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PUBLIC SERVICE
COMMISSION

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

Kentucky Utilities Company
State Regulation and Rates
220 West Main Street
PO Box 32010
Louisville, Kentucky 40232
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Robert M. Conroy
Director - Rates
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February 11, 2009

**RE: *AN EXAMINATION OF THE APPLICATION OF THE FUEL
ADJUSTMENT CLAUSE OF KENTUCKY UTILITIES COMPANY
FROM NOVEMBER 1, 2006 THROUGH OCTOBER 31, 2008
CASE NO. 2008-00520***

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 Kentucky Utilities 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)	
KENTUCKY UTILITIES COMPANY FROM)	CASE NO. 2008-00520
NOVEMBER 1, 2006 THROUGH OCTOBER)	
31, 2008)	

DIRECT TESTIMONY OF
MIKE DOTSON
MANAGER – LG&E / KU 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 KU 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 KU’s fuel procurement**
12 **practices during the Review Period.**

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

1 During the Review Period, KU conducted four (4) coal supply solicitations in
2 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 KU 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 KU comply with these fuel procurement policies during the Review Period?**

10 A. Yes.

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

13 A. With the substantial increase in the export coal market during late 2007 and 2008, KU
14 experienced delivery problems at the E. W. Brown Station mainly due to constraints
15 affecting the Norfolk Southern Railroad and the CSX Railroad with their increase in
16 overall railroad traffic in the Eastern U. S. With the increase in coal exports, rail
17 traffic increased to Norfolk Coal Export Terminal resulting in congestion on the
18 railroad and at the mines. At mid-year 2008, KU leased and added a third train set of
19 railcars to its railroad movements for the Brown Station resulting in increased
20 deliveries.

21 During the Review Period, the number of force majeure events increased due
22 to new mine safety legislation and environmental permitting requirements. The
23 environmental permitting requirements slowed down the issuance of mining permits,

1 resulting in reduced deliveries by some suppliers. For example, KU has been advised
2 by Charolais Coal/Phoenix Coal of the difficulty they are having and delay they are
3 experiencing in obtaining necessary permits from the U. S. Army Corps of Engineers
4 and the Kentucky Department of Natural Resources. While they have fallen behind
5 on deliveries due to these delays, they hope to catch up once all pending permits are
6 issued.

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

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

20 In addition, the mining industry is having difficulty with and experiencing
21 delays in obtaining the necessary environmental permits for their mining operations.
22 There have been a number of legal challenges to Section 404 permits across
23 Kentucky and West Virginia for the last several years, with the result that very few

1 permits have been issued in the last year by the Corps. This is resulting in mines
2 having to cut production or stop mining in areas altogether while they wait on
3 permits.

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

6 A. A list of all of KU's long-term fuel contracts is contained in the response to the
7 Commission's Order, Item No. 15 (a) – (k).

8 KU regularly communicates with its vendors to identify any potential
9 problems in meeting agreed-upon delivery schedules. KU works with its suppliers on
10 an ongoing basis to accommodate genuine production/delivery problems and reach
11 mutually agreeable resolutions. This includes mine visits by KU representatives,
12 working with suppliers on allowing deliveries from alternate sources or moving from
13 rail to barge loading to truck to barge loading.

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

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

21 A. KU works with its suppliers on an ongoing basis to ensure deliveries of contracted
22 amounts of coal. KU worked with our suppliers on allowing deliveries from alternate
23 sources, and switching modes of transportation, such as picking up truck coal delivery

1 to the E.W. Brown Station to supplement for shortfalls in railroad deliveries. KU
2 works to diversify its source of supply, with contracts established for the purchase of
3 compliance coal from both Central Appalachian and Indiana and obtaining high
4 sulfur coal from Western Kentucky, Indiana, Illinois, Ohio and West Virginia. These
5 efforts, coupled with ongoing procurement pursuant to the Company's policies,
6 produced adequate coal supplies through the end of the Review Period.

7 **Q. Were there any changes in coal market conditions that occurred during the**
8 **Review Period, or that KU expects to occur within the next 2 years that have**
9 **significantly affected or will significantly affect the Company's coal procurement**
10 **practices?**

11 A. No. Although the coal market did undergo extensive change during the Review
12 Period and continues to change, there were no material changes in market conditions
13 that significantly affected, or that KU believes could significantly affect in the future,
14 the Company's fuel procurement practices.

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

22 Second, the U.S. coal markets experienced a significant shift over the past
23 year. World shortages of supply coupled with the weak U.S. dollar are driving

1 foreign consumers to the U.S. market. Exports exceeded 80 million tons in 2008, a
2 substantial increase over the past two years. Thus, U.S. coal markets have
3 strengthened as international demand exceeds supply. Spot prices for low sulfur
4 eastern U.S. coal and the price of high sulfur spot coal increased substantially during
5 the first few months of 2008. Exhibit MD-1 presents a comparison of spot market
6 prices for various coal types and qualities for July 2007 and July 2008. In addition,
7 U.S. production has decreased and is expected to continue to decrease over the
8 coming years due to the implementation of mine safety requirements, labor issues,
9 tougher geology, and environmental permitting requirements. The decrease in supply
10 exacerbates market imbalances due to increased demand.

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

15 **Q. Were KU's costs of fuel for the Review Period reasonable?**

16 A. Yes. As indicated above, there have been significant changes in the cost of fuel over
17 the Review Period. However, KU's costs for comparable coals have remained at, or
18 just slightly above the average of other similarly situated utilities. In my opinion, the
19 Company's fuel costs during the Review Period were reasonable.

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

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

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

1 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 1th day of February, 2009.

Victoria B. Hayes (SEAL)
Notary Public

My Commission Expires:
Sept 20, 2010

Appendix A

MIKE DOTSON

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 & 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)	
Compliance Coal:					
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%
High Sulfur:					
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%
Nymex:					
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)	
KENTUCKY UTILITIES COMPANY FROM)	CASE NO.
NOVEMBER 1, 2006 THROUGH OCTOBER 31,)	2008-00520
2008)	

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

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”) and Kentucky Utilities Company
5 (“KU” or “the Company”). 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 KU to
11 file written direct testimony to address changes in the wholesale electric power
12 market that significantly affected, or will significantly affect, KU’s electric power
13 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 KU’s electric power procurement practices?**

17 A. KU’s electric power procurement practices were not significantly affected by any
18 changes in the wholesale electric power market during this period. Since the
19 Company’s exit from the Midwest Independent System Operator (“MISO”)
20 Regional Transmission Organization (“RTO”) in September 2006, KU 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 KU expect to occur in the wholesale power market within**
8 **the next two years that may significantly affect KU's electric power**
9 **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
CHARLES R. SCHRAM

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

Victoria B. Hays (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)	
KENTUCKY UTILITIES COMPANY FROM)	CASE NO.
NOVEMBER 1, 2006 THROUGH OCTOBER 31,)	2008-00520
2008)	

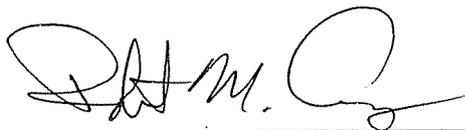
RESPONSE OF
KENTUCKY UTILITIES COMPANY
TO
INFORMATION REQUESTED IN
APPENDIX B OF COMMISSION'S ORDER
DATED JANUARY 23, 2009

FILED: FEBRUARY 11, 2009

VERIFICATION

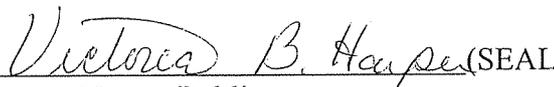
STATE OF KENTUCKY)
) SS:
COUNTY OF JEFFERSON)

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 11th day of February, 2009.



Notary Public

My Commission Expires:
Sept 20, 2010

KENTUCKY UTILITIES COMPANY

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

Case No. 2008-00520

Question No. 1

Witness: Robert M. Conroy

Q-1. State the month to be used as the base period (b). Include a comprehensive, detailed explanation of the factors considered in the selection of this month as being representative of the net generating cost per kWh that KU will incur between November 1, 2008 and October 31, 2010 ("the next 2-year period").

A-1. KU recommends that the per unit fuel cost for October 2008 be used as the base period. The attached table shows the per unit fuel cost for October 2008 was \$0.02754/kWh. KU estimates that the average per unit fuel cost for the period November 2008 through October 2009 will be \$0.02837/kWh; and the average per unit fuel cost for the period November 2009 through October 2010 will be \$0.02759/kWh. The per unit fuel cost for October 2008 of \$0.02754/kWh is well within the range of the next 2-year period and approximates the average of the projected fuel estimates for the 2-year period (\$0.02798/kWh). For these reasons KU believes that October 2008 is the appropriate month to use as the base period for the next 2-year period.

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

KENTUCKY UTILITIES COMPANY

RETAIL FUEL ADJUSTMENT CLAUSE
FUEL COST PER KWH

FOR THE EXPENSE MONTHS ENDING OCTOBER 31, 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	\$0.02581	\$0.02591	Mar-08	(\$0.00010)
Feb-08	\$0.03081	\$0.02591	Apr-08	\$0.00490
Mar-08	\$0.02654	\$0.02591	May-08	\$0.00063
Apr-08	\$0.02681	\$0.02591	Jun-08	\$0.00090
May-08	\$0.02615	\$0.02591	Jul-08	\$0.00024
Jun-08	\$0.03346	\$0.02591	Aug-08	\$0.00755
Jul-08	\$0.03095	\$0.02591	Sep-08	\$0.00504
Aug-08	\$0.03150	\$0.02591	Oct-08	\$0.00559
Sep-08	\$0.03150	\$0.02591	Nov-08	\$0.00559
Oct-08	\$0.02754	\$0.02591	Dec-08	\$0.00163
AVERAGE	\$0.02911	\$0.02591	AVERAGE	\$0.00320

KENTUCKY UTILITIES COMPANY

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

Case No. 2008-00520

Question No. 2

Witness: Robert M. Conroy

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

As explained in the response to Question No. 1, KU reviewed the per-unit fuel cost for each month during the January 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.

**KENTUCKY UTILITIES COMPANY
FUEL COST SCHEDULE**

Expense Month : October 2008

(A) <u>Company Generation</u>			
Coal Burned	(+)	\$ 35,815,752	
Oil Burned	(+)	866,010	
Gas Burned	(+)	23,108	
Fuel (assigned cost during Forced Outage)	(+)	1,688,920	*
Fuel (substitute cost for Forced Outage)	(-)	1,345,894	*
SUB-TOTAL		\$ 36,704,870	
(B) <u>Purchases</u>			
Net energy cost - economy purchases	(+)	\$ 5,162,826	
Identifiable fuel cost - other purchases	(+)	-	
Identifiable fuel cost (substitute for Forced Outage)	(-)	329,672	*
Less Purchases above Highest Cost Units	(-)	-	
Internal Economy	(+)	12,455,619	
Internal Replacement	(+)	-	
SUB-TOTAL		\$ 17,618,445	
(C) <u>Inter-System Sales</u>			
Including Interchange-out	(+)	\$ 1,756,077	
Internal Economy	(+)	-	
Internal Replacement	(+)	11,630,810	
Dollars Assigned to Inter-System Sales Losses	(+)	17,561	
SUB-TOTAL		\$ 13,404,448	
(D) <u>Over or (Under) Recovery</u>			
From Page 5, Line 13		\$ (1,824,824)	
TOTAL FUEL RECOVERY (A+B-C-D) =		\$ 42,743,691	

* Excluded from calculations per 807 KAR 5:056 due to fuel cost for substitute generation and purchases being less than assigned cost during Forced Outage.

KENTUCKY UTILITIES COMPANY

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

Case No. 2008-00520

Question No. 3

Witness: Robert M. Conroy

- Q-3. Provide a schedule showing each component of sales as defined by 807 KAR 5:056 in the selected base period (b). Explain why KU believes that the sales in the selected base period (b) are representative of the level of kWh sales that KU will derive from the level of fuel cost incurred during the selected base period (b).
- A-3. Attached is a copy of the sales schedule for October 2008, which shows the components of S(b) as defined by 807 KAR 5:056.

As explained in the response to Question No. 1, KU reviewed the per-unit fuel cost for each month during the January 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.

KENTUCKY UTILITIES COMPANY

SALES SCHEDULE (KWH)

Expense Month : October 2008

(A)	Generation (Net)	(+)	1,390,499,000
	Purchases including interchange-in	(+)	173,151,000
	Internal Economy	(+)	541,774,000
	Internal Replacement	(+)	<u>-</u>
	SUB-TOTAL		2,105,424,000
(B)	Inter-system Sales including interchange-out	(+)	55,795,000
	Internal Economy	(+)	-
	Internal Replacement	(+)	392,692,000
	(*) System Losses	(+)	<u>105,034,277</u>
	SUB-TOTAL		553,521,277
	TOTAL SALES (A-B)		<u>1,551,902,723</u>

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

KENTUCKY UTILITIES COMPANY

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

Case No. 2008-00520

Question No. 4

Witness: Robert M. Conroy

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

A-4.	Current Base	\$0.02591/kWh
	Proposed Base	<u>\$0.02754/kWh</u>
	Increase in Base Rates	\$0.00163/kWh

KENTUCKY UTILITIES COMPANY

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

Case No. 2008-00520

Question No. 5

Witness: Mike Dotson

Q-5. Provide KU'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	7,926,309	\$461,876,708
2010 Forecast	8,825,415	\$498,690,102

KENTUCKY UTILITIES COMPANY

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

Case No. 2008-00520

Question No. 6

Witness: Robert M. Conroy

Q-6. Provide KU'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	21,789,811,790	\$ [REDACTED]
	2010	22,064,678,350	\$ [REDACTED]

KENTUCKY UTILITIES COMPANY

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

Case No. 2008-00520

Question No. 7

Witness: Robert M. Conroy

- Q-7. Provide separately the amounts of power purchases used in the calculation of sales provided in response to Item 3.
- A-7. Attached is a copy of the data from the Purchased Power Transaction Schedule for October 2008, which is used in the calculation of sales as defined by 807 KAR 5:056 and shown in the response to Item 3.

Kentucky Utilities Company
Purchased-Power Transaction Schedule
October 2008

<u>Company</u>	<u>KWH</u>
MIDWEST INDEPENDENT TRANSMISSION SYSTEM OPERATOR, INC.	952,000
PJM INTERCONNECTION ASSOCIATION	3,423,000
AMERICAN ELECTRIC POWER SERVICE CORP.	150,000
COBB ELECTRIC MEMBERSHIP CORPORATION	152,000
ENERGY IMBALANCE	1,710,000
THE ENERGY AUTHORITY	329,000
WESTAR ENERGY, INC.	500,000
LOUISVILLE GAS & ELECTRIC	541,774,000
OWENSBORO MUNICIPAL UTILITIES	126,970,000
OHIO VALLEY ELECTRIC CORPORATION	<u>34,070,000</u>
TOTAL	710,030,000

KENTUCKY UTILITIES COMPANY

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

Case No. 2008-00520

Question No. 8

Witness: Robert M. Conroy

- Q-8. Provide separately the amounts of intersystem power sales used in the calculation of sales provided in response to Item 3.
- A-8. Attached is a copy of the data from the Sales-Power Transaction Schedule for October 2008, which is used in the calculation of sales as defined by 807 KAR 5:056 and shown in the response to Item 3.

Kentucky Utilities Company
Sales-Power Transaction Schedule
October 2008

<u>Company</u>	<u>KWH</u>
MIDWEST INDEPENDENT TRANSMISSION SYSTEM OPERATOR, INC.	22,321,000
MIDWEST CONTINGENCY RESERVE SHARING GROUP	41,000
PJM INTERCONNECTION ASSOCIATION	23,033,000
ASSOCIATED ELECT COOPERATIVE	42,000
AMERICAN ELECTRIC POWER SERVICE CORP.	6,000
AMEREN ENERGY MARKETING COMPANY	42,000
CARGILL- ALLIANT, LLC	141,000
CITIGROUP ENERGY, INC.	179,000
COBB ELECTRIC MEMBERSHIP CORPORATION	109,000
CONSTELLATION ENERGY COMDS. GRP. INC.	31,000
DTE ENERGY TRADING, INC.	12,000
DUKE ENERGY CAROLINAS, LLC	365,000
EAST KENTUCKY POWER COOPERATIVE	191,000
ENDURE ENERGY	514,000
FORTIS ENERGY MARKETING & TRADING GP	10,000
ILLINOIS MUNICIPAL ELECTRIC AGENCY	18,000
INDIANA MUNICIPAL POWER AGENCY	21,000
ENERGY IMBALANCE	13,000
MERRILL LYNCH COMMODITIES INC.	108,000
PROGRESS ENERGIES CAROLINAS INC.	2,967,000
SOUTHERN COMPANY SERVICES, INC	2,305,000
THE ENERGY AUTHORITY	1,506,000
TENASKA POWER SERVICES CO.	1,089,000
TENNESSEE VALLEY AUTHORITY	593,000
AMEREN ENERGY, INC.	24,000
WESTAR ENERGY, INC.	21,000
OWENSBORO MUNICIPAL UTILITIES	93,000
LOUISVILLE GAS & ELECTRIC	<u>392,692,000</u>
TOTAL	448,487,000

KENTUCKY UTILITIES COMPANY

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

Case No. 2008-00520

Question No. 9

Witness: Charles R. Schram

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

KENTUCKY UTILITIES COMPANY

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

Case No. 2008-00520

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	4,344
October 31, 2008	4,476

b. Average annual system demand:

<u>Year Ending</u>	<u>Average Demand (MW)*</u>
October 31, 2007	2,622
October 31, 2008	2,553

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

KENTUCKY UTILITIES COMPANY**Response to Information Requested in
Appendix B of Commission's Order
Dated January 23, 2009****Case No. 2008-00520****Question No. 11****Witness: Charles R. Schram**

Q-11. List all firm power commitments for KU 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

The firm purchases from Owensboro Municipal Utilities ("OMU") for the review period are shown below. KU has described the status of the litigation associated with the OMU contract and OMU's notice of termination of the contract in numerous responses to requests for information issued in the Commission's six-month and two-year investigations of the operation of KU's fuel adjustment clause and in other updates provided to the Commission. On September 5, 2008, the U.S. District Court ruled in KU's favor as a matter of law on three issues. First, the Court ruled that KU does not owe additional monies to OMU under past invoices for facilities charge fund payments. Second, the Court ruled that KU is entitled to proportional ownership of NO_x allowances allocated to the Elmer Smith Generating Station. Third, the Court ruled that OMU is not entitled to sell excess power to entities other than KU while the contract remains in effect. In October, the Court dismissed OMU's remaining claims against KU regarding pricing for backup power provided to OMU by KU. KU's counterclaim against OMU for operation and maintenance practices at Elmer Smith Generating Station went to trial beginning October 21, 2008, and a ruling is expected in the first quarter of 2009. All substantive rulings to date remain subject to appeal rights.

<u>Utility</u>	<u>MW</u>	<u>Purpose</u>
OMU (1/1/09-6/30/09)	~ 182 MW	Baseload
OMU (7/1/09-12/31/09)	~ 163 MW	Baseload
OMU (1/1/10-05/31/10)	~ 182 MW	Baseload
Dynegy (6/1/09-9/30/09)	~ 165 MW	Baseload

KU will purchase their participation ratio (2.5%) of the released capacity for OVEC in 2009. The KU amounts by month are shown:

	<u>Companies'</u> <u>Amt (MW)</u>	<u>KU Portion</u> <u>(MW)</u>	<u>Purpose</u>
OVEC (Jan 2009)	~ 181	~ 56	Baseload
OVEC (Feb 2009)	~ 168	~ 52	Baseload
OVEC (Mar 2009)	~ 157	~ 48	Baseload
OVEC (Apr 2009)	~ 147	~ 45	Baseload
OVEC (May 2009)	~ 166	~ 51	Baseload
OVEC (Jun 2009)	~ 176	~ 54	Baseload
OVEC (Jul 2009)	~ 174	~ 54	Baseload
OVEC (Aug 2009)	~ 174	~ 54	Baseload
OVEC (Sep 2009)	~ 169	~ 52	Baseload
OVEC (Oct 2009)	~ 158	~ 49	Baseload
OVEC (Nov 2009)	~ 151	~ 46	Baseload
OVEC (Dec 2009)	~ 161	~ 49	Baseload

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

b. Sales - None

KENTUCKY UTILITIES COMPANY

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

Case No. 2008-00520

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	4,466,000		\$ 117,349.88	\$ 115,328.03	\$ 232,677.91
American Electric Power Service Corp.	7,278,000		\$ 192,261.62	\$ 188,949.09	\$ 381,210.71
Big Rivers Electric Corp.	104,000		\$ 5,460.14	\$ 5,366.07	\$ 10,826.21
Cargill-Alliant, LLC	4,058,000		\$ 100,071.08	\$ 98,346.93	\$ 198,418.01
Cobb Electric Membership Corporation	955,000		\$ 24,888.66	\$ 24,459.84	\$ 49,348.50
Constellation Energy COMDS. GRP. INC.	1,338,000		\$ 34,737.17	\$ 34,140.90	\$ 68,878.07
Dayton Power & Light Co.	11,000		\$ 271.24	\$ 276.14	\$ 547.38
East Kentucky Power Cooperative	701,000		\$ 15,222.58	\$ 14,960.30	\$ 30,182.88
Illinois Municipal Electric Agency	22,000		\$ 432.49	\$ 440.31	\$ 872.80
Indiana Municipal Power Agency	22,000		\$ 430.92	\$ 438.71	\$ 869.63
Merrill Lynch Commodities Inc.	3,091,000		\$ 76,755.08	\$ 75,439.03	\$ 152,194.11
Midwest Independent Transmission System Operator, Inc.	19,592,000		\$ 486,500.95	\$ 478,118.88	\$ 964,619.83
Progress Energy Ventures, Inc.	620,000		\$ 15,521.89	\$ 15,254.46	\$ 30,776.35
Rainbow Energy Marketing Corp.	102,000		\$ 3,093.53	\$ 3,040.22	\$ 6,133.75
Sempra Energy Trading Corp.	2,044,000		\$ 53,186.62	\$ 52,270.24	\$ 105,456.86
Southern Indiana Gas & Electric Co.	4,000		\$ 205.39	\$ 209.10	\$ 414.49
Split Rock Energy LLC	418,000		\$ 11,671.98	\$ 11,470.89	\$ 23,142.87
The Energy Authority	1,473,000		\$ 31,972.56	\$ 31,421.70	\$ 63,394.26
Tenaska Power Services Co.	32,000		\$ 888.02	\$ 904.09	\$ 1,792.11
Transalta Energy Marketing (U.S.) Inc.	457,000		\$ 12,108.08	\$ 11,899.47	\$ 24,007.55
Tennessee Valley Authority	5,577,000		\$ 137,470.92	\$ 135,102.43	\$ 272,573.35
Westar Energy Inc.	4,750,000		\$ 122,244.00	\$ 120,137.83	\$ 242,381.83
Miscellaneous			\$ 171.53	\$ (171.53)	\$ -
Owensboro Municipal Utilities	8,844,000		\$ 208,965.24	\$ 37,208.36	\$ 246,173.60
Louisville Gas & Electric	419,018,000		\$ 10,276,116.22	\$ 1,864,884.43	\$ 12,141,000.65
TOTAL	484,977,000	\$ -	\$ 11,927,997.79	\$ 3,319,895.92	\$ 15,247,893.71

For the Month Ending December 31, 2006	KWH	DEMAND(\$)	FUEL CHARGES(\$)	OTHER CHARGES(\$)	TOTAL CHARGES(\$)
Associated Elect Cooperative	853,000		22,026.96	15,242.95	37,269.91
American Electric Power Service Corp.	1,152,000		27,997.27	19,349.92	47,347.19
Big Rivers Electric Corp.	19,000		1,140.33	812.53	1,952.86
Cargill-Alliant, LLC	744,000		20,010.66	13,847.64	33,858.30
Cobb Electric Membership Corporation	335,000		8,035.20	5,560.47	13,595.67
Constellation Energy COMDS. GRP. INC.	198,000		4,888.71	3,388.53	8,277.24
Duke Energy Ohio, Inc.	2,000		117.99	84.08	202.07
East Kentucky Power Cooperative	99,000		2,651.25	1,889.13	4,540.38
Fortis Energy Marketing & Trading GP	213,000		5,495.23	3,802.76	9,297.99
Illinois Municipal Electric Agency	6,000		131.78	93.90	225.68
Indiana Municipal Power Agency	6,000		132.83	94.65	227.48
Merrill Lynch Commodities Inc.	372,000		8,956.01	6,197.68	15,153.69
Midwest Independent Transmission System Operator, Inc.	3,788,000		102,412.56	70,870.88	173,283.44
Progress Energy Ventures, Inc.	6,000		158.24	108.57	266.81
Sempra Energy Trading Corp.	161,000		4,502.06	3,115.49	7,617.55
Southern Indiana Gas & Electric Co.	1,000		53.04	37.79	90.83
The Energy Authority	238,000		5,204.38	3,601.50	8,805.88
Tenaska Power Services Co.	3,000		68.87	49.08	117.95
Tennessee Valley Authority	1,300,000		32,921.70	22,782.26	55,703.96
Westar Energy Inc..	396,000		10,420.27	7,210.96	17,631.23
Miscellaneous			18.24	(18.24)	-
Owensbro Municipal Utilities	2,062,000		47,113.72	9,330.73	56,444.45
Owensbro Municipal Utilities	-		-	21,328.00	21,328.00
Louisville Gas & Electric	192,050,000		4,746,358.70	885,062.17	5,631,420.87
TOTAL	<u>204,004,000</u>	<u>\$ -</u>	<u>\$ 5,050,816.00</u>	<u>\$ 1,093,843.43</u>	<u>\$ 6,144,659.43</u>

For the Month Ending January 31, 2007	KWH	DEMAND(\$)	FUEL CHARGES(\$)	OTHER CHARGES(\$)	TOTAL CHARGES(\$)
Associated Elect Cooperative	289,000		7,073.64	5,219.35	12,292.99
American Electric Power Service Corp.	303,000		7,646.19	5,641.83	13,288.02
Cargill-Alliant, LLC	293,000		7,675.20	5,663.22	13,338.42
Cobb Electric Membership Corporation	113,000		2,991.66	2,207.43	5,199.09
Conectiv Energy Supply, Inc.	1,000		24.92	19.42	44.34
Constellation Energy COMDS. GRP. INC.	109,000		2,895.19	2,136.24	5,031.43
Duke Energy Indiana, Inc.	4,000		103.19	273.83	377.02
Duke Energy Ohio, Inc.	(4,000)		(103.19)	(273.83)	(377.02)
East Kentucky Power Cooperative	630,000		18,352.07	13,541.30	31,893.37
Fortis Energy Marketing & Trading GP	287,000		7,795.32	5,751.87	13,547.19
Illinois Municipal Electric Agency	32,000		605.80	472.10	1,077.90
Indiana Municipal Power Agency	3,000		60.31	47.00	107.31
Midwest Contingency Reserve Sharing Group	3,000		173.01	134.82	307.83
Merrill Lynch Commodities Inc.	429,000		11,081.06	8,176.28	19,257.34
Midwest Independent Transmission System Operator, Inc.	2,603,000		68,842.54	50,807.44	119,649.98
Progress Energy Ventures, Inc.	56,000		1,486.26	1,158.24	2,644.50
Sempra Energy Trading Corp.	244,000		6,379.69	4,707.34	11,087.03
The Energy Authority	72,000		1,569.48	1,158.06	2,727.54
Transalta Energy Marketing (U.S.) Inc.	8,000		191.83	149.49	341.32
Tennessee Valley Authority	586,000		14,769.89	10,898.14	25,668.03
Westar Energy Inc.	71,000		1,970.55	1,454.00	3,424.55
Miscellaneous			1,378.28	(1,378.28)	-
Owensbro Municipal Utilities	14,809,000		360,668.05	58,184.51	418,852.56
Owensbro Municipal Utilities	-		-	4,850.00	4,850.00
Louisville Gas & Electric	289,795,000		7,031,775.80	1,341,855.20	8,373,631.00
TOTAL	310,736,000	\$ -	\$ 7,555,406.74	\$ 1,522,855.00	\$ 9,078,261.74

For the Month Ending February 28, 2007	KWH	DEMAND(\$)	FUEL CHARGES(\$)	OTHER CHARGES(\$)	TOTAL CHARGES(\$)
Associated Elect Cooperative	9,000		236.01	250.08	486.09
American Electric Power Service Corp.	12,000		336.05	356.08	692.13
Cargill-Alliant, LLC	14,000		387.38	317.44	704.82
Citigroup Energy, Inc.	1,000		20.55	21.77	42.32
Cobb Electric Membership Corporation	3,000		76.73	81.31	158.04
Constellation Energy COMDS. GRP. INC.	8,000		205.14	217.38	422.52
East Kentucky Power Cooperative	42,000		1,486.74	1,261.02	2,747.76
Fortis Energy Marketing & Trading GP	13,000		349.71	370.56	720.27
Midwest Contingency Reserve Sharing Group	-		-	(7.31)	(7.31)
Merrill Lynch Commodities Inc.	16,000		442.59	375.39	817.98
Midwest Independent Transmission System Operator, Inc.	150,000		4,366.86	3,696.39	8,063.25
Progress Energy Ventures, Inc.	2,000		55.69	59.01	114.70
Sempra Energy Trading Corp.	4,000		101.98	108.07	210.05
The Energy Authority	1,000		23.27	24.65	47.92
Tennessee Valley Authority	47,000		1,281.29	1,086.75	2,368.04
Westar Energy Inc..	1,000		26.79	28.39	55.18
Miscellaneous			29.06	(29.06)	-
Owensbro Municipal Utilities	9,796,000		273,083.39	36,564.20	\$309,647.59
Owensbro Municipal Utilities	-		-	51,528.00	51,528.00
Louisville Gas & Electric	172,745,000		4,361,641.35	980,069.12	5,341,710.47
TOTAL	182,864,000	\$ -	\$ 4,644,150.58	\$ 1,076,379.24	\$ 5,720,529.82

For the Month Ending March 31, 2007	KWH	DEMAND(\$)	FUEL CHARGES(\$)	OTHER CHARGES(\$)	TOTAL CHARGES(\$)
Midwest Independent Transmission System Operator, Inc.	462,000		12,717.71	10,908.41	23,626.12
Midwest Contingency Reserve Sharing Group	3,000		166.57	153.55	320.12
Associated Elect Cooperative	72,000		1,992.82	1,708.84	3,701.66
American Electric Power Service Corp.	69,000		1,858.69	1,593.84	3,452.53
Cargill-Alliant, LLC	42,000		1,141.46	978.82	2,120.28
Citigroup Energy, Inc.	18,000		448.24	413.19	861.43
Cobb Electric Membership Corporation	24,000		633.28	583.76	1,217.04
Constellation Energy COMDS. GRP. INC.	25,000		595.99	549.39	1,145.38
East Kentucky Power Cooperative	9,000		245.14	225.97	471.11
Fortis Energy Marketing & Trading GP	79,000		2,017.41	1,729.93	3,747.34
Illinois Municipal Electric Agency	3,000		71.61	(9.28)	62.33
Indiana Municipal Power Agency	3,000		72.50	(12.72)	59.78
Merrill Lynch Commodities Inc.	44,000		1,108.12	950.21	2,058.33
Progress Energy Ventures, Inc.	8,000		207.66	191.42	399.08
Sempra Energy Trading Corp.	10,000		249.56	230.04	479.60
The Energy Authority	6,000		147.92	136.35	284.27
Tennessee Valley Authority	454,000		11,473.55	9,838.56	21,312.11
Westar Energy Inc.	6,000		166.93	153.87	320.80
Miscellaneous			2.17	(2.17)	-
Owensbro Municipal Utilities	1,150,000		73,200.37	(103,296.07)	(30,095.70)
Owensbro Municipal Utilities	-		-	41,194.00	41,194.00
Louisville Gas & Electric	132,960,000		3,184,352.61	792,947.80	3,977,300.41
TOTAL	135,447,000	\$ -	\$ 3,292,870.31	\$ 761,167.71	4,054,038.02

For the Month Ending April 30, 2007	KWH	DEMAND(\$)	FUEL CHARGES(\$)	OTHER CHARGES(\$)	TOTAL CHARGES(\$)
Midwest Independent Transmission System Operator, Inc.	28,000		1,940.43	296.88	2,237.31
Midwest Contingency Reserve Sharing Group	1,000		138.77	38.23	177.00
Associated Elect Cooperative	5,000		315.92	87.02	402.94
American Electric Power Service Corp.	20,000		1,370.68	299.36	1,670.04
Cargill-Alliant, LLC	34,000		2,377.74	519.31	2,897.05
Citigroup Energy, Inc.	2,000		137.37	37.84	175.21
Cobb Electric Membership Corporation	7,000		535.81	147.60	683.41
Constellation Energy COMDS. GRP. INC.	10,000		638.00	176.71	814.71
East Kentucky Power Cooperative	25,000		1,984.47	433.41	2,417.88
Fortis Energy Marketing & Trading GP	16,000		1,139.65	248.91	1,388.56
Illinois Municipal Electric Agency	23,000		1,742.65	380.65	2,123.30
Indiana Municipal Power Agency	2,000		157.28	43.37	200.65
Kansas City Power & Light	10,000		655.83	180.65	836.48
Merrill Lynch Commodities Inc.	13,000		897.95	196.12	1,094.07
Progress Energy Ventures, Inc.	12,000		925.00	202.02	1,127.02
Sempra Energy Trading Corp.	6,000		433.86	119.51	553.37
The Energy Authority	1,000		68.27	18.80	87.07
Tennessee Valley Authority	120,000		7,820.36	1,708.00	9,528.36
Williams Energy Marketing & Trading Co.	46,000		3,036.60	663.20	3,699.80
Miscellaneous			(274.78)	274.78	-
Owensbro Municipal Utilities	509,000	-	40,616.17	3,434.04	44,050.21
Owensbro Municipal Utilities	-		-	1,376.00	1,376.00
Louisville Gas & Electric	59,450,000		1,498,500.69	296,541.74	1,795,042.43
TOTAL	60,340,000	\$ -	\$ 1,565,158.72	\$ 307,424.15	\$ 1,872,582.87

For the Month Ending May 31, 2007	KWH	DEMAND(\$)	FUEL CHARGES(\$)	OTHER CHARGES(\$)	TOTAL CHARGES(\$)
Midwest Independent Transmission System Operator, Inc.	28,000		1,146.33	648.13	1,794.46
Midwest Contingency Reserve Sharing Group	1,000		70.46	47.07	117.53
Associated Elect Cooperative	23,000		659.29	372.77	1,032.06
American Electric Power Service Corp.	30,000		802.57	545.09	1,347.66
BP Energy Company	1,000		41.44	28.15	69.59
Cargill-Alliant, LLC	20,000		563.52	382.73	946.25
Citigroup Energy, Inc.	5,000		166.31	112.95	279.26
Cobb Electric Membership Corporation	10,000		309.92	210.50	520.42
Constellation Energy COMDS. GRP. INC.	12,000		312.33	211.50	523.83
DTE Energy Trading, Inc.	1,000		33.30	22.62	55.92
East Kentucky Power Cooperative	2,000		57.23	38.87	96.10
Fortis Energy Marketing & Trading GP	17,000		492.81	334.70	827.51
Illinois Municipal Electric Agency	1,000		35.21	23.92	59.13
Indiana Municipal Power Agency	1,000		35.95	24.41	60.36
Merrill Lynch Commodities Inc.	14,000		383.68	260.59	644.27
Progress Energy Ventures, Inc.	3,000		88.43	60.06	148.49
Sempra Energy Trading Corp.	2,000		55.41	37.64	93.05
The Energy Authority	1,000		26.27	17.84	44.11
Tennessee Valley Authority	13,000		379.00	257.41	636.41
Williams Energy Marketing & Trading Co.	10,000		283.26	192.39	475.65
Westar Energy, Inc.	1,000		30.61	20.79	51.40
Miscellaneous			57.40	(57.40)	-
Owensbro Municipal Utilities	107,000		8,652.14	756.15	9,408.29
Owensbro Municipal Utilities	-		-	10.00	10.00
Louisville Gas & Electric	86,015,000		2,161,668.28	712,561.99	2,874,230.27
TOTAL	86,318,000	\$ -	\$ 2,176,351.15	\$ 717,120.87	\$ 2,893,472.02

For the Month Ending June 30, 2007	KWH	DEMAND(\$)	FUEL CHARGES(\$)	OTHER CHARGES(\$)	TOTAL CHARGES(\$)
Midwest Independent Transmission System Operator, Inc.	309,000		9,223.96	6,588.46	15,812.42
Midwest Contingency Reserve Sharing Group	14,000		895.56	738.62	1,634.18
Associated Elect Cooperative	174,000		4,652.41	3,323.10	7,975.51
American Electric Power Service Corp.	418,000		12,464.42	8,903.06	21,367.48
BP Enerergy Company	6,000		239.26	195.44	434.70
Cargill-Alliant, LLC	225,000		6,041.78	4,315.50	10,357.28
Citigroup Energy, Inc.	26,000		786.57	561.83	1,348.40
Cobb Electric Membership Corporation	207,000		6,748.19	4,820.08	11,568.27
Constellation Energy COMDS. GRP. INC.	646,000		19,533.28	13,952.25	33,485.53
DTE Energy Trading, Inc.	49,000		1,166.79	833.42	2,000.21
East Kentucky Power Cooperative	226,000		8,964.01	6,402.80	15,366.81
Fortis Energy Marketing & Trading GP	193,000		5,541.83	3,958.40	9,500.23
Illinois Municipal Electric Agency	158,000		6,561.41	4,686.67	11,248.08
Indiana Municipal Power Agency	105,000		4,962.74	3,544.77	8,507.51
Kansas City Power & Light	65,000		2,105.97	1,504.26	3,610.23
Merrill Lynch Commodities Inc.	120,000		3,601.17	2,565.11	6,166.28
Sempra Energy Trading Corp.	101,000		3,176.14	2,268.65	5,444.79
The Energy Authority	232,000		7,809.01	5,577.81	13,386.82
Tenaska Power Services Co.	24,000		546.52	397.49	944.01
Transalta Energy Marketing (U.S.) Inc.	4,000		107.58	87.87	195.45
Tennessee Valley Authority	603,000		16,772.50	11,980.21	28,752.71
Williams Energy Marketing & Trading Co.	6,000		126.25	103.99	230.24
Westar Energy, Inc.	11,000		287.82	235.11	522.93
Miscellaneous			5.16	(5.16)	-
Owensbro Municipal Utilities	4,821,000		283,175.51	26,063.77	309,239.28
Owensbro Municipal Utilities	-		-	8,216.00	8,216.00
Louisville Gas & Electric	86,951,000		2,153,158.88	740,761.09	2,893,919.97
TOTAL	95,694,000	\$ -	\$ 2,558,654.72	\$ 862,580.60	\$ 3,421,235.32

For the Month Ending July 31, 2007	KWH	DEMAND(\$)	FUEL CHARGES(\$)	OTHER CHARGES(\$)	TOTAL CHARGES(\$)
Midwest Independent Transmission System Operator, Inc.	272,000		8,863.54	7,100.32	15,963.86
Midwest Contingency Reserve Sharing Group	10,000		581.61	483.85	1,065.46
Associated Elect Cooperative	78,000		1,982.75	1,588.45	3,571.20
American Electric Power Service Corp.	440,000		11,933.27	9,560.18	21,493.45
BP Energy Company	6,000		169.96	141.16	311.12
Cargill-Alliant, LLC	244,000		6,207.89	4,973.38	11,181.27
Citigroup Energy, Inc.	15,000		479.52	398.29	877.81
Cobb Electric Membership Corporation	61,000		1,487.19	1,235.24	2,722.43
Constellation Energy COMDS. GRP. INC.	407,000		10,869.36	8,707.84	19,577.20
DTE Energy Trading, Inc.	17,000		606.68	503.89	1,110.57
Duke Energy Carolinas, LLC	35,000		686.68	570.35	1,257.03
East Kentucky Power Cooperative	115,000		4,598.73	3,684.20	8,282.93
Fortis Energy Marketing & Trading GP	398,000		10,965.90	8,785.20	19,751.10
Illinois Municipal Electric Agency	67,000		2,011.29	1,670.54	3,681.83
Indiana Municipal Power Agency	71,000		2,133.49	1,772.05	3,905.54
Kansas City Power & Light	19,000		752.32	624.87	1,377.19
Merrill Lynch Commodities Inc.	97,000		3,017.10	2,505.95	5,523.05
Progress Energy Ventures Inc.	23,000		712.26	591.60	1,303.86
Sempra Energy Trading Corp.	150,000		4,360.41	3,493.30	7,853.71
The Energy Authority	78,000		2,382.68	1,979.01	4,361.69
Tennessee Valley Authority	309,000		8,150.15	6,529.37	14,679.52
Williams Energy Marketing & Trading Co.	6,000		177.95	147.80	325.75
Westar Energy, Inc.	5,000		116.75	96.95	213.70
Miscellaneous			630.03	(630.03)	-
Owensbro Municipal Utilities	642,000		34,068.22	2,996.46	37,064.68
Owensbro Municipal Utilities	-		-	1,233.00	1,233.00
Louisville Gas & Electric	112,352,000		2,857,012.71	716,726.10	3,573,738.81
TOTAL	115,917,000	\$ -	\$ 2,974,958.44	\$ 787,469.32	\$ 3,762,427.76

For the Month Ending August 31, 2007	KWH	DEMAND(\$)	FUEL CHARGES(\$)	OTHER CHARGES(\$)	TOTAL CHARGES(\$)
Midwest Independent Transmission System Operator, Inc.	131,000		5,144.77	3,003.56	8,148.33
Midwest Contingency Reserve Sharing Group	6,000		329.24	280.93	610.17
American Electric Power Service Corp.	355,000		11,731.48	6,848.95	18,580.43
Cargill-Alliant, LLC	157,000		4,341.68	2,534.71	6,876.39
Citigroup Energy, Inc.	4,000		76.47	66.95	143.42
Cobb Electric Membership Corporation	60,000		1,611.43	940.77	2,552.20
Constellation Energy COMDS. GRP. INC.	237,000		5,810.96	3,392.49	9,203.45
DTE Energy Trading, Inc.	5,000		209.20	183.16	392.36
Duke Energy Carolinas, LLC	221,000		4,900.95	2,861.21	7,762.16
East Kentucky Power Cooperative	5,000		185.82	162.69	348.51
Fortis Energy Marketing & Trading GP	81,000		2,493.49	1,455.73	3,949.22
Illinois Municipal Electric Agency	140,000		5,388.14	3,145.64	8,533.78
Indiana Municipal Power Agency	177,000		6,923.95	4,042.26	10,966.21
Energy Imbalance	12,000		724.23	422.82	1,147.05
Merrill Lynch Commodities Inc.	53,000		1,927.05	1,125.03	3,052.08
Progress Energy Ventures Inc.	53,000		2,384.67	1,392.19	3,776.86
Sempra Energy Trading Corp.	112,000		3,924.36	2,291.08	6,215.44
The Energy Authority	37,000		1,180.78	689.34	1,870.12
Tennessee Valley Authority	502,000		12,138.12	7,086.35	\$19,224.47
Williams Energy Marketing & Trading Co.	13,000		624.52	364.62	989.14
Miscellaneous			718.44	(718.44)	-
Louisville Gas & Electric	45,848,000		1,432,292.19	285,380.53	1,717,672.72
TOTAL	48,209,000	\$ -	\$ 1,505,061.94	\$ 326,952.57	\$ 1,832,014.51

For the Month Ending September 30, 2007	KWH	DEMAND(\$)	FUEL CHARGES(\$)	OTHER CHARGES(\$)	TOTAL CHARGES(\$)
Midwest Independent Transmission System Operator, Inc.	448,000		13,513.34	7,094.30	20,607.64
Midwest Contingency Reserve Sharing Group	21,000		1,501.96	788.50	2,290.46
Associated Elect Cooperative	153,000		4,285.63	2,249.89	6,535.52
American Electric Power Service Corp.	1,273,000		41,615.59	21,847.58	63,463.17
Cargill-Alliant, LLC	508,000		16,987.51	8,918.19	25,905.70
Citigroup Energy, Inc.	120,000		3,548.81	1,863.07	5,411.88
Cobb Electric Membership Corporation	257,000		8,363.63	4,390.78	12,754.41
Constellation Energy COMDS. GRP. INC.	876,000		28,417.22	14,918.63	43,335.85
DTE Energy Trading, Inc.	9,000		334.94	175.84	510.78
Duke Energy Carolinas, LLC	213,000		5,793.84	3,041.68	8,835.52
East Kentucky Power Cooperative	79,000		2,558.27	1,343.05	3,901.32
Fortis Energy Marketing & Trading GP	1,226,000		36,694.70	19,264.17	55,958.87
Illinois Municipal Electric Agency	1,477,000		60,539.81	31,782.50	92,322.31
Indiana Municipal Power Agency	1,572,000		64,417.16	33,818.06	98,235.22
Merrill Lynch Commodities Inc.	176,000		7,876.11	4,134.84	12,010.95
Progress Energy Ventures Inc.	119,000		4,095.97	2,150.32	6,246.29
Sempra Energy Trading Corp.	419,000		15,218.94	7,944.23	23,163.17
The Energy Authority	177,000		5,524.40	2,900.22	8,424.62
Tenaska Power Services Co.	9,000		240.43	126.23	366.66
Transalta Energy Marketing (U.S.) Inc.	77,000		3,999.16	2,099.52	6,098.68
Tennessee Valley Authority	3,267,000		99,456.54	52,213.26	151,669.80
Miscellaneous			4,981.97	(4,981.97)	-
Owensbro Municipal Utilities	5,585,000		254,921.14	26,135.63	281,056.77
Owensbro Municipal Utilities				12,627.00	12,627.00
Louisville Gas & Electric	61,148,000		1,639,273.56	326,147.86	1,965,421.42
TOTAL	79,209,000	\$ -	\$ 2,324,160.63	\$ 582,993.38	\$ 2,907,154.01

For the Month Ending October 31, 2007	KWH	DEMAND(\$)	FUEL CHARGES(\$)	OTHER CHARGES(\$)	TOTAL CHARGES(\$)
Midwest Independent Transmission System Operator, Inc.	1,721,000		42,612.74	40,440.71	83,053.45
Midwest Contingency Reserve Sharing Group	52,000		2,826.00	2,706.64	5,532.64
PJM Interconnection Association	3,216,000		88,035.01	83,676.49	171,711.50
Associated Elect Cooperative	431,000		9,871.12	9,382.41	19,253.53
American Electric Power Service Corp.	750,000		18,564.45	17,645.35	36,209.80
Cargill-Alliant, LLC	976,000		23,571.62	22,404.62	45,976.24
Citigroup Energy, Inc.	174,000		4,481.98	4,288.15	8,770.13
Cobb Electric Membership Corporation	66,000		1,607.37	1,609.75	3,217.12
Constellation Energy COMDS. GRP. INC.	529,000		11,967.44	11,374.95	23,342.39
DTE Energy Trading, Inc.	158,000		4,481.30	4,259.43	8,740.73
East Kentucky Power Cooperative	31,000		1,171.21	1,172.94	2,344.15
Fortis Energy Marketing & Trading GP	288,000		7,771.34	7,386.58	15,157.92
Illinois Municipal Electric Agency	185,000		7,168.13	6,813.25	13,981.38
Indiana Municipal Power Agency	197,000		7,627.65	7,250.01	14,877.66
Merrill Lynch Commodities Inc.	207,000		6,296.75	5,985.00	12,281.75
No. Indiana Public Service Co.	4,000		125.39	125.58	250.97
Sempra Energy Trading Corp.	173,000		4,217.55	4,008.75	8,226.30
The Energy Authority	56,000		1,387.19	1,389.24	2,776.43
Tennessee Valley Authority	1,980,000		46,178.86	43,892.60	90,071.46
Westar Energy, Inc.	6,000		155.45	155.70	311.15
Miscellaneous			17.75	(17.75)	-
Owensbro Municipal Utilities	4,670,000		217,030.44	21,161.50	238,191.94
Owensbro Municipal Utilities	-		-	14,742.00	14,742.00
Louisville Gas & Electric	140,533,000		3,632,483.48	799,057.37	4,431,540.85
TOTAL	156,403,000	\$ -	\$ 4,139,650.22	\$ 1,110,911.27	\$ 5,250,561.49

For the Month Ending November 30, 2007	KWH	DEMAND(\$)	FUEL CHARGES(\$)	OTHER CHARGES(\$)	TOTAL CHARGES(\$)
Midwest Independent Transmission System Operator, Inc.	147,000		5,425.46	2,351.54	7,777.00
Midwest Contingency Reserve Sharing Group	9,000		724.70	314.11	1,038.81
PJM Interconnection Association	422,000		15,284.09	6,624.56	21,908.65
Associated Elect Cooperative	37,000		1,266.77	549.05	1,815.82
American Electric Power Service Corp.	62,000		2,255.34	977.53	3,232.87
Cargill-Alliant, LLC	33,000		1,221.19	529.29	1,750.48
Citigroup Energy, Inc.	23,000		788.57	341.78	1,130.35
Cobb Electric Membership Corporation	5,000		165.00	84.92	249.92
Constellation Energy COMDS. GRP. INC.	43,000		1,485.57	643.90	2,129.47
DTE Energy Trading, Inc.	14,000		478.32	246.17	724.49
Duke Energy Carolinas, LLC	-		-	-	-
East Kentucky Power Cooperative	21,000		896.62	388.62	1,285.24
Fortis Energy Marketing & Trading GP	13,000		444.97	229.00	673.97
Illinois Municipal Electric Agency	73,000		3,599.46	1,560.11	5,159.57
Indiana Municipal Power Agency	73,000		842.23	365.05	1,207.28
Energy Imbalance	-		-	-	-
Merrill Lynch Commodities Inc.	14,000		503.40	259.07	762.47
Ohio Valley Electric Corporation	-		-	-	-
Owensbro Municipal Utilities	-		-	-	-
Sempra Energy Trading Corp.	6,000		231.77	119.28	351.05
The Energy Authority	5,000		169.19	87.08	256.27
Tennessee Valley Authority	450,000		15,568.87	6,748.00	22,316.87
Miscellaneous			19.58	(19.58)	-
Owensbro Municipal Utilities	11,161,000		458,405.95	49,355.06	507,761.01
Owensbro Municipal Utilities	-		-	44,712.00	44,712.00
Hoosier Energy Rural Electric Coop.	-		-	-	-
Louisville Gas & Electric	95,107,000		2,642,920.47	558,254.25	3,201,174.72
TOTAL	107,718,000	\$ -	\$ 3,152,697.52	\$ 674,720.79	\$ 3,827,418.31

For the Month Ending December 31, 2007	KWH	DEMAND(\$)	FUEL CHARGES(\$)	OTHER CHARGES(\$)	TOTAL CHARGES(\$)
Midwest Independent Transmission System Operator, Inc.	1,966,000		41,769.98	41,510.88	83,280.86
Midwest Contingency Reserve Sharing Group	41,000		2,215.95	2,291.08	4,507.03
PJM Interconnection Association	5,283,000		119,129.19	118,212.51	237,341.70
Associated Elect Cooperative	1,569,000		35,618.31	35,344.25	70,962.56
American Electric Power Service Corp.	739,000		17,241.01	17,108.35	34,349.36
Cargill-Alliant, LLC	360,000		8,800.85	8,733.12	17,533.97
Citigroup Energy, Inc.	7,000		116.24	120.18	236.42
Cobb Electric Membership Corporation	202,000		4,696.44	4,660.29	9,356.73
Constellation Energy COMDS GRP. INC.	658,000		15,651.23	15,530.79	31,182.02
DTE Energy Trading, Inc.	39,000		1,346.73	1,392.39	2,739.12
East Kentucky Power Cooperative	454,000		12,731.21	12,636.49	25,367.70
Fortis Energy Marketing & Trading GP	89,000		2,408.98	2,390.44	4,799.42
Illinois Municipal Electric Agency	78,000		2,453.83	2,434.96	4,888.79
Indiana Municipal Power Agency	129,000		4,235.99	8,215.15	12,451.14
Merrill Lynch Commodities Inc.	106,000		3,599.01	3,571.33	7,170.34
Sempra Energy Trading Corp.	141,000		5,077.55	5,038.47	10,116.02
The Energy Authority	20,000		609.50	630.16	1,239.66
Tennessee Valley Authority	2,058,000		47,999.07	47,629.71	95,628.78
Westar Energy, Inc.	33,000		897.12	927.53	1,824.65
Miscellaneous			(182.82)	182.82	-
Owensboro Municipal Utilities	38,000		752.36	136.71	889.07
Louisville Gas & Electric	188,654,000		4,500,469.00	943,756.28	5,444,225.28
TOTAL	202,664,000	\$ -	\$ 4,827,636.73	\$ 1,272,453.89	\$ 6,100,090.62

For the Month Ending January 31, 2008	KWH	DEMAND(\$)	FUEL CHARGES(\$)	OTHER CHARGES(\$)	TOTAL CHARGES(\$)
Midwest Independent Transmission System Operator, Inc.	4,731,000		119,222.59	88,513.33	207,735.92
Midwest Contingency Reserve Sharing Group	17,000		1,073.09	796.64	1,869.73
PJM Interconnection Association	3,944,000		98,149.46	72,870.45	171,019.91
Associated Elect Cooperative	190,000		4,813.35	3,573.38	8,386.73
American Electric Power Service Corp.	323,000		9,420.93	6,994.01	16,414.94
Cargill-Alliant, LLC	223,000		6,645.27	4,933.38	11,578.65
Citigroup Energy, Inc.	12,000		350.20	276.61	626.81
Cobb Electric Membership Corporation	108,000		3,093.63	2,296.67	5,390.30
Constellation Energy COMDS GRP INC.	157,000		3,699.80	2,746.01	6,445.81
DTE Energy Trading, Inc.	10,000		319.39	252.28	571.67
Duke Energy Carolinas, LLC	22,000		574.53	453.80	1,028.33
East Kentucky Power Cooperative	129,000		5,142.38	3,817.65	8,960.03
Fortis Energy Marketing & Trading GP	46,000		1,562.19	1,233.90	2,796.09
Illinois Municipal Electric Agency	31,000		1,116.68	882.02	1,998.70
Indiana Municipal Power Agency	40,000		1,370.46	1,082.47	2,452.93
Kansas City Power & Light	10,000		233.09	184.10	417.19
Merrill Lynch Commodities Inc.	42,000		1,045.91	826.12	1,872.03
The Energy Authority	10,000		211.68	167.19	378.87
Transalta Energy Marketing (U.S.) Inc.	39,000		922.59	728.71	1,651.30
Tennessee Valley Authority	892,000		24,872.30	18,464.96	43,337.26
Westar Energy, Inc.	2,000		38.24	30.20	68.44
Miscellaneous			(7,801.04)	7,801.04	-
Louisville Gas & Electric	202,531,000		5,190,355.07	983,791.01	6,174,146.08
TOTAL	213,509,000	\$ -	\$ 5,466,431.79	\$ 1,202,715.93	\$ 6,669,147.72

For the Month Ending February 29, 2008	KWH	DEMAND(\$)	FUEL CHARGES(\$)	OTHER CHARGES(\$)	TOTAL CHARGES(\$)
Midwest Independent Transmission System Operator, Inc.	355,000		10,127.34	8,358.86	18,486.20
Midwest Contingency Reserve Sharing Group	2,000		114.75	98.52	213.27
PJM Interconnection Association	494,000		13,195.42	10,891.22	24,086.64
Associated Elect Cooperative	33,000		870.05	747.08	1,617.13
American Electric Power Service Corp.	12,000		292.54	251.20	543.74
Ameren Energy Marketing Company	2,000		54.39	46.70	101.09
Cargill-Alliant, LLC	14,000		371.55	319.04	690.59
Citigroup Energy, Inc.	2,000		57.36	49.26	106.62
Cobb Electric Membership Corporation	6,000		156.00	133.95	289.95
Constellation Energy COMDS GRP INC.	7,000		170.16	146.11	316.27
DTE Energy Trading, Inc.	1,000		20.79	17.85	38.64
East Kentucky Power Cooperative	4,000		135.25	116.14	251.39
Fortis Energy Marketing & Trading GP	12,000		280.76	241.07	521.83
Illinois Municipal Electric Agency	1,000		27.94	23.99	51.93
Indiana Municipal Power Agency	1,000		28.22	24.24	52.46
The Energy Authority	1,000		22.02	18.91	40.93
Tennessee Valley Authority	42,000		1,191.94	1,023.48	2,215.42
Westar Energy, Inc.	1,000		40.58	34.84	75.42
Miscellaneous			(7,751.38)	7,751.38	-
Owensbro Municipal Utilities	128,000		10,000.15	856.97	10,857.12
Owensbro Municipal Utilities	-		-	460.00	460.00
Louisville Gas & Electric	90,222,000		2,358,094.19	422,678.62	2,780,772.81
TOTAL	91,340,000	\$ -	\$ 2,387,500.02	\$454,289.43	\$ 2,841,789.45

For the Month Ending March 31, 2008	KWH	DEMAND(\$)	FUEL CHARGES(\$)	OTHER CHARGES(\$)	TOTAL CHARGES(\$)
Midwest Independent Transmission System Operator, Inc.	5,543,000		199,348.88	113,332.13	312,681.01
Midwest Contingency Reserve Sharing Group	61,000		4,322.51	2,457.40	6,779.91
PJM Interconnection Association	5,686,000		215,605.85	122,574.39	338,180.24
Associated Elect Cooperative	375,000		17,458.24	9,925.21	27,383.45
American Electric Power Service Corp.	108,000		4,270.28	2,427.69	6,697.97
Ameren Energy Marketing Company	18,000		577.56	328.36	905.92
Cargill-Alliant, LLC	361,000		13,708.53	7,793.47	21,502.00
Citigroup Energy, Inc.	96,000		3,951.41	2,246.42	6,197.83
Cobb Electric Membership Corporation	175,000		5,789.48	3,291.38	9,080.86
Constellation Energy COMDS. GRP. INC.	92,000		4,012.21	2,280.99	6,293.20
DTE Energy Trading, Inc.	-		-	-	-
East Kentucky Power Cooperative	166,000		7,389.98	4,201.29	11,591.27
Fortis Energy Marketing & Trading GP	55,000		2,425.42	1,378.88	3,804.30
Illinois Municipal Electric Agency	626,000		45,056.24	25,615.00	70,671.24
Indiana Municipal Power Agency	858,000		61,885.66	35,182.70	97,068.36
Big Rivers Electric Corp.	-		-	-	-
Ohio Valley Electric Corporation	-		-	-	-
Owensbro Municipal Utilities	-		-	-	-
The Energy Authority	97,000		3,867.33	2,198.61	6,065.94
Tennessee Valley Authority	1,966,000		63,578.03	36,144.82	99,722.85
Miscellaneous					
Owensbro Municipal Utilities	17,504,000		751,572.32	91,266.86	842,839.18
Owensbro Municipal Utilities	-		-	50,508.00	50,508.00
Hoosier Energy Rural Electric Coop.	-		-	-	-
Louisville Gas & Electric	149,969,000		4,813,715.43	570,257.02	5,383,972.45
TOTAL	183,756,000	\$ -	\$ 6,218,535.36	\$ 1,083,410.62	\$ 7,301,945.98

For the Month Ending April 30, 2008	KWH	DEMAND(\$)	FUEL CHARGES(\$)	OTHER CHARGES(\$)	TOTAL CHARGES(\$)
Midwest Independent Transmission System Operator, Inc.	4,994,000		173,052.35	122,419.39	295,471.74
Midwest Contingency Reserve Sharing Group	44,000		2,770.43	2,034.20	4,804.63
PJM Interconnection Association	10,355,000		346,750.03	244,652.99	\$591,403.02
Associated Elect Cooperative	322,000		12,724.05	8,979.63	21,703.68
American Electric Power Service Corp.	252,000		8,791.41	6,204.28	14,995.69
Ameren Energy Marketing Company	49,000		2,408.59	1,723.10	4,131.69
Cargill-Alliant, LLC	567,000		22,008.08	15,531.56	37,539.64
Citigroup Energy, Inc.	138,000		5,706.00	4,082.05	9,788.05
Cobb Electric Membership Corporation	192,000		6,343.61	4,538.19	\$10,881.80
Constellation Energy COMDS. GRP. INC.	299,000		11,875.60	8,380.85	20,256.45
Duke Energy Carolinas, LLC	626,000		17,946.85	12,665.46	30,612.31
East Kentucky Power Cooperative	124,000		5,784.88	4,138.48	9,923.36
Fortis Energy Marketing & Trading GP	200,000		7,906.04	5,655.95	13,561.99
Illinois Municipal Electric Agency	33,000		2,268.80	1,623.10	3,891.90
Indiana Municipal Power Agency	50,000		3,369.45	2,410.50	5,779.95
The Energy Authority	269,000		7,306.96	5,156.66	12,463.62
Tennessee Valley Authority	2,310,000		69,352.79	48,943.67	118,296.46
Westar Energy, Inc.	69,000		2,675.37	1,913.94	4,589.31
Owensbro Municipal Utilities	13,143,000	-	780,965.56	71,478.96	852,444.52
Owensbro Municipal Utilities	-		-	20,768.00	20,768.00
Louisville Gas & Electric	104,301,000		2,877,022.18	355,694.33	3,232,716.51
TOTAL	<u>138,337,000</u>	<u>\$ -</u>	<u>\$ 4,367,029.03</u>	<u>\$ 948,995.29</u>	<u>\$ 5,316,024.32</u>

For the Month Ending May 31, 2008	KWH	DEMAND(\$)	FUEL CHARGES(\$)	OTHER CHARGES(\$)	TOTAL CHARGES(\$)
Midwest Independent Transmission System Operator, Inc.	2,092,000		55,545.88	46,219.25	101,765.13
Midwest Contingency Reserve Sharing Group	17,000		975.70	824.99	\$1,800.69
PJM Interconnection Association	3,538,000		91,016.17	75,719.08	\$166,735.25
Associated Elect Cooperative	232,000		6,016.68	5,006.44	11,023.12
American Electric Power Service Corp.	129,000		3,355.36	2,837.06	6,192.42
Cargill-Alliant, L.L.C	193,000		5,605.46	4,664.26	10,269.72
Citigroup Energy, Inc.	9,000		231.03	195.35	426.38
Cobb Electric Membership Corporation	222,000		6,419.82	5,341.88	11,761.70
Constellation Energy COMDS. GRP. INC.	98,000		2,943.70	2,488.98	5,432.68
DTE Energy Trading, Inc.	11,000		361.44	305.60	667.04
East Kentucky Power Cooperative	22,000		467.21	855.28	\$1,322.49
Fortis Energy Marketing & Trading GP	36,000		1,201.40	1,015.82	2,217.22
Illinois Municipal Electric Agency	2,000		66.80	56.48	123.28
Indiana Municipal Power Agency	7,000		231.50	195.74	427.24
Integrus Energy Services	23,000		854.99	722.92	1,577.91
Energy Imbalance	1,000		26.86	22.72	49.58
Merrill Lynch Commodities Inc.	116,000		3,910.45	3,306.39	7,216.84
The Energy Authority	151,000		4,450.58	3,763.07	8,213.65
Tennessee Valley Authority	599,000		16,696.21	13,892.78	30,588.99
Westar Energy, Inc.	12,000		265.77	224.71	490.48
Owensbro Municipal Utilities	7,853,000	-	174,741.93	40,220.32	214,962.25
Louisville Gas & Electric	213,067,000	-	5,431,178.04	956,116.57	6,387,294.61
TOTAL	228,430,000	\$ -	\$ 5,806,562.97	\$ 1,186,789.70	\$ 6,993,352.67

For the Month Ending June 30, 2008	KWH	DEMAND(\$)	FUEL CHARGES(\$)	OTHER CHARGES(\$)	TOTAL CHARGES(\$)
Midwest Independent Transmission System Operator, Inc.	1,487,000		58,690.48	36,669.59	95,360.07
Midwest Contingency Reserve Sharing Group	36,000		3,154.05	2,030.40	5,184.45
PJM Interconnection Association	4,176,000		149,937.19	93,680.18	243,617.37
Associated Elect Cooperative	149,000		6,103.03	3,813.15	9,916.18
American Electric Power Service Corp.	180,000		6,806.71	4,252.82	11,059.53
Ameren Energy Marketing Company	5,000		165.19	106.34	271.53
Cargill-Alliant, LLC	273,000		10,331.31	6,454.97	16,786.28
Citigroup Energy, Inc.	17,000		714.03	459.66	1,173.69
Cobb Electric Membership Corporation	249,000		10,133.42	6,331.32	16,464.74
Constellation Energy COMDS. GRP. INC.	228,000		8,439.31	5,272.86	13,712.17
Duke Energy Carolinas, LLC	7,000		266.20	171.36	437.56
East Kentucky Power Cooperative	14,000		694.49	447.07	1,141.56
Fortis Energy Marketing & Trading GP	40,000		1,461.04	940.53	2,401.57
Illinois Municipal Electric Agency	16,000		555.36	357.51	912.87
Indiana Municipal Power Agency	21,000		711.81	458.22	1,170.03
Integrus Energy Services	35,000		2,020.00	1,300.36	3,320.36
Merrill Lynch Commodities Inc.	75,000		3,579.27	2,304.13	5,883.40
Southern Company Services, Inc.	302,000		9,977.46	6,233.87	16,211.33
The Energy Authority	657,000		23,404.57	14,623.08	38,027.65
Tenaska Power Services Co	92,000		5,708.09	3,674.57	9,382.66
Tennessee Valley Authority	677,000		31,704.62	19,808.93	51,513.55
Westar Energy, Inc.	7,000		296.93	191.15	488.08
Owensbro Municipal Utilities	821,000		90,256.89	7,421.49	97,678.38
Owensbro Municipal Utilities	-		-	556.00	556.00
Louisville Gas & Electric	142,993,000		4,029,114.70	591,603.07	4,620,717.77
Subtotal	152,557,000		4,454,226.15	809,162.63	5,263,388.78
Losses Across Other Systems (Not Billed)	9,000				
TOTAL	152,566,000	\$ -	\$ 4,454,226.15	\$ 809,162.63	\$ 5,263,388.78

For the Month Ending July 31, 2008	KWH	DEMAND(\$)	FUEL CHARGES(\$)	OTHER CHARGES(\$)	TOTAL CHARGES(\$)
Midwest Independent Transmission System Operator, Inc.	2,383,000		67,116.04	82,055.80	149,171.84
Midwest Contingency Reserve Sharing Group	86,000		5,266.37	6,441.52	\$11,707.89
PJM Interconnection Association	13,456,000		400,581.47	489,980.61	\$890,562.08
Associated Elect Cooperative	320,000		10,438.14	12,768.01	\$23,206.15
American Electric Power Service Corp.	221,000		7,169.13	8,770.07	\$15,939.20
Ameren Energy Marketing Company	-		-	0.06	\$0.06
Cargill-Alliant, LLC	329,000		10,753.72	13,155.35	\$23,909.07
Cobb Electric Membership Corporation	1,216,000		36,348.35	44,459.10	\$80,807.45
Constellation Energy COMDS. GRP. INC.	362,000		11,737.25	14,357.70	\$26,094.95
DTE Energy Trading, Inc.	12,000		615.44	802.73	\$1,418.17
Duke Energy Carolinas, LLC	24,000		745.64	972.59	\$1,718.23
East Kentucky Power Cooperative	18,000		675.32	880.96	\$1,556.28
Fortis Energy Marketing & Trading GP	24,000		844.78	1,102.21	\$1,946.99
Illinois Municipal Electric Agency	139,000		5,827.59	7,127.74	\$12,955.33
Indiana Municipal Power Agency	148,000		6,247.92	7,641.89	\$13,889.81
Integrus Energy Services	37,000		940.86	1,227.48	\$2,168.34
Merrill Lynch Commodities Inc.	128,000		3,965.90	4,851.31	\$8,817.21
Progress Energies Carolinas Inc.	30,000		933.35	1,217.38	\$2,150.73
Southern Company Services, Inc.	791,000		21,269.91	26,017.56	\$47,287.47
The Energy Authority	2,526,000		68,154.02	83,363.69	\$151,517.71
Tenaska Power Services Co.	315,000		12,878.66	15,752.40	\$28,631.06
Tennessee Valley Authority	1,186,000		49,313.93	60,321.00	\$109,634.93
Westar Energy, Inc.	308,000		9,575.15	11,711.15	\$21,286.30
Owensbro Municipal Utilities	243,000		14,122.21	1,453.00	15,575.21
Owensbro Municipal Utilities	-		-	395.00	395.00
Louisville Gas & Electric	146,538,000		4,028,371.30	616,607.60	4,644,978.90
Subtotal	170,840,000	\$ -	\$ 4,773,892.45	\$ 1,513,433.91	\$ 6,287,326.36
Losses Across Other Systems (Not Billed)	24,000				
TOTAL	170,864,000	\$ -	\$ 4,773,892.45	\$ 1,513,433.91	\$ 6,287,326.36

For the Month Ending August 31, 2008	KWH	DEMAND(\$)	FUEL CHARGES(\$)	OTHER CHARGES(\$)	TOTAL CHARGES(\$)
Midwest Independent Transmission System Operator, Inc.	3,367,000		115,224.21	82,567.61	197,791.82
Midwest Contingency Reserve Sharing Group	262,000		18,617.36	13,339.89	31,957.25
PJM Interconnection Association	12,512,000		446,497.08	319,932.78	766,429.86
Associated Elect Cooperative	110,000		3,531.51	2,530.43	6,061.94
American Electric Power Service Corp.	43,000		1,492.98	1,069.76	2,562.74
Cargill-Alliant, LLC	302,000		10,136.57	7,263.15	17,399.72
Citigroup Energy, Inc.	170,000		5,381.57	3,856.05	9,237.62
Cobb Electric Membership Corporation	1,067,000		37,073.29	26,564.11	63,637.40
Constellation Energy COMDS. GRP. INC.	121,000		4,581.82	3,283.00	7,864.82
DTE Energy Trading, Inc.	8,000		347.85	340.31	688.16
Duke Energy Carolinas, LLC	16,000		673.13	482.32	1,155.45
Illinois Municipal Electric Agency	1,322,000		86,797.42	62,192.90	148,990.32
Indiana Municipal Power Agency	653,000		40,658.05	29,132.69	69,790.74
Integrus Energy Services	16,000		1,445.18	1,035.50	2,480.68
Merrill Lynch Commodities Inc.	24,000		821.28	588.47	1,409.75
Progress Energies Carolinas Inc.	3,392,000		112,350.65	80,502.55	192,853.20
Southern Company Services, Inc.	766,000		24,847.00	17,803.61	42,650.61
The Energy Authority	1,099,000		37,036.54	26,537.76	63,574.30
Tenaska Power Services Co.	73,000		2,648.04	1,897.38	4,545.42
Tennessee Valley Authority	489,000		17,953.42	12,864.16	30,817.58
Westar Energy, Inc.	191,000		6,795.11	4,868.92	11,664.03
Owensbro Municipal Utilities	4,059,000		239,587.31	22,908.00	262,495.31
Owensbro Municipal Utilities	-		-	3,577.00	3,577.00
Louisville Gas & Electric	107,365,000		3,287,049.15	290,994.83	3,578,043.98
Subtotal	137,427,000	\$ -	\$ 4,501,546.52	\$ 1,016,133.18	\$ 5,517,679.70
Losses Across Other Systems (Not Billed)	23,000				
TOTAL	137,450,000	\$ -	\$ 4,501,546.52	\$ 1,016,133.18	\$ 5,517,679.70

For the Month Ending September 30, 2008	KWH	DEMAND(\$)	FUEL CHARGES(\$)	OTHER CHARGES(\$)	TOTAL CHARGES(\$)
Midwest Independent Transmission System Operator, Inc.	3,800,000		112,852.78	116,150.70	229,003.48
Midwest Contingency Reserve Sharing Group	41,000		2,442.37	2,599.21	5,041.58
PJM Interconnection Association	11,193,000		369,496.49	380,296.71	749,793.20
Associated Elect Cooperative	43,000		1,375.67	1,462.81	2,838.48
American Electric Power Service Corp.	33,000		1,101.07	1,170.24	2,271.31
Ameren Energy Marketing Company	15,000		545.61	580.66	1,126.27
Cargill-Alliant, LLC	302,000		10,170.33	10,465.41	20,635.74
Citigroup Energy, Inc.	44,000		1,430.85	1,522.78	2,953.63
Cobb Electric Membership Corporation	365,000		12,323.89	12,682.23	25,006.12
Constellation Energy COMDS GRP. INC.	67,000		2,161.93	2,298.93	4,460.86
DTE Energy Trading, Inc.	17,000		543.25	578.22	1,121.47
East Kentucky Power Cooperative	-		-	(0.13)	(0.13)
Fortis Energy Marketing & Trading GP	15,000		552.79	587.99	1,140.78
Illinois Municipal Electric Agency	161,000		6,266.18	6,449.42	12,715.60
Indiana Municipal Power Agency	54,000		1,607.20	1,710.43	3,317.63
Integrus Energy Services	22,000		689.80	733.88	1,423.68
Merrill Lynch Commodities Inc.	22,000		944.51	1,004.60	1,949.11
Progress Energies Carolinas Inc.	832,000		29,176.20	30,030.06	59,206.26
Southern Company Services, Inc.	1,605,000		50,073.19	51,535.77	101,608.96
The Energy Authority	1,836,000		57,576.97	59,255.81	116,832.78
Tenaska Power Services Co.	346,000		11,950.14	12,299.02	24,249.16
Tennessee Valley Authority	1,943,000		65,509.84	67,420.61	132,930.45
Ameren Energy, Inc.	15,000		481.04	511.99	993.03
Westar Energy, Inc.	-		-	(0.06)	(0.06)
Duke Energy Carolinas, LLC	-		-	(0.05)	(0.05)
Miscellaneous			(148.58)	148.58	-
Louisville Gas & Electric	233,515,000		6,657,958.36	612,777.55	7,270,735.91
SUBTOTAL	<u>256,286,000</u>	\$ -	<u>\$ 7,397,081.88</u>	<u>\$ 1,374,273.37</u>	<u>\$ 8,771,355.25</u>
Losses Across Other Systems (Not Billed)	54,000				
TOTAL	<u>256,340,000</u>	\$ -	<u>\$ 7,397,081.88</u>	<u>\$ 1,374,273.37</u>	<u>\$ 8,771,355.25</u>

For the Month Ending October 31, 2008	KWH	DEMAND(\$)	FUEL CHARGES(\$)	OTHER CHARGES(\$)	TOTAL CHARGES(\$)
Midwest Independent Transmission System Operator, Inc.	22,321,000		665,848.88	304,068.28	969,917.16
Midwest Contingency Reserve Sharing Group	41,000		3,012.97	1,403.63	\$4,416.60
PJM Interconnection Association	23,033,000		747,738.07	341,464.01	1,089,202.08
Associated Elect Cooperative	42,000		1,317.13	613.60	1,930.73
American Electric Power Service Corp.	6,000		222.96	103.87	326.83
Ameren Energy Marketing Company	42,000		1,106.58	515.51	1,622.09
Cargill-Alliant, LLC	141,000		4,154.86	1,897.37	6,052.23
Citigroup Energy, Inc.	179,000		5,926.74	2,706.52	8,633.26
Cobb Electric Membership Corporation	109,000		4,093.80	1,869.49	5,963.29
Constellation Energy COMDS. GRP. INC.	31,000		1,100.72	512.79	1,613.51
DTE Energy Trading, Inc.	12,000		363.35	169.27	532.62
Duke Energy Carolinas, LLC	365,000		13,953.99	6,372.27	20,326.26
East Kentucky Power Cooperative	191,000		6,061.53	2,768.07	8,829.60
Endure Energy	514,000		17,176.95	7,844.07	25,021.02
Fortis Energy Marketing & Trading GP	10,000		352.48	164.21	516.69
Illinois Municipal Electric Agency	18,000		482.40	224.73	707.13
Indiana Municipal Power Agency	21,000		562.89	262.23	825.12
Energy Imbalance	13,000		443.64	206.68	650.32
Merrill Lynch Commodities Inc.	108,000		3,957.51	1,807.25	5,764.76
Progress Energies Carolinas Inc.	2,967,000		96,077.43	43,874.96	139,952.39
Southern Company Services, Inc.	2,305,000		79,901.36	36,487.96	116,389.32
The Energy Authority	1,506,000		43,685.99	19,949.76	63,635.75
Tenaska Power Services Co.	1,089,000		34,880.50	15,928.59	50,809.09
Tennessee Valley Authority	593,000		19,484.46	8,897.82	28,382.28
Ameren Energy, Inc.	24,000		635.87	296.22	932.09
Westar Energy, Inc.	21,000		744.15	346.69	1,090.84
Miscellaneous			0.88	(0.88)	-
Owensbro Municipal Utilities	93,000	-	2,788.47	416.36	3,204.83
Louisville Gas & Electric	392,692,000		11,630,810.46	402,495.20	12,033,305.66
SUBTOTAL	448,487,000	-	13,386,887.02	1,203,666.53	14,590,553.55
Losses Across Other Systems (Not Billed)	74,000				
TOTAL	448,561,000	\$ -	\$ 13,386,887.02	\$ 1,203,666.53	\$ 14,590,553.55

KENTUCKY UTILITIES COMPANY

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

Case No. 2008-00520

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 KU has taken to reduce line loss during this period.

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

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

Transmission:

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

Distribution:

Losses are evaluated in the selection of standard line materials (cables, wires, distribution transformers, etc.) and distribution substation transformers. Total ownership cost, which includes the cost of no-load, load and auxiliary losses, is incorporated into the selection of distribution and substation transformers.

Kentucky Utilities 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	24,879,770,000	1,302,786,129	5.236327%	2,232,514,000	116,901,733
Dec-2006	24,510,411,000	1,283,510,614	5.236594%	2,127,869,000	111,427,860
Jan-2007	24,624,243,000	1,282,660,249	5.208933%	2,400,909,000	125,061,741
Feb-2007	24,886,439,000	1,281,800,002	5.150596%	2,288,545,000	117,873,707
Mar-2007	24,900,231,000	1,268,894,989	5.095917%	1,943,006,000	99,013,973
Apr-2007	24,986,233,000	1,285,095,188	5.143213%	1,759,461,000	90,492,827
May-2007	24,944,450,000	1,251,288,905	5.016302%	1,888,446,000	94,730,154
Jun-2007	24,982,785,000	1,245,084,946	4.983772%	2,030,069,000	101,174,010
Jul-2007	24,851,664,000	1,230,067,603	4.949639%	2,105,539,000	104,216,580
Aug-2007	24,928,014,000	1,247,649,194	5.005008%	2,359,492,000	118,092,763
Sep-2007	25,018,755,000	1,278,327,089	5.109475%	1,926,423,000	98,430,102
Oct-2007	24,953,082,000	1,274,810,807	5.108831%	1,890,809,000	96,598,236
Nov-2007	24,577,764,000	1,292,873,372	5.260338%	1,857,196,000	97,694,787
Dec-2007	24,595,672,000	1,305,555,206	5.308069%	2,145,777,000	113,899,324
Jan-2008	24,663,239,000	1,295,282,551	5.251875%	2,468,476,000	129,641,274
Feb-2008	24,465,917,000	1,258,271,880	5.142958%	2,091,223,000	107,550,721
Mar-2006	24,599,191,000	1,281,012,785	5.207540%	2,076,280,000	108,123,112
Apr-2008	24,596,985,000	1,258,516,900	5.116549%	1,757,255,000	89,910,813
May-2008	24,555,772,000	1,244,432,176	5.067779%	1,847,233,000	93,613,686
Jun-2008	24,583,179,000	1,244,749,240	5.063419%	2,057,476,000	104,178,631
Jul-2008	24,659,665,000	1,273,731,381	5.165242%	2,182,025,000	112,706,872
Aug-2008	24,418,135,000	1,251,514,727	5.125349%	2,117,962,000	108,552,944
Sep-2008	24,543,689,000	1,242,123,786	5.060868%	2,051,977,000	103,847,847
Oct-2008	24,758,304,000	1,235,129,207	4.988747%	2,105,424,000	105,034,277

KENTUCKY UTILITIES COMPANY

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

Case No. 2008-00520

Question No. 14

Witness: Frederick D. Jackson

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

A-14. Please see the attached sheets.

Schedule vs. Actual

Kentucky Utilities Company
 E. W. Brown Unit 1 - Coal - 101 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	
	FROM	TO	FROM	TO			
May	F	5/4/2008 23:39	5/5/2008 7:35	5/4/2008 23:39	5/5/2008 7:35	7:56	Feedwater pump local controls
	F	5/5/2008 7:35	5/6/2008 0:29	5/5/2008 7:35	5/6/2008 0:29	16:54	Turbine control valves
	S	5/16/2008 22:56	5/17/2008 19:02	5/16/2008 22:56	5/17/2008 19:02	20:06	Feedwater valves
Jun	S	6/27/2008 22:55	6/28/2008 19:30	6/27/2008 22:55	6/28/2008 19:30	20:35	Electrostatic precipitator
	F	6/29/2008 8:22	6/30/2008 0:55	6/29/2008 8:22	6/30/2008 0:55	16:33	Electrostatic precipitator
Jul	F	7/31/2008 4:24	→	7/31/2008 4:24	→	19:36	Economizer leaks
Aug	F	→	8/1/2008 13:17	→	8/1/2008 13:17	13:17	Economizer leaks
	F	8/1/2008 23:37	8/2/2008 16:15	8/1/2008 23:37	8/2/2008 16:15	16:38	Electrostatic precipitator
	F	8/2/2008 23:12	8/3/2008 15:25	8/2/2008 23:12	8/3/2008 15:25	16:13	Electrostatic precipitator
	S	8/8/2008 22:10	8/9/2008 23:46	8/8/2008 22:10	8/9/2008 23:46	25:36	Electrostatic precipitator
	F	8/11/2008 14:46	8/12/2008 22:17	8/11/2008 14:46	8/12/2008 22:17	31:31	Electrostatic precipitator
	F	8/20/2008 22:27	8/21/2008 11:48	8/20/2008 22:27	8/21/2008 11:48	13:21	Unit auxiliaries transformer
Sep	S	9/20/2008 0:00	→	9/19/2008 21:01	→	264:00	Boiler inspections
Oct	S	→	10/12/2008 15:00	→	10/10/2008 2:08	279:00	Boiler inspections
	F	10/10/2008 7:30	10/11/2008 4:05	10/10/2008 2:08	10/11/2008 4:05	25:57	Primary air heater
	S	10/17/2008 7:30	10/19/2008 0:59	10/17/2008 7:30	10/19/2008 0:59	41:29	Electrostatic precipitator
	F	10/19/2008 6:25	10/20/2008 2:25	10/19/2008 6:25	10/20/2008 2:25	20:00	Electrostatic precipitator

Schedule vs. Actual

Kentucky Utilities Company
 E. W. Brown Unit 2 - Coal - 167 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	F		5/17/2008 21:41	5/23/2008 2:54		125:13	Exciter drive shaft
Jun		No Outages > or = 6 Hours					
Jul	S	7/25/2008 22:13	7/26/2008 23:20	7/26/2008 23:20	25:07	25:07	High pressure heater tube leaks
Aug	F		8/30/2008 22:19	→	25:41	25:41	Boiler tube watenwall leak
Sep	F		→	9/1/2008 0:19	0:19	0:19	Boiler tube watenwall leak
	F		9/8/2008 22:28	9/10/2008 0:41	26:13	26:13	Boiler tube watenwall leak
Oct	S	10/24/2008 21:23	10/31/2008 23:52	10/31/2008 23:52	170:29	170:29	Exciter drive shaft

Schedule vs. Actual

Kentucky Utilities Company
 E. W. Brown Unit 3 - Coal - 429 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		5/4/2008 15:00	→	5/11/2008 10:15	87:00	250:15	Boiler inspection
Jun	6/21/2008 23:42	6/22/2008 23:16	6/21/2008 23:42	6/22/2008 23:16	23:34	23:34	Deaerator
Jul	No Outages > or = 6 Hours						
Aug			8/15/2008 3:41	8/16/2008 7:05	27:24		Turbine hydraulic system pipes and valves
			8/16/2008 10:35	8/16/2008 19:39	9:04		Turbine hydraulic system pipes and valves
Sep	No Outages > or = 6 Hours						
Oct	No Outages > or = 6 Hours						

Schedule vs. Actual

Kentucky Utilities Company
 E. W. Brown 5 - Gas CT - 117 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	Actual TO	Scheduled	Actual	
May	No Outages > or = 6 Hours				
Jun	No Outages > or = 6 Hours				
Jul	No Outages > or = 6 Hours				
Aug	No Outages > or = 6 Hours				
Sep	No Outages > or = 6 Hours				
Oct	S	10/6/2008 5:30	10/10/2008 16:15	106:45	106:45 Relay testing for NERC Reliability Standard PRC-005

Schedule vs. Actual

Kentucky Utilities Company
 E. W. Brown 6 - Gas CT - 154 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		Actual		Scheduled	Actual	
	FROM	TO	FROM	TO			
May	No Outages > or = 6 Hours						
Jun	No Outages > or = 6 Hours						
Jul	No Outages > or = 6 Hours						
Aug	No Outages > or = 6 Hours						
Sep	No Outages > or = 6 Hours						
Oct	No Outages > or = 6 Hours						

Schedule vs. Actual

Kentucky Utilities Company
 E. W. Brown 7 - Gas CT - 154 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						
Jun	No Outages > or = 6 Hours						
Jul	No Outages > or = 6 Hours						
Aug	F	8/27/2008 5:30	8/27/2008 13:03	8/3/2008 22:40	8/5/2008 4:10	29:30	Gas turbine problems
Sep	S	8/27/2008 5:30	8/27/2008 13:03	8/27/2008 5:30	8/27/2008 13:03	7:33	Gas turbine inlet air problems
Sep	S	9/17/2008 5:50	9/17/2008 12:44	9/17/2008 5:50	9/17/2008 12:44	6:54	Gas turbine / compressor washing
Oct	S	10/4/2008 0:00	→	10/1/2008 14:47	→	672:00	729:13 Major gas turbine overhaul

Schedule vs. Actual

Kentucky Utilities Company
 E. W. Brown 8 - Gas CT - 106 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	5/22/2008 5:30	5/30/2008 13:34	5/22/2008 5:30	5/30/2008 13:34	200:04	200:04	GT Boroscope inspection
Jun		No Outages > or = 6 Hours						
Jul		No Outages > or = 6 Hours						
Aug		No Outages > or = 6 Hours						
Sep		No Outages > or = 6 Hours						
Oct	S	10/2/2008 6:30	10/2/2008 14:38	10/2/2008 6:30	10/2/2008 14:38	8:08	8:08	Relay testing for NERC Reliability Standard PRC-005

Schedule vs. Actual

Kentucky Utilities Company
 E. W. Brown 9 - Gas CT - 106 MW
 May 2008 through October 2008

MONTH	MAINTENANCE				HOURS OF DURATION		REASON FOR DEVIATION FROM SCHEDULED MAINTENANCE OR REASON FOR FORCED OUTAGE AS APPROPRIATE
	FROM	Scheduled TO	Actual FROM	Actual TO	Scheduled	Actual	
May	S	5/22/2008 11:15	5/22/2008 11:15	→	228:45	228:45	GT Boroscope inspection
Jun	S	→	6/6/2008 20:45	6/6/2008 20:45	140:45	140:45	GT Boroscope inspection
Jul		No Outages > or = 6 Hours					
Aug		No Outages > or = 6 Hours					
Sep		No Outages > or = 6 Hours					
Oct		No Outages > or = 6 Hours					

Schedule vs. Actual

Kentucky Utilities Company
 E. W. Brown 10 - Gas CT - 106 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	TO	Actual FROM	TO	Scheduled	Actual	
May	S	5/27/2008 5:30	→	5/27/2008 5:30	→	114:30	GT Boroscope inspection
Jun	S	→	6/4/2008 15:12	→	6/4/2008 15:12	87:12	GT Boroscope inspection
Jul							
Aug							
Sep							
Oct							

May S 5/27/2008 5:30 → 5/27/2008 5:30 → 114:30 GT Boroscope inspection
 Jun S → 6/4/2008 15:12 → 6/4/2008 15:12 87:12 GT Boroscope inspection

Jul No Outages > or = 6 Hours
 Aug No Outages > or = 6 Hours
 Sep No Outages > or = 6 Hours
 Oct No Outages > or = 6 Hours

Schedule vs. Actual

Kentucky Utilities Company
 E. W. Brown 11 - Gas CT - 106 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	5/28/2008 5:30	5/30/2008 18:50	5/28/2008 5:30	5/30/2008 18:50	61:20	61:20	GT Boroscope inspection	
	F			5/30/2008 18:50	5/31/2008 17:07	22:17		GT starting system	
Jun	F			6/30/2008 7:45	→	16:15		Gas turbine control system	
Jul	F			→	7/1/2008 17:00	17:00		Gas turbine control system	
Aug		No Outages > or = 6 Hours							
Sep	F			9/8/2008 5:49	9/8/2008 15:15	9:26		Switchyard circuit breakers	
	F			9/16/2008	9/17/2008 12:55	36:55		GT turning gear and motor	
Oct	S	9/24/2008 5:30	9/24/2008 13:42	9/24/2008 5:30	9/24/2008 13:42	8:12	8:12	Relay testing for NERC Reliability Standard PRC-005	
		No Outages > or = 6 Hours							

Schedule vs. Actual

Kentucky Utilities Company
 Ghent Unit 1 - Coal - 475 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	5/3/2008 0:21	5/4/2008 2:57	5/3/2008 0:21	5/4/2008 2:57	26:36	26:36 Boiler water condition
Jun		No Outages > or = 6 Hours					
Jul		No Outages > or = 6 Hours					
Aug		No Outages > or = 6 Hours					
Sep		No Outages > or = 6 Hours					
Oct	F			10/7/2008 14:22	10/9/2008 6:18	39:56	Service water piping
	F			10/9/2008 14:31	10/11/2008 2:15	35:44	Boiler water condition

Schedule vs. Actual

Kentucky Utilities Company
 Ghent Unit 2 - Coal - 484 MW
 May 2008 through October 2008

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	5/30/2008 23:12	→	5/30/2008 23:12	→	24:48	24:48	Opacity stack emissions
Jun	S	→	6/1/2008 23:28	→	6/1/2008 23:28	23:28	23:28	Opacity stack emissions
	S	6/20/2008 23:21	→	6/22/2008 23:24	→	48:03	48:03	Opacity stack emissions
Jul	F	→	7/14/2008 23:19	→	7/17/2008 0:07	48:48	48:48	Electrostatic precipitator
	F	→	7/23/2008 22:48	→	→	193:12	193:12	Cooling tower
Aug	F	→	→	→	8/19/2008 5:59	437:59	437:59	Cooling tower
Sep	S	9/5/2008 22:10	→	9/5/2008 22:10	→	50:56	50:56	Electrostatic precipitator
	S	9/26/2008 22:15	→	9/26/2008 22:15	→	53:35	53:35	Opacity stack emissions
Oct	F	→	10/7/2008 13:46	→	10/8/2008 21:02	31:16	31:16	Service water piping
	F	→	10/13/2008 23:17	→	10/15/2008 17:07	41:50	41:50	First reheater leaks

Schedule vs. Actual

Kentucky Utilities Company
 Ghent Unit 3 - Coal - 480 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						
Jun	S	6/12/2008 23:59	6/26/2008 11:41	6/12/2008 23:59	6/26/2008 11:41	323:42	323:42 Induced draft fans
	F			6/26/2008 22:46	6/27/2008 14:46	16:00	Flue gas dampers
	F			6/30/2008 20:59	→	3:01	Boiler water condition
Jul	F			→	7/1/2008 23:55	23:55	Boiler water condition
Aug	No Outages > or = 6 Hours						
Sep	S	9/16/2008 9:51	9/20/2008 11:32	9/16/2008 9:51	9/20/2008 11:32	97:41	97:41 Circulating water leak and air heater wash (scheduled outage during low load due to storm like)
Oct	No Outages > or = 6 Hours						

Kentucky Utilities Company
 Ghent Unit 4 - Coal - 493 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	→	→	→	744:00	744:00	Major turbine overhaul
Jun	S	6/1/2008 15:00	→	6/2/2008 21:40	15:00	45:40	Major turbine overhaul
Jul	F	→	7/5/2008 20:20	7/8/2008 23:51	75:31		First reheater leaks
Aug		No Outages > or = 6 Hours					
Sep		No Outages > or = 6 Hours					
Oct	S	10/3/2008 21:59	10/6/2008 3:50	10/3/2008 21:59	53:51	53:51	Induced draft fan motors and drives
	S	10/11/2008 7:00	10/12/2008 6:41	10/11/2008 7:00	23:41	23:41	Air heater

Kentucky Utilities Company
 Green River Unit 3 - Coal - 68 MW
 May 2008 through October 2008

Schedule vs. Actual

MONTH	MAINTENANCE				REASON FOR DEVIATION FROM SCHEDULED MAINTENANCE OR REASON FOR FORCED OUTAGE AS APPROPRIATE			
	Scheduled		Actual		HOURS OF DURATION			
	FROM	TO	FROM	TO	Scheduled	Actual		
May	S	5/10/2008 0:00	5/25/2008 15:00	5/9/2008 22:55	5/29/2008 9:15	375:00	370:20	Minor boiler overhaul
	F			5/26/2008 15:53	5/27/2008 1:24	9:31	9:31	Boiler feed pump
	F			5/28/2008 3:47	5/29/2008 12:04	32:17	32:17	Induced draft fan motors and drives
	F			5/29/2008 17:40	5/30/2008 5:44	12:04	12:04	Throttle valve
	S	5/31/2008 21:50	→	5/31/2008 21:50	→	2:10	2:10	Main steam relief/safety valves off superheater
	S	→	6/1/2008 14:14	→	6/1/2008 14:14	14:14	14:14	Main steam relief/safety valves off superheater
Jun	F			6/11/2008 1:43	6/11/2008 14:32	12:49	12:49	Condenser loss of vacuum
	F			7/28/2008 8:00	7/30/2008 6:36	46:36	46:36	Boiler tube waterwall leak
	F			8/25/2008 0:35	8/27/2008 11:24	58:49	58:49	Boiler tube waterwall leak
	F			9/2/2008 22:39	9/4/2008 5:00	30:21	30:21	Boiler tube waterwall leak
	S	9/27/2008 8:02	9/27/2008 22:20	9/27/2008 8:02	9/27/2008 22:20	14:18	14:18	Induced draft fan fouling
Oct	F			10/6/2008 7:47	10/7/2008 23:15	39:28	39:28	First superheater leaks
	F			10/11/2008 10:29	10/12/2008 11:24	24:55	24:55	Second superheater leaks
	S	10/20/2008 7:30	10/20/2008 19:00	10/20/2008 7:30	10/20/2008 19:00	11:30	11:30	Circulating water valves
	S	10/21/2008 9:07	10/21/2008 16:40	10/21/2008 9:07	10/21/2008 16:40	7:33	7:33	Circulating water valves
	S	10/24/2008 8:20	10/24/2008 14:40	10/24/2008 8:20	10/24/2008 14:40	6:20	6:20	Feedwater valves

Schedule vs. Actual

Kentucky Utilities Company
 Green River Unit 4 - Coal - 95 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	Scheduled TO	Actual FROM	Actual TO	Scheduled	Actual	
May	No Outages > or = 6 Hours						
Jun	F		6/20/2008 8:41	6/22/2008 9:54	49:13		Boiler tube waterwall leak
Jul	F		7/12/2008 1:39	7/13/2008 2:43	25:04		Electrostatic precipitator
	F		7/14/2008 22:46	7/16/2008 15:03	40:17		Electrostatic precipitator
	F		7/18/2008 21:49	7/20/2008 8:02	34:13		Electrostatic precipitator
	F		7/22/2008 22:09	7/25/2008 7:59	57:50		Electrostatic precipitator
Aug	No Outages > or = 6 Hours						
Sep	S	9/27/2008 0:00	9/26/2008 22:53	96:00	97:07		Minor boiler overhaul
Oct	S	10/5/2008 15:00	10/1/2008 4:16	111:00	4:16		Minor boiler overhaul

Schedule vs. Actual

Kentucky Utilities Company
 Haefling 1 - Gas CT - 12 MW
 May 2008 through October 2008

MONTH	MAINTENANCE		HOURS OF DURATION		REASON FOR DEVIATION FROM SCHEDULED MAINTENANCE OR REASON FOR FORCED OUTAGE AS APPROPRIATE
	FROM	TO	Scheduled	Actual	
May	No Outages > or = 6 Hours				
Jun	No Outages > or = 6 Hours				
Jul	No Outages > or = 6 Hours				
Aug	No Outages > or = 6 Hours				
Sep	F	9/29/2008 11:53	9/30/2008 13:19	25.26	Unit would not synchronize to system
Oct	No Outages > or = 6 Hours				

Schedule vs. Actual

Kentucky Utilities Company
 Haefling 2 - Gas CT - 12 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						
Jun	No Outages > or = 6 Hours						
Jul	F		7/10/2008 8:25	7/22/2008 7:49	287:24		Unit would not synchronize to system
Aug	No Outages > or = 6 Hours						
Sep	F		9/29/2008 11:53	9/30/2008 13:21	25:28		Unit would not synchronize to system
	F		9/30/2008 13:21	→	10:39		Unit would not synchronize to system
Oct	F		→	10/3/2008 12:17	60:17		Unit would not synchronize to system

Schedule vs. Actual

Kentucky Utilities Company
 Haefling 3 - Gas CT - 12 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	Actual TO	Scheduled	Actual	

May	No Outages > or = 6 Hours				
Jun	S	6/16/2008 12:00 →	348:00	348:00	GT lube oil coolers
Jul	S	7/10/2008 8:14 →	224:14	224:14	GT lube oil coolers
Aug	No Outages > or = 6 Hours				
Sep	No Outages > or = 6 Hours				
Oct	No Outages > or = 6 Hours				

Schedule vs. Actual

Kentucky Utilities Company
 Tyrone Unit 3 - Coal - 71 MW
 May 2008 through October 2008

MONTH	MAINTENANCE				REASON FOR DEVIATION FROM SCHEDULED MAINTENANCE OR REASON FOR FORCED OUTAGE AS APPROPRIATE			
	Scheduled		Actual		HOURS OF DURATION			
	FROM	TO	FROM	TO	Scheduled	Actual		
May	S	5/10/2008 0:00	5/25/2008 15:00	5/2/2008 22:44	5/31/2008 13:18	375:00	686:34	Pulverizer overhaul
	F			5/31/2008 13:37	→		10:23	Turbine governing system
Jun	F			→	6/4/2008 9:04		81:04	Turbine governing system
	F			6/4/2008 9:38	6/6/2008 1:48		40:10	Turbine main stop valves
	F			6/6/2008 4:55	6/8/2008 17:34		60:39	Feedwater chemistry
Jul		No Outages > or = 6 Hours						
Aug		No Outages > or = 6 Hours						
Sep	F			9/3/2008 7:54	9/5/2008 8:30		48:36	Turbine lube oil coolers
	F			9/8/2008 5:47	9/10/2008 15:58		58:11	Main steam system
	F			9/11/2008 10:20	9/12/2008 16:37		30:17	Main steam system
Oct	F			10/13/2008 16:15	10/14/2008 4:50		12:35	Forced draft fans

KENTUCKY UTILITIES COMPANY

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

Case No. 2008-00520

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: Smoky Mountain Coal Corp. / KUF02860-LGE02013
9725 Cogdill Road, Suite 203
Knoxville, Tennessee 42413
- B. PRODUCTION FACILITY:
- | | |
|-----------|------------------------|
| OPERATOR: | KMMC Mining |
| MINES: | Vision #9 |
| LOCATION: | Webster County, KY |
| OPERATOR: | Allied Resources, Inc. |
| MINES: | Onton Resources' Mines |
| LOCATION: | Webster County, KY |
- C. CONTRACT EXECUTED DATE: February 27, 2002
- D. CONTRACT DURATION: January 1, 2002 – December 31, 2008
- E. CONTRACT AMENDMENTS: Amendment No. 1 effective January 1, 2004. Amending term, quantity, quality and price.
Amendment No. 2 effective January 1, 2006. Amending term, quantity, quality and price.
Amendment No. 3 effective September 1, 2006. Amending payment procedures.
Amendment No. 4 effective January 1, 2007. Amending term, quantity and price.
Amendment No. 5 effective March 1, 2007. Amending payment calculation.
- F. ANNUAL TONNAGE REQUIREMENTS:
- | | |
|------|----------------|
| 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:	<u>KU</u>	<u>LGE</u>
	2002 52,826 tons	332,114 tons
	2003 203,370 tons	275,536 tons
	2004 279,667 tons	314,929 tons
	2005 339,349 tons	357,881 tons
	2006 552,154 tons	600,627 tons
	2007 380,192 tons	517,857 tons
	2008 182,352 tons	167,819 tons
	(through 10/31/08)	
H. PERCENT OF ANNUAL REQUIREMENTS:	2002 96%	
	2003 106%	
	2004 99%	
	2005 100%	
	2006 96%	
	2007 106 %	
	2008 37%	
I. BASE PRICE: (FOB Barge/ Sebree Dock)	2002 \$1.1540 per MMBtu– Quality A	
	2003 \$1.1540 per MMBtu– Quality A	
	2004 \$1.1940 per MMBtu– Quality A	
	2004 \$1.0200 per MMBtu– Quality C	
	2005 \$1.0600 per MMBtu– Quality C	
	2006 \$1.2610 per MMBtu– Quality C	
	2007 \$30.22 per ton – Quality C	
	2008 \$31.00 per ton – Quality C	
	2009 \$35.95 per ton – Quality C	
J. ESCALATIONS TO DATE:	None	
K. CURRENT CONTRACT PRICE:	\$31.00 per ton – Quality C	

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

B. PRODUCTION FACILITY:
OPERATOR: Perry County Coal Corp.
MINES: E4-1, E3-1
LOCATION: Perry County, KY

C. CONTRACT EXECUTED DATE: December 12, 2005

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

E. CONTRACT AMENDMENTS: Amendment No. 1 effective September 1,
2006. Amending payment procedures.
Amendment No. 2 effective March 1, 2007.
Amending payment calculation.

F. ANNUAL TONNAGE REQUIREMENTS:

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

G. ACTUAL TONNAGE RECEIVED:

2006	109,140 tons
2007	317,036 tons
2008	239,517 tons (through 10/31/08)

H. PERCENT OF ANNUAL REQUIREMENTS:

2006	91%
2007	88%
2008	67%

I. BASE PRICE: (FOB Railcar/Coal)

2006	\$2.52 per MMBtu
2007/2008	\$63.00 per ton

I. BASE PRICE: (FOB Railcar/Synfuel)

2006	2.4800 per MMBtu
2007/2008	\$62.00 per ton

J. ESCALATIONS TO DATE: \$1.13

K. CURRENT CONTRACT PRICE: \$64.13 per ton

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

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

C. CONTRACT EXECUTED DATE: July 1, 2004

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

E. CONTRACT AMENDMENTS: Amendment No. 1 effective September 1,
2006. Amending payment procedures.
Amendment No. 2 effective March 1, 2007.
Amending payment calculation. Amendment
No.3 effective July 27, 2007. Adding
Substitute Coal Source. Amendment No. 4
effective May 1, 2008. Adding additional
tonnage

F. ANNUAL TONNAGE
REQUIREMENTS:

2004	60,000 tons
2005	250,000 tons
2006	400,000 tons
2007	400,000 tons
2008	70,000 tons

G. ACTUAL TONNAGE:
RECEIVED:

2004	51,673 tons
2005	255,782 tons
2006	343,980 tons
2007	290,698 tons
2008	173,907 tons (2007 carryover tons)
2008	59,205 tons (through 10/31/08)

H. PERCENT OF ANNUAL
REQUIREMENTS:

2004	86%
2005	102%
2006	86%
2007	73%
2008	85%

I. BASE PRICE: (FOB Railcar)	2004	\$1.8400 per MMBtu
	2005	\$1.8400 per MMBtu
	2006	\$1.8800 per MMBtu
	2007	\$47.00 per ton
	2008	\$91.50 per ton

J. ESCALATIONS TO DATE:	\$0.0 per ton
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K. CURRENT CONTRACT PRICE:	\$91.50 per ton
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A. NAME/ADDRESS: Black Beauty Coal Company / KUF05021
414 South Fares Ave.
Evansville, Indiana 47702

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

C. CONTRACT EXECUTED DATE: December 13, 2004

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

E. CONTRACT AMENDMENTS: Amendment No.1 effective January 1, 2007.
Amending term, tonnage & price.
Amendment No. 2 effective September 1,
2006. Amending payment procedures.
Amendment No. 3 effective March 1, 2007.
Amending payment calculation.

F. ANNUAL TONNAGE REQUIREMENTS:

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

G. ACTUAL TONNAGE RECEIVED:

2005	201,148 tons
2006	205,191 tons
2007	258,624 tons
2008	192,654 tons (through 10/31/08)

H. PERCENT OF ANNUAL REQUIREMENTS:

2005	100%
2006	103%
2007	86%
2008	96%

I. BASE PRICE: (FOB Barge)

2005	\$1.8981 per MMBtu
2006	\$1.9352 per MMBtu
2007	\$46.93 per ton
2008	\$55.50 per ton

J. ESCALATIONS TO DATE: None

K. CURRENT CONTRACT PRICE: \$55.50 per ton

A. NAME/ADDRESS: Consol Energy / KUF05039-LGE05012
1800 Washington Road
Pittsburgh, PA 15241

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

C. CONTRACT EXECUTED DATE: December 21, 2004

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

E. CONTRACT AMENDMENTS: Amendment No. 1 effective September 1, 2006. Amending payment procedures.
Amendment No. 2 effective March 1, 2007. Amending payment calculation.

F. ANNUAL TONNAGE REQUIREMENTS

2005	1,683,000 tons (Includes Force Majeure tons of 67,000)
2006	1,750,000 tons
2007	2,000,000 tons
2008	2,000,000 tons

G. ACTUAL TONNAGE RECEIVED:

	<u>KU</u>	<u>LGE</u>
2005	682,774 tons	893,663 tons
2006	812,338 tons	981,344 tons
2007	797,522 tons	852,199 tons
2008	1,233,443 tons	378,456 tons

(through 10/31/08)

H. PERCENT OF ANNUAL REQUIREMENTS:

2005	94%
2006	102%
2007	82%
2008	81%

I. BASE PRICE: (FOB Barge)

2005	\$1.2193 per MMBtu-Quality A
2006	\$1.2439 per MMBtu-Quality A
2007	\$32.218 per ton-Quality A
2008	\$32.470 per ton-Quality A

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

J. ESCALATIONS TO DATE: None

K. CURRENT CONTRACT PRICE: \$32.470 per ton – Quality A
\$31.940 per ton – Quality B

A. NAME/ADDRESS: Infinity Coal Sales, LLC / KUF06105
3315 Springbank Lane, Suite 106,
Charlotte, North Carolina 28226

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

C. CONTRACT EXECUTED DATE: August 5, 2005

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

E. CONTRACT AMENDMENTS: Amendment No. 1 effective September 1,
2006. Amending payment procedures.
Amendment No. 2 effective March 1, 2007.
Amending payment calculation.

F. ANNUAL TONNAGE
REQUIREMENTS:

2006	400,000 tons
2007	400,000 tons
2008	400,000 tons

G. ACTUAL TONNAGE:
RECEIVED:

2006	234,647 tons
2007	440,931 tons
2008	406,693 tons (through 10/31/08)

H. PERCENT OF ANNUAL
REQUIREMENTS:

2006	59%
2007	110%
2008	102%

I. BASE PRICE: (FOB Barge)

2006	\$2.3361 per MMBtu
2007	\$57.00 per ton
2008	\$57.00 per ton

J. ESCALATIONS TO DATE: None

K. CURRENT CONTRACT PRICE: \$57.00 per ton

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

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

C. CONTRACT EXECUTED DATE: July 1, 2005

D. CONTRACT DURATION: January 1, 2006 – December 31, 2011

E. CONTRACT AMENDMENTS: Amendment No. 1 effective September 1, 2006. Amending payment procedures.
Amendment No. 2 effective March 1, 2007. Amending payment calculation.
Amendment No.3 effective February 7, 2008. Extending term, tonnage.

F. ANNUAL TONNAGE REQUIREMENTS:

2006	120,000 tons
2007	120,000 tons
2008	120,000 tons
2009	120,000 tons
2010	120,000 tons
2011	120,000 tons

G. ACTUAL TONNAGE RECEIVED:

2006	120,077 tons
2007	152,825 tons
2008	117,558 tons (through 10/31/08)

H. PERCENT OF ANNUAL REQUIREMENTS:

2006	100%
2007	127%
2008	98%

I. BASE PRICE: (FOB Plant)	2006	\$2.6714 per MMBtu
	2007	\$66.25 per ton
	2008	\$66.25 per ton
	2009	\$77.50 per ton
	2010	\$77.50 per ton
	2011	\$77.50 per ton
J. ESCALATIONS TO DATE:		\$3.81 per ton
K. CURRENT CONTRACT PRICE:		\$70.06 per ton

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

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

C. CONTRACT EXECUTED DATE: November 1, 2005

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

E. CONTRACT AMENDMENTS: Amendment No. 1 effective September 1, 2006. Amending payment procedures.
Amendment No. 2 effective March 1, 2007. Amending payment calculation.
Amendment No. 3 effective May 1, 2008. Assignment to Trinity Coal Marketing, LLC. Change to monthly diesel fuel escalation.
Amendment No. 4 effective July 1, 2008. Adjustment of Base Price to \$67.25 per ton.

F. ANNUAL TONNAGE REQUIREMENTS:

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

G. ACTUAL TONNAGE RECEIVED:

2006	30,198 tons
2007	40,167 tons
2008	23,361 tons (through 10/31/08)

H. PERCENT OF ANNUAL REQUIREMENTS:

2006	100%
2007	134%
2008	78%

I. BASE PRICE: (FOB Plant)

2006	\$2.6667 per MMBtu
2007	\$64.00 per ton
2008	\$64.00 per ton (through 6/30/08)
2008	\$67.25 per ton

J. ESCALATIONS TO DATE: \$0.00 per ton

K. CURRENT CONTRACT PRICE: \$67.25 per ton

- A. NAME/ADDRESS: Little Elk Mining Co., LLC / KUF05109
1051 Main Street, Suite 100
Milton, W.Va. 25541
- B. PRODUCTION FACILITY:
OPERATOR: Little Elk Mining Co., LLC
MINES: Little Elk Mine
LOCATION: Breathitt, Knott, Perry County, KY
- C. CONTRACT EXECUTED DATE: August 1, 2005
- D. CONTRACT DURATION: January 1, 2006 – December 31, 2011
- E. CONTRACT AMENDMENTS: Amendment No. 1 effective September 1, 2006. Amending payment procedures.
Amendment No. 2 effective March 1, 2007. Amending payment calculation.
Amendment No.3 effective January 1, 2008. Amending tonnage and price for year 2008.
Amendment No. 4 effective May 1, 2008. Assignment of contract to Trinity Coal Marketing, LLC. Extension of term to December 31, 2011. Additional tonnage of 1,000,000 per year 2009-2011.
Amendment No. 5 effective July 1, 2008. Change quarterly fuel adjustment to monthly adjustment on truck delivered tonnage.
- F. ANNUAL TONNAGE REQUIREMENTS:
- | | |
|------|----------------|
| 2006 | 270,000 tons |
| 2007 | 500,000 tons |
| 2008 | 800,000 tons |
| 2009 | 1,130,000 tons |
| 2010 | 1,000,000 tons |
| 2011 | 1,000,000 tons |
- G. ACTUAL TONNAGE RECEIVED:
- | | |
|------|---------------------------------|
| 2006 | 259,230 tons |
| 2007 | 445,965 tons |
| 2008 | 691,573 tons (through 10/31/08) |

H. PERCENT OF ANNUAL
REQUIREMENTS:

2006	96%
2007	89%
2008	86%

I. BASE PRICE: (FOB Railcar)

2006	\$1.9729 per MMBtu
2007	\$47.35 per ton
2008	\$44.59375 per ton
2009	\$63.85442 per ton
2010	\$63.00 per ton
2011	\$61.00 per ton

J. ESCALATIONS TO DATE:

None

K. CURRENT CONTRACT PRICE:

\$44.59375 per ton

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

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

C. CONTRACT EXECUTED DATE: November 11, 2004

D. CONTRACT DURATION: November 13, 2004 – December 31, 2010

E. CONTRACT AMENDMENTS: Amendment No. 1 effective January 1, 2006. Amending term, tons, quality & price.
Amendment No. 2 effective Nov. 1, 2005. Amending price.
Amendment No. 3 effective September 1, 2006. Amending payment procedures.
Amendment No. 4 effective March 1, 2007. Amending payment calculation.
Amendment No. 5 effective January 1, 2008. Amending term, tonnage and price.
Amendment No. 6 effective January 1, 2009. Amending term, tonnage and price.

F. ANNUAL TONNAGE REQUIREMENTS:

2004	13,500 tons
2005	216,000 tons
2006	260,000 tons
2007	350,000 tons
2008	400,000 tons
2009	200,000 tons

G. ACTUAL TONNAGE RECEIVED:

2004	14,701 tons
2005	172,541 tons
2006	298,967 tons
2007	350,485 tons
2008	282,013 tons (through 10/31/08)

H. PERCENT OF ANNUAL
REQUIREMENTS:

2004	109%
2005	80%
2006	115%
2007	100%
2008	71%

I. BASE PRICE: (FOB Railcar)

2004	\$2.0729 per MMBtu
2005	\$2.0729 per MMBtu
2006	\$2.0000 per MMBtu
2007	\$48.00 per ton
2008	\$43.25 per ton
2009	\$72.00 per ton

J. ESCALATIONS TO DATE:

None

K. CURRENT CONTRACT PRICE:

\$43.25 per ton

A. NAME/ADDRESS: Marietta Coal Company / KUF05033-LGE05010
629220 Georgetown Road
Cambridge, Ohio 43725

B. PRODUCTION FACILITY:
 OPERATOR Marietta Coal Company
 MINE Belmont Mine
 LOCATION Belmont and Jefferson Counties, Ohio
 MINE West Virginia Strip Mine
 LOCATION Ohio County, West Virginia

C. CONTRACT EXECUTED DATE: November 15, 2004

D. CONTRACT DURATION: October 1, 2004 – December 31, 2008

E. CONTRACT AMENDMENTS: Amendment No. 1 effective June 15, 2005. Amending quality and price for two months
 Amendment No. 2 effective September 1, 2006. Amending payment terms.
 Amendment No. 3 effective March 1, 2007. Amending payment calculation.

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>KU</u>	<u>LGE</u>
2004	0 tons	13,235 tons
2005	0 tons	104,512 tons
2006	4,977 tons	198,757 tons
2007	5,021 tons	146,281 tons
2008	0 tons	16,498 tons

(through 10/31/08)

H. PERCENT OF ANNUAL REQUIREMENTS:

2004	44%
2005	52%
2006	102%
2007	50%
2008	6%

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

J. ESCALATIONS TO DATE:	None
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K. CURRENT CONTRACT PRICE:	\$27.75 per ton
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A. NAME/ADDRESS: COALSALES, LLC / KUF06118-
LGE06012-J07005-J07006
701 Market Street
St. Louis, Missouri 63101

B. PRODUCTION FACILITY:

OPERATOR	Patriot Coal and Ohio 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 1, 2006. Amending payment procedures. Amendment No. 2 effective November 20, 2006. Adding coal synfuel. Amendment No. 3 effective March 1, 2007. Amending payment calculation. Amendment No.4 effective July 1, 2007 adding tonnage to year 2007. Amendment No.5 effective January 1, 2008 amending term, tonnage and price.

F. ANNUAL TONNAGE REQUIREMENTS:

2006	937,500 tons
2007	2,000,000 tons
2008	1,400,000 tons
2009	750,000 tons

G. ACTUAL TONNAGE RECEIVED:

	<u>KU</u>	<u>LGE</u>
2006	0 tons	957,654 tons
2007	225,229 tons	1,770,880 tons
2008	158,273 tons	959,686 tons
	(through 10/31/08)	

H. PERCENT OF ANNUAL REQUIREMENTS:

2006	102%
2007	100%
2008	80%

I. BASE PRICE (FOB Barge):	2006	\$1.38/MMBtu – Quality A Barge \$1.38/MMBtu – Quality B Barge
	2007	\$30.60 per ton – Quality A Barge \$31.02 per ton – Quality B Barge
	2008	\$31.60 per ton – Barge
	2009	\$32.75 - Barge
J. ESCALATIONS TO DATE:		None
K. CURRENT CONTRACT PRICE:		\$31.60 per ton - Barge

A. NAME/ADDRESS:	CHAROLAIS COAL SALES, LLC/J07003 Highway 862, P.O. Box 1999 Madisonville, Kentucky	
B. PRODUCTION FACILITY: OPERATOR	Charolais Coal No.1, LLC & Charolais Coal Resources, LLC	
MINE LOCATION	Vogue West & Rock Crusher Mines Muhlenberg 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>KU</u>	<u>LGE</u>
	2007	361,950 tons
	2008	338,177 tons
		(through 10/31/08)
		229,223 tons
		69,188 tons
H. PERCENT OF ANNUAL REQUIREMENTS:	2007	99%
	2008	58%
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	
K. CURRENT CONTRACT PRICE:	\$32.75 per ton	

A. NAME/ADDRESS:	ARCH COAL SALES COMPANY, INC. / K07001 1 CityPlace, Suite 300 St. Louis, Missouri 63141
B. PRODUCTION FACILITY:	
OPERATOR	Arch Coal, Inc.
MINE	Holden 22
LOCATION	Logan County, West Virginia
C. CONTRACT EXECUTED DATE:	September 22, 2006
D. CONTRACT DURATION:	January 1, 2007 – December 31, 2008
E. CONTRACT AMENDMENTS:	None
F. ANNUAL TONNAGE REQUIREMENTS:	2007 240,000 tons 2008 360,000 tons
G. ACTUAL TONNAGE RECEIVED:	2007 225,271 tons 2008 300,017 tons (through 10/31/08)
H. PERCENT OF ANNUAL REQUIREMENTS:	2007 94% 2008 83%
I. BASE PRICE (FOB Barge):	2007 \$66.395 per ton 2008 \$66.469 per ton
J. ESCALATIONS TO DATE:	None
K. CURRENT CONTRACT PRICE:	\$66.469 per ton

A. NAME/ADDRESS:	Hopkins County Coal LLC / K07015 1717 South Boulder Av., Suite 400 Tulsa, Oklahoma 74119-4886
B. PRODUCTION FACILITY:	
OPERATOR	Hopkins County Coal, LLC
MINE	Hopkins County Coal, Webster County Coal, Gibson County Coal
LOCATION	Hopkins, Webster Counties, Kentucky Gibson County, Indiana
C. CONTRACT EXECUTED DATE:	February 5, 2007
D. CONTRACT DURATION:	February 1, 2007 – December 31, 2008
E. CONTRACT AMENDMENTS:	None
F. ANNUAL TONNAGE REQUIREMENTS:	2007 175,000 tons 2008 200,000 tons
G. ACTUAL TONNAGE RECEIVED:	2007 200,980 tons 2008 197,855 (through 10/31/08)
H. PERCENT OF ANNUAL REQUIREMENTS:	2007 115% 2008 99%
I. BASE PRICE (FOB Plant):	2007 \$43.26 per ton 2008 \$43.26 per ton
J. ESCALATIONS TO DATE:	\$1.17 per ton
K. CURRENT CONTRACT PRICE:	\$44.43 per ton

A. NAME/ADDRESS:	Charolais Coal Sales, LLC & Phoenix Coal Corp. / K07031 1215 Nebo Road, Suite A Madisonville, Kentucky 42431	
B. PRODUCTION FACILITY: OPERATOR MINE LOCATION	Rapid Energy, Inc., & Phoenix Coal Corp. Caterpillarville, Briar Hill Hopkins, Muhlenberg Counties, Kentucky	
C. CONTRACT EXECUTED DATE:	August 1, 2007	
D. CONTRACT DURATION:	August 15, 2007 – December 31, 2009	
E. CONTRACT AMENDMENTS:	Contract assigned from American Mining & Manufacturing, LLC.	
F. ANNUAL TONNAGE REQUIREMENTS:	2007	150,000 tons
	2008	300,000 tons
	2009	300,000 tons
G. ACTUAL TONNAGE RECEIVED:	2007	94,274 tons
	2008	65,324 tons (through 10/31/08)
H. PERCENT OF ANNUAL REQUIREMENTS:	2007	63%
	2008	22%
I. BASE PRICE (FOB Plant):	2007	\$39.79 per ton
	Jan-Jun 2008	\$40.46 per ton
	Jul-Dec 2008	\$40.67 per ton
	Jan-Jun 2009	\$41.54 per ton
	Jul-Dec 2009	\$40.42 per ton
J. ESCALATIONS TO DATE:	None	
K. CURRENT CONTRACT PRICE: FOB Plant	\$40.46 per ton	

A. NAME/ADDRESS: Sands Hill Coal Company / J07004
38701 State Road 160, P.O. Box 650
Hamden, Ohio 45634

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

C. CONTRACT EXECUTED DATE: January 2, 2007

D. CONTRACT DURATION: January 1, 2007 – December 31, 2008

E. CONTRACT AMENDMENTS: None

F. ANNUAL TONNAGE REQUIREMENTS:

2007	144,000 tons
2008	180,000 tons

G. ACTUAL TONNAGE RECEIVED:

	<u>KU</u>	<u>LGE</u>
2007	67,584 tons	85,937 tons
2008	111,311 tons	36,768 tons
	(through 10/31/08)	

H. PERCENT OF ANNUAL REQUIREMENTS:

2007	107%
2008	82%

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:
FOB Barge \$42.51 per ton

A. NAME/ADDRESS: Alpha Coal Sales Co., LLC. / K07002
One Energy Place
Latrobe, PA 15650

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

C. CONTRACT EXECUTED DATE: September 21, 2006

D. CONTRACT DURATION: January 1, 2007 – December 31, 2011

E. CONTRACT AMENDMENTS: Amendment No. 1 effective March 1, 2007.
Amending payment calculation.
Amendment No. 2 effective September 1, 2007. Consent for substitution.
Amendment No. 3 effective April 1, 2008 amending term, tonnage, quality and price.

F. ANNUAL TONNAGE REQUIREMENTS:

2007	324,000 tons
2008	324,000 tons
2009	500,000 tons
2010	250,000 tons

G. ACTUAL TONNAGE RECEIVED:

2007	285,132 tons
2008	321,052 tons (through 10/31/08)

H. PERCENT OF ANNUAL REQUIREMENTS:

2007	88%
2008	99%

I. BASE PRICE: (FOB Railcar)

2007	\$43.50 per ton
2008	\$43.50 per ton (through 4/30/08)
2008	\$60.58403 per ton
2009	\$60.58403 per ton
2010	\$72.00 per ton

J. ESCALATIONS TO DATE: None

K. CURRENT CONTRACT PRICE: \$60.58403 per ton

- A. NAME/ADDRESS: Nally and Hamilton Enterprises, Inc./
K08018
109 South 4th Street
Bardstown, Kentucky 40004
- B. PRODUCTION FACILITY:
OPERATOR: Nally & Hamilton Enterprises, Inc.
MINES: Balkan, Wolfpen Branch, Big Laurel
LOCATION: Knox, Bell, Harlan, Letcher and Perry
Counties, KY
- C. CONTRACT EXECUTED DATE: May 1, 2008
- D. CONTRACT DURATION: May 1, 2008 - December 31, 2011
- E. CONTRACT AMENDMENTS: None
- F. ANNUAL TONNAGE REQUIREMENTS:
- | <u>EW Brown</u> | |
|-----------------|--------------|
| 2008 | 90,000 tons |
| 2009 | 180,000 tons |
| 2010 | 180,000 tons |
-
- | <u>Ghent</u> | |
|--------------|--------------|
| 2008 | 60,000 tons |
| 2009 | 120,000 tons |
| 2010 | 120,000 tons |
- G. ACTUAL TONNAGE RECEIVED:
- | <u>EW Brown</u> | |
|-----------------|--------------------------------|
| 2008 | 70,892 tons (through 10/31/08) |
-
- | <u>Ghent</u> | |
|--------------|--------------------------------|
| 2008 | 26,403 tons (through 10/31/08) |
- H. PERCENT OF ANNUAL REQUIREMENTS:
- | <u>EW Brown</u> | |
|-----------------|-----|
| 2008 | 79% |
-
- | <u>Ghent</u> | |
|--------------|-----|
| 2008 | 44% |

I. BASE PRICE: (FOB Railcar) EW Brown
2008 \$66.00 per ton
2009 \$67.00 per ton
2010 \$69.00 per ton

BASE PRICE: (FOB Railcar) Ghent
2008 \$52.50 per ton
2009 \$48.50 per ton
2010 \$49.50 per ton

J. ESCALATIONS TO DATE: EW Brown
\$4.67 per ton

Ghent
\$4.20 per ton

K. CURRENT CONTRACT PRICE: EW Brown
\$70.67 per ton

Ghent
\$56.70 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>KU</u>	<u>LGE</u>
2008	118,047 tons (through 10/31/08)	23,918 tons

H. PERCENT OF ANNUAL REQUIREMENTS:

2008	51%
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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:

	<u>FOB Plant</u>
	\$1.07 per ton
	<u>FOB Barge</u>
	\$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: Amendment No. 1, effective July 1, 2008
amending base quantity and modifying
diesel fuel adjustment to include explosives

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:

	<u>LG&E</u>	<u>KU</u>
2008	269,335 tons (through 10/31/08)	50,472 tons

H. PERCENT OF ANNUAL REQUIREMENTS:

2008	53%
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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:	Emerald International J07029 6895 Burlington Pike Florence, Kentucky 41042	
B. PRODUCTION FACILITY: OPERATOR MINE LOCATION	Western Kentucky Minerals Joe's Run Mine 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 RECEIVED:		
		<u>LG&E</u>
	2007	66,330 tons
	2008	27,945 tons
		(through 10/31/08)
		<u>KU</u>
		7,571 tons
		129,483 tons
H. PERCENT OF ANNUAL REQUIREMENTS:	2007	91%
	2008	52%
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: Patriot Coal Sales, LLC / J07037
12312 Olive Boulevard, Suite 400
St. Louis, Missouri 63141

B. PRODUCTION FACILITY:
OPERATOR Patriot Coal and Ohio County Coal
MINE Patriot and Freedom Mines
LOCATION Henderson County, Kentucky

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: LG&E KU
2008 566,697 tons 367,993 tons
(through 10/31/08)

H. PERCENT OF ANNUAL REQUIREMENTS: 2008 75%

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

H. PERCENT OF ANNUAL REQUIREMENTS:

2008	55%
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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

KENTUCKY UTILITIES COMPANY

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

Case No. 2008-00520

Question No. 16

Witness: Robert M. Conroy

Q-16. Provide a schedule of the present and proposed rates that KU seeks to change pursuant to 807 KAR 5056, shown in comparative form.

A-16. Please see the attached schedule.

Kentucky Utilities Revised Tariffs

Rate Schedule	Existing Base Rate Energy and Fuel	Existing Fuel Component of Base Rates	Existing Base Rate -- Excluding Fuel Base	Proposed Revised Fuel Component of Base Rates	Revised Base Rates including Fuel
RS	\$ 0.05716	\$ 0.02591	\$ 0.03125	\$ 0.02754	\$ 0.05879
VFD	0.05716	\$ 0.02591	\$ 0.03125	\$ 0.02754	\$ 0.05879
GS	0.06681	\$ 0.02591	\$ 0.04090	\$ 0.02754	\$ 0.06844
AES -- All Electric School	0.05519	\$ 0.02591	\$ 0.02928	\$ 0.02754	\$ 0.05682
PS	0.03223	\$ 0.02591	\$ 0.00632	\$ 0.02754	\$ 0.03386
TOD	0.03223	\$ 0.02591	\$ 0.00632	\$ 0.02754	\$ 0.03386
LTOD	0.03223	\$ 0.02591	\$ 0.00632	\$ 0.02754	\$ 0.03386
RTS	0.03223	\$ 0.02591	\$ 0.00632	\$ 0.02754	\$ 0.03386
IS					
Primary	0.03223	\$ 0.02591	\$ 0.00632	\$ 0.02754	\$ 0.03386
Transmission	0.02767	\$ 0.02591	\$ 0.00176	\$ 0.02754	\$ 0.02930
LE	0.04739	\$ 0.02591	\$ 0.02148	\$ 0.02754	\$ 0.04902
TE	0.05795	\$ 0.02591	\$ 0.03204	\$ 0.02754	\$ 0.05958

LIGHTING SCHEDULES -- ALL RATES PER UNIT PER MONTH

Page	Schedule	Kwh per year	Fuel Factor Increase (\$/kwh)	Annual Rate Increase at 4,000 hours/year	Monthly Rate Increase (annual increase divided by 12)	LOAD/LIGHT	Tariff	
							Existing	Revised
35	ST. LT.		0.00163					
	Street Lighting System							
	Incandescent System -- Standard							
	1,000 Lumens (approximately)	408		0.67	0.06	0.102 KW/Light	\$ 2.74	\$ 2.80*
	2,500 "	804		1.31	0.11	0.201 KW/Light	3.61	3.72*
	4,000 "	1308		2.13	0.18	0.327 KW/Light	5.32	5.50*
	6,000 "	1788		2.91	0.24	0.447 KW/Light	7.13	7.37*
	Incandescent System -- Ornamental							
	1,000 Lumens (approximately)	408		0.67	0.06	0.102 KW/Light	\$ 3.39	\$ 3.45*
	2,500 "	804		1.31	0.11	0.201 KW/Light	4.44	4.55*
	4,000 "	1308		2.13	0.18	0.327 KW/Light	6.29	6.47*
	6,000 "	1788		2.91	0.24	0.447 KW/Light	8.21	8.45*
	Mercury Vapor -- Standard							
	7,000 Lumens (approximately)	828		1.35	0.11	0.207 KW/Light	\$ 7.66	\$ 7.77*
	10,000 "	1176		1.92	0.16	0.294 KW/Light	9.04	9.20*
	20,000 "	1812		2.95	0.25	0.453 KW/Light	11.03	11.28*
	Mercury Vapor -- Ornamental							
	7,000 Lumens (approximately)	828		1.35	0.11	0.207 KW/Light	\$ 10.00	\$ 10.11*
	10,000 "	1176		1.92	0.16	0.294 KW/Light	11.12	11.28*
	20,000 "	1812		2.95	0.25	0.453 KW/Light	12.69	12.94*
	High Pressure Sodium Vapor -- Standard							
	4,000 Lumens (approximately)	240		0.39	0.03	0.060 KW/Light	\$ 5.41	\$ 5.44*
	5,800 "	332		0.54	0.05	0.083 KW/Light	5.95	6.00*
	9,500 "	468		0.76	0.06	0.117 KW/Light	6.78	6.84*
	22,000 "	968		1.58	0.13	0.242 KW/Light	10.27	10.40*
	50,000 "	1940		3.16	0.26	0.485 KW/Light	16.92	17.18*
	High Pressure Sodium Vapor -- Ornamental							
	4,000 Lumens (approximately)	240		0.39	0.03	0.060 KW/Light	\$ 8.13	\$ 8.16*
	5,800 "	332		0.54	0.05	0.083 KW/Light	8.66	8.71*
	9,500 "	468		0.76	0.06	0.117 KW/Light	9.68	9.74*
	22,000 "	968		1.58	0.13	0.242 KW/Light	13.17	13.30*
	50,000 "	1940		3.16	0.26	0.485 KW/Light	19.81	20.07*

LIGHTING SCHEDULES -- ALL RATES PER UNIT PER MONTH

Page	Schedule	Kwh per year	Fuel Factor Increase (\$/kwh) 0.00163	Annual Rate Increase at 4,000 hours/year	Monthly Rate Increase (annual increase divided by 12)	LOAD/LIGHT		Tariff	
								Existing	Revised
35.1	ST. L.T. Decorative Underground Service Acom with Decorative Pole								
	4,000 Lumens (approximately)	240		0.39	0.03	0.060	KW/Light \$	10.72	\$ 10.75 °
	5,800 " "	332		0.54	0.05	0.083	KW/Light	11.66	11.71 °
	9,500 " "	468		0.76	0.06	0.117	KW/Light	12.48	12.54 °
	Acom with Historic Pole								
	4,000 Lumens (approximately)	240		0.39	0.03	0.060	KW/Light \$	17.13	\$ 17.16 °
	5,800 " "	332		0.54	0.05	0.083	KW/Light	17.78	17.83 °
	9,500 " "	468		0.76	0.06	0.117	KW/Light	18.61	18.67 °
	Colonial								
	4,000 Lumens (approximately)	240		0.39	0.03	0.060	KW/Light \$	7.33	\$ 7.36 °
	5,800 " "	332		0.54	0.05	0.083	KW/Light	7.89	7.94 °
	9,500 " "	468		0.76	0.06	0.117	KW/Light	8.63	8.69 °
	Coach								
	5,800 Lumens (approximately)	332		0.54	0.05	0.083	KW/Light \$	26.39	\$ 26.44 °
	9,500 " "	468		0.76	0.06	0.117	KW/Light	27.11	27.17 °
	Contemporary								
	5,800 Lumens (approximately)	332		0.54	0.05	0.083	KW/Light \$	13.38	\$ 13.43 °
	9,500 " "	468		0.76	0.06	0.117	KW/Light	16.00	16.06 °
	22,000 " "	968		1.58	0.13	0.242	KW/Light	18.96	19.09 °
	50,000 " "	1940		3.16	0.26	0.485	KW/Light	25.19	25.45 °
	Gran Ville								
	16,000 Lumens (approximately)	600		0.98	0.08	0.150	KW/Light \$	40.19	\$ 40.27 °

LIGHTING SCHEDULES -- ALL RATES PER UNIT PER MONTH

Page	Schedule	Kwh per year	Fuel Factor Increase (\$/kwh) 0.00163	Annual Rate Increase at 4,000 hours/year	Monthly Rate Increase (annual increase divided by 12)	LOAD/LIGHT	Existing Tariff	Revised Tariff
36	P.O.Lt. Private Outdoor Lighting Standard (Served Overhead)							
	Mercury Vapor							
	7,000 Lumens (approximately)	828	1.35	0.11	0.207	KW/Light \$	8.68 \$	8.79 °
	20,000 "	1812	2.95	0.25	0.453	KW/Light	11.03	11.28 °
	High Pressure Sodium							
	5,800 "	332	0.54	0.05	0.083	KW/Light \$	4.82 \$	4.87 °
	9,500 "	468	0.76	0.06	0.117	KW/Light	5.57	5.63 °
	22,000 "	968	1.58	0.13	0.242	KW/Light	10.27	10.40 °
	50,000 "	1940	3.16	0.26	0.485	KW/Light	16.92	17.18 °
	Directional (Served Overhead)							
	High Pressure Sodium							
	9,500 Lumens (approximately)	468	0.76	0.06	0.117	KW/Light \$	6.64 \$	6.70 °
	22,000 "	968	1.58	0.13	0.242	KW/Light	9.70	9.83 °
	50,000 "	1940	3.16	0.26	0.485	KW/Light	15.20	15.46 °
36.1	P.O.Lt. Private Outdoor Lighting Metal Halide Commercial and Industrial Lighting							
	Directional Fixture							
	12,000 Lumens (approximately)	828	1.35	0.11	0.207	KW/Light \$	9.94 \$	10.05 °
	32,000 "	1800	2.93	0.24	0.45	KW/Light	14.39	14.63 °
	107,800 "	4320	7.04	0.59	1.08	KW/Light	30.30	30.89 °
	Directional Fixture with Wood Pole							
	12,000 Lumens (approximately)	828	1.35	0.11	0.207	KW/Light \$	11.97 \$	12.08 °
	32,000 "	1800	2.93	0.24	0.45	KW/Light	16.43	16.67 °
	107,800 "	4320	7.04	0.59	1.08	KW/Light	33.13	33.72 °
	Directional Fixture with Metal Pole							
	12,000 Lumens (approximately)	828	1.35	0.11	0.207	KW/Light \$	18.61 \$	18.72 °
	32,000 "	1800	2.93	0.24	0.45	KW/Light	23.06	23.30 °
	107,800 "	4320	7.04	0.59	1.08	KW/Light	38.97	39.56 °
	Contemporary Fixture							
	12,000 Lumens (approximately)	828	1.35	0.11	0.207	KW/Light \$	11.07 \$	11.18 °
	32,000 "	1800	2.93	0.24	0.45	KW/Light	15.98	16.22 °
	107,800 "	4320	7.04	0.59	1.08	KW/Light	32.93	33.52 °
	Contemporary Fixture with Metal Pole							
	12,000 Lumens (approximately)	828	1.35	0.11	0.207	KW/Light \$	19.76 \$	19.87 °
	32,000 "	1800	2.93	0.24	0.45	KW/Light	24.65	24.89 °
	107,800 "	4320	7.04	0.59	1.08	KW/Light	41.61	42.20 °

LIGHTING SCHEDULES -- ALL RATES PER UNIT PER MONTH

Page	Schedule	Kwh per year	Fuel Factor Increase (\$/kwh) 0.00163	Annual Rate Increase at 4,000 hours/year	Monthly Rate Increase (annual increase divided by 12)	LOAD/LIGHT	Tariff Existing	Tariff Revised
36.2	P.O.L.L. Private Outdoor Lighting Directional HPS Served Underground Acorn with Decorative Pole							
	4,000 Lumens (approximately)	240		0.39	0.03	0.060 KW/Light	\$ 11.01	\$ 11.04 ^a
	5,800 " "	332		0.54	0.05	0.083 KW/Light	11.66	11.71 ^a
	9,500 " "	468		0.76	0.06	0.117 KW/Light	12.50	12.56 ^a
	Acorn with Historic Pole							
	4,000 Lumens (approximately)	240		0.39	0.03	0.060 KW/Light	\$ 17.13	\$ 17.16 ^a
	5,800 " "	332		0.54	0.05	0.083 KW/Light	17.68	17.73 ^a
	9,500 " "	468		0.76	0.06	0.117 KW/Light	18.61	18.67 ^a
	Colonial							
	4,000 Lumens (approximately)	240		0.39	0.03	0.060 KW/Light	\$ 7.33	\$ 7.36 ^b
	5,800 " "	332		0.54	0.05	0.083 KW/Light	7.89	7.94 ^b
	9,500 " "	468		0.76	0.06	0.117 KW/Light	8.63	8.69 ^a
	Coach							
	5,800 Lumens (approximately)	332		0.54	0.05	0.083 KW/Light	\$ 26.38	\$ 26.43 ^a
	9,500 " "	468		0.76	0.06	0.117 KW/Light	27.11	27.17 ^a
	Contemporary							
	5,800 Lumens (approximately)	332		0.54	0.05	0.083 KW/Light	\$ 13.38	\$ 13.43 ^a
	9,500 " "	468		0.76	0.06	0.117 KW/Light	16.00	16.06 ^a
	22,000 " "	968		1.58	0.13	0.242 KW/Light	18.96	19.09 ^a
	50,000 " "	1940		3.16	0.26	0.485 KW/Light	25.19	25.45 ^a
	Gran Ville							
	16,000 Lumens (approximately)	600		0.98	0.08	0.150 KW/Light	\$ 40.19	\$ 40.27 ^a

KENTUCKY UTILITIES COMPANY

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

Case No. 2008-00520

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.

Kentucky Utilities Company

P.S.C. No. 14, Original Sheet No. 5

Standard Rate	RS
Residential Service	
APPLICABLE	
In all territory served.	
AVAILABILITY OF SERVICE	
Available for single phase delivery to single family residential service subject to the terms and conditions on Sheet No. 100 of this Tariff. Three phase service under this rate schedule is restricted to those customers being billed on this rate schedule as of its effective date of July 1, 2004.	
RATE	
Customer Charge:	\$5.00 per month
Plus an Energy Charge of:	<u>\$0.05879</u> per kWh
Deleted: 0.05716	
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
Home Energy Assistance Program	Sheet No. 92
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.	

Date of Issue: February 9, 2009

Date Effective: February 6, 2009

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

Issued by Authority of an Order of the KPSC in Case Nos. 2007-00565 and 2008-00251 dated February 5, 2009

Kentucky Utilities Company

P.S.C. No. 14, 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:	
<ol style="list-style-type: none"> 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:	<u>\$0.05879</u> per kWh
Deleted: 0 05716	
ADJUSTMENT CLAUSES	
The bill amount computed at the charges specified above shall be increased or decreased in accordance with:	
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.	

Date of Issue: February 9, 2009

Date Effective: February 6, 2009

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

Issued by Authority of an Order of the KPSC in Case Nos. 2007-00565 and 2008-00251 dated February 5, 2009

Kentucky Utilities Company

P.S.C. No. 14, Original Sheet No. 10

Standard Rate	GS
General Service Rate	
APPLICABLE	
In all territory served.	
AVAILABILITY OF SERVICE	
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. 13, 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.	
RATE	
Customer Charge:	\$10.00 per month for single-phase service \$10.00 per month for three-phase service
Plus an Energy Charge of:	\$0.06844 per kWh
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.	

Deleted: 0.06844

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

Issued by Authority of an Order of the KPSC in Case Nos. 2007-00565 and 2008-00251 dated February 5, 2009

Kentucky Utilities Company

P.S.C. No. 14, Original Sheet No. 12

Standard Rate	A.E.S. All Electric School
APPLICABLE	
In all territory served.	
AVAILABILITY OF SERVICE	
<p>Service under this rate is available where energy requirement for (1) a complex of school buildings on a central campus, (2) an individual school building, or (3) an addition to an existing school building is served electrically by Kentucky Utilities Company; such energy requirement to include, but not be limited to, lighting, heating, cooling and water heating. Other school buildings not so receiving every energy requirement electrically shall be separately metered from the above defined service and served under another appropriate applicable rate. At those locations where the school owns its distribution system and makes the service connections therefrom to the various buildings and/or load centers, the Company shall be given the option of providing service by use of the existing Customer owned distribution system, or of constructing its own facilities in accordance with the Company's Overhead Construction Standards. In any event, the Company's investment in construction may be limited to an amount not exceeding twice the estimated annual revenue from the service so connected. If the Customer desires, he will be allowed to make a contribution for the remaining requirement, so as to receive service under this schedule.</p> <p>School buildings, as referred to herein, shall be defined as buildings used as classrooms, laboratories, gymnasiums, libraries, cafeterias, school related offices or for other bona fide school purposes by duly constituted school authorities of Kentucky. This Rate Schedule is not available to include buildings of privately operated kindergartens or day care centers and is restricted to those customers receiving service as of the effective date when this schedule is approved by the Public Service Commission.</p> <p>Other fuels may be used as incidental to and for instructional laboratory and other miscellaneous purposes without affecting the availability of this rate.</p>	
RATE	
All kilowatt-hours: \$0.05682 per kWh.	
Deleted: 0.05519	
ADJUSTMENT CLAUSES	
The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:	
<p>Fuel Adjustment Clause Environmental Cost Recovery Surcharge Franchise Fee Rider School Tax</p>	<p>Sheet No. 85 Sheet No. 87 Sheet No. 90 Sheet No. 91</p>

Date of Issue: February 9, 2009

Date Effective: February 6, 2009

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

Issued by Authority of an Order of the KPSC in Case Nos. 2007-00565 and 2008-00251 dated February 5, 2009

Kentucky Utilities Company

P.S.C. No. 14, Original Sheet No. 15

Standard Rate	PS Power Service	
APPLICABLE In all territory served		
AVAILABILITY OF SERVICE This rate schedule is available for 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 PSC 13, Fourth Revision of Original Sheet No. 20, Large Power Service, or Fourth Revision of Original Sheet No. 30, Mine Power Service, 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.		
RATE		
Customer Charge per month:	Secondary \$75.00	Primary \$75.00
Plus an Energy Charge per kWh of:	\$ 0.03386	\$ 0.03386
Plus a Maximum Load Charge per kW of:	\$ 7.65	\$ 7.26
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	
DETERMINATION OF MAXIMUM LOAD The load will be measured and will be the average kW demand delivered to the customer during the 15-minute period of maximum use during the month. Company reserves the right to place a kVA meter and base the billing demand on the measured kVA. The charge will be computed based on the measured kVA times 90 percent of the applicable kW charge. In lieu of placing a kVA meter, Company may adjust the measured maximum load for billing purposes when power factor is less than 90 percent in accordance with the following formula: (BASED ON POWER FACTOR MEASURED AT TIME OF MAXIMUM LOAD). $\text{Adjusted Maximum kW Load for Billing Purposes} = \frac{\text{Maximum Load Measured} \times 90\%}{\text{Power Factor (in percent)}}$		

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Kentucky Utilities Company

P.S.C. No. 14, Original Sheet No. 20

Standard Rate	TOD Time-of-Day Service	
APPLICABLE In all territory served		
AVAILABILITY OF SERVICE This schedule is available for secondary or primary service. Service under this schedule will be limited to minimum average loads of 250kW and maximum average loads not exceeding 5,000 kW. Customers initiating service on this rate whose load characteristics subsequently do not meet this criteria will be billed on the appropriate rate.		
RATE		
	<u>Secondary</u>	<u>Primary</u>
Customer Charge per month:	\$ 90.00	\$120.00
Plus an Energy Charge per kWh of:	\$ 0.03386	\$ 0.03386
Plus a Maximum Load Charge per kW of:		
On-Peak Demand.....	\$ 6.39	\$ 6.00
Off-Peak Demand.....	\$ 1.27	\$ 1.27
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
DETERMINATION OF MAXIMUM LOAD The load will be measured and will be the average kW demand delivered to the customer during the 15-minute period of maximum use during the appropriate rating period each month. Company reserves the right to place a kVA meter and base the billing demand on the measured kVA. The charge will be computed based on the measured kVA times 90 percent, at the applicable kW charge. In lieu of placing a kVA meter, Company may adjust the measured maximum load for billing purposes when power factor is less than 90 percent in accordance with the following formula: (BASED ON POWER FACTOR MEASURED AT TIME OF MAXIMUM LOAD) Adjusted Maximum kW Load for Billing Purposes = $\frac{\text{Maximum kW Load Measured} \times 90\%}{\text{Power Factor (in percent)}}$		

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Kentucky Utilities Company

P.S.C. No. 14, Original Sheet No. 21

Standard Rate	LTOD
Large Time-of-Day Service	
APPLICABLE	
In all territory served	
AVAILABILITY OF SERVICE	
This schedule is available for primary service. Service under this schedule will be limited to minimum average loads of 5,000kW 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.	
RATE	
Customer Charge per month:	\$120.00
Plus an Energy Charge per kWh of:	\$ 0.03386
Plus a Maximum Load Charge per kW of:	
On-Peak Demand	\$ 5.12
Off-Peak Demand	\$ 1.27
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
DETERMINATION OF MAXIMUM LOAD	
The load will be measured and will be the average kW demand delivered to the customer during the 15-minute period of maximum use during the appropriate rating period each month.	
Company reserves the right to place a kVA meter and base the billing demand on the measured kVA. The charge will be computed based on the measured kVA times 90 percent, at the applicable kW charge.	
In lieu of placing a kVA meter, Company may adjust the measured maximum load for billing purposes when power factor is less than 90 percent in accordance with the following formula: (BASED ON POWER FACTOR MEASURED AT TIME OF MAXIMUM LOAD)	
Adjusted Maximum kW Load for Billing Purposes = $\frac{\text{Maximum kW Load Measured} \times 90\%}{\text{Power Factor (in percent)}}$	

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Kentucky Utilities Company

P.S.C. No. 14, Original Sheet No. 25

Standard Rate	RTS
Retail Transmission Service	
APPLICABLE	
In all territory served.	
AVAILABILITY OF SERVICE	
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.	
RATE	
Customer Charge per month:	<u>Transmission</u> \$120.00
Plus an Energy Charge per kWh of:	\$ <u>0.03386</u>
Plus a Maximum Load Charge per kVA of:	
On-Peak Demand	\$ 4.39
Off-Peak Demand	\$ 1.13
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
DETERMINATION OF MAXIMUM LOAD	
The load will be measured and will be the average kVA demand delivered to the customer during the 15-minute period of maximum use during the appropriate rating period each month.	
RATING PERIODS	
The rating periods applicable to the Maximum Load charges shall be as follows:	
On-Peak Period during Summer Billing Months of June through September is defined as weekdays from 10:00 a.m. to 9:00 p.m., Eastern Standard Time, throughout Company's service area	
On-Peak Period during Winter Billing Months of October through May is defined as weekdays from 8:00 a.m. to 10:00 p.m., Eastern Standard Time, throughout Company's service area.	
Off-Peak Period – All hours Monday through Friday not included above, plus all hours of Saturday and Sunday.	

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Kentucky Utilities Company

P. S. C. No. 14, Original Sheet No. 30

Standard Rate	IS	
Industrial Service		
APPLICABLE		
In all territory served.		
AVAILABILITY OF SERVICE		
Available for three-phase delivery to customers up to an aggregate of two hundred (200) MVA for all customers taking service under this schedule and under the Industrial Service Rate IS schedule of Louisville Gas and Electric Company. This schedule is restricted to individual customers whose monthly demand is twenty (20) MVA or greater. A customer is defined as large industrial time-of-day if that customer's load either increases or decreases twenty (20) MVA or more per minute or seventy (70) MVA or more in ten (10) minutes when such increases or decreases exceed one (1) occurrence per hour during any hour of the billing month.		
Subject to the above aggregate limit of two hundred (200) MVA, this schedule is mandatory for all customers whose load is defined as large industrial time-of-day and not served on another standard rate schedule as of July 1, 2004.		
BASE RATE		
Customer Charge:	\$120.00 per month	
Energy Charge of:	<u>Primary</u>	<u>Transmission</u>
Per monthly billing period	\$0.03386 per kWh	\$0.02930 per kWh
Plus a Demand Charge of:		
Per monthly billing period		
Standard Load Charges:		
On-Peak	\$4.79 per kVA	\$4.58 per kVA
Off-Peak	\$0.93 per kVA	\$0.93 per kVA
Where the monthly Standard On-Peak billing and Off-Peak billing are the greater of the applicable charge per kVA times:		
a) the maximum metered standard demand, as measured over a fifteen (15) minute interval, for each peak period in the monthly billing period;		
b) 60% of the maximum metered standard demand, as determined in (a) above, for each peak period in the preceding eleven (11) monthly billing periods;		
c) 60% of the contract capacity based on the expected maximum demand upon the system; or		
d) minimum may be adjusted where customer's service requires an abnormal investment in special facilities.		
Plus Fluctuating Load Charges:		
On-Peak	\$2.29 per kVA	\$2.20 per kVA
Off-Peak	\$0.37 per kVA	\$0.37 per kVA

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Kentucky Utilities Company

P.S.C. No. 14, Original Sheet No. 35

Standard Rate	ST. LT. Street Lighting Service	
AVAILABILITY OF SERVICE		
<p>This rate schedule is available, for the various types of street lighting services shown herein, in any community in which the Company has an electric franchise. Service is subject to the provisions herein and the provisions of the Company's standard contract for street lighting service. Should the service not meet these standard provisions, then the Company reserves the right to revise the charges listed hereinafter so as to include any additional or unusual cost involved.</p>		
STANDARD/ORNAMENTAL SERVICE		
<p>1. STANDARD OVERHEAD SYSTEM: Street lighting equipment furnished under the Standard Overhead Rate shall consist of wood poles, brackets, appropriate fixtures for the lamps being used, the necessary overhead street lighting circuit, protective equipment, controls and transformers. The Company will install, own, operate and maintain the entire street lighting system, including circuits, lighting fixtures and lamp replacements. The Customer shall pay the Standard Overhead Rate.</p>		
<p>2. ORNAMENTAL OVERHEAD SYSTEM: The Company will, upon request, furnish under the Ornamental Overhead Rate, ornamental poles of the Company's choosing, together with overhead wiring and all other equipment and provisions mentioned in 2 above. The Customer will pay the Ornamental Overhead Rate.</p>		
<p>3. OTHER THAN CONVENTIONAL OVERHEAD SYSTEMS: Should the Customer require, either initially or upon replacement, a system or equipment other than that described in 2 or 3 above for lamp sizes as provided herein, (this constituting a conventional overhead system) the Customer may make a non-refundable contribution to the Company equal to the difference in the installed cost between the system or equipment so required and the cost of a conventional overhead system as hereinbefore defined. In a similar manner the Customer will pay the difference in the cost of operation and maintaining such a system or equipment and the cost of operation and maintaining a conventional Overhead System. Any installation costs which are to be borne by the Customer, should be paid at the time of installation.</p>		
RATE		
	<u>LOAD/LIGHT</u>	<u>RATE PER LIGHT PER MONTH</u>
		<u>STANDARD</u> <u>ORNAMENTAL</u>
*INCANDESCENT		
1,000 Lumens (approximately)	102 kW/Light	\$ 2.80 \$ 3.45
2,500 " "	201 kW/Light	3.72 4.55
4,000 " "	327 kW/Light	5.50 6.47
6,000 " "	447 kW/Light	7.37 8.45
*MERCURY VAPOR		
7,000 Lumens (approximately)	207 kW/Light	\$ 7.77 \$10.11
10,000 " "	294 kW/Light	9.20 11.28
20,000 " "	453 kW/Light	11.28 12.94
HIGH PRESSURE SODIUM		
4,000 Lumens (approximately)	060 kW/Light	\$ 5.44 \$ 8.16
5,800 " "	083 kW/Light	6.00 8.71
9,500 " "	117 kW/Light	6.84 9.74
22,000 " "	242 kW/Light	10.40 13.30
50,000 " "	485 kW/Light	17.18 20.07
<p>NOTE: * Incandescent is restricted to those fixtures in service on October 12, 1982. Mercury Vapor is restricted to those fixtures in service on February 1, 2004. Upon failure, existing fixtures will either be removed from service or replaced with available lighting at the customer's option.</p>		

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Kentucky Utilities Company

P.S.C. No. 14, Original Sheet No. 35.1

Standard Rate	ST. LT.		
	Street Lighting Service		
DECORATIVE UNDERGROUND SERVICE			
<p>1. FURNISHED EQUIPMENT: Street lighting equipment furnished hereunder shall consist of appropriate size decorative poles and fixtures for the lamps being used, the necessary underground conductor, protective equipment, controls and transformers. The Company will install, own, operate and maintain the entire street lighting system, including conductor, decorative poles, fixtures and lamp replacements. The Customer shall pay the rate as shown plus, at the time of installation, pay to the Company the amount to cover the additional cost of underground over the equivalent overhead street lighting circuitry.</p> <p>2. STORAGE PROVISION FOR GRAN VILLE LIGHT AND ACCESSORIES: If the Company provides storage for the fixture, poles and/or the accessories, an adder of 12.50% will apply to the monthly rate per light.</p>			
RATE	HIGH PRESSURE SODIUM (HPS)		
Type Of Pole & Fixture	Lumen Output (Approximate)	Load/Light In kW	Monthly Rate Per Light
Acorn (Decorative Pole)	4,000	0.060	\$10.75
Acorn (Historic Pole)	4,000	0.060	\$17.16
Acorn (Decorative Pole)	5,800	0.083	\$11.71
Acorn (Historic Pole)	5,800	0.083	\$17.83
Acorn (Decorative Pole)	9,500	0.117	\$12.54
Acorn (Historic Pole)	9,500	0.117	\$18.67
Colonial	4,000	0.060	\$ 7.36
Colonial	5,800	0.083	\$ 7.94
Colonial	9,500	0.117	\$ 8.69
Coach	5,800	0.083	\$26.44
Coach	9,500	0.117	\$27.17
Contemporary	5,800	0.083	\$13.43
Contemporary	9,500	0.117	\$16.06
Contemporary	22,000	0.242	\$19.09
Contemporary	50,000	0.485	\$25.45
Gran Ville	16,000	0.150	\$40.27
Gran Ville Accessories:			
* Single Crossarm Bracket			\$16.13
Twin Crossarm Bracket			\$17.96
24 Inch Banner Arm			\$ 2.80
24 Inch Clamp Banner Arm			\$ 3.87
18 Inch Banner Arm			\$ 2.58
18 Inch Clamp On Banner Arm			\$ 3.19
Flagpole Holder			\$ 1.19
Post-Mounted Receptacle			\$16.75
Base-Mounted Receptacle			\$16.16
** Additional Receptacles			\$ 2.29
Planter			\$ 3.88
Clamp On Planter			\$ 4.31
* For Existing Poles Only			
** For 2 Receptacles on Same Pole			

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Kentucky Utilities Company

P.S.C. No. 14, Original Sheet No. 36

Standard Rate	P.O. LT.		
Private Outdoor Lighting			
APPLICABLE			
In all territory served.			
AVAILABILITY OF SERVICE			
Service under this schedule is offered, under the conditions set out hereinafter, for lighting applications on private property such as, but not limited to, residential, commercial and industrial plant site or parking lot, other commercial area lighting, etc. to Customers now receiving electric service from the Company at the same location. Service will be provided under written contract signed by Customer prior to service commencing, when facilities are required other than fixture(s).			
RATE			
STANDARD (SERVED OVERHEAD)			
TYPE LIGHT	APPROX. LUMENS	kW RATING	MONTHLY CHARGE
Open Bottom Mercury Vapor	7,000**	207	\$ 8.79
Cobra Mercury Vapor	20,000**	453	\$11.28
Open Bottom High Pressure Sodium	5,800	.083	\$ 4.87
Open Bottom High Pressure Sodium	9,500	.117	\$ 5.63
Cobra High Pressure Sodium	22,000	.242	\$10.40
Cobra High Pressure Sodium	50,000	.485	\$17.18
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DIRECTIONAL (SERVED OVERHEAD)			
TYPE LIGHT	APPROX. LUMENS	kW RATING	MONTHLY CHARGE
Directional High Pressure Sodium	9,500	.117	\$ 6.70
Directional High Pressure Sodium	22,000	.242	\$ 9.83
Directional High Pressure Sodium	50,000	.485	\$15.46
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The Company will furnish a complete standard or directional fixture with appropriate mast arm on existing poles with available secondary voltage of 120/240.			
Where the location of existing poles are not suitable or where there are no existing poles for mounting of lights, and the Customer requests service under these conditions, the Company may furnish the required facilities at an additional charge per month to be determined by the Company. These additional charges are subject to change by Company upon thirty (30) days prior written notice.			

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Kentucky Utilities Company

P.S.C. No. 14, Original Sheet No. 36.1

Standard Rate	P.O. LT.		
Private Outdoor Lighting			
All facilities required by Company will be standard stocked material. When underground facilities are requested and the Company agrees to underground service, the Customer will be responsible for ditching and back-filling and seeding and/or repaving as necessary, and provide, own and maintain all conduit.			
METAL HALIDE COMMERCIAL AND INDUSTRIAL LIGHTING			
TYPE POLE AND FIXTURE	APPROX. LUMENS	kW RATING	MONTHLY CHARGE
Directional Fixture Only	12,000	0.207	\$10.05
Directional Fixture With Wood Pole	12,000	0.207	\$12.08
Directional Fixture With Direct Burial Metal Pole	12,000	0.207	\$18.72
Directional Fixture Only	32,000	0.450	\$14.63
Directional Fixture With Wood Pole	32,000	0.450	\$16.67
Directional Fixture With Metal Pole	32,000	0.450	\$23.30
Directional Fixture Only	107,800	1.080	\$30.89
Directional Fixture With Wood Pole	107,800	1.080	\$33.72
Directional Fixture With Metal Pole	107,800	1.080	\$39.56
Contemporary Fixture Only	12,000	0.207	\$11.18
Contemporary Fixture With Direct Burial Metal Pole	12,000	0.207	\$19.87
Contemporary Fixture Only	32,000	0.450	\$16.22
Contemporary Fixture With Metal Pole	32,000	0.450	\$24.89
Contemporary Fixture Only	107,800	1.080	\$33.52
Contemporary Fixture With Metal Pole	107,800	1.080	\$42.20

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Kentucky Utilities Company

P.S.C. No. 14, Original Sheet No. 36.2

Standard Rate	P.O. LT. Private Outdoor Lighting		
<p>Company, where secondary voltage of 120/240 is available, will furnish, own, and maintain poles, fixtures and any necessary circuitry up to 100 feet. All poles and fixtures furnished by Company will be standard stocked materials. Where Customer's location would require the installation of additional facilities, Company may furnish, own, and maintain the requested facilities at an additional charge per month to be determined by Company. Such charges are subject to change by Company upon 30 days prior written notice.</p> <p>Customer is to pay the monthly rate plus any additional charge determined above plus provide all ditching, back-filling, and repaving/seeding/sodding as necessary and provide, own, and maintain all conduit. Company may, at Customer's request, provide all ditching, back-filling, and repaving/seeding/sodding as necessary for payment, in advance, of Company's cost to provide those services. Upon termination of service, the Company shall not be required to remove underground facilities.</p> <p>Where Customer has need for non-stocked styles of poles or fixtures, Company may agree to provide the requested styles for payment, in advance, by Customer of the cost difference between the requested styles and the stock materials. Customer accepts that Company's maintenance of non-stock materials is dependent on outside vendors and that maintenance of non-stock styles may be delayed or materials unavailable.</p>			
DECORATIVE HPS (SERVED UNDERGROUND)			
TYPE POLE AND FIXTURE	APPROX. LUMENS	kW RATING	MONTHLY CHARGE
Acorn Decorative	4,000	0.060	\$11.04
Acorn Historic	4,000	0.060	\$17.16
Acorn Decorative	5,800	0.083	\$11.71
Acorn Historic	5,800	0.083	\$17.73
Acorn Decorative	9,500	0.117	\$12.56
Acorn Historic	9,500	0.117	\$18.67
Colonial	4,000	0.060	\$ 7.36
Colonial	5,800	0.083	\$ 7.94
Colonial	9,500	0.117	\$ 8.69
Coach	5,800	0.083	\$26.43
Coach	9,500	0.117	\$27.17
Contemporary	5,800	0.083	\$13.43
Contemporary	9,500	0.117	\$16.06
Contemporary	22,000 *	0.242	\$19.09
Contemporary	50,000 *	0.485	\$25.45
Gran Ville	16,000	0.150	\$40.27

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Kentucky Utilities Company

P.S.C. No. 14, Original Sheet No. 37

Standard Rate	LE								
Lighting Energy Service									
<p>APPLICABLE In all territory served.</p>									
<p>AVAILABILITY OF SERVICE 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.</p>									
<p>RATE \$0.04902 per kWh</p>									
<div style="border: 1px solid black; padding: 2px;">Deleted: 0.04739</div>									
<p>ADJUSTMENT CLAUSES 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="text-align: right;">Sheet No. 85</td> </tr> <tr> <td>Environmental Cost Recovery Surcharge</td> <td style="text-align: right;">Sheet No. 87</td> </tr> <tr> <td>Franchise Fee Rider</td> <td style="text-align: right;">Sheet No. 90</td> </tr> <tr> <td>School Tax</td> <td style="text-align: right;">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>DUE DATE OF BILL Customer's payment will be due within twelve (12) days from date of bill.</p>									
<p>CONDITIONS OF DELIVERY</p> <p>a) 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.</p> <p>b) 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.</p>									
<p>TERMS AND CONDITIONS Service will be furnished under Company's Terms and Conditions applicable hereto.</p>									

Date of Issue: February 9, 2009

Date Effective: February 6, 2009

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

Issued by Authority of an Order of the KPSC in Case Nos. 2007-00565 and 2008-00251 dated February 5, 2009

Standard Rate	TE								
Traffic Energy Service									
<p>APPLICABLE <i>In all territory served.</i></p>									
<p>AVAILABILITY OF SERVICE 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>RATE Customer Charge: \$2.80 per delivery per month</p> <p>Plus an Energy Charge of: \$0.05958 per kWh</p>									
<p>ADJUSTMENT CLAUSES 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="text-align: right;">Sheet No. 85</td> </tr> <tr> <td>Environmental Cost Recovery Surcharge</td> <td style="text-align: right;">Sheet No. 87</td> </tr> <tr> <td>Franchise Fee Rider</td> <td style="text-align: right;">Sheet No. 90</td> </tr> <tr> <td>School Tax</td> <td style="text-align: right;">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>MINIMUM CHARGE The Customer Charge.</p>									
<p>DUE DATE OF BILL Customer's payment will be due within twelve (12) days from date of bill.</p>									
<p>CONDITIONS OF SERVICE</p> <ol style="list-style-type: none"> 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. 2. The location of each point of delivery of energy supplied hereunder shall be mutually agreed upon by Company and the customer. 3. Traffic lights not operated on an all-day every-day basis will be served under General Service Rate GS. 									
<p>TERMS AND CONDITIONS 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, Lexington, Kentucky

Kentucky Utilities Company

P.S.C. No. 14, Original Sheet No. 85

Adjustment Clause	FAC
Fuel Adjustment Clause	
<p>APPLICABLE In all territory served.</p>	
<p>AVAILABILITY OF SERVICE This schedule is mandatory to all electric rate schedules.</p>	
<p>(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:</p> $\text{Adjustment Factor} = \frac{F(m)}{S(m)} - \frac{F(b)}{S(b)}$ <p>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.</p>	
<p>(2) Fuel costs (F) shall be the most recent actual monthly cost of:</p> <ul style="list-style-type: none"> (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. 	
<p>(3) Forced outages are all non-schedules 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.</p>	

Date of Issue: February 9, 2009

Date Effective: February 6, 2009

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

Issued by Authority of an Order of the KPSC in Case Nos. 2007-00565 and 2008-00251 dated February 5, 2009

Kentucky Utilities Company

P.S.C. No. 14, 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 \$0.02754 per kWh.</p> <p>(7) Current (m) period shall be the second month preceding the month in which the Fuel Clause Adjustment Factor is billed.</p> <p>(8) Pursuant to the Public Service Commission's Order in Case No. 2006-00509 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>	

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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, Lexington, Kentucky

Issued By Authority of an Order of the KPSC in Case No. 2006-00509 dated October 31, 2007

KENTUCKY UTILITIES COMPANY

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

Case No. 2008-00520

Question No. 18

Witness: Mike Dotson

Q-18. a. State whether KU 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 KU's prices compare with those of the other utilities for the review period. Include all prices used in the comparison.

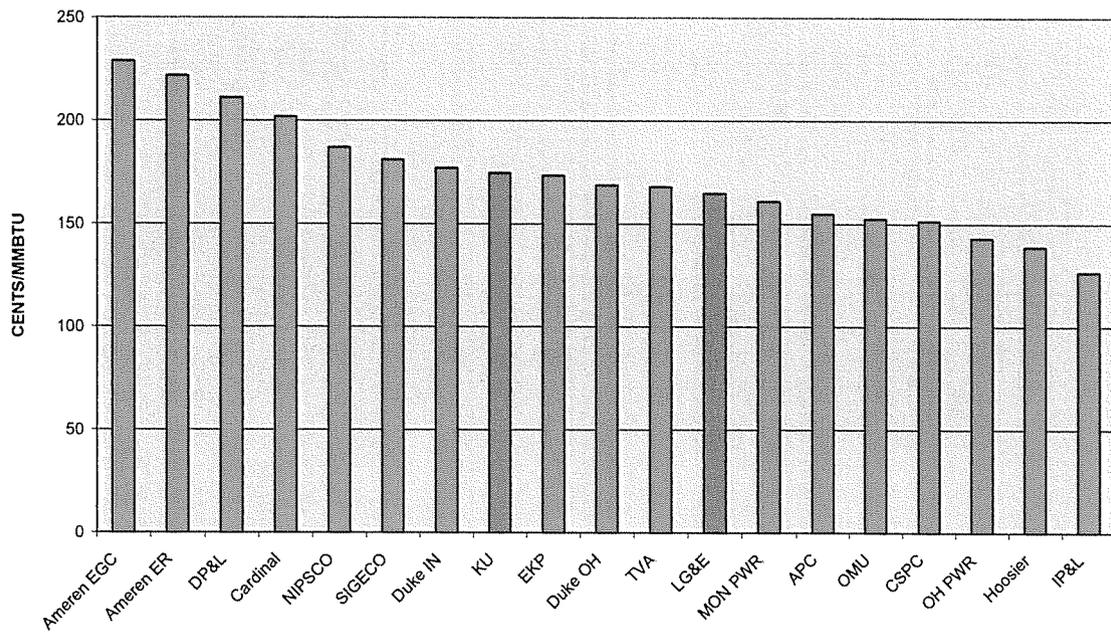
A-18. a. Yes.

b. KU 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 two price comparisons are made. The first chart shows the comparison for coal greater than 5.0 lbs. SO₂ content, which are in line with KU's scrubbed units. The second chart shows the comparison for coal less than 5.0 lbs SO₂, which would be in line with KU's non-scrubbed units, Ghent Unit 2 compliance, Tyrone Station for NYMEX coal, Brown Station for low sulfur coal, and Green River Station for mid-sulfur coal.

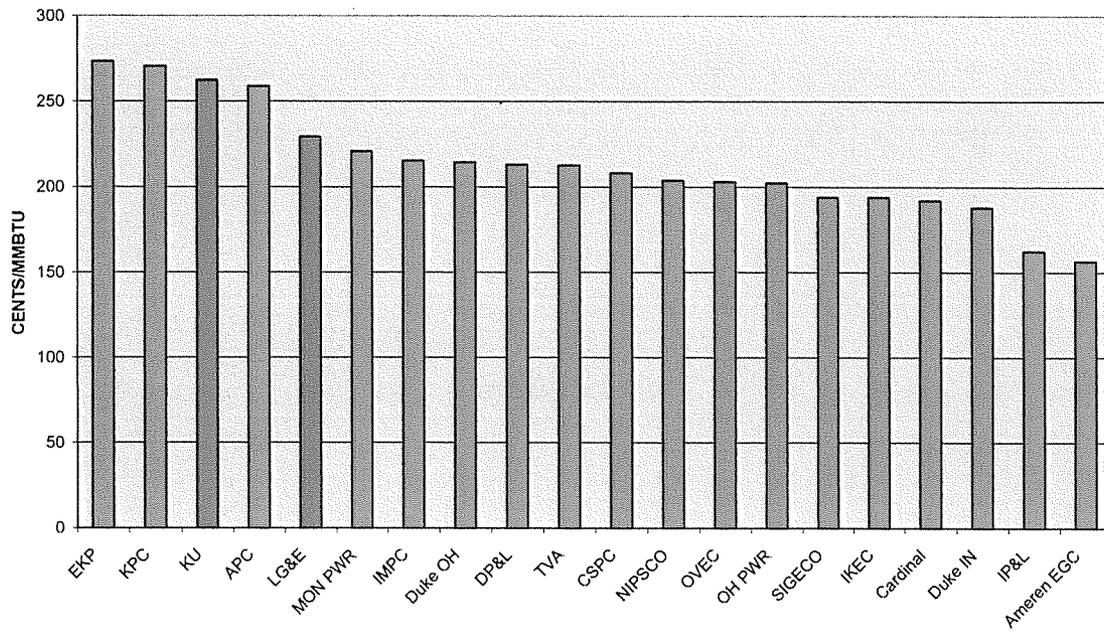
Utilities in Comparison List

UTILITY	ABBREVIATED	PLANT LOCATIONS
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)



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



KENTUCKY UTILITIES COMPANY

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

Case No. 2008-00520

Question No. 19

Witness: Mike Dotson

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

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

A-19.

- a. Rail - 20%
- b. Truck - 10%
- c. Barge - 70%

KENTUCKY UTILITIES COMPANY

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

Case No. 2008-00520

Question No. 20

Witness: Mike Dotson

- Q-20. a. State KU's coal inventory level in tons and in number of days' supply as of November 1, 2008. Provide this information by plant and in the aggregate.
- b. Describe the criteria used to determine the number of days' supply.
- c. Compare KU'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 KU expect any significant changes in its current coal inventory target within the next 12 months?
- (2) If yes, state the expected change and the reasons for this change.
- A-20. a. As of November 1, 2008; 983,839 Tons; 45 Days
- b. Days Burn = $\frac{\text{Current inventory tons}}{\text{Preceding 12 months burn (tons)}} \times 365 \text{ Days}$
- c. Target 45 - 50 Days
- d. The actual coal inventory does not exceed the inventory target by 10 days.
- e. (1) No
- (2) Not Applicable

KENTUCKY UTILITIES COMPANY

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

Case No. 2008-00520

Question No. 21

Witness: Mike Dotson

Q-21. a. Has KU 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 KU took as a result of the audit.

A-21. a. No. KU has not conducted any financial audits of coal companies. KU's current coal contracts are fixed price. In the case of coal delivered by truck, a portion of the base contract price is adjusted using government published indices to reflect the changes in the cost of diesel fuel. These agreements thus do not require audits. KU's Manager Fuels Technical Services and Mining Engineer do conduct scheduled on-site reviews and inspections of the mining operations and sampling systems of each vendor up to twice a year and may conduct unscheduled visits. Additionally, KU employees may visit a vendor as needed to address problems and issues at any time

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 KU 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 KUF-02860 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 KU is currently in litigation on this contract.

Coalsales, LLC in accordance with the provisions of Section of 8.4 New Imposition of Agreement KUF05021 requested a price increase of \$0.43 per ton for the period March – December 2006. Weir is reviewing the claim.

Coalsales, LLC in accordance with the provisions of Section of 8.4 New Imposition of Agreement KUF06118 requested a price increase of \$1.15 per ton for calendar year 2007. Weir is reviewing the claim.

Infinity Coal Sales in accordance with the provisions of Section of 8.4 New Imposition of Agreement KUF06105 requested a price increase of \$1.10 per ton for calendar year 2008. Weir is reviewing the claim.

Alpha Natural Resources in accordance with the provisions of Section 8.4 New Impositions of Agreements K07002 and KUF05013 and Section 8.5 New Impositions of Agreement K06001. Claims for the period February 8, 2006 thru June 30, 2008. Weir is reviewing the claim.

Hopkins County in accordance with the provisions of Section 21 Governmental Impositions of Agreement K07015 has requested a price increase of \$0.39 per ton for 2007. Weir is reviewing the claim.

Perry County Coal Corporation in accordance with the provisions of Section 8.5 New Impositions of Agreement KUF06108 has requested a price increase of \$0.79 per ton effective January 1, 2008. Weir is reviewing the claim.

Perry County Coal Corporation in accordance with the provisions of Section 8.4 New Impositions of Agreement KUF06125 has requested a price increase of \$1.13 per ton effective January 1, 2008. 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.

KENTUCKY UTILITIES COMPANY

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

Case No. 2008-00520

Question No. 22

Witness: Robert M. Conroy

Q-22. a. Has KU received any complaints regarding its fuel adjustment clause during the period from May 1, 2008 to October 31, 2008?

b. If yes, for each complaint, state:

(1) The nature of the complaint; and,

(2) KU's response.

A-22. a. No.

b. Not applicable.

KENTUCKY UTILITIES COMPANY

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

Case No. 2008-00520

Question No. 23

Witness: Mike Dotson

Q-23. Is KU currently involved in any litigation with its current or former coal suppliers?

b. If yes, for each litigation:

- (1) Identify the coal supplier;
- (2) Identify the coal contract involved;
- (3) State the potential liability or recovery to KU;
- (4) List the issues presented; and
- (5) Provide a copy of the complaint or other legal pleading that initiated the litigation and KU's response, if not previously filed with the Commission.

c. State the current status of all litigation with coal suppliers.

A-23. a. Yes

Coal Purchase Order KUF-03975

- b. (1) Cook & Sons Mining.
- (2) Coal Purchase Order KUF-03975 dated October 2, 2003, entered into post bankruptcy petition.
- (3) KU seeks to recover cover damages sustained by KU arising from the non-delivery of 27,699 tons of coal.

- (4) KU claimed that the Debtor failed to make delivery of 27,699 tons of coal provided by the Purchase Order and thereby breached the Purchase Order.
 - (5) A copy of the Amended Application for Allowance and Payment of Administrative Expenses filed in the United States Bankruptcy Court in the Eastern District of Kentucky was filed with the Commission as part of the hearing in Case No. 2004-00213.
- c. An Agreed Order issued by United States Bankruptcy Court in the Eastern District of Kentucky was filed with the Commission as part of the hearing in Case No. 2004-00213.

May 16, 2008 KU received check no. 1249 for \$85,874.17 for final distribution – administrative expense. The amount was credited against coal purchase expense for the E. W. Brown Station.

November 19, 2008 KU received check no. 1306 for \$10,942.27 for supplemental distribution. The amount was credited against coal purchases expense for the E. W. Brown Station. This case is now closed.

Coal Supply Agreement KUF-06145

- b. (1) Bronco Hazelton Company
- (2) Coal Supply Agreement KUF-06145 dated August 8, 2003, filed for Chapter 11 bankruptcy on May 22, 2006. KU filed a Proof of Claims on January 16 and 17, 2007.
 - (3) KU seeks to recover cover damages sustained by KU arising from the non-delivery of 445,910 tons of coal.
 - (4) KU claimed that the Debtor failed to make delivery of 445,910 tons of coal provided by the Coal Supply Agreement and thereby breached the Coal Supply Agreement.
 - (5) Bronco Hazelton Company's voluntary petition for Chapter 11 bankruptcy filed in the United States Bankruptcy Court in the Southern District of Indiana was filed with the Commission as part of the hearing in Case No. 2006 - 00509.

- c. On May 22, 2006, the United States Bankruptcy Court in the Southern District of Indiana entered an order granting motion to reject the coal supply agreement from Chapter 11 protection and preserving KU rights and claims related to the coal supply agreement. A copy of the order was filed with the Commission as part of the record in Case No. 2006-00509. This case is ongoing.

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 KUF-02860 dated as of January 1, 2002, as amended.
- (3) KU seeks to recover cover damages sustained by KU 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 KU to offset KU’s claim for damages.
- (4) Plaintiffs claim the force majeure provision should be interpreted in such a way that KU is not entitled to any more deliveries of coal pursuant to the Agreement. KU 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, Kentucky, Civil Action No. 08-CI-00334 is attached. Also attached is a copy of the Answer and Counterclaim filed by KU.
- c. This case is in the discovery phase and is ongoing.

ROC-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

KENTUCKY UTILITIES COMPANY,
C/O C. T. CORPORATION SYSTEMS
4169 WESTPORT RD.
LOUISVILLE KY 40207

On behalf of 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: Ky Utilities Company, C/O CT Corp Systems, 4169 Westport Rd, Louisville, Ky 40207 by certified mail # 8035

Not Served because:

Date: 10/20, 2008

Joyce C. Brown
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.

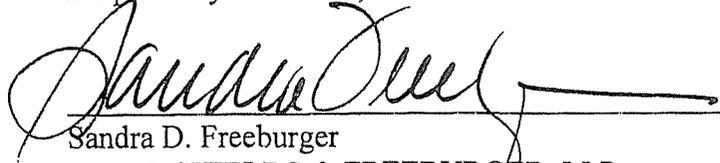
WHEREFORE, the Plaintiffs pray for the following relief:

- (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;

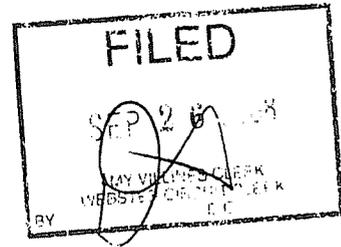
- (e) for judgment that the Coal Supply Agreement is terminated and that the Plaintiffs have no liability thereunder;
- (f) for the Plaintiffs' costs of prosecuting this action, including a reasonable attorneys' fee; and
- (e) such other relief as this Court deems just.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Sandra D. Freeburger", is 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 08-CF-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

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:

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 affected by the force majeure event, and to allocate their coal supplies on a pro rata basis which considers the total contractual commitments (computed over the terms of the existing contracts) with the Defendant 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 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 terminated 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 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.

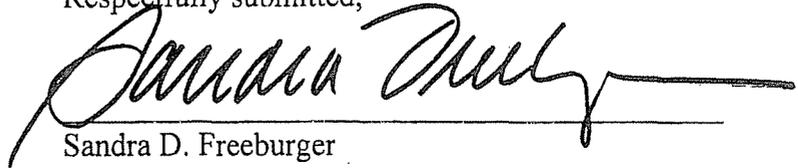
23. Failure of the Defendants to act in good faith regarding this request for reimbursement has excused the performance by the Plaintiffs under the Coal Supply Contract.

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;

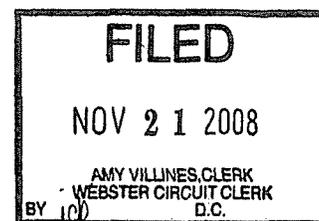
- (f) for the Plaintiffs' costs of prosecuting this action, including a reasonable attorneys' fee; and
- (e) such other relief as this Court deems just.

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.

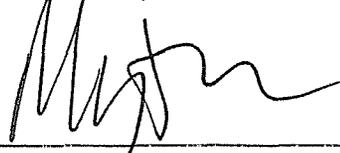
58. Defendants are entitled to specific performance of the Coal Supply Agreement.

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,



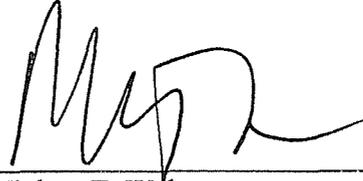
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*Counsel for Louisville Gas and Electric
Company and Kentucky Utilities Company*

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 19th day of November, 2008:

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



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

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KENTUCKY UTILITIES COMPANY

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

Case No. 2008-00520

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. 2008-00285, a review of KU's FAC for the period of 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 or Spot
Quantities: No minimum or maximum specified
Quality: Suitable for LG&E power plants, KU's Ghent power plant and KU's E. W. Brown power plant (beginning mid-year 2009)
Period: Up to 10 years
Generating Units: All LG&E coal fired units, KU's Ghent power plant and KU's E. W. Brown power plant (beginning mid-year 2009)
- b. Number of vendors receiving bids: 169
Number of vendors responded: 19

Selected vendor(s): 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 or Confidential Protection.

KENTUCKY UTILITIES COMPANY

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

Case No. 2008-00520

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@) for which the coal was intended.
- b. For each solicitation, identify all vendors solicited and the vendor selected. Provide the bid tabulation sheet or other document that ranks the proposals. (This document shall identify all vendors who made offers.) State the reasons for each selection.

A-25. a. None.

- b. Not applicable

KENTUCKY UTILITIES COMPANY

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

Case No. 2008-00520

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. Please see the attached sheet.

<u>VENDOR</u>	<u>PURCHASE TONNAGE</u>	<u>PURCHASE TYPE</u>
Alpha Coal	197,940	Contract
Arch Coal	81,666	Spot
Arch Coal	155,342	Contract
Armstrong Coal	53,623	Spot
Armstrong Coal	50,473	Contract
Black Beauty Coal	82,585	Contract
Charolais	187,594	Contract
Coal Network	210,675	Spot
Coalsales	22,057	Contract
Coaltrade LLC	14,932	Spot
Consol	806,953	Contract
Duke Energy Ohio	39,989	Spot
Emerald Internat'l	81,771	Contract
Hopkins County Coal	83,676	Contract
ICG	70,926	Spot
ICG	149,064	Contract
Infinity Coal	200,422	Contract
Little Elk	433,239	Contract
Massey Coal	48,060	Spot
Nally & Hamilton	203,776	Contract
Patriot Coal	254,480	Contract
Peabody CoalSales	91,915	Contract
Peabody CoalTrade	48,673	Spot
Perry County	192,291	Contract
Producers Dock	39,806	Spot
Rhino Energy	26,790	Contract
Sands Hill	61,340	Contract
Smoky Mountain / Qual C	113,952	Contract
Southern App. Coal	99	Spot
Southern App. Fuel	58,143	Contract
Sturgeon Mining	8,212	Spot
The American Coal Co.	118,047	Contract
The American Coal Co.	16,781	Spot
	<u>4,205,292</u>	

KENTUCKY UTILITIES COMPANY

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

Case No. 2008-00520

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)
E. W. Brown	881,423	904,286	2,031,642	66.0%
Ghent 1, 3, 4	2,235,954	2,332,760	4,797,134	75.0%
Ghent 2	603,686	642,006	1,413,763	66.1%
Green River	220,546	243,997	449,608	62.5%
Tyrone (Coal Unit Only)	75,425	82,242	152,096	48.5%

KENTUCKY UTILITIES COMPANY

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

Case No. 2008-00520

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 KU's written policies and procedures regarding its fuel procurement?
- b. If yes,
- (1) What were these changes?
 - (2) When were these changes made?
 - (3) Why were they made?
 - (4) Provide these written policies and procedures as changed.
- c. If no, provide the date when KU's current fuel procurement policies and procedures were last changed and when they were last provided to the Commission.
- A-28. a. No change 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
Effective Date 1/01/09

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.

FUEL PROCUREMENT POLICIES AND PROCEDURES
Louisville Gas and Electric Company
Kentucky Utilities Company
Effective Date 1/01/09

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,

FUEL PROCUREMENT POLICIES AND PROCEDURES
Louisville Gas and Electric Company
Kentucky Utilities Company
Effective Date 1/01/09

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

FUEL PROCUREMENT POLICIES AND PROCEDURES
Louisville Gas and Electric Company
Kentucky Utilities Company
Effective Date 1/01/09

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.

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
Louisville Gas and Electric Company
Kentucky Utilities Company
Effective Date 1/01/08

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)

FUEL PROCUREMENT POLICIES AND PROCEDURES
Louisville Gas and Electric Company
Kentucky Utilities Company
Effective Date 1/01/09

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.

FUEL PROCUREMENT POLICIES AND PROCEDURES
Louisville Gas and Electric Company
Kentucky Utilities Company
Effective Date 1/01/09

- e 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

FUEL PROCUREMENT POLICIES AND PROCEDURES
Louisville Gas and Electric Company
Kentucky Utilities Company
Effective Date 1/01/09

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.

FUEL PROCUREMENT POLICIES AND PROCEDURES
Louisville Gas and Electric Company
Kentucky Utilities Company
Effective Date 1/01/09

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.

FUEL PROCUREMENT POLICIES AND PROCEDURES
Louisville Gas and Electric Company
Kentucky Utilities Company
Effective Date 1/01/09

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:

FUEL PROCUREMENT POLICIES AND PROCEDURES
Louisville Gas and Electric Company
Kentucky Utilities Company
Effective Date 1/01/09

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

FUEL PROCUREMENT POLICIES AND PROCEDURES
Louisville Gas and Electric Company
Kentucky Utilities Company
Effective Date 1/01/09

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.

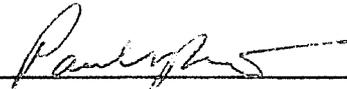
Originally issued at Louisville, Kentucky, the 10th day of February, 2003.

FUEL PROCUREMENT POLICIES AND PROCEDURES
Louisville Gas and Electric Company
Kentucky Utilities Company
Effective Date 1/01/09

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

KENTUCKY UTILITIES COMPANY

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

Case No. 2008-00520

Question No. 29

Witness: Mike Dotson

- Q-29. a. Is KU 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 KU took upon discovering the violation.
 - (3) Identify the person(s) who committed the violation.
- A-29. a. No.
- b. Not applicable.

KENTUCKY UTILITIES COMPANY

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

Case No. 2008-00520

Question No. 30

Witness: Mike Dotson

Q-30. Identify all changes in the organizational structure and personnel of the departments or divisions that are responsible for KU's fuel procurement activities that occurred during the period from May 1, 2008 to October 31, 2008.

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

KENTUCKY UTILITIES COMPANY

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

Case No. 2008-00520

Question No. 31

Witness: Frederick D. Jackson

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

KENTUCKY UTILITIES COMPANY

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

Case No. 2008-00520

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 KU used a third party's transmission system.
- b. For each sale listed above:
- (1) Describe how KU addressed, for fuel adjustment clause reporting purposes, the cost of fuel expended to cover any line losses incurred to transmit its power across the third party's transmission system; 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 the 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
	Cobb Total	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

Attachment to Response to Question No. 32
Page 3 of 3
Conroy

<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
	Southern Company Total	1801	58,540	
	Grand Total	1894	61,460	

KENTUCKY UTILITIES COMPANY

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

Case No. 2008-00520

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 KU's determination of intersystem sales line losses.

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

KENTUCKY UTILITIES COMPANY

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

Case No. 2008-00520

Question No. 34

Witness: Robert M. Conroy

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

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

COMMONWEALTH OF KENTUCKY

RECEIVED

BEFORE THE PUBLIC SERVICE COMMISSION

FEB 11 2009

In the Matter of:

PUBLIC SERVICE
COMMISSION

AN EXAMINATION OF THE APPLICATION)
OF THE FUEL ADJUSTMENT CLAUSE OF)
KENTUCKY UTILITIES COMPANY FROM)
NOVEMBER 1, 2006 THROUGH)
OCTOBER 31, 2008)

CASE NO. 2008-00520

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

Kentucky Utilities Company (“KU”), pursuant to 807 KAR 5:001, Section 7, respectfully moves the Commission to classify as confidential and protect from public disclosure certain information provided by KU in response to Question Nos. 6, 9, and 24 of the Commission’s data requests, as contained in Appendix B of the Commission’s Order dated January 23, 2009. The information for which KU requests confidential treatment (“Confidential Information”) pertains to forecasted sales revenues (No. 6), planned maintenance schedules (No. 9), and bid analysis information (No. 24). In support of this Motion, KU notes that the Commission treated all this same information as confidential in KU’s two most recent two-year fuel adjustment clause review proceedings. (See Letter from Executive Director Beth O’Donnell re KU Petition for Confidential Protection, Case No. 2006-00509 (Jan. 26, 2007), and Letter from Executive Director Beth O’Donnell re KU Petition for Confidential Protection, Case No. 2004-00465 (Feb. 10, 2005), collectively attached hereto as Attachment 1.)

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

1. Under the Kentucky Open Records Act, the Commission is entitled to withhold from public disclosure information confidentially disclosed to it to the extent that open disclosure would permit an unfair commercial advantage to competitors of the entity disclosing

the information to the Commission. *See* KRS 61.878(1)(c). Public disclosure of the information identified herein would, in fact, prompt such a result for the reasons set forth below.

2. Public disclosure of projected sales revenues, which are driven by and based on projected power prices, would afford KU's competitors a distinct competitive advantage in bidding for and securing new bulk power loads, as competitors could use KU's projected prices to outbid KU for these loads. Thus, public disclosure of the information requested in Question No. 6 would afford an undue preference to KU's wholesale power purchasers and sellers, as the latter would enjoy an obvious advantage in any contractual negotiation to the extent they knew the Company's forward price projections. As noted above, the Commission has treated such information as confidential in the past. (*See* Attachment 1, Letter from Executive Director Beth O'Donnell re KU Petition for Confidential Protection, Case No. 2006-00509 (Jan. 26, 2007), and Letter from Executive Director Beth O'Donnell re KU Petition for Confidential Protection, Case No. 2004-00465 (Feb. 10, 2005).)

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

2006-00509 (Jan. 26, 2007), and Letter from Executive Director Beth O'Donnell re KU Petition for Confidential Protection, Case No. 2004-00465 (Feb. 10, 2005).)

4. Disclosure of the factors underlying KU's bid analysis/selection process would likewise damage KU's competitive position and business interests. This information reveals the business model the Company uses -- the procedure it follows and the factors/inputs it considers -- in evaluating bids for coal supply. If the Commission grants public access to the information requested in Question No. 24, potential bidders could manipulate the bid solicitation process to the detriment of KU and its ratepayers by tailoring bids to correspond to and comport with KU's bidding criteria and process. As noted above, the Commission has treated such information as confidential in the past. (*See Attachment 1, Letter from Executive Director Beth O'Donnell re KU Petition for Confidential Protection, Case No. 2006-00509 (Jan. 26, 2007), and Letter from Executive Director Beth O'Donnell re KU Petition for Confidential Protection, Case No. 2004-00465 (Feb. 10, 2005).*)

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

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

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

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

Dated: February 11, 2009

Respectfully submitted,



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Counsel for Kentucky Utilities Company

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of the above and foregoing Motion for Confidential Treatment was served, via United States mail, postage prepaid, and electronic email to the following persons on the 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
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Michael L. Kurtz
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Counsel for Kentucky Utilities Company

KENTUCKY UTILITIES COMPANY

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

Case No. 2008-00520

Question No. 6

Witness: Robert M. Conroy

Q-6. Provide KU'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	21,789,811,790	\$ [REDACTED]
	2010	22,064,678,350	\$ [REDACTED]

KENTUCKY UTILITIES COMPANY

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

Case No. 2008-00520

Question No. 9

Witness: Charles R. Schram

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

KENTUCKY UTILITIES COMPANY

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

Case No. 2008-00520

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. 2008-00285, a review of KU's FAC for the period of 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 or Spot
Quantities: No minimum or maximum specified
Quality: Suitable for LG&E power plants, KU's Ghent power plant and KU's E. W. Brown power plant (beginning mid-year 2009)
Period: Up to 10 years
Generating Units: All LG&E coal fired units, KU's Ghent power plant and KU's E. W. Brown power plant (beginning mid-year 2009)
- b. Number of vendors receiving bids: 169
Number of vendors responded: 19

Selected vendor(s): 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
Frankfort, Kentucky 40602-0615
Telephone: (502) 564-3940
Fax: (502) 564-3460
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: KU Petition for Confidential Protection
Case No. 2006-00509

Dear Ms. Sturgeon:

The Commission has received your petition filed January 22, 2007, to protect as confidential KU'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 large, stylized handwritten signature in black ink, appearing to read "Beth O'Donnell".

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
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Mark David Goss
Chairman

Ellen C. Williams
Vice Chairman

Gregory Coker
Commissioner

February 10, 2005

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

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

Dear Mr. Cornett:

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

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

Sincerely,

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

Beth O'Donnell
Executive Director

cc: Parties of Record

Kentucky
UNDRIDLED SPIRIT

EQUAL OPPORTUNITY M/F/D