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PUBLIC SERVICE  
COMMISSION

Mr. Jeff Derouen  
Executive Director  
Kentucky Public Service Commission  
211 Sower Boulevard  
Frankfort, KY 40602

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

February 11, 2009

**RE: *AN EXAMINATION OF THE APPLICATION OF THE FUEL  
ADJUSTMENT CLAUSE OF LOUISVILLE GAS AND ELECTRIC  
COMPANY FROM NOVEMBER 1, 2006 THROUGH OCTOBER 31,  
2008***  
**CASE NO. 2008-00521**

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

Dear Mr. Derouen:

Please find enclosed and accept for filing the original and five (5) copies of the Direct Testimony of Mike Dotson and Charles R. Schram, also enclosed is the Response of Louisville Gas and Electric Company to the Information Requested in Appendix B of the Commission's Order dated January 23, 2009, in the above-referenced matter.

Due to the unavailability of Frederick D. Jackson to sign his verification page, the Company will file his verification page on February 12, 2009.

Should you have any questions concerning the enclosed, please contact me at your convenience.

Sincerely,

Robert M. Conroy

Enclosures

cc: Parties of Record



**COMMONWEALTH OF KENTUCKY**  
**BEFORE THE PUBLIC SERVICE COMMISSION**

**In the Matter of:**

**AN EXAMINATION OF THE APPLICATION )  
OF THE FUEL ADJUSTMENT CLAUSE OF )  
LOUISVILLE GAS AND ELECTRIC )  
COMPANY FROM NOVEMBER 1, 2006 )  
THROUGH OCTOBER 31, 2008 )**

**CASE NO. 2008-00521**

**DIRECT TESTIMONY OF  
MIKE DOTSON  
MANAGER – LG&E / LG&E FUELS  
E.ON U.S. SERVICES, INC.**

**Filed: February 11, 2008**

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., which provides services to LG&E and KU. My business address is 220  
4 West Main Street, Louisville, Kentucky 40202. A statement of my education and  
5 work experience is attached to this testimony as Appendix A.

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

7 A. I am submitting this testimony in response to the Order entered in this proceeding by  
8 the Commission on January 23, 2009 (“Order”), directing LG&E to file written direct  
9 testimony on a number of issues relating to fuel procurement during the two-year  
10 period ended October 31, 2008 (“Review Period”).

11 **Q. Please comment generally on the reasonableness of LG&E’s fuel procurement**  
12 **practices during the Review Period.**

13 A. LG&E’s coal procurement practices are sufficiently flexible to allow the Company to  
14 respond effectively to changes in market conditions. Although LG&E typically  
15 issues formal, sealed-bid solicitations to meet its coal inventory needs, under its  
16 written fuel procurement policy, it may solicit offers through more informal means, or  
17 may respond to unsolicited offers to the extent prices and terms and conditions of  
18 such offers are competitive with existing market conditions, these practices, by which  
19 LG&E is able to make optimal use of the market, are memorialized in LG&E’s  
20 written fuel procurement policies and procedures. An updated copy of LG&E’s  
21 current written fuel procurement policies and procedures, effective January 1, 2009, is  
22 attached in response to the Commission’s Order, Item No. 28.



1           During the Review Period, LG&E conducted two (2) coal supply solicitations  
2           in the competitive marketplace. A description of each solicitation and associated bid  
3           tabulation sheet for the six-month period ended October 31, 2008 is contained in the  
4           response to the Commission's Order, Item No. 24(a) and (b). In addition, each  
5           vendor from whom LG&E purchased coal during the six-month period ended October  
6           31, 2008, and the quantities and nature of each purchase (including whether such  
7           purchase was a spot or contract purchase), are identified in response to the  
8           commission's Order, Item No. 26.

9   **Q. Did LG&E comply with these fuel procurement policies during the Review**  
10 **Period?**

11 A. Yes.

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

14 A. During the Review Period, the number of force majeure events increased due to new  
15 mine safety legislation and environmental permitting requirements. The  
16 environmental permitting requirements slowed down the issuance of mining permits,  
17 resulting in reduced deliveries by some suppliers. For example, LG&E has been  
18 advised by Charolais Coal/Phoenix Coal of the difficulty they are having and delay  
19 they are experiencing in obtaining necessary permits from the U. S. Army Corps of  
20 Engineers and the Kentucky Department of Natural Resources. While they have  
21 fallen behind on deliveries due to these delays, they hope to catch up once all pending  
22 permits are issued.

1 **Q. Do you wish to comment on any other changes that occurred during the Review**  
2 **Period?**

3 A. Yes. Since the enactment by Congress of new mining and safety legislation and the  
4 resulting U. S. Department of Labor, Mine Safety and Health Administration  
5 (“MSHA”) amendment of existing underground mine safety and health regulations  
6 (“MINER Act”), there has been a continuing shift in the regulatory and enforcement  
7 environment affecting production at mines. There have been a number of new mine  
8 safety rules and regulations and an increase in enforcement activity and policies.  
9 These have resulted in additional costs to mine and supply coal, loss in productivity,  
10 delays in obtaining approvals of mining plans and delays in permitting. As noted in  
11 our response to the Commission’s Order, Item No. 21, a number of LG&E Contract  
12 suppliers are seeking to recover their cost increases under the New Impositions  
13 Section in LG&E’s contracts.

14 In addition, the mining industry is having difficulty with and experiencing  
15 delays in obtaining the necessary environmental permits for their mining operations.  
16 There have been a number of legal challenges to Section 404 permits across  
17 Kentucky and West Virginia for the last several years, with the result that very few  
18 permits have been issued in the last year by the Corps. This is resulting in mines  
19 having to cut production or stop mining in areas altogether while they wait on  
20 permits.

21 **Q. What were LG&E’s efforts to ensure the coal suppliers’ adherence to contract**  
22 **delivery schedules during the Review Period?**

1 A. A list of all of LG&E's long-term fuel contracts is contained in the response to the  
2 Commission's Order, Item No. 15 (a) – (k).

3 LG&E regularly communicates with its vendors to identify any potential  
4 problems in meeting agreed-upon delivery schedules. LG&E works with its suppliers  
5 on an ongoing basis to accommodate genuine production/delivery problems and reach  
6 mutually agreeable resolutions. This includes mine visits by LG&E representatives,  
7 working with suppliers on allowing deliveries from alternate sources or moving from  
8 rail to barge loading to truck to barge loading.

9 LG&E continues to work with its suppliers on deliveries and make-up of force  
10 majeure events. This has proven to be an effective strategy over time that results in  
11 reasonably priced coal being delivered to the generation station. In one case,  
12 however, LG&E is in litigation with Smoky Mountain Coal/Resources Sales as noted  
13 in the response to the Commission Order, Item No. 23.

14 **Q. Please describe LG&E's efforts to maintain the adequacy of its coal supplies in**  
15 **light of any coal supplier's inability or unwillingness to make contract coal**  
16 **deliveries.**

17 A. LG&E works with its suppliers on an ongoing basis to ensure deliveries of contracted  
18 amounts of coal. LG&E worked with its suppliers on allowing deliveries from  
19 alternate sources, and switching modes of transportation when available. LG&E  
20 works to diversify its source of supply, obtaining high sulfur coal from Western  
21 Kentucky, Indiana, Illinois, Ohio and West Virginia. These efforts, coupled with  
22 ongoing procurement pursuant to the Company's policies, produced adequate coal  
23 supplies through the end of the Review Period.

1 **Q. Were there any changes in coal market conditions that occurred during the**  
2 **Review Period, or that LG&E expects to occur within the next 2 years that have**  
3 **significantly affected or will significantly affect the Company's coal procurement**  
4 **practices?**

5 A. No. Although the coal market did undergo extensive change during the Review  
6 Period and continues to change, there were no material changes in market conditions  
7 that significantly affected, or that LG&E believes could significantly affect in the  
8 future, the Company's fuel procurement practices.

9           During the Review Period, significant supply shortages developed in the  
10 compliance coal market as well as the non-compliance coal market and steep price  
11 increases occurred. There are several major factors influencing these changes. First,  
12 the 2008 global coal market showed a level of volatility previously unseen. This was  
13 caused in large measure by a world shortage of coal supply in turn driven largely by  
14 an extreme increase in demand in China and India and coal production issues in  
15 Australia, South Africa and other countries.

16           Second, the U.S. coal markets experienced a significant shift over the past  
17 year. World shortages of supply coupled with the weak U.S. dollar are driving  
18 foreign consumers to the U.S. market. Exports exceeded 80 million tons in 2008, a  
19 substantial increase over the past two years. Thus, U.S. coal markets have  
20 strengthened as international demand exceeds supply. Spot prices for low sulfur  
21 eastern U.S. coal and the price of high sulfur spot coal increased substantially during  
22 the first few months of 2008. Exhibit MD-1 presents a comparison of spot market  
23 prices for various coal types and qualities for July 2007 and July 2008. In addition,

1 U.S. production has decreased and is expected to continue to decrease over the  
2 coming years due to the implementation of mine safety requirements, labor issues,  
3 tougher geology, and environmental permitting requirements. The decrease in supply  
4 exacerbates market imbalances due to increased demand.

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

9 **Q. Were LG&E's costs of fuel for the Review Period reasonable?**

10 A. Yes. As indicated above, there have been significant changes in the cost of fuel over  
11 the Review Period. However, LG&E's costs for comparable coals have remained at,  
12 or just slightly above the average of other similarly situated utilities. In my opinion,  
13 the Company's fuel costs during the Review Period were reasonable.

14 **Q. Were LG&E's fuel purchases and practices during the Review Period**  
15 **reasonable?**

16 A. Yes. In my opinion, LG&E's fuel purchases and practices were reasonable during the  
17 Review Period.

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

19 A. Yes.

VERIFICATION

STATE OF KENTUCKY    )  
  ) SS:  
COUNTY OF JEFFERSON )

The undersigned, **Mike Dotson**, being duly sworn, deposes and says that he is the Manager, LG&E and KU Fuels, for E.ON U.S. Services Inc., that he has personal knowledge of the matters set forth in the responses for which he is identified as the witness, and the answers contained therein are true and correct to the best of his information, knowledge and belief.

*Mike Dotson*  
MIKE DOTSON

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 11<sup>th</sup> day of February, 2009.

*Victoria B Haysen* (SEAL)  
Notary Public

My Commission Expires:

*Sept 20, 2010*

# Appendix A

## MIKE DOTSON

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### PROFESSIONAL EXPERIENCE:

LG&E ENERGY CORP., Louisville, Kentucky Manager, LG&E/KU Fuels	May 1998 - Present
BIG RIVERS ELECTRIC COMPANY, Henderson, Kentucky <i>Vice President of Fuels &amp; 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

## SPOT MARKET PRICE COMPARISON

	3-Jul-08		6-Jul-07		
	#S02	Price (\$/ton)	#S02	Price (\$/ton)	
<b>Compliance Coal:</b>					
CSX 12500	1.2	\$118.00	1.2	\$49.25	140%
NS 12200	1.2	\$140.00	1.2	\$42.50	229%
BS 12000	1.2	\$132.58	1.2	\$46.90	183%
<b>High Sulfur:</b>					
L. OH Rvr 12000	5.0	\$84.00	5.0	\$32.50	158%
U. OH Rvr 12200	6.5	\$84.00	6.5	\$28.50	195%
<b>Nymex:</b>					
Q4 NS 12500	1.6	\$159.00	1.6	\$45.50	249%

Source:  
 ICAP United, Inc Coal Report dtd 6Jul07  
 ICAP United, Inc Coal Report dtd 3Jul08





**COMMONWEALTH OF KENTUCKY**  
**BEFORE THE PUBLIC SERVICE COMMISSION**

**In the Matter of:**

**AN EXAMINATION OF THE APPLICATION )**  
**OF THE FUEL ADJUSTMENT CLAUSE OF )**  
**LOUISVILLE GAS AND ELECTRIC COMPANY ) CASE NO.**  
**FROM NOVEMBER 1, 2006 THROUGH ) 2008-00521**  
**OCTOBER 31, 2008 )**

**DIRECT TESTIMONY OF**  
**CHARLES R. SCHRAM**  
**DIRECTOR – ENERGY PLANNING, ANALYSIS & FORECASTING**  
**E.ON U.S. SERVICES INC.**

**Filed: February 11, 2009**

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

2 A. My name is Charles R. Schram. My position is Director – Energy Planning,  
3 Analysis & Forecasting for E.ON U.S. Services Inc., which provides services to  
4 Louisville Gas and Electric Company (“LG&E” or “the Company”) and Kentucky  
5 Utilities Company (“KU”). My business address is 220 West Main Street,  
6 Louisville, Kentucky 40202. A complete 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 accordance with the Order entered in this  
10 proceeding by the Commission on January 23, 2009 (“Order”), directing LG&E to  
11 file written direct testimony to address changes in the wholesale electric power  
12 market that significantly affected, or will significantly affect, LG&E’s electric  
13 power procurement practices.

14 **Q. What changes have occurred in the wholesale electric power market during**  
15 **the period November 1, 2006 through October 31, 2008 that have**  
16 **significantly affected LG&E’s electric power procurement practices?**

17 A. LG&E’s electric power procurement practices were not significantly affected by  
18 any changes in the wholesale electric power market during this period. Since the  
19 Company’s exit from the Midwest Independent System Operator (“MISO”) <sup>1</sup>  
20 Regional Transmission Organization (“RTO”) in September 2006, LG&E has  
21 continued to operate with the Southwest Power Pool (“SPP”) as the tariff  
22 administrator and the Tennessee Valley Authority (“TVA”) as the reliability  
23 coordinator throughout the review period. On May 31, 2006, the Commission

1 issued an order in Case No. 2003-00266 authorizing the Company's withdrawal  
2 from MISO and on July 6, 2006, the Commission approved transfer of functional  
3 control of the LG&E/KU Transmission facilities to TVA and SPP in their Order  
4 in Case No. 2005-00471. The Federal Energy Regulatory Commission ("FERC")  
5 conditionally approved the Company's agreement with SPP and TVA on March  
6 17, 2006 in Docket Nos. EC06-4-000 and EC06-4-001.

7 **Q. What changes does LG&E expect to occur in the wholesale power market**  
8 **within the next two years that may significantly affect LG&E's electric**  
9 **power procurement practices?**

10 A. The FERC policy related to market-based rate authority continues to evolve. The  
11 uncertainty of future FERC actions could limit the willingness of other parties to  
12 enter into long-term power sales. Potential limitations on market-based rate  
13 authority could cause utilities to limit their wholesale sales, which could limit the  
14 amount of power available in wholesale markets. On January 23, 2009, President  
15 Obama named Jon Wellinghoff as the new acting chairman at the FERC, but it is  
16 too early to discern any change in the FERC's direction on the market-based rate  
17 authority issue based on the change in administrations and leadership.

18 Secondly, natural gas continues to set marginal electricity prices in the region. A  
19 continuation of price volatility in the natural gas market is likely to result in  
20 volatile wholesale electricity prices.

21 Finally, electric transmission constraints and congestion may at times limit the  
22 Company's ability to import power from the wholesale market to serve native

1 load, highlighting the continuing importance of the Company's ability to serve its  
2 customers with its own supply side resources to ensure security of supply.

3 The Company continues to monitor market policy issues and evaluate changes in  
4 the wholesale market to ensure effective strategies for producing and securing  
5 energy for native load customers.

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

7 **A. Yes.**


VERIFICATION

STATE OF KENTUCKY    )  
  ) SS:  
COUNTY OF JEFFERSON )

The undersigned, **Charles R. Schram**, being duly sworn, deposes and says that he is the Director of Engineering Planning, Analysis and Forecast for E.ON U.S. Services Inc., that he has personal knowledge of the matters set forth in the responses for which he is identified as the witness, and the answers contained therein are true and correct to the best of his information, knowledge and belief.

  
\_\_\_\_\_  
CHARLES R. SCHRAM

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 10<sup>th</sup> day of February, 2009.

 (SEAL)  
\_\_\_\_\_  
Notary Public

My Commission Expires:

Sept 20, 2010

## Appendix A

### Charles R. Schram

Director – Energy Planning, Analysis & Forecasting  
E.ON U.S. Services Inc.  
220 West Main Street  
Louisville, Kentucky 40202  
(502) 627-3250

### Education

Master of Business Administration  
University of Louisville, 1995  
Bachelor of Science – Electrical Engineering  
University of Louisville, 1984  
E.ON Academy General Management Program: 2002-2003  
Center for Creative Leadership, Leadership Development Program: 1998

### Professional Experience

#### E.ON U.S.

Director, Energy Planning, Analysis & Forecasting	May 2008 – Present
Manager, Transmission Protection & Substations	2006 – 2008
Manager, Business Development	2005 – 2006
Manager, Strategic Planning	2001 – 2005
Manager, Distribution System Planning & Eng.	2000 – 2001
Manager, Electric Metering	1997 – 2000
Information Technology Analyst	1995 – 1997

#### U.S. Department of Defense – Naval Ordnance Station

Manager, Software Integration	1993 – 1995
Electronics Engineer	1984 – 1993

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN EXAMINATION OF THE APPLICATION OF )  
THE FUEL ADJUSTMENT CLAUSE OF )  
LOUISVILLE GAS AND ELECTRIC COMPANY ) CASE NO.  
FROM NOVEMBER 1, 2006 THROUGH ) 2008-00521  
OCTOBER 31, 2008 )

RESPONSE OF  
LOUISVILLE GAS AND ELECTRIC COMPANY  
TO  
INFORMATION REQUESTED IN  
APPENDIX B OF COMMISSION'S ORDER  
DATED JANUARY 23, 2009

FILED: FEBRUARY 11, 2009



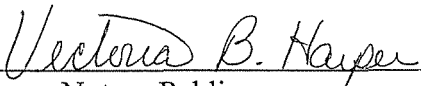
**VERIFICATION**

**STATE OF KENTUCKY**     )  
  ) **SS:**  
**COUNTY OF JEFFERSON**     )

The undersigned, **Robert M. Conroy**, being duly sworn, deposes and says that he is the Director of Rates for E.ON U.S. Services Inc., that he has personal knowledge of the matters set forth in the responses for which he is identified as the witness, and the answers contained therein are true and correct to the best of his information, knowledge and belief.

  
\_\_\_\_\_ **ROBERT M. CONROY**

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 11<sup>th</sup> day of February, 2009.

 (SEAL)  
Notary Public

My Commission Expires:

Sept 20, 2010



**LOUISVILLE GAS AND ELECTRIC COMPANY**

**Response to Information Requested in  
Appendix B of Commission's Order  
Dated January 23, 2009**

**Case No. 2008-00521**

**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 LG&E will incur between November 1, 2008 and October 31, 2010 ("the next 2-year period").

A-1. LG&E recommends that the per unit fuel cost for June 2008 be used as the base period. The attached table shows the per unit fuel cost for June 2008 was \$0.02058/kWh. LG&E estimates that the average per unit fuel cost for the period November 2008 through October 2009 will be \$0.01965/kWh; and the average per unit fuel cost for the period November 2009 through October 2010 will be \$0.02038/kWh. The per unit fuel cost for June 2008 of \$0.02058/kWh is closest to the range of the next 2-year period and approximates the average for the 2-year period (\$0.02002/kWh). This methodology is consistent with that used and accepted in the past. For these reasons LG&E believes that June 2008 is the appropriate month to use as the base period for the next 2-year period.

LG&E 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.

LOUISVILLE GAS & ELECTRIC COMPANY

RETAIL FUEL ADJUSTMENT CLAUSE  
FUEL COST PER KWH

FOR THE EXPENSE MONTHS ENDING OCTOBER 31, 2008

(1)	(2)	(3)	(4)	(5)
EXPENSE MONTH	EXPENSE MONTH \$/KWH	FAC BASE \$/KWH	BILLING MONTH	BILLING MONTH FAC FACTOR COL 2 - 3
Jan-08	\$0.01684	\$0.01703	Mar-08	\$(0.00019)
Feb-08	\$0.01910	\$0.01703	Apr-08	\$0.00207
Mar-08	\$0.01854	\$0.01703	May-08	\$0.00151
Apr-08	\$0.01837	\$0.01703	Jun-08	\$0.00134
May-08	\$0.01878	\$0.01703	Jul-08	\$0.00175
Jun-08	\$0.02058	\$0.01703	Aug-08	\$0.00355
Jul-08	\$0.02067	\$0.01703	Sep-08	\$0.00364
Aug-08	\$0.02227	\$0.01703	Oct-08	\$0.00524
Sep-08	\$0.02131	\$0.01703	Nov-08	\$0.00428
Oct-08	\$0.01727	\$0.01703	Dec-08	\$0.00024
AVERAGE	\$0.01937	\$0.01703	AVERAGE	\$0.00234



**LOUISVILLE GAS AND ELECTRIC COMPANY**

**Response to Information Requested in  
Appendix B of Commission's Order  
Dated January 23, 2009**

**Case No. 2008-00521**

**Question No. 2**

**Witness: Robert M. Conroy**

- Q-2. Provide a calculation of the fossil fuel costs F(b) that LG&E proposes to use to calculate the base period fuel cost. This calculation shall show each component of F(b) as defined by 807 KAR 5056. Explain why the fuel cost in the selected base period is representative of the level of fuel cost that LG&E will incur during the next 2- year period.
- A-2. Attached is a copy of the Fuel Cost Schedule for June 2008, which shows the component of F(b) as defined by 807 KAR 5:056.

As explained in the response to Question No. 1, LG&E reviewed the per-unit fuel cost for each month during the January 2008 through October 2008 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.

LOUISVILLE GAS AND ELECTRIC COMPANY  
FUEL COST SCHEDULE

Expense Month: June 2008

<u>Company Generation</u>	
Coal Burned	(+) \$ 27,147,352
Oil Burned	(+) 15,710
Gas Burned	(+) 5,456,713
Fuel (assigned cost during Forced Outage)	(+) 944,577
Fuel (substitute cost for Forced Outage)	(-) 1,032,584
SUB-TOTAL	\$ 32,531,768
<u>Purchases</u>	
Net energy cost - economy purchases	(+) \$ 1,767,475
Identifiable fuel cost - other purchases	(+) -
Identifiable fuel cost (substitute for Forced Outage)	(-) 141,369
Less Purchases Above Highest Cost Units	(-) 83,423
Internal Economy	(+) -
Internal Replacement	(+) 4,029,115
SUB-TOTAL	\$ 5,571,798
<u>Inter-System Sales</u>	
Including Interchange-out	(+) \$ 4,715,980
Internal Economy	(+) 8,832,103
Internal Replacement	(+) 20,550
Dollars Assigned to Inter-System Sales Losses	(+) 47,160
SUB-TOTAL	\$ 13,615,793
<u>Over or (Under) Recovery</u>	
From Page 4, Line 13	\$ 260,502
TOTAL FUEL RECOVERY (A+B-C-D) =	\$ 24,227,271





**LOUISVILLE GAS AND ELECTRIC COMPANY**

**Response to Information Requested in  
Appendix B of Commission's Order  
Dated January 23, 2009**

**Case No. 2008-00521**

**Question No. 3**

**Witness: Robert M. Conroy**

- Q-3. Provide a schedule showing each component of sales as defined by 807 KAR 5056 in the selected base period (b). Explain why LG&E believes that the sales in the selected base period (b) are representative of the level of kWh sales that LG&E 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 June 2008, which shows the component of S(b) as defined by 807 KAR 5:056.

As explained in the response to Question No. 1, LG&E reviewed the per-unit fuel cost for each month during the January 2008 through October 2008 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.

LOUISVILLE GAS AND ELECTRIC COMPANY

SALES SCHEDULE (KWH)

Expense Month: June 2008

(A)	Generation (Net)	(+)	1,548,477,000
	Purchases including interchange-in	(+)	72,890,000
	Internal Economy	(+)	-
	Internal Replacement	(+)	142,993,000
	SUB-TOTAL		<u>1,764,360,000</u>
(B)	Inter-system Sales including interchange-out	(+)	176,376,000
	Internal Economy	(+)	353,139,000
	Internal Replacement	(+)	168,000
	System Losses (1,234,677,000 KWH times 4.66%)	(+)	<u>57,535,948</u>
	SUB-TOTAL		<u>587,218,948</u>
	TOTAL SALES (A-B)		<u>1,177,141,052</u>



**LOUISVILLE GAS AND ELECTRIC COMPANY**

**Response to Information Requested in  
Appendix B of Commission's Order  
Dated January 23, 2009**

**Case No. 2008-00521**

**Question No. 4**

**Witness: Robert M. Conroy**

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

A-4.	Current Base	\$0.01703/kWh
	Proposed Base	<u>\$0.02058/kWh</u>
	Increase in Base Rates	\$0.00355/kWh



**LOUISVILLE GAS AND ELECTRIC COMPANY**

**Response to Information Requested in  
Appendix B of Commission's Order  
Dated January 23, 2009**

**Case No. 2008-00521**

**Question No. 5**

**Witness: Mike Dotson**

Q-5. Provide LG&E's most recent projected fuel requirements for the years 2009 and 2010 in tons and dollars.

A-5.

	<u>Tons</u>	<u>Dollars</u>
2009 Forecast	8,026,368	\$324,101,842
2010 Forecast	8,069,585	\$365,333,831



LOUISVILLE GAS AND ELECTRIC COMPANY

Response to Information Requested in  
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Case No. 2008-00521

Question No. 6

Witness: Robert M. Conroy

Q-6. Provide LG&E's most recent sales projections for the years 2009 and 2010 in kWh and dollars.

A-6.	<u>Year</u>	<u>Forecasted kWh</u>	<u>Forecasted \$</u>
	2009	12,354,455,760	\$ [REDACTED]
	2010	12,443,343,150	\$ [REDACTED]





**LOUISVILLE GAS AND ELECTRIC COMPANY**

**Response to Information Requested in  
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**Case No. 2008-00521**

**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 June 2008, which is used in the calculation of sales as defined by 807 KAR 5:056 and shown in response to Item 3.

Louisville Gas and Electric Company  
Purchased-Power Transaction Schedule  
June 2008

<u>COMPANY</u>	<u>KWH</u>
<u>PURCHASES</u>	
MIDWEST INDEPENDENT TRANSMISSION SYSTEM OPERATOR, INC.	1,151,000
PJM INTERCONNECTION ASSOCIATION	412,000
DYNEGY POWER MARKETING, INC.	561,000
AMERICAN ELECTRIC POWER SERVICE CORP.	22,000
CONSTELLATION ENERGY COMDS. GRP. INC.	35,000
DTE ENERGY TRADING, INC.	50,000
ENERGY IMBALANCE	10,000
THE ENERGY AUTHORITY	119,000
AMEREN ENERGY, INC.	61,000
KENTUCKY UTILITIES COMPANY	142,993,000
OHIO VALLEY ELECTRIC CORPORATION	<u>70,469,000</u>
TOTAL	215,883,000



**LOUISVILLE GAS AND ELECTRIC COMPANY**

**Response to Information Requested in  
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**Case No. 2008-00521**

**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 June 2008, which is used in the calculation of sales as defined by 807 KAR 5:056 and shown in response to Item 3.

Louisville Gas and Electric Company  
Sales-Power Transaction Schedule  
June 2008

<u>Company</u>	<u>KWH</u>
MIDWEST INDEPENDENT TRANSMISSION SYSTEM OPERATOR, INC.	29,992,000
MIDWEST CONTINGENCY RESERVE SHARING GROUP	720,000
PJM INTERCONNECTION ASSOCIATION	84,226,000
ASSOCIATED ELECT COOPERATIVE	3,010,000
AMERICAN ELECTRIC POWER SERVICE CORP.	3,638,000
AMEREN ENERGY MARKETING COMPANY	95,000
CARGILL- ALLIANT, LLC	5,511,000
CITIGROUP ENERGY, INC.	344,000
COBB ELECTRIC MEMBERSHIP CORPORATION	5,029,000
CONSTELLATION ENERGY COMDS. GRP. INC.	4,597,000
DUKE ENERGY CAROLINAS, LLC	149,000
EAST KENTUCKY POWER COOPERATIVE	286,000
FORTIS ENERGY MARKETING & TRADING GP	810,000
ILLINOIS MUNICIPAL ELECTRIC AGENCY	324,000
INDIANA MUNICIPAL POWER AGENCY	417,000
Integrys Energy Services	715,000
MERRILL LYNCH COMMODITIES INC.	1,510,000
SOUTHERN COMPANY SERVICES, INC	6,087,000
THE ENERGY AUTHORITY	13,248,000
TENASKA POWER SERVICES CO.	1,865,000
TENNESSEE VALLEY AUTHORITY	13,658,000
WESTAR ENERGY, INC.	145,000
KENTUCKY UTILITIES COMPANY	<u>353,307,000</u>
TOTAL	529,683,000



**LOUISVILLE GAS AND ELECTRIC COMPANY**

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**Question No. 9**

**Witness: Charles R. Schram**

- Q-9. Provide the planned maintenance schedule for each of LG&E's generating units for the years 2009 and 2010.
- A-9. The information requested is being provided pursuant to a Petition for Confidential Protection.





**LOUISVILLE GAS AND ELECTRIC COMPANY**

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**Question No. 10**

**Witness: Charles R. Schram**

Q-10. For the years ending October 31, 2007 and October 31, 2008, 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, 2007	2,834
October 31, 2008	2,502

b. Average annual system demand:

<u>Year Ending</u>	<u>Average Demand (MW)*</u>
October 31, 2007	1,528
October 31, 2008	1.457

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



LOUISVILLE GAS AND ELECTRIC COMPANY

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Question No. 11

Witness: Charles R. Schram

Q-11. List all firm power commitments for LG&E for the years 2009 and 2010 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

LG&E will purchase their participation ration (5.63%) of the released capacity for OVEC in 2009. The LG&E amounts by month are shown:

	Companies' <u>Amt (MW)</u>	LG&E Portion <u>(MW)</u>	<u>Purpose</u>
OVEC (Jan 2009)	~ 181	~ 125	Baseload
OVEC (Feb 2009)	~ 168	~ 117	Baseload
OVEC (Mar 2009)	~ 157	~ 109	Baseload
OVEC (Apr 2009)	~ 147	~ 102	Baseload
OVEC (May 2009)	~ 166	~ 115	Baseload
OVEC (Jun 2009)	~ 176	~ 122	Baseload
OVEC (Jul 2009)	~ 174	~ 120	Baseload
OVEC (Aug 2009)	~ 174	~ 120	Baseload
OVEC (Sep 2009)	~ 169	~ 117	Baseload
OVEC (Oct 2009)	~ 158	~ 109	Baseload
OVEC (Nov 2009)	~ 151	~ 105	Baseload
OVEC (Dec 2009)	~ 161	~ 111	Baseload

OVEC released capacity for 2010, although not determined at this time, is expected to be similar to 2009.

b. Sales - None



**LOUISVILLE GAS AND ELECTRIC COMPANY**

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**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, 2006 through October 31, 2008.

A-12. Please see the attached sheets.

For the Month Ending November 30, 2006	KWH	Demand(\$)	Fuel Charges(\$)	Other Charges(\$)	Total Charges(\$)
Associated Elect Cooperative	34,602,000		882,997.73	778,752.36	1,661,750.09
American Electric Power Service Corp	56,389,000		1,447,323.55	1,276,454.74	2,723,778.29
Big Rivers Electric Corp.	807,000		42,846.58	37,788.18	80,634.76
Cargill-Alliant, LLC	31,444,000		748,840.35	660,433.39	1,409,273.74
Cobb Electric Membership Corporation	7,398,000		187,124.58	165,032.92	352,157.50
Constellation Energy COMDS GRP Inc.	10,366,000		261,100.64	230,343.29	491,443.93
Dayton Power & Light Co	89,000		2,126.85	1,875.77	4,002.62
East Kentucky Power Cooperative	5,428,000		112,448.83	99,173.29	211,622.12
Illinois Municipal Electric Agency	172,000		3,247.82	2,864.38	6,112.20
Indiana Municipal Power Agency	167,000		3,158.10	2,785.27	5,943.37
Merrill Lynch Commodities Inc.	23,952,000		574,740.10	507,080.79	1,081,820.89
Midwest Independent Transmission System Operator, Inc.	151,807,000		3,642,741.55	3,211,798.48	6,854,540.03
Progress Energy Ventures Inc	4,805,000		116,322.77	102,589.88	218,912.65
Rainbow Energy Marketing Corp	790,000		23,537.00	20,758.25	44,295.25
Sempra Energy Trading Corp	15,841,000		399,931.75	352,713.39	752,645.14
Southern Indiana Gas & Electric Co.	31,000		1,639.54	1,445.97	3,085.51
Split Rock Energy LLC	3,243,000		88,333.05	77,904.58	166,237.63
The Energy Authority	11,413,000		236,280.32	208,385.42	444,665.74
Tenaska Power Services Co	247,000		6,826.94	6,020.95	12,847.89
Transalta Energy Marketing (U S ) Inc	3,543,000		91,204.98	80,437.47	171,642.45
Tennessee Valley Authority	43,214,000		1,028,663.55	907,221.10	1,935,884.65
Westar Energy, Inc	36,804,000		918,206.63	809,804.54	1,728,011.17
Miscellaneous	-		279.49	(279.49)	-
Kentucky Utilities Company	586,766,000		11,256,949.35	3,758.69	11,260,708.04
<b>TOTAL</b>	<u>1,029,318,000</u>	<u>\$ -</u>	<u>\$ 22,076,872.05</u>	<u>\$ 9,545,143.61</u>	<u>\$ 31,622,015.66</u>

For the Month Ending December 31, 2006	KWH	Demand(\$)	Fuel Charges(\$)	Other Charges(\$)	Total Charges(\$)
Associated Elect Cooperative	16,844,000		415,149.91	257,858.18	673,008.09
American Electric Power Service Corp	22,746,000		524,556.42	325,637.39	850,193.81
Big Rivers Electric Corp.	369,000		22,806.37	14,165.51	36,971.88
Cargill-Alliant, LLC	14,686,000		378,449.14	235,062.56	613,511.70
Cobb Electric Membership Corporation	6,616,000		150,375.82	93,401.51	243,777.33
Constellation Energy COMDS GRP. Inc	3,941,000		92,546.96	57,188.30	149,735.26
Duke Energy Ohio, Inc	38,000		2,342.78	1,455.15	3,797.93
East Kentucky Power Cooperative	1,951,000		50,727.02	31,507.60	82,234.62
Fortis Energy Marketing & Trading GP	4,213,000		103,687.54	64,402.47	168,090.01
Illinois Municipal Electric Agency	113,000		2,376.33	1,475.99	3,852.32
Indiana Municipal Power Agency	121,000		2,543.62	1,579.90	4,123.52
Merrill Lynch Commodities Inc	7,347,000		167,676.49	104,147.32	271,823.81
Midwest Independent Transmission System Operator, Inc.	74,776,000		1,937,830.35	1,203,626.39	3,141,456.74
Progress Energy Ventures Inc	127,000		3,184.28	1,974.91	5,159.19
Sempra Energy Trading Corp	3,180,000		85,471.40	53,088.05	138,559.45
Southern Indiana Gas & Electric Co.	16,000		992.63	616.54	1,609.17
The Energy Authority	4,690,000		96,257.56	59,787.56	156,045.12
Tenaska Power Services Co	49,000		1,114.08	691.97	1,806.05
Tennessee Valley Authority	25,659,000		619,133.47	384,556.57	1,003,690.04
Westar Energy, Inc.	7,826,000		196,850.11	122,267.66	319,117.77
Miscellaneous	-		141.29	(141.29)	-
Kentucky Utilities Company	529,163,000		9,352,104.24	1,594.11	9,353,698.35
<b>TOTAL</b>	<b>724,471,000</b>	<b>\$ -</b>	<b>\$ 14,206,317.81</b>	<b>\$ 3,015,944.35</b>	<b>\$ 17,222,262.16</b>



For the Month Ending January 31, 2007	KWH	Demand(\$)	Fuel Charges(\$)	Other Charges(\$)	Total Charges(\$)
Associated Elect Cooperative	13,890,000		316,580.49	224,915.52	541,496.01
American Electric Power Service Corp	14,574,000		343,328.37	243,918.61	587,246.98
Cargill-Alliant, LLC	14,058,000		345,130.58	245,199.00	590,329.58
Cobb Electric Membership Corporation	5,420,000		134,618.68	95,640.23	230,258.91
Conectiv Energy Supply, Inc	24,000		734.11	521.55	1,255.66
Constellation Energy COMDS. GRP. Inc.	5,213,000		130,054.19	92,397.38	222,451.57
Duke Energy Indiana, Inc	22,000		383.87	1,839.11	2,222.98
Duke Energy Ohio, Inc	(22,000)		(383.87)	(1,839.11)	(2,222.98)
East Kentucky Power Cooperative	30,283,000		833,302.49	592,022.14	1,425,324.63
Fortis Energy Marketing & Trading GP	13,795,000		352,024.21	250,096.60	602,120.81
Illinois Municipal Electric Agency	1,548,000		27,269.45	19,373.65	46,643.10
Indiana Municipal Power Agency	145,000		2,730.09	1,939.60	4,669.69
Midwest Contingency Reserve Sharing Group	132,000		8,139.43	5,782.68	13,922.11
Merrill Lynch Commodities Inc	20,585,000		497,710.68	353,599.98	851,310.66
Midwest Independent Transmission System Operator, Inc	125,038,000		3,100,690.02	2,202,912.85	5,303,602.87
Progress Energy Ventures Inc	2,695,000		68,776.23	48,862.27	117,638.50
Sempra Energy Trading Corp	11,719,000		287,035.66	203,925.31	490,960.97
The Energy Authority	3,468,000		69,588.86	49,439.60	119,028.46
Transalta Energy Marketing (U S ) Inc	392,000		8,920.84	6,337.84	15,258.68
Tennessee Valley Authority	28,155,000		662,595.26	470,742.71	1,133,337.97
Westar Energy, Inc	3,412,000		89,128.70	63,321.75	152,450.45
Miscellaneous	-		614.50	(614.50)	-
Kentucky Utilities Company	644,080,000		11,032,793.28	1,739.53	11,034,532.81
<b>TOTAL</b>	<b>938,626,000</b>	<b>\$ -</b>	<b>\$ 18,311,766.12</b>	<b>\$ 5,172,074.30</b>	<b>\$ 23,483,840.42</b>

For the Month Ending February 28, 2007	KWH	Demand(\$)	Fuel Charges(\$)	Other Charges(\$)	Total Charges(\$)
Associated Elect Cooperative	5,017,000		133,910.61	117,887.30	251,797.91
American Electric Power Service Corp	6,939,000		195,927.19	172,483.18	368,410.37
Cargill-Alliant, LLC	7,763,000		195,465.80	172,323.38	367,789.18
Citigroup Energy, Inc.	299,000		6,944.30	6,113.38	13,057.68
Cobb Electric Membership Corporation	1,599,000		42,185.89	37,138.07	79,323.96
Constellation Energy COMDS GRP Inc	4,317,000		113,728.42	100,120.06	213,848.48
East Kentucky Power Cooperative	23,640,000		771,169.41	678,893.83	1,450,063.24
Fortis Energy Marketing & Trading GP	7,133,000		196,844.23	173,290.50	370,134.73
Illinois Municipal Electric Agency	136,000		2,926.39	2,576.24	5,502.63
Indiana Municipal Power Agency	147,000		3,162.93	2,784.47	5,947.40
Midwest Contingency Reserve Sharing Group	225,000		13,815.30	8,083.01	21,898.31
Merrill Lynch Commodities Inc	8,714,000		220,804.37	194,383.65	415,188.02
Midwest Independent Transmission System Operator, Inc.	83,765,000		2,211,984.14	1,947,487.48	4,159,471.62
Progress Energy Ventures Inc.	1,145,000		32,262.35	28,401.95	60,664.30
Rainbow Energy Marketing Corp	100,000		3,722.72	3,277.28	7,000.00
Sempra Energy Trading Corp	1,984,000		53,491.27	47,090.68	100,581.95
The Energy Authority	656,000		14,773.42	13,005.66	27,779.08
Tennessee Valley Authority	26,115,000		647,231.25	569,785.71	1,217,016.96
Westar Energy, Inc.	624,000		16,377.24	14,417.58	30,794.82
Miscellaneous	-		1,396.03	(1,396.03)	-
Kentucky Utilities Company	495,105,000		9,646,340.43	16.99	9,646,357.42
<b>SUBTOTAL</b>	<b>675,423,000</b>	<b>\$ -</b>	<b>\$ 14,524,463.69</b>	<b>\$ 4,288,164.37</b>	<b>\$ 18,812,628.06</b>
Losses Across Other Systems (Not Billed)	10,000				
<b>TOTAL</b>	<b>675,433,000</b>	<b>\$ -</b>	<b>\$ 14,524,463.69</b>	<b>\$ 4,288,164.37</b>	<b>\$ 18,812,628.06</b>

For the Month Ending March 31, 2007	KWH	Demand(\$)	Fuel Charges(\$)	Other Charges(\$)	Total Charges(\$)
Midwest Independent Transmission System Operator, Inc.	46,795,000		1,194,604.24	982,160.32	2,176,764.56
Midwest Contingency Reserve Sharing Group	294,000		16,850.99	13,850.96	30,701.95
Associated Elect Cooperative	7,235,000		186,318.50	153,147.84	339,466.34
American Electric Power Service Corp	7,030,000		174,892.47	143,756.00	318,648.47
Cargill-Alliant, LLC	4,262,000		\$107,211.39	88,124.33	\$195,335.72
Citigroup Energy, Inc	1,844,000		43,613.60	35,848.97	79,462.57
Cobb Electric Membership Corporation	2,459,000		61,959.35	50,928.61	112,887.96
Constellation Energy COMDS. GRP. Inc.	2,487,000		\$56,378.52	46,544.10	\$102,922.62
East Kentucky Power Cooperative	895,000		23,600.25	19,398.64	42,998.89
Fortis Energy Marketing & Trading GP	8,004,000		188,077.22	154,593.44	342,670.66
Illinois Municipal Electric Agency	314,000		7,050.23	3,772.60	10,822.83
Indiana Municipal Power Agency	330,000		7,410.88	3,965.70	11,376.58
Merrill Lynch Commodities Inc	4,452,000		103,053.77	84,706.90	187,760.67
Progress Energy Ventures Inc	789,000		19,775.82	16,255.10	36,030.92
Sempra Energy Trading Corp	965,000		23,296.46	19,148.94	42,445.40
The Energy Authority	637,000		14,750.38	12,124.35	26,874.73
Tennessee Valley Authority	45,915,000		1,067,073.02	877,099.87	1,944,172.89
Westar Energy, Inc	592,000		16,029.47	13,175.73	29,205.20
Miscellaneous	-		1,200.11	(1,200.11)	-
Kentucky Utilities Company	501,981,000		9,343,254.69	-	9,343,254.69
<b>TOTAL</b>	<b>637,280,000</b>	<b>\$ -</b>	<b>\$ 12,656,401.37</b>	<b>\$ 2,717,402.28</b>	<b>\$ 15,373,803.65</b>

For the Month Ending April 30, 2007	KWH	Demand(\$)	Fuel Charges(\$)	Other Charges(\$)	Total Charges(\$)
Midwest Independent Transmission System Operator, Inc.	4,582,000		125,875.18	73,291.57	199,166.75
Midwest Contingency Reserve Sharing Group	237,000		14,974.60	10,193.81	25,168.41
Associated Elect Cooperative	843,000		21,068.13	14,341.93	35,410.06
American Electric Power Service Corp.	3,315,000		88,889.36	60,510.60	149,399.96
Cargill-Alliant, LLC	5,625,000		156,593.42	106,599.53	263,192.95
Citigroup Energy, Inc	386,000		10,739.19	7,310.60	18,049.79
Cobb Electric Membership Corporation	1,140,000		40,415.27	27,512.32	67,927.59
Constellation Energy COMDS GRP. Inc.	1,618,000		41,601.45	28,406.84	70,008.29
East Kentucky Power Cooperative	4,125,000		143,125.65	97,431.47	240,557.12
Fortis Energy Marketing & Trading GP	2,609,000		75,434.86	51,351.58	126,786.44
Illinois Municipal Electric Agency	3,859,000		122,985.67	83,726.03	206,711.70
Indiana Municipal Power Agency	296,000		11,500.94	7,832.66	19,333.60
Kansas City Power & Light	1,590,000		43,292.53	29,470.99	72,763.52
Merrill Lynch Commodities Inc	2,087,000		57,315.76	39,017.17	96,332.93
Progress Energy Ventures Inc.	2,056,000		66,869.31	45,520.67	112,389.98
Sempra Energy Trading Corp	969,000		31,308.60	21,313.03	52,621.63
The Energy Authority	156,000		4,607.45	3,136.48	7,743.93
Tennessee Valley Authority	19,694,000		481,373.85	327,690.79	809,064.64
Williams Energy Marketing & Trading Co	7,557,000		188,716.90	128,467.30	317,184.20
Westar Energy, Inc	50,000		1,546.93	1,053.07	2,600.00
Miscellaneous	-		22.57	(22.57)	-
Kentucky Utilities Company	387,782,000		8,115,272.60	-	8,115,272.60
<b>TOTAL</b>	450,576,000	\$ -	\$ 9,843,530.22	\$ 1,164,155.87	\$ 11,007,686.09

For the Month Ending May 31, 2007	KWH	Demand(\$)	Fuel Charges(\$)	Other Charges(\$)	Total Charges(\$)
Midwest Independent Transmission System Operator, Inc	12,664,000		439,111.20	286,851.85	725,963.05
Midwest Contingency Reserve Sharing Group	468,000		30,860.32	19,805.01	50,665.33
Associated Elect Cooperative	10,495,000		241,549.43	157,793.51	399,342.94
American Electric Power Service Corp	13,754,000		316,818.73	206,963.61	523,782.34
BP Energy Company	624,000		20,750.22	13,555.19	34,305.41
Cargill-Alliant, LLC	8,942,000		219,597.47	143,453.28	363,050.75
Citigroup Energy, Inc	2,240,000		66,689.48	43,565.26	110,254.74
Cobb Electric Membership Corporation	4,738,000		\$128,289.04	83,805.54	\$212,094.58
Constellation Energy COMDS GRP Inc	5,643,000		\$125,602.13	82,122.04	\$207,724.17
DTE Energy Trading, Inc	415,000		12,671.41	8,277.67	20,949.08
East Kentucky Power Cooperative	998,000		24,514.60	16,014.30	40,528.90
Fortis Energy Marketing & Trading GP	7,670,000		194,447.24	127,023.75	\$321,470.99
Illinois Municipal Electric Agency	257,000		10,275.46	6,712.50	\$16,987.96
Indiana Municipal Power Agency	275,000		10,987.55	7,177.68	18,165.23
Energy Imbalance	23,000		1,391.20	908.80	2,300.00
Merrill Lynch Commodities Inc	6,317,000		149,038.50	97,360.23	246,398.73
Progress Energy Ventures Inc	1,379,000		35,514.48	23,200.03	58,714.51
Sempra Energy Trading Corp	848,000		20,569.69	13,437.26	34,006.95
The Energy Authority	364,000		8,379.76	5,474.13	13,853.89
Tennessee Valley Authority	6,087,000		154,279.58	100,784.01	255,063.59
Williams Energy Marketing & Trading Co	4,500,000		111,091.31	72,571.04	183,662.35
Westar Energy, Inc	374,000		10,584.32	6,914.28	17,498.60
Miscellaneous	-		17.99	(17.99)	-
Kentucky Utilities Company	406,537,000		8,326,027.96	14.80	8,326,042.76
<b>TOTAL</b>	<b>495,612,000</b>	<b>\$ -</b>	<b>\$ 10,659,059.07</b>	<b>\$ 1,523,767.78</b>	<b>\$ 12,182,826.85</b>

For the Month Ending June 30, 2007	KWH	Demand(\$)	Fuel Charges(\$)	Other Charges(\$)	Total Charges(\$)
Midwest Independent Transmission System Operator, Inc.	7,108,000		177,557 20	137,582 79	315,139 99
Midwest Contingency Reserve Sharing Group	332,000		20,052 45	19,502 31	39,554 76
Associated Elect Cooperative	4,015,000		88,179 96	68,327 53	156,507 49
American Electric Power Service Corp	9,626,000		240,102 55	186,046 97	426,149 52
BP Energy Company	144,000		5,220 29	4,045 01	9,265 30
Cargill-Alliant, LLC	5,171,000		114,193 06	88,484 16	202,677 22
Citigroup Energy, Inc.	592,000		15,053 89	11,664 71	26,718 60
Cobb Electric Membership Corporation	4,762,000		131,607 07	101,977 66	233,584 73
Constellation Energy COMDS GRP Inc	14,876,000		377,085 56	292,147 91	669,233 47
DTE Energy Trading, Inc.	1,136,000		21,748 02	16,851 77	38,599 79
East Kentucky Power Cooperative	5,214,000		179,479 14	139,072 05	318,551 19
Fortis Energy Marketing & Trading GP	4,436,000		105,951 53	82,098 08	188,049 61
Illinois Municipal Electric Agency	3,643,000		131,984 00	102,269 73	234,253 73
Indiana Municipal Power Agency	2,428,000		101,287 05	78,483 74	179,770 79
Kansas City Power & Light	1,489,000		40,868 34	31,667 43	72,535 77
Merrill Lynch Commodities Inc	2,692,000		66,300 74	54,444 98	120,745 72
Sempra Energy Trading Corp	2,336,000		61,867 93	47,939 28	109,807 21
The Energy Authority	5,346,000		153,141 36	118,663 82	271,805 18
Tenaska Power Services Co	619,000		13,061 21	7,049 78	20,110 99
Transalta Energy Marketing (U S ) Inc	96,000		2,256 26	1,748 29	4,004 55
Tennessee Valley Authority	13,885,000		319,467 91	247,544 38	567,012 29
Williams Energy Marketing & Trading Co	155,000		2,905 16	2,194 60	5,099 76
Westar Energy, Inc.	264,000		6,015 71	4,661 36	10,677 07
Miscellaneous	-		2,338 81	(2,338 81)	-
Kentucky Utiilities Company	316,362,000		6,618,839.47	1,509.93	6,620,349.40
<b>TOTAL</b>	<b>406,727,000</b>	<b>\$ -</b>	<b>\$ 8,996,564 67</b>	<b>\$ 1,843,639 46</b>	<b>\$ 10,840,204 13</b>

For the Month Ending July 31, 2007	KWH	Demand(\$)	Fuel Charges(\$)	Other Charges(\$)	Total Charges(\$)
Midwest Independent Transmission System Operator, Inc	10,915,000		328,308.03	262,324.98	590,633.01
Midwest Contingency Reserve Sharing Group	389,000		22,491.73	18,327.45	40,819.18
Associated Elect Cooperative	3,139,000		71,879.78	57,438.02	129,317.80
American Electric Power Service Corp	17,631,000		434,140.00	346,914.55	781,054.55
BP Energy Company	244,000		6,385.96	5,102.92	11,488.88
Cargill-Alliant, LLC	9,799,000		224,706.36	179,559.37	404,265.73
Citigroup Energy, Inc	585,000		17,743.57	14,178.62	31,922.19
Cobb Electric Membership Corporation	2,463,000		54,790.96	43,782.61	98,573.57
Constellation Energy COMDS GRP. Inc	16,292,000		394,502.76	315,241.04	709,743.80
DTE Energy Trading, Inc	686,000		23,100.32	18,459.11	41,559.43
Duke Energy Carolinas, LLC	1,415,000		24,675.31	19,717.66	44,392.97
East Kentucky Power Cooperative	4,610,000		172,875.18	138,141.89	311,017.07
Fortis Energy Marketing & Trading GP	15,939,000		399,426.99	319,175.91	718,602.90
Illinois Municipal Electric Agency	2,670,000		74,953.30	59,894.03	134,847.33
Indiana Municipal Power Agency	2,845,000		79,871.18	63,823.81	143,694.99
Kansas City Power & Light	781,000		29,027.43	23,195.38	52,222.81
Merrill Lynch Commodities Inc	3,868,000		112,850.15	90,176.80	203,026.95
Progress Energy Ventures, Inc	902,000		26,358.48	21,062.66	47,421.14
Sempra Energy Trading Corp	6,016,000		159,825.89	127,714.40	287,540.29
The Energy Authority	3,119,000		89,129.39	71,221.92	160,351.31
Tennessee Valley Authority	12,395,000		295,883.54	236,435.94	532,319.48
Williams Energy Marketing & Trading Co	222,000		6,316.70	5,047.55	11,364.25
Westar Energy, Inc	220,000		4,605.86	3,680.44	8,286.30
Miscellaneous	-		14,505.94	(14,505.94)	-
Kentucky Utilities Company	285,742,000		5,915,140.14	11.91	5,915,152.05
<b>TOTAL</b>	<b>402,887,000</b>	<b>\$ -</b>	<b>\$ 8,983,494.95</b>	<b>\$ 2,426,123.03</b>	<b>\$ 11,409,617.98</b>

For the Month Ending August 31, 2007	KWH	Demand(\$)	Fuel Charges(\$)	Other Charges(\$)	Total Charges(\$)
Midwest Independent Transmission System Operator, Inc.	2,927,000		134,951.37	59,277.66	194,229.03
Midwest Contingency Reserve Sharing Group	133,000		9,941.57	4,374.16	14,315.73
PJM Interconnection Association	5,000		85.42	37.53	122.95
American Electric Power Service Corp.	7,920,000		311,074.49	136,640.08	447,714.57
Cargill-Alliant, LLC	3,510,000		116,948.67	51,369.94	168,318.61
Citigroup Energy, Inc	96,000		2,679.58	1,177.00	3,856.58
Cobb Electric Membership Corporation	1,337,000		43,389.07	19,058.73	62,447.80
Constellation Energy COMDS GRP Inc	5,300,000		158,315.96	69,540.59	227,856.55
DTE Energy Trading, Inc.	108,000		6,304.41	2,769.23	9,073.64
Duke Energy Carolinas, LLC	4,928,000		134,482.95	59,071.89	193,554.84
East Kentucky Power Cooperative	120,000		5,976.36	2,625.13	8,601.49
Fortis Energy Marketing & Trading GP	1,818,000		66,778.28	29,332.50	96,110.78
Illinois Municipal Electric Agency	3,127,000		141,484.24	62,147.24	203,631.48
Indiana Municipal Power Agency	3,962,000		181,877.14	79,889.88	261,767.02
Energy Imbalance	266,000		18,518.61	8,134.34	26,652.95
Merrill Lynch Commodities Inc	1,186,000		50,854.84	22,338.08	73,192.92
Progress Energy Ventures, Inc	1,185,000		62,076.09	27,267.05	89,343.14
Sempra Energy Trading Corp	2,509,000		103,911.31	45,643.25	149,554.56
The Energy Authority	824,000		31,341.20	13,766.68	45,107.88
Tennessee Valley Authority	11,220,000		330,967.45	145,378.08	476,345.53
Williams Energy Marketing & Trading Co	282,000		15,945.69	7,004.17	22,949.86
Kentucky Utilities Company	240,046,000		7,648,752.15	8.22	7,648,760.37
<b>TOTAL</b>	292,809,000	\$ -	\$ 9,576,656.85	\$ 846,851.43	\$ 10,423,508.28



For the Month Ending September 30, 2007	KWH	Demand(\$)	Fuel Charges(\$)	Other Charges(\$)	Total Charges(\$)
Midwest Independent Transmission System Operator, Inc.	2,186,000		53,303.59	32,060.65	85,364.24
Midwest Contingency Reserve Sharing Group	102,000		6,522.67	3,923.21	10,445.88
Associated Elect Cooperative	746,000		16,662.47	10,022.01	26,684.48
American Electric Power Service Corp	6,210,000		166,373.01	100,068.82	266,441.83
Cargill-Alliant, LLC	2,477,000		68,135.60	40,981.70	109,117.30
Citigroup Energy, Inc	586,000		13,958.47	8,395.65	22,354.12
Cobb Electric Membership Corporation	1,251,000		33,355.30	20,062.29	53,417.59
Constellation Energy COMDS GRP. Inc	4,274,000		113,479.40	68,254.75	181,734.15
DTE Energy Trading, Inc	41,000		1,304.56	784.66	2,089.22
Duke Energy Carolinas, LLC	1,037,000		22,363.47	13,451.01	35,814.48
East Kentucky Power Cooperative	384,000		10,182.93	6,124.75	16,307.68
Fortis Energy Marketing & Trading GP	5,981,000		144,517.07	86,923.06	231,440.13
Illinois Municipal Electric Agency	7,202,000		249,888.49	150,301.10	400,189.59
Indiana Municipal Power Agency	7,668,000		265,942.41	159,957.08	425,899.49
Merrill Lynch Commodities Inc.	859,000		32,869.15	19,769.90	52,639.05
Progress Energy Ventures, Inc.	581,000		16,518.36	9,935.35	26,453.71
Sempra Energy Trading Corp.	2,033,000		61,139.52	36,814.31	97,953.83
The Energy Authority	863,000		21,906.95	13,176.43	35,083.38
Tenaska Power Services Co.	43,000		907.50	545.84	1,453.34
Transalta Energy Marketing (U S ) Inc	373,000		16,891.54	10,159.78	27,051.32
Tennessee Valley Authority	15,932,000		392,753.62	236,230.58	628,984.20
Miscellaneous	-		381.89	(381.89)	-
Kentucky Utilities Company	211,086,000		4,578,650.03	251.76	4,578,901.79
<b>TOTAL</b>	271,915,000	\$ -	\$ 6,288,008.00	\$ 1,027,812.80	\$ 7,315,820.80

For the Month Ending October 31, 2007	KWH	Demand(\$)	Fuel Charges(\$)	Other Charges(\$)	Total Charges(\$)
Midwest Independent Transmission System Operator, Inc.	21,602,000		541,946 69	450,430 40	992,377 09
Midwest Contingency Reserve Sharing Group	651,000		36,904 24	30,759 81	67,664 05
PJM Interconnection Association	40,375,000		1,125,187 03	936,805 47	2,061,992 50
Associated Elect Cooperative	5,417,000		125,147 48	104,194 99	229,342 47
American Electric Power Service Corp	9,420,000		236,202 94	196,657 26	432,860 20
Cargill-Alliant, LLC	12,254,000		299,455 68	249,320 08	548,775 76
Citigroup Energy, Inc	2,190,000		57,274 21	47,633 66	104,907 87
Cobb Electric Membership Corporation	829,000		20,996 59	17,481 29	38,477 88
Constellation Energy COMDS GRP Inc.	6,638,000		151,436 21	126,082 40	277,518 61
DTE Energy Trading, Inc	1,980,000		57,304 14	47,710 13	105,014 27
East Kentucky Power Cooperative	394,000		15,650 55	13,030 30	28,680 85
Fortis Energy Marketing & Trading GP	3,619,000		99,319 17	82,690 91	182,010 08
Illinois Municipal Electric Agency	2,319,000		92,779 79	77,246 38	170,026 17
Indiana Municipal Power Agency	2,473,000		98,787 77	82,248 47	181,036 24
Merrill Lynch Commodities Inc	2,598,000		80,833 28	67,299 97	148,133 25
No Indiana Public Service Co.	46,000		1,581 94	1,317 09	2,899 03
Sempra Energy Trading Corp	2,166,000		53,499 89	44,542 81	98,042 70
The Energy Authority	709,000		18,233 64	15,180 93	33,414 57
Tennessee Valley Authority	24,866,000		585,690 65	487,632 89	1,073,323 54
Westar Energy, Inc	74,000		2,012 93	1,675 92	3,688 85
Miscellaneous	-		188 62	(188 62)	-
Kentucky Utilities Company	303,788,000		6,549,539 28	-	6,549,539 28
<b>TOTAL</b>	<b>444,408,000</b>	<b>\$ -</b>	<b>\$ 10,249,972 72</b>	<b>\$ 3,079,752 54</b>	<b>\$ 13,329,725 26</b>

For the Month Ending November 30, 2007	<u>KWH</u>	<u>Demand(\$)</u>	<u>Fuel Charges(\$)</u>	<u>Other Charges(\$)</u>	<u>Total Charges(\$)</u>
Midwest Independent Transmission System Operator, Inc.	9,744,000		285,611.59	139,340.57	424,952.16
Midwest Contingency Reserve Sharing Group	626,000		43,227.73	21,089.39	64,317.12
PJM Interconnection Association	27,960,000		801,043.93	390,803.18	1,191,847.11
Associated Elect Cooperative	2,478,000		66,153.20	32,273.98	98,427.18
American Electric Power Service Corp	4,088,000		117,864.76	57,502.37	175,367.13
Cargill-Alliant, LLC	2,203,000		64,676.14	31,553.38	96,229.52
Citigroup Energy, Inc.	1,522,000		40,776.25	19,893.40	60,669.65
Cobb Electric Membership Corporation	323,000		8,872.48	4,328.60	13,201.08
Constellation Energy COMDS GRP Inc.	2,857,000		77,217.58	37,671.95	114,889.53
DTE Energy Trading, Inc.	911,000		26,094.74	12,730.77	38,825.51
East Kentucky Power Cooperative	1,404,000		48,838.20	23,826.56	72,664.76
Fortis Energy Marketing & Trading GP	862,000		24,650.07	12,025.96	36,676.03
Illinois Municipal Electric Agency	4,820,000		199,226.46	97,196.08	296,422.54
Indiana Municipal Power Agency	4,820,000		23,105.18	11,272.27	34,377.45
Merrill Lynch Commodities Inc	936,000		28,354.36	13,833.17	42,187.53
Sempra Energy Trading Corp	394,000		13,071.70	6,377.25	19,448.95
The Energy Authority	339,000		9,518.81	4,643.92	14,162.73
Tennessee Valley Authority	29,830,000		807,943.76	394,169.37	1,202,113.13
Miscellaneous	-		245.84	(245.84)	-
Kentucky Utilities Company	364,089,000		6,696,698.20	982.12	6,697,680.32
<b>TOTAL</b>	<b>460,206,000</b>	<b>\$ -</b>	<b>\$ 9,383,190.98</b>	<b>\$ 1,311,268.45</b>	<b>\$ 10,694,459.43</b>

For the Month Ending December 31, 2007	KWH	Demand(\$)	Fuel Charges(\$)	Other Charges(\$)	Total Charges(\$)
Midwest Independent Transmission System Operator, Inc.	28,062,000		618,259 62	525,607 77	1,143,867 39
Midwest Contingency Reserve Sharing Group	584,000		34,270 63	29,091 50	63,362 13
PJM Interconnection Association	75,405,000		1,767,238 98	1,500,166 03	3,267,405 01
Associated Elect Cooperative	22,399,000		528,585 29	448,703 15	977,288 44
American Electric Power Service Corp	10,550,000		256,113 30	217,408 34	473,521 64
Cargill-Alliant, LLC	5,137,000		130,909 31	111,125 72	242,035 03
Citigroup Energy, Inc.	95,000		1,661 33	1,410 25	3,071 58
Cobb Electric Membership Corporation	2,877,000		69,649 50	59,123 77	128,773 27
Constellation Energy COMDS GRP Inc	9,388,000		232,565 66	197,419 32	429,984 98
DTE Energy Trading, Inc.	561,000		20,734 70	17,601 18	38,335 88
East Kentucky Power Cooperative	6,473,000		190,113 68	161,598 56	351,712 24
Fortis Energy Marketing & Trading GP	1,273,000		35,998 41	30,558 17	66,556 58
Illinois Municipal Electric Agency	1,109,000		36,713 19	31,164 94	67,878 13
Indiana Municipal Power Agency	1,847,000		63,655 11	320,023 51	383,678 62
Merrill Lynch Commodities Inc	1,510,000		54,003 45	45,842 21	99,845 66
Sempra Energy Trading Corp	2,020,000		76,478 36	64,920 62	141,398 98
The Energy Authority	281,000		9,253 38	7,854 96	17,108 34
Tennessee Valley Authority	29,381,000		713,027 01	605,271 21	1,318,298 22
Westar Energy, Inc	467,000		13,616 58	11,558 77	25,175 35
Miscellaneous	-		(7,674 05)	7,674 05	-
Kentucky Utilities Company	511,121,000		8,909,854.07	10.93	8,909,865.00
<b>TOTAL</b>	<b>710,540,000</b>	<b>\$ -</b>	<b>\$ 13,755,027 51</b>	<b>\$ 4,394,134 96</b>	<b>\$ 18,149,162 47</b>

For the Month Ending January 31, 2008	KWH	Demand(\$)	Fuel Charges(\$)	Other Charges(\$)	Total Charges(\$)
Midwest Independent Transmission System Operator, Inc	93,265,000		2,382,324 05	1,514,301 88	3,896,625 93
Midwest Contingency Reserve Sharing Group	333,000		22,060 13	14,021 64	36,081 77
PJM Interconnection Association	77,756,000		1,960,077 58	1,245,944 41	3,206,021 99
Associated Elect Cooperative	3,738,000		96,062 76	61,058 51	157,121 27
American Electric Power Service Corp.	6,364,000		189,491 96	120,443 10	309,935 06
Cargill-Alliant, LLC	4,400,000		133,907 09	85,112 76	219,019 85
Citigroup Energy, Inc.	244,000		7,388 18	4,696 01	12,084 19
Cobb Electric Membership Corporation	2,125,000		62,119 74	39,483 96	101,603 70
Constellation Energy COMDS GRP Inc	3,109,000		73,926 74	46,895 45	120,822 19
DTE Energy Trading, Inc	190,000		6,498 08	4,130 25	10,628 33
Duke Energy Carolinas, LLC	428,000		11,721 41	7,450 26	19,171 67
East Kentucky Power Cooperative	2,547,000		104,761 47	66,587 50	171,348 97
Fortis Energy Marketing & Trading GP	904,000		32,467 33	20,636 58	53,103 91
Illinois Municipal Electric Agency	601,000		23,102 76	14,684 35	37,787 11
Indiana Municipal Power Agency	789,000		28,547 59	18,145 16	46,692 75
Kansas City Power & Light	190,000		4,636 08	2,946 73	7,582 81
Merrill Lynch Commodities Inc	837,000		21,656 73	13,765 24	35,421 97
The Energy Authority	202,000		4,402 11	2,798 02	7,200 13
Transalta Energy Marketing (U S ) Inc	764,000		18,809 91	11,955 79	30,765 70
Tennessee Valley Authority	17,582,000		499,397 44	317,422 30	816,819 74
Westar Energy, Inc.	48,000		936 36	595 20	1,531 56
Miscellaneous	-		(14 92)	14 92	-
Kentucky Utilities Company	541,939,000		10,770,545.12	-	10,770,545.12
<b>TOTAL</b>	<b>758,355,000</b>	<b>\$ -</b>	<b>\$ 16,454,825 70</b>	<b>\$ 3,613,090 02</b>	<b>\$ 20,067,915 72</b>

For the Month Ending February 29, 2008	<u>KWH</u>	<u>Demand(\$)</u>	<u>Fuel Charges(\$)</u>	<u>Other Charges(\$)</u>	<u>Total Charges(\$)</u>
Midwest Independent Transmission System Operator, Inc	32,770,000		900,570 39	682,601 46	1,583,171 85
Midwest Contingency Reserve Sharing Group	183,000		10,780 96	8,171 60	18,952 56
PJM Interconnection Association	45,685,000		1,168,583 85	885,746 47	2,054,330 32
Associated Elect Cooperative	3,067,000		78,757 43	59,695 44	138,452 87
American Electric Power Service Corp.	1,113,000		26,269 71	19,911 55	46,181 26
Ameren Energy Marketing Company	148,000		4,265 68	3,233 23	7,498 91
Cargill-Alliant, LLC	1,293,000		33,506 58	25,396 83	58,903 41
Citigroup Energy, Inc	151,000		4,608 95	3,493 43	8,102 38
Cobb Electric Membership Corporation	599,000		14,836 50	11,245 55	26,082 05
Constellation Energy COMDS GRP. Inc	687,000		15,943 84	12,084 89	28,028 73
DTE Energy Trading, Inc.	90,000		1,789 77	1,356 59	3,146 36
East Kentucky Power Cooperative	346,000		12,001 72	9,096 89	21,098 61
Fortis Energy Marketing & Trading GP	1,063,000		24,234 36	18,368 81	42,603 17
Illinois Municipal Electric Agency	82,000		2,347 04	1,778 97	4,126 01
Indiana Municipal Power Agency	87,000		2,463 34	1,867 12	4,330 46
The Energy Authority	63,000		1,432 94	1,086 13	2,519 07
Tennessee Valley Authority	3,908,000		108,582 65	82,301 93	190,884 58
Westar Energy, Inc	99,000		3,882 11	2,942 47	6,824 58
Miscellaneous	-		726 71	(726 71)	-
Kentucky Utilities Company	359,434,000		7,525,413.70	-	7,525,413.70
<b>TOTAL</b>	450,868,000	\$ -	\$ 9,940,998 23	\$ 1,829,652 65	\$ 11,770,650 88

For the Month Ending March 31, 2008	<u>KWH</u>	<u>Demand(\$)</u>	<u>Fuel Charges(\$)</u>	<u>Other Charges(\$)</u>	<u>Total Charges(\$)</u>
Midwest Independent Transmission System Operator, Inc	54,725,000		1,640,678.70	1,135,071.74	2,775,750.44
Midwest Contingency Reserve Sharing Group	607,000		37,646.51	26,045.01	63,691.52
PJM Interconnection Association	56,138,000		1,784,766.51	1,234,756.10	3,019,522.61
Associated Elect Cooperative	3,707,000		147,456.58	102,014.97	249,471.55
American Electric Power Service Corp	1,066,000		35,495.89	24,557.14	60,053.03
Ameren Energy Marketing Company	182,000		4,784.21	3,309.87	8,094.08
Cargill-Alliant, LLC	3,562,000		113,447.53	78,486.47	191,934.00
Citigroup Energy, Inc	952,000		33,074.93	22,882.24	55,957.17
Cobb Electric Membership Corporation	1,732,000		47,277.27	32,707.87	79,985.14
Constellation Energy COMDS GRP Inc	909,000		33,686.46	23,305.34	56,991.80
East Kentucky Power Cooperative	1,634,000		62,023.78	42,909.95	104,933.73
Fortis Energy Marketing & Trading GP	545,000		20,419.13	14,126.57	34,545.70
Illinois Municipal Electric Agency	6,184,000		391,719.37	271,003.46	662,722.83
Indiana Municipal Power Agency	8,474,000		538,054.00	372,242.23	910,296.23
The Energy Authority	961,000		32,252.67	22,313.39	54,566.06
Tennessee Valley Authority	19,414,000		516,766.96	357,515.19	874,282.15
Miscellaneous	-		(18.83)	18.83	-
Kentucky Utilities Company	401,365,000		8,554,456.05	7,865.27	8,562,321.32
<b>TOTAL</b>	<u>562,157,000</u>	<u>\$ -</u>	<u>\$ 13,993,987.72</u>	<u>\$ 3,771,131.64</u>	<u>17,765,119.36</u>

For the Month Ending April 30, 2008	KWH	Demand(\$)	Fuel Charges(\$)	Other Charges(\$)	Total Charges(\$)
Midwest Independent Transmission System Operator, Inc.	25,709,000		720,862.94	657,689.22	1,378,552.16
Midwest Contingency Reserve Sharing Group	225,000		12,131.95	11,533.49	23,665.44
PJM Interconnection Association	53,305,000		\$1,439,208.31	1,306,461.09	\$2,745,669.40
Associated Elect Cooperative	1,657,000		53,678.49	48,747.83	102,426.32
American Electric Power Service Corp.	1,298,000		36,660.91	33,293.40	69,954.31
Ameren Energy Marketing Company	251,000		10,386.16	9,432.15	19,818.31
Cargill-Alliant, LLC	2,916,000		92,664.02	84,152.34	176,816.36
Citigroup Energy, Inc.	709,000		24,298.97	22,066.98	46,365.95
Cobb Electric Membership Corporation	989,000		\$26,466.66	24,035.54	\$50,502.20
Constellation Energy COMDS GRP Inc.	1,539,000		50,128.05	45,523.50	95,651.55
Duke Energy Carolinas, LLC	3,224,000		73,153.62	66,434.07	139,587.69
East Kentucky Power Cooperative	637,000		24,876.59	22,591.54	47,468.13
Fortis Energy Marketing & Trading GP	1,030,000		33,573.46	30,489.55	64,063.01
Illinois Municipal Electric Agency	168,000		9,970.67	9,054.79	19,025.46
Indiana Municipal Power Agency	260,000		14,880.03	13,513.21	28,393.24
The Energy Authority	1,382,000		29,516.30	26,805.08	56,321.38
Tennessee Valley Authority	11,890,000		284,222.99	258,115.55	542,338.54
Westar Energy, Inc.	356,000		11,351.73	10,308.96	21,660.69
Miscellaneous	-		1,492.91	(1,492.91)	-
Kentucky Utilities Company	350,222,000		6,667,782.60	499.60	6,668,282.20
<b>TOTAL</b>	<b>457,767,000</b>	<b>\$ -</b>	<b>\$ 9,617,307.36</b>	<b>\$ 2,679,254.98</b>	<b>\$ 12,296,562.34</b>



For the Month Ending May 31, 2008	<u>KWH</u>	<u>Demand(\$)</u>	<u>Fuel Charges(\$)</u>	<u>Other Charges(\$)</u>	<u>Total Charges(\$)</u>
Midwest Independent Transmission System Operator, Inc	67,070,000		1,642,118.56	1,496,528.64	3,138,647.20
Midwest Contingency Reserve Sharing Group	533,000		29,494.64	26,879.65	56,374.29
PJM Interconnection Association	113,452,000		\$2,687,646.67	2,449,392.99	5,137,039.66
Associated Elect Cooperative	7,425,000		177,505.76	161,768.12	339,273.88
American Electric Power Service Corp	4,128,000		99,750.73	90,906.85	190,657.58
Cargill-Alliant, LLC	6,173,000		166,054.83	151,332.45	317,387.28
Citigroup Energy, Inc	299,000		7,033.61	6,410.01	13,443.62
Cobb Electric Membership Corporation	7,122,000		\$190,493.20	173,528.43	364,021.63
Constellation Energy COMDS GRP. Inc	3,128,000		87,875.69	80,084.63	167,960.32
DTE Energy Trading, Inc	339,000		10,638.07	9,694.89	20,332.96
East Kentucky Power Cooperative	619,000		\$14,017.31	12,189.18	26,206.49
Fortis Energy Marketing & Trading GP	1,139,000		35,842.79	32,664.99	68,507.78
Illinois Municipal Electric Agency	70,000		2,096.24	1,910.40	4,006.64
Indiana Municipal Power Agency	240,000		7,189.03	6,551.65	13,740.68
Integrus Energy Services	727,000		25,595.70	23,326.39	48,922.09
Energy Imbalance	18,000		584.59	532.76	\$1,117.35
Merrill Lynch Commodities Inc	3,728,000		117,598.71	107,172.45	224,771.16
The Energy Authority	4,856,000		133,322.86	121,502.49	254,825.35
Tennessee Valley Authority	19,218,000		494,736.63	450,873.38	945,610.01
Westar Energy, Inc	388,000		7,905.19	7,204.33	15,109.52
Miscellaneous	-		(2.58)	2.58	-
Kentucky Utilities Company	475,939,000		8,969,044.74	13,264.07	8,982,308.81
<b>TOTAL</b>	<u>716,611,000</u>	<u>\$ -</u>	<u>\$ 14,906,542.97</u>	<u>\$ 5,423,721.33</u>	<u>\$ 20,330,264.30</u>

For the Month Ending June 30, 2008	KWH	Demand(\$)	Fuel Charges(\$)	Other Charges(\$)	Total Charges(\$)
Midwest Independent Transmission System Operator, Inc.	29,992,000		831,262.14	748,392.75	1,579,654.89
Midwest Contingency Reserve Sharing Group	720,000		50,544.18	45,505.38	96,049.56
PJM Interconnection Association	84,226,000		2,077,714.49	1,870,584.96	3,948,299.45
Associated Elect Cooperative	3,010,000		87,207.30	78,513.52	165,720.82
American Electric Power Service Corp	3,638,000		95,618.91	86,086.56	181,705.47
Ameren Energy Marketing Company	95,000		2,172.53	1,955.94	4,128.47
Cargill-Alliant, LLC	5,511,000		145,041.53	130,582.19	275,623.72
Citigroup Energy, Inc.	344,000		10,408.99	9,371.32	19,780.31
Cobb Electric Membership Corporation	5,029,000		144,584.52	130,170.74	274,755.26
Constellation Energy COMDS GRP Inc	4,597,000		117,776.55	106,035.28	223,811.83
Duke Energy Carolinas, LLC	149,000		3,928.01	3,536.43	7,464.44
East Kentucky Power Cooperative	286,000		10,476.42	9,432.02	19,908.44
Fortis Energy Marketing & Trading GP	810,000		20,680.02	18,618.41	39,298.43
Illinois Municipal Electric Agency	324,000		7,765.10	6,990.99	14,756.09
Indiana Municipal Power Agency	417,000		9,750.46	8,778.42	18,528.88
Integrus Energy Services	715,000		31,142.11	28,037.53	59,179.64
Energy Imbalance	-		306.26	2,159.39	2,465.65
Merrill Lynch Commodities Inc	1,510,000		53,276.39	47,965.21	101,241.60
Southern Company Services, Inc.	6,087,000		135,255.73	121,771.94	257,027.67
The Energy Authority	13,248,000		323,643.34	291,379.01	615,022.35
Tenaska Power Services Co	1,865,000		88,560.51	79,731.83	168,292.34
Tennessee Valley Authority	13,658,000		464,469.98	418,166.47	882,636.45
Westar Energy, Inc	145,000		4,395.05	3,956.87	8,351.92
Miscellaneous	-		(0.55)	0.55	-
Kentucky Utilities Company	353,307,000		8,852,652.72	33.37	8,852,686.09
<b>SUBTOTAL</b>	<b>529,683,000</b>	<b>\$ -</b>	<b>\$ 13,568,632.69</b>	<b>\$ 4,247,757.08</b>	<b>\$ 17,816,389.77</b>
Lossess Across Other Systems (Not Billed)	192,000				
<b>TOTAL</b>	<b>529,875,000</b>	<b>\$ -</b>	<b>\$ 13,568,632.69</b>	<b>\$ 4,247,757.08</b>	<b>\$ 17,816,389.77</b>

For the Month Ending July 31, 2008	KWH	Demand(\$)	Fuel Charges(\$)	Other Charges(\$)	Total Charges(\$)
Midwest Independent Transmission System Operator, Inc	17,433,000		420,799.72	351,895.88	772,695.60
Midwest Contingency Reserve Sharing Group	628,000		40,332.07	33,818.10	74,150.17
PJM Interconnection Association	98,463,000		2,567,648.61	2,152,934.91	4,720,583.52
Dynegy Power Marketing, Inc.	-		-	(1.39)	(1.39)
Associated Elect Cooperative	2,340,000		69,102.65	57,940.91	127,043.56
American Electric Power Service Corp.	1,613,000		47,320.35	39,675.57	86,995.92
Ameren Energy Marketing Company	-		-	(0.16)	(0.16)
Cargill-Alliant, LLC	2,404,000		71,210.02	59,707.31	130,917.33
Cobb Electric Membership Corporation	8,894,000		233,279.74	195,602.99	428,882.73
Constellation Energy COMDS GRP. Inc.	2,650,000		77,594.32	65,062.87	142,657.19
DTE Energy Trading, Inc.	88,000		4,776.63	4,005.07	8,781.70
Duke Energy Carolinas, LLC	176,000		5,102.97	4,278.48	9,381.45
East Kentucky Power Cooperative	150,000		4,891.95	4,101.75	8,993.70
Fortis Energy Marketing & Trading GP	176,000		6,012.17	5,041.00	11,053.17
Illinois Municipal Electric Agency	1,016,000		41,453.97	34,759.16	76,213.13
Indiana Municipal Power Agency	1,087,000		44,607.62	37,397.33	82,004.95
Integrus Energy Services	269,000		5,913.50	4,952.12	10,865.62
Energy Imbalance	-		-	(0.06)	(0.06)
Merrill Lynch Commodities Inc	938,000		25,822.95	21,652.54	47,475.49
Ohio Valley Electric Corporation	-		-	(0.06)	(0.06)
Owensboro Municipal Utilities	-		-	(0.05)	(0.05)
Progress Energies Carolinas Inc.	220,000		6,390.68	5,358.28	11,748.96
Southern Company Services, Inc	5,784,000		130,712.72	109,601.95	240,314.67
The Energy Authority	18,480,000		419,615.09	351,844.53	771,459.62
Tenaska Power Services Co	2,303,000		91,051.82	76,346.12	167,397.94
Tennessee Valley Authority	8,681,000		350,286.29	293,715.13	644,001.42
Westar Energy, Inc.	2,251,000		62,317.50	52,253.26	114,570.76
Miscellaneous	-		676.49	(676.49)	-
Kentucky Utilities Company	290,054,000		7,448,935.66	37.82	7,448,973.48
<b>SUBTOTAL</b>	466,098,000	\$ -	\$ 12,175,855.49	\$ 3,961,304.87	\$ 16,137,160.36
Lossess Across Other Systems (Not Billed)	177,000				
<b>TOTAL</b>	466,275,000	\$ -	\$ 12,175,855.49	\$ 3,961,304.87	\$ 16,137,160.36

For the Month Ending August 31, 2008	KWH	Demand(\$)	Fuel Charges(\$)	Other Charges(\$)	Total Charges(\$)
Midwest Independent Transmission System Operator, Inc.	17,974,000.0		487,807.50	215,530.86	703,338.36
Midwest Contingency Reserve Sharing Group	1,396,000.0		99,239.48	43,838.52	143,078.00
PJM Interconnection Association	66,797,000.0		1,929,280.98	852,544.64	2,781,825.62
Associated Elect Cooperative	590,000.0		14,522.72	6,415.34	20,938.06
American Electric Power Service Corp	232,000.0		6,424.34	2,837.92	9,262.26
Cargill-Alliant, LLC	1,613,000.0		42,512.57	18,779.71	61,292.28
Citigroup Energy, Inc	906,000.0		21,821.73	9,125.29	30,947.02
Cobb Electric Membership Corporation	5,699,000.0		158,210.10	69,888.50	228,098.60
Constellation Energy COMDS GRP. Inc.	643,000.0		20,263.76	8,951.42	29,215.18
DTE Energy Trading, Inc	42,000.0		1,950.31	861.53	2,811.84
Duke Energy Carolinas, LLC	84,000.0		3,082.76	1,361.79	4,444.55
Illinois Municipal Electric Agency	7,057,000.0		455,657.46	201,284.33	656,941.79
Indiana Municipal Power Agency	3,483,000.0		210,923.92	93,174.54	304,098.46
Integrus Energy Services	84,000.0		7,989.85	3,529.47	11,519.32
Merrill Lynch Commodities Inc	126,000.0		3,426.58	1,513.67	4,940.25
Progress Energies Carolinas Inc	18,107,000.0		467,716.47	206,611.33	674,327.80
Southern Company Services, Inc.	4,091,000.0		102,334.60	45,205.79	147,540.39
The Energy Authority	5,870,000.0		155,656.32	68,760.38	224,416.70
Tenaska Power Services Co	389,000.0		11,512.15	5,085.43	16,597.58
Tennessee Valley Authority	2,611,000.0		78,607.82	34,724.60	113,332.42
Westar Energy, Inc	1,017,000.0		29,254.80	12,923.17	42,177.97
Kentucky Utilities Company	233,850,000.0		5,789,088.87	2,464.89	5,791,553.76
<b>SUBTOTAL</b>	372,661,000.0	\$ -	\$ 10,097,285.09	\$ 1,905,413.12	\$ 12,002,698.21
Lossess Across Other Systems (Not Billed)	125,000.0				
<b>TOTAL</b>	372,786,000.0	\$ -	\$ 10,097,285.09	\$ 1,905,413.12	\$ 12,002,698.21

For the Month Ending September 30, 2008	KWH	Demand(\$)	Fuel Charges(\$)	Other Charges(\$)	Total Charges(\$)
Midwest Independent Transmission System Operator, Inc	47,513,000		\$ 1,142,263 06	\$ 750,689 72	\$ 1,892,952 78
Midwest Contingency Reserve Sharing Group	507,000		\$ 31,617 36	\$ 20,778 25	\$ 52,395 61
PJM Interconnection Association	139,954,000		\$ 3,932,540 29	\$ 2,584,343 67	\$ 6,516,883 96
Associated Elect Cooperative	542,000		\$ 14,880 90	\$ 9,780 62	\$ 24,661 52
American Electric Power Service Corp	417,000		\$ 12,145 43	\$ 7,983 26	\$ 20,128 69
Ameren Energy Marketing Company	185,000		\$ 6,139 19	\$ 4,034 54	\$ 10,173 73
Cargill-Alliant, LLC	3,773,000		\$ 109,118 57	\$ 71,711 69	\$ 180,830 26
Citigroup Energy, Inc	544,000		\$ 15,391 45	\$ 10,114 92	\$ 25,506 37
Cobb Electric Membership Corporation	4,568,000		\$ 132,517 45	\$ 87,088 43	\$ 219,605 88
Constellation Energy COMDS GRP. Inc.	834,000		\$ 23,278 88	\$ 15,300 26	\$ 38,579 14
DTE Energy Trading, Inc	219,000		\$ 5,961 10	\$ 3,917 43	\$ 9,878 53
East Kentucky Power Cooperative	-		\$ -	\$ 0 13	\$ 0 13
Fortis Energy Marketing & Trading GP	185,000		\$ 6,250 94	\$ 4,108 28	\$ 10,359 22
Illinois Municipal Electric Agency	2,015,000		\$ 71,164 14	\$ 46,766 88	\$ 117,931 02
Indiana Municipal Power Agency	681,000		\$ 16,819 18	\$ 11,053 21	\$ 27,872 39
Integrus Energy Services	278,000		\$ 7,407 83	\$ 4,868 49	\$ 12,276 32
Merrill Lynch Commodities Inc.	278,000		\$ 11,374 95	\$ 7,475 94	\$ 18,850 89
Progress Energies Carolinas Inc.	10,402,000		\$ 318,475 28	\$ 209,291 46	\$ 527,766 74
Southern Company Services, Inc	20,069,000		\$ 519,337 03	\$ 341,294 01	\$ 860,631 04
The Energy Authority	22,959,000		\$ 598,658 45	\$ 393,424 77	\$ 992,083 22
Tenaska Power Services Co	4,327,000		\$ 129,659 22	\$ 85,208 62	\$ 214,867 84
Tennessee Valley Authority	24,287,000		\$ 703,440 37	\$ 462,284 18	\$ 1,165,724 55
Ameren Energy, Inc.	185,000		\$ 5,133 43	\$ 3,373 60	\$ 8,507 03
Duke Energy Carolinas, LLC	-		\$ -	\$ 0 05	\$ 0 05
Miscellaneous	-		\$ 1,432 09	\$ (1,432 09)	\$ -
Kentucky Utilities Company	358,190,000		\$ 7,987,473.47	\$ 1.78	\$ 7,987,475.25
<b>SUBTOTAL</b>	<u>642,912,000</u>	<u>\$ -</u>	<u>\$ 15,802,480 06</u>	<u>\$ 5,133,462 10</u>	<u>\$ 20,935,942 16</u>
Losses Across Other Systems (Not Billed)	679,000				
<b>TOTAL</b>	<u>643,591,000</u>	<u>\$ -</u>	<u>\$ 15,802,480 06</u>	<u>\$ 5,133,462 10</u>	<u>\$ 20,935,942 16</u>

For the Month Ending October 31, 2008	KWH	Demand(\$)	Fuel Charges(\$)	Other Charges(\$)	Total Charges(\$)
Midwest Independent Transmission System Operator, Inc.	162,090,000		4,506,077.18	2,115,758.17	6,621,835.35
Midwest Contingency Reserve Sharing Group	299,000		21,324.48	10,012.58	31,337.06
PJM Interconnection Association	167,260,000		5,086,377.43	2,388,229.09	7,474,606.52
Associated Elect Cooperative	308,000		9,063.60	4,255.67	13,319.27
American Electric Power Service Corp.	44,000		1,546.86	726.31	2,273.17
Ameren Energy Marketing Company	308,000		7,538.39	3,539.52	11,077.91
Cargill-Alliant, LLC	1,027,000		28,159.78	13,221.99	41,381.77
Citigroup Energy, Inc	1,301,000		40,385.41	18,962.33	59,347.74
Cobb Electric Membership Corporation	793,000		28,097.81	13,192.90	41,290.71
Constellation Energy COMDS GRP Inc.	222,000		7,510.20	3,526.29	11,036.49
DTE Energy Trading, Inc	88,000		2,495.61	1,171.77	3,667.38
Duke Energy Carolinas, LLC	2,653,000		95,804.32	44,983.42	140,787.74
East Kentucky Power Cooperative	1,384,000		41,115.33	19,305.07	60,420.40
Endure Energy	3,729,000		116,964.25	54,918.73	171,882.98
Fortis Energy Marketing & Trading GP	70,000		2,370.35	1,112.96	3,483.31
Illinois Municipal Electric Agency	133,000		3,310.56	1,554.43	4,864.99
Indiana Municipal Power Agency	150,000		3,755.64	1,763.40	5,519.04
Energy Imbalance	94,000		3,038.16	1,426.53	4,464.69
Merrill Lynch Commodities Inc	781,000		27,031.17	12,692.07	39,723.24
Progress Energies Carolinas Inc.	21,547,000		653,484.96	306,833.65	960,318.61
Southern Company Services, Inc	16,740,000		545,559.67	256,159.01	801,718.68
The Energy Authority	10,935,000		295,082.06	138,551.19	433,633.25
Tenaska Power Services Co.	7,908,000		237,081.16	111,317.75	348,398.91
Tennessee Valley Authority	4,303,000		132,565.61	62,244.11	194,809.72
Ameren Energy, Inc	176,000		4,333.29	2,034.62	6,367.91
Westar Energy, Inc	151,000		5,089.47	2,389.69	7,479.16
Miscellaneous	-		6.71	(6.71)	-
Kentucky Utilities Company	541,774,000		12,455,619.38	-	12,455,619.38
<b>SUBTOTAL</b>	<b>946,268,000</b>	<b>\$ -</b>	<b>\$ 24,360,788.84</b>	<b>\$ 5,589,876.54</b>	<b>\$ 29,950,665.38</b>
Lossess Across Other Systems (Not Billed)	537,000				
<b>TOTAL</b>	<b>946,805,000</b>	<b>\$ -</b>	<b>\$ 24,360,788.84</b>	<b>\$ 5,589,876.54</b>	<b>\$ 29,950,665.38</b>



**LOUISVILLE GAS AND ELECTRIC COMPANY**

**Response to Information Requested in  
Appendix B of Commission's Order  
Dated January 23, 2009**

**Case No. 2008-00521**

**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 2006 through October 2008.
- b. Describe the actions that LG&E has taken to reduce line loss during this period.
- A-13. a. Please see the attached sheet.
- b. LG&E'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 incorporated into the selection of distribution and substation transformers.



Louisville Gas and Electric Company  
12 month Average Line Loss  
November 2006 - October 2008

(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-2006	12,767,331,858	632,496,408	4.954022%	945,503,000	46,840,427
Dec-2006	12,709,538,653	605,365,059	4.763077%	1,017,316,000	48,455,544
Jan-2007	12,772,388,654	613,908,463	4.806528%	1,049,458,000	50,442,493
Feb-2007	12,851,801,255	622,264,746	4.841848%	1,015,775,000	49,182,282
Mar-2007	12,860,213,356	607,743,848	4.725768%	987,411,000	46,662,753
Apr-2007	12,873,180,357	605,345,180	4.702375%	944,191,320	44,399,417
May-2007	12,973,741,858	597,433,377	4.604943%	1,123,247,680	51,724,915
Jun-2007	13,041,660,159	588,735,114	4.514265%	1,239,727,000	55,964,562
Jul-2007	12,979,005,360	565,677,776	4.358406%	1,305,292,000	56,889,925
Aug-2007	13,107,701,961	562,890,678	4.294351%	1,529,607,000	65,686,694
Sep-2007	13,318,903,978	586,921,453	4.406680%	1,196,546,000	52,727,953
Oct-2007	13,369,019,000	561,323,115	4.198686%	1,002,371,000	42,086,411
Nov-2007	13,381,269,000	596,633,512	4.458721%	950,729,000	42,390,354
Dec-2007	13,410,455,000	614,578,634	4.582832%	1,032,599,000	47,322,277
Jan-2008	13,460,058,000	605,842,592	4.501040%	1,105,318,000	49,750,805
Feb-2008	13,432,064,000	598,818,187	4.458125%	999,439,000	44,556,240
Mar-2006	13,433,738,000	590,228,709	4.393630%	990,396,000	43,514,336
Apr-2008	13,411,557,000	598,790,784	4.464737%	906,878,000	40,489,718
May-2008	13,257,377,000	619,832,983	4.675382%	957,758,000	44,778,845
Jun-2008	13,257,998,000	618,130,165	4.662319%	1,234,677,000	57,564,580
Jul-2008	13,267,155,000	638,313,437	4.811231%	1,309,724,000	63,013,847
Aug-2008	13,025,048,000	618,919,140	4.751761%	1,298,452,685	61,699,368
Sep-2008	12,888,933,000	610,882,414	4.739589%	1,079,510,661	51,164,369
Oct-2008	12,821,469,000	613,645,884	4.786081%	950,853,000	45,508,595



**LOUISVILLE GAS AND ELECTRIC COMPANY**

**Response to Information Requested in  
Appendix B of Commission's Order  
Dated January 23, 2009**

**Case No. 2008-00521**

**Question No. 14**

**Witness: Frederick D. Jackson**

Q-14. List LG&E's scheduled, actual, and forced outages between May 1, 2008 and October 31, 2008.

A-14. Please see the attached sheets.

Louisville Gas & Electric Company  
 Cane Run Unit #4 - Coal - 155 MW  
 May 2008 through October 2008

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	Scheduled	Actual		
May	F	5/3/2008 0:00	5/2/2008 7:36	5/3/2008 7:00	23:24	Upper arch waterwall tube header leak repair
June	S	5/25/2008 15:00	5/3/2008 7:00	5/24/2008 10:11	507:11	Right lower waterwall header replacement
July	F		6/3/2008 17:57	6/4/2008 0:57	7:00	Main steam thermocouple repair
August						
September						
October	S	10/24/2008 22:23	10/27/2008 2:10	10/27/2008 2:10	51:47	Waterwall platen tube leak repairs

Report dates of forced outage in columns headed Actual

Louisville Gas & Electric Company  
 Cane Run Unit #5 - Coal - 168 MW  
 May 2008 through October 2008

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						
June	No outages > or = 6 hours						
July	No outages > or = 6 hours						
August	F		8/12/2008 20:09	→		459:51	Generator rotor collector rings
September	F		→	9/14/2008 1:00		313:00	Generator rotor collector rings
	F		9/14/2008 1:00	9/14/2008 12:29		11:29	Master fuel trip
	F		9/14/2008 20:42	9/16/2008 22:22		49:40	Generator bearing oil leak
October	No outages > or = 6 hours						

Louisville Gas & Electric Company  
 Cane Run Unit #6 - Coal - 240 MW  
 May 2008 through October 2008

Schedule vs Actual

MONTH	SCHEDULED		ACTUAL		HOURS OF DURATION		REASON FOR DEVIATION FROM SCHEDULED MAINTENANCE OR REASON FOR FORCED OUTAGE AS APPROPRIATE
	FROM	TO	FROM	TO	Scheduled	Actual	
May	F	5/30/2008 13:30	5/28/2008 12:32	5/30/2008 13:30	48:58	33:33	Flue gas desulfurization carryover due to mist eliminator pluggage
	S	5/30/2008 13:30	5/30/2008 13:30	5/31/2008 23:03	33:33	33:33	High pressure heater tube leak
June	F		6/4/2008 22:25	6/5/2008 11:41	13:16		Condenser tube leak
	F		6/8/2008 18:47	6/11/2008 21:49	75:02		Flue gas desulfurization thickener rake cleaned
	F		6/28/2008 9:46	6/30/2008 10:05	48:19		Boiler reheat leak repairs
July		No outages > or = 6 hours					
August	F		8/15/2008 18:53	8/18/2008 9:17	62:24		Flue gas desulfurization thickener cleaned
September		No outages > or = 6 hours					
October		No outages > or = 6 hours					

Schedule vs Actual

Louisville Gas & Electric Company  
 Mill Creek Unit #1 - Coal - 303 MW  
 May 2008 through October 2008

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	F		→	5/1/2008 18:17	18:17		Second reheater boiler tube failure
	F		5/20/2008 10:24	5/21/2008 17:38	31:14		Second reheater boiler tube failure
	F		5/21/2008 17:38	5/23/2008 0:13	30:35		Boiler waterwall boiler tube failure
June	No outages > or = 6 hours						
July	F		7/1/2008 1:21	7/2/2008 1:11	23:50		Main steam line - leak at the seal-weld on a threaded thermocouple
August	F		8/3/2008 19:50	8/5/2008 2:28	30:38		Second reheater boiler tube failure
	F		8/5/2008 18:29	8/6/2008 20:08	25:39		Second reheater boiler tube failure
	F		8/22/2008 8:34	8/24/2008 1:29	40:55		Second reheater boiler tube failure
September	No outages > or = 6 hours						
October	S		10/11/2008 0:00	→	504:00	504:11	Planned outage - boiler inspection

Schedule vs Actual

Louisville Gas & Electric Company  
 Mill Creek Unit #2 - Coal - 301 MW  
 May 2008 through October 2008

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 5/23/2008 22:02	5/26/2008 21:53	5/23/2008 22:02	5/26/2008 21:53	71:51	71:51	Air heater - wash
June	F		6/7/2008 9:52	6/8/2008 21:22	39:30		Condenser tube leak
July	F		7/7/2008 2:00	7/13/2008 21:26	163:26		Turbine turning gear
	F		7/13/2008 21:32	7/14/2008 11:36	14:04		Turbine vacuum trp
	S	7/30/2008 13:34	→	→	34:26	34:26	Second superheater boiler tube
August	S	→	8/1/2008 1:51	→	1:51	1:51	Second superheater boiler tube
	S	8/30/2008 0:28	8/30/2008 22:33	8/30/2008 0:28	22:05	22:05	Waterwall boiler tube
September	S	9/13/2008 0:00	9/21/2008 15:00	9/16/2008 22:17	207:00	105:41	Planned outage - boiler inspection
October	No outages > or = 6 hours						



Louisville Gas & Electric Company  
 Mill Creek Unit #3 - Coal - 391 MW  
 May 2008 through October 2008

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						
June	No outages > or = 6 hours						
July	S	7/1/2008 23:21	7/3/2008 5:48	7/1/2008 23:21	7/3/2008 5:48	30:27	Waterwall boiler tube
August	F			8/31/2008 15:28	→	8:32	Waterwall boiler tube failure
September	F			→	9/1/2008 14:26	14:26	Waterwall boiler tube failure
October	S	10/3/2008 21:58	10/6/2008 2:55	10/3/2008 21:58	10/6/2008 2:55	52:57	Condenser tube leak

Louisville Gas & Electric Company  
 Mill Creek Unit #4 - Coal - 477 MW  
 May 2008 through October 2008

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	5/17/2008 0:13	5/17/2008 22:41	5/17/2008 11:17	5/22/2008 13:51	26:34	Flue gas desulfurization inlet duct - expansion joint split
June	S	5/17/2008 0:13	5/17/2008 22:41	5/17/2008 0:13	5/17/2008 22:41	22:28	Waterwall boiler tube
July	F	6/5/2008 21:38	6/7/2008 1:51	6/5/2008 21:38	6/7/2008 1:51	28:13	Loss of stator coolant - stator outlet temperature transmitter failure
July	F	7/15/2008 16:19	7/15/2008 23:34	7/15/2008 16:19	7/15/2008 23:34	7:15	Turbine trip - electric hydraulic control pressure
July	F	7/23/2008 0:02	7/24/2008 9:54	7/23/2008 0:02	7/24/2008 9:54	33:52	Main steam pipe - 2" drain line cracked
August	No outages > or = 6 hours						
September	No outages > or = 6 hours						
October	S	10/17/2008 22:39	10/20/2008 4:32	10/17/2008 22:39	10/20/2008 4:32	53:53	Air heater - sootblower lance repair

Schedule vs Actual

Louisville Gas & Electric Company  
 Trimble County Unit #1 - Coal - 383 MW (75% ownership share of 511 MW)  
 May 2008 through October 2008

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						
June	No outages > or = 6 hours						
July	No outages > or = 6 hours						
August	F		8/12/2008 11:58	8/3/2008 20:27	56:29		Boiler tube failure
	F		8/4/2008 6:08	8/5/2008 7:00	24:52		Second superheater boiler tube failure
	F		8/5/2008 17:25	8/7/2008 4:37	35:12		Superheater boiler tube failure
September	S	9/12/2008 23:34	9/15/2008 1:50	9/15/2008 1:50	50:16	50:16	First reheater boiler tube
October	No outages > or = 6 hours						

Louisville Gas & Electric Company  
 Cane Run Unit #11 - Gas CT - 14 MW  
 May 2008 through October 2008

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	No outages > or = 6 hours								
June	No outages > or = 6 hours								
July	No outages > or = 6 hours								
August	No outages > or = 6 hours								
September	No outages > or = 6 hours								
October					10/9/2008 13:45	10/10/2008 15:25		25:40	Battery charger failed to keep starter battery charged

Louisville Gas & Electric Company  
 Paddys Run Unit #11 - Gas CT - 12 MW  
 May 2008 through October 2008

Schedule vs Actual

MONTH	SCHEDULED		ACTUAL		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					
June	No outages > or = 6 hours					
July	No outages > or = 6 hours					
August	No outages > or = 6 hours					
September	No outages > or = 6 hours					
October	S	10/1/2008 7:28	10/1/2008 14:09	10/1/2008 7:28	10/1/2008 14:09	6:41
						6:41
						Transmission department performing breaker testing

Schedule vs Actual

Louisville Gas & Electric Company  
 Paddys Run Unit #12 - Gas CT - 23 MW  
 May 2008 through October 2008

MONTH	SCHEDULED		ACTUAL		REASON FOR DEVIATION FROM SCHEDULED MAINTENANCE OR REASON FOR FORCED OUTAGE AS APPROPRIATE	
	FROM	TO	FROM	TO	Scheduled	Actual

May	F		5/20/2008 9:30	5/22/2008 9:40	48:10	Air compressor - motor starter failure
June		No outages > or = 6 hours				
July		No outages > or = 6 hours				
August		No outages > or = 6 hours				
September		No outages > or = 6 hours				
October		No outages > or = 6 hours				

Louisville Gas & Electric Company  
 Paddys Run Unit # 13 - Gas CT - 158 MW  
 May 2008 through October 2008

Schedule vs Actual

MONTH	SCHEDULED		ACTUAL		HOURS OF DURATION		REASON FOR DEVIATION FROM SCHEDULED MAINTENANCE OR REASON FOR FORCED OUTAGE AS APPROPRIATE
	FROM	TO	FROM	TO	Scheduled	Actual	
May	S	4/12/2008 0:00	4/20/2008 15:00	→	→	0:00	744:00 Combustion inspection
June	S	4/12/2008 0:00	4/20/2008 15:00	→	6/13/2008 14:40	0:00	302:40 Combustion inspection
	S	4/12/2008 0:00	4/20/2008 15:00	6/13/2008 15:41	6/14/2008 17:34	0:00	25:53 Combustion inspection
	S	4/12/2008 0:00	4/20/2008 15:00	6/14/2008 18:40	6/18/2008 7:39	0:00	84:59 Combustion inspection
	S	4/12/2008 0:00	4/20/2008 15:00	6/18/2008 9:48	6/19/2008 13:56	0:00	28:08 Combustion inspection
	S	4/12/2008 0:00	4/20/2008 15:00	6/19/2008 14:49	6/20/2008 9:57	0:00	19:08 Combustion inspection
	S	4/12/2008 0:00	4/20/2008 15:00	6/20/2008 10:19	6/27/2008 12:29	0:00	170:10 Combustion inspection
July	F			7/29/2008 22:25	7/30/2008 8:30	10:05	Gas controller fault
August	No outages > or = 6 hours						
September	S	9/17/2008 8:00	9/17/2008 20:50	9/17/2008 8:00	9/17/2008 20:50	12:50	12:50 Inspection of vanes & blades, seal oil vacuum pump replacement
	S	9/24/2008 9:01	9/26/2008 9:00	9/24/2008 9:01	9/26/2008 9:00	47:59	47:59 Generator protected device testing
October	S	10/31/2008 7:00	10/31/2008 14:10	10/31/2008 7:00	10/31/2008 14:10	7:10	7:10 Gas pipeline maintenance performed by gas department

Louisville Gas & Electric Company  
 Trimble County Unit #5 - Gas CT - 160 MW  
 May 2008 through October 2008

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						
June	S	6/14/2008 6:30	6/14/2008 14:54	6/14/2008 6:30	6/14/2008 14:54	8:24	8:24 Turbine compressor washing
July	S	7/14/2008 13:30	7/15/2008 5:38	7/14/2008 13:30	7/15/2008 5:38	16:08	16:08 Motor operated disconnects on TC5 line were replaced
August	S	8/15/2008 21:00	8/16/2008 6:35	8/15/2008 21:00	8/16/2008 6:35	9:35	9:35 Repair motor operated disconnects on TC7
September	No outages > or = 6 hours						
October	S	10/6/2008 3:00	10/7/2008 1:08	10/6/2008 3:00	10/7/2008 1:08	22:08	22:08 Motor operated disconnects adjusted



Louisville Gas & Electric Company  
 Trimble County Unit #6 - Gas CT - 160 MW  
 May 2008 through October 2008

Schedule vs Actual

MONTH	SCHEDULED		ACTUAL		HOURS OF DURATION		REASON FOR DEVIATION FROM SCHEDULED MAINTENANCE OR REASON FOR FORCED OUTAGE AS APPROPRIATE
	FROM	TO	FROM	TO	Scheduled	Actual	
May	S	5/17/2008 0:00	→	5/11/2008 22:00	→	360:00	482:00 Combustion inspection
June	S	→	6/8/2008 15:00	→	6/6/2008 7:36	183:00	127:36 Combustion inspection
July	S	6/15/2008 6:39	6/15/2008 17:00	6/15/2008 6:39	6/15/2008 17:00	10:21	10:21 Turbine compressor washing
August	S	7/14/2008 13:30	7/15/2008 5:38	7/14/2008 13:30	7/15/2008 5:38	16:08	16:08 Motor operated disconnects on TC5 line were replaced
September	S	8/15/2008 21:00	8/16/2008 6:35	8/15/2008 21:00	8/16/2008 6:35	9:35	9:35 Repair motor operated disconnects on TC7
October	S	10/6/2008 3:00	10/7/2008 12:32	10/6/2008 3:00	10/7/2008 12:32	33:32	33:32 Motor operated disconnects adjusted

No outages > or = 6 hours

Louisville Gas & Electric Company  
 Trimble County Unit #7 - Gas CT - 160 MW  
 May 2008 through October 2008

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	5/4/2008 15:00	5/4/2008 8:20	4/29/2008 9:27	87:00	0:00	Combustion inspection
	S	5/1/2008 8:20	5/4/2008 0:15	5/4/2008 0:15	63:55	63:55	Generator hydrogen fan inspections
June	S	6/19/2008 6:45	6/19/2008 13:15	6/19/2008 6:45	6:30	6:30	Turbine compressor water washing
July	S	7/14/2008 13:30	7/15/2008 5:38	7/14/2008 13:30	16:08	16:08	Motor operated disconnects on TC5 line were replaced
August	F			8/15/2008 12:56	17:39		Failure in the motor operated disconnects
September	No outages > or = 6 hours						
October	S	10/6/2008 3:00	10/7/2008 1:02	10/6/2008 3:00	22:02	22:02	Motor operated disconnects adjusted
	S	10/7/2008 3:50	10/7/2008 20:17	10/7/2008 3:50	16:27	16:27	Generator protection devices testing

Schedule vs Actual

Louisville Gas & Electric Company  
 Trimble County Unit #8 - Gas CT - 160 MW  
 May 2008 through October 2008

MONTH	MAINTENANCE				Actual		HOURS OF DURATION		REASON FOR DEVIATION FROM SCHEDULED MAINTENANCE OR REASON FOR FORCED OUTAGE AS APPROPRIATE
	Scheduled	TO	FROM	TO	Scheduled	Actual	Forced		
	FROM	TO	FROM	TO	Scheduled	Actual	Actual		
May	No outages > or = 6 hours								
June	S	6/17/2008 7:20	6/17/2008 19:27	6/17/2008 7:20	6/17/2008 19:27	12:07		12:07	Turbine compressor water washing
July	No outages > or = 6 hours								
August	S	8/19/2008 7:45	8/19/2008 20:00	8/19/2008 7:45	8/19/2008 20:00	12:15		12:15	Borecope inspection
	S	8/19/2008 20:00	8/20/2008 10:25	8/19/2008 20:00	8/20/2008 10:25	14:25		14:25	Adjustment / repairs to motor operated disconnects
September	S	9/6/2008 4:00	9/6/2008 20:42	9/6/2008 4:00	9/6/2008 20:42	16:42		16:42	Alignment issues on the motor operated disconnects for TC 8 & 10
October	S	10/7/2008 3:50	10/7/2008 20:17	10/7/2008 3:50	10/7/2008 20:17	16:27		16:27	Generator protection devices testing
	S	10/11/2008 3:20	10/11/2008 14:00	10/11/2008 3:20	10/11/2008 14:00	10:40		10:40	Motor operated disconnects repaired

Louisville Gas & Electric Company  
 Trimble County Unit #9 - Gas CT - 160 MW  
 May 2008 through October 2008

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					8:15	Inlet guide vanes control oil filler pluggage
June	S	6/18/2008 6:45	6/18/2008 14:30	6/18/2008 6:45	6/18/2008 14:30	7:45	Turbine compressor water washing
July		No outages > or = 6 hours					
August	S	8/19/2008 20:00	8/20/2008 8:10	8/19/2008 20:00	8/20/2008 8:10	12:10	Motor operated disconnects (TC 8 & 10) repairs
September	S	8/20/2008 8:10	8/21/2008 1:15	8/20/2008 8:10	8/21/2008 1:15	17:05	Bore scope inspection
September	S	9/6/2008 4:00	9/6/2008 20:42	9/6/2008 4:00	9/6/2008 20:42	16:42	Alignment issues on the motor operated disconnects for TC 8 & 10
October	S	10/8/2008 4:00	10/9/2008 21:30	10/8/2008 4:00	10/9/2008 21:30	41:30	Small hydraulic leak in the seal of the inlet guide vanes control cylinder
	S	10/11/2008 3:20	10/11/2008 14:00	10/11/2008 3:20	10/11/2008 14:00	10:40	Motor operated disconnects repaired

Louisville Gas & Electric Company  
 Trimble County Unit #10 - Gas CT - 160 MW  
 May 2008 through October 2008

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	Scheduled	Actual	
May				744:00	Gas turbine vibration
June				14:38	Gas turbine vibration
				7:08	Gas worker valve not controlling fuel pressure properly
				6:39	Turbine compressor water washing
July	No outages > or = 6 hours				
August				9:50	Failure in switch transfer drive motor
				7:02	Switch gear box
				20:13	Alignment issues with the motor operated disconnects
September				60:42	Alignment issues with the motor operated disconnects
October				17:40	Generator protection devices testing
				10:40	Motor operated disconnects repaired

Report dates of forced in columns headed Actual

Louisville Gas & Electric Company  
 Zorn Unit #1 - Gas CT - 14 MW  
 May 2008 through October 2008

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	5/20/2008 13:15	5/23/2008 10:04	5/20/2008 13:15	5/23/2008 10:04	68:49	68:49	Gas department performing gas line maintenance
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June No outages > or = 6 hours

July No outages > or = 6 hours

August No outages > or = 6 hours

September No outages > or = 6 hours

October No outages > or = 6 hours



**LOUISVILLE GAS AND ELECTRIC COMPANY**

**Response to Information Requested in  
Appendix B of Commission's Order  
Dated January 23, 2009**

**Case No. 2008-00521**

**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 contract executed;
- d. Duration of contract;
- e. Date 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 attached sheets.



A. NAME/ADDRESS:	Alliance Coal, LLC / LGE06010 1717 South Boulder Avenue Tulsa, Oklahoma 74119-4886
B. PRODUCTION FACILITY: OPERATOR	Hopkins County Coal, Warrior Coal, LLC and Webster County Coal, LLC
MINE LOCATION	Seller's Mines Western Kentucky
C. CONTRACT EXECUTED DATE:	December 16, 2005
D. CONTRACT DURATION:	January 1, 2006 - December 31, 2011
E. CONTRACT AMENDMENTS:	Amendment No. 1 effective September 6, 2006, amending payment terms Amendment No. 2 effective January 1, 2007 detailing shipping method for tonnage Amendment No. 3 effective March 1, 2007 amending payment calculations Amendment No. 4 effective January 1, 2008 amending pricing
F. ANNUAL TONNAGE REQUIREMENTS:	2006 Up to 3,500,000 tons (Total with Synfuel Solutions Operating Contract) 2007 Up to 4,000,000 tons (Total with Synfuel Solutions Operating Contract) 2008 through 2011 - 4,000,000 tons per year
G. ACTUAL TONNAGE RECEIVED:	2006 3,472,671 tons 2007 4,021,560 tons 2008 3,274,456 tons (through 10/31/08)
H. PERCENT OF ANNUAL REQUIREMENTS:	2006 99.2 % 2007 100.5% 2008 81.8% (through 10/31/08) Contract (Synfuel Solutions Operating, see page 3 of 17)
I. BASE PRICE:	2006 Delivery Option 1 - \$1.348/MMBtu Delivery Option 2 - \$1.411/MMBtu Delivery Option 3 - \$1.424/MMBtu 2007 Delivery Option 1 - \$32.09 per ton Delivery Option 2 - \$32.48 per ton Delivery Option 3 - \$33.50 per ton

2008 Delivery Option 1 - \$32.24 per ton  
Delivery Option 2 – \$32.51 per ton  
Delivery Option 3 – \$33.33 per ton

2009 Pricing for remaining 2.0 Million tons:  
Delivery Option 1 - \$32.14 per ton  
Delivery Option 2 - \$32.66 per ton  
Delivery Option 3 - \$33.28 per ton

2009 Pricing for remaining 2.0 Million tons:  
To Be Negotiated

2010 To Be Negotiated

2011 To Be Negotiated

J. ESCALATIONS TO DATE:

None

K. CURRENT CONTRACT PRICE:

Delivery Option 1 - \$32.24 per ton  
Delivery Option 2 – \$32.51 per ton  
Delivery Option 3 – \$33.33 per ton



A. NAME/ADDRESS: The American Coal Company / J08016  
101 Prosperous Place, Suite 125  
Lexington, Kentucky 40509

B. PRODUCTION FACILITY:  
OPERATOR: The American Coal Company  
MINES: Galatia Mine  
LOCATION: Saline County, Illinois

C. CONTRACT EXECUTED DATE: April 1, 2008

D. CONTRACT DURATION: July 1, 2008 - December 31, 2010

E. CONTRACT AMENDMENTS: None

F. ANNUAL TONNAGE REQUIREMENTS:

2008	280,000 tons
2009	600,000 tons
2010	600,000 tons

G. ACTUAL TONNAGE RECEIVED:

	<u>LG&amp;E</u>	<u>KU</u>
2008	23,918 tons	118,047 tons

(through 10/31/08)

H. PERCENT OF ANNUAL REQUIREMENTS:

2008	50.7% (through 10/31/08)
------	--------------------------

I. BASE PRICE: (FOB Plant)

	<u>Green River</u>
2008	\$66.00 per ton
2009	\$66.00 per ton
2010	\$66.00 per ton

BASE PRICE: (FOB Barge)

2008	\$54.00 per ton
2009	\$54.00 per ton
2010	\$54.00 per ton

J. ESCALATIONS TO DATE:

FOB Plant  
\$1.07 per ton

FOB Barge  
\$0.00 per ton

K. CURRENT CONTRACT PRICE:

FOB Plant  
\$67.07 per ton

FOB Barge  
\$54.00 per ton

A. NAME/ADDRESS: Armstrong Coal Company, Inc / J07032  
407 Brown Road  
Madisonville, Kentucky 42431

B. PRODUCTION FACILITY:  
OPERATOR Armstrong Coal Company, Inc  
MINES Various  
LOCATION Muhlenberg County and Ohio County,  
Kentucky

C. CONTRACT EXECUTED DATE: December 20, 2007

D. CONTRACT DURATION: January 1, 2008 - December 31, 2015

E. CONTRACT AMENDMENTS:  
2008 Amendment No. 1, effective July 1,  
modifying amending base quantity and  
include explosives diesel fuel adjustment to

F. ANNUAL TONNAGE REQUIREMENTS:  
2008 600,000 tons  
2009 2,300,000 tons  
2010 3,800,000 tons  
2011 and 2012 4,200,000 tons per year  
2013 through 2015 4,000,000 tons per  
year

G. ACTUAL TONNAGE RECEIVED:  
tons

	<u>LG&amp;E</u>	<u>KU</u>
2008	269,335 tons	50,472

(through 10/31/08)

H. PERCENT OF ANNUAL REQUIREMENTS:  
2008 53.3% (through 10/31/08)

I. BASE PRICE (FOB Barge)

2008	Quality 1 - \$27.31 per ton Quality 2 - \$28.30 per ton
2009	Quality 1 - \$27.60 per ton Quality 2 - \$28.76 per ton
2010	First 200,000 tons: Quality 1 - \$27.60 per ton Quality 2 - \$28.76 per ton
	Remaining 3,600,000 tons: Quality 1 - \$28.21 per ton Quality 2 - \$29.63 per ton

2011 First 400,000 tons  
Quality 1 - \$28.21 per ton  
Quality 2 - \$29.63 per ton

Remaining 3,800,000 tons:  
Quality 1 - \$28.36 per ton  
Quality 2 - \$29.78 per ton

2012 First 200,000 tons  
Quality 1 - \$28.36 per ton  
Quality 2 - \$29.78 per ton

Remaining 4,000,000 tons:  
Quality 1 - \$28.51 per ton  
Quality 2 - \$29.93 per ton

2013 Quality 1 - \$28.66 per ton  
Quality 2 - \$30.08 per ton

2014 Quality 1 - \$28.81 per ton  
Quality 2 - \$30.23 per ton

2015 Quality 1 - \$28.96 per ton  
Quality 2 - \$30.38 per ton

J. ESCALATIONS TO DATE:

\$7.25 per ton

I. CURRENT CONTRACT PRICE:

Quality 1 - \$34.56 per ton  
Quality 2 - \$35.55 per ton

A. NAME/ADDRESS:	Charolais Coal, No. 1, LLC / J07003 Highway 862, P.O. Box 1999 Madisonville, Kentucky 42431		
B. PRODUCTION FACILITY:			
OPERATOR	Charolais Coal, No. 1, LLC		
MINES	Vogue West and Rock Crusher Mines		
LOCATION	Muhlenberg County, Kentucky		
MINES	Sacramento Mine		
LOCATION	McLean County, Kentucky		
C. CONTRACT EXECUTED DATE:	December 21, 2006		
D. CONTRACT DURATION:	January 1, 2007 - December 31, 2010		
E. CONTRACT AMENDMENTS:	None		
F. ANNUAL TONNAGE REQUIREMENTS:	2007	600,000 tons	
	2008	700,000 tons	
	2009	1,200,000 tons	
	2010	1,000,000 tons	
G. ACTUAL TONNAGE RECEIVED:		<u>LG&amp;E</u>	<u>KU</u>
tons	2007	229,223 tons	361,950
		2008	69,188 tons
338,177 tons		(through 10/31/08)	
H. PERCENT OF ANNUAL REQUIREMENTS:	2007	98.5%	
	2008	58.2% (through 10/31/08)	
I. BASE PRICE (FOB Barge)	2007	\$32.20 per ton	
	2008	\$32.75 per ton	
	2009	\$34.10 per ton	
	2010	\$36.10 per ton	
J. ESCALATIONS TO DATE:	None		
I. CURRENT CONTRACT PRICE:	\$32.75 per ton		



A. NAME/ADDRESS: LGE05012	Consol Energy / Contract No.  1800 Washington Road Pittsburgh, Pennsylvania 15241	
B. PRODUCTION FACILITY: OPERATOR MINE LOCATION	Consolidated Coal Company McElroy and Shoemaker Marshall County, West Virginia	
C. CONTRACT EXECUTED DATE:	December 21, 2004	
D. CONTRACT DURATION:	January 1, 2005 - December 31, 2008	
E. CONTRACT AMENDMENTS:	Amendment No. 1 effective September 1, 2006 amending payment terms Amendment No. 2 effective March 1, 2007 amending payment calculations	
F. ANNUAL TONNAGE REQUIREMENTS:	2005 1,683,000 tons (Reflects force majeure tonnage of 67,000 tons) 2006 1,750,000 tons 2007 2,000,000 tons 2008 2,000,000 tons	
G. ACTUAL TONNAGE RECEIVED:	<u>LG&amp;E</u>	<u>KU</u>
tons	2005 893,663 tons	682,774
tons	2006 981,344 tons	812,338
tons	2007 852,199 tons	797,522
tons	2008 378,456 tons	1,233,443
	(through 10/31/08)	
H. PERCENT OF ANNUAL REQUIREMENTS	2005 93.7% 2006 102.5% 2007 82.5% 2008 80.6% (through 10/31/08)	
I. BASE PRICE (FOB Barge):	<u>Quality A</u> 2005 \$1.21936/MMBtu 2006 \$1.2439/MMBtu 2007 \$32.218 per ton 2008 \$32.470 per ton	

Quality B

2005 \$1.19877/MMBtu  
2006 \$1.22295/MMBtu  
2007 \$31.698 per ton  
2008 \$31.940 per ton

J. ESCALATIONS TO DATE:

None

K. CURRENT CONTRACT PRICE:

Quality A \$32.470 per ton  
Quality B \$31.94 per ton

A. NAME/ADDRESS: Emerald International J07029  
6895 Burlington Pike  
Florence, Kentucky 41042

B. PRODUCTION FACILITY:  
OPERATOR Western Kentucky Minerals  
MINE Joe's Run Mine  
LOCATION Davies County, Kentucky

C. CONTRACT EXECUTED DATE: August 3, 2007

D. CONTRACT DURATION: July 15, 2007 – December 31, 2008

E. CONTRACT AMENDMENTS: Amendment No. 1 effective September 1, 2007 amending quantity  
Amendment No. 2 effective March 1, 2008 amending quantity, weights and sampling, and price.  
Amendment No. 3 effective May 1, 2008 amending quality and price

F. ANNUAL TONNAGE REQUIREMENTS:

2007	81,000 tons
2008	300,000 tons
2009	300,000 tons

G. ACTUAL TONNAGE

	<u>LG&amp;E</u>	<u>KU</u>
RECEIVED:	2007 66,330 tons	7,571 tons
	2008 27,945 tons	129,483

tons  
(through 10/31/08)

H. PERCENT OF ANNUAL REQUIREMENTS:

2007	91.2%
2008	52.5% (through 10/31/08)

I. BASE PRICE (FOB Barge):

2007	\$30.45 per ton (first 60,000 tons)
2007	\$31.00 per ton (remaining tons)
2008	\$31.00 per ton (first 20,000 tons)
2008	\$37.25 per ton (remaining tons)
2009	\$38.00 per ton

J. ESCALATIONS TO DATE: None

K. CURRENT CONTRACT PRICE: \$37.25 per ton

A. NAME/ADDRESS: Marietta Coal Company / LGE05010 -  
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:  
2005 Amendment No. 1 effective June 15,  
amending quality and price for two  
months  
1, Amendment No. 2 effective September  
2006 amending payment terms  
2007 Amendment No. 3 effective March 1,  
amending payment calculations

F. ANNUAL TONNAGE REQUIREMENTS:

2004	30,000 tons
2005	200,000 tons
2006	200,000 tons
2007	300,000 tons
2008	300,000 tons

G. ACTUAL TONNAGE RECEIVED:

	<u>LG&amp;E</u>	<u>KU</u>
2004	13,235 tons	0 tons
2005	104,512 tons	0 tons
2006	198,757 tons	4,977 tons
2007	146,281 tons	5,021 tons
2008	16,498 tons	0 tons
	(through 10/31/08)	

H. PERCENT OF ANNUAL REQUIREMENTS:

2004	44.1%
2005	52.3%
2006	101.8% (includes 2005 carryover)
2007	50.4% (includes 2006 carryover)
2008	5.5% (through 10/31/08)

I. BASE PRICE (FOB Barge):	2004	\$1.194/MMBtu
	2005	\$1.194/MMBtu
	2006	\$27.25 per ton
	2007	\$27.75 per ton
	2008	\$28.25 per ton

J. ESCALATIONS TO DATE: None

K. CURRENT CONTRACT PRICE: \$27.75 per ton

A. NAME/ADDRESS:	Patriot Coal Sales, LLC / J07037 12312 Olive Boulevard, Suite 400 St. Louis, Missouri 63141		
B. PRODUCTION FACILITY:	Patriot Coal and Ohio County Coal		
OPERATOR	Patriot and Freedom Mines		
MINE	Henderson County, Kentucky		
LOCATION			
C. CONTRACT EXECUTED DATE:	January 15, 2008		
D. CONTRACT DURATION:	January 1, 2008 - December 31, 2009		
E. CONTRACT AMENDMENTS:	None		
F. ANNUAL TONNAGE REQUIREMENTS:	2008	1,250,000 tons	
	2009	1,250,000 tons	
G. ACTUAL TONNAGE RECEIVED:		<u>LG&amp;E</u>	<u>KU</u>
	2008	566,697 tons	367,993 tons
		(through 10/31/08)	
H. PERCENT OF ANNUAL REQUIREMENTS:	2008	74.8% (through 10/31/08)	
I. BASE PRICE (FOB Barge):	2008	\$30.00 per ton	
	2009	\$31.00 per ton	
J. ESCALATIONS TO DATE:	None		
K. CURRENT CONTRACT PRICE:	\$30.00 per ton		

A. NAME/ADDRESS:	Peabody COALSALES / LGE06012-KUF06118 - J07005 - J07006 701 Market Street, Suite 830 St. Louis, Missouri 63101-1826	
B. PRODUCTION FACILITY:		
OPERATOR	Patriot Coal and Ohio County Coal	
MINE	Patriot and Freedom Mines	
LOCATION	Henderson County, Kentucky	
OPERATOR	Black Beauty Coal Company	
MINE	Somerville Mine	
LOCATION	Gibson County, Indiana	
C. CONTRACT EXECUTED DATE:	May 23, 2006	
D. CONTRACT DURATION:	April 1, 2006 - December 31, 2009	
E. CONTRACT AMENDMENTS:	Amendment No. 1 effective September 7, 2006 amending payment terms Amendment No. 2 effective November 20, 2006 adding coal synfuel Amendment No. 3 effective March 1, 2007 amending payment calculations Amendment No. 4 effective July 1, 2007 amending base quantity Amendment No. 5 effective January 1, 2008 amending term and base quantity	
F. ANNUAL TONNAGE REQUIREMENTS:	2006 937,500 tons (Total with Synthetic Fuel Enterprises Contract) 2007 2,000,000 tons (Total with Synthetic Fuel Enterprises Contract) 2008 1,400,000 tons 2009 750,000 tons	
G. ACTUAL TONNAGE RECEIVED:	<u>LG&amp;E</u>	<u>KU</u>
	2006 957,654 tons	0
	2007 1,770,880 tons	225,229 tons
	2008 959,689 tons	158,273 tons
	(through 10/31/08)	
H. PERCENT OF ANNUAL REQUIREMENTS:	2006 102.2% 2007 99.8%	



	2008	79.9% (through 10/31/08)
I. BASE PRICE (FOB Barge):	2006	\$1.38/MMBtu – Quality A Barge \$1.273/MMBtu – Quality B Rail \$1.38/MMBtu – Quality B Barge
	2007	\$30.60 per ton – Quality A Barge \$28.60 per ton – Quality B Rail \$31.02 per ton – Quality B Barge
	2008	\$29.26 per ton - Rail \$31.60 per ton – Barge
	2009	\$32.75 - Barge
J. ESCALATIONS TO DATE:		None
K. CURRENT CONTRACT PRICE:		\$29.26 per ton – Rail \$31.60 per ton – Barge

A. NAME/ADDRESS: Rhino Energy, LLC / J08028  
3120 Wall Street, Suite 310  
Lexington, Kentucky 40513

B. PRODUCTION FACILITY:  
OPERATOR Sands Hill Coal Company  
MINE Sands Hill Mine  
LOCATION Jackson and Vinton Counties, Ohio

C. CONTRACT EXECUTED DATE: July 13, 2008

D. CONTRACT DURATION: July 1, 2008 – December 31, 2012

E. CONTRACT AMENDMENTS: None

F. ANNUAL TONNAGE REQUIREMENTS:

2008	90,000 tons
2009	360,000 tons
2010	360,000 tons
2011	360,000 tons
2012	360,000 tons

G. ACTUAL TONNAGE RECEIVED:

	<u>LG&amp;E</u>	<u>KU</u>
2008	22,595 tons (through 10/31/08)	26,790 tons

H. PERCENT OF ANNUAL REQUIREMENTS:

2008	54.9% (through 10/31/08)
------	--------------------------

I. BASE PRICE (FOB Barge):

2008	\$49.25 per ton
2009	\$49.25 per ton
2010	\$50.25 per ton
2011	\$51.85 per ton
2012	\$53.40 per ton

J. ESCALATIONS TO DATE: None

K. CURRENT CONTRACT PRICE: \$35.50 per ton

A. NAME/ADDRESS:	Sands Hill Coal Company / J07004 38701 State Road 160 Hamden, Ohio 45634		
B. PRODUCTION FACILITY:	Sands Hill Coal Company		
OPERATOR	Sands Hill Mine		
MINE	Jackson and Vinton Counties, Ohio		
LOCATION			
C. CONTRACT EXECUTED DATE:	January 2, 2007		
D. CONTRACT DURATION:	January 1, 2007 – December 31, 2008		
E. CONTRACT AMENDMENTS:	None		
F. ANNUAL TONNAGE	2007	144,000 tons	
REQUIREMENTS:	2008	180,000 tons	
G. ACTUAL TONNAGE		<u>LG&amp;E</u>	<u>KU</u>
RECEIVED:	2007	85,937 tons	67,584 tons
	2008	36,768 tons	111,311 tons
		(through 10/31/08)	
H. PERCENT OF ANNUAL	2007	106.6%	
REQUIREMENTS:	2008	82.2% (through 10/31/08)	
I. BASE PRICE (FOB Barge):	2007	\$34.50 per ton	
	2008	\$35.50 per ton	
J. ESCALATIONS TO DATE:	\$7.01		
K. CURRENT CONTRACT PRICE:	\$42.51 per ton		

A. NAME/ADDRESS:	Smoky Mountain Coal Corp. / LGE02013 9725 Cogdill Road, Suite 203 Knoxville, Tennessee 42413																	
B. PRODUCTION FACILITY:																		
OPERATOR	KMMC Mining																	
MINE	Vision #9																	
LOCATION	Webster County, Kentucky																	
OPERATOR	Allied Reserves, Inc.																	
MINE	Onton Reserve																	
LOCATION	Webster County, Kentucky																	
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, base quantity price and quality Amendment No. 3 effective September 1, 2006 amending payment terms Amendment No. 4 effective January 1, 2007 amending term, quantity, quality, and price. Amendment No. 5 effective March 1, 2007 amending payment calculation																	
F. ANNUAL TONNAGE REQUIREMENTS:	<table border="0"> <tr><td>2002</td><td>400,000 tons</td></tr> <tr><td>2003</td><td>450,000 tons</td></tr> <tr><td>2004</td><td>600,000 tons</td></tr> <tr><td>2005</td><td>700,000 tons</td></tr> <tr><td>2006</td><td>1,200,000 tons</td></tr> <tr><td>2007</td><td>850,000 tons</td></tr> <tr><td>2008</td><td>950,000 tons</td></tr> <tr><td>2009</td><td>400,000 tons</td></tr> </table>		2002	400,000 tons	2003	450,000 tons	2004	600,000 tons	2005	700,000 tons	2006	1,200,000 tons	2007	850,000 tons	2008	950,000 tons	2009	400,000 tons
2002	400,000 tons																	
2003	450,000 tons																	
2004	600,000 tons																	
2005	700,000 tons																	
2006	1,200,000 tons																	
2007	850,000 tons																	
2008	950,000 tons																	
2009	400,000 tons																	
G. ACTUAL TONNAGE RECEIVED:	<table border="0"> <thead> <tr> <th></th> <th style="text-align: center;"><u>LG&amp;E</u></th> <th style="text-align: center;"><u>KU</u></th> </tr> </thead> <tbody> <tr><td>2002</td><td>332,114 tons</td><td>52,826 tons</td></tr> <tr><td>2003</td><td>275,536 tons</td><td>203,370 tons</td></tr> <tr><td>2004</td><td>314,929 tons</td><td>279,667 tons</td></tr> <tr><td>2005</td><td>357,881 tons</td><td>339,349 tons</td></tr> </tbody> </table>			<u>LG&amp;E</u>	<u>KU</u>	2002	332,114 tons	52,826 tons	2003	275,536 tons	203,370 tons	2004	314,929 tons	279,667 tons	2005	357,881 tons	339,349 tons	
	<u>LG&amp;E</u>	<u>KU</u>																
2002	332,114 tons	52,826 tons																
2003	275,536 tons	203,370 tons																
2004	314,929 tons	279,667 tons																
2005	357,881 tons	339,349 tons																

2006	600,627 tons	552,154 tons
2007	517,857 tons	380,192 tons
2008	167,819 tons	182,352 tons
(through 10/31/08)		

H. PERCENT OF ANNUAL REQUIREMENTS:

2002	96.2%
2003	106.4%
2004	99.1%
2005	99.6%
2006	96.1%
2007	105.7%
2008	36.9% (through 10/31/08)

I. BASE PRICE (FOB Barge):

Quality A

2002 / 2003	\$1.154/MMBtu
2004	\$1.194/MMBtu

Quality B

2002 / 2003	\$1.123/MMBtu
2004	\$1.161/MMBtu

Quality C

2004	\$1.02/MMBtu
2005	\$1.06/MMBtu
2006	\$1.261/MMBtu
2007	\$30.22 per ton
2008	\$31.00 per ton
2009	\$35.95 per ton

Quality D

2004	\$.995/MMBtu
2005	\$1.03/MMBtu
2006	\$1.241/MMBtu
2007	\$29.24 per ton
2008	\$30.01 per ton
2009	34.87 per ton

J. ESCALATIONS TO DATE:

None

K. CURRENT CONTRACT PRICE:

Quality C  
\$31.00 per ton

Quality D  
\$30.01 per ton



**LOUISVILLE GAS AND ELECTRIC COMPANY**

**Response to Information Requested in  
Appendix B of Commission's Order  
Dated January 23, 2009**

**Case No. 2008-00521**

**Question No. 16**

**Witness: Robert M. Conroy**

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

A-16. Please see the attached schedule.

### Louisville Gas and Electric Revised Tariffs

Tariff Sheet No.	Rate Schedule	Existing Base Rate -- Energy, Fuel and ECR	Existing Fuel Component of Base Rates	Existing Base Rate -- Excluding Fuel Base	Revised Fuel Component of Base Rates	Revised Base Rates including Fuel and ECR
5	RS	\$ 0.06303	\$ 0.01703	\$ 0.04600	\$ 0.02058	\$ 0.06658
6	VFD	0.06303	0.01703	0.04600	0.02058	0.06658
10	GS	0.07050	0.01703	0.05347	0.02058	0.07405
15	IPS	0.02256	0.01703	0.00553	0.02058	0.02611
16	CPS	0.02601	0.01703	0.00898	0.02058	0.02956
20	ITOD	0.02261	0.01703	0.00558	0.02058	0.02616
21	CTOD	0.02605	0.01703	0.00902	0.02058	0.02960
25	RTS	0.02261	0.01703	0.00558	0.02058	0.02616
30	IS	0.02261	0.01703	0.00558	0.02058	0.02616
37	LE	0.04527	0.01703	0.02824	0.02058	0.04882
38	TE	0.05559	0.01703	0.03856	0.02058	0.05914
76	RRP					
	Low Cost Hours	0.04217	0.01703	0.02514	0.02058	0.04572
	Medium Cost Hours	0.05448	0.01703	0.03745	0.02058	0.05803
	High Cost Hours	0.10867	0.01703	0.09164	0.02058	0.11222
	Critical Cost Hours	0.30332	0.01703	0.28629	0.02058	0.30687
77	GRP					
	Low Cost Hours	0.04789	0.01703	0.03086	0.02058	0.05144
	Medium Cost Hours	0.06279	0.01703	0.04576	0.02058	0.06634
	High Cost Hours	0.13718	0.01703	0.12015	0.02058	0.14073
	Critical Cost Hours	0.30332	0.01703	0.28629	0.02058	0.30687
<b>Special Contracts</b>						
	duPont	0.02261	0.01703	0.00558	0.02058	0.02616
	Fort Knox	0.02264	0.01703	0.00561	0.02058	0.02619
	Louisville Water Company	0.02263	0.01703	0.00560	0.02058	0.02618



**LIGHTING SCHEDULES; ALL RATES PER UNIT PER MONTH**

Page	Schedule	Kwh per year	Fuel Factor Increase \$/kWh 0.00355	Annual Increase per year	Monthly Increase	LOAD/LIGHT		Tariff	
						Existing	Revised	Existing	Revised
35	LS								
	Lighting Service								
	High Pressure Sodium Served Underground								
	Four sided Colonial								
	6,300 Lumens (approximately)	440		1.56	0.13	0.110 KW/Light	\$	16.17	\$ 16.30
	9,500 "	580		2.06	0.17	0.145 KW/Light		16.74	16.91
	16,000 "	800		2.84	0.24	0.200 KW/Light		17.81	18.05
	Acorn								
	6,300 Lumens (approximately)	440		1.56	0.13	0.110 KW/Light	\$	16.52	\$ 16.65
	9,500 "	580		2.06	0.17	0.145 KW/Light		18.60	18.77
	16,000 "	800		2.84	0.24	0.200 KW/Light		19.59	19.83
	Acorn with Bronze Pole								
	9,500 Lumens (approximately)	580		2.06	0.17	0.145 KW/Light	\$	19.59	\$ 19.76
	16,000 "	800		2.84	0.24	0.200 KW/Light		20.51	20.75
	Contemporary								
	16,000 Lumens (approximately)	800		2.84	0.24	0.200 KW/Light	\$	25.21	\$ 25.45
	28,500 "	1248		4.43	0.37	0.312 KW/Light		27.85	28.22
	50,000 "	1980		7.03	0.59	0.495 KW/Light		31.51	32.10
	Cobra Head								
	16,000 Lumens (approximately)	800		2.84	0.24	0.200 KW/Light	\$	22.04	\$ 22.28
	28,500 "	1248		4.43	0.37	0.312 KW/Light		24.04	24.41
	50,000 "	1980		7.03	0.59	0.495 KW/Light		27.61	28.20
	London -- Smooth Pole								
	6,300 Lumens (approximately)	440		1.56	0.13	0.110 KW/Light	\$	28.28	\$ 28.41
	9,500 "	580		2.06	0.17	0.145 KW/Light		29.12	29.29
	London -- Fluted Pole								
	6,300 "	440		1.56	0.13	0.110 KW/Light		29.96	30.09
	9,500 "	580		2.06	0.17	0.145 KW/Light		30.70	30.87
	Victorian -- Smooth Pole								
	6,300 Lumens (approximately)	440		1.56	0.13	0.110 KW/Light	\$	27.38	\$ 27.51
	9,500 "	580		2.06	0.17	0.145 KW/Light		29.13	29.30
	Victorian -- Fluted Pole								
	6,300 "	440		1.56	0.13	0.110 KW/Light		27.93	28.06
	9,500 "	580		2.06	0.17	0.145 KW/Light		29.73	29.90

**LIGHTING SCHEDULES; ALL RATES PER UNIT PER MONTH**

Page	Schedule	Kwh per year	Fuel Factor Increase \$/kWh 0.00355	Annual Increase per year	Monthly Increase	LOAD/LIGHT	Tariff		
							Existing	Revised	
35.1	Mercury Vapor Sodium Served Underground								
	Four sided Colonial								
	4,000 Lumens (approximately)	496		1.76	0.15	0.124 KW/Light	\$ 16.27	\$ 16.42	
	8,000 " "	840		2.98	0.25	0.210 KW/Light	17.86	18.11	
	Cobra Head								
	8,000 Lumens (approximately)	840		2.98	0.25	0.210 KW/Light	\$ 22.03	\$ 22.28	
	13,000 " "	1192		4.23	0.35	0.298 KW/Light	23.51	23.86	
	25,000 " "	1848		6.56	0.55	0.462 KW/Light	26.63	27.18	
	High Pressure Sodium Served Overhead								
	Cobra Head								
	16,000 Lumens (approximately)	800		2.84	0.24	0.200 KW/Light	\$ 9.70	\$ 9.94	
	28,500 " "	1248		4.43	0.37	0.312 KW/Light	11.58	11.95	
	50,000 " "	1980		7.03	0.59	0.495 KW/Light	15.29	15.88	
	Direction Flood								
	16,000 Lumens (approximately)	800		2.84	0.24	0.200 KW/Light	\$ 11.19	\$ 11.43	
50,000 " "	1980		7.03	0.59	0.495 KW/Light	16.22	16.81		
Open Bottom									
9,500 Lumens (approximately)	580		2.06	0.17	0.145 KW/Light	\$ 8.36	\$ 8.53		
Mercury Vapor Served Overhead									
Cobra Head									
8,000 Lumens (approximately)	840		2.98	0.25	0.210 KW/Light	\$ 9.70	\$ 9.95		
13,000 " "	1192		4.23	0.35	0.298 KW/Light	11.14	11.49		
25,000 " "	1848		6.56	0.55	0.462 KW/Light	14.19	14.74		
Direction Flood									
25,000 Lumens (approximately)	1848		6.56	0.55	0.462 KW/Light	\$ 15.65	\$ 16.20		
Open Bottom									
8,000 Lumens (approximately)	840		2.98	0.25	0.210 KW/Light	\$ 9.66	\$ 9.91		

**LIGHTING SCHEDULES; ALL RATES PER UNIT PER MONTH**

Page	Schedule	Kwh per year	Fuel Factor Increase \$/KWh 0.00355	Annual Increase per year	Monthly Increase	LOAD/LIGHT	Tariff	
							Existing	Revised
35.2	Metal Halide							
	Directional Fixture Only							
	12,000 Lumens (approximately)	828		2.94	0.24	0.207 KW/Light \$	9.94 \$	10.18
	Directional Fixture with Wood Pole							
	12,000 Lumens (approximately)	828		2.94	0.24	0.207 KW/Light \$	11.97 \$	12.21
	Directional Fixture with Direct Burial Metal Pole							
	12,000 Lumens (approximately)	828		2.94	0.24	0.207 KW/Light \$	18.61 \$	18.85
	Directional Fixture Only							
	32,000 Lumens (approximately)	1800		6.39	0.53	0.450 KW/Light \$	14.39 \$	14.92
	Directional Fixture with Wood Pole							
	32,000 Lumens (approximately)	1800		6.39	0.53	0.450 KW/Light \$	16.43 \$	16.96
	Directional Fixture with Metal Pole							
	32,000 Lumens (approximately)	1800		6.39	0.53	0.450 KW/Light \$	23.06 \$	23.59
	Directional Fixture Only							
	107,800 Lumens (approximately)	4320		15.34	1.28	1.080 KW/Light \$	30.30 \$	31.58
	Directional Fixture with Wood Pole							
	107,800 Lumens (approximately)	4320		15.34	1.28	1.080 KW/Light \$	33.13 \$	34.41
	Directional Fixture with Metal Pole							
	107,800 Lumens (approximately)	4320		15.34	1.28	1.080 KW/Light \$	38.97 \$	40.25
	Contemporary Fixture Only							
	12,000 Lumens (approximately)	828		2.94	0.24	0.207 KW/Light \$	11.07 \$	11.31
	Contemporary Fixture with Direct Burial Metal Pole							
	12,000 Lumens (approximately)	828		2.94	0.24	0.207 KW/Light \$	19.76 \$	20.00
	Contemporary Fixture Only							
	32,000 Lumens (approximately)	1800		6.39	0.53	0.450 KW/Light \$	15.98 \$	16.51
	Contemporary Fixture with Metal Pole							
	32,000 Lumens (approximately)	1800		6.39	0.53	0.450 KW/Light \$	24.65 \$	25.18
	Contemporary Fixture Only							
	107,800 Lumens (approximately)	4320		15.34	1.28	1.080 KW/Light \$	32.93 \$	34.21
	Contemporary Fixture with Metal Pole							
	107,800 Lumens (approximately)	4320		15.34	1.28	1.080 KW/Light \$	41.61 \$	42.89

**LIGHTING SCHEDULES; ALL RATES PER UNIT PER MONTH**

Page Schedule

Page	Schedule	Kwh per year (rated wattage times 4,000 hours per year)	Fuel Factor Increase. \$/kwh 0.00355	Annual Rate Increase at 4,000 hours/year	Monthly Rate Increase (annual increase divided by 12)	Installed Prior to January 1, 1991		Installed After December 31, 1990			
						Existing tariff	Revised tariff	Existing tariff	Revised tariff		
36	OL Overhead Service Mercury Vapor	100 watt		1.76	0.15	7.49	7.64	N/A	N/A		
		175 watt		2.98	0.25	8.52	8.77	9.99	10.24		
		250 watt		4.23	0.35	9.69	10.04	11.24	11.59		
		400 watt		6.56	0.55	11.85	12.40	13.54	14.09		
		1000 watt		15.69	1.31	21.81	23.12	24.58	25.89		
		High Pressure Sodium Vapor									
		100 watt		2.06	0.17	8.33	8.50	8.33	8.50		
		175 watt		2.98	0.25	10.69	10.94	10.69	10.94		
		250 watt		4.43	0.37	12.64	13.01	12.64	13.01		
		1000 watt		15.66	1.31	21.81	23.12	24.58	25.89		
36.1	Decorative Lighting Service Fixtures	Underground Service									
		Mercury Vapor									
		100 watt top mount		1.76	0.15	8.33	8.50	8.33	8.50		
		175 watt top mount		2.98	0.25	10.69	10.94	10.69	10.94		
		High Pressure Sodium Vapor									
		70 watt - top mount		1.42	0.12	11.55	11.67	11.55	11.67		
		100 watt - top mount		2.06	0.17	15.28	15.45	15.27	15.44		
		150 watt - top mount		2.84	0.24	N/A	N/A	18.55	18.79		
		150 watt		2.84	0.24	20.78	21.02	20.81	21.05		
		250 watt		4.43	0.37	23.91	24.28	23.91	24.28		
400 watt		7.03	0.59	26.41	27.00	26.41	27.00				
1000 watt		15.66	1.31	N/A	N/A	59.42	60.73				
36.1	Decorative Lighting Service Fixtures	Rate per Month Per Unit									
		Acorn with Decorative Basket									
		70 wall high pressure sodium		1.42	0.12	16.32	16.44	16.32	16.44		
		100 wall high pressure sodium		2.06	0.17	17.11	17.28	17.11	17.28		
		8-Sided Coach									
		70 wall high pressure sodium		1.42	0.12	16.49	16.61	16.49	16.61		
		100 wall high pressure sodium		2.06	0.17	17.30	17.47	17.30	17.47		

**LIGHTING SCHEDULES; ALL RATES PER UNIT PER MONTH**

**Page Schedule**

Page	Schedule	Annual Rate Increase at 4,000 hours/year	Monthly Rate Increase (annual increase divided by 12)	Installed Prior to January 1, 1991		Installed After December 31, 1990			
				Existing tariff	Revised tariff	Existing tariff	Revised tariff		
36.3	PSL Public Street Lighting Service Overhead Service Mercury Vapor	496	1.76	6.74	6.89	N/A	N/A		
		840	2.98	7.92	8.17	9.80	10.05		
		1192	4.23	9.05	9.40	11.04	11.39		
		1848	6.56	10.90	11.45	13.33	13.88		
		1848	6.56	15.64	16.19	N/A	N/A		
		4420	15.69	20.42	21.73	24.32	25.63		
		<b>High Pressure Sodium</b>							
		580	2.06	8.05	8.22	8.05	8.22		
		840	2.98	9.67	9.92	9.67	9.92		
		1248	4.43	11.60	11.97	11.60	11.97		
		1980	7.03	12.19	12.78	12.19	12.78		
		4412	15.66	N/A	N/A	27.71	29.02		
		<b>Underground Service</b>							
Mercury Vapor									
496	1.76	10.94	11.09	13.66	13.81				
840	2.98	12.02	12.27	14.68	14.93				
840	2.98	16.26	16.51	23.35	23.60				
1192	4.23	17.43	17.78	24.28	24.63				
1848	6.56	20.58	21.13	27.05	27.60				
1848	6.56	20.69	21.24	27.05	27.60				
<b>High Pressure Sodium</b>									
492	1.75	N/A	N/A	11.59	11.74				
580	2.06	12.02	12.19	12.02	12.19				
800	2.84	N/A	N/A	17.78	18.02				
800	2.84	20.79	21.03	20.79	21.03				
1248	4.43	22.11	22.48	22.11	22.48				
1248	4.43	22.11	22.48	22.11	22.48				
1980	7.03	23.79	24.38	23.79	24.38				
1980	7.03	23.79	24.38	23.79	24.38				
4412	15.66	N/A	N/A	55.32	56.63				

**Rate per Month Per Unit**

Page	Schedule	Rate per Month Per Unit	
		Existing tariff	Revised tariff
36.4	Decorative Lighting Service Fixtures	400	15.90
		580	16.59
		580	16.76
<b>Acom with Decorative Basket</b>			
400	1.42	16.02	16.02
580	2.06	16.59	16.76
<b>8-Sided Coach</b>			
400	1.42	16.10	16.22
580	2.06	17.14	17.31



**LOUISVILLE GAS AND ELECTRIC COMPANY**

**Response to Information Requested in  
Appendix B of Commission's Order  
Dated January 23, 2009**

**Case No. 2008-00521**

**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 sheets.

## Louisville Gas and Electric Company

P.S.C. Electric No. 7, Original Sheet No. 5

Standard Rate	RS
Residential Service	
<b>APPLICABLE</b>	
In all territory served.	
<b>AVAILABILITY OF SERVICE</b>	
Available for single-phase delivery to single family residential service subject to the terms and conditions on Sheet No. 100 of this Tariff.	
<b>RATE</b>	
Customer Charge:	\$5.00 per month
Plus an Energy Charge of:	\$ <u>0.06658</u> per kWh
<b>ADJUSTMENT CLAUSES</b>	
The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:	
Fuel Adjustment Clause	Sheet No. 85
Demand-Side Management Cost Recovery Mechanism	Sheet No. 86
Environmental Cost Recovery Surcharge	Sheet No. 87
Franchise Fee Rider	Sheet No. 90
School Tax	Sheet No. 91
Home Energy Assistance Program	Sheet No. 92
<b>MINIMUM CHARGE</b>	
The Customer Charge shall be the minimum charge.	
<b>DUE DATE OF BILL</b>	
Customer's payment will be due within twelve (12) days from date of bill.	
<b>LATE PAYMENT CHARGE</b>	
If full payment is not received within three (3) days from the due date of the bill, a 5% late payment charge will be assessed on the current month's charges.	
<b>TERMS AND CONDITIONS</b>	
Service will be furnished under Company's Terms and Conditions applicable hereto.	

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Date of Issue: February 9, 2009

Date Effective: February 6, 2009

Issued By: Lonnie E. Bellar, Vice President, State Regulation and Rates, Louisville, Kentucky

Issued by Authority of an Order of the KPSC in Case Nos. 2007-00564 and 2008-00252 dated February 5, 2009



## Louisville Gas and Electric Company

P.S.C. Electric No. 7, Original Sheet No. 7

Standard Rate

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. Service under this rate schedule is at the option of the customer with the customer determining 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) half the members must be volunteers.

**RATE**

Customer Charge: \$5.00 per month

Plus an Energy Charge of: ~~\$0.06658~~ per kWh

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**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. 85
Demand-Side Management Cost Recovery Mechanism	Sheet No. 86
Environmental Cost Recovery Surcharge	Sheet No. 87
Franchise Fee Rider	Sheet No. 90
School Tax	Sheet No. 91

**MINIMUM CHARGE**

The Customer Charge shall be the minimum charge.

**DUE DATE OF BILL**

Customer's payment will be due within twelve (12) days from date of bill.

**LATE PAYMENT CHARGE**

If full payment is not received within three (3) days from the due date of the bill, a 5% late payment charge will be assessed on the current month's charges.

**TERMS AND CONDITIONS**

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

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Louisville Gas and Electric Company

P.S.C. Electric No. 7, Original Sheet No. 10

Standard Rate	GS
General Service Rate	
<b>APPLICABLE</b>	
In all territory served.	
<b>AVAILABILITY OF SERVICE</b>	
To general lighting and small power loads for secondary service.	
Service under this schedule will be limited to average maximum loads not exceeding 50 kW. Existing customers with an average maximum load exceeding 50 kW who are receiving service under P.S.C. Electric No. 6, Fourth Revision of Original Sheet No. 10 as of February 6, 2009, will continue to be served under this rate at their option. New customers, upon demonstrating an average demand of 50 kW or greater, will be served under the appropriate rate schedule.	
<b>RATE</b>	
Customer Charge:	\$10.00 per month for single-phase service \$15.00 per month for three-phase service
Plus an Energy Charge of:	\$ 0.07405 per kWh
<b>ADJUSTMENT CLAUSES</b>	
The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:	
Fuel Adjustment Clause	Sheet No. 85
Demand-Side Management Cost Recovery Mechanism	Sheet No. 86
Environmental Cost Recovery Surcharge	Sheet No. 87
Franchise Fee Rider	Sheet No. 90
School Tax	Sheet No. 91
<b>MINIMUM CHARGE</b>	
The Customer Charge shall be the Minimum Charge.	
<b>DUE DATE OF BILL</b>	
Customer's payment will be due within twelve (12) days from date of bill.	
<b>LATE PAYMENT CHARGE</b>	
If full payment is not received within three (3) days from the due date of the bill, a 5% late payment charge will be assessed on the current month's charges.	
<b>TERMS AND CONDITIONS</b>	
Service will be furnished under Company's Terms and Conditions applicable hereto.	

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Date of Issue: February 9, 2009  
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Standard Rate	IPS	
Industrial Power Service		
<b>APPLICABLE</b>		
In all territory served.		
<b>AVAILABILITY OF SERVICE</b>		
This rate schedule is available for industrial secondary or primary service.		
<p>Service under this schedule will be limited to minimum average secondary loads of 50 kW and maximum average loads not exceeding 250 kW. Secondary or primary customers receiving service under P.S.C. of Ky. Electric No. 6, Fourth Revision of Original Sheet No. 25, Large Power Industrial Rate LP, as of February 6, 2009, with loads not meeting this criteria will continue to be served under this rate at their option. Customers initiating service on this rate after February 6, 2009, and whose load characteristics subsequently do not meet this criteria will be billed on the appropriate rate.</p>		
<b>RATE</b>		
Customer Charge per month:	Secondary \$90.00	Primary \$90.00
Plus an Energy Charge per kWh of:	\$ 0.02611	\$ 0.02611
Plus a Demand Charge per kW of:		
Summer Rate: (Four Billing Period June through September)	\$14.94	\$13.18
Winter Rate: (All other months)	\$12.35	\$10.59
<b>ADJUSTMENT CLAUSES</b>		
The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:		
Fuel Adjustment Clause		Sheet No. 85
Demand-Side Management Cost Recovery Mechanism		Sheet No. 86
Environmental Cost Recovery Surcharge		Sheet No. 87
Franchise Fee Rider		Sheet No. 90
School Tax		Sheet No. 91
<b>POWER FACTOR PROVISION</b>		
<p>In the case of customers with maximum demands of 150 kilowatts or more, the monthly demand charge shall be decreased .4% for each whole one per cent by which the monthly average power factor exceeds 80% lagging and shall be increased .6% for each whole one per cent by which the monthly average power factor is less than 80% lagging. Customers with maximum demands less than 150 kilowatts shall maintain an average lagging power factor of not less than 80%, and suitable accessory equipment shall be installed by such customers where necessary to avoid a lower power factor.</p> <p>Monthly average power factor shall be determined by means of a reactive component meter ratcheted to record only lagging reactive kilovolt ampere hours, used in conjunction with a standard watt-hour meter.</p>		

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## Louisville Gas and Electric Company

P.S.C. Electric No. 7, Original Sheet No. 16

Standard Rate	CPS	
Commercial Power Service		
<b>APPLICABLE</b>		
In all territory served.		
<b>AVAILABILITY OF SERVICE</b>		
This rate schedule is available for commercial secondary or primary service.		
Service under this schedule will be limited to minimum average secondary loads of 50 kW and maximum average loads not exceeding 250 kW. Secondary or primary customers receiving service under P.S.C. of Ky. Electric No. 6, Fourth Revision of Original Sheet No. 15, Large Commercial Rate LC, as of February 6, 2009, with loads not meeting this criteria will continue to be served under this rate at their option. Customers initiating service on this rate after February 6, 2009, and whose load characteristics subsequently do not meet this criteria will be billed on the appropriate rate.		
<b>RATE</b>		
Customer Charge per month:	Secondary \$65.00	Primary \$65.00
Plus an Energy Charge per kWh of:	\$ 0.02956	\$ 0.02956
Plus a Demand Charge per kW of:		
Summer Rate: (Four Billing Period June through September)	\$14.81	\$12.97
Winter Rate: (All other months)	\$11.75	\$10.17
<b>ADJUSTMENT CLAUSES</b>		
The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:		
Fuel Adjustment Clause		Sheet No. 85
Demand-Side Management Cost Recovery Mechanism		Sheet No. 86
Environmental Cost Recovery Surcharge		Sheet No. 87
Franchise Fee Rider		Sheet No. 90
School Tax		Sheet No. 91
<b>DETERMINATION OF BILLING DEMAND</b>		
The monthly billing demand shall be the highest average load in kilowatts recorded during any 15-minute interval in the monthly billing period; but not less than 50% of the maximum demand similarly determined for any of the four billing periods of June through September within the eleven (11) preceding months; nor less than 25 kilowatts (10 kilowatts to any customer served under this rate schedule on March 1, 1964).		
<b>MINIMUM CHARGE</b>		
The Customer Charge plus the monthly billing demand, which is the highest average load in kilowatts recorded during any 15-minute interval in the monthly billing period; but not less than 50% of the maximum demand similarly determined for any of the four (4) billing periods of June		

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Louisville Gas and Electric Company

P.S.C. Electric No. 7, Original Sheet No. 20

Standard Rate	ITOD	
Industrial Time-of-Day Service		
<b>APPLICABLE</b>		
In all territory served.		
<b>AVAILABILITY OF SERVICE</b>		
This schedule is available for secondary or primary industrial service. Service under this schedule will be limited to minimum average loads of 250 kW and maximum average loads not exceeding 50,000 kW. Customers with new or increased load requirements that exceed 50,000 kW will have a rate developed based upon their electrical characteristics. Customers initiating service on this rate whose load characteristics subsequently do not meet this criteria will be billed on the appropriate rate.		
<b>RATE</b>		
Customer Charge per month:	Secondary \$120.00	Primary \$120.00
Plus an Energy Charge per kWh of:	\$ 0.02616	\$ 0.02616
Plus a Demand Charge per kW of:		
Basic Demand	\$ 4.85	\$ 3.79
Peak Demand		
Summer Peak Period	\$ 9.99	\$ 9.29
Winter Peak Period	\$ 7.40	\$ 6.70
<p>Basic Demand Charges are applicable to the highest average load in kilowatts recorded during any 15-minute interval of the billing period and Peak Demand Charges are applicable to the highest average load in kilowatts recorded during any 15-minute interval of the peak period, as defined herein, in the monthly billing period, but not less than 50% of the maximum demands similarly determined for any of the four (4) billing periods of June through September within the eleven (11) preceding months.</p> <p><b>SUMMER PEAK PERIOD</b> is defined as weekdays from 10 A.M. to 9 P.M., Eastern Standard Time, during the four (4) billing periods of June through September.</p> <p><b>WINTER PEAK PERIOD</b> is defined as weekdays from 8 A.M. to 10 P.M., Eastern Standard Time, during the eight (8) billing periods of October through May.</p> <p><b>POWER FACTOR PROVISION</b></p> <p>The monthly demand charge shall be decreased .4% for each whole one percent by which the monthly average power factor exceeds 80% lagging and shall be increased .6% for each whole one percent by which the monthly average power factor is less than 80% lagging.</p> <p>Monthly average power factor shall be determined by means of a reactive component meter ratcheted to record only lagging reactive kilovolt ampere hours, used in conjunction with a standard watt-hour meter.</p>		

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## Louisville Gas and Electric Company

P.S.C. Electric No. 7, Original Sheet No. 25

Standard Rate	RTS
Retail Transmission Service	
<b>APPLICABLE</b>	
In all territory served.	
<b>AVAILABILITY OF SERVICE</b>	
This schedule is available for transmission service. Service under this schedule will be limited to maximum average loads not exceeding 50,000 kVA. Customers with new or increased load requirements that exceed 50,000 kVA will have rate developed based upon their electrical characteristics.	
<b>RATE</b>	
Customer Charge per month:	Transmission \$120.00
Plus an Energy Charge per kWh of:	\$ 0.02616
Plus a Demand Charge per kVA of:	
Basic Demand	\$ 2.29
Peak Demand	
Summer Peak Period	\$ 8.08
Winter Peak Period	\$ 5.83
Basic Demand Charges are applicable to the highest average load in kVA recorded during any 15-minute interval of the billing period and Peak Demand Charges are applicable to the highest average load in kVA recorded during any 15-minute interval of the peak period, as defined herein, in the monthly billing period, but not less than 50% of the maximum demands similarly determined for any of the four (4) billing periods of June through September within the eleven (11) preceding months	
<b>SUMMER PEAK PERIOD</b> is defined as weekdays from 10 A.M. to 9 P.M., Eastern Standard Time, during the four (4) billing periods of June through September.	
<b>WINTER PEAK PERIOD</b> is defined as weekdays from 8 A.M. to 10 P.M., Eastern Standard Time, during the eight (8) billing periods of October through May.	
<b>ADJUSTMENT CLAUSES</b>	
The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:	
Fuel Adjustment Clause	Sheet No. 85
Demand-Side Management Cost Recovery Mechanism	Sheet No. 86
Environmental Cost Recovery Surcharge	Sheet No. 87
Franchise Fee Rider	Sheet No. 90
School Tax	Sheet No. 91

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## Louisville Gas and Electric Company

P.S.C. Electric No. 7, Original Sheet No. 30

Standard Rate	IS		
Industrial Service			
<b>APPLICABLE</b>			
In all territory served.			
<b>AVAILABILITY OF SERVICE</b>			
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 IS schedule of Kentucky Utilities 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 July 1, 2004.			
<b>BASE RATE</b>			
Customer Charge: \$120.00 per month			
Energy Charge of:	<u>Secondary</u>	<u>Primary</u>	<u>Transmission</u>
Per monthly billing period	\$0.02616, per kWh	\$0.02616, per kWh	\$0.02616, per kWh
Plus a Demand Charge of:			
Per monthly billing period of			
Standard Load Charges:			
Basic Demand Charge	\$4.85 per kVA	\$3.79 per kVA	\$2.63 per kVA
Plus Peak Demand Charge			
Winter Peak	\$7.40 per kVA	\$6.70 per kVA	\$6.69 per kVA
Summer Peak	\$9.99 per kVA	\$9.29 per kVA	\$9.28 per kVA
Where the monthly Standard billing is the greater of the applicable charge per kVA times:			
a) the maximum metered standard demand, as measured over a fifteen (15) minute interval, for the basic demand and each peak period, in the monthly billing period,			
b) 60% of the maximum metered standard demand, as determined in (a) above, for the basic demand and 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:			

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Issued by Authority of an Order of the KPSC in Case Nos. 2007-00564 and 2008-00252 dated February 5, 2009

**Louisville Gas and Electric Company**

P.S.C. Electric No. 7, Original Sheet No. 21

Standard Rate	CTOD	
	Commercial Time-of-Day Service	
<b>APPLICABLE</b>		
In all territory served.		
<b>AVAILABILITY OF SERVICE</b>		
This schedule is available for secondary or primary commercial service. Service under this schedule will be limited to minimum average loads of 250 kW and maximum average loads not exceeding 50,000 kW. Customers with new or increased load requirements that exceed 50,000 kW will have a rate developed based upon their electrical characteristics. Customers initiating service on this rate whose load characteristics subsequently do not meet this criteria will be billed on to the appropriate rate.		
<b>RATE</b>		
Customer Charge per month:	Secondary \$90.00	Primary \$90.00
Plus an Energy Charge per kWh of:	\$ 0.02960	\$ 0.02960
Plus a Demand Charge per kW of:		
Basic Demand	\$ 3.57	\$ 2.56
Peak Demand		
Summer Peak Period	\$11.21	\$10.42
Winter-Peak Period	\$ 8.15	\$ 7.62
<p>Basic Demand Charges are applicable to the highest average load in kilowatts recorded during any 15-minute interval of the billing period and Peak Demand Charges are applicable to the highest average load in kilowatts recorded during any 15-minute interval of the peak period, as defined herein, in the monthly billing period, but not less than 50% of the maximum demands similarly determined for any of the four (4) billing periods of June through September within the eleven (11) preceding months.</p> <p><b>SUMMER PEAK PERIOD</b> is defined as weekdays from 10 A.M. to 9 P.M., Eastern Standard Time, during the four (4) billing periods of June through September.</p> <p><b>WINTER PEAK PERIOD</b> is defined as weekdays from 8 A.M. to 10 P.M., Eastern Standard Time, during the eight (8) billing periods of October through May.</p>		
<b>ADJUSTMENT CLAUSES</b>		
The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:		
Fuel Adjustment Clause		Sheet No. 85
Demand-Side Management Cost Recovery Mechanism		Sheet No. 86
Environmental Cost Recovery Surcharge		Sheet No. 87
Franchise Fee Rider		Sheet No. 90
School Tax		Sheet No. 91

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Louisville Gas and Electric Company

P.S.C. Electric No. 7, Original Sheet No. 35

Standard Rate	LS		
	Lighting Service		
<b>APPLICABLE</b>			
In all territory served.			
<b>AVAILABILITY OF SERVICE</b>			
To any customer who can be served in accordance with the special terms and conditions set forth herein and who is willing to contract for service in accordance with such special terms and conditions.			
<b>CHARACTER OF SERVICE</b>			
This rate schedule covers electric lighting service to outdoor equipment for the illumination of streets, driveways, yards, lots and other outdoor areas. Company will provide, own and maintain the lighting equipment, as hereinafter described, and will furnish the electrical energy to operate such equipment. Service under this rate will be available on an automatically controlled dusk-to-dawn every-night schedule of approximately 4000 hours per year, and only to the types of lighting units specified herein.			
<b>RATES</b>			
<b>UNDERGROUND SERVICE</b>			
Type Of Fixture	Lumen Output (Approximate)	Load/Light In kW	Monthly Rate Per Light
<b>High Pressure Sodium</b>			
4 Sided Colonial	6,300	.110	\$16.30
4 Sided Colonial	9,500	.145	16.91
4 Sided Colonial	16,000	.200	18.05
Acorn	6,300	.110	16.65
Acorn	9,500	.145	18.77
Acorn (Bronze Pole)	9,500	.145	19.76
Acorn	16,000	.200	19.83
Acorn (Bronze Pole)	16,000	.200	20.75
Contemporary	16,000	.200	25.45
Contemporary	28,500	.312	28.22
Contemporary	50,000	.495	32.10
Cobra Head	16,000	.200	22.28
Cobra Head	28,500	.312	24.41
Cobra Head	50,000	.495	28.20
* London (10' Smooth Pole)	6,300	.110	28.41
* London (10' Fluted Pole)	6,300	.110	30.09
* London (10' Smooth Pole)	9,500	.145	29.29
* London (10' Fluted Pole)	9,500	.145	30.87
* Victorian (10' Smooth Pole)	6,300	.110	27.51
* Victorian (10' Fluted Pole)	6,300	.110	28.06
* Victorian (10' Smooth Pole)	9,500	.145	29.30
* Victorian (10' Fluted Pole)	9,500	.145	29.90

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Louisville Gas and Electric Company

P.S.C. Electric No. 7, Original Sheet No. 35.1

Standard Rate	LS		
	Lighting Service		
<b>* Bases Available:</b>			
Old Town / Manchester			\$ 2.49
Chesapeake / Franklin			2.49
Jefferson / Westchester			2.49
Norfolk / Essex			2.64
<b><u>Mercury Vapor</u></b>			
4 Sided Colonial	4,000	.124	<u>16.42</u>
4 Sided Colonial	8,000	.210	<u>18.11</u>
Cobra Head	8,000	.210	<u>22.28</u>
Cobra Head	13,000	.298	<u>23.86</u>
Cobra Head	25,000	.462	<u>27.18</u>
Based on lighting choice, Company will furnish and install the lighting unit complete with lamp, fixture or luminaire, control device, mast arm (cobra head) and pole.			
The above rates for underground service contemplate a normal installation served from underground lines located in the streets, with a direct buried cable connection of not more than 200 feet per unit in those localities supplied with electric service through underground distribution facilities. If additional facilities are required, the customer shall make non-refundable cash advance equivalent to the installed cost of such excess facilities. The Company may provide underground lighting service in localities otherwise served through overhead facilities when, in its judgment, it is practicable to do so from an operating and economic standpoint. Company may decline to install equipment and provide service thereto in locations deemed by the Company as unsuitable for underground installation.			
<b>OVERHEAD SERVICE</b>			
Type Of Fixture	Lumen Output (Approximate)	Load/Light In kW	Monthly Rate Per Light
<b><u>High Pressure Sodium</u></b>			
Cobra Head	16,000	.200	<u>9.94</u>
Cobra Head	28,500	.312	<u>11.95</u>
Cobra Head	50,000	.495	<u>15.88</u>
Directional Flood	16,000	.200	<u>11.43</u>
Directional Flood	50,000	.495	<u>16.81</u>
Open Bottom	9,500	.145	<u>8.53</u>
<b><u>Mercury Vapor</u></b>			
Cobra Head	8,000	.210	<u>9.95</u>
Cobra Head	13,000	.298	<u>11.49</u>
Cobra Head	25,000	.462	<u>14.74</u>
Directional Flood	25,000	.462	<u>16.20</u>
Open Bottom	8,000	.210	<u>9.91</u>

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Louisville Gas and Electric Company

P.S.C. Electric No. 7, Original Sheet No. 35.2

Standard Rate	LS		
	Lighting Service		
Based on lighting choice, Company will furnish and install the lighting unit complete with lamp, fixture or luminaire, control device and mast arm (cobra head).			
<b>METAL HALIDE COMMERCIAL AND INDUSTRIAL LIGHTING</b>			
TYPE POLE AND FIXTURE	APPROX. LUMENS	kW RATING	MONTHLY CHARGE
Directional Fixture Only	12,000	0.207	<del>\$10.18</del>
Directional Fixture With Wood Pole	12,000	0.207	<del>\$12.21</del>
Directional Fixture With Direct Burial Metal Pole	12,000	0.207	<del>\$18.85</del>
Directional Fixture Only	32,000	0.450	<del>\$14.92</del>
Directional Fixture With Wood Pole	32,000	0.450	<del>\$16.96</del>
Directional Fixture With Metal Pole	32,000	0.450	<del>\$23.59</del>
Directional Fixture Only	107,800	1.080	<del>\$31.58</del>
Directional Fixture With Wood Pole	107,800	1.080	<del>\$34.41</del>
Directional Fixture With Metal Pole	107,800	1.080	<del>\$40.25</del>
Contemporary Fixture Only	12,000	0.207	<del>\$11.31</del>
Contemporary Fixture With Direct Burial Metal Pole	12,000	0.207	<del>\$20.00</del>
Contemporary Fixture Only	32,000	0.450	<del>\$16.51</del>
Contemporary Fixture With Metal Pole	32,000	0.450	<del>\$25.18</del>
Contemporary Fixture Only	107,800	1.080	<del>\$34.21</del>
Contemporary Fixture With Metal Pole	107,800	1.080	<del>\$42.89</del>
The above rates for overhead service contemplate installation on an existing wood pole. If the location of an existing pole is not suitable for the installation of a lighting unit, the Company will extend its secondary conductor one span and install an additional pole for the support of such unit, the customer to pay an additional charge of \$9.62 per month for each such pole so installed. If still further poles or conductors are required to extend service to the lighting unit, the customer will be required to make a non-refundable cash advance equal to the installed cost of such further facilities.			
<b>ADJUSTMENT CLAUSES</b>			
The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:			

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Louisville Gas and Electric Company

P.S.C. Electric No. 7, Original Sheet No. 36

Standard Rate		RLS	
Restricted Lighting Service			
<b>OUTDOOR LIGHTING</b>			
<b>APPLICABLE</b> In all territory served.			
<b>AVAILABILITY OF SERVICE - RESTRICTED</b> To any customer who can be served in accordance with the special terms and conditions set forth herein and who is willing to contract for service in accordance with such special terms and conditions. This rate schedule will continue to be available to fixtures that were being served hereunder on July 1, 2004, and will not be available for the addition of new fixtures.			
<b>CHARACTER OF SERVICE</b> These rates cover electric lighting service to outdoor equipment for the illumination of streets, driveways, yards, lots and other outdoor areas. Company will provide, own and maintain the lighting equipment, as hereinafter described, and will furnish the electrical energy to operate such equipment. Service under this rate will be available on an automatically controlled dusk-to-dawn every-night schedule of approximately 4000 hours per year, and only to the types of lighting units specified herein.			
<b>RATES</b>			
Type of Unit		Rate Per Month Per Unit	
<u>Overhead Service</u>		Installed Prior to	Installed After
<u>Mercury Vapor</u>		January 1, 1991	December 31, 1990
100 Watt		\$7.64	N/A
175 Watt		8.77	\$ 10.24
250 Watt		10.04	11.59
400 Watt		12.40	14.09
1000 Watt		23.12	25.89
<u>High Pressure Sodium Vapor</u>			
100 Watt		\$ 8.50	\$ 8.50
150 Watt		10.94	10.94
250 Watt		13.01	13.01
400 Watt		14.06	14.06
1000 Watt		N/A	33.13
<u>Underground Service</u>			
<u>Mercury Vapor</u>			
100 Watt - Top Mounted		13.15	\$13.59
175 Watt - Top Mounted		14.12	15.14
<u>High Pressure Sodium Vapor</u>			
70 Watt - Top Mounted		\$11.67	\$ 11.67
100 Watt - Top Mounted		15.45	15.44
150 Watt - Top Mounted		N/A	18.79
150 Watt		21.02	21.05
250 Watt		24.28	24.28
400 Watt		27.00	27.00
1000 Watt		N/A	60.73

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Louisville Gas and Electric Company

P.S.C. Electric No. 7, Original Sheet No. 36.1

Standard Rate	RLS
Restricted Lighting Service (Continued)	
<u>Decorative Lighting Service</u>	<u>Rate Per Month Per Unit</u>
<u>Fixtures</u>	
<u>Acorn with Decorative Basket</u>	
70 Watt High Pressure Sodium	\$16.44
100 Watt High Pressure Sodium	17.28
<u>8-Sided Coach</u>	
70 Watt High Pressure Sodium	16.61
100 Watt High Pressure Sodium	17.47
<u>Poles</u>	
10' Smooth	9.20
10' Fluted	10.98
<u>Bases</u>	
Old Town/Manchester	2.95
Chesapeake/Franklin	3.17
Jefferson/Westchester	3.19
Norfolk/Essex	3.36
NA – Not Available	
<b>ADJUSTMENT CLAUSES</b>	
The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:	
Fuel Adjustment Clause	Sheet No. 85
Environmental Surcharge	Sheet No. 87
Franchise Fee	Sheet No. 90
School Tax	Sheet No. 91
<b>SPECIAL TERMS AND CONDITIONS</b>	
1. Company will furnish and install the lighting unit complete with lamp, fixture or luminaire, control device, and mast arm. The above rates for overhead service contemplate installation on an existing wood pole with service supplied from overhead circuits only; provided, however, that, when possible, floodlights served hereunder may be attached to existing metal street lighting standards supplied from overhead service. If the location of an existing pole is not suitable for the installation of a lighting unit, the Company will extend its secondary conductor one span and install an additional pole for the support of such unit, the customer to pay an additional charge of \$1.75 per month for each such pole so installed. If still further poles or conductors are required to extend service to the lighting unit, the customer will be required to make a non-refundable cash advance equal to the installed cost of such further facilities.	
2. The above rates for underground service contemplate a normal installation served from underground lines located in the streets, with a direct buried cable connection of not more than 200 feet per unit in those localities supplied with electric service through underground distribution facilities. If additional facilities are required, the customer shall make	

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P.S.C. Electric No. 7, Original Sheet No. 36.3

Standard Rate	RLS Restricted Lighting Service	
<b>PUBLIC STREET LIGHTING</b>		
<b>AVAILABILITY OF SERVICE - RESTRICTED</b>		
The following lighting units and rates are available to municipal, county, state and Federal governments, including divisions thereof, and other bodies politic which have the authority to levy and collect general taxes, for the lighting of public streets and roads, public parks and other outdoor locations open to and reserved for general public use. This rate schedule will continue to be available to fixtures that were being served hereunder on July 1, 2004, and will not be available for the addition of new fixtures.		
<b>CHARACTER OF SERVICE</b>		
These rates cover electric lighting service to Company-owned and maintained street lighting equipment as hereinafter described. Service under these rates will be available on an automatically controlled dusk-to-dawn every-night schedule of approximately 4,000 hours per year, and only to the types of lighting units specified herein.		
<b>RATES</b>		
	Rate Per Month Per Unit	
	Installed Prior to January 1, 1991	Installed After December 31, 1990
<u>Overhead Service</u>		
<u>Mercury Vapor</u>		
100 Watt	\$ 6.89	N/A
175 Watt	8.17	\$10.05
250 Watt	9.40	11.39
400 Watt	11.45	13.88
400 Watt (metal pole)	16.19	N/A
1000 Watt	21.73	25.63
<u>High Pressure Sodium Vapor</u>		
100 Watt	\$ 8.22	\$ 8.22
150 Watt	9.92	9.92
250 Watt	11.97	11.97
400 Watt	12.78	12.78
1000 Watt	N/A	29.02
<u>Underground Service</u>		
<u>Mercury Vapor</u>		
100 Watt - Top Mounted	\$11.09	\$13.81
175 Watt - Top Mounted	12.27	14.93
175 Watt	16.51	23.60
250 Watt	17.78	24.63
400 Watt	21.13	27.60
400 Watt on State of Ky. Pole	21.24	27.60
<u>High Pressure Sodium Vapor</u>		
70 Watt - Top Mounted	\$ N/A	\$11.74
100 Watt - Top Mounted	12.19	12.19
150 Watt - Top Mounted	N/A	18.02
150 Watt	21.03	21.03
250 Watt	22.48	22.48
250 Watt on State of Ky. Pole	22.48	22.48
400 Watt	24.38	24.38
400 Watt on State of Ky. Pole	24.38	24.38
1000 Watt	N/A	56.63

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Standard Rate	RLS
Restricted Lighting Service	
<u>Decorative Lighting Service</u>	<u>Rate Per Month Per Unit</u>
<u>Fixtures</u>	
<u>Acorn with Decorative Basket</u>	
70 Watt High Pressure Sodium	\$16.02
100 Watt High Pressure Sodium	16.76
<u>8-Sided Coach</u>	
70 Watt High Pressure Sodium	16.22
100 Watt High Pressure Sodium	17.31
<u>Poles</u>	
10' Smooth	9.20
10' Fluted	10.98
<u>Bases</u>	
Old Town/Manchester	2.95
Chesapeake/Franklin	3.17
Jefferson/Westchester	3.19
Norfolk/Essex	3.36
NA – Not Available	
 <b>ADJUSTMENT CLAUSES</b>	
The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:	
Fuel Adjustment Clause	Sheet No. 85
Environmental Cost Recovery Surcharge	Sheet No. 87
Franchise Fee Rider	Sheet No. 90
School Tax	Sheet No. 91
 <b>SPECIAL TERMS AND CONDITIONS</b>	
1. <u>Overhead Service.</u> The above rates contemplate installation on an existing pole in Company's system. If the location of an existing pole is not suitable for the installation of a lighting unit, the Company will extend its secondary conductor one span and install an additional pole for the support of such unit. If still further poles or conductors are required to extend service to the lighting unit, the customer will be required to make a non-refundable cash advance equal to the installed cost of such further facilities.	
2. <u>Underground Service.</u> In all areas other than the downtown section of the City of Louisville designated by City ordinance as an underground district, the Company will provide a normal installation consisting of a direct buried cable connection of not more than 200 feet per unit. If additional facilities or expenditures are required, including any additional cost to break pavement or remove rock, the customer shall make a non-refundable cash advance equivalent to the excess costs. Company may decline to install equipment and provide service thereto in locations deemed by Company unsuitable for underground installation.	

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Louisville Gas and Electric Company

P.S.C. Electric No. 7, Original Sheet No. 37

Standard Rate	LE								
<b>Lighting Energy Service</b>									
<b>APPLICABLE</b> In all territory served.									
<b>AVAILABILITY OF SERVICE</b> Available to municipalities, county governments, divisions or agencies of the state or Federal governments, civic associations, and other public or quasi-public agencies for service to public street and highway lighting systems, where the municipality or other agency owns and maintains all street lighting equipment and other facilities on its side of the point of delivery of the energy supplied hereunder.									
<b>RATE</b> \$0.04882 per kWh.									
<b>ADJUSTMENT CLAUSES</b> The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following: <table><tr><td>Fuel Adjustment Clause</td><td>Sheet No. 85</td></tr><tr><td>Environmental Cost Recovery Surcharge</td><td>Sheet No. 87</td></tr><tr><td>Franchise Fee Rider</td><td>Sheet No. 90</td></tr><tr><td>School Tax</td><td>Sheet No. 91</td></tr></table>		Fuel Adjustment Clause	Sheet No. 85	Environmental Cost Recovery Surcharge	Sheet No. 87	Franchise Fee Rider	Sheet No. 90	School Tax	Sheet No. 91
Fuel Adjustment Clause	Sheet No. 85								
Environmental Cost Recovery Surcharge	Sheet No. 87								
Franchise Fee Rider	Sheet No. 90								
School Tax	Sheet No. 91								
<b>DUE DATE OF BILL</b> Customer's payment will be due within twelve (12) days from date of bill									
<b>CONDITIONS OF DELIVERY</b> <ol style="list-style-type: none"><li>1. Service hereunder will be metered except when, by mutual agreement of Company and customer, an unmetered installation will be more satisfactory from the standpoint of both parties. In the case of unmetered service, billing will be based on a calculated consumption taking into account the types of equipment served.</li><li>2. The location of the point of delivery of the energy supplied hereunder and the voltage at which such delivery is effected shall be mutually agreed upon by Company and the customer in consideration of the type and size of customer's street lighting system and the voltage which Company has available for delivery.</li></ol>									
<b>TERMS AND CONDITIONS</b> Service will be furnished under Company's Terms and Conditions applicable hereto.									

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Date of Issue: February 9, 2009  
Date Effective: February 6, 2009  
Issued By: Lonnie E. Bellar, Vice President, State Regulation and Rates, Louisville, Kentucky

Issued by Authority of an Order of the KPSC in Case Nos. 2007-00564 and 2008-00252 dated February 5, 2009



Standard Rate	TE								
Traffic Energy Service									
<p><b>APPLICABLE</b>                      In all territory served.</p>									
<p><b>AVAILABILITY OF SERVICE</b>                      Available to municipalities, county governments, divisions of the state or Federal governments or any other governmental agency for service to traffic control devices including signals, cameras, or other traffic lights which operate on a 24-hour all-day every-day basis, where the governmental agency owns and maintains all equipment on its side of the point of delivery of the energy supplied hereunder. In the application of this rate each point of delivery will be considered as a separate customer.</p>									
<p><b>RATE</b></p> <p>Customer Charge: \$2.80 per delivery per month</p> <p>Plus an Energy Charge of: <u>\$0.05914</u> per kWh</p>									
<p><b>ADJUSTMENT CLAUSES</b>                      The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:</p> <table style="width: 100%; border: none;"> <tr> <td style="width: 60%;">Fuel Adjustment Clause</td> <td style="width: 40%;">Sheet No. 85</td> </tr> <tr> <td>Environmental Cost Recovery Surcharge</td> <td>Sheet No. 87</td> </tr> <tr> <td>Franchise Fee Rider</td> <td>Sheet No. 90</td> </tr> <tr> <td>School Tax</td> <td>Sheet No. 91</td> </tr> </table>		Fuel Adjustment Clause	Sheet No. 85	Environmental Cost Recovery Surcharge	Sheet No. 87	Franchise Fee Rider	Sheet No. 90	School Tax	Sheet No. 91
Fuel Adjustment Clause	Sheet No. 85								
Environmental Cost Recovery Surcharge	Sheet No. 87								
Franchise Fee Rider	Sheet No. 90								
School Tax	Sheet No. 91								
<p><b>MINIMUM CHARGE</b>                      The Customer Charge shall be the minimum charge.</p>									
<p><b>DUE DATE OF BILL</b>                      Customer's payment will be due within twelve (12) days from date of bill.</p>									
<p><b>CONDITIONS OF SERVICE</b></p> <ol style="list-style-type: none"> <li>1. Service hereunder will be metered except when, by mutual agreement of Company and customer, an unmetered installation will be more satisfactory from the standpoint of both parties. In the case of unmetered service, billing will be based on a calculated consumption, taking into account the size and characteristics of the load, or on meter readings obtained from a similar installation.</li> <li>2. The location of each point of delivery of energy supplied hereunder shall be mutually agreed upon by Company and the customer.</li> <li>3. Traffic lights not operated on an all-day every-day basis will be served under General Service Rate GS.</li> </ol>									
<p><b>TERMS AND CONDITIONS</b>                      Service will be furnished under Company's Terms and Conditions applicable hereto.</p>									

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Date of Issue: February 9, 2009  
 Date Effective: February 6, 2009  
 Issued By: Lonnie E. Bellar, Vice President, State Regulation and Rates, Louisville, Kentucky

Issued by Authority of an Order of the KPSC in Case Nos. 2007-00564 and 2008-00252 dated February 5, 2009

Standard Rate	RRP		
Residential Responsive Pricing Service			
<b>APPLICABLE</b>			
In the territory served by Company and falling in four meter reading routes selected by Company for testing "smart meters" and Customer reaction to responsive pricing.			
<b>AVAILABILITY OF SERVICE</b>			
RRP shall be available as an optional pilot program to single phase, single family residential service for three years and shall remain in effect until modified or terminated by order of the Commission.			
a) RRP is restricted to a maximum of one hundred (100) customers eligible for Rate RS in any year. Company will notify all customers eligible for RRP and accept applications on a first-come-first-served basis.			
b) No customers will be accepted on RRP following the end of the second year of the pilot program. A customer exiting the pilot program or disconnected for non-pay will not be allowed to return to it until the Commission has issued a decision on the pilot program report.			
c) Non customer-specific costs of modifying Company's customer billing systems to accommodate RRP will be recovered through a charge per kWh billed to customers taking service under rates RS and GS.			
d) Company will file a report on RRP with the Commission within six months after the first three years of implementation of the pilot program. Such report will detail findings and recommendations.			
<b>RATE</b>			
Customer Charge: \$10.00 per month			
Plus an Energy Demand Charge:			
Low Cost Hours (P <sub>1</sub> ):	\$0.04572	per kWh	
Medium Cost Hours (P <sub>2</sub> ):	\$0.05803	per kWh	
High Cost Hours (P <sub>3</sub> ):	\$0.11222	per kWh	
Critical Cost Hours (P <sub>4</sub> ):	\$0.30687	per kWh	
<b>DETERMINATION OF PRICING PERIODS</b>			
Pricing periods are established in Eastern Standard Time year round by season for weekdays and weekends. The hours of the pricing periods for price levels P <sub>1</sub> , P <sub>2</sub> , and P <sub>3</sub> are as follows:			
<u>Summer peak months of June through September</u>			
	Low (P <sub>1</sub> )	Medium (P <sub>2</sub> )	High (P <sub>3</sub> )
Weekdays	9 P.M. – 10 A.M.	10 A.M. – 1 P.M. 6 P.M. – 9 P.M.	1 P.M. – 6 P.M.
Weekends	6 P.M. – 1 P.M.	1 P.M. – 6 P.M.	
<u>All other months October continuously through May</u>			
	Low (P <sub>1</sub> )	Medium (P <sub>2</sub> )	High (P <sub>3</sub> )
Weekdays	10 P.M. – 8 A.M.	8 A.M. – 6 P.M.	6 P.M. – 10 P.M.
Weekends	10 P.M. – 6 P.M.	6 P.M. – 10 P.M.	

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Date of Issue: February 9, 2009  
 Date Effective: February 6, 2009  
 Issued By: Lonnie E. Bellar, Vice President, State Regulation and Rates, Louisville, Kentucky

Louisville Gas and Electric Company

P.S.C. Electric No. 7, Original Sheet No. 77

Standard Rate	GRP		
	General Responsive Pricing Service		
<b>APPLICABLE</b>			
In the territory served by Company and falling in four meter reading routes selected by Company for testing "smart meters" and customer reaction to responsive pricing.			
<b>AVAILABILITY OF SERVICE</b>			
GRP shall be available as an optional pilot program to any customer for alternating current service, single-phase or three-phase, for lighting, power, and other general usage, measured and delivered at one of Company's standard distribution secondary voltages for three years and shall remain in effect until modified or terminated by order of the Commission.			
<ul style="list-style-type: none"> <li>a) GRP is restricted to a maximum of fifty (50) customers eligible for Rate GS in any year. Company will notify all eligible customers of GRP and accept applications on a first-come-first-served basis.</li> <li>b) No customers will be accepted on GRP following the end of the second year of the pilot program. A customer exiting the pilot program or disconnected for non-pay will not be allowed to return to it until the Commission has issued a decision on the pilot program report.</li> <li>c) Non customer-specific costs of customer billing systems to bill customers will be recovered through a charge per kWh billed to customers taking service under rates RS and GS.</li> <li>d) Company will file a report on GRP with the Commission within six months after the first three years of implementation of the pilot program. Such report will detail findings and recommendations.</li> </ul>			
<b>RATE</b>			
Customer Charge: \$20.00 per meter per month for single-phase service \$24.00 per meter per month for three-phase service			
Plus an Energy Demand Charge:			
Low Cost Hours (P <sub>1</sub> ):	\$0.05144	per kWh	
Medium Cost Hours (P <sub>2</sub> ):	\$0.06634	per kWh	
High Cost Hours (P <sub>3</sub> ):	\$0.14073	per kWh	
Critical Cost Hours (P <sub>4</sub> ):	\$0.30687	per kWh	
<b>DETERMINATION OF PRICING PERIODS</b>			
Pricing periods are established in Eastern Standard Time year round by season for weekdays and weekends. The hours of the pricing periods for price levels P <sub>1</sub> , P <sub>2</sub> , and P <sub>3</sub> are as follows:			
<u>Summer peak months of June through September</u>			
	Low (P <sub>1</sub> )	Medium (P <sub>2</sub> )	High (P <sub>3</sub> )
Weekdays	9 P.M. – 10 A.M.	10 A.M. – 1 P.M. 6 P.M. – 9 P.M.	1 P.M. – 6 P.M.
Weekends	6 P.M. – 1 P.M.	1 P.M. – 6 P.M.	
<u>All other months October continuously through May</u>			
	Low (P <sub>1</sub> )	Medium (P <sub>2</sub> )	High (P <sub>3</sub> )
Weekdays	10 P.M. – 8 A.M.	8 A.M. – 6 P.M.	6 P.M. – 10 P.M.
Weekends	10 P.M. – 6 P.M.	6 P.M. – 10 P.M.	

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Date of Issue: February 9, 2009

Date Effective: February 6, 2009

Issued By: Lonnie E. Bellar, Vice President, State Regulation and Rates, Louisville, Kentucky

## Louisville Gas and Electric Company

P.S.C. Electric No. 7, Original Sheet No. 85

Adjustment Clause	FAC
<b>Fuel Adjustment Clause</b>	
<b>APPLICABLE.</b>	
In all territory service.	
<b>AVAILABILITY OF SERVICE</b>	
This schedule is mandatory 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:	
$\text{Adjustment Factor} = \frac{F(m)}{S(m)} - \frac{F(b)}{S(b)}$	
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 for 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 scheduled outages, 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 nonscheduled losses of generation or transmission which require substitute power for a continuous period in excess of six (6) 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: February 9, 2009

Date Effective: February 6, 2009

Issued By: Lonnie E. Bellar, Vice President, State Regulation and Rates, Louisville, Kentucky

Issued by Authority of an Order of the KPSC in Case Nos. 2007-00564 and 2008-00252 dated February 5, 2009

## Louisville Gas and Electric Company

P.S.C. Electric No. 7, Original Sheet No. 85.1

Adjustment Clause	FAC
Fuel Adjustment Clause	
<p>(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).</p>	
<p>(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.</p>	
<p>(6) Base (b) period shall be the twelve (12) months ending October 2008, and the base fuel factor is \$<u>0.02058</u> per kWh.</p>	Deleted: 6
<p>(7) Current (m) period shall be the second month preceding the month in which the Fuel Clause Adjustment Factor is billed.</p>	Deleted: 0.01703
<p>(8) Pursuant to the Public Service Commission's Order in Case No. 2006-00510 dated October 31, 2007, the Fuel Adjustment Clause will become effective with bills rendered on and after the first billing cycle of December 2007.</p>	

Date of Issue: February 9, 2009

Date Effective: With Bills Rendered On and After December 3, 2007    Refiled: February 9, 2009

Issued By: Lonnie E. Bellar, Vice President, State Regulation and Rates, Louisville, Kentucky

Issued by Authority of an Order of the KPSC in Case No. 2006-00510 dated October 31, 2007

Mr. Mike Sanchez, Plant Manager  
E.I. DuPont De Nemours & Company, Inc.  
4200 Camp Ground Road  
Louisville, Kentucky 40216

February 9, 2009

RE: *Louisville Gas and Electric Company's Application  
To File Depreciation Study – Case No. 2007-00564*  
*and*  
*Louisville Gas and Electric Company's Application  
For Adjustments in its Electric and Gas Rates -  
Case No. 2008-00252*

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

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

Dear Mr. Sanchez:

On July 29, 2008, Louisville Gas and Electric Company (“LG&E”) filed a Statutory Notice with the Kentucky Public Service Commission (“Commission”) requesting an increase in its gas and electric rates, including the rates contained in the power contract between LG&E and E. I. DuPont DeNemours (“DuPont”) dated August 9, 1962. The Commission issued an order on August 15, 2008, suspending the proposed rates until February 5, 2009.

On January 13, 2009, LG&E filed a Settlement Agreement with the Commission proposing rates lower than those originally proposed. On February 5, 2009, after evidentiary hearings, the Commission issued its Order in Case No. 2008-00252 (consolidated with Case No. 2007-00564 by Order dated August 22, 2008) approving the rates submitted by LG&E in the Settlement Agreement, including the rates prescribed by the Commission for electric service rendered under the aforesaid contract. Effective with service rendered on and after February 6, 2009, the rates are set forth as follows:

<b>Basic Demand Charge:</b>	\$ 3.79 per kW
<b>Peak Demand Charge:</b>	
Summer Rate	\$ 9.29 per kW
Winter Rate	\$ 6.70 per kW
<b>Energy Charge:</b>	\$0.2616 per kWh
<b>Fuel Clause</b>	is set forth on the attached Exhibit 1.

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Mr. Mike Sanchez, Plant Manager  
E.I. DuPont De Nemours & Company, Inc  
February 9, 2009

All other provisions of your contract, not specifically mentioned herein, remain the same as those in effect prior to the date of the Commission's Order of February 5, 2009, and all other Tariffs and Riders applicable to this contract will continue to apply.

If you have any questions regarding this matter, please contact me.

Sincerely,

Robert M. Conroy

Attachment

EXHIBIT I**Fuel Clause**

Applicable: In all territory service. This schedule is a mandatory rider to all electric rate schedules.

- (1) The monthly amount computed under each of the rate schedules to which this fuel clause is applicable shall be increased or decreased at a rate per kilowatt-hour of monthly consumption in accordance with the following formula:

$$\text{Adjustment Factor} = F/S - 2.058\%$$

Deleted: 1.703

Where F is the expense of fuel in the second preceding month and S is the sales in the second preceding month, as defined below:

- (2) Fuel costs (F) shall be the cost of:
- (a) Fossil fuel consumed in the Company's 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 for 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 are such costs as the charges for economy energy purchases and the charges as a result of scheduled outage, all such kinds of energy being purchased by Company 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. 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 fuel from the point of acquisition to the unloading point, as listed in Account 151 of the FERC Uniform System of Accounts for Public Utilities and Licensees.
  - (f) As used herein, the term "forced outages" means all nonscheduled 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 Company may, upon proper showing, with the approval of the Commission, include the fuel cost of substitute energy in the adjustment.
- (3) Sales (S) shall be determined in kilowatt-hours as follows:
- Add:
- (a) net generation
  - (b) purchases
  - (c) interchange-in
- Subtract:
- (d) inter-system sales including economy energy and other energy sold on an economic dispatch basis
  - (e) total system losses

\* Pursuant to the Public Service Commission's Order in Case No. 2006-00510 dated October 31, 2007, the Fuel Adjustment Clause will become effective with bills rendered on and after December 3, 2007.



USAARMC and Fort Knox  
ATZK-OSC  
Directorate of Base Operations  
1110 Sixth Avenue, Room 311  
Fort Knox, Kentucky 40121-5000

Attention: Mr. Gary Meredith

February 9, 2009

**RE: Louisville Gas and Electric Company's Application  
To File Depreciation Study – Case No. 2007-00564**

*and*

**Louisville Gas and Electric Company's Application  
For Adjustments in its Electric and Gas Rates -  
Case No. 2008-00252**

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

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

Dear Mr. Meredith:

On July 29, 2008, Louisville Gas and Electric Company ("LG&E") filed a Statutory Notice with the Kentucky Public Service Commission ("Commission") requesting an increase in its gas and electric rates, including the rates contained in the power contract designated Contract W2215-ENG-1291, as heretofore amended and modified. The Commission issued an order on August 15, 2008, suspending the proposed rates until February 5, 2009.

On January 13, 2009, LG&E filed a Settlement Agreement with the Commission proposing rates lower than those originally proposed. On February 5, 2009, after evidentiary hearings, the Commission issued its Order in Case No. 2008-00252 (consolidated with Case No. 2007-00564 by Order dated August 22, 2008) approving the rates submitted by LG&E in the Settlement Agreement, including the rates prescribed by the Commission for electric service rendered under the aforesaid contract. Effective with service rendered on and after February 6, 2009, the rates are set forth on the attached "Fort Knox Electric Rate."

USAARMC and Fort Knox  
ATZK-OSC  
Directorate of Base Operations  
February 9, 2009  
Page Two

All other provisions of your contract, not specifically mentioned herein, remain the same as those in effect prior to the date of the Commission's Order of February 5, 2009, and all other Tariffs and Riders applicable to this contract will continue to apply.

If you have any questions regarding this matter, please contact me.

Sincerely,

Robert M. Conroy

Attachment

LOUISVILLE GAS AND ELECTRIC COMPANY

FORT KNOX ELECTRIC RATE

Effective With Bills Rendered On and After February 6, 2009

Availability:

Available for electric service as hereinafter described to the Fort Knox Military Reservation. This rate schedule does not apply to the separately-served Muldraugh Pumping Plant.

Rate:

Demand Charge:

Winter Rate: (Applicable during 8 monthly billing periods of October through May)

All kilowatts of billing demand . . . . . \$10.29 per Kw per month

Summer Rate: (Applicable during 4 monthly billing periods of June through September)

All kilowatts of billing demand . . . . . \$12.48 per Kw per month

Energy Charge: All kilowatt-hours per month . . . . . ~~2.619¢~~ per Kwh

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Determination of Billing Demand:

The billing demand for the month shall be the highest average load in kilowatts occurring during any 15-minute interval in the month as shown by maximum demand instrument, but not less than 50% of the maximum demand similarly delivered during the eleven preceding months, nor less than a minimum billing demand of 5,000 kilowatts.

Power Factor Provision: The monthly demand charge shall be decreased .4% for each whole one percent by which the monthly average power factor exceeds 80% lagging and shall be increased .6% for each whole one percent by which the monthly average power factor is less than 80% lagging.

Fuel Clause: This special contract is subject to the provisions of the Fuel Adjustment Clause found in LG&E's Tariff PSC of Ky. Electric No. 7, First Revision of Original Sheet Nos. 85 and 85.1.

Minimum Monthly Charge: The monthly bill shall in no event be less than the demand charge computed upon the billing demand for the month.

Billing Period:

The billing period for electric service hereunder shall be the calendar month.

Delivery and Metering:

Service hereunder shall be metered at 34,500 volts at Company's 138/34.5 KV Tip Top Substation, then transmitted and delivered at 34.5 KV by Company over two circuits to Customer's several substations. Meter readings on Company's two circuits will be combined for billing and the maximum demand will be determined as the coincident maximum demand on such two circuits.

Applicability of Rules:

Service under this rate schedule is subject to Company's Terms and Conditions governing the supply of electric service as incorporated in its Tariff as filed with the Public Service Commission of Kentucky.

Regulatory Jurisdiction:

Rates, terms and conditions herein provided are subject to the regulatory jurisdiction of the Public Service Commission of Kentucky.

Mr. Kent Horrell  
Director of Operations  
Louisville Water Company  
550 South Third Street  
Louisville, Kentucky 40202

February 9, 2009

RE: Louisville Gas and Electric Company's Application  
To File Depreciation Study – Case No. 2007-00564

and

Louisville Gas and Electric Company's Application  
For Adjustments in its Electric and Gas Rates -  
Case No. 2008-00252

Dear Mr. Horrell:

On July 29, 2008, Louisville Gas and Electric Company (“LG&E”) filed a Statutory Notice with the Kentucky Public Service Commission (“Commission”) requesting an increase in its gas and electric rates, including the rates contained in the power contract dated October 10, 1961 between the Louisville Water Company and LG&E. The Commission issued an order on August 15, 2008, suspending the proposed rates until February 5, 2009.

On January 13, 2009, LG&E filed a Settlement Agreement with the Commission proposing rates lower than those originally proposed. On February 5, 2009, after evidentiary hearings, the Commission issued its Order in Case No. 2008-00252 (consolidated with Case No. 2007-00564 by Order dated August 22, 2008) approving the rates submitted by LG&E in the Settlement Agreement, including the rates prescribed by the Commission for electric service rendered under the aforesaid contract. Effective with service rendered on and after February 6, 2009, the rates are set forth as follows:

**Demand Charge** - \$8.73 per Kw of billing demand per month

**Energy Charge** - ~~2.618¢~~ Per Kwh

Deleted: 2.263

**Fuel Clause** is set forth on the enclosed Exhibit 1.

Mr. Kent Horrell  
Director of Operations  
Louisville Water Company  
February 9, 2009  
Page Two

All other provisions of your contract, not specifically mentioned herein, remain the same as those in effect prior to the date of the Commission's Order of February 5, 2009, and all other Tariffs and Riders applicable to this contract will continue to apply.

If you have any questions regarding this matter, please contact me.

Sincerely,

Robert M. Conroy

Attachment

EXHIBIT I

**Fuel Clause**

Applicable: In all territory service. This schedule is a mandatory rider to all electric rate schedules.

- (1) The monthly amount computed under each of the rate schedules to which this fuel clause is applicable shall be increased or decreased at a rate per kilowatt-hour of monthly consumption in accordance with the following formula:

$$\text{Adjustment Factor} = F/S - 2.058\%*$$

Deleted: 1.703

Where F is the expense of fuel in the second preceding month and S is the sales in the second preceding month, as defined below:

- (2) Fuel costs (F) shall be the cost of:
- (a) Fossil fuel consumed in the Company's 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 for 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 are such costs as the charges for economy energy purchases and the charges as a result of scheduled outage, all such kinds of energy being purchased by Company 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. 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 fuel from the point of acquisition to the unloading point, as listed in Account 151 of the FERC Uniform System of Accounts for Public Utilities and Licensees.
  - (f) As used herein, the term "forced outages" means all nonscheduled 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 Company may, upon proper showing, with the approval of the Commission, include the fuel cost of substitute energy in the adjustment.
- (3) Sales (S) shall be determined in kilowatt-hours as follows:
- Add:
- (a) net generation
  - (b) purchases
  - (c) interchange-in
- Subtract:
- (d) inter-system sales including economy energy and other energy sold on an economic dispatch basis
  - (e) total system losses

\* Pursuant to the Public Service Commission's Order in Case No. 2006-00510 dated October 31, 2007, the Fuel Adjustment Clause will become effective with bills rendered on and after December 3, 2007.



**LOUISVILLE GAS AND ELECTRIC COMPANY**

**Response to Information Requested in  
Appendix B of Commission's Order  
Dated January 23, 2009**

**Case No. 2008-00521**

**Question No. 18**

**Witness: Mike Dotson**

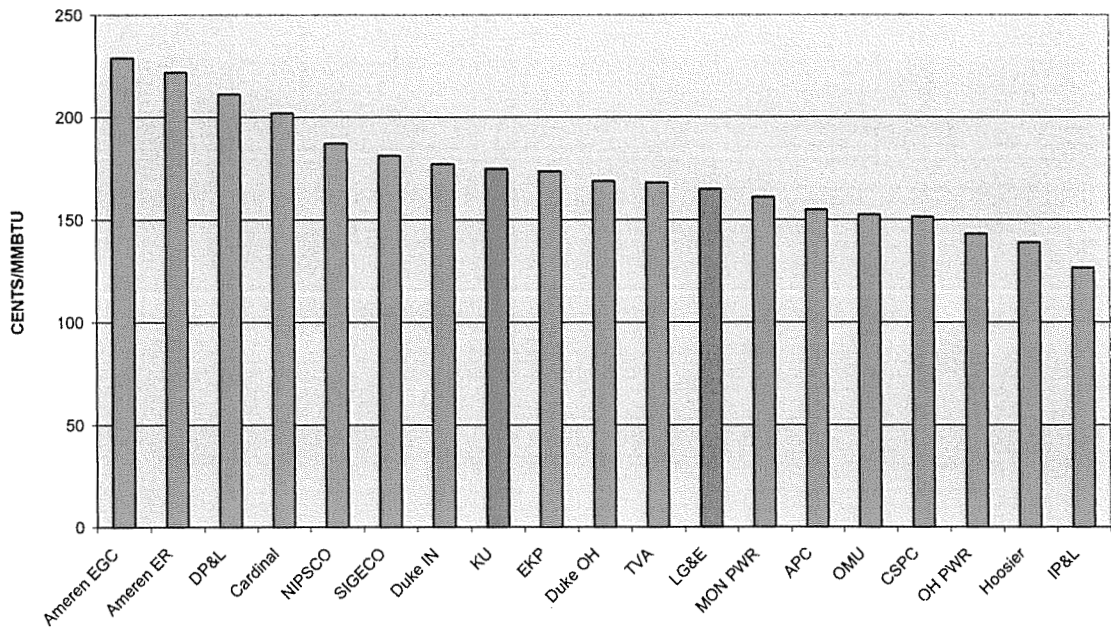
- Q-18. a. State whether LG&E regularly compares the price of its coal purchases with those paid by other electric utilities.
- b. If yes, state:
- (1) The utilities that are included in this comparison and their location; and
  - (2) How LG&E's prices compare with those of the other utilities for the review period. Include all prices used in the comparison.
- A-18. a. Yes.
- b. LG&E compares pricing of its coal purchases with neighboring utilities from FERC 423 data that is compiled by Platts CoalDat database (division of McGraw Hill Companies). The utilities included in the comparison are shown on the list below and a price comparison is made. The chart shows the comparison for coal greater than 5.0 lbs. SO<sub>2</sub> content, which are in line with LG&E's scrubbed units,



**Utilities in Comparison List**

<b>UTILITY</b>	<b>ABBREVIATED</b>	<b>PLANT LOCATIONS</b>
AmerenEnergy Generating Co	Ameren EGC	Illinois
AmerenEnergy Resources Generating	Ameren ER	Illinois
Appalachian Power Co	APC	Virginia, West Virginia
Cardinal Operating (AEP)	Cardinal	Ohio
Columbus Southern Power Co	CSPC	Kentucky, Ohio
Dayton Power & Light Co (The)	DP&L	Ohio
Duke Energy Indiana	Duke IN	Indiana
Duke Energy Ohio	Duke OH	Ohio
East Kentucky Power Coop	EKP	Kentucky
Electric Energy Inc	EEI	Illinois
Hoosier Energy Rural Electric Coop Inc	Hoosier	Indiana
Indiana Kentucky Electric Corp	IKEC	Indiana
Indiana Michigan Power Co	IMPC	Indiana
Indianapolis Power & Light	IP&L	Indiana
Kentucky Power Co	KPC	Kentucky
Kentucky Utilities Co	KU	Kentucky
Louisville Gas & Electric Co	LG&E	Kentucky
Monongahela Power Co	MON PWR	West Virginia
Northern Indiana Public Service Co	NIPSCO	Indiana
Ohio Power Co	OH PWR	Ohio, West Virginia
Ohio Valley Electric Corp	OVEC	Ohio
Owensboro Municipal Utilities	OMU	Kentucky
Southern Indiana Gas & Electric Co	SIGECO	Indiana
Tennessee Valley Authority	TVA	Alabama, Kentucky, Tennessee

PRICE COMPARISON COAL > 5.0 LBS. SO2 CONTENT  
(Nov 07 - Oct 08)





**LOUISVILLE GAS AND ELECTRIC COMPANY**

**Response to Information Requested in  
Appendix B of Commission's Order  
Dated January 23, 2009**

**Case No. 2008-00521**

**Question No. 19**

**Witness: Mike Dotson**

Q-19. List the percentage of LG&E's coal, as of the date of this Order, that is delivered by:

- a. Rail;
- b. Truck; or
- c. Barge.

A-19.

- a. Rail        62%
- b. Truck      0%
- c. Barge      38%



**LOUISVILLE GAS AND ELECTRIC COMPANY**

**Response to Information Requested in  
Appendix B of Commission's Order  
Dated January 23, 2009**

**Case No. 2008-00521**

**Question No. 20**

**Witness: Mike Dotson**

- Q-20. a. State LG&E's coal inventory level in tons and in number of days' supply as of November 1, 2008. Provide this information by plant and in the aggregate.
- b. Describe the criteria used to determine the number of days' supply.
- c. Compare LG&E's coal inventory as of November 1, 2008 to its inventory target for that date for each plant and for total inventory.
- d. If actual coal inventory exceeds inventory target by 10 days' supply, state the reasons for the additional inventory.
- e. (1) Does LG&E 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 November 1, 2008; 807,697 Tons; 37 Days

b. Days Burn =  $\frac{\text{Current inventory tons}}{\text{Preceding 12 months burn (tons)}} \times 365 \text{ Days}$

c. Target 35 - 50 Days

d. The actual coal inventory does not exceed the inventory target by 10 days

e. (1) No

(2) Not Applicable



**LOUISVILLE GAS AND ELECTRIC COMPANY**

**Response to Information Requested in  
Appendix B of Commission's Order  
Dated January 23, 2009**

**Case No. 2008-00521**

**Question No. 21**

**Witness: Mike Dotson**

- Q-21. a. Has LG&E audited any of its coal contracts during the period from May 1, 2008 to October 31, 2008?
- b. If yes, for each audited contract:
- (1) Identify the contract;
  - (2) Identify the auditor;
  - (3) State the results of the audit; and
  - (4) Describe the actions that LG&E took as a result of the audit.

A-21. a. No. LG&E has not conducted any financial audits of coal companies. LG&E's current coal contracts are fixed price. In the case of coal delivered by truck to a barge loading dock, 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. LG&E'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, LG&E employees may visit a vendor as needed to address problems and issues at any time.

Coal mine safety regulations were imposed by the Federal Mine Safety and Health Administration. The U. S. Congress passed the Mine Improvement and New Emergency Response Act of 2006 (MINER Act), which became law on June 15, 2006. For claims received, LG&E has hired Weir International, Inc. (a consultant with experience in the mining industry) to review the request.



Smoky Mountain Coal in accordance with the provisions of Section 8.3 New Imposition of Agreement LG&E02013 requested a price increase of \$1.48 per ton for the period July 1, 2007 – May 31, 2008 and a price increase of \$0.88 per ton for the period of June 1, 2008 – September 30, 2008. Weir is reviewing the claims for this period. Note response to question 23 LGE is currently in litigation on this contract.

Alliance coal in accordance with the provisions of Section 8.3 Governmental Impositions of Agreement LG&E06010 has requested a price increase of \$0.15 per ton for all contract tonnage shipped in 2006 and \$0.39 per ton for 2007 which applies only to 2.0 million tons shipped in 2007 which are not subject to price reopener pursuant to Section 8.1(b) of the Agreement. Weir is reviewing the claim.

Coalsales, LLC in accordance with the provisions of Section of 8.4 New Imposition of Agreement LGE06118 requested a price increase of \$1.15 per ton for calendar year 2007. Weir is reviewing the claim.

Patriot Coal Sales LLC in accordance with the provisions of Section 8.4 New Impositions of Agreement J07037 has requested a price increase of \$0.95 per ton for calendar year 2008. Weir is reviewing the claim.

Armstrong Coal Company in accordance with the provisions of Section 8.5 New Impositions of Agreement J07032 has requested a price increase for the July – September 2008. Weir is reviewing the claim.

- b. Not applicable.



**LOUISVILLE GAS AND ELECTRIC COMPANY**

**Response to Information Requested in  
Appendix B of Commission's Order  
Dated January 23, 2009**

**Case No. 2008-00521**

**Question No. 22**

**Witness: Robert M. Conroy**

- Q-22. a. Has LG&E received any complaints regarding its fuel adjustment clause during the period from May 1, 2008 to October 31, 2008?
- b. If yes, for each complaint, state:
- (1) The nature of the complaint; and
  - (2) LG&E's response.
- A-22. a. No.
- b. Not applicable.



LOUISVILLE GAS AND ELECTRIC COMPANY

Response to Information Requested in  
Appendix B of Commission's Order  
Dated January 23, 2009

Case No. 2008-00521

Question No. 23

Witness: Mike Dotson

- Q-23. a. Is LG&E 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 LG&E;
  - (4) List the issues presented; and
  - (5) Provide a copy of the complaint or other legal pleading that initiated the litigation and LG&E's response, if not previously filed with the Commission.
- c. State the current status of all litigation with coal suppliers.

A-23. a. Yes

b. **Coal Supply Agreement – Kindill Mining**

- (1) Kindill Mining: Kindill Mining (an affiliate of Horizon Natural Resources successor of AEI Coal Sales Company, Inc.) filed for Chapter 11 bankruptcy protection on August 25, 2003, LG&E filed a Proof of Claim on October 18, 2004.
- (2) Coal Supply Agreement LG&E 97-211-026 dated July 1, 1997.

- (3) LG&E seeks to recover cover damages sustained by LG&E arising from the rejection of the Contract.
- (4) The Contract was rejected by the Debtor pursuant to an Order rejecting certain executory contracts entered on September 30, 2004.
- (5) A copy of the Proof of Claim filed in the United States Bankruptcy Court in the Eastern District of Kentucky was filed with the Commission as part of the hearing to Case No. 2004-00466.

c: A liquidating plan was approved and the claims process is ongoing.

February 6, 2008 LG&E received check no. 114983 for \$33,657.93 for HNR liquidating trust first distribution. The amount was credited against coal purchase expense for Cane Run Station.

**Coal Supply Agreement KUF02860/LGE02013**

- b. (1) Resource Sales, Inc. ("Resource"), Allied resources, Inc. ("Allied"), Cochise Coal Company, Inc. ("Cochise"), and Smoky Mountain Coal Corporation ("SMCC")
  - (2) Coal Purchase Order LGE02013 dated as of January 1, 2002, as amended.
  - (3) LGE seeks to recover cover damages sustained by LGE arising from the non-delivery of 1,019,829 tons of coal. Plaintiffs seek to have the court interpret the force majeure provision in the Agreement, and to recover the amount of payments withheld by LGE to offset LGE's claim for damages.
  - (4) Plaintiffs claim the force majeure provision should be interpreted in such a way that LGE is not entitled to any more deliveries of coal pursuant to the Agreement. LGE disagrees and withheld certain payments, as permitted under the Agreement, and demand that Plaintiffs resume deliveries as required under the Agreement.
  - (5) A copy of the Complaint filed by the Plaintiffs in the Circuit Court of Webster County, Kentucky, Civil Action No. 08-CI-00334 is attached. A copy of the First Amended Complaint filed by the Plaintiffs in the Circuit Court of Webster County, Kentucky, Civil Action No. 08-CI-00334 is attached. Also attached is a copy of the Answer and Counterclaim filed by LGE.
- c. This case is in the discovery phase and is ongoing.



LOC-S-105 Sum Code: CI  
Rev. 7-99



Case Number 08-CI-00334

Court CI

County WEBSTER

Commonwealth of Kentucky  
Court of Justice  
CR 4.02; Cr Official Form 1

Civil Summons

Plaintiff, RESOURCES SALES, INC., VS. LOUISVILLE GAS AND ELECTRIC CO Defendant

LOUISVILLE GAS AND ELECTRIC COMPANY,  
C/O C. T. CORPORATION SYSTEM  
4169 WESTPORT RD  
LOUISVILLE KY 40207

Return to the Commonwealth of Kentucky to the above-named Defendant(s):

You are hereby notified that a legal action has been filed against you in this court demanding relief as shown on the document delivered to you with summons. Unless a written defense is made by you or by an attorney on your behalf within twenty (20) days following the day this paper is delivered to you, judgement by default may be taken against you for the relief demanded in the attached complaint.

The name(s) and address(es) of the party or parties demanding such relief against you or his/her (their) attorney(s) are shown on the document delivered to you with this summons.

Circuit/District Clerk, AMY VILLINES

By Joyce C. Brown, DC

Date: 10/20/2008

Proof of Service

This Summons was served by delivering a true copy and the Complaint (or other initiating document)

To: Louisville Gas and Electric Co, C/T Corp System, 4169 Westport Rd, Louisville, Ky by certified mail

Not Served because: \_\_\_\_\_

Date: 10/20, 2008

Joyce C. Brown #8342  
Served by





COMMONWEALTH OF KENTUCKY  
WEBSTER CIRCUIT COURT  
CIVIL ACTION 08-CI-00334

RESOURCE SALES, INC., ALLIED RESOURCES, INC.,  
COCHISE COAL COMPANY, INC. and  
SMOKY MOUNTAIN COAL CORPORATION

PLAINTIFFS

v.

LOUISVILLE GAS AND ELECTRIC COMPANY and  
KENTUCKY UTILITIES COMPANY

DEFENDANTS

\*\*\*\*\*

**FIRST AMENDED COMPLAINT**

Pursuant to Kentucky Rule of Civil Procedure 15, Plaintiffs, Resource Sales, Inc., Allied Resources, Inc., Cochise Coal Company, Inc. and Smoky Mountain Coal Corporation (jointly referred to as "Plaintiffs") present their First Amended Complaint against Defendants, Louisville Gas and Electric Company and Kentucky Utilities Company, and state:

**PARTIES, JURISDICTION AND VENUE**

1. This is an action for damages for breach of contract and declaratory relief to determine the parties' rights under a coal supply agreement dated January 1, 2002, as amended, between the Defendants, Louisville Gas and Electric Company ("LGE") and Kentucky Utilities Company ("KU"), (jointly the "Defendants"), as Buyer, and the Plaintiffs, Resource Sales, Inc. ("Resource") and Smoky Mountain Coal Corporation ("Smoky"), as Seller. The coal supply agreement is designated as LG&E Contract #LGE 02013/ KU Contract #KUF02860. This agreement is referred to as "Coal Supply Agreement" throughout this Complaint.

2. Plaintiffs, Allied Resources, Inc. ("Allied) and Cochise Coal Company, Inc., d/b/a Coal Properties Trading Company ("Cochise"), as Seller, entered into Producer's Certificates which were attached to the Coal Supply Agreement and made a part of the Coal Supply

Agreement. Under the Producer's Certificates, Allied and Cochise committed to produce and deliver coal, which was sold under the Coal Supply Agreement, from their Webster County operations.

3. With the exception of Smoky, all of the parties are Kentucky corporations. Smoky is a Tennessee corporation with its principal place of business located at 9725 Cogdill Road, Suite 203, Knoxville, Tennessee 37932. The principal place of business of all of the other plaintiffs is 12410 Hanson Road, Slaughters, Webster County Kentucky 42456. The principal place of business of the Defendant LGE is 220 W. Main Street, LGE-11, Legal Dept., Louisville, KY 40202. The principal place of business for the Defendant KU is 1 Quality St., Lexington, KY 40507. The agent for both service of process for both defendants is CT Corporation System, 4169 Westport Rd., Louisville, KY 40207.

4. This Court has subject matter jurisdiction over this action because the amount in controversy exceeds the minimum jurisdictional requirements of this Court.

5. The Coal Supply Agreement directs that the Plaintiffs mine coal from the Webster coal mines of Allied and Cochise for delivery to the Defendants, in principal part in Webster County, Kentucky. The Webster Circuit Court is the proper venue for this action.

#### **COUNT I - DECLARATORY RELIEF AGAINST DEFENDANTS**

6. The Plaintiffs restate and incorporate by reference each and every averment contained in the preceding paragraphs of this Complaint.

7. The Coal Supply Agreement contains a clause that provides:

If either party hereto is delayed in or prevented from performing any of its obligations or from utilizing the coal sold under this Agreement due to acts of God, war, riots, civil insurrection, acts of the public enemy, strikes, lockouts, fires, floods or earthquakes, which are beyond the reasonable control and without the fault or negligence of the party affected thereby, then the obligations of both parties hereto shall be suspended to the extent made necessary by such event; provided that the affected party gives written notice to the other party as early as

practicable of the nature and probable duration of the force majeure event. The party declaring force majeure shall exercise due diligence to avoid and shorten the force majeure event and will keep the other party advised as to the continuance of the force majeure event. See, §10.1.

8. On or about January 8, 2008, the Plaintiffs were notified by the operator of Cochise's Vision No. 9 Mine that a force majeure event had occurred which required all operations at the mine to cease. An unsafe atmosphere had developed within the mine and the safety of the miners could not be assured. On January 8, 2008, the Defendants were notified of this force majeure event. The Defendants were advised that, due to the force majeure event, Plaintiffs would be unable to fully perform under the Coal Supply Agreement.

9. The Plaintiffs have continued to keep the Defendants notified of their diligent efforts to shorten the force majeure event. However, on January 16, 2008, the Plaintiffs notified that Defendants that they were uncertain when, or if, the atmospheric issues would be resolved. The force majeure event continues through the filing of this complaint and the Vision No. 9 Mine remains closed.

10. While the occurrence of the force majeure event partially suspended Plaintiffs' performance under the Coal Supply Agreement, Plaintiffs continued to deliver some coal to the Defendants based upon their understanding of K.R.S. 355.2-615 and the following contract provision,

During any period in which Seller's ability to perform hereunder is affected by a force majeure event, Seller shall not deliver any coal to any other buyers to whom Seller's ability to supply is similarly affected by such force majeure event unless contractually committed to do so at the beginning of the force majeure event; and further shall deliver to Buyer under this Agreement at least a pro rata portion (on a per ton basis) of its total contractual commitments to all its buyers to whom Seller's ability to supply is similarly affected by such force majeure event in place at the beginning of the force majeure event. . .

Tonnage deficiencies resulting from Seller's force majeure event shall be made up at Buyer's sole option on a mutually agreed upon schedule . . . See, § 10.1.

11. The Plaintiffs have interpreted this clause to allow them to sell coal to customers who were not under contract with them, at the time of the force majeure event, and were not similarly affected by the force majeure event, and to allocate their coal supplies on a pro rata basis which takes into consideration the total contractual commitments (computed over the terms of the existing contracts) with the Defendants and other customers, with whom they had contracts at the time of the force majeure event, who were, therefore, similarly affected by the force majeure event. Further, the Plaintiffs maintain that the existence of the force majeure event does not require the extension of the term of the Coal Supply Agreement, even if the total tonnage contemplated by the Coal Supply Agreement has not been delivered by the end of its term.

12. The Defendants have notified the Plaintiffs that they do not agree with Plaintiffs' interpretation. The Defendants have indicated that they construe these provisions to require that the Plaintiffs: (1) allocate all of the available coal supplies among their existing customers, including the Defendants, with whom they had contracts at the time of the force majeure event based upon annual tonnage amounts in those contracts; (2) continue deliveries until the total tonnage contemplated by the Coal Supply Agreement is achieved, even beyond the term of the agreement; and (3) refrain from sales to customers not under contract at the time of the force majeure event.

13. As a result, a real and actual controversy exists between the Plaintiffs and the Defendants that is appropriate for declaratory resolution by this Court.

14. The Plaintiffs are entitled to a declaratory judgment in conformity with their interpretation of the Coal Supply Agreement or a determination that the Coal Supply Agreement is ambiguous and must be interpreted according to the Uniform Commercial Code, as adopted in Kentucky, because of the ambiguity.

## COUNT II – BREACH OF CONTRACT

15. The Plaintiffs restate and incorporate by reference each and every averment contained in the preceding paragraphs of this complaint.

16. Between September 2 and September 15, 2008, Plaintiffs delivered coal valued at \$574,591.20 under the Coal Supply Agreement for which payment was due, by wire transfer, on September 25, 2008. As of the close of business on September 25, 2008, the Plaintiffs had not been paid.

17. The failure of the Defendants to make said payment was a material breach of the Coal Supply Agreement. It is undisputed that said amount is due to the Plaintiffs and they are entitled to interest thereon at the legal rate of interest until paid or until judgment is rendered for said amount, at which time they are entitled to interest at the judgment rate.

18. Notice is hereby given to the Defendant that its failure to make this payment has terminated the Coal Supply Agreement. Additionally, notice of this material breach has been given under the terms of the Coal Supply Agreement

19. Additionally, between September 16 and September 26, 2008, Plaintiffs delivered coal valued at \$747,564.71 for which payment is due to Plaintiffs, given the material breach which has occurred in the Coal Supply Agreement. Under the Coal Supply Agreement, payment was due no later than October 15, 2008. As of close of business on October 15, 2008, the Plaintiffs had not been paid. It is undisputed that said amount is due to the Plaintiffs and they are entitled to interest thereon at the legal rate of interest until paid or until judgment is rendered for said amount, at which time they are entitled to interest at the judgment rate. Notice of this material breach has been given to the Defendants by the filing of this complaint and by notice under the terms of the Coal Supply Agreement.

**COUNT III – BREACH OF CONTRACT**

20. The Plaintiffs restate and incorporate by reference each and every averment contained in the preceding paragraphs of this complaint.

21. According to the Coal Supply Agreement, Plaintiffs were entitled to an equitable adjustment in the consideration paid for their coal arising out of Plaintiffs' compliance with costly changes in applicable laws, particularly the Miner's Act. More than thirty days ago, the Plaintiffs notified the Defendants of their demand for reimbursement for \$1,141,127 of these costs.

22. Defendants have not acted in good faith with respect to this request and have materially breached the contract. It is undisputed that said amount is due to the Plaintiffs and they are entitled to interest thereon at the legal rate of interest until paid or until judgment is rendered for said amount, at which time they are entitled to interest at the judgment rate.

23. Failure of the Defendants to act in good faith regarding this request for reimbursement has excused the performance by the Plaintiffs under the Coal Supply Contract.

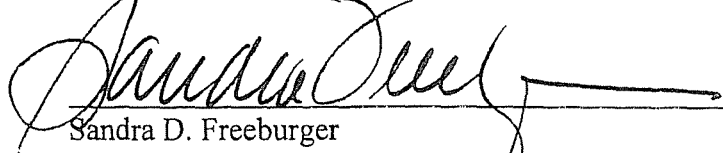
WHEREFORE, the Plaintiffs pray for the following relief:

- (a) trial by jury on Counts II and III;
- (b) on Count I, a declaratory judgment as to the meaning of Section 10.1 of the Coal Supply Agreement;
- (c) on Count II, a judgment in the amount of \$1,322,155.91, for coal which has been delivered to the Defendants under the Coal Supply Agreement, plus prejudgment interest, at the legal rate, until the entry of judgment on behalf of the Plaintiffs and thereafter for interest at the judgment rate;
- (d) on Count III, a judgment in the amount of \$1,141,127, plus prejudgment interest, at the legal rate, until the entry of judgment on behalf of the

Plaintiffs and thereafter for interest at the judgment rate, for reimbursement;

- (e) for judgment that the Coal Supply Agreement is terminated and that the Plaintiffs have no liability thereunder;
- (f) for the Plaintiffs' costs of prosecuting this action, including a reasonable attorneys' fee; and
- (e) such other relief as this Court deems just.

Respectfully submitted,

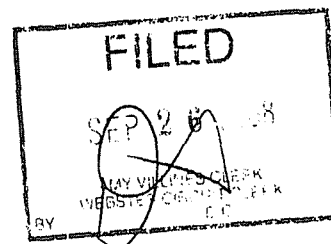
A handwritten signature in black ink, appearing to read "Sandra D. Freeburger", written over a horizontal line. The signature is cursive and extends to the right of the line.

Sandra D. Freeburger  
DEITZ, SHIELDS & FREEBURGER, LLP  
P. O. Box 21  
Henderson, KY 42419  
(270) 830-0830





COMMONWEALTH OF KENTUCKY  
WEBSTER CIRCUIT COURT  
CIVIL ACTION 09-CF-10334



RESOURCE SALES, INC., ALLIED RESOURCES, INC.,  
COCHISE COAL COMPANY, INC. and  
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PLAINTIFFS

v.

LOUISVILLE GAS AND ELECTRIC COMPANY and  
KENTUCKY UTILITIES COMPANY

DEFENDANTS

\*\*\*\*\*

**COMPLAINT**

Plaintiffs, Resource Sales, Inc., Allied Resources, Inc., Cochise Coal Company, Inc. and Smoky Mountain Coal Corporation (jointly referred to as "Plaintiffs") for their Complaint against Defendants, Louisville Gas and Electric Company and Kentucky Utilities Company, state:

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12. The Defendants have notified the Plaintiffs that they do not agree with Plaintiffs' interpretation. The Defendants have indicated that they construe these provisions to require that the Plaintiffs (1) allocate the available coal supplies among their existing customers, including the Defendants, with whom they had contracts at the time of the force majeure event based upon annual tonnage amounts in those contracts; (2) continue deliveries until the total tonnage contemplated by the Coal Supply Agreement is achieved, even beyond the term of the agreement; and (3) refrain from sales to customers not under contract at the time of the force majeure event.

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16. Between September 2 and September 15, 2008, Plaintiffs delivered coal valued at \$574,591.20 under the Coal Supply Agreement for which payment was due, by wire transfer, on September 25, 2008. As of the close of business on September 25, 2008, the Plaintiffs had not been paid.

17. The failure of the Defendants to make said payment was a material breach of the Coal Supply Agreement. It is undisputed that said amount is due to the Plaintiffs and they are entitled to interest thereon at the legal rate of interest until paid or until judgment is rendered for said amount, at which time they are entitled to interest at the judgment rate.

18. Notice is hereby given to the Defendants that their failure to make this payment will terminate the Coal Supply Agreement, unless payment is received within fifteen days from this Complaint.

19. Additionally, between September 16 and the date of this complaint, Plaintiffs delivered coal valued at \$747,564.71 for which payment is due to Plaintiffs, given the material breach which has occurred in the Coal Supply Agreement. It is undisputed that said amount is due to the Plaintiffs and they are entitled to interest thereon at the legal rate of interest until paid or until judgment is rendered for said amount, at which time they are entitled to interest at the judgment rate.

### **COUNT III – BREACH OF CONTRACT**

20. The Plaintiffs restate and incorporate by reference each and every averment contained in the preceding paragraphs of this complaint.

21. According to the Coal Supply Agreement, Plaintiffs were entitled to an equitable adjustment in the consideration paid for their coal arising out of Plaintiffs' compliance with

costly changes in applicable laws, particularly the Miner's Act. More than thirty days ago, the Plaintiffs notified the Defendants of their demand for reimbursement for \$1,141,127 of these costs.

22. Defendants have not acted in good faith with respect to this request and have materially breached the contract. It is undisputed that said amount is due to the Plaintiffs and they are entitled to interest thereon at the legal rate of interest until paid or until judgment is rendered for said amount, at which time they are entitled to interest at the judgment rate.

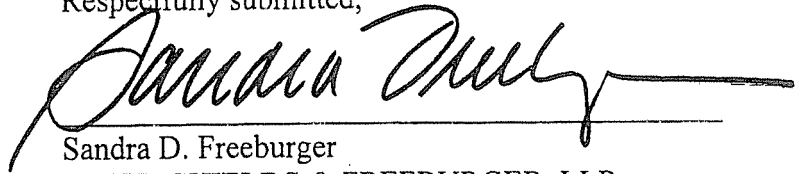
23. Failure of the Defendants to act in good faith regarding this request for reimbursement has excused the performance by the Plaintiffs under the Coal Supply Contract.

WHEREFORE, the Plaintiffs pray for the following relief:

- (a) trial by jury;
- (b) on Count I, a declaratory judgment as to the meaning of Section 10.1 of the Coal Supply Agreement;
- (c) on Count II, a judgment in the amount of \$1,322,155.91, for coal which has been delivered to the Defendants under the Coal Supply Agreement, plus prejudgment interest, at the legal rate, until the entry of judgment on behalf of the Plaintiffs and thereafter for interest at the judgment rate;
- (d) on Count III, a judgment in the amount of \$1,141,127, plus prejudgment interest, at the legal rate, until the entry of judgment on behalf of the Plaintiffs and thereafter for interest at the judgment rate, for reimbursement;
- (e) for judgment that the Coal Supply Agreement is terminated and that the Plaintiffs have no liability thereunder;

- (f) for the Plaintiffs' costs of prosecuting this action, including a reasonable attorneys' fee; and
- (e) such other relief as this Court deems just.

Respectfully submitted,

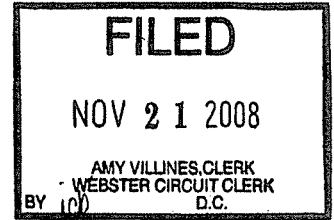
A handwritten signature in black ink, appearing to read "Sandra D. Freeburger", written over a horizontal line.

Sandra D. Freeburger  
DEITZ, SHIELDS & FREEBURGER, LLP  
P. O. Box 21  
Henderson, KY 42419  
(270) 830-0830





COMMONWEALTH OF KENTUCKY  
WEBSTER CIRCUIT COURT  
CIVIL ACTION NO. 08-CI-00334



RESOURCE SALES, INC., ALLIED  
RESOURCES, INC., COCHISE COAL  
COMPANY, INC. AND SMOKY  
MOUNTAIN COAL CORPORATION

PLAINTIFFS

v.

LOUISVILLE GAS AND ELECTRIC  
COMPANY and KENTUCKY  
UTILITIES COMPANY

DEFENDANTS

**ANSWER TO AMENDED COMPLAINT AND COUNTERCLAIM**

Comes the Defendants, Louisville Gas and Electric Company ("LG&E") and Kentucky Utilities Company ("KU"), by counsel, and for their Answer to the Amended Complaint of the Plaintiffs, Resource Sales, Inc. ("Resource"), Allied resources, Inc. ("Allied"), Cochise Coal Company, Inc. ("Cochise"), and Smoky Mountain Coal Corporation ("SMCC"), (referred to collectively herein as "Plaintiffs") hereby state as follows:

**FIRST DEFENSE**

The Amended Complaint fails to state a claim upon which relief can be granted.

**SECOND DEFENSE**

The Amended Complaint is barred by the doctrines of waiver, estoppel, accord and satisfaction, laches, lack of privity, and failure of consideration.

**THIRD DEFENSE**

The Coal Supply Agreement provided Defendants a right to withhold payments from the Plaintiffs.

**FOURTH DEFENSE**

Plaintiffs' claims are barred by its own fraud, negligence, misrepresentations, lack of privity and breach of contract.

**FIFTH DEFENSE**

The Amended Complaint is barred by the provisions of the contracts between the parties.

**SIXTH DEFENSE**

The Amended Complaint is barred by the applicable statute of limitations and the statute of frauds.

**SEVENTH DEFENSE**

If the Plaintiffs have been damaged as alleged, which is expressly denied, said damage was caused by the acts of the Plaintiffs and/or the acts of another party and/or a preceding, intervening or superseding cause and Defendants rely on said acts or causes as a complete, partial or comparative bar to the Plaintiffs' claims.

**EIGHTH DEFENSE**

Defendants rely upon the doctrines of contributory negligence, indemnity and apportionment.

**NINTH DEFENSE**

The Amended Complaint is barred by the economic loss doctrine.

**TENTH DEFENSE**

Venue is improper for some or all of the Plaintiffs' allegations.

**ELEVENTH DEFENSE**

Plaintiffs assert all defenses set forth in Rules 8 and 12 of the Kentucky Rules of Civil Procedure, which are supported by the facts, as if fully set forth herein.

## TWELFTH DEFENSE

1. To the extent that the allegations in Paragraph 1 discuss the Coal Supply Agreement between Plaintiffs and Defendants, the document speaks for itself and to the extent the allegations are inconsistent with the document, these allegations are denied. The remainder of the allegations in Paragraph 1 do not require a response, but to the extent they do, Defendants deny same.

2. With regard to the allegations in Paragraph 2 of the Amended Complaint, the document speaks for itself and to the extent the allegations in Paragraph 2 are inconsistent with the document, these allegations are denied.

3. With regard to the allegations in Paragraph 3 of the Amended Complaint, the Defendants admit that KU and LG&E are Kentucky corporations with principal places of business of One Quality Street, Lexington, KY 40202, and 220 West Main Street, LGE-11, Legal Department, Louisville, KY 40202, respectfully. The Defendants admit that the service of process agent for both defendants is CT Corporation System, 4169 Westport Road, Louisville, KY 40207. Defendants are without sufficient information to admit or deny the remainder of the allegations in Paragraph 3 of the Amended Complaint and, thus, these allegations are denied.

4. Defendants deny the allegations in Paragraph 4 of the Amended Complaint.

5. To the extent the allegations in Paragraph 5 concern the Coal Supply Agreement, the document speaks for itself and to the extent the allegations in Paragraph 5 are inconsistent with the language of the document, those allegations are denied. Defendants deny the remainder of the allegations concerning venue.

6. With regard to the allegations in Paragraph 6 of the Amended Complaint, the Defendants adopt and incorporate by reference the responses to the corresponding allegations.

7. With regard to the allegations of Paragraph 7 of the Amended Complaint, the document speaks for itself and to the extent the allegations contained in paragraph 7 of the Amended Complaint are inconsistent with the language of the document, those allegations are denied.

8. Defendants deny the allegations in Paragraph 8 of the Amended Complaint.

9. Defendants deny the allegations in Paragraph 9 of the Amended Complaint.

10. To the extent that the allegations in Paragraph 10 of the Amended Complaint refer to the Coal Supply Agreement, the document speaks for itself and to the extent the language quoted is inconsistent with the language in the document, these allegations are denied. Defendants deny the remainder of the allegations in Paragraph 10 of the Amended Complaint.

11. The allegations in Paragraph 11 of the Amended Complaint do not require a response but to the extent they do, Defendants deny same.

12. With regard to the allegations in Paragraph 12 of the Amended Complaint, the Defendants admit that they have notified Plaintiffs that they do not agree with Plaintiffs' interpretation of the Coal Supply Agreement, through various items of correspondence and verbal communications. To the extent the allegations contained in

Paragraph 12 are inconsistent with those communications from Defendants, they are denied.

13. Defendants are without sufficient information to admit or deny the allegations in Paragraph 13 of the Amended Complaint and, thus, these allegations are denied.

14. Defendants deny the allegations in Paragraph 14 of the Amended Complaint.

15. With regard to the allegations in Paragraph 15, the Defendants adopt and incorporate by reference the responses to the corresponding allegations.

16. With regard to the allegations in Paragraph 16 of the Amended Complaint, the Defendants admit that Plaintiffs delivered coal to Defendants between September 2 and September 15, 2008. Defendants deny that said coal has the value alleged by Plaintiffs. The Defendants further state that they have rightfully withheld payments from Plaintiffs pursuant to § 9.4 of the Coal Supply Agreement between the parties. The Defendants are without sufficient information as to form a belief as to the truth of the remaining allegations contained in Paragraph 16 of the Amended Complaint; therefore, those allegations are denied.

17. Defendants deny the allegations in Paragraph 17 of the Amended Complaint.

18. Defendants deny the allegations in Paragraph 18 of the Amended Complaint.

19. With regard to the allegations in Paragraph 19 of the Amended Complaint, the Defendants admit that Plaintiffs delivered coal to Defendants between September 16

and September 26, 2008. Defendants deny that said coal has the value alleged by Plaintiffs. The Defendants further state that they have rightfully withheld payments from Plaintiffs pursuant to § 9.4 of the Coal Supply Agreement between the parties. To the extent the allegations concern the Coal Supply Agreement, the document speaks for itself and to the extent the allegations are inconsistent with the document, the allegations are denied. The Defendants are without sufficient information as to form a belief as to the truth of the remaining allegations contained in Paragraph 19 of the Amended Complaint; therefore, those allegations are denied.

20. With regard to the allegations in Paragraph 20 of the Amended Complaint, the Defendants adopt and incorporate by reference the responses to the corresponding allegations.

21. To the extent the allegations in Paragraph 21 of the Amended Complaint discuss the Coal Supply Agreement, the document speaks for itself and to the extent the allegations are inconsistent with the document, these allegations are denied. The Defendants deny the remainder of the allegations in Paragraph 21 of the Amended Complaint.

22. Defendants deny the allegations in Paragraph 22 of the Amended Complaint.

23. Defendants deny the allegations in Paragraph 23 of the Amended Complaint.

24. Any allegation not expressly admitted is hereby denied.

WHEREFORE, the Defendants ask that the Amended Complaint be dismissed and taken for naught, for its costs herein expended, including reasonable attorney fees, and for any and all other relief to which it may appear entitled.

### COUNTERCLAIM

Comes the Defendants, LG&E and KU, by counsel, and for their Counterclaim against Plaintiffs, Resource, Allied Resources, Cochise, and SMCC, hereby state as follows:

#### Parties

1. This counterclaim seeks declaratory relief and damages for breach of the Coal Supply Agreement, LG&E Contract # LGE 02013, KY Contract #KUF02860 (“Coal Supply Agreement”, attached hereto as Exhibit 1).

2. The Defendant, LG&E, is a Kentucky corporation with a principal place of business of 220 West Main Street, LGE-11, Legal Department, Louisville, Kentucky 40202.

3. The Defendant, KU, is a Kentucky corporation with a principal place of business of One Quality Street, Lexington, KY 40507.

4. Upon information and belief, the Plaintiff Resource Sales is a Kentucky corporation with a principal place of business of 12410 Hanson Road, Suite B, Slaughters, Kentucky 42456, and has common ownership and management with Plaintiff Allied Resources and Plaintiff Cochise. Plaintiff Resource Sales is an agent for Plaintiff Allied Resources and Plaintiff Cochise.

5. Upon information and belief, the Plaintiff Allied Resources is a Kentucky corporation with a principal place of business in 12410 Hanson Road, Suite B, Slaughters, Kentucky 42456, and has common ownership and management with Plaintiff

Resource Sales and Plaintiff Cochise.

6. Upon information and belief, the Plaintiff Cochise is a Kentucky corporation with a principal place of business in 12410 Hanson Road, Suite B, Slaughters, Kentucky 42456, and has common ownership and management with Plaintiff Resource Sales and Plaintiff Allied Resources.

7. Upon information and belief, the Plaintiff SMCC is a Tennessee corporation with a principal place of business at 9725 Cogdill Road, Suite 203, Knoxville, Tennessee 37932. Plaintiff SMCC is an agent for Plaintiff Allied Resources and Plaintiff Cochise.

#### **Factual Background**

8. LG&E and KU, as “Buyers” entered into and executed the Coal Supply Agreement in February of 2002 with SMCC and Resource Sales, as “Sellers”. The Agreement has been amended five times and when referred to throughout, includes the amendments. (Coal Supply Agreement Amendments attached hereto as Exhibit 2.)

9. Allied Resources executed a Producer’s Certificate on January 17, 2002 that is incorporated into the Coal Supply Agreement. Coal Supply Agreement § 1(c).

10. Cochise executed a Producer’s Certificate on January 17, 2002 that is incorporated into the Coal Supply Agreement. Coal Supply Agreement § 1(c).

11. Defendants are third-party beneficiaries under the “Coal Purchase Contracts” as defined in the Coal Supply Agreement among the Seller (i.e. Resource Sales and SMCC) and each of the Producers (i.e. Allied Resources and Cochise) and, thus, have rights thereunder. Coal Supply Agreement § 1(c).



12. The original term of the Coal Supply Agreement was January 1, 2002 until December 31, 2006. This term was extended in Amendment No. 4 until December 31, 2009.

13. The Plaintiffs agreed to sell and deliver certain quantities and qualities of steam coal per year, from certain property (defined as the “Coal Property”) as stated in the Coal Supply Agreement, amendments, and Producer’s Certificates. The Coal Property consists of coal primarily from the geological seam Kentucky No. 9, from Cochise’s Knob Lick No. 9 (aka Vision Mine) and Allied Resources’ Onton Reserve Mines.

14. The Plaintiffs made assurances and warranted that there was enough “economically recoverable coal” to meet the requirements of the Agreement, that they would have “adequate machinery, equipment and other facilities to produce, prepare and deliver coal”, and that they would “operate and maintain such machinery, equipment and facilities in accordance with good mining practices so as to efficiently and economically produce, prepare and deliver such coal.” Coal Supply Agreement § 4.2.

15. The Plaintiffs also agreed to and warranted to not divert or sell coal from the Coal Property to others. § 4.3.

16. The parties agreed upon a price for the coal that is set forth in the Coal Supply Agreement, the Amendments, and the Producer’s Certificates.

17. The Coal Supply Agreement provided the Defendants the right to withhold from payment of any billing or billings any unverifiable sums or for sums for which there was a dispute; any damages from or likely to result from a breach of the Agreement; and amounts owed to the Buyers. Coal Supply Agreement § 9.4.

18. The Coal Supply Agreement's Force Majeure provision provides,

If either party hereto is delayed in or prevented from performing any of its obligations or from utilizing the coal sold under this Agreement due to acts of God, war, riots, civil insurrection, acts of the public enemy, strikes, lockouts, fires, floods or earthquakes, which are beyond the reasonable control and without the fault or negligence of the party affected thereby, then the obligations of both parties hereto shall be suspended to the extent made necessary by such event; provided that the affected party gives written notice to the other party as early as practicable of the nature and probable duration of the force majeure event. The party declaring force majeure shall exercise due diligence to avoid and shorten the force majeure event and will keep the other party advised as to the continuance of the force majeure event.

During any period in which Seller's ability to perform hereunder is affected by a force majeure event, Seller shall not deliver any coal to any other buyers to whom Seller's ability to supply is similarly affected by such event unless contractually committed to do so at the beginning of the force majeure event; and further shall deliver to Buyer under this Agreement at least a pro rata portion (on a per ton basis) of its total contractual commitments to all its buyers to whom Seller's ability to supply is similarly affected by such force majeure event in place at the beginning of the force majeure event. An event which affects the Seller's ability to produce or obtain coal from a mine other than the Coal Property will not be considered a force majeure event hereunder. In the event of a force majeure affecting the generating station that receives the coal to be delivered hereunder, Buyer will accept a pro rata portion of its coal supply at that station from Seller.

Tonnage deficiencies resulting from Seller's force majeure event shall be made up at Buyer's sole option on a mutually agreed upon schedule; tonnage deficiencies resulting from Buyer's force majeure event shall be made up at Seller's sole option on a mutually agreed upon schedule. Coal Supply Agreement § 10.1.

19. The Coal Supply Agreement provides the right to terminate for a material breach upon written notice and the breaching party's failure to cure. Coal Supply Agreement § 15.

20. Allied Resources agreed in the Producer's Certificate incorporated into the Coal Supply Agreement that there was enough "economically recoverable coal" to meet the requirements of the Agreement, that it would have "adequate machinery, equipment and other facilities to produce, prepare and deliver coal" in the quantities and quality specified, and that it would "operate and maintain such machinery, equipment and facilities in accordance with good mining practices so as to efficiently and economically produce, prepare and deliver such coal." Ex. A-1 to Coal Supply Agreement at ¶ 4.

21. Allied Resources also agreed to not divert or sell coal from the Coal Property to others. Ex. A-1 to Coal Supply Agreement at ¶ 5.

22. "Coal Property" is defined in the Allied Resources' Producer's Certificate as coal mined by Allied Resources from the following seams: West KY. No. 9; West KY No. 11, and West KY No. 13. Ex. A-1, Ex. A to Coal Supply Agreement.

23. Cochise agreed in the Producer's Certificate incorporated into the Coal Supply Agreement that there was enough "economically recoverable coal" to meet the requirements of the Agreement, that it would have "adequate machinery, equipment and other facilities to produce, prepare and deliver coal" in the quantities and quality specified, and that it would "operate and maintain such machinery, equipment and facilities in accordance with good mining practices so as to efficiently and economically produce, prepare and deliver such coal." Ex. A-2 to Coal Supply Agreement at ¶ 4.

24. Cochise also agreed to not divert or sell coal from the Coal Property to others. Ex. A-2 to Coal Supply Agreement at ¶ 5.

25. “Coal Property” is defined in the Cochise Producer’s Certificate as coal mined by Cochise from the following seams: West KY. No. 9; West KY No. 11, and West KY No. 13. Ex. A-2, Ex. A to Coal Supply Agreement.

26. The Producer’s Certificates above-described were executed as a material inducement for the Defendants to enter into the Coal Supply Agreement.

27. On or about January 8, 2008, SMCC and Resource Sales declared a force majeure with respect to the Knob Lick Mine (also known as the Vision Mine) in Webster County, Kentucky. The force majeure was described as a regulatory issue relating to mine seals in the Vision Mine.

28. On information and belief, the Plaintiffs shifted their equipment and resources from Vision Mine to Onton Mine after declaring a force majeure event.

29. On information and belief, the Plaintiffs failed to exercise due diligence to avoid and shorten the Force Majeure event.

30. On information and belief, the Plaintiffs are able to access substantially all of the coal located in the Coal Property by conducting mining operations in the Onton Mine.

31. After the declaration of force majeure, the Plaintiffs continued to deliver coal to the Defendants in a reduced quantity consistent with the pro rata delivery provisions in the Coal Supply Agreement § 10.1.

32. After the declaration of force majeure, on multiple occasions, Plaintiffs demanded that the Defendants pay Plaintiffs a price for coal delivered from the Coal Property that was higher than the price agreed to in the Coal Supply Agreement.

33. Despite the parties' course of dealing and performance for several months, by letter dated September 15, 2008, Chester M. Thomas of Resource Sales, Inc. expressed the view that Plaintiffs had no further obligation to deliver coal to Defendants.

34. The Plaintiffs have, in fact, repudiated their obligations under the Coal Supply Agreement and have ceased making shipments of coal to the Defendants.

35. On information and belief, after the declaration of the Force Majeure the Plaintiffs shipped coal to other purchasers under new and amended contracts, in violation of Sections 4.3 and 10.1 of the Coal Supply Agreement.

36. The "Coal Property" at issue in the Coal Supply Agreement includes, but is not limited to, the Onton Mine.

37. The Defendants demanded that coal delivery be resumed on September 25, 2008 and, due to anticipated damages, also provided notice that Defendants would withhold payments from Plaintiffs pursuant to § 9.4 of the Coal Supply Agreement. On October 9, 2008, the Defendants provided Plaintiffs notice that additional payments would be withheld pursuant to § 9.4 of the Coal Supply Agreement.

38. Pursuant to §10.1 of the Coal Supply Agreement, the Defendants have elected to have any tonnage deficiency caused by the Force Majeure to be made up by Plaintiffs, but Plaintiffs have repudiated Defendant's rights to make up such deficiency.

**Count One Declaratory Relief**

39. Defendants incorporate and re-allege by reference each and every preceding allegation of the Counterclaim as if fully set forth herein.

40. Pursuant to the Coal Supply Agreement, Plaintiffs are required to continue to ship coal to the Defendants on a pro rata basis during a period of force majeure, to resume shipping coal at levels that were shipped prior to the force majeure event (once the period of force majeure has ended), and to continue to ship coal, if so elected by Defendants, to make up any deficiencies. The Plaintiffs are to continue these shipments until the total tonnage set forth in the Coal Supply Agreement is met, even if the delivery dates are past the stated term of the Agreement.

41. The force majeure clause of the Coal Supply Agreement does not permit the Plaintiffs to deliver coal from the Coal Property during a period of force majeure to buyers other than the Defendants unless the Plaintiffs were contractually committed to deliver to these buyers at the beginning of the force majeure event.

42. The Plaintiffs are obligated to deliver to Defendants not less than a pro rata portion of all its available tons based on the Plaintiffs' total contractual commitments with respect to those tons in place at the beginning of the force majeure event.

43. The Plaintiffs were obligated by the Coal Supply Agreement to diligently avoid and shorten the force majeure event and keep the other party advised as to the continuance of the force majeure event, which, on information and belief, Plaintiffs did not do.

44. Through their Amended Complaint in this action, the Plaintiffs interpret the Coal Supply Agreement:

to allow them to sell coal to customers who were not under contract with them, at the time of the force majeure event, and were not similarly affected by the force majeure event, and to allocate their coal supplies on a pro rata basis which takes into consideration the total contractual commitments (computed over the terms of the existing contracts) with the Defendants and other customers, with whom they had contracts at the time of the force majeure event, who were, therefore, similarly affected by the force majeure event. Further, the Plaintiffs maintain that the existence of the force majeure event does not require the extension of the term of the Coal Supply Agreement, even if the total tonnage contemplated by the Coal Supply Agreement has not been delivered by the end of its term. (Pl.'s Am. Compl. ¶ 11.)

45. As a result of the parties' differences in interpretations of the Coal Supply Agreement, a real and justifiable controversy exists, and will continue to exist, between the Plaintiffs and the Defendants as to the rights, if any, between them under the Coal Supply Agreement.

46. It is therefore critical that a determination of the status and enforceability of the Coal Supply Agreement, and the rights of the parties under that Agreement and amendments thereto, be decided by this Court. Those rights can only be determined by a Declaratory Judgment with regard to the issues between the parties.

47. Defendants are entitled to a Judgment that declares that:

A. Plaintiffs are required to continue to ship coal to the Defendants on a pro rata basis during a period of force majeure, to resume shipping coal at levels that were shipped prior to the force majeure event (once the period of force majeure has ended), and to continue to ship coal, as so elected by Defendants, to make up any

deficiencies. The Plaintiffs are to continue these shipments until the total tonnage set forth in the Coal Supply Agreement is met, even if the delivery dates are past the stated term of the Agreement.

B. The force majeure clause of the Coal Supply Agreement does not permit the Plaintiffs to deliver coal from the Coal Property during a period of force majeure to buyers other than Defendants unless the Plaintiffs were contractually committed to deliver to these buyers at the beginning of the force majeure event.

C. The Plaintiffs are obligated to deliver to Defendants not less than a pro rata portion of all its available tons based on the Plaintiffs' total contractual commitments with respect to those tons in place at the beginning of the force majeure event.

#### **Count Two Breach of Contract**

48. Defendants incorporate and re-allege by reference each and every preceding allegation of the Counterclaim as if fully set forth herein.

49. The Defendants have performed all their obligations under the Coal Supply Agreement.

50. The Plaintiffs breached their duty under the Coal Supply Agreement to diligently avoid and shorten the force majeure event and keep the Defendants advised as to the continuance of the force majeure event.

51. The Plaintiffs breached the Coal Supply Agreement by making assurances and warranties that there was enough "economically recoverable coal" to meet the requirements of the Agreement, that they would have "adequate machinery, equipment and other facilities to produce, prepare and deliver coal", and that they would "operate



and maintain such machinery, equipment and facilities in accordance with good mining practices so as to efficiently and economically produce, prepare and deliver such coal.” Coal Supply Agreement § 4.2, Producer’s Certificates A-1 and A2, ¶ 4.

52. The Plaintiffs breached the Coal Supply Agreement by selling coal to other customers in violation of the pro rata and non-diversion provisions.

53. The Plaintiffs breached the Coal Supply Agreement by repudiating Defendants’ rights to make up the tonnage deficiency caused by the alleged force majeure event.

54. The Plaintiffs breached the Coal Supply Agreement by failing to deliver coal to the Defendants at the price agreed upon.

55. The Plaintiffs breached the Coal Supply Agreement by failing to conduct mining and/or processing operations to enable Plaintiffs to supply coal to Defendants as agreed.

56. The Coal Supply Agreement contains an implied covenant of good faith and fair dealing.

57. Upon information and belief, the Plaintiffs have breached the implied duty of good faith and fair dealing through the above-described conduct.

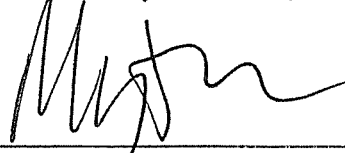
58. Defendants are entitled to specific performance of the Coal Supply Agreement.

59. In the alternative, Defendants have sustained damages in an amount to be proven at trial, but in excess of the jurisdictional minimum of this Court.

WHEREFORE, the Defendants pray for:

- A. Trial by jury.
- B. Judgment for the Defendants against the Plaintiffs, jointly and severally.
- C. A Declaration of the Defendants' rights under the Coal Supply Agreement, as set forth above.
- D. Specific performance of the Coal Supply Agreement, including making up the tonnage deficiency incurred due to the alleged force majeure event.
- E. Consequential and incidental damages, including pre-judgment and post-judgment interest, caused by the Plaintiffs' breaches.
- F. Costs, including attorney's fees.
- G. Any and all other relief to which they may appear entitled.

Respectfully submitted,



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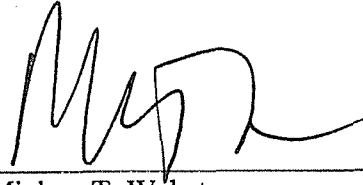
MICKEY T. WEBSTER  
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250 West Main Street, Suite 1600  
Lexington, KY 40507-1746  
859.233.2012

*Counsel for Louisville Gas and Electric  
Company and Kentucky Utilities Company*

**CERTIFICATE OF SERVICE**

This is to certify that a true and correct copy of the foregoing has been served upon the following, by U.S. Mail, on this the 19<sup>th</sup> day of November, 2008:

Sandra D. Freeburger  
Deitz, Shields & Freeburger, LLP  
P.O. Box 21  
Henderson, Kentucky 42419



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Mickey T. Webster  
*Counsel for Louisville Gas and Electric  
Company and Kentucky Utilities Company*

30502378.1



**LOUISVILLE GAS AND ELECTRIC COMPANY**

**Response to Information Requested in  
Appendix B of Commission's Order  
Dated January 23, 2009**

**Case No. 2008-00521**

**Question No. 24**

**Witness: Mike Dotson**

Q-24. List each written coal supply solicitation issued during the period May 1, 2008 to October 31, 2008.

- 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) for 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. 2008-00286, a review of LG&E's FAC for the period November 1, 2007 through April 30, 2008, the final selection of the vendors who responded to the solicitation dated January 24, 2008 was not complete at the time the data responses were filed. The requested information for selected vendors is provided below.

- a. Date: January 24, 2008  
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 Brown power plant (beginning mid-year 2009)  
Period: Up to ten years  
Generating Units: All LG&E coal fired units, KU's Ghent power plant and KU's Brown power plant (beginning mid-year 2009)
- b. Number of vendors receiving bids: 169  
Number of vendor responses: 19

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

Alliance Coal, LLC, J09002

The American Coal Company, J08016

Rhino Energy, LLC, J08028

Patriot Coal Sales, J09001 (final contract drafts under review)

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



**LOUISVILLE GAS AND ELECTRIC COMPANY**

**Response to Information Requested in  
Appendix B of Commission's Order  
Dated January 23, 2009**

**Case No. 2008-00521**

**Question No. 25**

**Witness: Mike Dotson**

Q-25. List each oral coal supply solicitation issued during the period from May 1, 2008 to October 31, 2008.

- 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.





**LOUISVILLE GAS AND ELECTRIC COMPANY**

**Response to Information Requested in  
Appendix B of Commission's Order  
Dated January 23, 2009**

**Case No. 2008-00521**

**Question No. 26**

**Witness: Mike Dotson**

Q-26. For the period from May 1, 2008 to October 31, 2008, list each vendor from whom coal was purchased and the quantity and nature of each purchase (e.g., spot or contract).

A-26.

<u>PURCHASE VENDOR</u>	<u>PURCHASE TONNAGE</u>	<u>TYPE</u>
Alliance	1,974,231	Contract
American Coal Company	23,918	Contract
Armstrong Coal	269,335	Spot
Armstrong Coal	100,548	Spot
Charolais Coal	53,816	Contract
Coal Network	134,639	Spot
Consol	248,337	Contract
Emerald International	27,945	Contract
Knight Hawk	28,056	Spot
Marietta Coal Company	1,778	Contract
Marietta Coal Company	1,579	Spot
Patriot Coal Company	287,283	Contract
Peabody Coal Sales	589,188	Contract
Peabody Coal Sales	86,599	Spot
Rhino Energy	22,595	Contract
Sands Hill Coal Company	36,768	Contract
Smoky Mountain Coal	84,722	Contract
Southern Appalachian Fuels	8,865	Spot
TOTAL	<u>3,980,202</u>	



LOUISVILLE GAS AND ELECTRIC COMPANY

Response to Information Requested in  
Appendix B of Commission's Order  
Dated January 23, 2009

Case No. 2008-00521

Question No. 27

Witness: Charles R. Schram / 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, 2008 to October 31, 2008 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. For May 1, 2008 to October 31, 2008

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 rating. Please see the chart below:

Plant	Coal Burn (Tons)	Coal Receipts (Tons)	Net MWH	Capacity Factor (Net MWH) / (period hrs x MW rating)
Cane Run	854,682	819,818	1,786,027	71.8%
Mill Creek	2,443,891	2,342,397	5,328,463	82.0%
Trimble Co	899,671	817,986	2,052,631	91.0%



**LOUISVILLE GAS AND ELECTRIC COMPANY**

**Response to Information Requested in  
Appendix B of Commission's Order  
Dated January 23, 2009**

**Case No. 2008-00521**

**Question No. 28**

**Witness: Mike Dotson**

- Q-28. a. During the period from May 1, 2008 to October 31, 2008, have there been any changes to LG&E'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 LG&E's current fuel procurement policies and procedures were last changed and when they were last provided to the Commission.
- A-28. a. No change during the period under review.
- b. Not applicable.
- c. The Fuel Procurement Policies and Procedures were revised effective January 1, 2009 updated for the following items in connection with a routine audit by E.ON U.S. LLC Audit Services for the period January through August 2008;
- To reflect the current corporate structure (organizational and title changes).
  - Listing internal controls detailed under Sarbanes Oxley.
  - Adding Fuel Sole Source Document to award recommendations for informal and spot purchases.

- Updated language on inventory levels.
- Added section for other commodity/Service Contracts.

A copy of Fuel Procurement Policies and Procedures effective January 1, 2009 is attached.

**FUEL PROCUREMENT POLICIES AND PROCEDURES**  
**Louisville Gas and Electric Company**  
**Kentucky Utilities Company**  
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**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 and By-Products.
7. "Department" means the Company's Corporate Fuels and By-Products 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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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. "Unit" means a generating unit at a Station.
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. "Vice President – Energy Marketing" means the Company's principal officer to whom the Director of Corporate Fuels and By-Products reports and who in turn reports to the Senior Vice President – Energy Services.

**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 Audit Services' recommendations. The Company has detailed Sarbanes Oxley internal control procedures covering Demand Analysis, Contract Management, Supplier Assessment and Rating, Receipt of Coal (including weighing, sampling, and invoice payment), Complaint Management, Inventory Management, and Stockpile Surveys,

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Implementation of this policy is of highest priority to the Company. The Director of Corporate Fuels and By-Products will review the Company's Fuel Procurement Policies and Procedures annually and update the policies as appropriate. The Corporate Fuels and By-Products 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 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 and By-Products Department and reports to the Vice President – Energy Marketing who is responsible for the Energy Marketing and Fuel Procurement functions. The 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 and By-Products Department to the extent the Director, 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 Contract Administrator, Manager LG&E and KU Fuels, Director of Corporate Fuels and By-Products, Plant Manager(s) of the Plant(s) that is (are) to receive the Fuel and/or Transportation Services, and the Vice President – Power Production. Additional signatures may be required in accordance with the following Authority Limit Matrices:

Position	Maximum Term	Maximum Tenor	Maximum Notional \$ Amount
Manager LG&E and KU Fuels	1 year	2 years	\$10,000,000
Director, Corporate Fuels and By-Products	1 year	2 years	\$10,000,000
Vice President, Energy Marketing	3 years	3 years	\$20,000,000
Sr. Vice President, Energy Services	5 years	5 years	\$25,000,000
EON-US Services, LLC, Chief Executive Officer	Over 5 years	Over 5 years	Over \$25,000,000

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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:
  - 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

## FUEL PROCUREMENT POLICIES AND PROCEDURES

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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.

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, the National Mining Association, 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)

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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 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.

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- Company terms and conditions

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

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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 LG&E and KU Fuels will independently verify that all bid data is correctly entered into the bid evaluation spreadsheet. The completed bid evaluation spreadsheet (without pricing) is then forwarded to Generation Engineering for entering the coal 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. The award recommendation for all such Informal Bid purchases shall include the Department's Fuel Sole Source Award Recommendation form with appropriate signatures.
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 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 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 Department. The terms and conditions outlined in the quotation submitted to the 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.

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The 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 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 LG&E and KU Fuels may recommend the purchase of such coal to the Director without soliciting proposals through the Formal Solicitation process. The award recommendation for all such Fuel purchases shall include the Department's Fuel Sole Source Award Recommendation form with appropriate signatures.
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, Environmental Standards, inventory levels, and condition of the Company's power plants.
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 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 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 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 Fuelworx System (fuels management system).
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 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 the Contract's 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 Company's environmental, utility accounting, and rates and regulatory policies and procedures. 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:**

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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 plant utilization, deliverability risks related to availability of truck, rail and barge capacity and associated transportation infrastructure, fuel quality requirements of the plants, 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 planned inventory target for each Station and any variances are explained. Inventory levels are also tracked by the Company's Trading Controls group. Regular inventory reports are made to senior management and inventory is reviewed by the Risk Management Oversight Committee to ensure compliance with internal policies. The Manager LG&E and KU Fuels has primary responsibility for coal inventory monitoring and management.

**I. Emergency Procurement:**

Any one or more of the procedures described herein may be waived by the 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 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. Other Commodity/Service Contracts:**

Bulk Commodity Contracts (including but not limited to scrubber reagent, fuel oil, propane, ammonia, and hydrated lime) to be used by the Company's generating Stations, laboratory services, and weighing and sampling services shall be requested

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and Contracts negotiated whenever appropriate. Associated transportation services related to Section J such as railcar leases, railcar maintenance and repair, barge maintenance and repair, barge fleeting services, coal blending, and coal transloading services shall also be requested and Contracts negotiated whenever appropriate. All of these Commodity/Service Contracts will abide by the Approval Authority Limits as set forth in Section C-3 above.

**L. 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 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.

**M. Ethics and Conduct:**

The Company recognizes the importance of following the Company's Code of Ethics to guide the conduct of the Corporate Fuels and By-Products 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.

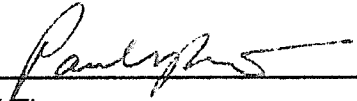
Originally issued at Louisville, Kentucky, the 10th day of February, 2003.

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**Louisville Gas and Electric Company**  
**Kentucky Utilities Company**  
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Revised effective January 1, 2009.

Louisville Gas and Electric Company

Kentucky Utilities Company

By   
Paul Thompson

Senior Vice President – Energy Services

By   
David Sinclair

Vice President – Energy Marketing



**LOUISVILLE GAS AND ELECTRIC COMPANY**

**Response to Information Requested in  
Appendix B of Commission's Order  
Dated January 23, 2009**

**Case No. 2008-00521**

**Question No. 29**

**Witness: Mike Dotson**

- Q-29. a. Is LG&E aware of any violation of its policies and procedures regarding fuel procurement that occurred prior to or during the period from May 1, 2008 to October 31, 2008?
- b. If yes, for each violation:
- (1) Describe the violation;
  - (2) Describe the action(s) that LG&E took upon discovering the violation.
  - (3) Identify the person(s) who committed the violation.
- A-29. a. No.
- b. Not applicable.





**LOUISVILLE GAS AND ELECTRIC COMPANY**

**Response to Information Requested in  
Appendix B of Commission's Order  
Dated January 23, 2009**

**Case No. 2008-00521**

**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 LG&E's fuel procurement activities that occurred during the period from May 1, 2008 to October 31, 2008.

A-30. No changes occurred in the Fuels Department during the period under review.



**LOUISVILLE GAS AND ELECTRIC COMPANY**

**Response to Information Requested in  
Appendix B of Commission's Order  
Dated January 23, 2009**

**Case No. 2008-00521**

**Question No. 31**

**Witness: Frederick D. Jackson**

- Q-31. a. Identify all changes that LG&E made during the period from May 1, 2008 to October 31, 2008 to its maintenance and operation practices that affect fuel usage at LG&E's generation facilities.
- b. Describe the effect of these changes on LG&E's fuel usage.
- A-31. a. None.
- b. Not applicable.



**LOUISVILLE GAS AND ELECTRIC COMPANY**

**Response to Information Requested in  
Appendix B of Commission's Order  
Dated January 23, 2009**

**Case No. 2008-00521**

**Question No. 32**

**Witness: Robert M. Conroy**

- Q-32. a. List all intersystem sales during the period from May 1, 2008 to October 31, 2008 in which LG&E used a third party's transmission system.
- b. For each sale listed above:
- (1) Describe how LG&E 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; and (2) State the line loss factor used for each transaction and
  - (2) State the line loss factor used for each transaction and describe how such line loss factor was determined.
- A-32. a. Please see attached sheets for the combined LG&E/KU sales.
- b. (1) When an LG&E/KU Off System Sale (OSS) is made across a third party transmission system and losses are required across that third party system, the losses generated by LG&E/KU are included in AFB as part of the OSS volume so that the fuel for those losses is included as fuel burned for OSS.
- (2) 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%.

<u>Date</u>	<u>Counterparty</u>	<u>Loss MWh</u>	<u>Sale MWh</u>	<u>Delivery Pt</u>
6/29/2008	Cobb Electric Company	4	121	TVA
7/8/2008	Cobb Electric Company	1	20	TVA
9/15/2008	Cobb Electric Company	5	175	TVA
9/16/2008	Cobb Electric Company	4	126	TVA
9/22/2008	Cobb Electric Company	4	135	TVA
9/25/2008	Cobb Electric Company	10	319	TVA
9/26/2008	Cobb Electric Company	18	573	TVA
9/28/2008	Cobb Electric Company	10	293	TVA
9/29/2008	Cobb Electric Company	3	81	TVA
9/30/2008	Cobb Electric Company	6	175	TVA
10/1/2008	Cobb Electric Company	14	469	TVA
10/6/2008	Cobb Electric Company	2	53	TVA
10/7/2008	Cobb Electric Company	2	50	TVA
10/8/2008	Cobb Electric Company	3	91	TVA
10/15/2008	Cobb Electric Company	4	139	TVA
10/18/2008	Cobb Electric Company	3	100	TVA
	<b>Cobb Total</b>	93	2,920	
6/26/2008	Southern Company Services, Inc.	81	2,539	TVA
6/27/2008	Southern Company Services, Inc.	90	3,000	TVA
6/29/2008	Southern Company Services, Inc.	14	450	TVA
6/30/2008	Southern Company Services, Inc.	12	400	TVA
7/5/2008	Southern Company Services, Inc.	15	450	TVA
7/6/2008	Southern Company Services, Inc.	9	300	TVA
7/7/2008	Southern Company Services, Inc.	42	1,400	TVA
7/8/2008	Southern Company Services, Inc.	7	225	TVA
7/10/2008	Southern Company Services, Inc.	6	200	TVA
7/14/2008	Southern Company Services, Inc.	6	200	TVA
7/15/2008	Southern Company Services, Inc.	5	150	TVA
7/16/2008	Southern Company Services, Inc.	6	200	TVA
7/17/2008	Southern Company Services, Inc.	8	250	TVA
7/18/2008	Southern Company Services, Inc.	9	300	TVA
7/19/2008	Southern Company Services, Inc.	9	300	TVA
7/20/2008	Southern Company Services, Inc.	27	900	TVA
7/26/2008	Southern Company Services, Inc.	27	900	TVA
7/27/2008	Southern Company Services, Inc.	24	800	TVA
8/6/2008	Southern Company Services, Inc.	2	50	TVA
8/8/2008	Southern Company Services, Inc.	18	600	TVA
8/9/2008	Southern Company Services, Inc.	27	862	TVA

<u>Date</u>	<u>Counterparty</u>	<u>Loss MWh</u>	<u>Sale MWh</u>	<u>Delivery Pt</u>
8/10/2008	Southern Company Services, Inc.	11	350	TVA
8/11/2008	Southern Company Services, Inc.	6	200	TVA
8/12/2008	Southern Company Services, Inc.	9	300	TVA
8/13/2008	Southern Company Services, Inc.	9	300	TVA
8/14/2008	Southern Company Services, Inc.	45	1,495	TVA
8/15/2008	Southern Company Services, Inc.	12	400	TVA
8/28/2008	Southern Company Services, Inc.	6	200	TVA
8/31/2008	Southern Company Services, Inc.	3	100	TVA
9/1/2008	Southern Company Services, Inc.	24	800	TVA
9/2/2008	Southern Company Services, Inc.	3	100	TVA
9/3/2008	Southern Company Services, Inc.	3	100	TVA
9/4/2008	Southern Company Services, Inc.	73	2,400	TVA
9/5/2008	Southern Company Services, Inc.	18	600	TVA
9/6/2008	Southern Company Services, Inc.	40	1,250	TVA
9/10/2008	Southern Company Services, Inc.	35	1,085	TVA
9/14/2008	Southern Company Services, Inc.	41	1,335	TVA
9/15/2008	Southern Company Services, Inc.	9	300	TVA
9/16/2008	Southern Company Services, Inc.	60	2,000	TVA
9/17/2008	Southern Company Services, Inc.	12	360	TVA
9/18/2008	Southern Company Services, Inc.	24	800	TVA
9/19/2008	Southern Company Services, Inc.	18	600	TVA
9/20/2008	Southern Company Services, Inc.	21	700	TVA
9/22/2008	Southern Company Services, Inc.	12	400	TVA
9/23/2008	Southern Company Services, Inc.	121	3,689	TVA
9/24/2008	Southern Company Services, Inc.	19	600	TVA
9/25/2008	Southern Company Services, Inc.	17	540	TVA
9/26/2008	Southern Company Services, Inc.	9	275	TVA
9/27/2008	Southern Company Services, Inc.	25	790	TVA
9/29/2008	Southern Company Services, Inc.	29	950	TVA
9/30/2008	Southern Company Services, Inc.	60	2,000	TVA
10/1/2008	Southern Company Services, Inc.	112	3,694	TVA
10/2/2008	Southern Company Services, Inc.	16	500	TVA
10/2/2008	Southern Company Services, Inc.	27	900	TVA
10/3/2008	Southern Company Services, Inc.	55	1,761	TVA
10/3/2008	Southern Company Services, Inc.	5	150	TVA
10/6/2008	Southern Company Services, Inc.	60	2,000	TVA
10/6/2008	Southern Company Services, Inc.	9	275	TVA
10/7/2008	Southern Company Services, Inc.	39	1,300	TVA
10/16/2008	Southern Company Services, Inc.	72	2,400	TVA

<u>Date</u>	<u>Counterparty</u>	<u>Loss MWh</u>	<u>Sale MWh</u>	<u>Delivery Pt</u>
10/21/2008	Southern Company Services, Inc.	33	1,105	TVA
10/21/2008	Southern Company Services, Inc.	9	300	TVA
10/21/2008	Southern Company Services, Inc.	37	1,211	TVA
10/22/2008	Southern Company Services, Inc.	14	464	TVA
10/25/2008	Southern Company Services, Inc.	60	1,900	TVA
10/25/2008	Southern Company Services, Inc.	6	200	TVA
10/28/2008	Southern Company Services, Inc.	5	125	TVA
10/29/2008	Southern Company Services, Inc.	13	410	TVA
10/31/2008	Southern Company Services, Inc.	11	350	TVA
	<b>Southern Company Total</b>	<hr/> 1801	<hr/> 58,540	
	<b>Grand Total</b>	1894	61,460	





**LOUISVILLE GAS AND ELECTRIC COMPANY**

**Response to Information Requested in  
Appendix B of Commission's Order  
Dated January 23, 2009**

**Case No. 2008-00521**

**Question No. 33**

**Witness: Robert M. Conroy**

- Q-33. Describe any changes that occurred during the period from May 1, 2008 to October 31, 2008 that affected LG&E's determination of intersystem sales line losses.
- A-33. There have been no changes. LG&E 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 December 2, 1999 Order in Case No. 96-524-A, 96-524-B, 96-524-C, and the March 25, 2003 Order in Case No. 2002-00225.



**LOUISVILLE GAS AND ELECTRIC COMPANY**

**Response to Information Requested in  
Appendix B of Commission's Order  
Dated January 23, 2009**

**Case No. 2008-00521**

**Question No. 34**

**Witness: Robert M. Conroy**

- Q-34. In its most recent 2-year case, the roll-in of fuel costs into LG&E'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. LG&E 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 to its base rates, does LG&E 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 LG&E to revise base rates only once in connection with the roll-in of a new base fuel cost whereas the "transitional" or "two step" 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. LG&E'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, LG&E 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.

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FEB 11 2009

PUBLIC SERVICE  
COMMISSION

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN EXAMINATION OF THE APPLICATION )  
OF THE FUEL ADJUSTMENT CLAUSE OF )  
LOUISVILLE GAS AND ELECTRIC ) CASE NO. 2008-00521  
COMPANY FROM NOVEMBER 1, 2006 )  
THROUGH OCTOBER 31, 2008 )

MOTION OF LOUISVILLE GAS AND ELECTRIC COMPANY  
FOR CONFIDENTIAL TREATMENT

Louisville Gas and Electric Company (“LG&E”), 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 LG&E 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 January 23, 2009. The information for which LG&E 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, LG&E notes that the Commission treated all this same information as confidential in LG&E’s two most recent two-year fuel adjustment clause review proceedings. (See Letter from Executive Director Beth O’Donnell re LG&E Petition for Confidential Protection, Case No. 2006-00510 (Jan. 26, 2007), and Letter from Executive Director Beth O’Donnell re LG&E Petition for Confidential Protection, Case No. 2004-00466 (Feb. 10, 2005), collectively attached hereto as Attachment 1.)

In further support of this Motion, LG&E 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 LG&E's competitors a distinct competitive advantage in bidding for and securing new bulk power loads, as competitors could use LG&E's projected prices to outbid LG&E for these loads. Thus, public disclosure of the information requested in Question No. 6 would afford an undue preference to LG&E'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 LG&E Petition for Confidential Protection, Case No. 2006-00510 (Jan. 26, 2007), and Letter from Executive Director Beth O'Donnell re LG&E Petition for Confidential Protection, Case No. 2004-00466 (Feb. 10, 2005).)

3. Similarly, public disclosure of information regarding LG&E's plant maintenance schedules would lay bare critical "down time" information, an essential factor in determining LG&E's generating costs and need for power and energy during those periods. Thus, disclosing the information requested in Question No. 9 would necessarily impair LG&E's ability to negotiate with prospective contractors and vendors -- now equipped to manipulate the price of power bid to LG&E to maximize revenues -- and would likewise arm LG&E's competitors with information with which they could erode LG&E'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 LG&E Petition for Confidential Protection, Case No. 2006-00510 (Jan. 26, 2007), and Letter from Executive

Director Beth O'Donnell re LG&E Petition for Confidential Protection, Case No. 2004-00466 (Feb. 10, 2005).)

4. Disclosure of the factors underlying LG&E's bid analysis/selection process would likewise damage LG&E'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 LG&E and its ratepayers by tailoring bids to correspond to and comport with LG&E'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 LG&E Petition for Confidential Protection, Case No. 2006-00510 (Jan. 26, 2007), and Letter from Executive Director Beth O'Donnell re LG&E Petition for Confidential Protection, Case No. 2004-00466 (Feb. 10, 2005).*)

5. The information for which LG&E is seeking confidential treatment is not known outside of LG&E, is not disseminated within LG&E 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.

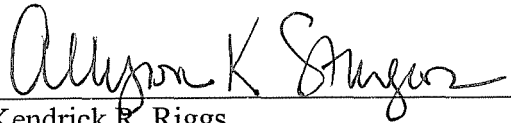
6. LG&E does not object to limited disclosure of the confidential information described herein, pursuant to an acceptable protective agreement, to intervenors with legitimate interests in reviewing the same for the purpose of participating in this case.

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

**WHEREFORE**, Louisville Gas and Electric 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: February 11, 2009

Respectfully submitted,



Kendrick R. Riggs  
Stoll Keenon Ogden PLLC  
2000 PNC Plaza  
500 West Jefferson Street  
Louisville, Kentucky 40202-2828  
Telephone: (502) 333-6000

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

Counsel for Louisville Gas  
and Electric Company

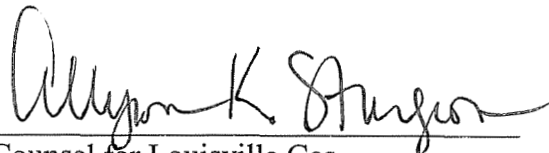


**CERTIFICATE OF SERVICE**

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 11th day of February 2009:

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

Michael L. Kurtz  
Boehm Kurtz & Lowry  
36 East Seventh Street, Suite 1510  
Cincinnati, Ohio 45202

A handwritten signature in black ink, appearing to read "Allison K. Sturgeon", written over a horizontal line.

Counsel for Louisville Gas  
and Electric Company

LOUISVILLE GAS AND ELECTRIC COMPANY

Response to Information Requested in  
Appendix B of Commission's Order  
Dated January 23, 2009

Case No. 2008-00521

Question No. 6

Witness: Robert M. Conroy

Q-6. Provide LG&E's most recent sales projections for the years 2009 and 2010 in kWh and dollars.

A-6.	<u>Year</u>	<u>Forecasted kWh</u>	<u>Forecasted \$</u>
	2009	12,354,455,760	\$ [REDACTED]
	2010	12,443,343,150	\$ [REDACTED]

**LOUISVILLE GAS AND ELECTRIC COMPANY**

**Response to Information Requested in  
Appendix B of Commission's Order  
Dated January 23, 2009**

**Case No. 2008-00521**

**Question No. 9**

**Witness: Charles R. Schram**

- Q-9. Provide the planned maintenance schedule for each of LG&E's generating units for the years 2009 and 2010.
- A-9. The information requested is being provided pursuant to a Petition for Confidential Protection.

**LOUISVILLE GAS AND ELECTRIC COMPANY**

**Response to Information Requested in  
Appendix B of Commission's Order  
Dated January 23, 2009**

**Case No. 2008-00521**

**Question No. 24**

**Witness: Mike Dotson**

- Q-24. List each written coal supply solicitation issued during the period May 1, 2008 to October 31, 2008.
- 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) for 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. 2008-00286, a review of LG&E's FAC for the period November 1, 2007 through April 30, 2008, the final selection of the vendors who responded to the solicitation dated January 24, 2008 was not complete at the time the data responses were filed. The requested information for selected vendors is provided below.
- a. Date: January 24, 2008  
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 Brown power plant (beginning mid-year 2009)  
Period: Up to ten years  
Generating Units: All LG&E coal fired units, KU's Ghent power plant and KU's Brown power plant (beginning mid-year 2009)
  - b. Number of vendors receiving bids: 169  
Number of vendor responses: 19

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

Alliance Coal, LLC, J09002  
The American Coal Company, J08016  
Rhino Energy, LLC, J08028  
Patriot Coal Sales, J09001 (final contract drafts under review)

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

# **Attachment 1**



Ernie Fletcher  
Governor

Teresa J. Hill, Secretary  
Environmental and Public  
Protection Cabinet

Timothy J. LeDonne  
Commissioner  
Department of Public Protection

Commonwealth of Kentucky  
**Public Service Commission**  
211 Sower Blvd.  
P.O. Box 615  
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psc.ky.gov

Mark David Goss  
Chairman

John W. Clay  
Commissioner

January 26, 2007

Allyson K. Sturgeon  
E.ON U.S. LLC  
220 West Main Street  
P. O. Box 32010  
Louisville, KY 402032

RE: LG&E Petition for Confidential Protection  
Case No. 2006-00510

Dear Ms. Sturgeon:

The Commission has received your petition filed January 22, 2007, to protect as confidential LG&E's responses to questions 6, 9 and 24 of the Commission's data request contained in Appendix B to its Order dated 12/18/06. 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



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  
Fax: (502) 564-3460

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: LG&E Petition for Confidential Protection  
Case No. 2004-00466

Dear Mr. Cornett:

The Commission has received your petition filed January 21, 2005, to protect as confidential certain information provided by LG&E 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 large, stylized handwritten signature in black ink, appearing to read "Beth O'Donnell".

Beth O'Donnell  
Executive Director

cc: Parties of Record

