



RECEIVED

OCT 25 2007

PUBLIC SERVICE
COMMISSION

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

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

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

October 25, 2007

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

Dear Ms. O'Donnell:

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

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

Sincerely,

Robert M. Conroy

Enclosures

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. 2007-00278
NOVEMBER 1, 2006 THROUGH APRIL 30, 2007)**

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

FILED: October 25, 2007

KENTUCKY UTILITIES COMPANY

Response to Information Requested in Hearing Dated October 11, 2007

Case No. 2007-00278

Question No. 1

Witness: Mike Dotson

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

A-1. Consol claim on KUF03904

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

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

Consol claim on KUF05039

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

KENTUCKY UTILITIES COMPANY

Response to Information Requested in Hearing Dated October 11, 2007

Case No. 2007-00278

Question No. 2

Witness: Mike Dotson

- Q-2. Please provide an unredacted copy of the information provided pursuant to the Motion for Confidential Treatment filed in response to Question No. 17 of the Information Requested in Appendix A of the Commission's Order dated August 3, 2007.
- A-2. The requested information is being provided pursuant to the Motion for Confidential Treatment filed on August 24, 2007, and approved by this Commission on August 29, 2007.