				
Total Number of Sheets of all Schedules					
Total Assets			\$451,562		
Total Liabilities				\$35,000,000	

SCHEDULE A - REAL PROPERTY

Except as directed below, list all real property in which the debtor has any legal, equitable, or future interest, including all property owned as a co-tenant, community property, or in which the debtor has a life estate. Include any property in which the debtor holds rights and powers exercisable for the debtor's own benefit. If the debtor is married, state whether husband, wife, or both own the property by placing an "H," "W," "J," or "C" in the column labeled "Husband, Wife, Joint, Or Community." If the debtor holds no interest in real property, write "None" under "Description and Location of Property."

Do not include interests in executory contracts and unexpired leases on this schedule. List them in Schedule G - Executory Contracts and Unexpired Leases.

If an entity claims to have a lien or hold a secured interest in any property, state the amount of the secured claim. See Schedule D. If no entity claims to hold a secured interest in the property, write "None" in the column labeled "Amount of Secured Claim."

If the debtor is an individual or if a joint petition is filed, state the amount of any exemption claimed in the property only in Schedule C - Property Claimed as Exempt.

DESCRIPTION AND LOCATION OF PROPERTY	NATURE OF DEBTOR'S BUSINESS INTEREST IN PROPERTY	HUSBAND, WIFE, JOINT OR COMMUNITY	CURRENT MARKET VALUE OF DEBTOR'S INTEREST IN PROPERTY, WITHOUT DEDUCTING ANY SECURED CLAIM OR EXEMPTION	AMOUNT OF SECURED CLAIM
None				

SCHEDULE B - PERSONAL PROPERTY

Except as directed below, list all personal property of the debtor of whatever kind. If the debtor has no property in one or more categories, place an "X" in the appropriate position in the column labeled "None." If additional space is needed in any category, attach a separate sheet property identified with the case name, and the number of the category. If the debtor is married, state whether husband, wife, or both own the property by placing an "H," "W," "J," or "C" in the column labeled "Husband, Wife, Joint, or Community." If the debtor is an individual or a joint petition is filed, state the amount of any exemptions claimed only in Schedule C - Property Claimed as Exempt.

Do not list interests in executory contracts and unexpired leases on this schedule. List them in Schedule G - Executory Contracts and Unexpired Leases.

If the property is being held for the debtor by someone else, state that person's name and address under "Description and Location of Property."

TYPE OF PROPERTY	NONE	DESCRIPTION AND LOCATION OF PROPERTY	HUSBAND, WIFE, JOINT OR COMMUNITY	CURRENT MARKET VALUE OF DEBTOR'S INTEREST IN PROPERTY, WITHOUT DEDUCTING ANY SECURED CLAIM OR EXEMPTION
1 Cash on hand		Cash on Hand		\$ 451,562
2 Checking, savings or other financial accounts, certificates of deposit, or shares in banks, savings and loan, thrift, building and loan, and homestead associations, or credit union brokerage houses, or cooperatives.		Bank Accounts See Schedule B2		\$0
3 Security deposits with public utilities, telephone companies, landlords, and others.		Miscellaneous deposits:		None
		Subtotal		-
4 Household goods and furnishings including audio, video and computer equipment.				\$0
5 Books; pictures and other art objects; antiques, stamp, coin, record, tape compact disc, and other collections or collectibles.				\$0
6 Wearing apparel.				\$0
7 Furs and jewelry.				\$0

Schedule B2

**Bronco Hazleton Cash Management
CASH ON HAND IN ALL ACCOUNTS AS OF 5/22/06**

-----Chase Bank-----					
Operating	Payroll	High Yield	Health Claims	Petty Cash	Total
709775225	709775217	2334479561	702536475	712758630	
\$356,858.73	\$84,599.16		-\$880.40	\$10,984.57	\$451,562.06

SCHEDULE B - PERSONAL PROPERTY
(Continuation Sheet)

TYPE OF PROPERTY	NONE	DESCRIPTION AND LOCATION OF PROPERTY	HUSBAND, WIFE, JOINT OR COMMUNITY	CURRENT MARKET VALUE OF DEBTOR'S INTEREST IN PROPERTY, WITHOUT DEDUCTING ANY SECURED CLAIM OR EXEMPTION
8 Firearms and sports, photographic and other hobby equipment.				None
9 Interests in insurance policies. Name insurance company of each policy and itemize surrender or refund value of each.				\$ - None
10 Annuities. Itemize and name each issuer.				None
11 Interests in IRA, ERISA, Keogh, or other pension or profit sharing plans. Itemize.				None
12 Stock and interest in incorporated and unincorporated businesses. Itemize.				-
13 Interests in partnerships or joint ventures. Itemize.				None
14 Government and corporate bonds and other negotiable and nonnegotiable instruments.				None
15 Accounts receivable				-
		Subtotal		
16 Alimony, maintenance, support and property settlements to which the debtor is or may be entitled. Give particulars.				None
17 Other liquidated debts owing debtor including tax refunds. Give particulars.				None
18 Equitable or future interests, life estates, and rights or powers exercisable for the benefit of the debtor other than those listed in Schedule of Real Property.				None
19 Contingent and noncontingent interests in a state of a decedent, death benefit plan, life insurance policy or trust.				None
20 Other contingent and unliquidated claims of every nature, including tax refunds, counterclaims of the debtor, and rights to setoff claims. Give estimated value of each.		Potential Claims Against Sellers/ Blankenberger Brothers Entities		Unknown
21 Patents, copyrights and other intellectual property. Give particulars.				-

SCHEDULE B - PERSONAL PROPERTY
(Continuation Sheet)

TYPE OF PROPERTY	NONE	DESCRIPTION AND LOCATION OF PROPERTY	HUSBAND, WIFE, JOINT OR COMMUNITY	CURRENT MARKET VALUE OF DEBTOR'S INTEREST IN PROPERTY, WITHOUT DEDUCTING ANY SECURED CLAIM OR EXEMPTION
22 Licenses, franchises and other general intangibles. Give particulars.				
23 Automobiles, trucks, trailers, and other vehicles and accessories.		Book Value Less: Accumulated Depreciation Net book value of transportation equipment, delivery trucks, tractors and trailers located at various stores/warehouses.		0 -
24 Boats, motors and accessories.				\$0
25 Aircraft and accessories.				\$0
26 Office equipment, furnishings, and supplies.		Book Value Less: Accumulated Depreciation Net book value of office equipment and computer equipment.		0 -
27 Machinery, fixtures, equipment, and supplies used in business.		Book Value Less: Accumulated Depreciation Net book value of Store shelving, displays, warehouse equipment, and other store and office equipment		- -
28 Inventory		Coal held for sale; reflected at net book value Captive inventory held for others		- -
29 Animals.				-
30 Crops-growing or harvested. Give particulars.				-
31 Farming equipment and implements.				-
32 Farm supplies, chemicals and feed.				-
33 Other personal property of any kind not already listed. Itemize.		Prepaid Expenses: Taxes & Licenses Interest & Fees Rent & Common Area Maintenance Pension Costs Other Expenses Subtotal		- -
			Total ->	\$ 451,562

SCHEDULE D - CREDITORS HOLDING SECURED CLAIMS

State the name, mailing address, including zip code, and account number, if any, of all entities holding claims secured by property of the debtor as of the date of filing of the petition. List creditors holding all types of secured interests such as judgment liens, garnishments, statutory liens, mortgages, deeds of trust, and other security interests. List creditors in alphabetical order to the extent practicable. If all secured creditors will not fit on this page, use the continuation sheet provided.

If any entity other than a spouse in a joint case may be jointly liable on a claim, place an "X" in the column labeled "Codebtor," include the entity on the appropriate schedule of creditors, and complete Schedule H - Codebtors. If a joint petition is filed, state whether husband, wife, both of them, or the marital community may be liable on each claim by placing an "H," "W," "J," or "C" in the column labeled "Husband, Wife, Joint or Community."

If the claim is contingent, place an "X" in the column labeled "Contingent." If the claim is unliquidated, place an "X" in the column labeled "Unliquidated." If the claim is disputed, place an "X" in the column labeled "Disputed." (You may need to place an "X" in more than one of these three columns.)

Report the total of all claims listed on this schedule in the box labeled "Total" on the last sheet of the completed schedule. Report this total also on the Summary of Schedules.

Check this box if debtor has no creditors holding secured claims to report on this Schedule D.

CREDITOR'S NAME AND MAILING ADDRESS INCLUDING ZIP CODE	CO-DEBTOR	HUSBAND, WIFE, JOINT OR COMMUNITY	DATE CLAIM WAS INCURRED, NATURE OF LIEN, AND DESCRIPTION AND MARKET VALUE OF PROPERTY SUBJECT TO LIEN	CONTINGENT	UNLIQUIDATED	DISPUTED	AMOUNT OF CLAIM WITHOUT DEDUCTING VALUE OF COLLATERAL	UNSECURED PORTION, IF ANY
ACCOUNT NO.								
Standard Bank, PLC Cannon Bridge House 25 Downgate Hill London, England EC4R 25B United Kingdom			29-Dec-05 Blanket lien on all real and personal property.				35,000,000	
			Subtotal				-	
							35,000,000	
ACCOUNT NO.								
ACCOUNT NO.								
ACCOUNT NO.								
ACCOUNT NO.								
							Subtotal ->	\$ 35,000,000

1 continuation sheet attached

In re:

Debtor

Case No.

SCHEDULE D - CREDITORS HOLDING SECURED CLAIMS
(Continuation Sheet)

CREDITOR'S NAME AND MAILING ADDRESS INCLUDING ZIP CODE	CO-DEBTOR	HUSBAND, WIFE, JOINT OR COMMUNITY	DATE CLAIM WAS INCURRED, NATURE OF LIEN, AND DESCRIPTION AND MARKET VALUE OF PROPERTY SUBJECT TO LIEN	CONTINGENT	UNLIQUIDATED	DISPUTED	AMOUNT OF CLAIM WITHOUT DEDUCTING VALUE OF COLLATERAL	UNSECURED PORTION, IF ANY
ACCOUNT NO.			VALUE					
ACCOUNT NO.			VALUE					
ACCOUNT No.			VALUE					
ACCOUNT NO.			VALUE					
ACCOUNT NO.			VALUE \$Unknown					

Subtotal ->	\$	-
Total ->	\$	35,000,000

(Report total also on Summary of Schedules)

SCHEDULE E - CREDITORS HOLDING UNSECURED PRIORITY CLAIMS

A complete list of claims entitled to priority, listed separately by type of priority, is to be set forth on the sheets provided. Only holders of unsecured claims entitled to priority should be listed in this schedule. In the boxes provided on the attached sheets, state the name and mailing address, including zip code, and account number, if any, of all entities holding priority claims against the debtor or the property of the debtor, as of the date of the filing of this petition.

If any entity other than a spouse in a joint case may be jointly liable on a claim, place an "X" in the column labeled "Codebtor," include the entity on the appropriate schedule of creditors, and complete Schedule H - Codebtors. If a joint petition is filed, state whether husband, wife, both of them, or the marital community may be liable on each claim by placing an "H," "W," "J," or "C" in the column labeled "Husband, Wife, Joint, or Community."

If the claim is contingent, Place an "X" in the column labeled "Contingent." If the claim is unliquidated, place an "X" in the column labeled "Unliquidated." If the claim is disputed, place an "X" in the column labeled "Disputed." (You may need to place an "X" in more than one of these three columns.)

Report the total of claims listed on each sheet in the box labeled "Subtotal" on each sheet. Report the total of all claims listed on this Schedule E in the box labeled "Total" on the last sheet of the completed schedule. Repeat this total also on the Summary of Schedules.

Check this box if debtor has no creditors holding unsecured priority claims to report on this Schedule E.

TYPES OF PRIORITY CLAIMS (Check the appropriate box(es) below if claims in that category are listed on the attached sheets)

- Extensions of credit in an involuntary case**
Claims arising in the ordinary course of the debtor's business or financial affairs after the commencement of the case but before the earlier of the appointment of a trustee or the order for relief. 11 U.S.C. § 507(a)(2).
- Wages, salaries, and commissions**
Wages, salaries, and commissions, including vacation, severance, and sick leave pay owing to employees, and commissions owing to qualifying independent sales representative up to \$4650* per person earned within 90 days immediately preceding the filing of the original petition, or the cessation of business, whichever occurred first, to the extent provided in 11 U.S.C. § 507(a)(3).
- Contributions to employee benefit plans**
Money owed to employee benefit plans for services rendered with 180 days immediately preceding the filing of the original petition, or the cessation of business, whichever occurred first, to the extent provided in 11 U.S.C. § 507(a)(4).
- Certain farmers and fishermen**
Claims of certain farmers and fishermen, up to a maximum of \$4650* per farmer or fisherman, against the debtor, as provided in 11 U.S.C. § 507(a)(5).
- Deposits by individuals**
Claims of individuals up to a maximum of \$2100* for deposits for the purchase, lease, or rental of property or services for personal, family, or household use, that were not delivered or provided. 11 U.S.C. § 507(a)(6).
- Alimony, Maintenance, or Support**
Claims of a spouse, former spouse, or child of the debtor for alimony, maintenance, or support, to the extent provided in 11 U.S.C. § 507(a)(7).
- Taxes and Certain Other Debts Owed to Governmental Units**
Taxes, custom duties, and penalties owing to federal, state, and local governmental units as set forth in 11 U.S.C. § 507 (a)(8).
- Commitments to Maintain the Capital of an Insured Depository Institution**
Claims based on commitments to the FDIC, RTC, Director of the Office of Thrift Supervision, Comptroller of the Currency, or Board of Governors of the Federal Reserve System, or their predecessors or successors, to maintain the capital of an insured depository institution. 11 U.S.C. § 507(a)(9).

* Amounts are subject to adjustment on April 1, 1998, and every three years thereafter with respect to cases commenced on or after the date of adjustment.

In re: Bronco Hazelton Co.
Debtor

Case No. 08-70378-BHL-11

SCHEDULE E - CREDITORS HOLDING UNSECURED PRIORITY CLAIMS
(Continuation Sheet)

Wage Claims / Deposits
Type of Priority

CREDITOR'S NAME AND MAILING ADDRESS INCLUDING ZIP CODE	CO-DEBTOR	HUSBAND, WIFE, JOINT OR COMMUNITY	DATE CLAIM WAS INCURRED AND CONSIDERATION FOR CLAIM	CONTINGENT	UNLIQUIDATED	DISPUTED	TOTAL AMOUNT OF CLAIM	AMOUNT ENTITLED TO PRIORITY
ACCOUNT NO.								
ACCOUNT NO.								
ACCOUNT NO.								
ACCOUNT NO.								
ACCOUNT NO.								
ACCOUNT NO.								
ACCOUNT NO.								
ACCOUNT NO.								
ACCOUNT NO.								
Subtotal →							\$	-

SCHEDULE E - CREDITORS HOLDING UNSECURED PRIORITY CLAIMS
(Continuation Sheet)

Tax Claims
Type of Priority

CREDITOR'S NAME AND MAILING ADDRESS INCLUDING ZIP CODE	CO-DEBTOR	HUSBAND, WIFE, JOINT OR COMMUNITY	DATE CLAIM WAS INCURRED AND CONSIDERATION FOR CLAIM	CONTINGENT	UNLIQUIDATED	DISPUTED	TOTAL AMOUNT OF CLAIM	AMOUNT ENTITLED TO PRIORITY	Type of Priority
									Tax Claims
ACCOUNT NO.									
ACCOUNT NO.									
ACCOUNT NO.									
ACCOUNT NO.									
ACCOUNT NO.									
ACCOUNT NO.									
ACCOUNT NO.									
ACCOUNT NO.									
ACCOUNT NO.									
Subtotal ->							\$	-	

NOTE: Where the attached schedules refer to "C", "U" and/or "D", "C" means Contingent, "U" means Unliquidated and "D" means Disputed.

Sheet no. 3 of 15 sheets attached to Schedule of Creditors Holding Unsecured Priority Claims

SCHEDULE F - CREDITORS HOLDING UNSECURED NONPRIORITY CLAIMS
(Continuation Sheet)

CREDITOR'S NAME AND MAILING ADDRESS INCLUDING ZIP CODE	CO-DEBTOR	HUSBAND, WIFE, JOINT OR COMMUNITY	DATE CLAIM WAS INCURRED AND CONSIDERATION FOR CLAIM. IF CLAIM IS SUBJECT TO SETOFF, SO STATE	CONTINGENT	UNLIQUIDATED	DISPUTED	AMOUNT OF CLAIM
Intercompany:							
ACCOUNT NO.							
ACCOUNT NO.							
ACCOUNT NO.							
ACCOUNT NO.							
ACCOUNT NO.							
ACCOUNT NO.							
ACCOUNT NO.							
ACCOUNT NO.							
Subtotal->							\$

NOTE: Where the attached schedules refer to "C", "U" and/or "D", "C" means Contingent, "U" means Unliquidated and "D" means Disputed.

Sheet no. 1 of 2 Sheets Attached to
Schedule of Creditors Holding Unsecured Nonpriority Claims

SCHEDULE F - CREDITORS HOLDING UNSECURED NONPRIORITY CLAIMS
(Continuation Sheet)

CREDITOR'S NAME AND MAILING ADDRESS INCLUDING ZIP CODE	CO-DEBTOR	HUSBAND, WIFE, JOINT OR COMMUNITY	DATE CLAIM WAS INCURRED AND CONSIDERATION FOR CLAIM. IF CLAIM IS SUBJECT TO SETOFF, SO STATE	CONTINGENT	UNLIQUIDATED	DISPUTED	AMOUNT OF CLAIM
ACCOUNT NO. 							
ACCOUNT NO. 							
Subtotal->						\$	-
Total->						\$	-

Report total also on Summary of Schedules)

NOTE: Where the attached schedules refer to "C", "U" and/or "D", "C" means Contingent, "U" means Unliquidated and "D" means Disputed.

Sheet no. 2 of 2 Sheets Attached to
Schedule of Creditors Holding Unsecured Nonpriority Claims

SCHEDULE G - EXECUTORY CONTRACTS AND UNEXPIRED LEASES

Describe all executory contracts of any nature and all unexpired leases of real or personal property. Include any timeshare interests.

State nature of debtor's interest in contract, i.e., "Purchaser," "Agent," etc. State whether debtor is the lessor or lessee of a lease.

Provide the names and complete mailing addresses of all other parties to each lease or contract described.

NOTE: A party listed on this schedule will not receive notice of the filing of this case unless the party is also scheduled in the appropriate schedule of creditors.

Check this box if debtor has no executory contracts or unexpired

NAME AND MAILING ADDRESS, INCLUDING ZIP CODE, OF OTHER PARTIES TO LEASE OR CONTRACT.	DESCRIPTION OF CONTRACT OR LEASE AND NATURE OF DEBTOR'S INTEREST. STATE WHETHER LEASE IS FOR NONRESIDENTIAL REAL PROPERTY. STATE CONTRACT NUMBER OF ANY GOVERNMENT CONTRACT.
Marvin Moore / 4021 Biddleborn Road, Marissa, IL 62257 Robert Johnson /	Engineering contract Employment contract
PSI Energy, Inc. / 1000 E. Main St. Plainfield, IN 46188	Coal Supply Contract (PSI-II)
<p>Insurance Agent of Record Accordia WV/ P.O. Box 1438 Bluefield, WV 24701 (304)327-3421 (Premium Financed by AICCO)</p> <p>Federal Insurance Company Policy #37112205 Federal Insurance Company Policy #3731-15-56 National Union Fire Insurance Co. Policy # CA5754343 American Int'l South Ins. Co. Policy # WC7208884 National Union Fire Insurance Co. Of Pittsburgh Policy # BE4952418</p>	<p>Insurance</p> <p>Package Policy Pollution Legal Liability Policy Business Auto Policy Workers Compensation Policy Umbrella Liability Policy</p>

In re: Bronco Hazelton Co.
Debtor

Case No. 06-70378-BHL-11

SCHEDULE H - CODEBTORS

Provide the information requested concerning any person or entity, other than a spouse in a joint case, that is also liable on any debts listed by debtor in the schedules of creditors. Include all guarantors and co-signers. In community property states, a married debtor not filing a joint case should report the name and address of the nondebtor spouse on this schedule. Include all names used by the nondebtor spouse during the six years immediately preceding the commencement of this case.

Check this box if debtor has no codebtors.

NAME AND ADDRESS OF CODEBTOR	NAME AND ADDRESS OF CREDITOR
Bronco Holdings I, Inc. 2920 N. Swan Road, Suite 206 Tucson, Arizona 85712	
Hazleton Wash Plant, LLC 2920 N. Swan Road, Suite 206 Tucson, Arizona 85712	
White River Coal, Inc. 2920 N. Swan Road, Suite 206 Tucson, Arizona 85712	
Hazleton Mining, LLC 2920 N. Swan Road, Suite 206 Tucson, Arizona 85712	

In re: Bronco Hazelton Co.
Debtor

Case No. 06-70378-BHL-11

**DECLARATION CONCERNING DEBTOR'S SCHEDULES
DECLARATION UNDER PENALTY OF PERJURY BY INDIVIDUAL DEBTOR**

I declare under penalty of perjury that I have read the foregoing summary and schedules, consisting of _____ sheets, and that they are true and correct to the best of my knowledge, information, and belief. (Total shown on summary page plus 1).

Date _____

Signature _____
Debtor

Date _____

Signature _____
(Joint Debtor, if any)

(If joint case, both spouses must sign.)

CERTIFICATION AND SIGNATURE OF NON-ATTORNEY BANKRUPTCY PETITION PREPARER (See 11 U.S.C. §110)

I certify that I am a bankruptcy petition preparer as defined in 11 U.S.C. §110, that I prepared this document for compensation, and that I have provided the debtor with a copy of this document.

Printed or Typed Name of Bankruptcy Petition Preparer _____

Social Security No. _____

Address _____

Names and Social Security numbers of all other individuals who prepared or assisted in preparing this document:

If more than one person prepared this document, attach additional signed sheets conforming to this appropriate Official Form for each person.

X _____
Signature of Bankruptcy Petition Preparer

_____ Date

A bankruptcy petition preparer's failure to comply with the provisions of title 11 and the Federal Rules of Bankruptcy Procedure may result in fines or imprisonment or both. 11 U.S.C. §110; 18 U.S.C. §156.

DECLARATION UNDER PENALTY OF PERJURY ON BEHALF OF CORPORATION OR PARTNERSHIP

I, the _____ [the president or other officer or an authorized agent of the corporation or member of an authorized agent of the partnership] of the _____ [corporation or partnership] named as debtor in this case, declare under penalty of perjury that I have read the foregoing summary and schedules, consisting of _____ sheets, and that they are true and correct to the best of my knowledge, information, and belief. (Total shown on summary page plus 1.)

Date: August 11, 2006

Signature _____
Michael Kayman, Chief Restructuring Officer

(Print or type name of individual signing on behalf of the debtor.)

[An individual signing on behalf of a partnership or corporation must indicate position or relationship to debtor.]

Penalty for making a false statement or concealing property: Fines of up to \$500,000 or imprisonment for up to 5 years or both. 18 U.S.C. §102 & 3871

KENTUCKY UTILITIES COMPANY

**Response to Information Requested in Appendix B of
Commission's Order Dated December 18, 2006**

Case No. 2006-00509

Question No. 24

Witness: Mike Dotson

Q-24. List each written coal supply solicitation issued during the period May 1, 2006 to October 31, 2006.

- a. For each solicitation, provide the date of the solicitation (contract or spot), the quantities solicited, a general description of the quality of coal solicited, the time period over which deliveries were requested, and the generating units(s) or which the coal was intended.
- b. For each solicitation, state the number of vendors to whom the solicitation was sent, the number of vendors who responded, and the selected vendor. Provide the bid tabulation sheet or corresponding document that ranks the proposals. (This document shall identify all vendors who made offers.) State the reasons for each selection.

A-24. In Case No. 2006-00264, a review of KU's FAC for the period of November 1, 2005 through April 30, 2006, the final selection of the vendors who responded to the solicitations dated March 8, 2006 were not complete at the time the data responses were filed. The requested information for selected vendors is provided below.

SOLICITATION #1

- a. Date: March 8, 2006
Contract/Spot: Contract or Spot
Quantities: No minimum or maximum specified
Quality: Suitable for KU's E.W. Brown, Ghent compliance units 2,3,4, Green River and Tyrone stations.
Period: Up to 5 years
Generating Units: KU's E. W. Brown station, Ghent station units 2,3,4, Green River station and Tyrone station.

- b. March 8, 2006 Solicitation:
Number of vendors receiving bids: 165

Number of vendors responded: 14

Selected vendor(s):
Black Beauty Coal Company
Arch Coal Sales Company, Inc.

The vendors were selected based upon the lowest evaluated delivered cost.

The bid analysis information is confidential and proprietary information and is being filed with the Commission under seal pursuant to a Petition for Confidential Treatment.

SOLICITATION #2

- a. Date: March 8, 2006
Contract/Spot: Contract and Spot
Quantities: No minimum or maximum specified
Quality: Suitable for LG&E power plants, KU's Ghent power plant and KU's E. W. Brown power plant (beginning mid-year 2009)
Period: Up to ten years
Generating Units: All LG&E coal fired units, KU's Ghent's high sulfur units and KU's E. W. Brown power plant (beginning mid-year 2009)
- b. Number of vendors receiving bids: 165
Number of vendor responses: 16

Selected vendors:
Smoky Mountain Coal, Contract No. KUF02860/LGE02013 Amend No. 4
Charolais Coal LLC, Contract No. J07003
Sands Hill Coal Company, Contract No. J07004

The vendors were selected based upon the lowest evaluated delivered cost.

The bid analysis information is confidential and proprietary information and is being filed with the Commission under seal pursuant to a Petition for Confidential Treatment.

SOLICITATION #3

- a. Date: July 31, 2006
Contract/Spot: Contract or Spot
Quantities: No minimum or maximum specified
Quality: Suitable for KU's Green River station.
Period: Up to 3 years
Generating Units: KU's Green River station.

- b. July 31, 20065 Solicitation:
Number of vendors receiving bids: 26

Number of vendors responded: 4

Selected vendor(s): Hopkins County Coal and Charolais Corp. for test burns.

As of the date of the submission of this data response, the negotiations concerning this solicitation are not complete.

The bid analysis information is confidential and proprietary information and is being filed with the Commission under seal pursuant to a Petition for Confidential Treatment.

KENTUCKY UTILITIES COMPANY

**Response to Information Requested in Appendix B of
Commission's Order Dated December 18, 2006**

Case No. 2006-00509

Question No. 25

Witness: Mike Dotson

Q-25. List each oral coal supply solicitation issued during the period from May 1, 2006 to October 31, 2006.

- a. For each solicitation, state why the solicitation was not written, the date(s) of the solicitation, the quantities solicited, a general description of the quality of coal solicited, the time period over which deliveries were requested, and the generating unit(s) for which the coal was intended.
- b. For each solicitation, identify all vendors solicited and the vendor selected. Provide the bid tabulation sheet or other document that ranks the proposals. (This document shall identify all vendors who made offers.) State the reasons for each selection.

A-25. a. None.

b. Not Applicable

KENTUCKY UTILITIES COMPANY

**Response to Information Requested in Appendix B of
Commission's Order Dated December 18, 2006**

Case No. 2006-00509

Question No. 26

Witness: Mike Dotson

Q-26. For the period from May 1, 2006 to October 31, 2006, list each vendor from whom coal was purchased and the quantities and nature of each purchase (e.g., spot or contract).

A-26. Please see the attached sheet.

<u>VENDOR</u>	<u>PURCHASE TONNAGE</u>	<u>PURCHASE TYPE</u>
Alpha Coal	161,345	Contract
American Mining	64,915	Contract
Arch Coal	15,306	Contract
Arch Coal	511,907	Spot
Black Beauty Coal	103,858	Contract
Bronco Hazelton Co.	3,132	Contract
Central Coal Company	120,685	Contract
Central Coal Company	20,907	Spot
Ceredo Synfuel	14,361	Contract
Charolais Coal	8,342	Spot
Consol	658,641	Contract
Diamond May Coal Company	12,381	Spot
ICG, LLC	143,567	Contract
Infinity Coal Sales, LLC	324,639	Contract
Keystone Industries	17,618	Spot
Koch Carbon	137,408	Spot
KRT/RC Synfuel	58,793	Contract
Little Elk Mining	159,515	Contract
Marietta Coal	4,977	Contract
Massey Coal	207,021	Contract
Nally & Hamilton	170,121	Contract
Perry County Coal	113,749	Contract
Progress Fuels	185,496	Contract
Smoky Mountain	284,356	Contract
TC Sales Co.	16,069	Contract
The American Coal Co.	133,696	Spot
Trinity Coal Marketing, LLC	46,199	Spot
Va. Power Energy Mktg.	55,736	Spot
TOTAL	<u>3,754,737</u>	

KENTUCKY UTILITIES COMPANY

**Response to Information Requested in Appendix B of
Commission's Order Dated December 18, 2006**

Case No. 2006-00509

Question No. 27

Witness: John P. Malloy / Mike Dotson

Q-27. For each generating station or unit for which a separate coal pile is maintained, state for the period from May 1, 2006 to October 31, 2006, the actual amount of coal burned in tons, actual amount of coal deliveries in tons, total kWh generated, and actual capacity factor at which the plant operated.

A-27. The requested information is provided in the table below:

Plant	Coal Burn (Tons)	Coal Receipts (Tons)	Net MWH	Capacity Factor (Net MWH)/ (period hrs x MW rating)
E. W. Brown	717,276	695,157	1,661,502	54.0%
Ghent 1	845,205	768,846	1,644,925	78.4%
Ghent 2, 3, 4	2,005,261	2,075,045	4,241,957	65.3%
Green River	181,727	139,507	353,204	49.1%
Tyrone (Coal Unit Only)	65,145	76,183	126,431	40.3%

The North American Electric Reliability Council Generation Availability Data System defines Capacity Factor as the value equal to the Net MWH produced divided by the product of the hours in the period times the unit MW rating.

KENTUCKY UTILITIES COMPANY

**Response to Information Requested in Appendix B of
Commission's Order Dated December 18, 2006**

Case No. 2006-00509

Question No. 28

Witness: Mike Dotson

- Q-28. a. During the period from May 1, 2006 to October 31, 2006, have there been any changes to KU's written policies and procedures regarding its fuel procurement?
- b. If yes,
- (1) What were these changes?
 - (2) When were these changes made?
 - (3) Why were they made?
 - (4) Provide these written policies and procedures as changed.
- c. If no, provide the date when KU's current fuel procurement policies and procedures were last changed and when they were last provided to the Commission.
- A-28. a. No change.
- b. Not applicable.
- c. The Fuel Procurement Policies and Procedures were revised in light of the 2004 Fuel Management Audit recommendations. A complete copy was filed with the Commission per letter dated October 6, 2005 in Response to the Commission Staff Hearing Data Request dated September 22, 2005 in Case No. 2005-00242.

KENTUCKY UTILITIES COMPANY

**Response to Information Requested in Appendix B of
Commission's Order Dated December 18, 2006**

Case No. 2006-00509

Question No. 29

Witness: Mike Dotson

Q-29. a. Is KU aware of any violations of its policies and procedures regarding fuel procurement that occurred prior to or during the period from May 1, 2006 to October 31, 2006?

b. If yes, for each violation:

(1) Describe the violation.

(2) Describe the action(s) that KU took upon discovering the violation.

(3) Identify the person(s) who committed the violation.

A-29. a. No.

b. Not applicable.

KENTUCKY UTILITIES COMPANY

**Response to Information Requested in Appendix B of
Commission's Order Dated December 18, 2006**

Case No. 2006-00509

Question No. 30

Witness: Mike Dotson

Q-30. Identify all changes in the organizational structure and personnel of the departments or divisions that are responsible for KU's fuel procurement activities that occurred during the period from May 1, 2006 to October 31, 2006.

A-30. The following change occurred in the Fuels Department during the period under review.

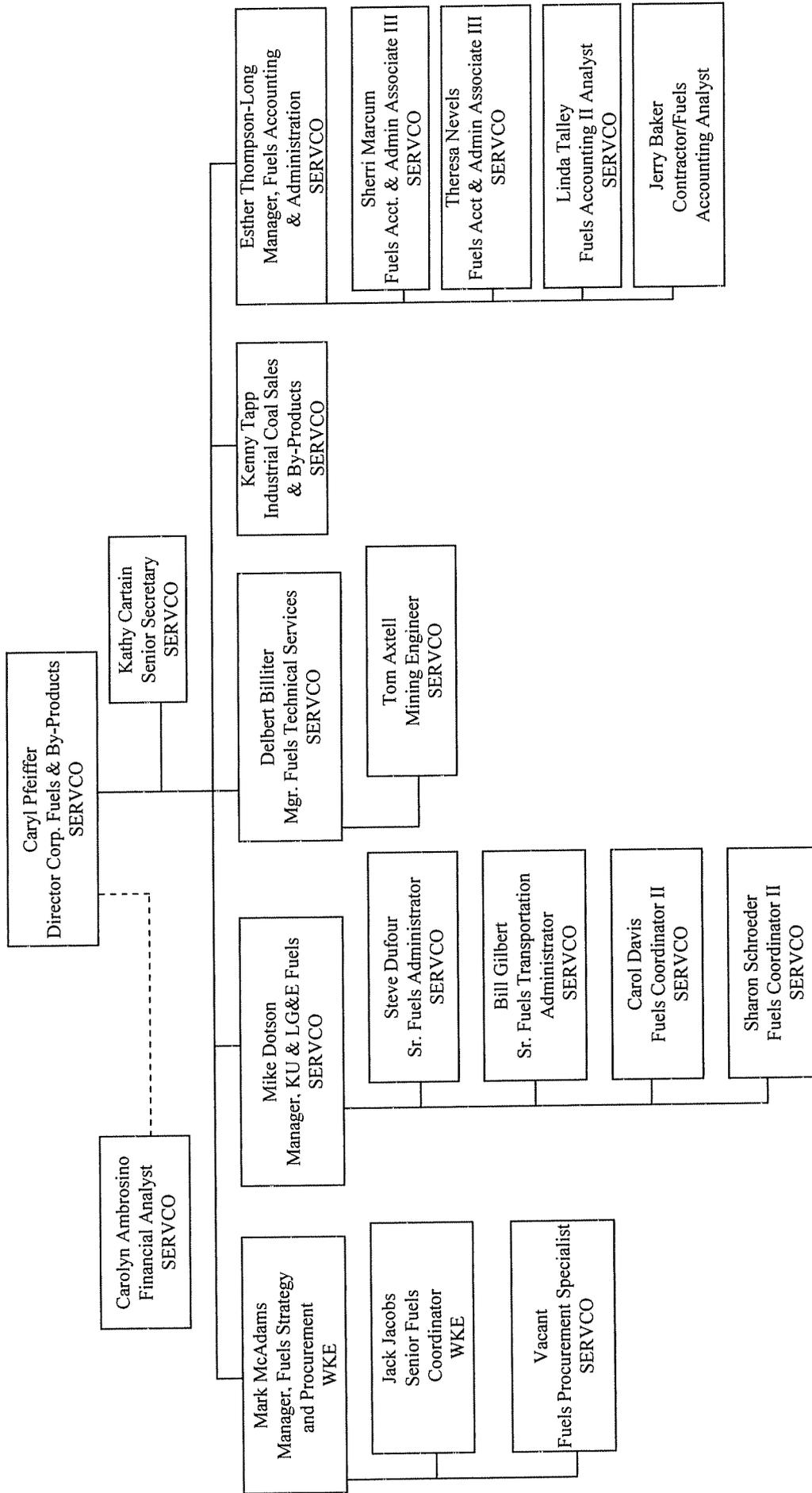
Tracey Washburn (Fuels Accounting Analyst II) transferred to the Trading Department on June 19, 2006. Jerry Baker (Accounting Analyst) joined the Fuels Department on May 1, 2006 to fill Ms. Washburn's position.

Eric Bliss left the Company on October 13, 2006; the position for Fuels Procurement Specialist for WKE is still open.

Please find attached a copy of the October 31, 2006 organizational chart for the Corporate Fuels and By-Products Department.

Corporate Fuels and By-Products

October 31, 2006



KENTUCKY UTILITIES COMPANY

**Response to Information Requested in Appendix B of
Commission's Order Dated December 18, 2006**

Case No. 2006-00509

Question No. 31

Witness: John P. Malloy

- Q-31. a. Identify all changes that KU made during the period from May 1, 2006 to October 31, 2006 to its maintenance and operation practices that affect fuel usage at KU's generation facilities.
- b. Describe the effect of these changes on KU's fuel usage.
- A-31. a. None
- b. Not applicable

KENTUCKY UTILITIES COMPANY

**Response to Information Requested in Appendix B of
Commission's Order Dated December 18, 2006**

Case No. 2006-00509

Question No. 32

Witness: John P. Malloy

- Q-32. a. List all intersystem sales during the period from May 1, 2006 to October 31, 2006 in which KU used a third-party's transmission system.
- b. For each sale listed above:
- (1) Describe how KU addressed for fuel adjustment clause reporting purposes the cost of fuel expended to cover any line losses incurred to transmit its power across the third-party's transmission system.
 - (2) State the line loss factor used for each transaction and describe how such line loss factor was determined.
- A-32. As stated in a previous FAC 6-month review (Case No. 2005-00242), subsequent to the start of the MISO Day 2 market on April 1, 2005, all off-system sales were made at the generator; and there were no separately identifiable physical losses to include as part of off-system sales. Therefore, there were zero losses for months May 06 through August 06 while the Companies were in MISO. For purposes of compliance with FAC regulations, the Companies continued to use the AFB process to allocate fuel costs between native load and off-system sales.

Effective with the Companies' exit of MISO on September 1, 2006, when sales are made outside of the LG&E/KU control area, some require third party transmission purchases to deliver power outside of the LG&E/KU system. One transmission provider, TVA, was used for third party transmission purchases associated with off system sales. The volume of losses generated for sales during the time period in question are:

TVA	3 mwh
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The transmission provider calculates the line loss factor when transmission is purchased. The appropriate factor is part of that company's tariff, and is stated on the Oasis web site maintained by that company. The line loss factor for TVA is 3%.

KENTUCKY UTILITIES COMPANY

**Response to Information Requested in Appendix B of
Commission's Order Dated December 18, 2006**

Case No. 2006-00509

Question No. 33

Witness: Robert M. Conroy

Q-33. Describe any changes that occurred during the period from May 1, 2006 to October 31, 2006 that affected KU's determination of intersystem sales line losses.

A-33. There have been no changes. KU continues to use a line loss factor of one percent to determine the cost of fuel associated with line losses incurred to make an intersystem sale and recovered from such sale consistent with the Commission's August 30, 1999 orders in Case Nos. 94-461-A, 94-461-B, 94-461-C and 96-523 and the March 25, 2003 Order in Case No. 2002-00224.

KENTUCKY UTILITIES COMPANY

**Response to Information Requested in Appendix B of
Commission's Order Dated December 18, 2006**

Case No. 2006-00509

Question No. 34

Witness: Robert M. Conroy

Q-34. In its most recent 2-year case, the roll-in of fuel costs into KU's base rates was approved using a "flash cut" approach, which resulted in an immediate change from its then-existing base fuel cost to its new base fuel cost, rather than a "transitional approach" in which the first month's fuel cost is an average of the old and new base fuel cost. KU also indicated its preference that any change in base rates be approved on a "bills rendered" basis rather than a "service rendered" basis. If the current FAC review results in changes in its base rates, does KU continue to prefer the same "flash cut" approach on a "bills rendered" basis as authorized in the previous 2-year case? Explain.

A-34. Yes. The "flash-cut" or "single step" approach to implementing a new base fuel cost simplifies the logistics of implementation. Utilization of the single step approach allows KU to revise base rates only once in connection with the roll-in of a new base fuel cost whereas the "transitional" approach requires two consecutive base rate changes: (1) once for the average of the old and new base fuel costs, and (2) again for the new base fuel cost. KU's customers will not see any difference in their bills by using one approach over another, since any change in the base fuel cost is immediately reflected in the determination of the current expense month FAC billing factor. For ease of implementation and cost minimization, KU prefers the "flash-cut" or "single step" approach to implementing a change in base fuel costs, with the implementation taking effect with bills rendered beginning with the first billing cycle in the second month following the month in which the Commission issues its Order in this proceeding.