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July 7, 2015

FEDERAL EXPRESS

Jeff DeRouen
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
P.O. Box 615
Frankfort, KY 40601

**RE: Joint Application of Louisville Gas and Electric Company and Kentucky Utilities Company for Approval to Execute a Cross-Border Lease of Two 164 Megawatt Combustion Turbines
Case No. 99-413
(Termination of Cross-Border Lease)**

Dear Mr. DeRouen:

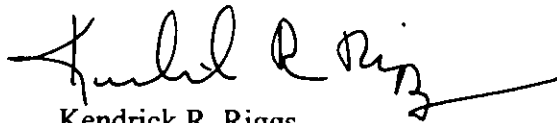
By letter dated February 25, 2015 we advised the Commission that Louisville Gas and Electric Company ("LG&E") and Kentucky Utilities Company ("KU") (collectively, the "Companies") planned to provide notice of early termination pursuant to the terms of the lease transaction (the "Lease") involving two combustion turbines ("CTs") located at KU's Brown Generating Station in Mercer County Kentucky. The Lease was the subject of the above referenced case.

The Companies provided notice of termination on April 24, 2015, and the Lease has been terminated effective June 23, 2015. Formal title to the CTs has now vested in the Companies. As noted in the February 25, 2015 letter, throughout the term of the Lease the Companies retained full rights to the possession, control, operation, maintenance and use of the CTs, and the Companies retained tax ownership under U. S. law, and continued to depreciate the CTs based on depreciation rates approved by the Commission. This will not be affected with transfer of title back to the Companies.

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

Yours very truly,



Kendrick R. Riggs

KRR:jmp
Enclosures

Cc: Lawrence W Cook, Assistant Attorney General
Michael L Kurtz